

# The FGN Savings Bond

## Frequently Asked Questions



### What is FGN Savings Bond?

The FGN Savings Bond is a retail savings product that will be accessible to all income groups. The Savings Bond is being introduced by the Debt Management Office on behalf of the Federal Government of Nigeria to further encourage an all-inclusive participation in investments.

### What will be the mode of issuance of the FGN Saving bond?

- It will be offered to the investing public through Offer for Subscription at an interest rate to be announced by the DMO.
- The Offer for subscription will be open for 5 days from the date of announcement.
- The first issuance came up in March 2017

### What is the minimum amount that can be invested in the FGN Saving bond?

Minimum subscription amount is N5,000.00 with additions in multiples of N1,000.00, subject to a maximum of N50,000,000.00

### What will be the frequency of the issuance and the tenor of the FGN Saving bond?

It will be issued monthly in tenors of 2 and 3 years.

### Will cash be accepted as a means of payment for FGN Saving bond?

Cash will NOT be accepted. Only transfers will be accepted.

### What will be the returns on the investment?

The interest rate for the bond will be fixed by the DMO based on market parameters and coupon will be paid quarterly.

### How can I sell/redeem my Saving Bond before maturity?

The bond can be traded on the floor of The Nigerian Stock Exchange through Stanbic IBTC Stockbrokers Limited or any other designated broker.

### What are the benefits of FGN Saving bonds to the Investors?

- Interest income (coupon) is tax exempt and paid quarterly directly into bond holder's bank account.
- Invest with as low as N5,000.00.
- The Bond is acceptable as collateral for loans by banks.
- Easy mode of divestment: can be sold/traded in the secondary market (i.e. on the floor of the Nigerian Stock Exchange).
- Good for savings toward retirement, marriage, school fees, house projects, etc. Safety:
- The savings bond is backed by the "full faith and credit of the Federal Government of Nigeria".

### What are the benefits of FGN bonds to the economy?

- It fosters economic development by promoting the use of long-term funds for long-term investment in the economy.
- It serves as efficient way of mobilizing domestic financial resources for productive investment in a non-inflationary manner.

- It provides basic infrastructure for the development of the financial system and the overall economy.
- It allows self-reliance of the country by reducing over reliance on short-term borrowing from CBN and commercial banks.
- It serves as a diversified portfolio investment outlet to corporate and individual investors.

### What is the procedure for buying the Savings bond?

- Investors are required to complete and submit subscription forms and make payment to the distribution agents (Stockbroking Firms).
- A CSCS account must be opened by each investor through a stockbroking firm for the lodgment of the FGN Savings bond before the offer and to enable the retail trading of the bonds on the floor of The Nigerian Stock Exchange. Client will be required to provide KYC documents before opening the account.
- However where an investor already has a CSCS account, there will be no need to open another account for bonds trading. Investors will be required to provide bank account details at the point of account opening for coupon payment.

### How do I make payment to invest in the Savings bond?

Funds can be transferred to Stanbic IBTC Bank account below:

**Account Number: 0024904846**

**Account Name: SISL/FGN SAVINGS BOND**

### What will be the settlement process of the Savings bond?

- The settlement for the savings bond will be T + 3, which implies that Investor's CSCS account will be credited on Wednesday of the week after the auction.
- Investors will receive alert from CBN on day T +3 which will serve as additional evidence of subscription

### What is the role of Stanbic IBTC Stockbrokers Limited?

- Sensitization of investors on the FGN retail savings bond
- Collection agent to collate all applications from investors

### Who can I contact for more information on the Savings Bond Issuance?

Stanbic IBTC Stockbroker Limited office, IBTC Place, Walter Carrington Crescent, Victoria Island Lagos.  
E-mail - [stockbroking@stanbicibtc.com](mailto:stockbroking@stanbicibtc.com),  
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- All Stanbic IBTC Bank branches