BORROWING

FG debunks N80trn borrowing claims, blames debt surge on naira devaluation

• Says debt figures inflated by exchange rate revaluation, Ways and Means securitisation

By **Tope Omogbolagun**, Abuja

THE FEDERAL Government, on Monday, dismissed claims that the President Bola Tinubu's Administration had borrowed about N80 trillion in the last three years, insisting that Nigeria's current debt figures have been widely misrepresented due to accounting adjustments and exchange rate movements rather than fresh borrowing.

Taiwo Oyedele, the Minister of Finance and Coordinating Minister of the Economy,, made the clarification while briefing the Senate Committee on Finance on the state of the nation's economy.

Responding to concerns raised by Adamu Aliero (Kebbi Central) over reports that the Tinubu administration had added about N80 trillion to the country's debt stock on top of the N75 trillion it inherited, Oyedele said the figures being circulated were misleading.

According to him, a substantial increase in the debt stock resulted from the revaluation of Nigeria's foreign currency obligations following the depreciation of the naira, as well as the securitisation of the Ways and Means advances obtained by the previous administration.

"When this administration came into office, public debt was around N75 trillion. Many people simply compare that figure with today's debt stock and conclude that this government has borrowed massive.

"However, it is important to note that, following the reforms and the depreciation of the naira, the foreign currency component of our public debt had to be revalued because Nigeria reports its debt in naira. That accounting adjustment alone added more than N40 trillion to the public debt figure", he stated.

He further explained that the National Assembly-approved securitisation of the Central Bank's Ways and Means advances also increased the official debt stock by about N33 trillion without representing new borrowing.

"Another important factor is the securitization of the Ways and Means advances from the previous Administration, which the National Assembly approved. About N33 trillion was added to the public debt through that process. It was not new borrowing; it was simply bringing previously existing obligations onto the official debt books.

"These factors have not always been properly explained, which is why the reported public debt appears much larger", he noted.

Oyedele stressed that the actual borrowing undertaken by the current Administration was "nowhere near" the figures being quoted, adding that much of the government's domestic borrowing involved refinancing maturing debts rather than taking on new obligations.

"The actual amount this Administration has borrowed is nowhere near what many people believe. Even for domestic borrowing, much of it is refinancing. Debt that was borrowed previously matures, and government raises new debt to refinance it. That is not new borrowing," he said.

The minister maintained that the Tinubu's Administration had adopted a cautious borrowing strategy, with loans targeted at infrastructure projects capable of stimulating economic growth.

"This Administration has been very responsible in its borrowing. We understand the concerns of Nigerians and of the distinguished senators, but we remain fully committed to debt sustainability.

"We see debt as leverage. Every naira and every dollar borrowed should generate more value than the amount borrowed," he added.

The session, however, turned tense as lawmakers questioned the slow implementation of the capital component of the 2026 Appropriation Act.

Tahir Monguno (Borno North) the Senate Chief Whip and Adamu Aliero expressed dissatisfaction with the pace of capital project execution, with Monguno arguing that failure to implement the budget amounted to a serious constitutional breach.

Sani Musa (Niger East), Chairman of the Senate Committee on Finance, appealed for calm, assuring lawmakers that imple mentation of the capital budget would soon gather momentum.

Speaking after a closed-door meeting with the minister and members of the government's economic team, Musa said the Committee and the Executive had agreed on measures to improve budget implementation and strengthen revenue management.

"Performance and priority based budgeting system is being looked at, to replace the envelope system and also reverting back to old system of payments for contractors," he said.

APPOINTMENT

Etex Group appoints Peju Adebajo MD for Nigerite & Emenite Limited

THE ETEX Group has announced the appointment of Peju Adebajo as the Managing Director of Nigerite Limited and Emenite Limited, marking a new chapter in the leadership of both organisations.

Adebajo succeeds Denis Simonin, whose six years of leadership contributed significantly to the growth and development of the businesses in Nigeria.

A seasoned business leader with over three decades of experience across financial services, manufacturing, building materials and corporate governance, she has held several board-level positions in leading organisations in Nigeria and internationally.

She currently serves as an Independent Non-Executive Director on the boards of Wolseley Jersey Ltd and FCMB Group PLC She is a member of the World Economic Forum's Global Future Council on Climate and Nature Governance. Her previous leadership roles include Chief Executive Officer of Lumos Nigeria, Managing Director of Lafarge Africa PLC, Chief Executive Officer of Mouka Limited, UTC Nigeria PLC.

She also held senior management positions at UBA Group, Boston Consulting Group and Citibank.

Speaking on her appointment, Adebajo reaffirmed her commitment to building on the strong foundation established by the companies, with a focus on operational excellence, innovation and collaboration.

"It is a privilege to join the talented teams at Nigerite and Emenite. I look forward to working with our customers, partners, and teammates as we continue to strengthen our business and create value in the Nigerian market," she said.

Her appointment reflects Nigerite and Emenite's continued focus on strengthening their market leadership through innovation, operational excellence and customer-focused solutions.

The companies remain committed to delivering quality building materials, creating lasting value for customers, partners and stakeholders, and driving sustainable growth in the Nigerian market.

FirstHoldCo delivers N1.93trn ...

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of Africa's leading financial services groups.

This performance underscores the strength of the Group's franchise, the quality of its earnings, and the benefits of the strategic decisions taken over the past year.

The performance builds on the strong momentum established in the first quarter of 2026 and signals a defining shift in FirstHoldCo's journey from recovery and repositioning to disciplined growth, greater efficiency, and sustainable value creation.

Following one of the most comprehensive and transparent balance sheet clean ups in the Nigerian financial services industry, which addressed legacy asset quality concerns and strengthened the Group's capital position, FirstHoldCo is beginning to reap the rewards of a stronger, healthier, and more resilient institution.

Today, the Group is better capitalised, more efficient, increasingly diversified, and well positioned to capitalise on emerging opportunities across the financial services landscape.

At the heart of the Group's performance is an increasingly resilient earnings platform. Noninterest income rose to N497.1 billion, supported by impressive performance across electronic banking, trade services, brokerage, funds transfer and other transaction-led businesses.

This complemented a healthy net interest margin of 9.5%, driven by disciplined pricing, an improved funding mix, lower funding costs, and continued optimisation of the balance sheet.

The result is an earnings profile that is not only stronger, providing a solid foundation for sustainable growth regardless of market conditions.

Another key highlight worthy of note during the period was the continued improvement in operational efficiency. This became apparent in the Group's cost-to-income ratio improving to 44.2% from 50.5% in H1 2025, understandably reflecting disciplined cost management and the ability to translate revenue growth into stronger profitability.

This performance demonstrates the benefits of ongoing investments in technology, improving operational excellence and productivity enhancement, positioning the Group to generate greater value.

FirstHoldCo's prudent risk management practices continued to drive improvements in asset quality during the period. Impairment charges declined by 37.4% year-on-year, while preprovision operating profit increased by 42.2%, reflecting the underlying strength of the franchise, stronger risk management performance, while the Group continues to focus on reducing non-performing loan exposures.

Another proof point in the risk management capability is the approximately N91.9 billion in recoveries during the first half of the year, demonstrating sustained success in extracting value from legacy exposures and reinforcing management's commitment to prudent risk stewardship.

As part of its growth strategy and strict monitoring, the Group remains focused on reducing non-performing loans, accelerating recoveries, strengthening portfolio quality, and initiating high quality assets capable of engendering sustainable long-term returns.

Another significant and commendable milestone during the period was the restoration of FirstBank's Capital Adequacy Ratio ahead of schedule, this is evidence of the effectiveness of the Group's recapitalisation and earnings retention endeavours.

As of June 30, 2026, FirstBank's Capital Adequacy Ratio stood at 16.7%, while liquidity ratio remained exceptionally strong at 52.2%. This achievement provides a solid platform for future expansion and strengthens the Group's ability to support customers, pursue growth opportunities and create long-term value.

The Group's non-banking businesses continued to gain traction and are now playing an increasingly important role in earnings diversification.

The Investment Banking and Asset Management businesses recorded N46.0 billion in gross earnings and N27.4 billion profit before tax, supported by an asset base of N572.3 billion. These businesses are helping to deepen customer relationships, broaden revenue streams and position FirstHoldCo as a truly diversified financial services group.

Femi Otedola, the Group Chairman of First HoldCo PLC, described the results as a significant achievement in the Group's transformation journey.

He posited, "the first half of 2026 marks an important turning point for FirstHoldCo. These results affirm that the bold decisions the Board took to strengthen the institution were the right ones. We are witnessing the benefits of a stronger balance sheet and improved profitability."

In his own view, Wale Oyedeji, the Group Managing Director, said: "Our H1 2026 performance reflects far more than strong numbers, it demonstrates the resilience of our franchise, the dedication of our people and the success of the strategic actions we undertook to reposition the Group for the future.

"Over the past year, we have worked deliberately to strengthen our balance sheet, restore capital, improve asset quality, and enhance operating efficiency. The results show that those efforts are delivering meaningful outcomes and creating a stronger foundation for long-term growth.

"We are particularly encouraged by the restoration of FirstBank's capital adequacy ratio ahead of plan, the continued growth of our transaction-led businesses and the increasing contribution of our Investment Banking and Asset Management franchise."

With restored capital, strong liquidity, improving asset quality and a diversified earnings platform, FirstHoldCo enters the second half of 2026 from a position of strength. The Group remains focused on disciplined growth, prudent risk management, operational excellence, and the delivery of sustainable value for shareholders and all stakeholder.