

FREQUENTLY ASKED QUESTIONS ON TREASURY BILLS

1.	What are Treasury Bills or T-Bills?	They are financial instruments issued by the Federal Government of Nigeria (FGN). They serve as short-term debt securities, allowing the government to raise funds while providing a secure investment avenue for individuals, joint applicants, businesses, and corporates.
2.	Who can invest?	<ul style="list-style-type: none"> • Individuals • Joint applicants • Businesses and corporates <p>N.B: All T-Bills investors must have an account with Stanbic IBTC Bank.</p>
3.	What is the interest rate?	Please note that rates change rapidly. Kindly send an email to Invest@stanbicibt.com for the current rate guide.
4.	What are the investment channels?	<p>There are two avenues for investing in T-Bills</p> <ol style="list-style-type: none"> 1. Primary Market: Here, investors directly purchase T-Bills from the Central Bank of Nigeria (CBN) and the minimum investment amount is ₦50,001,000. Also, primary market buyers can only buy T-Bills when there is a new T-Bills issues from the government and the tenor is often longer which also translates to higher interest rates. <p>The Primary Market Auction is held every two (2) weeks on Wednesdays except as advised otherwise by the CBN. There is also the secondary market which opens every Monday to Friday (10am – 4pm).</p> <ol style="list-style-type: none"> 2. Secondary Market: In this case, investors can only purchase existing issues through authorised dealers like banks, stockbrokers and discount houses. Stanbic IBTC Stockbrokers is an authorised dealer of T-Bills in Nigeria. <p>In the secondary market, investors can only trade previously issued T-bills, that is, they can buy or sell-off already issued T-bills. However, the investment tenor is shorter than in the primary market which translates to lower interest rates as well. The minimum investment amount is ₦100,000 and in multiples of ₦1,000 thereafter.</p> <p>Important: Investors must have a bank account with Stanbic IBTC Bank.</p>

5.	How can I invest?	<p>You can apply for T-Bills through the primary or secondary market:</p> <ul style="list-style-type: none"> • Primary Market Auction - Kindly download and complete the Treasury Bill Auction Bid Form. The T-Bill form is only applicable for primary market auctions. • Secondary Market - <ul style="list-style-type: none"> • Send a letter of instruction to your relationship manager with Invest@stanbicibtc.com in copy, stating your intention to purchase Treasury Bills from Stanbic IBTC Bank. The letter should include: <ul style="list-style-type: none"> • The investment amount or the face value of the security to be purchased. • Your preferred investment tenor for the security. • Complete the Custodial Agreement Form. <p>3. Ensure your Stanbic IBTC Bank account is funded with the investment value before submitting your request.</p>
7.	What forms are required?	<ul style="list-style-type: none"> • Custodial agreement form (applies where the client does not have a Custodian. • Treasury Bills request form (applies to Primary and Secondary market requests) .
8.	What is the settlement process for the investment?	<p>Investors are debited of the discounted value of the T-Bills and paid the interest upfront.</p> <p>So, if you were to invest ₦100,000 in T- Bills at a discounted rate of 10% for 364 days, you will be debited about ₦90,000. This means that your interest is paid to you immediately your investment subscription is processed. At maturity, ₦100,000 is credited to your account at face value, that is, at the actual value of the T-Bills. Basically, you purchase T-Bills at a discount and are paid your interest upfront.</p>
9.	How much can I invest?	<p>Primary market buyers - ₦50,001,000 minimum investment. Secondary market buyers - ₦100,000,000 minimum investment in multiples of ₦10,000.</p>
10.	What does in multiples of N10,000 mean?	<p>It means investors can only invest in increments of ₦1,000, that is, ₦101,000, ₦102,000, ₦103,000 but NOT ₦110,500, ₦210,300, etcera.</p>
11.	Are there any charges?	<p>Below are charges on T-Bills investments:</p> <ul style="list-style-type: none"> • Transaction fee – ₦300 • VAT on transaction fee – 7.5% of the transaction fee • Custody fees – 0.05% of the face value amount • VAT on custody fees – 7.5% of custody fees • Commission: Flat fee of ₦100 (for primary market auctions only) • VAT on commission: 7.5% on Commission (for primary market auctions only)
12.	How what is the investment tenor?	<p>T-Bills offer short-term, medium-term, and long-term options, spanning from less than 90 days to 364 days:</p>

		<ul style="list-style-type: none"> • Short term – less than 91 days • Medium term - 92 days to 182 days • Long term - 183 days to 364 days
13.	How do I get my interest payment and principal?	You will receive this via your Stanbic IBTC Bank account. Please refer to (7) above for more details on this.
14.	What are the risks involved?	Investing in the Treasury Bills is considered a risk-free investment because it is backed by “the full faith and credit of the Federal Government of Nigeria (FGN)”. Payment of interest and principal is guaranteed. N:B
15.	Will I also get my investment sum?	Yes, you will still get the full face value or par amount at maturity of the investment.
16.	Can I invest online	Yes, you can invest online provided you follow the steps outlined in (4) above. Alternatively, you may send an email to Invest@stanbicibtc.com and we will guide you through the process.
17.	Can I terminate my investment at any time?	Yes, you can. T-Bills are highly liquid and can easily be traded in the secondary market and converted to cash.
18.	How do I terminate my investment or liquidate my T-Bills holding(s)?	To terminate or liquidate your investment, simply send the below document to your dealer bank, discount house or stockbroker: <ul style="list-style-type: none"> • A signature verified instruction letter to liquidate your investment (an email indemnity is required when email instructions are sent). • Your investment certificate.
19	What is the implication or penalty for terminating my investment before maturity?	This is dependent on the rates in the market. If you buy at a high price rate and sell at a lower price, there is a possibility of losing part of the amount invested

19	Benefits of investing in Treasury Bills	<ul style="list-style-type: none"> • Safe: T-Bills is one of the safest investment options as they are backed by the full faith and credit of the government and are considered risk-free. • Easy divestment: If you wish to terminate your T-Bills investment before maturity, you can easily do so as T-Bills are traded in the secondary market so you can easily access your funds. • Predictable returns: At the time of investment, you know exactly how much you would receive which makes T-Bills a transparent investment option. • Flexible tenor: Being short-term investments, T-Bills allow investors to choose investment tenors or 91, 182 or 384 days depending on their risk appetite and preference. • Regular source of income: Proceeds from T-Bills can be re-invested to create a constant source of income for investors.
20	What are the proceeds from T-Bills used for?	<ul style="list-style-type: none"> • The Federal Government uses it to compensate for budget deficit and fund projects which contribute to the development of the overall economy. So, you borrow the government money to fund projects and they pay you interest in return. Win-win!

For further enquiries, send an email to Invest@stanbicibtc.com.