



LAGOS FREE ZONE COMPANY DEBUTS N10.5 BILLION SERIES 1, 20-YEAR CORPORATE INFRASTRUCTURE FIXED RATE BOND IN THE NIGERIAN CAPITAL MARKET

Lagos Free Zone Company (“LFZC”), the first free zone in Nigeria with a fully integrated deep seaport, is pleased to announce the successful issuance of a NGN10.5 billion 20-Year Series 1 Senior Guaranteed Fixed Rate Corporate Infrastructure Bonds Due 2041 (the “LFZ Bonds”) under a NGN50 billion Debt Issuance Programme.

LFZC is the infrastructure development subsidiary of the Tolaram, the Singaporean conglomerate with more than 45 years of presence in Nigeria and business interests in consumer goods, infrastructure and fintech space. Lagos Free Zone is being developed as the largest integrated port based economic zone in Nigeria and shall serve as the beacon of industrial development across Nigeria and West Africa. Enterprises operating in the Lagos Free Zone will benefit from various policy incentives underpinned by the legislative framework applicable for free zones in Nigeria. In line with its vision statement - “to be the preferred industrial hub in West Africa with world-class infrastructure”, the zone is equipped with a host of shared industrial infrastructure necessary for attracting investments from the leading trade partners of Nigeria.

Backed by an irrevocable and unconditional guarantee from InfraCredit, LFZC Series 1 Bond is accorded a ‘AAA’ long term credit rating by Agosto and Co. and GCR, reflecting the highest degree of creditworthiness for these bonds. The Series 1 Bond, a 20-Year Guaranteed Fixed Bond, was oversubscribed by institutional investors including eleven domestic pension funds, two insurance firms, banks and HNIs. The transaction is the first 20-year non-FGN Bond issue in the Nigerian debt capital market and the first Securities and Exchange Commission approved Infrastructure Bond for the development of an industrial hub. The Series 1 Bond priced at a modest premium to the comparable FGN Sovereign Bond, provides a unique opportunity for pension fund managers, life insurance firms and other institutional investors to match their long-term liabilities with low-risk, high yield assets.

Speaking on the transaction, the Chief Finance Officer (‘CFO’) of LFZC, Mr. Ashish Khemka stated:

“This is a milestone transaction for us at Lagos Free Zone Company and it is a testament to the capacity of the Nigerian debt market as a veritable source of domestic capital for infrastructural development in Nigeria. The response to this bond program further strengthens our commitment to realize our vision and thereby enhance Nigeria’s competitive positioning with our continuous focus on Ease of Doing Business parameters. LFZ further underscores Nigeria as a compelling industrial hub within the West African coast and ideally orients itself in anticipation of the imminent single market regime under AfCFTA. We are particularly excited by the confidence demonstrated by pension fund managers and other institutional investors at this debut issue and we appreciate the team at InfraCredit, StanbicIBTC Capital and other parties to the transaction for this novel structure, which helps to de-risk the transaction and aligns the interest of different stakeholders”.

According to the CEO of InfraCredit, Chinua Azubike, “It has been exciting working with Lagos Free Zone Company on this landmark transaction. It further demonstrates our commitment towards inclusive access to long term local currency finance for infrastructure development. Interestingly, LFZC has set a new benchmark in the Nigerian domestic debt capital market, as the first 20-Year Corporate Infrastructure Bond in Nigeria, elongating the corporate bond yield curve and reinforcing the prospect for Nigerian Corporates to raise long term finance within the local market. The LFZC Bonds validates the appetite of domestic pension funds and other institutional investors in financing viable long term infrastructure assets.

Series 1 Bonds Guaranteed By



Lead Issuing House



Joint Issuing House





We would continue to partner with all relevant stakeholders in executing novel strategies towards unlocking domestic capital for infrastructure finance, in addition to creating quality asset classes for diversifying investment portfolios of local institutional investors.

Also commenting on the transaction, Funso Akere, Chief Executive of Stanbic IBTC Capital Limited, said: “Stanbic IBTC Capital, FBNQuest Merchant Bank and Radix Capital Partners are delighted to have advised LFZC on this landmark 20-year Infrastructure Bond issuance, which evidences the depth and liquidity of the Nigerian debt capital markets and aligns with the pension fund industry’s growing demand for quality long-dated assets. The success of the transaction demonstrates investors’ confidence in the vision and purpose of the Lagos Free Zone and we thank the Board and Management of LFZC for giving the Issuing Houses a free hand to guide the process to a successful completion.

Supporting infrastructure development is a key pillar for Stanbic IBTC and we are very pleased to have acted as Lead Issuing House to this landmark infrastructure bond issuance, which is the longest tenor corporate bond issuance in the history of the Nigerian debt capital markets.” Funso noted that LFZC is focused on delivering essential infrastructure to ease the cost of doing business and facilitate the entry of global industrial brands into Nigeria, which is expected to boost sustainable development, galvanize economic growth and improve the livelihoods of Nigerians, while also deepening the Nigerian debt capital markets through the issuance of innovative debt instruments.

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