LAGOS STATE

DEBT SUSTAINABILITY ANALYSIS (DSA) AND DEBT MANAGEMENT STRATEGY (DMS) REPORT

DECEMBER, 2024

Developed by the Lagos State Debt Management Office

December, 2024

Table of Contents

INTRODUCTION

1.1 BACKGROUND

The Lagos State's public debt continues to reflect a prudent balance between financing needs and long-term sustainability. Debt obligations have been effectively managed, with a focus on minimizing cost while maintaining a controlled risk exposure. This is exemplified by the State's continued reliance on concessionary borrowing and favorable debt restructuring initiatives, mitigating global financial volatility's impact.

The 2024 Debt Sustainability Analysis (DSA) evaluates trends in Lagos State's public finances during 2019–2023 and projects debt sustainability for the long term (2024–2033). This analysis provides an updated review of Revenue, Expenditure, and Public debt trends, reflecting the State's evolving policy landscape and fiscal initiatives.

The State's strong fiscal performance, underpinned by the effective mobilization of Internally Generated Revenue (IGR), remains a critical factor supporting long-term debt sustainability. A strategic tax administration system, significant recurrent expenditure control, and a balanced approach to public debt accumulation complement this positive performance. The State's financial governance remains resilient despite external macroeconomic challenges, including inflationary pressures and fluctuating interest rates.

A comprehensive Debt sustainability assessment, incorporating scenario and sensitivity analyses, was undertaken to evaluate the prospective performance of the State's public finances. The primary goal of the debt strategy is to ensure that the government's financing requirements and payment obligations are fulfilled at the lowest possible cost while maintaining a prudent level of risk.

Accordingly, the analysis for the four Debt Management Strategies (DMS) examines the costs of managing public debt and assesses risks related to macroeconomic and fiscal shocks.

1.2 SUMMARY OF FINDINGS

The findings confirm that Lagos State maintains a robust and sustainable debt position over the long term. The strength of its debt sustainability stems from:

- Exceptional performance in Internally Generated Revenue (IGR) mobilization, driven by a solid tax administration framework.
- Prudent fiscal policies balancing recurrent expenditure growth with strategic investment in infrastructure.
- A diversified debt portfolio that mitigates risks associated with macroeconomic uncertainties.

Given the State's economic forecasts and sound fiscal policies, the public debt outlook remains sustainable, supporting continued investments in infrastructure and public services.

2.0 LAGOS STATE FISCAL AND DEBT FRAMEWORK

2.0 LAGOS STATE FISCAL AND DEBT FRAMEWORK

2.1 FISCAL REFORMS IN THE LAST FIVE YEARS

2.1.1 The State Fiscal and Debt Framework

The Lagos State fiscal and Debt management framework remains a cornerstone of the State's governance and economic growth, supporting efforts to meet the aspirations of citizens for good governance, economic development, and prosperity. As the State continues to expand its economic footprint, the following provisions have been instrumental in shaping its financial policies:

- **Formulation, Coordination, and Implementation of Financial Policy and Regulations:** Comprehensive Policies guiding budgeting, accounting, and debt management, which also ensure fiscal discipline, transparency, and effective governance remain key.
- **Revenue Monitoring Systems**: Deployment of electronic platforms to enhance transparency and efficiency in revenue collection.
- **Expenditure Control**: Ensuring budget discipline by prioritizing expenditure and aligning it with revenue capabilities.
- **Prioritization of Funding:** Ongoing evaluation of funding priorities to ensure optimal allocation to critical sectors.
- **Accounting Policies and Standards:** Strengthening of financial reporting and accounting standards across all public sector operations.
- **Cash Management and Debt Strategy:** Comprehensive debt management strategies, focusing on loan policies, managing outstanding debts, and addressing contractors' arrears.
- **Revenue Growth Measures:**

  Expansion of the tax base to capture more taxpayers through advanced data analytics and citizen engagement.

- Adoption of technology to streamline revenue collection and block leakages.
- Electronic billing systems to prevent fraud.

- Land-use charge implementation.
- Tax incentives and reliefs for individuals and businesses to encourage compliance.

Lagos State has made significant investments in developmental and productive projects across various sectors, focusing on infrastructure to support sustainable growth and development which include among others:

Road Infrastructure:

- Completed and commissioned 50 roads across key regions, including Kosofe, Somolu, Victoria Island, and Ikoyi.
- Delivered major projects like the 1.4 km Pen-Cinema Bridge in Agege and the Ijede Road Phase 2 in Ikorodu.
- Continued progress on the Ojota-Opebi Link Bridge, is expected to significantly ease traffic flow.

Intermodal Transportation:

- Expanded the Lagos Rail Mass Transit System, completing additional phases of the Lagos Blue Line (Mile 2 to Marina) and Red Line.
- Added 1,500 high-capacity buses under the Lagos Bus Reform initiative.
- Enhanced ferry services with new routes and modern ferries, improving water transportation access.

Security and Emergency Management:

- Provided over 300 patrol vehicles and advanced equipment to security agencies.
- Strengthened regional security centers and increased recruitment of emergency response personnel.

Tourism and Entertainment:

- Completed the Lagos Film City project in Ejirin, fostering the creative economy.
- Delivered grants and loans to filmmakers and creative entrepreneurs, boosting the local entertainment industry.

2.2 LAGOS STATE APPROVED 2024 BUDGET AND MEDIUM-TERM EXPENDITURE FRAMEWORK (MTEF), 2025-2027

2.2.1 Approved 2024 Budget

The Lagos State Y2024 Budget, themed *'**Budget of Renewal**,'* is meticulously aligned with the State's THEMES Governing policy, now expanded to **"THEMES+."** The "plus" represents a renewed emphasis on social inclusion, gender equality, and youth development, ensuring that no one is left behind. This budget serves as a strategic policy instrument to achieve the State's short-, medium-, and long-term development goals while integrating the **17 Sustainable Development Goals (SDGs)** and the **Lagos State Development Plan (LSDP 2023-2052).**

The Lagos State Government's approved Y2024 Budget totals ₦2.267 trillion, with ₦1.880 trillion expected to be sourced from Federal Allocations (FAAC), Internally Generated Revenue (IGR), and the Opening Balance (unspent funds from the previous year). The budget deficit of ₦387.125 billion will be financed through domestic borrowing and of ₦370.696 billion and foreign loans of ₦16.429 billion which is to be funded as follows:

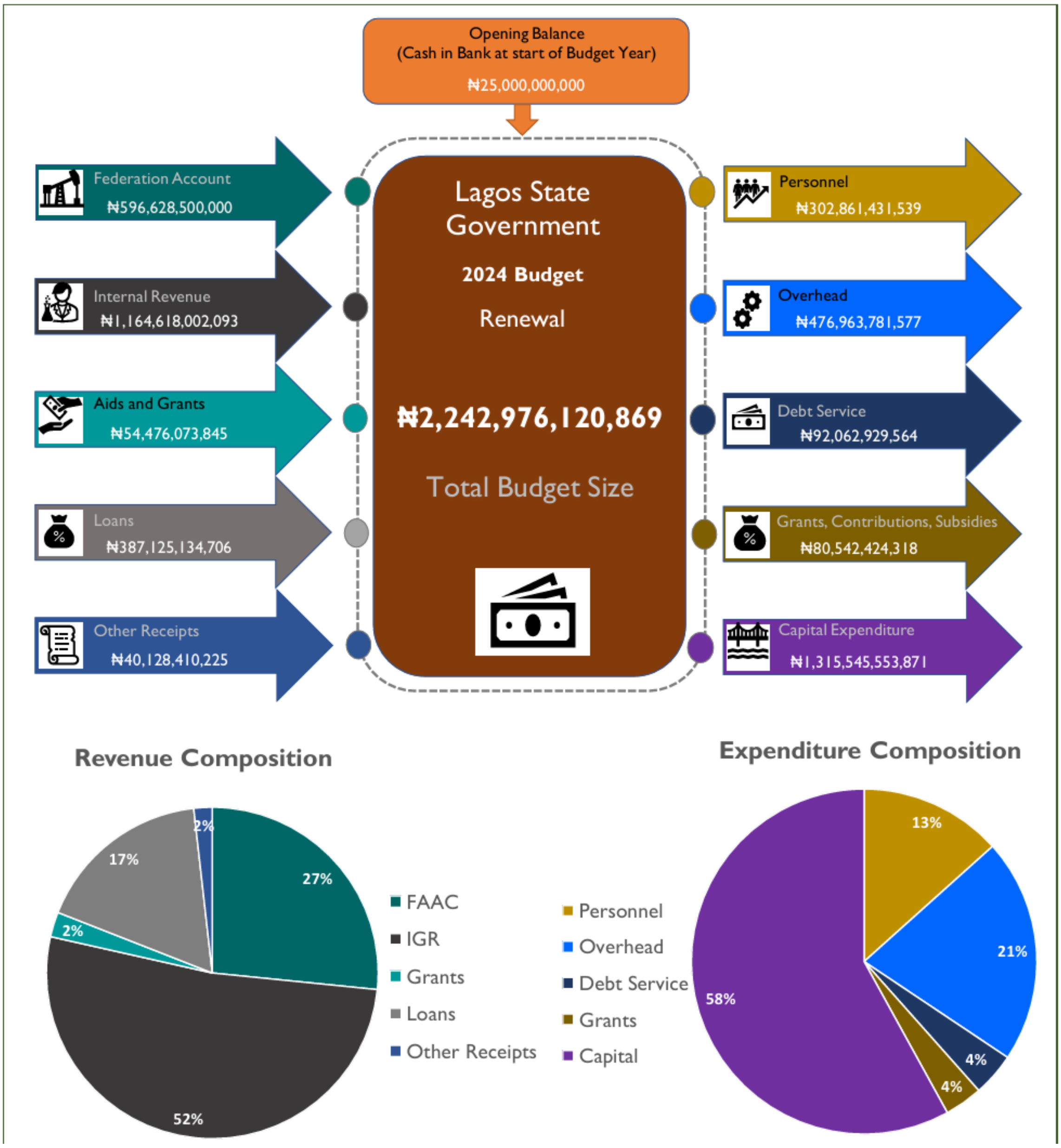
Table:1

Details	**₦**
External Loans	16,429,000,000
Internal Loans	220,696,000,000
Bond Issuance	150,000,000,000
Total	387,125,000,000

The State anticipates ₦596.629 billion from the Federation Account, with key sources including ₦96 billion from Statutory Allocation, ₦320 billion from VAT, and ₦176.7 billion from other FAAC receipts. Additionally, ₦1.189 trillion is projected from IGR (including capital receipts), ₦54 billion from aids and grants, and ₦387.125 billion from loans (domestic and foreign).

Out of the total ₦2.267 trillion budget, the Lagos State Government plans to allocate **₦1.316 trillion (58%)** to capital expenditure and **₦952.431 billion (42%)** to recurrent expenditure. The recurrent expenditure covers costs such as salaries, wages, allowances, social contributions, benefits, public debt servicing, and overhead expenses for the day-to-day operations of the government.

The **Economic Sector** receives the largest allocation, focusing on the ongoing rebuilding of Lagos and infrastructure development. This sector encompasses initiatives across key areas, including the **Social Sector** (education, housing, health, and sports) and the **Law and Justice Sector**.



The **Y2024 Budget of Renewal** exemplifies Lagos State's dedication to sustainable growth, robust infrastructure development, and inclusive governance. It aligns with the THEMES+ agenda, focusing on **gender equality, social inclusion, and youth development**, ensuring long-term economic stability and improved quality of life for its citizens.

2.2.2 The Key Objectives of Approved 2024 Budget

The objectives of the Y2024 Budget are consistent with the THEMES agenda and designed to give priority to the completion of ongoing projects. The key objectives include:

- **Aggressive Development and Maintenance of Infrastructure** to support a 21st-century economy.
- **Employment Creation and Food Security** to improve livelihoods and reduce poverty.
- **Enhanced Civic Participation and Inclusion** in governance, leveraging technological innovations.
- **Investment in Human Capital Development** through education and healthcare.
- **Restructuring and Upgrading Public Service Technology** for improved efficiency.
- **Enhanced Revenue Collection Efficiency** to sustain financial independence.
- **Attraction of Investments** through public-private partnerships and an enabling environment.
- **Improvement of Healthcare Systems and Public Spaces** for better quality of life.
- **Youth Empowerment, Social Inclusion, and Gender Equality** initiatives for sustainable growth.
- **Continuous Rebuilding of Lagos** to maintain its competitive edge globally.

The State's major investment in the Y2024 Renewal Budget exemplifies its steadfast dedication to driving growth, fostering development, and improving the well-being of its citizens through strategic renewal initiatives across all sectors.

Infrastructure Development: N550.689bn of the budget is allocated to infrastructure renewal projects including roads, bridges, public transportation systems and other Social Infrastructure. This investment aims to improve connectivity, accessibility, and overall urban infrastructure quality across the State. Some of the highlights includes:

Transportation:

- The expansion of the rail network, road construction, and completion of the Blue/Red Line and other metro projects.
- Construction of the second phase of the blue line from Mile 2 to Okokomaiko

- Rehabilitation/Upgrading of Phase II Eti-Osa Lekki-Epe Expressway Project from Eleko T-Junction – Abraham Adesanaya.
- Completion of the Opebi Link Bridge to Maryland
- 4th Mainland Bridge
- Completion of the Eight (8) Stadia in Ikorodu, Badagry, Epe, Ifako-Ijaye, Ketu, Ibeju-Lekki, Sari Igamu and Ajeromi
- Provision of Infrastructure for sport centers in the six (6) educational districts
- Construction of Elderly Care Centre in Epe
- Renovation and Equipping of Social Homes, Youth Centers and Hostels Urban Renewal and Redevelopment: N5.539bn of the budget is allocated for urban renewal projects aimed at revitalizing and modernizing urban areas, including slum upgrading, beautification projects, and the development of public spaces such as parks and recreational facilities. The projects include some of the following: • Slum Degeneration across the State
- Upgrading/Rehabilitation of Alafia Street in Ifelodun LCDA and Lakowe Phase II Roads in Ibeju Lekki • Redevelopment of Isalegangan
- Landscaping and Beautification of Obalende Underbridge and Setback Lagos State Government Y2024 Citizens Budget Page 20 of 30
- Landscaping and Beautification of Apongbon and Eko Underbridge
- Creation of Oniru Community Park, etc Housing and Real EState Development: The budget includes provisions for the construction of affordable housing units and the development of real eState projects to address housing shortages and accommodate the growing population of the State, this has led the State to invest N55.924bn representing 2.5% of the entire Budget. Some of the projects include the following:
- Completion of 444 units of building Projects at Sangotedo Phase ll, • Completion of 420 units of building Projects at Ajara, Badagry,
- Construction of 136 units of building Projects at Ibeshe ll, Epe • Akanimodo Housing Scheme among others. Economic Renewal and Development: Investment in the sum

of N46.036bn is directed towards stimulating economic growth and development through initiatives such as the establishment of industrial parks, support for small and medium-sized enterprises (SMEs), and the promotion of key sectors such as technology, manufacturing, and agriculture. Some of the Highlight includes:

- Central Food Security and Logistics Hub
- Cattle Feedlot Project • Fish Processing Hub program
- Construction of Lagos new Data Centre
- Citizens Gate App launched, targeting 50,000 citizens' complaints.
- Lagos Island Model City Plan displayed for citizen participation.
- Social Intervention Initiative Policy (Sanwo-Olu Listens and Eko Cares)
- Ongoing Womb to School and Financial Assistance Programs etc. Social Infrastructure: The Budget includes funding for the renewal and expansion of social infrastructure (Health and Education), including healthcare facilities, schools, and libraries, to enhance access to essential services and improve the overall quality of life for residents. The investment in education sector in the sum of N180.693bn on education projects which includes: Lagos State Government Y2024 Citizens Budget Page 21 of 30
- Completion of 8,272 Bedspace 8Hostel at LASU • Construction / Rehabilitation of Schools across the State
- Construction / Rehabilitation of Administrative Blocks, Lecture Theatres, and other requirements to ensure functionality in the two (2) newly created Universities.
- Construction of Buildings at the New Technical College at Orimedu Ibeju-Lekki etc. Highlights on the Health sector with an investment of N160.620bn includes;
- Completion of the130 Bed New Massey Street Children's Hospital
- Completion of the 280 Bed Geneal Hospital in Ojo
- Mental Health Facility in Ketu Erejun
- Rehabilitation of existing Healthcare centers across the State etc. Environmental Renewal and Sustainability: Investment in the sum of N88.02bn is allocated towards environmental sustainability projects, including waste management, renewable

energy initiatives, and pollution control measures, to ensure a clean and sustainable environment for present and future generations. The project includes;

- Drainage Construction & Dredging across the State • Construction of Ikota Drainage Channel
- LASG Contribution for 200 New Gas-Powered Trucks
- Rehabilitation of Hydraulic Structures i.e collapsed Culverts/Drains/Manholes within the State
- Construction of Secondary Drainage Collectors across the State to Improve Youth Engagement, Participation and Empowerment, Social Inclusion, and Gender Equality. The State has earmarked a sum of N44.09bn for the Social Protection Sector which will drive the + of this administration's THEMES+ Agenda. Of this amount, N8.201bn is for initiatives that include Youth empowerment, participation, Construction of Elderly Homes and Social Inclusion (Office of Disabilities Affairs), N31bn in the Social Intervention & Humanitarian Programme, which will serve as support for micro and small businesses. It will also help in procuring training equipment, empowerment tools etc. for graduates in skills and vocational centers across the State.

The State's agenda has been modified from THEMES to THEMES+, with the "+" symbolizing a focus on Gender Equality, Social Inclusion, and Youth Development. To achieve this agenda, the State has allocated a total of N44.09 billion to the Social Protection Sector, encompassing support for women, youth, and social inclusion (including Disabilities Affairs). It's important to highlight that a portion of this investment, amounting to N31 billion, will be directed towards Social Intervention and Humanitarian Programs. These programs will facilitate the procurement of training equipment, empowerment tools, etc., aimed at assisting graduates in skills and vocational centers across the State.

2.2.3 Indicative Three-Year Fiscal Framework

This analysis uses an indicative three-year fiscal framework for the years Y2025-Y2027, with data estimated for Y2025, Y2026, and Y2027. The table below shows the indicative three-year fiscal framework for the period Y2025-Y2027:

		PROJECTIONS		
FISCAL ITEMS	APPROVED Y2024 (₦'M)	Y2025 (₦'M)	Y2026 (₦'M)	Y2027 (₦'M)
TOTAL REVENUE	**1,880,851**	**2,288,420**	**2,613,398**	**3,000,272**
Opening Balance	25,000	-	-	-
Internally Generated Revenue	1,189,618	1,545,648	1,801,463	2,220,241
Capital Receipts	94,605	100,507	104,219	108,083
Federal Transfer	569,629	642,265	707,714	780,031
TOTAL RECURRENT EXPENDITURE	**952,431**	**1,142,098**	**1,187,422**	**1,246,314**
Debt Servicing	91,073	181,106	130,330	83,513
Total Personnel Cost	302,861	346,647	381,311	419,443
Total Overhead Cost	558,496	614,345	675,780	743,358
TOTAL CAPITAL EXPENDITURE	**1,315,546**	**1,470,224**	**1,703,309**	**1,984,734**
Capital Expenditure	947,653	1,065,231	1,283,790	1,598,332
Repayment	367,893	404,993	419,519	386,402
TOTAL EXPENDITURE (BUDGET SIZE)	**2,267,976**	**2,612,322**	**2,890,731**	**3,231,048**
Closing Balance	-	-	-	-
FINANCING REQUIREMENT (BORROWING)	**(387,125)**	**(323,902)**	**(277,335)**	**(230,776)**

2.4 Medium-Term Policy Objectives and Target

The indicative three-year fiscal framework for Lagos State from 2024 to 2027 highlights the State's strategic focus on revenue growth, prudent fiscal management, and infrastructure development. The framework sets ambitious yet achievable targets, supported by key fiscal items and assumptions.

The target is to grow total revenue towards achieving 5% of State GDP, with progressive increases each year. This growth is bolstered by initiatives such as the 5% remittance from Eko Atlantic City to the CRF and strategic efforts by revenue-generating agencies like LIRS.

The fiscal deficit remains within manageable limits, improving gradually over the years. This indicates sound fiscal policies aimed at ensuring sustainability and reducing deficit ratios.

This metric shows a peak in debt servicing costs in 2025, followed by a decline. Effective debt management strategies will be crucial to maintaining fiscal health and managing debt levels.

Personnel costs remain stable and controlled, reflecting efficient management of workforce expenses relative to both revenue and expenditure while, Overhead costs show a decreasing trend, which indicates effective cost management and resource allocation.

Capital expenditure is prioritized, increasing over the years to support infrastructure development and renewal. Recurrent expenditure remains within a reasonable range, balancing operational needs with investment in capital projects.

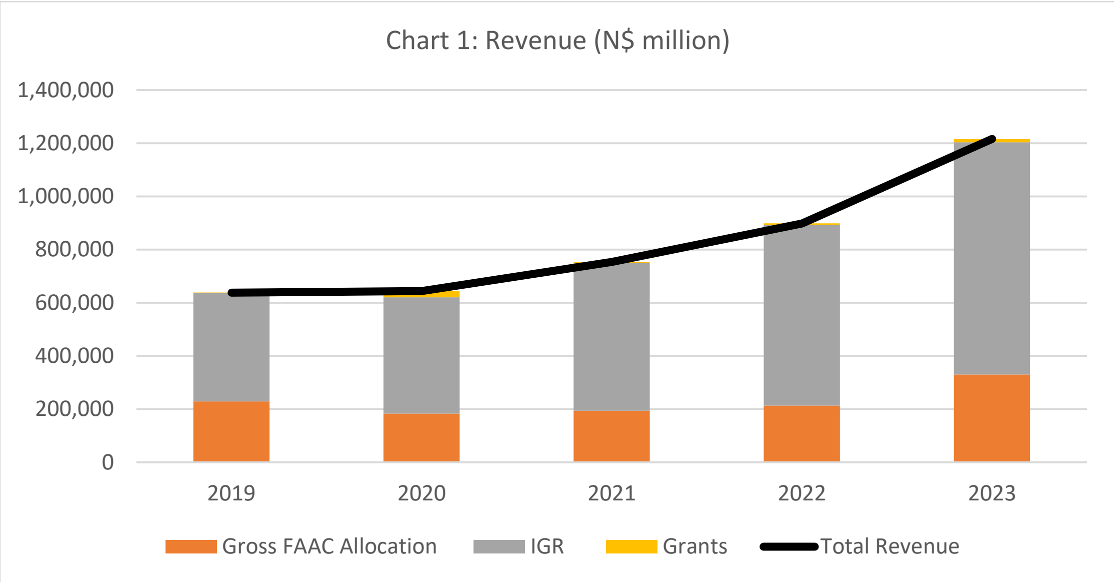
The State's GDP is projected to grow significantly, reflecting the positive impact of strategic investments and economic policies.

Improved economic indicators would enable a stronger budget, with revenue projected to grow by 10% CAGR between 2024 and 2027 and expenditure to grow by ~9%. Deficit is projected to decline by a CAGR of **12**% over the period 2024 to 2027

3.0 STATE REVENUE, EXPENDITURES AND PUBLUC DEBT (2019-2023)

This section covers two subsections: (a) Revenue, Expenditure, Overall and Primary Balance (b) Existing Public Debt Portfolio

3.1 Revenue, Expenditure, Overall and Primary Balance



3.1.1 AGGREGATE TOTAL REVENUE COMPOSITION AND TREND FROM Y2019 TO Y2023

The total revenue increased from N637.6 billion in Y2019 to N1.215.97 trillion in Y2023. The performance recorded in the Revenue Chart above is due to the aggressive Revenue growth policies of the present administration resulting in steady growth in Internally Generated Revenue.

3.1.2 FAAC ALLOCATION TREND

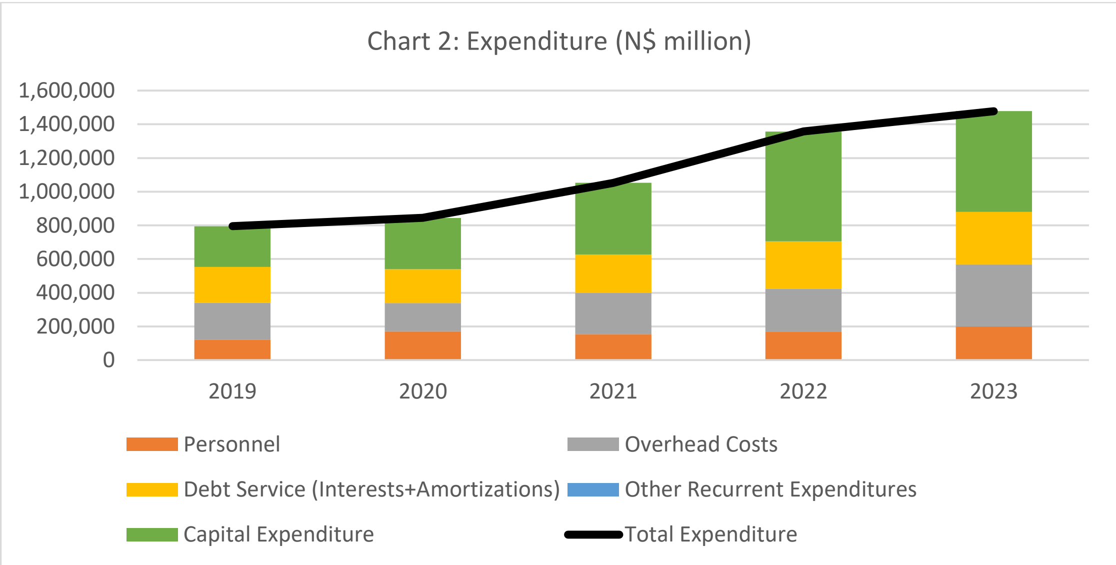
The **FAAC component** (Statutory Allocation, VAT, and other transfers) experienced fluctuations, declining from **₦229.4 billion in Y2019** to **₦213.4 billion in Y2022** but rebounding to approximately **₦329.6 billion in Y2023**. The increase was largely driven by growth in VAT receipts, which now represent a substantial portion of FAAC, accounting for over **70%** on average.

3.1.3 INTERNALLY GENERATED REVENUE TREND

The IGR has grown significantly from **₦407.66 billion in Y2019** to an impressive **₦874.03 billion in Y2023**. This achievement reflects the State's targeted efforts to enhance tax compliance, improve infrastructure, and foster an enabling business environment that stimulates economic activity.

3.1.4 AGGREGATE TOTAL EXPENDITURE TREND

Total expenditure rose from **₦795.29 billion in Y2019 to ₦1,478 trillion in Y2023**. The sharp increase reflects higher spending on infrastructure projects and rising debt service obligations. Recurrent expenditure (personnel, overhead costs, and debt service) consistently accounted for a significant share of total spending.



3.1.5 EXPENDITURE VARIATION

Capital Expenditures: There was an increase in the capital expenditure from N241.06 billion in Y2019 to N598.37 billion in Y2023, highlighting the State's commitment to infrastructure development.

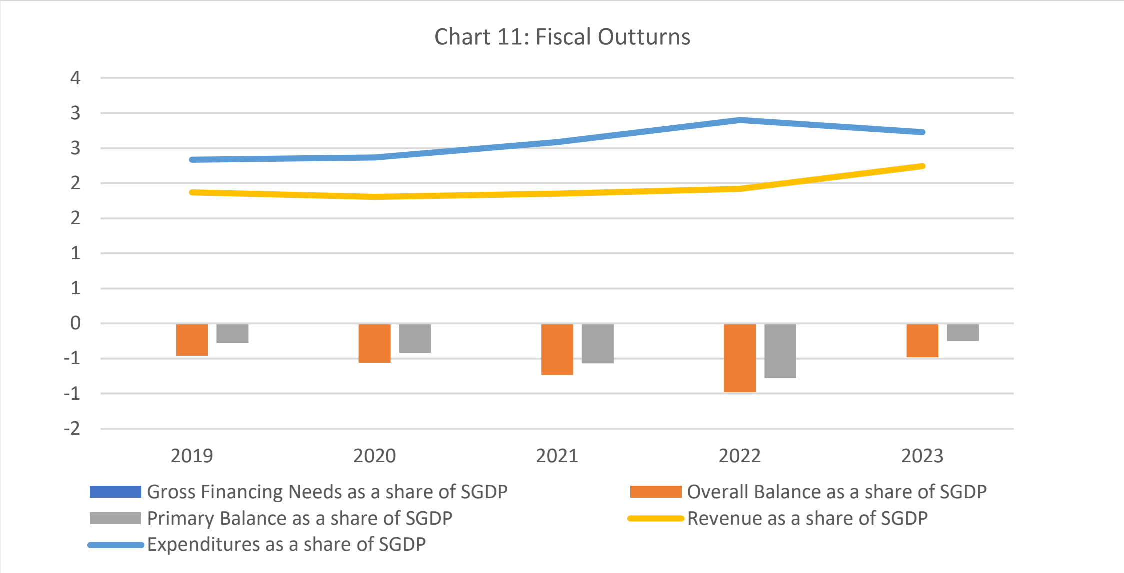
Debt Service: There was a sharp increase in the debt service from N213.75 billion in Y2019 to N310.81 billion in Y2023 due to an increase in exchange rate, interest rate, and repayment of existing Loan facilities.

Overhead Costs: Overhead Costs increased from N221.22 billion in Y2019 to N369.57 billion in Y2023. This is due to the increased cost of repairs and maintenance of Government public facilities and infrastructures which includes repairs/maintenance of roads, renovation/rehabilitation of Schools, Hospitals, and Housing Estates, Purchase of drugs, medical equipment, improved welfare package for frontline medical personnel and establishment/equipment of the Security agencies across Lagos Metropolis and rising in inflation rate.

Personnel Cost: The Personnel cost increased from N119.28 billion in Y2019 to N199.49 billion in Y2023, this reflects adjustments for new minimum wages, yearly promotion of staff, and employment of personnel.

3.1.6 OVERALL AND PRIMARY BALANCE TREND

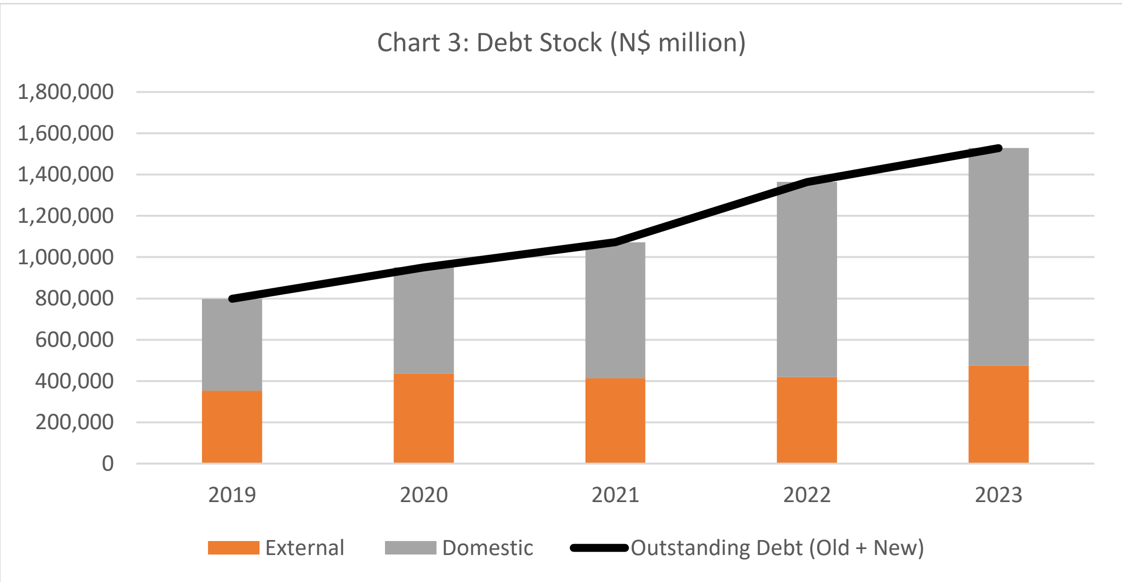
	2019	**2020**	**2021**	**2022**	**2023**
Gross Financing Needs as a share of SGDP	**0**	**0**	**0**	**0**	**0**
Overall Balance as a share of SGDP	**0**	**-1**	**-1**	**-1**	**0**
Primary Balance as a share of SGDP	**0**	**0**	**-1**	**-1**	**0**
Revenue as a share of SGDP	**2**	**2**	**2**	**2**	**2**
Expenditures as a share of SGDP	**2**	**2**	**3**	**3**	**3**



FISCAL OUTTURNS

The overall balance as a share of SGDP from 2019 remains in deficit due to reduced FAAC allocations and increased capital spending. **Primary deficits** persist as the State prioritizes infrastructural projects to stimulate long-term economic growth.

3.2 Existing Public Debt Portfolio



3.2.1 PUBLIC DEBT STOCK

The total public debt stock increased from **₦798.39 billion in Y2023** to approximately **₦1.529 trillion in Y2023**. **Domestic Loans and Bonds** rose to over **₦1.052 trillion**, accounting for about **60–65%** of total debt, while **External Loans** Increased to **₦475.76 billion** due to exchange rate volatility and additional borrowings for key projects.

Despite the increase, the debt remains strategically managed to finance infrastructure while adhering to debt sustainability thresholds.

3.2.2 EXISTING PUBLIC DEBT PORTFOLIO COMPOSITION

The State Debt portfolio largely consists of Internal loan which comprises of commercial bank loans and bonds, representing 64 percent of the total debt portfolio.

External Loan in the chart above shows a steady increase from N354.16 billion in Y2019 to N475.76 billion in Y2023 due to exchange rate fluctuation over the period under review. The high exchange rate of Naira to a Dollar at the end of 2023 was alarming, this increased the loan value to almost double the original loan amount. In conclusion, the cost of servicing external loans becomes too high and risky.

Domestic Loans and Bonds as shown in the chart above also increased from N444.23 billion in Y2019 to N1053 billion in Y2023. In 2023 additional loan were also obtained for infrastructural development.

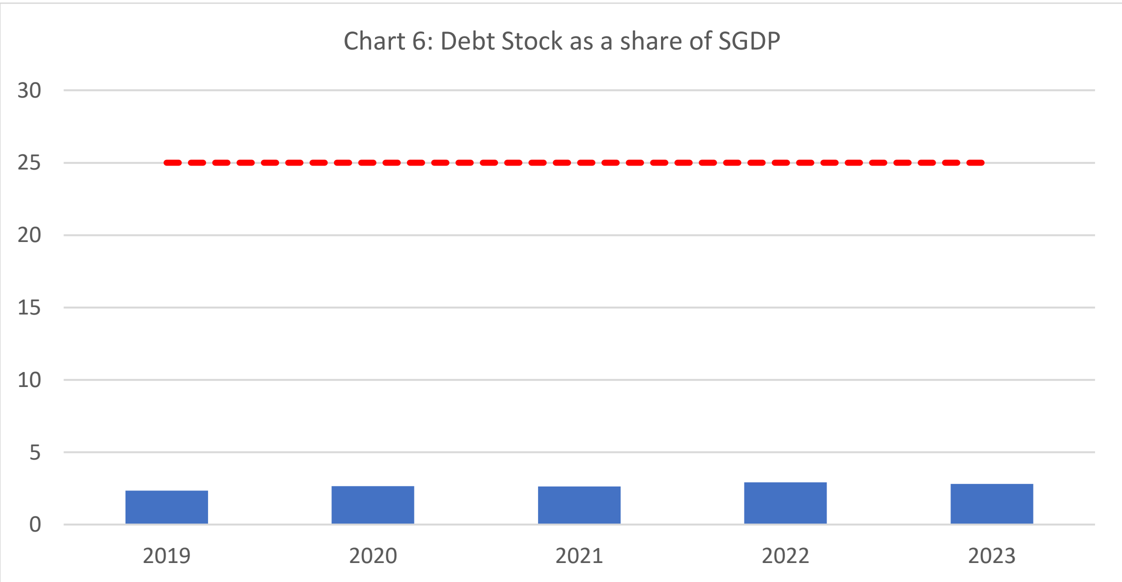
Table 2: Lagos State Debt Stock as at Y2023		
Component	**Amount**	**As a percentage of Total Debt**
	N' Million	%
External	475,759.00	31%
Domestic	1,052,960.00	69%
Total Debt	1,528,719.00	100%

The table above shows the composition of the existing public debt portfolio at the end of Y2023 with an External Loan component of 31% and a Domestic Loan of 69% of the State's total debt. The External loan is costly and risky due to the fluctuation in the exchange rate over time and the devaluation of the currency (Naira). However, the Domestic loan component is more stable because it is denoted in the local currency hence no exposure to exchange rate volatility and less risky in terms of the opportunity to restructure.

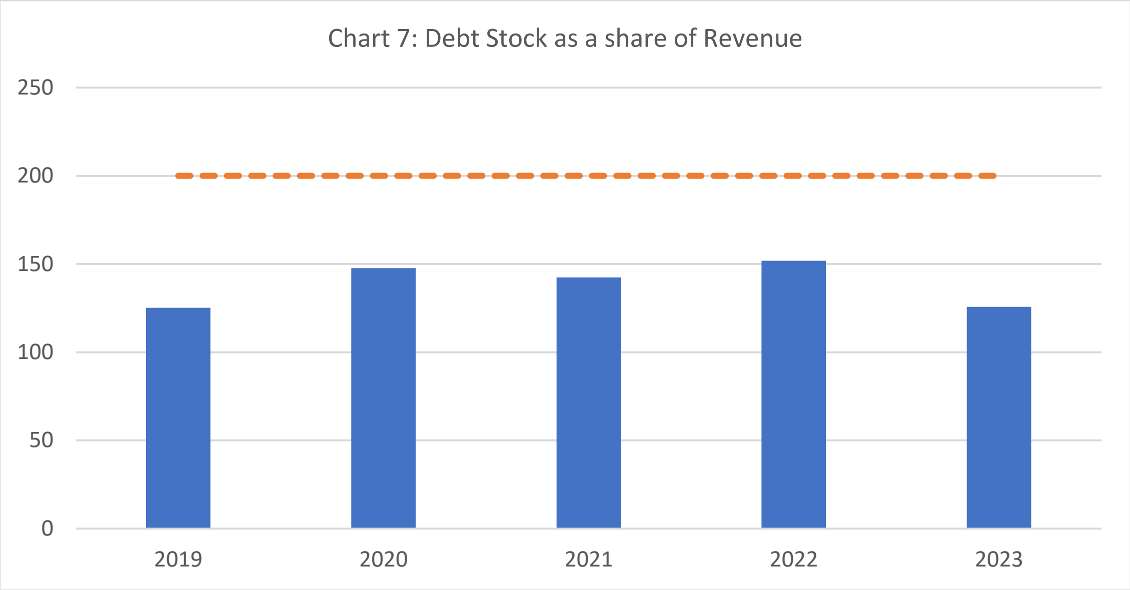
4.0 SUSTAINABILITY ANALYSIS

A Debt sustainability analysis (DSA) assesses how a State or nation's current level of debt and prospective borrowings affect its present and future ability to meet debt service obligations. It is a concession that a key factor for achieving external and public debt sustainability is macroeconomic stability. The concept of debt sustainability refers to the ability of the government to honor its future financial obligations. Since policies and institutions governing spending and taxation largely determine such obligations, debt sustainability ultimately refers to the ability of the government to maintain sound fiscal policies over time without having to introduce major budgetary or debt adjustments in the future. Conversely, fiscal policies are deemed unsustainable when they lead to excessive accumulation of public debt, which could eventually cause the government to take action to address the unwanted consequences of a heavy debt burden.

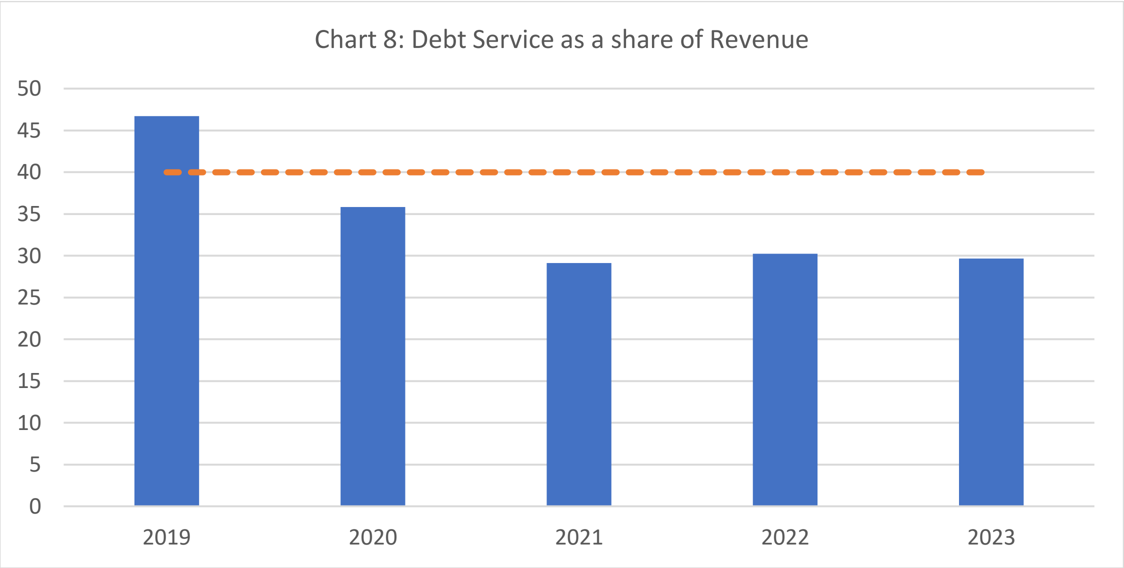
4.1 LAGOS STATE DEBT SUSTAINABILITY ANALYSIS



The chart above illustrates that Lagos State's Debt Stock as a share of Gross Domestic Product (SGDP) remained below the 25% threshold from Y2019 to Y2023, indicating the State's capacity to service and repay its debt.



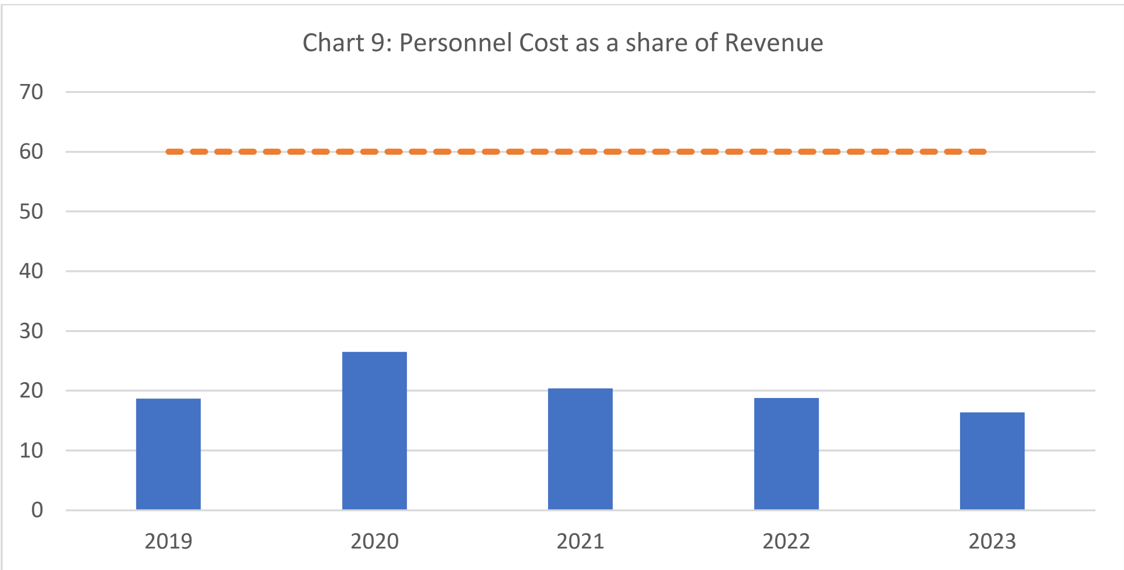
The chart above shows that the Debt Stock as a percentage of Revenue remained below the 200% threshold from Y2019 to Y2023, indicating that Lagos State's debt profile is sustainable.



The chart shows that Debt Service as a share of Revenue exceeded the 40% threshold in Y2019 but fell below the threshold from Y2020 to Y2023. This indicates Lagos State's strong ability to service its debt obligations as and when due.

The State achieved an impressive AAA rating (Fitch Ratings) due to its operational resilience and sustainability in debt repayment, both domestically and externally. Debt sustainability remains robust, supported by favorable interest rates, extended moratorium periods, and long-term debt servicing tenures, with debt service constituting 20% of the total debt size.

Consistent revenue growth, particularly in IGR, coupled with effective cost management and further diversification of the State's economic base, is expected to sustain this positive rating over the medium term.



The chart above shows that the Personnel cost as a share of Revenue is below the 60% threshold this indicates the State ability to meet its obligations on personnel.

4.2 MEDIUM-TERM BUDGET FORECAST

Lagos State's medium-term debt sustainability outlook for 2025-2027 remains strong and is driven by strategic revenue growth initiatives, prudent fiscal management, and infrastructure development. The State's revenue-to-GDP ratio, which stood at **4.19% in 2024**, is projected to **increase gradually to 5% by 2027**. This growth is bolstered by key initiatives, including the **5% remittance from Eko Atlantic City** to the Consolidated Revenue Fund (CRF), the deployment of **eGIS technology**, and other strategic measures implemented by revenue-generating agencies.

The Lagos Internal Revenue Service (LIRS), as the State's principal revenue-generating agency, has been mandated to achieve a monthly revenue target of **N60 billion**. With the introduction of stimulants, enhanced equipment, and the adoption of eGIS, LIRS has successfully captured a significant portion of the informal sector into the tax net. This improved tax collection efficiency, coupled with continued execution of strategic revenue objectives, is expected to drive **Internally Generated Revenue (IGR)** growth over the medium term (2025–2027).

Lagos State's commitment to economic development remains evident in its strategic focus on **infrastructure development and renewal of existing assets**. This priority underscores the government's vision to position Lagos as a global economic hub on par with other leading mega-cities.

The fiscal deficit as a percentage of SGDP remains **within acceptable thresholds**, reflecting strong fiscal discipline. However, the government recognizes the need for continued **economic diversification** and **aggressive internal revenue mobilization** to ensure long-term fiscal sustainability, economic resilience, and inclusive growth.

Revenue is forecasted to grow at a **12% compound annual growth rate (CAGR)** over the medium term, primarily driven by IGR growth and increased **Federal Transfers**. Concurrently, expenditure is also projected to grow at a **12% CAGR**, with a **capital-to-recurrent expenditure ratio** of **48:52** in **2024**. This balanced approach ensures the prioritization of infrastructure investments while maintaining fiscal prudence in recurrent spending.

By leveraging these strategies and maintaining its focus on execution, Lagos State is well-positioned to achieve its revenue targets, sustain economic growth, and strengthen its fiscal framework in the years ahead.

The target is to progressively grow total revenue towards achieving a 5% of State GDP which currently stands at 4.19% in Y2024. With the existing stimulants and equipment provided for revenue-generating agencies, IGR is expected to improve over the Medium-term.

The increase in capital expenditure demonstrates the administration's commitment to infrastructural renewal and development towards achieving the State's vision,

Rebuilding and actualizing a greater Lagos as well as keeping the State at par with other leading megacities in the world.

Fiscal deficit as a % of SGDP is within the threshold. However, strategies towards more diversification of the economy and aggressive improvement of internal revenue sources should be followed through to ensure fiscal sustainability, economic growth, and development in the State.

LAGOS STATE DEBT BURDEN INDICATORS AS OF YEAR-END 2023

INDICATOR	THRESHOLD	RATIO
Debt as a % of SGDP	25%	3%
Debt as a % of Revenue	200%	126%
Debt Service as a % of Revenue	40%	30%
Personnel Cost as a % of Revenue	60%	16%
Debt Service as a % of FAAC Allocation	NIL	109%
Interest payment as a % of Revenue	NIL	10%
External Debt Service as a % of Revenue	NIL	2%

Consistent growth in revenue (especially IGR), combined with effective cost management and further diversification of the State's economic base will result in a positive rating over the medium term.

4.3 BORROWING OPTIONS

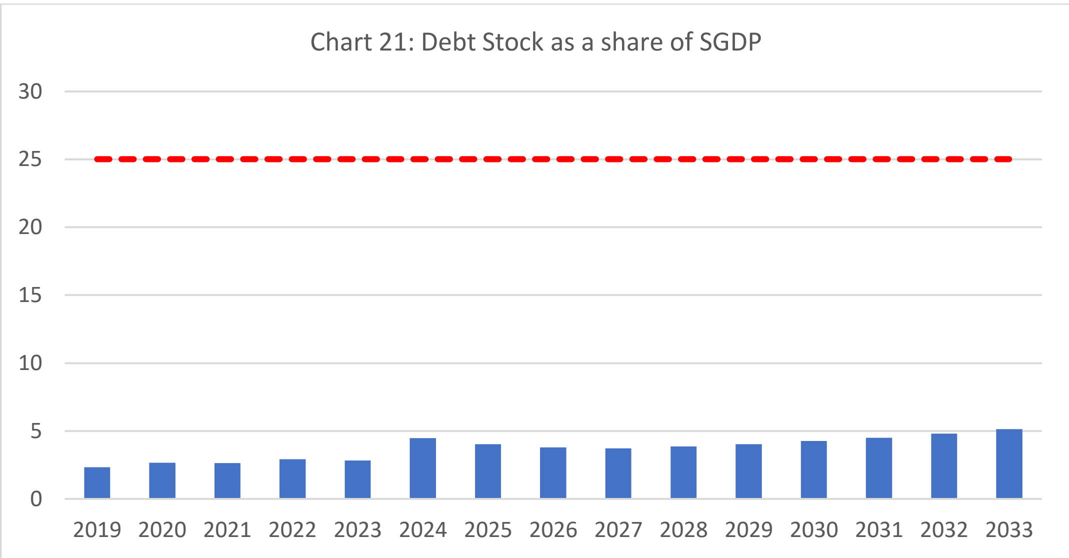
The deficit financing will be by way of a combination of external loans (concessional, single digit loans) domestic loans, bonds and other domestic financing which are well within our fiscal sustainability parameters. Lagos State Baseline Scenario one (S1) apportionment of the Y2023 planned borrowing options are stated below:

S/N	ITEM	WEIGHT (%)	TENOR	INTEREST RATE (%)
1	Commercial Loan	70	5 years	25
2	State Bond	20	6 years and above	18
3	External Loan	10	30 years	2.5

The State planned borrowing of N387.1 billion, N323.9 billion, N277.3 billion, and N230.7 billion for Y2024, Y2025, Y2026, and Y2027 respectively will be apportioned as Stated above. The external loan financing comprises of Bilateral financing with a 30-40 Years tenor, moratorium of 7-10 Years respectively with an average interest rate of 2.5%. External financing is limited as a result of restriction in funding envelopes from the external borrowing and long processing time required for Multilateral and Bilateral loans.

4.4 DSA SIMULATION RESULTS

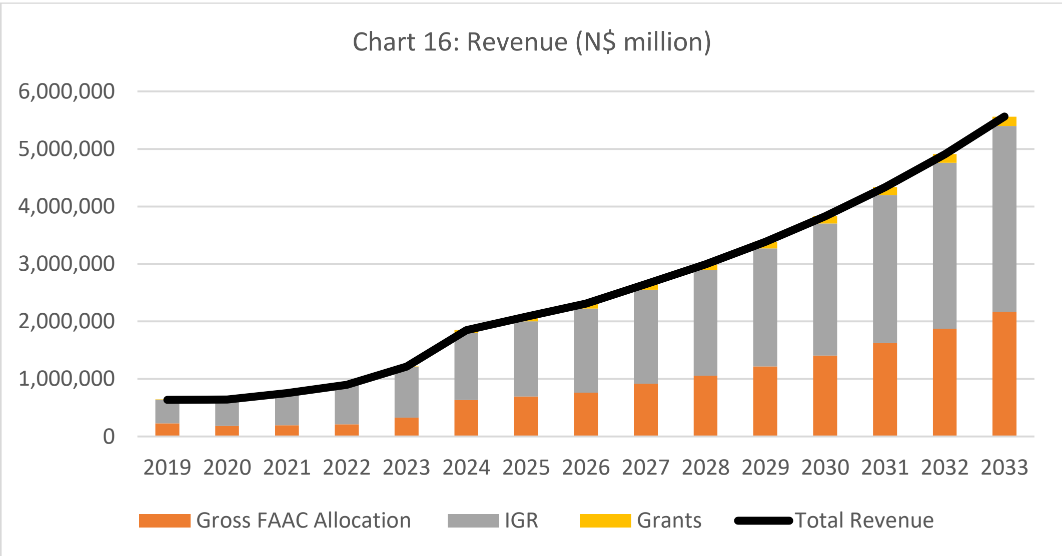
There is an urgent need to significantly diversify and improve government revenues and reduce the dependence on oil revenue sources due to recent shocks as a result of uncertainties in global oil prices. Consolidating and improving revenue numbers remain a major objective for sustaining development. The State clearly need to figure out practical and reasonable ways of materially increasing and expanding its revenues channels. Government remains committed to using innovative ways to raise the revenues required to finance its expenditure and diversifying its revenue sources.



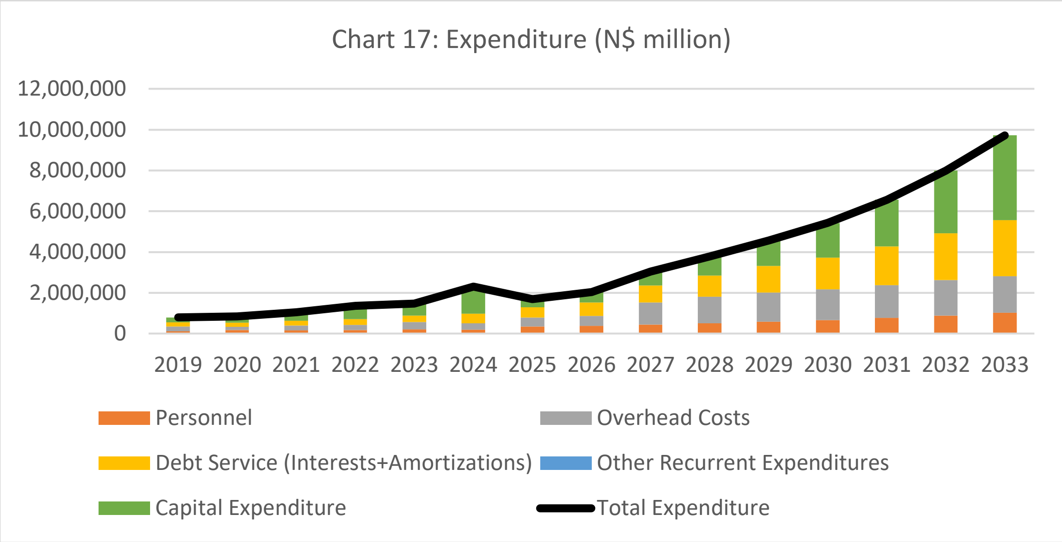
The Chart above depicts the Lagos State Debt Stock as a share of Gross Domestic Product (SGDP) with projections indicating that it will remain below the threshold of 25% in the medium to long term. The chart also provides credence that Lagos State retains the capability to fulfil its future debt obligations.

The medium-term target is to increase the revenue-to-GDP ratio to 16%. Higher revenue collections will enable the Government to deliver public services more effectively, enhance infrastructure investment, and improve investment in human capital.

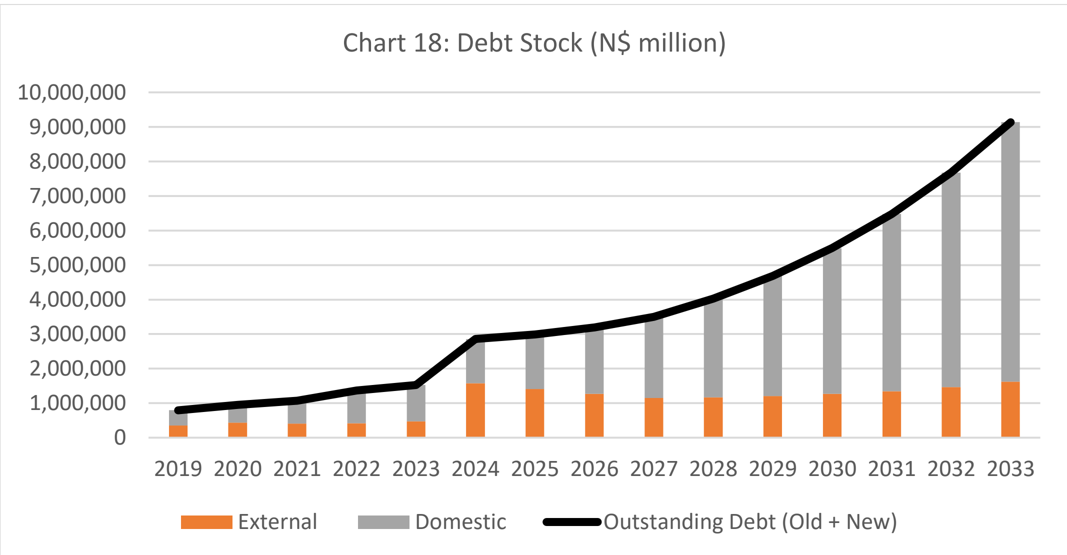
The Internally Generated Revenue (IGR) tax system will be further strengthened over the medium term by improving collection efficiency, enhancing compliance, and reorganizing the business practices of revenue agencies in the State as well as employing appropriate technology. In addition, expanding the tax net to include a large base of businesses in the informal sector should be a priority.



The chart above shows that Total Revenue steadily increased from N637.64 billion in Y2019 to N2,079.9 billion in Y2025 and then to N5,562.5 billion in Y2033 due to improved Government Revenue generation strategy and massive infrastructure development. The following are the movement in the component of Total revenue; IGR increased from N407.66 billion in Y2019 to N3,229.58 billion in Y2033; FAAC increased from N229.4 billion in Y2019 to N2,166.6 billion in Y2033; and Grant increased from N484 million in Y2019 to N166.31 billion in Y2033.



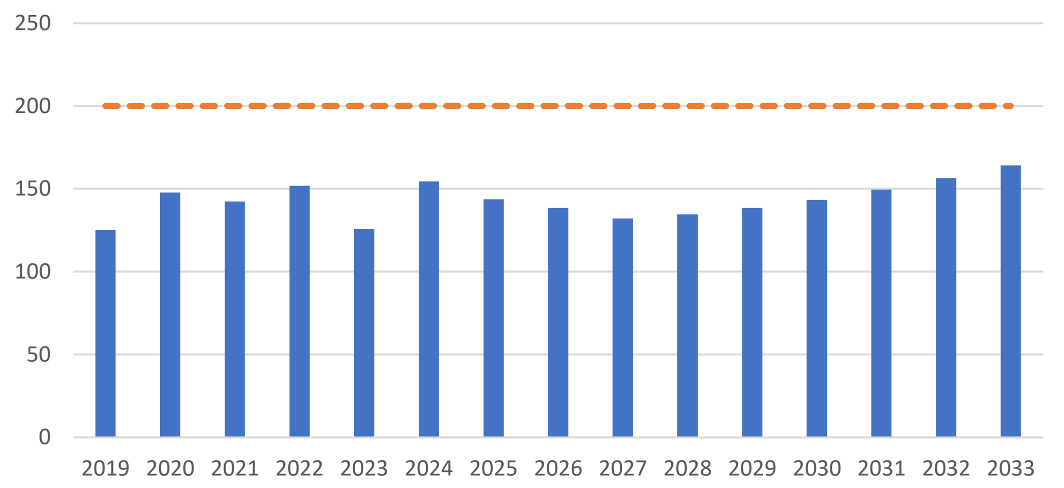
The chart above shows that Total Expenditure varied during the period under review from N795.3 billion in Y2019 to N9,726 billion in Y2033 as a result of the demands associated with large-scale infrastructural development in making Lagos a 21st Century Mega City. The following is the movement in the component of the Total Expenditure: Personnel Cost increased from N119.28 billion in Y2019 to N1,018.93 billion in Y2033; Capital expenditure increased from N241.06 billion in Y2019 to N4,160.08 billion in Y2033, Debt Service increased from N213.75 billion in Y2019 to N2,753.88 billion in Y2033 and Overhead Cost increased from N221.22 billion in Y2019 to N1,793.29 billion in Y2033.



The Chart above shows that Lagos State Debt stock increased steadily from N798.39 billion in Y2019 to N9,135.63 billion in Y2033 due to full redemption of Domestic loan and continuous servicing of External loan in the period under review. The following are the movement in the component of the Total Debt Stock: External loan increased from N354.16 billion in Y2019 to N1,628.29 billion in Y2033 due to volatility of the exchange rate; and Domestic Loan increased from N444.23 billion to N7,507.34 billion in Y2033.

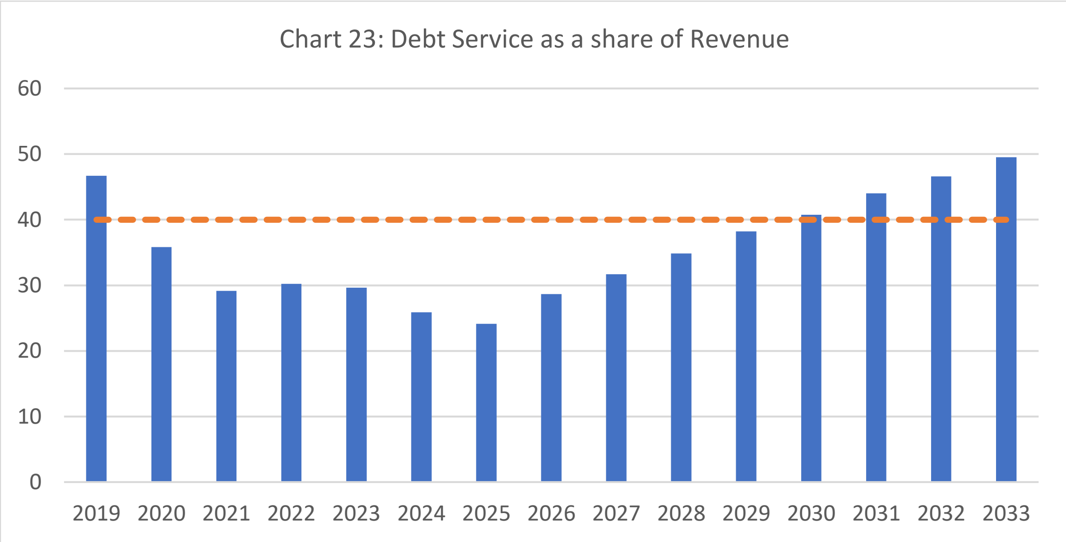
4.4.1 DEBT STOCK AS A SHARE OF REVENUE

Chart 22: Debt Stock as a share of Revenue



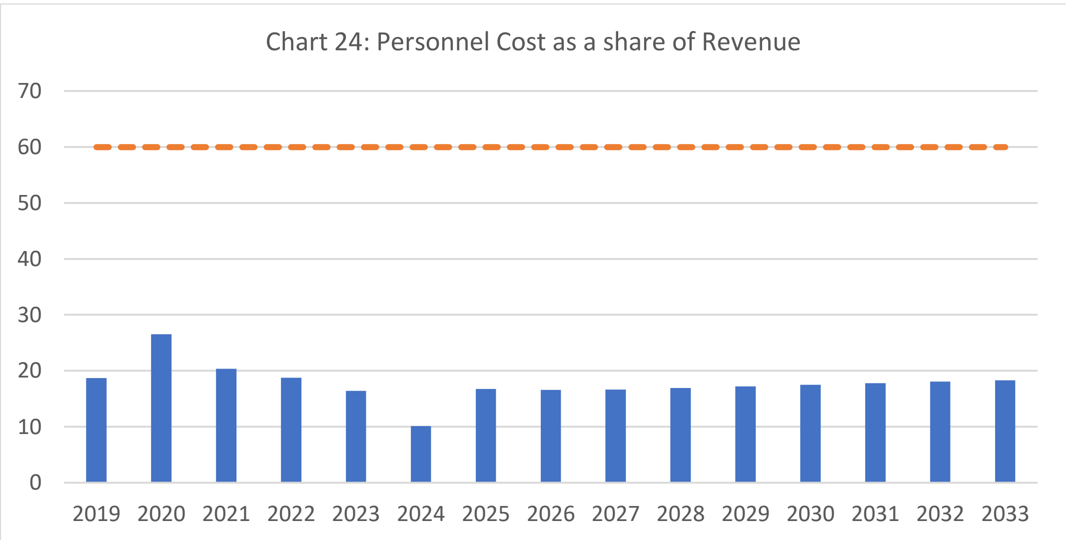
The Chart above shows that the State debt stock as a share of Revenue is below the threshold of 200% from Y2019 to Y2033 indicating the State's ability to fulfil its debt obligations from Total Revenue as it falls due. The State is extremely strategic in its commitment to sustaining the above threshold.

4.4.2 DEBT SERVICE AS A SHARE OF REVENUE



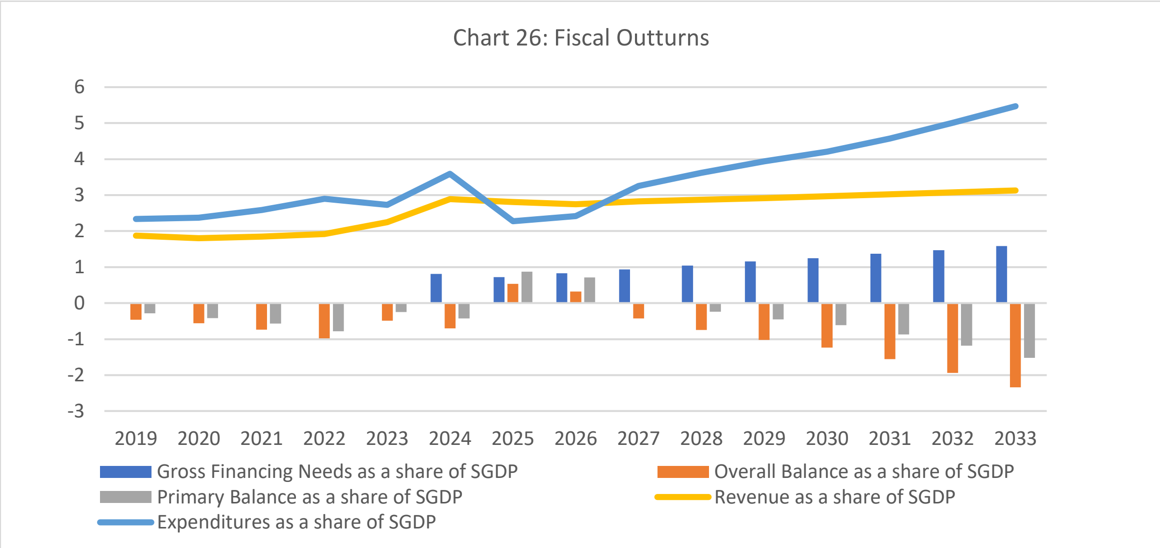
The chart above shows that Lagos State has put in place necessary strategies in ensuring that its Debt Service as a share of Revenue is below the threshold. Expanding and deepening the tax net by incorporating businesses from the informal sector and securing concessionary loans with single digit interest are some of the strategies being deployed by the State in order to remain within the stipulated threshold, which later increased from Y2030 to Y2033, the State needs to work more on Revenue generation to avoid Debt service as a share of Revenue moving beyond threshold.

4.4.3 PERSONNEL COST AS A SHARE OF REVENUE



Personnel cost as a share of revenue falls below the threshold of 60%. This is an indication the State Government has the ability to meet its staff obligation.

4.4.4 FISCAL OUTTURNS



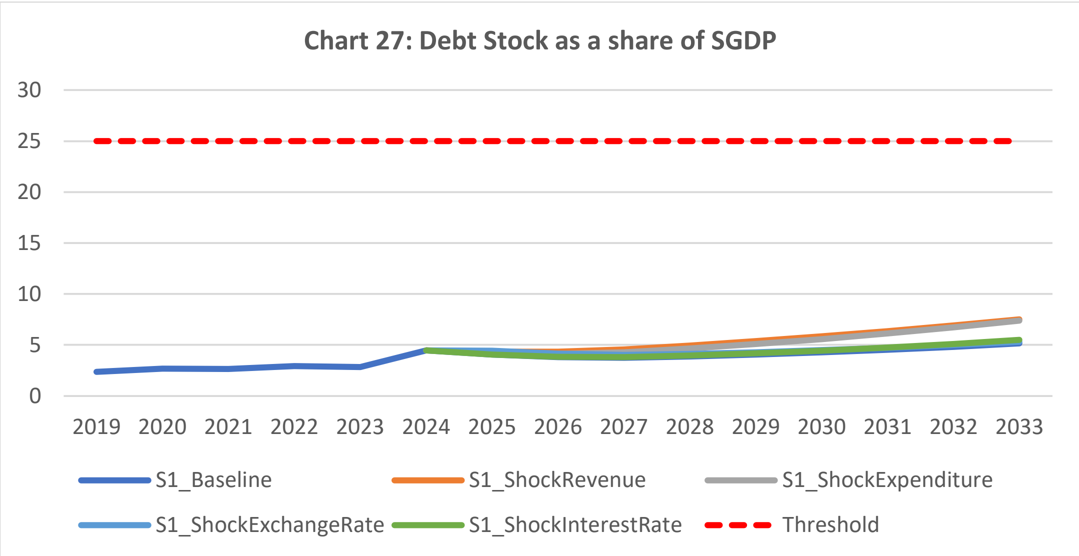
Since 2019 the overall balance as a share of SGDP decrease continuously all through to Y2033 owing to the fall in federal transfers (oil receipts) and the pressing need to develop the State's infrastructures. On the other hand, primary fiscal balance also shows a dwindling movement from Y2019 to Y2033.

4.4.5 SUMMARY OF FINDINGS

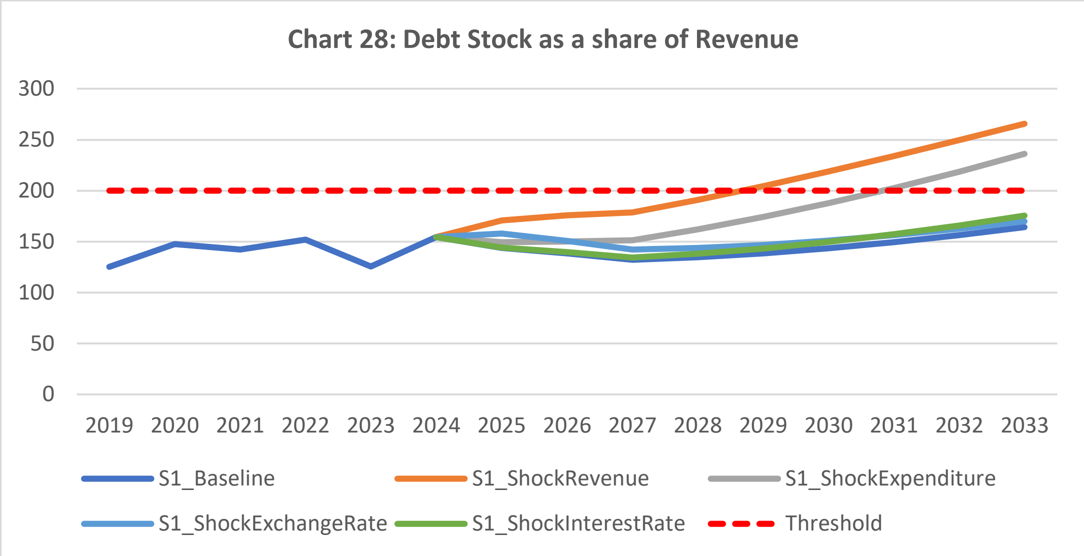
Lagos State DSA result shows that, the State remains at the Low Risk of Debt Distress. The State remains mostly sensitive to the revenue shocks, expenditure shocks, exchange rate shocks, interest rate shocks and historical shocks, indicating that an increase in aggregate output, does not result to a proportionate increase in revenue. There is, therefore, the urgent need for the authorities to fast-track efforts aimed at embarking on revenue reform policies that will vigorously increase revenue generation and therefore strengthens the IGR of the State.

4.5 DSA SENSITIVITY ANALYSIS

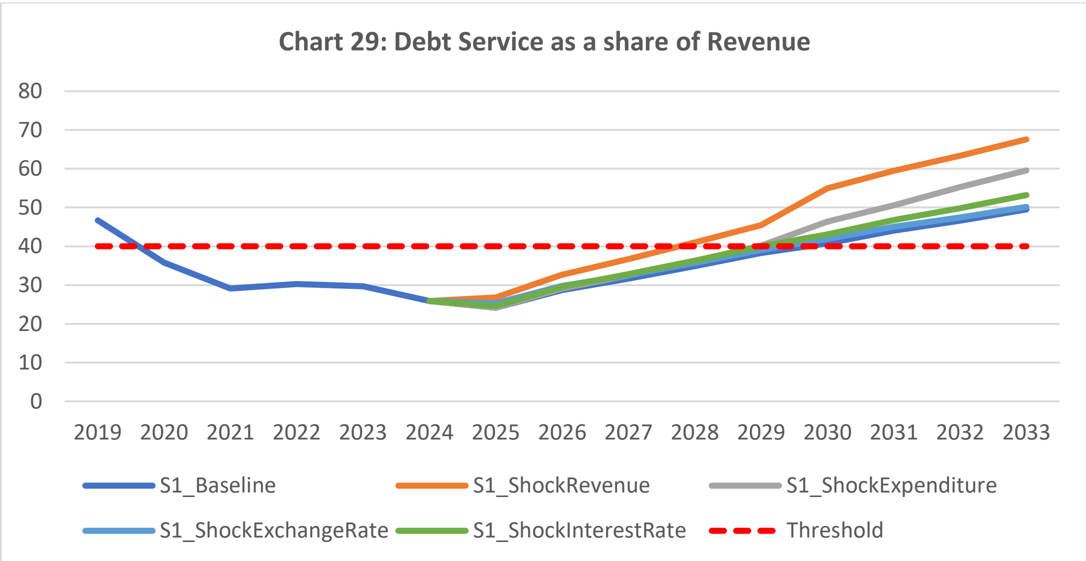
The State faces important sources of fiscal risks associated to the possibility of adverse country wide macroeconomic conditions and the reversal of the State's revenue and expenditure policies. A sensitivity analysis is undertaken considering macroeconomic shocks and policy shocks to evaluate the robustness of the sustainability assessment for the baseline scenarios discussed in the previous sub-sections. When considering both macroeconomic and policy shocks, it is assumed that external and domestic borrowings cover any revenue shortfall and additional expenditure relative to the baseline scenario discussed earlier. In furtherance of the above, the State DSA Sensitivity analysis as depicted below:



The Debt stock as a share of SGDP chart shows that the scenario one (S1) Baseline, ShockRevenue, ShockExpenditure, ShockExchangeRate, ShockInterestRate are all below the required threshold. This is an indication that the strategy is favourable and sustainable to the State.

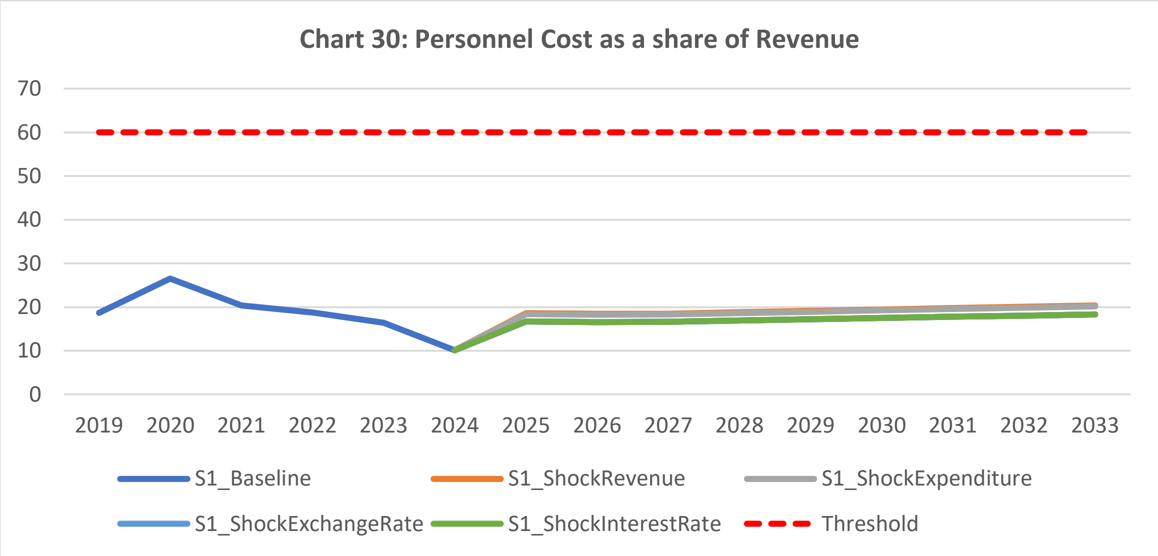


The Debt stock as a share of Revenue chart shows that the scenario one (S1) Baseline strategy will breach the threshold if there is a shock in the States revenue or expenditure. This is an indication that the State's revenue growth drive needs to be intensified in the long term as the Baseline position is sensitive to Revenue and Expenditure shocks.



The Debt service as a share of Revenue chart shows that the scenario one (S1) Baseline is above the threshold in Y2019. However, the ShockRevenue, ShockExpenditure, ShockExchangeRate, ShockInterestRate and Historical are all below the required threshold till 2028. The Historical falls below the threshold till 2030 while

ShockRevenue, ShockExpenditure, increased above threshold in Y2029 to Y2033 and ShockExchangeRate, ShockInterestRate surpassed threshold in Y2030 to Y2033. This is an indication that the strategy is favourable and sustainable to the State overtime. It further shows that the Baseline position is more sensitive as it has moved above the threshold with past adverse fiscal policy, the other shock scenarios can be managed in line with the movement of economic indices



The Personnel Cost as a Share of Revenue chart shows that the scenario one (S1) Baseline ShockRevenue, ShockExpenditure, ShockExchangeRate, ShockInterestRate and Historical are all below the required threshold. This is an indication that the strategy is favourable and sustainable to the State. The gap between the base line and the threshold shows the State Government's ability to fulfil its Personnel cost obligation irrespective of any shock.

5.0 DEBT MANAGEMENT STRATEGY

Public debt management is the process of establishing and executing a strategy for managing the government's debt to raise the required amount of funding at the lowest possible cost over the medium to long run, consistent with a prudent degree of risk.

The Debt Management Strategy provides alternative strategies to meet the financing requirements for the State. The strategies are shown by the breakdown of the funding mix (domestic debt and external debt) and within the broad categories of domestic and external, the share of each stylized instrument has also been illustrated.

5.1 ALTERNATIVE BORROWING OPTIONS

Strategy 1 (S1) reflects a "Baseline" MTEF Financing Mix: It follows the broad parameters of the financing mix in the fiscal year 2023 and MTEF, 2025-2027. The Domestic gross financing comprises commercial bank loans, State bonds, and other domestic financing. The Domestic Financing under Commercial Bank loans (maturity of 1-5 years) accounts for 70 percent, 20 percent of State bond issuance, and External loan (concessional loan) of 10 percent to fund its deficit for the projection years. The State will be contracting External gross borrowing under Concessional loans accounts for an average of 10 percent over the strategic period mainly through the World Bank and African Development Bank; and the bilateral loans account for an average of 2.5 percent, respectively. The Domestic Financing under the Commercial Bank loans (maturity of 1-5 years) accounts of average 70 percent, Domestic bond of 20 percent (maturity of 7-10 years) to fund its deficit for the projection years.

Aside from the baseline strategy, there are other strategies (S2, S3, S4) set up as alternative strategies. A debt management strategy analysis will be conducted to identify the worst possible scenario that outperforms the baseline for every strategy. Lagos State government intends to utilize the financing options available in the Domestic market (Commercial bank loans, State bonds and other domestic financing – CBN loans) and external market (Concessional loans from World Bank & AFDB, Bilateral loans) to fund the gross borrowing requirement for 2023-2033 while ensuring that it's done at the lowest cost possible with a prudent of risk.

For Strategy 2, the assumption is that the State intends to finance its funding gap by contracting commercial bank loans, State Bonds, and other domestic financing all through the projection years. The reason is that domestic loans are easier to access. It also comes with the opportunity for renegotiation of the borrowing terms should the need arise. The State will be contracting Domestic Financing under Commercial Bank loans (maturity of 1-5 years) accounts of 70 percent and Domestic bonds of 30 percent (maturity of 7-10 years) to fund its deficit for the projection years.

For Strategy 3, the State assumes that only Commercial Bank loans (maturity of 1-5 years) will be sourced to fund its deficit for the projection years. Utilizing the Commercial Bank loans (maturity of 1-5 years) option comes with a moderate cost and mitigation of the foreign exchange rate risk.

For Strategy 4, the assumption is that the State intends to finance its funding gap by contracting 50% of Commercial bank loans and 50% of State Bonds all through the projection years.

The above option of borrowing was considered due to the implication of the Risk/Cost analysis of the options.

5.2 DEBT MANAGEMENT STRATEGY SIMULATION RESULTS

In assessing the Debt management strategy and getting results, the baseline strategy S1 is compared with the other three alternative strategies S2, S3, and S4 using the debt performance indicators highlighted above. They are Debt stock/revenue ratio, Debt service/revenue, and interest/ revenue ratios. The cost and risk for each alternative strategy are analyzed in comparison to the reference strategy (S1) including the trade-offs for each strategy in terms of risk and cost.

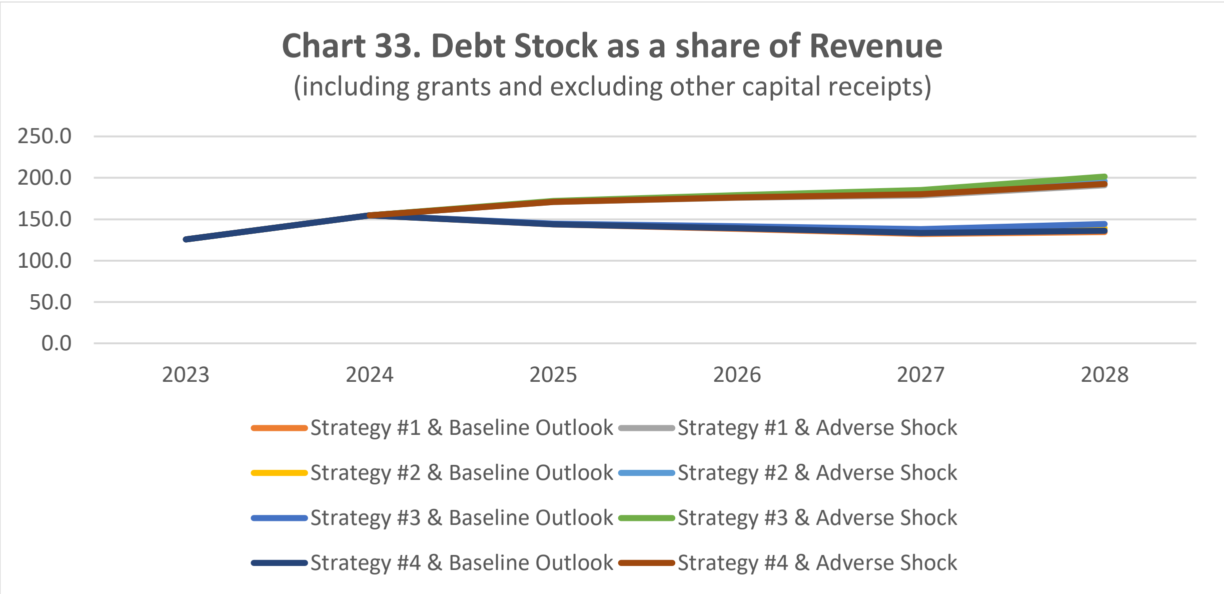
5.2.1 DEBT STOCK/REVENUE

The table below shows the performance of the State from 2023-2027 when expressing debt as a percentage of revenue. The first strategy has the lowest cost of 134.7 while S2, S3, and S4 have the cost of 139.1, 144.1, and 136.1 respectively. Strategy 1 also has the lowest risk of 56.4 while S2, S3, and S4 have a risk of 56.9, 57.5, and 56.6 respectively. Strategy 1 has the lowest cost with an associated lowest risk due to concentration on more Commercial Bank Loan and State bonds borrowings with little proportion of external financing over the DMS period of 2023-2028. Year 2023 had the highest debt stock to revenue ratio but it is expected to continue to decline in the medium term provided the State keeps projected debt and revenue at manageable levels within this period. For the debt/revenue indicator, **the Strategy (S1)** is the preferred one since it has the lowest cost and lesser risk when compared to other three Strategies. (154.7% Cost and 56.4% Risk).

DEBT STOCK AS A % OF REVENUE

		Debt Stock as % of Revenue (including grants and e:	2023	2024	2025	2026	2027	COST 2028	RISK measured only in 2028
S1_Tables	Indicator2_baseline	Strategy #1 & Baseline Outlook	125.7	154.5	143.7	138.5	132.2	134.7	56.4
S1_Tables	Indicator2_shock	Strategy #1 & Adverse Shock		154.5	170.8	175.8	178.6	191.1	
S2_Tables	Indicator2_baseline	Strategy #2 & Baseline Outlook	125.7	154.5	144.2	140.1	135.3	139.1	56.9
S2_Tables	Indicator2_shock	Strategy #2 & Adverse Shock		154.5	171.4	177.5	182.1	196.1	
S3_Tables	Indicator2_baseline	Strategy #3 & Baseline Outlook	125.7	154.5	144.7	141.5	138.2	144.1	57.5
S3_Tables	Indicator2_shock	Strategy #3 & Adverse Shock		154.5	171.9	179.1	185.3	201.6	
S4_Tables	Indicator2_baseline	Strategy #4 & Baseline Outlook	125.7	154.5	143.9	139.1	133.4	136.1	56.6
S4_Tables	Indicator2_shock	Strategy #4 & Adverse Shock		154.5	171.0	176.5	180.0	192.6	

For Strategy #1, Adverse Shock is Revenue
For Strategy #2, Adverse Shock is Revenue
For Strategy #3, Adverse Shock is Revenue
For Strategy #4, Adverse Shock is Revenue



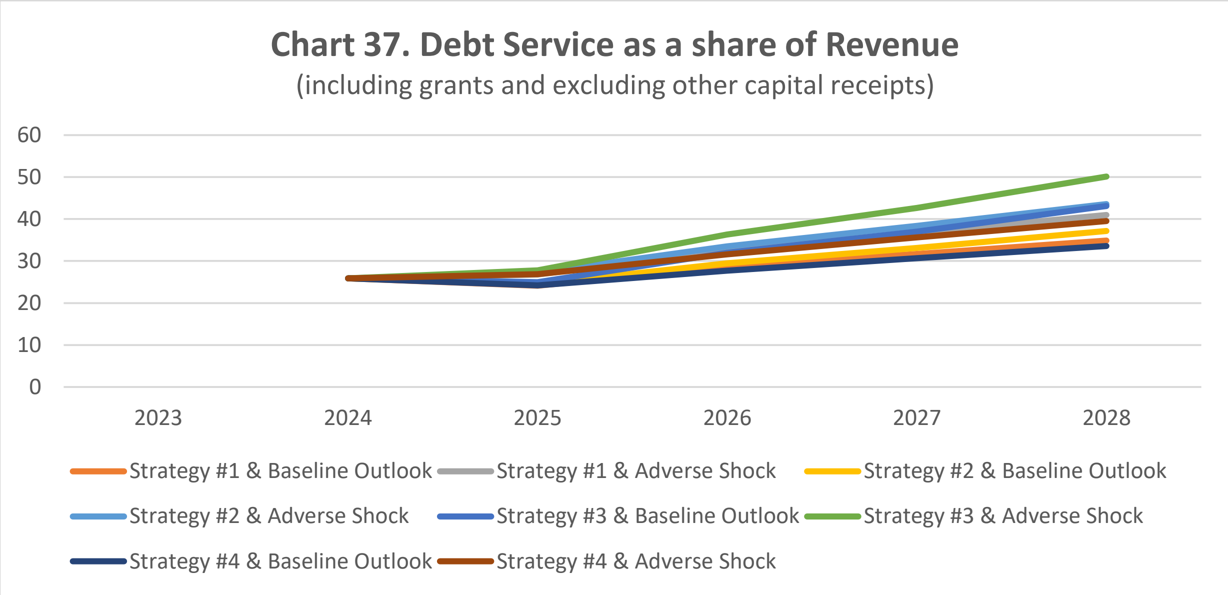
The chart above depicts the Cost-Risk Trade-off scatter plot highlighting the trade-off of the cost and risk for the four DMS with the preferred strategies which combines the lesser cost couple with the lesser risk for the debt/revenue indicator.

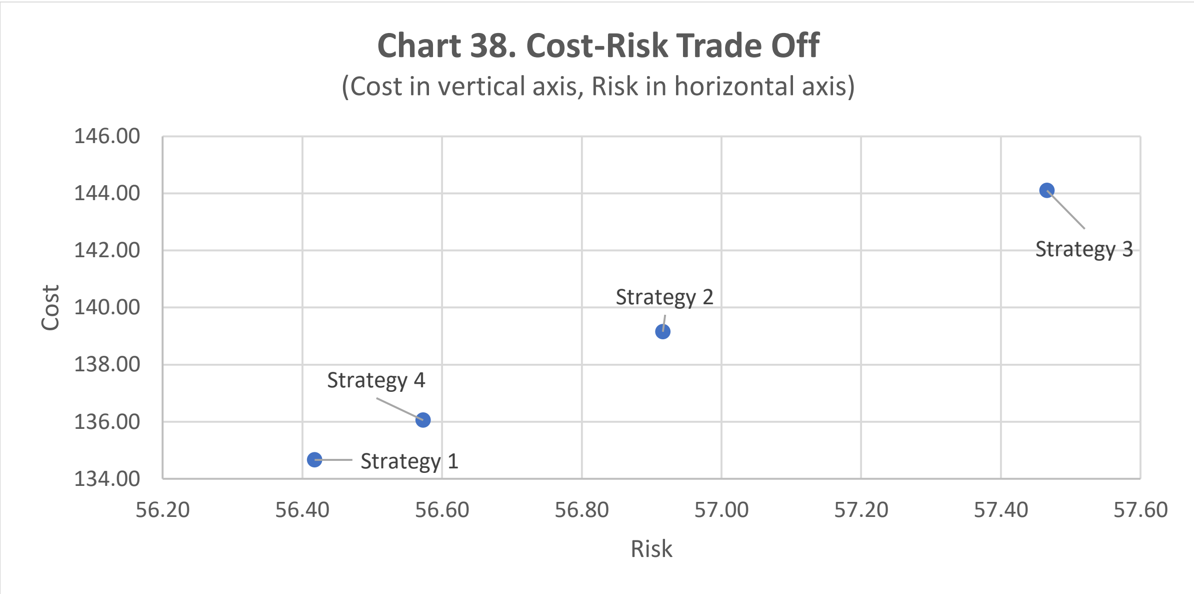
The table below shows the performance of the State from 2024-2028 when expressing the debt service as a percentage of revenue. Under this performance indicator, strategy S4 in the year of measurement (2028) had a cost of 33.6% and 6.0% as risk which is the lowest when compared to other alternative strategies.

DEBT SERVICE AS A % OF REVENUE

						COST	RISK measured only in 2028
Debt Service as % of Revenue (including grants and	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	
Strategy #1 & Baseline Outlook		25.9	24.1	28.7	31.7	34.9	6.1
Strategy #1 & Adverse Shock		25.9	26.8	32.7	36.7	41.0	
Strategy #2 & Baseline Outlook		25.9	24.5	29.4	33.2	37.2	6.4
Strategy #2 & Adverse Shock		25.9	27.2	33.5	38.4	43.5	
Strategy #3 & Baseline Outlook		25.9	25.0	32.0	37.0	43.1	7.0
Strategy #3 & Adverse Shock		25.9	27.8	36.4	42.7	50.1	
Strategy #4 & Baseline Outlook		25.9	24.2	27.7	30.7	33.6	6.0
Strategy #4 & Adverse Shock		25.9	26.9	31.6	35.6	39.5	

For Strategy #1, Adverse Shock is Revenue
For Strategy #2, Adverse Shock is Revenue
For Strategy #3, Adverse Shock is Revenue
For Strategy #4, Adverse Shock is Revenue





The Cost-Risk Trade-off scatter plot shows the trade-off of the cost and risk for the four DMS. Looking at the chart, the preferred strategy combines the lesser cost couple with the lesser risk. For the debt service/revenue indicator, the alternative strategy (S4) is the preferred one since it has the lowest cost and the lesser risk.

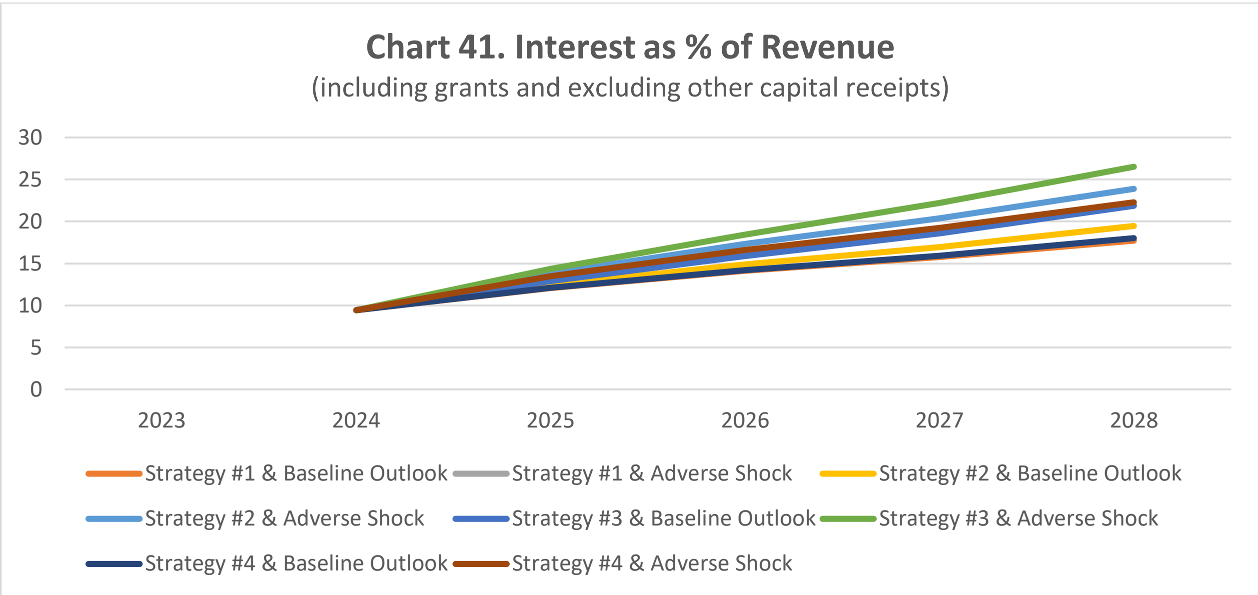
5.2.3 INTEREST/REVENUE

The table below shows the performance of the State from 2023-2028 when expressing interest as a percentage of revenue. The first strategy S1 has the lowest cost of 17.7

and the lowest risk at 4.2, the alternative strategy has a cost of 19.5, 21.8, 22.5 respectively and a higher risk of 4.4 and 4.7 respectively.

								COST	RISK measured only in 2028
S1_Tables	Indicator6_baseline	Interest as % of Revenue (including grants and exclu	2023	2024	2025	2026	2027	2028	
S1_Tables	Indicator6_baseline	Strategy #1 & Baseline Outlook		9.4	12.1	14.1	15.8	17.7	4.2
S1_Tables	Indicator6_shock	Strategy #1 & Adverse Shock		9.4	13.4	16.5	19.0	21.9	
S2_Tables	Indicator6_baseline	Strategy #2 & Baseline Outlook		9.4	12.4	14.9	17.0	19.5	4.4
S2_Tables	Indicator6_shock	Strategy #2 & Adverse Shock		9.4	13.8	17.3	20.4	23.9	
S3_Tables	Indicator6_baseline	Strategy #3 & Baseline Outlook		9.4	12.9	15.9	18.6	21.8	4.7
S3_Tables	Indicator6_shock	Strategy #3 & Adverse Shock		9.4	14.4	18.5	22.2	26.5	
S4_Tables	Indicator6_baseline	Strategy #4 & Baseline Outlook		9.4	12.1	14.2	15.9	18.0	4.2
S4_Tables	Indicator6_shock	Strategy #4 & Adverse Shock		9.4	13.5	16.6	19.2	22.3	

For Strategy #1, Adverse Shock is Revenue
For Strategy #2, Adverse Shock is Revenue
For Strategy #3, Adverse Shock is Revenue
For Strategy #4, Adverse Shock is Revenue



The Cost-Risk Trade-off scatter plot shows the trade-off of the cost and risk for the four DMS. Looking at the chart, the preferred strategy combines the lesser cost coupled with the lesser risk.

5.3 DMS ASSESSMENT

It is observed that the four Debt Management strategies adopted are less risky. Although, the cost of Domestic Commercial loans may be costly and short-tenured as compared to External loans which are cheaper and have elongated tenure for foreign exchange rates, inflation, and devaluation will make External loan to be highly risky. As a consequence of the borrowings envisaged in the reference debt-management strategy (S1), the interest burden and debt-service obligations will be reduced (relative to revenue). In addition, the exposure to the uncertainty surrounding foreign exchange risk and interest rate risk will be mitigated.

The cost-risk profile observed in the four DMS revealed that it would be optimal for the State to operate under Strategy (S1) because it has the lowest cost and lowest risk in the Debt service as a share of Revenue and also carries the least cost and risk compared to the other three strategies (S2, S3) both in Debt stock and Interest as a share of Revenue. Consequently, the State would settle for the Reference Strategy (S1) which gave fair consideration to all Domestic financing instruments (both loan and bond) being the most realistic and obtainable strategy giving the prevailing economic challenges.

2024		Projection Methodology	Source
Assumptions:			
Economic activity	State GDP (at current prices)	Lagos State GDP projections has been applied here as provided by the Federal Debt Management Office (See Control sheet)	Federal Debt Management Office
Revenue	Revenue	Projection for revenue have been derived from State's Y2024 Approved Budget and Y2024-Y2026 MTEF , VAT and Statutory Allocations projected by Federal Debt Management Office (See Control Sheet). Total Revenue is projected to grow at 12% p. a largely driven by IGR.	DSA Team, Lagos State Debt Management Office, Federal Debt Management Office
	1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	Statutory Allocation has been applied here as provided by the Federal Debt Management Office (See Control sheet)	Federal Debt Management Office
	1.a. of which Net Statutory Allocation ('net' means of deductions)		DSA Team, Lagos State Debt Management Office
	1.b. of which Deductions		
	2. Derivation (if applicable to the State)		DSA Team, Lagos State Debt Management Office
	3. Other FAAC transfers (exchange rate gain, augmentation, others)	Other FAAC transfers are projected to grow by 10%	DSA Team, Lagos State Debt Management Office
	4. VAT Allocation		DSA Team, Lagos State Debt Management Office
	5. IGR	IGR is projected to grow by 12% in the medium term and expected to increase with growth in the economy	MTEF 2024-2026, DSA Team, Lagos State Debt Management Office
	6. Capital Receipts	Capital Reciept is projected to grow by 12% in the medium term and expected to increase with growth in the economy	
	6.a. Grants		DSA Team, Lagos State Debt Management Office
	6.b. Sales of Government Assets and Privatization Proceeds		DSA Team, Lagos State Debt Management Office
	6.c. Other Non-Debt Creating Capital Receipts		DSA Team, Lagos State Debt Management Office
Expenditure	Expenditure	Expenditure forecast to grow at an average of 10% p.a, with a capex : recurrent expenditure ratio >1	
	1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefi	Expenditure forecast to grow at an average of 10% p.a	MTEF 2023-2025
	2. Overhead costs	Expenditure forecast to grow at an average of 10% p.a	MTEF 2023-2025
	3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)		
	4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)		DSA Team, Lagos State Debt Management Office
	5. Capital Expenditure	Expenditure forecast to grow at an average of 12% p.a	MTEF 2023-2025
Closing Cash and Bank Balance	Closing Cash and Bank Balance		

Debt Amotization and Interest Payments	**Debt Outstanding at end-2023**		
	External Debt - amortization and interest	Interest Rate: 2.5%. Maturity: 30years. Grace Period on Principal Repayment: 10years.	DSA Team, Lagos State Debt Management Office
	Domestic Debt - amortization and interest	Interest Rate: 25%. Maturity: 5years. Grace Period on Principal Repayment: 1 year.	DSA Team, Lagos State Debt Management Office
	New debt issued/contracted from 2024 onwards		
	New External Financing		
	External Financing - Concessional Loans (e.g., World Bank, Africa	Interest Rate: 2.5%. Maturity: 30years. Grace Period on Principal Repayment: 10years.	DSA Team, Lagos State Debt Management Office
	External Financing - Bilateral Loans		DSA Team, Lagos State Debt Management Office
	Other External Financing		DSA Team, Lagos State Debt Management Office
	New Domestic Financing		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Lo	25% interest rate with 5 years maturity and moratorium of 1 year	DSA Team, Lagos State Debt Management Office
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		DSA Team, Lagos State Debt Management Office
	State Bonds (maturity 1 to 5 years)		DSA Team, Lagos State Debt Management Office
	State Bonds (maturity 6 years or longer)	18% interest rate with 10 years maturity and moratorium of 2 years	DSA Team, Lagos State Debt Management Office
	Other Domestic Financing		DSA Team, Lagos State Debt Management Office
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S1	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S1**		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Lo	70% of required borrowing : Interest Rate: 25%. Maturity: 5years. Grace Period on Principal Repayment: 1years.	DSA Team, Lagos State Debt Management Office
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		DSA Team, Lagos State Debt Management Office
	State Bonds (maturity 1 to 5 years)		DSA Team, Lagos State Debt Management Office
	State Bonds (maturity 6 years or longer)	20% of required borrowing : Interest Rate: 18%. Maturity: 5years. Grace Period on Principal Repayment: 2years.	DSA Team, Lagos State Debt Management Office
	Other Domestic Financing		DSA Team, Lagos State Debt Management Office
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, Africa	10% of required borrowing : Interest Rate: 2.5%. Maturity: 30years. Grace Period on Principal Repayment: 10years.	DSA Team, Lagos State Debt Management Office
	External Financing - Bilateral Loans		DSA Team, Lagos State Debt Management Office
	Other External Financing		DSA Team, Lagos State Debt Management Office
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S2	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S2**		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Lo	70% of required borrowing : Interest Rate: 25%. Maturity: 5years. Grace Period on Principal Repayment: 1years.	DSA Team, Lagos State Debt Management Office
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		DSA Team, Lagos State Debt Management Office
	State Bonds (maturity 1 to 5 years)		DSA Team, Lagos State Debt Management Office
	State Bonds (maturity 6 years or longer)	30% of required borrowing : Interest Rate: 18%. Maturity: 5years. Grace Period on Principal Repayment: 2years.	DSA Team, Lagos State Debt Management Office
	Other Domestic Financing		DSA Team, Lagos State Debt Management Office
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)		DSA Team, Lagos State Debt Management Office
	External Financing - Bilateral Loans		DSA Team, Lagos State Debt Management Office
	Other External Financing		DSA Team, Lagos State Debt Management Office
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S3	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S3**		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Lo	100% of required borrowing : Interest Rate: 25%. Maturity: 5years. Grace Period on Principal Repayment: 1years.	DSA Team, Lagos State Debt Management Office
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		DSA Team, Lagos State Debt Management Office
	State Bonds (maturity 1 to 5 years)		DSA Team, Lagos State Debt Management Office
	State Bonds (maturity 6 years or longer)		DSA Team, Lagos State Debt Management Office
	Other Domestic Financing		DSA Team, Lagos State Debt Management Office
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)		DSA Team, Lagos State Debt Management Office
	External Financing - Bilateral Loans		DSA Team, Lagos State Debt Management Office
	Other External Financing		DSA Team, Lagos State Debt Management Office
Proceeds from Debt-Creating Borrowings corresponding to Debt Strategy S4	**Planned Borrowings (new bonds, new loans, etc.) for Debt Strategy S4**		
	New Domestic Financing in Million Naira		
	Commercial Bank Loans (maturity 1 to 5 years, including Agric Lo	50% of required borrowing : Interest Rate: 25%. Maturity: 5years. Grace Period on Principal Repayment: 1years.	DSA Team, Lagos State Debt Management Office
	Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)		DSA Team, Lagos State Debt Management Office
	State Bonds (maturity 1 to 5 years)		DSA Team, Lagos State Debt Management Office
	State Bonds (maturity 6 years or longer)	50% of required borrowing : Interest Rate: 18%. Maturity: 5years. Grace Period on Principal Repayment: 1years.	DSA Team, Lagos State Debt Management Office
	Other Domestic Financing		DSA Team, Lagos State Debt Management Office
	New External Financing in Million US Dollar		
	External Financing - Concessional Loans (e.g., World Bank, African Development Bank)		DSA Team, Lagos State Debt Management Office
	External Financing - Bilateral Loans		DSA Team, Lagos State Debt Management Office
	Other External Financing		DSA Team, Lagos State Debt Management Office

Indicator	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
			Actuals							Projections					
	BASELINE SCENARIO														
Economic Indicators															
State GDP (at current prices)	34,077,027.41	35,639,959.61	40,682,200.57	46,756,388.71	54,164,048.64	63,977,005.39	74,013,081.80	84,151,565.85	93,629,135.95	104,174,117.39	115,906,727.36	128,960,722.53	143,484,923.90	159,644,913.46	177,624,921.84
Exchange Rate NGN/US$ (end-Period)	253.19	305.79	306.50	326.00	379.00	1,300.00	1,200.00	1,100.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Fiscal Indicators (Million Naira)															
Revenue	**764,247.69**	**893,694.07**	**1,053,195.16**	**1,247,689.48**	**1,624,436.32**	**2,369,858.27**	**2,615,043.21**	**3,008,010.34**	**3,526,231.73**	**4,079,800.61**	**4,726,845.58**	**5,443,315.43**	**6,300,982.60**	**7,261,408.28**	**8,387,079.83**
1. Gross Statutory Allocation ('gross' means with no deductions; do not include VAT Allocation here)	55,161.07	45,879.84	47,436.27	49,474.06	42,886.53	195,374.90	202,684.93	207,188.28	242,410.28	283,620.03	331,835.44	388,247.46	454,249.53	531,471.95	621,822.18
1.a. of which Net Statutory Allocation ('net' means of deductions)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.b. of which Deductions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Derivation (if applicable to the State)	41.37	314.47	3,784.54	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Other FAAC transfers (exchange rate gain, augmentation, others)	66,588.77	5,154.11	3,509.22	2,186.44	64,356.74	176,729.00	194,401.90	213,842.09	235,226.30	258,748.93	284,623.82	313,086.20	344,394.82	378,834.31	416,717.74
4. VAT Allocation	107,704.19	131,970.18	139,104.56	161,762.70	222,449.67	255,377.81	297,253.02	342,001.26	439,771.73	514,532.92	602,003.52	704,344.12	824,082.62	964,176.66	1,128,086.69
5. IGR	407,661.90	437,161.06	555,651.32	679,462.78	874,024.77	1,164,618.00	1,304,372.16	1,460,896.82	1,636,204.44	1,832,548.97	2,052,454.85	2,298,749.43	2,574,599.36	2,883,551.28	3,229,577.44
6. Capital Receipts	127,090.39	273,214.41	303,709.25	354,803.50	420,718.61	573,858.55	616,331.19	784,081.90	972,618.99	1,190,349.76	1,455,927.96	1,738,888.22	2,103,656.28	2,503,374.09	2,990,875.79
6.a. Grants	483.93	23,297.65	3,890.08	5,361.30	12,255.00	54,476.00	81,278.00	85,342.00	93,876.20	103,263.82	113,590.20	124,949.22	137,444.14	151,188.56	166,307.41
6.b. Sales of Government Assets and Privatization Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.c. Other Non-Debt Creating Capital Receipts	8,972.29	13,927.94	19,214.61	31,418.66	29,980.00	40,129.00	32,978.00	36,275.80	39,903.38	43,893.72	48,283.09	53,111.40	58,422.54	64,264.79	70,691.27
6.d. Proceeds from Debt-Creating Borrowings (bond issuance, loan disbursements, etc.)	117,634.17	235,988.82	280,604.56	318,023.50	378,483.61	479,253.55	502,075.19	662,464.10	838,839.41	1,043,192.22	1,294,054.66	1,560,827.60	1,907,789.59	2,287,920.73	2,753,877.10
Expenditure	**795,298.84**	**844,481.96**	**1,052,157.04**	**1,357,368.99**	**1,478,156.66**	**2,296,959.55**	**1,684,312.19**	**2,038,301.10**	**3,047,049.56**	**3,774,102.69**	**4,564,981.04**	**5,424,680.76**	**6,564,540.18**	**7,999,892.24**	**9,726,173.05**
1. Personnel costs (Salaries, Pensions, Civil Servant Social Benefits, other)	119,276.43	170,757.71	153,535.51	168,711.18	199,411.90	187,414.00	348,250.00	383,053.00	440,510.95	506,587.59	582,575.73	669,962.09	770,456.40	886,024.87	1,018,928.60
2. Overhead costs	221,217.58	168,080.42	244,968.23	256,266.32	369,568.67	314,746.00	439,753.00	483,728.00	1,080,473.60	1,296,568.32	1,435,881.98	1,503,058.38	1,603,670.06	1,744,404.07	1,793,284.88
3. Interest Payments (Public Debt Charges, including interests deducted from FAAC Allocation)	60,957.11	50,874.61	66,878.93	94,050.65	127,405.95	174,346.65	251,220.92	326,375.35	417,109.56	530,169.03	655,522.61	805,548.96	985,777.04	1,202,123.44	1,456,651.58
3.a. of which Interest Payments (Public Debt Charges, excluding interests deducted from FAAC Allocation)	36,894.10	10,526.42	31,499.88	50,166.91	71,481.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.b. of which Interest deducted from FAAC Allocation	24,063.02	40,348.19	35,379.06	43,883.74	55,924.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Other Recurrent Expenditure (Excluding Personnel Costs, Overhead Costs and Interest Payments)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Capital Expenditure	241,057.12	304,936.59	424,468.17	651,897.69	598,367.06	1,315,546.00	394,234.00	509,056.00	687,225.60	927,754.56	1,252,468.66	1,690,832.69	2,282,624.13	3,081,542.57	4,160,082.47
6. Amortization (principal) payments	152,790.59	149,832.63	162,306.19	186,443.15	183,403.07	304,906.90	250,854.27	336,088.75	421,729.85	513,023.19	638,532.06	755,278.64	922,012.55	1,085,797.30	1,297,225.52
Budget Balance ('+' means surplus, '-' means deficit)	**-31,051.14**	**49,212.11**	**1,038.12**	**-109,679.51**	**146,279.67**	**72,898.71**	**930,731.01**	**969,709.24**	**479,182.18**	**305,697.92**	**161,864.54**	**18,634.67**	**-263,557.58**	**-738,483.96**	**-1,339,093.22**
Opening Cash and Bank Balance	**245,966.51**	**214,915.37**	**264,127.48**	**265,165.60**	**155,486.09**	**301,765.76**	**374,664.47**	**1,305,395.49**	**2,275,104.73**	**2,754,286.90**	**3,059,984.82**	**3,221,849.36**	**3,240,484.03**	**2,976,926.45**	**2,238,442.50**
Closing Cash and Bank Balance	**214,915.37**	**264,127.48**	**265,165.60**	**155,486.09**	**301,765.76**	**374,664.47**	**1,305,395.49**	**2,275,104.73**	**2,754,286.90**	**3,059,984.82**	**3,221,849.36**	**3,240,484.03**	**2,976,926.45**	**2,238,442.50**	**899,349.28**

Financing Needs and Sources (Million Naira)

Financing Needs	**519,382.55**	**535,053.19**	**698,739.90**	**878,742.79**	**1,087,085.94**	**1,342,337.75**	**1,613,939.00**	**1,966,212.13**	**2,352,185.53**	**2,824,568.37**
i. Primary balance	32,769.71	897,753.01	933,433.44	439,278.80	261,804.20	113,581.45	-34,476.73	-321,980.12	-802,748.75	-1,409,784.49
ii. Debt service	479,253.55	502,075.19	662,464.10	838,839.41	1,043,192.22	1,294,054.66	1,560,827.60	1,907,789.59	2,287,920.73	2,753,877.10
Amortizations	304,906.90	250,854.27	336,088.75	421,729.85	513,023.19	638,532.06	755,278.64	922,012.55	1,085,797.30	1,297,225.52
Interests	174,346.65	251,220.92	326,375.35	417,109.56	530,169.03	655,522.61	805,548.96	985,777.04	1,202,123.44	1,456,651.58
iii. Financing Needs Other than Amortization Payments (e.g., Variation in Cash and Bank Balances)	72,898.71	930,731.01	969,709.24	479,182.18	305,697.92	161,864.54	18,634.67	-263,557.58	-738,483.96	-1,339,093.22
Financing Sources	**519,382.55**	**535,053.19**	**698,739.90**	**878,742.79**	**1,087,085.94**	**1,342,337.75**	**1,613,939.00**	**1,966,212.13**	**2,352,185.53**	**2,824,568.37**
i. Financing Sources Other than Borrowing	40,129.00	32,978.00	36,275.80	39,903.38	43,893.72	48,283.09	53,111.40	58,422.54	64,264.79	70,691.27
ii. Gross Borrowings	479,253.55	502,075.19	662,464.10	838,839.41	1,043,192.22	1,294,054.66	1,560,827.60	1,907,789.59	2,287,920.73	2,753,877.10
Commercial Bank Loans (maturity 1 to 5 years, including Agric Loans, Infrastructure Loans, and MSMEDF)	335,477.49	351,452.64	463,724.87	587,187.59	730,234.55	905,838.26	1,092,579.32	1,335,452.72	1,601,544.51	1,927,713.97
Commercial Bank Loans (maturity 6 years or longer, including Agric Loans, Infrastructure Loans, and MSMEDF)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Bonds (maturity 1 to 5 years)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Bonds (maturity 6 years or longer)	95,850.71	100,415.04	132,492.82	167,767.88	208,638.44	258,810.93	312,165.52	381,557.92	457,584.15	550,775.42
Other Domestic Financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
External Financing - Concessional Loans (e.g., World Bank, African Development Bank)	47,925.36	50,207.52	66,246.41	83,883.94	104,319.22	129,405.47	156,082.76	190,778.96	228,792.07	275,387.71
External Financing - Bilateral Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other External Financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Residual Financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Debt Stocks and Flows (Million Naira)

Debt (stock)	**798,388.71**	**951,103.55**	**1,072,427.95**	**1,364,250.85**	**1,528,718.57**	**2,859,196.52**	**2,989,137.47**	**3,197,955.72**	**3,499,838.48**	**4,030,007.51**	**4,685,530.11**	**5,491,079.07**	**6,476,856.11**	**7,678,979.55**	**9,135,631.13**
External	354,161.75	437,628.98	413,437.85	419,440.18	475,758.70	1,576,639.73	1,410,685.12	1,267,494.83	1,149,647.25	1,166,607.20	1,206,995.98	1,267,608.83	1,345,209.06	1,462,152.07	1,628,293.03
Domestic	444,226.96	513,474.58	658,990.10	944,810.66	1,052,959.87	1,282,556.79	1,578,452.35	1,930,460.90	2,350,191.23	2,863,400.30	3,478,534.14	4,223,470.24	5,131,647.06	6,216,827.48	7,507,338.10
Gross borrowing (flow)						**479,253.55**	**502,075.19**	**662,464.10**	**838,839.41**	**1,043,192.22**	**1,294,054.66**	**1,560,827.60**	**1,907,789.59**	**2,287,920.73**	**2,753,877.10**
External						47,925.36	50,207.52	66,246.41	83,883.94	104,319.22	129,405.47	156,082.76	190,778.96	228,792.07	275,387.71
Domestic						431,328.20	451,867.67	596,217.69	754,955.47	938,873.00	1,164,649.20	1,404,744.84	1,717,010.63	2,059,128.66	2,478,489.39
Amortizations (flow)	**238,896.94**	**184,240.90**	**159,189.70**	**181,067.35**	**240,988.72**	**304,906.90**	**250,854.27**	**336,088.75**	**421,729.85**	**513,023.19**	**638,532.06**	**755,278.64**	**922,012.55**	**1,085,797.30**	**1,297,225.52**
External	6,281.64	11,243.76	14,834.60	14,306.23	18,314.06	103,175.62	94,882.15	91,879.61	86,504.72	87,359.27	89,016.69	95,469.91	113,178.73	111,849.06	109,246.75
Domestic	232,615.30	172,997.14	144,355.10	166,761.12	222,674.66	201,731.28	155,972.12	244,209.14	335,225.13	425,663.92	549,515.37	659,808.73	808,833.82	973,948.24	1,187,978.77
Interests (flow)	**58,935.70**	**46,431.97**	**60,411.91**	**90,475.54**	**119,725.10**	**174,346.65**	**251,220.92**	**326,375.35**	**417,109.56**	**530,169.03**	**655,522.61**	**805,548.96**	**985,777.04**	**1,202,123.44**	**1,456,651.58**
External	3,921.91	4,617.37	5,630.41	4,544.91	5,871.15	29,458.32	27,195.18	25,090.96	23,382.07	24,556.64	26,202.82	28,372.86	30,913.44	34,332.50	38,640.93
Domestic	55,013.79	41,814.60	54,781.50	85,930.63	113,853.95	144,888.32	224,025.74	301,284.39	393,727.48	505,612.38	629,319.78	777,176.10	954,863.60	1,167,790.94	1,418,010.65
Net borrowing (gross borrowing minus amortizations)						**174,346.65**	**251,220.92**	**326,375.35**	**417,109.56**	**530,169.03**	**655,522.61**	**805,548.96**	**985,777.04**	**1,202,123.44**	**1,456,651.58**
External						-55,250.27	-44,674.63	-25,633.20	-2,620.78	16,959.96	40,388.77	60,612.85	77,600.23	116,943.01	166,140.96
Domestic						229,596.92	295,895.55	352,008.55	419,730.33	513,209.07	615,133.83	744,936.11	908,176.81	1,085,180.42	1,290,510.62

Debt and Debt-Service Indicators

Debt Stock as % of SGDP	**2.34**	**2.67**	**2.64**	**2.92**	**2.82**	**4.47**	**4.04**	**3.80**	**3.74**	**3.87**	**4.04**	**4.26**	**4.51**	**4.81**	**5.14**
Debt Stock as % of Revenue (including grants and excluding other capital receipts)	**125.21**	**147.74**	**142.35**	**151.88**	**125.72**	**154.51**	**143.71**	**138.48**	**132.19**	**134.66**	**138.44**	**143.39**	**149.42**	**156.42**	**164.24**
Debt Service as % of SGDP						**0.75**	**0.68**	**0.79**	**0.90**	**1.00**	**1.12**	**1.21**	**1.33**	**1.43**	**1.55**
Debt Service as % of Revenue (including grants and excluding other capital receipts)						**25.90**	**24.14**	**28.69**	**31.68**	**34.86**	**38.23**	**40.76**	**44.01**	**46.60**	**49.51**
Interest as % of SGDP						**0.27**	**0.34**	**0.39**	**0.45**	**0.51**	**0.57**	**0.62**	**0.69**	**0.75**	**0.82**
Interest as % of Revenue (including grants and excluding other capital receipts)						**9.42**	**12.08**	**14.13**	**15.75**	**17.72**	**19.37**	**21.04**	**22.74**	**24.49**	**26.19**
Personnel Cost as % of Revenue (including grants and excluding other capital receipts)						**10.13**	**16.74**	**16.59**	**16.64**	**16.93**	**17.21**	**17.50**	**17.77**	**18.05**	**18.32**

Adverse Shock Scenario is defined by the worst performance indicator measured in year 2028

For Debt Stock as % of SGDP the adverse shock is: Revenue	**Revenue**										
Debt Stock as % of SGDP		**4.47**	**4.32**	**4.34**	**4.55**	**4.94**	**5.37**	**5.85**	**6.36**	**6.91**	**7.49**
For Debt Stock as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue	**Revenue**										
Debt Stock as % of Revenue (including grants and excluding other capital receipts)		**154.51**	**170.79**	**175.79**	**178.64**	**191.08**	**204.52**	**218.83**	**233.90**	**249.65**	**265.89**
For Debt Service as % of SGDP the adverse shock is: Revenue	**Revenue**										
Debt Service as % of SGDP		**0.75**	**0.68**	**0.81**	**0.93**	**1.06**	**1.19**	**1.47**	**1.62**	**1.75**	**1.90**
For Debt Service as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue	**Revenue**										
Debt Service as % of Revenue (including grants and excluding other capital receipts)		**25.90**	**26.82**	**32.68**	**36.73**	**40.98**	**45.42**	**54.91**	**59.45**	**63.40**	**67.55**
For Interest as % of SGDP the adverse shock is: Revenue	**Revenue**										
Interest as % of SGDP		**0.27**	**0.34**	**0.41**	**0.48**	**0.57**	**0.64**	**0.72**	**0.80**	**0.89**	**0.97**
For Interest as % of Revenue (including grants and excluding other capital receipts) the adverse shock is: Revenue	**Revenue**										
Interest as % of Revenue (including grants and excluding other capital receipts)		**9.42**	**13.42**	**16.50**	**19.04**	**21.93**	**24.45**	**26.96**	**29.47**	**32.00**	**34.45**

APPROVED BY:

ABAYOMI OLUYOMI

HONOURABLE COMMISSIONER