

IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the Offering Circular following this notice, and you are further advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer, the Arrangers and the Dealers as a result of such access.

Confirmation of Your Representation: By accessing the attached Offering Circular you have confirmed to Chapel Hill Denham Advisory Limited, Citigroup Global Markets Limited, Goldman Sachs International, J.P. Morgan Securities plc and Standard Chartered Bank (together, the “Arrangers” and “Dealers” and each an “Arranger” and “Dealer”) and the Federal Republic of Nigeria (the “Issuer”) that (i) you understand and agree to the terms set out herein, (ii) you are either (a) a person who is outside the United States and that the electronic mail address you have given is not located in the United States, its territories and possessions, or (b) a person that is a “Qualified Institutional Buyer” (a “QIB”) within the meaning of Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), (iii) you consent to delivery of the attached Offering Circular by electronic transmission, (iv) you will not transmit the attached Offering Circular (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Arrangers and the Dealers, and (v) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to subscribe for or purchase any of the Notes.

You are reminded that the attached Offering Circular has been delivered to you on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Offering Circular, electronically or otherwise, to any other person and in particular to any U.S. person or to any U.S. address. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

Restrictions: THE FOLLOWING ELECTRONIC TRANSMISSION MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THIS DOCUMENT MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT AND WITHIN THE UNITED STATES TO QIBS PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS DOCUMENT CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY NOTES DESCRIBED THEREIN.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION. ANY NOTES TO BE ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT TO QIBS PURSUANT TO RULE 144A.

Under no circumstances shall the attached Offering Circular constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The attached Offering Circular is not being distributed to, and must not be passed on to, the general public in the UK. Rather, the communication of the attached Offering Circular as a financial promotion is only being made to those persons falling within Article 12, Article 19(5) or Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or to other persons to whom the attached Offering Circular may otherwise be distributed without contravention of Section 21 of the Financial Services and Markets Act 2000. This communication is being directed only at persons having professional experience in matters relating to investments and any investment or investment activity to which this communication relates will be engaged in only with such persons. No other person should rely on it.

This Offering Circular does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that an offering of securities described herein be made by a licensed broker or dealer and an Arranger or Dealer or any affiliate of the applicable Arranger or applicable Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Arranger or such Dealer or such affiliate on behalf of the Issuer or holders of the applicable securities in such jurisdiction.

The attached Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Arrangers or the Dealers, any person who controls any of the Issuer, the Arrangers or the Dealers, any director, officer, employee or agent of any of them, or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the attached Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Arrangers or the Dealers. Please ensure that your copy is complete. You are responsible for protecting against viruses and other destructive items. Your use of this document is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Offering Circular



THE FEDERAL REPUBLIC OF NIGERIA

Global Medium Term Note Programme

Under this Global Medium Term Note Programme (the “**Programme**”), the Federal Republic of Nigeria (the “**Issuer**”) may from time to time issue notes (the “**Notes**”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively “**Bearer Notes and Registered Notes**”).

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the “**relevant Dealer**” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors”.

Application may be made to the United Kingdom Financial Conduct Authority (the “**FCA**”) for Notes issued under the Programme to be admitted to the official list of the UK Listing Authority (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Notes to be admitted to trading on the London Stock Exchange’s main market. For the purposes of any such application, the Issuer is an exempt issuer pursuant to Article 1(2) of Regulation (EU) 2017/1129 as it forms part of United Kingdom (“**UK**”) domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (as amended, the “**UK Prospectus Regulation**”). Accordingly, this Offering Circular has not been reviewed or approved by the FCA and has not been approved as a base prospectus by any other competent authority under the UK Prospectus Regulation. Notes admitted to the Official List and admitted to trading on the London Stock Exchange’s main market will not be subject to the prospectus requirements of the UK Prospectus Regulation, but will be issued in accordance with the listing rules of the London Stock Exchange.

References in this Offering Circular to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange’s main market and have been admitted to the Official List. The London Stock Exchange’s main market is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the EUWA (“**UK MiFIR**”).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a pricing supplement document (the “**Pricing Supplement**”).

Copies of any Pricing Supplement in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or any U.S. State securities laws and may not be offered or sold in the United States except pursuant to an exemption from, or transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See “*Form of the Notes*” for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see “*Subscription and Sale and Transfer and Selling Restrictions*”.

Neither this Offering Circular nor the Notes are required to be registered or cleared under the Nigeria Investments and Securities Act No. 29 of 2007 (as amended) or the Rules and Regulations of the Securities and Exchange Commission of Nigeria as amended from time to time (the “**Nigerian SEC**”). The Notes have not been registered with, recommended by or approved or disapproved by the Nigerian SEC nor has the Nigerian SEC confirmed the accuracy or determined the adequacy of this Offering Circular. Although the Notes may not be offered or sold to the public within Nigeria, the Issuer may apply for Notes issued under the Programme to be eligible for trading or listed on the FMDQ Securities Exchange Limited (“**FMDQ Exchange**”) and/or the Nigerian Exchange Limited (the “**NGX**”).

The Issuer has been rated Caa1 positive by Moody’s France SAS (“**Moody’s**”), B- with a positive outlook by Fitch Ratings Ltd. (“**Fitch**”) and B- by S&P Global Ratings Europe Limited (“**S&P**”). A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency. Moody’s and S&P are established in the European Economic Area (the “**EEA**”) and are registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). As such, S&P and Moody’s are included in the list of registered credit rating agencies published by the ESMA on its website (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation. S&P and Moody’s are not established in the United Kingdom and are not registered in accordance with Regulation (EC) No.1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (the “**UK CRA Regulation**”). However, the ratings have been endorsed by S&P Global Ratings UK Limited and Moody’s Investors Service Ltd, in accordance with the UK CRA Regulation. As such, the ratings issued by S&P and Moody’s may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation. Fitch is established in the United Kingdom and registered under the UK CRA Regulation. Fitch is not established in the EEA or registered under the CRA Regulation. However, the rating has been endorsed by Fitch Ratings Ireland Limited in accordance with the CRA Regulation. As such, the rating issued by Fitch may be used for regulatory purposes in the EEA in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by either/any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Pricing Supplement and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency.

Amounts payable on Floating Rate Notes will be calculated by reference to EURIBOR. As at the date of this Offering Circular, the administrator of EURIBOR (European Money Markets Institute) is included in ESMA’s register (the “**EU Benchmarks Register**”) of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (as amended, the “**EU Benchmarks Regulation**”) but not the register (the “**UK Benchmarks Register**”) of administrators established and maintained by the FCA pursuant to Article 36 of Regulation (EU) No. 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”).

Arrangers and Dealers

Chapel Hill Denham
Goldman Sachs International

Citigroup
J.P. Morgan

Standard Chartered Bank
Financial Adviser to the Issuer
FSDH Merchant Bank Limited

The date of this Offering Circular is 2 December 2024.

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Offering Circular and the Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Certain information under the heading “*Book-entry Clearance Systems*” has been extracted from information provided by the clearing systems referred to therein. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated in it by reference. See “*Documents Incorporated by Reference*”. This Offering Circular shall be read and construed on the basis that those documents are incorporated and form part of this Offering Circular.

None of the Dealers or FSDH Merchant Bank Limited (the “Financial Adviser”) has independently verified the information contained or incorporated by reference herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability (whether arising in tort or contract or otherwise) is accepted by the Dealers or the Financial Adviser, or any director, officer, employee, agent or affiliate of any such person, as to the accuracy or completeness of the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers or the Financial Adviser.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Dealers or the Financial Adviser that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Dealers or the Financial Adviser to any person to subscribe for or to purchase any Notes.

None of the Dealers, the Financial Adviser or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Financial Adviser expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

MiFID II product governance / target market – The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration

the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MiFIR product governance / target market – The Pricing Supplement in respect of any Notes may include a legend entitled “UK MiFIR product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. A distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Financial Adviser do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Financial Adviser which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the EEA, the UK, Nigeria, the United Arab Emirates (excluding the Dubai International Financial Centre (the “**DIFC**”)), the DIFC, Singapore and Japan, see “*Subscription and Sale and Transfer and Selling Restrictions*”.

This Offering Circular has been prepared on a basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption under Article 1(4) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) in the case of Notes offered in the EEA.

Any person making or intending to make an offer in an EEA Member State of Notes which are the subject of an offering contemplated in this Offering Circular as completed by the Pricing Supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer or the Financial Adviser to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital

markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) (the “**CMP Regulations**”) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

If a jurisdiction requires that an offer of Notes described herein be made by a licensed broker or dealer and an Arranger or Dealer or any affiliate of the applicable Arranger or applicable Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Arranger or such Dealer or such affiliate on behalf of the Issuer or holders of the applicable Notes in such jurisdiction.

U.S. INFORMATION

The Notes have not been registered with, recommended by or approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs (as defined under “*Form of the Notes*”) for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the “**IRC**”), and the Treasury regulations promulgated thereunder.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A under the Securities Act (“**Rule 144A**”) or any other available exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together “**Legended Notes**”) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Subscription and Sale and Transfer and Selling Restrictions*”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “*Form of the Notes*”.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a sovereign State and investors may effect service of process upon the Issuer within the United Kingdom through the Issuer’s High Commission in the United Kingdom.

Enforcement of Foreign Judgments in Nigeria

There are two statutory regimes for the enforcement of foreign judgments in Nigeria: the Reciprocal Enforcement of Judgment Ordinance, Chapter 175, Laws of the Federation of Nigeria and Lagos, 1958 (the “**Ordinance**”) and the Foreign Judgments (Reciprocal Enforcement) Act, Chapter F35, Laws of the Federation of Nigeria (“**LFN 2004**”) (the “**Act**”).

United Kingdom and Irish Court Judgments

The Ordinance applies to monetary judgments obtained (a) in the High Courts of England or Ireland, or in the Court of Session in Scotland or in any territory under His Majesty’s dominions to which the Ordinance is extended by proclamation; or (b) in the superior court(s) of any country covered by the Ordinance. A

judgment is defined under the Ordinance as any judgment or order given or made by a court in any civil proceedings, whether before or after the commencement of the Ordinance, where any sum of money is made payable, and includes an award in proceedings or an arbitration if the award has, in pursuance of the law in force in the place where it was made, become enforceable in the same manner as a judgment given by the court. Subject to certain exceptions, judgments obtained in these jurisdictions are enforceable by registration under the Ordinance.

To be enforceable, such judgments must be registered within twelve months after the date of the judgment or such longer period as may be allowed by a High Court or other superior court in Nigeria. In addition, the judgment must: (i) derive from civil proceedings; (ii) be final and capable of execution in the country of delivery; (iii) not have been wholly satisfied; (iv) be a monetary judgment for a certain sum; and (v) not suffer from want of jurisdiction, lack of fair hearing or fraud, be contrary to public policy or have been discontinued because the issue had already been decided by another competent court before its determination by the foreign court. *Provided that* the judgment satisfies these requirements, it will be recognised, registered and enforced in Nigeria in the currency of that judgment.

However, notwithstanding that a judgment emanates from a jurisdiction to which the Ordinance applies, such judgments are not registrable or enforceable in Nigeria or where already registered, such registration may be set aside where: (i) the foreign court acted without jurisdiction; (ii) the judgment debtor, being a person who was neither carrying on business nor ordinarily resident within the jurisdiction of the foreign court, did not voluntarily appear or otherwise submit or agree to submit to the jurisdiction of that court; (iii) the judgment debtor was not duly served with the process of the foreign court, and did not appear, notwithstanding that he was ordinarily resident or was carrying on business within the jurisdiction of the foreign court; (iv) the judgment was obtained by fraud; (v) the judgment debtor satisfies the registering court that an appeal is pending against the judgment or that he is entitled, and intends, to appeal against the judgment; or (vi) the judgment was in respect of a cause of action which could not have been entertained by the registering court for reasons of public policy or for some other similar reason. In this regard, notwithstanding that a judgment emanates from a jurisdiction to which the Ordinance applies, such judgment will not be registrable or enforceable in Nigeria if the judgment falls within any of the exceptions enumerated in items (i) to (vi) above.

United States and Other Jurisdictions Court Judgments

Part 1 of the Act applies to judgments obtained in the superior courts of any country (other than Nigeria). For the Act to be applicable to any foreign judgment, the Minister of Justice and Attorney General of the Federation (“**Minister of Justice**”) must have issued an order extending the provisions of Part 1 of the Act to the judgments obtained from the superior courts of the relevant foreign jurisdiction from where the judgment emanated. In extending the provisions of Part 1 of the Act to the judgments of any superior courts of any country, the Minister of Justice has to be satisfied that substantial reciprocity of treatment will be accorded in that country to judgments given by superior courts in Nigeria. Once the Minister of Justice has exercised his power by issuing an order extending the provisions of Part 1 of the Act to any country, judgments from the superior courts of such country will be enforceable in Nigeria within a period of six years from the date of the judgment, or where there have been proceedings by way of appeal against the judgment, within six years after the date of the last judgment given in those proceedings.

However, since the promulgation of the Act, the Minister of Justice has not issued any order extending Part 1 of the Act to any foreign jurisdiction. Section 10(a) of the Act, however, provides that a judgment issued before the commencement of the Minister of Justice’s order extending Part 1 of the Act to the foreign country where the judgment was given may be registered within a period of twelve months from the date of the judgment or such longer period as may be allowed by a superior court in Nigeria. While some Nigerian courts have relied on Section 10(a) of the Act to enforce judgments from some foreign jurisdictions, some other Nigerian courts have taken a different view and refused to rely on it as a basis for the enforcement of foreign judgments. To be registered and enforced, the judgment must: (i) derive from civil proceedings; (ii) be final and conclusive as between the parties thereto and capable of execution in the country of delivery; (iii) not have been wholly satisfied; (iv) be a judgment where there is a sum of money payable thereunder, not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty; and (v) not suffer from want of jurisdiction, lack of fair hearing or fraud, or be contrary to public policy (the “**Additional Requirements**”).

Notwithstanding the above, Nigerian courts are permitted by virtue of Section 10(a) of the Act to register foreign judgments obtained prior to the commencement of the order of the Minister of Justice extending Part 1 of the Act to the country in which such judgment emanated, *provided that* the registration application is brought within twelve months after the date of such judgments or such longer period extended by the court. The relevant foreign judgment must, however, satisfy the Additional Requirements.

In the case of a registration of a judgment by a superior court in Nigeria pursuant to Part 1 of the Act, the registering court may, upon the filing of an application by any party against whom such a registered judgment may be enforced, set aside the registration of such judgment where the court is satisfied that: (i) the judgment is not a judgment to which Part 1 of the Act applies or was registered in contravention of the provisions of the Act; (ii) the courts of the country of the original court had no jurisdiction in the circumstances of the case; (iii) the judgment debtor, being the defendant in the proceedings in the original court, did not (notwithstanding that process may have been duly served on him in accordance with the law of the country of the original court) receive notice of those proceedings in sufficient time to enable him to defend the proceedings and did not appear; (iv) the judgment was obtained by fraud; (v) the enforcement of the judgment would be contrary to public policy in Nigeria; or (vi) the rights under the judgment are not vested in the person by whom the application for registration was made. The registering court may also set aside a registration pursuant to Part 1 of the Act if it is satisfied that the matter in dispute in the proceedings in the original court had, previously on the date of the judgment, been the subject of a final and conclusive judgment by a court having jurisdiction in the matter.

There is currently no treaty between the United States and Nigeria providing for reciprocal enforcement of judgments and the Minister of Justice has not ordered the application of Part 1 of the Act to judgments obtained from the United States' superior courts or to the courts of any other country. Thus, as of the date hereof, judgments from courts in the United States or the courts of any other country (apart from (a) the High Courts in England or Ireland, the Court of Session in Scotland and the courts in any territory under His Majesty's dominions to which the Ordinance is extended by proclamation; or (b) the superior court(s) of any country covered by the Ordinance) can only be enforced in Nigeria by registration pursuant to Section 10(a) of the Act if such judgments are registered within twelve months after the date of the judgment or such longer periods as may be allowed by a superior court in Nigeria and they satisfy the Additional Requirements.

The Issuer has not consented to service in the United States, or waived sovereign immunity with respect to actions brought against it, under United States federal or State securities laws.

Enforcement of Arbitral Awards in Nigeria

Furthermore, under the Arbitration and Mediation Act, 2023 (the "AMA") an arbitral award shall (irrespective of the country in which such an award is made) be recognised as binding and, subject to Section 57 of the AMA, shall, upon application in writing to the court, be enforced by the High Court in Nigeria. Section 58 of the AMA preserves the rights of any of the parties to request that the court refuse the recognition or enforcement of the award. By Section 58 of the AMA, the court where recognition or enforcement of an award is sought or where an application for the refusal of recognition or enforcement thereof is brought, may in certain circumstances refuse to recognise or enforce an award.

Common Law Action on Foreign Judgment

In addition to the registration regimes described above, a foreign judgment may be enforced in Nigeria by action under common law. A person seeking to enforce a foreign judgment through such means would be required to commence a civil action before a court of competent jurisdiction in Nigeria, with the foreign judgment as the cause of action. An action brought in this way may also be heard and determined summarily in accordance with the relevant rules of the relevant Nigerian court. To be enforced under common law, the foreign judgment must: (i) be final and conclusive; (ii) be delivered by a superior court of competent jurisdiction in the foreign country; (iii) be for a definite sum of money, *provided that* it is not money recoverable as tax, penalty or fine; and (iv) if the judgment is for a *res* other than money, the *res* must have been situated at the jurisdiction of the foreign court that gave the judgment at the time of delivery.

However, there is case law in Nigeria which suggests that subject to the exceptions already discussed above, judgments of both Commonwealth and Non-Commonwealth jurisdictions are now enforceable by registration in Nigeria by virtue of Section 10(a) of the Act.

Currency of Judgment

Based on the provisions of the Ordinance and a line of Nigerian case law, foreign judgments can be enforced and recovered in Nigerian superior courts in a foreign currency. In contrast, Part 1 of the Act provides that a foreign judgment to which Part 1 of the Act applies may only be enforceable in Nigeria in Naira.

The relevant provisions of Part 1 of the Act will only become effective when the Minister of Justice makes an order to the effect that the Act shall apply to judgments of superior courts of a particular country that accords reciprocal treatment to judgments of superior courts of Nigeria. Upon the issuance of the order by the Minister of Justice, judgments of superior courts of any country (whether or not previously covered by the Ordinance), when registered and enforced in Nigeria, will be enforced only in Naira. One potential challenge presented by this regime of enforcement only in Naira is that the judgment creditor may be faced with significant exchange rate losses given that, pursuant to Section 4(3) of the Act, the judgment sum will be converted into Naira on the basis of the prevailing rate of exchange on the date the judgment sought to be enforced is obtained in the original court. Given that the Minister of Justice is yet to issue any order extending the application of Part 1 of the Act to judgments of superior courts of any country, and until such order is made, there is no restriction on Nigerian courts to allow foreign judgments to be registered, enforced and recovered in foreign currency based on the Ordinance or Section 10(a) of the Act (as the case may be).

Attachment of the Issuer's Assets

The legal effect of registration of any foreign judgment under the Ordinance or the Act is that the foreign judgment becomes the judgment of the registering court for the limited purpose of enforcement of the foreign judgment in Nigeria. By virtue of the Constitution, decisions of superior courts of Nigeria are enforceable in all parts of the Federation, and there is no carve-out preventing enforcement against any one of the three tiers of government or the Federal Government of Nigeria (the "**Federal Government**"). As such, assets of the Federal Government within Nigeria (except property of a military character and under the control of a military authority or defence agency of the Issuer and property dedicated to public or governmental use by the Issuer) do not enjoy immunity from execution or attachment and may be attached by the courts in satisfaction of any judgment against the Federal Government. Pursuant to the Sheriffs and Civil Process Act, Chapter S6, LFN 2004, the consent of the Attorney General must, however, first be obtained before money belonging to the Federal Government, and which is in the control or custody of a public officer, can be attached. Nigerian courts will generally be guided by principles of public policy and national security in granting applications for attachment of the assets of the Federal Government in satisfaction of any judgment against it. Execution of a judgment against assets of the Federal Government in the United States is subject to the limits of the Foreign Sovereign Immunities Act, as amended, and in the United Kingdom, subject to the limits in the State Immunity Act 1978, as amended.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Annual information presented in this Offering Circular is based upon the calendar year (which is the fiscal year for the Issuer), unless otherwise indicated. Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be the sum of the figures which precede them. Statistical information reported herein has been derived from official publications of, and information supplied by, a number of agencies and ministries of the Issuer including the Central Bank of Nigeria (the "**Central Bank**" or "**CBN**"), the Debt Management Office (the "**DMO**"), the National Bureau of Statistics (the "**NBS**") and the Office of the Accountant General. Some statistical information has also been derived from information publicly made available by the International Monetary Fund (the "**IMF**"), the International Bank for Reconstruction and Development (the "**World Bank**") and other third parties. Where information has been so sourced, the source is stated where it appears in this Offering Circular. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such third parties, no facts have been omitted

which would render the reproduced information inaccurate or misleading. Similar statistics may be obtainable from other sources, but the date of publication, underlying assumptions, methodology and, consequently, the resulting data may vary from source to source. In addition, statistics and data published by one ministry or agency may differ from similar statistics and data produced by other agencies or ministries due to differing underlying assumptions, methodology or timing of when such data is reproduced. Certain historical statistical information contained herein is provisional or otherwise based on estimates that the Issuer and/or its agencies believe to be based on reasonable assumptions. In particular, prospective investors should be aware that figures relating to Nigeria's GDP, its balance of payments and other figures cited in this Offering Circular may be subject to some degree of uncertainty and that the information set forth in this Offering Circular may become outdated relatively quickly. Some of the statistics contained in this Offering Circular may be indicated as estimated or provisional figures that are subject to later revision. In addition, the CBN's financial and economic statistics are subject to review as part of a regular confirmation process. Accordingly, such data and statistics may differ from information previously published by the CBN or MDAs, and are subject to further adjustment, amendment or revision, whether as part of regular review or otherwise. No assurance can be *provided that* such adjustment, amendment or revision may not be material.

Nigeria still faces a number of challenges in gathering statistical data, such as the lack of good source data and insufficient computerisation, inadequate information on subnational public finances and large errors and omissions in the balance of payments data, all of which continue to hinder compilation of timely and consistent data. Although there have been significant efforts to improve the compilation of Nigeria's data in recent years, including through technical assistance provided by the IMF, deficiencies remain; in particular, the IMF noted in its 2024 Article IV consultation that some data shortcomings remain, including in relation to information on subnational public finances and large errors and omissions in the balance of payments. See *“Risk Factors—Risks Relating to Nigeria—The statistical information published by Nigeria may differ from that produced by other sources, may be incomplete, delayed or inconsistent and is subject to revision, amendment and adjustment.”*

In line with recommendations from the UN Statistical Commission that countries rebase GDP every five years, the NBS began the rebasing of Nigeria's GDP exercise in May 2024. The new base year for GDP will be 2019 (compared to the current base year of 2010), and the NBS has disclosed that it has finalised plans to complete the rebasing of the country's GDP by the end of 2024. Similarly, the NBS has begun the rebasing of the CPI, as the index weights and baskets are currently based on expenditures derived from the 2003/4 National Consumer Expenditure Survey. The weights are severely outdated and are not representative of current expenditure patterns, which could introduce a bias into the index. As of the date of this Offering Circular, an update of the CPI, using new weights from the 2018 National Household Living Standards Survey, is still ongoing. As a result, some of the statistics contained in this Offering Circular for 2019, 2020, 2021, 2022, 2023 and 2024 may be estimated or provisional figures that are subject to later revision.

Rebasing enables economic estimates to better understand the current structure of the economy and sectoral growth drivers, and to better reflect the performance of the most important parts of the economy. The rebasing exercise, once completed, will allow the government to account for changes in production structure, relative product prices, and products. These measures will lead to changes in the size of GDP, growth rates, contributions by sector, and related indicators that use GDP and price statistics.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in *“Terms and Conditions of the Notes”* or any other section of this Offering Circular. In addition, the following terms as used in this Offering Circular have the meanings defined below:

In this Offering Circular, all references to:

- **“AfCFTA”** refers to the African Continental Free Trade Area;
- **“Agenda 2050”** refers to Nigeria's Agenda 2050, announced by Former President Buhari;

- “**Attorney-General**” refers to the Attorney-General of the Federation and Minister of Justice of the Federal Republic of Nigeria;
- “**APC**” refers to the All Progressives Congress;
- “**bscf**” refers to billion standard cubic feet;
- “**CAMA**” refers to the Companies and Allied Matters Act, No.3, 2020 (as amended);
- “**CBN**” or “**Central Bank**” refers to the Central Bank of Nigeria;
- “**CET**” refers to the Common External Tariff;
- “**CITA**” refers to the Companies Income Tax Act, Cap C21, LFN 2004 (as amended);
- “**Constitution**” refers to the Constitution of the Federal Republic of Nigeria 1999 (as amended);
- “**DPR**” refers to the Department of Petroleum Resources;
- “**ECOWAS**” refers to the Economic Community of West African States;” **EU**” means the European Union;
- “**euro**” and “**€**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- “**ERGP**” refers to Nigeria’s Economic Recovery and Growth Plan;
- “**ESP**” refers to the Economic Sustainability Plan;
- “**FCT**” refers to Abuja, the Federal Capital Territory;
- “**FDI**” refers to Foreign Direct Investment;
- “**Federal Government**”, “**Federal**” or “**Government**” refers to the Federal Government of Nigeria;
- “**Federation**” refers to the Federal Government, State Governments and Local Governments;
- “**Federation Account**” refers to a central distributable pool of funds (comprising oil revenues, value added tax, companies’ income tax, customs and excise duties as well as royalties and other income) established pursuant to Section 162 of the Constitution and into which are paid all revenues collected by the Federation, except limited categories of revenues excluded pursuant to the Constitution, and managed by the Federal Government;
- “**First NIP**” refers to the National Implementation Plan for the period 2010-2013;
- “**GDP**” refers to the gross domestic product;
- “**GOEs**” refers to Government-owned entities;
- “**IMF**” refers to the International Monetary Fund;
- “**IPOB**” means Indigenous People of Biafra;
- “**LFN 2004**” means the Laws of the Federation of Nigeria;
- “**Local Government**” refers to the local governments of the State Government and the area councils of the FCT;
- “**mbpd**” refers to million barrels per day;
- “**MDAs**” refers to Federal ministries, departments and agencies;

- “**mmscfd**” refers to millions of standard cubic feet per day;
- “**mmtpa**” refers to million metric tons per annum;
- “**MSMEs**” refers to micro, small and medium enterprises;
- “**Naira**” and “**₦**” refer to the Nigerian Naira, the lawful currency of Nigeria;
- “**NBS**” refers to the National Bureau of Statistics;
- “**NCDMB**” refers to the Nigerian Content Development and Monitoring Board;
- “**NDP 2025**” refers to the National Development Plan, 2021-2025;
- “**NGL**” means natural gas liquid;
- “**Nigeria**” refers to the Federal Republic of Nigeria;
- “**NIWRMC**” refers to the Nigeria Integrated Water Resources Management Commission;
- “**NMDPRA**” refers to the Nigerian Midstream and Downstream Petroleum Regulatory Authority;
- “**NNPC**” refers to the Nigerian National Petroleum Corporation, the predecessor to the Nigerian National Petroleum Company Limited;
- “**NNPC Ltd**” refers to the Nigerian National Petroleum Company Limited;
- “**NPRGS**” refers to the National Poverty Reduction with Growth Strategy;
- “**NUPRC**” refers to the Nigerian Upstream Petroleum Regulatory Commission;
- “**OPEC**” refers to the Organisation of the Petroleum Exporting Countries;
- “**Petroleum Act**” refers to the Petroleum Act of 1969;
- “**PHCN**” refers to the Power Holding Company of Nigeria;
- “**PIA**” refers to the Petroleum Industry Act 2021;
- “**President Tinubu**{XE "President Tinubu"}” refers to the current President of Nigeria, Bola Ahmed Tinubu;
- “**RHA**” refers to the Renewed Hope Agenda;
- “**SARS**” refers to Special Anti-Robbery Squad;
- “**State Governments**” refers to the state governments of Nigeria and the FCT;
- “**Supreme Court**” refers to the Supreme Court of Nigeria;
- “**TIC**” refers to the Transition Implementation Committee;
- “**Transformation Agenda**” refers to the Transformation Agenda 2011-2015 introduced by former President Goodluck Jonathan;
- “**TITs**” refers to the Transition Implementation Teams;
- “**UN**” refers to the United Nations;
- “**United States**” or the “**U.S.**” refers to the United States of America;
- “**UNODC**” refers to the United Nations Office on Drugs and Crime;
- “**U.S. dollars**”, “**U.S.\$**” and “**\$**” refer to the lawful currency of the United States of America; and

- “VAT” refers to value added tax

References to a “billion” are to a thousand million; references to a “trillion{ XE “trillion” }” are to a million million.

Certain figures and percentages included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Generally, investment in emerging markets such as Nigeria is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Potential investors are urged to consult their own legal and financial advisers before making an investment in any Notes.

Such risks include, but are not limited to, higher volatility and more limited liquidity in respect of any Notes, a narrow export base, budget deficits, lack of adequate infrastructure necessary to accelerate economic growth and changes in the political and economic environment. Emerging markets can also experience more instances of corruption by government officials and misuse of public funds than more mature markets, which could affect the ability of governments to meet their obligations under issued securities.

Potential investors should also note that emerging markets such as Nigeria are subject to rapid change and that the information set out in this Offering Circular may become outdated relatively quickly.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Offering Circular contains forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “projects”, “expects”, “intends”, “may”, “will”, “seeks” or “should” or, in each case, their negative or other

variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements are statements that are not historical facts and include statements about the Issuer's beliefs and expectations. These statements are based on current plans, estimates and projections and, therefore, undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. Although the Issuer believes that the beliefs and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such beliefs and expectations will be realised.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. The information contained in this Offering Circular identifies important factors that could cause such differences, including, but not limited to, the following adverse external factors, such as:

- changes in international commodity prices, particularly oil, foreign exchange rates or prevailing interest rates, which could adversely affect Nigeria's debt service costs, balance of payments and external reserves;
- recession, epidemics and other public health concerns, political unrest or low economic growth in Nigeria's trading partners, which could decrease exports, adversely affect Nigeria's economy and, indirectly, reduce tax and other public sector revenues, thereby adversely affecting Nigeria's budget;
- changes in the terms on which international financial institutions provide financial assistance to Nigeria or fund new or existing projects, which could decrease exports, could adversely affect Nigeria's economy and, indirectly, reduce tax and other public sector revenues, thereby adversely affecting Nigeria's budget;
- adverse events in other emerging market countries, which could dampen foreign investment or adversely affect the trading price of the Notes;
- the impact of global geopolitical conflicts; and
- the impact of climate change,

and adverse domestic factors, such as:

- the impact of recent policy measures introduced by the administration of President Bola Ahmed Tinubu "**President Tinubu**{XE "President Tinubu"}" on the Nigerian economy and their uncertain outcomes;
- a failure to continue to implement reforms in the oil and gas industry, banking and power sectors or other industries or economic sectors;
- the floatation of the Naira, which caused significant economic disruptions and ultimately resulted in a rapid devaluation in 2024;
- the inability to increase foreign direct investment, the inability to grow the non-oil sector of the economy and any delays in the pace, scale and timing of privatisations;
- the inability of Nigeria to implement appropriate fiscal policies successfully;
- changes in the monetary policy applicable in Nigeria which could result in sustained periods of high inflation and adversely affect growth rates;
- political and electoral factors that could threaten the stability of the country, ignite religious and ethnic violence, undermine political and socio-economic developments;
- the inability of Nigeria to eliminate violence in the north of the country and in the Niger Delta region; and

- the inability of Nigeria to address its infrastructure deficiencies, such as those in the power sector, which may affect its ability to implement the Government’s Agenda 2050 effectively and negatively impact the pace of economic growth.

The sections of this Offering Circular entitled “*Risk Factors*”, “*The Federal Republic of Nigeria*”, “*The Economy*”, “*Foreign Trade and Balance of Payments*”, “*Public Finance*”, “*Monetary System*”, and “*Public Debt*” contain forward-looking statements, as well as a more complete discussion of the factors that could adversely affect the Issuer. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Offering Circular may not occur.

Any forward-looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, the Issuer does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by law or applicable regulations. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Offering Circular.

Exchange Rate

The official currency of Nigeria is the Naira, which was introduced in January 1973. Until June 2023, there were two foreign exchange rate segments in Nigeria:

- (1) the interbank exchange rate, determined by a two-way quote system of banks trading amongst themselves and with corporates, individuals and the CBN; and
- (2) the bureaux de change rate, introduced in 2009, is the rate at which private money changers sell foreign exchange sourced from both the CBN and the interbank market to small users for personal travel, overseas school fees, overseas medical fees or business travel allowances.

The two foreign exchange rate segments were abolished in mid-2023 following the unification of all exchange rates by the current administration of President Tinubu. The exchange rate unification reform of 2023 aimed to consolidate all exchange rates into a single market-determined rate to promote transparency and price discovery in the foreign exchange market. The abolition of FX market segmentation resulted in the transition of the previously existing segments into the Investors’ and Exporters’ (I&E) window – which adopts a “willing buyer, willing seller” model for trade transactions, now renamed Nigerian Autonomous Foreign Exchange Market (NAFEM). All eligible transactions such as FX applications for the importations of goods, repayment of loans and payment of interest, payment for specified services, Medical Needs, School Fees, Business Travel Allowance/ Personal Travel Allowance (BTA/PTA), and Small and Medium Enterprises transactions are permissible at the NAFEM and processed by the Deposit Money Banks, subject to the applicant providing the prescribed documentation.

See “*Monetary System — Exchange Rate*” for further discussion.

The following table sets forth information on the exchange rate between the Naira and the U.S. dollar as reported by the Central Bank for each of the periods specified. See also “*Monetary System — Exchange Rate*”.

	<u>Average⁽¹⁾</u>	<u>High</u>	<u>Low</u>	<u>Period End</u>
	(₦:U.S.\$1.00)			
2019	306.92	307.00	306.70	307.00
2020	358.47	381.00	306.90	381.00
2021 ⁽²⁾	399.68	413.49	380.00	413.49
2022	423.87	449.05	413.67	449.05
2023	646.42	1039.63	449.51	899.89
January 2024	941.76	1357.38	853.771	1357.38
February 2024	1505.32	1662.85	1368.25	1561.01
March 2024	1511.34	1625.23	1304.34	1330.76
April 2024	1237.06	1374.15	1119.49	1330.21
May 2024	1433.81	1530.87	1197.11	1475.19
June 2024	1482.33	1513.74	1448.47	1470.69
July 2024	1558.07	1611.71	1508.54	1611.71
August 2024	1587.44	1619.23	1565.43	1596.64
September 2024	1607.72	1667.22	1585.26	1601.53
October 2024	1641.16	1670.47	1590.69	1670.47
November 2024	1660.03	1688.78	1652.14	1663.40

(1) The average of the exchange rates for each day during the year or period, as applicable.

(2) The CBN adopted the Importers & Exporters rate as the official exchange rate from May 2021.

Sources: CBN Statistical Bulletin, CBN Financial Markets Department and CBN Exchange Rates

As at 29 November 2024, the Official Exchange Rate was ₦1,663.40: U.S.\$1.00. No representation is made that the Naira or U.S. dollar amounts in this Offering Circular could have been converted in U.S. dollar or Naira, as the case may be, at any particular rate or at all.

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STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following is an overview of certain information contained elsewhere in this Offering Circular. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement.

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this Overview.

“ Issuer ”	The Federal Republic of Nigeria
“ Issuer Legal Entity Identifier ”	549300GSBZD84TNEQ285
“ Risk Factors ”	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under “ <i>Risk Factors</i> ”.
“ Description ”	Global Medium Term Note Programme
“ Arrangers and Dealers ”	Chapel Hill Denham Advisory Limited Citigroup Global Markets Limited Goldman Sachs International J.P. Morgan Securities plc Standard Chartered Bank and any other Arrangers and/or Dealers appointed in accordance with the Programme Agreement.
“ Financial Adviser to the Issuer ”	FSDH Merchant Bank Limited
“ Certain Restrictions ”	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale and Transfer and Selling Restrictions</i> ”) including the following restrictions applicable at the date of this Offering Circular.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its

	equivalent, see “ <i>Subscription and Sale and Transfer and Selling Restrictions</i> ”.
“ Issuing and Principal Paying Agent ”	Citibank, N.A., London Branch
“ Programme Size ”	The amount of the Programme will be in accordance with the terms of the Programme Agreement.
“ Distribution ”	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
“ Currencies ”	Subject to any applicable legal or regulatory restrictions, the Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
“ Maturities ”	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
“ Issue Price ”	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
“ Form of Notes ”	The Notes will be issued in either bearer or registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
“ Fixed Rate Notes ”	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
“ Floating Rate Notes ”	Floating Rate Notes will bear interest at a rate determined: <ul style="list-style-type: none"> (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (b) on the basis of the reference rate set out in the applicable Pricing Supplement. <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such</p>

Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

“Zero Coupon Notes” Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

“Redemption” The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see *“Certain Restrictions - Notes having a maturity of less than one year”* above.

“Denomination of Notes” The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see *“Certain Restrictions - Notes having a maturity of less than one year”* above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) unless the Notes will only be offered to the public pursuant to an exemption under Section 86 of the FSMA, in the case of Notes offered in the UK or Article 1(4) of the Prospectus Regulation, in the case of Notes offered in the EEA.

The minimum denomination of each Legended Note will be U.S.\$200,000 or its approximate equivalent in other Specified Currencies.

“Taxation” All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required

	to pay additional amounts to cover the amounts so deducted.
“ Negative Pledge ”	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
“ Events of Default ”	The terms of the Notes will permit the acceleration of the Notes following the occurrence of certain events of default as further described in Condition 10.
“ Status of the Notes ”	The Notes and any relative Coupons constitute direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> , without any preference among themselves, with all other present and future unsecured and unsubordinated obligations of the Issuer, save only for such obligations as may be preferred by mandatory provisions of applicable law; <i>provided, however, that</i> the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due on the Notes and vice versa.
“ Meetings of Noteholders, Modification and Waivers ”	<p>The terms of the Notes contain a “collective action” clause, which permits defined majorities to bind all Noteholders. If the Issuer issues debt securities that contain collective action clauses in substantially the same form as the collective action clause in the terms of the Notes, the Notes would be capable of aggregation for voting purposes with any such debt securities, thereby allowing “cross-series” modifications to the terms and conditions of all affected Series of Notes (even, in some circumstances, where majorities in certain Series did not vote in favour of the modifications being voted on).</p> <p>See Condition 15 and “<i>Risk Factors—Risks Related to Notes Generally—The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.</i>”</p>
“ Rating ”	Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement and will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

<p>“Listing”</p>	<p>Application may be made for Notes issued under the Programme to be listed on the London Stock Exchange.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets. The Issuer may apply for Notes issued under the Programme to be eligible for trading or listed on the FMDQ Securities Exchange Limited and/or the Nigerian Exchange Limited.</p>
<p>“Governing Law”</p>	<p>The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.</p>
<p>“Selling Restrictions”</p>	<p>There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA, the UK, Nigeria, the United Arab Emirates (excluding the Dubai International Financial Centre (the “DIFC”)), the DIFC, Singapore and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “<i>Subscription and Sale and Transfer and Selling Restrictions</i>”.</p>
<p>“United States Selling Restrictions”</p>	<p>Regulation S, Category 1. Rule 144A, TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.</p>

RISK FACTORS

The Issuer believes that the following factors may affect Nigeria's economy and the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below. These factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay principal, interest or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding Notes issued under the Programme comprise an exhaustive list of the risks inherent in investing in such Notes, and the Issuer may be unable to pay amounts due on the Notes for reasons not described below. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular prior to making any investment decision.

RISKS RELATED TO NIGERIA

Investing in securities of emerging market countries such as Nigeria poses a greater degree of risk than investment in more mature market economies because the economies in emerging markets are more susceptible to destabilisation resulting from domestic and international developments.

Investing in securities of emerging market countries, such as Nigeria, generally poses a greater degree of risk than investment in more mature market economies because the economies in emerging markets are more susceptible to destabilisation resulting from domestic and international developments. These risks include, but are not limited to, higher volatility and more limited liquidity in respect of the Notes, political risk, social unrests, terrorism and obstacles to effectively combating the financing of terrorism, inflation, currency volatility, exchange controls, instability in neighbouring countries and surrounding regions, corruption, money-laundering, a narrow export base, budget deficits, delays in reform and transformation agendas, lack of adequate infrastructure necessary to accelerate economic growth and changes in the political and economic environment. Emerging market countries can also experience more instances of corruption by government officials and misuse of public funds than do more mature markets, which could adversely affect the country and the perception of doing business therein, all of which can affect the ability of governments to meet their financial commitments domestically and internationally, including but not limited to obligations under issued securities.

Although significant progress has been made in reforming Nigeria's economy and its political and judicial systems since the Constitution of the Federal Republic of Nigeria 1999 (as amended) (the "**Constitution**") came into effect and a democratically-elected government was sworn in in 1999, Nigeria is still in the process of developing the necessary infrastructure, regulatory and judicial framework that is essential to support market institutions and broad-based social and economic reforms. Generally, investment in securities of issuers in emerging markets, such as Nigeria, is only suitable for sophisticated investors who fully appreciate the significance of risks involved in, and are familiar with, investing in emerging markets and investors are urged to consult their own legal and financial advisers before making an investment.

Furthermore, because international investors' reactions to events occurring in one emerging market country sometimes appear to demonstrate a "contagion" effect, in which an entire region or class of investment is disfavoured by international investors, Nigeria could be adversely affected by negative economic or financial developments in other emerging market countries. This is particularly the case in the current economic environment where a number of emerging economies globally have entered periods of financial stress and distress following the recent COVID-19 pandemic and its impact on the global economy. For example, according to the International Monetary Fund (2023 Regional Economic Outlook: Sub-Saharan Africa), over half of the region's low-income countries are at a high risk of debt distress or are already in distress. Any possible defaults or forced restructuring in other African nations currently ongoing or which could occur may affect the market's perception of Nigeria and have consequential and adverse effects on Nigeria's economy.

These and similar developments could adversely affect economic or market conditions and contribute to instability in global exchange markets, which could have a material adverse impact on Nigeria's economy. See "*—The Nigerian economy and, in particular, Government revenues, are highly dependent on oil*

production and sales and prices of oil in global markets” for more information on the importance of oil exports to Nigeria’s economy.

Investors should also note that emerging markets, such as Nigeria, are subject to rapid changes and that the information set out in this Offering Circular may become outdated relatively quickly.

The Nigerian economy and, in particular, Government revenues, are highly dependent on oil production and sales and prices of oil in global markets.

The oil sector plays a central role in Nigeria’s economy, accounting for a substantial portion of export earnings. According to the Nigerian National Bureau of Statistics, in 2019, 2020, 2021, 2022 and 2023, the oil sector accounted for approximately 8.8%, 8.2%, 7.2%, 5.7% and 5.4% of real GDP, respectively, and 83.9%, 87.4%, 76.5%, 79.9% and 81.0% of export earnings, respectively. In the six months ended 30 June 2024, the oil sector accounted for 6.44% of real GDP and 87.45% of export earnings (*Source: NBS/CBN*). Reductions in revenues from oil, particularly in light of measures related to global geopolitical tensions (such as outbreaks of violence or wars), could have a material adverse effect on the economy of Nigeria. While Nigeria continues to diversify its economy, with the oil sector shrinking as a percentage of real GDP in recent years, the revenue derived from the oil sector as a percentage of total export revenues has remained largely consistent throughout the same period, and so the oil sector has and will continue to play a significant role in the country’s export earnings in the near to medium term.

As a result, Government revenues are substantially dependent on oil sector revenues. These revenues are derived from sales of crude oil and gas, royalties and taxes and fees, and are affected by the level of oil production in Nigeria and prevailing world oil prices and decreases in international oil prices and a reduction in oil production have adversely affected Government revenue and may continue to do so. For example, in May 2020, as part of the attempt to support oil price by reducing excess availability of crude oil in world markets, the Organisation of the Petroleum Exporting Countries (“OPEC”) reduced Nigeria’s oil production allocation, from an initial allocation of 1.75 mbpd, to 1.41 mbpd. As a result, Nigeria’s oil production averaged 1.76 mbpd in 2020, compared to 2.01 mbpd in 2019. Since 2020, unplanned disruptions and reduced investment in upstream development have led to a significant decline in crude oil production, resulting in Nigeria’s oil production averaging 1.52 mbpd in 2021 and 1.32 mbpd in 2022. Nigeria’s average daily crude oil production has since slowly recovered, supported by efforts to improve efficiency in the domestic oil industry, attract investment and the commencement of operations at the Dangote Refinery and the Old Port Harcourt Refinery. Nigeria recorded an average production of 1.47 mbpd for the year ended 31 December 2023 and 1.51 mbpd for the first six months of 2024. Volatility in the amount of oil produced in Nigeria directly impacts Government revenues, as does the price of oil.

In recent years there have also been significant fluctuations in world oil prices, with prices falling to a multi-decade low immediately following the start of the global pandemic, steadily increasing thereafter with a sharp increase following Russia’s invasion of Ukraine in early 2022, followed by a similarly sharp fall in the months following. Since then, prices have remained largely within a consistent price band.

Oil price fluctuations can arise in response to relatively minor changes in the supply of oil, demand for oil, market uncertainty and a variety of additional factors that are beyond Nigeria’s control. These factors include, but are not limited to, political conditions in the Middle East and other oil-producing regions, economic and political decisions of OPEC, of which Nigeria is a member, and other oil-producing nations’ levels of crude oil production, domestic and foreign supplies of oil (including shale oil production in the United States), consumer demand, environmental conditions, domestic and foreign government regulations, transport costs, the price and availability of alternative fuels, global environmental concerns and overall economic conditions. Further reductions in oil prices will likely negatively impact export earnings, government revenue, and national disposable income, whilst potentially widening the fiscal deficit should the price of oil fall below the budgeted benchmark oil price.

According to the CBN, in the year ended 31 December 2023, the average price per barrel of Nigerian crude oil (Bonny Light) was U.S.\$84.56, a decrease of 19.17% compared to U.S.\$104.62 in December 2022. In the years ended 31 December 2021, 2020 and 2019, the average price per barrel of Nigerian crude oil was U.S.\$70.12, U.S.\$41.89 and U.S.\$65.85, respectively, and for the six months of 2024, the average price per barrel of Nigerian crude oil was U.S.\$86.31.

As a result of these changes in oil production and price, Government oil revenues have varied in recent years, totaling ₦5,223.0 billion, ₦4,403.1 billion, ₦4,576.1 billion, ₦4,665.3 billion and ₦5,949.5 billion in 2019, 2020, 2021, 2022 and 2023 respectively.

The level of Nigeria's oil revenues may also be adversely affected by the level of the costs and capital contributions borne or payable by the Nigerian National Petroleum Company Limited (“NNPC Ltd”) under its agreements with its joint venture partners. See “*Economy – Principal Sectors of the Economy – Oil and Gas – Upstream – Joint Ventures*”.

In addition, the level of oil production and oil revenue in Nigeria has been, and may continue to be, adversely affected by other factors, including changes in oil production quotas by OPEC, the response of international oil companies to changes in the regulatory framework for oil production in the relevant country or region, and theft of crude oil from pipelines and tank farms. See “*Economy – Midstream – Oil refining capacity constraints and proposed reforms*” and “- *Nigeria has limited refinery capacity and relies heavily on imported refined oil and petroleum products.*” Many countries are also actively seeking to develop alternative sources of energy and to reduce their dependence on oil as a source of energy, and any long-term shift away from fossil fuels could adversely affect oil prices and oil demand and the resulting oil revenue of Nigeria.

Continued volatility in oil production in Nigeria and oil prices generally will impact Government oil revenues, which could have a material and adverse effect on Nigeria's economy, and the Issuer's ability to make payments under the Notes. See also “—*Oil production in Nigeria is impacted by militant activity disrupting oil production and supply*”.

Oil production in Nigeria is impacted by militant activities, vandalism and theft disrupting oil supply and transportation.

High levels of disruptions resulting from militant activities, pipeline vandalism and oil theft in the Niger Delta area have resulted in significant fluctuations in oil production in Nigeria, with oil production in Nigeria generally falling below production capacity and budget targets. Total crude oil and condensate production in Nigeria averaged 1.47 mbpd in 2023, compared to 1.32 mbpd in 2022, 1.52 mbpd in 2021, 1.76 mbpd in 2020 and 2.01 mbpd in 2019.

Nigeria has consistently struggled to reach its maximum production capacity in recent years. In January 2024, its OPEC quota was lowered by approximately 200,000 b/d after months of underproduction. President Tinubu, who campaigned on a promise to reform the country's oil sector, declared a state of emergency in the industry in June 2024, directing security agencies to target thieves and vandals in the Niger Delta. In August 2024, Nigerian authorities arrested 16 suspects and seized 63 illegal refineries across the country in a week-long operation aimed at combating crude oil theft (*Source: OCCRP*).

To further address these issues, the Government has embarked on a campaign to remove illegal connections and illegal refineries, employed private security contractors, increased collaboration with government security and intelligence agencies and operators, and maintained continuous engagement with host communities. Additionally, there has been a focus on the maintenance and repair of infrastructure to enhance capacity, including the replacement of aging pipeline segments and other equipment.

As a result of these interventions, Nigeria's oil and gas production has risen sharply. Average production in the first nine months of 2024 was 5% higher than the same period in 2023. On 24 September 2024, crude oil production was recorded at 1,324.293 kbpd with an additional 219.997 kbpd from condensates, totalling 1,544.29 kbpd. On November 14, the head of the NNPC Ltd stated that production had increased to 1.81 mbpd, partly due to efforts to combat oil theft estimated at around 400,000 barrels per day.

Despite these improvements, the risk of future disruptions remains. While enhanced security measures have been implemented, their long-term sustainability and effectiveness are uncertain and historical incidents underscore the ongoing risk. According to NNPC Ltd, in 2022 and 2023, 1,749 and 3,686 incidents of vandalism were reported, respectively.

The interruption of production operations, vandalism of oil pipelines and theft of crude oil from pipelines and tank farms has resulted in the loss of revenue and may continue to do so. In 2021, Nigeria experienced

an estimated revenue loss of ₦1.96 trillion due to oil theft. This issue persisted into 2022, with losses amounting to approximately ₦603.64 billion. The trend worsened in 2023, with revenue losses estimated to be approximately ₦2.3 trillion. Despite increased efforts by the Government, security agencies, and joint venture oil partners to combat this theft, including enhanced monitoring of pipelines and production facilities, the problem continues to undermine the financial stability of Nigeria's oil and gas sector. Disruption, or a perceived risk of disruption, by militants or labour strikes may result in a higher occurrence of delayed or abandoned oil projects or contribute to slower growth in oil and gas production, all of which could have a negative impact on Nigeria's economy given its reliance on oil.

The Naira has depreciated significantly in 2024, and further depreciation of the Naira against other currencies or limited recovery of the Naira against foreign currencies could adversely impact the Nigerian economy.

The CBN historically sought to maintain the exchange rate between the Naira and the U.S. dollar within a narrow band with periodic adjustments. In recent years, however, the Naira has depreciated significantly against the U.S. dollar, from an average exchange rate of ₦403.1 to U.S.\$1 in 2021 to ₦646.42 to U.S.\$1 in 2023 and to ₦1,654.0 to U.S.\$1 as of 30 September 2024. There have also historically been periods of significant shortage of foreign currency liquidity in the country, in particular related to the U.S. Dollar since 2021. This initially resulted in volatility in the foreign exchange market with significant divergence between the rates at which U.S. dollars are available in the market. The CBN has imposed additional currency controls that have restricted access to U.S. dollars in the official foreign exchange market. The parallel U.S. Dollar market and lack of liquidity were factors that impacted economic activity in the country.

Following the 2023 elections in Nigeria, the new administration sought to implement a comprehensive reform agenda including the removal of subsidies on refined petroleum and the merger of the exchange rate windows. Whilst these measures were aimed at long-term economic stability, the short-term effects have materially impacted the country. For example, the removal of exchange rate restrictions resulted in a rapid devaluation of the Naira in 2024, intensifying liquidity challenges in the foreign exchange market.

The devaluation has impacted all sectors of the economy, having led to increased costs for imports, contributing to high inflation rates and significantly affecting the cost of living. While these policy changes are aimed at long-term economic benefits, they have introduced elements of economic instability that may adversely affect Nigeria's economic environment.

While the Government and the CBN have undertaken numerous initiatives to address the impact the liberalised exchange rate regime has had, the impact on the economy has been widely felt and if policy initiatives fail to create an improvement in the value of the Naira compared to foreign currencies, the challenges faced within the country are likely to remain in the short term.

No assurance can be given that the exchange rate will remain stable or that the CBN will or will not draw on external reserves to stabilize the exchange rate or that inflation will be stable. Demand pressure will continue to increase in the foreign exchange market largely due to speculative demand following future declines in international crude oil prices. Any further currency fluctuations and/or fluctuations in Nigeria's external reserves may negatively affect the Nigerian economy and therefore Nigeria's ability to meet its debt obligations, resulting from interventions by the CBN. See also "A significant decline in the level of external reserves could adversely impact the Nigerian economy and impair Nigeria's ability to service its debt".

Nigeria's high fiscal deficit and/or increases in government debt (including debt service costs) could have a material adverse effect on Nigeria's economy and its ability to service its debt, including meeting its payment obligations under the Notes.

Despite historically low levels of public debt, the fiscal deficit remains significant, and public debt levels have continued to increase in recent years. This rise in debt is primarily due to the need to finance budget deficits amidst inadequate revenues, particularly oil revenues, since Nigeria has a relatively narrow revenue base.

As of 30 June 2024, in Naira terms, Nigeria's total public debt was ₦134.3 trillion. This reflects a 10.4% increase from ₦121.7 trillion in the first quarter of 2024 and a significant 53.7% rise from ₦87.4 trillion in

June 2023. The total debt figure includes the combined domestic and external debt stocks of the Federal Government, 36 state governments, and the Federal Capital Territory. The quarterly increase of 10.4% was largely driven by the depreciation of the Naira, which increased the Naira value of external debt, along with a rise in domestic debt. In contrast, the total public debt in U.S. dollar terms decreased by approximately U.S.\$22.05 billion, or 19.45%, from U.S.\$113.4 billion in June 2023 to U.S.\$91.35 billion in June 2024. This apparent decline in the U.S. dollar value is attributable to the devaluation of the Naira, as opposed to an actual reduction in debt.

Nigeria's external debt rose to U.S.\$42.9 billion in June 2024, up from U.S.\$42.1 billion in March 2024, while domestic debt increased to ₦71.2 trillion from ₦65.6 trillion during the same period. The ₦5.57 trillion rise in domestic debt was primarily driven by new borrowings by the Federal Government to finance the 2024 budget deficit. For external loans, multilateral and bilateral borrowings are largely on concessional terms, while commercial and syndicated loans are obtained on commercial terms. As of 30 June 2024, borrowings from multilateral sources amounted to U.S.\$21.6 billion, representing 50.4% of the total external debt. Bilateral loans accounted for U.S.\$5.9 billion, or 13.7%. Borrowings through Eurobonds on commercial terms totalled U.S.\$15.1 billion, making up 35.9% of external debt.

As of 31 December 2023, Nigeria's total outstanding external debt was ₦38.22 trillion (U.S.\$42.50 billion) and domestic indebtedness stood at ₦59.12 trillion (U.S.\$65.73 billion). Comparatively, as of 31 December 2022, the total external debt was ₦18.70 trillion (U.S.\$41.69 billion) and domestic indebtedness was ₦27.55 trillion (U.S.\$61.42 billion). As of 31 December 2021, the total external debt was ₦15.86 trillion (U.S.\$38.39 billion) and domestic indebtedness was ₦23.70 trillion (U.S.\$57.39 billion).

The U.S. dollar value of the total public debt stock of the Government, which includes both external and domestic debt owed directly by the Federal Government and external debt on-lent by the Federal Government to the States and the Federal Capital Territory ("FCT"), has also increased significantly in recent years. The total public debt stock rose from U.S.\$84.1 billion at the end of 2019 to U.S.\$86.4 billion in 2020, U.S.\$95.8 billion in 2021, U.S.\$103.1 billion in 2022, and U.S.\$108.2 billion in 2023. This increase is primarily attributable to the National Assembly approving higher levels of new borrowings in the Budget and the securitisation of a portion of Ways and Means advances at the CBN, which formally converts these advances into long-term debt and adds them to the official public debt statistics (*Source: DMO*).

The debt-to-GDP ratio was 54.5% of nominal GDP for the first half of 2024 (annualised), compared to 37.3% of GDP as of 30 June 2023, and ₦42.8 trillion, or 21.2% of GDP as of 30 June 2022. At 54.5%, the ratio has exceeded the 40% limit set in the Medium-Term Debt Management Strategy 2024 – 2026, although this still remains within the limits set by the Economic Community of West African States (70%) and the World Bank and the IMF (55%). The draft Medium-Term Debt Management Strategy for 2024-2027 recommends a ratio of 60%.

The 2023 Debt Sustainability Analysis, which is undergoing an approval process, shows that Nigeria's debt to GDP and gross financing needs to GDP ratios were 42.34% and 6% as at 31 December 2023, and below the MAC-DSF threshold of 70% and 15% respectively, including in the projection periods of 2024 to 2028. However, the debt service to revenue ratio which was 57% in 2023 and averaged at 87.4% in the period 2024 to 2028, were considered high.

In the year ended 31 December 2023, the Government recorded a total fiscal deficit of ₦12.9 trillion, equivalent to 5.6% of GDP and significantly higher than the 4.2% fiscal deficit recorded in 2022. However, the fiscal deficit for 2023 was lower than the ₦13.8 trillion projected in the 2023 Budget (including supplementary budgets). The Government is required at times to fund the fiscal deficit with an increase in borrowings, which could lead to further increases in Government debt.

In addition, an increasing proportion of Nigeria's expenditure relates to its debt service costs, which increased to ₦8.6 trillion, or 37.3% of total expenditure in 2023, up from ₦5.7 trillion in 2022 (per CBN data). The depreciation of the Naira in recent years has also increased debt service costs, particularly related to foreign currency liabilities, requiring more Naira to meet the same dollar-denominated obligations. With the further devaluation of the Naira in 2024, debt service costs are expected to continue to rise in Naira terms.

The Federal Government is committed to strengthening public finances and maintaining sustainable public debt through medium-term revenue and expenditure reforms. Their efforts will focus on, for example, enhancing revenue generation to create fiscal space for priority social and development spending. Additionally, the Government plans to progressively increase the VAT rate from 7.5% to 10% in 2025, 12.5% in 2026 and 15% in 2030. Further, the Government is committed to enhancing the efficiency of tax administration, supported by amendments to the tax laws through the Finance Act. Despite revenue challenges, the Government has consistently met its debt service commitments. See “*Public Finance – Finance Act 2019-2023*”.

The Government faces risks in its efforts to implement medium-term revenue and expenditure reforms aimed at strengthening public finances, building fiscal buffers, and maintaining sustainable public debt levels. A key risk is the potential failure to enhance revenue generation, which is critical for creating fiscal space for priority social and development spending. The Government continues to explore policy implementation to strengthen and support Government revenue through efforts such as fuel subsidy removal and more recently, the four tax reform bills presented by President Tinubu to the National Assembly for approval: the Nigeria Tax Bill, the Tax Administration Bill, the Nigeria Revenue Service Establishment Bill, and the Joint Revenue Board Establishment Bill. The tax reform bills propose to foster uniformity in Nigeria’s tax revenue administration, eliminate double taxation across the country, deploy taxation as a tool to encourage private sector investments in critical industries and boost individual disposal incomes through targeted tax exemptions as captured in the bills. The Government’s measures to address low domestic revenue mobilisation, such as strengthening tax administration, improving tax compliance, particularly in corporate income tax, increasing the value-added tax rate, and broadening the tax base, may not yield the expected revenue gains.

There can be no assurance that the Government’s efforts to improve debt sustainability pursuant to its Medium-Term Debt Management Strategy 2024 – 2026 and other reforms, will be effective. Further, the continuation of foreign exchange levels at current rates or a further deterioration in the value of the Naira against the U.S. Dollar would put further pressure on debt service costs and increase debt service to revenue levels. Increased borrowings, whether domestic or external, including the issuance of debt to fund widening fiscal deficits, infrastructure spending and other requirements or contingent liabilities, could negatively impact Nigeria’s debt sustainability analysis and sovereign credit rating and may impair Nigeria’s ability to meet its debt obligations, including those under the Notes. See “*Public Debt—Debt Management Office*”.

Nigeria’s political, economic and social stability has and will continue to be adversely affected by political and religious conflicts, terrorism, and social and religious tensions, any or all of which may materially and adversely impact economic conditions and growth in Nigeria.

In recent years, Nigeria has experienced considerable unrest, terrorism and political, ethnic and religious conflicts. Divisions based on geography can be magnified by religious differences, particularly between the north, which has a predominantly Muslim population, and the south, which has a predominantly Christian population. Since the return to civilian rule in 1999, certain northern states have adopted Sharia law, a system of laws based on the Koran and other Islamic sources. Regional affiliations have in the past contributed to, and may continue to contribute to, political, ethnic and religious tension, which can also lead to social unrest. Nigeria’s most recent national elections were held in February 2023, resulting in President Tinubu assuming office in May 2023. As with previous elections, there were reports of violence and social unrest resulting from several forms of insecurity, contested election results and the prominence of disputes and internal rivalries within and between, the several political parties.

Nigeria has also experienced rising levels of social unrest related to frustration over allegations of police brutality and corruption. These issues led to demonstrations in Lagos and other states across Nigeria, some of which have resulted in violence. Most notably was demand for the government to disband the Special Anti-Robbery Squad (“SARS”) police unit. During the protest in October 2020, soldiers fired on crowds of protesters at the Lekki toll gate in Lagos, killing at least 12 protesters, according to Amnesty International. See “*The Federal Republic of Nigeria - End SARS Protests*”. More recently, in August 2024, protests erupted in several cities across Nigeria as frustrated citizens took to the streets to voice their anger over rising hunger and widespread dissatisfaction with governance. The demonstrations were organised under the “End Bad Governance in Nigeria” coalition. According to CNN, the protests escalated into violence in various regions, including the northern states of Yobe and Kano, where authorities imposed a 24-hour

curfew. Reports indicated that both private and public properties were looted, and numerous vehicles were set on fire in scenes of widespread chaos.

Terrorism remains a persistent threat, particularly from groups like Boko Haram and Ansaru in the northern regions. These groups have been responsible for numerous attacks on civilians, government institutions, and foreign nationals, exacerbating insecurity and deterring both domestic and foreign investment. Despite progress made in combatting the group in recent years, Boko Haram continues to mount attacks across several states, including in Borno and Kaduna.

Kidnappings and violent attacks are prevalent, particularly in the northern and southern regions, and since the start of 2024, civilians have faced intensified violence across Nigeria and near-daily attacks by armed groups. These incidents frequently target schools, religious institutions and business premises, contributing to community destabilisation and disruption of daily activities. Large-scale kidnappings, including those involving schoolchildren, have become more common.

Insurgent activities in the north-east have resulted in notable social and economic damage, especially in the agricultural sector. Security concerns have disrupted farming activities, leading to reduced agricultural production and economic challenges. Humanitarian efforts are also impeded by attacks on aid workers, which further complicates the socio-economic situation in the region.

Additionally, there has been significant continued violence, oil theft, and civil disturbance in the Niger Delta, Nigeria's southern oil-producing region, mainly from militant groups, most notably the Niger Delta Avengers, who attack oil installations, amongst other things, in protest against the Government and the allocation of oil revenue amongst the regions of the country. The theft and violence have mainly been directed at oil interests in the region, and oil production from onshore fields has slowed as a result, materially and adversely affecting Government revenues from oil production. In particular, the Trans Forcados crude export pipeline in the Batan area of Delta State of Nigeria has been attacked on several occasions. See “—*The Nigerian economy is highly dependent on oil production in Nigeria and global prices of oil*”.

Separatist movements, such as those led by the Indigenous People of Biafra (“**IPOB**”) and the Yoruba Nation group, have also contributed to instability. These movements advocate for the independence of certain regions, often resulting in violent clashes with security forces. IPOB, which seeks to establish an independent state of Biafra in the south-east, has been involved in numerous confrontations with the Government. Similarly, the Yoruba Nation movement has gained traction, advocating for a separate Yoruba state and organising rallies to draw attention to their cause.

Until the Government is able to address conditions such as poverty, low levels of education, religious intolerance, weak enforcement of law and order and insecurity, unrest, terrorism, and conflicts involving political, ethnic and religious groups are expected to persist. As long as these issues remain unaddressed, civil unrest and insurgent activities will continue to create social, religious, and political tension. This, in turn, can negatively impact the economy and fiscal stability, potentially having a material adverse effect on Nigeria's economy and, consequently, on the Issuer's ability to meet its debt obligations, including those under the Notes. See “*The Federal Republic of Nigeria—Terrorism and Anti-Terrorism Measures—Boko Haram, Niger Delta Avengers and Indigenous People of Biafra*”.

The impact of recent policy measures introduced by the Tinubu administration on the Nigerian economy remains uncertain

Following the 2023 elections, the new administration embarked on ambitious reforms aimed at stabilising macroeconomic conditions and promoting growth. The reforms undertaken included measures to unify the exchange rate, strengthen social protection, and tighten macroeconomic policies to combat inflation. These efforts are complemented by measures to increase spending on infrastructure, health, and education, as well as reforms aimed at improving fiscal management, fighting corruption, strengthening governance, and addressing climate challenges.

The liberalisation of the exchange rate market and the removal of fuel subsidies (which have long been a fiscal drain), while welcomed as part of the reform agenda and expected to be beneficial in the medium term, have led to economic disruptions which are anticipated to be short-term. The liberalisation of the exchange rate resulted in a rapid devaluation of the Naira in 2024, exacerbating liquidity challenges in the

foreign exchange market. This has led to increased costs for imports, contributing to high inflation rates which have significantly affected the cost of living. In an attempt to cushion the impact, the fuel subsidy was partially reintroduced in February 2024 by way of a price cap, before being removed again in October 2024. At the time the subsidy was partially re-introduced, the IMF stated that continuing to provide the fuel subsidy could cost the Government up to 3% of GDP at a time when Nigeria was facing additional financial pressure from the rapid devaluation of the Naira and broad effect on the economy. The changes in fuel subsidy policies have created instability and uncertainty in the energy sector, impacting both consumers and businesses.

If the short-term effects of these wide-ranging reforms persist for an extended period, they could negatively impact the economy, which in turn could adversely affect the Issuer's ability to meet its debt obligations, including those under the Notes.

Inability to continue to implement economic and fiscal reforms may have a negative effect on the performance of the Nigerian economy.

Beyond the specific policy measures related to the liberalisation of the exchange rate and removal of fuel subsidies, the Government continues to implement economic and financial system reforms in order to improve the legal and regulatory environment, promote the private sector, diversify the economy and facilitate access to credit. The Government is pursuing various fiscal reforms to control expenditure and improve the tax system, in particular, as well as cutting public spending by reducing oil-related subsidies and the public payroll.

The framework for these economic and fiscal reforms was initially set forth in Vision 20:2020, the framework economic transformation plan first developed in 2009 that sets forth key objectives and targets in order to achieve sustained economic and socio-economic development, and the Economic Recovery and Growth Plan (the “**ERGP**”). In September 2020, Former President Buhari announced the development of Nigeria's Agenda 2050 (“**Agenda 2050**”) and the National Development Plan 2021-2025 (the “**NDP 2025**”), to succeed Vision 20:2020 and the ERGP, which were both ended in 2021.

In 2022, the Government officially launched the NDP 2025 with the aim to drive economic growth, reduce poverty, and create jobs through significant investments in infrastructure, agriculture, and technology, while also focusing on improving security, healthcare, and education. Throughout 2023, efforts to implement the NDP 2025 continued, with particular emphasis on enhancing digital economy initiatives, boosting local production, and improving the business climate to attract foreign investment. Additionally, the Government is working to finalise and operationalise Nigeria's Agenda 2050, engaging various stakeholders to ensure alignment with current and future developmental needs. The achievement of the objectives set forth in the NDP 2025 and Agenda 2050 depends on factors such as political support, adequate funding, improved security, power sector reform, availability of human capital, and significant coordination. These plans require substantial funding from both domestic and international sources, and if fiscal resources are inadequate or borrowing is not feasible, it may hinder the pursuit of the contemplated public projects. See “*The Economy—Overview—NDP 2025*”.

Notably, President Tinubu presented the Budget of Renewed Hope, which demonstrated increases in the budget, projected revenue, and aggregate projected expenditure and his administration also launched Renewed Hope Agenda with 8-priority areas - reform the economy to deliver sustained inclusive growth, strengthen national security for peace and prosperity, boost agriculture to achieve food security, unlocking energy and national resource for sustainable development, enhance infrastructure and transportation as enablers of growth, focus on education, health and social investment as essential pillar of development, accelerate diversification through industrialisation, digitalisation, creative arts, manufacturing & innovation, and improve governance for effective service delivery. See “*Public Finance – 2024 Budget*” and “*The Economy—Overview—The Renewed Hope Agenda*”.

Governmental objectives for economic and fiscal reforms, including those objectives set forth in Agenda 2050, NDP 2025, and the Renewed Hope Agenda are based on certain assumptions, including economic assumptions with respect to oil prices and production, GDP growth, inflation, external debt and the fiscal deficit. These assumptions may not materialise, which may result in Nigeria having to revise or failing to achieve its programme objectives. For example, in 2023, the Government continued to adjust its fiscal

strategies to address ongoing economic challenges by updating budgetary allocations and debt management plans to better align with the current economic realities.

There can be no assurance that the Government's plans for economic, fiscal, and financial reform will be implemented or if they are implemented that they will have the expected consequences. In addition, if there is a delay or failure in such implementation or the funding of such plans, then the Government may not be able to achieve on schedule or at all the medium-to-long-term strategic objectives set forth in Agenda 2050 and the NDP 2025 and the Renewed Hope Agenda. Delays in the implementation of reforms, and the policy uncertainty entailed by such delays, could influence commercial and multilateral lenders, such as the World Bank and the African Development Bank, when determining if and when to extend further financing to the Government. Failure to implement economic, financial, and fiscal reforms or unexpected consequences resulting from implementation or external factors may have a negative effect on Nigeria's economy, affairs and political condition and its ability to meet its payment obligations under the Notes.

Sustained periods of high inflation could have a material adverse effect on Nigeria's economy.

Nigeria is currently experiencing high inflation, primarily due to the devaluation of the Naira, a hike in the petrol prices and increased import costs. The country's reliance on imported goods has led to substantial price increases in essential commodities such as food and fuel. The Government's partial reinstatement of fuel subsidies in 2024 and subsequent removal underscores the volatility and unpredictability of policy measures. Fuel prices are expected to continue to be a key driver of inflation in the near term. For more information, see "*– Nigeria has limited refinery capacity and relies heavily on imported refined oil and petroleum products.*" These inflationary pressures reduce consumer purchasing power and pose a risk to Nigeria's economic stability.

Year-on-year consumer price inflation rates were 11.4% in December 2019, 13.3% in 2020, 17.0% in 2021, 18.9% in 2022, and 24.7% in 2023, according to the CBN. As of June 2024, year-on-year consumer price inflation was 30.0%, with food inflation reaching a record high of 40.87%. The food inflation rate declined to 37.52% in August 2024, before rising again to 39.16% in October 2024. This overall rise in food inflation is driven by supply disruptions, higher transport costs, and a weak foreign exchange rate. For more information on historical inflation rates see "*Monetary System — Inflation*".

A significant factor contributing to inflation in Nigeria is the reliance on imported goods, including food, which are affected by currency movements. Despite growth in the agricultural sector, Nigeria remains heavily dependent on food imports. Adverse weather conditions, such as floods, further increase this reliance. Recent reports from the International Rescue Committee and the United Nations indicate that severe food insecurity is still anticipated in some parts of Nigeria in the second half of 2024.

While the CBN is committed to restoring price stability by pursuing a tight monetary policy stance, there are considerable risks because a policy focused on price stability can result in higher rates, which increases borrowing costs and can deter investment. The recent increase in the monetary policy rate ("**MPR**") to 27.5% aims to contain inflation and support a market-determined exchange rate, but real rates remain negative. The CBN, through the Monetary Policy Committee ("**MPC**"), is committed to taking necessary steps to reduce inflation and attract portfolio investment inflows. However, there is no assurance that these measures will be effective.

The development of a roadmap for implementing an inflation-targeting framework is intended to strengthen the CBN's ability to achieve price stability, but this approach may face significant challenges as its success depends on, amongst other things, effective central bank communication, avoidance of fiscal dominance, and reduction in budget deficit. Additional measures include focusing on standard monetary policy instruments, reducing quasi-fiscal operations, and complying with statutory limits on credit to the government. Despite these efforts, there is no assurance that inflation will not remain high or increase further, which could materially and adversely affect Nigeria's economy and its ability to meet its debt obligations, including those under the Notes.

Any failure to adequately address actual and perceived risks of corruption and money laundering may adversely affect Nigeria's economy and its political stability.

Corruption remains a significant issue in Nigeria. Nigeria is ranked 145 out of 180 in Transparency International's 2023 Corruption Perceptions Index and 131 out of 190 in the World Bank's Ease of Doing Business 2020 ranking. See "*Public Finance — Transparency and Anti-Corruption*". The third Nigeria Corruption Survey conducted by the NBS in collaboration with the United Nations Office on Drugs and Crime ("UNODC") released in July 2024, reported that roughly U.S.\$1.26 billion or 35 % of the country's GDP was paid in cash bribes to public officials in 2023. The prevalence of bribe payments in the private sector increased significantly, from 6% in 2019 to 14% in 2023. The report also highlighted that in 2023, 34% of citizens in contact with public officials paid a bribe or were asked to pay a bribe and refused.

Fighting corruption and money laundering are key priorities for Nigeria, which has undertaken and is actively pursuing major initiatives to reduce and prevent corruption and unlawful enrichment. The Government, led by Former President Buhari and the current President Tinubu, has been engaged in significant anti-corruption measures in line with their administration's election manifesto. These efforts include high-profile arrests and investigations across various sectors and levels of government. See "*The Federal Republic of Nigeria – 2023 Elections*". According to the Nigeria Corruption Survey, corruption was ranked as the fourth most important problem affecting the country in 2023. Despite these efforts, Nigeria still faces challenges in tackling corruption and money laundering, and in February 2023, the Financial Action Task Force ("FATF") established by the G7 countries included Nigeria on their list of jurisdictions under increased monitoring (commonly referred to as the "grey list"), identified as having strategic deficiencies in their anti-money laundering and counter-terrorist financing regimes. Nigeria has worked with the FATF and has implemented a number of measures to strengthen the country's anti-corruption and anti-money laundering regimes, with FATF confirming in its follow-up report in November 2023 that Nigeria has made significant progress in addressing the technical compliance deficiencies identified. However, as of the date of this Offering Circular, Nigeria remains on the grey list.

Notwithstanding these reforms and initiatives, further progress needs to be achieved in terms of governance reform and corruption in the public sector. Corruption remains a concern for Nigeria given its potential impact on its affairs, political condition and economy and its perception by potential investors and development partners.

Corruption has many implications for a country, including difficulty in collecting revenue and controlling expenditure, increasing the risk of political instability, distorting decision-making processes and adversely affecting its international reputation. Failure to address these issues, continued corruption in the public sector and any future allegations of or perceived risk of corruption in Nigeria could have an adverse effect on the political stability of Nigeria and on the economy, including levels of foreign investment, which, in turn, may have a material adverse effect on Nigeria's ability to meet its debt obligations, including its payment obligations under the Notes.

The Nigerian banking system has in the past required and may, in the future require, significant state support and has been impacted by recent economic policies and the devaluation of the Naira.

The Nigerian banking sector has been significantly impacted by recent economic policies and currency devaluation. Many banks have liabilities denominated in U.S. dollars and assets in Naira, leading to capital erosion due to the Naira's rapid depreciation in 2024. See "*—Further depreciation of the Naira against other currencies and the lack of widespread availability of foreign currency could adversely impact the Nigerian economy*". Despite regulatory requirements to hedge against such risks, some banks failed to do so adequately, resulting in breaches of capital adequacy requirements set by the CBN. The CBN has taken steps to ensure that banks have sufficient capital buffers to protect against such events, publishing a recapitalisation circular in March 2024 requiring all banks to meet new core capital requirements by April 2026. It is estimated that over ₦4 trillion in new capital is required by the banking sector for banks to meet these new capital requirements, which may be challenging for some banks to meet, in particular smaller banks who may struggle to raise such funds, and the CBN circular anticipates this may be met through consolidation in the banking sector. None of Nigeria's 24 banks currently meet the new core capital requirements, and some banks have seen their capital adequacy ratios fall below the minimum requirements of the CBN as a result of the rapid devaluation of the Naira and have been required to implement remedial

measures by the CBN to ensure compliance with prudential regulations in Nigeria in addition to latter compliance with the new core capital requirements.

Whilst this strengthening of the capital of banks and potential consolidation within the sector is expected to result in a more resilient banking sector in the medium term, the weakened capital positions of these banks pose systemic risks to the financial sector, potentially leading to reduced credit availability, increased borrowing costs, and a loss of investor confidence.

Deteriorating economic conditions in Nigeria due to reduced oil prices have previously led to a significant increase in non-performing loans and lower capital adequacy ratios in the Nigerian banking sector. As of December 2022, the ratio of non-performing loans in the banking sector was 4.2%, largely attributable to challenges faced by the public sector and Nigerian corporate borrowers, whose liquidity and balance sheet positions weakened due to their high exposure to the oil and gas sector and foreign exchange risk. The health of the Nigerian banking sector has remained largely the same, with a ratio of non-performing loans of 4.1% as of December 2023 and 3.9% as of 30 June 2024.

Nigeria is working towards implementing the CBN's Basel III capital framework, which will require banks to build additional capital buffers to mitigate credit, market, and operational risks. The authorities also plan to increase deposit insurance coverage to strengthen confidence in the banking system. Nigeria is working towards its goal of a U.S.\$1 trillion economy by 2030 which will require a robust banking system with higher levels of capital to serve the financing needs of both the private and public sectors.

Should initiatives introduced by the CBN fail to materialise or achieve the desired results, weaknesses in the banking sector may continue to have a material adverse effect on investment and confidence in, and the performance of, the Nigerian economy. Additionally, the Government's ability to provide further support may be limited due to the impact of the recent economic downturn on public finances.

Inability to grow the non-oil-and-gas sectors of its economy may adversely affect Nigeria's economy.

In recent years, Nigeria has sought to develop the non-oil sectors of its economy by encouraging agriculture, trade, construction, telecommunications, financial services, mining and manufacturing activities. This has become increasingly critical in the current weak economic environment, particularly given the recent volatility in global oil prices. The non-oil sector recorded a growth of 4.41% in 2019, followed by a contraction of 8.89% in 2020, and subsequent growth of 4.44% in 2021, 4.84% in 2022, and 3.10% in 2023 as the Government invested in diversifying the country's economy. In the six months ended 30 June 2024, the non-oil sector grew by 2.80%, compared to the six months ended 30 June 2023.

Factors such as deficient infrastructure (including inadequate power supply and transportation systems), limited availability of domestic credit, limited consumer demand, local shortages of skilled managers and workers and unimplemented government policies may constrain further development in non-oil sectors and hinder the recovery and return to growth in future periods. Any inability to grow the non-oil sectors of its economy may constrain Nigeria's economic growth, which may in turn result in a material adverse effect on Nigeria's ability to meet its debt obligations, including those under the Notes. See “—*The Nigerian economy and, in particular, government revenues, are highly dependent on oil production and sales and prices of oil in global markets*”.

Inability to collect certain revenues from ministries, departments and agencies may adversely impact the Government's revenues.

Despite efforts to increase non-oil revenue, Nigeria has suffered from low levels of non-oil revenue collection including tax compliance challenges and corruption. MDAs are obligated by law to remit independent revenue they generate to the Federation Account for onward allocation and distribution. Despite this requirement, the Government has faced significant challenges in collecting full remittances from the MDAs, due in part to systemic inefficiencies and the use of intermediary institutions. Although budgeted independent revenue, consisting primarily of remittances from MDAs, for 2023 was ₦3,169.1 billion, actual collection of independent revenue in 2023 was ₦1,841.0 billion.

The Government has taken a number of steps to address these challenges, including deploying information technology systems as part of its strategy to instill controls to improve the efficiency and transparency of public finances, including the adoption of the Treasury Single Account and the Integrated Personnel and

Payroll Information System. The Government recently introduced the Performance Management Framework, intended to optimise the operational efficiency of MDAs and government-owned entities to generate significant revenues to fund the Government budget. See “*Public Finance—Public Accounts—Independent Revenue*”.

There have also been claims of mismanagement of proceeds due to the Federal Government. In September 2013, the then CBN Governor alleged that over U.S.\$49 billion of funds had not been remitted by the NNPC into the Federation Account. Following these allegations, a special Senate committee announced the launch of an independent forensic audit of the allocation of oil subsidies and management of NNPC accounts. In 2014, the CBN Governor appeared before the Senate Committee alleging a failure by the NNPC to remit a reduced amount of approximately U.S.\$20 billion from crude oil sales to the Government. The audit, undertaken by PricewaterhouseCoopers Limited (“**PwC**”), estimated the unremitted amount at approximately U.S.\$1.5 billion in its report to the Auditor General of the Federation in February 2015. The report was disputed by the NNPC, which indicated that the amounts had been deducted by the NNPC as operational costs before remittance to the Federation Account. The outstanding amount indicated in the PwC report relates largely to outstanding good and valuable consideration of the Government’s equity interests in the certain OMLs assigned to Nigerian Petroleum Development Company Ltd (“**NPDC**”) is being repaid in cash and kind in line with a repayment agreement between the NNPC, NPDC and the Department of Petroleum Resources (“**DPR**”). In October 2018, the NNPC was accused by the Senate of holding a U.S.\$3.5 billion fund which it allegedly uses to subsidise imports of gasoline without seeking the National Assembly’s permission. The NNPC denied those accusations. See “*Economy—Oil and Gas—Revenue Sources*”. In February 2024, the House of Representatives’ Committee on Public Accounts probed instances of leakages and non-remittance of revenue generated through Remita into the Treasury Single Account (“**TSA**”). In October 2024, the House of Representatives’ Committee on Public Accounts alleged to have uncovered leakages totaling ₦32.15 billion amongst other discrepancies in reported revenue generated for the Federal Government between 2015 to 2022, by the NUPRC. As of the date of this Offering Circular, this is still undergoing investigation.

On 10 August 2023, it was announced that a proposal by the Presidential Committee on Tax Policy and Fiscal Reforms may stop the Nigeria Customs Service, Nigeria Ports Authority, Nigerian Postal Service and sixty other MDAs from collecting revenue on behalf of the Federal Government. The new plan means trillions of revenues generated or collected by the agencies will now be collected by the Federal Inland Revenue Service. In October 2023, President Tinubu suggested he may bar these revenue-generating agencies from collecting revenues on behalf of the Federal Government, in line with the August 2023 proposal. However, as of the date of this Offering Circular, this proposal is yet to be implemented.

Whilst the Government continues to take steps to address these challenges, to the extent that the Federal Government is unable to collect projected independent revenue from the MDAs, the resulting reduction in Federal Government retained revenue may lead to higher budget deficits, leading to an increased debt burden on Nigeria, which may result in a material adverse effect on its ability to meet its payment obligations under the Notes.

Any failure to address Nigeria’s significant infrastructure deficiencies could adversely affect Nigeria’s economy and growth prospects.

Nigeria’s National Integrated Infrastructure Master Plan (2014 – 2043) sets out a 30 -year, U.S.\$3.1 trillion, action plan to address the nation’s infrastructure challenges including power, and transport, amongst others. The aim of the plan is to raise the country’s stock on infrastructure from its current level of 20-25% of GDP to 70% by 2043. However, despite the plan being in place for ten years, Nigeria’s public infrastructure is, in many cases, in poor condition and the Government has identified Nigeria’s aged and underdeveloped infrastructure as a major impediment to economic growth. Underinvestment has led to the deterioration and absence of basic infrastructure to support and sustain growth and economic development, which were compounded in the aftermath of the COVID-19 pandemic. These shortcomings, particularly with respect to power generation, transmission and distribution, a deteriorating road network, congested port, obsolete rail infrastructure and aging airports have severely constrained socio-economic development in Nigeria by, amongst other things, leading to increased production costs and hindering competitiveness of domestic production. While the immediate impact of the COVID-19 pandemic has diminished, its long-term effects

continue to delay many infrastructure projects, with capital expenditures initially deferred from 2020 to 2021 (or beyond) still facing challenges.

Although significant advances have been made in the telecommunications and internet sectors in recent years, development in these areas still lags behind more developed economies but is more advanced than in many other developing nations. Nigeria's new administration has set ambitious targets for infrastructure and economic development through the acceleration of the infrastructure development fund, aimed at funding upgrades in transportation, roads, power, and other infrastructure projects. In July 2023, President Tinubu launched the Infrastructure Support Fund, aimed at boosting investments in road transportation infrastructure. In August 2023, Financial Sector Deepening Africa contributed £10 million to a risk-sharing facility with InfraCredit to facilitate funding for sustainable infrastructure development in Nigeria. Additionally, the 2024 budget allocated ₦1.32 trillion for infrastructure projects, marking an increase from the ₦803 billion allocated in 2023. Despite these initiatives, the resources provided remain insufficient to close the significant infrastructure gap. Moody's Investors Service estimates that Nigeria will need an estimated U.S.\$3 trillion in investments over the next thirty years, which equates to approximately U.S.\$100 billion per year. However, these ambitious targets carry risks, including potential funding shortfalls, project delays, and mismanagement. In addition, the reliance on external financing could lead to increased debt burdens, while implementation challenges and bureaucratic inefficiencies may hinder progress.

In addition, Nigeria's oil refineries have historically been unreliable due to underinvestment and difficulties securing external financing for rehabilitation. All four of Nigeria's oil refineries were shut down in 2020 due to damage to oil pipelines. Since 2020, the Federal Government and NNPC, which has since been restructured as NNPC Ltd, have made a concerted effort to rehabilitate these refineries, aiming to have all four refineries operational by 2025, with an increased focus on ensuring the sustainability and efficiency of the refining processes. However, there is a risk that the significant amount of capital expenditure required for these projects could strain financial resources and potentially lead to funding shortfalls or increased debt levels. Failure to improve Nigeria's infrastructure, or to realise targeted improvements, could adversely affect Nigeria's economy, competitive ranking and growth prospects, including Nigeria's ability to meet GDP growth targets and its ability to repay its obligations, including those under the Notes. Further, there is no guarantee that the Government will have sufficient funding to implement the growth plan.

Nigeria suffers from electricity shortages.

Despite the abundant energy resources in Nigeria, significant government reform efforts, and investments in the power sector in recent years, lack of sufficient and reliable electricity supply still remains a serious impediment to the country's economic growth and development. Insufficient power generation, aging infrastructure, weak distribution networks, overloaded transformers and acts of sabotage to pipelines and infrastructure by vandals result in frequent power outages, high transmission and distribution losses and poor voltage output. As of 2022, Nigeria has an installed electricity generation capacity for supply to the national grid of 12,522 MW. Nigeria's estimated available capacity from the grid, of 6,056 MW, meets only approximately one-third of the estimated current demand for power from the grid. In early 2024 according to media reports, the Federal Government declared that the number of Nigerians that lack access to electricity from the national grid has increased to about 92 million, up from approximately 85 million in 2021.

The Government has identified the improvement of electricity generation, transmission and distribution infrastructure as a critical element in meeting economic growth and development objectives. To address these issues, the Government is pursuing a number of policy initiatives, including those set forth in the ERGP and the "Roadmap for Power Sector Reform". The Roadmap for Power Sector Reform seeks to remove obstacles to private sector investment in the power sector, complete the privatisation of generation and distribution companies, facilitate the construction of new transmission networks and reform the fuel-to-power sector with the goal of increasing electricity generation capacity. President Tinubu also gave his assent to the Electricity Act 2023, which authorises states, companies and individuals to generate, transmit and distribute electricity. The Federal Government has also commenced the development of generation and distribution assets as well as the upgrade and repair of the transmission facilities under the NIPP. The scope of the NIPP covers the entire value chain in the power sector, namely generation, transmission and distribution, including building from scratch a national gas infrastructure to power ten gas-fired power plants across the country. To ensure private sector best practices, the Government offered to sell all ten

new NIPP power stations, with a combined capacity of 5,455MW and preferred bidders were identified. As of the date of this Offering Circular, the Government is finalising the sale of five power plants worth U.S.\$1.15 billion (the Geregu II gas-fired plant in Kogi, the Omotosho II plant in Ondo, the Olorunsogo II plant in Ogun State, the Odukpani power plant in Calabar, Cross River State, and the Benin-Ihovbor plant in Edo State). The proceeds from this sale will support the funding of the 2024 Budget.

In June 2020, the World Bank approved the Power Sector Recovery Operation (“**PSRO**”), involving U.S.\$750 million in credit to improve the reliability of electricity supply, achieve financial and fiscal sustainability, and enhance accountability in the power sector in Nigeria. According to the World Bank, the PSRO has successfully addressed several urgent power sector issues, including improving the cost recovery level of electricity distribution companies to 96.4% and reducing tariff shortfalls. In June 2023, the World Bank approved an additional U.S.\$750 million in financing to fund new tariff shortfalls from 2023 to 2026, implement transmission system rehabilitation projects, and establish an Independent Systems Operator. The Bank believes these activities are essential for helping Nigeria deliver cleaner and cheaper energy to meet its energy access and transition targets. In 2020, the Nigerian Federal Ministry of Power launched a request for expression of interest for the construction of several off-grid solar systems and other electrical infrastructure projects to improve access to energy in underserved areas. Furthermore, to support the economic recovery in response to the COVID-19 pandemic, the Government launched an initiative as part of the Economic Sustainability Plan (“**ESP**”) to achieve the rollout of 5 million new solar-based connections in communities that are not grid connected. By 2022 and 2023, significant progress had been made in this initiative. The Government, in collaboration with international partners and private sector stakeholders, successfully deployed numerous off-grid solar power projects, enhancing energy access for thousands of households and small businesses. The Rural Electrification Agency reported that several mini-grid projects were completed, and more were underway, contributing to the ESP’s goal. These efforts are part of a broader strategy to diversify Nigeria’s energy mix and reduce dependence on fossil fuels, ensuring sustainable development and resilience against future economic shocks.

In addition to funding, reforms in the power sector require significant coordination and human capital investment across several Federal ministries, departments and agencies (“**MDAs**”). No assurances can be given that Nigeria will be able to obtain the necessary funding or resources to achieve this target or to effectively reform the power sector, or that the reforms will not cost significantly more than currently estimated. Any failure to successfully implement the power sector reform and development plan and address the significant deficiencies in Nigeria’s power generation, transmission and distribution infrastructure could lead to lower GDP growth, hampering the development of the economy and Nigeria’s ability to meet its debt obligations, including those under the Notes.

Nigeria suffers from high levels of poverty and unemployment.

Despite generally strong macroeconomic performance over the past decade, poverty remains high in Nigeria, with approximately 40.1% of the population (excluding the state of Borno) classified as poor in 2019, according to the NBS. According to World Bank projections, approximately 40.7 % of Nigerians are expected to live below the international poverty line by the end of 2024, primarily due to rising food and energy prices. In the Human Development Report 2020, published by the United Nations Development Programme (“**UNDP**”), Nigeria’s ranking in the Human Development Index (“**HDI**”), a composite measure of life expectancy, education and income, was 161 out of 189 countries and territories, based on an HDI of 0.539, which is below the Sub-Saharan average of 0.547 and ranks as low human development. The UNDP Human Development Report 2022 indicated a life expectancy at birth in Nigeria of approximately 55.1 years for females and 52.7 years for males, and estimated that 46% of Nigerians were living below the poverty line (based on data for the most recent year available). The Multidimensional Poverty Index launched by the NBS in 2022 revealed that 63% of persons living within Nigeria, this being 133 million people, are multidimensionally poor.

According to the NBS, the unemployment rate was 5.4% at the end of 2023. The report of the NBS indicates that unemployment and underemployment are more pronounced in the northern part of the country compared to the southern part.

If high levels of poverty and unemployment are not addressed, they could continue to be a source of political and social instability in Nigeria, including violence. Furthermore, failure to reduce poverty and

unemployment may, individually or in the aggregate have negative effects on the Nigerian economy and, as a result, a material adverse effect on Nigeria's capacity to meet its payment obligations under the Notes.

A significant decline in the level of external reserves could adversely impact the Nigerian economy and impair Nigeria's ability to service its debt.

In the short- to medium-term, the level of foreign exchange reserves depends on the price of crude oil in the international market and the foreign exchange rate. The downside risks of lower crude oil prices and higher import costs may put significant pressure on the external reserves, exchange rate and inflation rate. A portion of the foreign exchange reserves are backed by foreign exchange swaps with international and local banks, whereby the CBN swaps foreign exchange for treasury bills. When those swaps mature, this may result in a reduction in the foreign exchange reserves.

Whilst the gross external reserves position has been relatively stable in recent years, with the monthly adjusted gross external reserves position at U.S.\$38.09 billion (8.25 months of import cover) in December 2019, U.S.\$36.46 billion (8.33 months of import cover) in December 2020, U.S.\$40.23 billion (9.39 months of import cover) in December 2021, U.S.\$36.61 billion (7.54 months of import cover) in December 2022, U.S.\$32.85 billion (8.35 months of import cover) in December 2023, external reserves could be impacted by changes in global oil prices and the recent rapid devaluation of the Naira. In November 2024, monthly adjusted gross external reserves stood at U.S.\$40.22 billion.

Given its high dependence on oil exports for foreign currency and its dependence on imports for key goods that typically are priced in U.S. dollars, such as petroleum products and food, in U.S. dollar terms, the Naira will remain vulnerable to external shocks that could lead to a further sharp decline in its value. Such a decline could prompt the CBN to intervene in an attempt to stabilise the Naira.

Nigeria has limited refinery capacity and relies heavily on imported refined oil and petroleum products.

Nigeria's four oil refineries, which were built in the 1970s and 1980s, operate inefficiently and significantly below their production capacities, in part due to old technology and infrastructure and lack of regular maintenance attributable to budgetary constraints, as well as the high cost of transportation of crude oil to the refineries. Due to the limited production by its oil refineries, Nigeria relies heavily on imported refined petroleum products to meet its energy and transport requirements. Accordingly, any rise in the international price of oil significantly affects Nigeria's economy because, amongst other things, higher oil prices increase the country's costs of imported petroleum products and exert upward pressure on prices. To alleviate the impact on consumers, the Government has historically regulated the prices of certain petroleum products whilst subsidising petroleum retailers, at substantial cost.

In June 2023, the price of petrol in Nigeria increased from ₦195 to ₦540 per litre after the Government removed the subsidy on petrol. This removal led to significant inflation, prompting the Government to reintroduce implicit subsidies by capping fuel prices in late 2023, which were then removed again in October 2024. The removal of fuel subsidies in 2023 and their subsequent partial reinstatement and further removal in 2024 have created uncertainty in the energy sector, impacting both consumers and businesses. See "*Risk Factors - Sustained periods of high inflation could have a material adverse effect on Nigeria's economy*".

Furthermore, in September 2024, NNPC Ltd increased the pump price of petrol due to rising global oil prices and the subsequent higher costs of importing refined petroleum products. As a result, Nigerians have faced both chronic fuel shortages and significant price hikes, leading to widespread disruption.

However, the much-anticipated Dangote Refinery, with a refining capacity of 650,000 barrels per day, began operations in January 2024. Additionally, NNPC Ltd initiated several rehabilitation projects for the existing refineries. On 26 November 2024, NNPC Ltd restarted the 60,000 barrels-per-day Old Port Harcourt Refinery, commencing the production of straight-run gasoline (Naptha) blended into PMS and the delivery of petroleum products into the market. In April 2021, NNPC began the rehabilitation of the Warri and Kaduna refineries, aiming to have these refineries operational by 2025. See "*Economy - Oil refining capacity constraints and proposed reforms*".

Given the country's high dependence on petroleum products and its reliance on imported refined products, and the uncertainty regarding the completion of the rehabilitation of the aforementioned refineries (save for the Dangote Refinery and the Old Port Harcourt Refinery), no assurance can be given that attempts to remove or reduce any reintroduced subsidies in the future will not lead to protests or other unrest or have an adverse effect on the segments of the economy required to bear the resulting higher prices, all of which could have a negative impact on Nigeria's economy.

The regulatory environment in the Nigerian oil and gas sector is subject to significant ongoing change and persistent delays in policy implementation.

Over the past years, Nigeria has been pursuing new policies intended to restructure its upstream and deregulate its downstream oil and gas sectors, including by seeking to pass the Petroleum Industry Bill, proposed originally in 2008, and proposing a new National Petroleum Policy in July 2017.

Passage of the Petroleum Industry Bill suffered significant delays as a result of the introduction of additional legal and regulatory provisions and, in an effort to expedite the passage of the necessary reforms, the Petroleum Industry Bill was divided into separate bills. The Former President Muhammadu Buhari signed the Petroleum Industry Act (the "PIA") on 16 August 2021. The PIA, which started as an omnibus bill and was later divided into four separate bills before merging into the PIA, provides for the legal, governance, regulatory and fiscal framework for the Nigerian oil and gas industry, the development of host communities, and for related matters. For more information on the PIA, see "*The Economy - Oil and Gas Sector History, Regulation and Reform - Petroleum Industry Act 2021*".

In 2022 and 2023, the Government began implementing the provisions of the PIA. In July 2022, the NNPC was officially converted into a limited liability company, known as NNPC Ltd, marking a significant milestone in the reform process. This conversion aims to enhance transparency and efficiency in its operations.

In addition, the Nigerian Upstream Petroleum Regulatory Commission ("NUPRC") and the Nigerian Midstream and Downstream Petroleum Regulatory Authority ("NMDPRA") were established to replace the DPR and other regulatory bodies. These new agencies are tasked with overseeing the upstream and midstream/downstream sectors, respectively, and ensuring compliance with the PIA.

Despite these positive developments, challenges remain. In 2023, industry stakeholders raised concerns about the slow pace of implementing critical aspects of the PIA, such as the fiscal terms and the development of host communities. There have also been delays in issuing new regulations and guidelines necessary for the full operationalisation of the PIA.

Whilst it is expected that the passage of new legislation in relation to the petroleum industry may address certain challenges in the oil and gas sector, there is no assurance that it will be implemented effectively. For additional information about the PIA, please see "*The Economy — Principal Sectors of the Economy — Oil and Gas — Oil and Gas Reforms — Fiscal Framework*".

An inability to increase foreign investment, or a decrease in existing foreign investment, could adversely affect Nigeria's economic growth.

Nigeria's total foreign direct investment ("FDI") comprises equity capital and other capital inflows. Levels of FDI in Nigeria are susceptible to concerns about the macroeconomic environment and domestic security situation.

Over recent years, Nigeria has experienced fluctuating trends in FDI. In 2023, FDI in Nigeria totalled U.S.\$3.9 billion, compared to U.S.\$5.3 billion in 2022 and U.S.\$6.7 billion in 2021. In the six months ended 30 June 2024, FDI in Nigeria totalled U.S.\$6 billion, compared to U.S.\$2.2 billion received in the six months ended 30 June 2023.

In 2020, FDI inflows were significantly impacted by the COVID-19 pandemic, leading to reduced investor confidence and a sharp decline in investment flows. In 2021, there was a modest recovery as global economies began to stabilize, although issues such as security concerns and regulatory inconsistencies continued to pose challenges. In 2022, FDI saw a more significant rebound driven by increased investments in sectors such as oil and gas, telecommunications, and fintech, though political uncertainties and economic

challenges, including high inflation and foreign exchange volatility, remained areas of concern for investors. In 2023, FDI saw a slight decline compared to 2022 due to further high inflation and foreign exchange volatility. However, the implementation of pro-market reforms, such as fuel subsidy removal and exchange rate harmonisation, reverted the trend in the fourth quarter of 2023 as capital importation rose to U.S.\$1.1 billion. Nonetheless, the overall drop in foreign investment inflows reflects the perceived continued challenges in the investment climate, which has dampened investors' confidence in the Nigerian economy.

Any inability to further promote FDI in the country could adversely affect the Nigerian economy, including funding for infrastructure, petroleum, power, gas and other projects requiring significant investment by the private sector.

Impact of global conflicts could have an adverse effect on the Nigerian economy and political stability.

Geopolitical events or developments greatly affect the macroeconomic and political environment and can be major sources of uncertainty and concern. In February 2022, Russian forces invaded Ukraine, and Russia recognised the independence of the so-called "Donetsk People's Republic" and the "Luhansk People's Republic", two separatist regions within Ukraine, and a military conflict has since commenced between Russia and Ukraine and is continuing as of the date of this Offering Circular. These actions led the United States, the European Union and the United Kingdom, among others, to impose economic sanctions against Russia, Russian government officials and Russian corporates and financial institutions. The ongoing conflict has had a significant impact on international capital markets, investor sentiment and commodity prices (including oil and gas, which has led to rising fuel prices, and arable crops, which has led to rising food prices and consequently increased inflationary pressures). The sanctions announced to date include restrictions on selling or importing goods, services or technology in or from affected regions, travel bans and asset freezes impacting connected individuals and political, military, business and financial organisations in Russia. Such sanctions have direct and indirect effects on Nigeria, as is the case with other participants in the global economy, which could become more significant if Nigeria does not comply or is not seen to adequately comply with the sanctions. There remains a risk of further escalation and a resulting further impact on geopolitical conditions. Western and allied governments could impose wider sanctions and take other actions should the conflict further escalate. In particular, increased prices and supply shortages of products, such as wheat and energy, could further contribute to inflationary pressure. While the full extent of the impact of the conflict remains to be seen, the effects of the conflict could affect the Nigerian economy.

Furthermore, on 7 October 2023, Hamas launched an attack on a number of cities in Israel from the Gaza Strip, killing a significant number of members of the Israeli Defence Forces and civilians. In response, the government of Israel formally declared war and mobilised Israel Defence Forces to begin a large-scale counter-offensive military operation against Hamas. Recently, there have been escalated violence around the Lebanon-Israel border, and increased escalations of military activities in the wider region, by, among others, the Republic of Iran, the United States, the United Kingdom and the Houthis in Yemen. In particular, there have been increased attacks by the Yemeni Houthis on international shipping cargoes traversing the Red Sea and the Gulf of Aden, which has impacted globally shipping routes and supply chains. As of the date of this Offering Circular, the aforementioned hostilities are ongoing. The scale, duration and impact of this conflict in the region and any global effects are currently unclear and cannot be predicted with any certainty. A wider regional conflict or any escalation of the current conflict could have effects on wider geopolitical stability and the global macroeconomic framework, which may in turn have a material adverse effect on the Nigerian economy.

The impact of climate change has negatively affected Nigeria in the past and may negatively affect it in the future.

Climate change poses a significant threat to the Nigerian economy, the Government's sustainable development goals, and Agenda 2050. An increase in global mean temperature is likely to result in altered precipitation patterns, rising sea levels, and more frequent extreme weather events such as prolonged droughts and flooding. Nigeria's economy heavily depends on climate-sensitive sectors, including agriculture, fishery and energy. Between May and October 2022, Nigeria experienced unusually heavy rains, with the United Nations Humanitarian Coordinator for Nigeria, Matthias Schmale, attributing the flooding largely to climate change. This climatic shift may lead to several consequences, such as reduced

agricultural productivity, damage to coastal infrastructure, fragile ecosystems, health and biodiversity impacts, financial market disruption (including inflation), lower GDP, and altered migration patterns. The recent floods resulted in the complete or partial destruction of over 200,000 homes and the tragic capsizing of a boat on the Niger River, causing 76 deaths. The Office for the Coordination of Humanitarian Affairs, established by the UN Secretary-General, reported on 15 October 2024 that over 300 people have lost their lives and 1.2 million individuals have been affected by floods across 31 states in Nigeria.

Historically, Nigeria has been affected by various natural disasters, including floods, droughts, and desertification. Floods can cause casualties, crop and livestock destruction, outbreaks of waterborne diseases, and damage to infrastructure such as roads and bridges. Droughts negatively impact agricultural commodity supply and food security, and prolonged droughts have led to desertification and reduced land availability for cattle raising and crop cultivation. Furthermore, climate change disrupts Nigeria's hydro power generation by causing unpredictable rainfall and drought patterns, which affect water levels in dams like the Kainji Dam. During droughts, hydro power output decreases, impacting national power distribution and industrial activities reliant on stable power supply.

Agriculture, forestry and fishing account for a significant portion of Nigeria's nominal GDP (23.17% of GDP in 2023). Given their substantial contribution to the economy, Nigeria is particularly vulnerable to natural disasters such as floods and droughts. Additionally, expenditures related to natural disaster relief efforts may adversely affect Nigeria's budgetary position and, consequently, impair Nigeria's ability to service the Notes. Nigeria has taken measures to mitigate the impact of climate change, such as establishing structures to enable private sector support for Government initiatives in financing mitigation and adaptation actions through the issuance of green bonds. See "*Economy—Climate Change*" and "*Public Finance—Domestic Debt*". Nonetheless, adverse weather conditions and natural disasters or other effects associated with climate change could materially and adversely affect the Nigerian economy.

Events in neighbouring and other emerging markets, including those in sub-Saharan Africa and Saharan Africa, may negatively affect Nigeria and its economy.

Economic, security or health distress in Nigeria's neighbours and nearby emerging market countries may adversely affect Nigeria's economy, the price of securities and the level of investment in other emerging market issuers as investors move their money to more stable, developed markets. Financial problems or an increase in the perceived risks associated with investing in emerging market economies could dampen foreign investment in Nigeria, adversely affect the Nigerian economy or adversely affect the trading price of the Notes because of a change in perception about the value of the Notes. Even if the Nigerian economy remains relatively stable, economic distress in neighbouring or other emerging market countries could adversely affect the trading price of the Notes. Adverse developments in other countries in sub-Saharan Africa, in particular, may have a negative impact on Nigeria if investors perceive the risk that such developments will adversely affect Nigeria or that similar adverse developments may occur in Nigeria. Risks associated with sub-Saharan Africa include political uncertainty, civil unrest and conflict, corruption, the outbreak of disease and poor infrastructure. Investors' perceptions of certain risks may be compounded by incomplete, unreliable or unavailable economic and statistical data on Nigeria, including elements of the information provided in this Offering Circular.

The statistical information published by Nigeria may differ from that produced by other sources, may be incomplete, delayed or inconsistent and is subject to revision, amendment and adjustment.

The NBS and the CBN, as well as various MDAs, including the Ministry of Finance, the Ministry of Petroleum, the Ministry of Trade and Investment and the Ministry of Environment, produce statistics relating to Nigeria and its economy. Although there have been significant efforts to improve the compilation of Nigeria's data in recent years, including through technical assistance provided by the World Bank / IMF, deficiencies remain and there can be no assurance that these statistics are as accurate or as reliable as those published by more developed countries or domestic non-governmental sources. In particular, the IMF noted in its 2024 Article IV consultation that data shortcomings remain, including in relation to information on subnational public finances and large errors and omissions in the balance of payments. Further efforts will need to be taken in order to strengthen the measurement of the balance of payments and the international investment position.

In line with recommendations from the UN Statistical Commission that countries rebase GDP every five years, the NBS began the rebasing of Nigeria's GDP exercise in May 2024. The new base year for GDP will be 2019, and the NBS has disclosed that it has finalised plans to complete the rebasing of the country's GDP by the end of 2024. Similarly, the NBS has begun the rebasing of the CPI, as the index weights and baskets are currently based on expenditures derived from the 2003/4 National Consumer Expenditure Survey. The weights are severely outdated and are not representative of current expenditure patterns, which could introduce a bias into the index. As of the date of this Offering Circular, an update of the CPI, using new weights from the 2018 National Household Living Standards Survey, is still ongoing. As a result, some of the statistics contained in this Offering Circular for 2019, 2020, 2021, 2022, 2023 and 2024 may be estimated or provisional figures that are subject to later revision.

In particular, prospective investors should be aware that figures relating to Nigeria's GDP, its balance of payments and other figures cited in this Offering Circular may be subject to some degree of uncertainty and that the information set forth in this Offering Circular may become outdated relatively quickly. Some of the statistics contained in this Offering Circular may be indicated as estimated or provisional figures that are subject to later revision. In addition, the Bank's financial and economic statistics are subject to review as part of a regular confirmation process. Accordingly, such data and statistics may differ from information previously published by the Bank or MDAs, and are subject to further adjustment, amendment or revision, whether as part of regular review or otherwise. No assurance can be given that such adjustment, amendment or revision may not be material.

A significant portion of the Nigerian economy is not recorded.

A significant portion of the Nigerian economy consists of the informal, or shadow, economy. According to the IMF, the Nigerian informal sector accounted for 57.7% of Nigeria's 2022 GDP, making it a major contributor to Nigeria's economy. Although following the rebasing of the country's GDP in 2014, the number of economic activities surveyed and computed as part of GDP figures increased, and the presence of the informal sector in the economy remains significant. The informal economy is not recorded and is only partially taxed, resulting in less revenue being generated by the Government from the informal sector, ineffective regulation, unreliability of statistical information (including the understatement of GDP and inaccuracies in the apparent contribution to GDP of various sectors) and an inability to monitor or otherwise regulate a large portion of the economy. Given the high level of informality in the labour force, increasing tax pressure remains a key fiscal challenge and contributes to the continued reliance on hydrocarbon production for revenue. *See “- Nigeria's high fiscal deficit and/or increases in government debt (including debt service costs) could have a material adverse effect on Nigeria's economy and its ability to service its debt, including meeting its payment obligations under the Notes.”* Lack of effective regulation and enforcement in this sector also gives rise to other issues, including health and safety issues. Although the Government is attempting to address the informal economy by streamlining certain regulations, there can be no assurance that such reforms will adequately address the issues and bring the informal economy into the formal sector.

Diseases and other health risks could adversely affect Nigeria's economy.

HIV/AIDS, tuberculosis (which is exacerbated in the presence of HIV/AIDS), malaria and typhoid are major healthcare challenges in Nigeria. According to the U.S. Centers for Disease Control and Prevention, Nigeria has the fourth largest HIV epidemic in the world. The country also has one of the highest rates of new infections in sub-Saharan Africa.

Nigeria has been experiencing a severe diphtheria outbreak since December 2022. As of 28 September 2023, there have been over 7,400 confirmed cases, 12,000 suspected cases, and 471 deaths. As of 28 September 2023, there have been over 7,400 confirmed cases, 12,000 suspected cases, and 471 deaths. Kano state has been the epicenter of the outbreak, accounting for 77% of all confirmed cases (according to the IFRC). Kano state has been the epicenter of the outbreak, accounting for 77% of all confirmed cases (according to the IFRC).

The high prevalence of HIV/AIDS, malaria, typhoid, diphtheria, cerebrospinal meningitis or other diseases in Nigeria may have a material adverse effect on the economy of Nigeria and therefore on Nigeria's ability to meet its debt obligations, including those under the Notes.

Nigeria is a foreign sovereign state and, accordingly, it may be difficult to obtain or enforce judgments against it.

Nigeria is a sovereign state. As a result, it may be difficult for investors to obtain judgments against Nigeria in foreign or Nigerian courts or to enforce foreign judgments, including judgments against Nigeria predicated upon civil liabilities under the securities laws of the United States or any state or territory within the United States. Although Nigeria will consent, under the terms of the Notes, to the giving of any relief or the issue of any process in connection with proceedings in England arising out of any dispute arising from or connected with the Notes, and will agree to waive any immunity it may have in a suit, execution, attachment or other legal process in respect of any such proceedings, that waiver of immunity does not extend to any other proceedings and excludes from its scope certain diplomatic, military and other government properties located in Nigeria. Nigeria has not consented to service or waive sovereign immunity with respect to actions brought against it under United States federal securities laws or any state securities laws. In the absence of a waiver of immunity by the Issuer with respect to these actions, it would not be possible to obtain a judgment in such an action brought against Nigeria in a court in the United States unless the court were to determine that the Issuer is not entitled, under the United States Foreign Sovereign Immunities Act 1976, as amended (the “FSIA”) to sovereign immunity with respect to such action. Further, even if a United States judgment could be obtained in such an action, it may not be possible to enforce against the Issuer a claim based on such a United States judgment. Execution upon property of the Issuer located in the United States to enforce a United States judgment may not be possible except under the limited circumstances specified in the FSIA, and execution upon property of the Issuer located in the United Kingdom to enforce a United Kingdom judgment may not be possible except under the limited circumstances specified in the United Kingdom’s State Immunity Act 1978, as amended. Even if a foreign judgment is converted into a Nigerian judgment, the consent of the Attorney General of the Federation must first be obtained before money belonging to the Federal Government is liable to be attached by garnishee proceedings and which is in the control or custody of a public officer can be attached. See “*Service of Process and Enforcement of Civil Liabilities*”.

Part of the offering proceeds of Notes issued under the Programme could be attached by creditors attempting to execute outstanding and pending judgments and awards against Nigeria.

Creditors holding outstanding and pending court judgments or arbitral awards present a risk of disruption to the offering and to payments on Notes issued under the Programme. See “*The Federal Republic of Nigeria – Legal Proceedings*”. Such creditors could attempt to attach the proceeds of Notes issued under the Programme in order to settle the relevant claim. Should any such creditor attempt to do so, it could result in a delay in the Issuer receiving the proceeds on the settlement date of any Notes so issued (and, accordingly, using such proceeds) and/or reduce the amount of the net proceeds of such Notes.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Risks applicable to all Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do

so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis may affect the secondary market in, and the market value of such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero-Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. Such volatility could have a material adverse effect on the value of and return on any such Notes.

The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”.

Interest rates and indices which are deemed to be “benchmarks”, (including EURIBOR) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The euro risk-free rate working group for the euro area has published a set of guiding principles and high-level recommendations for fallback provisions in, amongst other things, new euro-denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 4 December 2023, the group issued its final statement, announcing the completion of its mandate.

The EU Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a “benchmark” and the use of a “benchmark” within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The UK Benchmarks Regulation, among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK-supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the following effects on certain “benchmarks”: (i) discourage market participants from continuing to administer or contribute to the “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmark” or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a “benchmark”.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation reforms, as applicable, in making any investment decision with respect to any Notes linked to or referencing a “benchmark”.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and Noteholders who voted in a manner contrary to the majority.

In addition, the terms of the Notes permit “cross-series modifications” to be made to more than one series of debt securities, *provided that* each affected series of debt securities also contains a cross-series modification provision. Under certain circumstances, including the satisfaction of the Uniformly Applicable condition (as more particularly described in the conditions of the Notes), such cross-series modification may be made to more than one series of debt securities with the approval of the applicable percentage of the aggregate principal amount of the outstanding debt securities of all affected series and without requiring the approval of a particular percentage of the holders of any individual affected series of debt securities.

There is therefore a risk that the terms of the Notes may be modified in circumstances where the holders of debt securities approving the modification may be holders of different series of debt securities and the majority of Noteholders would not necessarily have approved such modification. In addition, there is a risk that the provisions allowing for aggregation across multiple series of debt securities may make the Notes less attractive to purchasers in the secondary market and adversely affect the market value of the Notes in circumstances where such modification or a proposal for such modification is expected to be made by the Issuer.

The terms of the Notes also provide that the Notes, their terms and conditions and the provisions of the Agency Agreement (as defined in “*Terms and Conditions of the Notes*”) may be amended by the Issuer and the Principal Paying Agent without the consent of the Noteholders or the Coupon holders (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained therein or (ii) in any other manner which is, in the sole opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Holders of Notes held through DTC, Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Notes, receive payments in respect of Notes and vote at meetings of Noteholders.

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depository for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC (each as defined under “*Form of the Notes*”). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.

The trading market for the Notes will be influenced by economic and market conditions in Nigeria and, to varying degrees, interest rates, currency exchange rates and inflation rates in other countries, such as the United States, European Union Member States and elsewhere. Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If Notes are traded after their initial issuance, they may trade at a discount to their offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the economic and political condition of Nigeria.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes as an equivalent investment issued at the current market interest rate may be more attractive to investors.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

The Issuer has been rated Caa1 (Positive) by Moody's, B- (Stable) by S&P and B- (Positive) by Fitch. On 27 January 2023, Moody's lowered its long-term issuer and senior unsecured debt rating from B3 to Caa1 (with a stable outlook) citing an expected continued deterioration in Nigeria's fiscal and debt position. In December 2023, Moody's further revised Nigeria's outlook from "Stable" to "Positive" to reflect the prospects for a reversal in the country's fiscal and external position as a result of the Government's reform efforts. On 26 June 2024, Moody's reaffirmed this position. On 1 November 2024, Fitch revised Nigeria's outlook from "Stable" to "Positive" and affirmed the rating at B-, citing factors such as exchange rate liberalisation, return of sizeable non-resident inflows and further tightening of monetary policy as the reasons for the change in the country's outlook.

In addition, one or more independent credit rating agencies may assign credit ratings to the Notes. Ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating

agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

DOCUMENTS INCORPORATED BY REFERENCE

Following the publication of this Offering Circular a supplement may be prepared by the Issuer. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the specified office of the Principal Paying Agent for the time being in London and will be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (“**Regulation S**”) and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act.

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a “**Temporary Bearer Global Note**”) or, if so specified in the applicable Pricing Supplement, a permanent global note (a “**Permanent Bearer Global Note**”) and, together with a Temporary Bearer Global Note, each a “**Bearer Global Note**”) which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depository (the “**Common Depository**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”).

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the “**Exchange Date**”) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, *provided that* purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note) without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting an exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The exchange of a Permanent Bearer Global Note for definitive Bearer Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) should not be expressed to be applicable in the applicable Pricing Supplement if the Bearer Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Bearer Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Notes.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), and interest coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States, will initially be represented by a global note in registered form (a “**Regulation S Global Note**”).

The Registered Notes of each Tranche offered and sold in the United States may only be offered and sold in private transactions to “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act (“**QIBs**”). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a “**Rule 144A Global Note**” and, together with a Regulation S Global Note, each a “**Registered Global Note**”).

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company (“**DTC**”) or (ii) be deposited with a common depository, and registered in the name of the nominee for the Common Depository of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form and, in the case of Regulation S Global Notes, outside the United States and its possessions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has

notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, or (iii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting an exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “Subscription and Sale and Transfer and Selling Restrictions”.**

General

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and/or DTC on and subject to the terms of a deed of covenant (the “**Deed of Covenant**”) dated 16 September 2021 and executed by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC’s standard operating procedures.

APPLICABLE PRICING SUPPLEMENT

[Date]

THE FEDERAL REPUBLIC OF NIGERIA

Legal entity identifier (LEI): 549300GSBZD84TNEQ285

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the
Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET] – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET] – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”) and professional clients only, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”)] - [To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].²

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Offering Circular dated 2 December 2024 [and the supplement[s] to it dated [●] [and [●]] (the “**Offering Circular**”). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. The Offering Circular has been published on the website of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.]

¹ Legend to be included on front of the Pricing Supplement if following the ICMA 1 “all bonds to all professionals” target market approach

² Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Offering Circular dated [●] [and the supplement to it dated [●]] which are incorporated by reference in the Offering Circular dated [●]. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular dated 2 December 2024 [and the supplement[s] to it dated [●] [and [●]] (the “**Offering Circular**”), including the Conditions incorporated by reference in the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. The Offering Circular has been published on the website of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.]

1. Issuer: The Federal Republic of Nigeria
2. (a) Series Number: [●]
 (b) Tranche Number: [●]
 (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [●] on [the Issue Date /exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below, which is expected to occur on or about [●]][Not Applicable]
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:
 (a) Series: [●]
 (b) Tranche: [●]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6. (a) Specified Denominations: [●]
 (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): [●]
7. (a) Issue Date: [●]
 (b) Interest Commencement Date: [[●]/[Issue Date/Not Applicable]
8. Maturity Date: [●]/[Interest Payment Date falling in or nearest to [●]]
9. Interest Basis: [[●] per cent. Fixed Rate]
 [[●] month EURIBOR] +/- [●] per cent. Floating Rate]
 [Zero Coupon]
 (further particulars specified below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount
11. Change of Interest Basis: [●] [Not Applicable]

12. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]
 [Not Applicable]

13. Status of the Notes: Senior

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (a) Rate(s) of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [●] in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [●] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[●] in each year][Not Applicable]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: [●] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): [●]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [●]
- (f) Screen Rate Determination:
- Reference Rate: [●] month EURIBOR

- Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]
- (g) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- (i) Margin(s): [+/-][●] per cent. per annum
- (j) Minimum Rate of Interest: [●] per cent. per annum
- (k) Maximum Rate of Interest: [●] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
 [Actual/365 (Fixed)]
 [Actual/365 (Sterling)]
 [Actual/360]
 [30/360][360/360][Bond Basis]
 [30E/360][Eurobond Basis]
 [30E/360 (ISDA)]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (a) Accrual Yield: [●] per cent. per annum
- (b) Reference Price: [●]
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
 [Actual/360]
 [Actual/365]

PROVISIONS RELATING TO REDEMPTION

17. Issuer Call: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount: [[●] per Calculation Amount]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [[●] per Calculation Amount]
 - (ii) Maximum Redemption Amount: [[●] per Calculation Amount]

- (d) Notice periods: Minimum period: [15] days
Maximum period: [30] days
18. Investor Put: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount: [●] per Calculation Amount
- (c) Notice periods: Minimum period: [15] days
Maximum period: [30] days
19. Final Redemption Amount: [●] per Calculation Amount
20. Early Redemption Amount payable on event of default: [●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes: [Bearer Notes:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]]
- [Registered Notes:
- [Regulation S Global Note(s) (U.S.\$ [●] aggregate nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]]
- [Rule 144A Global Note(s) (U.S.\$ [●] aggregate nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]]]
22. Additional Financial Centre(s): [Not Applicable/give details]
23. Talons for future Coupons to be attached to Bearer Notes in definitive form: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No/Not Applicable]

[THIRD PARTY INFORMATION

[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of The Federal Republic of Nigeria:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application [has been] [is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market and to be listed on the Official List of the United Kingdom Financial Conduct Authority with effect from [●].]
- (ii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[Details of rating agencies to be included].

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealer], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its/their] affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: [See ["Use of Proceeds"] in the Offering Circular/*Give details*]
- (See ["Use of Proceeds"] wording in Offering Circular – if reasons for offer different from what is disclosed in the Offering Circular, give details)*

- (ii) Estimated net proceeds: [●]

5. YIELD (Fixed Rate Notes only)

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. [HISTORIC INTEREST RATES (Floating Rate notes only)]

Details of historic EURIBOR rates can be obtained from [Reuters].]

7. OPERATIONAL INFORMATION

- (i) ISIN: [●]
- (ii) Common Code: [●]

- (iii) CUSIP:
- (iv) CINS:
- (v) CFI:
- (vi) FISN:
- (vii) Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable]/
- (viii) Delivery: Delivery [against/free of] payment
- (ix) Names and addresses of additional Paying Agent(s) (if any):

8. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable]/
- (iii) Date of Subscription Agreement:
- (iv) Stabilisation Manager(s) (if any): [Not Applicable]/
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable]/
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 1; Rule 144A; TEFRA D/TEFRA C/TEFRA not applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Applicable Pricing Supplement” for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by the Federal Republic of Nigeria (the “**Issuer**”) pursuant to the Agency Agreement (as defined below).

References herein to the “**Notes**” shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a “**Global Note**”), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes in bearer form (“**Bearer Notes**”) issued in exchange for a Global Note in bearer form; and
- (d) any definitive Notes in registered form (“**Registered Notes**”) (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 16 September 2021 and made between the Issuer, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), Citibank, N.A., London Branch as exchange agent (the “**Exchange Agent**”, which expression shall include any successor exchange agent) and Citibank Europe PLC as registrar (the “**Registrar**”, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents). The Principal Paying Agent, the Registrar, the Paying Agents, the Exchange Agent and other Transfer Agents together referred to as the “**Agents**”.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which supplement these Terms and Conditions (the “**Conditions**”). References to the “**applicable Pricing Supplement**” are, unless otherwise stated, to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing definitive Bearer Notes have interest coupons (“**Coupons**”) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

Any reference to “**Noteholders**” or “**holders**” in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to “**Couponholders**” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms

and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the “**Deed of Covenant**”) dated 16 September 2021 and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent). If the Notes are to be admitted to trading on the main market of the London Stock Exchange, the applicable Pricing Supplement will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and *provided that*, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

In the Conditions, “**euro**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. Form, Denomination and Title

The Notes are in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the currency (the “**Specified Currency**”) and the denominations (the “**Specified Denomination(s)**”) specified in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all

purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly.

For so long as The Depository Trust Company (“**DTC**”) or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and those Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Pricing Supplement.

2. Transfers of Registered Notes

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor’s nominee.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in paragraphs 2.1 above and 2.5 and 2.6 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 8 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant

part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

- (a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a written confirmation substantially in the form set out in the Agency Agreement, amended as appropriate from the transferor to the effect that such transfer is being made in accordance with Regulation S; or
- (b) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person who the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

2.6 Exchanges and transfers of Registered Notes generally

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

2.7 Definitions

In this Condition, the following expressions shall have the following meanings:

“Calculation Agent” means the Principal Paying Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) in the relevant Pricing Supplement;

“Legended Note” means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a **“Legend”**);

“**QIB**” means a “qualified institutional buyer” within the meaning of Rule 144A;

“**Regulation S**” means Regulation S under the Securities Act;

“**Regulation S Global Note**” means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

“**Rule 144A**” means Rule 144A under the Securities Act;

“**Rule 144A Global Note**” means a Registered Global Note representing Notes sold in private transactions to QIBs in accordance with the requirements of Rule 144A; and

“**Securities Act**” means the United States Securities Act of 1933, as amended.

3. Status of the Notes

The Notes and any relative Coupons constitute direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu*, without any preference among themselves, with all other present and future unsecured and unsubordinated obligations of the Issuer, save only for such obligations as may be preferred by mandatory provisions of applicable law; *provided, however, that* the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due on the Notes and vice versa.

4. Negative Pledge

4.1 Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement) the Issuer will not, save for the exceptions set out below in Condition 4.3, create, incur, assume or permit to subsist any Security upon the whole or any part of its present or future assets, undertakings or revenues to secure (i) any of its Public External Indebtedness; (ii) any Guarantees in respect of Public External Indebtedness; or (iii) the Public External Indebtedness of any other person; without at the same time or prior thereto securing the Notes equally and rateably therewith or providing such other arrangement (whether or not comprising Security) as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

4.2 Interpretation

In these Conditions:

- (a) “**External Indebtedness**” means Indebtedness expressed or denominated or payable or which, at the option of the relevant creditor may be payable, in any currency other than the lawful currency from time to time of the Federal Republic of Nigeria;
- (b) “**Guarantee**” means any obligation of a person to pay the Indebtedness of another person including, without limitation: an obligation to pay or purchase such Indebtedness; an obligation to lend money or to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness; an indemnity against the consequences of a default in the payment of such Indebtedness; or any other agreement to be responsible for such Indebtedness;
- (c) “**Indebtedness**” means any obligation (whether present or future) for the payment or repayment of money which has been borrowed or raised (including money raised by acceptances and leasing);
- (d) “**person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust or other juridical entity, state or agency of a state or other entity, whether or not having a separate legal personality;

- (e) **“Public External Indebtedness”** means any External Indebtedness which is in the form of, or is represented by, bonds, notes or other securities with a stated maturity of more than one year from the date of issue which are, or are capable of being, quoted, listed or ordinarily purchased or sold on any stock exchange, automated trading system, over the counter or other securities market; and
- (f) **“Security”** means any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance including, without limitation, anything analogous to the foregoing under the laws of any jurisdiction.

4.3 Exceptions

The following exceptions apply to the Issuer’s obligations under Condition 4.1:

- (a) any Security upon property to secure Public External Indebtedness of the Issuer or any Guarantee by the Issuer of Public External Indebtedness of any other person incurred for the purpose of financing the acquisition or construction of such property and any renewal and extension of such Security which is limited to the original property covered thereby and which (in either case) secures any renewal or extension of the original secured financing;
- (b) any Security securing Public External Indebtedness of the Issuer or any Guarantee by the Issuer of Public External Indebtedness of any other person incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project; *provided that* (A) the holders of such Public External Indebtedness or Guarantee expressly agree to limit their recourse to the assets and revenues of such project or the proceeds of insurance thereon as the sole source of repayments of such Public External Indebtedness and (B) the property over which such Security is granted consists solely of such assets and revenues; and
- (c) any Security securing the Public External Indebtedness of the Issuer or any Guarantee by the Issuer of Public External Indebtedness of any other person which was in existence on the date on which agreement is reached to issue the first Tranche of the Notes.

5. Interest

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, **“Fixed Interest Period”** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1:

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Pricing Supplement:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, “**Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, “**Business Day**” means a day which is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;
- (b) if TARGET2 System is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System (the “**TARGET2 System**”) is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) **ISDA Determination for Floating Rate Notes:**

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “**ISDA Definitions**”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

For the purposes of this subparagraph (i), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero

(ii) **Screen Rate Determination for Floating Rate Notes:**

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR,) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer

than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if “30E/360 (ISDA)” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period *provided however that* if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer determines appropriate.

“**Designated Maturity**” means, in relation to Screen Rate Determination the period of time designated in the Reference Rate.

(f) **Notification of Rate of Interest and Interest Amounts**

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will

promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Principal Paying Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

6. Payments

6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

6.2 Presentation of definitive Bearer Notes and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “**Long Maturity Note**” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon *provided that* such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented.

6.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the “**Register**”) at the close of business on the fifteenth calendar day before the relevant due date (the “**Record Date**”). For these purposes, “**Designated Account**” means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and “**Designated Bank**” means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the Record Date. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Principal Paying Agent to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars unless the participant in DTC with an interest in such Notes has elected to receive any part of such payment in that Specified Currency in the manner specified in the Agency Agreement and in accordance with the rules and procedures for the time being of DTC.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.6 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant

place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which (subject to Condition 9) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation;
 - (ii) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;
 - (iii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (c) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has not elected to receive any part of such payment in a Specified Currency other than U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

6.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.4); and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

7. Redemption and Purchase

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

7.2 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed (“**Redeemed Notes**”) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or DTC. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption.

7.3 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a “**Put Notice**”) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any common depositary for Euroclear or Clearstream, Luxembourg to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC by a holder of any Note pursuant to this Condition 7.3 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw

the notice given pursuant to this Condition 7.3 and instead to declare such Note forthwith due and payable pursuant to Condition 10.

7.4 Early Redemption Amounts

For the purpose of Condition 10:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note will be redeemed at an amount (the “**Amortised Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.5 Purchases

The Issuer may at any time purchase Notes (*provided that*, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All Notes so purchased will be surrendered to a Paying Agent or the Registrar for cancellation. Any Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of such meetings.

7.6 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.5 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

7.7 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2 or 7.3 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.4(b) above as though the references therein to the date fixed for the redemption or the date upon which

such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. Taxation

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction for or on account of any present or future Taxes is required by law. In such event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment of principal and interest in respect of any Note or Coupon:

- (a) presented for payment in the Federal Republic of Nigeria; or
- (b) the holder of which is liable for such Taxes in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6).

As used herein:

- (i) the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been received by the Principal Paying Agent or the Registrar, as the case may be, on or before such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14; and
- (ii) “**Tax Jurisdiction**” means the Federal Republic of Nigeria or any political subdivision or any authority thereof or therein having power to tax.

9. Prescription

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. Events of Default

If any of the following events (“**Events of Default**” and each an “**Event of Default**”) shall have occurred and be continuing:

(a) **Non-payment**

- (i) the Issuer fails to pay any principal on any of the Notes when due and payable and such failure continues for a period of 15 business days; or
- (ii) the Issuer fails to pay any interest on any of the Notes or any amount due under Condition 8 when due and payable, and such failure continues for a period of 30 days; or

(b) **Breach of Other Obligations**

the Issuer does not perform or comply with any one or more of its other obligations in the Notes or the Agency Agreement, which default is incapable of remedy or is not remedied within 45 days following the service by any Noteholder on the Issuer of notice requiring the same to be remedied; or

(c) **Cross-acceleration**

- (i) any other External Indebtedness of the Issuer becomes due and payable prior to stated maturity thereof by reason of default, or
- (ii) any such External Indebtedness is not paid at maturity; or
- (iii) any Guarantee of such External Indebtedness is not honoured when due and called upon,

and, in the case of (ii) or (iii), that failure continues beyond any applicable grace period;

provided that the aggregate amount of the relevant External Indebtedness in respect of which one or more of the events mentioned in this paragraph (c) have occurred equals or exceeds U.S.\$25,000,000 or its equivalent; or

(d) **Moratorium**

a moratorium on the payment of principal of, or interest on, the External Indebtedness of the Issuer shall be declared by the Issuer; or

(e) **IMF Membership**

the Issuer shall cease to be a member of the International Monetary Fund (IMF) or shall cease to be eligible to use the general resources of the IMF; or

(f) **Validity**

- (i) the validity of the Notes shall be contested by the Issuer; or
- (ii) the Issuer shall deny any of its obligations under the Notes (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise); or
- (iii) it shall be or become unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes or the Agency Agreement, including, without limitation, the payment of interest on the Notes, as a result of any change in law or regulation in the Federal Republic of Nigeria or any ruling of any court in the Federal Republic of Nigeria whose decision is final and unappealable or for any reason such obligations cease to be in full force and effect; or

(g) **Consents**

if any authorisation, consent of, or filing or registration with, any governmental authority necessary for the performance of any payment obligation of the Issuer under the Notes, when due, ceases to be in full force and effect or remain valid and subsisting,

then the holders of at least 25 per cent. in aggregate nominal amount of the outstanding Notes may, by notice in writing to the Issuer (with a copy to the Principal Paying Agent), declare all the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Redemption Amount together with accrued interest (if any) to the date of repayment without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders by the Issuer in accordance with Condition 14.

If the Issuer receives notice in writing from holders of at least 50 per cent. in aggregate nominal amount of the outstanding Notes to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Noteholders (with a copy to the Principal Paying Agent), whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations which may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

11. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. Agents

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Pricing Supplement.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, *provided that:*

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent; and
- (d) there will at all times be a Paying Agent in a jurisdiction other than the Federal Republic of Nigeria.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. Notices

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

15. Meetings of Noteholders, Modification and Waiver

15.1 Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions

- (a) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the Agency Agreement. The Issuer will determine the time and place of the meeting (which need not be a physical place and instead may be by way of a conference call, including by use of a videoconference platform). The Issuer will notify the Noteholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.
- (b) The Issuer or the Principal Paying Agent will convene a meeting of Noteholders if the holders of at least 10% in principal amount of the outstanding Notes (as defined in the Agency Agreement and described in Condition 15.9 below) have delivered a written request to the Issuer or the Principal Paying Agent (with a copy to the Issuer) setting out the purpose of the meeting. The Principal Paying Agent will agree the time and place of the meeting with the Issuer promptly. The Issuer or the Principal Paying Agent, as the case may be, will notify the Noteholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.
- (c) The Issuer (with the agreement of the Principal Paying Agent) will set the procedures governing the conduct of any meeting in accordance with the Agency Agreement. If the Agency Agreement does not include such procedures, or additional procedures are required, the Issuer and the Principal Paying Agent will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.
- (d) The notice convening any meeting will specify, *inter alia*:
 - (i) the date, time and location of the meeting;
 - (ii) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;
 - (iii) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
 - (iv) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;
 - (v) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;
 - (vi) whether Condition 15.2, or Condition 15.3, or Condition 15.4 shall apply and, if relevant, in relation to which other series of debt securities it applies;
 - (vii) if the proposed modification or action relates to two or more series of debt securities issued by the Issuer and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
 - (viii) such information that is required to be provided by the Issuer in accordance with Condition 15.6;

- (ix) the identity of the Aggregation Agent and the Calculation Agent (each as defined in these Conditions), if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 15.7; and
 - (x) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.
- (e) All information to be provided pursuant to Condition 15.1(d) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents (as defined in Condition 15.12).
 - (f) A “**record date**” in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.
 - (g) An “**Extraordinary Resolution**” means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.
 - (h) A “**Written Resolution**” means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.
 - (i) Any reference to “**debt securities**” means any notes (including the Notes), bonds, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year.
 - (j) “**Debt Securities Capable of Aggregation**” means those debt securities which include or incorporate by reference this Condition 15 and Condition 16 or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

15.2 Modification of this Series of Notes only

- (a) Any modification of any provision of, or any action in respect of, the Notes, these Conditions, the Agency Agreement and/or the Deed of Covenant may be made or taken if approved by a Single Series Ordinary Resolution, a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.
- (b) For the purposes of a meeting of Noteholders convened in respect of this Series of Notes only and for the purposes of passing a Single Series Ordinary Resolution and/or a Single Series Extraordinary Resolution (each as defined below) (a “**Single Series Meeting**”), at any such Single Series Meeting any one or more persons present in person holding Notes or proxies or representatives and holding or representing in the aggregate not less than 50 per cent. in principal amount of the Notes for the time being outstanding (or, in the case of an adjourned meeting, one or more persons present in person holding Notes or being proxies or representatives (whatever the principal amount of Notes so held or represented)) shall (except for the purposes of passing a Single Series Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any such Single Series Meeting unless the requisite quorum be present at the commencement of business. The quorum at any such Single Series Meeting convened for the purpose of passing a Single Series Extraordinary Resolution shall be one or more persons present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than 66.67 per cent. of the principal

amount of the Notes for the time being outstanding, (or, in the case of an adjourned meeting, one or more persons so present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than 33.34 per cent. in the principal amount of Notes for the time being outstanding).

- (c) A “**Single Series Ordinary Resolution**” means a resolution passed at a Single Series Meeting duly convened and held in accordance with the procedures prescribed by the Issuer and the Principal Paying Agent pursuant to Conditions 15.1 and 15.2(b) in respect of any matter other than a Reserved Matter, by a majority of at least 66.67 per cent. of the votes cast.
- (d) A “**Single Series Extraordinary Resolution**” means a resolution passed at a Single Series Meeting duly convened and held in accordance with the procedures prescribed by the Issuer and the Principal Paying Agent pursuant to Conditions 15.1 and 15.2(b) in respect of a Reserved Matter by a majority of at least 75 per cent. of the votes cast.
- (e) A “**Single Series Written Resolution**” means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:
 - (i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or
 - (ii) in the case of a matter other than a Reserved Matter, at least 66.67 per cent. of the aggregate principal amount of the outstanding Notes.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders.

- (f) Any Single Series Ordinary Resolution, Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Noteholders, whether or not they attended such Single Series Meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be and on all Couponholders.

15.3 Multiple Series Aggregation – Single limb voting

- (a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, *provided that* the Uniformly Applicable condition is satisfied.
- (b) A “**Multiple Series Single Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Principal Paying Agent pursuant to Condition 15.1, as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).
- (c) A “**Multiple Series Single Limb Written Resolution**” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in

substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of debt securities.

- (d) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be, and on all Couponholders and couponholders (where applicable) of each other affected series of Debt Securities Capable of Aggregation.
- (e) The “**Uniformly Applicable**” condition will be satisfied if:
 - (i) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms, for (i) the same new instrument or other consideration or (ii) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
 - (ii) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to different currency of issuance).
- (f) It is understood that a proposal under Condition 15.3(c) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).
- (g) Any modification or action proposed under Condition 15.3(a) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 15.3 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

15.4 Multiple Series Aggregation – Two limb voting

- (a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.
- (b) A “**Multiple Series Two Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the

Issuer and the Principal Paying Agent pursuant to Condition 15.1, as supplemented if necessary, which is passed by a majority of:

- (i) at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (ii) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).
- (c) A “**Multiple Series Two Limb Written Resolution**” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:
- (i) at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (ii) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

- (d) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be, and on all Couponholders and couponholders (where applicable) of each other affected series of Debt Securities Capable of Aggregation.
- (e) Any modification or action proposed under Condition 15.4(a) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 15.4 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

15.5 Reserved Matters

In these Conditions, “**Reserved Matter**” means any proposal:

- (a) to change the dates, or the method of determining the dates, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;
- (b) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;
- (c) to change the majority or quorum required to pass a Single Series Ordinary Resolution, an Electronic Consent, an Extraordinary Resolution, a Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the

number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;

- (d) to change this definition, or the definition of “Electronic Consent”, “Extraordinary Resolution”, “Single Series Ordinary Resolution”, “Single Series Extraordinary Resolution”, “Multiple Series Single Limb Extraordinary Resolution”, “Multiple Series Two Limb Extraordinary Resolution”, “Written Resolution”, “Single Series Written Resolution”, “Multiple Series Single Limb Written Resolution” or “Multiple Series Two Limb Written Resolution”;
- (e) to change the definition of “debt securities” or “Debt Securities Capable of Aggregation”;
- (f) to change the definition of “Uniformly Applicable”;
- (g) to change the definition of “outstanding” or to modify the provisions of Condition 15.9;
- (h) to change the legal ranking of the Notes;
- (i) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 10(a);
- (j) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, the Issuer’s obligation to maintain an agent for service of process in England, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer’s waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition 20;
- (k) to impose any condition on or otherwise change the Issuer’s obligation to make payments of principal, interest or any other amount in respect of the Notes, including by way of the addition of a call option;
- (l) to modify the provisions of this Condition 15.5;
- (m) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security; or
- (n) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favourable to the Noteholders which are subject to the Conditions as so modified than:
 - (i) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or
 - (ii) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

15.6 Information

Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 15.2, Condition 15.3 or Condition 15.4, the Issuer shall publish in accordance with Condition 16, and provide the Principal Paying Agent with the following information:

- (a) a description of the Issuer’s economic and financial circumstances which are, in the Issuer’s opinion, relevant to the request for any potential modification or action, a description of the Issuer’s existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;

- (b) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement;
- (c) a description of the Issuer’s proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and
- (d) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Noteholders in Condition 15.1(d)(vii).

15.7 Claims Valuation

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with Condition 15.3 and Condition 15.4, the Issuer may appoint a calculation agent (the “**Calculation Agent**”). The Issuer shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the Calculation Agent will calculate the par value of the Notes and such affected series of debt securities. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the Notes and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

15.8 Manifest error, etc.

The Notes, these Conditions and the provisions of the Agency Agreement may be amended by the Issuer and the Principal Paying Agent without the consent of the Noteholders or the Couponholders either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or (ii) in any other manner which is, in the sole opinion of the Issuer, not materially prejudicial to the interests of the Noteholders. Any such modification shall be binding on the Noteholders and the Couponholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14.

15.9 Notes controlled by the Issuer

For the purposes of (a) determining the right to attend and vote at any meeting of Noteholders, the right to give an Electronic Consent, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, (b) this Condition 15 and (c) Condition 10, any Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer shall be deemed not to remain outstanding, where:

(x) “public sector instrumentality” means the Central Bank of Nigeria, any other department, ministry or agency of the government of the Federal Republic of Nigeria or any corporation, trust, financial institution or other entity owned or controlled by the government of the Federal Republic of Nigeria or any of the foregoing; and

(y) “control” means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Note will also be deemed to be not outstanding if the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Note has previously been called for redemption in accordance with its terms or previously become due and

payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Note in accordance with its terms.

In advance of any meeting of Noteholders, or in connection with any Electronic Consent or Written Resolution, the Issuer shall provide to the Principal Paying Agent a copy of the certificate prepared pursuant to Condition 16.5, which includes information on the total number of Notes which are for the time being held by any person (including but not limited to the Issuer) on behalf of the Issuer or by any public body owned or controlled, directly or indirectly, by the Issuer or by any public sector instrumentality of the Issuer and, as such, such Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Principal Paying Agent shall make any such certificate available for inspection during normal business hours at its Specified Office and, upon reasonable request, will allow copies of such certificate to be taken.

15.10 Publication

The Issuer shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 16.8.

15.11 Exchange and Conversion

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Notes and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders and Couponholders.

15.12 Written Resolutions and Electronic Consents

A Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders.

For so long as any Notes are in the form of a global Note held on behalf of one or more of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system (the "**relevant clearing system(s)**"), then:

- (a) Approval of a resolution proposed by the Issuer given by way of electronic consent communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures (i) by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders or (ii) (where such holders have been given at least 21 days' notice of such resolution) by or on behalf of:
 - (A) in respect of a proposal that falls within paragraphs (c), (d) and of Condition 15.2, the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding Notes in the case of a Reserved Matter or at least 66.67 per cent. of the aggregate principal amount of the outstanding Notes, in the case of a matter other than a Reserved Matter;
 - (B) in respect of a proposal that falls within paragraphs (b) and (c) of Condition 15.3, the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate);
 - (C) in respect of a proposal that falls within paragraphs (b) and (c) of Condition 15.4, (x) the persons holding at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable

of Aggregation (taken in aggregate); and (y) the persons holding more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually),

(in the case of (A), (B) and (C), each an “**Electronic Consent**”) shall, for all purposes (including Reserved Matters) take effect as (i) a Single Series Extraordinary Resolution (in the case of (A) above), (ii) a Multiple Series Single Limb Extraordinary Resolution (in the case of (B) above) or (iii) a Multiple Series Two Limb Extraordinary Resolution (in the case of (C) above), as applicable.

The notice given to Noteholders shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the “**Relevant Date**”) by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the required proportion for approval, the resolution shall, if the party proposing such resolution (the “**Proposer**”) so determines, be deemed to be defeated. Alternatively, the Proposer may give a further notice to Noteholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Issuer (unless the Issuer is the Proposer). Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in the previous paragraph. For the purpose of such further notice, references to “**Relevant Date**” shall be construed accordingly.

An Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened above, unless that meeting is or shall be cancelled or dissolved.

- (b) Where Electronic Consent has not been sought, for the purposes of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the relevant clearing system(s) with entitlements to any global Note and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the relevant clearing system(s) and, in the case of (b) above, the relevant clearing system(s) and the accountholder identified by the relevant clearing system(s). Any such certificate or other document (i) shall be conclusive and binding for all purposes and (ii) may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

All information to be provided pursuant to paragraph (d) of Condition 15.1 shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents.

A Written Resolution and/or Electronic Consent (i) shall take effect as an Extraordinary Resolution and (ii) will be binding on all Noteholders and Couponholders, whether or not they participated in such Written Resolution and/or Electronic Consent, even if the relevant consent or instruction proves to be defective.

16. Aggregation Agent; Aggregation Procedures

16.1 Appointment

The Issuer will appoint an aggregation agent (the “**Aggregation Agent**”) to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Notes, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Agency Agreement in respect of the Notes and in respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

16.2 Extraordinary Resolutions

If an Extraordinary Resolution has been proposed at a duly convened meeting of Noteholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

16.3 Written Resolutions

If a Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

16.4 Electronic Consents

If approval of a resolution proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, is proposed to be given by way of Electronic Consent, the Aggregation Agent will, as soon as reasonably practicable after the relevant Electronic Consent has been given, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have consented to the resolution by way of Electronic Consent such that the resolution is approved. If so, the Aggregation Agent will determine that the resolution has been duly approved.

16.5 Certificate

For the purposes of Condition 16.2, 16.3 and Condition 16.4, the Issuer will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 15.2, Condition 15.3 or Condition 15.4, as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

- (a) list the total principal amount of Notes outstanding and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and

- (b) clearly indicate the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 15.9 on the record date identifying the holders of the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

16.6 Notification

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 16 to be notified to the Principal Paying Agent and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

16.7 Binding nature of determinations; no liability

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 16 by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent and the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

16.8 Manner of publication

The Issuer will publish all notices and other matters required to be published pursuant to this Condition 16, including any matters required to be published pursuant to Condition 10 and Condition 15:

- (a) on the website of the Debt Management Office of Nigeria, acting on behalf of the Issuer: <http://www.dmo.gov.ng>;
- (b) through the systems of Clearstream, Luxembourg, Euroclear, DTC and/or any other international or domestic clearing system(s) through which the Notes are for the time being cleared and otherwise in accordance with Condition 14; and
- (c) in such other places and in such other manner as may be required by applicable law or regulation.

17. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes; *provided that* any additional Notes having the same CUSIP, ISIN or other identifying number of outstanding Notes or any Series must be fungible with such outstanding Notes for U.S. federal income tax purposes if either the outstanding Notes or the additional Notes were or are issued under Rule 144A.

18. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons, or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes or the Coupons, as the case may be, the Issuer shall

indemnify each Noteholder or Couponholder, as the case may be, on the written demand of such Noteholder or Couponholder, as the case may be, addressed to the Issuer and delivered to the Issuer or to the specified office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder or Couponholder, as the case may be, may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

19. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20. Governing Law and Submission to Jurisdiction

20.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and will be construed in accordance with, English law.

20.2 Submission to jurisdiction

The Courts of England have exclusive jurisdiction to settle any dispute, claim, difference or controversy, arising from or connected with the Notes and/or the Coupons (including a dispute regarding the existence, validity or termination of and any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons) or the consequences of their nullity (a “**Dispute**”) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts. The Issuer “**agrees**” that the Courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary. This Condition 20.2 is for the benefit of the holders of Notes and/or Coupons only. As a result, and to the extent allowed by law, nothing in this Condition 20.2 prevents any holder of Notes and/or Coupons from taking proceedings related to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Noteholders or Couponholders may take concurrent proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuer confirms and agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to The High Commissioner of the Federal Republic of Nigeria to the United Kingdom, Nigeria High Commission, 9 Northumberland Avenue, London WC2N 5BX. If such agent ceases to be able to act as a process agent or to have an address in England, the Issuer irrevocably agrees to appoint a new process agent in England as soon as practicable thereafter. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

20.4 Consent to Enforcement and Waiver of immunity

The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation but subject as provided in the following paragraph) the making, enforcement or execution against any property whatsoever of any order or judgment which is made or given in such Proceedings.

To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgement or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction (and consents generally for the purposes of the State Immunity Act 1978 to the giving of any relief or the issue of any process in connection with any Proceedings). The Issuer does not hereby waive such immunity from execution or attachment in respect of (a) property, including any bank account, used by a diplomatic or consular mission of the Issuer or its special missions or delegations to international organisations, (b) property of a military character and under the control of a military authority or defence agency of the Issuer or (c) property located in the Federal Republic of Nigeria and dedicated to a public or governmental use by the Issuer (as distinct from property which is for the time being in use or intended for use for commercial purposes within the meaning of the State Immunity Act 1978). The Issuer reserves the right to plead sovereign immunity under the US Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it in any court of or in the United States of America under any United States federal or State securities law.

20.5 Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

Unless otherwise stated in any applicable Pricing Supplement, the net proceeds from each issue of Notes will be applied by the Issuer toward funding of the fiscal deficit in the 2024 Appropriation Act.

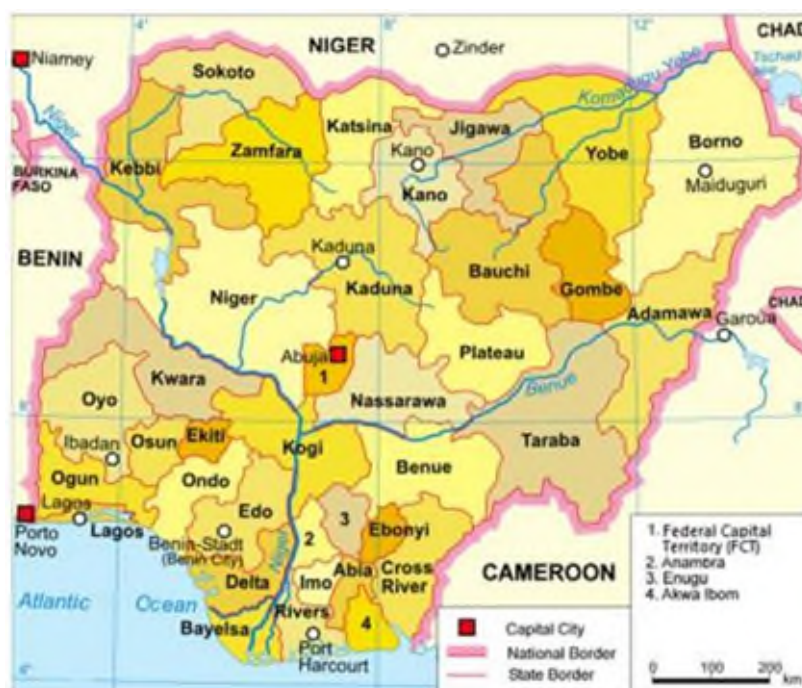
THE FEDERAL REPUBLIC OF NIGERIA

Location and Geography

The Federal Republic of Nigeria occupies 923,768 square kilometres of West Africa, bordering the Republic of Benin to the west, Niger and Chad to the north, Cameroon to the east and the Gulf of Guinea to the south. The climate in Nigeria is tropical. The mean annual temperature for Nigeria is 26.9°C, with average monthly temperatures ranging between 24°C in December and January and 30°C in April. The climate is characterised by high humidity and substantial rainfall. There are two seasons in Nigeria, the wet and dry seasons. The wet season is from April to October whilst the dry season is from November to March, although the south-eastern part of the country experiences rainfall earlier in the year.

Nigeria's topography and vegetation vary considerably. The coast of Nigeria is a belt of mangrove swamps that is traversed by a network of creeks, rivers and the Niger Delta. Beyond this lie successive belts of tropical rainforest in the south that break into more open woodland in the central part of the country and savannah in the northeast. The northernmost part of the country borders the Sahara Desert.

Nigeria consists of 36 states and the Federal Capital Territory, Abuja, which is located in central Nigeria. The states and the Federal Capital Territory are grouped into six geopolitical zones: North West, North Central, North East, South East, South South and South West. Lagos, which is situated in the South West of Nigeria, is the principal commercial centre and main port in the country. There are currently 774 constitutionally recognised local government areas and six area councils in Nigeria.



The map above highlights the 36 States of Nigeria and the capital city of Abuja. The southern states of Ondo, Edo, Delta, Bayelsa, Anambra, Rivers, Imo, Abia, Akwa Ibom, and Cross River constitute the Niger Delta region.

Nigeria has an abundance of natural resources, particularly oil, natural gas, coal, bauxite, tin, iron ore, limestone, lead and zinc. The main oil fields are located both onshore and offshore in the Niger Delta region.

History

Prior to the arrival of Portuguese traders in present-day Nigeria, there were various separate cultural, ethnic and linguistic groups, such as the Oyo, Benin, Nupe, Jukun, Kanem-Bornu and Hausa-Fulani empires. Portuguese traders arrived in Nigeria in the fifteenth century and were followed by the Dutch, British, and French in the sixteenth century.

In the eighteenth century, Britain became the dominant power followed by the Portuguese and French. The British also consolidated their hold over the Colony and Protectorate (a state that is controlled and protected by another) of Nigeria and governed by an “**indirect rule**” system through local leaders.

In 1914, Nigeria was formed by the amalgamation of the Northern and Southern Protectorates and the Colony of Lagos and was presided over by a Governor-General. In 1922, part of the former German colony “**Kamerun**” was added to Nigeria under a League of Nations mandate and the British introduced the principle of direct election to a Legislative Council. In 1951, the provinces were changed to regions. The National Council of Nigeria and the Cameroons was the political party that had control of the Eastern Region, the Northern People’s Congress had control of the Northern Region, and the Action Group had control of the Western Region. By 1957, the Eastern and Western Regions had attained self-governing status whilst the Northern Region attained self-governing status in 1959.

Nigeria gained its independence from the United Kingdom in 1960, and in 1963 Nigeria became a Republic. Nnamdi Azikiwe was elected by a joint session of the parliament for a five-year term as the country’s first President. The first post-independence parliamentary elections were held in December 1964, and Tafawa Balewa was re-elected as the country’s Prime Minister. However, in January 1966, the first military coup in Nigeria occurred. Prime Minister Tafawa Balewa was killed and Major-General Johnson Aguiyi-Ironsi became the head of the military administration. In July 1966, Aguiyi-Ironsi was killed in a counter-coup and replaced by Lieutenant-Colonel Yakubu Gowon.

In 1967, the Eastern Region declared its independence from Nigeria, proclaiming the independent Republic of Biafra. This triggered a civil war which lasted for 30 months. In 1970, the Biafran leaders surrendered and the former Biafran region was reintegrated into the country. During the post-war period, all significant political power remained concentrated in the Federal Military Government and the regime ruled by decree. In 1972, a ban on political activity which had been in force since 1966 was partially lifted to permit a discussion of a new constitution that would pave the way for civilian rule. However, in 1975, Yakubu Gowon was overthrown in a bloodless coup and was replaced by Brigadier Murtala Mohammed. In February 1976, Murtala Mohammed was assassinated in an unsuccessful coup and Lieutenant General Olusegun Obasanjo succeeded him. In 1979, under Olusegun Obasanjo’s leadership, Nigeria adopted a constitution that provided for a separation of powers amongst the executive, legislative, and judicial branches and general elections were held for the return of Nigeria to civilian rule in 1979.

In 1979, five parties contested in national elections, marking the beginning of the Second Republic. The presidential succession from Olusegun Obasanjo to a civilian, President Alhaji Shehu Shagari, was the first peaceful transfer of power since independence. However, in December 1983, the military, led by Major General Muhammadu Buhari, took control of power, primarily because there was no confidence in, and there was alleged corruption by, the civilian regime. Another military coup occurred in August 1985, when a group of officers under Major General Ibrahim Babangida removed Major General Buhari from power. General Babangida pledged to transfer power to a civilian administration and by 1992, local government, state Government and National Assembly elections were held and the winners in the various elections were sworn into their respective offices. Presidential elections were then held in June 1993, and it was believed that initial results indicated that Chief Moshood Abiola had won the majority of votes. However, the results were annulled by the ruling National Defence and Security Council, which declared that the transition to civilian rule could not be completed by August 1993. Following the annulment of the June 1993 presidential election results, Ibrahim Babangida resigned after establishing an Interim National Government under the leadership of Chief Ernest Shonekan. In November 1993, General Sani Abacha took control of power from the Interim National Government, and in 1994, Chief Moshood Abiola was arrested after proclaiming himself President. In 1995, as a result of various human rights violations, the European Union (“EU”), which had already imposed sanctions in 1993, suspended development aid to Nigeria. Nigeria was also temporarily expelled from the Commonwealth. Sani Abacha governed as a military dictator until his death in June 1998, and Chief Moshood Abiola died shortly afterwards.

Upon Sani Abacha’s death, his chief of defence staff, Major General Abdulsalami Abubakar, assumed control and released political prisoners, including the former military head of state Olusegun Obasanjo. General elections were then conducted in January 1999 and Chief Olusegun Obasanjo was elected president, and his party, the Peoples Democratic Party, won a majority of the seats in both the Senate and House of Representatives, amidst allegations of election irregularities. A new constitution was adopted, and a

peaceful transition to civilian government was completed with President Olusegun Obasanjo assuming power. In May 2006, the Senate rejected a constitutional amendment that would have permitted Chief Olusegun Obasanjo to stand for election for a third term. In April 2007, Umaru Musa Yar'Adua of the Peoples Democratic Party was elected President and succeeded Obasanjo. Following the death of President Umaru Musa Yar'Adua on 5 May 2010, Goodluck Jonathan (then Vice-president) was sworn in as President, in accordance with the Constitution, on 6 May 2010. Goodluck Jonathan was then elected as President in the April 2011 general elections.

In the general elections held on 28 March 2015, former Head of State, Major General Buhari defeated incumbent President Goodluck Jonathan and took office on 29 May 2015. Former President Buhari was re-elected for a second term in the February 2019 presidential elections, defeating former vice-president Atiku Abubakar. The Peoples Democratic Party challenged the election results, but the case was dismissed in September 2019. The February 2023 presidential elections saw President Tinubu victorious for the All Progressives Congress (“**APC**”). See “— *Political Parties*”.

However, the opposition raised accusations of electoral fraud and challenged the results in court. The Supreme Court, however, upheld President Tinubu's victory. On 29 May 2023, Bola Ahmed Tinubu was sworn in as Nigeria's president, succeeding Muhammadu Buhari.

Political System

Nigeria is a federation made up of three tiers of Government: the Federal Government, State Governments and Local Governments (together, the “**Federation**”). The present Constitution came into effect in May 1999. It was modelled after the United States Constitution and it provides for a tripartite structure in which power is divided amongst the executive, legislative and judicial branches. It establishes and sets out the powers and functions of the President (executive), the National Assembly (legislative) and an independent judicial system (judiciary) and prescribes the qualifications that individuals must possess to be appointed or elected to exercise such powers.

The Constitution has been amended three times since it came into force in May 1999. In July 2010, the Constitution of the Federal Republic of Nigeria (First Alteration) Act No. 5 of 2010 (the “**First Alteration**”) was enacted into law. The First Alteration dealt mainly with issues relating to elections and circumstances when the President or a Governor is absent from the country.

In November 2010, the Constitution of the Federal Republic of Nigeria (Second Alteration) Act No. 2 of 2010 (the “**Second Alteration**”) was passed. The Second Alteration expanded the exclusive appellate jurisdiction of the Supreme Court of Nigeria (the “**Supreme Court**”) to hear and determine certain appeals from the Court of Appeal.

In February 2011, the Constitution of the Federal Republic of Nigeria (Third Alteration) Act was passed, creating the National Industrial Court as a court of record to deal with matters relating to employment, including the interpretation of the provisions of a collective agreement between employers and employees or labour unions.

The constitution was amended for the fourth time in June 2018. This amendment introduced significant changes, including provisions for the financial autonomy of state legislatures and judiciaries. It also enhanced the determination of pre-election matters, providing clearer guidelines and specifying a timeframe for the disposal of all pre-election matters before the conduct of elections. This reform represents a critical step in strengthening democratic processes and judicial independence at state level.

The fifth amendment to the Constitution came into effect in March 2023. This amendment pertains to the devolution of powers to the states, enhancing the capacity of subnational governments to address regional challenges more effectively. It also refined aspects of governance and expanded the scope of constitutional powers vested in certain key bodies, thereby improving the efficiency and accountability of government operations.

Finally, the ongoing sixth amendment is focused on addressing more contemporary issues, including electoral reforms, further decentralisation of powers, and judicial reforms aimed at increasing the efficiency

and accountability of governance. These reforms are intended to modernise the legal and institutional framework, ensuring that the country's constitutional provisions remain aligned with both national aspirations and global best practices.

These alterations are part of Nigeria's ongoing efforts to refine its legal and constitutional framework to better the needs of its citizens, and to adopt to both national and global challenges. Incorporating these changes into the Base Prospectus will provide potential investors with a clearer understanding of the evolving political landscape and governance structures in Nigeria.

There are currently a number of bills before the Senate or House of Representatives or both which, if enacted into law, will further amend specific provisions of the Constitution. However, none of the bills have been passed by the Senate or House of Representatives.

Executive Branch

The executive powers of the Federal Government are vested in the President, whilst the executive powers of the State Governments are vested in the Governors and those of the Local Governments are vested in the Local Government Chairmen. The executive powers of the Federal Government, subject to the provisions of the Constitution and of any law made by the National Assembly, may be exercised by the President directly or through the Vice-President and Ministers of the Federal Government or officers in the public service of the Federal Government. There are provisions in the Constitution designed to assure appropriate checks and balances amongst the three arms of government. The President is elected by popular vote for a four-year term and is eligible for election to a second (and final) term of four years. In addition to being the head of the Federal Government, the President is also the Head of State and the Commander-in-Chief of the Armed Forces of the country. The President is empowered to establish such ministerial offices as he may require and to appoint ministers to hold such offices subject to confirmation by the Senate. The President is required to appoint at least one Minister from each state. The President's role includes overseeing the day-to-day running of the affairs of the Nation assisted by the Vice President, ministers, special assistants, special advisers and other relevant government functionaries with supervisory roles over areas of government.

The President may assign to the Vice-President or any Minister responsibility for any business of the Government, including the administration of any governmental department. The President holds regular meetings with the Vice-President and all the Ministers who together comprise the Federal Executive Council for the purposes of:

- determining the general direction of domestic and foreign policies of the Government;
- coordinating the activities of the President, the Vice-President and the Ministers of the Government in the discharge of their executive responsibilities; and
- advising the President generally in the discharge of his executive functions other than those functions with respect to which he is required by the Constitution to seek the advice or act on the recommendation of any other person or body.

The Constitution provides that if the office of the President becomes vacant by reason of death, resignation, impeachment, permanent incapacity or removal, the Vice-President shall hold the office for the remainder of the term of office of the President.

Legislative Branch

Nigeria operates a bicameral legislature. The Nigerian Parliament, known as the National Assembly, consists of two houses – the Senate and the House of Representatives. The legislative power of the Federal Republic of Nigeria is vested in the National Assembly. It has the power to make laws for the peace, order and good government of the Republic or any part thereof with respect to any matter included in the executive list set out in Part I and in the concurrent legislative list in Part II of the second schedule of the Constitution of the Federal Republic of Nigeria, 1999 as amended.

The present National Assembly, which is the tenth Assembly, was inaugurated on 13 June 2023. The tenure of Senators and Members of the House of Representatives is four years and there is no limit to number of tenures unlike in the Executive arm which is limited to two terms.

The adoption of a bicameral system was necessitated by the plural nature of the country which has over 250 ethnic groups and 500 languages. The majority of seats occupied by populous states in the House of Representatives is balanced by the equality of number of seats per State in the Senate.

The National Assembly enacts laws (including Appropriation and Money Bills) and performs oversight functions on the other two arms of government, namely the Executive and the Judiciary. It also approves treaties, loans and appointments into certain offices. The National Assembly has the power to approve proclamation of war/state of emergencies in any part of the country issued by the President. A Bill for an act can be introduced in either of the Houses by the President as an Executive Bill, or by an individual as a Private Bill. However, the President can only assent to a Bill to become a law when it is passed by the two Houses in the same form.

The Senate and the House of Representatives are each required by the Constitution to sit for a minimum period of 181 days in each year. The Constitution prescribes that the Senate shall consist of 3 Senators from each State and 1 from the Federal Capital Territory, and the House of Representatives shall consist of 360 members. As at the date of this Offering Circular, following the deaths of some members of the National Assembly, there are four vacant seats: three in the House of Representatives (representing the APC and Labour Party) and one in the Senate (representing the APC).

The tables below set out the composition of the two Houses, party by party as at the date of this Offering Circular:

House of Representatives

Political Party	Number of Seats
All Progressives Congress	175
Peoples Democratic Party	118
Labour Party	35
New Nigeria Peoples Party.....	19
All Progressives Grand Alliance	5
African Democratic Congress	2
Social Democratic Party	2
Young Progressives Party	1
Total	357

Senate

Political Party	Number of Seats
All Progressives Congress	58
Peoples Democratic Party	37
Labour Party.....	7
New Nigeria Peoples Party.....	2
Social Democratic Party	2
All Progressives Grand Alliance	1
Action Democratic Party	1
Total	108

See “—Political Parties”

Judicial Branch

In accordance with the Constitution, judicial authority is vested mainly in the following courts: the Supreme Court; the Court of Appeal; the Federal High Court; the High Court of the Federal Capital Territory, Abuja; the Sharia Court of Appeal of the Federal Capital Territory, Abuja; the Customary Court of Appeal of the Federal Capital Territory, Abuja; the State High Courts of each state; the Sharia Court of Appeal and the Customary Court of Appeal in states which have established these courts; and the National Industrial Court (which handles labour and employment matters). The judiciary is independent, and its powers are exercised in compliance with the Constitution.

The Constitution also vests judicial authority in such other courts as may be created by the National Assembly or the State House of Assembly and as may be authorised by law to exercise jurisdiction over matters with respect to which the National Assembly or the State House of Assembly may make laws, and they exercise jurisdiction in the first instance or on appeal.

The Constitution establishes election tribunals and a code of conduct tribunal; it also authorises the National Assembly to constitute other tribunals as may be required. The Investments and Securities Tribunal and the Tax Appeal Tribunal, which were established by the National Assembly pursuant to the Investments and Securities Act No. 29 of 2007 (as amended) and the Federal Inland Revenue Service (Establishment) Act 2007, handle disputes in relation to capital markets activities and taxation, respectively.

Supreme Court

The Supreme Court, situated in the Federal Capital Territory, is the highest court in Nigeria and its decisions are binding on all lower courts. The Supreme Court has original jurisdiction in respect of disputes (i) between the Federal Government and the states, (ii) between the states of the Federation, if and insofar as the disputes involve any question (whether of law or fact) on which the existence or extent of a legal right depends, (iii) between the National Assembly and the President, (iv) between the National Assembly and a state and (v) between the National Assembly and a State House of Assembly. The Supreme Court hears appeals from the Court of Appeal to the exclusion of any other court. The Supreme Court is composed of the Chief Justice of Nigeria and such number of justices, not to exceed 21. The Supreme Court is duly constituted by seven justices where it is exercising its original jurisdiction, or is sitting to consider an appeal requiring it to interpret any provision of the Constitution or whether the human rights of any individual have been violated. In all other cases, the court is duly constituted by not less than five justices. The Chief Justice of Nigeria and other justices of the Supreme Court are appointed by the President on recommendation of the National Judicial Council, subject to confirmation of such appointment by the Senate. The Chief Justice of Nigeria heads the judiciary of Nigeria and presides over the Supreme Court. Currently, the Supreme Court is comprised of a Chief Justice and 19 other Justices.

The Court of Appeal

The Court of Appeal is the second highest court in Nigeria and its decisions are binding on all lower courts. It is composed of the President of the Court of Appeal and such number of other justices of the Court of Appeal which must not be less than 49, in accordance with Section 237(2)(b) of the 1999 Constitution. The court has original and exclusive jurisdiction over questions as to whether a person has been validly elected to the office of President or Vice-President of the Federation or whether the term of office of such person has ceased or whether the office has become vacant. It also has appellate jurisdiction to hear appeals from decisions of the High Courts of the states and the Federal Capital Territory, the Federal High Court, the National Industrial Court, the Sharia Courts of Appeal of the states or of the Federal Capital Territory, the Customary Courts of Appeal of the states or of the Federal Capital Territory as well as from decisions of a court martial or other tribunals as specified by an Act of the National Assembly. The Court of Appeal is duly constituted by not less than three justices (depending on the nature of the matter before it) for the purpose of exercising any of its stated jurisdictions. For administrative convenience, the Court of Appeal is divided into judicial divisions which sit in various parts of the country: namely, Abuja, Lagos, Enugu, Kaduna, Ibadan, Benin, Jos, Calabar, Ilorin, Sokoto, Owerri, Yola, Ekiti, Makurdi, Akure, Port Harcourt, Asaba, Awka, Gombe, Kano and the Headquarters (in Abuja). The appointment of the President of the Court of Appeal and the Justices of the Court of Appeal is made by the President on the recommendation of the National Judicial Council. The appointment of the President of the Court of Appeal is subject to confirmation by the Senate.

The Federal High Court

The Federal High Court of Nigeria comprises a Chief Judge and such number of Judges as the National Assembly may prescribe. The Court has limited but exclusive jurisdiction in civil and criminal cases and matters arising from a number of areas including but not limited to the operations of the CAMA, bankruptcy and insolvency, the taxation of companies (and other bodies established or carrying on business in Nigeria) and all other persons subject to federal taxation; banking and securities regulation and foreign investments and foreign exchange; and concurrent jurisdiction with State High Courts in fundamental rights matters. Similar to the Court of Appeal, the Federal High Court is divided into judicial divisions for administrative

convenience. There are currently 39 divisions of the Federal High Court spread across the States in Nigeria, established for administrative convenience. The Chief Judge and the Judges of the Federal High Court are appointed by the President on the recommendation of the National Judicial Council. The appointment of the Chief Judge is subject to confirmation by the Senate.

The State High Courts

There is a High Court in each state and the Federal Capital Territory. The High Court of each state and the Federal Capital Territory is made up of a Chief Judge and such other number of judges as the State House of Assembly may prescribe or as the National Assembly may prescribe in the case of the High Court of the Federal Capital Territory. The chief judge of a state is appointed by the Governor of the state on the recommendation of the National Judicial Council (“NJC”) subject to the confirmation of the House of Assembly of a state. Judges of the State High Court are appointed by the Governor on the recommendation of the National Judicial Council. Subject to the jurisdiction of the Federal High Court as stipulated in the Constitution and with the exception of matters in respect of which any other court has been vested with exclusive original jurisdiction, the State High Courts have general original jurisdiction over civil and criminal matters and exercise supervisory/appellate jurisdiction over lower courts, making them the courts with an extensive original jurisdiction. A State High Court is duly constituted by one judge. Each State High Court is divided into judicial divisions for administrative convenience.

The Sharia Court of Appeal

Sharia law and principles have been adopted in certain states in Nigeria including Zamfara, Kano, Sokoto, Katsina, Bauchi, Borno, Jigawa, Kebbi and Yobe States. There is a Sharia Court of Appeal for the Federal Capital Territory and any state which requires it. This Court has appellate and supervisory jurisdiction in civil proceedings involving questions of Islamic personal law, which the Court is competent to decide in accordance with the Constitution. The Court comprises a Grand Kadi and other Kadis as the National Assembly (in the case of the Sharia Court of Appeal of the Federal Capital Territory) or the State Houses of Assembly (as the case may be) may prescribe.

The Customary Court of Appeal

The Customary Court of Appeal is established for the Federal Capital Territory, Abuja, and may be established by any state that requires it, as provided under Sections 265 and 280 of the 1999 Constitution of the Federal Republic of Nigeria. This Court has appellate and supervisory jurisdiction in civil proceedings involving questions of customary law. It is comprised of a President and such number of Judges as the National Assembly (for the FCT) or the State House of Assembly (for the states) may prescribe. The appointment of a President to a Customary Court of Appeal shall be made by the governor of the State on the recommendation of the National Judicial Council and subject to legislative confirmation, as per the Constitution. The Judges are appointed by the President, also on the recommendation of the National Judicial Council, and must have substantial knowledge and experience in the practice customary law.

The National Industrial Court

The National Industrial Court has exclusive jurisdiction in civil cases and matters relating to labour, employment, trade unions, industrial relations, terms of service and matters arising in relation to the workplace. The Court also has exclusive jurisdiction on matters relating to or arising from the Factories Act, 1987, the Trade Disputes Act 1976, the Trade Unions Act 1973 (as amended), the Employees’ Compensation Act 2010 or any other legislation relating to labour, employment, industrial relations or workplaces. In May 2013, President Goodluck Jonathan approved the appointment of 12 new judges for the National Industrial Court, in addition to the 9 existing judges and the President of the Court. In July 2017, the Vice President of Nigeria, Professor Yemi Osibanjo SAN, approved the appointment of 19 additional new judges for the National Industrial Court. As of the date of this Offering Circular, there are 36 Honourable Justices in the National Industrial Court.

Other courts

In addition to the courts above, there are also Magistrates Courts, District Courts, Area Courts and Customary Courts established in various states by state laws. These courts have limited jurisdiction as

specified in their enabling laws and appeals from them are referred to the High Court, the Sharia Court of Appeal or the Customary Court of Appeal (as the case may be).

State and Local Government

Nigeria is subdivided into 36 states and the Federal Capital Territory. Each state is governed by a Chief Executive (known as the Governor) who is elected for a four-year term and is eligible for one further four-year term. The Governor is assisted in carrying out his or her functions by a Deputy Governor, commissioners, special advisers and assistants and other public officers of the state. The Governor is empowered to appoint commissioners and advisers and to assign responsibilities to them.

The legislative powers of a state are vested in a unicameral legislative body called the House of Assembly. Members of the House of Assembly serve four-year terms and are not subject to a term limit for re-election. The House of Assembly of each state may legislate in respect of matters within its legislative competence, as set out in the Concurrent Legislative List (subject to the doctrine of covering the field) in the Constitution. It is made up of representatives from all local government areas within the state and exercises identical functions at the state level to those of the National Assembly at the federal level. A state House of Assembly must consist of not less than 24 and not more than 40 members.

State Governments are vested with the power, for example, to collect personal income tax from individual residents, impose sales tax and collect certain forms of stamp duties and capital gains tax payable by individuals.

The states are divided into local governments. As of the date of this Offering Circular, there are 774 constitutionally recognised local government areas and six area councils in Nigeria. Each local government area or area council is administered under a local government or area council, consisting of a Chairman who is the Chief Executive of the local government area or area council and other elected members who are referred to as councillors. The functions of local governments include the consideration and the making of recommendations to a state commission on economic, administrative and urban planning issues including the economic development of the state, collection of rates, radio and television licences and establishment and maintenance of cemeteries, burial grounds and homes for the destitute or infirm, the naming of roads and streets and the numbering of houses and such other functions as may be conferred on a local government or area council by the State House of Assembly or National Assembly, as the case may be. The local government councils receive their funding from the State Government, and the area councils receive funding from the Federal Government, which in turn is financed by statutory allocations from the Federation Account. The Federation Account is a central distributable pool of funds (comprising oil revenues, value added tax, companies' income tax, customs and excise duties as well as royalties and other income) established pursuant to Section 162 of the Constitution and into which are paid all revenues collected by the Federation, except limited categories of revenues excluded pursuant to the Constitution, and managed by the Federal Government (the "**Federation Account**").

Population, Education and Health

Population

According to the World Bank, Nigeria's population was approximately 223.8 million in 2023, representing an annual growth rate of 2.4% from 218.5 million in 2022.

Nigeria has a relatively young population, with approximately 3.0% of the population aged 65 and above, 54.0% between the ages of 15 and 64 and 43.0% under 15 years of age, as of 2022. The United Nations Population Division estimated the average population density for the country at 245.0 people per square kilometre on 1 July 2022 and at 250.2 people per square kilometre on 1 July 2023. Nigeria's population is unevenly distributed across the country. Kano State had the highest population amongst Nigerian states, followed closely by Lagos State, which had the highest population density. Other densely populated states are Kaduna, Katsina, Oyo, Bauchi and Rivers States. As of June 2024, Nigeria's population was approximately 232.7 million and approximately 50.5% of Nigeria's population was male and approximately 49.5% was female.

There are three main ethnic groups in Nigeria: the Yorubas in the west, Hausa-Fulanis in the north and the Igbos in the east. There also are more than 250 other ethnic groups and languages, including Urhobo, Efik,

Edo, Ijaw and Kanuri, and over 500 dialects within the ethnic groups. The official language in Nigeria is English, although the main indigenous languages spoken by the three predominant ethnic groups in the country are Yoruba, Hausa and Igbo. There is also a dialect known as “broken/Pidgin English”, which is a Nigerian adaptation of the English language that is spoken and understood by many Nigerians.

The table below sets out selected comparative macroeconomic statistics and socioeconomic indicators for 2023 (unless otherwise indicated) for Nigeria and for certain other countries:

	Nigeria	Ghana	Zambia	Ivory Coast	South Africa
Gross National Income per capita (<i>current U.S.\$</i>) ⁽¹⁾	1,930.0	2,340.0	1,320.0	2,670.0	6,750.0
GDP growth (<i>annual %</i>).....	2.9	2.9	5.8	6.5	0.6
Population Growth (<i>annual %</i>)	2.4	1.9	2.7	2.5	0.9
Life expectancy at Birth (<i>years</i>) ⁽²⁾	53.6	63.9	61.8	58.9	61.5
Primary School Enrolment (<i>% gross</i>) ⁽³⁾	64.7	96.5	94.7	93.7	98.1
Mortality Rate, under 5 (<i>per 1,000</i>) ⁽⁴⁾	107.2	42.3	55.6	69.4	34.5

(1) Gross National Income per capita is the Gross National Income, converted to U.S. dollars using the World Bank Atlas method, divided by the midyear population. The World Bank Atlas method of conversion is used by the World Bank to smooth fluctuations in prices and exchange rates. The World Bank Atlas method applies a conversion factor that averages the exchange rate for a given year and the two preceding years, adjusted for differences in rates of inflation between the country and countries in the EU, Japan, the United Kingdom and the United States.

(2) Data for 2022.

(3) Percentage above 100% is due to students who re-enrol after a period of absence, in which case one student may account for more than one enrolment. Data do not account for re enrolment. Primary school enrolment data for Ghana are 2022, for Ivory Coast are 2023, for South Africa are 2021, for Zambia are 2020 and for Nigeria are 2021.

(4) Data for 2022.

Source: World Bank, World Development Indicators database.

Education

The Nigerian education system has three main segments: basic education (or primary education), post-basic education (or senior secondary education) and tertiary education. Early childhood care and development (or pre-primary education) is viewed as a specialism of basic education for younger children who are not yet of primary school age.

Primary education is compulsory in Nigeria, although not all eligible children attend school. Following this is secondary education, and then tertiary education.

Tertiary education encompasses all forms of post-secondary education, which includes universities, colleges, polytechnics and monotechnics. The National Open University of Nigeria was founded in 2002 to provide tertiary education through a network of local study centres located in different parts of the country. According to the National Universities Commission, there are 149 private universities, 62 federal universities and 63 state universities, totalling 274. According to the National Board for Technical Education, there are 41 federal, 54 state and 93 private polytechnics in Nigeria, 232 federal, state and private approved monotechnics and 43 Federal and State Colleges of Agriculture. The country also has 94 Public and Private Colleges of Health Education, 123 technical colleges, 179 Innovative Enterprise Institutions and 83 Vocational Enterprise Institutions.

Quality of Education

According to UNESCO, the adult literacy rate (age 15 and over) in Nigeria for 2022 is estimated at 62.0% (71.3% for males and 52.7% for females) and the youth literacy rate (15-24 years) is estimated at 75.0% (81.6% for males and 68.3% for females).

Primary and secondary school education is hampered by adverse conditions such as inadequate teaching and instructional materials, poor infrastructure and overcrowded classrooms, as well as an inadequate number of teachers in schools and institutions.

Health

Nigeria operates modern healthcare delivery systems, as well as indigenous healthcare delivery systems. The private and the public sectors provide orthodox healthcare services, while the traditional healthcare system is managed by traditional healthcare practitioners. The public health service is organised into primary, secondary and tertiary levels. The National Health Policy assigns responsibilities for primary healthcare to local governments, secondary healthcare to State Governments and tertiary healthcare to the Federal Government.

Although the healthcare system covers the entire country, there are wide regional disparities in the delivery of healthcare services and availability of resources, and the system faces funding and capacity constraints. In line with the National Strategic Health Development Plan II (2018-2025), the priorities of the health sector are anchored on five strategic pillars, which are: (i) increased utilisation of essential package of healthcare services, (ii) strengthening the health system for delivery of essential package for healthcare services, (iii) expanding Universal Health Coverage, (iv) protection from health emergencies and risks, as well as predictable financing risk protection, for all Nigerians, and (v) building local capacities for pharmaceutical and vaccine production. Within these health priorities, the focus is on diseases of public health importance and other interventions including childhood vaccine-preventable diseases, HIV/AIDS, tuberculosis, malaria, neglected tropical diseases, reproductive health and nutrition, and following the COVID-19 pandemic in 2020, controlling the spread of COVID-19 by providing treatment and vaccinations.

According to the UNDP's Human Development Report 2022, the maternal mortality rate in Nigeria is estimated to be 1,047 per 100,000 live births, while the under-five mortality rate is estimated to be 111 per 1,000 live births, as of 2021 by UNESCO. Communicable diseases are the major causes of mortality and morbidity in the country. In children, the major causes of mortality and morbidity are malaria, diarrhoea, acute respiratory infections, measles and other vaccine-preventable diseases and the exacerbating effect of malnutrition.

Also, according to the UNDP's Human Development Report 2022, life expectancy at birth in Nigeria was approximately 54.0 years for females and 53.3 years for males in 2022.

According to a report by the Federal Ministry of Water Resources and UNICEF in 2021, approximately 67% of Nigerians have access to basic drinking water services (86% in urban areas and 57% in rural areas). However, only 13% of the population had access to safely managed drinking water supply services. 46% of the population were found to have access to basic sanitation services, with 18% using safely managed sanitation services.

According to the U.S. Centers for Disease Control and Prevention, Nigeria has the fourth largest HIV epidemic in the world. The country also has one of the highest rates of new infections in sub-Saharan Africa.

Nigeria has been experiencing a severe diphtheria outbreak since December 2022. As of 28 September 2023, there have been over 7,400 confirmed cases, 12,000 suspected cases, and 471 deaths. As of 28 September 2023, there have been over 7,400 confirmed cases, 12,000 suspected cases, and 471 deaths. Kano state has been the epicenter of the outbreak, accounting for 77% of all confirmed cases (according to the IFRC).

With support from multilateral and bilateral development partners, vaccines have been deployed to affected areas and all public sector hospitals have been directed to provide free treatment for all cases of cerebrospinal meningitis.

Political Parties

According to the Independent National Electoral Commission, as of October 2024, there are 19 registered political parties in Nigeria. In addition to the ruling APC (which resulted from the merger in 2013 of a faction of the All Progressives Grand Alliance, the Action Congress of Nigeria, the All Nigeria People's Party and the Congress for Progressive Change), which has been in power since 2015, the main political parties include the Peoples Democratic Party, the All Progressives Grand Alliance, the Labour Party and the New Nigeria Peoples Party. The APC saw its candidate, Bola Ahmed Tinubu, win the Presidential election in February 2023, taking office on 29 May 2023. The presidential elections held in 2023 were

contested by several candidates, including Atiku Abubakar of the Peoples Democratic Party and Peter Obi of the Labour Party, among others. Kashim Shettima took office as Vice President on 29 May 2023.

The tenures of Muhammadu Buhari, previous President, and Yemi Osinbajo, previous Vice President, ended on 29 May 2023. The 2023 elections also saw significant participation and results that affected the composition of the National Assembly and governorships across various states.

2023 Elections

Nigeria held its seventh presidential and National Assembly elections on 25 February 2023. While the elections faced some irregularities, which led some third-party observers to question the credibility of the vote, they were generally considered free, fair, and credible.

The presidential election was contested by 18 candidates. The two major contestants for the presidency were Bola Ahmed Tinubu of the APC, and Atiku Abubakar of the Peoples Democratic Party. President Tinubu won the election with 8,794,726 votes, followed by Atiku Abubakar with 6,984,520 votes. The APC won a majority of the votes in 13 out of the 36 states, whilst the Peoples Democratic Party won in 12 states.

The results of elections in the National Assembly, which were held alongside the presidential election on 25 February 2023, the APC maintained its dominant position in both the upper and lower chambers of the National Assembly.

General elections at the state level for offices of the executive governor were held in 28 out of 36 Nigerian states and for seats in the state legislatures in the 36 Nigerian states. All but 3 of the gubernatorial elections were held on 18 March 2023. The APC won governor positions in 19 of the 36 States, bringing the number of states governed by the APC to 21. The Peoples Democratic Party won 12 states, bringing the states to be governed by the Peoples Democratic Party to 14, the Labour Party and the New Nigeria Peoples Party won governorship in one state each, whilst the All Progressives Grand Alliance retained its control of 1 state. There are off-circle governorship elections in 8 states (comprising Osun State, Ekiti State, Ondo State, Edo State, Imo State, Kogi State, Anambra State, and Bayelsa State) taking place at different dates.

The administration of the APC has stated that its party's mission is to construct and institute a progressive state anchored on social democracy, where the welfare and security of the citizens is paramount. To achieve these objectives, the APC government has proposed the following key programmes as its manifesto:

1. **The Constitution:** APC aims to amend the Constitution to devolve powers, duties, and responsibilities to states and local governments, thereby entrenching true federalism. The party plans to strengthen the Independent National Electoral Commission to reduce electoral malpractices and attract top talents into politics and public service. Additionally, APC seeks to enforce anti-corruption laws by strengthening the Economic and Financial Crimes Commission and the Independent Corrupt Practices and Other Related Offences Commission, remove immunity from prosecution for elected officials in criminal cases, restructure the government for efficiency, ensure transparency in government contracts, reform the justice system with special courts for key cases, fully implement the Freedom of Information Act, and require local governments to publish key data and spending details.
2. **National Security:** APC aims to address capacity building of law enforcement agents in terms of quantity and quality as this is critical in safeguarding the sanctity of lives and property. In addition, they aim to establish a well-trained, adequately equipped, and goals driven Serious Crime Squad to combat terrorism, kidnapping, armed robbery, militants, ethno-religious, and communal clashes nationwide as well as beginning widespread consultations to amend the Constitution to enable States and Local Governments to employ State and Community police to address the particular needs of each community. The party also aims to strengthen ties with the Economic Community of West African States, the African Union, and global partners for better security and economic stability.
3. **Conflict Resolution, National Unity, Social Harmony:** APC aims to establish a Conflict Resolution Commission to help prevent, mitigate and resolve civil conflicts within the polity, bring permanent peace and solution to the Niger Delta and other conflict prone areas such as Plateau, Taraba, Bauchi, Borno and Abia in order to engender national unity and social harmony and initiate policies to

ensure that Nigerians are free to live and work in any part of the country by removing state of origin, tribe, ethnic and religious affiliations and replace those with state of residence.

4. **Agriculture and Food Security:** APC aims to modernize agriculture from subsistence farming to medium/commercial scale farming, alongside creating a nationwide food inspectorate division with a view to improving nutrition and eliminating food-borne hazards. Furthermore, APC aims to inject funds into the agricultural sector to create more agro-allied jobs as well as guaranteeing a minimum price for selected crops and facilitating the storage of agricultural products.
5. **Infrastructure:** APC aims to undertake an urgent review of the Public Private Partnership enabling environment with a view to addressing the legal, regulatory and operational challenges including introducing enabling legislation where necessary, create a National Infrastructural Development Bank to provide loans at nominal interest rates exclusively for this sector to help rebuild the country's infrastructure and provide gainful employment as well as generate, transmit and distribute from current 5,000 – 6,000 MW to at least 20,000 MW of electricity within four years and increasing to 50,000 MW with a view to achieving 24/7 uninterrupted power supply within ten years, whilst simultaneously ensuring development of sustainable/renewable energy. The party also proposes to embark on the building of up to 4,800 km of modern standard railway lines and 3,000 km of superhighway. APC aims to enact new legal and regulatory frameworks to establish independent regulation and incentives to accelerate public and private sector investment in seaports, railways, and inland waterways.
6. **Oil and Gas Industry:** APC aims to modernise the NNPC, transforming it into a commercially driven enterprise, enforce the government master plan for oil companies to end flaring which pollutes the air and damages people's health and ensure that they sell at least half of their gas production within Nigeria and make Nigeria the world's leading exporter of liquefied petroleum gas.
7. **Education:** APC aims to fully implement and enforce the provisions of the Universal Basic Education Act 2004, with emphasis on gender equity in primary and secondary school enrolment whilst improving the quality and substance of the schools. The party will target up to 15% of the annual budget for this critical sector whilst making substantial investments in training programmes at all levels of the educational system.
9. **Job Creation and Economic Growth:** APC aims to maintain a stable macro-economic environment, run an efficient government and preserve the independence of the CBN. The programme also aims to restore and strengthen financial confidence by putting in place more robust monitoring, supervision and regulation of all financial institutions and make the economy one of the fastest growing emerging economies in the world, achieving a real GDP growth averaging 10% annually.
10. **Healthcare:** This programme aims to reduce the infant mortality rate to 3%, reduce maternal mortality by more than 70%, reduce HIV/AIDS infection rate by 50% and other infectious disease by 75%, as well as improve life expectancy by an additional 10 years on average through the implementation of a national healthy living programme. The party also proposes to increase the number of physicians from 19 per 1000 population to 50 per 1000 and increase national health expenditure per person per annum to about ₦50,000.
11. **Senior Citizens, Youth Sports and Culture:** APC will ensure timely payment of retirement benefits for all pensioned senior citizens and create a poverty safety net for all aged citizens above the age of 65, provide the opportunities for youths to realise, harness, and develop their full potentials and to facilitate the emergence of a new generation of citizens committed to the sustenance of good governance and service to the people and the country and establish world class sports academy and training institutes and ensure that Nigeria occupies a place of pride in global sports and athletics.
12. **Women Empowerment:** APC aims to ensure that the rights of women are protected as enshrined in Nigeria's Constitution, guarantee that women are adequately represented in government appointments and provide greater opportunities in education, job creation and economic empowerment and recognise and protect women empowerment and gender equality with special emphasis on economic activities in development and in rural areas.

13. Environment: APC aims to ensure compliance with policies and measures to halt the pollution of rivers and waterways in the Niger Delta and other parts of the country, create shelter belts in states bordering the Sahara Desert to mitigate and reverse the effects of the expanding desert and adopt a holistic approach to erosion and shoreline protection across the country, as well as ensure full compliance with town-planning and environmental laws and edicts.
14. Foreign Policy: APC aims to make regional integration a priority within ECOWAS including free trade with a view to ensuring that a common tariff and currency are achieved under Nigeria's guidance and leadership and establish a new special relationship with the leading emerging markets like Brazil, Russia, India and China and other strategic partners around the world. Despite the Russia-Ukraine conflict, Nigeria has not imposed sanctions on Russia, and, thus, trade continues between the two countries.

End SARS Protests

SARS, a unit of the Nigerian police established to combat certain crimes including robberies, carjacking and kidnappings in Nigeria, has received widespread criticism over alleged acts of extortion, torture, abuse of power and human rights violations.

In response to these allegations, in December 2017, the Inspector-General of Police ordered the re-organisation of the unit, and the Anti-Torture Act was signed into law by Former President Buhari. In 2018, the Government mandated the National Human Rights Commission to constitute a panel on the reform of SARS. Following its investigation, the panel recommended the dismissal of 37 officers and the prosecution of 24 officers.

In October 2020, demonstrations erupted in Lagos and across other states in Nigeria, organising on social media with the hashtag #EndSARS. Demonstrators demanded that the Government eliminate the SARS police unit. The demonstrations were provoked by a viral video that appeared to show the killing of a civilian by a SARS officer. Former President Buhari pledged to reform the police and to end police brutality and unethical conducts. However, the protests continued.

On 20 October 2020, soldiers fired live ammunition on crowds of protesters at the Lekki toll gate in Lagos, killing at least 12 protesters according to Amnesty International. Curfews were imposed in Lagos and other parts of Nigeria. The international community including the United Nations in a statement by the Secretary General, publicly condemned the use of force by the Government and called for restraint. The Nigerian army denied responsibility for the shooting and the Nigerian president responded by attributing the violence to hooliganism and asserted that the security forces used extreme restraint.

The Lagos Chamber of Commerce and Industry reported that the Nigerian economy suffered an estimated ₦700 billion loss as a result of the protracted nature of the protests. In the aftermath of the EndSARS protests, the Lagos State government set up a judicial panel of inquiry and restitution for victims of SARS-related abuses and the Lekki toll gate incident.

In July 2024, the Abuja-based ECOWAS Court of Justice determined that the Government committed human rights violations during the suppression of the 2020 #EndSARS protests. The court imposed a financial penalty on the Government after finding evidence of excessive use of force and violations of the rights to liberty, security, assembly, free speech, and dignity. In addition, the court ordered the Government to investigate and prosecute those responsible for the abuses and to provide an update within six months on the investigation and compensation for those affected.

Legal Proceedings

Save as disclosed in this section “— *Legal Proceedings*”, in “*Risk Factors – Risks Related to Nigeria - Any failure to adequately address actual and perceived risks of corruption and money laundering may adversely affect Nigeria’s economy and its political stability*” and in “*Public Finance — Public Accounts*”, the Federal Republic of Nigeria is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which it is aware), during the 12 months prior to the date hereof, which may have, or have had in the recent past a significant effect on the financial position of the Federal Republic of Nigeria.

Dispute between the Nigerian Federal Inland Revenue Service and Rivers and Lagos States

In August 2021, in a judgement sought by Rivers State against the Nigerian Federal Inland Revenue Service (the “**FIRS**”) and the Attorney General of the Federation, the Federal High Court in Port Harcourt held that it was unconstitutional for the FIRS to collect VAT and personal income tax in Rivers State and that it was Rivers State Government, and not the FIRS that was authorised by the Nigerian Constitution to collect personal income tax in the state. Subsequently, the governor of Rivers State, and the governor of Lagos State, signed into law bills authorising the state governments to collect VAT. The FIRS appealed to the Court of Appeal in Abuja. On 10 September 2021, the Court of Appeal suspended the operation of the law passed for the collection of VAT by the Rivers and Lagos state governments and ordered that the enforcement of the judgement of the Federal High Court in Port Harcourt be put on hold pending the resolution of the legal dispute on the matter. A hearing was fixed for 16 September 2021, for the application by Lagos State Government to be joined as a respondent to the appeal. The Court of Appeal in its ruling granted the application and joined the Lagos State Government as a respondent to the appeal.

The Rivers State government has approached the Supreme Court to seek an order nullifying the decision of the Court of Appeal and the reassignment of the appeal to a new panel, alleging that the original panel erred in law, among other things.

Dispute between the Central Bank of Nigeria, Union Bank of Nigeria and Petro Union Oil and Gas Company Limited

In 2012, Petro Union Oil and Gas Company Limited (“**Petro Union**”) filed a suit at the Federal High Court of Abuja against the CBN, Union Bank of Nigeria (“**Union Bank**”), the Minister of Finance and the Attorney General of the Federation, requesting payment of £2.556 billion in relation to a cheque issued by the company in 1994 that was not honoured. The cheque was initially drawn down. However, enquiries made by Union Bank established that the company that purportedly issued the cheque did not exist on the Register of Companies in the UK and the account against which the cheque was drawn was closed in 1989, five years before the cheque was presented in Lagos for clearing. The cheque was subsequently returned to Petro Union in 2005. Petro Union alleged that the CBN received the sum of £2.16 billion, while Union Bank retained £396.77 million as commission. In 2014, the Federal High Court awarded a judgment in favour of Petro Union, for the sum of £2.556 billion and carrying interest of 15% per annum between 1994 and 2014, and thereafter at 10% per annum until paid. Union Bank appealed to the Court of Appeal in Abuja, which affirmed the original judgement on 6 June 2018, and subsequently to the Supreme Court of Nigeria, which rejected the appeal for lack of merit on 16 December 2019. Appeals from the CBN and the Federal Government are still pending before the Court of Appeal. Union Bank has again appealed to the Supreme Court of Nigeria to review its decision. The Supreme Court has adjourned the hearing of the case until 7 October 2021.

Petro Union, three of its directors and the financial consultant to whom the cheque was issued are currently subject to a criminal case at the Federal High Court in relation to the same matter, brought by the Economic and Financial Crimes Commission (“**EFCC**”), for alleged criminal procurement of the fraud against the Federal Republic of Nigeria through the CBN and Union Bank. In May 2024, the Federal High Court in Lagos dismissed this as a “No-Case-Submission”, holding that the Federal Government had made out a prima facie case against the Petro Union Oil and Gas Limited and its directors, requiring them to enter a defence. In spite of this, Justice Liman ruled that the Petro Union Oil and Gas Limited’s financial consultant, Abayomi Kukoyi, has no case to answer as his involvement in the series of incidents leading to the alleged crime was in a professional capacity. The EFCC is prosecuting three directors of the company – Kingsley Okpala, Prince Chidi Okpalaeze, and Prince Emmanuel Okpalaeze – before the court on allegations of conspiracy, obtaining money by false pretences, an attempt to steal, and forgery.

Dispute with Global Steel Holdings Ltd

In August 2004, Global Steel Holdings Ltd and Global Infrastructures (Nigeria) Ltd (together, “**Global**”) entered into a concession agreement with the Government for the rehabilitation, completion, commissioning and operation of the Ajaokuta Steel Plant in Ajaokuta, Kogi State by Global. In May 2007, the concession agreement was terminated, and the Government entered into a share sale and purchase agreement (“**Global SPA**”) with Global pursuant to which the Government agreed to sell 300,000 ordinary shares, or 60% of Ajaokuta Steel Company Ltd. (“**ASCL**”) to Global for U.S.\$525 million. In February 2008, Global alleged

that the Government breached the Global SPA by failing to give Global unfettered possession of the Ajaokuta Steel Plant, failing to take responsibility for payment of salaries, allowances and emoluments of the staff of ASCL and failing to indemnify Global for all liabilities and obligations against ASCL prior to the effective date of the Global SPA. Following initial attempts to settle the matter by agreement, in April 2008, Global brought an arbitration claim at the ICC International Court of Arbitration in London (the “**ICC**”). Global was seeking damages for losses resulting from the alleged breaches plus costs of the arbitration. In September 2008, the Government filed a response denying the allegations and in 2011, the parties decided to suspend the arbitral proceedings in order to pursue a mediation process and reach a settlement. Following negotiations, the parties reached an agreement on the major issues of the dispute and signed a settlement agreement on 1 May 2013. The settlement agreement provided that the National Iron Ore Mining Company Ltd. (“**NIOMCL**”) would revert to Global under a modified concession agreement (the “**Modified Concession Agreement**”) whilst ASCL would revert to the Government. The parties signed the Modified Concession Agreement on 1 August 2016, in Abuja with an initial duration of 7 years and an option to renew for a further 10 years. In line with the Modified Concession Agreement, both parties are currently conducting technical and financial due diligence in relation to NIOMCL, following which the Government will approve Global’s business plan for the Ajaokuta Steel Plant and production will commence.

Following arbitration in 2022, Nigeria agreed to pay a settlement fee of U.S.\$496 million. However, as of March 2024, federal lawmakers in Nigeria have announced an investigation into the U.S.\$496 million arbitral settlement of this dispute. The inquiry will examine both the 2022 settlement and the original contracts from 2004.

Dispute with Continental Transfert Technique Ltd

In May 1999, Continental Transfert Technique Ltd (“**Continental**”) entered into an agreement with the Government to manufacture the Combined Expatriate Residence Permit and Aliens Card (“**CERPAC**”) for the Ministry of the Interior. Pursuant to the agreement, Continental was to provide equipment, technical support and training and the Ministry of the Interior (previously the Ministry of Internal Affairs) was to provide office accommodation for the CERPAC facilities. The fees earned from the CERPAC cards were to be split 60% to Nigeria, 30% to Continental and 10% for operating expenses. In November 2007, Continental commenced arbitration proceedings alleging misrepresentations by the Government in the agreement, in particular with respect to CERPAC sales projections. Continental sought damages in the amount of approximately U.S.\$604 million. The Government denied the allegations and counterclaimed for Continental’s failure to deliver equipment and perform services. The amount of the Government’s counterclaim was approximately U.S.\$34 million. The arbitration proceedings were held at the International Dispute Resolution Centre in London. In August 2008, the arbitration panel awarded damages of approximately U.S.\$252 million in favour of Continental. In May 2010, the Government initiated an action in the Federal High Court, Lagos, to have the award set aside. Continental initiated proceedings in the U.S. District Court of the District of Columbia to seek recognition and enforcement of the arbitration award. Whilst all proceedings in the Nigerian courts have since been abated, on 26 March 2013, the U.S. District Court of the District of Columbia issued a judgment that granted Continental an award in the amount of U.S.\$276.1 million, including post-judgment interest at a rate of 3.4% per annum. On 25 April 2013, the Government filed an appeal against the judgment. Although the Government’s appeal with the U.S. Court of Appeals for the D.C. Circuit is still pending, Continental commenced enforcement proceedings in the United States. In order to ensure that the Government’s assets in the United States are protected against such enforcement proceedings, the Government has filed for protective orders against any potential discovery or deposition requests filed by Continental as part of the enforcement proceedings. In an out-of-court settlement chaired by the former Attorney-General of the Federation, the Federal Government agreed to pay Continental ₦18 billion in three instalments within six months of the execution of the settlement agreement as well as extend the CERPAC contract for a term of three years as full and final payment. It was proposed that ₦7 billion would be paid up-front, with subsequent payments of ₦6 billion and ₦5 billion. The judgment debt is still outstanding and legal proceedings are ongoing.

In its efforts to collect on the award, Continental subpoenaed JP Morgan Chase Bank (“**JPM**”), with whom the Government has a banking relationship, for account records on 52 bank accounts associated with Nigeria. On 29 May 2018, Continental filed a motion for writ of attachment for a JPM account titled the

“Central Bank of Nigeria Main Account” (the “**Account**”). The CBN filed a motion to intervene and upon a grant of same, filed a reply.

The outstanding sum was recorded as a judgment debt and is awaiting approval of President Tinubu. However, in March 2020, the Court rejected Continental’s application, noting (amongst others) that all of the Account’s activity was immune further to the provisions of Section 161 of the Foreign Sovereign Immunities Act and Continental had not proposed any mechanism to reliably distinguish between immune and non-immune funds.

Dispute with Enron Nigeria Power Holding, Ltd.

In November 2012, an international arbitration tribunal constituted by the International Court of Arbitration of the International Chamber of Commerce (“**ICC**”) issued an award in favour of Enron Power Holding Company of Nigeria Ltd. (“**Enron**”) against Nigeria in the amount of U.S.\$11.22 million plus interest from June 2006, plus GBP £718,147 and U.S.\$870,000 in respect of costs and expenses (the “**Enron ICC Award**”). In October 2015, the U.S. District Court for the District of Columbia (“**DC District Court**”) confirmed the Enron ICC Award, which the U.S. Court of Appeals for the District of Columbia Circuit affirmed in December 2016. On 26 April 2017, the DC District Circuit issued an order for entry of a final judgment in amounts totalling U.S.\$21.27 million.

In 2014, Enron obtained a third-party debt order against the NNPC and J.P. Morgan Chase Bank in London. The order was later discharged. On 30 January 2018, the Texas Federal Court issued, at the request of Enron, a Writ of Garnishment to J.P. Morgan Chase ordering it to hold the sum of U.S.\$21.71 million for the benefit of the Federal Republic of Nigeria (including the CBN). As a result, J.P. Morgan Chase is prohibited from making any payment or delivering any property to the Federal Republic of Nigeria (or the CBN).

On 9 March 2020, Enron filed an application at the DC District Court, seeking to lay claim to a part of the proceeds accruing to the Government from its sale of a yacht in a separate corruption proceeding against a Nigerian businessman. However, the application was denied. The arbitration award is still outstanding, and the Government is considering settlement with Enron. On 21 May 2020, the court denied Enron’s application for turnover and granted the Government’s motion for a default judgment. On 15 July 2020, Enron filed an application for a stay, and sought an appeal of the court’s ruling. Federal Judges of a U.S. court have since dismissed the appeal by Enron.

Dispute between the Nigerian National Petroleum Corporation and the 1993 Production Sharing Contract contractor parties

NNPC Ltd is currently in dispute with its 1993 Production Sharing Contract contractor parties over the interpretation and application of certain provisions of the Production Sharing Contracts. The disputes are currently the subject of four separate arbitral proceedings which the contractor parties (Nigeria Agip Exploration Limited (“**NAE**”), Shell Nigeria Exploration and Production Company (“**SNEPCo**”), Esso Exploration and Production Nigeria Limited (“**Esso**”) and Statoil (Nigeria) Limited (“**Statoil**”)) have instituted against NNPC Ltd. The issues for determination before the arbitral panels are:

- timing of amortisation of capital costs;
- allocation of tax;
- treatment of investment tax credit; and
- treatment of signature bonuses, loan interest and non-operator sole costs as deductible items for tax purposes.

The four arbitral tribunals have issued awards of at least U.S.\$3.2 billion, plus interest and costs. However, the NNPC applied to the Federal High Court, Abuja challenging the arbitration proceedings on the basis that the exclusive jurisdiction to determine tax disputes lies with the Federal High Court of Nigeria pursuant to Section 251 of the Constitution. Consequently, the arbitral award in the Esso case was set aside by the Federal High Court on 22 May 2012. The court is yet to determine the cases involving NAE, SNEPCo and Statoil. Esso appealed the judgment of the Federal High Court and on 22 July 2016, the Court of Appeal partly decided in favour of the NNPC and affirmed the decision of the Federal High Court that such tax

disputes are not arbitrable. The Court of Appeal affirmed the arbitral award determination that, pursuant to the Production Sharing Contracts, preparation of the Petroleum Profit Tax Returns and the determination of the oil lifting allocation were to be made by Esso.

Esso and SNEPCo also applied, as lead plaintiffs, to the United States District Court for the Southern District Court of New York for the recognition of arbitral awards against the NNPC that were issued in October 2011 and May 2013, respectively. The NNPC has moved for dismissal of the Esso case claiming enforcement of an award of U.S.\$1.8 billion plus interest and costs. On 4 September, the US court delivered its judgment by which it upheld the NNPC's application to dismiss Esso's enforcement application on the grounds that a competent Nigerian court had set aside the underlying award. It also directed the Clerk of the court to terminate and discontinue all motions and processes filed by Esso in the matter. The case involving claims led by SNEPCo was stayed in April 2017 pending a decision by the Federal High Court in Nigeria concerning an application to set-aside the underlying arbitral award.

In addition, the FIRS also commenced proceedings at the Federal High Court against the NNPC and each of NAE, SNEPCo, Esso and Statoil, challenging the propriety of the arbitrations in view of Section 251 of the Constitution and claiming that the Federal High Court has exclusive jurisdiction in matters relating to Nigerian tax. The Federal High Court ruled in favour of the FIRS and the judgments were appealed. The Court of Appeal upheld the decision of the Federal High Court and affirmed that tax disputes are not arbitrable, as the Federal High Court has exclusive jurisdiction to deal with and hear tax matters.

Esso/Total and CNOOC/SAPETRO have separately commenced arbitral proceedings against the NNPC in respect of disputes resulting from their respective Production Sharing Contracts. The issues for determination relate to:

- manner of capital amortisation and recovery;
- responsibility for the preparation of entitlements, amortisation and royalty rate;
- cost consolidation; and
- treatment of certain cost items including signature bonuses, loan interest and non-operator sole costs.

The arbitral tribunals in both cases have been constituted and parties to the Total Production Sharing Contracts are exploring amicable settlement.

Statoil (Nigeria) Limited & Anor v NNPC

On 16 March 2018, Statoil filed an application with the District Court of New York for the recognition and enforcement of an approximately U.S.\$1 billion award against the NNPC. Such award was previously dismissed by the Federal High Court in Nigeria. The NNPC has elected to engage counsel and challenge the enforcement proceedings both in the United States and in Nigeria.

Process and Industrial Development Limited ("P&ID") v Ministry of Petroleum Resources of the Federal Republic of Nigeria

Arbitration proceedings were commenced against the Ministry of Petroleum Resources by P&ID in relation to a definite agreement dated 11 January 2010 (the "**Definite Agreement**") between the Ministry and P&ID for Accelerated Gas Development in OMLs 123 and 67 for a period of 20 years.

Following the inability of the parties to implement the Definite Agreement as envisaged, P&ID commenced the arbitral proceedings, initially claiming the sum of U.S.\$1.9 billion against the Ministry of Petroleum Resources. P&ID thereafter increased its claim to U.S.\$5.9 billion. In February 2017, the arbitration tribunal awarded U.S.\$6.59 billion against the Ministry of Petroleum Resources, plus interest which is U.S.\$2.6 billion as of 12 November 2018.

In March 2018, P&ID commenced proceedings in England to have the arbitral award recognised and enforced. The Federal Government is contesting those proceedings. In May 2018, P&ID filed an application with the US District Court of New York, for the recognition and enforcement of the arbitral award.

Although the Government moved to dismiss the proceedings for lack of subject-matter jurisdiction, the Court (following P&ID's application) ordered Nigeria to file a response containing its "merits arguments" in addition to its immunity and other jurisdictional defences. This decision was reversed on 19 June 2020 when the US Court of Appeals for the District of Columbia Circuit denied P&ID's motion to dismiss the Government's appeal.

In September 2019, a Commercial Court in London granted a stay of execution of the arbitral award but ordered the Government to pay U.S.\$200 million as security payment pending its appeal against the arbitral award. However, this order was vacated in September 2020 by a London Commercial Court which ordered the release of the U.S.\$200 million guarantee and subsequently ordered P&ID to pay U.S.\$1.5 million to the Federal Government as an interim payment to cover legal costs incurred so far.

The High Court handed down its judgment in October 2023, overturning the arbitration award on the grounds that it was obtained by fraud. Nigeria challenged the award under Section 68 of the Arbitration Act 1996 on the grounds that there was a serious irregularity in how the award was obtained. Nigeria argued that bribery and corruption had taken place. Sir Robin Knowles CBE found three grounds on which to dismiss the award under Section 68 of the Arbitration Act 1996.

In December 2023, Judge Knowles made a debt order of £20 million against P&ID, payable to Nigeria. This was to be paid within 28 days as an interim payment. The payment was not made and remains as a debt owing to Nigeria. However, as discussed below, there is a third-party debt order on this amount in favour of Zhongshan.

Interstella v NITEL

Interstella Communication Limited obtained a consent judgment against the now defunct Nigerian Telecommunications Limited in the sum of U.S.\$119 million. Due to interest accruing on the judgment sum, the judgment now amounts to U.S.\$286 million. Subsequently, an order absolute was obtained by Interstella Communication Limited.

The consent judgment has been challenged by the Attorney-General of the Federation and Minister of Justice ("**Attorney-General**") on the allegation that it was obtained without the knowledge of the Attorney-General. The matter was heard by the Supreme Court of Nigeria on 3 October 2017 and adjourned to December 2017 for judgment. On 5 December 2017, the Supreme Court of Nigeria dismissed the appeal made by the CBN and the cross appeal by the Government. The Supreme Court has since endorsed the order absolute obtained by Interstella Communications Limited and has directed the parties to comply with the order.

The President has approved the issuance of promissory notes in the sum of U.S.\$285 million in settlement of the judgment.

Disputes with MTN

In August 2018, the CBN accused MTN Nigeria Communications Plc, Nigeria's biggest mobile operator, of illegally moving U.S.\$8.1 billion of funds abroad through the purchase of U.S. dollars via unapproved certificates, which resulted in the depletion of Nigeria's foreign reserves. MTN has since denied such claims and the CBN and MTN are in discussion regarding fines imposed on MTN.

On 4 September 2018, the Nigerian authorities ordered MTN to pay U.S.\$2 billion in back taxes, which MTN challenges and claims that all due tax amounts have been paid in full. MTN held talks with Nigeria's Attorney General to agree on MTN's tax payments due for the past decade.

On 10 January 2020, the Attorney General of the Federation cancelled the U.S.\$2 billion demand and referred the matter to the Federal Inland Revenue Service and the Nigeria Customs Service ("**NCS**"), which two institutions will be responsible for settling the dispute amicably.

On 20 October 2023, the Tax Appeal Tribunal in Lagos ruled that MTN's failure to remit U.S.\$48 million VAT to the country's Federal Inland Revenue Service was unlawful. The Tax Appeal Tribunal set aside the interest and penalty charges of US\$87.9 million. However, both MTN and the Federal Inland Revenue

Service have appealed this decision, the results of which are outstanding as of the date of this Offering Circular.

Dispute over Production Sharing Contracts with several International Oil Companies

In 2016, the three oil producing states of Rivers, Bayelsa and Akwa Ibom, filed a suit before the Supreme Court of Nigeria against the Federal Government in which they claimed that the Federal Government had been undercompensated on its share of revenue under certain production sharing contracts (“the **Production Sharing Contracts**”) with international oil companies, for the period between 2003 and 2015.

The three states argued that the Federal Government had suffered substantial losses under the Production Sharing Contracts because of non-compliance with the Deep Offshore and Inland Basin Production Sharing Contracts Act which came into effect on 1 January 1993. The Act required the Federal Government to adjust the shares of the revenue accruable to it, whenever the price of crude oil exceeds U.S.\$20 per barrel. The states argued that the Minister of Petroleum Resources had, for over 15 years, failed to readjust the sharing formula under the Production Sharing Contracts thereby resulting in substantial losses.

Parties reached terms of a settlement in April 2018, which was adopted as a consent judgment by the Supreme Court of Nigeria in October 2018, ordering the adjustment of crude oil proceeds sharing formula under such Production Sharing Contracts. The terms involved setting up a body and the necessary mechanisms to determine and recover all the lost revenues since August 2003. Trobell International Nigeria Ltd (“**Trobell**”) was engaged as lead consultant and assessed the amount due to the Government and the three states as U.S.\$62 billion. Trobell issued demand notices to the international oil companies and filed cases in the Federal High Court to commence the recovery process, which were challenged by the oil companies. However, in March 2020, Former President Buhari directed a stop to the recovery process and the termination of Trobell’s engagement, and the court cases were suspended.

In February 2021, the three states instituted proceedings in the Federal High Court of Nigeria, purporting to be executing the consent judgment of the Supreme Court, and requesting an order for the Federal Government to pay sums of U.S.\$951.19 million to Bayelsa state, U.S.\$1,114.55 million to Rivers state and U.S.\$2,258.41 million to Akwa-Ibom state, being the sums due as arrears of revenue. However, under the Supreme Court of Nigeria’s consent judgment, the parties are jointly responsible for pursuing the recoveries, and the liability of the Federal Government to the three states is contingent upon the success of any such recoveries. As such, the Federal Government does not believe such sums are due. On 22 June 2021, the Federal High Court of Abuja delivered judgements ordering the Federal Government to pay the requested sums to each state. The Federal Government filed an appeal on 17 August 2021 and as at the date of this Offering Circular, the case is being processed for transmission to the Court of Appeal.

There can be no assurances as to what action, if any, the Federal Government may take against international oil companies with Production Sharing Contracts in Nigeria to recover the amount of lost revenues. In the event that the Federal Government decides to pursue claims against the oil companies, it could result in significant material litigation and/or reduced investment by the oil companies in Nigeria. See “*Risk Factors—An inability to increase foreign investment, or a decrease in existing foreign investment, could adversely affect Nigeria’s economic growth*”.

Dispute between Zhongshan Fucheng and the Federal Republic of Nigeria

In 2001, the People’s Republic of China and Nigeria entered into a Bilateral Investment Treaty to encourage investment between the two countries. In 2013, the Ogun State Government entered into a Joint Venture Agreement with Zhongfu International Investment FZE, a wholly owned subsidiary of Zhongshan Fucheng Industrial Investment Co Ltd to develop the Ogun Guangdong Free Trade Zone, in Ogun State.

In 2016, a dispute arose between the Ogun State Government and Zhongfu which resulted in the abrupt termination of the Joint Venture Agreement by the Ogun State Government. As a result, Zhongshan commenced arbitration proceedings against the Federal Republic of Nigeria on 30 August 2018, alleging a breach of Articles 2, 3, and 4 of the China-Nigeria Bilateral Investment Treaty and seeking compensation under Article 9. In its award published on 26 March 2021, the arbitral tribunal found for Zhongshan and awarded compensation in the sum of U.S.\$55.68 million as well as U.S.\$75 thousand for moral damages, plus interest of U.S.\$9.40 million and costs of U.S.\$2.86 million (a total of U.S.\$68.01 million).

The Federal Republic of Nigeria challenged the award before the Commercial Courts of England and Wales under Section 67 of the Arbitration Act 1996. However, the Government withdrew this challenge before the hearing took place. Following this, Zhongshan applied to the English Commercial Court to enforce the award. In December 2021, Mrs. Justice Cockerill granted the ex-parte enforcement order.

Following this, the Federal Republic of Nigeria appealed to the Court of Appeal. However, on 20 July 2023, the Court of Appeal refused to allow this challenge on the basis that the grounds of appeal Nigeria proposed to raise were insufficient.

Zhongshan sought to enforce the award both in England and Wales and overseas. On 25 January 2023, a Quebec court granted an order for Zhongshan to seize a Bombardier 6000 Jet belonging to Nigeria. As of the date of this Offering Circular, a full hearing is due to commence in Quebec. Zhongshan also applied to a US District Court to enforce the award under the US Federal Arbitration Act. Nigeria unsuccessfully challenged this petition to both the District Court and the US Court of Appeal and is now appealing to the US Supreme Court. Finally, Zhongshan was granted an order from a Paris Judicial Tribunal to seize three presidential aircrafts belonging to Nigeria, one of which was quickly released, while two remain under preliminary attachment (as Nigeria has not yet been served with the *exequatur* of the award). In March 2024, Zhongshan obtained a provisional attachment of debts order in the British Virgin Islands barring P&ID from paying its Third-Party Debt order to Nigeria. The order was made final on 8 November 2024, with Nigeria being granted an interim stay; Nigeria is appealing this decision. As of the date of this Offering Circular, the arbitral award has not been fully enforced.

Sunrise / Mr. Leno Adesanya and the Federal Republic of Nigeria

On 22 May 2003, Nigeria’s Minister of Power issued a preliminary letter of ‘award’ of the contract for the Mambilla hydroelectric power project (estimated to cost U.S.\$6 billion) to Sunrise despite a previous express decision by the Nigerian President and the Federal Executive Council rejecting a request by the Minister to award the contract to Sunrise. Sunrise purported to accept this award shortly thereafter on 26 May 2003, by reason of which it argued that it had thereby concluded a binding contract with Nigeria for the implementation of the Project.

Nigeria did not recognise the Minister’s purported contract award to Sunrise in 2003. It re-tendered the Project and awarded the contract in March 2007 to a different contractor. In June 2007, Sunrise commenced litigation against Nigeria and sought an order preventing any development of the Project except through Sunrise and, in the alternative, claimed U.S.\$960 million in damages.

In view of Sunrise’s litigation, Nigeria was unable to secure the funding required for the Project from the China Exim Bank. To overcome this obstacle, the Ministry of Power signed a preliminary document entitled General Project Execution Agreement with Sunrise and Sinohydro (another Chinese contractor that Sunrise had involved) in 2012, which envisaged that further “detailed technical agreements to be subsequently entered into between the Parties” would be negotiated – if possible – to determine the responsibilities of Sunrise and Sinohydro on the Project.

Subsequently in 2017, Nigeria again awarded the contract for the Project to a Joint Venture of Chinese companies, excluding Sunrise. Sunrise then commenced an ICC arbitration against Nigeria under the GPEA claiming U.S.\$2.07 billion. The parties applied to the Tribunal for a stay of the GPEA Arbitration to explore the possibility of settling Sunrise’s claim.

Following settlement discussions, two documents were signed by Sunrise and two Nigerian Ministers: a document entitled ‘Terms of Settlement’ dated 21 January 2020; and a document entitled ‘Addendum to the Term of Settlement’ dated 25 March 2020. On 31 March 2020, the Settlement Agreements were presented to the President for his approval. Upon reviewing the documents, the President refused to approve them. Despite the fact that the necessary approvals were not given for the Settlement Agreements, which are therefore not legally binding on Nigeria, in May 2021 Sunrise initiated an ICC arbitration to enforce them on the basis of the arbitration agreement included in the alleged agreements. In this proceeding, Nigeria submitted a counterclaim against Sunrise and its *alter ego*, Mr. Adesanya, for damages resulting from their actions preventing Nigeria’s execution of the Project. A hearing is expected in January 2025.

Korean National Oil Company (“KNOC”) and the Federal Republic of Nigeria

During the 2005 licensing round organised by the Ministry of Petroleum Resources, the Korean National Oil Company was granted a first right of refusal over two oil prospecting licenses for the exploration and production of petroleum on deep-sea blocks 321 and 323. After purportedly exercising its FROR, KNOC was awarded these two blocks and later granted a discount on the signature bonus of U.S.\$485 million offered by the highest bidder, ONGC Videsh Limited—a wholly-owned subsidiary and the overseas arm of Oil & Natural Gas Corporation, India’s national oil and gas company. KNOC thereafter concluded two Production Sharing Contracts with the NNPC on 10 March 2006. In January 2009, the allocation of OPLs 321 and 323 to KNOC was revoked by the government of Late President Umaru Yar’Adua on the basis of KNOC’s failure to pay the full signature bonus. KNOC challenged the revocation before the Federal High Court, and KNOC’s action went all the way up to the Supreme Court and resulted in the dismissal of KNOC’s claim on jurisdictional grounds.

Dissatisfied with the outcome of the litigation in the Nigerian courts, in May 2023, KNOC and its two 75%-owned Nigerian subsidiaries initiated an investment arbitration against Nigeria at the International Centre for Settlement of Investment Disputes, alleging that Nigeria breached its obligations under the Agreement between the Government of the Republic of Korea and the Government of the Federal Republic of Nigeria for the Reciprocal Promotion and Protection of Investment, including, among other things, a breach of Nigeria’s obligation to accord fair and equitable treatment and an unlawful expropriation. In the arbitration, the claimants seek compensation in the total amount of U.S.\$403.6 million. Nigeria raised jurisdictional and admissibility objections on the grounds of illegality and corruption, and refuted all the claims on the merits. Following the first round of substantive submissions and the document production phase in 2024, the parties will exchange further written submissions in 2025, with a hearing scheduled for November 2025.

Terrorism and Anti-Terrorism Measures

Financial Action Task Force Grey List

In February 2023, the FATF included Nigeria on their list of jurisdictions under increased monitoring (commonly referred to as the “grey list”), identified as having strategic deficiencies in their anti-money laundering and counter terrorist financing regimes. Nigeria has worked with the FATF and has implemented a number of measures to strengthen the country’s anti-corruption and anti-money laundering regimes, with FATF confirming in its follow up report in November 2023 that Nigeria has made significant progress in addressing the technical compliance deficiencies identified. However, as of the date of this Offering Circular, Nigeria remains on the grey list.

Terrorism Prevention Act

In February 2011, the Federal Government passed the Terrorism Prevention Act (as amended in December 2012) amid growing concerns about violence caused by extremist militant groups operating in Nigeria. In May 2015, the Administration of Criminal Justice Act came into force. The act regulates the procedure of all criminal investigations and trials (including terrorism cases) in the federal courts.

In a bid to further deter acts of terrorism, the Terrorism (Prevention) Repeal and Enactment Bill, 2015 (consolidated with the Terrorism Act (Amendment) Bill, 2016), which seeks the imposition of more stringent prison terms for Terrorist offences, was proposed to the House of Representatives. However, following the constitution of a new National Assembly in 2019, the Bill was reintroduced at the House of Representatives as the Terrorism (Prohibition and Prevention) Bill, 2019 and was read for the first time on 10 July 2019. The Second Reading of the Bill took place on 24 July 2019.

The Terrorism (Prevention and Prohibition) Act, 2022 repeals the Terrorism (Prevention) Act, No. 10, 2011 as amended in 2013, and enacts provisions for measures for the detection, prevention, combating, and prohibition of acts of terrorism for the effective implementation of the international instruments. The Terrorism Prevention Act (Amendment) Bill, 2020, upon being passed, became part of the Terrorism (Prevention and Prohibition) Act, 2022. This Bill was passed with the objective of addressing terrorism in Nigeria, enhancing the country’s counter-terrorism measures. The Anti-Kidnapping, Terrorism and Violent Crimes Agency Bill, 2020 never progressed beyond the first reading on 21 July 2020.

Certain Counter-Terrorism Measures

The Federal Government of Nigeria has established various anti-terrorism measures. In 2011, a Joint Task Force (comprising the Nigerian Military, Nigeria Police Force, and State Security Service) was established, and 3,600 personnel were deployed to Maiduguri, the capital of Borno State. An additional 2,000 troops with heavy military equipment, including fighter jets, were sent to Maiduguri in May 2013.

In April 2013, then President Goodluck Jonathan inaugurated a 17-member Committee on Proliferation of Small Arms and Light Weapons. Through the ECOWAS, Nigeria participated in establishing a Three Pillar Counter-Terrorism Strategy and Implementation Plan that includes improved border control and measures countering the financing of terrorism. In April 2014, Nigeria, along with other Member States of the ECOWAS, adopted the international Arms Trade Treaty.

The Federal Government of Nigeria has participated in US counterterrorism capacity-building programmes under the Department of State's Antiterrorism Assistance ("ATA") programme and is a member of the Global Coalition to defeat ISIS, the TSCTP and the US Security Governance Initiative.

The Government also partners with the UNODC on a number of initiatives such as the partnership with the European Union to support female criminal justice professionals in the fight against sexual and gender-based violence by terrorist groups and to protect child-victims of terrorism in Nigeria. Additionally, the UNODC works with Nigeria to prevent and counter the evolving threats of terrorism and violent extremism by promoting international legal instruments, aiding domestic implementation of those instruments, and facilitating cooperation nationally and regionally.

The passing of the Terrorism (Prevention and Prohibition) Act, 2022 allowed for the establishment of the National Counter Terrorism Centre to better coordinate the establishment and implementation of counter-terrorism policies and strategies. Additionally, the Act provides the legal framework for the creation of the National Sanctions Committee for the implementation of United Nations Security Council Resolutions on countering the financing of terrorism. These instruments have improved Nigeria's capacity to respond to and counter the threat of terrorism.

In a statement to the UN in October 2023, the Government emphasized the importance to the country of continuing to implement a coherent strategy to curb terrorism and comprehensively address the conditions conducive to terrorism. Nigeria assured their intention to continually enhance efforts, strengthen legislative and institutional frameworks, and make improvements in the areas of screening, prosecution, rehabilitation, and reintegration. Nigeria remains fully committed to ensuring that all perpetrators of terrorism are prosecuted.

In February 2024, Nigeria hosted the second edition of the UK-Nigeria Security and Defence Partnership Dialogue as a follow-up to the earlier conference held in February 2022 where the two nations agreed to strengthen their cooperation in the areas of countering terrorism, violent extremism and other related crimes.

Boko Haram, Niger Delta Avengers and Indigenous People of Biafra

Boko Haram

Boko Haram is a home-grown terrorist group which has operated primarily in North Eastern Nigeria since 2009. The group's ideology is directed toward "Islamising" Northern Nigeria, implementing Sharia law and providing for the purification of Islam. Since 2009, Nigeria has experienced attacks and kidnappings, particularly in the northern States. It is believed that these attacks have been carried out by Islamist militia groups based in the north, such as Ansaru and Boko Haram. These attacks have occurred at various sites including churches, mosques, schools, business premises, police stations and immigration offices in Kano, Maiduguri, Mubi, Yola and Gombe States. Instances of kidnappings have increased, and have in some cases been large-scale, including the 276 female students kidnapped from a school in Chibok, Borno State in 2014. On 6 May 2017, the Government announced the release of 82 of the students in exchange for the release of suspected members of Boko Haram. Again, in February 2018, 110 schoolgirls were abducted from Dapchi, Yobe State. After negotiations with the Government, 144 girls were released two weeks later, whilst five girls reportedly died in captivity. In addition, between December 2020 and March 2021, there was a series of mass school kidnappings and abductions in Northern Nigeria. On 20 April 2021, at least 23 students and staff of Greenfield University Kaduna were kidnapped. Boko Haram continued its attacks in

2019, killing an estimated 640 civilians, and in March 2020, the group ambushed a Nigerian military convoy in Yobe state, killing dozens of soldiers. On 23 February 2021, Boko Haram attacked Madiuguri killing at least 10 people and injuring many others. Boko Haram continues to pose a significant threat to Nigeria. On 31 August 2024, dozens were killed after Boko Haram carried out attacks in Mafa Village in northeastern Nigeria.

Aid workers have also been targeted on occasion. In July 2016, a team from UNICEF was attacked by suspected Boko Haram insurgents, leaving several injured and leading UNICEF to temporarily withdraw certain aid funds. In September and October 2018, Boko Haram insurgents executed two aid workers working with the International Committee of the Red Cross, who had been kidnapped in March 2018. In July 2019, six international aid workers for Action for Hunger were abducted by Boko Haram. In April 2021, an attack by Boko Haram resulted in the temporary suspension of humanitarian operations and the displacement of more than 65,000 people in Damsak, a garrison town in Borno State.

In May 2013, then-President Goodluck Jonathan declared a state of emergency in Borno, Yobe and Adamawa, thereby authorising the military to take over all security operations in those States, although the state of emergency has since lapsed. In February 2015, Nigeria's Independent National Electoral Commission postponed the presidential elections scheduled to take place in February 2015 until 28 March 2015 amid concerns that the military would be unable to provide sufficient security for the elections whilst fighting Boko Haram. To help contain the threat of regional instability from Boko Haram activities, the African Union agreed on 7 February 2015 to send 8,700 troops from Nigeria, Benin, Cameroon, Chad and Niger to help put down the Boko Haram insurgency. The joint task force consisting of military forces from Nigeria, Cameroon, Chad and Niger has made significant progress in disrupting Boko Haram's operations and maintaining security in the north-eastern region of Nigeria, including through the liberation of cities previously captured by the insurgents, which allowed internally displaced persons to return to their communities. In August 2016, the so-called Islamic State in Syria, a Middle Eastern terrorist group to which Boko Haram has pledged allegiance, announced the appointment of a new leader for Boko Haram, supporting reports that the previous leader of Boko Haram had been killed during military operations. In December 2016, the Nigerian Army seized and took control of the Sambisa Forest which was the major enclave of the Boko Haram group. The defence budget has been increased in recent years to help combat the group. The 2024 Appropriation Act included an allocation of approximately ₦339.3 billion for the Ministry of Defence as capital expenditure, compared to ₦127.9 billion in the 2021 Appropriation Act. Throughout 2023, continued efforts in de-radicalization and reintegration programs saw the successful rehabilitation of former Boko Haram fighters and their reintegration into local communities. In recent years, Nigeria has also sought to strengthen its collaboration with international partners, including the United States and the United Kingdom, for training and intelligence support. Of note was the renewal of the U.S.-Nigeria Bi-National Commission Agreement in April 2024, focused on overcoming security challenges.

According to the 2024 Global Terrorism Index, which assesses the extent and frequency of violence by terrorist groups worldwide, Iraq, Afghanistan, and Nigeria have seen the largest declines in terrorism since 2007. Additionally, Nigeria ranked eighth, down from third in 2020. However, despite Nigeria making significant efforts to mitigate the risk posed by Boko Haram, the terrorism threat remains high, with the country recording its first increase in terrorism in three years in 2023, marking Nigeria's highest death toll since 2020. Boko Haram recorded its deadliest year since 2020, with 29 attacks leading to 151 deaths, a significant rise from the 9 attacks and 72 deaths recorded in 2022.

Additionally, since 2018, Nigeria has experienced an increase in separatist movements. Ethnic tensions surfaced amid calls for a separate southern state, known as Biafra. The Biafra Referendum is an ongoing self-determination poll organized and conducted by the Biafra Republic Government in Exile to determine the declaration of the restoration of Biafra. The Referendum was announced on 1 February 2024 and will consist of three consecutive rounds of voting, lasting until November 2024. Simon Ekpa, Prime Minister of the Biafran Government, stated that over 30 million Biafrans voted in the Referendum, surpassing the number of voters in the 2023 Nigerian presidential election. Alongside this, certain groups in the Niger Delta continue to campaign for independence and Boko Haram continue to seek an Islamic state in the north-east. There are also reports of the ongoing armed conflict between Nigerian security forces and members of the Islamic Movement of Nigeria, a Shari'a religious and political organisation based in Nigeria's northern region. *See "Risk Factors—Risks related to Nigeria—Nigeria's political, economic and social stability has and will continue to be adversely affected by political and religious conflicts, terrorism,*

and social and religious tensions, any or all of which may materially and adversely impact economic conditions and growth in Nigeria”.

Niger Delta Avengers

In addition to the instability caused by Boko Haram in the North, the Niger Delta region of Nigeria continues to experience militant activities, such as the targeting of oil and gas installations across the region by groups such as the Niger Delta Avengers. The Niger Delta Avengers are the first official armed group to emerge in the region since 2009, when the then-President Umar Musa Yar’Adua, granted amnesty to militants in the region. The Niger Delta Avengers have expressed that their main objective is to ensure increased consideration for people who have suffered severe damage as a result of the environmental degradation caused by oil production and exploration activities in the region. In a bid to put a stop to the violence and sabotage in the region, the Presidential Amnesty Programme (the “PAP”) was established in 2009 by then-President Yar’Adua. Under the PAP, militants in the region are given the opportunity to surrender their arms and be reintegrated into the society through vocational, educational and human capital development programmes locally and overseas. Members under the PAP are also given monetary stipends as financial support. Under the administration of Former President Buhari, the PAP was re-engineered to include an Exit Strategy for sustainable reintegration. The PAP has partnered with strategic partners such as the Niger Delta State Government, the Ministry of Agriculture, the World Bank and the private sector, in order to achieve the aims of the programme. As of 2023, the initiative has seen about 30,000 youths from communities in the Niger Delta region be enrolled in education scholarships, vocational courses and post training empowerment programmes. Approximately 30,000 persons have benefitted from the PAP and 55% have been successfully integrated into society. The Federal Government has expressed its ongoing commitment to include members of the Niger Delta Avengers and other agitators under the PAP. In August 2016, the Niger Delta Avengers announced their readiness for a dialogue with the Federal Government. The U.S.\$1 billion Ogoniland clean-up project was initiated in 2016 to address decades of oil pollution, has seen incremental progress. Additionally, the Hydrocarbon Pollution Remediation Project, which oversees the clean-up, has reported ongoing work in several impacted communities, aiming to improve living conditions and reduce environmental degradation. These initiatives reflect the Government’s sustained efforts to address the socio-economic and environmental challenges in the Niger Delta, thereby helping to reduce tensions and foster development in the region. *See “Risk Factors—Risks related to Nigeria—Nigeria’s political, economic and social stability has and will continue to be adversely affected by political and religious conflicts, terrorism, and social and religious tensions, any or all of which may materially and adversely impact economic conditions and growth in Nigeria”.*

In 2017, the Niger Delta Avengers stated that they would end the ceasefire agreement with the Government and withdrew from the Pan Niger-Delta Forum. Although several years have passed since the Niger Delta Avengers have launched an attack on Nigeria’s oil pipelines, the leaders of the Niger Delta militant groups have periodically warned that the region’s peace remains under strain due to the slow pace of regional developments. In August 2024, the Niger Delta Avengers stated that they had attacked the Nembe Creek Trunk Line pipeline in the southern Niger Delta. The group said that it would continue attacking energy facilities until the “environment prevails for genuine dialogue and negotiations”. This demonstrates the ongoing nature of the threats posed by the Niger Delta Avengers.

Indigenous People of Biafra

The IPOB, a separatist organisation led by Nnamdi Kanu, has emerged as a significant security concern since 2017. IPOB demands that a number of states in south-east Nigeria, made up primarily of people from the Igbo ethnic group, break away from Nigeria and form the independent nation of Biafra. The group has called for a referendum, stating that they will continue to agitate until the Nigerian Government fixes a date for the referendum. On 14 October 2015, Nnamdi Kanu was arrested on charges of treason by the Department of State Services in Lagos and detained until May 2017, when he was released on bail.

According to Amnesty International, the Nigerian army killed at least 150 members of IPOB between August 2015 and August 2016, including at a prayer breakfast in Ngwa in February 2016 and during the Biafran Remembrance Day celebration in May 2016. In September 2017, the 14 brigade of the Nigerian Army initiated an exercise code in the south-east region with the objective of preparing troops to suppress agitations for secession and address reported cases of kidnapping and other concerns in the region. However, IPOB members were injured and approximately five killed in a clash with troops following

allegations that attempts were made by the soldiers to invade the residence of and arrest the IPOB leader. On 20 September 2017, the Federal High Court granted an *ex-parte* declaration that the activities of IPOB are acts of terrorism and are illegal, with an order proscribing of IPOB. The IPOB leader left the country in 2017 and in 2020, announced the formation of the Eastern Security Network (the “ESN”), a regional security force based in the Southeastern part of the Country. In January 2021, fighting broke out in the town of Orlu, in Imo State. The military confrontation between the Nigerian Government and the ESN lasted for seven days, until the ESN declared a unilateral ceasefire and both sides withdrew from the city. Following further periods of conflict, on 18 February 2021, the Nigerian Military launched an airstrike in Orlu, Imo State. In early 2021, the conflict continued. In response to the deaths of at least 20 security personnel in the region, Nigerian forces raided an ESN camp in Aba, Abia, on 23 March 2021. The Nigerian force claimed to have killed 16 ESN members and on 29 March 2023, the Nigerian police reported arresting 16 ESN members suspected of attacking security personnel. Further, on 5 April 2021, a prison in Owerri, Imo state, was attacked by gunmen alleged to be ESN operatives, setting 1,844 prisoners free. However, the IPOB denied any involvement. In December 2023, Nigerian Police arrested the commander of the IPOB, Ikechukwu Uba, along with three others. On interrogation, it was reported that Uba confessed to being a member of the ESN, narrating further that he receives funding from the Finland-based Simon Ekpa to carry out terror attacks in the state, among other incriminating admissions.

The ESN shares a common goal with the IPOB, to restore an independent state of Biafra. As such, tensions are ongoing, and the tension between the group and Nigerian security forces remains. The Nigerian Government continues to emphasize a combination of military action and dialogue to address these issues, calling for peaceful resolutions and greater attention to the underlying socio-economic and political grievances driving the unrest. *See “Risk Factors—Risks related to Nigeria—Nigeria’s political, economic and social stability has and will continue to be adversely affected by political and religious conflicts, terrorism, and social and religious tensions, any or all of which may materially and adversely impact economic conditions and growth in Nigeria”.*

Cybersecurity Framework

Efforts are underway to bring Nigeria’s cybersecurity framework in line with international standards. This initiative is currently being implemented, and there has been a recent law passed to support these advancements. This aligns with the broader goal of enhancing Nigeria’s cybersecurity infrastructure to meet global benchmarks.

On 31 May 2024, the CBN issued the Risk-Based Cybersecurity Framework and Guidelines for Deposit Money Banks and Payment Service Banks. This framework provides the minimum requirements that deposit money banks and payment service banks must put in place in their respective cybersecurity programmes. The framework applies to deposit money banks and payment service banks, including commercial banks, merchant banks, and non-interest banks (together, supervised financial institutions). The supervised financial institutions have been required to comply with the provisions of the framework from the effective date of 1 July 2024. The framework was issued to guide the implementation of cybersecurity programmes to enhance resilience in the financial sector.

Foreign Relations

Nigeria has diplomatic relations with over 100 countries. In pursuing the goal of regional economic cooperation and development, Nigeria has, over the past decades, played a pivotal role supporting peace in Africa. It has provided the bulk of troops for the UN peacekeeping mission in Sierra Leone, the UN Mission in Liberia and the African Union Mission in Sudan. Nigeria also has a presence in countries such as the Democratic Republic of Congo, Chad and Bosnia. Nigeria is also leading the International Support Mission in Mali. Since the 1960s, Nigeria has been a major contributor of troops and police to United Nations peace operations, having served in dozens of missions. According to the UN, as of November 2023, Nigeria contributes 421 personnel to UN Peacekeeping Missions, ranking 33rd globally.

EU Relations

The EU’s approach to financing is aimed to help Nigeria implement and achieve the Sustainable Development Goals, with a focus on jobs, investment and growth. Gender equality remains a priority. The EU cooperation thus involves supporting the Government to reduce poverty, notably through improving

governance, expanding social equity and maintaining economic growth, as well as serving to strengthen national efforts for Nigeria to manage its own resources more effectively and efficiently.

The EU is Nigeria's main trading partner and Nigeria, through the ECOWAS, concluded in February 2014 an Economic Partnership Agreement with the EU after more than ten years of negotiation. In July 2014, the ECOWAS Heads of States and Government gave final approval to sign the Economic Partnership Agreement, in spite of reservations raised by Nigeria concerning potential negative impacts on the Nigerian economy and integration of ECOWAS. Nigeria expressed its inability to sign the Economic Partnership Agreement in its present form. However, Nigeria is still working with the ECOWAS Commission to find a way forward.

The European Development Fund (“**EDF**”) is the EU's main vehicle for development cooperation in certain African, Caribbean and Pacific States, including Nigeria, focusing on economic growth and poverty reduction. Usually lasting 6 years, each EDF lays out EU assistance to both individual countries and regions as a whole. Under the 11th EDF cycle of funding (for 2014-2020), the focus was primarily on the Northern part of Nigeria. In particular, the EU support centred on stabilisation and recovery in the North Eastern states of Borno, Yobe and Adamawa which have been hit by the Boko Haram conflict. The 11th EDF National Indicative Programme allocated €562 million for the 2014-2020 funding period towards (i) health, nutrition and resilience (€280 million), (ii) sustainable energy and access to electricity (€150 million), (iii) rule of law, governance and democracy (€100 million) and (iv) civil society and support measures (€32 million).

Until 2020, the EDF was subject to its own financial rules and procedures and was managed by the European Commission and the European Investment Bank. However, the EDF has been incorporated into the EU's general budget as of the 2021-2027 multi-annual financial framework. Under this budget, €505 million will be allocated to Africa to support people affected by the long-term Lake Chad Basin crisis, impacting Nigeria, Niger, Cameroon, and Chad; those suffering from food and nutrition crisis, worsened by security incidents and community conflicts, in the Sahel (Burkina Faso, Mali, Mauritania, and Niger); and those displaced by armed conflicts in South Sudan, Central African Republic and Horn of Africa (Somalia and Ethiopia).

Additionally, the EU has adopted a seven-year funding scheme for its interventions in Nigeria, following the conclusion of consultations with local authorities and other key stakeholders. The Multiannual Indicative Programme for Nigeria 2021-2027 focuses on three broad priority areas: (i) Green and Digital Economy, (ii) Governance, Peace, and Migration, and (iii) Human Development. Under the Programme, the EU will provide €508 million to fund projects that reinforce its bilateral cooperation with Nigeria for the period 2021-2024. Financial allocation for the period 2025-2027 is to be determined following a review later in 2024. The adoption of this programme is an important step in reinforcing and concretising the EU's cooperation with Nigeria. It will enable the EU and Nigeria to continue working together on programmes and projects that are built on shared objectives, principles, and values.

In December 2020, the EU increased funding by €10 million (U.S.\$11.9 million) for the Climate Investor One financing facility. Initially, the EU had committed €30 million (U.S.\$35.9 million) in funding for renewable energy projects in emerging markets, with a specific designation towards financing projects within Nigeria. The EU grant has the potential to unlock €100 million (U.S.\$119.7 million) in investments in renewable energy in Nigeria. The funding is expected to enable the construction of over 150 MW of renewable energy projects in Northern Nigeria.

U.S. Relations

Trade between Nigeria and the United States historically has been very strong due to the trade in petroleum products and following the signing of a Trade and Investment Framework Agreement in 2000, to crystallise the relationship between the two countries. In 2022, U.S. goods and services trade with Nigeria totalled an estimated U.S.\$10.6 billion. U.S. exports were U.S.\$5.2 billion, while imports were U.S.\$5.4 billion, resulting in a U.S. goods and services trade deficit of U.S.\$177 million. U.S. goods exports to Nigeria amounted to U.S.\$3.4 billion in 2022, reflecting a decrease of 13.6% (U.S.\$530 million) from 2021. Conversely, U.S. goods imports from Nigeria totalled U.S.\$4.8 billion in 2022, representing an increase of 38.9% (U.S.\$1.3 billion) from 2021. According to the U.S. Energy Information Administration, in 2023,

Nigeria's crude oil exports to the United States were 58,350 thousand barrels, compared to the 38,419 thousand barrels exported in 2022.

In April 2010, the United States and Nigeria formed the United States/Nigeria Bi-National Commission (“**BNC**”) to provide a platform for a more productive and strengthened bilateral cooperation between the two countries. The most recent meeting of the BNC was held in April 2024. The BNC meetings have focused on key areas of mutual interest, including good governance and anti-corruption, trade and investment, development and food security and security and counter-terrorism efforts.

The US Agency for International Development provides bilateral financial assistance to Nigeria, allocating U.S.\$812.85 million in 2023 towards projects aimed at promoting education, economic growth, health, humanitarian assistance and peace and democracy.

In August 2024, the U.S. Mission in Nigeria announced that Nigeria will receive U.S.\$27 million as part of a larger U.S.\$536 million humanitarian aid package from the U.S. Government to Sub-Saharan Africa. This funding is part of the U.S. commitment to providing life-saving assistance and protection to vulnerable people and communities throughout the continent. This brings the total U.S. humanitarian assistance to Sub-Saharan Africa to nearly U.S.\$3.7 billion.

With the recent election of President-Elect Donald Trump as the new President of the United States in November 2024, it is difficult to predict the trajectory of the relationship between the U.S. and Nigeria.

China Relations

Nigeria and the People's Republic of China (“**China**”) established diplomatic relations on 10 February 1971. Relations between the two countries have been very cordial and active. Bilateral relations between the two countries include the establishment of a Joint Economic and Trade Commission, the signing of agreements on trade, economic and technical cooperation, scientific and technological cooperation and investment protection, as well as frequent exchange of high-level visits and consultations.

Trade between both countries has also been largely facilitated by a double taxation treaty entered into in April 2002, which came into force in January 2010. Nigeria is also a member of the Forum on China-Africa Cooperation, established in 2000 to deepen relations between China and the African Region.

To date, China has set up a number of solely funded companies or joint ventures in Nigeria. According to the President of the Chinese Chambers of Commerce in Nigeria, there were about 160 Chinese firms in Nigeria as of November 2023. Some of the main projects contracted or undertaken by Chinese companies in Nigeria are the rehabilitation of Nigerian railways, construction of houses at the Games Village of the National Stadium Complex in Abuja and the construction of the corporate headquarters of the Nigerian Communications Commission.

In April 2018, the CBN signed a U.S.\$2.5 billion bilateral currency swap agreement with the People's Bank of China to strengthen trade between the two countries and enhance foreign reserve management.

Following President Tinubu's diplomatic visit to China in September 2024, several landmark agreements were made between Nigeria and China:

1. **Bilateral Currency Swap Agreement** – the bilateral currency swap deal, first initiated in 2018, was renewed with the aim of increasing liquidity in the Nigerian market, easing trade transactions, and reducing pressure on foreign exchange reserves.
2. **Infrastructure Development Agreement** - China committed to providing substantial funding and technical support for Nigeria's infrastructure master plan. This includes completing critical railway products, building significant highways, and developing energy facilities. China's involvement promises to expedite the completion of this project, which is expected to transform Nigeria's transportation landscape by linking major cities and ports, facilitating trade, and reducing travel times.
3. **Power Generation Agreement** - to address the perennial power shortages that have plagued Nigeria's economy. The agreement encompasses the development of new power plants, the

upgrading of existing power facilities, and the expansion of renewable energy sources such as solar and hydroelectric power.

4. Mining and Solid Minerals Cooperation – using Chinese expertise and equipment to unlock the potential of this sector in Nigeria.
5. Technology and Telecommunications Agreement – to enhance Nigeria’s digital infrastructure, improve internet penetration, and foster the growth of the telecommunications sector.
6. Cultural Exchange and Education Agreement – to promote closer ties between Nigerian and Chinese educational institutions.
7. Agricultural Cooperation Agreement – to improve food security and boost agricultural productivity in Nigeria.

U.K. Relations

Over the years, the UK and Nigeria have established mutual diplomatic relations following their colonial affiliation. According to the UK’s Department for International Trade, Nigeria is one of the largest trading partners in Africa to the UK. Total UK exports to Nigeria amounted to £5.1 billion in the twelve months ended 30 June 2024 (an increase of 17.3% compared to the twelve months ended 30 June 2023). Total UK imports from Nigeria amounted to £2.1 billion in the twelve months ended 30 June 2024 (a decrease of 24.0% compared to the same period a year prior). Nigeria was the UK’s 36th largest trading partner in the twelve months ended 30 June 2024, accounting for 0.4% of total UK trade.

Nigeria and the UK engage in a bilateral investment treaty (including promotion and protection agreement) and have also signed a double taxation treaty, ensuring that the same income is not taxed in both countries. The Enhanced Trade and investment Partnership arrangement between Nigeria and the United Kingdom was published on 26 April 2024. This agreement aims to establish an enhanced trade and investment partnership to build on the success and progress of the EDF process. This agreement is due to remain in operation for 5 years and will be renewed unless either party chooses to terminate. This represents the UK’s first partnership of its kind with an African country. It is designed to grow the UK and Nigeria’s already thriving trading relationship.

In 2022, the top three recipients of UK bilateral country specific Official Development Assistance were Afghanistan, Ukraine, and Nigeria, with Nigeria receiving £110 million.

India Relations

India and Nigeria enjoy warm and deep-rooted bilateral relations. India established its Diplomatic House in Lagos in November 1958, 2 years before Nigeria gained independence on 1 October 1960.

According to the High Commission of India in Nigeria, India is Nigeria’s largest trading partner whilst Nigeria is India’s largest trading partner in Africa. Presently, India is also the largest buyer of Nigerian crude oil. According to the United Nations COMTRADE database on international trade, the total value of exports to India from Nigeria in 2023 was valued at U.S.\$5.45 billion, making India one of the primary destinations of exports from Nigeria.

In 1983, a Trade Agreement was signed between India and Nigeria. In May 2024, India and Nigeria agreed to conclude a local currency settlement system agreement to strengthen economic ties. The agreement aims to promote the use of the Indian Rupee and Nigerian Naira for cross-border transactions. The agreement will enhance bilateral trade and mutually beneficial investments in sectors such as crude oil, natural gas, pharmaceuticals, power, renewable energy, agriculture, education, transport, railway, aviation, and Micro, Small and Medium Enterprises (“MSMEs”).

The Indian government provides a line of credit to Nigeria, which has supported certain projects with the Ministry of Defence (U.S.\$100 million), the National Rural Broadband Project (U.S.\$100 million), solar power projects (U.S.\$74.96 million), as well as the provision of solar electrification, power transmission and distribution projects in rural areas in Nigeria.

Membership of International and Regional Organisations

United Nations

Nigeria has been a member of the UN since 7 October 1960. Nigeria is a member of the UN Human Rights Council as well as other agencies of the UN. Nigeria made a commitment to the Millennium Declaration at the UN's Millennium Summit of 2000.

Nigeria was elected for a two-year term as a non-permanent member of the UN Security Council from 2014 to 2015. Nigeria held the presidency of the Council for the month of April 2014.

Nigeria has repeatedly participated in the UN's peacekeeping missions, contributing military contingents, observers and staff officers as well as forming police units and police advisors on UN peacekeeping missions.

IMF/World Bank

Nigeria has been a member of the World Bank and IMF since 30 March 1961. On 29 April 2024, the Executive Board of the IMF concluded the Article IV consultation with the Government, which involved discussion of economic and socio-economic policies that the IMF regularly holds with each member country. The IMF Executive Board commended the bold reforms implemented by the new administration in Nigeria as well as the authorities' focus on revenue mobilization, governance, social safety nets, and upgrading policy frameworks in the face of Nigeria's significant economic and social challenges. In view of the risks facing the country, the IMF stressed the importance of steadfast, well-sequenced, and well-communicated reforms to restore macroeconomic stability, reduce poverty, support social cohesion, and pave the way for faster, inclusive, and resilient growth.

Nigeria and the World Bank have collaborated on a number of projects, notably the Rural Access and Mobility Project for the building and rebuilding of roads and transport networks in rural areas, the National Energy Development Project for the delivery of efficient energy to consumers, and the FADAMA project which has improved the business and lives of farmers in Nigeria. In 2013, the World Bank changed Nigeria's classification from low-income country to lower-middle-income country. Nigeria has also graduated from the list of countries with access to the International Development Association's concessionary window.

On 21 April 2020, the Government requested IMF emergency financing available to Nigeria under the Rapid Financing Instrument. Consequently, on 28 April 2020, the Executive Board of the IMF approved emergency financial assistance of SDR 2,454.5 million (U.S.\$3.4 billion) under the Rapid Financing Instrument to support Nigeria's efforts in addressing the economic impact of the COVID-19 pandemic and the fall in oil prices.

The Organization of the Petroleum Exporting Countries

Nigeria became a member of OPEC in 1971. OPEC's mission is to coordinate and unify the petroleum policies of its member countries, with the goal of stabilising oil markets to secure an efficient, economic and regular supply of petroleum to consumers, a steady income to producers and a fair return on capital for those investing in the petroleum industry. These goals are pursued through agreement on each country's production allocation, or quotas. These quotas are regularly discussed at OPEC meetings and agreed by consensus. They are technically voluntary as OPEC members reserve the rights to their sovereignty; however, there can be pressure to ensure compliance from other member countries.

Nigeria failed to meet the crude oil production quota approved by OPEC throughout 2022 and 2023. As a result, OPEC reduced its monthly oil production quota for Nigeria to a flat rate of 1.5 mbpd from January to May of 2024. Despite this reduction, Nigeria still failed to meet their allocated quota. This has been confirmed as a major factor worsening the crude oil supply crisis for indigenous refiners. On 2 June 2024, OPEC extended Nigeria's production quota to 2025, stating that Nigeria should maintain the production level until 31 December 2025. The Joint Ministerial Monitoring Committee is due to reconvene on 1 December 2024.

See “*The Economy — Principal Sectors of the Economy — Oil and Gas — Oil and Gas Sector History, Regulation and Reform — History*”.

World Trade Organisation

Nigeria joined the World Trade Organisation (“WTO”) on 1 January 1995. Nigeria is committed to a multilateral trading system and has made efforts to improve its customs procedures and to facilitate trade. Nigeria’s tariffs are based on the Common External Tariff (“CET”) regime of ECOWAS. See “*Foreign Trade and Balance of Payments — Foreign Trade—Trade Policy*”. The WTO Trade Policy Review Body conducted its most recent review of the trade policies and practices of Nigeria in June 2017. The 2017 Trade Policy Review Report by the WTO Secretariat observed that Nigeria’s economy recorded strong growth of about 7% per year in the decade leading up to 2015, owing to high prices of oil and natural gas. However, the sharp decline in oil prices since the third quarter of 2014 has posed major challenges to the economy, which significantly slowed down to 2.7% in 2015 and further went into recession in 2016 experiencing a contraction of 1.5%. The report also noted Nigeria’s attempt to diversify away from oil by building a competitive manufacturing sector. However, development of this industry is not without its own challenges. On 1 March 2021, Dr. Ngozi Okonjo-Iweala (who previously served as Nigeria’s Minister of Finance) took office as the Director-General of the WTO and remains in office as of the date of this Offering Circular.

African Organisations

African Union

Nigeria was a founding member and is one of 55 members of the African Union, the successor to the Organisation of African Unity. The African Union is modelled on the EU and has had a parliament since March 2004 when the Pan African Parliament was created. Its day-to-day affairs are run by the African Union Commission, which as at the date of this Offering Circular is chaired by Mr. Moussa Faki Mahamat.

The African Union agreed on 7 February 2015 to send 8,700 troops from Nigeria, Chad, Cameroon, Niger and Benin to fight Boko Haram. The deployed troops included soldiers, policemen and civilians, and is headquartered in Chad’s capital, N’Djamena. Neither a budget nor a timetable has yet been given for the intervention. According to the African Union, as of April 2016, the European Commission had decided to contribute EU funding of approximately EUR50 million to the Multinational Joint Task Force fighting Boko Haram. In August 2016, the European Commission proceeded with the first payment of approximately EUR31.7 million to the African Union Commission account. Following the request of the African Union Commission, the EU authorised the recruitment of a specialised Procurement Agent for the purpose of the procurement and delivery of the agreed equipment and services to the Multinational Joint Task Force.

African Development Bank

Nigeria is a member of the African Development Bank. The primary objective of the African Development Bank is to encourage sustainable economic development and social progress in its regional member countries, thus contributing to poverty reduction. According to the African Development Bank, as of October 2024, Nigeria holds the largest equity share in the African Development Bank and approximately 9% of voting power. Nigeria has a permanent seat on the Board of the African Development Bank.

African Continental Free Trade Area (“AfCFTA”)

In July 2019, Nigeria signed the framework agreement establishing the AfCFTA customs union. In December 2020, Nigeria became the 34th country to ratify the agreement, and as of October 2024, 54 countries have signed the agreement, leaving Eritrea as the only African Union nation not to sign. The agreement entered into force in May 2019, and entered the operational phase, with trade commencing as of 1 January 2021. According to the African Union and the United Nations Economic Commission for Africa, it represents the largest free-trade area by number of participating nations which, together, would cover a market of 1.2 billion people with a combined GDP of U.S.\$2.5 trillion. Under the AfCFTA, members are required to adhere to provisions on the free movement of capital and business travellers, as well as widespread tariff reductions. Members are also required to commit to removing tariffs on 90% of goods, with each country submitting its own schedule of products to be liberalised.

Economic Community of West African States & Economic Community of West African States Monitoring Group

Nigeria is a member of the Economic Community of West African States (“**ECOWAS**”), which was established in 1975. ECOWAS is headquartered in Abuja and has 15 West African countries as members. The organisation promotes integration in all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions, and social and cultural matters.

In 1993, the ECOWAS Treaty was revised with the intention to accelerate economic integration and establish an economic and monetary union in West Africa with the following objectives: the removal of customs duties for intra-ECOWAS trade and taxes having equivalent effect, the establishment of a CET, the harmonisation of economic and financial policies, and the creation of a single monetary zone. However, regional trade within the ECOWAS as a share of total trade remains limited due to the lack of economic harmonisation.

In December 2014, Nigeria launched the CET regime of the ECOWAS. The CET took effect in Nigeria on 1 January 2015. A study conducted by UNCTAD highlighted the overall net positive effects following the implementation of the CET. However, the study noted the differences in the distribution of welfare gains across states, geopolitical zones and income groups.

Nigeria is also a member of the Economic Community of West African States Monitoring Group (“**ECOMOG**”). ECOMOG was founded in 1990 under the auspices of Member States of the ECOWAS that were concerned about the threat of instability in the region during the Liberian Civil War. ECOMOG is composed of soldiers from the national armies of Member States. Nigeria contributed a majority of the troops and material and financial backing in respect of ECOMOG.

THE ECONOMY

Overview

According to the World Bank, Nigeria was Africa's second-largest economy by GDP in 2023, surpassing Ethiopia, Sudan and Kenya, but trailing just behind South Africa. Nigeria is the most populous country in Africa, with a population of approximately 223.8 million in 2023 and 218.5 million in 2022. Following strong growth in the early part of the decade, from 2015 to 2023, growth rates decreased and GDP per capita flattened. This decline was driven by monetary and exchange rate policy distortions, increasing fiscal deficits due to lower oil production and a costly fuel subsidy programme, increased trade protectionism, and external shocks such as the COVID-19 pandemic.

Nigeria's real GDP has been growing in recent years, with the exception of 2020, which saw a contraction of 1.92% due to the COVID-19 pandemic. The GDP growth rates were 2.27% in 2019, 3.40% in 2021, 3.10% in 2022, 2.74% in 2023. The real GDP has further grown by 3.08%, as at 30 June 2024. The Nigerian economy is highly dependent on the oil and gas sector which accounted for 6.4% and 5.4% of the real GDP, in June 2024 and end of 2023, respectively, and 81.0% of export earnings. Dependence on oil makes the economy vulnerable to oil price fluctuations, as most economic sectors in Nigeria depend on public spending which itself is dependent on oil and gas revenues.

However, GDP growth in recent years has been supported by the non-oil and gas sector, which grew by 2.1% in 2019, 4.4% in 2021, 4.8% in 2022, and 3.0% in 2023, with a contraction of 1.3% in 2020 due to the COVID-19 pandemic. The biggest drivers for this growth have historically been agriculture, telecommunications, manufacturing and trade. For the year ended 31 December 2023, Nigeria's total real GDP was ₦77.90 trillion (approximately U.S.\$120.5 billion, at the central exchange rate of ₦646.42/U.S.\$1, annual/period average for 2023), compared to ₦74.64 trillion (approximately U.S.\$176.1 billion, at the average exchange rate as at 31 December 2022 of ₦423.87/U.S.\$1, annual/period average for 2022) for the year ended 31 December 2022. See “—Exchange Rate.”

The following table sets forth the contribution to real GDP and growth rate of certain sectors of the Nigerian economy for the periods indicated (based on 2010 constant basic prices).

Economic Sector	Year ended 31 December									
	2019		2020		2021		2022		2023	
	Contrib ution to of GDP (%)	Growth rate (%)	% of GDP	Growth rate (%)	% of GDP	Growth rate (%)	% of GDP	Growth rate (%)	% of GDP	Growth rate (%)
Agriculture	25.16	2.36	26.21	2.17	20.79	2.13	25.58	1.88	19.96	1.13
Crude Petroleum and Natural Gas.....	8.79	4.59	8.16	(8.89)	7.24	(8.30)	5.67	(19.22)	5.40	(2.22)
Trade	16.01	(0.38)	14.94	(8.49)	15.69	8.62	16.00	5.13	15.83	1.66
Manufacturing	9.06	0.77	8.99	(2.75)	8.98	3.35	8.92	2.45	8.81	1.40
Information and Communication	13.04	9.17	15.05	13.18	15.51	6.55	16.51	9.76	17.34	7.91

Source: National Bureau of Statistics

Economic Reform Policies

The Government seeks to continue diversifying the economy through a range of economic reforms, including the adoption of a value chain approach to agriculture and manufacturing, the enhancement of transportation network and port decongestion, the opening of borders to drive cross-border trade and the development of electricity and mineral sectors. Additionally, the Government seeks to develop high-value sectors such as information, communication and technology and streamline import and export processes and harmonise trade policies. Key initiatives driving the growth of non-oil revenue include tailored revenue strategies for ministries, departments, and agencies, improved tax collection efficiency, enhanced customs collections, and strengthened controls.

In May 2009, the Government launched Vision 20:2020, a long-term strategic plan which aimed to position Nigeria among the world's largest 20 economies by 2020. The Vision 20:2020 objectives were structured around four dimensions – social, economic, institutional, and environmental – and rested on three core

pillars: optimising key sources of economic growth, ensuring productivity and well-being for Nigerians, and promoting sustainable economic development.

Vision 20:2020 outlined broad economic growth strategies to be implemented through a series of more detailed medium-term national development plans. This vision was further developed through the First National Implementation Plan (the “**First NIP**”), the Transformation Agenda (2011-2025), and the Economic Recovery and Growth Plan (2017-2020) (“**EGRP**”). The First NIP was part of Nigeria’s Vision 20:2020 initiative, which aimed to position Nigeria among the top 20 economies in the world by 2020. Nigeria experienced significant GDP growth, and there were notable improvements in areas such as infrastructure, healthcare and agriculture. Despite this, the ambitious targets and progress set in the First NIP were hindered by various structural and systemic challenges. The EGRP helped Nigeria to exit the recession in 2017, achieve modest GDP growth, reduce inflation, and stabilize the exchange rate. Significant progress was made in agriculture and social investment programmes. However, the EGRP faced considerable challenges, including the COVID-19 pandemic, security issues, structural constraints, and limited private sector involvement, which hindered its full potential. Despite these challenges, the EGRP laid the groundwork for subsequent economic policies and reforms. Additionally, short-term initiatives such as the Strategic Implementation Plan for the 2016 Budget and the Economic Sustainability Plan of 2020 were implemented to address immediate economic challenges, particularly those stemming from the COVID-19 pandemic.

Vision 20:2020 has since been replaced by Agenda 2050 as Nigeria’s long-term economic transformation plan. Agenda 2050 aims to make Nigeria an upper middle-income country by 2050, with goals including a real GDP growth rate of 7%, a nominal GDP of U.S.\$11.7 trillion, and a per capita income of U.S.\$33,328 per year, signalling strong growth prospects and substantial investment opportunities in the coming decades (*Source: Agenda 2050*). Since taking office on 29 May 2023, President Tinubu has introduced several economic reforms in line with the objectives of Agenda 2050. In May 2023, the Federal Government implemented a comprehensive removal of the fuel subsidy to ensure that fuel pump prices align with market dynamics. The President has further signed the ₦28.7 trillion 2024 Nigeria Appropriation bill into Law, establishing a 2024 budget that is ₦1.2 trillion higher than the budget originally proposed to a joint session of the National Assembly on 29 November 2023. This move aligns with the administration’s fiscal policy to mobilise private capital and drive economic growth. The Minister of Budget and Economic Planning, Senator Abubakar Atiku Bagudu recently announced that Nigeria would need at least U.S.\$100 billion in investments to achieve the targets set by Nigeria Agenda 2050, with over 80% of these investments expected from the private sector.

Economic Recovery and Growth Plan (2017-2020)

The former administration continued to implement the Vision 20:2020 master plan for Nigeria’s economic development and developed a more comprehensive economic plan—the ERGP. The ERGP, published in March 2017, addresses the implementation of medium-term growth plans, as well as short-term initiatives aimed at strengthening the economy, and was intended to promote national prosperity and an efficient, dynamic and self-reliant economy to secure the maximum welfare, freedom and happiness of every citizen on the basis of social justice and equality of status and opportunity. The ERGP committed to allocate at least 30% of the annual budget to capital expenditure, to stimulate and support the economy, focusing on growth, job creation and infrastructure. The ERGP assumed oil price benchmarks of U.S.\$42.50, U.S.\$45.00, U.S.\$50.00, and U.S.\$52.00 per barrel in 2017, 2018, 2019, and 2020, respectively.

The ERGP outlined objectives in five main areas: (1) macroeconomic policy, (2) economic diversification and growth drivers, (3) competitiveness, (4) social inclusion and jobs, and (5) governance and other enablers. Key targets for the 2017-2020 period included achieving single-digit inflation (9.9%) by 2020; an average annual real GDP growth of 4.6%; a 6.9% average annual growth in the agricultural sector; reducing the unemployment rate to 11.2% by 2020; attaining 10 GW of operational energy capacity by 2020; restoring and increasing crude oil output to 2.2 mbpd in 2017 and 2.5 mbpd by 2020; increasing domestic refining capacity; improving road, rail and port infrastructure; driving industrialisation with targeted annual growth of 8.5% in manufacturing and the creation of 1.5 million jobs; and stable exchange rates and greater availability of foreign exchange.

The ERGP prioritized six sectors: agriculture, manufacturing, solid minerals, services, construction and real estate, and oil and gas. It projected that services, agriculture, and manufacturing would account for three-

quarters of growth from 2017 through to 2020. Key policies intended to promote growth of the non-oil sector under the ERGP included industrial and trade policy, a digital-led strategy for growth, which aimed to expand the information and communication technology ecosystem in Nigeria, and cross-sector strategies, which aimed to support MSMEs.

Additional policy objectives under the ERGP included reducing the cost of governance, developing the skills of public servants, and improving public service productivity. To reduce the cost of governance, the ERGP contemplated streamlining the number of MDAs with an aim to eliminate overlapping mandates and to reduce public expenditure. To develop the skills of public services, the ERGP contemplated developing institutional capacity in budgeting, planning, policy analysis, financial management, procurement, human resources management, and leadership. To improve public service productivity, the ERGP contemplated implementing e-government across Government bodies, starting with a pilot scheme in selected MDAs.

In March 2018, the Ministry of Budget and Economic Planning launched the ERGP Focus Labs, a forum for detailed discussion between the private sector and the Government to agree on key projects for investment and job creation and develop plans to implement them. The ERGP Focus Labs aimed to stimulate U.S.\$22.5 billion of private investment by 2020 across six core sectors of the economy: Agriculture (U.S.\$1.2 billion), Transportation (U.S.\$3.5 billion), Manufacturing (U.S.\$5.9 billion), Solid Minerals (U.S.\$3.3 billion), Gas (U.S.\$2.0 billion) and Power (U.S.\$6.5 billion) and targeted the creation of 514,000 jobs by 2020.

Economic Sustainability Plan

As a result of health and economic downturns occasioned by the outbreak of COVID-19 pandemic, on 30 March 2020, Former President Buhari inaugurated the Economic Sustainability Committee to develop the ESP as a response to the challenges posed by COVID-19 pandemic. The ESP identifies fiscal measures for improving the distribution of oil and gas revenue, enhancing non-oil revenue and reducing non-essential spending, geared towards recovering more funds to finance the ESP, as well as other monetary policy measures in support of the plan.

The ESP is developed on three pillars, namely real sector measures, fiscal and monetary measures, and implementation strategies. The real sector measure focuses on job creation across sectors, including agriculture and agro-processing, infrastructure, food security and housing construction. The fiscal and monetary measure is targeted at maximising government revenue, optimising expenditure and instituting a more prudent regime with emphasis on achieving value for money. The third measure of implementation is focused on ensuring the successful and effective implementation of the ESP, with the head of each MDA held responsible for the implementation of projects within their function.

The general objectives of the ESP are: (i) to stimulate the economy and guard against business collapse and ensuring liquidity; (ii) retain/create jobs using labour intensive methods in key areas like agriculture, facility maintenance, housing and direct labour interventions; (iii) undertake growth enhancing and job creating infrastructural investments in roads, bridges, solar power, railway and communication technology; (iv) promote manufacturing and local production at all levels and advocate the use of “Made in Nigeria” goods and services, as a way of creating job opportunities, achieving self-sufficiency in critical sectors of the economy and curbing unnecessary demand for foreign exchange which might put pressure on the exchange rate; and (v) extend protection to the very poor and other vulnerable groups – including women and persons living with disabilities - through targeted spending.

Agenda 2050

Nigeria’s Agenda 2050 is a comprehensive long-term National Economic Development Plan aimed at transforming the nation into an upper middle-income country, with the ultimate goal of achieving high-income status. Building on the foundation laid by Vision 20:2020, Agenda 2050 seeks to optimize Nigeria’s resources to alleviate poverty, promote social and economic stability, and advance environmental sustainability in line with global climate objectives. The plan targets a nominal GDP of U.S.\$11.7 trillion and a per capita income of U.S.\$33,328 by 2050, underpinned by a projected real GDP growth rate of 7% and a declining population growth rate from 2.56% in 2020 to 1.22% in 2050. Central to this vision is the commitment to reducing unemployment, poverty, inequality, and human deprivation.

Challenges and Goals: Agenda 2050 directly addresses critical economic challenges, including slow, fragile, and uneven growth, high population growth, insecurity, limited economic diversification, low productivity, and a heavy dependence on imports. Other significant barriers include a challenging business environment, infrastructure deficits, governance issues, and high rates of poverty and unemployment. In response, Agenda 2050 aims to establish a stable macroeconomic environment conducive to domestic savings and investments, foster a diversified, private-sector-led economy, and create a resilient business ecosystem to empower all Nigerians.

Core Objectives and Framework: Agenda 2050 prioritizes the development of critical infrastructure across physical, financial, digital, and innovation sectors, while simultaneously strengthening security and governance to support a healthy, well-educated population. It envisions Nigeria as a leading economic power in Africa, aligned with regional frameworks such as the African Union (“AU”) Agenda 2063, the AfCFTA, and the ECOWAS Trade Liberalisation Scheme. The framework consists of six five-year National Development Plans (“NDPs”) from 2021 to 2050, each backed by annual budgets to ensure continuous and progressive development.

Governance reforms within Agenda 2050 focus on reducing financial leakages, improving contract enforcement, protecting property rights, and reinforcing regulatory and anti-corruption agencies. The plan aims to boost agricultural productivity, enhance the solid minerals and mining sectors, and increase manufacturing output by improving infrastructure, stabilizing the macroeconomy, and removing regulatory constraints.

Agenda 2050 emphasizes education by integrating technology, science, and innovation to cultivate a highly skilled workforce. Agenda 2050 aims to establish a sustainable healthcare system that reduces maternal and infant mortality rates, expands universal health coverage, and increases access to essential health supplies and personnel. To enhance food security and nutrition, Agenda 2050 promotes nutrition-sensitive interventions and strives for universal access to safe drinking water and sanitation. Additionally, it seeks to provide affordable housing by improving financing options, supporting mass housing projects, building skilled manpower in the housing sector, and reducing construction costs through increased local production of building materials.

In alignment with environmental goals, Agenda 2050 outlines a transition to a low-carbon, green economy by 2050. Recognizing the high youth unemployment rate, it proposes measures to enhance youth skills, reduce joblessness, and encourage meaningful youth participation in governance.

Inclusive Development and Implementation: Developed through an inclusive and participatory approach, Agenda 2050 ensures broad ownership and commitment across sectors. A National Steering Committee, co-chaired by the then Minister of Finance, Budget, and National Planning, and a private sector representative, oversaw its development. This committee was supported by a Central Working Group and 26 Technical Working Groups comprising experts and academics. Stakeholders from various sectors, including states, the Federal Capital Territory, private sector entities, youth groups, labour unions, and religious organizations, contributed diverse perspectives to the plan. Data-driven analysis and macroeconomic modelling form the basis of the plan’s projections, with climate action embedded as a core component.

The implementation framework is structured through six medium-term NDPs under the approved National Monitoring and Evaluation Framework. MDAs are tasked with owning relevant policies, programs, and projects within Agenda 2050 and NDPs for effective implementation and reporting. Citizens are encouraged to actively track and engage in the implementation process, fostering nationwide ownership.

Approval and Launch: The finalised plans were approved by the Joint Planning Board, National Council on Development Planning, National Economic Council, and the Federal Executive Council. Officially launched by the Former President Buhari, implementation commenced with the 2021 Annual Budget and the NDP 2025, marking the initial phase of Nigeria’s journey toward achieving the goals outlined in Agenda 2050. The current administration has taken steps to drive this agenda forward and has identified 8 priority areas of the aimed at fast-tracking the goals of Agenda 2050 and the NDP 2025 with a double-digit growth rate and inclusive development.

To achieve this, the government estimates a total requirement of at least U.S.\$100 billion, with over 80% expected to come from the private sector. The Ministry of Finance has been strengthened to identify and make available dormant public and private assets for potential investors. The current administration is also addressing issues stifling economic growth across various sectors, such as agriculture, power, digital economy, and energy. The aim is to deal with food insecurity, eradicate poverty, provide access to capital, enhance transparency, accountability, and rule of law, all towards achieving the ambitious targets set out in Agenda 2050.

The National Development Plan 2021-2025

The NDP 2025 represents the first medium-term phase of Nigeria's Agenda 2050, succeeding the ERGP of 2017-2020. This strategic initiative focuses on achieving inclusive, broad-based economic growth, with an emphasis on poverty reduction, job creation, and sustainability. Implementation relies on existing frameworks, including a National Monitoring and Evaluation Framework that incorporates clear performance indicators to effectively track progress.

The primary goals and economic projections of the NDP 2025 include lifting 25 million Nigerian's out of poverty and creating 10 million jobs by 2025. The plan aims for an average GDP growth rate of 4.7% over this period, based on assumptions such as a gradual increase in oil production from 1.86 million to 2.38 million barrels per day by 2025, a conservative oil price benchmark of U.S.\$40 per barrel, and an annual population growth rate of 2.5%. Envisioning Nigeria as a leading industrializing nation in Africa, the NDP 2025 prioritizes strengthened governance and a private-sector-led economy to drive employment and reduce poverty. The vision is supported by a capable and well-resourced civil service, upholding high standards of transparency and governance.

The NDP 2025 is built on four strategic pillars: diversifying the economy to reduce oil dependency; investing in critical infrastructure across physical, financial, digital, and innovation sectors; strengthening security and governance frameworks for stability and growth; and enhancing social infrastructure to promote inclusivity, reduce unemployment, address regional disparities, and achieve social equity. Key policy areas focus on stimulating private sector investment, advancing economic diversification, encouraging responsible fiscal management, and maintaining price stability. The plan also seeks to strengthen Nigeria's external economic position through the AfCFTA, reduce oil dependency, and foster sustainable growth across various sectors.

The first three years of Nigeria's NDP 2025 were marked by significant economic shifts. Key policy changes, including fuel subsidy removal, Naira exchange rate unification and the launch of the 650,000-barrel-per-day Dangote Refinery, necessitated adjustments to macroeconomic targets. These reforms align with the current administration's Renewed Hope Agenda (the "RHA"). However, several factors have tempered economic growth. Insecurity, particularly in agricultural and industrial regions, has disrupted production and supply chains. Infrastructure bottlenecks and high business costs have further hindered competitiveness. Persistent inflationary pressures, weak fiscal policies, and heavy reliance on Central Bank financing have contributed to rising public debt and deficits.

With three years of implementation complete, the NDP 2025 is undergoing a mid-term review to refine targets for 2024-2025, incorporating lessons learned, current policy conditions, and alignment with the administration's goals. President Tinubu's Eight-Point Agenda, which emphasizes food security, poverty reduction, economic growth, job creation, capital access, improved security, equal opportunities, rule of law, and anti-corruption, aligns closely with the objectives of the NDP 2025. Furthermore, the administration has set a goal to achieve a U.S.\$1 trillion economy by 2030, reinforcing Nigeria's commitment to substantial, sustainable economic growth.

In the remaining period, the NDP 2025 will prioritize addressing slow and uneven economic growth, reducing high inflation rates, enhancing food security, improving household spending power, managing the widening fiscal deficit, and addressing high costs of essential services such as housing, water, electricity, and transportation. Additionally, the focus will be on strengthening external sector resilience in light of capital flight and declining reserves, as well as addressing skills mismatches to support workforce development. These targeted areas are essential for driving inclusive, sustainable growth, raising living standards, and realizing both the NDP 2025 goals and the administration's RHA. This structured,

comprehensive approach is expected to position Nigeria to build a diversified and resilient economy, laying a robust foundation for the long-term aspirations of Agenda 2050.

In 2025, Nigeria will commence the development of the second five-year medium-term NDP 2026-2030, further underscoring the government's commitment to comprehensive development planning.

The National Poverty Reduction with Growth Strategy (“NPRGS”)

The NPRGS, approved in 2021, complements the NDP 2025 by addressing multi-dimensional poverty through economic empowerment, social safety nets, and human capital development. Coordinated by the Ministry of Budget and National Planning, the NPRGS aims to diversify the economy, reducing oil dependence by expanding sectors such as agriculture and manufacturing. It emphasizes job creation and youth empowerment through SME support and vocational training, alongside social safety nets, including cash transfers and food assistance. Human capital development focuses on education, healthcare, and nutrition, while rural infrastructure development enhances productivity and connectivity. The strategy also fosters partnerships across government, the private sector, and civil society.

From October 2023 to March 2024, the NPRGS supported over 17,500 farmers with cash, seeds, and livestock inputs, built 58.9 km of rural roads, employed 1,638 people, and improved access for 173 communities. Additionally, 4,000 youths received vocational training with starter packs distributed. Family Home Funds, a significant housing initiative, was paused in January 2024, awaiting board approval for construction expenses. The Rural Electrification Agency has also identified 100 communities for electrification, with procurement underway. Renewable energy initiatives included bio-ethanol awareness sessions across six states and solar equipment maintenance training for 100 youths in Anambra State. The Presidential Conditional Grant Scheme has disbursed ₦38.72 billion to date, with ongoing distributions. This initiative has benefited 774,593 individuals across 774 local government areas, primarily targeting traders, artisans, those in the creative industry, ICT, food services, and transportation sectors as part of its poverty alleviation efforts.

These initiatives align with the NDP 2025 and support the administration's broader Agenda 2050 objectives. Building on these achievements, the next phase, NDP 2026-2030, will further strengthen Nigeria's commitment to sustainable development and poverty reduction.

The Government is strengthening the social safety net by reprioritising expenditures to allocate additional funds for social protection and other priority areas, addressing governance concerns and closing gaps in existing social transfer mechanisms. The NPRGS assumes a gradual annual GDP growth of between 2.3% and 4.4% during 2021-2024, and 6% per annum between 2025-2030. The annual average poverty reduction rate during the period is projected to be around 11.2 million per annum, of which 80% are expected to be self-employed, and the remaining 20% in wage paying jobs. Over the 10-year period (2021-2031), the total cost of the execution and implementation of the policies and programmes underpinning the strategy is estimated by the Presidential Economic Advisory Council at U.S.\$1.6 trillion, with an annual average of about U.S.\$161 billion.

The Renewed Hope Agenda

The RHA, launched by the current administration, is designed to expedite the NDP 2025 and Nigeria Agenda 2050. Built upon Nigeria Agenda 2050's goals, the RHA introduces an Eight-Point Agenda targeting crucial areas: Food Security, Poverty Reduction, Economic Growth and Job Creation, Access to Capital, Enhanced Security, Fairness, Rule of Law, and Anti-Corruption. Through well-timed strategies and effective implementation, the RHA aims to address Nigeria's most pressing socio-economic challenges.

For the years 2023 to 2027, the administration has identified eight Presidential Priority Areas to promote sustainable growth, security, and quality of life. These include fostering inclusive economic growth, bolstering national security, enhancing food security, unlocking energy and natural resources, advancing infrastructure and transport, investing in education, health, and social welfare, accelerating diversification through industry, technology, and innovation, and ensuring efficient governance.

Several impactful reforms have already been enacted under the RHA to support these priorities. Key initiatives include removing fuel subsidies, implementing a market-driven exchange rate unification, reducing government dependency on Ways-and-Means Financing for budget deficits, and improving

revenue collection processes. The administration has also taken firm actions to address security challenges, underscoring its commitment to a stable and prosperous Nigeria. The outcomes of these reforms are encouraging; real GDP growth reached 3.08% in the first half of 2024, driven by robust performance in Financial Institutions, Telecommunications and Information Services, Oil and Gas, and Crop Production sectors.

Following these structural reforms, several sectors have seen increased contributions to real GDP, including Crude Oil and Gas, Metal Ores, Utilities, Rail Transport and Pipelines, Water Transport, Telecommunications and Information Services, Arts, Entertainment and Recreation, and Financial and Insurance Services. Crude Oil and Gas, along with Metal Ores, have performed well due to their foreign-currency-based revenue streams and improved production potentials, which have gained competitiveness internationally amid currency depreciation, improving local profitability. Utilities, rail, water transport, and pipeline infrastructure have attracted foreign investment, given their strategic importance. Meanwhile, telecommunications have seen sustained demand in an inflationary environment, as remote work and tech adoption grow. Financial and insurance sectors also benefit from increased demand for foreign exchange and hedging services as companies seek to mitigate currency and inflation risks.

The current administration has initiated a bold and comprehensive plan aimed at addressing Nigeria’s economic challenges and fostering sustainable development. Through a series of targeted reforms and investments, the administration seeks to stabilize the macroeconomic environment, improve fiscal management, and accelerate economic growth. Key components of this plan include: policies aimed at curbing inflation and fostering a more market-oriented foreign exchange system have been prioritised to restore investor confidence and enhance economic stability. Investments in infrastructure and private sector participation are being promoted to unlock Nigeria's power potential, ensuring stable and affordable electricity for economic advancement. Public-private partnerships are being leveraged to upgrade critical infrastructure, including roads, railways, and energy projects, with the goal of reducing transportation costs and improving market access. Efforts to expand broadband penetration, foster tech startups, and train three million youths in digital skills aim to create jobs and enhance productivity. The Government has set an ambitious target of achieving 70% digital literacy by 2027. In addition, the Government underscores the importance of collaboration across public, private, and civil society sectors to achieve sustained economic growth. This includes aligning national policies with global economic trends and fostering an environment conducive to investment and economic activity.

Gross Domestic Product (“GDP”)

GDP is a measure of the total value of final products and services produced in a country in a specific year. Nominal GDP measures the total value of final production in current prices. Real GDP measures the total value of final production in constant prices of a particular year, thus allowing historical GDP comparisons that exclude the effect of inflation.

The following table below provides information regarding Nigeria’s GDP for the periods indicated:

	For the year ended 31 December					For the six months ended 30 June	
	2019	2020	2021	2022	2023	2023	2024
Real GDP (constant prices) (millions of ₦)	71,387,826.70	70,014,371.90	72,393,673.40	74,639,468.90	76,684,940.80	35,469,396.40	36,563,232.30
Nominal GDP (current prices) (millions of ₦).....	144,210,492.10	152,324,070.60	173,527,662.30	199,336,043.80	229,912,937.30	103,346,078.30	119,785,142.90
Naira/U.S. dollar (annual/period average) ⁽¹⁾	306.54	358.3108	403.43	423.82	659.75	515.52	1,353.53
GDP (current prices, millions of U.S. dollars)	470,439.52	425,117.16	430,134.05	470,331.97	348,484.23	200,468.21	88,498.53

(1) The NBS adopted the Importers & Exporters rate as the official exchange rate from May 2021.

Source: National Bureau of Statistics

In the six months ended 30 June 2024, Nigeria’s nominal GDP was ₦119.8 trillion, an increase of 15.9% compared to ₦103.3 trillion in the six months ended 30 June 2023. In U.S. dollar terms, Nigeria’s nominal GDP in the six months ended 30 June 2024 was U.S.\$88.5 billion, a decrease of 55.86% compared to U.S.\$200.5 billion in the six months ended 30 June 2023, largely due to the rapid devaluation of the Naira.

GDP Rebasings

Historically, Nigeria prepared real GDP on the basis of 1990 constant basic prices, and nominal GDP on the basis of the current basic prices of that year. In 2014, the NBS completed the process of changing the GDP base year to 2010. Rebasings enables the Government to better understand the general structure of the economy, sectoral growth drivers, and sectors to which investment and resources should be channelled. For

example, Nigeria's GDP estimates prior to the rebasing exercise completed in 2014 did not adequately reflect increasing contributions of sectors such as retail trade and entertainment that had grown significantly in total value and employment generation since the previous rebasing exercise of 1990. The UN Statistical Commission recommends that countries rebase GDP every five years.

The NBS began the rebasing of Nigeria's GDP exercise in May 2024. The new base year for GDP will be 2019, and the NBS has disclosed that it has finalised plans to complete the rebasing of the country's GDP by the end of 2024. Similarly, the NBS has begun the rebasing of the CPI, as the index weights and baskets are currently based on expenditures derived from the 2003/4 National Consumer Expenditure Survey. The weights are severely outdated and are not representative of current expenditure patterns, which could introduce a bias into the index. As of the date of this Offering Circular, an update of the CPI, using new weights from the 2018 National Household Living Standards Survey, is still ongoing.

The CBN's staff estimated that real GDP growth will reach a baseline forecast of 3.8% by the end of 2024. In comparison, the IMF and World Bank forecasted that the real GDP growth by the end of 2024 is 2.9% and 3.3%, respectively. These estimations are supported by (i) improved crude oil production and (ii) sustained growth in the services sector, driven by the financial, insurance, and ICT sub-sectors. However, risks to the growth outlook include rising prices and exchange rate pressures, which may limit aggregate demand growth, along with elevated production costs constraining growth in the non-oil sector.

GDP by Sector

Real GDP

The table below provides information regarding Nigeria's real GDP by sector for the periods indicated (based on 2010 constant basic prices):

Activity Sector	For the year ended 31 December					For the six months ended 30 June	
	2019	2020	2021	2022	2023	2023	2024
	<i>(N millions; at 2010 constant basic prices)</i>						
Agriculture.....	17,958,583.71	18,348,175.94	18,738,414.42	19,091,072.82	19,306,490.28	7,922,561.52	7,987,021.25
Crop Production.....	16,181,992.98	16,544,520.56	16,920,523.88	17,260,752.41	17,585,429.09	7,118,627.72	7,238,045.60
Livestock.....	1,210,055.38	1,233,114.81	1,240,215.35	1,247,719.41	1,140,235.81	496,648.40	440,441.32
Forestry.....	187,474.87	190,508.05	193,224.32	196,357.19	199,826.63	96,928.09	99,595.93
Fishing.....	379,060.48	380,032.51	384,450.87	386,243.80	380,998.75	210,357.32	208,938.40
Mining and Quarrying.....	6,362,630.77	5,819,391.23	5,366,193.41	4,391,424.72	4,266,504.99	2,100,215.16	2,247,266.99
Crude Petroleum and Natural Gas.....	6,270,859.17	5,713,195.88	5,239,054.38	4,231,903.40	4,138,159.49	2,049,177.60	2,208,088.85
Coal Mining.....	7,713.63	6,132.69	7,711.70	8,193.02	7,245.47	5,666.36	2,549.23
Metal Ores.....	6,595.27	6,209.56	8,332.49	9,664.28	14,527.39	9,506.62	19,205.93
Quarrying and Other Minerals.....	77,462.70	93,853.10	111,094.85	141,664.02	106,572.64	35,864.58	17,422.99
Manufacturing.....	6,469,831.88	6,291,592.13	6,502,257.60	6,661,391.84	6,754,959.28	3,325,297.49	3,371,664.89
Oil Refining.....	98,115.94	37,065.61	19,297.84	11,207.01	7,193.46	2,882.38	1,883.39
Cement.....	594,575.45	617,633.75	658,614.70	695,838.61	717,252.87	340,323.89	346,839.58
Food, Beverage and Tobacco.....	2,963,076.02	3,007,660.27	3,179,963.72	3,302,657.77	3,402,578.20	1,703,104.99	1,745,148.43
Textile, Apparel and Footwear.....	1,441,676.01	1,332,213.48	1,315,243.43	1,285,910.27	1,246,560.63	600,800.08	589,718.83
Wood and Wood Products.....	205,226.17	196,429.57	193,413.83	195,891.34	198,622.87	100,693.72	102,784.05
Pulp, Paper and Paper Products.....	53,925.40	48,901.72	48,746.29	48,027.97	47,757.43	23,434.80	23,818.62
Chemical and Pharmaceutical Products.....	155,469.22	159,418.15	172,377.69	188,648.39	200,724.52	95,811.28	98,155.14
Non-Metallic Products.....	241,953.29	214,012.97	221,315.11	229,707.02	232,957.08	115,360.60	117,661.88
Plastic and Rubber products.....	231,942.45	222,810.92	227,002.88	227,410.14	227,801.71	115,150.79	116,783.39
Electrical and Electronics.....	4,828.42	4,032.55	4,057.56	4,107.37	4,180.19	1,763.83	1,767.79
Basic metal Iron and Steel.....	166,175.05	159,970.97	161,252.12	163,609.41	163,402.40	77,924.81	78,559.90
Motor vehicles & assembly.....	29,262.14	30,442.33	31,730.07	32,031.72	32,833.20	17,374.26	17,663.66
Other Manufacturing.....	283,606.31	260,999.84	269,242.36	276,344.82	273,094.72	130,672.05	130,880.21
Electricity, Gas, Steam and Air Conditioning Supply.....	275,231.59	267,245.91	340,923.42	333,391.70	351,936.63	161,869.00	167,433.24
Water Supply, Sewerage, Waste Management and Remediation.....	122,112.04	126,769.71	150,013.06	170,449.89	192,004.93	114,922.28	123,835.60
Construction.....	2,652,540.16	2,448,716.21	2,524,386.15	2,638,925.05	2,733,059.98	1,322,821.57	1,312,760.29
Trade.....	11,430,547.07	10,459,701.18	11,360,895.61	11,943,701.02	12,141,373.92	5,811,490.84	5,867,155.98
Accommodation and Food Services.....	637,858.77	524,627.40	522,280.67	544,307.99	563,157.92	250,116.63	256,650.76
Transportation and Storage.....	1,059,271.39	823,465.04	957,297.43	1,102,814.92	770,117.33	366,410.17	352,128.71
Road Transport.....	906,874.62	705,113.66	825,867.30	950,871.02	609,439.25	295,966.31	284,201.85
Rail Transport & Pipelines.....	184.86	122.67	167.99	171.76	168.38	44.14	71.34
Water Transport.....	4,908.58	4,101.82	4,419.62	5,043.43	5,466.08	2,050.79	2,455.55

Activity Sector	For the year ended 31 December					For the six months ended 30 June	
	2019	2020	2021	2022	2023	2023	2024
	<i>(N millions; at 2010 constant basic prices)</i>						
Air Transport.....	83,531.84	52,643.58	63,013.24	79,542.24	85,410.22	40,286.86	36,296.37
Transport Services.....	48,865.19	46,549.31	48,454.78	51,145.74	53,270.88	19,180.31	20,030.34
Post and Courier Services.....	14,906.30	14,934.01	15,374.49	16,040.73	16,362.52	8,881.76	9,073.24
Information and Communication.....	9,309,924.85	10,537,144.83	11,227,068.75	12,323,041.87	13,297,990.32	6,655,016.30	6,885,688.47
Telecommunications and Information Services.....	7,355,312.00	8,525,163.93	9,145,604.71	10,126,351.67	11,027,867.51	5,353,703.25	5,656,911.68
Publishing.....	20,172.10	18,801.80	19,105.48	20,174.09	20,776.86	10,354.29	10,412.51
Motion Pictures, Sound recording and Music production.....	728,492.70	728,692.96	752,704.62	796,529.97	805,005.42	390,266.47	394,112.07
Broadcasting.....	1,205,948.05	1,264,486.13	1,309,653.94	1,379,986.14	1,444,340.53	809,404.81	824,252.21
Arts, Entertainment and Recreation.....	162,935.03	158,041.02	160,767.06	167,664.10	174,833.40	91,287.49	94,369.67
Financial and Insurance.....	2,148,388.53	2,349,683.53	2,586,283.74	3,009,349.52	3,807,819.55	1,881,932.11	2,447,016.31
Financial Institutions.....	1,850,835.57	2,097,668.35	2,318,546.60	2,718,364.53	3,502,803.39	1,717,593.20	2,264,704.15
Insurance.....	297,552.96	252,015.18	267,737.14	290,984.99	305,016.16	164,338.90	182,312.16
Real Estate.....	4,366,350.60	3,963,589.18	4,053,083.20	4,213,070.41	4,283,647.40	1,880,795.91	1,895,770.77
Professional, Scientific and Technical Services.....	2,547,296.25	2,345,583.68	2,346,816.82	2,400,315.10	2,458,543.31	1,118,869.26	1,131,946.96
Administrative & Support Services.....	14,723.69	14,318.78	14,686.08	15,150.11	15,244.52	6,842.27	6,840.60
Public Administration.....	1,470,220.39	1,471,655.75	1,467,225.18	1,495,125.56	1,526,808.57	673,127.79	686,269.34
Education.....	1,519,660.44	1,313,388.73	1,303,548.36	1,321,112.82	1,338,402.61	570,599.39	580,549.38
Human Health and Social Services.....	474,174.77	484,736.89	508,633.28	529,994.80	544,755.07	262,954.02	268,920.11
Other Services.....	2,405,544.75	2,266,544.71	2,262,899.21	2,287,164.72	2,157,290.77	1,043,554.62	879,942.92
GDP Constant at Basic Price.....	71,387,826.67	70,014,371.85	72,393,673.44	74,639,468.94	76,684,940.77	35,469,396.34	36,563,232.26
Net Indirect Taxes on Products.....	706,267.32	786,171.64	989,097.94	1,129,476.38	1,251,159.28	465,937.80	414,610.23
GDP Constant Market Price.....	72,094,094.00	70,800,543.49	73,382,771.39	75,768,945.32	77,936,100.05	35,935,334.15	36,977,842.49
Net Indirect Taxes on Products.....	706,267.32	786,171.64	989,097.94	1,129,476.38	1,251,159.28	465,937.80	414,610.23
GDP Constant Market Price.....	72,094,094.00	70,800,543.49	73,382,771.39	75,768,945.32	77,936,100.05	35,935,334.15	36,977,842.49

Source: National Bureau of Statistics

The table below provides information regarding Nigeria's real GDP growth rates by sector for the periods indicated (based on 2010 constant basic prices):

Activity Sector	For the year ended 31 December					For the six months ended 30 June	
	2019	2020	2021	2022	2023	2023	2024
	<i>(%; at 2010 constant basic prices)</i>						
Agriculture.....	2.36	2.17	2.13	1.88	1.13	0.32	0.81
Crop Production.....	2.51	2.24	2.27	2.01	1.88	1.88	1.68
Livestock.....	0.16	1.91	0.58	0.61	(8.61)	(17.30)	(11.32)
Forestry.....	2.59	1.62	1.43	1.62	1.77	1.58	2.75
Fishing.....	3.33	0.26	1.16	0.47	(1.36)	(1.59)	(0.67)
Mining and Quarrying.....	4.43	(8.54)	(7.79)	(18.16)	(2.84)	(8.00)	7.00
Crude Petroleum and Natural Gas.....	4.59	(8.89)	(8.30)	(19.22)	(2.22)	(8.70)	7.75
Coal Mining.....	13.15	(20.50)	25.75	6.24	(11.57)	(11.49)	(55.01)
Metal Ores.....	(14.38)	(5.85)	34.19	15.98	50.32	55.23	102.03
Quarrying and Other Minerals.....	(5.63)	21.16	18.37	27.52	(24.77)	38.63	(51.42)
Manufacturing.....	0.77	(2.75)	3.35	2.45	1.40	1.88	1.39
Oil Refining.....	(31.39)	(62.22)	(47.94)	(41.93)	(35.81)	(35.67)	(34.66)
Cement.....	3.11	3.88	6.64	5.65	3.08	2.34	(1.91)
Food, Beverage and Tobacco.....	2.17	1.50	5.73	3.86	3.03	4.10	2.47
Textile, Apparel and Footwear.....	(0.09)	(7.59)	(1.27)	(2.23)	(3.06)	(4.00)	(1.84)
Wood and Wood Products.....	1.93	(4.29)	(1.54)	1.28	1.39	2.52	2.08
Pulp, Paper and Paper Products.....	1.25	(9.32)	(0.32)	(1.47)	(0.56)	1.51	1.64
Chemical and Pharmaceutical Products.....	0.35	2.54	8.13	9.44	6.40	6.32	2.45
Non-Metallic Products.....	1.68	(11.55)	3.41	3.79	1.41	2.31	1.99
Plastic and Rubber products.....	2.69	(3.94)	1.88	0.18	0.17	1.79	1.42
Electrical and Electronics.....	1.50	(16.48)	0.62	1.23	1.77	0.17	0.22
Basic metal, Iron and Steel.....	(1.33)	(3.73)	0.80	1.46	(0.13)	0.90	0.82
Motor vehicles & assembly.....	2.31	4.03	4.23	0.95	2.50	1.25	1.67
Other Manufacturing.....	0.34	(7.97)	3.16	2.64	(1.18)	(0.72)	0.16
Electricity, Gas, Steam and Air Conditioning Supply..	(4.86)	(2.90)	27.57	(2.21)	5.56	6.84	3.44
Water Supply, Sewerage, Waste Management and Remediation.....	5.47	3.81	18.34	13.62	12.65	14.72	7.76
Construction.....	1.81	(7.68)	3.09	4.54	3.57	3.34	(0.76)
Trade.....	(0.38)	(8.49)	8.62	5.13	1.66	1.87	0.96
Accommodation and Food Services.....	2.85	(17.75)	(0.45)	4.22	3.46	3.53	2.61
Transportation and Storage.....	10.73	(22.26)	16.25	15.20	(30.17)	(28.10)	(3.90)
Road Transport.....	11.24	(22.25)	17.13	15.14	(35.91)	(33.61)	(3.97)
Rail Transport & Pipelines.....	1.74	(33.64)	36.95	2.24	(1.97)	(27.50)	61.62
Water Transport.....	0.56	(16.44)	7.75	14.11	8.38	11.04	19.74
Air Transport.....	13.17	(36.98)	19.70	26.23	7.38	15.27	(9.91)
Transport Services.....	2.66	(4.74)	4.09	5.55	4.16	5.07	4.43
Post and Courier Services.....	(0.16)	0.19	-2.95	4.33	2.01	2.36	2.16
Information and Communication.....	11.08	13.18	6.55	9.76	7.91	10.92	3.47
Telecommunications and Information Services.....	11.41	15.90	7.28	10.72	8.90	10.65	5.66
Publishing.....	2.60	(6.79)	1.62	5.59	2.99	2.47	0.56
Motion Pictures, Sound recording and Music production..	0.20	0.03	3.30	5.82	1.06	0.78	0.99
Broadcasting.....	2.29	4.85	3.57	5.37	4.66	5.96	1.83
Arts, Entertainment and Recreation.....	4.12	(3.00)	1.72	4.29	4.28	4.28	3.38
Financial and Insurance.....	2.56	9.37	10.07	16.36	26.53	24.02	30.03
Financial Institutions.....	2.40	13.34	10.53	17.24	28.86	27.03	31.85
Insurance.....	3.59	(15.30)	6.24	8.68	4.82	(0.58)	10.94
Real Estate.....	(2.36)	(9.22)	2.26	3.95	1.68	1.79	0.80
Professional, Scientific and Technical Services.....	0.12	(7.92)	0.05	2.28	2.43	2.99	1.17

Activity Sector	For the year ended 31 December					For the six months ended 30 June	
	2019	2020	2021	2022	2023	2023	2024
	(%; at 2010 constant basic prices)						
Administrative & Support Services.....	1.96	(2.75)	2.57	3.16	0.62	(1.26)	(0.02)
Public Administration.....	(4.01)	0.10	(0.30)	1.90	2.12	2.12	1.95
Education.....	0.80	(13.57)	(0.75)	1.35	1.31	1.01	1.74
Human Health and Social Services	0.31	2.23	4.93	4.20	2.78	2.20	2.27
Other Services.....	1.90	(5.78)	(0.16)	1.07	(5.68)	(11.30)	15.68
GDP Constant at Basic Price.....	2.27	(1.92)	3.40	3.10	2.74	2.41	3.08
GDP Constant Market Price.....	2.21	1.79	3.65	3.25	2.86	2.90	2.52

Source: National Bureau of Statistics

The table below provides information regarding Nigeria's real GDP by sector as a percentage of total real GDP for the periods indicated (based on 2010 constant basic prices):

Activity Sector	For the year ended 31 December					For the six months ended 30 June	
	2019	2020	2021	2022	2023	2023	2024
	(% of GDP; at 2010 constant basic prices)						
Agriculture	25.16	26.21	25.88	25.58	25.18	22.34	21.84
Crop Production.....	22.67	23.63	23.37	23.13	22.93	20.07	19.80
Livestock.....	1.70	1.76	1.71	1.67	1.49	1.40	1.20
Forestry.....	0.26	0.27	0.27	0.26	0.26	0.27	0.27
Fishing.....	0.53	0.54	0.53	0.52	0.50	0.59	0.57
Mining and Quarrying	8.91	8.31	7.41	5.88	5.56	5.92	6.15
Crude Petroleum and Natural Gas.....	8.78	8.16	7.24	5.67	5.40	5.78	6.04
Coal Mining.....	0.01	0.01	0.01	0.01	0.01	0.02	0.01
Metal Ores.....	0.01	0.01	0.01	0.01	0.02	0.03	0.05
Quarrying and Other Minerals.....	0.11	0.13	0.15	0.19	0.14	0.10	0.05
Manufacturing	9.06	8.99	8.98	8.92	8.81	9.38	9.22
Oil Refining.....	0.14	0.05	0.03	0.02	0.01	0.01	0.01
Cement.....	0.83	0.88	0.91	0.93	0.94	0.96	0.95
Food, Beverage and Tobacco.....	4.15	4.30	4.39	4.42	4.44	4.80	4.77
Textile, Apparel and Footwear.....	2.02	1.90	1.82	1.72	1.63	1.69	1.61
Wood and Wood Products.....	0.29	0.28	0.27	0.26	0.26	0.28	0.28
Pulp, Paper and Paper Products.....	0.08	0.07	0.07	0.06	0.06	0.07	0.07
Chemical and Pharmaceutical Products.....	0.22	0.23	0.24	0.25	0.26	0.27	0.27
Non-Metallic Products.....	0.34	0.31	0.31	0.31	0.30	0.33	0.32
Plastic and Rubber products.....	0.32	0.32	0.31	0.30	0.30	0.32	0.32
Electrical and Electronics.....	0.01	0.01	0.01	0.01	0.01	0.00	0.00
Basic metal, Iron and Steel.....	0.23	0.23	0.22	0.22	0.21	0.22	0.21
Motor vehicles & assembly.....	0.04	0.04	0.04	0.04	0.04	0.05	0.05
Other Manufacturing.....	0.40	0.37	0.37	0.37	0.36	0.37	0.36
Electricity, Gas, Steam and Air Conditioning Supply, Water Supply, Sewerage, Waste Management and Remediation	0.39	0.38	0.47	0.45	0.46	0.46	0.46
Construction	3.72	3.50	3.49	3.54	3.56	3.73	3.59
Trade	16.01	14.94	15.69	16.00	15.83	16.38	16.05
Accommodation and Food Services	0.89	0.75	0.72	0.73	0.73	0.71	0.70
Transportation and Storage	1.48	1.18	1.32	1.48	1.00	1.03	0.96
Road Transport.....	1.27	1.01	1.14	1.27	0.79	0.83	0.78
Rail Transport & Pipelines.....	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water Transport.....	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Air Transport.....	0.12	0.08	0.09	0.11	0.11	0.11	0.10
Transport Services.....	0.07	0.07	0.07	0.07	0.07	0.05	0.05
Post and Courier Services.....	0.02	0.02	0.02	0.02	0.02	0.03	0.02
Information and Communication	13.27	15.28	15.73	16.73	17.57	18.76	19.09
Telecommunications and Information Services.....	10.30	12.18	12.63	13.57	14.38	15.09	15.47
Publishing.....	0.03	0.03	0.03	0.03	0.03	0.03	0.03

Activity Sector	For the year ended 31 December				2023	For the six months ended 30 June	
	2019	2020	2021	2022		2023	2024
	(% of GDP; at 2010 constant basic prices)						
Motion Pictures, Sound recording and Music production.	1.02	1.04	1.04	1.07	1.05	1.10	1.08
Broadcasting	1.69	1.81	1.81	1.85	1.88	2.28	2.25
Arts, Entertainment and Recreation	0.23	0.23	0.22	0.22	0.23	0.26	0.26
Financial and Insurance	3.01	3.36	3.57	4.03	4.97	5.31	6.69
Financial Institutions.....	2.59	3.00	3.20	3.64	4.57	4.84	6.19
Insurance.....	0.42	0.36	0.37	0.39	0.40	0.46	0.50
Real Estate.....	6.12	5.66	5.60	5.64	5.59	5.30	5.18
Professional, Scientific and Technical Services.....	3.57	3.35	3.24	3.22	3.21	3.15	3.10
Administrative & Support Services.....	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Public Administration.....	2.06	2.10	2.03	2.00	1.99	1.90	1.88
Education.....	2.13	1.88	1.80	1.77	1.75	1.61	1.59
Human Health and Social Services.....	0.66	0.69	0.70	0.71	0.71	0.74	0.74
Other Services	3.37	3.24	3.13	3.06	2.81	2.94	2.41
Total GDP.....	100.0	100.0	100.00	100.00	100.00	100.00	100.00

Source: National Bureau of Statistics

Nominal GDP

The table below provides information regarding Nigeria's nominal GDP by sector for the periods indicated (at current basic prices):

Activity Sector	For the year ended 31 December				2023	For the six months ended 30 June	
	2019	2020	2021	2022		2023	2024
	(<i>N millions; at current basic prices</i>)						
Agriculture.....	31,904,140.86	37,241,609.16	41,126,058.44	47,944,062.80	53,273,143.68	21,040,007.91	21,431,032.03
Crop Production.....	28,296,926.97	33,177,538.15	36,349,406.86	42,677,333.07	47,779,284.62	18,406,412.46	18,797,799.40
Livestock	2,108,945.03	2,121,370.73	2,249,339.76	2,620,293.32	2,725,747.39	1,167,667.11	1,144,495.59
Forestry	285,878.67	284,789.82	296,955.94	348,835.55	432,621.63	196,332.30	207,395.46
Fishing.....	1,212,390.20	1,657,910.45	2,230,355.87	2,297,600.85	2,335,490.04	1,269,596.04	1,281,341.58
Mining and Quarrying	12,769,423.81	10,851,766.47	10,737,582.09	13,648,264.80	14,866,016.14	6,875,162.47	8,039,316.02
Crude Petroleum and Natural Gas.....	12,400,425.69	10,195,625.94	9,636,017.92	11,972,758.05	13,106,151.87	17,946.79	9,555.69
Coal Mining.....	12,907.64	11,480.34	16,335.08	22,199.63	24,952.91	29,641.87	81,329.31
Metal Ores	11,143.37	11,558.65	17,557.64	23,665.71	44,220.75	469,348.28	230,014.98
Quarrying and Other Minerals	344,947.11	633,101.53	1,067,671.45	1,629,641.42	1,690,690.60	15,626,429.40	16,431,301.97
Manufacturing	16,781,064.04	19,539,550.26	25,725,868.58	27,508,516.89	36,016,726.42	8,259.92	5,698.17
Oil Refining.....	148,785.07	57,859.04	31,314.05	19,562.63	22,827.24	3,345,899.06	3,431,760.14
Cement	2,241,424.32	3,443,250.76	5,669,253.05	6,258,967.72	7,053,498.23	5,679,226.79	5,920,930.22
Food, Beverage and Tobacco.....	6,382,608.61	7,240,426.96	8,607,658.15	9,358,639.15	13,921,016.30	5,679,226.79	5,920,930.22
Textile, Apparel and Footwear.....	3,921,871.11	4,306,954.36	5,402,700.47	5,393,792.75	6,838,284.97	2,761,994.97	2,764,682.37
Wood and Wood Products	433,422.90	443,584.98	485,731.58	535,188.59	795,189.06	365,359.49	379,300.98
Pulp, Paper and Paper Products.....	206,207.71	255,200.33	363,931.36	364,688.88	398,807.46	187,622.70	193,884.54
Chemical and Pharmaceutical Products	460,435.97	495,261.82	604,509.72	669,920.61	980,655.14	437,422.09	514,307.64
Non-Metallic Products.....	927,241.20	1,122,120.22	1,649,005.37	1,771,514.04	1,988,525.03	952,320.96	1,043,562.16
Plastic and Rubber products.....	648,171.43	605,746.79	686,497.25	730,222.46	996,403.50	461,904.70	561,001.30
Electrical and Electronics	15,296.49	13,859.79	17,294.84	17,899.34	24,128.74	9,413.93	10,877.15
Basic metal, Iron and Steel	452,671.01	421,129.45	470,780.79	528,625.87	704,947.48	307,253.68	370,130.42
Motor vehicles & assembly	198,974.65	489,663.81	1,017,481.27	1,061,571.95	1,240,940.55	660,057.35	674,672.92
Other Manufacturing	743,953.57	644,491.95	719,710.68	797,922.89	1,051,502.71	449,693.77	560,493.97
Electricity, Gas, Steam and Air Conditioning Supply ..	1,037,774.37	1,145,635.06	1,739,451.64	1,789,499.77	2,427,590.26	1,088,544.11	1,192,753.32
Water Supply, Sewerage, Waste Management and Remediation	294,533.89	354,350.47	511,245.28	635,898.21	933,383.31	540,368.70	640,177.72
Construction	8,996,895.18	11,639,481.91	16,586,825.59	18,696,808.23	22,142,588.80	11,095,043.37	11,177,709.59
Trade	22,509,263.97	21,106,383.82	23,288,431.87	26,607,543.76	27,408,745.03	12,953,080.34	16,618,712.61
Accommodation and Food Services.....	1,398,702.88	1,340,932.91	1,490,142.62	1,759,976.34	1,989,661.51	860,666.39	878,983.71
Transportation and Storage.....	3,052,569.78	2,639,769.75	3,377,516.09	4,291,388.84	3,349,827.47	1,575,951.38	1,614,910.52
Road Transport.....	2,727,534.62	2,368,878.00	3,042,845.14	3,876,248.23	2,904,851.37	1,380,499.74	1,396,076.35
Rail Transport & Pipelines.	359.21	241.06	334.88	370.08	376.87	94.91	187.49

Activity Sector	For the year ended 31 December					For the six months ended 30 June	
	2019	2020	2021	2022	2023	2023	2024
	<i>(N millions; at current basic prices)</i>						
Water Transport.....	10,124.86	8,599.70	9,405.75	11,544.02	12,622.34	4,689.20	5,918.05
Air Transport.....	198,618.95	151,047.75	206,539.74	268,667.97	290,977.00	135,929.04	137,970.08
Transport Services.....	93,525.31	89,459.89	94,117.18	107,740.02	113,327.45	40,355.92	57,395.39
Post and Courier Services.....	22,406.83	21,543.36	24,273.41	26,818.53	27,672.43	14,382.58	17,363.15
Information and Communication.....	15,402,792.01	16,808,637.15	17,775,019.11	21,151,673.47	29,779,370.36	14,506,779.51	16,368,715.11
Information Services.....	11,890,912.18	13,297,918.22	14,119,354.84	16,778,722.43	25,215,662.27	12,095,901.38	13,101,521.13
Publishing.....	37,121.58	34,182.57	35,136.59	37,769.25	39,314.07	19,390.53	20,248.46
Motion Pictures, Sound recording and Music production.....	1,300,830.45	1,270,992.10	1,321,380.69	1,586,673.53	1,619,678.94	777,228.83	1,031,075.36
Broadcasting.....	2,173,927.79	2,205,544.26	2,299,146.99	2,748,508.27	2,904,715.08	1,614,258.77	2,215,870.17
Arts, Entertainment and Recreation.....	291,214.23	275,625.90	282,208.88	333,842.21	351,562.18	181,810.05	247,033.34
Financial and Insurance.....	4,230,923.86	4,737,826.45	5,300,708.30	6,701,132.06	8,593,366.94	4,193,972.51	6,890,417.19
Financial Institutions.....	3,645,458.53	4,230,167.97	4,752,386.28	6,053,984.51	7,906,019.98	3,827,644.29	6,370,356.90
Insurance.....	585,465.33	507,658.48	548,322.02	647,147.55	687,346.96	366,328.23	520,060.29
Real Estate.....	8,997,602.29	8,678,134.12	9,249,648.45	10,243,984.05	10,503,071.37	4,570,643.68	8,542,916.93
Professional, Scientific and Technical Services.....	5,017,462.89	4,733,834.69	4,812,951.32	5,348,898.74	5,552,621.98	2,493,183.50	3,181,189.98
Administrative & Support Services.....	28,999.17	28,896.36	30,121.20	33,755.68	34,430.99	15,252.70	19,514.50
Public Administration.....	2,896,758.39	2,971,586.24	3,007,985.40	3,333,387.90	3,450,690.75	1,501,095.71	1,977,703.30
Education.....	2,969,316.28	2,707,438.88	2,804,972.12	3,023,744.14	3,114,910.81	1,310,047.61	1,397,251.45
Human Health and Social Services.....	896,192.28	951,342.60	1,042,919.56	1,192,203.78	1,254,630.49	593,137.49	667,179.29
Other Services.....	4,734,861.88	4,571,268.41	4,638,005.82	5,091,462.13	4,870,598.82	2,324,901.50	2,468,324.26
Total GDP.....	144,210,492.07	152,324,070.59	173,527,662.34	199,336,043.78	229,912,937.30	103,346,078.34	119,785,142.85
Net Indirect Taxes on Products.....	1,428,647.31	1,928,248.31	2,547,839.52	3,028,983.01	4,512,976.61	1,356,995.68	2,724,451.04
GDP Constant Market Price.....	145,639,139.38	154,252,318.90	176,075,501.87	202,365,026.87	234,425,913.90	104,703,074.02	122,509,593.88

Source: National Bureau of Statistics

The table below provides information regarding Nigeria's nominal GDP by sector as a percentage of total nominal GDP for the periods indicated (at current basic prices):

Activity Sector	For the year ended 31 December				For the six months ended 30 June		
	2019	2020	2021	2022	2023	2024	
	<i>(% of GDP, at current basic prices)</i>						
Agriculture.....	22.12	24.45	23.70	24.05	23.17	20.36	17.89
Crop Production.....	19.62	21.78	20.95	21.41	20.78	17.81	15.69
Livestock.....	1.46	1.39	1.30	1.31	1.19	1.13	0.96
Forestry.....	0.20	0.19	0.17	0.17	0.19	0.19	0.17
Fishing.....	0.84	1.09	1.29	1.15	1.02	1.23	1.07
Mining and Quarrying.....	8.85	7.12	6.19	6.85	6.47	6.65	6.71
Crude Petroleum and Natural Gas.....	8.60	6.69	5.55	6.01	5.70	6.15	6.44
Coal Mining.....	0.01	0.01	0.01	0.01	0.01	0.02	0.01
Metal Ores.....	0.01	0.01	0.01	0.01	0.02	0.03	0.07
Quarrying and Other Minerals.....	0.24	0.42	0.62	0.82	0.74	0.45	0.19
Manufacturing.....	11.64	12.83	14.83	13.80	15.67	15.12	13.72
Oil Refining.....	0.10	0.04	0.02	0.01	0.01	0.01	0.00
Cement.....	1.55	2.26	3.27	3.14	3.07	3.24	2.86
Food, Beverage and Tobacco.....	4.43	4.75	4.96	4.69	6.05	5.50	4.94
Textile, Apparel and Footwear.....	2.72	2.83	3.11	2.71	2.97	2.67	2.31
Wood and Wood Products.....	0.30	0.29	0.28	0.27	0.35	0.35	0.32
Pulp, Paper and Paper Products.....	0.14	0.17	0.21	0.18	0.17	0.18	0.16
Chemical and Pharmaceutical Products.....	0.32	0.33	0.35	0.34	0.43	0.42	0.43
Non-Metallic Products.....	0.64	0.74	0.95	0.89	0.86	0.92	0.87
Plastic and Rubber products.....	0.45	0.40	0.40	0.37	0.43	0.45	0.47
Electrical and Electronics.....	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Basic metal, Iron and Steel.....	0.31	0.28	0.27	0.27	0.31	0.30	0.31
Motor vehicles & assembly.....	0.14	0.32	0.59	0.53	0.54	0.64	0.56
Other Manufacturing.....	0.52	0.42	0.41	0.40	0.46	0.44	0.47
Electricity, Gas, Steam and Air Conditioning Supply, Water Supply, Sewerage, Waste Management and Remediation.....	0.72	0.75	1.00	0.90	1.06	1.05	1.00
Construction.....	6.24	7.64	9.56	9.38	9.63	10.74	9.33

Activity Sector	For the year ended 31 December				For the six months ended 30 June		
	2019	2020	2021	2022	2023	2023	2024
	<i>(% of GDP, at current basic prices)</i>						
Trade	15.61	13.86	13.42	13.35	11.92	12.53	13.87
Accommodation and Food Services	0.97	0.88	0.86	0.88	0.87	0.83	0.73
Transportation and Storage	2.12	1.73	1.95	2.15	1.46	1.52	1.35
Road Transport	1.89	1.56	1.75	1.94	1.26	1.34	1.17
Rail Transport & Pipelines	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water Transport	0.01	0.01	0.01	0.01	0.01	0.00	0.00
Air Transport	0.14	0.10	0.12	0.13	0.13	0.13	0.12
Transport Services.....	0.06	0.06	0.05	0.05	0.05	0.04	0.05
Post and Courier Services.....	0.02	0.01	0.01	0.01	0.01	0.01	0.01
Information and Communication	10.88	11.22	10.41	10.78	13.11	14.21	13.87
Telecommunications and Information Services	8.25	8.73	8.14	8.42	10.97	11.70	10.94
Publishing	0.03	0.02	0.02	0.02	0.02	0.02	0.02
Motion Pictures, Sound recording and Music production.	0.90	0.83	0.76	0.80	0.70	0.75	0.86
Broadcasting	1.51	1.45	1.32	1.38	1.26	1.56	1.85
Arts, Entertainment and Recreation	0.20	0.18	0.16	0.17	0.15	0.18	0.21
Financial and Insurance	2.93	3.11	3.05	3.36	3.74	4.06	5.75
Financial Institutions.....	2.53	2.78	2.74	3.04	3.44	3.70	5.32
Insurance.....	0.41	0.33	0.32	0.32	0.30	0.35	0.43
Real Estate	6.24	5.70	5.33	5.14	4.57	4.42	7.13
Professional, Scientific and Technical Services	3.48	3.11	2.77	2.68	2.42	2.41	2.66
Administrative & Support Services	0.02	0.02	0.02	0.02	0.01	0.01	0.02
Public Administration	2.01	1.95	1.73	1.67	1.50	1.45	1.65
Education	2.06	1.78	1.62	1.52	1.35	1.27	1.17
Human Health and Social Services	0.62	0.62	0.60	0.60	0.55	0.57	0.56
Other Services	3.28	3.00	2.67	2.55	2.12	2.25	2.06
Total GDP	100.0	100.0	100.00	100.00	100.00	100.00	100.0

Source: National Bureau of Statistics

Recent Developments

In the third quarter of 2024, Nigeria's GDP exhibited a growth of 3.46% year-on-year in real terms, surpassing the 2.54% growth recorded in the third quarter of 2023, the 3.19% growth in the second quarter of 2024, and the 2.98% growth in the first quarter of 2024. The services sector was the primary driver, expanding by 5.19% and contributing 53.58% to the aggregate GDP. The agriculture sector experienced a modest growth of 1.14%, slightly down from 1.30% in the third quarter of 2023, while the industry sector improved significantly with a 2.18% growth compared to 0.46% in the same period last year. The oil sector recorded a real growth of 5.17%, compared to a contraction of 0.85% in the third quarter of 2023, though it saw a decline from 10.15% in the second quarter of 2024. Oil production averaged 1.47 mbpd, up from 1.45 mbpd in the third quarter of 2023 and 1.41 mbpd in the second quarter of 2024. In contrast, the non-oil sector grew by 3.37%, driven by financial and insurance services, information and communication, agriculture, transportation and storage, trade, and construction, contributing 94.43% to the total GDP. The mining and quarrying sector grew by 3.27% year-on-year, with crude petroleum and natural gas showing notable contributions. The manufacturing sector reported a modest 0.92% growth, lower than previous quarters, but contributed 8.21% to the GDP. The electricity, gas, steam, and air conditioning supply sector increased by 3.23%, and the water supply, sewerage, waste management, and remediation sector by 9.78%. The construction sector grew by 2.91%, contributing 3.35% to the GDP. The trade sector saw a slight increase of 0.65% in real terms, contributing 14.78% to the GDP. Accommodation and food services grew by 4.44%, and the transportation and storage sector by 12.15%, with all sub-activities under this sector recording positive growth. The information and communication sector expanded by 5.92%, contributing 16.35% to the GDP. Arts, entertainment, and recreation grew by 4.74%, and real estate services by 0.68%. Lastly, the finance and insurance sector experienced significant growth of 30.83% in real terms, contributing 5.51% to the GDP. Overall, these sectors collectively highlight the diversified growth and significant contributions to Nigeria's economic performance in the third quarter of 2024.

Principal Sectors of the Economy

Oil and Gas

The oil and gas sector plays a central role in Nigeria's economy; however, the impact of the sector on employment generation and diversification of other economic sectors has been comparatively low. The sector's contribution to the country's real GDP was 5.40% in 2023 and 5.67% in 2022. In 2023, the oil sector accounted for 81% of export earnings. In the six months ended 30 June 2024, the real GDP growth rate of the crude petroleum and natural gas sector was 7.75%, compared to a contraction of 8.70% experienced in the six months ended 30 June 2023.

According to the United States Energy Information Administration, in 2022, Nigeria was the 16th largest producer of "petroleum and other liquids" in the world, with the second largest proven crude oil reserves in Africa in 2022. With respect to natural gas, in 2021, Nigeria was the 6th largest exporter of liquefied natural gas in the world, with the largest proven natural gas reserves in Africa. According to the CBN, in December 2023, the average price per barrel of Nigerian crude oil (Bonny Light) was U.S.\$85.03, a decrease of 18.7% compared to U.S.\$104.62 in December 2022. In December 2021, December 2020, and December 2019, the average price per barrel of Nigerian crude oil was U.S.\$70.12, U.S.\$41.97, and U.S.\$65.85, respectively. In recent years, the price of oil has experienced significant volatility, where a decline in oil prices leads to reduced export earnings, government revenue, and national disposable income. However, as of 30 June 2024, the price of Nigerian crude oil had recovered to U.S.\$86.31.

Revenue Sources

Oil and gas revenue is a significant source of revenue for Nigeria and has been increasing in recent years. The primary sources of oil revenues are described below:

- revenue from sales of crude oil – the Government sells the crude oil it receives from its participating interest from joint operating agreements and production sharing contracts;
- taxes – the second most significant source of oil revenue for the Government;
- royalties – amounts payable as compensation to the Government for crude oil and condensates produced. Royalties are charged at 15% for onshore areas; 12.5% for shallow water (up to 200

metres water depth); 7.5% for deep offshore (greater than 200 metres water depth); and 7.5% for frontier basins;

- bonuses – non-recurring payments made by companies to the Government, such as a signature bonus, paid when a contract is signed, or a production bonus paid when production reaches a mutually agreed level;
- concession rents – amounts paid in exchange for an oil prospecting licence (“OPL”)/petroleum prospecting licence (“PPL”) or oil mining lease (“OML”)/petroleum mining lease (“PML”); and
- licence fees – fees paid by international oil companies, production sharing contractors and oil prospectors in exchange for licensed rights.

The following table sets forth the amount of oil revenue that the Government received during the periods indicated.

	For the year ended 31 December				
	2019	2020	2021	2022	2023
			(₦ billions)		
Total Oil Revenue	<u>5,223.0</u>	<u>4,403.1</u>	<u>4,146.56</u>	<u>4,655.27</u>	<u>5,949.47</u>

Source: Budget Office of the Federation

As Africa’s largest crude oil producer, with proven reserves of 37.50 billion barrels and a production capacity of approximately 2.19 million barrels per day, Nigeria commands a significant presence on the global energy stage. The sector encompasses upstream exploration and production, with a diverse mix of international and indigenous companies driving growth and development. However, sporadic supply disruptions have affected production and resulted in unplanned outages in recent years. Since 2020, unplanned disruptions and reduced investment in upstream development have led to a significant decline in crude oil production. In the third quarter of 2022, Nigeria’s crude oil production briefly dropped below one million barrels per day due to significant and extended disruptions stemming from crude oil theft and pipeline vandalism. These disruptions have reduced the production of Nigeria’s major crude oil grades, such as Bonny Light, Brass River, and Forcados. While crude oil output largely returned to typical levels by the first quarter of 2023, disruptions continue to remain a significant and persistent downside risk to Nigeria’s production.

In 2023, total government oil revenue was ₦5,949.47 billion, an increase of 27.53% compared to ₦4,665.27 billion in 2022. This is attributed to the combination of foreign exchange devaluation and improved oil production. In 2022, government oil revenue increased by 12.27%, following a 3.93% increase in 2021. Prior to this, Nigeria experienced a decrease in total government oil revenue of 21.68%, and 8.14% in 2020 and 2019 respectively, compared to the previous years.

To prevent the failures previously seen in collecting oil revenues, Former President Buhari approved the restructuring of the NNPC in July 2022, transforming it into NNPC Ltd with a focus on enhancing commercial discipline, profitability, and output. Under the leadership of Group Managing Director Dr. Ibe Kachikwu, NNPC Ltd publishes annual audited reports, with PwC and KPMG as external auditors to ensure increased transparency and accountability. See “*Risk Factors—Risks related to Nigeria—Inability to collect certain revenues from ministries, departments and agencies may adversely impact the Government’s revenues*”.

Upstream

The upstream oil sector primarily consists of exploration and production activities.

Reserves and Exploration

According to OPEC’s Annual Statistical Bulletin 2024, Nigeria’s proven crude oil reserves stood at 37.50 billion barrels in 2023 compared to 36.97 billion barrels in 2022. Proven crude oil reserves include developed and undeveloped volumes that are recoverable at current prices and forecasted future prices, respectively. Estimations of proven crude oil reserves are representative of Nigeria’s economic interest and

are comparable to estimates prepared using international standards. Nigeria and joint venture companies estimate proven crude oil reserves, and such estimates are aggregated annually. Estimations are prepared pursuant to the Petroleum Resources Management System sponsored by the Society of Petroleum Engineers, American Association of Petroleum Geologists, World Petroleum Council and Society of Petroleum Evaluation Engineers.

International oil companies traditionally have played a significant role in oil exploration and production in Nigeria. Major international oil companies operating in Nigeria include Shell, Chevron, ExxonMobil, Agip and Total, and each operates in Nigeria through Nigerian subsidiaries.

In 2023, 19 rigs were in operation and 35 wells were completed. In 2023, a total of 339 square kilometres of 3D seismic data was acquired and 4,323 square kilometres was processed or reprocessed by joint ventures and production sharing contract companies. In 2022, a total of 5,260 square kilometres of three-dimensional seismic data were acquired by joint ventures and production sharing contract companies and as at 31 December 2022, 25 rigs were in operation.

The Government continues to invest in exploration activities. The discovery of the Owowo field by ExxonMobil in October 2016 is expected to add a potential resource of between 500 million and 1 billion barrels of crude oil. The estimation of potential reserves depends on the price of crude oil at a given time, with higher prices implying a higher level of potential reserves that can be extracted profitably. The Owowo deep-water asset, a significant project drilled by ExxonMobil's affiliate, Esso Exploration and Production Nigeria (Deepwater Ventures) Limited, is estimated to cost U.S.\$10 billion and is expected to unlock approximately 180,000 barrels per day.

President Tinubu's administration has reaffirmed its commitment to revitalising the upstream oil sector as a cornerstone of the nation's economic strategy. A key priority is the ongoing project spearheaded by the NURPC to increase oil production by an additional 1 million barrels per day. This initiative underscores the administration's focus on leveraging Nigeria's substantial oil and gas resources for economic growth and diversification.

The Government has emphasized the importance of collaborative efforts among stakeholders, including government agencies, private entities, and industry leaders. These partnerships are critical to overcoming anticipated challenges such as technical constraints, market volatility, and regulatory complexities. This initiative aligns with broader national objectives to enhance the competitiveness of Nigeria's oil and gas industry while addressing infrastructural and operational inefficiencies. The government has also committed to implementing structural reforms designed to optimize resource utilization and ensure equitable benefits for all Nigerians. In addition, the administration is actively promoting international cooperation to attract foreign investment into the sector. By fostering global partnerships, Nigeria aims to enhance its production capabilities and strengthen its position as a leading oil and gas producer on the global stage.

Production and Exports

In 2023, Nigeria produced approximately 536.8 million barrels of oil and exported approximately 524.8 million barrels, compared to production of approximately 482.7 million barrels and exportation of approximately 479.8 million barrels in 2022.

The following table sets out total crude oil and condensate production for the periods indicated:

	For the year ended 31 December				For the six months ended 30 June		
	2019	2020	2021	2022	2023	2024	
Production	735,390,292	644,674,960	555,248,954	482,693,351	536,752,876	251,253,404	275,271,946
Exports	735,906,224	648,755,656	546,899,402	479,839,181	524,816,374	266,589,902	263,592,140

Source: NNPC Ltd, Central Bank of Nigeria (Arlington Securitas Nig. Ltd.)

The following table sets out total crude oil and condensate production and average daily volumes produced for the periods indicated:

	Production	
	Total	Daily Average
	<i>(thousand barrels)</i>	
January 2023	46,867.30	1,511.85
February 2023	43,452.74	1,551.88
March 2023	47,574.28	1,534.65
April 2023	37,563.42	1,252.11
May 2023	44,334.52	1,430.15
June 2023	44,982.48	1,499.42
July 2023	40,406.27	1,303.43
August 2023	43,854.59	1,414.66
September 2023	47,169.46	1,572.32
October 2023	48,424.25	1,562.07
November 2023	43,985.55	1,466.18
December 2023	48,138.03	1,552.84
January 2024	50,953.80	1,643.67
February 2024	44,648.66	1,539.61
March 2024	44,582.00	1,438.13
April 2024	43,423.05	1,447.44
May 2024	45,525.68	1,468.57
June 2024	45,005.97	1,500.20
July 2024	47,544.70	1,533.70
August 2024	48,691.08	1,570.68
September 2024	46,328.70	1,544.29

Source: NNPC Ltd

The following table sets out average volumes of crude oil and condensates produced and exported for the periods indicated:

	For the year ended 31 December					For the six months ended 30 June	
	2019	2020	2021	2022	2023	2023	2024
	<i>(mmbpd)</i>						
Production	2.01	1.76	1.52	1.32	1.47	1.38	1.51
Exports	2.02	1.78	1.50	1.31	1.44	1.46	1.44

Sources: NNPC Ltd, Central Bank of Nigeria

Total crude oil and condensate production in Nigeria averaged 1.47 mbpd in 2023, compared to 1.32 mbpd in 2022, 1.52 mbpd in 2021, 1.76 mbpd in 2020 and 2.01 mbpd in 2019. In the first six months of 2024, average daily oil production stood at 1.51 mbpd, an increase from the average daily production of 1.38 mbpd recorded in the same period of 2023, which is attributable to crude output boosts at the Utapate, Odudu and Brass terminals.

Nigeria produced a total of approximately 536.7 million barrels of crude oil in 2023, an increase of 11.2% compared to approximately 482.7 million barrels of oil in 2022. This was mainly due to an increase in crude output boosts at the Forcados terminal, which boosted total crude oil and condensate production to 7.90 million barrels in June 2023, up from 7.01 million barrels in May 2023.

In the first six months of 2024, Nigeria produced approximately 275.3 million barrels of crude oil, compared to approximately 251.3 million barrels in the first six months of 2023, as a result of the Government embarking on a campaign to remove illegal connections and illegal refineries. See “*Risk Factors – Oil production in Nigeria is impacted by militant activities, vandalism and theft disrupting oil supply and transportation.*”

The following table sets out certain information regarding crude oil production by joint venture companies, production sharing companies, service contract companies, independent/sole risk companies and marginal fields companies for the periods indicated:

Company	2019		2020		For the year ended 31 December 2021		2022		2023	
	(barrels)	(%)	(barrels)	(%)	(barrels)	(%)	(barrels)	(%)	(barrels)	(%)
Joint venture companies	310,283,789	42.2	274,938,097	42.70	285,076,309	48.21	198,530,273	39.47	257,641,380	47.99
Production Sharing Companies	312,041,609	42.4	254,583,037	39.54	228,202,935	38.59	126,300,865	25.10	198,598,564	36.99
Service Contracts	1,330,607	0.2	1,093,461	0.17	-	-	-	-	-	-
Independent/Sole Risk Companies	89,825,428	12.2	94,346,552	14.65	59,947,610	10.14	164,125,736	32.63	59,042,816	10.99
Marginal Fields Companies ...	21,762,648	3.0	18,977,109	2.95	17,972,459	3.04	14,083,729	2.8	21,470,115	3.99
Total	735,244,080	100.0	643,938,256	100.0	591,199,313	100.0	503,040,603	100.0	536,752,875	100.0

Source: NNPC Ltd

In 2023, crude oil production by joint venture companies and production sharing companies comprised approximately 48.0% and 37.0%, respectively, of total crude oil production, compared to approximately 39.5% and 25.1%, respectively, of total crude oil production in 2022. In the first six months of 2024, joint venture companies and production sharing companies comprised approximately 50.4% and 37.1%, respectively, of total crude oil production.

The primary destination of oil exports from Nigeria in 2023 was Europe, which accounted for approximately 46.5% of total Nigerian oil exports, followed by Americas (approximately 19.6% of total oil exports), Africa (approximately 11.3% of total oil exports), Asia (approximately 11.1% of total oil exports) and the Middle East (approximately 2.0% of total oil exports). On a country-by-country basis, in 2023, Spain represented the primary country destination for Nigeria's crude oil exports, accounting for approximately 11.5% of total Nigerian oil exports, followed by The Netherlands (approximately 10.0% of total oil exports), France (approximately 9.2% of total oil exports) and India (approximately 8.1% of total oil exports).

The following table sets forth proportions of Nigerian oil production exported to each world region for the years indicated.

	For the year ended 31 December					For the six months ended 31 June	
	2019	2020	2021	2022	2023	2023	2024
				(%)			
Europe	44.90	42.80	43.66	46.34	46.53	47.20	47.98
Americas	12.90	12.90	12.9	14.21	19.63	19.53	19.73
Asia	27.60	31.00	31.75	25.62	11.05	21.16	20.39
Africa	14.30	19.3	11.1	11.19	11.28	10.84	11.90
Oceania/Pacific	0.00	0.00	0.18	0.19	0.00	0.00	0.00
Middle East	0.10	0.00	0.37	0.45	1.98	1.27	0

Source: NNPC Ltd

Historical Framework for Exploration and Production in Nigeria

Early oil operations in Nigeria were carried out on a concession basis in which oil companies had 100% ownership of oil production and Nigeria collected tax and royalties. This changed when the Petroleum Act of 1969 (the "Petroleum Act") was passed, pursuant to which the entire ownership and control of all petroleum in and upon any land in Nigeria was vested in the state. The passage of the Petroleum Act and the formation of the Nigerian National Oil Company (the predecessor to the NNPC) were, in part, a response to Nigeria's desire to join OPEC, as a primary aim of OPEC at that time was to encourage its members to increase state participation in their respective national oil industries. Still a fully-owned government company, the NNPC was transformed from a corporation into a limited liability company in July 2022. See "The Federal Republic of Nigeria — Membership of International and Regional Organisations".

The Petroleum Act provides that only Nigerian citizens or companies incorporated in Nigeria may be granted licences for oil exploration and production. Three licences may be issued pursuant to the Petroleum Act:

- Oil Exploration Licence (“**OEL**”) – confers a non-exclusive right to do a preliminary search for petroleum using surface, geological and geophysical methods, including aerial surveys but excluding drilling below 91.4 metres. An OEL expires on 31 December of the year in which the licence is granted. In recent years, OELs have been granted only rarely;
- **OPL** – confers an exclusive right to explore and prospect for petroleum and is granted for a maximum initial term of five years, subject to renewal for another term of five years; and
- **OML** – confers an exclusive right over an area and an interest in petroleum discovered within the area covered by the OML. An OML may be granted only to a person who has discovered oil in commercial quantities (defined to be production of at least 10,000 barrels per day of crude oil). An OML has a maximum duration of 20 years but may be renewed.

In addition to the three forms of licencing opportunities, the Petroleum Act provides several other means by which legal rights to explore or produce oil in Nigeria may be obtained. Within this regime, companies that have not been granted a licence may obtain rights or interests in oil production that is being undertaken pursuant to a licence. Five primary legal arrangements for crude oil production are currently available:

- Concessions/sole risk – An independent company with a concession bears the full risk and costs of exploration, development and production, has interests over the crude oil produced and is liable for all royalty and petroleum profit tax payments. Currently, concessions in respect of oil mining leases are only awarded to domestic contractors (defined as a company at least 60% of whose shares are owned by Nigerians);
- Joint ventures – OMLs are held by oil companies in proportion to their respective ownership interests, and the relationship between the Government and the oil company is governed by a joint operating agreement;
- Production Sharing Contract – An arrangement pursuant to which a company bears the risk of exploration and, when oil is found in commercial quantities, the company is entitled to recoup its costs. Thereafter, crude oil is shared by the company and the Government. Production sharing contracts are entered into by OML holders and contractors in respect of contract areas that are governed by an OML. In respect of production sharing contracts involving the Government, the OMLs are held by NNPC Ltd;
- Marginal Field Development Programme – An arrangement pursuant to which an OML holder farms-out those fields within its licence. In 2003, international oil companies were compelled to farm-out to indigenous oil companies any fields where no production had taken place for more than ten years; and
- Service Contracts – An arrangement pursuant to which an OML holder engages a contractor who provides the risk capital for exploration and production, but if no commercial discovery is made, the contract is terminated with no further obligation on either party. If a commercial discovery is made, the contractor is entitled to recover its costs and to receive additional remuneration. Service contracts are uncommon in Nigeria.

Currently, international oil companies in Nigeria operate in partnership with NNPC Ltd or its subsidiary, NNPC E&P Limited (“**NEPL**”), mainly under joint ventures or production sharing contracts. As of December 2023, there were 20 joint ventures in place. Other oil companies, including independent and domestic oil companies, may operate in partnership with international oil companies under sole risk or other arrangements.

Joint Ventures

Joint ventures are governed by joint operating agreements between NNPC Ltd and international oil companies. The percentage interest of either party to a joint operating agreement is referred to as its

participating interest and consists of its share of the OML, the fixed and moveable assets of the joint operating agreement and the working capital applicable to the operation of the OML. In each joint operating agreement, an international oil company is typically designated as the operator and is responsible for all joint operating agreement operations; however, NNPC Ltd reserves the right to become an operator.

In January 2008, the Department of Petroleum Resources informed the NNPC’s joint venture partners of the Government’s intention to treat a 2000 Memorandum of Understanding as lapsed and to revert to the fiscal regime of the Petroleum Profits Tax Act 1990. The memorandum of understanding was accordingly deemed lapsed and there is currently no memorandum of understanding with any joint venture partner.

Between 2010 and 2012, Shell, Total and Agip divested their joint 45% participating interest in several concessions owned by an NNPC/Shell/Total/Agip joint venture to various consortia, including Nigerian indigenous companies. Similarly, in 2014, Chevron divested its 40% equity interest in OMLs 52, 53 and 55 to indigenous companies – Amni, Seplat and Belema respectively. A further divestment by Shell/Total/Agip joint venture was completed in 2015 on their joint 45% holding in OMLs 18, 24 and 29, which were divested to Eroton, Newcross and Aiteo, respectively. In response to these divestments, new joint ventures were established between the NNPC and the new owners of the 45% interest.

The table below sets out information regarding the current equity structure of joint venture arrangements as at 30 June 2024:

Joint Venture	Nigerian National Petroleum Corporation Shareholding
NNPC Ltd/SHELL/TOTAL/ENI	55%
NNPC Ltd/MOBIL.....	60%
NNPC Ltd/CHEVRON	60%
NNPC Ltd/TOTAL	60%
NNPC Ltd/AITEO.....	55%
NNPC Ltd/NEWCROSS	55%
NNPC Ltd/EROTON	55%
NNPC Ltd/BELEMA	60%
NNPC Ltd/AMNI.....	60%
NNPC Ltd/SEPLAT	60%
NNPC Ltd/FIRST E & P.....	60%
NNPC Ltd/WAEP	55%
NEPL/ELCREST	55%
NEPL/FIRST HYDROCARBON	55%
NEPL/NECONDE.....	55%
NEPL/ND WESTERN	55%
NEPL/OANDO ENERGY RESOURCES	60%
NEPL/SEPLAT	55%
NEPL/SHORELINE.....	55%
NEPL/HEIRS HOLDING	55%

Source: Ministry of Petroleum, NNPC Ltd

During the 1990s, the NNPC was often in arrears with respect to its payment obligations and faced challenges in meeting its cash call obligations. This led to project deferrals which resulted in a reduction in production capacity. To address the issue of the joint venture cash calls, the NNPC and international oil companies developed alternative funding arrangements, whereby international oil companies pay the NNPC’s share of upfront costs on certain projects and developments.

Under the initial carry agreements signed between 2000 and 2006, the NNPC repaid costs with a portion of its share of production. Under more recent carry agreements, NNPC repays costs on a cash basis, rather than with oil. The alternative funding arrangement has been carried out on a number of projects, including three major shallow water projects: EA (a Shell joint venture), Amenam (a Total joint venture) and Yoho (MPN/ExxonMobil joint venture). The NNPC has also executed modified carry agreements for the Ofon Phase II project (a Total joint venture), the Gbaran Ubie (a Shell joint venture) developments, the Cawthorne Channel Integrated Project, the Nembe Creek Trunkline Field Logistics Phase I projects, the Santa Barbra Phase I projects and the Oil Mining Lease 58 Upgrade Gas Export project.

In late 2016, the Government announced that it had formally exited the cash call arrangements that had been in place between the NNPC and its international joint venture partners. The NNPC has also entered into an agreement with its joint venture partners providing for the repayment of outstanding cash call arrears owed by the NNPC to its joint venture partners.

Production Sharing Contracts

The introduction of production sharing contracts in the 1990s was motivated by the need to relieve the NNPC of its financial commitments in connection with the exploration, development and production of new fields. NNPC Ltd does not have any financial obligations under a typical production sharing contract. All contracts awarded to foreign oil companies since 1990 have been under production sharing contract terms.

Under a production sharing contract, legal ownership and interest in the OML or OPL remain with NNPC Ltd, and one or more oil companies are the contractor to NNPC Ltd. NNPC Ltd has no cash call obligations under the production sharing contracts. The contractor agrees to carry out oil exploration, development and production activities on behalf of NNPC Ltd at its risk and expense in return for a share of production. The contractor is under an obligation to provide the entire funding for exploration, drilling and production and is reimbursed from petroleum discovered and produced.

Many production sharing contracts benefit from incentives under the Deep Offshore and Inland Basins Production Sharing Contracts Decree 1999 (now Cap D3, LFN 2004). This decree was amended again in October 2019 as the Deep Offshore and Inland Basin Production Sharing Contract Act CAPD3 LFN 2004 (Amendment) Act, 2019 (the “**Amendment Act**”). The Amendment Act seeks to increase Government revenue in the form of royalties.

The terms and conditions in the production sharing contracts vary with respect to cost recovery limits and profit splits. Production sharing contracts typically allocate oil production in the following manner:

- Royalty oil – oil allocated to NNPC Ltd which is the first claim on production. The Amendment Act introduced a base royalty of 10% for all offshore oil production as well as terrain-based and price-based royalty calculations in addition to the base royalty of 10%. Production in water depths greater than 200m attracts a 10% royalty whereas the frontier/inland basins attract 7.5%. The price-based royalty calculation sees graduated royalty rates (2.5% - 10%) for crude oil price increases from U.S.\$20/bbl to over U.S.\$150/bbl.
- Cost oil – oil based on the quantum of oil production which is allocated to the contractor to enable it to generate an amount of proceeds for the recovery of operating and capital costs. It is deducted from the remaining production after the deduction of royalty oil.
- Tax oil – oil based on the quantum of oil production, the proceeds of which would be equal to the Petroleum Profit Tax liability of NNPC Ltd and the contractors at the prevailing rate. It is deducted from the oil remaining after deduction of royalty oil and cost oil.
- Profit oil – oil equal to the balance of the available crude oil after the deduction of the royalty oil, cost oil and the tax oil. This is allocated to NNPC Ltd and the contractors according to a sliding scale based on production rates.

Production splits can vary from one production sharing contract to another, and allocations are made on a monthly basis. Where proceeds from royalty oil, cost oil and tax oil are insufficient to fully discharge their corresponding liabilities, the excess is carried over to the following months.

All pipelines (related to upstream production) are included in the upstream cost base and any third-party tariff income is added to production income. Downstream gas utilisation project profits are covered by standard corporate income tax. However, various incentives, such as accelerated depreciation and tax holidays, may be available for gas utilisation projects.

Marginal Field Development

In 1996, the Petroleum Act 1969 was amended to authorise the Government to order the farm-out of marginal fields, which were defined as any fields that had reserves booked and reported annually to the

Government and which had remained unproduced for more than ten years from the first discovery of oil in such field. This amendment was in line with the Government's local content policy aimed at increasing the participation of domestic companies in oil exploration and production.

Marginal fields were subject to compulsory farm-outs to domestic companies under a competitive bid process. In 2003, 24 marginal oil fields were awarded to 31 domestic oil companies. These companies were encouraged to enter into agreements with international oil companies for assistance with financing and technical support; however, non-Nigerian companies may not hold more than a 40% participating interest in a marginal field. The domestic companies pay an overriding royalty to NNPC Ltd and the international oil company as consideration for the assignment of a marginal field based on the domestic company's daily production.

Under the PIA, the definition of a marginal field has been updated. A marginal field is now defined as a field or discovery that was declared a marginal field prior to 1 January 2021, or has been inactive for seven years after its discovery before the commencement of the PIA. It is important to note that, moving forward, no new marginal fields will be declared under the PIA.

The PIA permits producing marginal fields to continue operating under their original royalty rates and farm-out agreements. This was contingent on the conversion of the existing OML to a PML within 18 months from the commencement of the PIA. For any discovery declared as a marginal field prior to 1 January 2021, which remains non-producing, the PIA mandates its conversion to a PPL.

The PIA includes provisions for the surrender of licences or leases to the Federal Government. If a discovery is surrendered, the NUPRC is authorised to offer a PPL through a transparent and non-discriminatory bidding process.

If a marginal field remains with the license holder and is not transferred to the Government, the OML holder must, within 3 years from the commencement of the PIA, either present a field development plan to the NUPRC or farm out the discovery with the NUPRC's consent. Failure to meet these conditions will result in the field being relinquished. Upon relinquishment, the field becomes vested in the Federal Government and is administered by the NUPRC until a PPL is granted for the field.

Service Contracts

NNPC Ltd also enters into service contract arrangements pursuant to which the ownership of an OML or OPL is vested in NNPC Ltd, and a contractor provides all funds and expertise required for the exploration, development and production of oil. NNPC Ltd holds the title and has the rights to the oil produced and can elect to pay the contractor in cash or in kind. The contractor does not have title to the oil produced but is reimbursed, with additional remuneration, only from funds derived from the sale of oil. According to National Petroleum Investment Management Services, there were two service contracts: one between the NNPC and Agip Energy and Natural Resources Limited on OML 116; and one between the NPDC and Sinopec Limited on OML 64/66. Both service contracts have been discontinued and are no longer in operation.

Midstream

The midstream sector consists primarily of the oil refining and the gas sector.

Oil Refining

Nigeria's four oil refineries are located at Kaduna, Warri and Eleme (with two refineries) near Port Harcourt. These four refineries have a combined installed capacity of about 445,000 barrels of oil per day; however, they consistently operate significantly below capacity, in part due to old technology and infrastructure and a lack of regular maintenance attributable to budgetary constraints.

In 2020, NNPC deliberately shut down all four refineries in order to carry out proper rehabilitation of the refineries and avoid financial losses. The contract for the rehabilitation of the Port-Harcourt Refinery has been awarded while contracts for Warri Refining and Petrochemical Company and Kaduna Refining and Petrochemicals are at various stages and are expected to come on stream by the end of 2024. In August 2024, one of the two Eleme refineries resumed operations. NNPC Ltd confirmed that the other

refinery at Eleme will be operational by the end of 2024, enabling Nigeria to commence the export of refined oil. The remaining two refineries are anticipated to resume operations in due course.

Two privately owned refineries, the Waltersmith Refinery and the Niger Delta Petroleum Refinery (“NDPR”), operated during the period. Expansion of the NDPR is ongoing to increase processing capacity from 1,000 bpd to 11,000 bpd.

Nigeria’s refining capacity historically has been substantially lower than domestic demand for refined oil, resulting in significant imports. To increase domestic refining capacity, NNPC Ltd has partnered with international oil companies and other investors to establish greenfield refineries.

In 2023, approximately 1.589 million barrels of oil were refined domestically at the Waltersmith and NDPR private refineries, an increase of 25.65% from 1.265 million barrels in 2022.

A network of pipelines and depots throughout Nigeria links the four refineries. The NNPC, through its subsidiary, the Petroleum Products Marketing Company, supplies bulk customers, who in turn supply refined petroleum products such as gasoline, jet fuel, diesel, fuel oil and liquefied petroleum gas to customers across the country.

Issues such as fire, sabotage, poor management, lack of turnaround maintenance and non-commercial business models have resulted in refineries producing significantly under their installed capacity. This deficiency has resulted in shortages of refined petroleum products and the need to increase imports to meet domestic demand. See “—*Oil refining capacity constraints and proposed reforms*”.

Oil refining capacity constraints and proposed reforms

Inadequate funding for routine maintenance, and sabotage by militants, has contributed to the inability of Nigerian refineries to operate near their installed capacity levels. The Government has long had plans to privatise existing refineries and to encourage private investors to build new refineries. However, price controls and subsidies on refined petroleum products, as well as the significant investments required to upgrade and maintain such refineries have discouraged potential investors from participating in the refining sector. See “— *Principal Sectors of the Economy—Oil and Gas—Downstream.*”

In the 2016 Appropriation Bill, the Government announced the deregulation of the downstream oil sector. According to NNPC Ltd, low production levels were attributable to protracted maintenance at the Kaduna refinery and disruptions of crude oil supply to all refineries due to pipeline vandalism. In 2023, 3,686 incidents of vandalism were recorded by NNPC Ltd, compared to 1,749 in 2022. Between 2020 and August 2024, all four of NNPC Ltd’s oil refineries were closed due to undergoing maintenance and rehabilitation but since late August 2024, one has been operational.

The Dangote Refinery, located in Lagos, is Africa’s largest oil refinery and the world’s biggest single-train facility. With a processing capacity of 650,000 barrels per day, this U.S.\$20 billion refinery aims to eliminate Nigeria’s reliance on fuel imports, meeting 100% of the country’s domestic fuel needs and generating surplus for export. The Dangote Refinery has commenced supply of refined petroleum products of various grades into the domestic and export markets. The facility, which commenced crude oil processing in late 2023, has an annual production capacity of 10.4 million metric tons of gasoline, 4.6 Mt of diesel, and 4 Mt of aviation fuel, conforming to Euro V specifications. It also includes a 435-megawatt power station and extensive infrastructure capable of handling diverse crude grades. The refinery will sell petrol at global prices, potentially affecting subsidy policies.

Ownership of the refinery is shared between Aliko Dangote and various financial institutions, with NNPC Ltd holding a 7.2% equity stake. As of its commissioning in May 2023, the project had received approximately U.S.\$2.7 billion in outstanding debt financing. The refinery is expected to be fully operational by 2025, significantly enhancing Nigeria’s foreign exchange reserves through reduced petroleum imports and increased exports of refined products.

On 26 November 2024, NNPC Ltd. announced the restart of the 60,000 barrels-per-day Old Port Harcourt Refinery. The Old Port Harcourt Refinery is currently operating at 70% of its installed capacity, with plans to increase to 90%.

As of the date of this Offering Circular, the rehabilitation of the New Port Harcourt Refinery, Warri Refinery, and Kaduna Refinery is ongoing, with production capacities of 150,000, 125,000, and 110,000 barrels per day, respectively.

In addition, the following refineries are in operation in Nigeria:

- the Eko Tetrachem Refinery, Lagos, a hydro skimming refinery with a capacity of 20,000 barrels per stream day;
- the BUA Refinery, Akwa Ibom, a conversion refinery with a capacity of 200,000 barrels per stream day;
- the Amakpe Refineries, Akwa Ibom, hydro skimming refineries with a total capacity of 12,000 barrels per stream day;
- the Waltersmith Refinery, Imo, a topping plant with a capacity of 5,000 barrels per stream day;
- the Aradel Refinery, Rivers, a hydro skimming refinery with a capacity of 11,000 barrels per stream day;
- the OPAC Refinery, Delta, a topping plant with a capacity of 10,000 barrels per stream day; and
- the Edo Refinery, Edo, a topping plant with a capacity of 1,000 barrels per stream day.

NNPC Ltd is also planning to co-locate smaller but cost-efficient modular refineries within the existing refineries premises to boost the nation's refining capacity. In addition, NNPC Ltd has switched to the Direct-Sale-Direct-Purchase arrangement to replace the offshore processing and crude swap arrangement which hitherto have resulted in huge losses.

Following strikes and public disorder that followed the attempt to deregulate the pricing of petroleum products in January 2012, the former Minister of Petroleum Resources established the Task Force to assist the Ministry in devising a plan to promote self-sufficient petroleum production in Nigeria. The terms of reference for this Task Force included a diagnostic review of the refineries and a review of private refinery licensing and partnership models for greenfield refineries. The Task Force submitted a report to the Minister of Petroleum Resources in August 2012. The findings published in the Task Force report are summarised below:

- **NNPC Refineries** – The Task Force recommended that the Government relinquish control of the operation and management of the four Nigerian refineries by divesting a majority of its equity to competent, resourceful and experienced refining private partner(s) in accordance with the Public (Privatisation and Commercialisation) Enterprises Act in an aggressive but workable timeframe.
- **Pricing** – The Task Force recommended full deregulation of prices in the downstream sector prior to completion of the privatisation process, but subject to putting in place adequate controls to improve the associated social and economic burden on the populace.
- **Refineries Licencing** – The Task Force examined 35 greenfield private refinery licensees and applicants and concluded that seven had reasonable potential.

The Government then established a committee to prepare a white paper on the report for consideration by the Federal Executive Council. According to the report by the Task Force, the refineries proposed to be developed with the CSCEC were still in preliminary discussions and full negotiations had yet to begin. Steps have yet to be taken to further the discussions and negotiations. In 2014, the Nigerian House of Representatives, through its House Committee on Petroleum Downstream, instituted a probe into why the Federal Government had failed to construct the U.S.\$23 billion refinery project. The outcome of the probe was not published.

The Government has made progress in ending its petrol subsidy regime and liberalising the market. In 2020, the Government reduced the pump price of petrol, following the sharp drop in oil prices due to the prevailing low demand for oil, owing to a global economic shutdown occasioned by the COVID-19 pandemic. In March 2020, the Government removed the subsidy on petrol, reducing the gasoline pump price by 10%

from the ₦145 per litre cap that had been in place since 2016, to ₦130 per litre, and again to ₦108 per litre in May 2020. Nigeria also recently granted approval to private marketers to import gasoline for domestic consumption at market prices, in a further effort to liberalise the sector and end subsidies.

In 2022, Nigeria spent approximately U.S.\$10 billion on fuel subsidies, consuming approximately 40% of national revenue. These subsidies, while providing low petrol prices, have been financially burdensome and regressive, primarily benefiting urban car owners and those with petrol generators. The Tinubu administration removed these subsidies in June 2023 to address budget deficits, reduce the national debt profile, and redirect resources to critical sectors. As a result, in June 2023, the price of petrol in Nigeria increased from ₦195 to ₦540 per litre after the Government removed the subsidy on petrol. Savings from ending the subsidy were also channelled into growth-supported capital expenditure and social protection spending. However, the removal led to significant inflation, prompting the Government to reintroduce implicit subsidies by capping fuel prices in late 2023. According to the IMF, this reinstated subsidy is projected to consume nearly half of Nigeria's anticipated oil revenue for 2024.

According to the NBS, the average price paid by consumers for petrol in June 2024 had increased by 37.53% compared to June 2023, from an average of ₦545.83 per litre to ₦750.17 per litre. The regulated pump price of petrol became completely deregulated as of May 2023. The current pump price of petrol varies according to location.

In June 2024, President Tinubu approved NNPC Ltd's request to utilize the 2023 final dividends due to the Federation for covering petrol subsidy costs. Additionally, the President sanctioned the suspension of the 2024 interim dividends to enhance NNPC Ltd's cash flow.

In September 2024, NNPC Ltd increased the pump price of petrol due to rising global oil prices and the higher costs of importing refined petroleum products. On 29 October 2024, the retail price of petrol in Abuja was increased to ₦1,060 from ₦1,030 per litre, while in Lagos, it rose from ₦998 to ₦1,025 per litre. This latest hike, the third price change between September and October 2024, is part of the Government's deregulation policy and has raised concerns about further inflation and economic hardship. In October 2024, the fuel subsidies were removed yet again. Currently, there are no intervention schemes by the Government through NNPC Ltd to regulate retail/pump price of Premium Motor Spirit and the subsidy on imported Premium Motor Spirit has been removed.

Completing the rehabilitation and enhancing capacity utilisation of Nigeria's refineries, in addition to setting up co-located refineries to guarantee effective supply and distribution of products across the country and African sub-region, is a key focus area of the current administration. The Government aims to transition Nigeria from being an importer of petroleum products to being a net exporter of petroleum products and value-added petrochemicals, to diversify Nigeria's export base and enhance import substitution, GDP growth and employment generation.

Natural Gas

According to data from the BP Statistical Review of World Energy 2023 and the NMDPRA, formerly the DPR, Nigeria possessed natural gas reserves of 206 trillion cubic feet as of 31 December 2022, including developed and undeveloped volumes that are marketable at current and forecasted future prices, respectively. Estimates are prepared pursuant to the Petroleum Resources Management System sponsored by the Society of Petroleum Engineers, American Association of Petroleum Geologists, World Petroleum Council, and Society of Petroleum Evaluation Engineers."

The level of gas production and distribution in the country for both domestic and industrial use remains relatively low. Historically, the lack of domestic demand and the high cost of investment encouraged gas flaring, i.e., the burning of natural gas found with crude oil deposits as a waste product. Despite increased domestic demand for natural gas, especially in the power and manufacturing sectors, Nigerian consumers remain reliant on imported natural gas. However, a significant percentage of liquefied petroleum gas ("LPG") is being imported to augment the local supplies by Nigeria LNG Limited ("NLNG"), which constitute less than 40% of the entire LPG requirement for the country.

In 2023, NLNG supplied the domestic market with 45,575 MT of propane. The target for 2024 is set at 45,000 MT. In 1984, the Government enacted the Associated Gas Re-injection Act 1979 to proscribe gas

flaring. The Minister of Petroleum Resources was, however, authorised to permit gas flaring upon being satisfied that the utilisation or re-injection of the produced gas was not appropriate or feasible in a particular field or fields, and upon compliance by the operator with stipulated terms and conditions including the payment of gas flaring fees. The Associated Gas Re-Injection Act and other initiatives have not yielded the desired results: oil companies frequently opt to pay penalties for ministerial permission for gas flaring. Various flare-out dates were set by successive governments, but deferrals were granted. However, the PIA generally proscribes gas flaring except in the case of an emergency, pursuant to an exemption granted by the NURPC or as an acceptable safety practice under established regulations. The Commission may grant such exemption for a specific period, where gas flaring is required for facility start-up or for strategic operational reasons. The Midstream Gas Flare Regulations, 2023, were issued by the NMDPRA to reduce the environmental and social impact caused by excessive flaring and venting of flare gas. The Midstream Gas Flare Regulations, 2023, mandate that a licensee or permit holder shall obtain a permit to access flare gas where such licensee or permit holder intends to repurpose flare gas from midstream operations and such permit shall be valid for a term of one calendar year and renewable for a further term of one year. Furthermore, a licensee or permit holder must apply for and obtain from the NMDPRA, a permit to flare or vent flare gas for a specific period.

Infrastructure to support the transport of gas from the Niger Delta to domestic consumers is lacking. Oil companies have not constructed internal pipelines to serve the domestic market, and the domestic gas pricing structure has not encouraged investments to explore and develop non-associated gas fields.

In 2023, a total of 2,729.0 billion standard cubic feet (“**bscf**”) of natural gas were produced by 31 companies, compared to a total of 2,864.9 bscf in 2022, representing a decrease of 4.74%.

Gas Infrastructure

Gas infrastructure in Nigeria has historically been project-centric, which has prevented the development of an integrated system and hindered the development of the domestic gas sector. Domestic gas pipeline infrastructure can be categorised as follows:

- The Western System – This system includes the 700-kilometre Escravos Lagos Pipeline System, which has a capacity of 800 mmscfd. Plans are in place to loop the pipeline onshore to expand capacity. This will reinforce gas availability to the western part of Nigeria where there is significant growth in demand from the power and non-power sectors. This pipeline is integrated with the West Africa Gas Pipeline. The Escravos Lagos Pipeline System is supplied mainly by the Utorogu (NPDC-operated), Escravos (Chevron-operated), Sapele (Seplat-operated), Ughelli (NPDC-operated), Odidi (NPDC-operated) and Oben (Seplat-operated) gas plants. The flow direction is from Escravos to Lagos. The system also comprises the Oben-Ajaokuta pipeline, which is the link from the western system to the planned south-north system via Ajaokuta;
- The Export System – This system consists of an onshore Gas Transmission System and an Offshore Gas Gathering System. The Gas Transmission System gathers gas from the Obiafu, Soku, Obite and Belema gas plants and transports it to the Nigeria Liquefied Natural Gas plant for export, whilst the Offshore Gas Gathering System gathers gas from dedicated fields offshore and also transports it to the Nigeria Liquefied Natural Gas plant;
- The Eastern System – This system supplies gas to domestic industrial and power users. The Obigbo North-Ikot Abasi is the major trunk line in the eastern system supported by the main gas plants of Obigbo (SPDC operated), Alakiri (Eroton-operated) and Okoloma (TNOG-operated). The pipeline system transports liquid gas from these plants to the domestic market in the east. The flow direction is east from Obigbo. The pipeline will be the major connector between West and East Nigeria. The gas sources include Cawthorne Channel, Alakiri, Obigbo North and Okoloma;
- Nigeria Liquefied Natural Gas Plant – This is an export facility at Bonny that has a 22 mmtpa capacity. It has been in operation since 1999 and has six producing trains as of December 2020. The plant is owned by NNPC Ltd (49%), Shell (25.6%), Total (15%) and ENI (10.4%); and
- The West Africa Gas Pipeline – This is a 678-kilometre pipeline which links into the Escravos Lagos Pipeline System, the Nigeria Gas Company’s Itoki Natural Gas Export Terminal in Nigeria

and proceeds to a beachhead in Lagos. From there it moves offshore to Takoradi, in Ghana, with gas delivery laterals from the main line extending to Cotonou (Benin), Lome (Togo) and Tema (Ghana). The West Africa Gas Pipeline transports purified natural gas free of heavy hydrocarbons, liquids and water, which is ideal for power plants and industrial applications. The pipeline is owned by Chevron (36.9%), NNPC (24.9%), Shell (17.9%), Takoradi Power Company Limited (16.3%), Société Togolaise de Gaz (2%), and Société BenGaz S.A. (2%).

In addition, as of the date of this Offering Circular, the following projects are under development:

- OB3 – The 127km by 48-inch pipeline, designed to deliver 2bscf/d of gas, is currently at an advanced stage of completion, with Lot A already 95% completed. Commission of this project is due to take place in late 2024.
- ELPS 2A – The purpose of the project is to double the existing pipelines capacity of ELPS-1 to 2.2 BCF of gas per day. It is a 340-kilometre pipeline that runs from Escravos in Delta State to Lagos. This is a 1.1 BCF additional capacity to the Escravos-Lagos Pipeline system. The PS2 – PS3 segment was commissioned with gas in December 2020;
- MCM 1 / MCM2 – The two units have an installed capacity of 40 MMscfd each. The main compressor module 1 (MCM 1) is a 40 mmscf/d unit used to compress produced AG from Odidi field for commercialization through the ELPS. The Turbine unit suffered significant engine damage in 2018 during start up and requires complete overhaul. MCM 2 was restored to service in June 2020 and is operational.
- 4.3TCF Assa North/Ohaji South – The project is capable of producing 500-600 million of standard cubic feet per day (“**mmscf/d**”). A formal request for an operational license is planned to be made in early 2025, following the introduction of hydrocarbon into the facility. NNPC Ltd has a 20% equity stake in this project and it is currently at Pre-FEED status.
- 6.5TCF Ekuloma, Awoba and Alakiri capable of producing 250-500 mmscf/d. The project is currently being refocused.
- 6.4TCF Unitised Gas Fields to produce 500-600 mmscf/d. The project is currently being refocused.
- 2.2TCF SPDC JV Gas Supply to Brass Fertilizer Company to produce 270mmscf/d.
- Cluster development of 5TCF OPL 2001, 2002 and 2003 support the expansion of seven Energy Uquo Gas plant to produce 400 mmscf/d. The project is currently being refocused.
- Cluster development of 10TCF Okpokunou/Tuomo west (OML 35/62 to produce 500-600 mmscf/d. The review of the project is ongoing.)
- The ANOH Gas Processing Plant at OML 53 (and adjacent OML 21) is being developed by AGPC, a joint venture between Seplat Energy and the Nigerian Gas Company, a subsidiary of NNPC Ltd. In February 2021, AGPC raised U.S.\$260 million in debt, and the project is now fully funded with U.S.\$210 million equity investments from each partner, totalling U.S.\$420 million.
- African Refinery – NNPC Ltd has signed a contract with African Refinery Port Harcourt Limited to develop a 100,000 barrels per day (bpd) refinery within the Port Harcourt Refinery and Petrochemical Complex in Rivers State. NNPC Ltd has a 15% equity stake in this project and it is currently at Pre-FEED status.
- Oben (OMLs 4, 38 and 41) – Seplat Energy is supporting the commercialisation and development of the substantial gas reserves and resources at OMLs 4, 38 and 41. NNPC Ltd has a 25% equity share in this project, which is currently at the EPC stage.
- Oredo (OML 111) – This project aims to enhance oil and gas production capabilities within the lease area. NNPC Ltd has a 20% equity share in this project, which is currently at the EPC stage.

- Utorogu (OML 34) – NNPC Ltd has a 20% equity share in this project, which is currently at the EPC stage.
- Azikel – Gbaran – Ubie – NNPC Ltd has a 30% equity share in this project, which is currently at the EPC ongoing stage.

Nigeria’s Liquefied Natural Gas (“LNG”) Plant

As of the date of this Offering Circular, Nigeria’s only LNG production facility is the Nigeria Liquefied Natural Gas Plant on Bonny Island, which operates six trains with a production capacity of 22 mmtpa of LNG and 5 mmtpa of NGLs (LPG and condensates) from 3.5 bscf per day of natural gas. Plans for building a seventh train are at an advanced stage, with the seventh train originally projected to be operational by 2024, although the impact of the COVID-19 pandemic may delay operation until 2025. At the point of operation, capacity is expected to increase to 30 mmtpa of LNG and 27 mmtpa of NGLs (LPG and condensates) from 4.6 bscf per day of natural gas. Shareholders in Nigeria Liquefied Natural Gas are NNPC Ltd, Shell, Total and Eni, who are also the main upstream suppliers to the plant.

Furthermore, in September 2024, the NLNG and the Nigerian Content Development and Monitoring Board granted UTM Offshore Limited the first license to operate a floating liquefied natural gas plant to capture flared gas from an ExxonMobil oil field in the Niger Delta. The 2.8 million tons per annum floating vessel, owned by UTM, will capture flared gas from ExxonMobil’s Oil Mining Lease 104 (Yoho field) in offshore Akwa Ibom, southern Nigeria. The engineering work is scheduled for completion in 2028, with production expected to commence in the first quarter of 2029.

Nigeria Gas Master Plan

The Nigerian Gas Master Plan, which took effect in 2008, is designed to drive the monetisation of gas, substantially reduce gas flaring, provide a more efficient and cheaper fuel source for power and industrial production, and provide an alternative revenue source to government. The main objectives of the Nigerian Gas Master Plan include:

- developing and entrenching a sustainable commercial framework for the Nigerian domestic gas market;
- maximising the multiplier effect of gas in the domestic economy, through the facilitation of gas utilisation in the domestic economy and the stimulation of broad gas-based industrialisation;
- optimising Nigeria’s share and competitiveness in high-value export markets, through selective participation in high-value markets and strategic positioning for growth; and
- assuring long-term gas security for Nigeria.

Following the approval of the Nigerian Gas Master Plan (“**NGMP**”) in 2008, the Government issued the National Gas Supply and Pricing Policy (“**NGSP Policy**”) and the National Domestic Gas Supply and Pricing Regulations (“**NDGSP Regulations**”). The NGSP Policy and the NDGSP Regulations provide for the imposition of a domestic gas supply obligation on all upstream companies and requires a predetermined portion of their gas production be set aside for supply to the domestic market. The NGSP Policy groups domestic demand into three categories, with separate pricing for each category: (i) strategic gas for power generation, (ii) industrial gas as feedstock, and (iii) commercial gas as alternative fuel. The policy and regulations also provide an aggregated price to be paid to all suppliers for gas supply to the domestic market. The aggregator, as intermediary, aggregates payments from the different demand groups and pays the gas supplier a single aggregated price.

The Government established the Gas Aggregation Company of Nigeria in accordance with the terms of the NDGSP Regulations and the NGSP Policy. The Government is negotiating Gas Sale and Aggregation Agreements for the supply of gas for power generation.

The NGMP also has the goal of creating an integrated gas gathering, processing and distribution network through a gas infrastructure blueprint. Gas reserves will be divided into three franchise areas: the Western Franchise Area, Central Franchise Area and South Eastern Franchise Area, from which gas produced will

be gathered at central processing facilities and distributed to power plants, industrial users, LNG plants and export schemes as required. The Gas Infrastructure Blueprint envisages the development of three major gas transmission systems in the medium term. These gas transmission systems will include a western gas transmission system comprising the existing Escravos Lagos Pipeline System and a new offshore extension to Lagos, the first south-north gas transmission line that will transport dry gas through the Akwa Ibom/Calabar facility to Ajaokuta, Abuja, Kano and Kastina and also serve south-eastern states and an interconnector, which will link the eastern gas reserves centre with the other two transmission systems.

The NGMP was replaced by the National Gas Policy 2017 (the “**National Gas Policy**”), a new gas policy which provided for the Domestic Gas Delivery Obligations in the PIA and issuance of the Gas Pricing and Domestic Demand Regulations in 2023 (revoking the National Gas Supply and Pricing Regulations, 2008). The National Gas Policy seeks to review the policy positions of the Federal Government in respect of Nigeria’s gas resources over the past ten years, and to drive the institutional reforms and regulatory changes necessary to attract investment into the Nigerian gas sector. The National Gas Policy will be reviewed and updated periodically to ensure consistency with the Federal Government’s policy objectives at all times. The vision of the National Gas Policy for Nigeria’s gas sector is “to be an attractive gas-based industrial nation, giving primary attention to meeting local gas demand requirements, and developing a significant presence in international markets”, whilst the mission of the National Gas Policy is “to move Nigeria from a crude oil export-based economy to an attractive gas-based industrial economy.”

To achieve the above mission and vision, the strategic objectives of the National Gas Policy include to:

- separate activities between the government and private sector;
- identify new gas resources from the Niger Delta, offshore, inland basins and gas flare reduction;
- introduce an appropriate institutional, legal, regulatory and commercial framework for the Nigerian gas sector;
- create a conducive environment for investors and for market growth;
- discourage wasteful projects whilst encouraging optimisation amongst resource owners, e.g. through joint development of gas discoveries and infrastructure; and
- implement good governance throughout the industry.

Downstream

The downstream oil sector generally consists of the import, export, distribution, sale and marketing of refined oil products. NNPC Ltd’s downstream sector integrates key assets for the effective and efficient distribution of refined petroleum products to meet the required energy demand.

The pipeline and depot network is an integral part of the downstream infrastructure, which started its operations in 1979 by the Pipelines and Products Marketing Sector, which was later renamed Pipelines and Products Marketing Company in 1988. However, to overturn some operational inefficiency, the Pipelines and Products Marketing Company was unbundled into three separate entities. Petroleum Products Marketing Company Limited to oversee products marketing and sales; Nigerian Pipelines and Storage Company Limited to handle crude and product pipelines and storage operations, and the shipping business for transportation of refined petroleum products. NNPC Retail Limited, also a strategic NNPC Ltd downstream business unit, sells refined petroleum products including gasoline, kerosine, diesel and gas to consumers. NNPC Ltd plans to expand its retail market share to provide more stability in the market.

Efficient delivery of crude oil to the Government-owned refineries and distribution of refined petroleum products is primarily via pipeline and storage/truck loading depots. However, due to sub-optimal performance of the national oil refineries, Nigeria now relies heavily on imported refined petroleum products to meet its energy and transportation needs.

Imported products are transported via pipeline from the coastline to storage facilities only within short distances, mainly due to insistent vandalism and product theft. To restore the pipeline and storage

infrastructure, a public private partnership arrangement is ongoing, with the aim is to reconstruct the pipelines and rehabilitate the depots, leveraging technology that will mitigate against inefficiencies.

As of December 2020, the Federal Government had pegged the retail price of gasoline to ₦162.44 per litre. The pricing was based on the price modulation regime, whilst supporting importers of these products with foreign exchange at the CBN rate.

Former President Buhari signed the PIA on 16 August 2021. The PIA, which started as an omnibus bill and was later divided into four separate bills before merging into the PIA, provides for the legal, governance, regulatory and fiscal framework for the Nigerian oil and gas industry, the development of host communities, and for related matters.

Following the passage of the PIA into law, the PIA has become the principal legislation governing the entire value chain of the Nigerian oil and gas industry. To ensure an effective implementation of the PIA, the President has approved a steering committee led by the Minister of State for Petroleum Resources, to oversee the process of implementation within a period of 12 months. Upon the signing of the PIA by the president, a Transition Implementation Committee (“**TIC**”) was put in place to oversee the transition to the new Agency. The TIC was given a one year timeline to undertake the assignment and all the successor Agencies had Transition Implementation Teams (“**TITs**”) in place to coordinate the transition in their various organs, these being: the NNPC Ltd, NUPRC and NMDPRA. The TITs have largely completed their assignments including that of the NMDPRA.

See “—*Principal Sectors of the Economy—Oil and Gas—Oil and Gas Reforms*”.

Oil and Gas Sector History, Regulation and Reform

History

The Nigerian petroleum industry dates back to 1908 when the Nigerian Bitumen Corporation, a German company, started exploration for oil in southwest Nigeria. Oil was first discovered in 1956 in Oloibiri, Bayelsa State in the Niger Delta by Shell D’Arcy, and oil production in Nigeria began in 1958.

In the 1950s and 1960s, several major international oil companies acquired licences in Nigeria, including Mobil (now ExxonMobil) in 1955, Texaco, Inc. and Gulf Oil (now Chevron) in 1961, Safrap (now Total S.A. (“**Total**”)) and Nigerian Agip Oil Company (which, as of August 2024, has been sold to ENI) in 1962. Crude oil production rose to about 2 mbpd in the 1980s. Crude oil production peaked in 2004 at 2.5 mbpd; however, crude oil production declined to 2.2 mbpd in 2007 as a result of the unrest in the Niger Delta along with OPEC quota constraints. Production declined further in 2008 to 2.1 mbpd, due mainly to militant activities and destruction of oil production facilities in the Niger Delta region. Oil production has gradually declined over the years, with figures of 2.0 mbpd, 1.8 mbpd, 1.6 mbpd, 1.4 mbpd, and 1.4 mbpd, in 2019, 2020, 2021, 2022, and 2023, respectively.

Oil production is occasionally subject to disruptions resulting from vandalism and oil theft, which has historically affected production from the Bonny, Forcados and Qua Iboe terminals, for example. According to NNPC Ltd, in 2023, 3,686 incidents of vandalism were recorded. In 2022, 1,749 incidents of vandalism were recorded. See “*Risk Factors—Risks related to Nigeria—The Nigerian economy and, in particular, government revenues, are highly dependent on oil production and sales and prices of oil in global markets*” and “*Risk Factors—Risks related to Nigeria—Nigeria’s political, economic and social stability has and will continue to be adversely affected by political and religious conflicts, terrorism, and social and religious tensions, any or all of which may materially and adversely impact economic conditions and growth in Nigeria*”.

Unrest in the Niger Delta has resulted from inconsistent policies of past governments that allowed oil companies to degrade the local environment and to share little of their commercial gains with local communities. Lack of development in the region and perceived injustice over the sharing of oil revenues has often triggered conflicts between the host communities, the oil companies and the state and federal governments. Adverse effects of these conflicts on the economy and the need to manage the challenges in the region led to the establishment of the Ministry of the Niger Delta and an amnesty programme for Niger Delta militants in 2009. Under the amnesty programme, over 20,000 militants surrendered their arms in return for a presidential amnesty, unconditional pardon and participation in the Post-Amnesty Rehabilitation

and Economic Empowerment Programme. The amnesty programme is still ongoing and currently in the reintegration phase, with efforts being put in place to ensure the programme does not end abruptly. Former President Buhari's administration chose to re-engineer the programme by, amongst other things, allowing for the reintegration of 30,000 ex-militants and youths from affected communities in the Niger Delta.

The current administration has reaffirmed its commitment to fostering sustainable peace and development in the Niger Delta region through an enhanced PAP. President Tinubu has approved an upward revision of the PAP budget to accommodate a broader range of stakeholders, including women who had previously been underrepresented. This update was disclosed by the Administrator of the Presidential Amnesty Programme, Dr. Dennis Otuaro, during a recent stakeholders' meeting held in Warri, Delta State. The gathering included youth leaders and ex-militants from the nine states of the Niger Delta region. Dr. Otuaro highlighted the resolution of several longstanding issues affecting PAP beneficiaries and reassured participants of the Government's dedication to addressing their concerns.

In addition to the budget enhancement, the PAP is undergoing a comprehensive review of its vocational training programs to prioritize infrastructural and human capital development. These initiatives aim to equip beneficiaries with the skills needed for economic empowerment while ensuring the sustainable development of the region. The Administrator emphasized the Federal Government's commitment to completing critical infrastructure projects in the Niger Delta, such as the East-West Road, which has been re-awarded to a Chinese construction firm under the supervision of the Office of the National Security Adviser. This reflects the administration's broader focus on infrastructure as a means of fostering regional growth and integration.

Notwithstanding the efforts of the Federal Government, State Governments, the oil companies and non-governmental organisations to enhance the well-being of the people of the Niger Delta through scholarship programmes, infrastructure improvements and other community development projects, wide disparities in development persist. In many areas, the conditions of rural communities where crude oil is produced remain poor, with severe environmental degradation, lack of infrastructure, high unemployment, poor educational facilities and general lack of amenities for a good standard of living.

The Government has taken several steps to address pipeline vandalism and oil theft, including the deployment of technology and security personnel in affected areas and, more recently, the establishment of community policing, which is designed to engage communities as stakeholders in pipeline infrastructure and thereby promote the protection and security of pipelines. The military is also being retrained and undergoing equipment upgrades and is actively arresting and prosecuting vandals.

Regulatory Framework Prior to the Petroleum Industry Act

Prior to the PIA, the Ministry of Petroleum Resources, through the NPRA, controlled and supervised the activities of all stakeholders, licensees, lessees, permit holders and actors in the Nigerian petroleum industry, ranging from exploration to production, marketing and sale of crude oil and refined petroleum products.

The NNPC was the state-owned oil corporation through which the Federal Government regulated and participated in the country's oil and gas industry. The NNPC was established by the Nigerian National Petroleum Corporation Act in 1977 to engage in all commercial activities relating to the petroleum industry and to enforce all regulatory measures governing the petroleum sector.

The NNPC is currently undergoing a restructuring exercise with a view to improve efficiencies and controls and to thereby evolve into a profit-oriented and able, commercially-focused, enterprise; following this, in July 2022, the NNPC was converted into a limited liability company, NNPC Ltd. The Petroleum Minister of State announced reforms to restructure the NNPC into eight business and service units. The restructuring involves division of the NNPC into a lean group headquarters and a collection of five autonomous business units ("ABUs"): (i) Upstream; (ii) Downstream; (iii) Refinery; (iv) Gas and Power; and other non-core ABUs such as (v) Ventures and Business Development; (vi) Corporate Services; (vii) Finance and Accounts; and (viii) the Group Managing Director's ("GMD") Directorate. All subsisting and proposed new operating companies/subsidiaries, divisions and other business units of NNPC will be grouped under applicable ABUs, each of which is headed by a Chief Operating Officer (with the exception that the GMD's Directorate shall be headed by the GMD). The new GMD was appointed in mid-2019. Current leadership has continued to enhance productivity of NNPC in line with its Transparency, Accountability and

Performance Excellence Agenda, rolled out in 2019. NNPC Ltd remains committed to adding value to the nation's hydrocarbon resources for the benefit of all stakeholders.

Another reform implemented by NNPC Ltd relates to the structure for funding its joint venture arrangements, as well as profit sharing arrangements therefrom. Prior to such reform, profits from NNPC Ltd's joint venture arrangements accrued directly to the Federal Government; Government funding of NNPC Ltd was then made pursuant to budget appropriations in the same way as for other state-owned companies. Under that structure, NNPC Ltd and its joint venture partners (mostly international oil companies) jointly financed their joint venture operations through equity contributions, by way of cash calls. However, NNPC Ltd has often faced the problem of inadequate appropriations from the Government to meet its cash call obligations and other investment commitments. This resulted in calls for the Government to reduce NNPC Ltd's equity share in the joint ventures to alleviate the cash call problems. In November 2016, the NNPC and its joint venture partners agreed to an alternative funding regime that provided for payment of outstanding amounts through incremental production increases, which terminated the cash call funding regime. The new regime was effective from 2017.

Further, it was proposed that, in the long run, the presently existing unincorporated joint venture arrangements between NNPC Ltd and its joint venture partners will be converted into incorporated joint venture companies in which NNPC Ltd and its joint venture partners will be shareholders of incorporated independent and autonomous oil & gas exploration and production companies ("IJVs"). In so doing, such IJVs will be able to fund their operations, in the manner that regular incorporated companies do, without necessarily requiring the involvement of NNPC Ltd and the joint venture partners.

To further reform the petroleum industry, the Government, through the Minister of Petroleum Resources, recently amended the Petroleum (Drilling and Production) Regulations, 1969 (the "**1969 Regulations**"). The 1969 Regulations provide guidance on the implementation of provisions of the Petroleum Act regarding applications for oil exploration licences and oil prospecting licences and guidelines on oil drilling and extraction operations. The 1969 Regulations were amended by the Petroleum (Drilling and Production) (Amendment) Regulations, 2019 and 2020, respectively. The effect of the amendments is to revise several fees payable under the 1969 Regulations which are no longer reflective of current realities and to introduce new fees for certain applications and approvals under the Petroleum Act.

The Nigerian Oil & Gas Industry Content Development Act (the "**Nigerian Content Act**")

The Nigerian Content Act, enacted in April 2010, prescribes minimum thresholds of Nigerian content for various activities in the oil and gas sector to promote the use of Nigerian products and services in the Nigerian oil and gas industry. All oil and gas arrangements, contracts and operations, are now required to comply with the minimum Nigerian content standards and thresholds specified in the Nigerian Content Act. Such thresholds include 100% Nigerian content for the supply and procurement of steel plates, 100% Nigerian content for the supply of flat sheets, wireline services (electric open holes, cased holes and slick line) and a 90% man-hour Nigerian content requirement for feed and detailed engineering on onshore facilities. The Nigerian Content Act also requires that when procuring goods and services, if competing bids are within 1% of each other at the commercial stage, operators must select the bid containing the highest level of Nigerian content, *provided that* the level of Nigerian content in one of the bids is at least 5% higher than the closest competing bid. Operators are also required to retain a minimum of 10% of their total revenue accruing from Nigerian operations in a bank account in Nigeria.

The Nigerian Content Act provides for preferential treatment of companies with a minimum of 51% equity participation by Nigerians in the award of licences, permits and blocks.

The Nigerian Content Act established a board, the Nigerian Content Development & Monitoring Board, which is empowered to ensure compliance with the provisions of the Nigerian Content Act. The Nigerian Content Development Fund was established by the Nigerian Oil and Gas Industry Content Development Act 2010 for the purpose of increasing Nigerian Content in the oil and gas industry by addressing the paucity of funding faced by manufacturers, service providers and other key players. The Nigerian Content Development Fund is pooled from 1% of every contract awarded in the upstream sector of the industry and is managed by the board.

As a result of the Nigerian Content Act, Nigeria has seen growth in the domestic ownership of oil and gas assets in the marine sector (through the ownership of land, swamp and offshore rigs), established a scheme for the production of Nigerian-made steel pipes, built the largest dry dock facility for vessel maintenance in West Africa, and developed training and employment opportunities using domestic industry projects, including training on environmental remediation and geosciences training. Reforms have also focused on developing programmes for domestic suppliers in the oil and gas industry.

Oil and Gas Reforms

The Government has sought to reform the petroleum industry with a general overhaul of the oil and gas sector. The Government's aim is to remedy key policy, regulatory, fiscal and operational challenges in the Nigerian oil and gas industry by encouraging investment and improve Nigerians' participation in the sector both directly and through participatory schemes in line with international best practice. This led to the proposal of Petroleum Industry Bill in 2008, and to the enactment of the Nigerian Content Act in 2010. The Senate also passed the Petroleum Industry Administration Bill, the Petroleum Industry Fiscal Bill and the Petroleum Host Community Bill on 27 July 2017.

On 19 July 2017, the Federal Executive Council approved a new National Petroleum Policy ("NPP"). The NPP sets a long-term agenda for Nigeria to become a nation where hydrocarbons are used as a fuel for national economic growth and not simply as a source of income. It also sets strategic policy objectives for each part of the petroleum industry and the entire value chain. This long-term vision was also articulated in the Ministry of Petroleum Resources' 7 Big Wins Initiative and the Federal Government of Nigeria's ERGP 2017-2020. The NPP specifically provides for the legal and regulatory, institutional, commercial, fiscal and operational framework for developing a stable and enabling oil and gas landscape in which there will be an improved transparent, efficient, cost effective and attractive investment climate, as well as a well-protected and sustainable environment.

Petroleum Industry Act 2021

The President signed the PIA on 16 August 2021. The PIA, which started as an omnibus bill and was later divided into four separate bills before emerging into the PIA, provides for the legal, governance, regulatory and fiscal framework for the Nigerian oil and gas industry, the development of host communities, and for related matters.

Following the passage of the PIA into law, the PIA has become the principal legislation governing the entire value chain of the Nigerian oil and gas industry. The Act comprises five chapters, 319 sections, and eight schedules, addressing various aspects such as rights of pre-emption, incorporated joint ventures, domestic base price and pricing framework, pricing formula for gas-based industries, capital allowances, production allowances and cost price ratio limit, petroleum fees, rents and royalty, and the creation of the Ministry of Petroleum Incorporated.

Additionally, the PIA contains 'grandfathering' provisions which effectively preserve the provisions of the Petroleum Act until the termination or expiration of all OPLs and OMLs granted pursuant to the Petroleum Act.

The PIA also retains the applicability of any tariff, price, levy, or surcharge, which was payable to the Department of Petroleum Resources, Petroleum Product Pricing Regulatory Agency or Petroleum Equalisation Fund prior to the effective date of the PIA until the expiration of the term of the said tariff, price, levy or surcharge or until alternative provisions are made pursuant to the provisions of the PIA or any regulations made pursuant thereto, whichever is earlier.

Presidential Compressed Natural Gas Initiative

In March 2022, the Former President Buhari approved The Presidential Compressed Natural Gas Initiative with the aim to ease the impact of Gasoline Subsidy removal on Nigerians and to promote the use of compressed natural gas as an alternative fuel source to help address energy shortages and reduce the country's reliance on petroleum. Launched to enhance the energy mix and provide a more environmentally friendly option for transportation and power generation, the initiative seeks to expand the compressed natural gas infrastructure, including refuelling stations and distribution networks. By encouraging investment in compressed natural gas initiative technology and infrastructure, the initiative aims to boost

local production, create jobs, and improve energy access across Nigeria, ultimately contributing to the nation's economic development and sustainability goals.

Decade of Gas Programme

The Decade of Gas Programme is a key driver of the use of natural gas resources in Nigeria, with a focus on supporting economic development and energy transition. The initiative was officially launched by the former President Buhari on 29 March 2021, with the goal to enhance economic growth through the prioritisation of domestic natural gas development and its utilisation by 2030. Nigeria has over two hundred and nine trillion cubic feet of proven natural gas reserves, proving great potential for economic growth. As of the date of this Offering Circular, Nigeria remains committed to transforming into a gas-powered economy with gas production expected to grow by over 50% between 2020-2030. The implementation of several policies, including the enactment of the PIA, the Nigerian Energy Transition Plan, and the Gas Flaring Venting, and Methane Emissions (Prevention of Waste and Pollution) Regulation 2023, has significantly contributed to the success of the Decade of Gas Programme.

Governance and Institutions

The PIA has overhauled the governance and regulatory institutions in the petroleum industry. In addition to qualifying the powers of the Minister of Petroleum Resources as previously exercised under the Petroleum Act and introducing some regulatory restraints thereto, the PIA has dimensioned the management and regulatory oversight over the entire value chain of the oil and gas industry.

The main objectives of the new governance structure introduced by the PIA, as stated therein, include to:

- create efficient and effective governing institutions with clear and separate roles for the petroleum industry;
- establish a framework for the creation of a commercially oriented and profit-driven national petroleum company;
- promote transparency, good governance and accountability in the administration of the petroleum resources of Nigeria;
- foster a business environment conducive for petroleum operations; and
- deepen local content practice in the Nigerian oil and gas industry.

The governance and institutional framework established under the PIA comprises four entities: (a) the Minister of Petroleum Resources; (b) the Nigerian Upstream Petroleum Regulatory Commission (the “**Commission**”); (c) the Midstream and Downstream Petroleum Regulatory Authority (the “**Authority**”); and (d) NNPC Ltd. The specific roles of each of the foregoing are summarized below:

- the Minister of Petroleum Resources is responsible for exercising general supervision over the affairs and operations of the Industry, as well as formulating, monitoring and administering government policy in the Industry;
- the Commission is the primary regulator of upstream petroleum activities, including technical, operational and commercial activities within the upstream segment of the Industry;
- the Authority is the primary regulator of the midstream and downstream segments of the Industry, including petroleum liquids operations, domestic natural gas and export natural gas operation; and
- NNPC Ltd is to be incorporated by the Minister within six months of commencement of the PIA, with the ownership of all its shares vested in the Federal Government at incorporation and held by the Ministry of Finance Incorporated and the Ministry of Petroleum Incorporated in equal portions on behalf of the Government. The Minister of Petroleum Resources and the Minister of Finance are to, within eighteen months of the date the PIA comes into force, determine the assets, interests and liabilities of the Nigerian National Petroleum Corporation, which will be transferred to NNPC Ltd. Any assets, interests and liabilities of NNPC not transferred to NNPC Ltd will remain with NNPC until extinguished or transferred to the Government after which NNPC shall cease to exist. Pursuant

to this, NNPC Ltd was incorporated as a Limited Liability Company under the CAMA 2020 in September 2021.

Licensing Regime

The PIA has introduced a new licensing regime for upstream companies by creating the petroleum exploration licence (“**PEL**”), PPL, and PML, which may be granted by the Commission to companies incorporated and validly existing under the CAMA 2020. A PEL is valid for three years and may be renewable for an additional three years subject to the holder fulfilling the prescribed conditions. A PPL for onshore and shallow water acreage is granted for a duration of not more than six years whilst a PPL for deep offshore and frontier acreages shall be granted for a duration of not more than ten years, comprising an initial exploration period of five years and an optional period of five years. A PML shall be granted for a maximum period of twenty years which shall include the development period. Holders of a PPL, PML or PEL may not assign, novate or transfer the licence, lease or any right, power or interest therein without the prior written consent of the Minister of Petroleum Resources, or, in the case of a PEL, the Commission.

Under the PIA, holders of existing OPLs or OMLs have the option to convert their subsisting interests to a PPL or PML, by entering into a voluntary conversion contract (the “**Conversion Contract**”). The holder of an OPL or OML who complies with the provisions of the PIA, shall benefit from applicable fiscal incentives. Please note that in the event of a voluntary conversion, the Conversion Contract shall: (a) contain a termination clause of all outstanding arbitration and court cases related to the OPL or OML; (b) provide that any stabilization provisions or guarantees provided by the NNPC in respect of the OPL or OML to be converted shall be null and void; and (c) the incentive provisions contained in Sections 11 and 12 of the Petroleum Profit Tax Act (which set out the incentives for utilization of associated gas and non-associated gas) shall no longer apply. In the absence of a conversion, the previous regime (under the Petroleum Act) will continue to apply to an OPL and OML until expiration or termination.

The PIA prohibits players in the midstream and downstream gas sectors from engaging in petroleum operations such as the establishment, construction or operation of natural gas processing facilities, natural gas supply facilities, transportation networks, pipelines and petroleum refineries, engaging in bulk transportation of gas, or wholesale or retail gas supply without the license or approval of the Authority. Licenses for establishment of refineries shall be issued by the Minister of Petroleum Resources, on the recommendation of the Authority.

Host Communities Development Fund

The PIA also makes provisions to tackle host community issues to, amongst other things, foster peaceful and harmonious co-existence between licensees or lessees and host communities. The PIA further confers on the NUPRC and the NMDPRA the powers to make regulations within their areas of jurisdiction with respect to host communities. Pursuant to this, the NUPRC enacted the Nigerian Upstream Petroleum Host Communities Development Regulations, 2022 which are applicable to holders of a licence or lease engaged in upstream petroleum operations. Accordingly every ‘settlor’ (defined under the PIA as a holder of an interest in a PPL or PML whose area of operations is located in or appurtenant to any community or communities) is mandated to incorporate a trust for the benefit of the host communities (defined as communities situated in or appurtenant to the area of operation of a settlor, and any other community as a settlor may determine under Chapter 3 of the PIA), for which the settlor is responsible (“**Host Community Development Trust**”).

The settlor must appoint a body of trustees who shall be registered at the Corporate Affairs Commission, for the purpose of setting up the Host Community Development Trust. The constitution of each host community development trust shall, amongst other provisions, establish a fund comprising of one or more accounts, into which each settlor (acting through the operator, where applicable), shall make an annual contribution of 3% of its actual annual operating expenditure of the preceding financial year in respect of all petroleum operations affecting the host communities for which the applicable Host Community Development Trust was established. The Host Community Development Trust is tax exempt, and payments made by the settlor are tax deductible. Every settlor is mandated to transfer any existing host community development project or scheme to the Host Community Development Trust established pursuant to the provisions of the PIA. This initiative aims to address the historical concerns of oil-producing communities by ensuring that they receive direct benefits from resource extraction.

The PIA also provides for the establishment of the Frontier Exploration Fund, with an escrow account into which NNPC Ltd shall transfer 30% of its profit oil and profit gas, and which funds shall be utilised for the exploration and development activities in frontier acreages, subject to appropriation by the National Assembly.

Fiscal Regime

The PIA overhauls the tax and fiscal framework relating to the Nigerian oil and gas industry. The key fiscal amendments made by the PIA are discussed below.

While the FIRS shall have the remit of the assessment, collection and enforcement of hydrocarbon tax, companies' income tax and the tertiary education tax, the Commission shall be responsible for the determination and collection of: (a) royalties, signature bonus, rents, related payments and their enforcement; and (b) related payments or production shares where the model agreement includes provisions related to production sharing, profit sharing or risk service provisions, and the Authority shall be responsible for the determination and collection of the gas flare penalty arising from midstream operations and its enforcement under the PIA.

Fiscal Framework for Upstream Operations

The PIA splits the current Petroleum Profits Tax regime into hydrocarbon tax and companies' income tax, in addition to the pre-existing tertiary education tax and withholding tax on dividends.

- 1) **Hydrocarbon Tax:** Hydrocarbon tax shall be assessed on profits accruing from crude oil, condensates and natural gas liquids derived from associated gas and produced in the field upstream of measurement points, and is payable during each accounting period, at the rate of 15% - 30% pursuant to Section 267 of the PIA. Hydrocarbon tax is not deductible for the purpose of determining the applicable companies' income tax.
- 2) **Companies Income Tax:** Upstream petroleum operations shall be subject to companies income tax under the Companies Income Tax Act ("CITA"). Natural gas transferred or disposed from the upstream to the midstream or downstream, shall be subject to tax under CITA.
- 3) **Rent:** Every PPL and PML shall be subject to rent as prescribed in the relevant regulation, and rent shall be an amount per hectare per year.
- 4) **Royalty:** The PIA establishes new royalty rates applicable to crude oil and natural gas as follows:
 - (a) **Royalty by production for crude oil and condensate:** this is to be calculated on a field basis, as a percentage of the chargeable volume of the crude oil and condensate produced from the field area in the relevant month. Royalties are payable at the rates of 15% for onshore assets, 5% - 12.5% for shallow water (up to 200m depth water), 5% - 7.5% for deep offshore (greater than 200m water depth), and 7.5% for frontier basins.
 - (b) **Royalty by production for natural gas and natural gas liquids:** this shall be calculated at 5% of the chargeable volume and 2.5% for natural gas produced and utilized in-country. The PIA therefore gives a further tax incentive for domestic production and utilization of natural gas.
 - (c) **Royalty by price:** the PIA provides for royalty by price with respect to crude oil and condensates. The royalty rates are as follows: 0% for crude oil and condensates below U.S.\$50 per barrel; 5% for crude oil and condensates at U.S.\$100 per barrel, 10% for crude oil and condensates above U.S.\$150 per barrel. The paragraph further provides that royalty by price between U.S.\$50 and U.S.\$100 per barrel and between U.S.\$100 and US\$150 per barrel shall be determined based on linear interpolation. Royalty derived from royalty by price shall be credited to the Nigerian Sovereign Investment Authority, and there will be no royalty by price for frontier acreages.

Fiscal Framework for Midstream and Downstream Operations

Under the PIA, entities engaged in downstream and midstream operations are entitled to the fiscal incentives under CITA. The PIA provides that all companies engaged in domestic midstream petroleum operations, downstream gas operations and large-scale gas utilization industries as defined in the PIA, shall be entitled to benefit from the incentives provided under Section 39 of the CITA.

Before the enactment of the PIA, companies engaged in midstream petroleum operations (which includes construction and operation of natural gas transport or transmission pipelines) were not entitled to the incentives in Section 39 of CITA. The PIA changed this fiscal regime to enable such companies to benefit from tax incentives under CITA, including an initial tax-free period of three years which may, subject to the satisfactory performance of the business, be renewed for an additional period of two years.

In addition, at the expiration of the tax-free period granted under CITA, Section 302(6) of the PIA further grants an additional tax-free period of five years to investors in gas pipelines. This complements the Government's policy to encourage investment in the gas sector and make gas a major revenue earner for Nigeria.

The 2024 Executive Order and Directives

On 28 February 2024, President Tinubu signed one executive order and two directives (the "**Executive Orders**") aimed at introducing positive reforms to the oil and gas sector. The Executive Orders put in place fiscal incentives for certain types of non-associated gas projects, reduce contracting costs and timelines in the sector, as well as obliterating any leakages impacting the compliance with local content requirements within the Nigerian oil and gas sector. The Executive Orders are as follows:

- **Oil and Gas Companies (Tax Incentives, Exemption, Remission, etc.) Order 2024 ("Tax Incentive Order")**

Pursuant to the Tax Incentive Order, non-associated gas ("**NAG**") greenfield developments in onshore and shallow water locations, that have a first commercial production date that occurred on or before 1 January 2029, shall, where the hydrocarbon liquids content:

- (i) does not exceed 30 barrels per million standard cubic feet ("**MMSCF**"), enjoy a gas tax credit at the rate of U.S.\$1.00 per thousand cubic feet or 30% of the fiscal gas price, whichever is lower; and
- (ii) exceeds 30 barrels per MMSCF, but is lower than 100 barrels per MMSCF, enjoy a gas tax credit at a rate of U.S.\$0.50 per thousand cubic feet, or 30% of the fiscal gas price, whichever is lower.

Additionally, the Tax Incentive Order provides that gas companies undertaking new and ongoing projects in the midstream oil and gas industry, which is subsisting as at the date of the Tax Incentive Order, shall be granted a gas utilization investment allowance on qualifying expenditure on plant and equipment, at the rate of 25% of the actual expenditure incurred on such plant and equipment purchased.

- **Presidential Directive on Local Content Compliance Requirements, 2024 ("Local Content Directive")**

The Local Content Directive seeks to plug leakages in the industry, as it expressly empowers the Nigerian Content Monitoring and Development Board ("**NCDMB**") to reject a Nigerian Content Plan ("**NCP**") that has an intermediary entity that lacks the essential capacity to perform the services stated in the NCP. Additionally, any NCP approved by the NCDMB must show genuine and demonstrable capacity of the company to execute the relevant project or activity within Nigeria.

Finally, the Local Content Directive empowers the NCDMB to develop guidelines for accessing and verifying the capacity of companies seeking contracts for specific activities under the Local Content Act.

- **Presidential Directive on Reduction of Petroleum Sector Contracting Costs and Timelines, 2024 (“Contracts Directive”)**

The Contracts Directive states that NNPC Ltd’s consent for the award and procurement of contracts under Production Sharing Contracts (“PSC”) or Joint Operating Agreements (“JOA”), shall only be triggered in relation to a minimum financial threshold of U.S.\$10 million, or the Naira equivalent determined at the NAFEX FMDQ exchange rate, or any other platform determined by the CBN.

Additionally, the consent and approval timelines required pursuant to the terms of PSCs or JOAs, including the communication of the decision by NNPC Ltd and NNPC Upstream Investment Management Services (“NUIMS”) in this regard to an applicant, shall be within 15 days from the date of submission of the relevant application. The failure of NNPC Ltd or NUIMS to communicate the sufficiency or otherwise of an applicant’s application within the timeframe provided will result in a deemed approval of such application.

The NCDMB is also required to review any NCP and communicate its decision within ten days, as stipulated under the Local Content Act. In the absence of any communication from NCDMB, the NCP will be deemed to have been approved upon the expiration of the stipulated timeline. Similarly, for all other applications to the NCDMB that do not have stipulated timelines, NCDMB is required to respond within fifteen days of NCDMB’s receipt of the request, otherwise such request would be deemed to have been approved.

Finally, the Contracts Directive provides that the duration of third-party contracts awarded pursuant to a PSC or JOA should be increased from three years to five years, with the option of renewal for an additional two years, after the expiration of the initial five-year term.

On 23 April 2024, the Federal Government also released the following Implementation Guidelines for these Executive Orders:

- (3) Federal Inland Revenue Service Guideline on the applicability of Tax Credits and Allowances for Non-Associated Gas Greenfield Development;
- (ii) Nigerian Upstream Petroleum Regulatory Commission Guideline on Hydrocarbon Liquid Content in a NAG field; and
- (iii) Federal Inland Revenue Service Guideline on the applicability of the Midstream Capital and Gas Utilization Allowance.

Subsidy Re-investment and Empowerment Programme

The Subsidy Re-investment and Empowerment Programme (the “SURE-P Programme”) was implemented in February 2012 as a means of utilising the savings from reduced fuel subsidies. The objectives of the SURE-P Programme are:

- to mitigate the immediate impact of the partial petroleum subsidy removal on the population by laying a foundation for the successful development of a national safety net programme that targets the poor and vulnerable on a continuous basis. This applies to both the direct and indirect effects of subsidy withdrawal;
- to accelerate economic transformation through investments in critical infrastructure projects, so as to drive economic growth and achieve Agenda 2050; and
- to promote investment in the petroleum downstream sector.

The SURE-P Programme intervened in various sectors of the economy, spending approximately ₦572 billion in its first year of operation. Several infrastructure projects across Nigeria were completed or advanced through SURE-P Programme resources, including the Lagos-Kano and Port Harcourt-Maiduguri railway lines and the Abuja-Lokoja road. The programme also directed resources to social safety net programmes, job creation initiatives, such as the graduate internship scheme, and public works and mass transit programmes. In November 2015, however, the Federal Government discontinued the programme and set up a panel to scrutinise its expenditures for previous years.

Agriculture

Agriculture is a major driver of economic growth in Nigeria and is important to diversifying the Nigerian economy from reliance on oil. Agriculture is divided into four subsectors: crop production (including food crops), forestry (including tree crops), livestock and fishing. For the year ended 31 December 2023, the agriculture sector accounted for approximately 25.2% of real GDP, compared to 25.6% in 2022, 25.9% in 2021, 26.2% in 2020 and 25.2% in 2019. In 2023, the agriculture sector grew by 1.1%, compared to 1.9% in 2022, 2.1% in 2021, 2.2% in 2020 and 2.4% in 2019.

In the six months ended 30 June 2024, the agriculture sector accounted for 21.84% of real GDP and recorded a growth of 0.81% compared to the six months ended 30 June 2023.

The dominance of the oil sector, urbanisation and ineffective policies to modernise the agricultural sector led to a decrease in agriculture's contribution to real GDP from over 60% in the early 1960s, to 25.6% in 2022 and 25.2% in 2023, with crop production being the most important subsector, contributing 23.1% and 22.9% of total real GDP for 2022 and 2023, respectively. Since 2005, agriculture has been one of the largest drivers of Nigeria's GDP growth, due primarily to large increases in crop production. The agriculture sector accounted for approximately 25.90%, 25.60% and 25.20% of non-oil exports from Nigeria in 2021, 2022 and 2023, respectively.

Crops

Palm oil and cassava are the traditional Nigerian crops. Between 2019 and 2023, Nigeria's primary crops, in terms of production, were cassava, yam, maize, guinea corn/sorghum, rice, vegetables and millet.

The following table sets forth crop production levels for the periods indicated:

<i>Crop</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
			<i>(metric tonnes)</i>		
Cassava.....	75,424.30	76,897.96	78,913.75	79,190.95	80,778.62
Yam.....	49,155.40	49,396.14	50,116.53	49,921.50	50,720.25
Maize.....	19,245.23	19,476.93	19,578.18	19,475.25	20,045.28
Guinea corn/Sorghum.....	17,658.90	17,853.18	18,027.19	18,066.11	18,319.37
Millet.....	11,335.90	11,480.60	11,386.90	11,336.62	11,618.00
Vegetables.....	10,955.60	11,276.13	11,801.63	12,064.63	12,243.86
Beans/Cowpeas.....	8,808.20	8,915.11	8,989.53	8,774.06	8,840.76
Rice.....	9,479.80	10,728.42	12,337.26	12,615.26	12,717.11
Groundnut/Peanut.....	6,229.02	6,506.17	6,404.52	6,593.75	6,995.10
Cocoyam.....	4,709.00	4,810.84	4,895.58	4,999.46	5,064.45
Sugarcane.....	4,172.59	4,297.63	4,326.16	4,456.36	4,536.47
Soya Bean.....	3,079.29	3,197.76	3,226.19	3,291.47	3,326.10
Potatoes.....	3,195.40	3,260.56	3,273.08	3,356.72	3,450.49
Plantain.....	2,884.00	2,935.94	2,956.88	3,030.91	3,109.41
Cotton.....	1,040.58	1,116.83	1,148.41	1,208.23	1,169.11
Palm oil.....	471.25	484.08	505.36	522.71	517.41

Source: Central Bank of Nigeria

Between 2019 and 2023, Nigerian crop production increased broadly, with cassava production rising by 7.0% from 75,424.3 metric tonnes in 2019 to 80,778.6 metric tonnes in 2023 and yam production rising by 3.2% from 49,155.4 metric tonnes in 2019 to 50,720.3 metric tonnes in 2023. The general increase in output in recent years is attributed to targeted government subsidies, increased local fertiliser production, favourable weather, and the expansion of digital agriculture platforms. Other factors that boosted growth were the adoption of improved varieties of seedlings, as well as foreign investment.

There are various projects operating to boost agriculture and food security in Nigeria. For example, in April 2024, the National Council on Privatisation approved the recommendations from the committee on the Bank of Agriculture to ensure food security for Nigerians. One of the key recommendations includes upgrading the Bank's information technology capabilities to automate processes, thereby improving efficiency and operations to provide an environment in which food security can be effectively prioritised. Additionally, in May 2024, the Bureau of Public Enterprises inaugurated a team tasked with the recapitalization and full commercialisation of the Nigerian Agricultural Insurance Corporation and the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending. The team comprises representatives from key stakeholders such as the National Insurance Commission, the CBN, the Federal Ministry of Agriculture and Food Security, and the Nigerian Agricultural Development Fund. The breadth of expertise

from these various stakeholders will invariably assist the team in their efforts to achieve the Federal Government's goals of improving food security in Nigeria.

Livestock

Real GDP of the livestock sub-sector shrank by 8.61% in 2023, compared to a growth of 0.6% in 2022. The development in livestock production was largely driven by the respective 16.5 % and 10.4% drop in poultry and egg production. Additionally, mutton, goat meat, and milk all decreased by 9.8%, 9.3%, and 9.2% respectively. According to the UN Food and Agriculture Organisation, the gross production index of livestock increased from 101.37 in 2019 to 112.9 in 2022, as a result of support provided to the livestock industry to incorporate modern production methods, which included the establishment of modern abattoirs and sanitary sales outlets across the country.

In July 2024, President Tinubu announced the creation of the Federal Ministry of Livestock Development to promote the growth and development of the livestock sector and to support in the resolution of the farmer-herder crisis through strategic investment, reducing costly dairy imports, and creating jobs.

Forestry

Real GDP of the forestry sub-sector grew by 1.7% in 2023, compared to 1.6% in 2022. In order to sustain wood production over time, the Forestry Research Institute of Nigeria has intensified the supply of improved breeder seedlings to replace the harvested tree stocks.

Fishing

Real GDP of the fishery sub-sector shrank by 1.4% in 2023, compared to a growth of 0.5% in 2022. Under the First NIP, the Government planned to increase domestic fish production from all sources to reach a sustainable and self-sufficient level that would permit fish exports in the medium and long term. The Government targeted projects in the subsector, including: the establishment of 120 fish farms, the improvement of inland fisheries, the construction of ornamental fish development centres, the certification and standardisation of fish seed and feed, the development of shrimp farms, and the establishment of feed mills and fish resources monitoring. Following the 2011-2015 Agricultural Transformation Agenda, the fisheries subsectors garnered interests of prospective investors in the public private partnership ventures for the lease and management of the three fishing terminals at Ebughu (Cross River), Igbokoda (Ondo) and Kirikiri (Lagos) and the Borokiri Fishing Terminal (Rivers) in line with government policy. The Federal Government also established six fish markets in Jebba (Kwara), Yauri (Kebbi), Erinwe (Ogun), Atabong (Akwa-Ibom), and promoted the production of all-male Tilapia technology and other culturible fishes for diversified and increased fish production in the country. Under the Agriculture Promotion Policy (2016 to 2020), the Federal Ministry of Agriculture and Food Security aimed to add 37,600 tonnes of fish to annual national fish production, with 200 jobs expected to be created, as well as improving fish quality and wholesomeness, both for local consumption and export market. The ministry also targeted a 50% reduction in post-harvest losses in fish and a significant increase in homestead fish farming and use of mobile tanks for fish production. Following the expiration of the Agriculture Promotion Policy in 2022, the Nigerian government launched a new framework called the National Agricultural Technology and Innovation Policy (“**NATIP**”) (2022-2027), a policy designed to guide agricultural development. NATIP aims to integrate technology and innovation into agriculture, enhance mechanisation, and boost public and private sector collaboration. Key focus areas include improving access to agricultural inputs, training farmers, especially women and youth, and fostering sustainable agricultural practices. The Federal Government have collaborated with various organisations, including the Food and Agriculture Organisation and AU-IBAR to develop strategies to enhance the environmental sustainability of Nigeria's fisheries.

Agricultural Policy

Agriculture in Nigeria is largely subsistence-based, but the Government aims to modernise the sector, building on reforms initiated in 2011. One of the central aims of the NDP 2025 is for the agriculture and food ecosystem in Nigeria to become the primary driver of growth, wealth creation and employment in the country. The NDP 2025 targets a 10% annual growth rate in Nigeria's agriculture and food ecosystem by 2025, driven by entrepreneurship and leveraging technology and innovation to ensure the provision of

affordable and nutritious food, enabling Nigerian families to locally substitute at least 60% of current food imports and spend less than 40% of their household income on food.

The Government, through the Federal Ministry of Agriculture and Food Security, has a number of ongoing projects related to crop production, livestock and breeding, fish farming, agro-processing, education and employment and green initiatives. Among others, the Government launched the following programmes to support and develop the agriculture sector:

- ***The Agro-Processing, Productivity Enhancement and Livelihood Improvement Support (“APPEALS”) Project:*** Approved in September 2017, the APPEALS Project is assisted by U.S.\$200 million World Bank financing and is designed to enhance agricultural productivity of small and medium scale farmers and improve value addition along priority value chains in the six participating States. The APPEALS Project ran from 2017 to 2023.
- ***Green Imperative Project:*** Nigeria launched the Green Imperative Project in January 2019, to enhance agricultural mechanisation, extension services, agro-processing and marketing nationwide.
- ***The Agriculture Promotion Policy (2016-2020):*** In 2016, the Federal Government introduced the Agricultural Promotion Policy (2016 – 2020), with the aim of consolidating the gains, building on the successes of the Agricultural Transformation Agenda, closing key gaps. Titled “The Green Alternative”, the Agriculture Promotion Policy prioritises food security, import substitution, job creation and economic diversification. The policy emphasis is on providing a conducive legislative and agricultural knowledge framework, macro policies, security-enhancing physical infrastructure and institutional mechanisms for coordination and enhancing access to adequate inputs, finance, information on innovation, agricultural services and markets.
- ***Growth Enhancement Support Scheme and Electronic Wallets:*** The Growth Enhancement Scheme was set up to register smallholder farmers and provide targeted input subsidies whereby farmers gain improved access to fertilisers and seeds. The Growth Enhancement Support Scheme aims to increase agricultural productivity by raising fertiliser consumption and increasing the use of improved seed varieties.
- ***The Agricultural Transformation Agenda:*** In 2011, the Federal Government launched the Agricultural Transformation Agenda, with the aim of transforming the agricultural sector to create jobs and wealth and ensure food security. Reforms under the Agriculture Transformation Agenda helped to create more direct farm jobs, increase national food production of maize, rice and cassava and thus reduced Nigeria’s food import bill.
- ***Rice Transformation Agenda:*** The primary goal of the Rice Transformation Agenda was to make Nigeria self-sufficient in rice and rice processing. The policies under the Rice Transformation Agenda focus on raising productivity, improving the capacity and quality of rice milling, and incentivising domestic rice production. In October 2016, the Federal Government raised import duties on certain food items that had local alternatives, including rice, from 10% to 60%.
- ***Cassava Transformation Agenda:*** The Cassava Transformation Agenda seeks to expand cassava processing via the partial substitution of wheat flour with cassava flour in bread baking. This substitution is expected to have significant and wide-reaching effects on the economy by providing markets for cassava farmers, reviving cassava processing plants, and reducing the cost of inputs for bakers. The Government aims to expand the production of cassava, not just to achieve improved food security, but also to boost its export.
- ***The Presidential Fertiliser Initiative:*** The initiative is aimed at ensuring domestic capacity for production of fertiliser, specifically NPK 20:20:10, to deliver fertiliser to farmers ahead of the wet farming season.
- ***NATIP:*** The initiative is aimed at modernizing the agricultural sector by leveraging technology and innovation. It focuses on improving productivity, promoting mechanization, and enhancing market access to transform agriculture into a more efficient, competitive, and sustainable industry.

- ***Harmonized Extension Manual and National Extension Policy:*** This aims to strengthen agricultural extension delivery services to bridge the gap between research institutions, input suppliers, and marketers. By promoting regenerative agriculture and nature-based solutions, Nigeria aims to transform its food systems and diversify the economy, reduce dependence on petroleum, and drive economic growth. Initiatives such as enhanced crop production, export growth, and technology adoption are expected to boost the sector. Youth participation in agriculture is also being encouraged through training, access to funding, and land allocation.

In addition, the Federal Ministry of Agriculture and Food Security has implemented the Rural Access and Mobility Project. The U.S.\$308.7 million project, sponsored by the World Bank and the French Development Agency, is designed to improve transport conditions and bring sustained access to the rural population, through rehabilitating and maintaining key rural transport infrastructure in a sustainable manner. The project is expected to reduce travel time and cost of transport, therefore reducing post-harvest losses and increasing farmers' income, as well as increase employment in the sector. Although completion was initially anticipated by the end of 2018, the project has been extended and is currently ongoing.

Mining and Quarrying

Nigeria produces numerous solid minerals, including limestone, stone aggregates, laterite, sand, lead and gold. GDP in the mining and quarrying sector contracted in 2023 by 2.8%, compared to a contraction of 18.2% in 2022, 7.8% in 2021, 8.5% in 2020 and a growth of 4.4% in 2019.

In 2023, the mining and quarrying sector contributed 5.6% to Nigeria's real GDP, compared to 5.9% in 2022, 7.41% in 2021, 8.31% in 2020, and 8.9% in 2019.

In the six months ended 30 June 2024, the mining and quarrying sector accounted for 6.15% of real GDP and contracted by 7.0% compared to the six months ended 30 June 2023.

Nigeria is endowed with over 34 mineral commodities in commercial quantities, widely distributed across 450 locations across the country. Prior to the emergence of the oil sector, the mining and quarrying sector was one of the key sectors of the Nigerian economy. Until the 1960s, coal and tin were mined and exported on a large scale and the sector contributed significantly to the GDP at an average of 12% between 1965 and 1975. A combination of unfavourable government policy, changing country circumstances and poor management of state-owned enterprises led to a severe decline in the mining sector and minimal new foreign or domestic investment in mineral exploration and development. Progress has been made in recent years, however, with regard to legal and regulatory reforms.

The Nigerian Minerals and Mining Act, No. 20 of 2007 ("**Minerals and Mining Act**") is the principal legislation in respect of the mining industries and the sector is regulated by the Ministry of Solid Minerals Development. In 2008, the Government continued to implement relevant policies aimed at reforming the mining sector. Such policies included:

- the reform of the Nigerian Mining Cadastre System;
- the development of a National Minerals and Metals Policy;
- the enactment of the Minerals and Mining Act, with guaranteed security of tenure and attractive fiscal incentives, such as tax holidays and import duty waivers for prospectors;
- the privatisation of moribund public mining institutions, mineral promotion, and human resources development; and
- the development of skills for indigenous mining companies, through technical support services and funding, as well as enhanced support for artisanal and small-scale miners who constitute over 90% of local operators in the mining industry.

Following the enactment of the Minerals and Mining Act, the existing Mining Cadastre Department was re-established as an autonomous body responsible for the administration and management of mineral titles and the maintenance of cadastre registers. In 2009, the Ministry of Mines and Steel Development reviewed and updated the geological maps of the country and produced geological maps for every state and the Federal

Capital Territory in digital format. In addition, it received the country's geodetic network and completed its cartographic coverage to facilitate a more accurate determination of mining titles.

In September 2011, the Ministry of Solid Minerals Development issued the Nigerian Minerals and Mining Regulations 2011, which were intended to establish a more coordinated and accountable solid minerals sector in the country and to stamp out the discretionary grant of mineral titles. Consistent with the Minerals and Mining Act, the 2011 Regulations defined various categories of licences and leases to be issued in relation to mining activities and prescribed qualifications, procedures and processes for the regulation of exploration and mining operations generally, including acquisitions of the titles to engage in such operations.

In 2017, The Federal Government of Nigeria launched the "Roadmap for the Growth and Development of the Nigerian Mining Industry" (2016-2025), with the goal of achieving a globally competitive mining sector by 2025. The roadmap emphasizes diversifying the economy away from oil and gas and increasing the contribution of mining to the nation's GDP.

The Nigerian Minerals and Mining Act 2023 was passed to regulate the exploration and exploitation of solid minerals. It covers issues such as ownership and control of minerals, mining incentives, environmental considerations, and host community rights. The reform extends to the organisation of artisanal miners into cooperatives and other dynamic organisations to improve their working conditions, access to capital, and environmental impact.

The Ministry of Mines and Steel Development which has now been bifurcated into two ministries – Ministry of Steel Development; and Ministry of Solid Minerals Development has identified seven strategic minerals that are considered critical to Nigeria's industrial development. These are gold, coal, barites, limestone, lead/zinc, iron ore and bitumen. Nigeria's mining sector could include a focus on lithium and other critical minerals, which are increasingly important for Nigeria's future industrial growth and its role in the global energy transition. In recent years, the Government has emphasized the mining of lithium, particularly due to its relevance for batteries in electric vehicles and renewable energy storage, with lithium deposits being found in states like Nasarawa, Kogi, Kwara, and Ekiti. These developments aim to position Nigeria as a significant player in the global battery metals market.

President Tinubu's directive to the Federal Ministry of Solid Minerals Development to issue mining licenses to entities that can prove local value addition marks a significant shift towards harnessing the sector's potential. The Federal Government's recent initiative to review license fees is expected to increase the financial contributions of the mining sector to the national treasury.

The Government's vision is to make Nigeria a leader in critical metals, and to achieve this, the Government is implementing wide-ranging reforms aimed towards enhancing transparency, minimizing damage to the environment, improving regulatory clarity, and boosting investor confidence to create a sustainable environment for investors. The mining industry is expected to play a vital role in driving economic growth, creating jobs, and contributing to the nation's foreign exchange earnings.

As part of the strategic initiative to create a robust and diversified economy, significant efforts are being made to improve mining production and the mining sector overall. This includes a comprehensive approach to enhancing mining activities through the implementation of advanced technologies and sustainable practices, as well as investing in the exploration and extraction of high-value minerals to unlock the full potential of our mineral resources. The Government has emphasised that this structural reform is of paramount importance and is dedicating significant resources and attention to its successful implementation. By prioritising improvements in the mining sector, the Government aims to create a more resilient and sustainable economy, less dependent on oil and better equipped to handle global market fluctuations.

Manufacturing

In 2023, the manufacturing sector accounted for approximately 8.81% of Nigeria's real GDP, compared to 8.92% in 2022. In the six months ending 30 June 2024, the manufacturing sector accounted for 9.22% of real GDP, compared to 9.38% in the six months ending 30 June 2023.

The largest component of manufacturing sector output is food, beverage and tobacco, which contributed 4.44% to real GDP in 2023, compared to 4.42% in 2022, 4.39% in 2021, 4.30% in 2020 and 4.15% in 2019.

The contribution of oil refining to real GDP was 0.01% in 2023, compared to 0.02% in 2022, 0.03% in 2021, 0.05% in 2020 and 0.14% in 2019. The contribution of the cement sector to real GDP was 0.94% in 2023, compared to 0.93% in 2022, 0.91% in 2021, 0.88% in 2020 and 0.83% in 2019.

Nigeria manufactures a variety of goods, including cement, pharmaceutical and chemical products, beverages, food, glass, paints, paper, plastic, textiles, cigarettes, sugar, wood products, soaps, beer, confectioneries and soft drinks. Trucks, motorcycles and passenger cars are assembled in Nigeria. Conglomerates such as Dangote Group, Flour Mills of Nigeria Plc, John Holts, Dana Group and AG Leventis, and multinationals such as Unilever, PZ Cussons, Nestlé Plc, Guinness, Nigerian Breweries (Heineken) and Lafarge are the largest participants in the manufacturing sector in Nigeria.

PZ Cussons experienced a 19.6% decrease in revenue up to 31 May 2024, with profits decreasing by 39.7%. In April 2024, PZ Cussons unveiled their plans to offload their holdings in Nigeria to simplify operations, demonstrating the impact of the devaluation of the Naira on a once key operator in the manufacturing industry.

Over the years, the Federal Government has put in place several tax incentives to encourage the development of the manufacturing sector. The tax incentives include granting pioneer status to exporting companies that establish new industries or expand existing facilities in sectors deemed vital to the economy such as telecommunication and gas utilisation. The pioneer status confers a tax holiday from income tax for a period of up to five years (three years in the first instance, which may be extended for a further two-year period) from the date of first production. A tax credit of 20% of costs is also granted for a period of five years to engineering companies which use a minimum of 60% of locally sourced raw materials for production. Dividends received from small companies in the manufacturing sector in the first five years of their operation are also tax-exempt.

Nigeria's post-independence industrialisation strategy was based on the import substitution strategy, which was supported through trade restrictions such as tariffs, the creation of industrial zones and other restrictive policies. Following Nigeria's involvement with international trade organisations, as well as regional agreements such as ECOWAS and the inability of the industrial sector to meet domestic demand, Nigeria has gradually liberalised its trade policies. See "*Foreign Trade and Balance of Payments—Foreign Trade—Trade Policy*". Additionally, the development of the manufacturing sector has historically been constrained by poor infrastructure, including erratic power supply, and poor transportation systems leading to high transportation costs, increased diesel used in private power generation, and high interest rates. Other constraints include smuggling, counterfeiting and dumping of foreign goods in Nigerian markets, which has created unfair competition and resulted in the closure of several local manufacturing plants. The government is working to address the critical infrastructure constraints as well as smuggling and counterfeiting. In December 2016, the Minister of State, Industry and Investment reiterated that some of the issues faced by the textile manufacturing industry are smuggling and counterfeiting, which the government was taking steps to address.

In April 2010, the CBN approved a ₦200 billion Manufacturing Intervention Fund to refinance and restructure banks' loans to the manufacturing sector and increase the availability of credit to the sector. The objectives of the Manufacturing Intervention Fund are to accelerate the development of the Nigerian manufacturing sector by improving access to credit by manufacturers, improving the financial position of banks, increasing output, generating employment, diversifying the revenue base, increasing foreign exchange earnings, and providing inputs for the industrial sector on a sustainable basis. The Bank of Industry is the managing agent for the Manufacturing Intervention Fund and is responsible for its day-to-day administration.

Since 2015, the CBN has introduced and implemented pivotal interventions to strengthen the resilience of the manufacturing sector. These interventions include the Real Sector Support Facility – through the Differentiated Cash Reserve Requirement where the CBN established a ₦300 billion facility to support large enterprises; COVID-19 Intervention for the Manufacturing Sector; Textile Sector Intervention Facility; Presidential Fertiliser Initiative; CBN-Bank of Industry Facility; and 100 for 100 Policy on Production and Productivity.

The current administration has rolled out several initiatives to boost Nigeria's manufacturing sector, reflecting its commitment to sustainable economic growth and job creation. These measures aim to address

long-standing challenges in the sector, stimulate productivity, and foster economic resilience amid ongoing economic reforms. As part of a broader effort to mitigate the impact of subsidy removal and exchange rate reforms, the Federal Government has allocated ₦75 billion to support seventy-five manufacturing enterprises by March 2024. Each enterprise will have access to ₦1 billion credit facilities at a competitive interest rate of nine per cent. per annum, with a repayment tenure of up to five years for long-term loans and twelve months for working capital. This funding is expected to catalyse structural transformation, improve productivity, and serve as a foundation for sustainable growth in the sector.

The administration also implemented fiscal reforms aimed at reducing the tax burden on manufacturers. Four executive orders were signed to suspend and defer the commencement of certain taxes, providing necessary relief and headroom for businesses to thrive. These measures are designed to foster a more conducive business environment and enable manufacturers to expand operations and create well-paying jobs. In agriculture-linked manufacturing, the government has committed ₦200 billion out of the ₦500 billion appropriated by the National Assembly to cultivate vital crops such as rice, maize, wheat, and cassava. This initiative will involve private sector collaboration and support smallholder farmers while leveraging Development Finance Institutions and commercial banks to create robust financing structures. The goal is to enhance raw material availability for agro-allied industries and boost food security.

Furthermore, a presidential executive order issued on 11 October 2024, has waived import duties, tariffs, and VAT on specified machinery, equipment, and raw materials used for the production of pharmaceuticals, diagnostics, and medical devices for a period of two years. This executive order aims to boost local healthcare production, reduce the rising costs of essential medical supplies, and play a critical role in enhancing Nigeria's healthcare value chain. It is expected to significantly increase the country's capacity to produce medicines, diagnostics, medical equipment, and other healthcare items.

Construction

The construction sector (excluding real estate) is made up of foreign and local companies. The construction sector contributed approximately 3.56% to real GDP in 2023, compared to 3.54% in 2022, 3.49% in 2021, 3.50% in 2020 and 3.72% in 2019. This sector includes roads, rail, bridges, buildings, ports and waterways.

The construction sector is generally considered a driver of growth in non-oil GDP, with growths of 3.57%, 5.45% and 3.09%, in 2023, 2022 and 2021, respectively.

In the six months ended 30 June 2024, the construction sector accounted for 3.59% of real GDP, as compared to 3.73% for the six months ended 30 June 2023.

The 2015 Buhari election manifesto called for a significant effort to improve infrastructure, starting with a review of the Public Private Partnership enabling environment and calling for a National Infrastructure Development Programme to include the construction of 3,000 kilometres of superhighways and 480 kilometres of modern railway lines. See “— *Transport*” below.

One of the most notable achievements under the Buhari administration was the construction of the Second Niger Bridge in 2022. This bridge was mainly built to reduce traffic congestion between the southeastern and southwestern regions of Nigeria. Alongside this project, others like the Lagos-Ibadan Expressway and the Abuja-Kaduna-Zaria-Kano Road have been developed as part of the Presidential Infrastructure Development Fund. These projects are crucial for improving the country's road networks, facilitating economic activity, and ensuring smoother transport of goods and people.

As of the date of this offering circular, the following construction projects are taking place:

- The Abuja – Kaduna Standard Gauge Railway Modernization Project – the contractual sum of this project was U.S.\$849.8 million. The loan has been fully withdrawn from China EXIM Bank and the project is substantially completed.
- The Lagos – Ibadan Standard Gauge Railway Modernization Project with extension to Apapa Port Complex – the contractual sum of this project was U.S.\$1,581.8 million. The loan has been fully drawn down from China EXIM Bank and the project is substantially completed.

- The Kaduna – Kano Standard Gauge Railway Modernization Project – the contractual sum of this project was U.S.\$1,221.7 million. The loan agreement has just been signed with China Development Bank and is awaiting its first drawdown. The project is at 50% completion.
- The Ibadan – Oshogbo Standard Gauge Railway Modernization Project – the contractual sum of this project was U.S.\$700.3 million. The loan is being finalised with China EXIM Bank.
- The Minna – Abuja Standard Gauge Railway Modernization Project – the contractual sum of this project is U.S.\$999.8 million. The loan negotiation is due to commence with a bank of Dutch origin.
- The Oshogbo – Minna Standard Gauge Railway Modernization Project – the contractual sum of this project is U.S.\$2,611.4 million. The Government is negotiating this with various Chinese financial institutions, led by China EXIM Bank, while also sourcing for *bona fide* financial partners to finance the project.
- The Kano-Katsina-Jibiya-Maradi Single Track Standard Gauge Railways Project and the branch line from Kano to Dutse – the contractual sum of this project is U.S.\$1,959.7 million. The loan has been fully drawn, the Naira financing is substantially drawn but the differential is yet to be paid, and the long-term facilities is being negotiated.
- The Supply of Rolling Stocks, Operation and Maintenance Equipment for Kano-Maradi Standard Gauge Rail Line – the contractual sum of this project is U.S.\$ 984.7 million. The project is awaiting disbursement of the counterpart funding and approval of the conditions of the loan.

Trade

According to the NBS, the trade sector grew by 1.66% in 2023, compared to a growth of 5.13% in 2022, 8.62% in 2021, 8.62% in 2021, against a contraction of 8.49% in 2020 and 0.38% in 2019.

In the six months ended 30 June 2024, the trade sector accounted for 16.05% of real GDP and grew by 0.96% compared to the six months ended 30 June 2023.

The wholesale trade sector consists of foreign and local operators who deal in a wide range of local and imported goods whilst the retail trade sector is dominated largely by local participants. Recently, some regional and international brands have entered the supermarket/department store business (including Shop Rite and Spar). Nigeria, specifically Lagos, is known as a hub for trade in West Africa, although a significant portion of this trade is conducted through the informal sector. See “*Risk Factors—Risks related to Nigeria—A significant portion of the Nigerian economy is not recorded*”.

Financial Institutions

See “*Monetary System — The Nigerian Banking System*”.

Tourism

Nigeria has a rich biodiversity and ecosystem, a rich cultural diversity, historical and geographical sites such as Zuma Rock in the Federal Capital Territory and Olumo Rock in Ogun State, and a number of game reserves such as Yankari game reserve in Bauchi State. There are seven national parks in Nigeria, namely: the Chad Basin National Park in Borno and Yobe states; Cross River National Park in Cross Rivers State; Gashaka-Gumti National Park in Adamawa and Taraba states; Kainji Lake National Park in Kwara and Niger states; Old Oyo National Park in Oyo State; Kamuku National Park in Kaduna State; and the Okomu National Park in Edo State.

According to the NBS, the accommodation and food services subsector accounted for 0.73% of real GDP in 2023, compared to 0.73% in 2022, 0.72% in 2021, 0.75% in 2020 and 0.89% in 2019. The accommodation and food services sector contracted by 17.8% in 2020, as restaurants, bars, hotels and other hospitality venues were forced to close in 2020 as a result of the COVID-19 pandemic. Despite this, these venues have recovered to normal since 2022, with a growth of 4.22% in 2022, compared to a contraction of 0.45% in 2021. In the six months ended 30 June 2024, the accommodation and food services sector

accounted for 0.70% of real GDP and registered a growth of 2.61% compared to a growth of 3.53% for the six months ended 30 June 2023.

In the first half of 2024, there were 2.26 million foreign passengers arriving and 1.69 million foreign passengers departing from Nigerian airports, representing a 9.12% increase in the total passengers arriving in Nigeria compared to the first half of 2023. In addition, there were 6.74 million domestic passengers arriving and 7.22 million domestic passengers departing during this period.

The Federal Ministry of Tourism and the Federal Ministry of Arts and Culture have now been merged into the Federal Ministry of Art, Culture, Tourism, and Creative Economy. This merger was completed with the aim of strengthening these sectors and promoting effective implementation of policy strategies to drive the growth of the activities of tourism and entertainment in Nigeria.

Informal Economy

The informal economy represents a significant portion of the Nigerian economy. The informal economy, by its very nature, operates outside the scope of government regulation. According to the IMF, the Nigerian informal sector accounted for 57.7% of Nigeria's GDP in 2022, making it a major contributor to Nigeria's economy. The informal economy comprises a wide range of activities, predominantly small-scale, self-employed enterprises that focus on retail trade, transport, restaurant, repair services and household or other personal services. There are also informal money lenders and saving and credit associations. The informal economy is highly dynamic and difficult to measure, and it is not reflected in GDP. See *"Risk Factors—Risks related to Nigeria—A significant portion of the Nigerian economy is not recorded"*.

The Government is seeking to introduce policy measures and regulation to protect some of the more vulnerable persons operating in the informal economy (primarily women and children). A key aspect of this push includes the introduction of regulations and initiatives that aim to address the challenges faced by informal operators, such as access to finance and formal business recognition. The Small and Medium Enterprises Development Agency of Nigeria has been instrumental in these efforts, seeking to enhance the economic prospects of informal businesses and ensure their growth, which is vital for poverty alleviation and rural development. Additionally, in an effort to combat smuggling across Nigeria's borders and formalise a substantial portion of the informal trade sector, in November 2010 the Ministry of Finance announced a change in its trade policy to allow the import of previously banned goods such as some textile materials. Since then, the Government, through the CBN, has rolled out several intervention programmes, including provision of financial support, training and foreign exchange restrictions for all forms of textile materials at the official exchange market, importation of textiles products. See *"Foreign Trade and Balance of Payments — Foreign Trade — Trade Policy"*.

Employment and Labour

The labour market in Nigeria can be divided into three segments: the public sector, the private formal sector and the informal sector. In the 2019 World Economic Forum Global Competitiveness Index, Nigeria ranked 116th amongst 141 economies.

According to the NBS Labour Force Survey, at the end of 2023, there were 88.9 million people in the labour force (being people aged 15 and above, who are able and willing to work), representing a decline of 6.1%, compared to 94.3 million as at 30 June 2024. This implies that as of the end of 2023, only 76.3% of Nigeria's economically active population of 116 million are in the labour force.

According to the NBS, the national unemployment rate in Nigeria was estimated to be approximately 5.4% at the end of 2023, as compared to 4.3% at 30 June 2024. There were a total of 14.17 million people in the Nigerian labour force at the end of 2023 who were either unemployed or underemployed. The NBS also estimated that, at the end of 2023, the rate of unemployment was approximately 6.8% in urban areas and 3.5% in rural areas, as the preference is for formal, white-collar jobs, which are located mostly in urban centres. The Government believes that a substantial number of people of working age are employed part-time or in the informal economy and thus unrecorded.

In 2021, Former President Buhari launched the Nigeria Jubilee Fellows Programme ("NJFP") to tackle unemployment among Nigerian graduates. This programme was aimed at creating 20,000 job opportunities annually for highly skilled graduates, matching them with year-long placements in public and private sectors

across various industries. The NJFP was a collaborative effort between the Federal Government of Nigeria, the UNDP, and the EU. By providing 12-month paid placements, mentorship, and skills development, the NJFP bridged the skills gap between graduates and industry needs.

The review of the National Minimum Wage Act 2019 was aimed at implementing an upward review of workers' wages and salaries across the public and private sectors to ultimately improve pay-for-work and welfare. Salary increments have been implemented. In July 2024, President Tinubu approved a new minimum wage of ₦70,000 for Nigerian workers and pledged to review the national minimum wage law every three years. In addition, the current administration has introduced initiatives such as the Federal Public Service Entrepreneurship Programme, Group Life Assurance Cover, and Affordable Housing at single-digit interest rates for workers.

The Government also introduced a series of initiatives aimed at empowering Nigerian youths and addressing labour matters. The flagship 3 Million Technical Talent Programme, driven by the Federal Ministry of Communications, Innovation and Digital Technology, seeks to create three million jobs for young Nigerians, enhancing their capacity and value in national security intelligence.

The aforementioned initiatives demonstrate how the current administration is prioritising economic security for Nigerian youths, aiming to build a more secure and prosperous country.

The Nigerian Education Loan Fund is another initiative, providing loans and financial support to Nigerian students and making a significant impact on their educational pursuits whilst the National Orientation Agency is spearheading the Nigeria Values Charter initiative to establish a national value system.

The below table sets forth information regarding Nigerian employment statistics for the dates indicated:

	As at 31 December				
	2019 ⁽¹⁾	2020	2021 ⁽¹⁾	2022	2023
			(thousands)		
Nigeria Population.....	203,304,492	208,327,405	213,401,323	218,541,212	223,804,632
Labour Force.....	N/A	69,676	N/A	87,547	88,941
Unemployed.....	N/A	23,187	N/A	5,166	4,792
Unemployment rate (%).....	N/A	33.3	5.9	5.3	5.4

Source: National Bureau of Statistics

(1) Labour statistics are not available for 2019 and 2021.

Prior to the introduction of the Pension Reform Act, 2004, Nigeria had a Defined Benefit Pension Scheme that faced various challenges. The reforms led to the introduction of the Contributory Pension Scheme in 2004, which, as at August 2024, has assets under management totalling ₦21.13 trillion. There are currently 14 Pension Fund Administrators and 3 Pension Funds Custodians operating in the pension space in Nigeria.

The staff of certain privatised companies have made claims against the Government for outstanding wage and pension liabilities. According to the Bureau of Public Enterprises, the obligations due to the staff of Nigerian Telecommunications Limited for salary arrears and pensions have been settled, except for claims by employees providing ancillary services being rendered at Nigerian Telecommunications Limited offices. Further amounts were due to the staff of the Delta Steel Company, the Aluminium Smelter Company of Nigeria and the Power Holding Company of Nigeria Plc ("PHCN"), but most of these arrears have since been resolved. See "*Public Debt — Guarantees and Contingent Liabilities*".

Environment

In 1999, the Government created the Federal Ministry of Environment. The Federal Ministry of Environment is responsible for policies, enforcement and intervention in the areas of forestry, drought and desertification, pollution and waste management, sustainable development, environmental conservation, operating facilities audits, environmental and social safeguards, climate change, flooding, erosion and coastal managements (shoreline protection).

The country's main environmental challenges include, amongst others, petroleum prospecting pollution, air pollution, land contamination/degradation, groundwater pollution, loss of biodiversity, deforestation, drought and desertification, flooding and erosion, human resettlement/rehabilitation and climate change. The Government has made several efforts to address these challenges.

On 22 September 2016, Nigeria signed the Paris Agreement under the UN Framework Convention on Climate Change. See “—*Climate Change*”.

The Federal Executive Council approved the National Policy on Plastic Waste Management. Further to the Federal Executive Council’s approval in October 2020, the Federal Ministry of Environment launched the National Policy on Plastic Waste Management on 10 May 2021. The implementation of the policy has led to stricter enforcement of regulations related to plastic waste management, including monitoring and compliance checks by environmental agencies. The effects of the policy are still being evaluated. Following on from the policy, Izaq Salako, Minister of State for Environment, confirmed that the Federal Government’s intention was to entirely ban some categories of plastic by 2025. In May 2023, the former administration sought to introduce a green tax regime through the imposition of Excise Duty on Single Use Plastics at the rate of 10% on single-use plastics to reduce plastic pollution. However, President Tinubu suspended this tax, citing its unfavourable impact on businesses and households. The suspension prioritizes economic concerns over environmental protection, highlighting the challenges of balancing sustainability with economic growth. The strategic implementation framework for the ban is being developed by relevant stakeholders. As of the date of this Offering Circular, it is unclear how this will take shape.

Petroleum Prospecting Pollution

To address the problem of petroleum prospecting pollution, the Government has issued a number of regulations and guidelines. For example, the Mineral Oil Safety Regulations 1997 seek to ensure that oil and gas operators provide adequate safety materials for their employees as well as ensure that drilling of boreholes for petroleum and gas purposes are not carried out within 150 feet from any building. In 2006, Nigeria ratified the International Convention of Civil Liability for Oil Pollution Damage and the convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1976. In addition, the National Oil Spill Detection and Response Agency has put in place measures that seek to minimise the impact of oil spills on the environment. Such measures include a mandatory requirement for all the oil companies in Nigeria to have oil spill contingency plans and an oil spill response system. In 2010, the National Oil Spill Detection and Response Agency activated about 36 oil spill contingency plans of oil companies operating in Nigeria. Between January 2006 and December 2012, a total of 1,562 oil-impacted sites were remedied and rehabilitated by the relevant oil companies under the guidance and supervision of the National Oil Spill Detection and Response Agency. The National Oil Spill Detection and Response Agency uses laboratory sample testing of the affected area in order to establish the amount of oil spilled, the degree of impact, the sensitivity and nature of the terrain and other factors in order to decide which, if any, remedial measures should be taken. Nigeria recently developed an Environmental Sensitivity Index Map covering the entire coastline of Nigeria from Lagos to Calabar and extending 50 kilometres inland.

There are collaborative ties between the National Emergency Management Agency, the National Oil Spill Detection and Response Agency, the Armed Forces, Nigerian Customs Services, Nigerian Immigrations Services and other stakeholders on rapid response to oil spills that may be considered as major or national disasters. In 2016, the Buhari administration committed U.S.\$1 billion over five years to the clean-up of Ogoniland in the Niger Delta, following decades of oil pollution. Ogoniland is a small region of the Niger Delta, the region from which approximately 60% of Nigeria’s 1.3 million barrels/day are produced. In August 2021, following a ruling from the Dutch court, Royal Dutch Shell agreed to pay approximately U.S.\$111.6 million to communities in Ogoniland as compensation for damage caused by oil spills in the area in the 1970s. In June 2021, the Federal High Court Abuja also awarded the sum of ₦82 billion as general damages against NNPC and Mobil Producing Nigeria Unlimited as compensation to the Ibeno community as a result of oil spillages.

The PIA contains provisions that were designed to ensure that petroleum operations are conducted in an environmentally sustainable manner. Additionally, the Act provides a legal, governance, regulatory, and fiscal framework for the Nigerian Petroleum Industry. Sections 102-108 specifically pertain to environmental management. Section 102 states the requirement for operators to obtain an Environmental Permit before commencing petroleum operations while Section 104 outlines some of the penalties for non-compliance with environmental regulations. The Nigerian Midstream and Downstream Petroleum Regulatory Authority was created in August 2021, following the introduction of the Petroleum Industry Act 2021. The authority encompasses a merger of three defunct regulatory agencies: Petroleum Equalization

Fund (Management) Board and the Midstream and Downstream Divisions of the Department of Petroleum Resources. The Authority is responsible for the regulation of the midstream and downstream petroleum operations in Nigeria and aims to create an enabling environment that drives sustainable development across Nigeria.

The Federal Ministry of Environment, in collaboration with the UN Environment Programme and other relevant stakeholders, such as the NNPC, developed the Revised Nigeria Industrial Standard for Petroleum Products in 2017. The revised standards for petrol and diesel were 150 parts per million (“PPM”) and 50ppm respectively. The intention was to minimize the release of sulphur oxides into the environment. Ministers from the ECOWAS sub-region in their sub-regional workshops organised by the UN Environment Programme endorsed low sulphur fuel in the sub-region. Implementation of the Revised Nigeria Industrial Standard for Petrol (150 ppm), Kerosine (150 ppm), and Diesel (50 ppm) awaits implementation.

Land Degradation

Land cover is central to all environmental processes through its influence on biodiversity, energy and carbon cycling. The major causes of land degradation in Nigeria include, amongst others, agricultural expansion at an average of 350,000 to 400,000 hectares per annum, fuel wood exploitation and illegal logging or tree felling. The Government has made unsuccessful attempts to address issues arising from the use of land including proposing amendments to the Land Use Act 1978 to address issues relating to land management.

The Nigerian Erosion and Water Shed Management Project (“**NEWMAP**”), launched in 2012, adopted innovative integrated approaches based on community participation. The project, completed in 2022, linked poverty alleviation with sustainable ecosystems and better disaster-risk prevention. This holistic approach has improved the lives and safety of more than 12 million people in 23 states in Nigeria. NEWMAP initiated mechanisms to protect Nigerians from future climate change impacts. The project focused on the restoration of 90 gully sites and the construction of close to 60 catchments to control erosion. Warning systems were implemented, and 103 automated weather and flood early-warning systems provide data for catchment planning, rainfall prediction, and flood monitoring for five River Basin Development Authorities. Storm water diversion plans were developed to stop gully formation, manage flood risks in urban areas, and adapt to higher rainfall. Solid waste management was improved to decrease flooding during heavy rains. In addition, 185,000 local government officials and community members were trained in environmental management to boost their knowledge of land degradation, soil and water conservation, catchment management planning, sustainable farming, and waste management.

Initiatives in the area of combating erosion include the land degradation mapping assessment and the adoption of a remote sensing and geographic information system. In addition, the National Ecological Fund has been established to provide financial support for erosion and flood control projects and coastal zone management. The Soil Erosion and Flood Control Office manages the implementation and analysis of approved Soil Erosion and Flood Control projects as well as responding to national emergencies.

Deforestation

Nigeria was historically rich in forest resources such as high forests, woodlands, plantations and trees on farmlands. According to the World Bank, between 1990 and 2021, the forest cover of the country decreased from approximately 29.1% to approximately 23.6% of land area. Forests in Nigeria face threats from deforestation at an annual rate of approximately 3.7% due to agricultural expansion, illegal logging, urbanisation, and infrastructure development, the result of which is a loss of habitat for wildlife, a shortage of wood supply leading to the importation of wood and wood products, an increase in soil erosion, flooding and a decline in agricultural productivity. National efforts at addressing the problem of deforestation are led by the Ministry of Environment through:

- coordination of all matters pertaining to conservation, utilisation and renewal of the natural biotic resources of Nigeria;
- ensuring the development of forestry in Nigeria through participation in nationally important forestry projects, as well as regular monitoring, evaluation and appraisal of forestry development initiatives;

- guiding on timber trade, wood-use and provide advice on measures necessary to ensure the derivation of optimal benefits for the people of Nigeria;
- facilitating the introduction and application of timber grading rules, specifications for timber and promote the marketing of lesser known timber species;
- the provision of effective communication between the federal and state forestry services, to disseminate technical knowledge, improve working techniques and organise such technical assistance that may be required by the state forestry services and the private sector in forestry development;
- providing assistance in the development of trained manpower at all levels, including advice and providing vocational training for forest workers, including forest industry workers;
- creating sensitisation and awareness within the citizenry on the role of forestry in socio-economic development and environmental sustainability including through seminars, workshops and conferences;
- providing guidance and facilitating the development of the National Forest Policy to focus on sustainable forest management;
- implementation of the Nigerian National Strategy to Combat Wildlife and Forest Crime (2022-2026) in conformity with international best practices and the Treaties and Conventions to which Nigeria is a signatory;
- participation in the REDD+ and Green Bond programmes to mitigate deforestation and forest degradation;
- development of a National Forest Monitoring System and Forest Reference Emission Level for international compliance;
- cooperating with relevant Government agencies, non-governmental organisations and the private sector in forestry development;
- formulating Biodiversity Conservation and wildlife management policies as well as providing leadership for their implementation;
- liaising with donor agencies for forestry development programmes in Nigeria; and
- undertaking the periodic forest resource assessment survey for the country.

On 29 November 2017, Nigeria pledged to restore 4 million hectares of degraded land by 2030 as part of the AFR100 Initiative and Bonn Challenge, signalling the continuing drive across Africa to bring back productivity to its land. As of the date of this Offering Circular, Nigeria's National Forestation Programme has increased its aim of planting 25 million trees annually, to 100 million trees per annum. In addition, through research stations positioned in the various ecological zones of the country, the Forestry Research Institute of Nigeria is developing improved tree species and forestry management technologies.

Drought and Desertification

Nigeria has committed itself to halting desertification by acceding to the UN Convention to Combat Desertification. It has also developed a National Action Programme to combat desertification as well as put in place a National Drought and Desertification Policy.

The Federal Government of Nigeria has recognised the need to tackle desertification so as to protect the ecosystems and sustainable livelihoods of the people in the affected areas. To this end, it has developed many national policies and action plans (e.g., National Policy on the Environment, Drought and Desertification Policy, Drought Preparedness Plan, National Agricultural Policy, National Forestry Action Plan, National Forest Policy, National Biodiversity Strategy and Action Plan, and Nigeria's National Action Plan to Combat Desertification – NAP). The Federal Government has also received partnership in the form of finance, technical assistance, loans and capacity building from partners such as the World Bank, IAEA,

International Fund for Agricultural Development, CIDA, UNDP, UNIDO, China Government, Japan International Agency, Agricultural Development Company Limited, Israel and the UN Environment Programme/GEF as part of its efforts to tackle the ravaging impact of desertification.

Nigeria has also committed to the Great Green Wall for the Sahara and the Sahel Initiatives action plans, a pan-African programme launched in 2007 by the African Union with a goal to address land degradation and desertification in the Sahel and the Sahara. The subsisting Great Green Wall Strategic Action Plan (“GGWSAP”) for Nigeria is a five-year Strategic Action Plan with the goal of improving the wellbeing of the affected people and reducing their vulnerability to the impact of desertification amplified by climate change through improved use of land and other natural resources for sustainable development and support of climate-resilient infrastructure. The development objective is to combat land degradation and desertification in Nigeria in order to protect and restore ecosystems and essential ecosystem services that are key to reducing poverty, enhancing food security, and promoting sustainable livelihoods. The eight main strategic pillars of intervention in the GGWSAP are:

1. improvement of the management of land resources and their sustainable use;
2. enabling policy, legal and institutional framework for sustainable land management and desertification control;
3. improvement of critical infrastructure for enhanced and sustainable socioeconomic development and environmental sustainability;
4. enhancement of private sector investment in sustainable land management;
5. sustainable financing for desertification control;
6. effective communication for improved land management;
7. monitoring and evaluation system; and
8. ecoregional approach for improved transboundary sustainable land management.

Climate Change

Nigeria has developed a National Agricultural Resilience Framework aimed at assisting the agricultural sector in coping with and recovering from the shocks and stresses of climate change. Nigeria has also invested U.S.\$85 million in the Climate Change Adaptation and Agribusiness Support Programme through the International Fund for Agriculture, focused specifically on the northern border states of the country.

The northern states are facing an increasing threat from desert encroachment and more intensive and less predictable rainfall, which is leading to longer dry spells, soil degradation, increased erosion and flooding. These climatic-induced events are contributing significantly to crop failure and the deterioration of rural infrastructure, preventing farmers from accessing markets. Additional consequences include lower soil fertility and soil degradation through overgrazing, deforestation and desertification, as well as increased difficulty in planning crop calendars and transhumance for pastoralists.

Nigeria is a party to the UN Framework Convention on Climate Change and the Kyoto Protocol and has prepared the first National Communication on Climate Change. It has also established a national focal point, which is the Department of Climate Change within the Federal Ministry of Environment. The Department collaborates with other MDAs through an Inter-Ministerial Committee on climate change. On 22 September 2016, Nigeria signed the Paris Agreement under the UN Framework Convention on Climate Change. As required by the convention, Nigeria has prepared and submitted its First, Second, and Third National Communications in 2003, 2014, and 2020, and First and Second Biennial Update Reports in 2018 and 2021 respectively.

Nigeria is a signatory to several Multilateral Environmental Agreements, treaties and international conventions on natural resources and biodiversity. These include the Convention on Biological Diversity, the UN Convention to Combat Desertification, the UN Framework Convention on Climate Change, the Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal, the RAMSAR Convention on Wetlands, the Habitat II Agenda, the Convention Concerning the Protection of

World Culture and Nature Heritage (UNESCO's World Heritage Convention), the United Nations Framework Convention for Climate Change and the Kyoto Protocol. However, implementing legislation for these international conventions has not been adopted in Nigeria.

The Government is committed to meet its National Determined Contributions (“NDC”) target of reducing greenhouse gas emissions by 20% unconditionally and 47% conditionally by 2030. To do so, the Government has added two more sectors, waste and water, to the previously communicated five sectors (Power, Transport, Industry, Agriculture, and Oil & Gas).

The Government, through the Federal Ministry of Environment, has conceptualised the National Decarbonisation Program as part of its NDC implementation phase. The NDC is geared towards building and strengthening sectoral capacity of Green and Clean energy projects with a coordinated repository of data on mitigation and adaptation projects across the public and private sector. This will provide a platform for effective private sector participation and visibility for investor financing. Importantly, it will support Nigeria's efforts towards achieving its emission reduction commitments.

Additionally, in November 2021, Nigeria passed the Climate Change Act that seeks to achieve low greenhouse gas emissions and green and sustainable growth by providing the framework to set a target to reach net zero between 2050 and 2070. The Act includes provisions to adopt National Climate Change Action Plans in five-year cycles that are meant to ensure national emissions are consistent with a carbon budget. However, as of the date of this Offering Circular, the Government had not met their initial targets.

The Government established the Office of the Special Presidential Envoy on Climate Action (“SPEC”) tasked with leading Nigeria's climate change negotiations, coordinating climate action across federal ministries and agencies, and engaging with international organizations to advance global climate goals. The SPEC will oversee the fulfilment of NDCs and promote green industrial growth management and renewable energy finance. The SPEC is also expected to work in collaboration with the Presidential Committee on Climate Action and Green Economic Solutions to prioritize the administration's climate change agenda on sustainable development, green economic growth, and international cooperation. As of the date of this Offering Circular, the Federal Government has issued two sovereign green bonds amounting to ₦25 billion and a third issuance is being considered.

Further, in February 2023, Nigeria established the National Carbon Market Activation Plan, an inter-governmental committee, to create a plan for the country's carbon market. The plan aims to accelerate green growth, transition to a just energy system, and standardise the carbon market ecosystem.

Transport

The transport system in Nigeria comprises railways, roads, ports, inland waterways, and airborne modes of transportation. Road and air transport are the dominant modes of transportation in Nigeria and carry more than 98% of total traffic generated in the country.

The contribution of the transportation and storage sector to Nigeria's real GDP has remained constant, contributing 1.0% in 2023, 1.5% in 2022, 1.3% in 2021, 1.2% in 2020 and 1.5% in 2019. The sector is driven by road transport, which contributed 0.8% to Nigeria's real GDP in 2023, 1.3% in 2022, 1.1% in 2021, and 1.0% in 2020 and 1.3% in 2019.

The transportation and storage sector expanded by 598.3% in 2023, compared to a contraction of 88.5% in 2022, growth of 16.3% in 2021, contraction of 22.3% in 2020 and growth of 10.7% in 2019. The significant contraction in 2020 was due to nationwide efforts to restrict vehicular and population movements in response to the COVID-19 pandemic.

In the six months ended 30 June 2024, the transportation and storage sector accounted for 1.0% of real GDP and contracted by 3.9% compared to the six months ended 30 June 2023.

The Government aims to create a multimodal, integrated and sustainable transport system with greater emphasis on rail and inland waterways transportation. In addition, the Federal Government has taken steps to create an enabling environment for Public Private Partnerships by designing new policies, legislation and an institutional framework to support the envisaged transformation of the transport sector.

Nigeria faces a significant infrastructure gap, and it is estimated that about U.S.\$2.3 trillion will be required to bridge this gap. The implication is that Nigeria will need to invest an average of U.S.\$100 billion annually over 23 years, as outlined in the Revised National Integrated Infrastructure Master Plan (“**NIIMP**”) 2020-2043. With the Federal Government and State Government’s component of this cost being 44%, NIIMP aims to increase Nigeria’s infrastructure stock to 75% of GDP by 2043.

To address this gap, the Bureau of Public Enterprises is collaborating with the Ministry of Budget and Economic Planning and other key stakeholders such as ICRC, International Finance Corporation (“**IFC**”), Infrastructure Corporation, among others, to develop a robust pipeline of Public Private Partnership projects, primarily aligned with NIIMP.

Roads

Nigeria currently has about 0.21 kilometres of roads per square kilometre. The condition of federal, state, and local government roads in Nigeria remains largely inadequate, with pervasive issues of poor maintenance and infrastructure deficits adversely affecting transportation and commerce.

Several road rehabilitation projects began in 2012. The second Niger bridge was constructed by Julius Berger and opened for local traffic in December 2022. The African Development Bank has provided a U.S.\$300 million loan to finance the reform of the road transport sector. Additionally, in 2012, the road development aspects of the SURE-P Programme commenced, which were later mainstreamed into the Sukuk financing issued by the DMO. The programme is in two broad categories: (a) the Niger Delta Development Programme which focuses on accelerating the completion of the long-standing East-West project, which involves 338 kilometres of roads connecting Effurun/Warri – Ughelli – Patani – Kaiama – Mbiama – Ahoada – Elele – Emouha – Choba – Port Harcourt – Onne – Ogoni – Eket – Oron and Calabar; and (b) the Roads and Bridges Programme, which focuses on the completion of core road projects across the six geo-political zones in Nigeria. Projects in this category include the Abuja-Abaji – Lokoja Dual Carriageway (200 kilometres); the Benin – Ore – Sagamu Dual Carriageway (295 kilometres); the Onitsha – Enugu – Port Harcourt Dual Carriageway (317 kilometres), the Kano – Maiduguri Dual Carriageway (510 kilometres); the Oju/Loko-Oweto Bridge and the second Niger Bridge. The Oju/Loko Oweto Bridge was completed in 2020. Two sections of the Kano-Maiduguri road have been completed (Shuari-Azare and Azare-Potiskum) while several other sections have achieved substantial completion.

Nigeria issued its first Sukuk bond in 2017, introducing a new instrument, the Sovereign Sukuk, into Nigeria’s capital market. Since 2017, five more Sukuk bonds have been issued. Funds raised by the issuance of these bonds has raised approximately ₦1.092 trillion which, in turn, has been used to facilitate the construction and rehabilitation of over 4,000 km of roads and bridges in Nigeria.

Railways

Nigeria’s rail network consists of over 3,500 route kilometres and 4,300 track kilometres, mainly comprising narrow gauge single track. The network also includes a 19-kilometre narrow gauge single track extension from Port Harcourt to the Onne deep sea port, and a 277 kilometre standard gauge rail from Ajaokuta to Warri.

In the 2024 Budget, ₦33.1 billion was allocated for various railway projects throughout the country. The 2024 Budget allocates funds for the completion of the following projects:

- the Abuja-Kaduna railway;
- the Lagos-Ibadan railway and its associated additional works;
- rehabilitation of the Itakpe-Ajaokuta railway;
- installation of a signal and telecommunication system on the Itakpe-Ajaokuta-Warri railway line;
- installation of an acoustic sensing security surveillance system for the Abuja (Idu)-Kaduna railway system; and

- completion of feasibility studies for a new standard gauge rail line including Kano-Dayi-Kastina-Jibiya.

The 2024 budget is expected to push through a backlog of railway projects worth over U.S.\$21.3 billion that have been halted due to a lack of funding.

Inland Waterways

Nigeria's natural inland water transport system includes over 10,000 kilometres of navigable waterways, including rivers, creeks, lagoons and lakes, and intra-coastal waters. Nigeria has 18 major inland navigable rivers, totalling approximately 3,800 kilometres in length. The main rivers are Rivers Niger and Benue. Nigeria has approximately 852 kilometres of coastline, which allows for the movement of goods and passengers from the coast to its surrounding areas.

Inland river ports have been constructed to ensure proper utilisation of the dredged channels, with Baro Port completed and commissioned in 2019, and ports at Onitsha, Lokoja and Oguta nearing completion. In addition to the above, training works at critically shallow areas on the River Niger have been conducted, to ensure efficient year-round navigation on the waterways. Shore line protection was also done on selected waterways across Nigeria to avoid siltation of the already dredged channel. The Government is also upgrading to an online and real time electronic register, to track and monitor boat users on inland waterways and dissuade criminal activities.

Sea Ports

The seaports are of great significance for the economic development of Nigeria as they handle most of the country's imports and exports and have the potential to serve the landlocked countries of Niger and Chad. All the ports in Nigeria are owned and operated by the Nigerian Ports Authority. In 2023, the total volume of cargo handled in all port locations was approximately 70.5 million metric tonnes.

Due to underinvestment, bureaucracy and other circumstances which made Nigerian ports uncompetitive, in 2001 the Government commenced a reform and restructuring of the ports to introduce private sector participation. This was implemented through a concession exercise managed by the Bureau of Public Enterprises, the agency responsible for privatisations, through a bid process. In 2006, the National Council on Privatisation endorsed a "landlord" port model and developed a legal and regulatory framework for private sector participation in the ports. The Government initiated a comprehensive reform of the Nigerian ports with the concession of 26 Port terminals to reputable international and local private operators, including AP Moller Limited and Intels Nigeria Limited, among others. The reform of the powers had a transformative impact, leading to the modernisation of port administration, the removal of trade barriers, more efficient cargo handling, better maintained facilities, and reduced demand on the public sector budget.

Since 2010, the Government has focused on ports and customs reforms to ensure efficiency in handling ports and ports-related businesses. The reforms are meant to ensure that all types of cargo are cleared within a 48-hour period. To accomplish this, the number of agencies involved in the ports was streamlined by 50%, from 14 to 7. The seven remaining agencies are the NCS, the Nigerian Immigration Service, the Nigeria Police, the Nigerian Ports Authority, the Nigerian Maritime Administrative and Safety Agency, the National Drug Law Enforcement Agency, and the Ports Health Services. The agencies are required to operate 24 hours a day through shift operations that ensure availability of officers to discharge their duties without delay. Paperwork and bureaucratic requirements for ports and customs clearance have been drastically streamlined to promote time efficiency. The previous practice, where customs harassed cargo transporters on the highway, was discontinued by disbanding the Nigeria Customs Task Force.

Despite these developments, there are still concerns regarding port infrastructure in Nigeria. To address these concerns, the Federal Ministry of Marine and Blue Economy, through the Nigerian Ports Authority, aims to modernise the ports. This work aims to improve the port's ability to handle the increased trade volumes and enhanced competitiveness in the global maritime space. Improvements are currently being made to the Apapa and Tinian Island port complexes, and a plan to modernise the Eastern Ports is being developed. The plans are currently at an advanced stage, and physical improvements are expected to be seen in early 2025.

In 2011, efforts began to construct a port at Lekki. This was a private sector initiative located inside the Lagos Free Trade Zone along the Atlantic Coast. The construction of the port was completed in 2022. The Lekki Deepsea Port is now operational and is providing greater opportunities for imports and exports. Proposals for the construction of further ports are advancing for Lagos, Ondo, Bayelsa, Cross River, and Ogun State.

Further, the Inland Dry Port Projects are part of the Federal Government's Port Reform Programme designed to decongest the seaports while also taking shipping and port services closer to importers and exporters. The Federal Executive Council granted approval for the establishment of these critical transport infrastructures at chosen locations across the country and concessioned to private sector operators on Public Private Partnership using the Build, Own, Operate, and Transfer concept for 25 years.

The Federal Ministry of Marine and Blue Economy is committed to ensuring the safety and security of Nigeria's waterways through key initiatives such as the Deep Blue Project, collaborating with the Nigerian Navy and other stakeholders to enhance safety and security in the Nigerian waterways. The project involves the deployment of surveillance technologies, maritime domain awareness systems, and patrol operations to detect and deter threats. Since the initiative's launch in 2021, there have been zero piracy incidents on the Nigerian waterways.

Blue Economy

The blue economy is an ecosystem of economic activities centred on commerce and action in and around large bodies of water, such as oceans, that are continued to survive ecological responsibility. Nigeria has an 870-kilometer coastline and 3,000-kilometers of inland waterways, as well as a diverse range of natural resources such as hydrocarbons, natural gas, zinc, bauxite, mineral ores, copper, gypsum, lead, as well as other raw materials. The Federal Government sees the blue economy as a fruitful opportunity, and as a result they have developed the National Blue Economy Strategy to serve as a roadmap for sustainable development of the sector. The Federal Ministry of Marine and Blue Economy was established to promote sustainable maritime and aquatic prosperity in Nigeria. The Department of Fishing was formerly situated within the Federal Ministry of Agriculture and Rural Development but has since become part of the Federal Ministry of Marine and Blue Economy.

In April 2024, at the stakeholders' consultative workshop to define priority issues for the development of the National Blue Economy Strategy for Nigeria, the Minister of Marine and Blue Economy, Adegboyega Oyetola, stated that the blue economy presents significant challenges and promising opportunities for sustainable development. Oyetola went on to highlight that the blue economy has the potential to drive inclusive growth, create employment opportunities, and alleviate poverty, particularly in coastal and island communities. The Federal Government seeks to utilise the potential offered by the blue economy to unlock new sources of economic value, such as fisheries, aquaculture, marine tourism, renewable energy, and biotechnology. In the November 2024 stakeholders' final validation workshop, Oyetola further emphasised that the draft National Blue Economy Strategy represents Nigeria's vision for a sustainable blue economy.

Airports

There are 21 airports in Nigeria, five of which are international. The international airports are Murtala Muhammed International Airport, Lagos; Nnamdi Azikwe International Airport, Abuja; Mallam Aminu Kano International Airport, Kano; Port Harcourt International Airport, Port Harcourt; and Akanu Ibiam International Airport, Enugu. The other airports are located in major cities throughout the country. There are also several airstrips privately owned by oil extracting companies.

The Federal Airports Authority of Nigeria owns and operates 16 of the 21 airports in Nigeria. The Federal Airports Authority of Nigeria has recently adopted the strategy of granting concessions for various activities within its airports and is increasingly relying on concessions to provide airport infrastructure. The National Airspace Management Agency is in charge of traffic control, regulations and navigational aids for aircraft. Safety oversight and all other civil aviation issues are the responsibility of the Nigerian Civil Aviation Authority. Passenger and cargo traffic have been growing steadily in recent years but most of the cargo traffic is concentrated in the four international airports. The Government estimates that 90% of the volume of cargo is handled in Lagos.

The Federal Airports Authority of Nigeria is statutorily charged to manage all commercial airports in Nigeria and provides services to passengers and airlines. A plan to build a new international airport in Lagos is under review. In relation to air transport, the Government's objectives are upgrading and expanding the international airports, improving air safety to International Civil Aviation Organisation standards and recommended practices, concessioning four international airports, improving security and transferring all other local airports to State Governments.

Enugu Airport has become operational as an international airport with a new terminal under construction. Work has also commenced on the construction of three new international airport terminals in Lagos, Kano, and Abuja. See *“Risk Factors—Risks related to Nigeria—Any failure to address Nigeria’s significant infrastructure deficiencies could adversely affect Nigeria’s economy and growth prospects.”*

In the medium term, the Bureau of Public Enterprises intends to concession the Abuja, Lagos, Kano and Port Harcourt International airports. The Buhari election manifesto calls for the use of public private partnerships to provide one functioning airport in each of the 36 states.

In May 2023, the Federal Executive Council approved for the concessionaire to rehabilitate/build, operate and transfer the terminal project for Nnamdi Azikiwe International Cargo Airport, Abuja and Mallam Aminu Kano International Airport Kano, Passenger and Cargo Terminal. The Nnamdi Azikiwe International Cargo Airport, Abuja shall be executed at a cost of U.S.\$86 million, operated for a 20-year concession, during which time the concessionaire will charge facility users appropriate tolls and fees to recover its total investment on the project. The project will be executed by Corporacion America Mota Engil Consortium, at a cost of U.S.\$86.427 million with total expected revenue estimated at U.S.\$1,768 million. As the Kano International Airport, the concession was approved at a cost of U.S.\$17.48 million, to be executed by Corporacion America Mota Engil Consortium for a 30-year term and a projected revenue of U.S.\$596 million.

In October 2024, the Minister of Aviation and Aerospace Development, Festus Keyamo has stated that five Nigerian airports are set for concession. The five airports are Nnamdi Azikiwe International Airport (Abuja), Murtala Muhammed International Airport (Lagos), Port Harcourt International Airport, Akanu Ibiam International Airport (Enugu), and Aminu Kano International Airport. Additionally, Keyamo noted that the Muhammadu Buhari Airport (Maiduguri) has been updated to international status. The International Air Transport Association has expressed its willingness to support Nigeria in developing their aviation sector, encouraging financial investors to lean in to this development.

Information and Communication

In 2023, the information and communication subsector accounted for 17.34% of real GDP, compared to 16.51% in 2022, 15.51% in 2021, 15.06% in 2020 and 13.04% in 2019.

In 2023, the information and communication subsector expanded by 7.91%, compared to growth of 9.76% in 2022, 6.55% in 2021, 12.90% in 2020 and 11.08% in 2019. The growth in 2020 was particularly high due to changes in the way people communicated in 2020 as a result of the COVID-19 pandemic, with increased use of digital platforms, such as e-learning, virtual meetings, phone calls and WhatsApp videos, in response to restrictions on mass public gatherings and lockdown orders.

In the six months ended 30 June 2024, the information and communication sector accounted for 18.83% of real GDP and recorded a growth of 4.91% compared to the six months ended 30 June 2023.

The Government announced the National Digital Economy and E-Governance Bill in July 2024. This bill is aimed at supporting the growth of digital economy and digital governance in Nigeria by improving the certainty of digital transaction, digital service deliver and related matters.

Telecommunications

The number of mobile telecommunications subscribers has increased dramatically in recent years, from fewer than one million in 1998 to over 200 million as of the date of this offering circular, whilst the number of fixed land lines subscribers has decreased from 154,513 in 2016 to 111,971 in 2023. As at 30 June 2024, mobile subscriptions stood at approximately 171 million, while fixed line subscribers numbered 103,888. The main mobile telephone operators are MTN, Airtel, Globacom and 9mobile, with market shares of

49.0%, 35.2%, 12.3% and 3.5%, respectively, as at 30 June 2024. To improve competition in the sector, in 2013, the Nigerian Communications Commission introduced Mobile Number Portability for GSM operators. As of the date of this offering circular, close to U.S.\$10 bn has been invested in network infrastructure and there has been a significant improvement in teledensity from 0.4% in 2001 to 101.2% as at March 2024. Additionally, Nigeria is experiencing a rapidly growing e-commerce market, valued at U.S.\$6.8 billion in 2022, with an average growth rate of 11.0% over the last three years.

Additionally, the telecommunications sector has boosted employment generation and economy growth. Over 500,000 direct jobs and an additional 1.2 million indirect jobs have been created, with the sector now contributing about 16.4% to the GDP, up from just 0.3% pre-sector reform.

In 2007, the Government launched Nigeria’s first communications satellite. The satellite, Nigcomsat-1, is a super hybrid geostationary satellite with a launch mass of 5,150 kilograms, a service life of at least 15 years, and reliability of more than 0.70 at the end of its lifetime. The satellite is managed and operated by Nigerian Communications Satellite Limited.

Since 2011, The CBN has licensed mobile providers to operate mobile payments. Mobile money allows telephone subscribers to receive, store, and spend money using a mobile phone. This service can be provided by banks, mobile money operators, telecom companies, payment service providers, or similar. The service allows people to transfer money in absence of banks and ATMs.

The table below sets out the number of active telecommunications subscribers at the end of the periods indicated:

	As at 31 December				As at 30 June	
	2019	2020	2021	2022 (subscribers)	2023	2024
Mobile (GSM)	184,426,187	204,228,678	195,128,265	222,225,300	224,412,931	1,109,456.0
Mobile (CDMA)	-	-	-	-	-	-
Fixed Wired/Wireless	107,154	107,031	106,385	96,996	111,971	643,127
Voice over IP	166,068	265,604	229,248	249,272	188,808	1,109,456.0

Source: Nigerian Communications Commission

Media

With the exception of the Nigerian Television Authority, Radio Nigeria and the Voice of Nigeria, which are owned by the Government, and certain stations owned by State Governments, the bulk of the television and radio stations in Nigeria are privately owned. In 2023, Reporters Without Borders ranked Nigeria 112nd out of 180 countries with regard to press freedom, compared to 120th of 180 countries in 2019.

The Freedom of Information Act was passed in Nigeria in 2011. The Freedom of Information Act provides every Nigerian a legal right of access to information, records and documents held by government bodies and private bodies carrying out public functions. The Freedom of Information Act is expected to be a vital tool in the fight against corruption and to assist with holding government officials and institutions accountable.

Electricity

The contributions of the electricity, gas, steam and air conditioning sectors to real GDP were at 0.46% in 2023, 0.45% in 2022, 0.47% in 2021, 0.38% in 2020 and 0.39% in 2019.

The sector increased by 5.56% in 2023, compared to a contraction of 2.21% in 2022, and growth of 27.57% in 2021 and a contraction of 2.90% and 4.86% in 2020 and 2019, respectively. The sector’s significant growth in 2021 was attributable to the economic recovery plan implemented following the COVID-19 pandemic as well as power sector reforms, the ERGP, and the increased electricity tariff as a result of the implementation of the service-based tariff introduced by NERC.

In the six months ended 30 June 2024, the electricity, gas, steam and air conditioning sectors accounted for 0.46% of real GDP and recorded a growth of 3.44%, compared to the six months ended 30 June 2023, attributed to an increase in water level in hydropower dams as a result of increased seasonal rainfall, financial intervention by the Federal Government in offsetting the amount owed to the gas supplier, and the short and medium-term implementation of the October 2022 Inter-Ministerial Committee’s recommendations on issues relating to gas supply to gas-fired Generation Companies (“GENCOs”).

From 2005 to 2013, the generation, transmission and distribution of electricity in Nigeria were largely managed by the PHCN, the Government-owned power sector utility company. The PHCN and state governments produced approximately 75% of the country's electricity in 2012, whilst approximately 25% was produced by independent power producers, including joint ventures between the NNPC and international oil companies.

There are currently 29 grid-connected generating plants in operation in the Nigerian electricity supply industry. As of December 2023, 23 of the grid-connected generating plants were operating at approximately 59% of the installed capacity, and 7 plants operating at less than 10% of installed capacity. Only about 33.71% of the total installed capacity is distributed to the end-users.

Demand for electricity in Nigeria substantially exceeds supply. A study by a major European engineering firm has estimated that demand will rise from around 33 terawatt hours in 2011 to between 56 and 95 terawatt hours by 2025. This will result in an increase in peak load demand from around 5,000 MW in 2011 to between 10,000 MW and 15,000 MW by 2020 and 2025, respectively.

In February 2021, the World Bank approved a U.S.\$500 million loan to the Federal Government of Nigeria in a strategic move to address the identified gaps in the Electricity Distribution Companies (“DISCOs”). This funding supports the Nigerian Distribution Sector Recovery Program, aimed at improving the financial and technical performance of the DISCOs. Key areas of improvement which the loan will be utilised for include the bulk procurement of customer/retail meters and meter data management systems and the implementation of a Data Aggregation Platform. This loan is expected to significantly benefit the Nigerian Electricity Supply Industry by closing the metering gap, enhancing the reliability of power supply, and increasing transparency and accountability within the DISCOs. Currently, the Bureau of Public Enterprises, along with other stakeholders, have approved the contracts for the procurement of 3.25 million meters to bridge the metering gap and reduce Aggregate Technical, Commercial and Collection losses in the electricity sector.

As of March 2024, Nigeria has an installed electricity generation capacity for supply to the national grid of 12.5 GW. Nigeria's estimated available capacity from the grid meets only approximately one-third of the estimated current demand for power from the grid. Aging infrastructure, inadequate funding, insufficient power generation, and high transmission and distribution losses remain a challenge. The unavailability of gas for distribution to the power generating companies has exacerbated the problem. Nigeria's peak electricity demand is expected to grow to 15 GW by 2025 as the population grows and the economy booms. To meet this demand, the Government aims to improve electricity access to a rate of 90% across the country by 2030. See “*Risk Factors—Risks related to Nigeria—Nigeria suffers from electricity shortages*”.

Power Sector Reforms

The reform of the power sector in Nigeria led to the enactment of the Electric Power Sector Reform Act 2005 (“EPSRA”) (now repealed) and, between 2005-2013, the dissociation of the Power Holding Company of Nigeria into eighteen successor companies, consisting of six “GENCOs, the Transmission Company of Nigeria, and eleven DISCOs. The EPSRA also established key institutions within the electricity value chain, such as the Rural Electrification Agency, the Nigerian Bulk Electricity Trader and the Nigerian Electricity Regulatory Commission.

A critical component of the reform was the transformation of the Nigerian Electricity Supply Industry from a state-owned vertically integrated monopoly to a competitive electricity market, thus laying the foundation for the successful privatisation of 11 DISCOs, 4 thermal GENCOs and the concession of 2 hydro power plans, which were officially handed over to private sector operators in November 2013. This divestment has led to an increase in the country's power generation from 1,859MW in 1999 to a peak of 5,313MW in September 2024. Meter installations also rose significantly from 403,255 meters in 2013 to 5,989,727 by 31 March 2024. In turn, this reduced the Aggregate Technical, Commercial and Collection losses estimated as exceeding 50% in 2013 to nearly 40% as at September 2023.

See “*Risk Factors—Risks related to Nigeria—Nigeria suffers from electricity shortages*”.

A key objective of the Government in developing the power sector is to enhance the security of the electric power supply by diversifying the fuel mix by exploiting the country’s gas, coal, wind and hydropower potential.

As of the date of this Offering Circular, the Bureau of Public Enterprises is collaborating with other key stakeholders, including the Ministry of Water Resources & Sanitation, the Ministry of Power, and the Infrastructure Concession & Regulatory Commission, to develop and optimize hydropower and water resources projects in Nigeria. These stakeholders are utilizing a U.S.\$500 million loan from the World Bank to support the Sustainable Power and Irrigation for Nigeria initiative. The objectives of this initiative are to increase access to reliable and sustainable power for citizens and firms, enhance climatic resilience, and promote modernized farming to boost agriculture and food security. The initiative aims to rehabilitate and manage 40,000 hectares of irrigation across the country, with the goal of providing for approximately one million people between 2025 and 2030.

In the fiscal year of 2024, the Government budgeted ₦336.9 billion for capital projects in the power sector. Currently, power sector development is being pursued through a combination of public private partnership and state funded projects.

In June 2020, the World Bank approved the PSRO, involving U.S.\$750 million in credit to improve the reliability of electricity supply, achieve financial and fiscal sustainability, and enhance accountability in the power sector in Nigeria. The PSRO further provides additional financing of U.S.\$449 million in IBRD loan and U.S.\$301 million IDA. The PSRO provides financing to support the implementation of the Government’s PSRO and is expected to increase annual electricity supplied to the distribution grid, enhance power sector financial viability whilst reducing annual tariff shortfalls and protecting the poor from the impact of tariff adjustments. The key objective of the PSRO is to ensure that 4,500 MWh/hour of electricity is supplied to the distribution grid by strengthening the regulatory, policy and financing framework.

The following table compares installed electricity generation capacity and the actual production of electricity in the periods indicated:

	For the year ended 31 December				
	2019	2020	2021	2022	2023
Installed Capacity (MW)	12,954.4	13,014.4	13,014.4	13,014.4	13,014.4
Actual Production (MW)	3,806.1	4,033.2	4,916.3	4,836.0	4,431.8

Source: Transmission Company of Nigeria/Ministry of Power

In December 2023, the Bureau of Public Enterprises successfully concessioned the newly built 700MW Zungeru Hydro Power Plant to a private sector operator. The Zungeru Hydro Power Plant has since been connected to the National Grid. The Bureau is also in the process of concluding the core-investor sale of five further power plants with a combined capacity of 2,486MW to private sector operators.

A key development in the power sector industry was the Presidential Power Initiative that was established by Former President Buhari in 2018. This initiative aimed to expand the transmission and distribution network and improve the reliability and stability of the National Grid in Nigeria and mandated to provide reliable and constant power supply (25 GW of power generation capacity) in Nigeria by 2025.

Multi Year Tariff Order

Electricity tariff reviews are guided by the Electricity Act 2023 signed by President Tinubu, which repeals the EPSRA and consolidates the laws relating to the Nigerian Electricity Supply Industry (“NESI”). The Electricity Act establishes a comprehensive legal and institutional framework for the power sector in Nigeria, prioritizing accurate tariffs and promoting competition through contracts and rules. The Electricity Act empowers State Governments to generate, transmit, and distribute power within the State borders as well as empowering individuals to undertake power generation up to 1MW without the need for a license. Section 116(2) of the Electricity Act 2023 mandates the NERC to establish tariff methodologies to, amongst others, allow recovery plus a reasonable return on capital invested.

NERC has since continued to carry out review of tariffs. In January 2020, NERC issued the December 2019 Minor Review of the Multi Year Tariff Order 2015 and Minimum Remittance Order for the Year 2020, which introduced new tariffs for DISCOs and introduced a planned increase in electricity tariffs. As of

2024, the Government introduced measures to absorb some of the increased costs via subsidies, delaying a full transition to higher cost-reflective tariffs.

2024 Subsidy and Outstanding Obligation

Further to the Federal Government's policy on tariff which has continually prevented the utilities from charging the cost-reflective tariff, NERC introduced the DISCO Remittance Obligation ("DRO") mechanism that aligns the DISCO's market remittance obligation ("Generation Costs") with the tariffs they are allowed to charge the customers, while the balance of Generation Costs is payable through a subsidy funded by the Federal Ministry of Finance and administered through the Nigerian Bulk Electricity Trading Plc ("NBET"). The DRO is the monthly generation invoice net of the subsidy commitment by Federal Government. The DRO is based on the allowed tariff of the DISCOs to ensure proper accounting of the tariff shortfalls within each regulatory period.

The Federal Government commenced the electricity tariff subsidy reform with gradual increase in the end-user tariff which was made possible with the introduction of the service-based tariff system by the Commission. The reform has successfully reduced the subsidy from ₦528 billion in 2019 to ₦144 billion in 2022 but changes in the macroeconomic indices (particularly the FX unification) from 2023 and the Federal Government's decision to fix end-user tariff at 2022 levels have seen the subsidy increase to ₦645 billion in 2023 and ₦2.36 trillion in 2024 (approximately 5 times 2019 levels).

Electricity tariffs have high indexation on the dollar (owing to the gas price and maintenance, amongst other things) and as such, the cost-reflective tariff due to FX unification has increased from ₦124/kWh in January 2024 to ₦202/kWh in October 2024. Fixing the end-user tariff far below the cost-reflective tariff had resulted in a monthly tariff shortfall (subsidy) of approximately ₦262 billion in January 2024. However, with the adjustment of the Band A tariff in April 2024, the average monthly subsidy obligation has reduced to approximately ₦188 billion in October 2024. The total subsidy for 2024 is estimated to be ₦2.36 trillion (approximately 5 times the 2019 subsidies) this would have been approximately 33% higher (₦3.14 trillion) if the tariff reviews conducted in April 2024 were not implemented.

Information available from NBET indicates that all outstanding subsidies from 2015 to 2023 have been paid by the Federal Government with exception of the accumulated interest arising from the delayed payment of subsidy obligation.

The current trajectory of subsidy implementation remains unsustainable as it affects sector liquidity due to significant portions of the 2024 subsidy obligation being unfunded. Only ₦270 billion (approximately 11.25% of the total subsidy of ₦2.36 trillion for 2024 has been funded) and a further ₦350 billion is expected to be funded from the Power Sector Recovery Operation, leaving an unfunded 2024 subsidy of ₦1.74 trillion.

Due to the paucity of funds, the Federal Government often resorts to borrowing from the World Bank to fund subsidy obligations which has created a severe fiscal burden on the government. The delay in payment of subsidy obligations has resulted in the looming shutdown by the GENCOs which are particularly restricted in their liquidity owing to the significant portion of GENCO revenues dependent on the Federal Government subsidy. These GENCOs require funds to undertake routine maintenance on their machines so there is a need to evaluate options for the timely and committed settlement of the outstanding 2024 subsidy to mitigate the risk of a mass outage of generating units on the grid due to mechanical and fuel unavailability.

Water

Nigeria has abundant water resources to support sustainable provision of water supply. The Niger River Basin including its tributaries has about 165.8 billion cubic metres of water. Surface water potential is estimated at 267.3 billion cubic metres whilst ground-water potential is estimated at 51.9 billion cubic metres. The Benue River is the major tributary to the River Niger and is approximately 1,400 kilometres long. These resources have remained largely untapped due to uncoordinated implementation of policies and programmes at the State Government level.

According to a report by the Federal Ministry of Water Resources and UNICEF in 2021, only 10% of Nigerians have full access to basic drinking water services (17% in urban areas and 6% in rural areas). However, 67% of the population have some access to basic drinking water supply services. Additionally,

46% of the population have access to basic sanitation services. In comparison to 2019 WASHNORM data, there has been little progress in the achievement of universal access to basic sanitation services.

In 2013, construction of nine dams was completed, increasing the volume of the nation's water reservoir by 422 million cubic metres. Progress was also made on major projects such as the South Chad Irrigation Project, the Bakolori Irrigation Project, and the Galma Dam. Overall, total irrigable area increased by over 31,000 hectares whilst the production of various irrigated food crops increased by over 400,000 metric tonnes. The Kashimbila Multipurpose Dam Project in Taraba State is completed, which provide irrigation, hydropower and generated 210 GWh of electricity. This dam also provides Nigeria with protection against floods and noxious gases from Lake Nyos in Cameroon should the lake burst its banks, as the UN Environment Programme has warned.

The NDP 2025 has set a goal of increasing access to water and sanitation by 2030 and ending open defecation by 2025 in compliance with SDGs 6.1 and 6.2. In 2021, the Government built about 2,300 Water Points and 6,546 hygiene facilities and sanitation compartments nationwide. Community efforts have also improved safe drinking water and sanitation. Several Nigerians have dug wells and built water tanks to provide clean water to their communities. Despite these attempts, challenges remain. In the 2024 Budget, the Federal Ministry of Water Resources received a total allocation of ₦296.64 billion. Despite constituting only 1.03% of the entire Federal Government budget, the majority of this allocation, specifically ₦281.74 billion, is dedicated to capital expenditure.

The current administration has demonstrated commitment to diversifying Nigeria's economy through transformative policies and innovative initiatives. In line with this drive, the Nigeria Integrated Water Resources Management Commission ("NIWRMC"), under the Federal Ministry of Water Resources and Sanitation, continues to play a critical role in fostering economic growth. With a mandate to regulate water resources derived from transboundary sources between states, the NIWRMC ensures sustainable allocation, development, and monitoring of water resources. This is achieved while balancing social, economic, and environmental objectives, thereby driving equitable socio-economic development.

The NIWRMC regulates bulk water usage across critical sectors, including agriculture, energy, tourism, and industry, by issuing licenses that promote efficiency, equity, and environmental sustainability. This systematic management of water resources has enabled Nigeria to unlock economic opportunities, improve standards of living and attract investments. For example, the regulation of bulk water users in the agriculture sector has supported irrigation projects, significantly contributing to food security. The Niger State Government's partnership with Kiara Rice Mill, regulated by the NIWRMC, exemplifies this impact. The rice mill has enhanced food processing capabilities, created jobs, and provided technical training to farmers, thereby driving agricultural development in the region.

In the energy sector, the NIWRMC has issued licenses to hydropower generation companies, enabling them to deliver electricity reliably while fostering employment opportunities. A notable beneficiary, Mabon Limited, has trained and employed over three hundred young people, reflecting the multiplier effect of effective water regulation on the economy. The bottling and mining industries have also benefited from the NIWRMC's licensing framework. These industries rely on groundwater and surface water resources, and their operations have significantly contributed to industrial productivity and revenue generation for the country.

By ensuring that bulk water users comply with licensing requirements, the NIWRMC has unlocked a steady stream of non-oil revenue for the nation. The strategic regulation of bulk water usage by large-scale industries underscores its potential as a viable economic resource.

Housing

Delivery of housing is subject to several challenges. Housing policy is based on a complex legal and regulatory environment that deters housing development, whilst a poor incentive structure for housing financing limits private sector investment. The shortage of properties is due partly to the high cost of housing construction. Cost challenges are amplified by high rural-to-urban migration, which has increased demand for housing accommodation in urban areas.

Land availability is another major constraint to housing sector growth. Pursuant to the Land Use Act of 1978, ownership of all land is vested in the Governor of each state (except the Federal Capital Territory and some parts of Lagos), who holds the land on trust for the people. All real property transactions require the consent of the Governor and registration at the land registry of the relevant state. Delays in obtaining Governor's consent for land titles may cause uncertainty and frustrate housing developers and homeowners. According to the World Bank, the registration process for Governor's consent requires six months to two years and costs approximately 21.0% of the property value.

To encourage housing development, the Government promoted enactment of the Federal Mortgage Bank Act, which authorised the establishment of the Federal Mortgage Bank of Nigeria, which had existed since 1956 as the Nigerian Building Society. The Federal Mortgage Bank of Nigeria operated initially as a primary mortgage institution, managing the National Housing Fund. The National Housing Fund, which was established by the National Housing Fund Act, facilitated the mobilisation of long-term housing funds for affordable housing. The National Housing Fund is funded by a tax of 2.5% that is assessed on the income of Nigerian workers whose basic monthly salary is ₦3,000 or greater.

The Federal Housing Authority is responsible for preparing and executing proposals for national housing programmes and recommending to the Government urban and regional planning policies relevant to the successful execution of housing programmes.

Pursuant to 2012 revisions to the National Housing Policy, a two-tier formal housing finance system was established whereby the Federal Mortgage Bank of Nigeria performs mainly secondary mortgage and capital markets operations. Under this two-tier system, the Federal Mortgage Bank of Nigeria provides loans from the National Housing Fund to qualifying primary mortgage institutions licensed by the CBN; the qualifying primary mortgage institutions then use the proceeds of National Housing Fund loans for lending to third parties to build, purchase or renovate houses.

The Federal Government is committed to harmonising and standardising land administration processes across all states through a national technical development forum, with the purpose of encouraging public and private investment in the housing sector.

In February 2024, the Government launched the Renewed Hope Cities & Estates Programme. The first phase of the project will range from 1,000 housing units per site in one location in each of the six geopolitical zones of the country and FCT namely: Abuja, Lagos, Kano, Borno, Nasarawa, Rivers, and Enugu States. The remaining thirty States will have Renewed Hope Estates, each with a minimum of 500 housing units. The program aims to address social inequality by providing a broad range of affordable ownership options. The funding for these projects will come from a mix of sponsors, comprising the Federal Ministry of Housing and Urban Development's budgetary allocation, the Federal Mortgage Bank of Nigeria ("FMBN"), and Public Private Partnerships with reputable developers. The Ministry was able to secure ₦68.1 billion in funding for the project, which comprises ₦50 billion from the 2023 Supplementary Budget and ₦18.1 billion from the 2024 Budget.

Industrialising the Nigerian Economy

From the 1980s, as the contribution of the service sector to real GDP has increased, the industrial contribution to real GDP (comprised of the mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply, water supply, sewerage, waste management and remediation and construction sectors) has steadily declined from approximately 44.0% in the 1980s to approximately 19.0% in 2023, 20.6% in 2022, 21.4% in 2021, 21.4% in 2020 and 22.3% in 2019. In the six months ended 30 June 2024, the industrial contribution to real GDP was 19.8%.

To support the industrial sector, the Federal Ministry of Industry, Trade and Investments launched an Industrial Revolution Plan, the Nigeria Industrial Revolution Plan ("NIRP"). The main objectives of the NIRP were to increase the contribution of the industrial sector to GDP growth and to create a competitive advantage for Nigeria by focusing on the development and distribution of appropriate skills that are sector-specific and industry-driven. The NIRP aimed to create jobs, attract Foreign Direct Investment and diversify the economy.

The NIRP was designed as a five-year plan to accelerate the build-up of industrial capacity within Nigeria. The goals of the NIRP were to make Nigeria's manufacturing sector its dominant job creator and income generator, to ensure that Nigeria becomes the preferred manufacturing hub in Africa and the preferred source for supplying low and medium-technology consumer and industrial goods domestically and regionally.

However, the NIRP achieved mixed results across sectors and overall poor performance. Since the development of the NIRP, the Nigerian economy has suffered two recessions, as well as economic disruption caused by the COVID-19 pandemic, just as it was otherwise on the cusp of the fourth industrial revolution. Nigeria has also signed onto the AfCFTA which has the potential to widen the African market to provide the economies of scale necessary for competitive manufacturing. However, for Nigeria to reap the full benefits of the AfCFTA, its participation must be underpinned by far-reaching and transformative industrial development. Accordingly, the Federal Ministry of Trade and Investment has commenced the revision of the NIRP, in partnership with UNECA, to produce a second plan called NIRP II.

Streamlining Investments in Nigeria

Nigeria is taking steps to streamline the regulatory environment for business. Government regulation of business is organised using the 10 World Bank "Doing Business" indicators, namely: Starting a Business; Registering Property; Dealing with Construction Permits; Getting Electricity; Getting Credits; Trading Across Borders; Paying Taxes; Enforcing Contracts; Protecting Investors; and Resolving Insolvency. In addition to these, the Government is intervening in other areas, such as Investment Facilitation, Communication Management, and others, as necessary.

These deregulation initiatives include: reducing incorporation fees, implementing a consolidated payment system for Corporate Affairs Commission and Nigerian Federal Inland Revenue Service payments, taking certain measures to hasten electricity access and connectivity, simplifying and clarifying tax payment requirements, expansion of visa-on-arrival scheme for foreign investors, creating corporate governance codes, and implementing an online, automated port approvals and clearances system.

Additionally, the Small and Medium Scale Enterprises Development Agency under the supervision of the Federal Ministry of Industry, Trade and Investment was created to create more access to funds for small and medium businesses. The agency launched the National Enterprise Development Policy in February 2014. Support for micro, small and medium-sized enterprises has been boosted by the recent international accreditation of laboratories of the Standards Organisation of Nigeria. This will help micro, small and medium-sized enterprises to produce World Health Organization pre-qualified products.

Free Zones

In 1992, the Government established the Nigeria Export Processing Zones Authority, which is responsible for investments in free zones ("**Free Zones**") in Nigeria. Certain advantages, benefits and incentives are automatically conferred on investors who are located in the Free Zones in Nigeria. Such incentives include:

- complete tax holiday for all Federal Government, State Government and local government taxes, rates, customs duties and levies;
- one-stop approvals for all permits, operating licences and incorporation papers;
- duty-free, tax-free import of raw materials and components for goods destined for re-export;
- duty-free introduction of capital goods, consumer goods, machinery, equipment, and furniture;
- permission to sell 100% of manufactured, assembled or imported goods into the domestic Nigerian market;
- for sales to the domestic market, the amount of import duty on goods manufactured in the Free Zone is calculated only on the basis of the value of the raw materials or components used in assembly, not on the finished products;
- 100% foreign ownership of investments;

- 100% repatriation of capital, profits and dividends;
- waiver of all import and export licences;
- waiver on all expatriate quotas for companies operating in the zones;
- prohibition of strikes and lockouts; and
- rent-free land during the first six months of construction.

Over the years, the Free Zones scheme has evolved to satisfy the needs of investors and provide more opportunities for businesses. The scheme now covers not only manufacturing activities but also trade, agriculture, tourism and more.

The Nigeria Export Processing Zones Authority operates different types of free zones; these include:

- Export Processing Zones: they are intended to promote the production of goods and services that are export-oriented;
- Border Free Zones: they are located at the border to boost international trade and formalise informal trade;
- Logistics Free Zones: they provide logistics services; and
- Oil & Gas Free Zones: they are for oil and gas activities.

As of 30 June 2024, there are 42 Free Zones in Nigeria designated by the Federal Government, State Governments and private sector organisations. There are currently over 500 licensed Free Zone enterprises operating. The principal sectors of the Free Zones are multi-sectoral, manufacturing, oil and gas, logistics and science and technology.

Small- and Medium-Sized Enterprises

The Federal Government, through the Financial Reporting Council, launched the SME Corporate Governance Guidelines to enhance Nigeria's business environment and promote SME sustainability. The initiative aimed to increase business confidence, access to capital and trade, and promote good corporate governance practices. Also, the Federal Government signed into law the exemption on withholding tax for manufacturers and small businesses. This is expected to reduce the burden of taxes on businesses and SMEs and promote competitiveness, equity and ease of compliance.

In the first half of 2024, the Federal Government launched the Consumer Credit Scheme, a programme designed to offer credit facilities to working citizens in the country. The initiative provided opportunities to enhance quality of life by accessing goods and services upfront and increasing demand for goods and services to stimulate SME growth, local industry and job creation.

The Federal Government, in addition, launched the Labour Employment and Empowerment Programme Initiative to reduce unemployment and contribute to national development. This programme, through six strategic initiatives, namely, digital skills initiative, vocational entrepreneurship skills programmes, infrastructural upgrade, NELEX upgrade for employment acceleration, global remote work initiative and labour compliance enhancement, sought to train and equip 2,500,000 people per year until 2028.

Similarly, the Federal Government, through the Small and Medium Enterprise Development Agency of Nigeria and the Enugu State Government, launched a ₦1.00 billion Matching Fund Programme aimed at providing affordable loans to MSMEs and nano enterprises in the state, signifying a significant step towards entrepreneurial development and economic growth in the region.

The Federal Executive Council also approved the disbursement of ₦60 billion from the CBN via the Agricultural Small and Medium Enterprises Investment Scheme to boost small business growth, particularly among young entrepreneurs.

Privatisation and Commercialisation Programmes

Nigeria's privatisation programme commenced in 1988 with the Privatisation and Commercialisation Decree No. 25 of 1988 (the "**Privatisation Decree**"). The now-defunct Technical Committee on Privatisation and Commercialisation was the implementation agency for the privatisation and commercialisation programme. In 1999, the Public Enterprises (Privatisation and Commercialisation) Act 1999 (the "**Privatisation Act**") replaced the Privatisation Decree.

The Privatisation Act lists the State-Owned Enterprises to be privatised and commercialised, the methods of privatisation, limitation of legal proceedings against the Bureau of Public Enterprises and the establishment of a Public Enterprises Arbitration Panel.

The Bureau of Public Enterprises has used core investor sales, initial public offerings, willing buyer/willing seller, asset sales and liquidations, as approved by the National Council on Privatisation, as methods of privatisation. Sales of Government equity in State Owned Enterprises are conducted through competitive bid process, where practicable. In certain exceptional cases, negotiated sales or sales on a "willing buyer/willing seller" basis, as approved by the National Council on Privatisation, are used.

The Bureau of Private Enterprises privatised and concessioned 143 federal State-Owned Enterprises between 2000 and April 2015 with total estimated proceeds of ₦1.3 trillion. In recent years, the privatisation and commercialisation programme in Nigeria has slowed down, primarily because some of the remaining federal State-Owned Enterprises require the passage of legislation or have complex structures. The proposed laws allowing the privatisation of some of the State-Owned Enterprises were approved by the National Council on Privatisation in 2014 and submitted to the 7th National Assembly for consideration and enactment. The laws are at various stages of enactment by the current National Assembly.

Some other future privatisation initiatives of the Government include the privatisation of the Bank of Industry, Abuja Securities and Commodities Exchange, Nigeria Agricultural and Rural Development Bank, railways, national parks, national stadia, roads and airports. In addition, the Government intends to sell minority stakes by way of a public offer in certain companies including NICON Insurance, Nigeria Reinsurance and the Transcorp Hilton. Additionally, NPCC is moving forward with plans to hand over operations of the Warri and Kaduna refineries to private operators, with the goal of boosting refinery efficiency and improve fuel supply by partnering with credible operations and maintenance companies.

In 2024, the Government aims to raise about ₦298.5 billion from the privatization of public assets, which represents a 44.8% increase compared to 2023. This aligns with efforts to reduce the national debt and enhance economic growth through asset sales, with experts recommending transparency by using the stock exchange to ensure broad public participation. The Government also aims to strengthen the frameworks for concessions and public-private partnerships, including working with the legislature to address legal and regulatory bottlenecks to unlock private investments in key sectors.

FOREIGN TRADE AND BALANCE OF PAYMENTS

Introduction

Balance of Payments

The balance of payments is used to record the value of transactions carried out between a country's residents and the rest of the world, for a specific period. The balance of payments is composed of:

- the current account, which comprises:
 - net exports of goods and services (the difference in value of exports minus imports);
 - net financial and investment income; and
 - net transfers; and
- the capital and financial accounts, which comprise the difference between financial capital inflows (liabilities) and financial capital outflows (assets).

Since 2015, balance of payments statistics for Nigeria have been prepared in accordance with the fifth and sixth editions of the IMF Balance of Payments Manual (“**BPM5**” and “**BPM6**”). This is done in order to sensitise users before full migration to BPM6, which is the current methodological standard for the compilation of BOP statistics by IMF member countries. Historical balance of payments statistics are restated pursuant to BPM6.

Current Account

One of the most important components of the current account is the trade balance. The four primary factors that drive the trade balance are:

- the relative rate of economic growth of a country as compared to that of its trading partners – generally, if a country's economy grows faster than that of its trading partners, its relative level of consumption of goods and services will tend to rise, and its level of imports will tend to increase more rapidly than its level of exports;
- the relative level of domestic prices against foreign prices, as reflected by the real exchange rate – generally, if a country's domestic prices rise relative to those of its trading partners, there is a tendency for the country's level of exports to decline, and for its level of imports to increase;
- changes in production costs, technology, and worker skills – more efficient production will tend to lower production costs, which in turn will tend to lower prices. As prices fall, there will be a tendency for the country's level of exports to increase; and
- changes in consumer tastes, which may affect the demand for a country's goods and services abroad, and the demand for foreign products in the domestic market.

Capital and Financial Accounts

The capital and financial accounts quantify foreign direct investment, foreign portfolio investment and other capital flows into and out of a nation's financial markets.

Foreign Trade

In 2023, Nigeria recorded a trade surplus of U.S.\$8.08 billion, up from a trade surplus of U.S.\$6.00 billion in 2022, driven by lower oil and non-oil import bills. In contrast, Nigeria experienced trade deficits of U.S.\$4.56 billion in 2021 and U.S.\$16.40 billion in 2020, following a surplus of U.S.\$2.87 billion in 2019. The trade deficits in 2020 and 2021 were primarily attributable to the impacts of the COVID-19 pandemic.

In 2023, total exports were U.S.\$55.82 billion, a 13.09% decline from U.S.\$64.23 billion in 2022. Total exports in 2021, 2020 and 2019 were U.S.\$46.86 billion, U.S.\$35.94 billion, and U.S.\$64.98 billion respectively. In 2023, oil sector exports accounted for 89.27% of total exports, compared to 88.92% in

2022. Oil sector exports accounted for 83.89%, 87.36% and 87.16% of total exports in 2019, 2020 and 2021, respectively.

Trade Policy

Nigeria's trade policy aims to encourage the production and distribution of goods and services to satisfy the demands of both domestic and international markets, thereby fostering economic growth and development. However, this policy has been subject to limitations on foreign exchange, as discussed further below.

Nigeria's tariff policy is primarily governed by the CET regime of ECOWAS. The CET requires members to harmonise *ad valorem* tariff rates into five bands: (i) zero duty on basic social goods such as medicine and publications; (ii) 5% duty on basic goods, raw goods and capital goods; (iii) 10% duty on inputs and semi-finished goods; (iv) 20% on finished goods; and (v) 35% for specific goods for economic development and finished goods that are manufactured locally and which therefore require some protection in the interest of promoting local industries. Other duties and charges apply to imports; for example, imported goods are subject to a value added tax of 7.5%. The CET was adopted by ECOWAS member states in 2013 and came into effect in 2015 with a transitional period of implementation to 2020. As at the date of this Offering Circular, more than 10 of the 15 member countries, including Nigeria, had implemented the CET.

In April 2022, the NCS migrated from the old version of the ECOWAS CET (2017- 2021) to the new version for the years 2022- 2026. As allowed for in Annex II of the 2022-2026 CET edition, and in line with the Finance Act and the National Automotive Policy, NCS retained a duty rate of 20% for used vehicles as was transmitted by ECOWAS with a National Automotive Council ("NAC") levy of 15%. New vehicles will also pay a duty of 20% with NAC levy of 20% as directed by the Ministry of Finance in April 2022.

Historically, Nigeria has had a long list of prohibited and restricted imports, primarily to encourage local production and to conserve foreign exchange. This import ban has resulted in significant revenue loss to the Government through trade diversion to neighbouring countries and the routine smuggling of banned goods into the country. In August 2019, Nigeria shut its borders with Benin, to prevent the smuggling of rice and other products and increase internal production and ordered a ban on issuing foreign currency for food imports. In September 2020, the Government reissued that ban on dollars for food imports, adding fertilisers to the list of restricted items. The move was designed to empower local farmers and producers. In December 2020, the Nigeria-Benin border was partially reopened to allow passage by light vehicles and pedestrians. The two countries, along with Niger, have commenced joint patrols of the border and agreed to establish a working group to oversee the implementation of further measures in an effort to reduce smuggling. In 2022 and 2023, there were additional efforts to strengthen border security and improve trade relations. These efforts include enhanced surveillance technologies and increased cooperation between customs officials. Furthermore, the governments involved have been working on policies to facilitate legitimate trade while curbing illegal activities.

As at the date of this Offering Circular, all items are valid for foreign exchange at the Nigerian foreign exchange window, which enables importers to source for dollars in the official foreign exchange market. In April 2023, the Federal Government approved the 2023 Fiscal Policy Measures ("**2023 FPM**"). The approved 2023 FPM includes the Supplementary Protection Measures for implementing the ECOWAS CET 2022–2026, revised excise duties on alcoholic beverages, cigarettes, and tobacco products, the introduction of excise duties on Single Use Plastics, and an Import Adjustment Tax levy on motor vehicles with engines of 2000 cc and above.

Exports and Imports

Nigeria primarily exports oil products, which constituted an average of 87.32% of total exports between 2020 and 2023. Consequently, Nigeria's export levels fluctuate in accordance with the variations in global oil prices, which have been volatile in recent years.

In December 2019, the average price per barrel of Nigerian crude oil was U.S.\$66.53. This price significantly dropped to U.S.\$41.89 in December 2020, then increased to U.S.\$70.91 in December 2021 and U.S.\$104.62 in December 2022, before decreasing again to U.S.\$85.03 in December 2023. As of 30 June 2024, the price of Nigerian crude oil was U.S.\$83.64.

In 2023, crude oil exports accounted for 78.81% of total exports, compared to approximately 77.46% and 75.03% in 2021. Crude oil exports accounted for approximately 74.59% and 73.38% of the total value of exports in each of 2020 and 2019, respectively.

From 2019 to 2023, total imports have increased, totalling ₦31 trillion in 2023 from ₦19 trillion in 2019. Oil sector imports have increased steadily, representing 38.34% of total imports as of December 2023.

Some calculations of Nigerian imports and exports include estimates for informal imports and exports. Such estimates reflect imports and exports that do not require formal declarations or other standard procedures, primarily due to exemptions that are based on the quantum of a transaction. Estimates of informal imports and exports are calculated based on an Informal Cross Border Trade Survey that the CBN conducts periodically. The accuracy of these estimates may be limited due to certain challenges and limitations applicable to the CBN survey, such as limited coverage of borders and adjoining routes, duration of data collection (one week of each month during the survey period), exclusion of major borders in the North East region due to insecurity, and exclusion of international airports, where substantial informal trade was observed but classified as personal effects and diplomatic baggage.

Export and import data may be subject to significant discrepancies depending on the source of the data. For instance, export and import data from the CBN are based upon reporting by banks, whereas export and import data from the NBS are based upon reporting by the NCS. Data collected by the NBS may reflect informal exports and imports that are recorded by the NCS, but that do not pass through the banking sector, including potentially large volumes of trading between affiliated enterprises and family members.

The following table shows a breakdown of imports and exports as between the oil sector and the non-oil sector:

	For the year ended 31 December					For the six months ended 30 June	
	2019	2020	2021	2022	2023	2023	2024
	<i>(U.S.\$ billions)</i>						
Imports	66.74	52.35	51.42	58.23	47.75	25.92	19.52
Oil sector.....	11.54	7.30	15.71	22.37	18.31	10.33	7.10
% of imports.....	17.28	14.00	30.54	38.41	38.34	39.85	36.37
Non-Oil sector.....	55.20	45.04	35.72	35.86	29.44	15.59	12.42
% of imports.....	82.72	86.00	69.46	61.59	61.66	60.15	63.63
Exports	64.98	35.94	46.86	64.23	55.82	27.20	28.13
Oil sector.....	54.51	31.40	40.84	57.11	49.83	23.77	24.60
% of exports.....	83.89	87.40	87.16	88.92	89.27	87.39	87.45
Non-Oil sector.....	10.47	4.54	6.02	7.12	5.99	3.43	3.53
% of exports.....	16.11	12.60	12.84	11.08	10.73	12.61	12.55
Balance of Trade	(1.76)	(16.40)	(4.56)	6.00	8.08	1.28	8.61
Oil Sector	42.98	24.10	25.14	34.74	31.52	13.44	17.5
Non-Oil Sector.....	(1.07)	(40.50)	(29.70)	(28.74)	(23.45)	(12.16)	(8.89)

Note: Trade statistics are inclusive of cost, insurance and freight and figures include estimates made for informal imports and exports.

Source: Central Bank of Nigeria

The tables below show a breakdown of exports by type, within the oil sector and the non-oil sector for the periods indicated:

	For the year ended 31 December					For the six months ended 30 June	
	2019	2020	2021	2022	2023	2023	2024
	<i>(U.S.\$ billions)</i>						
Oil Sector Exports							
Crude Oil.....	47.94	26.81	35.16	49.75	43.99	20.90	21.10
Gas	6.57	4.59	5.68	7.36	5.84	2.87	3.50
Total	54.51	31.40	40.84	57.11	49.83	23.77	24.60

Note: Trade statistics are inclusive of cost, insurance and freight and figures include estimates made for informal imports and exports.

Source: Central Bank of Nigeria

	For the year ended 31 December				
	2019	2020	2021	2022	2023
Non-Oil Sector Exports	(%)				
Agricultural Produce	54.39	63.38	43.23	30.93	38.85
Semi-Manufactured Goods	11.07	12.94	13.70	14.83	15.75
Manufactured Goods.....	11.27	8.69	10.44	6.73	8.18
Solid Minerals.....	6.44	3.10	4.63	7.85	9.42
Other	16.83	11.88	28.01	39.66	27.81
Total	100.00	100.00	100.00	100.00	100.00

Note: Trade statistics are inclusive of cost, insurance and freight and figures include estimates made for informal imports and exports.

Source: Central Bank of Nigeria

Total imports decreased in 2020 when compared to 2019, primarily as a result of slowdown of trade due to the COVID-19 pandemic. The contribution of non-oil imports has varied in recent years, accounting for 82.72% of total imports in 2019, and 86.00% in 2020, 69.46% in 2021, 61.59% in 2022 and 60.15% in 2023.

Since 2008, capital goods and raw materials have constituted the largest portion of Nigeria's imports, followed by consumer goods. The import of consumer goods has steadily increased during the periods under review. In 2023, the proportion of imports was highest in the mineral products category, followed by machinery and appliances, vehicles and aircraft, products of the chemical or allied and vegetable products.

The following table provides additional detail on imports for the non-oil sector for the periods indicated:

	For the year ended 31 December				For the six months ended 30 June
	2020	2021	2022	2023	2024 ⁽¹⁾
			(₦ millions)		
Live animals; animal products	454,519.50	551,225.96	549,643.09	597,473.38	620,860.61
Vegetable products.....	749,386.85	1,351,406.42	1,313,469.36	1,629,759.27	1,263,708.10
Animal or vegetable fats and oils and their cleavage products; prepared edible	119,809.03	262,284.39	165,868.28	214,600.12	117,419.63
Prepared foodstuffs; beverages, spirits and vinegar;					
tobacco and manufactured	594,083.17	903,476.96	976,579.82	1,514,538.96	1,290,954.50
Mineral products	2,965,201.74	6,563,003.47	10,251,333.44	12,191,990.82	9,034,413.14
Products of the chemical or allied	1,456,617.90	1,799,433.24	2,215,190.64	2,333,441.80	2,386,928.47
Plastics and articles thereof; rubber and articles thereof.....	609,211.15	1,161,272.64	1,186,872.71	1,299,377.83	1,485,958.73
Raw hides and skins, leather, fur skins, saddlery and articles thereof;	29,692.97	36,099.36	59,555.08	89,686.61	69,474.59
Wood and articles of wood; wood charcoal; cork and articles of cork;	51,499.73	59,339.88	105,609.78	175,120.89	247,005.40
Paper making material; paper and paperboard, articles.....	188,638.80	328,923.40	412,234.11	573,113.14	369,998.21
Textiles and textiles articles	182,534.16	278,767.27	365,463.12	377,467.54	360,915.72
Footwear, headgear, umbrellas, sunshades, whips etc.....	23,479.48	25,845.56	25,233.65	27,894.97	25,317.64
Articles of stone, plaster, cement, asbestos, mica, ceramic.....	71,439.65	100,988.29	117,187.16	185,552.87	131,659.18
Pearls, precious and semi-precious stones, precious metals,	1,296.49	1,287.98	274,533.66	233,359.04	163,693.35
Base metals and articles of base metal	672,496.87	1,060,164.24	851,393.90	968,014.50	1,173,028.65
Boilers, machinery and appliances; parts thereof.....	3,029,165.92	4,195,174.56	4,336,996.37	5,043,325.43	4,268,778.58
Vehicles, aircraft and parts thereof; vessels etc	1,149,412.32	1,555,881.21	1,680,757.48	2,746,286.11	1,698,253.19
Optical, photographic, cinematographic, measuring appliances	263,963.31	446,706.80	522,958.24	363,906.06	258,442.13
Arms and ammunition; parts thereof.	29,236.39	72,497.14	28,239.04	127,162.18	11,762.51
Miscellaneous manufactured articles.	59,157.36	89,967.33	151,408.92	167,307.92	137,356.41
Works of art, collectors pieces and antiques.....	101.05	218.85	19.57	3,686.08	833.05

	For the year ended 31 December				For the six months ended 30 June
	2020	2021	2022	2023	2024 ⁽¹⁾
Total	12,700,943.81	20,843,964.95	25,590,547.41 (<i>₦ millions</i>)	30,863,065.54	25,116,761.76

The figures included in table include estimates made for informal imports.

Source: National Bureau of Statistics

(1) Provisional

Customers and Suppliers

The table below sets forth information regarding the destination of Nigeria's exports for the periods indicated:

	For the year ended 31 December				For the six months ended 30 June
	2020	2021	2022	2023	2024
			(<i>₦ billions</i>)		
Exports by continent	12,522.68	18,907.79	26,796.75	35,962.39	38,586.29
Africa	2,374.89	2,413.39	2,659.04	3,713.86	4,592.83
<i>of which: ECOWAS</i>	841.33	1,241.51	1,746.98	2,237.21	2,918.03
Americas	850.176	2,470.45	3,965.04	6,162.40	7,290.69
Europe	4,868.97	7,475.60	11,742.96	16,329.71	16,524.72
Asia	4,307.66	6,386.96	8,316.45	9,589.18	10,145.95
Oceania	120.986	161.388	113.248	167.232	32.092
Main countries for Nigeria's exports					
India	1,880.45	3,095.94	3,385.96	3,007.63	3,261.48
U.S.	382.198	800.345	1,824.76	2,609.16	3,167.10
Spain	1,361.96	2,232.08	3,204.03	3,386.46	4,030.54
Netherlands	1,072.29	1,135.13	2,570.01	4,516.29	3,074.95
France.....	565.613	1,190.54	1,544.78	2,350.87	3,944.97
UK.....	310.162	448.580	533.309	1,409.09	406.757
Canada	287.047	857.941	801.291	2,136.51	2,286.95
Brazil.....	53.873	496.797	768.914	461.501	580.484
Italy	440.199	759.173	1,113.39	1,394.19	2,068.26
Germany.....	116.892	330.703	340.716	526.072	1,056.23
China.....	633.482	739.003	352.432	891.376	1,427.84

The figures included in the table include estimates made for informal exports.

Source: National Bureau of Statistics.

The primary destination of exports from Nigeria in 2023 was Netherlands, which accounted for ₦4.5 trillion of exports in 2023, followed by Spain and India, which accounted for ₦3.3 trillion and ₦3.0 trillion of exports, respectively.

The table below sets forth information regarding the origin of Nigeria's imports for the periods indicated:

	For the year ended 31 December				For the six months ended 30 June
	2020	2021	2022	2023	2024
	(₦ millions)				
Imports by continent	12,700,943.81	20,843,964.95	25,590,547.41	30,863,065.54	26,443,585.45
Africa	406,882.65	551,309.74	738,257.69	896,054.05	957,306.56
of which: ECOWAS	75,018.47	82,480.19	136,034.55	168,281.88	279,410.22
Americas.....	1,571,578.66	2,100,699.74	2,494,202.04	3,595,172.81	2,891,976.39
Europe.....	4,659,558.71	8,357,959.39	10,405,558.10	12,254,080.16	10,857,784.38
Asia.....	5,968,827.23	9,687,078.21	11,811,940.63	14,018,370.63	11,611,513.39
Oceania.....	94,096.55	146,917.87	140,588.94	99,387.88	125,004.73
Main countries for Nigeria's imports					
China	3,227,000.37	5,155,749.22	5,806,935.97	6,600,070.99	5,960,427.32
U.S.	1,026,145.83	1,271,602.04	1,422,888.41	2,227,069.38	1,927,063.05
Netherlands.....	1,163,118.01	2,142,110.44	2,653,529.20	1,805,522.83	1,307,032.06
India	1,104,562.38	1,841,064.35	2,028,780.19	2,887,855.29	2,243,712.54
Germany	395,300.58	509,761.11	505,732.57	630,720.85	530,513.64
UK	282,149.18	326,045.52	574,396.35	688,194.02	316,564.44
France	269,948.73	469,707.61	671,005.40	464,994.13	473,269.27
Italy.....	272,050.67	422,857.34	350,117.46	644,520.96	542,922.26
Brazil.....	283,307.48	462,900.95	482,054.40	810,122.59	523,233.73
Spain.....	194,120.93	275,668.21	242,554.97	321,839.67	639,905.10
Japan.....	140,594.46	119,639.41	142,064.51	218,183.37	208,333.36
Canada.....	135,365.02	188,407.80	180,494.57	312,585.87	227,840.59

The figures included in the table include estimates made for informal exports.

Source: National Bureau of Statistics.

The primary source of imports to Nigeria in 2023 was China which accounted for ₦6.6 trillion of imports, followed by India and the United States, which accounted for ₦2.8 trillion and ₦2.2 trillion of imports, respectively.

Balance of Payments

The table below sets forth certain information regarding Nigeria's balance of payments for the periods indicated:

	For the year ended 31 December					For the six months ended 30 June	
	2019	2020	2021	2022	2023	2023	2024
	(U.S.\$ billions)						
Current Account	(13.69)	(15.99)	(3.25)	3.48	6.02	1.13	8.52
Trade Balance.....	2.87	(16.40)	(4.56)	6.00	8.08	1.27	4.37
Exports fob.....	64.98	35.94	46.86	64.23	55.82	27.20	28.13
Imports fob.....	(62.11)	(52.35)	(51.42)	(58.23)	(47.75)	25.92	19.52
Services (net).....	(33.76)	(15.84)	(12.06)	(13.96)	(13.24)	6.36	6.73
Income (net).....	(9.16)	(4.77)	(8.58)	(12.87)	(10.94)	(4.85)	(4.90)
Current transfers (net).....	26.37	21.02	21.95	21.85	22.12	11.07	11.54
Capital and Financial Account	21.44	(0.98)	6.35	6.49	(18.82)	(3.26)	1.95
Financial account (net)	21.44	(0.98)	6.35	6.49	(18.82)	(1.42)	2.75
Assets	11.51	0.57	(14.75)	(6.50)	(4.13)	1.57	1.49
Direct investment (Abroad).....	(0.29)	(1.47)	(1.82)	0.07	0.26	0.02	(1.55)
Portfolio investment	(0.09)	(0.11)	(0.76)	(0.69)	0.25	(0.01)	0.06
Other investment	7.40	0.48	(9.87)	(8.20)	(1.28)	2.89	0.51
Reserve assets	4.49	1.66	(0.30)	3.32	3.34	1.34	2.47
Liabilities	9.92	(1.54)	21.10	12.99	14.70	2.99	(1.26)
Direct investment in reporting economy.....	2.31	2.39	3.31	(0.19)	1.87	0.28	0.26
Portfolio investment	3.18	(3.56)	6.10	4.56	6.47	0.86	5.82
Other investment liabilities.....	4.44	(0.34)	9.68	7.62	6.29	1.84	(7.34)
Net errors and omissions	(7.75)	16.96	(3.10)	(7.51)	(24.84)	(9.67)	6.57
<i>Memorandum Items:</i>							
Current Account Balance as % of GDP	(2.88)	(3.71)	(0.77)	0.21	1.66	1.09	9.31
Capital and Financial Account Balance as% of GDP.....	4.51	(0.23)	1.50	1.37	(5.20)	10.01	2.13
Overall Balance as % of GDP	(0.94)	(0.39)	0.07	(0.70)	(0.92)	(1.29)	2.70
Effective Central NIP (₦/U.S.\$)	306.42	358.15	409.02	425.50	647.27	509.77	509.77

Source: Central Bank of Nigeria.

In 2023, the current account registered a surplus of 1.66% of GDP, compared with a surplus in 2022 of 0.213% of GDP and a deficit in 2021 of 0.77%. The current account deficit in 2020 and 2019 was due largely to large import bill, combined with low export and remittances resulting from the impact of COVID-19. In 2023, the deficits in the services (net) account and income (net) account decreased and increased by 5.16% and 9.82%, respectively, as compared to 2022. The surplus in the current transfers (net) account increased by 1.3% in 2023, primarily as a result of increase in general government grants.

The overall balance was negative in 2019, equal to 0.94% of GDP, 0.39% of GDP in 2020, 0.07% of GDP in 2021, 0.70% of GDP in 2022 and 0.92% of GDP in 2023.

The monthly adjusted gross external reserves position fluctuated over the period from U.S.\$38.09 billion (8.25 months of import cover) in December 2019, U.S.\$36.46 billion (8.33 months of import cover) in December 2020, U.S.\$40.23 billion (9.39 months of import cover) in December 2021, U.S.\$36.61 billion (7.54 months of import cover) in December 2022, U.S.\$32.85 billion (8.35 months of import cover) in December 2023. The general increase in gross external reserves between 2019 to 2023 is primarily attributable to third party receipts. In June 2024, monthly adjusted gross external reserves stood at U.S.\$34.80 billion, sufficient for 7.90 months of import cover.

The table below sets forth the gross external reserves (monthly adjusted position) for the periods indicated:

	Gross External Reserves	Months of Imports (Goods)	Months of Imports (Goods and Services)
For the month	<i>(U.S.\$ billions)</i>		
September 2023.....	33.80	8.6	6.35
October 2023.....	33.60	9.5	6.7
November 2023.....	32.4	9.2	6.5
December 2023.....	33.2	9.45	6.7
January 2024.....	32.3	10.1	7.1
February 2024.....	33.7	10.6	7.4
March 2024.....	32.1	10.1	7.0
April 2024.....	32.8	11.4	7.48
May 2024.....	32.8	11.4	7.48
June 2024.....	34.8	12.0	7.9

Source: Central Bank of Nigeria

The 30-day moving average indicates an increase in the reserves position since June 2024, reaching U.S.\$36.5 billion at the end of July, U.S.\$35.9 billion at the end of August, U.S.\$39.3 billion at the end of September, and U.S.\$39.8 billion at the end of October. The gross external reserves stood at U.S.\$40.2 billion at the end of November 2024, reflecting a 15.55% increase from June 2024, driven by third-party receipts, FX transactions, and crude oil related taxes.

In 2023, net errors and omissions were U.S.\$24.84 billion compared to U.S.\$9.94 billion in 2022, U.S.\$3.10 billion in 2021, U.S.\$11.90 billion in 2020 and U.S.\$6.81 billion in 2019. The significant increase seen in 2023 is due to heightened economic uncertainties, increased capital flight, and discrepancies in trade data, which have exacerbated the challenges in accurately capturing financial flows. Large and persistent net errors and omissions suggest a degree of uncertainty over the assessment. The principal explanation for the historically large errors and omissions is the lack of available data in current account and capital and financial account transactions. However, there are still large errors and omissions in the balance of payments, which, according to the IMF, continues to complicate the assessment of external sustainability. The IMF noted in its 2024 Article IV consultation that, whilst data are broadly adequate for surveillance, some data shortcomings remain, including information on subnational public finances and large errors and omissions in the balance of payments. Further efforts will need to be taken in order to strengthen the measurement of the balance of payments and the international investment position. See “*Risk Factors—Risks related to Nigeria—The statistical information published by Nigeria may differ from that*”

produced by other sources, may be incomplete, delayed or inconsistent and is subject to revision, amendment and adjustment”.

Foreign Private Capital

Foreign private capital flows into Nigeria have increased significantly since the deregulation of the economy in the 1980s. The major components of foreign private capital in Nigeria are foreign direct investments, portfolio investment and other investment liabilities. Although traditionally foreign private capital has been channelled into the oil and gas sector, in recent years more investment has been channelled into the services sector, primarily financial services, outsourcing, communications and transportation. Nigeria is one of the main destinations for foreign private capital in sub-Saharan Africa.

Save for businesses that are prohibited as described below, there are generally no restrictions under Nigerian law with regard to foreign investment. There are, however, certain industry-specific laws which preclude some categories of Nigerian companies from being “wholly owned” by foreigners, or give preference to companies with a Nigerian majority shareholding. For example, any vessel seeking to operate in the domestic coastal carriage of cargo and passengers within the coastal territorial inland waters, or at any point within the waters of the exclusive economic zone of Nigeria, must be wholly owned and manned by Nigerians, unless this requirement is waived by the Minister having responsibility for matters relating to shipping. Further, the Nigerian Content Act, which seeks to grant preferential treatment to Nigerian companies in the award of contracts and other activities in the Nigerian oil and gas sector, defines a “**Nigerian Company**” as a “company formed and registered in Nigeria in accordance with the provisions of the CAMA with not less than 51% equity shares held by Nigerians”. On 28 February 2024, President Tinubu issued a directive on Local Content Compliance Requirements (the “**Directive**”). This initiative seeks to enhance foreign participation in the Nigerian oil and gas industry, as outlined in Section 100 of the Nigerian Content Act. The Directive’s objective is to address the significant decline in investments in the Nigerian oil and gas sector, which has been attributed to factors such as high operating costs and persistent project delivery delays relative to global standards. Accordingly, the NCDMB, in its regulatory role, must consider the practical challenges posed by insufficient in-country capacity for certain services. NCDMB will not approve any NCP that includes intermediary contractor entities lacking the necessary capacity to fulfil the required services, as this may violate local content regulations. Only NCPs that consist of contractors meeting the legal definition of Nigerian content and demonstrating genuine, substantial, and tangible capacity to independently execute projects in Nigeria will be approved.

In the aviation sector, Section 96 of the Civil Aviation Act 2022 provides to the effect that to qualify for the grant of an aviation license or permit, the Nigerian Civil Aviation Authority requires that applicants be Nigerian companies or citizens. Foreign airlines must be designated under a Bilateral Air Services Agreement (BASA) with Nigeria to conduct scheduled services. These carriers are exempt from forming a separate Nigerian entity under Section 80 of the CAMA 2020. Previously, foreign companies sought exemptions from the President through the National Council of Ministers, but CAMA 2020 now allows direct applications to the Minister of Trade. Exempted carriers must notify the Corporate Affairs Commission (CAC) within 30 days to avoid fines, and failure to submit annual reports will also incur penalties. These changes in CAMA 2020 aim to simplify operations for foreign airlines and attract more foreign investment. Compliance with Part 10 of the Nigerian Civil Aviation Regulations is required before the Nigerian Civil Aviation Authority (NCAA) can issue a Foreign Carrier Operating Permit.

With regard to the repatriation of foreign capital or any income thereon, the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act Cap F34 Laws of the Federation of Nigeria 2004 (the “**Forex Act**”) provides that any person may invest in a Nigerian enterprise or any security with foreign currency imported into Nigeria through an authorised dealer (i.e. a Nigerian bank licenced by the CBN to deal in foreign exchange) by telegraphic transfer, checks or other negotiable instruments converted into Naira. Upon such importation of foreign investment capital, the authorised dealer is required to issue a Certificate of Capital Importation, evidencing receipt of the foreign investment capital within 24 hours of receipt of the imported funds and conversion into Naira. This certificate assures the foreign investor of unhindered remittance of investment capital and income thereon, in any convertible currency.

The table below sets out certain information regarding Nigeria's foreign private capital for the periods indicated:

	For the year ended 31 December				For the six months ended 30 June	
	2020	2021	2022	2023	2023	2024
	(U.S.\$ millions)					
Foreign Direct Investment – Equity.....	1,024.7	692.6	462.9	377.3	133.6	149.0
Foreign Direct Investment – Other Capital	3.0	6.2	5.2	0.1	0.0	0.1
Sub-total Foreign Direct Investment⁽¹⁾	1,027.7	698.8	468.1	377.4	133.6	149.01
Other Investments – Trade Credits	0.1	2.1	3.0	0.0	0.0	0.0
Other Investments – Loans	2,555.8	2,378.5	2,311.2	2,307.9	1,205.4	2,305.1
Other Investments – Currency & Deposits	0.8	6.6	9.3	1.9	1.8	0.0
Other Investments – Other Claims	934.6	229.0	95.0	65.9	65.9	46.1
Sub-total Other	3,491.3	2,616.1	2,418.6	2,375.6	1,273.1	2,351.2
Portfolio Investment – Equity.....	755.1	206.5	56.6	250.0	230.8	199.3
Portfolio Investment – Notes	231.2	564.1	980.3	474.1	386.4	598.6
Portfolio Investment – Money Market Instruments	4,150.9	2,615.0	1,405.3	428.9	138.9	2682.4
Sub-total Foreign Portfolio Investment	5,137.2	3,385.6	2,442.2	1,153.0	756.1	3480.3
Total Foreign Private Capital	9,656.0	6,700.5	5,328.9	3,906.0	2,162.9	5,980.5

(1) Excludes reinvested earnings

Source: National Bureau of Statistics

Foreign direct investment comprises equity capital and other capital inflows. In 2023, foreign direct investment in Nigeria totalled U.S.\$03.77 billion, a decrease of 19.44% from U.S.\$ 04.68 billion in 2022. In 2021, 2020 and 2019, foreign direct investment in Nigeria was U.S.\$0.7 billion, U.S.\$1.0 billion and U.S.\$0.9 billion, respectively. In the six months ended 30 June 2024, foreign direct investment totalled U.S.\$149.01 million.

In 2019, foreign direct investment decreased as a result of bearish performance of the Nigerian capital markets, but it subsequently recovered in 2020 due to more bullish performance. In 2021, foreign direct investment declined due to naira volatility and difficulties businesses faced in accessing foreign exchange. This trend continued in 2022, driven by an unfavourable domestic investment climate, which included ongoing issues such as policy inconsistency, strict foreign exchange controls, and infrastructure deficits. In 2023, foreign and direct investment decreased further due to political uncertainty surrounding the 2023 presidential election, major multinational oil and manufacturing companies divested due to an unfavourable business environment, political risks, and high production costs. However, foreign direct investment increased in the first half of 2024 compared to the same period in 2023, largely due to the government's fiscal and monetary reforms.

Total estimated foreign private capital investment into Nigeria comprises total foreign direct investment, foreign portfolio investment and other investments. In 2023, total foreign private capital investment in Nigeria totalled U.S.\$3.9 billion, a decrease of 26.42% from U.S.\$5.3 billion in 2022. This can be attributed to due to political risks and elevated production costs. In the six months ended 30 June 2024, total foreign private capital amounted to U.S.\$6.0 billion, compared to U.S.\$2.2 billion in the six months ended 30 June 2023. See “*Risk Factors—Risks related to Nigeria—An inability to increase foreign investment, or a decrease in existing foreign investment, could adversely affect Nigeria’s economic growth*”.

The Federal Government has been taking significant measures to attract foreign direct investment. These initiatives include the establishment of strategic inter-ministerial committees advising the Government on the areas of competitiveness and investors’ challenges doing business in Nigeria, reducing the cost of doing business in Nigeria and organising national investment conferences in order to provide a platform for discussion regarding the various issues affecting the business and investment climate in Nigeria. The Nigerian Investment Promotion Commission also established a National Investment Sector Specific Policy in May 2012, with the main objectives of creating a stable policy environment with equal standards for all investors, simplifying procedures and bringing down transaction costs, removing unnecessary controls, identifying focus areas which would generate additional employment opportunities, facilitating necessary technological and infrastructure upgrades and avoiding inverted duty structures. In November 2017, the Nigerian Investment Promotion Commission and the FIRS launched the Compendium of Investment Incentives in Nigeria (the “**Compendium**”). The Compendium, which covers five sectors, is a compilation

of fiscal incentives, including tax, tariff, export and sector-based incentives. Such incentives aim to encourage investment in Nigeria by raising awareness of available investment opportunities and the relevant administering agencies, thereby serving as a valuable guide for making informed investment decisions. This Compendium will be updated periodically, as more incentives are duly gazetted, in an effort to demonstrate the commitment of the Federal Government to encouraging investments in Nigeria. The Business Facilitation (Miscellaneous Provisions) Act, 2022, which took effect on 8 February 2023, amended the Nigerian Investment Promotion Commission Act to require businesses with foreign participation to register with the Commission within three months of acquisition. The Act empowers the Commission to designate priority investment areas and mandates it to publish criteria for determining strategic investments in the Federal Government Gazette and on its website. Specifically, the Act aims to eliminate administrative bottlenecks and enhance the ease of doing business for Nigerian and registered foreign companies. It introduces mandatory requirements for MDAs to amend 21 corporate legislations, improving flexibility, transparency, and collaboration. MDAs are also required to publish a complete list of their product and service requirements, along with associated timelines and fees.

As at 30 June 2024, the United Kingdom was the largest source of foreign private capital, accounting for 48.9% of total imported capital. The United Arab Emirates, the Netherlands, the Republic of South Africa and the Republic of Mauritius were the other largest sources of capital in second quarter of 2024.

PUBLIC FINANCE

General

The Nigerian budget sets out the Federal Government's development plans, policies and spending priorities for the relevant fiscal year and gives details of estimated revenue and expenditure of the Federal Government. Nigeria's budget process is currently governed by the Constitution, the Finance (Control & Management) Act of 1958 and the Fiscal Responsibility Act of 2007 (the "**Fiscal Responsibility Act**"). The annual budget's estimates of revenue and expenditure are proposed by the President and laid before both Chambers of the National Assembly through the Appropriation Bill. The Appropriation Bill becomes an Act after it has been passed by both Chambers of the National Assembly and assented to by the President or, in case the President withholds his assent, by a two-thirds majority vote of both Chambers of the National Assembly. Each appropriation bill, in accordance with the Constitution, is valid for a period of 12 months from the day it is assented into law. The fiscal year for Nigeria runs from 1 January to 31 December, every year or such other date as the National Assembly may prescribe. In the course of a fiscal year, the President may also present a supplementary budget to the National Assembly, and the approval process for such supplementary budget is the same as for the annual budget. The President may also request from the National Assembly that funds be transferred from one budgetary line item to another in the course of the fiscal year, or for a new project to be included in the budget, in accordance with the provisions of the Constitution. With the approval of the National Assembly, the implementation of the budget can be extended beyond the fiscal year.

The Federal Government manages a Federation Account, which is a central distributable pool of funds (comprising revenues from oil and gas, value added tax, companies' income tax, customs and excise duties as well as royalties and other income) established pursuant to Section 162 of the Constitution and into which are paid all revenues collected by the Federation, except limited categories of revenues excluded pursuant to the Constitution. Funds in the Federation Account are shared amongst the three tiers of Government on such terms and in such manner as may be prescribed by the Constitution and by an Act of the National Assembly. The President, on the advice of the Revenue Mobilisation Allocation and Fiscal Commission, is required to present the proposal for allocation of funds in the Federation Account before the National Assembly. In determining the formula for allocation, the National Assembly is required by the Constitution to take into account factors such as population, equality of states, internal revenue generation, land mass, terrain and population density; *provided that* the principle of derivation shall be constantly reflected in any approved formula as being not less than 13% of the revenue accruing to the Federation Account directly from any natural resources derived from that state of the Federation.

There are deductions from Nigeria's revenues from the sale of crude oil before the revenue is credited to the Federation Account. The NNPC has, over the years, deducted capital, operating costs and other expenses from revenues received by it before remitting the net amount to the Federation Account. The legality of these deductions by the NNPC has been debated in public hearings by the Senate. In March 2021, the Senate Committee on Public Accounts summoned the management of the NNPC to address a query from the Auditor-General of the Federation regarding the alleged non-remittance of approximately N4 trillion to the Federation Account between 2010 and 2016. In August 2024, the chairman of the Senate Committee on Public Accounts informed journalists that several federal government ministries, departments, and agencies, including NNPC Ltd, have yet to provide explanations for issues raised in their financial records by the 2019 audit report, specifically the alleged non-remittance of funds. He emphasized that if these agencies continue to withhold explanations, the committee would consider them guilty of the infractions noted in the audit report.

The Federal Government's share of funds in the Federation Account is paid into the consolidated revenue fund. Pursuant to Section 80 of the Constitution, no money shall be withdrawn from the Consolidated Revenue Fund of the Federation except to meet expenditure that is charged upon the fund by the Constitution or authorised by an Appropriation Act or a Supplementary Appropriation Act. The Federal Government also has independent revenues (not derived from the Federation Account) comprising operating surpluses of federal agencies and corporations and other sundry revenue such as internal revenue generated by the MDAs.

The Federal Government also employs the use of a TSA. The TSA is presently being implemented for the consolidation of inflows from all agencies of government into a single account managed by the CBN. The

use of the TSA seeks to, amongst other things, centralise public funds and enhance financial oversight and ensure adequate mobilisation of idle funds for necessary expenditure. See “*Public Finance — Treasury Single Account*” further below.

The Federal Government Budget Process

Preparation of the federal budget is a shared responsibility of the Executive and Legislative arms of the Federal Government. Each year, the Executive arm of the Federal Government proposes a federal budget for the following year to the House of Representatives and the Senate at a joint sitting. The Executive arm’s proposed budget, officially referred to as the Appropriation Bill, is reviewed and approved by the two chambers of the National Assembly and signed into law by the President, at which point it becomes the Appropriation Act.

A summary of the budget process is set forth below.

Budget Planning

The Federal Ministry of Budget and Economic Planning, and the Budget Office of the Federation develops a budget in accordance with the Federal Government’s Medium-Term Revenue and Expenditure frameworks. The Federal Ministry of Budget and Economic Planning and the Budget Office meet early in the fiscal year with key revenue-generating agencies (including the Federal Inland Revenue Service, Nigerian Customs Service and the NUPRC) and key economic agencies (including the Macroeconomic Department of FMBEP, NBS and CBN) to assess and determine trends in revenue performance and macroeconomic indicators and the implication of such trends for the next three fiscal years. These discussions lead to the preparation of a Medium-Term Revenue Framework pursuant to which projected revenue from various oil and non-oil sources are determined over the medium-term. Following preparation of this revenue framework, the Medium-Term Expenditure Framework “is developed to outline key areas of expenditure (statutory transfers; debt service; and MDAs’ expenditure) as well as the projected fiscal balance. If the projected fiscal balance indicates a projected deficit, sources of financing of this deficit are also considered. The Medium-Term Expenditure Framework is further developed into a formal Medium-Term Expenditure Framework and Fiscal Strategy Paper. Under the Fiscal Responsibility Act, the Minister of Finance is required to present this formal Medium-Term Expenditure Framework and Fiscal Strategy Paper first for the consideration and approval of the Federal Executive Council, and then for the consideration and approval of the National Assembly.

Budget Call Circular and Preparation of the Executive Budget Proposal

Once the Federal Executive Council has approved the Medium-Term Expenditure Framework and Fiscal Strategy Paper and the MDAs’ expenditure ceilings, the Budget Office, under the supervision of the Minister of Budget and Economic Planning, issues a “**Budget Call Circular**”. This Budget Call Circular instructs the MDAs to allocate their allotted capital expenditure ceilings across their existing and new projects, programmes and other initiatives. MDAs are also required to submit estimates of their recurrent expenditure requirements for personnel costs and overhead. The Budget Office evaluates and consolidates the submissions of the various MDAs. Subsequently, the Budget Office in collaboration with the Federal Ministry of Finance, Budget and National Planning hold bilateral discussions with the MDAs to appraise their submissions’ compliance with the Budget Call Circular and the Government’s development priorities. MDAs’ submissions are thereafter consolidated into the proposed annual budget.

Budget Review and Approval by the President and National Assembly

Following a series of reviews, the draft budget is presented by the Minister of Finance, Budget and National Planning to the President for approval. In accordance with the provisions of the Constitution, the President then presents the approved budget and supporting documents to the National Assembly for its consideration and approval, typically at a joint session of the Senate and the House of Representatives.

In reviewing the proposed budget, the Committee on Appropriation of each chamber typically invites the MDAs to defend their respective budget allocations. Thereafter, each Committee on Appropriation presents a proposed budget to its respective full chamber for consideration and approval. If differences exist between the budgets passed by the House of Representatives and by the Senate, the appropriation committees meet to harmonise the differences. After the harmonised budget is approved by each chamber, the resulting

Appropriation Bill is presented to the President to be signed into law, at which point it becomes the Appropriation Act.

In the event that a budget is not enacted into law before the commencement of a fiscal year, the Government may, pursuant to Section 82 of the Constitution, make expenditures up to six months into the new fiscal year (up to 30 June). Expenditures during this period may not exceed the amounts provisioned for the same period of the preceding fiscal year.

Public Accounts

The Fiscal Responsibility Act was enacted to regulate, and provide for, greater accountability and transparency in fiscal operations. The Fiscal Responsibility Act provides for prudent management of resources under the control of the Federal Government, State Governments, and local governments. It is believed that public financial management reforms at the state level are essential for the continued economic reform of Nigeria. However, for the fiscal reform provided for by the Fiscal Responsibility Act to be implemented at the state level, each state must pass its own equivalent fiscal responsibility legislation. Only some of the states have passed equivalent fiscal responsibility legislation.

A Fiscal Responsibility Commission was established at the Federal level under the Fiscal Responsibility Act. This Commission has the authority to compel any person or government institution to disclose information relating to public revenues and expenditures and to investigate any circumstances involving non-compliance with the provisions of the Fiscal Responsibility Act.

The Fiscal Responsibility Act provides that the Federal budget deficit should not exceed 3% of estimated GDP or any sustainable percentage as may be determined by the National Assembly for each financial year. On 30 June 2024, Nigeria's overall budget deficit was ₦4,562.9, representing 3.72% of GDP. In 2023, the budget deficit was ₦10,552.2, representing 4.5% of the GDP, an increase of 50.1% compared to the ₦7,030.2 deficit recorded in 2022, which represented 3.47% of GDP. Nigeria's deficits historically have been funded primarily by the issuance of securities in the domestic debt markets and by other funds.

The 2024 Appropriation Act reflects an expected revenue of ₦25.88 trillion and aggregate estimated expenditure of ₦35.06 trillion, resulting in a budget deficit of ₦9.18 trillion. When compared to the 2023 Appropriation Act, the Fiscal Responsibility Act shows a 134% increase in projected revenue and a 41% increase in expenditure.

The Fiscal Responsibility Act requires that a Medium-Term Expenditure Framework and Fiscal Strategy Paper be put in place and laid before the National Assembly for approval before the submission of the budget. The current medium term expenditure framework and fiscal strategy paper is for 2024-2026 and was issued by the Federal Ministry of Budget and National Economic in September 2023.

Under the 2024-2026 Medium-Term Expenditure Framework and Fiscal Strategy Paper, the fiscal strategies for 2024-2026 aim at enhancing government revenue and reducing fiscal pressures, creating fiscal space for human capital and infrastructural investments, enhancing fiscal prudence and transparency and ensuring sustainable deficit and debt levels. To achieve these objectives, well-aligned fiscal, monetary and trade policies will be implemented in a very coordinated manner.

The Office of the Auditor-General of the Federation

The Office of the Auditor-General of the Federation is an independent entity whose existence, powers and duties are set out under Sections 85, 86 and 87 of the Constitution. The Office of the Auditor-General of the Federation is responsible for auditing the Federation Accounts and the accounts of all federal MDAs. The Federation Account is audited on a quarterly basis. The Departments of the Office of the Auditor-General of the Federation include the Treasury audit, the Revenue audit, the Ministries and the Extra-Ministerial Office & Agency.

The key goals of the Office of the Auditor-General of the Federation include:

- (1) enforcing accountability and responsibility in Ministries and Extra-Ministerial departments, and any other person or authority entrusted with public funds;

- (2) ensuring prudent disbursement and utilisation of public funds, manpower resources and other public property; and
- (3) ensuring the regular and prompt auditing of all Ministries and Extra-Ministerial departments; and maintaining government auditing standards for public sector audits.

The Integrated Payroll and Personnel Information System

The Integrated Payroll and Personnel Information System is a central payment process for all civil servants on the payroll of the Federal Government. It was launched by the Federal Government in collaboration with the World Bank in October 2006 and became operational by April 2007 with seven pilot MDAs. The Integrated Payroll and Personnel Information System is aimed at improving public service productivity and increasing government revenues. The purpose of the Integrated Payroll and Personnel Information System reform is to:

- (1) improve the effectiveness and efficiency of Federal payroll services;
- (2) improve public confidence in payroll costs and budgeting;
- (3) improve management reporting and information availability;
- (4) facilitate easy storage, updating and retrieval of personnel records for administrative and pension processing;
- (5) aid personnel planning and budgeting; and
- (6) ascertain actual personnel emoluments of Federal Government employees.

According to the Office of the Accountant-General of the Federation, as of June 2024, there are 696 MDA on the IPPIS platform. The platform is responsible for processing and payment of salary to over one million Federal Government Employees across the 696 MDAs. Since the inception of the project, IPPIS has saved the Federal Government billions of Naira by eliminating thousands of ghost workers via personnel verification exercise and salary payment process.

Treasury Single Account

As part of the Government's effort to improve efficiency and transparency in the management of public funds and the Government's expenditures the Ministry of Finance, Budget and National Planning, in collaboration with the Office of the Accountant-General of the Federation and the CBN, launched the TSA in early 2012. In September 2015, the TSA became mandatory to all Federal Government ministries, departments and agencies including the NNPC. The only exemption granted is for bank accounts involving NNPC joint ventures with third parties. See "*Risk Factors—Risks relating to Nigeria—Inability to collect certain revenues from ministries, departments and agencies may adversely impact the Government's revenues*".

The scheme has been designed to consolidate the accounts of the Federal Government with the CBN and the various MDAs into a single or connected system of accounts. The TSA is maintained at the CBN with each MDA responsible for the management of its allocations but effecting payment through the TSA. Any unspent balances of cash allocated to MDAs after commitments entered into the TSA for both recurrent and capital expenditure will automatically lapse, and the balances will be returned to the Consolidated Revenue Fund for appropriation by the National Assembly. Investment of any Government funds will be centrally coordinated by the Office of the Accountant-General of the Federation and the CBN. The scheme has been designed to consolidate the accounts of the Federal Government with the CBN and the various MDAs into a single or connected system of accounts. The TSA is maintained at the CBN with each MDA responsible for the management of its allocations but effecting payment through the TSA. Any unspent balances of cash allocated to MDAs after commitments entered into the TSA for both recurrent and capital expenditure will automatically lapse and the balances will be returned to the Consolidated Revenue Fund for appropriation by the National Assembly. Investment of any Government funds will be centrally coordinated by the Office of the Accountant-General of the Federation and the CBN.

National Development Plan 2025

In June 2020, the Federal Executive Council approved the Economic Sustainability Plan 2020 (“ESP”), which focussed on mitigating the effects of a recession, whilst ensuring social stability and addressing economic vulnerabilities as envisaged in the ERGP. The ESP was designed as a 12-month, ₦2.3 trillion plan to bridge the ERGP and the successor plan to the ERGP, the NDP 2025. NDP 2025 is a deliberate economic plan designed for inclusiveness, participation, and citizen engagement. NDP 2025 aligns seamlessly with Nigeria’s long-term aspirations for socio-economic transformation.

Objectives and Implementation of the NDP 2025

The NDP 2025 envisions transforming Nigeria into a nation that fully realizes its potential across all economic sectors, fostering sustainable, holistic, and inclusive national development. To achieve this, the NDP 2025 aims to guide the implementation of programs and policies that promote rapid multi-sectoral growth. The key objectives include:

1. Establishing a diversified economy with strong MSME growth.
2. Investing in critical physical, financial, digital, and innovation infrastructure.
3. Enhancing security and governance through a solid framework and capacity building.
4. Enabling a vibrant, educated, and healthy population.
5. Alleviating poverty through investment in social infrastructure and services.
6. Reducing regional economic and social disparities.

The NDP 2025 addresses challenges such as low economic growth, insecurity, weak institutions, and infrastructure deficits by investing in infrastructure, ensuring macroeconomic stability, improving social indicators, and implementing climate change strategies.

The NDP 2025 aims to generate 21 million full-time jobs and lift 35 million people out of poverty by 2025, setting the stage for lifting 100 million Nigerians out of poverty in ten years. The strategy includes leveraging the young workforce and enhancing implementation capacity at both national and subnational levels. The NDP builds on lessons from the ERGP and adopts a multi-sectoral development approach, focusing on sectors with job-generating potential. The ambitious targets require a ₦348.1 trillion investment, with significant private sector involvement. A robust implementation framework, including a Development Plan Implementation Unit and a National Monitoring and Evaluation system, is crucial for assessing progress and ensuring accountability. The NDP 2025 is undergoing a mid-term review to refine its 2024-2025 targets, aligning with President Tinubu’s Eight-Point Agenda which focuses on key areas such as food security, economic growth, and anti-corruption, and aims to achieve a U.S.\$1 trillion economy by 2030. Priorities include addressing economic growth disparities, high inflation, and essential service costs, while enhancing external sector resilience and workforce development to drive sustainable, inclusive growth and lay the foundation for Agenda 2050. See “*Economy – The National Development Plan 2021-2025*”.

Presidential Initiative on Continuous Audit

In March 2016, the Federal Executive Council approved the establishment of the Presidential Initiative on Continuous Audit (“ICA”). This initiative is designed to promote accountability, the efficient management of Government resources, and the proper management of public funds. It provides a framework for regulating Government revenue and expenditures and implementing continuous audits of MDAs. The PICA is ultimately headed by the President of Nigeria.

Finance Act 2019 to 2023

Finance Act 2019

The Finance Act 2019 was passed into law and aims explicitly at promoting fiscal equity by mitigating instances of regressive taxation (or double taxation on the same income stream), aligning domestic tax laws

with global best practices and enhancing Ease of Doing Business in support of Micro, Small and Medium Enterprises. The Finance Act 2019 amends relevant tax laws in Nigeria relating to Value Added Tax, Companies Income Tax, Stamp Duties and Capital Gains Tax, amongst others. The amendments made by the Finance Act 2019 are intended to raise the necessary revenue required to defray public expenditures, support a sustainable increase in public revenue and ensure that tax law provisions are consistent with the national tax policy objectives of the Federal Government.

For example, the Finance Act 2019 amended the applicable value added tax rate in Nigeria from 5% to 7.5% on all eligible goods and services. This new VAT rate took effect from 1 February 2020.

Finance Act of 2020

Former President Buhari signed the Finance Bill 2020 into law on 31 December 2020 alongside the 2021 Appropriation Bill. The Finance Act 2020 came into force on 1 January 2021 and amends several provisions of the relevant tax laws in Nigeria, such as the Industrial Development (Income Tax Relief) Act, Tertiary Education Trust Fund Act, Customs & Excise Tariff (Consolidation) Act; and CAMA, amongst others.

Some key changes introduced by the Finance Act 2020 expands the scope of taxable goods and services, mandates non-resident companies that make taxable supplies in Nigeria to register with the FIRS and obtain Tax Identification Numbers, extends the definition of taxable goods to include all forms of tangible properties, movable or immovable, excluding land and building, money or securities whilst services have been defined to include anything, other than goods, or services provided under a contract of employment and includes any intangible or incorporeal (product, asset or property) over which a person has ownership or rights, or from which they derive benefits, and which can be transferred from one person to another, excluding interest in land and building, money or security.

The Finance Act 2020 also amends the provisions of the CAMA with relation to the limitation period on the right of a shareholder to claim for dividend, by providing that dividends of a public limited liability company quoted on the NGX which have been unclaimed for a period of six years or more from the date of declaration of such dividend shall be immediately transferred to the Unclaimed Funds Trust Fund; and shall be deemed a special debt owed by the Federal Government to the shareholders under a perpetual trust.

With regard to Stamp Duty, the Finance Act 2020 now provides for a one-off levy of ₦50 called the “**Electronic Money Transfer Levy**” on electronic receipts and transfers of money deposited in any deposit money bank or financial institution, on any type of account. This replaces the stamp duty on electronic transactions. The new levy applies to electronic receipts or electronic transfer of money in the sum of ₦10,000 and above, subject to certain exceptions applicable to accounts belonging to the same taxable person.

With regard to Personal Income tax, the Finance Act introduces the concept to Significant Economic Presence to taxation of non-resident individuals, executors or trustees, which has the impact of ensuring that income generated from the supply of services to a person resident in Nigeria by an individual not resident in Nigeria would be deemed subject to tax in Nigeria to the extent of the non-resident individual’s significant economic presence in Nigeria. However, the Minister of Finance, Budget and National Planning has not yet defined what and how significant economic presence would be determined for applicable non-resident persons.

Finance Act of 2021

The Finance Act 2021, signed into law by former President Buhari and effective from 1 January 2022, aims to support the implementation of the 2022 Federal Budget of Economic Growth and Sustainability. It introduces significant amendments to 13 major tax laws, including the Capital Gains Tax Act (CGTA), CITA, and Value Added Tax Act (VATA), among others. Key changes include the introduction of a 10% capital gains tax on the disposal of shares, with specific exemptions, and the expansion of the definition of dividends under CITA. Additionally, non-resident companies providing digital services in Nigeria are now subject to turnover-based taxation if their actual taxable income cannot be ascertained. The Act also introduces new provisions for capital allowances, clarifies the reduced minimum tax rate, and updates the

rules for Real Estate Investment Companies (REICs) and withholding tax on interests paid to unit trust recipients.

Other significant changes include the introduction of a flat excise duty rate of N10 per litre on non-alcoholic beverages under the Customs, Excise Tariffs, Etc (Consolidation) Act (CETA), and the empowerment of the Federal Inland Revenue Service (FIRS) to administer and enforce various taxes and levies. The Personal Income Tax Act (PITA) now excludes deferred annuity contracts as deductible reliefs, while the Tertiary Education Trust Fund (TETA) tax rate has been increased from 2% to 2.5% of assessable profits, with small companies remaining exempt. The Finance Act 2021 also designates the FIRS as the responsible agency for collecting the Nigerian Police Trust Fund levy and introduces a 0.25% levy on the profit before tax of companies in specified sectors under the National Agency for Science and Engineering Infrastructure Act (NASENI Act). Lastly, the Fiscal Responsibility Act (FRA) mandates that government borrowing be limited to critical national reforms and projects, ensuring sustainable public debt levels.

Finance Act of 2023

The Finance Act 2023, signed into law by former President Buhari on 28 May 2023, introduces significant changes to Nigeria's tax landscape. Taking effect on the same day, it replaced the widely circulated Finance Bill 2022 and includes amendments to the Capital Gains Tax Act (CGTA), Companies Income Tax Act (CITA), Customs, Excise Tariff, Etc. (Consolidation) Act (CETA), Personal Income Tax Act (PITA), Petroleum Profit Tax Act (PPTA), Stamp Duties Act (SDA), Value Added Tax Act (VAT), Corrupt Practices and Other Related Offences Act (CPORO Act), Public Procurement Act (PRA), Tertiary Education Trust Fund Act (TET Fund Act), and the Ministry of Finance (Incorporated) Act (MOF Act). Key changes include the inclusion of digital assets as chargeable assets for capital gains tax purposes, extended loss relief periods for capital gains, and new compliance obligations for shipping and air transport operators. The Rural Investment Allowance and certain tax incentives for hotels have been repealed.

In addition, the Finance Act 2023 introduces a VAT General Anti-Avoidance Rule (GAAR) allowing the Federal Inland Revenue Service (FIRS) to disregard or adjust transactions deemed artificial or fictitious. It eliminated double VAT on goods purchased from non-resident suppliers and clarified the definition of "building" for VAT purposes, excluding easily removable structures from VAT exemption. The Tertiary Education Tax rate has been increased from 2.5% to 3%, and a new import levy of 0.5% on eligible goods from non-African countries has been introduced to finance Nigeria's obligations to multilateral institutions. The PPTA now recognizes the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) and includes tax-deductible contributions for decommissioning and abandonment funds. Further, the Act updates penalties for non-compliance and incorrect returns under the PPTA and allows for the deduction of life insurance premiums under PITA. The Finance Act 2023 empowered the Ministry of Finance to develop and amend regulations and procedures to further its objectives, with presidential appointments to the Ministry's governing bodies based on the Minister's recommendations.

Strategic Initiative for Revenue Growth

In September 2020, the Government announced the Strategic Revenue Growth Initiative (the "SRGI"), aimed at improving revenue generation by agencies of Government. The SRGI is a mechanism for enhancing fiscal revenues from 6% to 15% of GDP by 2023. In February 2021, the Government announced the planned adopted of the second phase of the SRGI, which will include partnerships with state governments and shift the focus from revenue collection to tax compliance.

The authorities recognise the limited fiscal space and have developed and updated the Strategic Revenue Growth Initiative ("SRGI 2.0") with four main objectives: (i) raising revenue-to-GDP ratio to 15% by 2025; (ii) expanding the tax base; (iii) countering tax evasion and encouraging the payment of taxes by citizens; and (iv) enhancing transparency in the tax system.

Tax Expenditure Statement

The Government understates public expenditure when tax expenditures are excluded from expenditure estimates in the annual budgets. Government expenditures can be explicit (as in direct expenditure outlays on public health, education and infrastructures) or implicit (as in tax expenditures). Tax expenditures in

Nigeria take the form of an exemption, allowance, preferential tax rate, deferral, or offset that reduces a tax obligation to achieve a specific policy objective.

Improving the tax management framework to optimise Government revenue has been a major thrust of the Government's Public Finance Management reforms. In 2021, an annual Tax Expenditure Statement ("TES") was prepared which detailed the cost of tax waivers and concessions and evaluate the policy effectiveness. The specific objectives of the TES is to quantify tax expenditures for the tax heads under consideration for the year 2021, provide statistics on tax expenditure for effective monitoring and evaluation, and enhance transparency and accessibility of information and improve inter-agency cooperation.

Performance Management Framework

To enhance independent revenue generation and collection, the Government aims to maximise the potential and optimise the operational and collection efficiency of state-owned entities to generate significant revenues to fund the Federal Government's budget. Current sub-optimal revenue performance is being addressed by effectively implementing the approved Performance Management Framework for state-owned entities. The key elements of the reform initiative include performance contracts for Chief Executive Officers and key management staff, which will set financial indicators and targets for each entity. The cost-to-revenue ratio of the entity has also been limited to a maximum of 50%-80%, while regular monitoring and reporting of revenue and expenditure performance of the entity will be undertaken by both the Budget Office of the Federation and the Office of the Accountant General of the Federation. The addition, a direct debit is applied to the accounts of the GOEs on which it should be remitted by the respective agency.

Federal Government Revenues and Expenditures

The table below contains a summary of Nigeria's public revenues and expenditures for the periods indicated:

	For the year ended 31 December					As at 30 June
	2019	2020	2021	2022	2023	2024
	(₦ billions)					
Oil Revenue	1,791.7	1,521.4	997.83	776.4	2,377.3	2,715.1
Share of Dividend (NLNG)		144.0	208.5	101.7	46.2	
Minerals & Mining Revenue	2.11	2.1	3.3	4.7	6.3	3.7
Non-Oil Revenue	2,746.7	2,269.8	4,889.1	6,872.3	10,055.2	5,833.2
Non-Oil Taxes	1,234.4	1,276.1	1,792.6	2,388.9	3,312.4	2,256.0
Federal Government Independent Revenues	557.3	519.4	1,251.3	1,402.4	1,841.0	1,626.4
Other Revenue.....	954.9	474.4	1,845.2	3,081.9	4,901.8	1,950.8
Total Federal Government Retained Revenue	4,540.4	3,937.3	6,098.7	7,756.1	12,485.0	8,551.9
Statutory Transfers	428.5	428.0	496.52	810.12	1,034.7	871.4
Debt Service	2,453.7	3,342.3	4,221.7	5,656.6	8,556.9	6,041.9
Recurrent Non-Debt Expenditure	4,251.1	4,645.2	4,923.4	6,116.5	7,079.8	3,806.4
Capital Expenditure	1,165.5	1,742.0	3,393.8	2,203.1	6,365.9	2,395.0
Total Federal Government Expenditure	8,298.8	10,157.5	13,035.4	14,786.3	23,037.2	13,114.74
Overall Deficit	(3,758.4)	(6,220.2)	(6,936.6)	(7,030.2)	(10,552.2)	(4,562.9)
Overall Deficit (as % of GDP).....	(2.58)	(4.03)	(3.94)	(3.47)	(4.50)	(3.72)

Source: The Budget Office of the Federation

Federal Government Revenues

The Federal Government budget is funded primarily from three sources:

- (1) the Federal Government's share of the Federation Account, which amounts to a share of 48.5% of oil and gas revenues, customs and excise revenue, and corporate income tax;
- (2) the Federal Government's share of the Value Added Tax Pool (as described below), which amounts to 14%; and
- (3) independent revenue, consisting of operating surpluses of federal agencies and, such as the internally generated revenue of the MDAs and consolidated taxes.

Total Federal Government retained revenue and the Federation Account

Total Federal Government retained revenue for June 2024 was ₦8,551.9 billion, an increase from ₦4,060.0 billion recorded in June 2023. In 2021 and 2022, the total Federal Government retained revenue was ₦6,098.7 billion and ₦7,756.1 billion, respectively. In 2020, the total Federal Government retained revenue was ₦3,937.3 billion, a decrease from ₦4,540.4 billion in 2019, due to the impact of the COVID-19 pandemic on economic activities, which undermined non-oil tax revenues as well as expected operating surplus from Government-owned entities (“GOEs”). The Federal Government manages the Federation Account on behalf of the three tiers of Government, namely, Federal, State and Local.

The Federation Account is funded from oil and non-oil revenues (primarily taxes). In June 2024, oil revenue (net of cost, derivation and other deductions) was ₦5,585.9 billion, representing approximately 45% of Federation revenues, an increase of 544% from ₦866.81 billion in June 2023. Oil revenues in 2022 and 2021 were ₦1,600.7 billion and ₦2,054.4 billion, respectively. In 2020, oil revenues were ₦2,905.6 billion, representing 44% of combined oil and non-oil revenues, a decrease of approximately 16% from ₦5,223.0 billion in 2019.

Non-oil revenues in June 2024 were ₦10,638 billion, a 21% increase from ₦8,815 billion in 2023. Non-oil revenues in 2022 and 2021 were ₦6,597.7 billion, and ₦6,008.4 billion, respectively. Non-oil revenues in 2020 were ₦3,643.1 billion, a 12.7% increase from ₦4,397.7 billion in 2019.

Oil Revenues

Oil revenue accounts for the predominant portion of federally collected revenue. Oil revenue includes revenue from sales of crude oil, oil taxes and royalties. The Government earns money directly from the sale of crude oil that it receives through its joint ventures with international oil companies. International oil companies and the NNPC jointly contribute funds towards the cost of the joint venture, and the NNPC’s share of the crude oil is sold by the NNPC and the proceeds are deposited in the Federation Account. The Government expects that in addition to revenue from the sale of crude oil, in the future, proceeds from the sale of natural gas will become an important source of revenue.

Oil taxes are imposed on private oil companies and include the petroleum profits tax, rent fees and other taxes. The Petroleum Profits Tax applies to profits of oil exploration and production (“E&P”) companies. The applicable tax rate ranges from 65.75% to 85% for E&P companies within their first five years of production. For companies operating under a Production Sharing Contract, the applicable tax rate is 50%. The Petroleum Profits Tax is the second most important source of revenue to the Federation Account. The Government also levies a rent fee for the use of the land from which oil is extracted. In addition, the Government charges penalties and fees for other activities associated with the oil and gas business, primarily penalties for gas flaring and fees for the right to lay oil pipelines.

The third source of oil revenue is royalties with an average rate of about 20% of the value of crude produced. Royalties are paid irrespective of whether the Government shares in the crude oil produced.

Non-Oil Revenue

Revenue from non-oil sources includes revenue from various taxes. Company and personal income taxes are collected by both the Federal Government and State Governments. Corporate income tax is collected by the Federal Inland Revenue Service collects corporate income tax, while State Governments collect income tax from unincorporated businesses within their respective jurisdictions. The Federal Government collects personal income tax only from FCT residents and Armed Services personnel, whilst State Governments collect personal income tax from their respective residents. The FIRS is the primary revenue-generating agency of the Federal Government, with a mandate to administer federal tax laws as provided in the FIRS Establishment Act, 2007. In addition to the Petroleum Profits Tax, the Federal Government applies the following taxes at the tax rates stated below:

- **Companies Income Tax:** The Companies Income Tax Act applies to profits of corporate entities other than E&P companies. The Finance Act 2019 introduced some amendments to the rate of income tax applicable to companies. For example, the Finance Act 2019 introduced reduced tax burdens for SMEs by exempting from tax, dividends and rental income received by real estate companies, *provided that* a minimum of 75% of such dividends or rental incomes are distributed

within 12 months of the accounting year in which they were earned, and introducing a lower company income tax rate of 20% on the income of medium-sized companies with annual turnover of between ₦25 million and ₦100 million. Small companies with an annual turnover of less than ₦25 million are exempted from company income tax. Subject to the foregoing, the applicable tax rate is 30%.

- **Value Added Tax (“VAT”):** The VAT applies to the supply of goods and services, subject to certain exemptions, such as medicines, books and basic food items. The applicable tax rate is 7.5%.
- **Education Tax:** The Education Tax applies to profits of all corporate entities (including E&P companies): the applicable tax rate is 3%.
- **National Information Technology Development Levy:** The National Information Technology Development Levy applies to profits of telecommunications and internet companies, financial institutions, insurance companies, and pensions companies, in each case with an annual turnover of ₦100 million or greater. The applicable tax rate is 1%.
- **Personal Income Tax:** The Personal Income Tax applies to income of individuals (including employment and non-employment income). The applicable tax rate is subject to a graduated scale that ranges from 7% to 24%. Specifically, the current tax rates applicable to personal income are 7% (applicable to the first ₦300,000 of personal income); 11% (applicable to personal income from ₦300,000 to ₦600,000); 15% (applicable to personal income from ₦600,000 to ₦1,100,000); 19% (applicable to personal income from ₦1,100,000 to ₦1,600,000); 21% (applicable to personal income from ₦1,600,000 to ₦3,200,000) and 24% (applicable to personal income in excess of ₦3,200,000). Additionally, the National Minimum Wage Act, 2019 provides that an employee that earns ₦70,000 or below shall be eligible for total tax relief under the Personal Income Tax Act.
- **Capital Gains Tax:** Capital Gains Tax applies to gains from the disposal of assets; the applicable tax rate is 10% of net gains.

The Government continues to undertake initiatives to improve revenue collection, through improving tax and customs administration and expanding the non-oil revenue base. In addition, the Government has committed to further strengthen the tax system over the medium term by improving collection efficiency, enhancing compliance, reorganising the business practices of revenue agencies as well as employing appropriate technology, and widening the tax net to cover more businesses in the informal sector. Since 2018, the Government has improved on stamp duty collection, which had been neglected for more than 20 years and is expected to result in approximately ₦1 trillion in revenue annually. In 2023, the actual collection of stamp duty was ₦96.29 billion, compared to ₦53.53 billion in 2022 and ₦33.94 billion in 2021. In addition, the Government will reintroduce the 2012 Corporate Tax (Exemption of Profits) Order, granting job-creation tax rebates for employers, and review non-essential tax waivers to optimise revenues.

Value Added Tax Pool

Value added tax is levied at 7.5% on the value of actual purchases and supplies of goods and services that are subject to the tax in Nigeria; revenues from this tax are collected in a separate account called the Value Added Tax Pool (“**VAT Pool**”). The Federal Government receives 15% of the VAT pool, State Governments receive 50% and local governments receive 35%.

In February 2008, Lagos State filed a lawsuit in the Supreme Court against the Federal Government, joining the other 35 states, challenging the constitutional validity of the Value Added Tax Act 1993, as amended (the “**VAT Act**”). Lagos State sought to invalidate the VAT Act and challenged the powers of the Federal Government to collect VAT on its behalf. Lagos State contended that the Government lacks the constitutional power to pass a law for the collection of VAT in the states, except the Federal Capital Territory. The Federal Government filed objections to the lawsuit. Following preliminary hearings, on 4 February 2010, the Supreme Court advised Lagos State and the Government to try to settle the VAT dispute, failing which the court would resume the hearing of the lawsuit. Settlement attempts failed and, on 11 April 2014, the Supreme Court dismissed the suit with a unanimous decision that it lacked original jurisdiction due to the dispute being between an agency of the Federal Government (i.e. Federal Inland Revenue Service, which collects VAT) and the Lagos State Government. Lagos State has indicated that it

will explore other avenues to resolve the dispute. On 8 December 2017, in the case of Attorney General of Lagos State against Eko Hotels Limited and Federal Board of Inland Revenue, the Supreme Court reaffirmed the validity of the VAT Act and stated that until there is a decision of a court of competent jurisdiction invalidating the VAT Act, it remains valid and subsisting.

Approximately ₦3,400.8 billion in revenue was generated from VAT in 2023, representing an increase by 45% over revenue generated from VAT in 2022, which was ₦2,345.38 billion. The Ministry of Finance reported that 14% of the revenue was allocated to the Federal Government, whilst the States and Local Governments received 50% and 35%, respectively.

Independent Revenue

Independent revenue is the third major source of revenue which accrues to the Federal Government. Included in independent revenue are operating surpluses of federal agencies and corporations and other revenue, such as the internally generated revenue of the MDAs (revenue generated from the operating activities of the MDAs) and proceeds from the sale of certain Federal Government assets. The Federal Government retains all independent revenue. Historically, the Federal Government has faced significant challenges to realise the transfer of independent revenue from the MDAs. See “*Risk Factors—Risks related to Nigeria—Inability to collect certain revenues from ministries, departments and agencies may adversely impact the Government’s revenues*”.

The Government intends to optimise the operational efficiency of MDAs and government-owned entities to generate significant revenues to fund the Government budget through the implementation of the approved Performance Management Framework. Key elements of the initiative include:

- limiting cost-to-revenue ratio to maximum of 60%-70%;
- quarterly tracking and publication of budget performance (revenue, expenditure and remittances) of state-owned entities by the Budget Office of the Federation;
- mainstreaming of annual state-owned entities’ budgets into the Government’s budget to ensure they are subjected to the same level of scrutiny, procurement and monitoring processes;
- mandatory use of the Treasury Single Account for all financial transactions; and
- exclusion of MDAs with capacities for self-funding from allocations in the Government budget.

The framework also introduces an incentive mechanism for good performance in revenue generation, and appropriate sanctions for unauthorised use of internally generated revenue.

Federal Government Retained Revenue

The Federal Government’s aggregate revenue is projected to be ₦19.59 trillion in 2024 representing an increase of 77% over the ₦11.04 trillion achieved in 2023. It is noted that the Government shall generate ₦11.23 trillion from the federation account, ₦1.90 trillion from independent sources and the remaining revenues of ₦6.45 trillion shall accrue from other sources.

Federal Government’s total retained revenue in 2022 and 2021 was ₦7.75 trillion and ₦6.09 trillion, respectively. The Federal Government’s total retained revenue was ₦3.93 trillion in 2020, a 13.3% decrease compared to ₦4.54 trillion in 2019.

Retained revenue includes the Federal Government’s share of the Federation Account, the Federal Government’s share of the VAT Pool, Federal Government Independent Revenue, and other revenues such as drawdown from Special Accounts and Domestic Recoveries.

Federal Government Expenditures

In 2024, total expenditure is estimated to be ₦35.06 trillion, reflecting a 41% increase from the ₦24.82 trillion recorded in 2023. The proposed expenditure comprises a capital expenditure estimate of ₦13.77 trillion, recurrent non-debt expenditure of ₦11.27 trillion, debt expenditure of ₦8.27 trillion and other expenditure items accounting for the remaining ₦1.74 trillion.

Non-debt expenditure in 2022 and 2023 was ₦7,108.62 billion and ₦9,322.17 billion, respectively.

In 2020, aggregate Federal Government expenditure was ₦10,157.5 billion, a 22.4% increase compared to ₦8,298.8 billion in 2019.

In 2020, non-debt recurrent expenditure was ₦4,645.2 billion, a 9.3% increase compared to ₦4,251.1 billion in 2019.

Spending in the Government budget can be classified into four broad categories, namely:

- statutory transfers;
- debt service;
- recurrent (non-debt) expenditure by the Government's MDAs; and
- capital expenditures by the Government's MDAs.

Statutory Transfers

By law, the Government is required to make certain remittances to the National Judicial Council, the Niger Delta Development Commission, the Universal Basic Education Commission, the National Assembly, the National Human Rights Commission and the Independent National Electoral Commission. The National Judicial Council is the body responsible for administering the Nigerian judiciary, and the Constitution mandates that the Government transfer funds necessary for its operations in order to protect the independence of the judiciary. The Niger Delta Development Commission is responsible for accelerating the development of the Niger Delta region. The Government is required to contribute an amount equivalent to 15% of the amount received by oil-producing states from the Federation Account to fund the activities of this commission. The Universal Basic Education Commission was established to coordinate the implementation of the Universal Basic Education Programme of the Government, which consists of the provision of free, compulsory and universal early childhood care and education and nine years of formal schooling for every Nigerian child of primary and junior secondary school age. Approximately 2% of Government revenues are set aside to fund the operations of the Universal Basic Education Commission.

Debt Service

Debt service was ₦8,247 billion in June 2024, an increase of 31% compared to ₦6,310 billion in 2023. Debt service in 2022 and 2021 was ₦5,655.6 billion and ₦4,221.7 billion, respectively. Debt service was ₦3,342.3 billion in 2020, an increase of 36.2% compared to ₦2,453.7 billion in 2019. Debt service payments increased each year primarily due to increases in the domestic debt stock.

Expenditures by the Government's ministries, departments and agencies

MDAs' expenditures comprise both capital and recurrent expenditures. Since 2005, the Government has used Medium-Term Sector Strategies to prioritise and align the capital expenditure of large-spending MDAs with the development objectives of the Government. Historically, this has been focused on the National Economic Empowerment and Development Strategy, the Seven-Point Agenda and the Transformation Agenda and, more recently, Vision 20:2020 and the First NIP.

Recurrent Expenditure

Recurrent expenditures are in two categories: recurrent debt and non-debt recurrent expenditures. The latter primarily consists of salaries for government employees, pensions and administrative costs. The actual Federal Government non-debt recurrent expenditure based on the amended 2024 Budget stood at ₦4.4 trillion, an increase of 4.8% from ₦4.2 trillion in 2023 Budget (inclusive of the Supplementary Budget). For 2022 and 2021, they were ₦6.1 trillion and ₦4.9 trillion, respectively. In 2020, non-debt recurrent expenditure was ₦4.6 trillion, a 9.3% increase compared to ₦4.3 trillion in 2019.

Capital Expenditure

Capital expenditure payments are used to fund critical infrastructure and other capital needs of the MDAs. As indicated in the budget for the 2024 fiscal year, capital expenditure comprises 42% of the aggregate expenditure at ₦35.06 trillion, exclusive of the capital components of statutory transfers. Actual capital expenditures in 2023, 2022 and 2021 were ₦6,365.9 billion, ₦2,203.1 billion, and ₦3,393.8 billion, respectively. In 2020, capital expenditure was ₦1,741.9 billion, a 49.5% increase compared to ₦1,165.5 billion in 2019.

Budget Performance (2019 – 2023)

The table below sets out certain historical information regarding Nigeria's federal government budget for the years indicated versus revenues and expenditures actualised during those time periods:

	For the year ended 31 December									
	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual
	(₦ billions)									
Oil Revenue	3,688.3	1,791.7	1,013.8	1,521.4	2,011.0	997.83	2,190.4	776.4	2,229.64	2,377.3
Share of Dividend (NLNG).....	39.9		80.4	144.0	208.5	208.5	195.7	101.7	81.79	46.2
Minerals & Mining Revenue...	1.3	2.11	1.9	2.1	2.7	3.3	2.9	4.7	3.64	6.3
Non-Oil Revenue	3,260.0	2,746.7	4,269.4	2,269.8	5,899.2	4,889.1	7,580.2	6,872.3	8,730.0	10,055.2
Non-Oil Taxes	1,409.2	1,234.4	1,624.9	1,276.1	1,488.9	1,792.6	2,258.4	2,388.9	2,465.6	3,312.4
Federal Government Independent Revenues.....	631.1	557.3	932.8	519.4	1,061.9	1,251.3	2,616.2	1,402.4	3,169.1	1,841.0
Other Revenue.....	1,228.8	954.9	1,711.6	474.4	3,348.4	1,845.2	2,705.6	3,081.9	3,095.4	4,901.8
Federal Government Retained Revenue	6,998.5	2,746.7	5,365.4	2,269.8	8,121.4	6,098.7	9,969.2	7,756.1	11,045.1	12,485.0
Total Expenditure ⁽²⁾	8,917.0	8,298.8	9,973.7	10,157.5	14,570.8	13,035.4	18,139.2	14,786.3	20,633.0	23,037.2
Statutory Transfers.....	502.1	428.5	428.0	428.0	496.5	496.5	817.7	810.1	985.5	1,034.67
Debt Service	2,254.0	2,453.7	2,951.7	3,342.3	3,324.4	4,221.7	3,978.1	5,656.6	6,557.6	8,556.9
MDA Expenditure:										
Recurrent Non-Debt Expenditure	4,065.9	4,251.1	4,633.9	4,645.2	5,765.3	4,923.4	7,108.6	6,116.5	15,879.8	15,636.7
Capital Expenditure	2,095.0	1,165.5	2,347.4	1,742.0	4,984.6	2,893.3	6,234.8	2,203.1	7,958.3	6,365.9
Overall Deficit	(1,918.5)	(3,758.4)	(4,608.2)	(6,220.2)	(6,449.4)	(6,936.6)	8,170.1	7,030.2	(13,778.4)	(6,917.43)
% of GDP	(1.37)	(2.58)	(3.57)	(4.03)	(4.52)	(3.94)	(4.43)	(3.47)	(6.11)	(4.5)
Financing										
Foreign (net)	802.8	-	1,984.7	294.3	2,744.4	1,623.6	2,569.9	510.2	1,760.9	
Domestic (net)	802.8	802.8	2,213.9	2,057.5	2,744.4	4,943.1	4,353.6	6,520.0	10,039.9	9,578.3
Proceeds of sales of Government Properties ⁽³⁾	-	-	-	-	-	-	-	-	-	-
Share of Excess Crude	-	-	-	-	-	-	-	-	-	-
Borrowing from Special Account ⁽⁴⁾	-	-	263.6	-	-	-	-	-	-	-
Share of Signature Bonus ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-
Borrowing of 2015 Balance ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-
Deficit of 2015 Suppl. Approp. Act ⁽⁷⁾	-	-	-	-	-	-	-	-	-	-
Privatisation Proceeds ⁽⁸⁾	210.0	-	126.0	-	-	-	-	-	-	-
Other Federal Government Recoveries.....	-	-	387.3	-	-	-	-	-	-	-

Source: The Budget Office of the Federation

- (1) The Federation Account figures reported here are net of costs of collections.
- (2) The 2019 and 2020 Total Expenditure excludes GOEs but includes Multi-lateral / Bi-lateral project-tied loans.
- (3) Proceeds of sale of Government Properties refer to income from sales of government properties.
- (4) Intra-Governmental borrowing from various Government accounts (for the avoidance of doubt, these accounts are not the Treasury Single Account) for temporary management of excess cash and liquidity (not recorded as Government debt).
- (5) Share of Signature Bonus refers to income to the Government when new oil blocs are licenced.
- (6) Borrowing as of year-end from the CBN (recorded as domestic debt of the Government). A corresponding amount of Government deposits held in the Treasury Single Account serves as collateral in respect of amounts borrowed from the CBN. The balance of CBN borrowings can vary significantly over the course of the year and, as such, the balance stated at year-end is not necessarily indicative of the outstanding balance as of any particular time during the course of the year.
- (7) Borrowing based on the supplementary budget of 2015 (recorded as domestic debt of the Government).
- (8) Privatisation Proceeds refer to income from sales of government shares in privatised companies.

In recent years, the Government has increased budgeted capital expenditure allocations towards priority sectors of the economy. The table below sets out the capital expenditure allocations for certain sectors in the budget for the six months ended 30 June 2024:

	June 2024 (₦ billions)
Power, Works and Housing	2,076.01
Transport	110.10
Agriculture	1,364.35
Defence	389.29
Interior (including Police)	209.65
Education (excluding UBEC).....	495.03

Health.....	543.85
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2023 Supplementary Budget

On 8 November 2023, President Tinubu assented to a Supplementary Appropriation Bill of ₦2.18 trillion which ran alongside the 2024 budget until 31 March 2024. The Supplementary Budget was passed to fund ‘urgent issues’, namely defence and security, and included an allocation of ₦546.21 million to the Ministry of Defence.

2024 Budget

On 29 November 2023, President Tinubu presented the 2024 Appropriation Bill of the Federal Government of Nigeria to a joint session of the 10th National Assembly, themed the “**Budget of Renewed Hope.**” Despite the late presentation, on 30 December 2023, the National Assembly passed the Budget, increasing its size by ₦1.20 trillion from the proposed ₦27.50 trillion to ₦28.78 trillion. Subsequently, the 2024 Budget was amended to ₦35.06 trillion to accommodate other critical spending on capital and other recurrent-related expenses. The Fiscal Responsibility Act shows a projected revenue of ₦25.88 trillion, aggregate proposed expenditure of ₦35.06 trillion, and a fiscal deficit of ₦9.18 trillion. Compared to the 2023 Appropriation Act, the 2024 Act represents a 134% increase in projected revenue and a 41% increase in expenditure. The table below sets forth certain information regarding the 2024 Budget (and a breakdown of revenue and expenditure).

	2024 Budget (<i>₦ billions</i>)
Oil & Gas Revenue	19,996.33
Dividend/Profit from Sales of Crude oil & gas	1,464.38
Petroleum Profits Tax/Hydrocarbon Tax.....	10,623.58
Oil & Gas Royalties	6,423.62
Concession Rentals	8.73
Incidental Oil Revenue.....	105.01
Miscellaneous (Pipeline fees, etc)	16.10
Non-Oil Revenue	10,808.05
Corporate Tax.....	3,256.77
Value-Added Tax	3,954.12
Customs	3,442.05
Electronic Money Transfer Levy (EMTL)	174.24
Dividend Payment	766.75
Solid Minerals	10.85
Signature Bonus	251.46
Non-Federation Account for Targeted Expenditure	
Non-Federation Account Levies for Targeted Expenditure.....	553.68
Education Tax	700.00
National Information Technology Development Fund.....	28.49
Net Federation Account	27,710.87
Total Federal Government Retained Revenue	25,876.61
Share of Federation Accounts Allocation Committee	11,547.13
Share of VAT	512.83
Revenue from GOEs	4,853.57
GOES Operating Surplus (80% of which is captured in Independent Revenue)	(1,992.48)
Independent Revenue	2,691.78
Transfers from Special Levies Acct	300.00
Federal Government’s Share of Signature Bonus.....	251.46

	2024 Budget (₹ billions)
Share of Oil Price Royalty.....	24.17
Stamp Duty on Electronic Transfer	24.39
Grants and Donor Funding	685.63
Education Tax (TETFUND)	700.00
Additional Revenue to Fund the 2024 Budget.....	6,278.13
Total Federal Government Expenditure	35,055.54
Statutory Transfers	1,742.79
Debt Service.....	8,270.96
Service on Domestic Debt.....	5,299.70
Service on Foreign Debt.....	2,747.60
Sinking Fund	223.66
MDA Expenditure:	3,331.68
Recurrent Non-Debt Expenditure.....	11,268.51
Personnel Cost (MDAs)	4,792.05
Personnel Costs (GOEs)	608.41
Overheads (MDAs)	673.16
Overheads (GOEs)	451.20
Pensions, Gratuities, and Retirees Benefits	673.13
Other Service Wide Vote ⁽¹⁾	3,770.55
Presidential Amnesty Programme	65.00
Special Intervention Programme	200.00
Capital Expenditure.....	13,773.28
Federal Government (MDAs & Statutory Bodies) Capital.....	7,038.73
Capital Supplementation	3,479.93
Special Intervention Program Capital.....	7.00
GOEs Capital Expenditure	820.91
Multi-lateral / Bi-lateral Project-tied Loans.....	1,051.91
Grants and Donor Funded Projects.....	685.63
TETFUND Capital Expenditure.....	665.00
Federal Government Share of Oil Price Royalty transferred to NSIA.....	24.17
Overall Deficit.....	9,178.93
% of GDP	3.88
Additional Financing.....	9,178.93
Debt Financing.....	7,828.53
Foreign Borrowing (net)	1,767.61
Domestic Borrowing (net)	6,060.92
Multi-lateral and bi-lateral project-tied loans	1,051.91
Privatisation Proceeds	298.49

Source: Budget Office of the Federation

- (1) Service Wide Votes include expenditures or line items that are contingent or whose value could not be ascertained, initiatives that could not be ascribed to a single ministry, department or agency and capital supplementation to address cost variation in capital projects during the year.(Including GAVI/Immunisation)

The table below sets forth certain information regarding recurrent (non-debt) expenditure allocations in the 2024 Budget:

	2024 Budget (₹ billions)
Total Recurrent (Non-Debt) Expenditures	
Ministries, Departments and Agencies (MDAs)	
Presidency	97.91
Office of the Secretary to the Government of the Federation	100.71
Youth & Sports Development	201.47
Sports Development	11.23
Women Affairs	2.43
Agriculture and Rural Development	110.25
Water Resources	14.90
Auditor-General for the Federation	7.93
Independent Corrupt Practices and Other Related Offences Commission	13.80
Ministry of Police Affairs	869.12
Defence/MOD/Army/Air Force/Navy	1,308.49
Education	857.13
Federal Capital Territory Administration	
Special Duties & Inter-Governmental Affairs	6.79
Foreign Affairs	140.46
Finance	27.57
Health	667.58
Trade and Investment	22.39
Information	47.39
Art, Culture and Creative Economy	16.11
Tourism	3.96
Communication Technology	20.95
Interior	362.55
Office of the Head of Service of the Federation	9.76
Justice	48.46
Labour and Employment	19.19

	2024 Budget (₦ billions)
Power,	7.22
Works	39.37
Housing	2.99
Science and Technology	55.91
Transport	18.88
Marine and Blue Economy	1.33
Aviation	9.88
Petroleum Resources	38.30
Mines & Steel Development	10.56
Solid Minerals Development	4.33
National Salaries, Incomes & Wages Commission	1.80
Environment	32.53
Budget & National Planning	13.07
Office of the National Security Adviser	199.76
Niger-Delta	3.21
Fiscal Responsibility Commission	0.77
Infrastructural Concession Regulatory Commission	0.59
Humanitarian Affairs, Disaster Management and Social Development	10.35
National Population Commission	11.64
Federal Executive Bodies	14.21
Government Owned Enterprises	1,059.62
Pensions and Gratuities	673.13
Service Wide Votes ⁽¹⁾	3.77
Presidential Amnesty Programme	65.00
Special Intervention Programme	200.00
TETFUND	35.00

Source: Budget Office of the Federation

(1) Service Wide Votes include expenditures or line items that are contingent or whose value could not be ascertained, initiatives that could not be ascribed to a single ministry, department or agency and capital supplementation to address cost variation in capital projects during the year.

The table below sets forth certain information regarding capital expenditure allocations in the 2024 Budget (as supplemented by the 2024 Supplementary Appropriation Bill):

	2024 Budget (₦ billions)
Total Capital Expenditures	
Ministries, Departments and Agencies (MDAs).....	
'Presidency.....	90.62
Office of the Secretary to the Government of the Federation.....	96.26
Youth.....	14.42
Sports Development.....	21.62
Women Affairs.....	12.81
Agriculture and Rural Development.....	1,364.35
Water Resources.....	401.13
Auditor-General for the Federation.....	0.23
Independent Corrupt Practices and Other Related Offences Commission.....	0.73
Ministry of Police Affairs.....	100.53
Defence/MOD/Army/Air Force/Navy.....	389.29
Education.....	495.03
Federal Capital Territory Administration.....	65.26
Special Duties & Inter-Governmental Affairs	12.87
Foreign Affairs.....	19.61
Finance.....	892.02
Health.....	543.85
Trade and Investment.....	166.71
Information.....	10.53
Art, Culture and Creative Economy.....	10.97
Tourism.....	16.31
Communication Technology.....	7.91
Interior.....	109.12
Office of the Head of Service of the Federation.....	3.72
Justice.....	34.86
Labour and Employment.....	111.05
Power,.....	411.15
Works.....	1,498.89
Housing.....	165.97
Science and Technology.....	447.15
Transport.....	91.18
Marine and Blue Economy.....	18.92
Aviation.....	47.36
Petroleum Resources.....	8.62
Mines & Steel Development.....	13.58
Solid Minerals Development.....	26.91
National Salaries, Incomes & Wages Commission.....	0.17
Environment.....	78.62
Budget & National Planning.....	37.73
Office of the National Security Adviser.....	74.21
Niger-Delta.....	20.13
Fiscal Responsibility Commission.....	0.25
Infrastructural Concession Regulatory Commission.....	0.28
Humanitarian Affairs, Disaster Management and Social Development.....	155.54
National Population Commission.....	1.13

	2024 Budget (₦ billions)
Federal Executive Bodies.....	1.03
Capital Supplementation	4,196.73

Source: Budget Office of the Federation

2024 Budget Initiatives

In connection with the 2024 Budget, the Government has targeted the following key projects:

- **Housing:** ₦11.34 billion is provisioned for the Housing Programme Nationwide, ₦27.22 billion for the Social Housing Scheme, ₦1 billion for a prototype housing scheme in Niger and Lagos states;
- **Education:** ₦230 million for the provision of security infrastructure in 104 colleges, ₦79 billion for classroom and hostel rehabilitation and furnishing, ₦3.16 billion in various scholarship allowances and ₦2.98 billion in payments to 5,000 Federal Teachers Scheme Allowance;
- **Communications, Innovation and Digital Economy:** the Ministry of Communications, Innovation, and Digital Economy has been allocated a budget of ₦28.86 billion, which is less than 1% of the total national budget. This allocation includes 70.16% for Personnel expenses (₦20.25 billion), 2.42% for Overheads (₦699.00 million), and 27.42% for Capital spending (₦7.91 billion). Comparatively, the 2023 budget was ₦47.02 billion, with 66.41% for Personnel, 2% for Overheads, and 32% for Capital expenditure. Notably, the 2023 capital projects focused primarily on infrastructure and research, with 84.70% allocated to "Construction/Provision of Infrastructure" and 12.95% to "Research and Development". Despite the Ministry's critical role in advancing Nigeria's digital and technological landscape, the 2024 budget is considered insufficient to meet the country's ICT demands, prompting the need for external investments to bolster infrastructure development;
- **Agriculture sector:** Nigeria's agricultural sector budget saw a substantial increase of 669%, rising from ₦220.46 billion (\$431.41 million) in 2023 to ₦1.47 trillion (\$1.35 billion). The allocation to agriculture as a share of the total budget increased from 0.9% in 2023 to 4.2% in 2024. The federal government raised the personnel, overhead, and capital budget year-on-year by 79.28%, 54.99%, and 25.04%, respectively;
- **Niger Delta:** ₦10.41 billion for the Construction/Provision of Roads and about ₦9.71 billion for other critical infrastructure, agriculture and health systems projects;
- **Industry, Trade and Investment:** ₦1.4 billion for the Conditional Grant Scheme, ₦1 billion for the Presidential Enabling Business Environment Council, ₦5.44 billion for Special Economic Zones development, ₦3.51 billion for the revitalisation of six industrial development centres, ₦2.2 billion for the National Business Skills Development Initiative and ₦840 million for the One Local Government One Product scheme;
- **Healthcare:** ₦137.21 billion provided for GAVI, the Vaccine Alliance and immunisation, ₦131.52 billion provision for implementation of the National Health Act (the Basic Healthcare Provision Fund), ₦1.82 billion for polio eradication initiatives, ₦2.1 billion for the procurement of RI and non-polio vaccinations and operational cost, ₦3.12 billion to expand the midwives services scheme and ₦7.42 billion in counterpart funding for donor-supported programmes including the Global Fund;
- **Social:** ₦557.00 billion for the Government's Special Intervention Programme (including Home Grown School Feeding Programme, the Government Economic Empowerment Programme, the N-Power Job Creation Programme, Conditional Cash Transfers, and Social Housing – Family Home Fund);
- **Transportation:** Nigeria's transportation infrastructure, including roads, railways, ports, and airports, suffers from inadequate maintenance, limited capacity, and poor connectivity, leading to delays, high costs, and congestion. Historically, limited investment has hindered modernization and

expansion. 2024 Budget aims to rehabilitate roads, complete railway projects, decongest ports, establish a national carrier, and enhance safety and transparency in air travel. Despite a decline in transportation's contribution to GDP, significant opportunities exist for development through Public-Private Partnerships and technology adoption. ₦110.06 billion, or 0.31% of the total budget, has been allocated to the transport sector, marking a 439.51% increase from the previous year's ₦20.34 billion. Notably, 82.84% of this budget is dedicated to capital expenditures, emphasizing infrastructure development, while personnel and overhead costs account for 16.1% and 1.06% of the budget, respectively;

- *Power sector:* ₦264.27 billion is designated for multilateral and bilateral funded projects, reflecting a commitment to international collaboration. ₦29.63 billion is allocated for the Rural Electrification Access programme aiming to boost energy access. Additionally, ₦1 billion is set aside for distribution expansion programme projects to utilize power from the grid more effectively. To further enhance renewable energy, ₦400 million is earmarked for the completion of renewable energy micro utility projects nationwide. The budget also includes ₦7.24 billion for substation construction which is critical for improving power generation and distribution. Finally, ₦750 million is allocated for the Kashambilla transmission project, aiming to strengthen the national grid and the sum of ₦2.2 billion for compensation to person affected by the Substation projects;
- *Water resources:* ₦253.29 billion for the Transforming Irrigation in Nigeria project, more than ₦12.02 billion for rehabilitation and completion of ongoing dam projects, ₦1.13 billion for the Partnership for Expanded Water, Sanitation and Hygiene and over ₦126.03 billion for various water supply and irrigation schemes;
- *Defence:* For the 2024 fiscal year, ₦2.42 trillion (\$5.13 billion) was allocated to the security and defense sector, representing 9.53% of the total budget and a 20.49% increase from the previous year. Key allocations include 50.48% for defense, 27.76% for the police force, 13.20% for Interior services, and 8.20% for the National Security Adviser, with 72.74% earmarked for salaries and pensions, 8.48% for overhead expenses, and 18.78% for acquiring defense hardware and infrastructure improvements. President Tinubu has pledged to overhaul Nigeria's national security architecture, aiming to eliminate terror, kidnapping, and banditry. His commitments include creating anti-terrorist battalions (ABATTS), upgrading tactical equipment, increasing domestic production of military hardware, improving welfare for security personnel, enhancing border surveillance, and recruiting more policemen; and
- *Others:* ₦3.15 billion for capital projects for the National Commission for Persons with Disability and ₦25 billion provisioned for Nigeria Youth Investment Fund.

Review of 2024 Budget Implementation

As proposed by President Tinubu, the 2024 Budget of 'Renewed Hope' outlines a total expenditure of ₦35.06 trillion (US\$36.7 billion) against a projected revenue of ₦25.88 trillion (US\$24.4 billion), resulting in a deficit of ₦9.18 trillion (US\$12.2 billion). Of the projected revenue, ₦8.18 trillion is expected from oil, while net revenues from Government Owned Enterprises are anticipated to contribute ₦2.86 trillion. Non-oil taxes are projected to generate ₦3.52 trillion, with independent revenue adding ₦2.69 trillion. Additional revenue sources include ₦4.55 billion from minerals and mining, and ₦8.62 trillion from other sources. On the expenditure side, ₦11.27 trillion is allocated for non-debt recurrent expenses, ₦13.77 trillion for capital expenditure (excluding transfers), and ₦8.27 trillion for debt service (including a sinking fund allocation of ₦243.66 billion). Statutory transfers are set at ₦1.74 trillion.

2025 Budget

On 14 November 2024, Nigeria's Budget Minister proposed ₦47.0 trillion (U.S.\$28.18 billion) spending for its 2025 Budget. This figure was based upon the assumption of an oil price of U.S.\$75 per barrel and target production of 2 million barrels per day.

Revenues are projected to reach ₦58.79 trillion, driven by petrol subsidy removal and a market-determined exchange rate, alongside increased non-oil taxes. The 2025 Budget projects a total revenue of ₦34.82 trillion, a 34.6% increase from 2024. This revenue is composed of ₦19.60 billion from oil and ₦15.22

trillion from non-oil sources, with significant contributions from non-oil tax revenues and independent revenue. The Government's share of non-oil tax revenues is anticipated at ₦5.71 trillion, while independent revenue is projected at ₦3.47 trillion. Additionally, other revenues, including dividends from entities such as NLNG, are expected to contribute ₦1.78 trillion.

The total expenditure for the 2025 Budget is estimated at ₦47.90 trillion, which is 36.6% higher than the 2024 estimate of ₦35.06 trillion. This includes GOEs' of ₦2.73 trillion, statutory transfers of ₦4.26 trillion, debt expenditure of ₦15.81 trillion, grants/donor-funded projects of ₦711.1 billion and non-debt recurrent expenditure of ₦14.21 trillion. Personnel and pension costs are set at ₦9.64 trillion, driven by the implementation of the new minimum wage. Capital expenditure is projected at ₦16.48 trillion, representing 34.4% of the total expenditure, with a focus on improving primary healthcare through significant allocations to the Basic Health Care Provision Fund and GAVI/Routine Immunisation.

The budget deficit for 2025 is projected at ₦13.08 trillion, up from ₦9.18 trillion in 2024, representing 38% of total Federal Government revenue and 3.87% of GDP. The increase is attributed to the newly increased minimum wage, higher pension obligations, and increased debt costs. This deficit will be financed through new foreign and domestic borrowings of ₦9.22 trillion, ₦312.33 billion from privatisation proceeds, and ₦3.55 trillion from drawdowns on existing multilateral and bilateral project-tied loans. The administration aims to manage this higher deficit while continuing to invest in critical areas such as debt expenditure, personnel costs, and capital projects.

2020-2022 Medium-Term Expenditure Framework and the 2020 Budget

In September 2019, former President Buhari sent the 2020-2022 Medium-Term Expenditure Framework and Fiscal Strategy Paper (the “**2020 MTEF**”) to the Senate for approval. The 2020 MTEF followed the successful deployment of the ERGP and aimed to continue to stimulate the economy to attain higher and sustained inclusive growth through the allocation of resources to strategic priorities. In the medium term, it was expected that real GDP would grow stronger and stabilise over time, with the share of oil in real GDP projected to slow down slightly due to expected softening of global demand and stable oil prices at lower levels, whilst non-oil real GDP was expected to grow as government policies geared at diversification and enhanced business environment continued to yield results.

However, following the outbreak of COVID-19 and the economic consequences, on 9 March 2020, former President Buhari set up a Crisis Management Committee to consider measures to address the fiscal pressures arising from the drop in oil prices triggered by the Saudi-Russia oil war and weakening global oil demand. In April 2020, the Government published an addendum to the 2020 MTEF, to revise the assumptions and fiscal strategies underpinning the 2020 Budget to reflect the economic realities posed by COVID-19.

The 2021-2022 Medium Term Expenditure Framework and the 2021 Budget

In July 2020, the 2021-2022 Medium-Term Expenditure Framework and Fiscal Strategy Paper (the “**2021 MTEF**”) was approved by the Senate. The 2021 MTEF formed the basis for the 2021 Budget. The 2021 MTEF was focused on mitigating the long-lasting impact of the COVID-19 pandemic on households and businesses and ensuring fiscal and debt sustainability. This was intended to be achieved through (i) optimising Government revenue, (ii) creating fiscal space for infrastructural development, (iii) enhancing fiscal prudence and transparency, and (iv) ensuring sustainable deficit and debt levels, including new fiscal rules.

The 2022-2024 Medium Term Expenditure Framework and the 2022 Budget

In July 2021, the 2022-2024 Medium-Term Expenditure Framework and Fiscal Strategy Paper (the “**2022 MTEF**”) was approved by the Senate. The 2022 MTEF formed the basis for the 2022 Budget. The Government's economic objectives under the 2022 MTEF included (i) stimulating active private sector participation and inclusive economic growth, (ii) creating adequate productive employment and preserving jobs, (iii) ensuring macroeconomic stability and (iv) promoting poverty reduction and equity. The focus in the medium term was on sustaining the economic recovery process and accelerating economic growth.

The Government will sustain current efforts aimed at improving the business and investment environment for the private investment to thrive and drive growth. The fight against corruption will be intensified and relevant institutions will be further strengthened to enhance the security of life and property in the country.

These efforts will enhance economic activities, domestic productivity, competitiveness and incentivise private investment thereby contributing towards realising the projected growth. The Government will also enhance the access of small and medium enterprises in key sectors to sustainable financing to enhance their operational efficiency and further accelerate economic recovery.

In accordance with the 2022 MTEF, the aggregate Federal Government revenue available for the 2022 budget (including GOEs) was projected at ₦8.762 trillion, while the aggregate expenditure level was projected to be ₦13.98 trillion (including GOEs, grants/donor funded projects). The aggregate expenditure is made up of Statutory Transfers of ₦613.36 billion, Debt Service of ₦3.61 trillion, Sinking Fund of ₦292.71 billion and Recurrent (non-debt) expenditure of ₦6.21 trillion. The aggregate amount available for capital expenditures in the 2022 budget was ₦3.61 trillion, representing 26% of total expenditure. Additionally, ₦350 billion was proposed as special intervention, to sustain the Social Investment Programme in furtherance of the Government's inclusiveness agenda.

The 2024-2026 Medium Term Expenditure Framework and the 2024 Budget

In September 2024, the 2024-2026 Medium-Term Expenditure Framework and Fiscal Strategy Paper (the “**2024 MTEF**”) was approved by the Senate. The 2024 MTEF forms the basis for the 2024 Budget, and aims at enhancing government revenue and reducing fiscal pressures, creating fiscal space for human capital and infrastructural investments, enhancing fiscal prudence and transparency and ensuring sustainable deficit and debt levels.

The 2025-2027 Medium Term Expenditure Framework and the 2025 Budget

On 14 November 2024, the 2025-2027 Medium-Term Expenditure Framework and Fiscal Strategy Paper (the “**2025 MTEF**”) was approved by the Senate. 2025 MTEF outlines Nigeria's strategic fiscal direction over the next three years, emphasizing stability, efficiency, and sustainable growth. Key reforms, including the unification of the exchange rate regime and the removal of the PMS subsidy, have enhanced fiscal stability, and created space for targeted infrastructure and social spending. The Government aims to consolidate these gains by leveraging technology to improve revenue collection and streamline expenditure. Additionally, a comprehensive security overhaul is expected to boost economic activities in critical regions. The Government is also prioritizing ambitious infrastructure projects to reduce logistical bottlenecks and stimulate industrial output. The 2025 MTEF serves as a framework for maintaining fiscal discipline, ensuring prudent borrowing, and promoting economic diversification, positioning Nigeria for resilient and inclusive growth.

The 2025 MTEF is projected to record an increase in key macroeconomic parameters, indicating a continuous gradual rebound of the Nigerian economy. It is predicted that, owing to the 2025 MTEF, economic growth is expected to increase gradually over the next few years, with the GDP growth rate increasing to 5.5% in 2027, largely driven by increased investments in infrastructure, agriculture, and social services. Additionally, nominal consumption is projected to increase to ₦206.83 trillion, ₦233.31 trillion, and ₦263.95 trillion in 2025, 2026, and 2027 respectively. This increase is anticipated due to the expected increase in wages following the new minimum wage and cash transfers to households. These factors will also impact the inflation rate, which, although projected to decline to 15.8% in 2025, will remain at a lower double-digit level over the medium term.

In 2025, Federation Account revenues are projected to reach ₦58.79 trillion, driven by petrol subsidy removal and a market-determined exchange rate, alongside increased non-oil taxes. The Main Pool is expected to receive ₦51.61 trillion, the VAT Pool ₦6.95 trillion, and EMTL ₦228.85 billion. Oil revenues will constitute ₦40.42 trillion of the total. The Federal Government's share from the Main Pool is projected at ₦27.19 trillion, with states and local governments receiving ₦13.79 trillion and ₦10.63 trillion, respectively. From the VAT Pool, the Federal Government will get ₦1.04 trillion, state will receive ₦3.47 trillion, and local governments ₦2.43 trillion. EMTL is projected to provide the Federal Government with ₦34.33 billion, states ₦114.42 billion, and local governments ₦80.10 billion.

The 2025 Federal Government Revenue is projected at ₦34.82 trillion, a 34.6% increase from the 2024 Budget. This includes ₦19.60 trillion from oil (56.3%) and ₦15.22 trillion from non-oil sources (43.7%). Non-oil tax revenues are projected at ₦5.71 trillion, and Minerals and Mining Revenues at ₦15.49 billion. Independent Revenue is expected to be ₦3.47 trillion, with Grants and Donor-funded projects at ₦711.11

billion. Dividends from various entities, including the Bank of Industry and NLNG, are projected at ₦686.44 billion, and other revenues, such as Oil Price Royalty and Education Tax, are expected to total ₦1.78 trillion.

The Federal Government's 2025 Budget estimates total expenditures at ₦47.90 trillion, which is 36.6% higher than the 2024 estimate of ₦35.06 trillion. This includes ₦2.73 trillion for GOEs and ₦711.11 billion for grants/donor-funded projects. The budget allocates ₦4.26 trillion for statutory transfers, ₦15.81 trillion for debt expenditure, and ₦14.21 trillion for non-debt recurrent expenditure. Personnel and pension costs are set at ₦9.64 trillion, reflecting a 58.7% increase due to the new minimum wage. The budget also includes ₦282.65 billion for the Basic Health Care Provision Fund and ₦231.78 billion for GAVI/Routine Immunisation. Capital expenditure is projected at ₦16.48 trillion, 34.4% of total expenditure, and includes allocations for MDAs, capital supplementation, statutory transfers, and donor-funded expenditures. Additionally, the Government plans to provide sovereign guarantees for up to ₦3 trillion in long-term financing to support economic development through various financial institutions.

The 2025 Budget deficit is projected at ₦13.08 trillion, up from ₦9.18 trillion in 2024, representing 38% of total FGN revenues and 3.87% of GDP. This increase is attributed to the newly increased minimum wage, higher pension obligations, and increased debt costs. The administration plans to reduce the deficit to meet the Fiscal Responsibility Act 2025 threshold in the medium term. Financing will primarily come from domestic borrowings, considering the narrow window for external financing.

Nigeria Sovereign Investment Authority (the Sovereign Wealth Fund)

In 2011, the former President Goodluck Jonathan signed the Nigeria Sovereign Investment Authority (Establishment etc.) Bill into law, creating the Nigeria Sovereign Investment Authority (NSIA or the Authority) and authorising the establishment of the Sovereign Wealth Fund which is jointly owned and supervised by the Federal, State and Local Governments as well as the Federal Capital Territory and Area Councils. The three mandate funds (Funds) of the Authority are:

- the Future Generations Fund – an intergenerational savings fund for the benefit of future generations of Nigerian citizens. The Future Generations Fund has a long-term investment horizon of more than 20 years. This allows management to gain access to less liquid asset classes, enabling greater risk-adjusted returns;
- the Nigeria Infrastructure Fund (NIF) – a fund that is focused on investing in critical infrastructure that would attract and support Foreign Direct Investment, economic diversification and growth. The focus themes of the NIF investments have been in Climate and Sustainability, Technology and Innovation Services, Industrialization and Transport and Logistics; and
- the Stabilisation Fund – a fund that serves as a secondary source of funding to support the national economy in periods of budget revenue shortfalls. The Stabilisation Fund has a short-term horizon and a low return target. Accordingly, the Stabilisation Fund's assets are invested conservatively, with the goal of striking a balance between generating a modest positive return and preserving capital in nominal terms. The Asset allocation is split between Hedge Assets and Growth Assets.

A key feature of the NSIA that distinguishes the three Funds from the ECA are the stricter procedures for withdrawals and transparent investment processes adopted to execute the mandate of each Sovereign Wealth Fund, helping to ensure that they are able to operate independently of political pressures. The initial funding for the NSIA was a U.S.\$1 billion transfer from the ECA in 2012, followed by an additional U.S.\$250 million from dividend payments received from Nigeria Liquefied Natural Gas Company Limited in 2016. Furthermore, there was an additional U.S.\$250 million transfer from the ECA in both 2017 and 2020. The new PIA introduced the royalty-by-price regime, which generated inflows of U.S.\$45.6 million in 2023 and a total of U.S.\$175.4 million as at June 2024. On 8 April 2020, NSIA issued a press release announcing that the Nigerian Government would be withdrawing U.S. \$150 million from its Stabilisation Fund to address emerging fiscal risks due to the COVID-19 pandemic and the decline in the government revenue.

With the enactment of the PIA, some further funding was made available to the NSIA as from the second quarter of 2023. The total value of contributions by the Government stood at U.S.\$1.79 billion, while the net value of funds under management of the NSIA was U.S.\$2.4 billion as of December 2023.

Future funding for the NSIA is expected to be derived from residual funds received into the Federation Account from excess oil revenues, if any, being those over and above the amount needed to fund Nigeria's national budget, from contributions by the Federal or States governments and from income generated by the funds that are reinvested. The funding for the NSIA is allocated between the three funds, with the current allocation strategy being 20% to the Stabilisation Fund, 30% to the Future Generations Fund and 50% to the Infrastructure Fund.

The NSIA has also been involved in a number of developmental initiatives on behalf of the Federal Government of Nigeria such as the Presidential Infrastructure Development Fund, a special intervention fund designed to address five key infrastructure projects of national priority. The NSIA received a total of U.S.\$343 million from funds recovered from late General Abacha and other forfeited funds from the Government of the United States of America, the Bailiwick of Jersey, the Government of the United Kingdom, and the Irish Government, among others, for deployment towards the Presidential Infrastructure Development Fund projects, including the Abuja-Kaduna-Kano Highway, Lagos Ibadan Expressway and Second Niger Bridge.

J.P. Morgan acts as global custodian of the NSIA and Stanbic IBTC Bank Limited acts as local custodian. Goldman Sachs, Credit Suisse and UBS are the asset managers of the Stabilisation Fund, whilst the Infrastructure Fund is managed by an in-house team of asset managers and the Future Generations Fund is managed by 24 managers in the United States, Europe, Asia and Africa.

The NSIA Act 2011 states that the board of directors of the NSIA, with a unanimous vote, may declare a dividend limited to a cap of 60% of profits earned from the funds at the time of distribution out of uninvested and uncommitted available funds; provided that (i) such distribution is paid out of realised profits at such time as the NSIA shall have realised a net profit in each of the funds for at least five years in the years following enactment of the Nigeria Sovereign Investment Authority Act and (ii) the NSIA made a net profit in each of the funds in the year in which such dividend is paid. In addition, the NSIA must have set aside sufficient funds for any anticipated operational needs.

Transparency and Anti-Corruption

According to Transparency International's Corruption Perception Index 2020, Nigeria was ranked 149 in corruption level out of 180 countries surveyed.

Several platforms and mechanisms have been established to improve transparency and reduce corruption in the public and private sectors of Nigeria. The Constitution contains several provisions which define the limits on the exercise of powers conferred on the three organs of government (executive, legislature and judiciary), each acting as a check on the others. Also, the fifth schedule to the Constitution contains a Code of Conduct for public officers (the "**Code of Conduct**"), which seeks to prevent potential conflicts of official interests with public officers' personal interests, the giving and receiving of bribes, the operation of foreign accounts, and abuse of power, amongst others. Also, every public office holder is required to declare his/her assets within a period of three months following the public officer's assumption of office, thereafter at the end of every four years and finally at the end of his/her tenure of office. The Constitution also provides that as a political objective of the Government, all corrupt practices and abuse of power should be abolished.

The Constitution establishes the Code of Conduct Bureau with powers to receive and examine declarations of assets made by public office holders and to retain custody of such declarations and make them available for inspection by any Nigerian citizen (the "**Bureau**"). The Bureau is also empowered to receive complaints about non-compliance with, or breaches of, the provisions of the Code of Conduct and to investigate and, where appropriate, prosecute such complaints before the Code of Conduct Tribunal, which is also established under the Constitution to hear complaints referred to it by the Bureau and, where appropriate, impose punishments on public officers for breaches of the Code of Conduct.

Nigeria seeks to take a strong anti-corruption stance through anti-corruption legislation such as the Corrupt Practices and Other Related Offences Act No. 5 of 2000, the Economic and Financial Crimes Commission

(Establishment) Act of 2004 and the Money Laundering (Prohibition) Act (as amended), amongst others. These laws prohibit and prescribe penalties for corrupt practices and have been applied to prosecute and convict high-ranking public and private officials and to trace, seize, confiscate and repatriate proceeds from corrupt activities. Recently, the CBN has used the Economic and Financial Crimes Commission (“**EFCC**”) to enforce the provisions of the laws against certain banks that breached banking laws and regulations. Additionally, the EFCC has an internal unit, the Special Control Unit against Money Laundering, which monitors designated non-financial institutions. Other initiatives of the EFCC include corruption prevention through in-house institutional monitoring, the establishment of a national anti-corruption volunteer corps programme, forming a national anti-corruption coalition bringing together NGOs, community-based organisations, professional bodies and other stakeholders with a vested interest in ending corruption and integrity education and outreach programmes. Further, the EFCC, Ghana’s Financial Intelligence Centre, the Dutch National Police and the International Criminal Police Organisation (“**INTERPOL**”) are working on a project against the suppression of cross-border bulk cash smuggling between West African and Europe.

In December 2013, the CBN issued a circular to all Nigerian financial institutions, specifying that, effective 31 January 2014, all deposit money banks, merchant banks, discount houses and other financial institutions are required to render Anti-Money Laundering/Combating the Financing of Terrorism (“**AML/CFT**”) reports to the newly designated Banking Supervision Departments of the CBN, which will be directly responsible for all anti money laundering and combating the financing of terrorism activities of the CBN.

Under former President Obasanjo’s Administration, the Budget Monitoring and Price Intelligence Unit (the “**Due Process Office**”) was established in order to counter public perceptions that Nigeria is a corrupt nation and to implement due process and monitoring in development projects. The primary goal of the Due Process Office was to ensure full compliance with guidelines and procedures for the procurement of capital projects and to monitor capital projects as well as the acquisition of associated goods and services. The Guidelines for Implementation of Due Process Certification of Contract were released in July 2002.

In 2007, the Public Procurement Act was enacted and established the Bureau of Public Procurement. The Bureau of Public Procurement’s functions include the formulation of policies and guidelines for procurement within the public sector in Nigeria, the monitoring of the prices of tendered items and the certification of procurement by the Federal Government prior to the awarding of contracts. Thus, subject to stated thresholds set by the National Council on Public Procurement, the Bureau of Public Procurement must issue a Certificate of “No Objection” in respect of all contracts which fall within the purview of the Public Procurement Act, prior to the award of such contracts. The Bureau of Public Procurement is also empowered to de-bar from further dealings contractors and service providers who contravene the provisions of the Public Procurement Act.

As a further step to reduce corruption, Nigeria acceded to the UN Convention against Corruption, the African Union Convention on Prevention and Combating Corruption, and the UN Convention against Transnational Organised Crime, in December 2004, September 2006, and March 2001, respectively.

In the First NIP, the Government identified making Nigeria corruption-free as a key strategic objective with a view to restoring and improving public confidence in the system, and aimed to improve Nigeria’s ranking on the Corruption Perception Index. In order to achieve this, the First NIP outlined several strategies, including (amongst others) the establishment of an institutional framework for fighting corruption, promoting transparency in government finance by enacting and implementing laws on financial reporting and disclosure requirements, ensuring the timely publication of funds released by the Federation Accounts Allocation Committee and instituting whistle-blowing protections. In June 2012, the Independent Corrupt Practices and Other Related Offences Commission launched its five-year strategic framework (2013 to 2017) aimed at more effective reporting, investigation and prosecution of corruption cases, reduction of system-induced corrupt practices and increased managerial effectiveness of the Independent Corrupt Practices Commission.

Most recently, the national focus on economic crimes has largely shifted to prevention and disruption. Each federal agency has established an ethics, anti-corruption and freedom-of-information unit to heighten staff awareness and provide information to the public. In 2014, the EFCC’s public interface unit was established. The unit’s primary objectives include aiding the enlightenment and reorientation unit in educating victims and perpetrators of financial crimes, and engaging with the general public on the implications and possible solutions.

In his manifesto of 2023, President Tinubu promised to fight corruption by focusing more on preventive measures, including implementing a system for the effective redistribution of wealth to reduce the temptation to commit corruption. He also vowed to support existing anti-corruption institutions and address underlying issues of corruption in the oil industry. Additionally, President Tinubu pledged to streamline the civil service to combat corruption, reduce bureaucracy in government agencies, and decrease inefficiency and waste. According to his campaign document, unnecessary expenditures will have low priority, and *bona fide* hard-working civil servants will be commended and protected. The administration will continue weeding out ghost workers, as well as ghost projects and expenditures from the system.

Additionally, the Technical Unit on Governance and Anti-Corruption Reforms (“**TUGAR**”) acts as a research and analytical hub, providing data-driven insights and recommendations to support anti-corruption strategies and reforms. It collaborates with various government agencies, civil society organisations, and international partners to monitor and evaluate the effectiveness of anti-corruption measures, ensuring that policies and initiatives are both impactful and sustainable. Through its efforts, TUGAR aims to foster a culture of integrity and good governance across all levels of Nigerian society.

That said, FATF added Nigeria to its “grey list” on 24 February 2023. The “grey list” includes countries with strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing.

Amongst its various implications, being added to the FATF’s “grey list” increases the risk of Nigeria being included on the European Commission’s and United Kingdom’s lists of high-risk third countries, which typically considers whether a jurisdiction is grey listed by the FATF when deciding on its addition to the UK/European Watchlists. This could impact investments by EU and UK entities in Nigeria, as financial institutions, legal professionals, and other persons with anti-money laundering and counter-terrorist financing (AML/CTF) obligations under EU or UK regimes will likely subject transactions involving Nigeria to heightened scrutiny.

As part of the grey listing process, the FATF increases its monitoring of grey-listed countries and collaborates with them to address shortcomings in their AML/CTF frameworks. Nigeria has confirmed its cooperation with the FATF to enhance its AML/CTF measures and has committed to implementing the Remedial Action Plan agreed upon with the FATF, which includes nine specific measures. See “*Risk Factors—Risks related to Nigeria— Any failure to adequately address actual and perceived risks of corruption and money laundering may adversely affect Nigeria’s economy and its political stability*”.

National Drug Law Enforcement Agency

Nigeria is a transit country for heroin and cocaine destined for Europe and, to a lesser degree, the United States. The National Drug Law Enforcement Agency (“**NDLEA**”) continues to set new regional standards in narcotics interdiction.

The Government and the NDLEA have taken several measures to combat the drug trade in Nigeria including: locating and shutting down certain illegal plants used for the production of synthetic drugs; formulating a national drug control master plan; and developing robust international cooperation plans with several jurisdictions, to be implemented with multilateral and bilateral agreements to track and seize drugs, as well as arrest narcotics barons and confiscate their assets. Further, the NDLEA regularly engages with regional and other international partners to stop the usage of Nigeria as a transshipment point for illicit drugs.

MONETARY SYSTEM

Monetary Policy and the Central Bank of Nigeria

The CBN was established pursuant to the Central Bank Act of 1958. As a result of various amendments to the original act, the CBN was placed under the authority of the Ministry of Finance. Today, the CBN operates pursuant to the Central Bank of Nigeria Act No. 7 of 2007 (the “**Central Bank of Nigeria Act**”), which repealed the earlier act and all of its amendments. Pursuant to the Central Bank of Nigeria Act, the CBN is a fully autonomous body in the discharge of its functions under the Central Bank of Nigeria Act and the Banks and Other Financial Institutions Act 2020, with the objective of ensuring monetary and price stability, the issuance of legal tender currency in Nigeria, the maintenance of external reserves and the promotion of a sound financial system, as well as giving economic advice to the Government. Pursuant to the Bank and Other Financial Institutions Act, the CBN also has the power to withdraw licences of distressed banks and appoint the Nigeria Deposit Insurance Corporation (“**NDIC**”) as liquidators of these banks. The CBN also acts as a collection agent with respect to the ECA and holds and invests funds on behalf of the three tiers of Government.

The governing body of the CBN is the Board of Directors, which consists of the Governor of the CBN as Chairman, four Deputy Governors of the CBN, the Permanent Secretary of the Ministry of Finance, the Accountant General of the Federation and five directors who are appointed by the President and confirmed by the Senate.

The MPC is responsible for formulating monetary and credit policy. Its formulation was mandated by the Central Bank of Nigeria Act, which also provides that the Committee shall be comprised of the CBN Governor, four Deputy Governors of the CBN, two other members of the board of directors of the CBN, three members appointed by the President and two members appointed by the CBN Governor.

Recent Macroeconomic Environment and Policy

The major objective for monetary policy following the 2009 global economic crisis was to strengthen the financial industry, maintain liquidity, protect depositors and creditors, and restore public confidence. The CBN implemented various programmes, strategic plans and initiatives to reform the Nigerian financial system and, in particular, the banking sector. See “—*Banking Reforms*” below. These initiatives are based on promotion of the performance of the real economy as the key factor in the sustainability of the banking sector. The key ten-year reform was named “The Alpha Project Initiatives of the Central Bank of Nigeria” and was based on four pillars: enhancing the quality of banks, establishing financial stability, enabling the healthy evolution of the financial sector, and ensuring that the financial sector contributes to the real economy. The reform identified priority sectors and developed tailored interventions of direct lending to support and promote growth in these sectors. For example, power, agriculture and transportation infrastructure were identified as priority sectors and some of the key interventions in these sectors included a ₦200 billion Refinancing/Restructuring of a SME/Manufacturing Fund, a ₦300 billion for long-term funding of Power and Aviation, a Commercial Agricultural Credit Scheme (CACs), the Small and Medium Enterprises Credit Guarantee Scheme (SMECGS), as well as establishing the Nigerian Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL).

Monetary policy is focused on maintaining monetary and price stability to ensure sustainable economic growth and development. The CBN has stated that, in the short-to-medium term, monetary policy will focus on providing adequate liquidity consistent with Nigeria’s overall economic activity on a non-inflationary growth path. Additionally, the CBN has emphasised its commitment to ensuring banking soundness and financial sector stability, as well as enhancing the efficiency of the payment system. However, given the recent economic climate, where the devaluation of the Naira has become a significant factor, the downside is that excessive money circulation can fuel inflation, especially if production does not keep pace with the rising demand for goods and services. Nigeria’s ongoing struggle with inflation, particularly core inflation, underscores the delicate balance between promoting growth and maintaining price stability.

As in previous years, the broad measure of money supply (“**M3**”) shall continue to be monitored along with other money market indices. As of 31 December 2023, revised M3 was ₦78.62 trillion, reflecting a 50.92% increase from ₦52.19 trillion as of 31 December 2022. In comparison, as of 31 December 2021, 2020, and

2019, M3 was ₦44.44 trillion, ₦38.91 trillion, and ₦34.85 trillion, respectively. As of 30 September 2024, provisional figures indicated that M3 had increased further to ₦108.96 trillion.

Nigeria’s M3 surged to a new high of ₦108.96 trillion in September 2024, reflecting a 2.05% month-on-month increase from ₦106.77 trillion in August and a 2.44% rise from ₦106.36 trillion in July, according to CBN. This significant increase in liquidity continues to pose challenges for the MPC as it seeks to rein-in inflation while supporting economic growth. The continuing growth in money supply reflects the rise in quasi-money and demand deposits, both categories including components of foreign exchange, which have been impacted by the devaluation of the Naira.

The table below sets out the indicators of money supply as at the dates specified:

	As at 31 December					As at
	2019	2020	2021	2022	2023	30 June 2024
	(₦ trillions)					
M1	10.53	15.98	18.16	20.69	30.12	36.80
M2	28.78	37.96	43.95	51.75	78.83	101.45
M3	34.80	35.62	40.37	48.46	63.44	96.70

Source: Central Bank of Nigeria

The CBN has deployed a range of policy interventions with a view to reducing foreign currency demand, enhancing foreign exchange liquidity and strengthening the Naira. Some of these policies include the harmonisation of the Cash Reserve Ratio (“**CRR**”) on public and private deposits, the unification of the official and parallel foreign exchange markets into the Nigerian Foreign Exchange Market, and removal of foreign exchange restrictions on 43 specific items.

The CBN intends to ensure that the conduct of monetary policy will continue to be proactive. The benchmark short-term interest rate, also called the “**Monetary Policy Rate**”, shall remain the CBN’s primary instrument of monetary policy, to be adjusted from time to time in response to prevailing liquidity concerns. The framework for implementation of monetary policy decisions is Open Market Operations (“**OMOs**”), which involves the discretionary power of the CBN to purchase or sell securities in the financial market in order to influence the volume of liquidity in the market, supported by reserve requirements and discount window operations.

The Nigerian economy has remained highly dependent on crude oil production and the global prices of oil. In 2022, average oil prices trended upward amid geopolitical tensions and supply disruptions, boosting Nigeria’s oil revenue. However, in 2023, oil prices saw a modest decline due to increased production from non-OPEC countries and a shift towards renewable energy. The Government has removed fuel subsidy and is implementing critical reforms aimed at increasing revenue from non-oil sectors, particularly in agriculture, solid minerals and from Nigeria’s taxation system. In its communique of 24 September 2024, the MPC of CBN noted that efforts must be sustained to achieve a positive real interest rate and enhance the economy’s competitiveness for international capital.

The CBN plays a pivotal role in managing the country’s exchange rates, primarily to control inflation and stabilize the economy. The exchange rate system in Nigeria has seen several significant changes and developments recently, reflecting ongoing efforts to stabilize the Naira and align the official exchange rate with market realities. Notably, the CBN has depreciated the Naira multiple times to align the official rate closer to the parallel market rate and reduce the pressure on foreign reserves.

The exchange rate moved from ₦306.00 per dollar in 2019, to ₦358.81 in 2020, ₦410.32 in 2021, ₦428.23 in 2022, and ₦647.45 in 2023, representing a 111.57% depreciation over that period. In 2023, the Naira witnessed a significant depreciation in June following the unification of exchange rates introduced by the new administration. The parallel rate depreciated by 45.4% from January to December, while the official rate showed a 26.8% depreciation in the same period, with the premium fluctuating between 10% and 40% during the period. The unification of exchange rates was introduced to eliminate arbitrage, stabilise the value of the Naira and attract foreign investments. This reform is also focused on eliminating the multiple foreign exchange system in the financial/external sector.

In 2024, the exchange rate moved from ₦941.76 per dollar in January to ₦1618.22 in September, representing a 71.82% depreciation over the 8 months. The exchange rate per dollar in October 2024 was ₦1641.16. See “— *Exchange Rate*” below.

In its Communique of 23 July 2024, the Monetary Policy Committee of the CBN noted the persistent inflation and re-emphasized its commitment to the CBN’s price stability mandate and its optimism, despite the H1 uptick in headline inflation, that prices are expected to moderate.

The Committee also decided to amongst others, raise the Monetary Policy Rate by 50 basis points to 26.75% and adjust the asymmetric corridor around the Monetary Policy Rate to +500/-100 from +100/-300 basis points whilst retaining CRR of deposit money banks at 45% and merchant banks at 14%.

Monetary Policy Rate

In support of bank soundness and effective liquidity management, the CBN introduced in 2006 a new framework for monetary policy implementation in the marketplace using the short-term interest rate as its benchmark rate. The Monetary Policy Rate (“MPR”) serves as an indicative or policy signaling rate for transactions in the interbank money market as well as money market rates. The MPR is set periodically by the Monetary Policy Committee based on observed trends in current and expected inflation as well as output gap and potential deviations between the desired and actual exchange rate. The goal of the framework is to enhance achievement of stable prices through stability in short-term interest rates around the Monetary Policy Rate determined by the CBN.

Since late 2023, the CBN has actively managed liquidity through OMOs. The newly constituted MPC has increased the policy rate by a cumulative 850 basis points since its first meeting in February 2024, bringing the rate to 27.25%, in September 2024. At the September meeting, the MPC retained the asymmetric corridor at +500/-100 whilst increasing the cash reserve ratio (the “CRR”) by 500 basis points and 200 basis points for deposit money banks (DMBs) and merchant banks, respectively. The tightening signal was to affirm CBN’s commitment to lowered inflation and achieving positive real interest rates that enhance the economy’s competitiveness to international capital. The MPC shall continue to review and adjust the pace and extent of monetary tightening as necessary to establish a sustainable downward trajectory for inflation. Concurrently, the CBN shall continue to monitor and manage the liquidity situation to contain excess reserves, using short-term OMO instruments.

The CBN has increased its benchmark interest rate by 25 basis points to 27.50% from 27.25% in November 2024. This decision was made during the bank’s monetary policy committee meeting held on 25 November and 26 November 2024. As of the date of this Offering Circular, the MPR is 27.50%.

The table below sets out information regarding the Monetary Policy Rate as of the dates indicated.

Period	As of period end
2019.....	13.5%
2020.....	11.5%
2021.....	11.5%
2022.....	16.5%
2023.....	18.6%
November 2024.....	27.5%

Source: Central Bank of Nigeria

A key priority of the CBN is to reduce interest rates over time and sustain the lower rates such that they provide easier access to funds for development of the real sector.

On 27 March 2013, the CBN published its plans to gradually phase-out the commission on turnover (“COT”) charged on current accounts by 2016. The “Revised Guide to Bank Charges” which took effect on 1 April 2013 directed all banks to reduce COT from ₦3 per ₦1,000 in 2013 to ₦2 per ₦1,000 by 2014 and ₦1 per ₦1,000 by 2015 and to eliminate commission on turnover on current account transactions by 2016. COT applies to customer-induced debit transactions on current accounts; however, it is free for loan repayments from current or savings accounts. The CBN implemented a Revised Guide to Charges by Banks and other Financial Institutions which took effect on 1 May 2017, providing a standard for the application

of charges in the banking industry. Under the Revised Guide to Charges by Banks, Other Financial Institutions and Non-Financial Institutions, issued in January 2020, Nigerian savings accounts must earn interest at a minimum rate of 30% of the Monetary Policy Rate per annum. At the current Monetary Policy Rate of 27.5%, this translates to a minimum interest rate of approximately 8.20% per annum. The Revised Guide to Bank Charges phased out the commission on turnover hitherto charged by banks. The Revised Guide to Bank Charges was also reviewed by the CBN in 2019, through the issuance of the Guide to Charges by Banks, Other Financial & Non-Financial Institutions, in response to the evolution of the financial industry. Effective from 1 January 2020, the following revisions to the Revised Guide to Bank Charges took effect – a downward review of charges for electric banking transactions, and a review of other bank charges to align with market developments, amongst others. In May 2024, the CBN extended the suspension of processing charges imposed on cash deposits above ₦500,000 for individuals at 2% and ₦3,000,000 for corporates at 3% as contained in the Revised Guide to Bank Charges, until 31 March 2025.

In August 2013, the CBN raised the banks' CRR on public sector deposits from 12.0% to 50.0%, and then to 75.0% in January 2014. The increase in the cash reserves requirement is a contractionary policy tool aimed at managing inflation and has helped to reduce liquidity in the banking system, which in turn helped the CBN achieve its price stability mandate. The CBN, however, maintained the liquidity ratio and CRR on private sector deposits at 30.0% and 12.0%, respectively. In March 2014, the CRR for private sector deposits was increased from 12.0% to 15.0% and rose to 31.0% in May 2015. Thereafter it was decreased to 22.5% in March 2016, where it remained until January 2020, when the MPC increased the rate to 27.5%, designed to put downward pressure on rising inflation. At the September 2024 meeting of the MPC, the CBN decided to increase the CRR to 50%. This adjustment follows a previous CRR of 45% in February 2024, reflecting the CBN's strategy to tighten liquidity in the banking system in response to evolving economic conditions.

The CRR is used by the CBN as a monetary policy tool to set the minimum deposits commercial banks must hold as reserves rather than lend out. The stated reasons for the adjustments to the rate were to address the issue of excess liquidity in the banking system, to encourage banks to mobilise savings from traditional sources other than the public sector, and to focus on increased lending to the private sector.

Exchange Rate

The official currency of Nigeria is the Naira, which was introduced in January 1973. The CBN implemented multiple exchange rates under a managed float exchange rate regime from 2014 to mid-2023.

Until June 2023, there were two primary foreign exchange rate segments in Nigeria:

1. The interbank exchange rate, determined by a two-way quote system among banks trading with each other, corporates, individuals, and the CBN; and
2. The bureau de change rate, introduced in 2009, which is the rate at which private money changers sell foreign exchange sourced from both the CBN and the interbank market to small users for personal travel, overseas school fees, overseas medical fees, or business travel allowances.

In the multiple exchange rates regime exporters earn FX and FX intervention by the CBN was aimed at enhancing liquidity in the foreign exchange market.

The two foreign exchange rate segments were abandoned in mid-2023 following the unification of all exchange rates by the current administration of President Tinubu. The exchange rate unification reform of 2023 aimed to consolidate all exchange rates into a single market-determined rate to promote transparency and price discovery in the foreign exchange market. The abolition of FX market segmentation resulted in the transition of the previously existing segments into the Investors' and Exporters' (I&E) window – which adopts a “willing buyer, willing seller” model for trade transactions, now renamed Nigerian Autonomous Foreign Exchange Market (NAFEM). All eligible transactions such as FX applications for the importation of goods, repayments of loans and payments of interest, payment for specified services, Medical Needs, School Fees, Business Travel Allowance/ Personal Travel Allowance (BTA/PTA), and Small and Medium

Enterprises (SMEs) transactions are permissible at the NAFEM and processed by the Deposit Money Banks, subject to the applicant providing the prescribed documentation.

In the first half of 2024, the Naira experienced notable volatility, largely attributed to a devaluation in January 2024 when the CBN revised its methodology for setting the official exchange rate. The currency weakened by 34.33% in the official market, from ₦988.46/USD on 1 January 2024 to ₦1,505.30/USD by 30 June 2024, and fell by 21.05% in the parallel market, from ₦1,200/USD to ₦1,520/USD over the same period.

This adjustment has led to improvements in eliminating the premium between the official and parallel markets and increased market turnover, indicating some reform progress. Historically, the parallel market premiums in Nigeria have experienced notable fluctuations. In 2019, the premium was at -1%, indicating a slight undervaluation compared to the official rate. However, in 2020, the premium surged to 13%, marking a significant increase of 14% from the previous year. This upward trend continued in 2021, with the premium rising to 25%, a 12% increase from 2020. The most dramatic shift occurred in 2022 when the premium soared to 52%, reflecting a 27% increase from the previous year. In 2023, there was a slight decline, as the premium decreased to 46%, a reduction of 6% from 2022. By 2024, the premium had significantly dropped to 1.7%, representing a substantial decrease of 44.3% from the previous year. Naira rates showed convergence between the two markets since February 2024 and the parallel market premium has been nearly eliminated, due to several policies implemented by the CBN. This convergence has eliminated arbitrage opportunities and speculative activities, restored market confidence, and enhanced foreign exchange stability. However, the Naira continued to weaken, losing 7.3% against the US dollar post-devaluation due to high dollar demand for fund repatriation after the CBN cleared a backlog of foreign exchange requests, coupled with ongoing dependency on imported petrol. The CBN continues to implement measures to meet the US dollar demand, such as the resumption of the sale of US dollar to eligible bureau de change operators, amongst other countermeasures against the weakening Naira.

The following table sets forth information on the exchange rate between the Naira and the U.S. dollar as reported by the CBN for each of the periods specified.

	Average	High	Low	Period End
		(₦:U.S.\$1.00)		
2019.....	306.92	306.96	306.77	306.95
2020.....	358.81	381.00	306.96	381.00
2021.....	410.32	428.55	396.96	435.00
2022.....	428.23	453.34	417.41	461.50
2023.....	646.42	729.54	569.24	1043.09
January 2024	941.76	1357.38	853.771	1357.38
February 2024	1505.32	1662.85	1368.25	1561.01
March 2024	1511.34	1625.23	1304.34	1330.76
April 2024	1237.06	1374.15	1119.49	1330.21
May 2024	1433.81	1530.87	1197.11	1475.19
June 2024	1482.33	1513.74	1448.47	1470.69
July 2024.....	1558.07	1611.71	1508.54	1611.71
August 2024	1587.44	1619.23	1565.43	1596.64
September 2024.....	1618.22	1667.22	1586.26	1601.53
October 2024.....	1641.16	1670.47	1590.69	1670.47

Source: Central Bank of Nigeria

Inflation

Achieving low and stable inflation remains the primary objective of the CBN's monetary policy. The monetary policy process is market-driven, using standard monetary policy instruments like open market operations involving sale and purchase of securities, discount window operations, cash reserve requirements, appropriate interest rate policy and foreign exchange intervention. See "*Monetary Policy and the Central Bank of Nigeria*".

The observed inflationary trend has both cost-push and demand-pull elements. These factors include supply chain disruptions from geopolitical conflicts, rise in food prices, fuel subsidy removal, exchange rate floatation, hike in electricity tariffs, expansion in money supply and infrastructure constraints.

The table below sets out information regarding headline inflation (consumer price index) for the periods indicated.

	12-Month Average Change	Year-On-Year Change
December 2019	11.39%	11.38%
December 2020	13.21%	12.13%
December 2021	17.03%	15.97%
December 2022	18.77%	17.16%
December 2023	24.52%	21.87%
June 2024	28.48%	32.70%
October 2024	6.55%	33.88%

Source: Central Bank of Nigeria

The table below sets out the inflation, and real interest rates (policy rates, overnight and 1-year bills) for 2024:

	Inflation	Policy Rate	Overnight	1-Year Bills
January 2024	29.90%	(11.20)%	(13.00)%	(9.43)%
February 2024	31.70%	(8.95)%	(10.90)%	(11.23)%
March 2024	33.20%	(10.20)%	(4.75)%	(5.83)%
April 2024	33.70%	(8.94)%	(4.30)%	(6.94)%
May 2024	34.00%	(7.70)%	(4.02)%	(5.26)%
June 2024	34.20%	(7.94)%	(7.55)%	(5.22)%
July 2024	33.40%	(6.65)%	0.7%	(4.42)%
August 2024	32.20%	(5.45)%	(4.03)%	(4.23)%
September 2024	32.70%	(5.45)%	(4.91)%	(0.63)%

Inflation has rapidly accelerated in recent years, with year-on-year changes in annual consumer price inflation recorded as follows: 11.38% as of 31 December 2019, 12.13% as of 31 December 2020, 15.97% as of 31 December 2021, 17.16% as of 31 December 2022, and 21.87% as of 31 December 2023. This trend can be primarily attributed to rising food inflation, fuel subsidy removal, pass-through effects to domestic prices after floatation of the exchange rate and the lingering effects of CBN monetary expansion to support economic growth.

The NBS reported latest headline inflation in September 2024 at 32.70%, up from 32.20% in August 2024 and significantly higher than the 26.72% in August 2023 and the 29.90% in January 2024. The 12-month average change remained elevated at 22.90% over the previous 12-month period and the year-on-year change was 5.98%. This rise in inflation is mainly due to increasing costs of food, fuel, and transport, indicating a continuing intensification of inflationary pressures, with consequent impact on the cost of living and economic stability. Despite the CBN's tight monetary policy and progress in the foreign exchange market, inflation is expected to remain high, with the IMF forecasting a rate of 23% by 2025. See "*Risk Factors – Risks related to Nigeria - Sustained periods of high inflation could have a material adverse effect on Nigeria's economy.*"

Food inflation remains the major driver of headline inflation in Nigeria. As of September 2024, food inflation was recorded at 32.70%, driven by supply disruptions, higher transport costs and a weak foreign exchange rate. There remains upside risks largely attributed to recent floodings, hike in energy prices, scarcity of PMS and insecurity in farming communities.

The table below shows the month-on-month percentage changes in the CPI for core inflation (all items excluding farm produce and energy), food inflation, and headline inflation (all items).

	Headline	Food	Core	
	(% month-on-month basis)			
June 2022	1.82		2.05	1.58
July 2022	1.82		2.04	1.76
August 2022	1.77		1.98	1.61
September 2022.....	1.36		1.43	1.64
October 2022.....	1.24		1.23	0.78
November 2022.....	1.39		1.40	1.69
December 2022	1.71		1.89	1.26
January 2023	1.87		2.08	1.80
February 2023	1.71		1.90	0.92
March 2023	1.86		2.07	1.91
April 2023	1.91		2.13	1.44
May 2023	1.94		2.19	1.85
June 2023	2.13		2.40	1.77
July 2023.....	2.89		3.45	2.11
August 2023	3.18		3.87	2.18
September 2023.....	2.10		2.45	2.22
October 2023.....	1.73		1.91	1.39
November 2023.....	2.09		2.42	1.53
December 2023	2.29		2.72	1.82
January 2024	2.64		3.21	2.24
February 2024.....	3.12		3.79	2.17
March 2024	3.02		3.62	2.54
April 2024	2.29		2.50	2.20
May 2024	2.14		2.28	2.01
June 2024	2.31		2.55	2.06
July 2024.....	2.28		2.47	2.16
August 2024	2.22		2.37	2.27
September 2024.....	2.52		2.64	2.10
October 2024.....	2.64		2.94	2.14

Source: CBN, NBS

External Reserves

Nigeria’s external reserves are in the custody and under the management of the CBN. The Central Bank of Nigeria Act provides that the CBN shall at all times maintain a reserve of external assets consisting of all or any of the following - gold coin or bullion; balance at any bank outside Nigeria where the currency is freely convertible and in such currency, notes, coins, money at call and any bill of exchange bearing at least two valid and authorised signatures and having a maturity not exceeding 90 days exclusive of grace; treasury bills having a maturity not exceeding one year issued by the government of any country outside Nigeria whose currency is convertible; securities of or guarantees by a government of any country outside Nigeria whose currency is freely convertible and the securities shall mature in a period not exceeding ten years from the date of acquisition; securities of or guarantees by international financial institutions of which Nigeria is a member, if such securities are expressed in currency freely convertible and maturity of the securities shall not exceed five years; Nigeria’s gold tranche at the IMF or allocation of Special Drawing Rights made to Nigeria by the IMF; allocation of special drawing rights made to Nigeria by the IMF; investment by way of loans or debenture in an investment bank or development financial institutions within or outside Nigeria for a maximum period of five years (subject to conditions set out in the Central Bank of Nigeria Act); and such other securities and investment as may be approved from time to time by the board of the CBN. In recent years, the CBN undertook certain significant initiatives to assist in the management of external reserves, including attempts to diversify the portfolio and to arrange for partnerships between local and foreign banks to manage external reserves.

Nigeria’s external reserves derive mainly from the proceeds of crude oil production and sales. See “*The Economy — Principal Sectors of the Economy — Oil and Gas*”.

The Nigerian gross external reserves experienced notable growth from 1998 to 2008, rising from U.S.\$5.4 billion in 1999 to U.S.\$53.0 billion in 2008. The gross external reserves position has fluctuated in recent years, with the monthly adjusted gross external reserves position at U.S.\$38.7 billion in December 2019, U.S.\$35.4 billion in December 2020, U.S.\$40.5 billion in December 2021, U.S.\$37.1 billion in December 2022 and U.S.\$32.9 billion in December 2023. The general decrease in gross external reserves between 2022 and 2023 is primarily attributable to fluctuations in crude oil proceeds coupled with foreign exchange demand pressure. In June 2024, monthly adjusted gross external reserves stood at U.S.\$34.8 billion. The monthly adjusted gross external reserves increased to U.S.\$40.2 billion in November 2024, up from U.S.\$32.3 billion at the start of 2024, providing substantial buffers against external shocks.

The level of foreign exchange reserves in the near term and over the next few years will depend on the price of crude oil in the international market, the cost of continued funding of imports and foreign capital flows.

The following table sets forth the total turnover per month in the Nigerian secondary market as reported by the FMDQ Securities Exchange Limited (“**FMDQ Exchange**”):

For the period ended	Foreign Exchange
	<i>(U.S.\$ millions)</i>
January 2023	28,262.96
February 2023	31,775.72
March 2023	52,783.53
April 2023	27,142.64
May 2023	34,088.02
June 2023	35,198.95
July 2023	25,916.46
August 2023	23,213.85
September 2023	30,764.25
October 2023	27,680.03
November 2023	33,267.41
December 2023	40,248.67
January 2024	23,007.84
February 2024	27,009.46
March 2024	31,980.94
April 2024	22,574.06
May 2024	29,127.79
June 2024	19,127.37

Note: Figures may be subject to change due to potential adjustments from Dealing Member (Banks).

Total Turnover comprises Bills: Nigerian Treasury Bills (NTBs), CBN Open Market Operations Bills (OMO Bills), and CBN Special Bills; Bonds: sovereign, subnational, supranational, and corporate bonds/sukuk, and sovereign Promissory Notes; and Money Market Instruments: Repurchase Agreements (Repos), Commercial Papers, Unsecured Placements/Takings, and Money Market Derivatives.

All U.S. Dollar figures computed using the monthly average Nigerian Autonomous Foreign Exchange Market (NAFEM) closing rate to convert the reported turnover from Naira

Source: FMDQ Exchange; figures reported by Dealing Member (Banks) on a week-ending basis

The Nigerian Finance Sector

Following the implementation of various reforms particularly the recapitalization of the banking sector, 25 banks emerged out of the 89 that existed in July 2004. According to the CBN, as at 26 April 2024, there were 36 licensed banks in Nigeria (excluding microfinance banks, mortgage banks, specialised banks and other entities licensed by the CBN), comprising 26 commercial banks, 6 merchant banks and 4 non-interest banks. 7 commercial banks had international authorisation, while 15 and 4 banks had national and regional authorisation, respectively. The number of bank branches stood at 4,594 as at 31 December 2023, compared with 5,450 as at 31 December 2022. There were 7 holding companies as at 26 April 2024 and 5 payment service banks. The number of offshore subsidiaries of Nigerian banks stood at 60 as at 31 December 2023. The number of affiliates and international branches of Nigerian banks stood at one and two, respectively, while the number of representative offices reduced to four, bringing the total number of offshore entities to 67 in 2023, compared with 68 in 2022. In the other financial institutions (“**OFIs**”) sub-sector, there were 6,532 licensed institutions as at 31 December 2023, compared with 6,191 institutions in 2022. The total number of OFIs comprised seven DFIs, 34 PMBs, 874 MFBs, 87 FCs and 5,530 bureau de change. The

change in the number of OFIs was due to the revocation of some micro-finance banks operating licenses. Nigeria's retail banking market is considered to be underdeveloped and many financial institutions focus on expanding their offer of retail banking products.

The Government aims to improve funding to the real sector by lending directly, and has under the Alpha Project Initiatives of the CBN established a ₦300 billion power and aviation intervention fund for lending to the power and aviation sectors, a ₦200 billion Small and Medium-Sized Enterprises Credit Guarantee Scheme for promoting access to credit by small and medium-sized enterprises in Nigeria, a ₦200 billion intervention fund for re-financing and restructuring of banks' loans to the manufacturing sector and a ₦200 billion Commercial Agriculture Credit Scheme to provide finance for the country's agricultural value chain (including production, processing, storage and marketing). The CBN in 2014 also established the ₦220 billion MSMEs Intervention Fund and the ₦300 billion Real Sector Support Fund. The CBN has also been taking steps to integrate global best practices in financial reporting and disclosure into the banking system, through the adoption of the International Financial Reporting Standards, as well as through collaboration with foreign governments.

The table below sets forth information the regarding deposit money banks' activities for the periods indicated:

	As at 31 December				
	2019	2020	2021	2022	2023
			(₦ millions)		
Required Reserves	5,274,752.72	9,105,286.65	9,393,373.57	11,934,353.55	20,623,805.42
Excess Reserves.....	645,980.95	749,533.09	192,243.35	1,086,553.66	458,409.15
Aggregate Domestic Credit (Net)	28,906,415.99	29,931,615.00	35,091,827.38	48,344,189.21	69,914,009.41
Total Assets	43,578,597.61	54,579,727.63	62,930,756.06	78,037,982.01	121,849,998.13
Total Deposit Liabilities	23,978,130.39	32,140,094.77	38,443,328.13	45,312,691.96	70,242,905.25
Transferable Deposits	8,625,771.78	13,342,803.44	15,117,444.65	18,176,981.88	26,688,361.65
Other Deposits	18,229,533.65	21,990,480.05	26,387,204.76	31,047,641.36	48,708,833.11
Foreign Assets (Net).....	5,944,460.02	8,973,305.05	9,352,147.37	3,843,083.78	9,338,449.78
Average Liquidity Ratio (%)	69.91	69.59	62.15	54.46	55.43

Note: New reporting template based on Standardised Reporting Format (SRF) of the IMF.

Source: Central Bank of Nigeria

The level of non-performing loans in the Nigerian banking sector was 4.2% in December 2022, 4.1% in December 2023 and 3.9% in June 2024. This gradual decline in non-performing loans indicates a modest improvement in the health of the Nigerian banking sector. See "Risk Factors – Risks related to Nigeria - The Nigerian banking system has in the past required and may, in the future require, significant state support and has been impacted by recent economic policies and the devaluation of the Naira."

Supervision and Regulation of Banks and Other Financial Institutions in Nigeria

The CBN is the primary regulator of the Nigerian banking sector. The Financial System Stability Directorate of the CBN supervises banks, which includes off-site review and on-site examination of banks, especially in relation to their financial condition, internal control systems, the reliability of information provided in the statutory returns, risk management and compliance with corporate governance codes. The CBN monitors trends in the banking sector and generates industry reports at a macro level on a monthly and quarterly basis, in addition to evaluating the development of the finance sector and monitoring other financial institutions. Activities such as the change of auditor, the publication of audited financial statements, the opening and closing of branches, change in control and the appointment of directors and top management by banks are subject to the prior approval of the CBN.

The CBN has adopted Risk Based Supervision methodology as part of its banking reforms. Risk Based Supervision methodology is a robust, proactive and sophisticated supervisory methodology as compared to the previous compliance methodology which was largely reactive.

The CBN is also the agency of the Government which maintains general surveillance over the Nigerian foreign exchange system. It licences authorised dealers, who are licenced banks, to deal in foreign exchange. By virtue of Section 1(2) of the Forex Act, the CBN may, with the approval of the Minister of Finance, also make regulations from time to time pertaining to foreign exchange. In 2006, the CBN issued the Foreign Exchange Manual as a guide to authorised dealers, authorised buyers and the general public in

processing foreign exchange applications. In June 2016, the CBN issued revised guidelines for the operation of the Nigerian interbank foreign exchange market, before revising the guidelines again in August 2018 to enhance transparency of transactions and promote compliance by relevant stakeholders.

The current Governor of the CBN, Olayemi Cardoso, assumed office on 22 September 2023, succeeding Folashodun Adebisi Shonubi, who served as Acting Governor from 9 June 2023. Upon assuming office, the new CBN Governor released an official statement outlining his agenda and targeted initiatives aimed at restoring macroeconomic stability and fostering development in Nigeria. The Governor articulated the vision of the CBN to be a model central bank that ensures price and financial system stability while promoting sustainable economic development.

To achieve this vision, the Governor summarised the CBN's key goals as follows:

- Implementing targeted and transparent measures to stabilise the forex market and minimise volatility, leveraging the country's foreign reserves judiciously. Establishing a new, unrestricted window in the banking system where foreign currency can trade freely to deter remittances from being diverted to other jurisdictions or the black market, thus improving liquidity and trust in the official market.
- Expediting the clearing of existing foreign exchange obligations to boost the confidence of both domestic and foreign investors. Prioritising the clearance of the backlog of forex obligations will be a key focus.
- Strengthening the capability of deposit money banks to perform effective financial intermediation. This entails mobilising financial resources from surplus areas of the economy to deficit areas, ensuring a more efficient allocation of funds.
- Developing and implementing policies to ensure that small businesses, which contribute significantly to GDP, receive an equitable share of bank credit. This may involve establishing specialised lending programmes or guarantees to mitigate the risks associated with lending to small enterprises.
- Focusing on increasing the ratio of financial assets to GDP, deposit liabilities to GDP, and money supply to GDP. These enhancements will indicate a more robust financial system capable of supporting economic growth.
- Encouraging banks to focus on their core function of financial intermediation rather than relying heavily on non-interest income sources. This shift will foster a healthier banking environment and contribute to economic growth.
- Revisiting and potentially increasing the minimum capital requirements for banks in light of the significant depreciation of the domestic currency. This reassessment will ensure that banks have sufficient capital to support their current exposures, thereby enhancing the stability and resilience of the financial system. On 28 March 2024, the CBN raised the minimum capital requirements for banks, with commercial banks requiring ₦500 billion, ₦200 billion, and ₦50 billion for international, national, and regional licenses respectively. Merchant banks and non-interest banks also saw increases to ₦50 billion and between ₦10 billion and ₦20 billion. The recapitalisation initiative influenced by the significant depreciation of the Naira aims to strengthen financial institutions and align with the current administration's goal of bolstering the economy to reach a GDP of U.S.\$1.0 trillion.
- Ensuring that the Central Bank's financing of the fiscal deficit remains within statutory limits to prevent macroeconomic instability caused by excessive high-powered money in the economy.
- Halting the Naira redesign initiative and instead focusing on promoting the transition to a cashless economy through less disruptive means. Avoiding measures that cause economic disruption or hardship and leveraging Nigeria's already low cash dominance metrics for smoother implementation.

- Building and maintaining strong relationships with both public and private sector stakeholders to enhance the quality of monetary policy through valuable feedback and empirical data. Upholding governance standards with transparent, fair, and equitable regulatory processes while maintaining an apolitical stance to preserve the CBN's credibility and effectiveness, enabling it to work seamlessly with any government.

Recent significant changes to banking regulations include:

- The CBN announced a Naira Redesign Policy with an initial effective date of 31 January 2023. Under this policy, old 200, 500 and 1,000 Naira notes were to be replaced with newly designed notes to counteract Naira hoarding, which had led to a shortage of clean notes and increased counterfeiting. However, the scarcity of the new notes at banks made the initial deadline infeasible, causing economic hardship and controversy. This led to a series of lawsuits against the Nigerian government. On 3 March 2023, the Supreme Court ruled that both new and old Naira notes would remain legal tender and coexist until further notice, a policy still in effect today.
- Prior to 2023, Nigeria operated under a multiple foreign exchange rate regime, which created opportunities for arbitrage. On 14 June 2023, the multiple FX rate windows were unified into the importers and exporters (I&E) window, following recommendations by the International Monetary Fund for a unified and market-clearing exchange rate. The CBN further liberalised the FX rate regime by removing maximum limits on spreads for FX transactions, allowing authorized dealers to conduct transactions on a willing-buyer-willing-seller basis. As part of efforts to increase the country's remittance inflows, the CBN in May this year granted approval in principle to over 20 new IMTOs. The regulation of International Money Transfer Operators (IMTOs) has also been active, with licensed IMTOs restricted to handling inbound transfers in Naira. Recent guidelines disqualify fintech and banks from applying for IMTO licenses and restrict IMTOs from conducting outbound FX transactions or buying FX from the domestic market. On 13 July 2023, the CBN issued new Corporate Governance Guidelines effective 1 August 2023. These guidelines stipulate that the boards of commercial, merchant, and non-interest banks should have between 7 and 15 directors, while payment service banks (PSBs) should have between 7 and 13 directors. The guidelines also require at least 2 independent non-executive directors (INEDs) for certain banks and two INEDs for others, with provisions deferring to Nigerian company law for publicly listed banks.
- The CBN previously banned the use of the banking system for cryptocurrency transactions in 2021. This decision was reversed on 22 December 2023, allowing banks and other financial institutions to offer permissible banking services to Virtual Asset Service Providers (VASPs). However, these institutions are still prohibited from holding or transacting cryptocurrencies for their own accounts. Specific rules govern the use of bank accounts for VASPs, including restrictions on cash withdrawals and third-party cheques.
- To promote a safe and stable banking system, the CBN announced an upward review of minimum capital requirements for commercial, merchant, and non-interest banks. The new requirements range from ₦50 billion for regional commercial banks to ₦500 billion for international commercial banks. Banks must comply by 31 March 2026, with the options of fresh equity capital, mergers and acquisitions, or upgrading/downgrading operating licenses. Implementation plans must be submitted by 30 April 2024.
- On 8 February 2024, NNPC Limited convened in Abuja to review their decision to domicile a significant portion of its revenues and banking services with the CBN. This decision is part of a broader strategy agreed upon by the NNPC Limited and the Ministry of Finance to remit all dollar revenues to the CBN, aiming to bolster the nation's external reserves and improve foreign exchange flows. Both parties have also pledged to strengthen their collaboration to ensure seamless operations of the commercial NNPC Limited while maintaining necessary banking transactions with commercial banks. On 8 April 2024, the CBN prohibited the use of foreign currency-denominated collaterals for Naira loans, except for Eurobonds issued by the Federal Government or guarantees by foreign banks. All existing loans secured with foreign currency collaterals were required to be wound up by 7 July 2024.

The CBN also released a Consumer Protection Framework aimed at enhancing consumer confidence in the financial services industry and promoting financial stability, growth, and innovation amongst operators. The CBN is currently implementing Basel II and some measures of Basel III recommendations of the Basel Committee on Banking Supervision (BCBS) and was looking at implementation of the Basel III policy on recovery and resolution of banks in 2017/18, under which all banks submitted a recovery and resolution plan currently under review by the CBN. The Heads of Supervision and the CBN Governor endorsed the finalisation of the Basel III reforms in December 2017, which took effect from 1 January 2022.

As the regulator of the Nigerian banking sector, the CBN intends to continue to evolve the Risk Based Supervision methodology in line with global best practice, including greater collaboration amongst the financial sector regulators and supervisory agencies. The aim is to facilitate the evaluation of the banking industry, through stress-testing and other methods and to bring to the attention of regulators the risks which the operations of each entity within the industry could bring to the sector as a whole to allow regulators to take proactive remedial actions.

In October 2019, the CBN, in an approved debit instruction, debited the sum of U.S.\$1.3 billion (about ₦500 billion), from 12 banks (and will hold the cash at zero % interest) as a penalty for failure to comply with the CBN's directive, given in July 2019, to maintain a minimum loan deposit ratio of 60% by September 2019. The loan to deposit ratio was revised upwards from 58.5% to 60%, in order to ramp up economic growth through investment in the real sector. The CBN subsequently released another circular, raising the loan to deposit ratio to 65% and gave the lenders until 31 December 2019 to comply or be further sanctioned. By a circular dated 7 January 2020, the CBN had indicated that it will retain the minimum loan to deposit ratio at 65% in the near term; however, in April 2024, the CBN directed all deposit money banks to reduce their loan to deposit ratio by 15%, to 50% with immediate effect.

Banking Reforms

In June 2009, the CBN embarked on a systemic reform of the banking sector to assist and support the banking sector in overcoming the 2008-2009 global financial crisis and its impact. The reform was founded on four key pillars: enhance the quality of the banks, establish financial stability, enable healthy financial sector evolution, and ensure the financial sector contributes to the real economy. Following a special examination and investigation of the 24 banks that comprised the Nigerian banking system, the CBN found significant irregularities and capital adequacy deficiencies at ten of the 24 banks (the “**Intervened Banks**”). The ex-governor of the CBN adopted several measures to address this issue, including replacing the chief executives and executive directors of most of the Intervened Banks, and injecting ₦620 billion into the Intervened Banks so as to prevent a systemic banking crisis.

Furthermore, in October 2010 the CBN repealed the Universal Banking Guidelines which had been in operation since 2000 and issued new rules and guidelines for the banking licences regime titled “Regulation on the Scope of Banking Activities & Ancillary Matters”, No. 3, 2010 (the “**New Banking Model Regulations**”).

According to the CBN, the New Banking Model Regulations are aimed at streamlining banking operations in Nigeria as well as reducing the exposure of the banks to higher operational risks. Only commercial banks, merchant banks and specialised banks, which include non-interest banks, microfinance banks, development banks and mortgage banks, will be permitted to carry on banking business in Nigeria. The New Banking Model Regulations effectively required banks to divest all non-banking business or to adopt a non-operating holding company structure in compliance with the new framework. Whilst four banks resolved to operate through holding company structures, which allow them to keep non-core banking subsidiaries, a number of banks divested their non-core banking activities. As of the date of this Offering Circular, there are seven financial holding companies in Nigeria. Under the New Banking Model Regulations, banks were also required to maintain a minimum paid up share capital of ₦10 billion for institutions granted a regional banking licence, ₦25 billion for institutions granted a national banking licence and ₦50 billion for institutions granted an international banking licence; all of which have been significantly increased by the CBN in 2024.

In order to sustain the stability of the foreign exchange market, the CBN in June 2015 excluded importers of some goods and services from accessing foreign exchange at the Nigerian foreign exchange markets, in order to encourage local production of these items. These items were thus classified as ‘not valid for FX’,

with the implication that they can only be purchased with “own funds” obtained outside all segments of the Nigerian official foreign exchange markets.

On 31 January 2024, the CBN issued a circular titled “Harmonisation of Reporting Requirements on Foreign Currency Exposures of Banks” (the “**Circular**”). The Circular aims to restrict banks from engaging in foreign currency speculation and provides guidelines to protect banks and, by extension, the wider economy from the risks associated with foreign exchange. According to the Circular, a bank’s Net Open Position for overall foreign currency assets and liabilities must not exceed 20% short or 0% long of the shareholders’ funds unaffected by losses, using the Gross Aggregate Method. This requirement has a dual implication. First, in balancing their foreign currency assets and liabilities, banks must ensure that foreign currency assets held do not exceed their foreign liabilities by more than 20%. Second, the 0% long stipulation means that banks cannot hold foreign currency assets greater than the shareholders’ funds unimpaired by losses.

The Nigeria Deposit Insurance Corporation

The NDIC, established by statute in 1988, insures all deposit liabilities of licensed banks and other financial institutions operating in Nigeria. The NDIC guarantees payments to depositors in case of imminent or actual suspension of payments by insured banks or other financial institutions up to the maximum amount of ₦5,000,000 per depositor for deposit money banks and primary mortgage banks, and for microfinance banks, ₦2,000,000 per depositor or such higher amount as may be determined by the NDIC from time to time. The NDIC is also mandated to assist monetary authorities in the formulation and implementation of banking policy so as to ensure sound banking practice and promote fair competition amongst banks in Nigeria. The powers and functions of the NDIC are stated in the Nigeria Deposit Insurance Corporation Act No. 16 of 2006 which repealed the Nigeria Deposit Insurance Corporation Decree of 1988. The NDIC has undertaken a number of reforms in recent years.

The main objective of the reforms is to strengthen the NDIC’s capabilities to deal with the existing risks and challenges in its operating environment. The key initiatives undertaken by the NDIC include:

- the development of an early warning system;
- the introduction of risk-based auditing; and
- the development of a disaster recovery and business continuity programme. Some of the NDIC’s key reforms in recent years include:
 - collaboration with the CBN in monitoring Nigerian banks and implementing a risk-based supervision system;
 - commencement of the Information Technology Disaster Recovery and Business Continuity project; and design and implementation of a new performance management system.

The table below sets forth information regarding the market capitalisation of the NGX as of the periods indicated:

	As at 31 December					As at
	2019	2020	2021	2022	2023	30 June 2024
	(₦ billions)					
Equities.....	12,968.6	21,063.2	22,302.34	27,920.36	40,923.47	56,609.55
Debt.....	12,913.0	17,501.9	34,212.65	43,498.97	45,535.47	49,681.20
Exchange Traded Product ...	6.6	24.5	7.35	8.42	23.02	27.08
Total	25,888.2	38,589.6	56,522.34	71,427.75	86,481.96	106,317.83

Source: NGX

The Central Securities and Clearing System operated by Central Securities and Clearing System Plc (the “**Central Securities and Clearing System**”) was incorporated in 1992, as a subsidiary of the NGX to provide central clearing services for securities quoted on the NGX. It began operations in 1997. All securities listed on the NGX must have their Certificates deposited in the Central Securities and Clearing System before transactions can take place on the floors of the NGX. The Central Securities and Clearing System provides computerised registration, clearing, settlement and delivery of securities in a centralised form thereby reducing the cost and time involved in processing trades on the NGX. The Central Securities and Clearing System settles transactions within “T+3” or “T+2” days (depending on the securities) and serves as a central clearing point for book entry trading of share certificates of quoted companies.

Subject to the approval of the Nigerian SEC and the NGX, the prices of newly-issued securities of public quoted companies are determined by issuing houses and/or the prospective investors (where the pricing of the securities on offer is to be determined by way of a book-building process). Prices of already-quoted securities are determined by the interplay of market forces during trading on weekdays. These prices are published at the close of each day and presented in national newspapers on the day following such trade. Companies listed on the NGX are required to disclose proposed dividends to the NGX and are able to declare interim and final dividends.

The NGX publishes a Daily Official List which provides information on daily transactions, available to subscribers at the end of each trading day and also transmitted globally via Refinitiv, Bloomberg and other data vendors. The NGX also publishes weekly, monthly and quarterly reports and trading statistics. The Exchange has a total of 19 indices to date; the pioneer index – the NSE All-Share Index – provides a tracker of market performance of all listed equities on the Exchange, while the flagship index – NGX 30 - tracks the performance of the top 30 most capitalized stocks on the Exchange’s daily official list. Furthermore, the Exchange hosts a number of sectorial indices tracking the Nigerian Industrial Goods sector, Insurance sector, consumer goods sector, banking sector, oil & gas sector. The Exchange also hosts two indices tracking stellar performance of listed companies namely the NGX Premium index, which tracks companies listed on the Exchange’s premium board and meet specific free float and corporate governance requirements, and the NGX Corporate Governance index which features companies which have scaled the Exchange’s Corporate Governance Rating System. Other NGX indices include NGX Premium Index, NGX Pension Index, NGX Main Board Index, NGX ASeM Index, NGX-AFR Bank Value Index, NGX AFR Div Yield Index, NGX MERI Growth Index, NGX MERI Value Index, NGX Lotus Islamic Index, NGX Growth Index, NGX Sovereign Bond Index.

The NGX is a member of the African Securities Exchanges Association (“**ASEA**”) member exchanges. The FTSE ASEA Pan Africa Index Series represents the performance of eligible securities listed on ASEA. As a member of ASEA, the NGX’s listed equities that meet specific criteria set by FTSE are constituents of this index.

*The NASD OTC Securities Exchange (the “**NASD**”)*

NASD PLC, otherwise known as the NASD is a public liability company and self-regulatory organisation of broker/dealers operating in the NASDAQ market in Nigeria, regulated by the SEC. The NASD promotes a trading network that eases secondary market trading of all securities of unquoted public companies primarily in Nigeria but with a focus on the West African region. Operators on the NASD include issuers of equity and fixed income instruments, institutional and individual investors, a growing pool of accredited authorised traders and their participating institutions, settlement banks, clearing systems, private equity and venture capital firms with a view to increasing liquidity in the unquoted segment of the long term funding market.

The NASD OTC market facilitates transactions through two independent trading platforms:

1. **Leased trading platform:** This platform allows for multilateral trading and continuous transaction reporting. The NASD leased the trading platform from the NGX and participating institutions are given access to trade on this segment of the market. Clearing is provided by the CSCS while settlement is done by six appointed settlement banks for NASD OTC transactions; and
2. **BITS:** This is a bi-lateral inter-dealer trading system proprietary to the NASD which allows trades to be conducted and consummated between select participating institutions. This is a web based

platform that allows brokers to interact from all corners of the world. Originally BITS was used to trade equities in all unquoted public companies, but increasingly it has become a platform for other asset classes.

Similar to the NGX, transactions on the NASD market settle on T+3 basis. Under the SEC Rules, securities of public unlisted entities must be traded on the NASD.

AFEX Commodity Exchange Ltd

AFEX Commodities Exchange Limited (“**AFEX**”) was established in 2014, as a public private partnership with the Federal Ministry of Agriculture and Rural Development, to establish a warehouse receipt system and a commodities exchange for Nigeria. In March 2015, AFEX obtained its license from the Nigerian SEC, as a commodities exchange. AFEX provides solutions to challenges faced by Nigerian smallholder farmers around aggregation, storage and financial inclusion and offers a ready market for both farmers and buyers. As at December 31, 2023, AFEX has reached and enhanced the livelihoods of over 450,000 farmers and traded the volume of 1,092,899 metric tonnes of grain since 2014. As at June 30 2024 and December 31, 2023, the total volume of transactions recorded was 9,597 metric tonnes valued at ₦6.84 billion and 51 million metric tonnes valued at ₦30.8 billion, respectively.

The Bond Market

The Nigerian Bond Market (the “**Bond Market**”) is principally regulated by the Investments and Securities Act and the SEC Rules made pursuant to the Investments and Securities Act. Private companies seeking to raise capital through issuance of bonds without launching an offer to the public are not regulated by the Nigerian SEC. Private companies may, however, sponsor special purpose vehicles that are registered as Public Limited Liability Companies, where they seek to issue bonds to the public, or raise capital via private placements only.

The Bond Market comprises bonds issued by the Federal Government, State Governments and by public companies. Nigerian Sovereign Bonds were already in existence before Nigeria’s independence in 1960. However, the Bond Market became active in 2003 when the Debt Management Office launched four Federal Government Bonds of maturities ranging from (3) three years to (10) ten years.

The Corporate Bond market is also developing, and this may be attributable to the need for inexpensive long-term debt capital by companies. FMDQ Exchange had listed seventy-nine (79) Federal Government Bonds and ten (10) subnational bonds from inception to date with market capitalisation of ₦42.99 trillion and ₦323.80 billion, respectively. Further, in the Corporate Bond market, FMDQ Exchange had listed 99 corporate bonds with a market capitalisation of ₦1.38 trillion. The total market capitalisation of bonds listed on the FMDQ Exchange was ₦44.76 trillion.

The FMDQ Exchange – A subsidiary of FMDQ Group PLC.

FMDQ Group PLC (“**FMDQ Group**”), is Africa’s first vertically integrated Financial Market Infrastructure (“**FMI**”) group, strategically positioned to provide registration, listing and quotation services, trading, clearing, risk management, settlement, and depository of financial market transactions, as well as data and information services, across the debt capital, foreign exchange, derivatives, and equity markets, through its wholly owned subsidiaries. FMDQ Group has evolved over the years, from an over-the-counter (“**OTC**”) market in 2013 as FMDQ OTC PLC, to a full-fledged Securities Exchange, to a budding FMI group, now structured as a SEC registered capital market holding company, warehousing five (5) wholly owned subsidiaries, including FMDQ Securities Exchange Limited (“**FMDQ Exchange**”), a market organiser and self-regulatory organisation, FMDQ Clear Limited (“**FMDQ Clear**”), FMDQ Depository Limited (“**FMDQ Depository**”), FMDQ Private Markets Limited and iQx Consult Limited, to provide the full value chain of financial markets services for the Nigerian financial markets.

The FMDQ Exchange has a mandate to: (i) organise and deepen the Nigerian financial markets by continuously embarking on product and market development initiatives to promote market credibility and transparency (ii) create an efficient platform for the registration, listing, quotation, trading and reporting of securities and financial products. As a self-regulatory organisation, the FMDQ Exchange is responsible for enforcing Members’ compliance with its rules, guidelines, agreements and all other regulations, as well as monitoring and enforcing compliance by issuers of listed or quoted securities on its platform.

Since inception, FMDQ Exchange has admitted thirteen sovereign (Federal Government) Eurobonds with a total face value of U.S.\$15.12 billion, one sovereign Diaspora bond with a face value of U.S.\$0.30 billion, six sovereign Sukuk with a total face value of U.S.\$0.72 billion (₦1.09 trillion), two sovereign Green bonds with a total face value of U.S.\$0.02 billion (₦25.69 billion), ten subnational bonds with a total face value of U.S.\$0.34 billion (₦509.67 billion), one subnational Sukuk with a total face value of U.S.\$0.01 billion (₦19.82 billion), 99 corporate bonds with a total face value of U.S.\$1.42 billion (₦2.13 trillion) 22 funds with a total net asset value of U.S.\$0.31 billion (₦463.48 billion), and 810 commercial papers with a total face value of U.S.\$3.79 billion (₦5.70 trillion).

Total turnover of all the products traded on FMDQ Exchange comprising Bills: Nigerian Treasury Bills (NTBs), CBN Open Market Operations Bills (OMO Bills), and CBN Special Bills; Bonds: sovereign, subnational, supranational, and corporate bonds/sukuk, and sovereign Promissory Notes; and Money Market Instruments: Repurchase Agreements (Repos), Commercial Papers, Unsecured Placements/Takings, and Money Market Derivatives between January and June 2024 was valued at U.S.\$152.83 billion (₦208.25 trillion).

The Nigerian financial markets recorded a milestone following the registration of FMDQ Clear as the premier Central Counterparty (“CCP”) with the Securities and Exchange Commission, positioning FMDQ Clear to commence the provision of CCP services for financial market transactions. This is in addition to FMDQ Clear’s current function of providing clearing services for the Cleared Naira-settled Non-Deliverable Forwards product, having acquired relevant experience and capabilities as the first central clearing house in Nigeria. FMDQ Clear is also intending to provide clearing services for new products onboarded by the FMDQ Exchange, such as repos and swaps in the near-term.

FMDQ Depository provides securities caching and settlement services for a diverse range of financial products including commercial papers, non-sovereign securities, mutual funds, notes, and equities across primary and secondary market activities. Its innovative and durable depository system is operationally positioned to lessen risks associated with capital markets trading, ensure seamless settlement of traded securities, support efficient operational capabilities of depository participants, and improve asset utilisation of investors.

Derivatives

The Nigerian derivatives market remains predominantly an OTC market and the aggregate turnover of derivatives traded and reported on the FMDQ Exchange over the last five years was U.S.\$ 285.72 billion. In June 2016, the Exchange registered and launched the FMDQ Cleared Naira-Settled Non-Deliverable Forwards (“**Cleared USD/NGN NDFs**”), erstwhile OTC FX Futures, an innovative hedging product introduced by the CBN.

Cleared USD/NGN NDFs are Non-Deliverable Forwards contracts trading on the FMDQ Exchange, with clearing and settlement carried out by FMDQ Clear. Following the introduction of the Cleared USD/NGN NDFs, turnover in derivatives transactions has steadily grown in the Nigerian financial market. As of 30 June 2024, the total notional value of Cleared USD/NGN NDF contracts sold since inception stood at U.S.\$41.20 billion, with the total notional value of open Cleared USD/NGN NDF contracts standing at U.S.\$166.74 million. In addition to Cleared USD/NGN NDFs, other derivative products traded in the market between July 2019 to June 2024 were FX Swaps (U.S.\$152.85 billion), FX Forwards (U.S.\$71.13 billion), Cross Currency Interest Rate Swaps (U.S.\$14.76 billion), other FX Derivatives (U.S.\$5.74 billion), Interest Rate Swaps (U.S.\$0.04 billion), Exchange-Traded Derivatives (“**ETD**”) FX Futures (U.S.\$1.20 million), and ETD Bond Futures (U.S.\$0.91 million).

The regulatory and legal framework of the Nigerian derivatives market has significantly evolved over the years. Prior to 2019, there were no clear regulations covering derivatives in Nigeria, inhibiting efforts to drive the introduction of exchange-traded derivatives. However, through active engagement, the Nigerian SEC released the Rules on the Regulation of Derivatives Trading and Central Counterparty in December 2019, to provide the much-needed regulatory framework and environment to facilitate the development of an exchange-traded derivatives market in the Nigerian financial markets.

In addition to this, the CAMA has remedied existing gaps in Nigeria’s legal framework that had hitherto affected the development of the financial markets and provided the tailwind for the development of a viable

derivatives market. With the regulatory and legal framework in place, the FMDQ Exchange launched its flagship ETD market in July 2023, with the introduction of two (2) products into the Nigerian financial markets – Federal Government of Nigeria Bond Futures and Naira-Settled FX Futures. In 2024, FMDQ Exchange further strengthened risk management for market participants through its ETD offerings, with a total traded value of ₦1.73 billion since inception till date. In line with its mandate to deepen the Nigerian financial market, FMDQ Exchange remains committed to introducing additional derivative products to meet evolving market demands.

PUBLIC DEBT

Overview

Public debt consists of external and domestic debt owed by the Federal Government and external debt on-lent by the Federal Government to States and the Federal Capital Territory. Public debt management is considered by the Government to be of strategic importance to Nigeria, in light of the fact that Nigeria's debt became unsustainable and a constraint on economic growth in the 1990s and early 2000s. In recognition of this, the Government established the Debt Management Office to serve as a central body for managing public debt.

According to the Debt Management Office, as of 31 December 2023, Nigeria's total outstanding external debt consisted of U.S.\$42.50 billion owed by the Federal Government, which includes the sum of U.S.\$4.61 billion on-lent by the Federal Government to State Governments and the Federal Capital Territory. Further, the Government had ₦59.12 trillion (approximately U.S.\$65.73 billion using the 31 December 2023 exchange rate of ₦899 to U.S.\$1) in domestic debt outstanding as of 31 December 2023.

Nigeria's external debt increased from U.S.\$27.8 billion as of 31 December 2019 to U.S.\$42.50 billion as of 31 December 2023. External debt also increased as a portion of total public debt from 32.9% as of 31 December 2019 to 39.3% as of 31 December 2023. During the same period, with the intention of developing and deepening the domestic debt market, Nigeria increased its domestic debt from ₦18.3 trillion as of 31 December 2019 to ₦59.1 trillion as of 31 December 2023. Nigeria's total public debt increased from U.S.\$84.05 billion (₦27.40 trillion) as of 31 December 2019 to U.S.\$108.23 billion (₦97.3 trillion) as of 31 December 2023.

As of 30 June 2024, Nigeria's total public debt was ₦134.3 trillion (approximately U.S.\$91.35 billion using the 30 June 2024 exchange rate of ₦1482 to U.S.\$1), with 47% comprising U.S.\$42.90 billion in external debt and 53% comprising ₦71.2 trillion (equivalent to U.S.\$48.45 billion) in domestic debt. This reflects a 10.4% increase from ₦121.7 trillion in the first quarter of 2024 and a significant 53.7% rise from ₦87.4 trillion in June 2023. The total debt figure includes the combined domestic and external debt stocks of the Federal Government, 36 state governments, and the Federal Capital Territory. The quarterly increase of 10.4% was largely driven by the depreciation of the Naira, which increased the Naira value of external debt, along with a rise in domestic debt. In contrast, the total public debt in U.S. dollar terms decreased by approximately U.S.\$22.05 billion, or 19.45%, from U.S.\$113.4 billion on 31 December 2023 to U.S.\$91.35 billion on 30 June 2024. The domestic debt in U.S. dollar terms also decreased significantly from U.S.\$65.7 billion on 31 December 2023 to U.S.\$48.45 billion on 30 June 2024, a decrease of U.S.\$17.25 billion, or 26.26%. This apparent decline in U.S. dollar value is attributable to the devaluation of the Naira, not an actual reduction in debt. While the nominal debt amount in Naira terms has increased, the conversion to U.S. dollars shows a decrease due to the weaker Naira. Therefore, the debt burden, when assessed in Naira terms, reveals an increase, reflecting the economic impact of currency depreciation on Nigeria's debt profile. See *“Risk Factor – Nigeria's high fiscal deficit and/or increases in government debt (including debt service costs) could have a material adverse effect on Nigeria's economy and its ability to service its debt, including meeting its payment obligations under the Notes.”*

In addition to reported external debt, Nigeria has some off-balance sheet obligations, including in the form of overdraft facility with the CBN (Ways and Means advances), and Government guarantees and other contingent liabilities amounting to ₦4.93 trillion as at 31 December 2023. The Parliament approved the inclusion of the outstanding Ways and Means advances of ₦7.3 trillion as of 31 December 2023 as part of the public debt in order to comply with the framework of the IMF Monetary and Financial Statistics Manual and Compilation Guide 2016. In addition, certain additional items are expected to be settled in respect of court settlements (see – *“The Federal Republic of Nigeria –Legal Proceedings– Interstella v NITEL”*) which may impact Nigeria's effective debt servicing costs and debt sustainability.

In order to achieve its objective of reducing service costs, the Government has continued to adopt various liability management measures aimed at balancing the debt portfolio and thereby moderate debt service. For this reason, the Government also intends to continue to access external financing to increase foreign exchange reserves and support the private sector by reducing the “crowding out” effect of Government domestic borrowing on the private sector. Additionally, to offset the fiscal deficit, the Government intends to increase its revenue (both oil and non-oil revenues). In October 2024, the Government presented four tax

reform bills to the National Assembly in Nigeria. The bills that were presented are the Nigeria Revenue Service (Establishment) Bill, which aims to consolidate assessment, collection and management of Government revenue in one agency; the Nigeria Tax Bill, which aims to create a unified fiscal tax framework; the Nigeria Tax Administration Bill, which seeks to establish a transparent legal framework for the fair and efficient management of tax laws; and the Joint Revenue Board (Establishment) Bill, which aims to create a Joint Revenue Board, a Tax Appeal Tribunal, and an Office of the Tax Ombudsman to align and coordinate revenue administration and resolve disputes. The reforms aim to achieve a 18% tax to GDP ratio by the end of 2027.

Debt Management Office

The Debt Management Office was established on 4 October 2000 to, *inter alia*, prepare and implement a plan for the efficient management of Nigeria's external and domestic debt obligations at sustainable levels in line with the country's desire for economic growth and development. Prior to the establishment of the Debt Management Office, public debt management functions were diffused across a myriad of MDAs and were conducted in an uncoordinated manner.

The operations of the Debt Management Office are governed by the Debt Management Office (Establishment etc.) Act of 2003, which provides for a Supervisory Board chaired by the Vice-President of Nigeria and the Minister of Finance as the Vice Chairman.

Since its establishment in 2000, the Debt Management Office has initiated and adopted a number of measures to promote prudent debt management at the federal and state levels whilst at the same time promoting the development of the domestic debt securities market. Some of these measures include:

- the restoration of the domestic bond market through its Bond Issuance Programme and Monthly Bond Auction. Tenors of domestic bonds are three, five, seven, ten and thirty years;
- the introduction of a primary dealer market maker system to promote an active secondary market for Federal Government of Nigeria Notes, thereby creating a sovereign yield curve to serve as a benchmark for other domestic borrowers. The sovereign yield curve, which was initially limited to short tenors, was extended to thirty years;
- the extension of debt management practices to the sub-national level through capacity building and actively encouraging the enactment of relevant legislation on fiscal and debt management such as the Fiscal Responsibility Act;
- the publication of various guidelines, notably the Revised External and Domestic Borrowing Guidelines for the Federal and State Governments, FCT and their Agencies; and
- the development of Medium-Term Debt Management Strategies and conduct of annual debt-sustainability analysis (“**DSA**”) using the World Bank-IMF Analytical Tools.

All public borrowing for the Federal Government is conducted by the Debt Management Office under the supervision of the Minister of Finance. While State Governments can borrow domestic debt independently in the domestic capital markets (after the review of the Debt Management Office to ascertain sustainability), only the Federal Government is allowed to borrow externally, either for itself or to on-lend the money borrowed to the relevant State Governments or the Federal Capital Territory. The on-lent loans to the 36 States and Federal Capital Territory consist of approximately 10.69% (U.S.\$4,456.37 million of the U.S.\$41,694.91 million) and 10.85% (U.S.\$4,610.06 million of the U.S.\$42,495.16 million) of the External debt outstanding as at 31 December 2022 and 31 December 2023, respectively. It is mandatory for beneficiary States to enter into a Subsidiary Agreement with the Federal Government in the execution of an on-lent loan, and the beneficiary States are responsible for the servicing of such loans through deductions from their monthly allocations from the Federation Account. Any money borrowed by the Federal Government for itself from domestic and external sources and for on-lending to a State Government must be approved by the National Assembly. The Debt Management Office maintains a database of all loans taken or guaranteed by the Federal or State Governments.

Medium-Term Debt Management Strategy

The Debt Management Office develops its medium-term debt management strategies in line with international best practices, together with the CBN, Ministry of Budget and National Planning, Federal Ministry of Finance, NBS, Office of the Accountant-General of the Federation and Budget Office of the Federation.

The Debt Management Office developed and published the Medium-Term Debt Management Strategy 2020-2023 (the “**2020 MTDMS**”) in April 2020. However, whilst the 2020 MTDMS was being finalised, the global economy was hit by the COVID-19 pandemic, worsening the fiscal position in many countries, including Nigeria, and the 2020 MTDMS was subsequently revised to reflect the impact of COVID-19 on the various assumptions and projections. The revised 2020 MTDMS (the “**Revised 2020 MTDMS**”) was approved in February 2021 and took into consideration the significant drop in Government’s revenues due to lower oil prices and reduced demand, non-access to the international capital markets in 2020, limited access to concessional funding from multilateral creditors and an expected upward trend in domestic interest rates in view of increased inflation rates.

The strategy was intended to moderate the level of debt-related risks, reduce the cost of debt servicing, maximise leveraging on funding from multilateral and bilateral sources, subject to availability, whilst ensuring debt sustainability, amongst other objectives.

The table below sets out the performance against the targets set in the Revised 2020 MTDMS:

Indicator	Actual 2019	2020 -2023	Actual 2022	Actual 2023
		MTDMS Target		
Total public debt composition ratio: domestic to external debt.....	67:33	Max 70: Min 30	60:40	57:43
Domestic debt mix: long-term to short-term.....	81:19	Min 75: Max 25	80:20	88:11
Debt maturing within 1-year / total public debt (%).....	13.77	Max. 20%	14.37	10.44
Average time-to-maturity for total public debt (years).....	10.50	Min. 10 years	9.70	12.77
Variable rate debt / total public debt (%).....	2.98	Less than 5%	3.16	2.96
Debt / GDP (%).....	19.00	40%	23.20	40.57
Deficit to GDP (%).....	-	3% ⁽¹⁾	3.99	4.96
Sovereign guarantees as % of GDP (%).....	1.98	Max 5%	2.38	3.23

- (1) This limit is provided in Section 12(1) of the Fiscal Responsibility Act, 2007, and efforts are to be made to ensure compliance, except if in the opinion of the President, there is good reason to exceed the threshold, as further provided in Section 12(2) of the Act.

Source: Debt Management Office

Nigeria has formulated a new medium-term debt management strategy for the years 2024 to 2027 (the “**2024 MTDMS**”) following the expiration of Revised 2020 MTDMS, which is currently undergoing an approval process. The 2024 MTDMS has a recommended a debt to GDP target of 60%. If approved, the debt to GDP ratio is expected to be within the World Bank, IMF, MAC, DSA, and ECOWAS convergent threshold of 70%.

According to the IMF, as of October 2024, Nigeria’s debt-to-nominal GDP ratio is approximately 51.28%. The Government believes that raising this threshold to 60% would still keep the country within acceptable limits, supported by prudent fiscal management, economic reforms, and strategies to enhance revenue generation and economic growth.

In 2023, the domestic to external debt ratio was 57:43 compared to the target of 70:30 due to the higher levels of external borrowing in 2020-2022 and exchange rate depreciation. The average time-to-maturity was at 12.8 years in 2023 which exceeded the minimum target of 10 years. In 2023, debt to GDP was 40.6% which marginally exceeded the country specific target of 40%. The long-term to short-term domestic debt ratio was 89:11 as of December 2023, which is within the set target of min 75: max 25. Additionally, due to the issuance of more long-term securities in the domestic market, the debt maturing within one year as a percentage of total debt was 10.4% in 2023, which is within the target of less than 20%, due to the issuance of more long-term securities in the domestic market.

Nigeria conducts an annual debt sustainability exercise in line with international best practice of public debt management. Following Nigeria’s re-classification as a lower-middle-income country with limited funding access from the concessional window and significant access to the International Capital Market, the country

moved from using the Low-Income Country Debt Sustainability Framework to Market-Access Country Debt Sustainability Framework (“**MAC-DSF**”) in the conduct of the DSA since 2021. The 2023 DSA, which is undergoing an approval process, shows that Nigeria’s debt to GDP and gross financing needs to GDP ratios were 42.34% and 6% as at 31 December 2023, and below the MAC-DSF threshold of 70% and 15% respectively, including in the projection periods of 2024 to 2028. However, the debt service to revenue ratio which was 57% in 2023 and averaged at 87.4% in the period 2024 to 2028, were considered high. Other risks highlighted in the DSA exercise include a high Bond Spread of 665 basis points (bps), and annual change in short-term debt to total debt of 1.8%, exceeding the thresholds of 600 bps and 1.0% respectively.

It is expected that the various Government reforms towards increasing the 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.

The Debt Management Office also publishes a National Debt Management Framework and a Strategic Plan. The current framework is the National Debt Management Framework 2023-2027 (the “**2023 Debt Framework**”), approved in July 2023, and the current strategic plan is the Strategic Plan 2023-2027, approved in 2023.

The 2023 Debt Framework is the fourth in the series since 2008 and is designed to ensure that the objectives of public debt management are achieved. These objectives include the prudent management of public debt, ensuring the sustainability of Nigeria’s public debt, and ensuring that public debt contributes to economic growth and development, as well as poverty reduction. The 2023 Debt framework is aligned with the National Development Plan 2021-2025 and incorporates both new and existing legislation, regulations and policies that impact on public debt management. The 2023 Debt Framework outlines Nigeria’s debt policies, strategies, and institutional mechanisms to manage the country’s public debt efficiently. As an operational document, the set principles, guidelines, qualitative benchmarks, institutional and legal arrangements contained therein will be applied to ensure public debt remains sustainable over its lifespan of five years (2023-2027).

Public Debt

Nigeria’s public debt, which includes both external and domestic obligations, has shown a consistent upward trend over the years. As at 30 June 2019, Nigeria’s total public debt stood at approximately U.S.\$83.88 billion (₦25.70 trillion), representing 19.0% of GDP. By 30 June 2020, this figure had increased to approximately U.S.\$85.90 billion (₦31.01 trillion), which accounted for 21.6% of GDP. The upward trajectory continued in 2021 with the total debt reaching U.S.\$86.57 billion (₦35.47 trillion), making up 22.8% of GDP. As at 30 June 2022, the total public debt rose significantly to U.S.\$103.31 billion (₦42.85 trillion), though it represented a slightly lower percentage of GDP at 21.2%.

As at 30 June 2023, Nigeria’s public debt surged to approximately U.S.\$113.42 billion (₦87.38 trillion), which was 42.3% of GDP. As at 30 June 2024, Nigeria’s total public debt was U.S.\$91.35 billion (₦134.30 trillion), equating to 54.5% of GDP. While the total public debt in U.S. dollar terms decreased by approximately U.S.\$22.05 billion, or 19.45%, this decline in the U.S. dollar value is attributable to the devaluation of the Naira and not an actual reduction in debt.

Overall, external debt significantly increased from U.S.\$27.16 billion in June 2019 to U.S.\$42.90 billion in June 2024, while internal debt expanded from ₦17.38 trillion in June 2019 to ₦71.22 trillion. The increase in public debt between 2020 and 2023 was mainly due to the National Assembly approving higher levels of new borrowings in the Budget and the securitisation of Ways and Means advances from the CBN to the Government. Since the new administration took office, the Government has ceased quasi-fiscal intervention activities and is adhering to statutory limits on deficit financing through Ways and Means advances.

The proportion of external debt to total debt increased by 10.37% as from 30 June 2023 to 30 June 2024, mainly due to the depreciation in the Naira during this period and additional disbursements from existing multilateral and bilateral creditors. The depreciation of the Naira amplified the value of the external debt when converted into the local currency, making the foreign obligations more significant in the total debt portfolio.

The following table sets out a summary of the total public debt disaggregated into external and domestic debt as at the dates indicated.

As at 30 June	External		Internal		Total		Total debt as % of GDP
	(NAIRA millions)	(US\$ millions) ⁽¹⁾	(NAIRA millions)	(US\$ millions) ⁽¹⁾	(NAIRA millions)	(US\$ millions) ⁽¹⁾	
2019	8,322,629.83	27,162.63	17,379,015.91	56,720.03	25,701,645.74	83,882.66	19.0
2020	11,363,243.93	31,477.13	19,645,398.21	54,419.39	31,008,642.14	85,896.52	21.6
2021	13,710,877.77	33,468.92	21,754,127.62	53,102.88	35,465,005.39	86,571.80	22.8
2022	16,615,664.97	40,064.78	26,230,219.03	63,248.02	42,845,884.00	103,312.80	21.2
2023	33,248,976.79	43,159.19	54,130,424.96	70,264.58	87,379,401.75	113,423.77	42.3
2024	63,072,678.79	42,901.01	71,224,993.37	48,446.08	134,297,672.16	91,347.09	54.5

(1) Conversion from Naira to U.S. dollar made using CBN Nigerian Autonomous Foreign Exchange Market (“NAFEM”) official interbank exchange rate (as applicable) as of period end. *Source: Debt Management Office*

In February 2018, the Federal Government issued a total of U.S.\$3 billion Eurobonds in two tranches: a U.S.\$1.25 billion 12-year bond at 7.143% and U.S.\$1.25 billion 20-year bond at 7.696%. In the same year, the Federal Government issued U.S.\$2.86 billion in Eurobonds across three tranches: U.S.\$1.12 billion 7-year bond at 7.625%, U.S.\$1 billion long 12-year bond at 8.75%, and U.S.\$750 million long 30-year bond at 9.25%. In 2018, 2020, and 2021 Nigeria issued Al-Ijarah Sukuks of ₦100.00 billion 7-year at rental rate of 15.74% per annum, ₦162.557 billion 7-year at rental rate of 11.20% per annum and ₦250.00 billion 10-year at rental rate of 13.00% per annum, respectively to fund key road projects in the six geopolitical zones of the country. In September 2021, the Federal Government of Nigeria issued a total of U.S. \$4 billion in Eurobonds across three tranches. These included U.S.\$1.25 billion for a 7-year term at 6.125%, U.S.\$1.5 billion for a 12-year term at 7.375% and U.S.\$1.25 billion for a 30-year term at 8.25%. In March 2022, the government further issued U.S.\$1.25 billion in 8.375% notes due in 2029. Additionally, in December 2022 and 2023, the government issued ₦130 billion and ₦350.00 billion through an Al-Ijarah Sukuk structure at a rental rate of 15.64% per annum and 15.75 per annum, respectively, for the construction and rehabilitation of key road projects through the Federal Ministry of Works and Housing and the Federal Capital Territory Administration. On 6 September 2024, the Federal Government issued an inaugural U.S.\$917.4 million bond at 9.740% (notes due 2029) in the domestic debt market. The Federal Government’s U.S.\$500 million 10-year Eurobond issued in 2013 was redeemed at maturity in July 2023.

The table below sets forth certain information regarding Nigeria’s total public debt (i.e., external and domestic debt owed directly by the Federal Government and external debt on-lent by the Federal Government to the States and Federal Capital Territory) as of the dates indicated:

Type	As of 31 December					As at 30 June
	2019	2020	2021	2022	2023	2024
	(U.S.\$ millions) ⁽¹⁾					
External Debt	27,676.14	33,348.08	38,391.32	41,694.91	42,495.16	42,901.01
Domestic Debt.....	56,377.18	53,044.45	57,388.32	61,415.93	65,734.18	48,446.08
Total	84,053.32	86,392.55	95,779.64	103,110.84	108,229.34	91,347.09

(1) Conversion from Naira to U.S. dollar made using CBN Nigerian Autonomous Foreign Exchange Market (“NAFEM”) official interbank exchange rate (as applicable) as of period end. *Source: Debt Management Office*

The table below sets forth certain information regarding the original maturity at the time of issuance of Nigeria’s total public debt as of the dates indicated:

Type	As of 31 December					As at 30 June
	2019	2020	2021	2022	2023	2024
	(U.S.\$ millions) ⁽¹⁾					
External Debt....						
Long-term	27,676.14	33,348.08	38,391.32	41,694.91	42,495.16	42,901.01
Sub-Total	27,676.14	33,348.08	38,391.32	41,694.91	42,495.16	42,901.01
Domestic Debt..						
Short-term	13,735.79	11,102.87	9,167.62	9,870.37	7,251.56	8,031.74
Long-term	42,641.39	41,941.58	48,220.70	51,545.56	58,482.62	40,414.34
Sub-Total	56,377.18	53,044.45	57,388.32	61,415.93	65,734.18	48,446.08
Total	57,391.53	84,053.32	95,779.64	103,110.84	108,229.34	91,347.09

(1) Conversion from Naira to U.S. dollar made using CBN NAFEM exchange rate (as applicable) as of period end. *Source: Debt Management Office*

The table below sets forth certain information regarding Nigeria’s total public debt service payments for the periods indicated:

Type	For the year ended 31 December					For the six months ended 30 June
	2019	2020	2021	2022	2023	2024
			<i>(U.S.\$ millions)⁽¹⁾</i>			
External Debt.....	1,333.5	1,556.2	2,109.0	2,405.5	3,503.5	2,240.4
Domestic Debt.....	5,492.8	4,867.9	4,974.6	5,715.0	4,871.3	1,940.4
Total	6,826.3	6,424.1	7,083.6	8,120.50	8,374.8	4,180.80

(1) Conversion from Naira to U.S. dollar made using CBN NAFEM exchange rate (as applicable) as of period end.

Source: Debt Management Office

External Public Debt

The external debt portfolio consists of multilateral, bilateral and syndicated loans and commercial debts. The external management strategy includes maximising availability from multilateral and bilateral sources to take advantage of their concessional terms and conditions. According to OECD, concessional loans are extended on terms substantially more generous than market loans, achieved either through interest rates below those available on the market or by grace periods, or a combination of these. Concessional loans typically have long grace periods.

As of 31 December 2023, the composition of the public debt portfolio stood at 39:61, compared to 40:60 as at 31 December 2022, 33:67 as at 31 December 2021 and 39:61 as at 31 December 2020 for external and domestic debt, respectively. Given the low share of external debt, the lower cost of external borrowing and the continued interest in diversifying the Government’s sources of funding, the Government intends to continue to pursue a strategy of accessing external financing in a prudent and sustainable manner. As of June 2024, the composition of the public debt portfolio stood at 53:47 for external and domestic debt, respectively.

In April 2020, the IMF approved Nigeria’s request for U.S.\$3.4 billion in emergency financial assistance from the Rapid Financing Instrument to help the country address the severe economic shock of the COVID-19 pandemic. As of September 2024, the Government received support from the World Bank totalling U.S.\$1.57 billion. This funding aims to enhance human capital by improving health services for women, children, and adolescents, and to bolster resilience against climate change impacts, such as floods and droughts, through improved dam safety and irrigation systems.

External Borrowing

On 16 February and 5 April 2017, the Federal Government issued in aggregate U.S.\$1,500,000,000 7.875% notes due 2032, whilst on 20 June 2017, the Federal Government issued U.S.\$300,000,000 5.625% “diaspora bonds” due 2022. On 28 November 2017, the Federal Government issued U.S.\$500,000,000 6.500% Notes due 2027. On 23 February 2018, the Federal Government issued U.S.\$1,250,000,000 7.143% Notes due 2030 and U.S.\$1,250,000,000 7.696% Notes due 2038, and on 21 November 2018, it issued a further U.S.\$1,118,352,000 7.625% Notes due 2025, U.S.\$1,000,000,000 8.747% Notes due 2031 and U.S.\$750,000,000 9.248% Notes due 2049.

On 15 July 2021, the National Assembly approved the Government’s 2018-2020 external borrowing rolling plan of U.S.\$8.3 billion and EUR 490 million, to be sourced from multilateral and bilateral institutions and the issuance of Eurobonds in the international capital market. On 14 September 2021, as an addendum to the 2018-2020 external borrowing rolling plan, Former President Buhari sought approval from the National Assembly to borrow an additional U.S.\$4.05 billion and EUR 710 million in loans from bilateral and multilateral organisations to fund the deficit in the 2021 Budget, as well as grant components of U.S.\$125 million. In May 2023, the Federal Executive Council approved the 2022-2024 medium term external borrowing plan, which includes loans from creditors such as the World Bank, African Development Bank, International Fund for Agricultural Development, French Treasury, and European Investment Bank. These external borrowings are expected to fund the modernisation of the Lagos-Kano railway, Rigasa-Zaria in Kaduna state, improvements to programmes such as the National Social Safety Net Program, Nigeria for Women Program, investments in digital and creative enterprises, reaching out of school children in Kaduna

state, financing infrastructure and related services in the health sector in Oyo state and the Rural Access and Agricultural Marketing Project. The total sum amounts to U.S.\$6.05 billion and EUR300.00. The plan is yet to be approved by the National Assembly.

The table below sets forth certain information regarding Nigeria's outstanding external debt by source, as of the dates indicated:

	2019	2020	As of			As at 30 June 2024
			31 December 2021	2022	2023	
	(U.S.\$ millions) ⁽¹⁾					
Official:						
Bilateral ⁽²⁾	3,847.4	4,059.4	4,466.05	5,067.19	5,957.44	5,887.73
Multilateral ⁽³⁾	12,660.4	17,933.6	18,656.28	20,201.46	21,149.37	21,624.93
Sub-Total	16,507.8	21,993.0	23,122.33	25,268.65	27,106.81	27,512.66
Commercial:						
Eurobond	10,868.4	10,868.4	14,368.35	15,618.35	15,118.35	15,118.35
Diaspora Bond	300.0	300.0	300.00	-	-	-
Other Commercial ⁽⁴⁾	—	186.7	-	-	-	-
Sub-Total	11,168.4	11,355.1	15,618.35	15,118.35	15,118.35	15,118.35
Promissory Notes	-	-	600.64	547.91	-	-
Syndicated Loan	-	-	-	260.00	270.00	270.00
Grand Total	27,676.2	33,348.1	38,391.32	41,694.91	42,495.16	42,901.01

- (1) Conversion from Naira to U.S. dollar made using CBN NAFEM exchange rate (as applicable) as of period end.
- (2) Bilateral Debt comprises debt from the non-Paris Club group of creditors, which are provided on semi-concessional terms.
- (3) Multilateral loans comprise both concessional and semi-concessional loans. Concessional lenders include the International Development Association, International Fund for Agricultural Development, African Development Fund, the European Development Fund and the Islamic Development Bank. Semi-concessional lenders include the World Bank and the African Development Bank.
- (4) Comprises loans from private sector lenders.

Source: Debt Management Office

As of 30 June 2024, external debt was composed of 50.4% of multilateral debt, 13.7% of bilateral debt and 35.9%. Debts originating from multilateral institutions constitute the bulk of total outstanding external debt. The table below sets forth information regarding Nigeria's external debt outstanding as of the dates indicated pursuant to the funding arrangements in place as of such date:

	2021		As at 31 December 2022		2023		As at 30 June 2024	
	(U.S. \$ millions)	% of Total Debt	(U.S. \$ millions)	% of Total Debt	(U.S. \$ millions)	% of Total Debt	(U.S. \$ millions)	% of Total Debt
Funding Sources Multilateral								
International Monetary Fund	3,435.33	8.95	3,266.46	7.83	2,469.90	5.81	1,613.83	3.76
International Development Association	11,972.41	31.19	13,446.12	32.25	14,960.20	35.20	16,324.29	38.05
International Bank for Reconstruction and Development	410.60	1.07	487.03	1.17	485.54	1.14	483.96	1.13
African Development Bank	1,546.44	4.03	1,591.81	3.82	1,652.72	3.89	1,629.28	3.80
African Growing Together Fund	4.72	0.01	18.17	0.04	23.35	0.05	30.64	0.07
African Development Fund	960.07	2.50	955.61	2.29	1,002.64	2.36	991.89	2.31
Arab Bank for Economic Development in Africa	5.88	0.02	5.52	0.01	5.15	0.01	4.97	0.01
European Development Fund	45.45	0.12	38.02	0.09	34.30	0.08	30.72	0.07
Islamic Development Bank	37.51	0.10	140.00	0.34	238.17	0.56	241.84	0.56
International Fund for Agricultural Development	237.87	0.62	252.74	0.61	277.40	0.65	273.51	0.64
Sub Total	18,656.28	48.60	20,201.46	48.45	21,149.37	49.77	21,624.93	50.41
Bilateral								
Export Import Bank of China	3,634.91	9.47	4,293.63	10.30	5,167.14	12.16	5,073.84	11.83
JICA ⁽¹⁾	71.79	0.19	62.72	0.15	58.33	0.14	52.18	0.12
KfW ⁽²⁾	164.27	0.43	144.54	0.35	125.90	0.30	115.81	0.27
AFD ⁽³⁾	561.60	1.46	535.95	1.29	580.13	1.37	623.55	1.45
Export Import Bank of India	33.48	0.09	30.34	0.07	25.94	0.06	22.35	0.05
Sub total	4,466.05	11.63	5,067.19	12.15	5,957.44	14.02	5,887.73	13.72
Commercial								
Eurobonds	14,368.35	37.43	15,618.35	37.46	15,118.35	35.58	15,118.35	35.24
Diaspora Bond	300.00	0.78	-	-	-	-	-	-
Sub total	14,668.35	38.21	15,618.35	37.46	15,118.35	35.58	15,118.35	35.24
Promissory Notes	600.64	1.56	547.91	1.31	-	-	-	-
Syndicated Loan	-	-	260.00	0.62	270.00	35.58	270.00	0.63

	As at 31 December		As at 30 June					
	2021	2022	2023	2024				
	(U.S. \$ millions)	% of Total Debt	(U.S. \$ millions)	% of Total Debt	(U.S. \$ millions)	% of Total Debt	(U.S. \$ millions)	% of Total Debt
Grand Total	38,391.32	100.00	41,694.91	100.00	42,495.16	100.00	42,901.01	100.00

Source: Debt Management Office

- (1) JICA is the abbreviation for Japan International Cooperation Agency, which is the Japan international development agency.
(2) KfW is the abbreviation for the German international development agency.
(3) AFD is the abbreviation for the French international development agency

The table below sets forth information regarding the currency composition of Nigeria's external debt as of 31 December 2023:

Currency	Debt in Original		Naira Exchange Rate ⁽¹⁾	Debt in Naira	Debt in U.S.\$	% of Total
	Currency					
Swiss Franc	4,329,868.00		1,070.71	4,636,015,646.81	5,154,604.99	0.01
Yuan (Renminbi).....	2,763,786,757.00		126.62	349,955,101,230.15	389,101,428.66	0.92
Euro	467,737,334.58		994.55	465,187,604,821.74	517,223,955.29	1.22
British Pound	17,162,853.53		1,124.83	19,305,354,322.42	21,464,870.55	0.05
Islamic Dinar.....	27,193,936.93		1,206.72	3,281,5347,918.85	36,486,105.54	0.09
Japanese Yen (000)	18,751,666.79		6.35	119,028,080.12	132,342.68	0.00
U.S.\$.....	24,215,452,508.94		899.39	21,779,208,478,373.10	24,215,452,508.94	56.98
SDR ⁽²⁾	1,290,1652,471.00		1,206.72	15,568,625,302,534.20	17,310,147,291.04	40.73
Total	-	-	-	38,219,852,232,927.4	42,495,163,107.70	100.00

(1) Naira exchange rate as of 31 December 2023

(2) SDR is a virtual currency created by the IMF, disbursements and repayments can be made in GBP, EUR, JPY and U.S.\$.

Source: Debt Management Office

The table below sets forth information regarding the maturity profile of Nigeria's external debt as of 31 December 2023, including amounts (i) outstanding and (ii) to which Nigeria was contractually entitled, but that had yet to be drawn down, in each case pursuant to funding arrangements in place as of such date:

Source	2024	2025	2026	2027	2028	2029-2069
	(U.S.\$ millions) ⁽¹⁾					
Multilateral	2,669.48	1,983.27	1,329.16	1,417.88	1,421.27	2,5706.11
International Development Association.....	662.43	771.14	903.11	987.47	984.29	20138.78
International Fund for Agricultural Development	13.22	19.76	23.29	24.04	25.15	412.81
International Monetary Fund.....	1664.78	826.21	0.00	0.00	0.00	0.00
European Development Fund	5.46	5.46	5.47	5.47	5.47	8.19
African Development Fund	40.60	42.12	42.58	42.64	44.30	1121.68
IBRD	23.85	32.79	49.83	52.50	53.82	926.64
Islamic Development Bank	22.65	23.89	23.97	25.51	33.60	396.17
Arab Bank for Economic Development in Africa	0.42	0.43	0.44	0.44	0.44	5.75
African Development Bank.....	230.32	252.39	266.27	262.22	254.82	2429.72
African Growing Together Fund	5.75	9.08	14.20	17.58	19.39	266.39
Bilateral	464.69	640.10	683.40	706.79	730.91	6367.21
Commercial	1,152.59	2,270.94	1,067.32	2,567.32	2,219.82	1,9450.09
Eurobond.....	1,152.59	2,270.94	1,067.32	2,567.32	2,219.82	1,9450.09
Other Commercials	304.40	10.39	7.80	7.59	7.37	48.30
Grand Total	4,591.16	4,904.71	3,087.67	4,699.57	4,379.37	5,1571.71

(1) Conversion from Naira to U.S. dollar made using CBN NAFEM exchange rate as of 31 December 2023. Source: Debt Management Office

In line with Nigeria's external debt management strategy as stated above, the table below sets out information regarding the use of external debt proceeds by economic sector as of 31 December 2023:

Economic Sector	Amount Outstanding	
	(U.S.\$ millions)	% of Total
Agriculture and Rural Development	3,631.49	8.55
Budget Support (Multi Sector).....	3,247.62	7.64
Science and Technology.....	569.95	1.34
Education	1,562.53	3.68
Energy and Solid Mineral Development	3,217.81	7.57
Environment.....	760.35	1.79

Economic.....	5,953.95	14.01
Health and Social Welfare.....	2,892.23	6.81
Housing and Urban Development.....	803.10	1.89
Transport.....	4,737.78	11.15
Bonds:		
Budget Support (Multi Sector).....	15,118.35	35.58
Promissory Notes (Local Contractors).....	-	-
Total.....	42,495.16	100.00

Source: Debt Management Office

(1) The Multi-Sector category represents debt that is used or implemented on projects and programs that involve more than one area of the economy

Domestic Debt

Nigeria's strategy with respect to its domestic debt portfolio is to lengthen its maturity structure, to broaden and deepen the domestic bond market through the introduction of a variety of government securities, to use technology to aid the effective and efficient issuance and trading of domestic bonds and to improve the regulatory framework for effective operation of the bond market. In March 2017, the Government commenced the monthly issuance of Federal Government Savings Bonds, which are listed and traded on the NGX, whilst in September 2017, the Federal Government issued its first ever sovereign Sukuk, being a ₦100,000,000,000 16.47% Ijarah Sukuk due 2024 and has issued multiple Sukuk bonds since. In March 2021, the Federal Government issued a ₦162.557 billion 11.20% Al Ijarah Sukuk due 2027. The issuance was used to finance 44 economic road projects across the six geopolitical zones. Additionally, in December 2022, the Federal Government issued ₦130 billion through an Al-Ijarah Sukuk structure at a rental rate of 15.64% per annum for the construction and rehabilitation of key road projects through the Federal Ministry of Works and Housing and the Federal Capital Territory Administration. In September 2024, the Federal Government issued U.S.\$500 million 9.75% domestic US dollar bonds due 2029. All the sovereign Sukuk notes are listed and traded on the NGX and FMDQ Exchange.

In December 2017, the Government issued a ₦10,690,000,000 13.48% Green Bond due 2022, becoming the first African sovereign to issue a green bond, and only the fourth sovereign issuer globally. The purpose of the said green bond is to provide funding for domestic forestry, and clean and renewable energy projects. In June 2019, the Government further issued green bonds worth ₦15,000,000,000 due 2026.

Composition

Domestic debt consists primarily of:

- Short-term: treasury bills, typically with a tenor of one year or less: 91-, 182- and 364-day treasury bills; and
- Federal Government of Nigeria Notes, which are currently issued in tenors of two, three (saving bonds) and, five, seven, ten and thirty years (federal government bonds). There were also treasury bonds, which are legacy debt instruments with tenor range of between 13 years and 23 years (new securities under this category are no longer issued). The Federal Government of Nigeria Notes dominate the domestic debt market, accounting for 78% of total domestic debt.

Medium-term debt is defined as debt having a remaining maturity greater than one year and less than or equal to three years. Long-term debt is defined as debt having a remaining maturity greater than three years.

The table below sets out information regarding the composition of Nigeria's Federal Government domestic debt by instrument, as of the dates indicated:

Instruments	As at 31 December					As at
	2019	2020	2021	2022	2023	30 June ⁽¹⁾
						2024
				(₦ billions)		
Federal Government of Nigeria Bonds.	10,524.1	11,830.3	13,963.2	16,421.6	44,260.2	52,315
Nigerian Treasury Bills.....	2,651.5	2,720.4	3,786.1	4,422.7	6,522.0	11,808
Nigerian Treasury Bonds.....	126.0	101.0	76.0	51.0	-	-
Federal Government Savings Bond.....	12.7	12.3	16.4	27.5	39.2	55
Sovereign Sukuk.....	200.0	362.6	612.6	742.6	1,092.6	1,093

Instruments	As at 31 December					As at 30 June ⁽¹⁾
	2019	2020	2021	2022	2023	2024
	(₦ billions)					
Green Bond	25.7	25.7	25.7	15.0	15.0	15
Promissory Notes	732.6	971.7	801.6	530.0	1,329.1	1,672
Total	14,272.6	16,023.9	19,281.6	22,210.4	53,258.0	66,957.9

Source: Debt Management Office

(1) In September 2024, the Federal Government issued U.S.\$500 million 9.75% domestic US dollar bonds due 2029. This issuance is not included in the figures as of 30 June 2024, as it occurred after the balance sheet date.

The table below sets forth information regarding the domestic debt outstanding by residual maturity:

Year	For the year ended 31 December					As at 30 June ⁽¹⁾
	2019	2020	2021	2022	2023	2024
	(₦ billions)					
Short Term	3,665.2	4,402.4	4,689.67	5,305.02	7,731.51	13,368.57
Medium-and Long-Term	10,607.5	11,621.5	14,552.89	16,905.35	45,526.50	53,589.31
Total	14,272.6	16,023.9	19,242.56	22,210.37	53,258.01	66,957.88

Source: Debt Management Office

(1) In September 2024, the Federal Government issued U.S.\$500 million 9.75% domestic US dollar bonds due 2029. This issuance is not included in the figures as of 30 June 2024, as it occurred after the balance sheet date.

The table below sets forth information regarding the holding of Nigeria's domestic debt in the secondary market by type of investor, as of the dates indicated:

Holder Category	As at 31 December					As at 30 June
	2019	2020	2021	2022	2023	2024
	(₦ billions)					
Central Bank	1,860.62	2,543.71	1,440.17	5,241.18	25,901.16	28,041.65
Banks and Discount Houses	4,205.24	6,929.44	10,073.59	11,538.53	14,367.97	21,676.31
Non-Bank Public	8,121.82	6,467.75	7,667.11	5,382.79	12,988.88	17,239.92
Sinking Fund	84.95	82.98	61.69	47.87	0	0
Total	14,272.6	16,023.9	19,242.56	22,210.37	53,258.01	66,957.88

Source: Debt Management Office

Maturity Profile

The table below sets forth information regarding the residual maturity profile of Nigeria's domestic debt as of the dates indicated.

Year ended 31 December	Short Term	Long Term	Total
	(₦ billions)		
2019.....	29.2	70.8	100.0
% in 2019	3,519.6	10,753.0	14,272.6
2020.....	24.7	75.3	100.0
% in 2020	4,402.4	11,621.5	16,023.9
2021.....	24.37	75.63	100
% in 2021	4,689.67	14,552.89	19,242.56
2022.....	23.89	76.11	100
% in 2022	5,305.02	16,905.34	22,210.36
2023.....	14.52	85.48	100
% in 2023	7,731.51	45,526.50	53,258.01

Source: Debt Management Office

Debt Service

The following table below sets out a summary of the external and domestic debt service payments as at the dates indicated expressed in naira and the U.S. dollars using the applicable end of period exchange rate.

For the year ended 31 December	External		Domestic	
	(NAIRA millions)	(US\$ millions) ⁽¹⁾	(NAIRA millions)	(US\$ millions) ⁽¹⁾
2019.....	409,407.84	1,333.53	1,686,027.73	5,493.11
2020.....	557,810.03	1,556.21	1,854,693.07	5,174.38
2021.....	842,787.34	2,109.03	2,054,441.53	5,141.91
2022.....	1,019,914.38	2,405.47	2,560,776.47	6,043.61
2023.....	2,264,347.06	3,503.51	4,381,207.35	6,779.01
Six months ended 30 June 2024	3,321,186.11	2,240.39	2,852,759.35	1,923.68

(1) Conversion from Naira to U.S. dollar made using CBN Nigerian Autonomous Foreign Exchange Market (“NAFEM”) exchange rate (as applicable) as of period end. Source: Debt Management Office

External Debt Service

External debt service payments totalled U.S.\$3,503.5 million for the year ended 31 December 2023, compared to U.S.\$2,405.5 million for 2022 and U.S.\$2,109.0 million for 2021. In the six months ended 30 June 2024, external debt service payments totalled U.S.\$2,240.39 million which represented a 48% increase compared to the external debt service payments of U.S.\$1,169.63 million as of 30 June 2023.

The table below sets forth a further breakdown of the composition of external debt service payments for the periods indicated:

Source	For the year ended 31 December					For the six months ended 30 June
	2019	2020	2021	2022	2023	2024
Official:	(U.S.\$ millions)					
Bilateral ⁽²⁾	174.9	258.2	289.7	336.6	344.6	336.9
Multilateral ⁽⁴⁾	329.1	437.0	496.1	618.6	1,233.7	1,306.2
Sub-Total.....	504.0	695.2	785.8	955.2	1,578.3	1,643.1
Private:						
London Club (oil warrants) ⁽¹⁾	41.7	20.9	-	-	-	-
Other Commercial ⁽²⁾	16.9	16.9	16.9	308.4	-	7.6
Syndicated Loans	-	-	-	5.9	66.1	13.2
Eurobond.....	770.9	823.2	1,306.4	1,132.1	1,684.5	576.3
Promissory Notes	-	-	-	3.8	174.6	- ⁽³⁾
Sub-Total.....	829.5	861.0	1,323.3	1,450.2	1,925.2	597.1
Total	1,333.5	1,556.2	2,109.0	2,405.5	3,503.5	2,240.2

- (1) Payments to London Club creditors were in respect of oil warrants only, as Nigeria has had no other London Club debt since 2007. Outstanding oil warrants issued to London Club creditors matured in 2020.
- (2) Comprises loans from private sector lenders.
- (3) Debt service for promissory notes is zero because it has been re-classified as domestic debt as at the end of September 2023.
- Source: Debt Management Office

Although historically Nigeria benefitted from debt funding provided by creditors such as the Paris Club and the London Club, over the years, Nigeria’s external debt from such creditors have gradually been repaid. Similarly, debt service obligations in respect of oil warrants have matured. Majority of Nigeria’s external debt service payments comprises of multilateral debt and Eurobond repayments. As of 30 June 2024, debt service payments on multilateral debt were U.S.\$1,306.20 million, compared to U.S.\$1,233.7 million as of 31 December 2023. The increase in multilateral debt over the five year period between 2019 and 2023 was as a result of new loans from the World Bank and the African Development Bank.

As of 30 June 2024, multilateral loans were U.S.\$ 21.6 billion, with International Development Association loans representing 70.74% of total multilateral loans in 2023. In the six months ended 30 June 2024, external debt service payments were U.S.\$2,240.18 million, of which U.S.\$576.30, or 25.73%, related to Eurobond payments.

Domestic Debt Service

The table below sets out information regarding Nigeria’s domestic debt service payments for the periods indicated:

Year ended 31 December	Debt Service Payments	
	(₦ millions)	(U.S.\$ billions)
2019.....	1,686,0	5.49
2020.....	1,854,69	5.17
2021.....	2,054,4	5.14
2022.....	2,560,8	6.03
2023.....	4,381,2	6.77
Six months ended 30 June 2024.....	2,852,76	1.92

Source: Debt Management Office

The increase in debt service payments year on year reflects the increase in issuance of domestic debt, as well as increased domestic cost of borrowing as a result of unfavourable macroeconomic conditions. For instance, the CBN Monetary Policy Rate has been raised from 6.5% in 2011 to 14% from 2016, although this has since been gradually reduced to 11.5% in 2020 as a result of the impact of the COVID-19 pandemic. Since April 2022, the CBN Monetary Policy Rate has increased by 15.75% to 27.5% as of November 2024. The significant interest rate hike was implemented in response to inflation and exchange rate pressures, driven by a tight monetary stance.

Relationship with External Creditors

Following the exit from the Paris Club debt in April 2006, Nigeria has made it a priority to manage its debt in a sustainable manner and, since that time, Nigeria has consistently and promptly met its debt service obligations as and when due. Nigeria believes that it has a strong relationship with all of its external creditors. In addition to its membership with the World Bank and the IMF, Nigeria is a shareholder of the African Development Bank. Nigeria hosts routine visits by most of its external creditors and some creditors, such as the World Bank, the IMF and the IFC, provide support in the form of technical assistance.

Guarantees and Contingent Liabilities

As of 30 June 2024, the total value of the Federal Government’s contingent liabilities, excluding the AMCON, was ₦5.6 trillion. See “*Risk Factors—Risks related to Nigeria— Nigeria’s high fiscal deficit and/or increases in government debt could have a material adverse effect on Nigeria’s economy and its ability to service its debt, including meeting its payment obligations under the Notes*”.

Contingent Liabilities of the Government consist of explicit guarantees issued by the Government in favour of MDAs and verified pension arrears.

The table below sets out information regarding the composition of Nigeria’s contingent liabilities by instrument, as of the dates indicated:

2019	2020	As of 31 December		2023	As at
		2021	2022		30 June
(₦ billions)					
					2024

Outstanding Contingent Liabilities

Local Contractors Debts ⁽¹⁾	-	-	-	-	-	-
Federal Mortgage Bank of Nigeria ⁽²⁾	5.2	5.2	5.2	5.2	5.2	5.2
Nigerian Export-Import (NEXIM) Bank ⁽³⁾	3.5	2.7	1.5	-	-	-
FCDA-Katampe Infrastructure Project ⁽⁴⁾	7.4	7.4	7.4	7.4	7.4	58.4
Nigeria Mortgage Refinance Company Plc ⁽⁵⁾	17.7	26.8	25.0	23.0	20.7	18.9
Lekki Port LFTZ Enterprise–Lekki Deep Sea Port ⁽⁶⁾	-	-	24.6	26.9	445.2	888.6
Power Sector Contingent Liabilities – Partial Risk Guarantees (PRG) ⁽⁷⁾	73.5	90.8	98.3	107.5	215.6	383.8
Power Sector Contingent Liabilities Put-Call Option Agreement ⁽⁸⁾	495.6	401.6	663.0	643.0	1,226.6	2,183.4
Payment Assurance Facility for Nigeria Bulk Electricity Trading Plc ⁽¹⁰⁾	623.6	971.7	1,022.6	-	-	-
Legacy Federal Government Exposure from PHCN Successor Companies ⁽¹¹⁾	778.0	962.1	1,040.8	1,102.1	2,283.0	-
NNPC – AKK Gas Pipeline Project ⁽¹²⁾	-	931.2	1,007.3	1,062.3	-	-
Pension Arrears for MDAs ⁽¹³⁾	855.3	785.3	685.0	685.0	726.4	726.4
Bank of Industry ⁽¹⁴⁾	-	-	-	-	-	1,341.9
Total	2,859.9	4,185.0	4,580.7	3,738.7	4,930.2	5,606.6

- (1) Federal Government Guarantee to cover the N233,942,080,700 face value of the 5-year 2016/2017 Split Coupon Bonds issued by an Special Purpose Vehicle for the resolution of the Local Contractors Debts. The Guarantee expired in July 2017 and did not crystallize.
- (2) Federal Government Guarantee of FMBN bond to enable the FMBN to raise funding from the capital market to refinance mortgages created from the sale of Federal Government non-essential houses under the monetisation programme of the Government.
- (3) Federal Government Guarantee to NEXIM for the U.S.\$200 million Master Line of Credit from African Development Bank (AfDB) with a current value of U.S.\$50 million to finance part of the cost of the Export Oriented Small and Medium Enterprises financing programme of the NEXIM Bank. The loan was fully repaid in 2021 and the guarantee did not crystallise.
- (4) The Guarantee was issued on behalf of the Federal Capital Development Authority (“FCDA”), in favour of FBN Capital Limited and FBN Trustee Ltd, in respect of a bank facility granted to Deanshanger Projects Ltd for the provision of integrated civil infrastructure to Katampe District, Abuja. The outstanding amount confirmed by FCDA is N7.4 billion, excluding accrued interest.
- (5) The Guarantee is to enable Nigeria Mortgage Refinance Company to raise long term funds from the capital market by issuing notes for the purpose of refinancing or purchasing mortgages created by Eligible Mortgage Lenders. ₦29 billion (₦8 billion-Series 1; ₦11 billion Series 2 and ₦10 billion – Series 3) has been utilised out of the total Guarantee available in the sum of ₦440 billion.
- (6) Federal Government Guarantee in favour of Lekki Port LFTZ Enterprise (“Concessionaire”) to cover the sum of U.S.\$800 million (N245,200,000,000 converted at N306.5/U.S.\$1) 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. Only U.S.\$555 million (₦88,571,650,000.00) has been withdrawn from the Guarantee amount.
- (7) Power Sector Contingent Liabilities arising from Partial Risk Guarantee in favour of Azura-Edo IPP – U.S.\$120,000,000.00; Calabar NIPP – U.S.\$111,800,000.00; Afrinergeria Power Limited – U.S.\$328,250.00 & CT Cosmos – U.S.\$4,602,150.00. Data provided by Nigeria Bulk Electricity Trading plc.
- (8) Power Sector Contingent Liabilities arising from Put-Call Option Agreement in favour of Azura-Edo Independent Power Project (IPP) (U.S.\$707,366,653.00); Calabar NIPP (U.S.\$500,000,000.00); Afrinergeria Power Limited (U.S.\$65,171,228.75); and CT Cosmos (U.S.\$91,239,720.53). Converted at N410/U.S.\$1. Data provided by Nigeria Bulk Electricity Trading Plc.
- (10) Federal Government Guarantee to the CBN for providing N1,301,000,000,000 to the Nigeria Bulk Electricity Trading Plc for settlement of invoices from Power Generation Companies. The facility has been fully implemented and closed out.
- (11) Figures provided by BPE on the Federal Government’s exposure in respect of the debt component of the purchase price of the PHCN successor companies. U.S.\$2,538,430,000 converted at N410/U.S.\$1.
- (12) Federal Government Guarantee for the Ajaokuta-Kaduna-Kano Gas Pipeline Project undertaken by the NNPC. The Guarantee was cancelled in 2023 due to non-utilisation.
- (13) Data from PenCom: Outstanding Retirement Benefits Liability of the Federal Government for certain categories of its employees. The last employee would be retiring in 2039.
- (14) Federal Government Guarantee in respect of the U.S.\$750 million Euro Bank of Industry Eurobonds

Source: Debt Management Office

The Government is currently in the process of finalising a framework designed to provide Government support to private sector self-funding infrastructure projects through the provision of back-stopped collateral guarantees or other structures.

Promissory notes have become a key tool for addressing financial shortfalls, enabling the Government to meet obligations that cannot be covered immediately through revenue or cash flow, reflecting the growing reliance on this form of debt to finance government commitments. As of 30 June 2024, promissory notes totalling ₦1,788.83 billion, U.S.\$775.21 million and EUR 133.76 million have been issued to five categories of creditors, namely (i) oil marketers for fuel supply accrued interest and foreign exchange differential (₦507.611 billion), (ii) state governments for reimbursement of the projects executed on behalf of the FGN (₦690.30 billion), (iii) exporters for outstanding claims under the Export Expansion Grant (₦473.89 billion), (iv) contractors for the local contractors debts owed by MDAs (₦59.21 billion, U.S.\$26.48 million and EUR133.76 million); and judgement creditors for settlement of Judgment Debts (₦59.21 billion and U.S.\$748.73 million. Out of the amount issued, a total sum of ₦1,120 billion, U.S.\$115.62 million and EUR133.76 million) has so far been redeemed, leaving an outstanding balance of ₦667.98 billion and U.S.\$643.45 million.

BOOK-ENTRY CLEARANCE SYSTEMS.

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the “Clearing Systems”) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Information in this section has been derived from the Clearing Systems.

Book-Entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a “**banking organisation**” within the meaning of the New York Banking Law, a “**clearing corporation**” within the meaning of the New York Uniform Commercial Code and a “**clearing agency**” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**” and Direct Participants, are jointly referred to as (“**Participants**”). More information about DTC can be found at www.dtcc.com and www.dtc.org but such information is not incorporated by reference in and does not form part of this Offering Circular.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “**DTC Rules**”), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (“**DTC Notes**”) as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Participants with which beneficial owners of DTC Notes (“**Owners**”) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (“**Beneficial Owner**”) is in turn to be recorded on the Direct Participant’s and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that the use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise

take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

Book-Entry Ownership of and Payments in Respect of The Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear or Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or

entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under “*Subscription and Sale and Transfer and Selling Restrictions*”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (“**Custodian**”) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date of three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. As there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear and Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. Neither the Issuer, the Agents nor any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their direct or indirect participants or accountholders of their obligations under the rules and procedures governing their operations, nor will the Issuer, any Agent or any Dealer have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

Federal Republic of Nigeria

*The following is a general description of certain Nigeria tax considerations relating to holders of the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Nigeria or elsewhere nor is it intended to reflect the individual tax position of any beneficial owner of the Notes. Prospective investors should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions. **This summary is based upon Nigerian tax legislation in effect on the date of this Offering Circular, as interpreted and applied by the courts or tax authorities in Nigeria, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.** The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.*

Tax on interest

By virtue of Section 9 of the Companies Income Tax Act Cap C21 Laws of the Federation of Nigeria (“**LFN 2004**”) 2004 (as amended by the Companies Income Tax (Amendment Act), No. 11 2007, the Finance Act 2019, the Finance Act 2020, the Finance Act 2021 and the Finance Act 2023) (“**CITA**”) the profits of companies (from whatever source) accruing in, derived from, brought into or received in, Nigeria in respect of, among other things, any business, trade, rents, dividends, interests, royalties or any amounts deemed to be income, are chargeable to income tax. However, by virtue of the Companies Income Tax (Exemption of Bonds and Short-Term Government of Nigeria Securities) Order 2011 issued by the Federal Government of Nigeria (the “**CIT Order**”), interests on notes issued by the Federal Government are exempt from tax imposed under the CITA for an unlimited period from the commencement date of the CIT Order, being 2 January 2012.

By virtue of Section 3 of the Personal Income Tax Act Cap P8 LFN 2004 (as amended by the Personal Income Tax Amendment Act 2011, the Finance Act 2019, the Finance Act 2020, the Finance Act 2021 and the Finance Act 2023 (“**PITA**”) (which applies to individuals and unincorporated entities), tax is generally payable on the income of every taxable person in respect of dividends, interest or discount. However, by virtue of paragraph 31A of the Third Schedule to the PITA, income earned from notes issued by the Federal Government of Nigeria is exempt from taxes imposed under the PITA for an unlimited period.

Accordingly, as at the date of this Offering Circular, interest payments by the Issuer to the Noteholders will not be subject to the withholding of tax under Nigerian law.

Furthermore, by the combined reading of the Value Added Tax Act Cap V1 LFN 2004 (as amended by the Value Added Tax (Amendment Act) 2007, the Finance Act 2019, the Finance Act 2020, the Finance Act 2021 and the Finance Act 2023) (“**VATA**”) and Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011, interest and proceeds from the disposal of Short Term Federal Government of Nigeria securities and bonds such as the Notes are exempt from value added tax (VAT) for an unlimited period.

By virtue of the provisions of the Capital Gains Tax Act Cap C1 LFN 2004 (as amended by the Finance Act 2019, the Finance Act 2020, the Finance Act 2021 and the Finance Act 2023) (“**CGTA**”), capital gains tax at the rate of 10 % is chargeable on any capital gains accruing to any legal person on the disposal of a chargeable asset. Section 30 of the CGTA however exempts capital gains realised from a disposal of Nigerian Government securities (including Federal, state and local government bonds) and stock from the imposition of capital gains tax. Accordingly, holders of the Notes will not be subject to capital gains tax or other similar taxes in Nigeria in connection with their disposal of the Notes.

In view of the foregoing, the holders of Notes issued under this Programme would be exempt from companies income tax, personal income tax, VAT and capital gains tax in Nigeria.

U.S. Federal Income Taxation

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary deals only with purchasers of Registered Notes that are U.S. Holders, acquire such Registered Notes at initial issuance at their issue price (as defined below), and will hold the Registered Notes as capital assets (generally, property held for investment).

The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organisations; (vii) partnerships, pass-through entities, or persons that hold Notes through pass-through entities; (viii) investors that hold Notes as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes; (ix) U.S. Holders that have a functional currency other than the U.S. Dollar; (x) investors using the accrual method of accounting for U.S. federal income tax purposes and who are required to recognise income for such purposes no later than when such income is taken into account in an applicable financial statement; (xi) traders in securities that elect to use a mark-to-market method of accounting for their securities holdings; (xii) investors holding the Notes in connection with a trade or business conducted outside of the United States; and (xiii) U.S. expatriates and former long-term residents of the United States), all of whom may be subject to tax rules that differ significantly from those summarised below. This summary does not address U.S. federal estate, gift or alternative minimum tax considerations, Medicare contribution tax on net investment income considerations, non-U.S., state or local tax considerations.

As used herein, the term “**U.S. Holder**” means a beneficial owner of Registered Notes that is for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation, or other entity treated as a corporation, created or organised in or under the laws of the United States, any State thereof, or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or that is otherwise treated as a United States person.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Notes, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisers as to the U.S. federal income tax consequences to them of the acquisition, ownership and disposition of Notes.

This summary is based on the tax laws of the United States including the IRC, its legislative history, existing and proposed U.S. Treasury regulations promulgated thereunder, published rulings and court decisions, all as currently in effect and all of which are subject to change at any time, possibly with retroactive effect.

Investors Should Consult Their Tax Advisers to Determine the Tax Consequences to Them of Acquiring, Owning and Disposing of Registered Notes, Including the Application to Their Particular Situation of the U.S. Federal Income Tax Considerations Discussed Below.

The Issuer generally intends to treat Notes issued under the Programme as debt, unless otherwise indicated in the applicable Pricing Supplement.

Bearer Notes are not being offered to U.S. Holders, and this discussion does not address the U.S. federal income tax consequences of acquiring, owning, or disposing of Bearer Notes. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the IRC.

This summary should be read in conjunction with any discussion of U.S. federal income tax consequences in the applicable Pricing Supplement. To the extent there is any inconsistency in the discussion of U.S. tax consequences to holders between this Offering Circular and the applicable Pricing Supplement, holders should rely on the tax consequences described in the applicable Pricing Supplement instead of this Offering Circular.

U.S. Holders

Payment of Interest

General

Except as set forth below, interest on a Note held by a U.S. Holder, including the payment of any additional amounts whether payable in U.S. dollars or a currency other than U.S. dollars (“**foreign currency**”, other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “*Original Issue Discount — General*”), will be taxable to such U.S. Holder as ordinary income at the time it is received or accrued, in accordance with the U.S. Holder’s regular method of accounting for U.S. federal income tax purposes. Interest paid by the Issuer on the Notes and original issue discount (“**OID**”), if any, accrued with respect to the Notes (as described below under “*Original Issue Discount — General*”) and payments of any additional amounts generally will constitute income from sources outside the United States subject to the rules regarding the foreign tax credit allowable to a U.S. Holder (and the limitations imposed thereon). Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of any foreign taxes with respect to the Notes (if applicable).

Original Issue Discount

General

The following is a summary of the principal U.S. federal income tax consequences to a U.S. Holder of the acquisition and ownership of Notes issued with OID. The following summary does not discuss Notes that are characterised as contingent payment debt instruments for U.S. federal income tax purposes. In the event that the Issuer issues contingent debt instruments, the applicable Pricing Supplement will describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a “**Short-Term Note**”), will be treated as issued with OID (a “**Discount Note**”) if the excess of the Note’s “stated redemption price at maturity” (as defined below) over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an “**instalment obligation**”) generally will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the “**issue price**” of a Note under the applicable Pricing Supplement will be the first price at which a substantial amount of such Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The “**stated redemption price**” at maturity of a Note is the total of all payments required to be made on such Note that are not payments of “qualified stated interest”. A “**qualified stated interest**” payment generally is any one of a series of stated interest payments on a Note that are unconditionally payable in cash or in property (other than in debt instruments of the Issuer) at least annually at a single fixed rate (with certain exceptions for certain first or final interest payments), or a variable rate (in the circumstances described below under “— *Variable Interest Rate Notes*”), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID and the yield and maturity of a Note, the Issuer may, under certain circumstances, be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note. If a Note has *de minimis* OID, a U.S. Holder generally must include the *de minimis*

amount in income as stated principal payments are made on the Note, unless the U.S. Holder makes the election described below under “— *Election to Treat All Interest as Original Issue Discount*”. A U.S. Holder can determine the includible amount with respect to each such payment by multiplying the total amount of the Note’s *de minimis* OID by a fraction equal to the amount of the principal payment made divided by the stated principal amount of the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or the portion of the taxable year in which the U.S. Holder holds the Discount Note (“**accrued OID**”). The daily portion is determined by allocating to each day in any accrual period a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The “**adjusted issue**” price of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Acquisition Premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “**acquisition premium**”) and that does not make the election described below under “— *Election to Treat All Interest as Original Issue Discount*”, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note’s adjusted issue price.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant yield method described above under “— *General*”, with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described below under “*Notes Purchased at a Premium*”) or acquisition premium. If a U.S. Holder makes this election for the Note, then, when the constant yield method is applied, the issue price of the Note will equal the U.S. Holder’s adjusted basis immediately after its acquisition of the Note, the issue date of the Note will be the date of acquisition, and no payments on the Note will be treated as payments of qualified stated interest. This election generally will apply only to the Note with respect to which it is made and may not be revoked without the consent of the Internal Revenue Service (the “**IRS**”). However, if the Note has amortisable bond premium, the U.S. Holder will be deemed to have made an election to apply amortisable bond premium against interest for all debt instruments with amortisable bond premium, other than debt instruments the interest on which is excludible from gross income, held as of the beginning of the taxable year to which the election applies or any taxable year thereafter. If the election to apply the constant yield method to all interest on a Note is made with respect to a Market Discount Note (as defined below) the electing U.S. Holder will be treated as having made the election discussed below under “— *Market Discount*” to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Variable Interest Rate Notes

Notes that provide for interest at variable rates (“**Variable Interest Rate Notes**”) generally will bear interest at a “qualified floating rate” and thus will be treated as “variable rate debt instruments” under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a “variable rate debt instrument” if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A “**qualified floating rate**” is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An “**objective rate**” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term. A “**qualified inverse floating rate**” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “**current value**” of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument”, then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument”

generally will not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a “true” discount (i.e., at a price below the Note’s stated principal amount) equal to or in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from a true discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of OID and the qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be calculated such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note’s issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a “variable rate debt instrument”, then the Variable Interest Rate Note will be treated as a contingent payment debt instrument. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt may be more fully described in the applicable Pricing Supplement.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (calculated as set forth below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but should be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or other disposition of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight line basis (or a constant yield basis if an election is made to accrue the OID under the constant yield method) through the date of sale or other disposition. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer

deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Market Discount

A Note, other than a Short-Term Note, that is not acquired at its original issue generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's revised issue price, exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes *de minimis* market discount. For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments. Additionally, for this purpose the "stated redemption price at maturity" (as defined above) is decreased by the amount of any payments previously made on the Note that were not qualified stated interest.

Any gain recognised on the sale or maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. Special rules may limit the amortisation of bond premium with respect to Notes subject to early redemption. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "*Original Issue Discount — Election to Treat All Interest as Original Issue Discount*" above. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a capital loss when the Note matures.

Sale or Other Disposition of Notes

A U.S. Holder generally will recognise gain or loss on the sale or other disposition of a Note equal to the difference between the amount realised on the sale or other disposition and its adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note. The amount realised does not include the amount attributable to accrued but unpaid qualified stated interest, which will be taxable as ordinary interest income to the extent not previously included in income.

Except to the extent described above under “*Original Issue Discount — Market Discount*” or “*Original Issue Discount — Short-Term Notes*” or changes in exchange rates (as discussed below), gain or loss recognised on the sale or other disposition of a Note will be capital gain or loss and generally will be treated as from U.S. sources for purposes of the U.S. foreign tax credit limitation. In the case of a U.S. Holder that is an individual, estate or trust, the maximum marginal federal income tax rate applicable to capital gains is currently lower than the maximum marginal rate applicable to ordinary income if the Notes are held for more than one year. The deductibility of capital losses is subject to significant limitations.

Foreign Currency Notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. An accrual basis U.S. Holder may determine the amount of income recognised with respect to a Note denominated in, or determined by reference to, a foreign currency (a “**Foreign Currency Note**”) in accordance with either of two methods.

Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year). Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or other disposition of a Note) denominated in, or determined by reference to, a foreign currency, the accrual basis U.S. Holder will recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above under “*Foreign Currency Notes — Interest*”. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or other disposition of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount

received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Market Discount

Market discount on a Foreign Currency Note will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Foreign Currency Note will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income (or OID) in units of the foreign currency.

On the date bond premium offsets interest income (or OID), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on that date, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account will recognise a capital loss when the Note matures.

Sale or Other Disposition of Notes

A U.S. Holder generally will recognise gain or loss on the sale or other disposition of a Note equal to the difference between the amount realised on the sale or other disposition and its adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Foreign Currency Note will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency generally will be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

The amount realised on a sale or other disposition for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or other disposition or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) on the sale or other disposition of a Note equal to the difference, if any, between the U.S. dollar value of the U.S. Holder's purchase price for the Note (as adjusted for amortized bond premium, if any) (i) on the date of sale or other disposition and (ii) on the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest) will be realised only to the extent of total gain or loss realised on the sale or other disposition.

Any gain or loss recognised by a U.S. Holder in excess of exchange gain or loss recognised on the sale or other disposition of a Note will generally be U.S. source capital gain or loss and will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time of the sale or other disposition. In the case of a U.S. Holder that is an individual, estate or trust, the maximum marginal federal income tax rate applicable to capital gains is currently lower than the maximum marginal rate applicable to ordinary income if the Notes are held for more than one year. The deductibility of capital losses is subject to significant limitations.

Disclosure Requirements

U.S. Treasury regulations meant to require the reporting of certain tax shelter transactions (“**Reportable Transactions**”) could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the U.S. Treasury regulations, certain transactions with respect to the Notes may be characterised as Reportable Transactions including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a Foreign Currency Note. Persons considering the purchase of such Notes should consult with their tax advisers to determine the tax return obligations, if any, with respect to an investment in such Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Foreign Financial Asset Reporting

Certain U.S. Holders that own “specified foreign financial assets” that meet certain U.S. Dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements unless the Notes are held in an account at certain financial institutions. U.S. Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Notes.

Backup Withholding and Information Reporting

In general, payments of principal, interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, Notes, payable to a U.S. Holder by a U.S. or certain U.S.-related paying agents or intermediaries will be reported to the IRS and to the U.S. Holder as may be required under applicable U.S. Treasury regulations. Backup withholding will apply to these payments (including payments of accrued OID) if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise comply with the applicable backup withholding requirements. Certain U.S. Holders are not subject to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a holder will be allowed as a credit against the U.S. Holder’s U.S. federal income tax liability and may entitle the U.S. Holder to a refund, *provided that* the required information is timely furnished to the IRS in the manner required. Certain U.S. Holders (including, among others, corporations) are not subject to information reporting or backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from information reporting and/or backup withholding.

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the “**Programme Agreement**”) dated 16 September 2021 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with any update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (a) that either: it, and any account on whose behalf it is acting, is (a) a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) outside the United States;
- (b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and, accordingly, the Notes may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (c) that, unless it holds an interest in a Regulation S Global Note and is a person located outside the United States, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the expiration of the applicable required holding period determined pursuant to Rule 144 of the Securities Act from the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;
- (d) it will, and will require each subsequent holder to, notify any purchaser or transferee, as applicable, of the Notes from it of the restrictions referred to in paragraph (c) above, if then applicable;
- (e) it understands that before any interest in Notes represented by a Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note, it will be required to provide to each of the Issuer and Principal Paying Agent and the Registrar a written confirmation substantially in the form set out in the Agency Agreement, amended as appropriate to the effect that such offer, sale, pledge or other transfer is being made in accordance with Regulation S;
- (f) that Notes initially offered and sold in the United States to QIBs in reliance on Rule 144A will be represented by one or more Rule 144A Global Notes and that Notes offered and sold outside the

United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

- (g) that the Notes in registered form, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer, subject as provided in Condition 2.5:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (“QIB”), PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO EXPIRATION OF THE APPLICABLE REQUIRED HOLDING PERIOD DETERMINED PURSUANT TO RULE 144 OF THE SECURITIES ACT FROM THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR REALES OF THE SECURITY.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”;

- (h) that the Notes in registered form which are registered in the name of a nominee of DTC will bear an additional legend to the following effect unless otherwise agreed to by the Issuer:

“UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, (DTC), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IN EXCHANGE FOR THIS GLOBAL NOTE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS

REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL SECURITY MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS GLOBAL SECURITY, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND.”;

- (i) if it is outside the United States, that if it should resell or otherwise transfer the Notes it will do so only in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.”; and

- (j) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer and the Manager or, as the case may be, the relevant Dealer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or transaction not subject to, the registration requirements of the Securities Act.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations promulgated thereunder.

In respect of Bearer Notes where TEFRA D is specified in the applicable Pricing Supplement each Dealer will be required to represent, undertake and agree (and each additional Dealer appointed under the Programme will be required to represent, undertake and agree) that:

- (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the “**D Rules**”), (i) that it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Notes to a person who is within the United States or its possessions or to a United States person, and (ii) that it has not delivered and it

will not deliver within the United States or its possessions Definitive Bearer Notes that are sold during the restricted period;

- (b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, it is acquiring Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010); and
- (d) with respect to each affiliate that acquires Bearer Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer either (i) repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) on such affiliate's behalf or (ii) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in subparagraphs (a), (b) and (c).

Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations thereunder, including the D Rules.

In respect of Bearer Notes where TEFRA C is specified in the applicable Pricing Supplement, such Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Bearer Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Bearer Notes. Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations thereunder, including U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010).

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

Public Offer Selling Restriction under the Prospectus Regulation

In relation to each Member State of the EEA (each, a "**Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation, *provided that* no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression “**an offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes; and
- the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 (as amended).

United Kingdom

Each Dealer will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Federal Republic of Nigeria

This Offering Circular has not been and will not be registered with the Nigerian Securities and Exchange Commission. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no offers or sales of any Notes will be made in Nigeria except in compliance with applicable rules and regulations.

United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market)

Each Dealer will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market) other than in compliance with any laws applicable in the United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market) governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an “**Exempt Offer**” in accordance with the Market Rules (MKT) Module of the Dubai Financial Services Authority (the “**DFSA**”) rulebook; and

- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Singapore

Each Dealer will be required to acknowledge, that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “**FIEA**”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme and the issue of Notes thereunder prior to the date of this Offering Circular. The update of the Programme and the issue of Notes have been authorised and cleared by the National Assembly, the Federal Executive Council, the Federal Ministry of Finance and the Federal Ministry of Justice.

In relation to each issue of Notes under the Programme, the Issuer will obtain the authorisation and clearance of the National Assembly, the Federal Executive Council, the Federal Ministry of Finance and the Federal Ministry of Justice.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's main market will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application may be made to the FCA for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's main market.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the specified office of the Paying Agents for the time being in London:

- (a) the budget for the current fiscal year;
- (b) a copy of this Offering Circular;
- (c) any future offering circulars, prospectuses, information memoranda, supplements and Pricing Supplements to this Offering Circular and any documents incorporated therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant Change

Other than as disclosed in "*Risk Factors – Risks Related to Nigeria*" on pages 6 to 25, "*The Federal Republic of Nigeria*" on pages 79 to 109, "*The Economy*" on pages 110 to 176, "*Foreign Trade and Balance of Payments*" on pages 177 to 186, "*Public Finance*" on pages 187 to 212, "*Monetary System*" on pages 213 to 229 and "*Public Debt*" on pages 230 to 242, there has been no significant change in relation in the Issuer's (i) tax and budgetary systems, (ii) gross public debt, (iii) foreign trade and balance of payment figures,

(iv) foreign exchange reserves, (v) financial position and resources and (vi) income and expenditure figures of the Issuer since the fiscal year ended 31 December 2023.

Litigation

Save as disclosed in “*Risk Factors – Risks Related to Nigeria - Any failure to adequately address actual and perceived risks of corruption and money laundering may adversely affect Nigeria’s economy and its political stability*”, “*The Federal Republic of Nigeria — Legal Proceedings*” and in “*Public Finance — Public Accounts*”, the Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Offering Circular which may have, or have had in the recent past, a significant effect on the Issuer’s financial position.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business.

They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Issuer, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of the Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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