

Lagos State Government of Nigeria

**Up to ₦100 Billion Series I: 10-Year Fixed Rate Bond Due 2032
under the ₦1 Trillion Debt and Hybrid Instruments Issuance Programme**

2022 Municipal Bond Final Indicative Rating Review Report

 **Agusto&Co.**

Research, Credit Ratings, Credit Risk Management

Lagos State Government of Nigeria

Up to ₦100 Billion Series I: 10-Year Fixed Rate Bond Due 2032 under the ₦1 Trillion Debt and Hybrid Instruments Issuance Programme

Issue Rating:

Aa*

High quality debt issue with very low credit risk; very strong capacity to pay returns and principal on local currency debt in a timely manner.

Issue Date: 24 November 2022
Expiry Date: 30 November 2023

**This Issue rating is indicative and subject to change at any time. However, a final rating will be based on receipt of all duly executed contractual agreements.*

The final issue rating will be subject to annual monitoring and review on the anniversary of the Bond.

Lagos State Rating: Aa-
Expiry Date: 30 September 2023

RATING RATIONALE

- Agusto & Co. hereby assigns an indicative “Aa” rating to the Lagos State Government’s (“Lagos State”, “LASG”, “the Issuer” or “the State”) up to ₦100 Billion Series I: 10-Year Fixed Rate Bond Due 2032 (“Series I”, “the Issue” or “the Bond”) under the LASG’s ₦1 Trillion Debt and Hybrid Instruments Issuance Programme (“DAHI” or “the Programme”). The assigned Issue rating reflects our opinion on the State’s strong capacity to service the Series I Bond obligations (coupon and principal) jointly from the Lagos State’s Consolidated Debt Service Account (“CDSA”) funded from monthly internally generated revenue remittances and the issuance of an Irrevocable Standing Payment Order (“ISPO”) to be approved by the Federal Ministry of Finance.
- In the financial year ended 31 December 2021 (FYE 2021) and the six months ended 30 June 2022 (unaudited), Lagos State’s financial condition remained very strong upheld by good and sustainable cash-generating capacity, acceptable expenditure profile, robust financial flexibility, very strong capacity to meet local currency obligations promptly from its internally generated revenue (IGR) which accounts for over 70% of total revenue over the last three years as well as stable political environment elicited by the good working relationship amongst the tiers of government in the State. However, we note LASG’s rising stock of public debts as a concern but we recognize that the concessionary rates as well as the longer tenors for most of them have reduced the annual debt service burden while moderating the overall leverage profile of the State.
- Lagos State plans to issue up to ₦100 billion Series I Bond as part of an aggregate issuance of ₦134.8 billion under the DAHI in December 2022 to finance identified infrastructure projects in the State. The proposed Series I coupon will be determined through a book-building process and paid semi-annually over the ten-year tenor of the Bond. The Issue principal will enjoy a moratorium of 24 months from the Issue date and subsequently be amortized half yearly over the remaining eight years. In line with the Series I Trust Deed, the Issuer reserves the sole discretion to redeem all or part of the outstanding bond, after 5 years from the issue date provided not less than 30 days’ notice is given to the bondholders.

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This Series I Bond Rating Report should be read in conjunction with Agusto & Co’s 2022 Rating Review Report for Lagos State Government

Lagos State Government's up to ₦100 Billion Series I: 10-year Fixed Rate Bond Issuance Due 2032

TRANSACTION PARTIES

Issuer:

Lagos State Government

Lead Issuing House/Bookrunner:

Chapel Hill Denham Advisory Limited

Joint Issuing Houses/Bookrunners:

Apel Asset Limited
Capital Bancorp Plc
Chartwell Securities Limited
Comercio Partners Capital Limited
Coronation Merchant Bank Limited
Dynamic Portfolio Limited
FBNQuest Merchant Bank Limited
FCMB Capital Markets Limited
Kairos Capital Limited
Kedari Capital Limited
Lead Capital Plc
Phoenix Global Capital Markets Limited
Quantum Zenith Capital & Investments Limited
Radix Capital Partners Limited
Stanbic IBTC Capital Limited
United Capital Plc
Vetiva Capital Management Limited

Bond Trustees:

FBNQuest Trustees Limited
Paxhill Minerva Limited
Sterling Asset Management and Trustees Limited
STL Trustees Limited
UTL Trust Management Services Limited
United Capital Trustees Limited

Solicitors to the Issuer:

G. Elias & Co
Olaniwun Ajayi LP
Jackson, Etti & Edu

Solicitors to the Issue:

Banwo & Ighodalo
Idowu Sofola & Co.
SPA Ajibade & Co.

Solicitors to the Trustees:

Akinboro & Co.
Templars
Sofunde Osakwe Ogundipe & Belgore Law

Registrars:

Meristem Registrars & Probate Services Limited

Reporting Accountant:

Ernst & Young

Stockbrokers:

Chapel Hill Denham Securities Limited
Bancorp Securities Limited
MBC Securities Limited

- The Series I Bond obligations will be jointly serviced from monthly deductions from the Lagos State CDSA as well as the issuance of an ISPO to be approved by the Federal Ministry of Finance authorizing monthly deductions from the State's share of statutory allocation into a designated sinking fund account (SFA) to be managed by the Bond Trustees for the benefit of the Bondholders. In line with the Trust Deed, the sum of ₦422.8 million will be transferred monthly from the CDSA from the date of issue for 24 months into the SFA. Thereafter, the monthly sum shall increase to ₦990.4 million over the remaining tenor of the Bond. In addition, a monthly ISPO of ₦850 million, will be deducted from the State's share of statutory allocation from the Bond issue date for 120 months into the SFA to meet the Bond obligations as and when due.
- As at 30 September 2022, the Issuer's estimated outstanding debt of ₦1.30 trillion (split into domestic 60% and external borrowings 40%) represented about 169% of 2021 revenue, which is above the 50% limit set by the Investment and Securities Act (ISA) 2007 (section 223) for state governments' borrowings. However, the Investment and Securities (Exemption of State Government, etc) Order 2019¹, exempts state governments in Nigeria from the operations of section 223 of ISA 2007 for three years, subject to meeting the prescribed conditions. The Exemption Order is mainly contingent on a state maintaining an IGR of not less than 60% of consolidated revenue in the preceding three years as well as its total annual debt service obligations arising from the proposed issuance not exceeding 40% of the total revenue accrued to its consolidated revenue fund in the twelve months preceding the proposed new issuance. Lagos State has maintained an IGR to total revenue ratio above 60% over the last decade, with an average of 70% over the last three years (2019 - 2021). Following the proposed Series I Bond issuance, LASG's total annual debt service obligations would represent about 24% of the total revenue, which is lower than the 40% limit approved for states based on the Exemption Order.
- Based on our analysis, the amount to be set aside by way of CDSA and ISPO contributions (as noted in the Series I Trust Deed) into the SFA (excluding investment income and bond-related expenses) over ten years will be sufficient to cover the total Bond obligations (coupon estimated at 14.75%) resulting in an SFA adequacy of 1.02 times. However, should the Bond close at an interest rate higher than 14.75%, Lagos State will be required to augment the shortfall from its IGR. In our view, we expect the Issuer to meet the Series I Bond obligations as and when due as long as the monthly CDSA through IGR remittances and ISPO deductions are honoured.
- Based on the above, we attach a **stable** outlook to Lagos State's ₦100 Billion Series I 10-Year Fixed Rate Bond Due 2032.

¹ The Investment and Securities (exemption of state government, etc) Order 2019, exempts state governments in Nigeria and the Federal Capital Territory from the operation of the provisions of section 223 of the ISA of 2007. This Order was made by the Honourable Minister of Finance, on 27 December 2019 and valid for a period of three years.

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Reward Investment & Services Limited
Sigma Securities Limited
Nigerian Stockbrokers Limited
Arthur Stevens Asset Management Limited
Network Capital Limited
Signet Securities Limited

Receiving Banks:

Access Bank Plc
Fidelity Bank Plc
First Bank of Nigeria Limited
First City Monument Bank Limited
Stanbic IBTC Bank Limited
Sterling Bank Plc
United Bank for Africa Plc
Union Bank of Nigeria Plc
Zenith Bank Plc

KEY TRANSACTION STRUCTURE

Bond Tenor:

10 years, with semi-annual payment of coupon and half-yearly repayment of principal after a moratorium of 2 years.

Bond Call Option:

Callable at par, in whole or in part after 60 months (5 years) from the issue date subject to the issuance of requisite notice to Bondholders and obtaining a resolution by the Lagos State Executive Council.

Bond Status:

Senior, direct, unsecured and unconditional obligation of the Issuer.

Use of Bond Proceeds:

The net proceeds will be used to finance the development and construction of physical and social infrastructure projects in the State.

Source of Repayment:

Consolidated Debt Service Account (CDSA) and Irrevocable Standing Payment Order (ISPO). The sum of ₦422,756,569.00 will be transferred monthly from the CDSA for the first 24 months and thereafter the sum shall be increased to ₦990,379,635.00 monthly over the remaining tenor of the Bond. Also, the sum of ₦850,000,000 will be deducted as monthly ISPO from the State's share of statutory allocation for 120 months from the Bond issue date.

Listing:

FMDQ Securities Exchange Limited and/or The Nigerian Exchange Limited.

Figure 1: Credit Strengths and Challenges

Strengths

- Strong internally generated revenue
- High level of independence from centrally collected revenue
- Stable and peaceful political environment
- Sustained commitment to infrastructure development
- Commercial hub of Nigeria
- Strong Cash generating capacity
- Support from monthly Irrevocable Standing Payment Order (ISPO) deductions on the State's share of Statutory Allocation to be approved by the Federal Ministry of Finance
- Good track record of accessing long term funds for infrastructure projects from the domestic capital market

Challenges

- Overstretched infrastructure due to high population density
- Heightened insecurity situation in the Country which could impact future income generation
- Upcoming general elections and uncertainties
- Rising inflation and impact on Issuer's financial flexibility due to rise in payroll and overhead costs

Figure 2: Rating Triggers

Positive

- Significant Growth in IGR
- Improvement in Macroeconomic Conditions
- Lower Debt to Revenue Ratio

Negative

- Cancellation of ISPO
- Lower IGR to Total Revenue Ratio
- Unexpected Increase in Debt to Revenue Ratio

THE ISSUER'S PROFILE

Lagos State ("Lagos State", "LASG", "the Issuer" or "the State") was created on 27 May 1967 through the States Creation and Transitional Provisions Decree No. 14 of 1967, which divided Nigeria's federation into 12 states. The State was Nigeria's administrative capital from 11 April 1968 until 12 December 1991, when the seat of Government was moved to Abuja. Lagos State occupies about 3,577 sq. km making it the smallest state in the country by landmass and 21% of this is a wetland. The State is bounded in the North and East by Ogun State, in the West by the Republic of Benin and stretches over 180 kilometres along the Guinea Coast of the Bight of Benin on the Atlantic Ocean. The State has five administrative divisions – Ikorodu, Badagry, Ikeja, Lagos Island and Epe (IBILE), 20 Local Governments and 37 Local Council Development Areas. The Lagos Bureau of Statistics estimated the population of LASG at 27 million people in 2020 with an annual growth rate of 3.2%.

Lagos State is the commercial capital of Nigeria as it contributes a significant portion to the Nation's Gross Domestic Product (GDP) and accounts for over 60% of the country's commercial activities. According to the Lagos Bureau of Statistics, the State's GDP stood at ₦26.58 trillion as at end of 2021, up by 11.3% from the prior year and is poised to close at ₦27.8 trillion by end of 2022. The State has identified several investment upsides that it is keen to leverage using the THEMES programme as the framework for implementation. The THEMES programme which covers the following areas (Traffic Management & Transportation, Health & Environment, Education & Technology, Making Lagos a 21st century Economy, Entertainment & Tourism, and Security & Governance) is the policy thrust of the current administration that guides the State's economic blueprint which is geared towards making Lagos, Africa's model megacity and economic & financial hub in the near term.

Lagos State Government has three arms of government namely: Executive, Legislature and Judiciary. The Executive is responsible for daily administration and is led by the Governor, Mr Babajide Olusola Sanwo-Olu who is assisted by the Deputy Governor, Dr Kadri Obafemi Hamzat and the State Executive Council. The Legislative arm is empowered by the 1999 constitution (as amended) to make laws for Lagos State. Rt. Hon. Mudashiru Ajayi Obasa leads the Lagos State House of Assembly as the Speaker and is supported by 39 other members. The Judiciary is the arm of government empowered with the responsibility of general administration of justice in the State. The High Court of Lagos is the highest court of law in the State and Hon. Justice Kazeem Olanrewaju Alogba serves as the Chief Judge. Agusto & Co. notes positively that Lagos State's political environment has been relatively stable over the last two decades with a good working relationship among the three arms of government.

The State's existing ₦500 billion Debt Issuance Programme has an unissued balance of ₦118.6 billion and thus limits the headroom for the State to raise additional debt to fund its infrastructure development in the near to medium term. Consequently, Lagos State established its fourth Debt and Hybrid Instruments Issuance Programme of ₦1 trillion ("Programme") in tandem with the provisions of the Lagos State Bonds, Notes and Other Securities Issuance Law of 2008 ("Bond Law") under which series of Bonds, including this Series 1 Bonds, will be issued.

As at 30 September 2022, Lagos State had the following schedule of bonds in issue as noted in table 1 below. Furthermore, the State plans to raise circa ₦134.8 billion in December 2022 through three issuances (Series I Bond, Series II Sukuk and Series III Green Bond) to finance physical and social infrastructure projects in the State.

Table 1: Status of Lagos State's Bonds in Issue as at 30 September 2022

S/N	Description	Status
1	₦38.7 billion 10-Year 17.25% due 2027 (Series II Tranche II)	Ongoing
2	₦5.34 billion 9 $\frac{7}{12}$ Year 15.85% due 2027 (Series II Tranche IV)	Ongoing
3	₦100 billion 10-Year 12.25% Fixed Rate Bond Due 2030 (Series III)	Ongoing
4	₦137.3 billion 10-Year 13% Fixed Rate Bond Due 2031 (Series IV)	Ongoing

BOND STRUCTURE

Lagos State plans to issue up to ₦100 billion Series I Fixed Rate Bond in December 2022 as part of the aggregate issuances of ₦134.8 billion under the State's ₦1 Trillion Debt and Hybrid Instruments Issuance Programme. The Series I Bond will attract a fixed coupon rate to be determined via a book-building process payable semi-annually in arrears over the ten-year tenor of the bond. The Series I Issue principal will be redeemed semi-annually after a two-year moratorium, over the remaining tenor of the Issue.

The proceeds of the Series I bond will be primarily used to finance various projects across nine strategic ministries, departments and agencies (MDAs) in the State. Table 1 below shows a summary of the utilization of the Series I bond proceeds with the Office of Drainage and Water Resources (28.3%), Ministry of Waterfront Infrastructure Development (23.2%) and Ministry of Works & Infrastructure (17.2%), as the three largest beneficiaries. A detailed list of all the proposed projects under the various MDAs is in the Appendix.

Table 2: Utilization of Series I Bond Proceeds Summary

S/N	Ministries, Departments and Agencies	Amount to be funded from Bond Proceeds (N)	% of Bond Proceeds
1	Office of Drainage and Water Resources	28,325,003,919.40	28.3%
2	Ministry of Waterfront Infrastructure Development	23,213,273,709.13	23.2%
3	Ministry of Works & Infrastructure	17,174,885,901.08	17.2%
4	Ministry of Health	12,057,481,535.47	12.1%
5	Ministry of Housing	8,346,938,163.43	8.3%
6	Ministry of Education (SRCPS)	2,821,428,743.61	2.8%
7	Lagos Waste Management Authority (LAWMA)	2,156,735,432.00	2.1%
8	Lagos Water Corporation	2,029,201,099.73	2.0%
9	Ministry of Agriculture	1,604,587,846.15	1.6%
10	Issue Cost	2,270,463,650.00	2.3%
	Total	100,000,000,000.00	100.0%

Source: Lagos State Government of Nigeria's up to ₦100 billion Series I Fixed Rate Bond Pricing Supplement

The Series I Bond will be offered for subscription by way of a bookbuild to Qualified Institutional Investors (QII) and High Net Worth Individuals (HNIs), as defined in the Rules and Regulations of the Securities and Exchange Commission (as amended). The Issue will be listed on the FMDQ Securities Exchange Limited and/or The Nigerian Exchange Limited. The Series I Bond shall be direct, unsecured, senior and unconditional obligations of the Issuer and shall rank pari-passu among themselves and equally with other existing obligations of the Issuer. In the event of an oversubscription of the Series I Bond, the Issuer reserves the right to take up to 15% of the qualifying book and issue bonds up to a maximum value.

In line with the Series I Trust Deed, the Issuer reserves the sole discretion to call the Bond, either in part or whole, after 60 months (5 years) from the Issue date, provided not less than 30 days' irrevocable notice is given to the Bondholders. In addition, the Issuer can only exercise this early redemption call option, after a resolution by the Lagos State Executive Council has been presented to the Joint Trustees and such prepayment can only occur on a coupon payment date.

The Series I Bond obligations will be jointly serviced from the Consolidated Debt Service Account ("CDSA") of the Lagos State Government as well as the issuance of an Irrevocable Standing Payment Order ("ISPO") to be approved by the Federal Ministry of Finance authorizing monthly deductions from the State's share of statutory allocation. The Trust Deed empowers the creation of a Series I Sinking Fund Account (SFA), which will be managed by a team of six Trustees, into which appropriate monthly contributions shall be made from the CDSA and ISPO per the terms

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and conditions of the Bond issuance. The Bond Law also provides that a minimum of fifteen per cent (15%) of the State's internally generated revenue shall be deposited into the CDSA monthly, out of which public debt repayment obligations shall be met.

In line with the Series I Trust Deed and Pricing Supplement, the sum of ₦422.8 million will be transferred from the CDSA every month from the date of issue for 24 months into a designated SFA to meet maturing obligations. Thereafter, the monthly sum to be transferred from the CDSA shall increase to ₦990.4 million over the remaining tenor of the Bond. In addition, a monthly ISPO of ₦850 million (to be approved by the Federal Ministry of Finance) will be deducted from the State's share of statutory allocation from the bond issue date for 120 months into the SFA over ten years to meet the Bond obligations as and when due.

Table 3: Proposed Bond Repayment Schedule – Series I Bond

Semi-annual periods	Coupon Payment ² (₦' million)	Principal Repayment (₦' million)	Principal Obligation Outstanding (₦' million)
1st	7,375	-	100,000
2nd	7,375	-	100,000
3rd	7,375	-	100,000
4th	7,375	-	100,000
5th	7,375	3,475	96,524
6th	7,119	3,731	92,793
7th	6,843	4,007	88,786
8th	6,547	4,302	84,484
9th	6,230	4,619	79,864
10th	5,890	4,960	74,904
11th	5,524	5,326	69,578
12th	5,131	5,718	63,859
13th	4,709	6,140	57,718
14th	4,256	6,593	51,124
15th	3,770	7,079	44,045
16th	3,248	7,601	36,443
17th	2,687	8,162	28,280
18th	2,085	8,764	19,516
19th	1,439	9,410	10,105
20th	745	10,105	0
Total	103,104	100,000	

The Issuer undertakes to the Series I Bondholders and Joint Trustees that at least 15 business days before the end of every month during each year in which the bonds remain outstanding, the specified sums shall be transferred from the CDSA and ISPO into the Series I sinking fund account (SFA). In line with the Series I Trust Deed, the Issuer irrevocably undertakes not to revoke or modify the terms under which sums from the CDSA and ISPO are deposited in the Series I Sinking Fund Account throughout the Bond tenor without the prior written consent of the Joint Trustees and the prior approval of the Securities and Exchange Commission. Agusto & Co. notes that the amounts to be set aside in the SFA will be utilized primarily for the redemption of principal and coupon payments or early redemption prepayment as stated in the Series I Trust Deed.

In accordance with the Series I Trust Deed, if the amount standing to the credit of the Series I SFA is not sufficient to discharge the Issuer's debt service obligations, the outstanding amount in the CDSA shall first be used to fund the shortfall and if same is insufficient to pay the deficiency, the outstanding balance shall be paid from the State Consolidated Revenue Fund and assets of the State with the approval of the Lagos State House of Assembly. The

² Indicative coupon rate of 14.75%

Issuer hereby covenants that it shall not without the express written consent of the Joint Trustees, directly or indirectly at any time during the tenor of the Series I Trust Deed, create any encumbrance, on the pledged revenues and the Series I SFA, whether ranking in priority or pari passu with the interest of the Bondholders, without providing such other security for the Series I Issue as approved by Bondholders.

LAGOS STATE EXECUTIVE COUNCIL RESOLUTION

The Lagos State Executive Council ("EXCO") held a meeting on 15 June 2022 and approved the establishment of a Debt and Hybrid Instruments Issuance Programme of ₦1 trillion (One Trillion Naira) (the DAHI Issuance Programme) for the issuance of various instruments (Conventional, Sukuk, Green or otherwise) either by way of a public offering, bookbuild, private placement or other methods in compliance with applicable laws and regulations. In addition, the EXCO approved the issuance of the aggregate amount of ₦134,815,000,000 through Series I Bonds, Series II Sukuk and Series III Green Bond Issuances under the DAHI Issuance Programme whether by way of a public offering, bookbuild, private placement or other methods as may be determined by the Honourable Commissioner of Finance and approved by the regulatory authorities. The EXCO resolution empowered the Governor, the Honourable Commissioner of Finance and the Honourable Commissioner Justice/Attorney General of the State to approve and execute all documents on behalf of the State. The EXCO resolution was signed by the Governor (Mr Babajide Olusola Sanwo-Olu) and the Attorney General (Mr Moyosore Onigbanjo SAN) on 9 September 2022.

Furthermore, the Governor via a letter dated 14 November 2022 requested the Federal Ministry of Finance to approve an irrevocable standing payment order (ISPO) for the Series I Bond (₦850 million for 120 months), Series II Sukuk (₦200 million for 84 months) and Series III Green Bond (₦150 million for 60 months) as means of repaying the proposed up to ₦134.8 billion Series I, II & III issuance alongside remittances from the State's Consolidated Debt Service Account (CDSA). The monthly ISPO deductions for the Series I Bond once approved will commence upon issuance of the Bond. The request letter with reference no: LASG/GOVLAG/2022/VOL II/018 was signed by the Governor of Lagos State, Mr Babajide Olusola Sanwo-Olu.

LAGOS STATE HOUSE OF ASSEMBLY RESOLUTION

The Lagos State House of Assembly (LSHA) at its session held on 4 October 2022 approved the establishment of a Debt and Hybrid Instruments Issuance Programme of ₦1 trillion (One Trillion Naira) (the DAHI Issuance Programme) for the issuance of various instruments (Conventional, Sukuk, Green or otherwise) either by way of a public offering, bookbuild, private placement or other methods in compliance with applicable laws and regulations. Furthermore, LSHA authorized the State Executive Council to request an ISPO as deemed appropriate to secure the repayment of the obligations under the DAHI Issuance Programme. The House resolution was contained in a letter with reference number: LSHA/LM/C/49/VOL.II/582 dated 7 October 2022 and signed by the Clerk of the House – Mr O.B. Onafeko.

EXEMPTION OF APPLICATION OF SECTION 223 OF THE INVESTMENT AND SECURITIES ACT 2007

According to the Investments and Securities Act 2007 (Exemption of States Government, Etc.) Order 2019 as amended, the Honourable Minister of Finance stipulated conditions for state governments to be exempted from applying Section 223 of the ISA with regards to the 50% borrowing limit of states (total debt to prior year revenue ratio) when issuing instruments in the capital market. The Exemption Order which has a validity of three years from the date of issue has the following key considerations:

- i) IGR shall not be less than sixty per cent of consolidated revenues for three years;
- ii) total annual debt service obligations shall not at any particular time exceed forty per cent of the total revenue;
- and iii) proceeds of bonds to be issued shall only be applied on verifiable capital projects.

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Based on our review, Lagos State Government has complied with all the requirements of the Exemption of State Government, Etc Order 2019. The exemption order expires on 27 December 2022.

JOINT SOLICITOR'S OPINION

Based on the Joint Solicitor's opinion (provided by SPA Ajibade & Co, Idowu Sofola & Co. and Banwo & Ighodalo) on material claims dated 5 October 2022, Lagos State, through its ministries and agencies, is involved in 140 contracts above the materiality threshold of ₦100 million. Furthermore, the aggregate outstanding monetary obligations due under the 140 contracts are estimated at ₦345.3 billion and USD\$28.8 million. The Joint Solicitors believe that the material claims and obligations of Lagos State will not affect the validity of the pledge or application of any money provided to discharge its payment obligations to the Bondholders under the DAHI Issuance Programme.

Based on the Joint Solicitor's review, LASG is involved in 85 pending litigations within the materiality threshold of ₦100 million, with total claims against the State at approximately ₦81.4 billion. The Joint Solicitors are of the opinion that no material litigation or judgement is pending against the State that may adversely affect Lagos State's ability to perform its duties under the Bond Programme.

In our view, the draft legal opinion from the Joint Solicitor's to the Issue represents a satisfactory opinion on the material claims and litigation of the Lagos State Government's up to ₦134.8 Billion Series I, II & III issuances.

DETAILS OF INDEBTEDNESS

As at 30 September 2022 (unaudited), Lagos State's total debt (excluding contractor arrears and judgement debt) stood at ₦1.30 trillion, with external borrowing accounting for 40%, while internal loans from commercial banks and outstanding balance of bonds in issue represented 38% and 22% respectively. Agusto & Co. projects LASG's total debt to GDP ratio at 4.7% and estimates debt servicing (comprising interest and principal repayment on domestic and external borrowings and new issues) as a percentage of revenue to rise marginally to 24% by end of 2022 (2021: 21%) on the back of the aggregate rise in debt levels. However, this is below LASG's internal 30% Debt Sustainability Ratio and the 40% debt service to revenue threshold for states based on the Exemption Order 2019.

Table 4: Status of Indebtedness of Lagos State as at 30 September 2022

Total Borrowings	Q3'2022 (₦' Billion)	H1'2022 (₦' Billion)	FYE 2021 (₦' Billion)	FYE 2020 (₦' Billion)
External Borrowing	527.5	534.71	557.03	543.12
Internal Borrowing	500.4	451.23	327.07	226.68
Bonds in issue (balance)	277.6	281.43	281.43	237.65
Total borrowings	1,305.5	1,267.38	1,165.53	1,007.46

Source: Lagos State's Debt Profile as at Q3'2022 (unaudited), FYE 2021 & 2020

FORECAST

Our forecast has been based on the assumption that the Federal Government of Nigeria (FGN) will continue to maintain a stable sharing formula of the centrally collected revenue (share of statutory allocation and value added tax receipts) and that there will be no material changes in the monetary and fiscal policies that will impair the State's ability to receive these funds monthly. In addition, the estimate of IGR receipts is expected to remain above 70% of total revenue as we expect LASG to deepen pay-as-you-earn (PAYE) initiatives as well as widen the tax net to include the informal sector which accounts for more than 50% of commercial activities in the State. Nonetheless, our forecast will be subject to annual reviews in line with the changing macroeconomic conditions to reflect prevailing realities.

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Based on our analysis, LASG's average annual debt service to revenue ratio (over the tenor of the Bond) is projected to remain below the 40% threshold as stated in the Exemption Order. In addition, the State has maintained IGR to revenue ratio of over 60% over the last three years (2021: 75%, 2020: 71% and 2019: 64%) and we expect this to be sustained over the tenor of the Issue. In our opinion, Lagos State has met the conditions for the exemption of the application of ISA 2007 (section 223) for the issuance of Bonds by state governments in Nigeria. However, the exemption order will expire on 27 December 2022, three years after it was amended.

In line with the Series I Trust Deed, the Issuer undertakes that the sum of ₦422.8 million will be transferred from the CDSA monthly from the date of issue for 24 months into an SFA. Thereafter, the monthly sum from the CDSA shall increase to ₦990.4 billion over the remaining tenor of the Bond. In addition, a monthly ISPO of ₦850 million to be approved by the Federal Ministry of Finance, will be deducted from the State's share of statutory allocation paid into the SFA over 120 months to meet the Bond obligations as and when due.

Agusto & Co. estimates that the amount to be set aside by way of IGR and ISPO contributions into the SFA (excluding investment income and bond-related expenses) over the forecast period (amounting to ₦207.2 billion) will be sufficient to cover the total Bond obligations (coupon estimated at 14.75%) resulting in an SFA adequacy ratio of 1.02 times, which is satisfactory in our opinion. Should the Series I bookbuild close at an interest rate higher than 14.75%, the State will be required to augment the shortfall from its IGR. Furthermore, we estimate that the total monthly deductions for all existing bonds in issue (including the proposed Series I Bond) will represent about 10.3% of the projected monthly IGR receipts in 2022, which is low in our opinion.

Table 5: Series I Bond Sinking Fund Adequacy Schedule

Description	₦
CDSA - IGR Contributions (120 months)	105,222,602,616.00
ISPO Deductions (120 months)	<u>102,000,000,000.00</u>
Total receipts	<u>207,222,602,616.00</u>
Total coupon payments*	103,104,539,369.89
Total principal repayments	<u>100,000,000,000.00</u>
Total Bond obligations	<u>203,104,539,369.89</u>
SFA Balance	4,118,063,246.11
SFA Adequacy ratio (times)	1.02 times

*coupon is estimated at 15%

OUTLOOK

Going forward, Lagos State remains focused on creating favourable social and infrastructural conditions to foster economic growth and plans to fund identified developmental projects through long-term debt financing with the proposed issuance of up to ₦134.8 billion in three tranches – Series I Bond, Series II Sukuk and Series III Green Bond. The proposed up to ₦100 billion Series I Bond coupon will be payable semi-annually over the ten-year tenor of the Bond, while the principal will be redeemed half-yearly over the tenor of the Bond, following a 2-year moratorium. Following the proposed Series I Bond issuance, LASG's total annual debt service obligations would represent about 24% of the total revenue, which is lower than the 40% limit prescribed in the Exemption Order.

The State has pledged to service the Bond obligations jointly with total contributions from the CDSA of the Lagos State Government accounting for 51%, while the ISPO deductions to be approved by the Federal Ministry of Finance representing the balance of 49%. Based on our analysis, the cumulative amount to be set aside by way of CDSA and ISPO contributions into the SFA (excluding investment income and bond-related expenses) over ten years (totalling ₦207.2 billion) will be sufficient to cover the total Bond obligations (coupon estimated at 14.75%) amounting to ₦203.1 billion, resulting in an SFA adequacy of 1.02 times. However, should the Series I Bond coupon close higher than 14.75%, Lagos State will be required to fund the shortfall from its IGR in line with the Trust Deed.

Overall, Agusto & Co. does not envisage a significant deterioration in the Issuer's ability to generate IGR or receipt of its share of SA from the Federal Government, which will negatively impact these contributions into the SFA despite the heightened insecurity situation and upcoming general elections in the country. Furthermore, we estimate that the total monthly deductions for all existing bonds in issue (including the proposed Series I Bond) will represent about 10.3% of the projected monthly IGR receipts in 2022, which is low in our opinion.

Based on the aforementioned, we hereby attach a **stable** outlook to the Lagos State Government's Series I Bond premised on the fact that the monthly deductions (CDSA and ISPO) will remain legally binding and enforceable over the tenor of the Issue. Should this change, the rating will be reviewed accordingly.

This Series I Bond Rating Report should be read in conjunction with Agusto & Co's 2022 Rating Review Report for Lagos State Government

Lagos State Government's up to ₦100 Billion Series I: 10-year Fixed Rate Bond Issuance Due 2032

FINANCIAL SUMMARY

REVENUE & SPENDING	2022e		IPSAS 2021		IPSAS 2020		IPSAS 2019	
	₦'mns	%	₦'mns	%	₦'mns	%	₦'mns	%
REVENUE								
Tax revenue								
Personal Income Tax	425,243.0	44%	312,020.4	41%	292,479.9	46%	279,792.3	43%
Share of VAT collected centrally	156,862.0	16%	139,104.6	18%	131,970.2	21%	107,704.2	17%
Share of other revenues collected centrally (Stat. Allocation)	60,502.0	6%	54,729.7	7%	51,348.4	8%	58,142.3	9%
Other capital receipts (refund from Paris Club and refund by FGN for Road Construction)	55,547.0	6%	-	-	-	-	63,648.9	10%
Other taxes	91,650.0	10%	114,878.5	15%	66,582.4	10%	68,208.8	11%
	789,804.0	82%	620,733.1	81%	542,380.8	85%	577,496.5	90%
Non-tax revenue								
Asset sales & other state capital receipts	25,348.83	3%	19,214.61	3%	13,927.93	2%	8,972.28	1%
Investment income	9,292.0	1%	3,694.9	0%	3,540.5	1%	3,239.0	1%
Others - levies, fines & fees	137,334.0	14%	123,297.0	16%	75,416.9	12%	54,571.0	8%
	171,974.8	18%	146,206.5	19%	92,885.3	15%	66,782.3	10%
TOTAL REVENUE	961,778.8	100%	766,939.6	100%	635,266.1	100%	644,278.8	100%
<i>Of which internally generated revenue (IGR) is</i>	688,867.8	72%	573,105.3	75%	451,947.5	71%	414,783.4	64%
Grants	1,224.0		3,890.1		23,297.7		483.9	
TOTAL REVENUE & GRANTS	963,002.8		770,829.7		658,563.7		644,762.7	
SPENDING								
Transfers (including pension costs)	101,350.2	10%	76,716.7	11%	56,559.3	10%	50,825.2	11%
Interest payments	68,262.0	7%	71,809.5	10%	56,881.7	10%	62,533.2	13%
MDA spending	841,081.9	83%	536,582.7	78%	454,981.3	80%	362,247.8	76%
TOTAL SPENDING	1,010,694.1	100%	685,108.9	100%	568,422.3	100%	475,606.2	100%
<i>MDA spending is made up of</i>								
Personnel costs	189,586.0	19%	146,507.0	21%	146,383.0	26%	107,132.2	23%
Purchase of goods & services	241,738.9	24%	176,047.3	26%	106,880.8	19%	120,594.0	25%
Capital expenditure	409,757.0	41%	214,028.5	31%	201,717.5	35%	134,521.7	28%
TOTAL MDA SPENDING	841,081.9	83%	536,582.7	78%	454,981.3	80%	362,247.8	76%
BUDGET BALANCE	(47,691.3)		85,720.7		90,141.4		169,156.5	
NOMINAL GDP	27,784,225.3		26,587,775.4		22,815,096.2		30,874,905.1	
BUDGET BALANCE AS % OF GDP	-0.2%		0.3%		0.4%		0.5%	
FINANCING								
Surplus of prior years								
Domestic borrowing (net)	155,386.5		136,640.7		93,195.2		(27,893.8)	
External borrowing (net)	3,545.5		(18,342.4)		(7,039.0)		(7,262.6)	
Other								
TOTAL FINANCING	158,932.0		118,298.4		86,156.2		(35,156.5)	
Foreign Loans- New Borrowings	22,799.0		-		10,692.2		1,543.9	
Repayment during the year	19,253.5		18,342.4		17,731.2		8,806.5	
Foreign loan balance	560,619.4		557,073.9		543,125.2		428,723.3	
Domestic- New Loans	307,416.0		280,604.6		225,296.7		116,090.3	
Loan due (repaid) within the year	152,029.5		143,963.8		132,101.4		143,984.1	
Domestic loan balance	760,662.3		605,275.8		464,338.9		357,120.1	
Total Loan Balance	1,321,281.6		1,162,349.6		1,007,464.1		785,843.4	

Lagos State Government's up to ₦100 Billion Series I: 10-year Fixed Rate Bond Issuance Due 2032

KEY RATIOS	2022e	2021	2020	2019
Revenue				
IGR as % of GDP	2%	2%	2%	1%
Tax revenue as % of GDP	3%	2%	2%	2%
Total revenue as % of GDP	3%	3%	3%	2%
IGR as % of total revenue & grants	72%	74%	69%	64%
Tax revenue as % of IGR	62%	54%	65%	67%
Growth in tax revenue	27%	14%	-6%	7%
Spending				
Spending as % of GDP	3%	2%	2%	1%
Non-discretionary spending* as % of tax revenue	45%	48%	48%	38%
Capital expenditure as % of total spending	41%	31%	35%	28%
Payroll as % of revenue	20%	19%	23%	17%
Other overheads as a % of revenue	25%	23%	17%	19%
Budget balance/revenue	-5%	11%	14%	26%
Leverage				
Budget balance (₦' mns)	(47,691.34)	85,720.73	90,141.44	169,156.51
Debt as % of nominal GDP	5%	4%	4%	3%
Interest payments as % of total revenue	7%	9%	9%	10%
Principal due as % of Revenue	22%	23%	23%	18%
Financial flexibility				
Discretionary revenue** as % of total revenue	63%	62%	59%	66%
Net Debt as % of Free cash flow***	207%	224%	242%	177%
Share of savings in "excess crude account" (₦' mns)				
Non-discretionary Spending as % of total spending	36%	43%	46%	46%
Outstanding Debt/Revenue	137%	152%	159%	122%
Discretionary cash flow divided by interest payment	8.83	6.57	6.60	6.78
* Non-discretionary spending is made up of statutory transfers, interest payments and personnel costs				
** Discretionary revenue is total revenue minus non-discretionary spending				
*** Free cash flow is defined as revenue minus non-discretionary spending				

RATING DEFINITIONS

Aaa	Highest quality debt issue with minimal credit risk; strongest capacity to pay returns and principal on local currency debt in a timely manner.
Aa	High quality debt issue with very low credit risk; very strong capacity to pay returns and principal on local currency debt in a timely manner.
A	Good quality debt issue with low to moderate credit risk; strong capacity to pay returns and principal on local currency debt in a timely manner.
Bbb	Satisfactory quality with moderate credit risk; adequate capacity to pay returns and principal on local currency debt in a timely manner.
Bb	Below average quality with moderate to high credit risk; speculative capacity to pay returns and principal on local currency debt in a timely manner.
B	Weak quality with high credit risk; speculative capacity to pay returns and principal on local currency debt in a timely manner.
C	Very weak capacity to pay returns and principal. Debt instrument with very high credit risk.
D	In default.

Rating Category Modifiers

A "+" (plus) or "-" (minus) sign may be assigned to ratings from 'Aa' to 'C' to reflect a comparative position within the rating category. Therefore, a rating with + (plus) attached to it is a notch higher than a rating without the + (plus) sign and two notches higher than a rating with the - (minus) sign.

APPENDIX (DETAILED PROJECTS)

s/n	Office of Drainage and Water Resources	Project Cost	Financing from Bond Proceeds
1	Construction Of Roche Collector Drain (Agege)	117,509,959.45	70,505,975.67
2	Construction Of Rectangular Drain I On Oko Oba Channel (Agege)	206,486,672.80	123,892,003.68
3	Construction Of Trapezoidal Drain Ii On Oko Oba Channel (Agege)	1,202,633,793.01	325,990,148.06
4	Construction Of Trapezoidal Drain Iii And Culvert On Oko Oba Channel (Agege)	1,321,209,904.71	358,131,806.17
5	Deflooding Of Government College, Agege	266,526,590.52	106,610,636.21
6	Construction Of Drain At Shasha Senior High School, Alimosho	169,950,000.00	101,970,000.00
7	Construction Of Aiyedun Olanrewaju Badmus Collector Drain, Isheri Oshun (Alimosho)	274,906,501.11	111,775,685.40
8	Construction Of Arida Collector Drain, Ikotun	293,447,864.38	176,068,718.63
9	Construction Of Akodu/Lord Of Elijah Collector Drain, Ayobo, Ipaja	442,102,353.60	179,756,729.62
10	Construction Of Ajinde Ayo/Fasulade Close Collector Drain, Casso	708,391,376.55	288,028,589.08
11	Construction Of Drain To Arrest Erosion On Sijuade Street	287,744,430.55	172,646,658.33
12	Deflooding Of Alaso Community Secondary School, Agbado Oke Odo	246,260,846.68	98,504,338.67
13	Completion Of Sosanya Alabata Collector Drain, Ikotun Ijegun Lcda	435,968,910.00	174,387,564.00
14	Construction Of Oye Elegunde/Ige Drain, Ojokoro	99,374,407.31	39,749,762.92
15	Construction Of Low-Cost Housing Estate Collector Drain, Festac Extension, Mile 2, Odofin	149,747,925.22	89,848,755.13
16	Construction Of Collector Drain To Deflood Anchorage Estate, Amuwo Odofin	305,285,775.79	124,127,755.04
17	Construction Of Alaba Okiri Collector Drain, Satellite Town	279,080,979.57	167,448,587.74
18	Construction Of Adio Mumuni Badmus Collector Drain	415,390,761.33	168,895,922.32
19	Construction Of Oremoji Sabitu Channel	637,094,297.16	172,693,022.15
20	Construction Of Drainage Networks Within Temidire Community, Poka, Epe Lga	155,124,636.99	93,074,782.19
21	Construction Of Drain Within Gbara Junior Secondary School, Eti Osa	50,311,331.56	30,186,798.93
22	Lining Of Peaceville-Greenville Collector Drain, Badore	397,535,621.58	161,636,106.79
23	Construction Of Itedo Collector Drain, Phase I, Lekki	599,486,111.47	359,691,666.88
24	Construction Of Ss Ijeh Dolphin Estate Collector Drain, Ikoyi	110,991,089.65	66,594,653.79
25	Construction Of Kajola Drainage Channel, Ibeju Lekki	491,944,410.30	200,022,274.55
26	Construction Of Eleko Road Collector Drain, Eleko	176,905,204.10	70,762,081.64
27	Flood Problem At Taye Ariwayo Street	406,218,988.38	162,487,595.35
28	Construction Of Jagal Close/Kudirat Abiola/Guest Estimate Avenue/System 1 Channel	318,878,392.20	158,191,829.27
29	Construction Of Collector Drain To Deflood Area G Police Command And Mobil Petrol Station On Ijaiye Road, Ogba, Ikeja	207,558,563.23	124,535,137.94
30	Completion Of Guinness Idimangoro To Ikeja Airport, Ikeja	624,778,095.54	374,866,857.32
31	Construction Of Ikorodu Gra 2 Beach Collector Drain Culvert, Ibeshe	63,633,936.45	38,180,361.87
32	Construction Of Banjoko Collector Drain, Igbogbo	265,807,538.14	159,484,522.89
33	Construction Of Rafatu Ayinke Collector Drain, Igbogbo	134,214,889.27	80,528,933.56
34	Lining Of Kokoro Abu Channel, Phase I, Ikorodu	417,222,307.26	250,333,384.36
35	Construction Of Kayode Ifesowapo Collector Drain, Baiyeku	285,730,888.50	171,438,533.10
36	Construction Of Odudu Baiyeku Collector Drain Ii, Igbogbo Baiyeku	23,802,846.34	14,281,707.80
37	Construction Of Poro Boge Collector Drain, Ijede	139,758,713.32	83,855,227.99
38	Construction Of Deck On Pile On Oba Sekumade Road	1,344,526,784.88	537,810,713.95
39	Construction Of Outfall Channel I for the Oba Sekumade Road Project	334,521,840.36	200,713,104.22
40	Construction Of Outfall Channel II for the Oba Sekumade Road Project	1,344,526,784.88	306,373,419.97
41	Construction Of Outfall Channel III for the Oba Sekumade Road Project	1,344,526,784.88	249,360,834.94
42	Construction Of Collector Drain At Ibironke Street Off Sunmola Road, Kosofe	30,540,392.28	28,324,235.37
43	Construction Of Dr. Okey Onuzo/Dele Onabule Collector Drain, Gbagada	102,221,705.65	61,333,023.39
44	Construction Of Ilubinrin Pumping Station And Canal Improvement	1,625,298,663.15	975,179,197.89
45	Construction Of Upstream And Downstream Alara/Adeshina Collector Drain, Iwaya	144,816,644.56	86,889,986.73
46	Lining Of Majaro/Iwaya Channel (System 3C)	541,830,654.30	146,870,523.88
47	Construction Of Shoremekun/Abeokuta Street/Labinjo/Adeyanju/Wilkey/Folami Street, Idi-Oro	94,495,274.68	56,697,164.81
48	Construction Of Akinbode/Fashina Collector Drain (Mushin)	91,356,103.50	54,813,662.10
49	Concrete Lining Of Agboroko Primary Channel, Ojo Lcda	217,457,265.00	130,474,359.00
50	Construction Of Collector Drain At Abule Alafia Street, Okomaiko, Ojo Lcda	78,603,912.30	47,162,347.38
51	Construction Of Funsho Kinoshi/Jemtok/Canal Avenue Collector Drain (Oshodi Isolo)	127,073,169.75	62,048,177.72
52	Construction Of Ajisegiri Collector, Shogunle	278,221,708.30	166,933,024.98
53	Construction Of Isheri Oshun Road/Jakande Estate/System 6E	356,992,824.90	145,151,597.09

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54	Oyindamola/Awe/Oyebuchi/System 6C Collector Drain, Ago Palace Way	323,943,200.00	131,713,775.65
55	Construction Of Akinosi/Idowu Rufai Collector Drain, Okota Oshodi/Isolo Lga	349,730,328.38	139,892,131.35
56	Construction Of Drain At Alhaji Ariyo/Odunsi/Arobadade To Lagos Lagoon, Bariga	149,928,157.06	89,956,894.23
57	Construction Of Akinsemoyin Collector Drain, Surulere	99,596,052.15	59,757,631.29
58	Construction Of Iyun Collector Drain Behind National Stadium	116,457,915.55	69,874,749.33
59	Construction Of Oludipe Street Collector Drain	24,689,001.58	14,813,400.95
60	Deflooding Of Aiyetoro Primary School, Surulere	98,764,780.00	39,505,912.00
61	Flooding Problem At Femi Ayantuga Street, Surulere	55,517,523.69	22,207,009.48
62	Construction Of Church Street/Ajani Martins/Lareto Collector Drain, Meiran	138,447,058.71	64,715,298.13
63	Construction Of Opeki Road Collector Drain, Mosan Okunola	168,507,819.23	94,776,058.65
64	Deflooding Of Schools Within Education District Iv, Eric Moore High School	252,761,728.84	76,730,996.33
65	Construction Of Victoria Jimoh Collector Drain, Shasha (Deflooding Of Akowonjo /Egbeda Road And Its Adjoining Streets)	382,307,962.17	182,221,409.36
66	Construction Of Admiralty Way Collector Drain, Lekki	252,761,728.84	101,104,691.54
67	Construction Of Collector Drain At Ago Palace Way Around Community Road Junction	387,314,679.66	197,223,420.42
68	Construction Of Ajiran Outfall Channel, Eti-Osa	629,813,297.34	170,719,408.72
69	Construction Of Osapa Lagoon Trapezoidal Channel, Eti Osa	761,863,150.32	264,449,318.95
70	Construction Of Collector Drain To Deflood Divine Estate Through Tank Farm	545,429,169.93	258,730,412.85
71	Concrete Lining Of Akinola River/Aboru Channel	9,712,510,002.00	1,096,961,308.31
72	Restoration And Construction Of The Right Of Way Of Ikota Trapezoidal Channel	196,210,413.41	79,778,227.70
73	Restoration Of The Right Of Way Of Odo Iya Alaro Channel (System 1)	517,672,968.75	175,402,820.79
74	Restoration Of The Right Of Way Of System 12C Iju Ogundimu Channel	117,638,325.00	47,831,187.52
75	Restoration Of The Right Of Way Of Eputu Channel	129,532,528.13	52,667,314.36
76	Restoration Of The Right Of Way Of System 105, Igbogbo Solebo Ajegunle Channel	149,426,746.88	60,756,209.77
77	Restoration Of The Right Of Way Of Irede Satellite Town Primary Channel, Satellite Town	122,920,875.00	66,638,729.88
78	Restoration And Construction Of The Right Of Way For Folarin Channel, Badore	265,200,000.00	107,829,067.88
79	Construction Of Drain To Deflood Adebisi Street And Its Environs	94,034,991.03	38,234,183.38
80	Dredging Of Obadore Channel	7,526,414,700.00	6,120,409,363.25
81	Dredging Of Atiporomoh Primary Channel	802,595,430.00	652,663,024.89
82	Dredging Of Ijotun Drainage Channel	601,946,572.50	489,497,268.67
83	Dredging Of Ikota Stream	8,387,855,739.20	6,843,461,431.87
84	Restoration And Protection Of Odo-Iya Alaro Channel System 1 - Ogudu Third Axial Bridge Anipole Cr	243,536,800.00	198,041,826.08
85	Restoration And Protection Of The Right-Of-Way Akinola/Aboru Primary Channel	141,500,000.00	115,066,463.84
86	Restoration And Protection Of The Right-Of-Way System 63 - Abraham Adesanya	163,450,000.00	132,915,996.57
87	Kale Crystal Primary Channel	116,048,400.00	94,369,463.05
88	Construction Of Drain To Deflood Meiran Community School, Alimosho	105,506,414.43	63,303,854.06
89	Erosion Control At Fagbohun Collector Drain, Ifako Ijaiye	738,812,150.38	200,265,021.40
90	Construction Of Adekunjo/Nureni Yusuf/Akinwale Avenue/Bale Animashaun	187,990,004.32	112,794,002.59
91	Construction Of Ab Manu Collector Drain, Iju Road, Ifako Ijaiye	322,110,811.14	130,968,734.99
92	Construction Of Baruwa Collector Drain, Ojokoro	117,532,817.97	55,321,323.73
93	Construction Of Pa Alao Ojo Collector Drain, Ojokoro	93,663,065.01	20,854,897.79
94	Construction Of Downstream Of Majeobaje Collector Drain, Ijaiye	344,111,185.41	206,466,710.77
95	Construction Of Ojuelegba/Alakuko Road Collector Drain	188,551,482.37	113,130,889.42
96	Deflooding Of Abeokuta Expressway At Obadeyi Bus-Stop	241,311,441.89	96,524,576.76
97	Consultancy Services For Drainage Right-Of-Way Monitoring	82,560,000.00	67,137,012.40
			28,325,003,919.41

s/n	Ministry of Waterfront Infrastructure Development	Project Cost	Financing from Bond Proceeds
1	Channelization Of Ferry Route: Ikorodu Route - Agboyi Ketu Channel	3,711,234,435.00	2,514,950,664.93
2	Channelization Of Ferry Route: Ikorodu Route - Mende Channel	4,736,080,200.00	3,209,446,322.31
3	Channelization Of Ferry Route: Ayobo/Ijon-Mile2 Channel	9,870,520,000.00	6,688,844,715.15
4	Construction Of Jetties At Epe And Ebute Lekki (Lftz) With Channelization Of Ferry Route From Epe To Ebute Lekki (LFTZ)	7,024,053,280.74	4,214,431,968.60
5	Channelization Of Ferry Route (Ojo-Badagry) 10.3K	4,663,779,990.00	420,262,277.29
6	Channelization Of Ferry Route (Ebute -Ikorodu-Ilaje-Falomo) 6.4Km	3,028,000,000.00	169,732,621.67
7	Channelization Of Ferry Route (Ilaje Bariga- Whitesand-Oyingbo	1,598,229,723.30	597,351,447.17
8	Construction Of Jetty Terminal At Ishagira, Ojo	432,220,980.00	234,318,679.69
9	Construction Of Jetty Terminal At Irede, Ojo	734,180,920.00	398,019,327.59

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10	Construction Of Jetty Terminal At Alaiyabiagba. Ajeromi/ Ifelodun	738,320,420.00	400,263,462.46
11	Construction Of Jetty Terminal At Odo-Iya-Alaro	745,850,940.00	404,345,960.97
12	Construction Of Jetty Terminal At Wole-Olateju, Lekki	795,850,940.00	431,452,312.87
13	Construction Of Jetty Terminal At Ebute-Owere, Amuwo	764,180,920.00	414,283,138.73
14	Construction Of Jetty Terminal At Ikare Island, Amuwo	432,220,980.00	234,318,679.69
15	Upgrading Of Jetty At Liverpool Apapa.	119,604,375.00	5,980,219.29
16	Upgrading Of Jetty At Ijegun Egba, Amuwo Odofin	339,150,364.82	72,890,067.28
17	Construction Of Jetty With Waiting Shelter And Shoreline Protection At Marina, Badagry	479,963,587.50	32,525,154.75
18	Construction Of Jetty With Waiting Shelter And Shoreline Protection At Ito-Omu, Epe	313,556,357.63	66,154,498.48
19	Construction Of Jetty With Waiting Shelter And Shoreline Protection At Ilashe, Ojo	314,528,194.07	49,812,444.08
20	Construction Of Jetty With Waiting Shelter And Shoreline Protection At Offin, Ikorodu	314,528,194.07	71,264,073.00
21	Construction Of Jetty With Waiting Shelter And Shoreline Protection At Isalu Ajido, Badagry.	284,182,186.05	84,203,359.45
22	Construction Of Jetty With Waiting Shelter And Shoreline Protection At Takwa Bay	290,022,436.09	69,138,567.87
23	Construction Of Jetty With Waiting Shelter And Shoreline Protection At Ebute – Ero, Lagos	215,365,308.88	107,682,654.48
24	Construction Of Jetty With Waiting Shelter And Shoreline Protection At Ijede	409,167,383.72	204,583,691.86
25	Construction Of Jetty With Waiting Shelter And Shoreline Protection At Oke- Ira Nla	368,932,644.00	184,466,322.00
26	Upgrading Of Jetty At Mile 2, Amuwo Odofin	178,860,000.00	89,430,000.00
27	Construction Of Jetty Terminal At (Whitesand) Oyingbo	727,984,346.18	435,636,573.71
28	Construction Of Jetty Terminal At (Periwinkle) Ilashe	728,710,806.18	437,226,483.71
29	Construction Of Concrete Jetty At Agboyi-Ketu, Kosofe	729,320,974.04	437,592,584.42
30	Construction Of Reinforced Jetty With Waiting Shelter And Shoreline Protection At Muwo, Ojo.	733,541,214.90	397,672,526.16
31	Completion Of Ilado Jetty Terminal, Amuwo Odofin Lga	85,524,452.44	46,365,118.09
32	Completion Of Vip Jetty Terminal, Badagry L.G.A	73,003,765.56	39,577,315.19
33	Completion Of Apa Terminal Jetty, Badagry L.G.A.	90,477,826.66	49,050,476.18
			23,213,273,709.12

s/n	Ministry of Works & Infrastructure	Project Cost	Financing from Bond Proceeds
1	Rehabilitation Of St.Finbarrs Road (Unilag Junction To Abule Okuta) In Somolu Lga	3,502,143,595.68	152,506,787.82
2	Rehabilitation/Upgrading Of Eti-Osa/Lekki/Epe Expressway (Phase 1) from Eleko To Epe T-Junction (Phase 1) Ibeju Lekki Lga	65,005,452,647.37	11,771,714.55
3	Construction Of Lagos Badagry Expressway Lot 2A Segment Ii	70,893,848,318.61	33,910,394.17
4	Construction Of Lagos Badagry Expressway Lot 2A Segment Iii	89,256,556,340.22	18,110,330.79
5	Continuation of Rehabilitation/Upgrading Of Agric-Isawo-Konu-Arepo Road (Phase 1)	27,533,229,585.53	17,097,284.46
6	Reconstruction/Upgrade Of Igbogbo -Bola Ahmed Tinubu-Igbe Road, Ikorodu	31,120,380,110.92	22,974,475.98
7	Rehabilitation Of Oyinkan Abayomi Drive, Ikoyi, Eti-Osa Lga	7,172,220,781.79	4,505,462.30
8	Rehabilitation Of Macpherson Road, Ikoyi, Eti-Osa Lga	2,080,775,669.00	846,033,562.79
9	Reconstruction/Upgrade Of Adeniji Adele Street In Lagos Island Lga	10,198,810,591.57	176,988,732.47
10	Construction Of Aka -Kembiri Road	4,686,922,729.22	108,354,330.09
11	Construction Of Old Ojo Road (Phase I- Irede Road Oluti Bus Stop) In Amuwo Odofin L.G.A	11,908,226,177.84	254,381,490.28
12	Construction Of Ile Eja Road, Olaiya / Ajibola Hassan- Alhaji Mustapha-Olu Adeyanju With Bridge-Rabiatu Ogbedengbe Road Network In Alimosho L.G.A	6,943,484,385.10	106,956,066.51
13	Construction Of Abiola Onijemo Road	4,995,763,931.58	207,037,035.79
14	Construction Of Gberigbe Road	8,923,928,222.86	13,800,819.01
15	Construction Of Abaranje Road In Alimosho Lga	6,225,091,235.21	35,258,550.27
16	Construction Of Akesan-Igando Road In Alimosho Lga	3,233,572,803.39	828,012,619.60
17	Construction Of Babafemi Dada With Bridge-Yinka Folarin- Jamiu Lawal-Shalom Academy Road Network In Alimosho Lga	5,208,097,279.61	150,039,397.58
18	Construction Of Regional Road Lekki In Eti Osa Lga	53,396,215,669.74	9,187,146,846.61
19	Construction Of Eti Osa - Lekki - Epe Expressway Phase Ii (Eleko Junction To Greensprings) Ibeju Lekki Lga	106,489,578,350.78	5,000,000,000.00
			17,174,885,901.07

Lagos State Government's up to ₦100 Billion Series I: 10-year Fixed Rate Bond Issuance Due 2032

s/n	Ministry of Health	Project Cost	Financing from Bond Proceeds
1	Construction Of New Staff Quarters For Resident Doctors In Lagos State University Teaching Hospital (Lasuth), Ikeja	3,152,268,422.83	542,127,038.10
2	Renovation Of Ajeromi Hospital	1,100,430,280.95	840,325,834.60
3	Construction Of Infectious Disease Research Centre, Yaba	20,000,000,000.00	1,490,849,354.78
4	Construction & Equipping Of Psychiatric Hospital Majidun, Ketu Ejirin	8,720,363,663.13	3,493,657,541.04
5	Rehabilitation/Expansion& Equipping Of Shomolu General Hospital	18,000,000,000.00	1,544,859,052.13
6	Demolition And Construction Of Traditional Medicine Board	759,683,723.00	759,683,723.00
7	Construction Of 280 Bed General Hospital In Ojo	8,672,745,483.58	3,385,978,991.83
			12,057,481,535.48

s/n	Ministry of Housing	Project Cost	Financing from Bond Proceeds
1	Ibeshe Phase Ii	5,968,528,049.96	3,527,116,829.97
2	Egan Igando Cluster I	1,576,757,841.33	691,505,699.01
3	Egan Igando Cluster Ii	3,061,224,468.49	2,128,315,634.45
4	Sangotedo Ii	5,337,951,007.29	2,000,000,000.00
			8,346,938,163.43

s/n	Ministry of Education	Project Cost	Financing from Bond Proceeds
1	New Construction & Rehabilitation Works In Tolu School Complex At Ajeromi Ifelodun	10,500,000,000.00	2,471,428,743.61
2	Upgrade Of Learning Space Equipment For 18 Classroom Block At Vetland Senior Grammar School Agege	350,000,000.00	350,000,000.00
			2,821,428,743.61

s/n	Lagos State Waste Management Authority (LAWMA)	Project Cost	Financing from Bond Proceeds
1	Construction Of Material Recovery Facility/Transfer Loading Station (Mrf/TIs)	1,956,735,432.00	1,956,735,432.00
2	Construction Of Workshop Building	200,000,000.00	200,000,000.00
			2,156,735,432.00

s/n	Lagos Water Corporation	Project Cost	Financing from Bond Proceeds
1	Construction Of Adiyin Phase II Water Treatment Plant	5,537,000,000.00	2,029,201,099.73
			2,029,201,099.73

S/N	Ministry of Agriculture	Project Cost	Financing from Bond Proceeds
1	Development Of Red Meat Value Chain-Lagos State Cattle Feedlot Project	923,576,441.77	923,576,441.77
2	Establishment Of Processing And Preservation Centres	1,400,000,000.00	381,011,404.38
3	Establishment Of Mid-Level Agro Produce Hubs	300,000,000.00	300,000,000.00
			1,604,587,846.15

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