



**THE Nigerian
STOCK EXCHANGE**

RC: 2321

ACCELERATING LISTINGS ON THE NIGERIAN STOCK EXCHANGE

Presented by

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for

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OUTLINE

- The NSE's Vision
- Positioning for the Future
- Current Position
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THE NSE's VISION

“To be the leading Stock Exchange in the African region for capital formation, driven by transparency, innovation, efficiency and liquidity.”



To become the gateway to African Markets.



POSITIONING FOR THE FUTURE



CURRENT POSITION

- 247 Securities currently listed on the market
 - 200 Companies (Including 12 ASeM securities)
 - 25 Federal Government Bonds
 - 9 State Government Bonds
 - 10 Corporate Bonds
 - 3 Preference Shares
- Total Market Capitalization of N9.5 trillion (\$63.4 billion)



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ACCELERATING LISTINGS ON THE NIGERIAN STOCK EXCHANGE

Listings Requirements

- Introducing quantitative listing standards for equities to make it flexible and competitive in line with global best practice

Value Added Services

- Ensuring all our companies realize the value of listing on the Exchange through value added services such as:
 1. Corporate governance
 2. Investor relations
 3. Institutional services
 4. Analyst coverage
 5. Corporate access

ACCELERATING LISTINGS I

Market Segmentation

- Consolidating from 33 industry classification to 12 sectors on our Daily Official List. Target launch date: 1st week in November.
- Better reflect global standards and international industrial classifications;
- Provide input into investor education efforts regarding portfolio construction, asset allocation and risk diversification.
- Promote market capitalization, growth/income classification and segmentation to give a more detailed understanding of our companies:

By Market Capitalisation	Large: ≥ \$1bn Medium: ≥\$150mn, <\$1bn, Small: <\$150mn
By Dividend Payout	Income stock: 5-yr. avg. dividend >30% of earnings Growth stock: 5-yr. avg. dividend <30% of earnings

Sectoral Focus

- Creation of Listings, Sales and Retention department for targeted business development efforts that prioritize key industry segments.
- Priority focus on under represented sectors which are drivers of the economy:
 - Agriculture: 40% of GDP, 0.3% of market cap*
 - Oil & Gas: 15.9% of GDP, 4% of market cap*
 - Power: 7.9% of GDP, 0% of market cap*
 - Telecoms: 4.5% of GDP, 0.7% of market cap*

* Average market capitalization June 2010 to May 2011

ACCELERATING LISTINGS II

Advocacy

- **Advocating for listed companies in public policy formulation.**
- **Collaborating with government agencies such as Central Bank of Nigeria, Securities and Exchange Commission, Federal Ministry of Finance, National Pension Commission, Debt Management Office, etc. in market development efforts.**
- **Renewed senior level participation in Financial Services Regulation Coordinating Committee (FSRCC).**
- **Advocating for review of taxes on capital market transactions.**

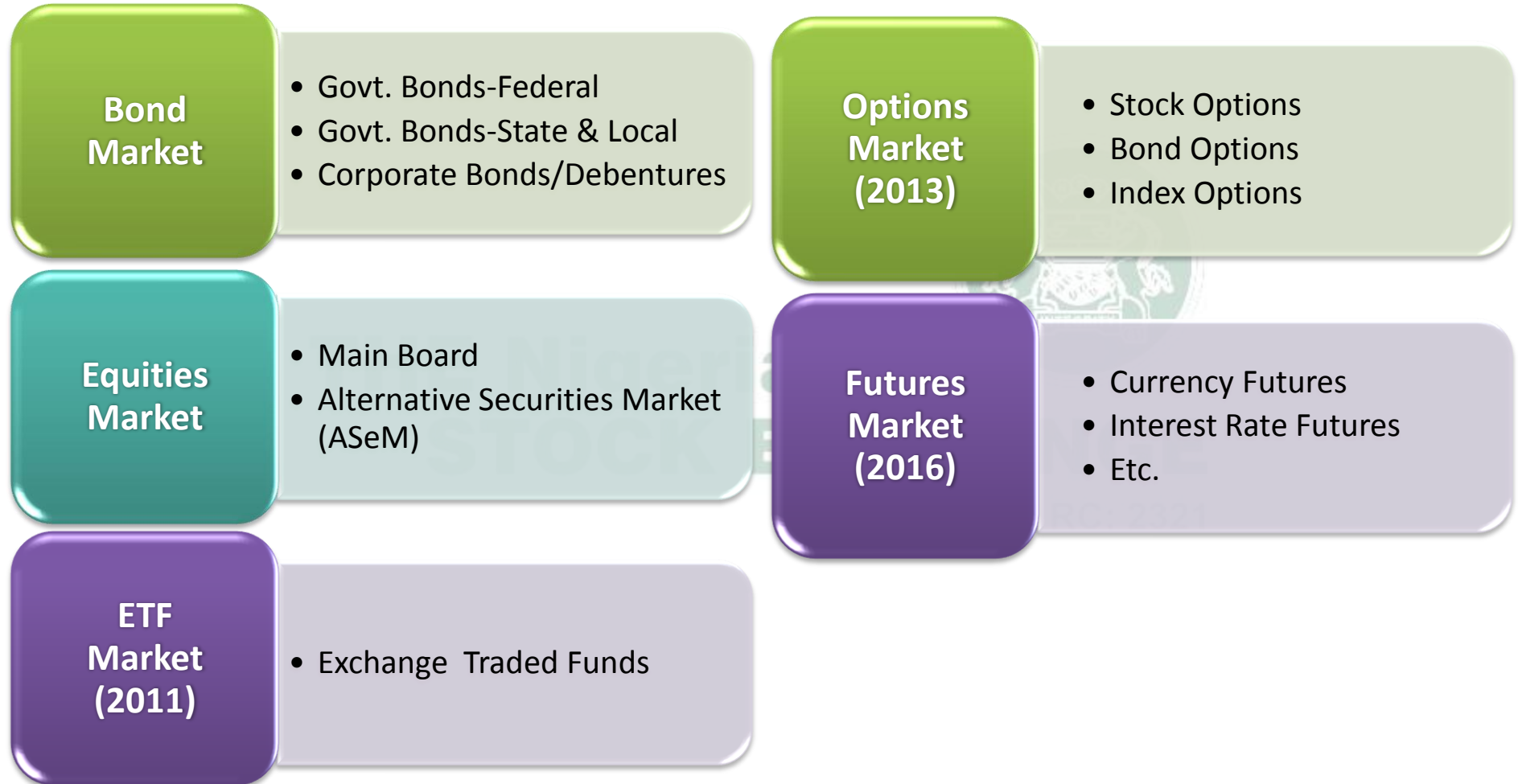
STOCK EXCHANGE

Branch Network

- **13 branches to support business development and investor outreach**
- **Providing easy access to information and mobilizing for proactive investor outreach**
- **Bringing the market to the grassroots.**

ACCELERATING LISTINGS III

5 products in 5 years to broaden Issuer choice



Driving the network effect

CONCLUSION

These initiatives are designed to help move The Exchange to \$1trillion market cap in five years through providing a first rate listings platform that promotes:

- **Growth –access to capital; lower cost of borrowing**
- **Visibility – inclusion in local and foreign indices and portfolios**
- **Transparency – greater public confidence through listing disciplines**
- **Continuity – a basis for survival beyond company founders**
- **Sustainability – spreads the risk of long-term investment projects**
- **And many more**





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ACCELERATING LISTINGS ON THE NIGERIAN STOCK EXCHANGE

Q&A Session

Thank You

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