



THE Nigerian STOCK EXCHANGE

THE NSE: A VISION FOR TRANSFORMATION *Achieving Business Transformation for Post Change Nigeria*

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for
RACK CENTRE CEO's BRIEFING
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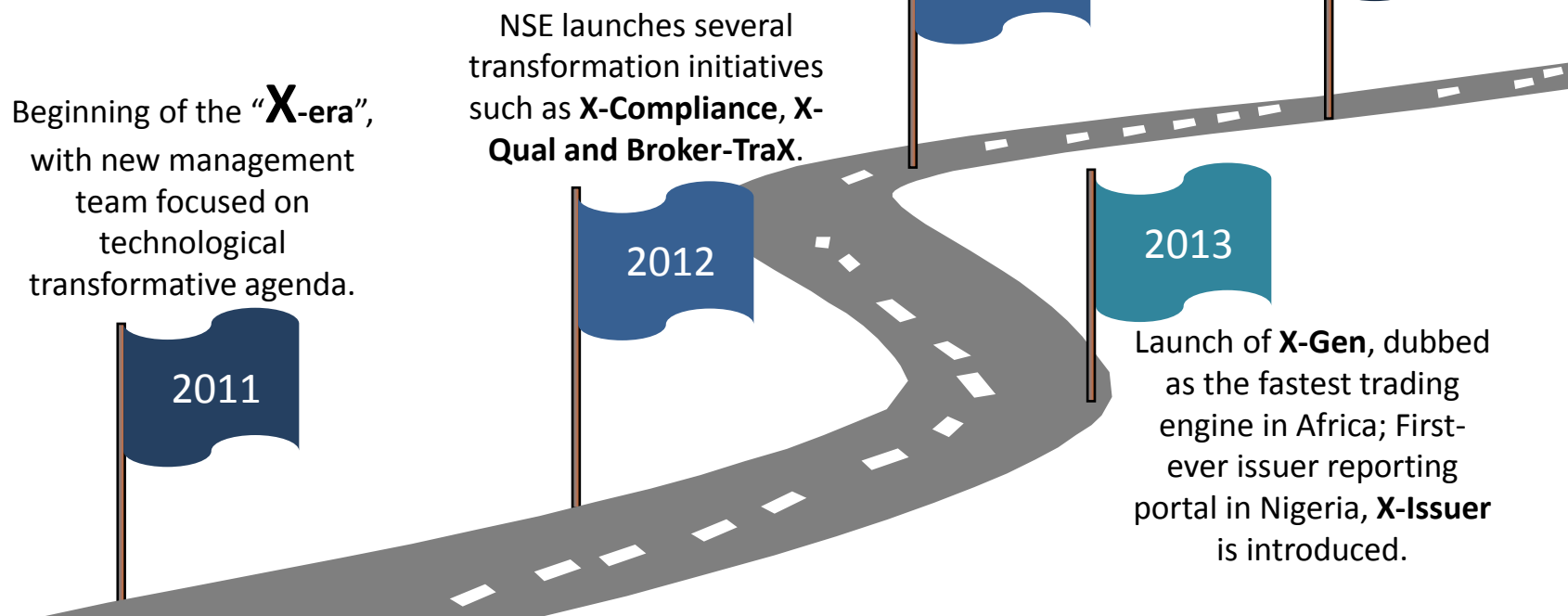
- Thank You

Transformative Overview of the NSE



THE Nigerian
STOCK EXCHANGE

- A transformative agenda focused on low latency, domestic and international market access, and partnering with strategic global/regional organizations.
- The Nigerian Stock Exchange (NSE) understands the importance of undersea cable communications for integration across West Africa / ECOWAS (ACE, WACS, MainOne, Sat 3, Glo 1).



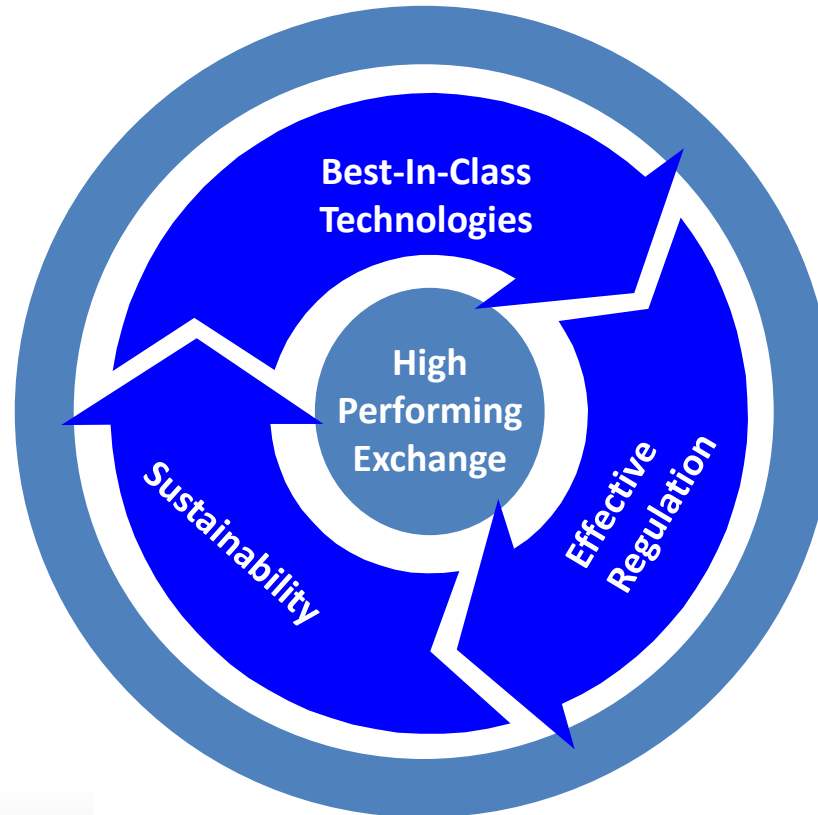
*Advanced
Technological
Initiatives*



Intermarket
Surveillance Group



WACMI



Financial Services Regulation Coordinating
Committee (FSRCC) Nigeria



Company Profile:

- Today, Exchange services the largest economy in Africa, and is championing the development of Africa's financial markets.
- In 2014, the NSE became the first West African country to become a member of the World Federation of Exchanges (WFE).
- The NSE offers listing and trading services, licensing services, in addition to market data solutions, ancillary technology services, and more.
- The implementation of 21st Century technologies has led the NSE's transformative agenda with launch of several "Best-in-Class" hi-tech solutions.
- The protection of "data" is the lifeline of our business.

The NSE's Technology Framework is based on...

Leadership
through
technology and
innovation

Operational
excellence
through
business
transformation

Growth and
reputation
through
diversification

2nd*
Largest Exchange in Africa
by Market Cap
At ₦17.2 tn (\$86.7 bn)**

*Excludes dual listing not on the primary market
**As at 30th April 2015

193 Equities (N11.8 tn)
59 Bonds (N5.4 tn)
4 ETFs (N4.7 bn)**

187
Listed
Companies**

221 Active
Dealing
Members**

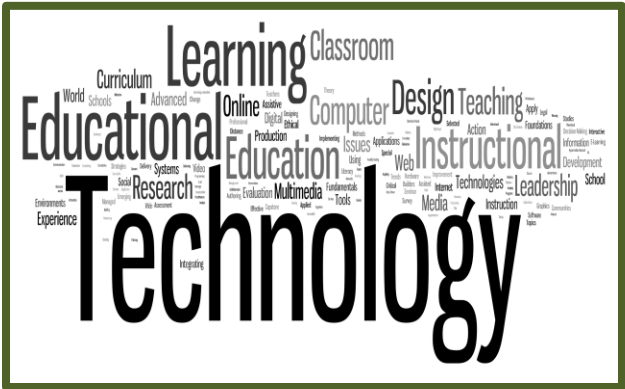
Local 40%
Foreign 60%
Total Market
Activity Q1'15 -
₦558.23 bn
(\$2.8 bn)

Manpower and Equipment

Organizational Structure and Governance

Effective Processes

Global Competitiveness



Showcase: Minimum Standards for Brokers

Manpower and equipment

- Efficient Human Resource
- High quality service delivery and risk management
- Effective supervision
- On-going capacity building and training

Organizational structure and governance

- Roles, power and responsibilities assigning
- Determine how information flows within the organization
- Defined organizational structure
- Defined Board structure
- Sales/Client Service
- Legal/Compliance and Secretariat
- Human Resources and Admin
- Dealers

Effective Processes

- Articulated business plan and strategy
- Investment Policy
- Risk Management Policy
- Compliance
- Anti-Money laundering/counter terrorist financing
- Standard operating procedures
- IT policy
- Surveillance model

Global Competitiveness

- Implement Global best practice
- Talent attraction and retention
- Standards enforcement and compliance
- Efficient Service Delivery
- 21st Century Technology

Technology

- Hardware
- Networks
- Applications
- Information Security
- Business Continuity
- Risk Management
- Change Management
- Service Management and continuous service improvement



Information and Communication Technology *has the potential to transform business and government in Africa, driving entrepreneurship, innovation and economic growth.*

- World Bank



X-Gen

X-Gen is a robust trading platform developed based on a number of leading technologies, including NASDAQ OMX’s X-stream matching engine, and NSE’s X-Gen Market Database. X-Gen is the fastest trading platform in Africa.

X-Issuer

X-Issuer is a secure on-line portal through which Issuers submit financial and other information to the NSE and the market in an efficient manner bridging any disclosure gaps between listed companies and the capital market.

X-Compliance

X-Compliance report provides compliance related information. It provides information such as 1) early filers of audited accounts; 2) delinquent filers of audited accounts; 3) delinquent filers of quarterly reports released financials; 4) companies that are operating below listing standards; etc.

BrokerTra

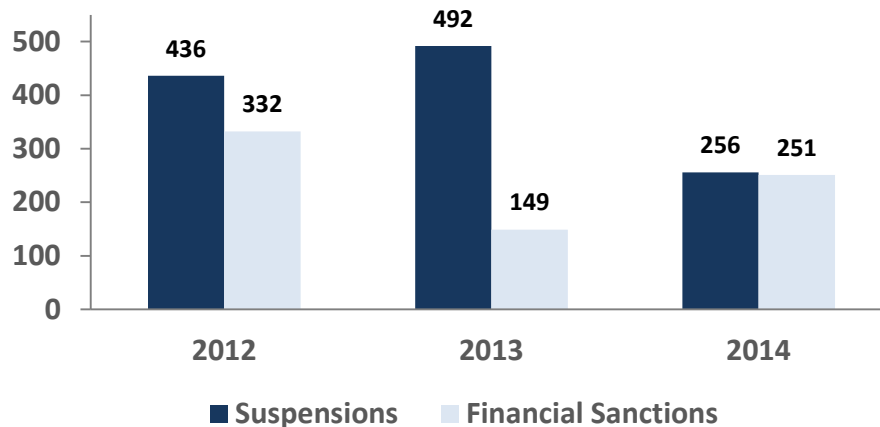
BrokerTraX provides a transparent view into Dealing member firms found liable for breach of market rules. It provides information on items such as 1) actions of the disciplinary committee of Council; 2) blacklisted dealing clerks 3) dealing member firms involved in unauthorized sales of investors’ shares; etc.

X-Whistle

X-Whistle is a program that empowers a whistleblower (an employee, an investor, a compliance officer, an Issuer, a stockbroker or any member of the public) to report possible violations of the rules and regulations of The Exchange, the securities law and fraud related to activity within the market.

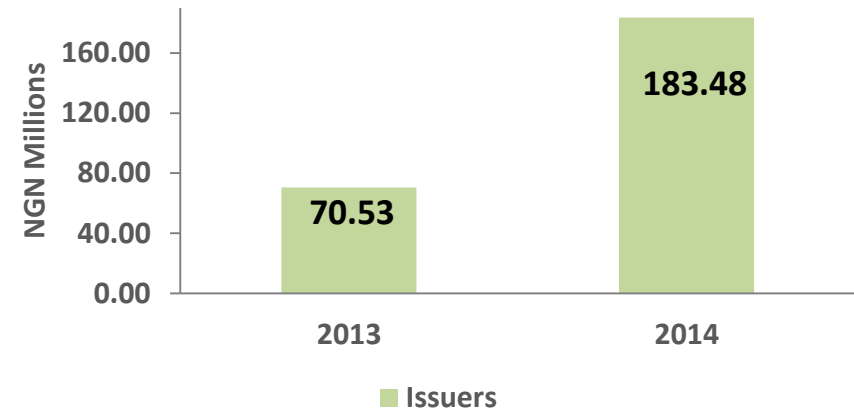
BrokerTraX

DEALING MEMBER SANCTIONS

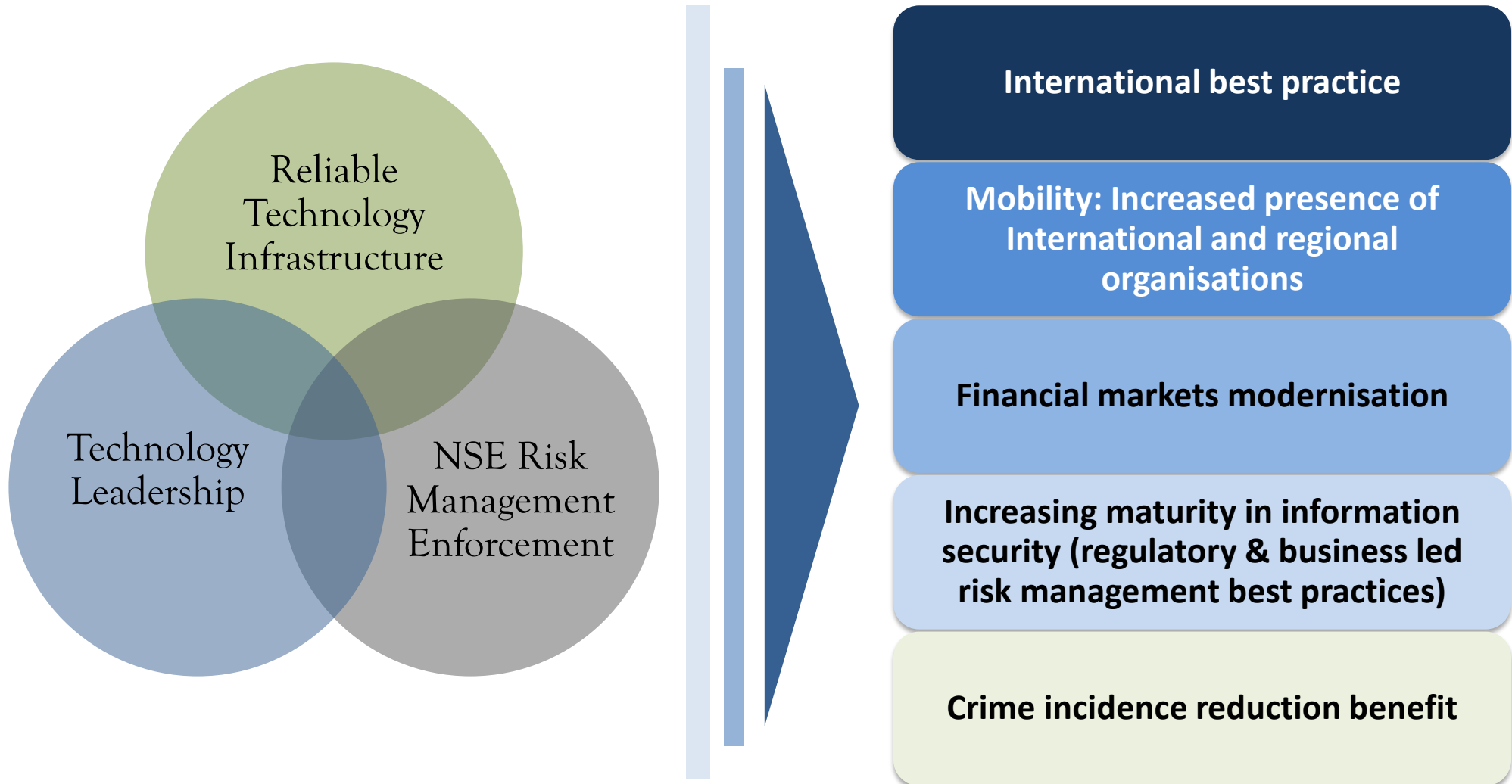


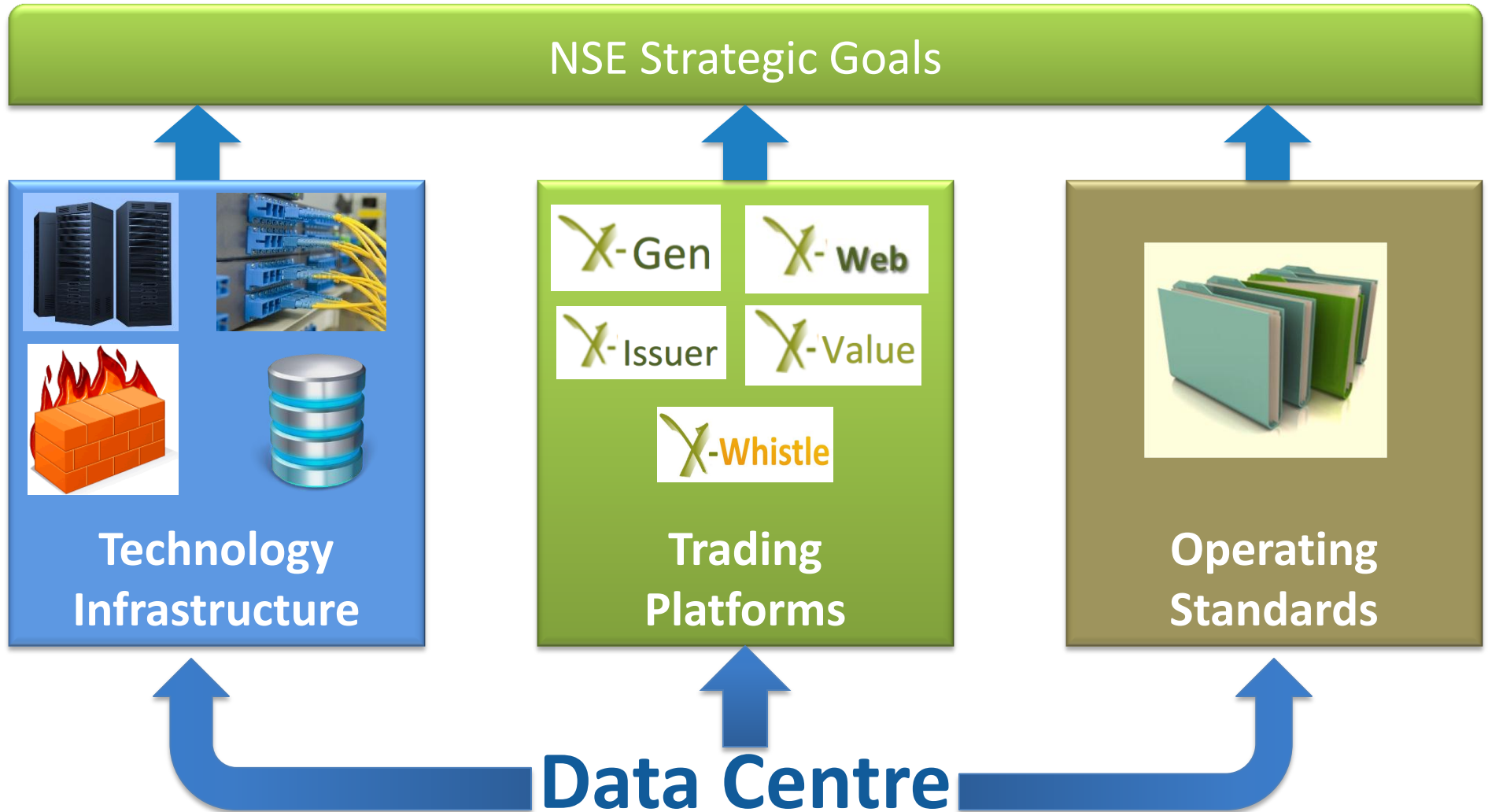
X- Compliance

NSE ISSUER PENALTY FEES



- **BrokerTraX** -The Exchange operates a zero-tolerance policy on market infractions, and in 2014, the number of dealing members suspended declined by ~50% from the previous year.
- **X-Compliance** - At the NSE, late submission of financial statements attract a fine of N100,000 (\$644) per week. In 2014, through our market surveillance process, we effectively investigated and penalized an Issuer's malpractice driving revenue in the segment up by 160% from the previous year.





Truly Carrier Neutral

- Access to multiple connectivity providers that can serve the brokerage community with very high redundancy

IXPN Localised

- Heart of technology dependent businesses in Nigeria.
- Localised IXPN provides low latency for trading and online transactions

State-of-the-art, Tier III Design Certified

- Tier III certification provides assurance of uptime commitments to minimum of 99.982% Availability
- State of the Art technology and data centre environment gives infrastructure longer life and better performance

Energy efficient, secure and scalable

- Modular technology scalable to about 3000 racks means the needs of the brokerage community is met for decades
- Energy Efficiency with PUE in the 1.6 range means lower OPEX costs and therefore long term savings

100% Nigerian

- Opportunity to experience world-class right here in Nigeria.



**THE Nigerian
STOCK EXCHANGE**

THANK YOU

Questions & Answers

Visit our website today!

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“A truly user-friendly experience”

NEW & IMPROVED WEBSITE

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- Detailed quotes and charting • Site-wide search • Mobile access
- Easy-to-find information • Social media integration • Improved site load-time • Enhanced content

