

## Securities Lending Report for April 22, 2024

SECURITIES AVAILABLE FOR BORROWING <sup>1</sup> AS AT April 22, 2024.			
S/N	Equity Name	Symbol	Volume on Pledge (Units)
1	-	-	-

HISTORICAL SECURITIES LENDING AND BORROWING TRANSACTION REPORT <sup>2</sup> AS AT April 22, 2024.		
Period	Volume (Units)	Value ('000s of Naira)
2019 Full Year	61,435	344.56
2020 Full Year	7,378,034	95,178.83
2021 Full Year	6,800,000	513,100.00
2022 YTD	-	-
2023 YTD	567,108	150,000.00
2024 YTD	-	-

NET OPEN POSITION <sup>3</sup> AS AT April 22, 2024.				
Average Tenor	Current (Units)	Volume	Number of Securities	of
Call	-		-	

To learn more about Securities Lending and Borrowing on the Nigerian Exchange Limited please refer to the:

1. [Amendments To The Securities Lending Guidelines Of The Nigerian Stock Exchange](#)
2. [Rules Governing The Inclusion Of Retail Participants In Securities Lending Transactions](#)
3. [Interpretative Guidance To Securities Lending Guidelines Of The Nigerian Stock Exchange And GMSLA \(As Amended\) And Rules Governing The Inclusion Of Retail Participants In Securities Lending Transactions](#)

For further enquires please contact [secondarymarket@ngxgroup.com](mailto:secondarymarket@ngxgroup.com) or [SecuritiesLending@stanbicibt.com](mailto:SecuritiesLending@stanbicibt.com)

<sup>1</sup> Data represents securities lent by various foreign and domestic investors to the lending pool of one of the approved Securities Lending Agent – Stanbic IBTC Nominees



---

---

## Frequently Asked Questions on Securities Lending

---

---

### What is Securities Lending?

Securities Lending refers to the lending of securities such as stocks and bonds by one party (Lender) to another (Borrower). Usually, the borrower will provide acceptable collateral to the lender in the form of cash or other acceptable securities of equal but often greater value than the lent securities in order to protect the lender against any default by the borrower. The borrower is obliged to return the securities at the end of an agreed period.

### Securities Lending and Recall Process

In simple terms, the transaction involves the temporary loan of securities from a lender to a borrower. Borrowers seeking to borrow securities would typically do this through a security lending agent. The borrower would need to enter into a Global Securities Lending Agreement with the securities lending agent, who is typically the custodian of the securities. The securities lending agent would need to have a Securities Lending Authorisation Agreement in place with the owner of the security before the security can be lent



Once the security is lent, the legal title of the security passes from the lender to the borrower, but **any benefits arising from corporate actions and/or dividend payments are retained by the beneficial owner (Lender)**. The lender regains title when the securities are returned by the borrower at the end of the loan tenor or when the lender calls for the stock if the agreement was a call tenor. The securities recall process is stipulated by the terms and conditions of the securities lending contract.

Possible reasons for the recall of a security are:

---

<sup>2</sup> The Borrower may be a broker or a custodian borrowing on behalf of their institutional and HNI clients or a broker borrowing for its proprietary account

<sup>3</sup> The Lender may be a broker or a custodian lending on behalf of their institutional and HNI clients or a broker lending from its proprietary position. The lender may also be a broker accredited as an intermediary agent to lend on behalf of its retail clients.



- Need for the owner of the security to vote.
- Concern over the borrower's creditworthiness.
- Concern over market volatility

## Who are the Parties to Securities Lending?

**Borrowers:** Market Makers, Broker-Dealer firms, Investment Banks, Hedge Funds and Intermediaries usually comprise this group.

**Lenders:** These tend to be large institutional investors such as Pension Funds, Insurance Companies, Mutual Funds, Sovereign Wealth Funds, Investment Companies, Holding companies, High Net-worth Individuals and Retail investors.

**Securities Lending Agent:** Custodians, Broker-Dealer firms and Asset Managers registered by the Securities and Exchange Commission to play this role.

## Benefits of Securities Lending

### Lenders

- Additional income from “idle” securities within an investment portfolio.
- Improves market liquidity by increasing the volume of securities potentially available for trading.

### Borrowers:

- Provides market-making opportunities.
- Additional income from increased trading volume.
- Improves liquidity and market depth.
- Provides covered short-selling opportunities.

### The Market and Regulators:

- Improves market liquidity by increasing the number of potential “sell” and “buy” opportunities.
- Improves market depth and increases market efficiency through price discovery.
- Provides more competition in the market.
- Increases the attractiveness of the Market.

### Agents/Intermediaries:

- Provides additional income.
- Increases business volume.

### Issuers:



- Efficient pricing of securities.
- Improves liquidity by increasing the number of potential “sell” and “buy” opportunities in the market.



## About The Nigerian Exchange Limited's Securities Lending and Borrowing Report

The Nigerian Exchange Limited's Securities Lending and Borrowing Report is prepared on a weekly basis, with data collected from the market's Securities Lending Agents.

### Terms of Use

All information/data contained in this "The Nigerian Exchange Limited's ("The Exchange") Securities Lending and Borrowing Report", (hereinafter referred to as "Report") - including text, links or other items are provided as is and as available and may not be accurate or up to date; the Report is intended to provide general information regarding Securities Lending and Borrowing on The Exchange, and is not intended to provide investment or other professional advice. The content of this Report is subject to change at any time without notice. Whilst reasonable care has been taken in preparing this Report and ensuring that its contents are accurate and reliable, The Exchange does not, whether expressly, tacitly or implicitly, represent, warrant or in any other way, guarantee the availability, truth, accuracy, completeness, timeliness or adequacy and non-infringement of intellectual property rights of the information and data contained in this Report or reliability of any external links or any of the content, materials. Information and data contained in them. No responsibility or liability is accepted by The Exchange for actions taken as a result of information provided in this Report. The information and contents in this Report are the property of The Exchange; recipients of this Report are required to treat the information contained herein as sensitive, such information may not be reproduced, modified, transmitted or redistributed without prior written consent from The Exchange. This applies to both individual use of the information/data and the aggregate use of the information/ data contained in this Report. The Exchange shall not be held liable for improper or incorrect use of information/data contained in this Report. The Exchange reserves the right to prosecute any person, group of persons, company, entity, etc., who without a written authorization of The Exchange, reproduces, modifies, transmits and/or redistributes the information and data accessed in this Report. The Exchange accepts no liability resulting directly or indirectly from the disclosure of this Report to any third party and/or the reliance of any third party on the contents of the Report, either in whole or in part. For authorized circulation, the document may only be circulated as a PDF to eliminate unauthorized changes. Please report any unauthorized use, misuse or plagiarism to The Nigerian Exchange Limited at: [contactcenter@ngxgroup.com](mailto:contactcenter@ngxgroup.com). The Exchange expressly DISCLAIMS liability for errors, omissions, defects, interruptions or otherwise contained in this Report. The Exchange does not verify any information/ data provided by third parties and DISCLAIMS any obligation to do so.