



Capital *Pulse*

*Global Capital Trends:
Funding Opportunities in a
Shifting Landscape – Q2 2025*

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GLOBAL OUTLOOK: INTERNATIONAL FUNDING LANDSCAPE

Resilience Amidst Uncertainty

The global funding environment continues to show remarkable resilience despite lingering geopolitical tensions, inflationary pressures, and concerns around slowing economic growth in major economies. In H1 2025, international capital markets witnessed increased activity driven by:

Stabilizing interest rates across the US and EU, with central banks signalling cautious optimism. The Fed and ECB held rates steady, signalling a potential soft landing for major economies.

A renewed appetite for emerging market (EM) debt, spurred by improving macroeconomic indicators in select EM regions.

EM Debt Demand Rises: Investors poured \$12Billion+ into select emerging markets (Brazil, India, Vietnam) as macro stability improved. Africa share about \$3Billion+, Nigeria at \$750Million via Eurobond reopening's and corporate issuance, Côte d'Ivoire raised \$1.75 billion in March 2025

Bond Issuance trends reflect shifting market dynamics. Global Bond Issuance Down: Bond issuance in Q1 2025 was about \$373 billion, down

23% from the \$481Billion recorded in Q1 2024.

Private Capital Bets on AI, Energy & Healthtech VC/PE Activity:

AI funding surged 36% vs. Q4 2024, hitting a record high. The jump was driven largely by a historic \$40 billion raise by OpenAI, the largest private funding round ever, which valued the company at \$300 billion. Africa's renewable energy sector attracted \$3.2B, with Nigeria's solar mini-grid projects accounting for \$1.1B (led by Norfund and IFC partnerships). IMF & World Bank Pivot: Prioritizing blended finance, including a \$700M facility for Nigeria's digital infrastructure.

Geopolitical Wildcards

China's slowdown diverted FDI to Africa: Nigeria saw \$300M+ in new manufacturing investments (textiles, autos) from EU and Middle Eastern firms.

AfCFTA Gains: Intra-African trade financing grew by 15%, with Nigeria's export corridors (Lagos-Abidjan, Kano-Dakar) benefiting from Afreximbank's \$1B trade credit pool.

H1 2025 Snapshot: Where Global Investors Are Placing Their Bets

While global capital remains selective, Africa attracted **\$4.3B** in cross-border financing in H1 2025, a 12% YoY increase. Below, we unpack the opportunities, workarounds, and emerging hotspots reshaping the continent's financial flows.

Sovereign Debt: Innovation Amid Tight Conditions

Eurobond Slowdown: Notable African issuances (Egypt \$1.5Billion, Côte d'Ivoire \$1.7Billion, Nigeria \$750 Million) vs. 5 in H1 2024.

Workarounds Taking Off:

Bilateral Deals: Morocco secured \$1.2Billion in climate-linked credit from France/Germany for renewable projects.

DFIs Double Down on Strategic Sectors

Development financiers deployed \$2.8Billion across Africa in H1, with:

Afreximbank leading at \$1.1Billion (60% for trade facilitation under AfCFTA).

IFC & AfDB funding: Nigeria's digital ID project (\$400Million to boost financial inclusion)

East Africa's rail corridors (\$600Million Kenya-Uganda link)

KEY TRENDS:

DFIs now mandate ESG compliance, 60% of 2025 facilities require climate adaptation components. Factoring and trade finance are gaining prominence, especially in intra-African trade, aided by AfCFTA and digital financial infrastructure expansion.

Trade Finance Revolution: AfCFTA's \$1.2Billion Boost

Intra-African trade financing is accelerating, driven by: Factoring Growth:

Up 30% YoY, Nigeria's GTBank processed \$150Million in receivables financing for agri-exporters.

DIGITAL LEAP:

Pan-African Payment System (PAPS) settled \$300M in cross-border transactions (cutting FX costs by 40%).

Afreximbank's MANSA platform screened 1,200+ SME traders for creditworthiness.

Africa Trade Exchange (ATEX) facilitated \$650M+ in intra-African trade across 25+ countries in H1 2025, primarily in food and industrial goods while onboarding 850+ verified entities, integrating with PAPS and MANSA to streamline payments and KYC, and reducing procurement lead times by 30%.

NIGERIA: NAVIGATING FUNDING IN A COMPLEX ENVIRONMENT

How Africa's Largest Economy is Unlocking Capital Amid Global Shifts

Nigeria's Funding Dashboard:

H1 2025 Highlights

\$3.6B total external funding inflows

(Sovereign + Corporate)

42% increase in DFI commitments vs H1 2024

Mixed Fortunes and Strategic Positioning Nigeria's position in Africa's international funding landscape remains significant, with shifting strategies reflecting global headwinds.

KEY DEVELOPMENTS INCLUDE:

Financial Institutions:

Cross-Border Credit Surge

Nigerian banks secured \$1.2B in international credit lines in H1,

signaling renewed global confidence:

GTBank: \$300Million trade facility from European lenders (backing agri-exports)

Access Bank: \$250Million syndicated loan from Middle Eastern banks (energy sector focus)

FirstBank: \$150Million Afreximbank line for women-owned SMEs

Why It Matters: Improved risk ratings helped banks secure rates 2% lower than 2024 averages.

Government Fundraising:

Smart Structures Emerge With Debt-to-GDP at 53%, innovative instruments dominated:

Diaspora Bonds:

Federal Govt's "Naija Pride" retail bond targeting expats was launched.

Climate-Linked Deals:

\$500M AfDB-backed solar initiative (30% private sector co-investment)
Niger State's \$120Million blue bond for water infrastructure.

Diversified Capital Sources:

Strong diaspora remittances (\$24+ billion in 2024), growing PPP adoption, and sovereign wealth-backed investments are reshaping Nigeria's funding matrix.

Capital Mix Transformation

Funding Source	H1 2025 Volume	YoG Change
Diaspora Remittances	\$14.2Billion	+18%
PPP Investments	\$900Million	+65%
SWF Co-Investments	\$600Million	New

Spotlight: NSIA's \$200 Million co-investment in Lagos-Ibadan rail attracted Chinese partners.

Capital Market Reforms Pay Off: Ongoing reforms by SEC and NGX aim to strengthen local market resilience, improve transparency, and attract portfolio inflows.

SEC and NGX reforms drove notable firsts:

Digital Bonds: FMDQ listed \$75Million blockchain-based corporate bonds

Bond Listing: N38.2 billion bond issuance by Dangote Cement's is part of a N300 billion multi-instrument issuance program.

FX Depth: NAFEX daily turnover hit \$250Million (from \$180Million in 2024)

WOODHALL CAPITAL **SPOTLIGHT**

Driving Finance and International Fundraising for Nigeria

As a leading financial advisory firm committed to **unlocking Africa's economic potential**, Woodhall Capital continues to spearhead innovative, high-impact financial interventions across Nigeria and beyond. Our 2025 activities reflect strategic focus areas in infrastructure finance, trade facilitation, creative industry development, and international partnerships. Cross-Border Syndicated Funding We've advised on and structured multi-million-dollar syndicated facilities in collaboration with global financial institutions.

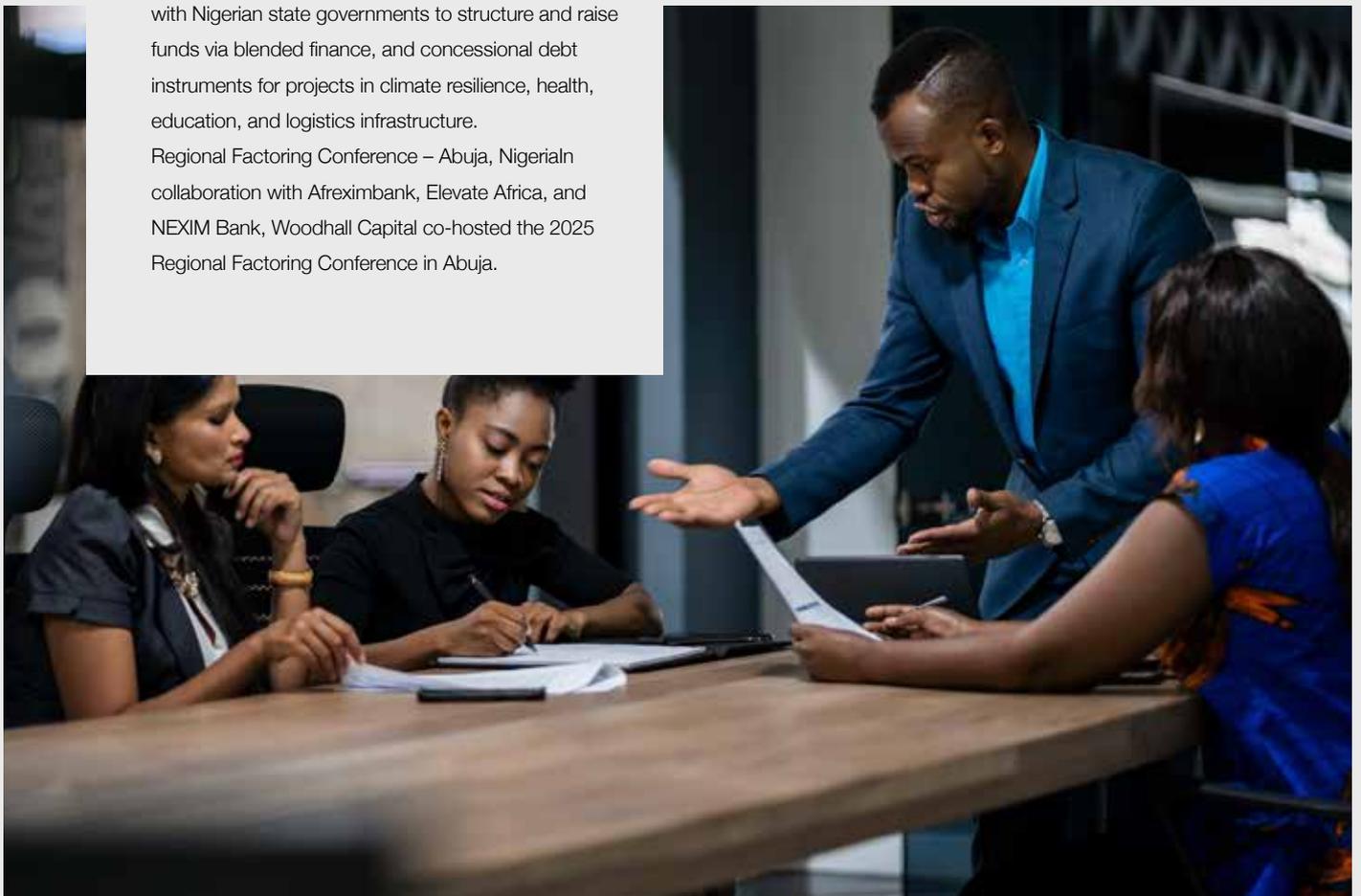
These facilities are unlocking capital for critical sectors such as energy and manufacturing with emphasis on project sustainability and investor confidence. International Credit Lines for Nigerian Banks In partnership with DFIs and international lenders, **Woodhall has facilitated access to trade finance lines, SME finance lines and liquidity support for Nigerian financial institutions. This intervention supports export growth, SME financing, and intra-African trade under AfCFTA.** Subnational Fundraising Advisory We are actively working with Nigerian state governments to structure and raise funds via blended finance, and concessional debt instruments for projects in climate resilience, health, education, and logistics infrastructure. Regional Factoring Conference – Abuja, Nigeria In collaboration with Afreximbank, Elevate Africa, and NEXIM Bank, Woodhall Capital co-hosted the 2025 Regional Factoring Conference in Abuja.

The event brought together financial institutions, regulators, and private sector leaders to explore innovative trade finance solutions. Discussions focused on unlocking receivables financing, improving working capital access for SMEs, and scaling up intra-African commerce using factoring as a growth lever.

Creative Industry Impact Through Finance Through our licensed Finance Company, Woodhall is pioneering a Creative Sector Financing Program, aimed at bridging funding gaps and expanding capacity within Nigeria's creative economy, including film, fashion, tech, and music.

The Lagos Canvas, a flagship creative district project designed to incubate, finance, and showcase Nigerian talent was sponsored by Woodhall Capital. By aligning capital with creativity, we aim to create sustainable jobs, export cultural products, and position Lagos as a continental hub for the creative arts.

Together, we are redefining Africa's investment narrative one transaction at a time.



IMPACT & OUTLOOK: WHAT IT MEANS FOR NIGERIA

Fiscal Space and Debt Management:

Improved access to concessional and multilateral financing has helped Nigeria manage debt service costs more sustainably, although structural reforms remain critical to ensuring long-term debt viability.

Strengthening the Banking System:

The expansion of international credit lines has improved liquidity positions of Nigerian financial institutions, supporting trade finance, and infrastructure lending.

State-Level Fundraising

State governments are increasingly engaging global financial advisors and DFIs to access climate finance, diaspora bonds, and structured PPP frameworks tailored to their developmental needs.

SME and Infrastructure Financing:

Trade-focused institutions like Afreximbank and NEXIM have stepped in to finance manufacturing, export-oriented businesses, and cross-border trade, key drivers for job creation and economic diversification.

Innovation in Fund Mobilization:

Digital finance, crowdfunding platforms, and impact investment funds are emerging as key enablers for start-ups and SMEs, contributing to a growing innovation ecosystem.

Need for Institutional Reforms: To fully leverage international funding opportunities, Nigeria must improve transparency, enhance credit ratings, and streamline regulatory bottlenecks that hamper ease of doing business.

2025 Outlook: 3 Make-or-Break Factors

Oil Price Stability: \$75+/barrel needed to support external reserves

AfCFTA Implementation: Full rollout could add \$2Billion to Nigeria's exports

Election Cycle: Policy continuity crucial for investor confidence

Green bond issuance specifically was on track for ~\$620Billion in 2025

Emerging sectors such as digital infrastructure, agribusiness, and clean energy are expected to drive funding inflows in the coming months.

Woodhall Perspective:

"Nigeria's funding future hinges on marrying innovation with institutional strength. Our advisory work shows states adopting global best practices see 3x faster capital mobilization." – Mojisola Hunponu-Wusu,

President Woodhall Capital.

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