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The Premier Association of African Securities Exchanges

The African Securities Exchanges Association (ASEA), is the premier association of twenty-five securities exchanges in Africa, that have come together with the aim of developing member exchanges and providing opportunities for knowledge-sharing and collaboration.

Established in 1993, with its headquarters in Kenya, ASEA works closely with its members to unlock the potential of Africa’s capital markets.

For more information, please visit: www.african-exchanges.org

Vision

To enable African securities exchanges to be key significant drivers of the economic and societal transformation of Africa by the Year 2025.

Mission

• To provide a forum for mutual communication, exchange of information, co-operation and technical assistance among its members.
• To facilitate the process of financial integration within the region for the effective mobilization of capital to accelerate the economic development of Africa.

Key

- Full Member
- Observer Member
- Associate Member
PRESIDENT’S REPORT

Building Resilient African Capital Markets

Dear Members:


This report marks my first as President of the Association following the change of guard in November 2018, which saw Mr. Oscar Onyema hand over the reins after a successful two-term tenure as President and Dr. Edoh Kossi Amenounve become Deputy President of the Association, serving alongside the new and returning members of the Executive Committee of ASEA.

It reflects an eventful year, in which the Association progressed several key initiatives and refined its strategic focus, adopting five overarching priorities which address the needs of our Members and safeguard our ability to remain a significant contributor to the development of Africa’s capital markets.

Refining our Strategic Approach

For over 25 years, ASEA has been steadfast in its mission to enable African securities exchanges to become key drivers of the economic and societal transformation of the continent. Over the years, this ambition has been translated into various goals and actions aimed at positioning members to attract greater global flows, enhancing the legal and regulatory frameworks across member jurisdictions, tackling the liquidity challenge facing African exchanges and building human and institutional capacity for the region.

In 2018, the ASEA Executive Committee made a series of efforts towards the development of a long-term agenda for the Association. These efforts resulted in an ambitious and comprehensive strategic plan to guide ASEA for the 2019 - 2023 period, which was ratified by members at the 22nd Annual General Meeting (AGM) held in November 2018 in Lagos, Nigeria.

Building on these efforts, the new Executive Committee, in 2019, conducted several strategy meetings as well as a robust member survey, in order to refine and prioritize activities in line with members’ needs and expectations. As a result of these deliberations, the Committee adopted five (5) strategic priorities for 2019 – 2020 which map out the critical near-term initiatives required to fulfil our value proposition to members and stakeholders in the African capital markets. I am pleased to report that we have made positive steps forward in each one of our focus areas.

Leading Advocacy for African Exchanges

During the year, ASEA furthered its collaborative engagements with the African Union Commission (AUC). In December 2018, the Association held a joint workshop with the Commission which brought together capital market practitioners - including representatives of exchanges, regulatory agencies, private sector firms and regional economic communities - to discuss today’s capital market challenges and help frame policy actions.
that can be integrated into national and regional agendas. The workshop spurred several recommendations which are currently being prioritized for implementation.

The Association also represented members’ interests at the AUC’s Third Specialized Technical Committee Meeting on Finance, Monetary Affairs, Economic Planning and Integration, during which I participated in a dialogue on policies for promoting the private sector as an engine for productive transformation. For ASEA, such discourse is critical to identifying and achieving the combination of policies, incentives and structures required for well-functioning markets.

We are working to formalize our partnership with the Commission in the coming year and hope to expand the geometry of our bilateral partnerships to better address our region’s challenges. We will also be conducting periodic needs assessments and focus groups with members to better understand market-specific challenges and determine areas for intervention and support by ASEA.

Another key platform for advocacy by the Association is the Annual Conference. The 22nd edition of the Conference was hosted by The Nigerian Stock Exchange in November 2018 under the theme “Champions on the Rise: Africa’s Ascension to a More Sustainable Future”. It had in attendance exchanges and economic actors from within and beyond the region, in a series of thought-provoking discussions on the issues facing African capital markets in financing sustainable development.

The main sub-themes of the 22nd Conference were based on issues impacting our markets on which ASEA is keenly focussed, namely: liquidity, sustainability, technology and SME financing. The Conference included special sessions with the Vice President of Nigeria, as well as the Vice President of the World Bank and the African Development Bank (AfDB), which articulated the challenges to market development in the region and the role of exchanges, policymakers, regulators and market participants in promoting effective market-based solutions. The Association has commenced planning for the 2019 edition of the Conference which will be hosted by the Botswana Stock Exchange in Kasane, Botswana.

Our efforts to be at the forefront of capital market matters in Africa also encompass strategies to address information asymmetry in our markets and enable insight-driven policy formulation and implementation. A key project of ASEA in this area is the ASEA Information Portal, which is a dynamic, online statistics and news portal that is set to provide access to monthly statistics for ASEA member exchanges, covering up to 150 market indicators. It is supported by Financial Sector Deepening Africa (FSD Africa). In 2019, through the support of our members we were able to enhance the quantity and quality of market statistics available on the Portal, with the goal of rolling it out to our members and the investing public in the last quarter of 2019. We hope that the Portal will support the planning and research needs of market stakeholders and bring the much desired ubiquity and visibility to African exchange statistics.

Promoting Liquidity in African Markets

This second priority area is crucial for almost all of our members. African exchanges continue to be confronted by low levels of liquidity despite improvements to the regulatory environment, diversity and sophistication of products and efficiency of market technology over the years. Of member exchanges of the World Federation of Exchanges (WFE), frontier market exchanges in Africa (this excludes the Johannesburg Stock Exchange), have a combined annualized equity market turnover of only 5.9% of their aggregate market capitalization, compared to the average of ~19% for frontier market exchanges in other world regions.

Our efforts to overcome liquidity challenges are led by the Market Development Working Group. During the year, the Group launched their maiden report, titled Attracting Listings and Investors in African Exchanges, which provides pertinent insights into strategies and actions undertaken by African exchanges to encourage new listings and promote investor participation. The strategies detailed in the report, cut across investor education, product development, SME nurturing and strategic partnerships, to provide the most comprehensive study of liquidity boosting initiatives in the African capital markets. I encourage you all to read the updates on the ASEA working committees on pages 28 - 35 of this Annual Report.

The Association has also made efforts to address our collective need for deeper and more liquid markets by supporting product diversification efforts of exchanges through capacity-building and sharing of best practices. For example, at our 8th Building African Financial Markets (BAFM) seminar, which was hosted by the Bourse Régionale des Valeurs Mobilières in Abidjan, Ivory Coast, earlier this year, we had in-depth discussions on the market considerations and technical aspects of establishing exchange-traded derivatives markets. Discussions included case studies and learning points from global derivatives exchanges, as well as first hand insights from the Nairobi Securities Exchange, which became the second securities exchange in Africa to trade derivatives in 2019.

The Association also seeks to facilitate and promote ‘liquidity levers’ such as capital market education, cross-border trading and privatization and listing of public interest enterprises. Amongst these levers, privatization has increasingly come into focus as a means of improving the governance and performance of state-owned enterprises and invigorating domestic capital markets. We have seen positive indicators from recent privatization efforts in our region, such as the 209% oversubscribed Initial Public Offering (IPO) of former state-owned bank, I&M Bank on the Rwanda Stock Exchange. In the coming year, Egypt’s IPO program will see the Egyptian government exit from 23 state-controlled companies through The Egyptian Exchange.

For this reason, ASEA has been engaging with development agencies to draw greater attention to privatization and listing of state owned enterprises. We hope to realize our collaborative goals in this area and provide members with high-level and technical support in the coming year.

Building Capacity for the Ecosystem

This third strategic priority is at the heart of ASEA’s overarching mission to develop member exchanges. At the beginning of the year, the ASEA Executive Committee held a strategy meeting in Marrakech, Morocco to deliberate on our mid-term priorities and ensure that the Association is optimally structured to deliver on our strategic agenda.

During this session, we re-structured the working committees of ASEA and migrated the capacity-building mandate of the Market Development Working Group to create the Capacity-Building Working Group of ASEA. We expect that the establishment of this new working committee will enhance ASEA’s ability to provide quality training programs that are tailored to the needs of our members.

“The Association also seeks to facilitate and promote ‘liquidity levers’ such as capital market education, cross-border trading and privatization and listing of public interest enterprises. Amongst these levers, privatization has increasingly come into focus as a means of improving the governance and performance of state-owned enterprises and invigorating domestic capital markets.”
Our primary vehicle for capacity-building remains the annual Building African Financial Markets (BAFM) seminar. The BRVM delivered an insightful and educative 8th edition of the seminar, with topics ranging from enhancing retail investor education to debt financing for SMEs, under the theme “Human Capital: A Cornerstone for Competitive African Capital Markets”. As the Vice-President of Côte d’Ivoire so aptly noted in his opening remarks at the seminar, the wealth of our nations lies in our human resources. The Association therefore seeks to encourage capital market practitioners, from not only exchanges, but our wider ecosystem to participate in these forums so that we may collectively improve our understanding of market issues and jointly implement actions to re-position our markets in the rapidly evolving landscape of the global exchange industry.

Our efforts to build capacity and facilitate knowledge-transfer between members have been significantly bolstered by our partnership with the World Federation of Exchanges (WFE). In 2018, we signed a Memorandum of Understanding with the WFE which will see our two Associations collaborate to support the development of ASEA members and the wider African capital market ecosystem; and also enable members to imbibe global standards while remaining appropriate to the needs of market stakeholders and the domestic economy. As the industry association for over 200 market infrastructure providers, the WFE offers a wealth of expertise which we expect will complement ASEA’s capabilities and provide new opportunities to members.

Creating Regional Linkages

The Association’s flagship regional integration project - the African Exchanges Linkage Project (AELP) - received greater impetus during the year, with the receipt of a grant from the Korean-African Fund for Economic Cooperation (KOAFEC) which is managed by the African Development Bank.

ASEA initiated the African Exchanges Linkage Project (AELP) in 2015, to facilitate cross-border trading and settlement of securities across African exchanges. In February 2019, The Egyptian Exchange joined the project, bringing the total number of participating markets to seven. Accordingly, the first phase of the project will organically link the capital markets of Egypt, Kenya, Mauritius, Morocco, Nigeria, South Africa and the West African Economic and Monetary Union, with the aim of promoting liquidity, diversification and innovation in the linked markets.

Through the support of the AIDB and KOAFEC, earlier this year, we established a Project Management Office within the Association’s headquarters in Nairobi, Kenya, which is now fully operational. We also held several country-level stakeholder forums to sensitize market participants on the opportunities presented by the AELP.

Over the next year, the Association will aggressively work to implement the AELP – including the essential capacity-building and training of market stakeholders to enable us to achieve the desired quality outcomes of the project. We will also support and undertake complementary initiatives to drive liquidity, address information asymmetry and encourage the introduction of new products across African markets.

Ensuring Our Long-Term Sustainability

Now more than ever, the mission of ASEA is critical. The achievements of the Association over the years, have been driven by the tireless efforts of ASEA’s working committees and made possible through the support of our members and the effective coordination by the ASEA Secretariat.

As shown in the financial statements, the total income to the Association increased by 7.88% to 77,890 US dollars (USD) during the 2018 – 2019 financial year. However, the overall surplus for the year declined by a margin of 30.68% to 15,560 USD, largely due to increased operational expenditure in relation to the additional program costs and resources of the ASEA Secretariat.

We are pleased to have been able to bolster the capacity of the Association through the establishment of the AELP Project Management Office and the secondment of a member of The Nigerian Stock Exchange to the ASEA Secretariat, under our three-year Secondment Program backed by FSD Africa. We appreciate the support of our partners and donors who challenge us to look internally to ensure that ASEA is constantly providing value to all our stakeholders.

Our long-term vision is to build a robust Secretariat for the Association, which will ensure adequate internal capabilities to deliver on our ambitious strategic plans. Therefore, we remain open to new programs and partnerships with like-minded organizations that will help us achieve this objective and better meet the needs of our diverse members.

I am pleased that our network of non-exchange members has continued to expand. During the year, the Executive Committee approved for the Institute of Certified Investment and Financial Analysts (ICIFA), Kenya and the Central Securities Clearing System Plc. (CSCLS), Nigeria to become Associate Members of ASEA, bringing our total count of Associate Members to five. As the professional body regulating the investment and financial analysis profession in Kenya, ICIFA’s joining of ASEA brings new opportunities for knowledge-transfer and mutual support between our two organizations, in our shared quest to raise standards for investment professionals in Africa. In a similar way, the entry of CSCLS Plc. – Nigeria’s premier central securities depository – goes to the heart of our mission to bring together exchanges and other key market institutions to unlock synergistic results for our ecosystem that cannot be achieved by the development of any one group of actors alone. We look forward to the active participation of both members.

In the coming year, we hope to consolidate on our current partnerships and find innovative ways to boost our internal capacity drawing on the support and expertise of all our valued members.

Appreciation

With a deep sense of gratitude, I wish to thank all Members for entrusting me with the leadership of our Association. There is much work to be done in the year to come, but I am confident that each of our strategic priorities can be realized if we harness our collective strength.

I would like to thank the immediate past President, Mr. Oscar Onyema for his dedication and invaluable contributions to the Association over the last four years, as well as past members of the Executive Committee, Ms. Zeona Jacobs and Mr. Pierre Ekoue Mouangue, who moved on in 2018 – 2019 after years of service to ASEA and considerable efforts towards the working committees.

I am grateful to the Deputy President, Dr. Edoh Kossi Amenouevbe and the entire ASEA Executive Committee: Mr. Mohamed Farid, Ms. Nicky Newton-King (and Ms. Anne Clayton in alternate capacity), Mr. Geoffrey Odundo, Mr. Thapelo Tsheole, Mr. Pierre Celestin Rwabukumba and Mr. Kofi Yamoa; together we brought a number of initiatives to fruition this year. I would also like to commend the ASEA Secretariat for their hard work during the busy year that was 2018 – 2019.

Finally, I would like to thank all of our members and partner organizations. Our achievements in the past year were made possible through your active participation and generous support for the Association. I look forward to working with you in the year ahead.
**Bâtir des Marchés Financiers Africains Résilients**

**Chers Membres,**


Ceci est mon premier rapport en tant que Président de l’Association faisant suite au changement de garde intervenu au mois de novembre 2018, durant lequel Monsieur Oscar Onyema a remis les rênes après avoir tenu deux mandats réussis comme Président et Docteur Edoh Kossi Amenounve est devenu Vice-Président de l’Association pour servir aux côtés des membres élus et réélus du Comité Exécutif de l’ASEA.

Il reflète un exercice riche en événements, durant lequel l’Association a fait avancer plusieurs initiatives-clés et a affiné son orientation stratégique en adoptant cinq priorités générales qui répondent aux besoins de nos organisations Membres, et qui sauvegarderont notre aptitude à demeurer un intervenant important au développement des marchés financiers africains.

**Affiner notre approche stratégique**

Pendant environ 25 ans, l’ASEA est restée ferme dans sa mission de permettre aux Bourses Africaines de devenir les moteurs de la transformation économique et sociétale à travers le continent. Au fil des années, cette ambition s’est traduite en plusieurs buts et actions visant à positionner les membres en vue d’attirer plus de flux internationaux, à améliorer les cadres juridiques et réglementaires à travers les juridictions des membres, à surmonter le défi de liquidité confronté par les Bourses Africaines, et à renforcer les capacités humaines et institutionnelles au sein de la région.


Se basant sur ces efforts, le nouveau Comité Exécutif, en 2019, a organisé plusieurs réunions stratégiques ainsi qu’une robuste enquête des membres en vue d’affiner et de prioriser les activités répondant aux besoins et aux aspirations des membres. Comme conséquence de ces délibérations, le Comité a adopté cinq (5) priorités stratégiques pour l’exercice 2019-2020 qui ont établi les initiatives cruciales à court terme requises pour livrer notre proposition de valeur aux membres et aux acteurs des marchés financiers africains. Je suis ravi de vous annoncer que nous avons accompli des avancées significatives dans chacun de nos domaines d’orientation.

**Mener le plaidoyer pour les Bourses Africaines**


L’Association a également fait un plaidoyer pour les intérêts des membres lors de la Troisième Réunion Technique Spécialisée du Comité sur les Finances, les Affaires monétaires, la Planification économique et l’Intégration, au cours de laquelle j’ai pris part à un dialogue sur les politiques pour la promotion du secteur privé comme moteur de la transformation productive. Pour l’ASEA, ce débat s’avère crucial, en vue d’identifier et de réaliser la combinaison des politiques, incitations et structures requises pour des marchés opérant efficacement.

Nous œuvrons en vue de formaliser notre partenariat avec la Commission pour le prochain exercice, et espérons étendre la géométrie de nos partenariats bilatéraux pour mieux surmonter les défis de notre région. Nous organiserons également des évaluations périodiques des besoins et des groupes de discussions avec les membres, en vue de mieux comprendre les défis spécifiques aux marchés et de déterminer les différents domaines d’intervention et d’appui par l’ASEA.

Une autre plate-forme clé pour le plaidoyer par l’Association est la Conférence Annuelle. La 22e édition de la Conférence a été organisée par la Bourse du Nigéria au mois de novembre 2018 sous la thématique “En avant les Champions; l’Ascension de l’Afrique vers un Avenir Plus Durable”. Elle a connu la participation des intervenants boursiers et économiques en provenance de l’intérieur comme de l’extérieur de la région, dans une série des réflexions stimulantes sur les défis auxquels sont confrontés les marchés financiers africains dans le domaine de financement d’un développement durable.

Les principaux sous-thèmes de la 22e Conférence ont été basés sur les défis ayant un impact sur nos marchés sur lesquels l’ASEA est essentiellement focalisé, à savoir: la liquidité, la durabilité, la technologie et le financement des PME. En marge de la Conférence, il y a eu des séances spéciales avec le Vice-président du Nigéria, ainsi qu’avec le Vice-président de la Banque Mondiale et la Banque Africaine de Développement, traitant des défis au développement du marché au niveau de la région et du rôle des bourses, décideurs, organes régulateurs et intervenants du marché dans la promotion des solutions efficaces et basées sur le marché. L’Association a entrepris la planification de l’édition 2019 de la Conférence qui sera organisée par la Bourse du Botswana à Kasane, au Botswana.

Promouvoir la liquidité sur les marchés africains

Ce deuxième domaine prioritaire s’avère crucial pour la plupart de tous nos membres. Les Bourses Africaines ne cessent d’être confrontées à des niveaux bas de liquidité en dépit des améliorations apportées dans l’environnement réglementaire, la diversité et la sophistication des produits et l’efficience de la technologie boursière au fil des années. Parmi les bourses membres de la Fédération Internationale des Bourses de Valeurs (FIBV), les Bourses du marché frontalier en Afrique (hormis la Bourse de Johannesburg), ont un chiffre d’affaires combiné du marché d’actions de seulement 5,9% de leur capitalisation boursière globale, comparativement à la moyenne d’environ 19% pour les bourses du marché frontalier des autres régions du monde.

Nos efforts pour surmonter les défis liés à la liquidité sont menés par le Groupe de travail sur le Développement du marché. Durant cet exercice, le groupe a lancé le rapport inaugural intitulé ‘Attirer les cessions et les Investisseurs vers les Bourses Africaines’ qui décrit avec pertinence les stratégies et les actions entreprises par les Bourses Africaines en vue de stimuler de nouvelles cessions et de promouvoir la participation des investisseurs. Les stratégies élaborées dans ce rapport couvrent l’éducation, le développement des produits, la promotion et la privatisation, l’aide aux entreprises publiques. Nous espérons atteindre nos objectifs de collaboration dans ce domaine et apporter un chiffre d’affaires combiné du marché d’actions transfrontaliers, et la cotation des entreprises d’intérêt public.

Pour cette raison, l’ASEA a abordé les agences de développement en vue d’accorder une attention toute particulière à la privatisation et à la cotation des entreprises publiques. Nous espérons atteindre nos objectifs de collaboration dans ce domaine et apporter aux membres l’appui technique de haut niveau, au cours du prochain exercice.

Le Renforcement des capacités pour l’écosystème

La troisième priorité stratégique est au cœur de la mission globale de l’ASEA pour développer les bourses africaines. Au début de l’année, le Comité Exécutif de l’ASEA a tenu une réunion stratégique à Marrakech, au Maroc, en vue de délibérer sur nos priorités à moyen terme et de s’assurer que l’Association est structurée de façon optimale pour réaliser efficacement nos programmes stratégiques.

Durant cette séance, nous avons restructuré les différents comités de travail de l’ASEA, et avons fait passer le mandat de renforcement des capacités du Groupe de travail sur le Développement des marchés à la mise sur pied du Groupe de travail de l’ASEA sur le Renforcement des Capacités. Nous espérons que la mise en place de ce nouveau comité de travail va améliorer l’aptitude de l’ASEA à livrer des programmes de formation qui répondent à nos besoins de membres.

Notre principal moyen de renforcement des capacités demeure le séminaire ‘Bâtir les Marchés Financiers Africains’. La BRVM a organisé une 8e édition de ce séminaire tant perspicace qu’éducatif, avec des thèmes allant de l’amélioration de l’éducation des investisseurs détaillants au financement de la dette des PME, sous le thème principal “Le Capital Humain: Une Pierre angulaire pour les Marchés Financiers Africains compétitifs”. Tal, que le Vice-président de la Côte d’Ivoire et le si bien noté dans son allocution d’ouverture lors du séminaire, la richesse de nos nations repose sur nos ressources humaines. L’Association cherche ainsi à encourager les praticiens des marchés financiers, issus non seulement des bourses, mais aussi de l’écosystème dans l’ensemble, à participer aux fora afin qu’ils puissent améliorer collectivement notre compréhension des questions liées au marché et mettre en œuvre conjointement les actions visant à repositionner nos marchés dans l’environnement du secteur boursier international qui évolue rapidement.

Nos efforts visant à renforcer les capacités et à faciliter le transfert des connaissances entre membres ont considérablement été appuyés par notre partenariat avec la Fédération Internationale des Bourses (FIBV). En 2018, nous avons signé un Protocole d’accord avec la FIBV qui amènera nos deux Associations à collaborer en vue non seulement d’appuyer le développement des membres de l’ASEA et l’écosystème du marché financier africain dans l’ensemble; mais également d’aider les membres à adopter les normes internationales tout en les maintenant pertinentes aux besoins des acteurs du marché et de l’économie intérieures. En tant que l’Association du secteur pour environ 200 fournisseurs d’infrastructures des marchés, la FIBV offre une richesse d’expertises qui, selon nos aspirations, complétera les capacités de l’ASEA et offrira de nouvelles opportunités aux membres.

Créer l’Intégration régionale

Le projet phare d’intégration régionale de l’Association a reçu une plus grande impulsion durant cet exercice, avec la réception d’une subvention du Fond de la Coopération Economique entre la Corée et l’Afrique (KOAFEC) qui est gérée par la Banque Africaine de Développement.

L’ASEA a initié le Projet d’intégration des Bourses Africaines (African Exchanges...

A travers l’appui de la BAD et de KOAFEC, au début de cette année, nous avons mis en place un Bureau de Gestion du Projet AELP au niveau du siège de l’Association à Nairobi, au Kenya, qui est maintenant pleinement fonctionnel.

Nous avons également rendu plusieurs fonds au niveau national en vue de sensibiliser les participants aux marchés financiers sur les opportunités présentées par le projet AELP.


Assurer notre durabilité à long terme

Maintenant plus que jamais, la mission de l’ASEA s’avère critique. Les réalisations de l’Association au fil des années ont été guidées par les efforts inlassables de différents comités de travail de l’ASEA, qui vise à intégrer les différentes bourses et les autres institutions-clés des marchés financiers en vue de libérer les résultats synergiques pour notre écosystème qui ne peut se réaliser par le développement isolé d’un seul groupe d’acteurs. Nous comptons sur la participation active de ces deux membres.


Notre vision à long terme est de bâtir un Secrétariat solide pour l’Association, qui s’assurera des capacités internes adéquates pour réaliser efficacement nos plans stratégiques ambitieux. Ainsi, nous démurerons ouverts aux nouveaux programmes et partenariats avec des institutions partageant les mêmes idées qui nous aideront à réaliser cet objectif et à mieux répondre aux besoins de nos divers membres.

Je suis heureux que notre réseau des membres non membres a continué à s’étendre. Au cours de cet exercice, le Comité Exécutif a approuvé que l’ICFA (Institute of Certified Investment and Financial Analysts) du Kenya est la CSCS (Central Securities Clearing System) du Nigéria deviennent Membres Associés de l’ASEA, ramenant ainsi l’effectif total des Membres Associés à cinq. L’intégration à l’ASEA de l’ICFA, organisme Kenyan de réglementation professionnelle en investissement et analyse financière, apporte de nouvelles opportunités pour le transfert des connaissances et l’appui mutuel entre nos deux organisations, dans notre quête partagée d’améliorer les standards des professionnels du domaine de l’investissement en Afrique. De même, l’adhésion de la CSCS Plc, le premier dépositaire central des valeurs mobilières du Nigéria, va au cœur de notre mission qui vise à intégrer les différentes bourses et les autres institutions-clés des marchés financiers en vue de libérer les résultats synergiques pour notre écosystème qui ne peut se réaliser par le développement isolé d’un seul groupe d’acteurs. Nous comptons sur la participation active de ces deux membres.

Au cours du prochain exercice, nous espérons consolider nos partenariats actuels et trouver des voies et moyens innovants pour renforcer notre capacité interne en améliorant la réglementation professionnelle et encourager l’introduction de nouveaux produits à travers les Bourses Africaines.

Mot de reconnaissance

Avec un profond sentiment de gratitude, je voudrais remercier tous les Membres pour m’avoir confié le leadership de notre Association. Il y a encore du travail à faire pour le prochain exercice, mais je suis convaincu que chacun de nos priorités stratégiques peut être réalisée si nous exploitons notre force collective.


KARIM HAJJI
PRESIDENT
CFA INSTITUTE AND THE AFRICAN SECURITIES EXCHANGES ASSOCIATION PARTNER TO PROMOTE FINANCIAL EDUCATION WITHIN AFRICA

The ASEA - CFA Institute partnership will see globally respected education products offered at a discounted price.

- CFA Program Scholarship for eligible candidates offered at USD 350
- The Certificate in Investment Performance Measurement Program (CIPM) offered for USD 350
- CFA Institute Investment Foundations™ certificate available for USD 200
- Ethical Decision-Making webinar available for all

This is open exclusively to all institutions associated with the ASEA community.

Contact your local CFA Society for more information.
### 22nd Annual General Meeting and Conference

The 22nd Annual General Meeting (AGM) and Conference of ASEA was hosted by The Nigerian Stock Exchange on November 25 - 27, 2018, in Lagos, Nigeria with the theme “Champions on the Rise: Africa’s Ascension to a More Sustainable Future”. The event brought together exchanges, investors, issuers, intermediaries and top government officials from across Africa and beyond the continent; to address burning issues around the competitiveness of African capital markets, within the context of financing sustainable development in Africa. The Conference had 290 delegates in attendance – representing over 32 African and 6 non-African countries – and 59 speakers featured on eleven panel sessions. Keynote speakers included the Vice President of Nigeria, H.E. Prof. Yemi Osinbajo; Vice President and Treasurer of the World Bank, Arunma Oteh; and Ag. Vice President and Treasurer, African Development Bank, Hassatou N’Sele. The twenty-third edition of the AGM and Conference will be hosted by the Botswana Stock Exchange, on November 24 – 26, 2019, in Kasane Botswana.

### 8th Building African Financial Markets (BAFM) Seminar

The 8th edition of the Building African Financial Markets (BAFM) seminar was hosted by the Bourse Regional des Valeurs Mobilieres (BRVM) on April 25-26, 2019 in Abidjan, Ivory Coast; under the theme “Human Capital: A Cornerstone for Competitive African Capital Markets”. The seminar provided practical insights on product development, investor education and emerging technologies, to support implementation. It was officiated by H.E. Daniel Kablan Duncan the Vice-President of the Republic of Ivory Coast.

### EGX/ACA Capital Market Training for African Exchanges

The Egyptian Exchange in collaboration with The Egyptian Administrative Control Authority organized a capacity building workshop for African exchanges, titled “Towards Vibrant African Capital Markets”. The workshop, which held on March 25 – 28, 2019 in Cairo, Egypt, trained participants on core exchange functions and sought to stimulate dialogue and direct liaison between participants, towards concrete actions for curbing economic crime in the capital markets.
Connecting Africa’s Capital Markets

The African Exchanges Linkage Project (AELP) is a joint initiative led by the African Securities Exchanges Association (ASEA) and supported by the African Development Bank (AfDB), which seeks to facilitate and stimulate cross-border trading and settlement of securities across participating exchanges in Africa.

In November 2018, the project received funding from the Korea-African Fund for Economic Cooperation (KOAFEC) managed by the AfDB, which supports the implementation of an aggressive plan to achieve the project’s key objectives of facilitating cross-border securities trading through a Sponsored Access Trading Model; enabling free flow of trading information among market participants; and supporting capacity-building and product diversification in the linked markets.

In its initial phase, the AELP will create linkages between seven African capital markets to boost trading, investment and information exchange. Together, the seven participating securities exchanges (which are the Bourse Régionale des Valeurs Mobilières, Casablanca Stock Exchange, The Egyptian Exchange, Johannesburg Stock Exchange, Nairobi Securities Exchange, The Nigerian Stock Exchange and Stock Exchange of Mauritius), represent more than 85 percent of the total market capitalization in Africa. They also have an attractive pool of ‘African Listed Securities’ of over 1,050 listed companies - including some of Africa’s most promising and profitable companies and a number of global leaders.

The framework of the current phase is sponsored access. The order starts with an investor or trader in one participating country, who puts a buy or sell order for a security listed on another exchange through her or his stockbroker, who is the originating broker. The originating broker sends the client’s order to a partner stockbroker who is a member of the market where the security is listed. The executing broker or sponsoring broker then carries out the trade in that market on behalf of the originating broker and their client.

The executing broker carries out the trade within the framework of his or her local market regulations and bears responsibility for the trade, he or she is effectively the sponsor of the trade in that exchange. Post-trade processes such as clearance, settlement and registered ownership of the security are performed within the regulatory framework of the market where the trade is executed.

After a security has been bought, it will be held in the central securities depository (CSD) in the market where the security was traded, reducing cross-border movement of securities and streamlining settlement and clearing to comply with one market. Africa’s leading custodians, which already service clients across the key markets, will continue to play a central role under this model.

Capacity-building on cross-border trading is a key element of the Project. Over the last year, the Project has held country-level engagements in Nigeria, Morocco, Egypt, Mauritius, Kenya and also in Cote d’Ivoire for stakeholders in the West African Monetary and Economic Union (WAEMU). Additionally, ASEA and the AfDB held the first regional Capital Market Stakeholders Roundtable on the AELP in April 2019. The one-day Roundtable marked the inaugural working meeting of key stakeholders across African capital markets to discuss the implementation of this key African integration initiative.

In the year ahead, ASEA will be focused on engaging with stockbrokers, fund managers, regulators and other officials as well as training institutions operating at the national and regional levels, to build a common skills base across markets to drive understanding and participation in the project – with shared benefits for all participants.

For more information on the AELP, please contact tminney@african-exchanges.org.
2018/19 HIGHLIGHTS

Secretariat’s Report
By Furaha Karba
Head of Secretariat

ASEA Information Portal
The Association entered into a Cooperation Agreement with the Financial Sector Deepening (FSD) Africa in June 2017. The partnership sought to bring our two organizations together, to join forces in the development of the African Capital Market, through collaboration on the annual ASEA Conference – the flagship event of ASEA – and support to enhance market statistics on the ASEA website.

For the past two years, FSD Africa has partnered with ASEA on the annual Conference by organizing expert sessions on niche and novel areas which are key to market development, to enhance the depth and quality of dialogue at this key event.

The two institutions have further partnered to develop the ASEA Information Portal. Development of the portal was informed by a robust market stakeholder survey led by a UK based consultancy firm, which sought to understand the needs and appetite for market information by investors and the general public. Subsequently, ASEA worked with the firm to develop a dynamic and interactive data portal, in line with identified stakeholders needs, as well as ASEA’s mandate to develop and increase the visibility of member exchanges.

The ASEA Information Portal has been made possible through a three-year Secondment Program, supported by FSD Africa. The Secondment Program, which is now in its second year, sees one employee of a member exchange join the Secretariat of ASEA for a period of twelve months to manage the project and support other key activities of the Secretariat.

Joint Capacity Building Workshop on the Role of Capital Markets in Mobilizing Domestic Resources in Africa
The Association, in collaboration with the African Union Commission (AUC), organized a workshop on December 5-7, 2018 in Gaborone, Botswana. The workshop brought together capital market practitioners with a view to building consensus on the role of capital markets in mobilizing resources for Africa’s development, in particular funding Agenda 2063 and the Sustainable Development Goals.

The workshop had three core focus areas, namely: infrastructure and technology, market liquidity and regional integration. Participants present shared best practices from across the continent and discussed measures to position regional capital markets to finance infrastructure projects and other long-term projects.

3rd Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration by the African Union Commission
The 2019 African Union Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration was held under the theme “Public Policies for Productive Transformation” in Yaounde, Cameroun. The meeting offered a platform to deliberate about the right mix of public and private policies which have the potential to transform African countries into productive economies. This included definition of the relevant capacities and sectors/industries that will be required for the effective design and implementation of policies to accelerate inclusive growth and sustainable development in Africa.

The ASEA secretariat participated in the technical sessions and presented its views on: “The Role of Capital Markets in Mobilizing Domestic Resources in Africa”. A case was made for government support and active participation on stock exchange platforms so as to fast-track the continent’s developmental agenda. Additionally, the African Exchanges Linkage Project (AELP) was presented as a flagship project that embodies the continental agenda of integration and harbors immense potential to stir the much needed intra-African trade.

CFA Institute – ASEA Collaboration: African Capital Markets Brief
One of ASEA’s key strategic objectives is to leverage existing partnerships to drive initiatives of common interest towards the development of the African capital markets. Building on the Memorandum of Understanding (MoU) between CFA Institute and ASEA, a research brief was developed in conjunction with ASEA and CFA Societies in Africa. The research brief covers Botswana, South Africa, Burundi, Tanzania, Rwanda, Uganda, Kenya, Nigeria, Zimbabwe, Morocco, Egypt and Mauritius. The motivation for this project is to understand the challenges, opportunities, and solutions in local capital markets in Africa, thereby informing the implications for investment, growth prospects and scenarios for the investment industry.

The research brief will be used to stimulate and engage investment industry stakeholders including CFA members and societies, firms, universities, regulators, exchanges, trade associations, and other capital market stakeholders in Africa. It intends to enhance the visibility of African capital markets to the international community and position Africa as a viable destination for frontier and emerging markets portfolio inflows, as well as international listings. The brief is expected to be published through the CFA Institute Research Foundation and officially launched at the 23rd ASEA Conference in Kasane, Botswana in November 2019.
By Mr. Mohamed Farid Saleh
Chairman, ASEA Sustainability Working Group
Executive Chairman, The Egyptian Exchange

The establishment of the Sustainability Working Group in April 2018 has greatly enhanced ASEA’s capacity to contribute to the 2030 Sustainable Development Goals (SDGs) by promoting the adoption of sustainability principles in Africa’s capital markets. It is estimated that achieving the SDGs by 2030 will require investments of USD 5-7 trillion annually across various sectors. This brings into focus the critical role of securities exchanges in mobilizing financial resources for more impact investing – particularly domestic resources – and driving environmental, social and governance (ESG) reporting by quoted companies.

The Sustainability Working Group’s overarching priorities are raising awareness of ESG issues in the African capital market; identifying and promoting policies and actions to boost ESG performance and disclosure in African markets; building capacity for ASEA member exchanges on sustainability reporting; and reviewing developments in the sustainability arena at the regional and global levels. The committee currently has ten members representing eight African exchanges.

The Sustainability Working Group’s survey in 2018 was designed to provide a current state assessment of African exchanges, with a focus on sustainable finance products, reporting standards, and exchange’s perceptions and management of sustainability initiatives in the various ASEA jurisdictions.

The study culminated in the launch of the 2018 Sustainability Roadmap report, a detailed report on the Group’s research on twenty-one African exchanges. The report highlights best practices, trends, challenges and opportunities for ASEA member exchanges in sustainability. It also includes in-depth insights on selected markets as a way to foster the cross-sharing of expertise and facilitate the development of effective sustainability frameworks amongst member exchanges.

Enhancing Reporting in the Regional Market
The Group’s work in this area is aimed at supporting African exchanges to report on ESG information related to their own business operations and develop a model guidance on ESG reporting for listed companies. In the 2018 Sustainability Roadmap, it was identified that two African exchanges publish standalone sustainability reports, while a further seven exchanges report on sustainability as part of their annual reports. Indeed, there is an opportunity for the vast majority of African exchanges to lead by example in sustainability, by issuing Exchange Sustainability Reports.

There is also an opportunity to enhance sustainability disclosure at the market level. The role of exchanges in promoting transparency and encouraging the disclosure of high quality ESG information is critical. The SWG’s 2018 report revealed that five African exchanges have formal guidance to listed companies on ESG reporting in place. Some of this guidance includes mandatory ESG reporting as part of the listing requirements (as is the practice of the Johannesburg Stock Exchange and Namibian Stock Exchange, for example) and others which...
take a voluntary approach to reporting (such as The Egyptian Exchange and The Nigerian Stock Exchange which ask listed companies to ‘comply or explain’).

In 2018, the group issued recommendations for exchanges seeking to embed ESG disclosure requirements in their listing rules, as part of the Sustainability Roadmap report. Following this, earlier this year, the Group took steps towards a partnership with the Global Reporting Initiative (GRI), a globally leading organization in the area of sustainability reporting. The partnership will see ASEA and the GRI collaborate to provide technical assistance to African exchanges on sustainability integration, value creation, impact, and reporting. The partnership with the Global Reporting Initiative aligns with the SWG’s objective to work closely with regional and international sustainability leaders to adopt best practices in our markets.

Capacity-Building
Another key pillar of the group’s work is capacity-building and outreach on sustainability matters. One key platform for this is the annual ASEA Conference. The 22nd edition of the conference, which was hosted by The Nigerian Stock Exchange in Lagos in November 2018, proved a veritable medium to drive awareness on sustainable financing and ESG issues.

The Conference, themed ‘Champions on The Rise: African’s Ascension to a More Sustainable Future’, brought together senior government officials and experts from exchanges, multilateral organizations, sustainability organizations, development finance institutions, financial market operators and businesses; to discuss key issues facing African capital markets in three unique panel sessions. Discussions centered on measures to strengthen sustainability practices in African markets; galvanizing domestic finance for the SDGs in Africa and driving synergies between exchanges, regulators, policy makers and other key market stakeholders to better unlock opportunities in green finance. I hope that these sessions equipped delegates with a better understanding of how to tackle some of the persistent issues facing our markets and I am excited to see how we can further this discourse in the coming year.

Looking Forward
As a follow up to the Sustainability Roadmap report published in November 2018, the SWG will be conducting a survey in the second half of 2019 to measure the annual progress of exchanges in achieving the Sustainability Roadmap. We expect to share the findings later this year, and launch the 2019 Sustainability Report at the 23rd ASEA conference taking place in Kasane, Botswana.

In the coming year, the group also plans to commence implementation of joint programs that will build capacity on sustainability reporting for exchanges and market stakeholders. We hope for the continued support and active participation of ASEA members in the group’s activities for 2019 – 2020.

Technology and Statistics Working Group Report

By Mr. Geoffrey Odundo
Interim Chair, ASEA Technology and Statistics Working Group
Chair of the ASEA Working Committee
Chief Executive Officer, Nairobi Securities Exchange

The Technology and Statistics Working Group had an eventful first year. The Group was established in 2018 - initially as the Disruptive Technology Working Group - to help the Association better understand the impact of emerging technologies on African capital markets and equip ASEA members to take advantage of new opportunities in the fourth industrial revolution.

Following the Marrakech strategy review meeting in February 2019, the reference terms of the Disruptive Technology Working Group were reviewed and the group was reconstituted as the Technology and Statistics Working Group, and charged with the broader mandate of: (i) investigating and making recommendations on market technologies which are relevant to all African exchanges at their varying stages of technological advancement; and (ii) supporting ASEA’s critical efforts to provide accessible and reliable data on African exchanges via the ASEA Information Portal.

The Group currently has representatives of eleven African exchanges focused on its technology objectives, as well as statistical reporting leads at each member exchange that support the Association’s data reporting efforts.

Disruptive Technology in Africa’s Capital Markets

In 2018, the Group commenced a study on disruptive technology in African markets, which was conceived to provide insights on the opportunities and risks that emerging technologies present to African Exchanges.

As part of the study, the Group carried out a survey of African exchanges in 2019, which has revealed pertinent insights on the existing and planned adoption of emerging technologies, as well as the regulatory and financial factors driving adoption and the perceived risks, for twenty one African exchanges.

We consider this work to be of utmost importance to ASEA’s mission to position exchanges to become more significant contributors to economic growth, as the rise of FinTech and the rapid evolution of the financial services industry places a new onus on African exchanges to embrace innovative technologies in order to remain
relevant to the stakeholders and economies which we serve.

Although the near- to mid-term impacts of emerging technologies on our regional markets are yet to be fully understood, our findings demonstrate that there is immense opportunity for African exchanges to employ technology-driven solutions to tackle our markets’ most complex challenges. Our findings are supported by the use cases of African exchanges that have successfully deployed emerging technologies in their markets to create value for investors and businesses. For example, in Nigeria, artificial intelligence is being leveraged to revamp the customer experience for investors in the Nigerian Stock Exchange; while the Kenyan capital market has harnessed the power of mobile to bring the financially excluded to the bond market via M-Akiba.

The findings from our study are currently being developed into a report that will be published in the fourth quarter of 2019. We hope that the insights and recommendations in the report will be beneficial to African exchanges at various stages of their innovation journey.

Enriching African Capital Market Information

Following the constitution of the statistics arm of the Group in the first quarter of 2019, members were engaged in a historical statistics upload exercise which aimed to significantly enhance the quantity and quality of statistics available on the ASEA Information Portal. The statistics reporting leads have been most instrumental to ASEA’s quest to ensure ubiquitous information on African markets through regular upload of monthly market statistics to ASEA and support on periodic reviews of member statistics. As a result of these efforts, ASEA will be launching the ASEA Information Portal in the final quarter of 2019.

Governance Changes

At the 53rd Executive Committee Meeting of ASEA, the Chair of the Working Committee was appointed to provide interim leadership of the Technology and Statistics Working Group, following the exit of Mr. Pierre Ekoule Mouangue from the ASEA Executive Committee. As the first Chair of the Technology and Statistics Working Group, Mr. Mouangue was highly instrumental in constituting the group in 2018 and shaping activities of the group in 2019 before his exit in July.

Activities for 2019 - 2020

In the year ahead, the committee will be focused on launching its maiden report in 2019, and will thereafter seek to explore areas of collaboration for exchanges, market technology providers and players in the FinTech space. The Group’s continuing efforts to ensure the integrity of the ASEA Information Portal through the provision of up-to-date, accurate market statistics, remain of paramount importance. We look forward to unveiling the ASEA Information in 2019 and invite feedback and suggestions from all of ASEA’s valued members and stakeholders.

Attracting Listings and Investors in African Exchanges

During the year, the group compiled a comparative study on attracting listings and investors in African exchanges which was launched at the 22nd ASEA Conference in Lagos, Nigeria in November 2018. The study, which covers 20 ASEA member exchanges, highlights the initiatives undertaken by member exchanges to broaden investment products and investor participation in their individual markets with a focus on successes, shortcomings and how the initiatives can be enhanced to achieve greater impact. It was envisioned to serve as a reference material for members to learn from one another, collaborate and share technical expertise, and develop strategies to address obstacles to market development.

Privatization and Listing of Public Interest Companies

In line with ASEA’s advocacy agenda, the Market Development Working Group has been engaging with multilateral development organizations regarding a joint study on privatization of state-owned enterprises (SOEs) in Africa. The Group seeks to explore the potential of the privatization of SOEs via partial listings on African stock exchanges as an avenue to promote local capital markets development.

There is a compelling business case for privatization in Africa. Yet, with the exception of some jurisdictions such as Egypt, privatization as a means for driving efficiency in public interest enterprises is largely yet to be addressed in national and regional agendas. By providing practical insights for exchanges and policymakers including guidance on priority sectors and firms; lessons from other jurisdictions and structural recommendations, we hope to foster the political support and critical understanding required to bring a new wave of quality enterprises to the capital market. We are keen to advance our engagements in the coming year and look forward to updating the Association on developments in this area.

African Capital as Exit Platforms for Venture Capital and Private Equity Investors

A study by PricewaterhouseCoopers (PwC) on Africa Private Equity-backed IPOs, commissioned by the African Private Equity Venture Capital Association (AVCA) highlights that while capital markets have been an important exit route for private equity houses around the globe, private equity exits via IPOs in Africa have tracked below other markets.

Accordingly the promotion of African capital markets as exit mechanisms for venture capital and private equity, is a priority area for the working group. We are open to collaborations with like-minded investment organizations to participation in forums that support this discourse and help establish measures to drive African private equity exits on domestic exchanges.

Looking Forward

The engagements that commenced in 2018/2019 around key advocacy issues for ASEA such as privatization, are critical to broadening and deepening African capital markets. Bolstered by the partnerships entered into this year by ASEA, the Market Development Working Group will focus on driving ongoing projects to completion in the year ahead, and will work with ASEA’s principals...
and partners to stimulate dialogue on key issues within our markets and provide prescriptive recommendations for exchanges, regulators and policymakers, seeking to elevate our capital markets.

Policy and Regulatory Working Group

Ms. Anne Clayton
Chair, ASEA Policy and Regulatory Working Group
Head, Public Policy and Regulatory Affairs, Johannesburg Stock Exchange

The Policy and Regulatory Working Group’s (PRWG) primary objective is to build ASEA’s relationship with regional and international regulatory bodies and associations so as to create useful partnerships for the development of African capital markets.

The PRWG is also mandated with benchmarking and promoting common best practices among members of ASEA so as to enhance the Association’s value proposition to its key stakeholders. As such, the Working Group has been analyzing the membership structure of ASEA vis-à-vis the participants in the ecosystem with the aim of broadening membership, by including other financial market infrastructures.

The PRWG currently has four members representing four African Exchanges (JSE Ltd, Casablanca Stock Exchange, Nigerian Stock Exchange and Dar es Salaam Stock Exchange) and it is supported by the ASEA Secretariat. Dr. Edoh Kossi Amenounve, BRVM CEO chaired the PRWG from 1 July 2018 to February 2019. Dr Amenounve was elected as the Deputy Present at the 2018 AGM in Lagos, and at Executive Committee meeting in Marrakech in Feb 2019. Ms. Anne Clayton was elected to Chair the Committee.

Amendments to the ASEA Membership Structure

The PRWG was tasked to propose amendments to ASEA’s membership categories and eligibility criteria with the aim of broadening membership by including financial market infrastructure such as clearing houses, CCPs and CSDs, etc. The new membership framework was approved by the Executive Committee in April 2019. The Proposed framework and consequential CSDs, etc. The new membership framework was approved by the Executive Committee in April 2019. The Proposed framework and consequential CSDs, etc. The new membership framework was approved by the Executive Committee in April 2019. The Proposed framework and consequential CSDs, etc. The new membership framework was approved by the Executive Committee in April 2019. The Proposed framework and consequential CSDs, etc. The new membership framework was approved by the Executive Committee in April 2019. The Proposed framework and consequential CSDs, etc. The new membership framework was approved by the Executive Committee in April 2019. The Proposed framework and consequential CSDs, etc. The new membership framework was approved by the Executive Committee in April 2019. The Proposed framework and consequential CSDs, etc. The new membership framework was approved by the Executive Committee in April 2019. The Proposed framework and consequential CSDs, etc. The new membership framework was approved by the Executive Committee in April 2019. The Proposed framework and consequential CSDs, etc. The new membership framework was approved by the Executive Committee in April 2019. The Proposed framework and consequential CSDs, etc. The new membership framework was approved by the Executive Committee in April 2019. The Proposed framework and consequential CSDs, etc. The new membership framework was approved by the Executive Committee in April 2019. The Proposed framework and consequential CSDs, etc.

Terms of reference of the CBWG

1. To identify core training needs among ASEA member exchanges and leverage on existing initiatives as well as partnerships (e.g. the annual United States Securities and Exchange Commission International Institute for Securities Market Growth, Development Program and the IOSCO Training Program, IFC, IMF, AfDB and WFE) and develop an annual training calendar thereafter;

2. To develop a standardized training and certification program with an internationally recognizable indigenous brand for ASEA members and oversee its respective implementation;

3. To promote and ensure knowledge and information sharing, skills transfer and exchange programs among ASEA members; and

4. To analyze existing capacity building partnerships of the Association and build on it.

Membership Drive

The PRWG in collaboration with the Secretariat will engage on a membership drive to bolster the number of Full members which will contribute to richer dialogue in the African capital markets. The drive will be targeted at financial market infrastructures operating independently of exchanges in Africa.

World Federation of Exchanges

PRWG will engage with the World Federation of Exchanges to support ASEA member exchanges in meeting global best practices and standards through enabling self-assessments and peer-reviews that will those help them attain full membership of the World Federation of Exchanges.

Engage with Exchange and Financial Market Infrastructure Associations

The PRWG will also engage with other regional exchange or financial market infrastructure Associations with the goal of entering into mutually beneficial collaborative and information sharing MoUs. As a start, the group is exploring a partnership between ASEA and the Arab Federation of Exchanges.

My deepest gratitude goes to the members of the PRWG [Ms. Mouna Kessaba, Mr. Oluwatoyin Adenugba and Mr. Ibrahim Mshindo] for their participation in the working group and to Ms. Furaha Kaba, of the ASEA Secretariat, for her dedicated support. I am looking forward to a productive 2019 – 2020, during which we expect to deliver on initiatives that will provide value to the wider ASEA membership.

Capacity Building Working Group

Mr. Celestin Rwabukumba
Chair, ASEA Capacity Building Working Group
Chief Executive Officer, Rwanda Stock Exchange

The Capacity Building Working Group (CBWG) was established in February 2019 following the adoption of the five strategic priorities of ASEA. This Working Group is tasked with ensuring that the Association supports and complements the Member Exchanges in their capacity building endeavors. By so doing, the Group purposes to identify training needs among the members of ASEA and thereafter develop a suitable training calendar while leveraging on existing forums such as the BAFM Seminar as well as partnerships. The CBWG is made up of four representatives from member exchanges.
2018/19 Market Review

The year under review has been remarkable in the manner in which the BSE evolved and with respect to our strategic accomplishments. Particularly noteworthy, is our successful completion of demutualization in record time. The gains from this transition will be broad-based but the most critical one, being robust governance, will undoubtedly elevate the stature of the market, the business and the attractiveness of the Exchange to global investors and stakeholders. On several other fronts, the Exchange continued to register notable achievements against a backdrop of mixed conditions under which the global economy and the capital markets operated, during the 2018-19 financial year.

Majority of the listed companies recorded reduced earnings resulting in share price declines, but to the delight of the investors they maintained attractive dividend pay-outs (dividend yield of 5.5% versus 5.1% in 2017). The Domestic Company Index (DCI) which shows the aggregate changes in market value on the basis of share prices declined by 9.2% during the year to 30 June 2019. Over the same period equity turnover was USD154.9 million from 428.2 million units traded while ETFs value traded was USD14 million.

During the review period, two new companies listed on the BSE. SeedCo International Limited (SeedCo) and African Banking Corporation (also known as Banc ABC Botswana) listed on the domestic main board in October 2018 and December 2018 respectively. On its day of listing, SeedCo became the seventh largest company on the domestic equity main board with a market capitalization of USD188.4 million whereas Banc ABC was twelfth-largest with a market capitalization of USD141.3 million. On the Serata OTC Board, BBS Limited became the first company to register in September 2018.

The fixed income market ended the period under review with a turnover of USD187.5 million and a bond market capitalization of USD1.5 billion. Even though Government Bonds accounted for the majority of trading activity, corporate bonds

### Market Statistics (2018/19)

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<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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<td>No. of Listed Securities</td>
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<td>No. of Listed Companies</td>
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<td>12M Returns (Benchmark Index)</td>
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<tr>
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<tr>
<td>Exchange Rate Vs.USD</td>
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</tbody>
</table>

### Market Performance

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2018/19 MARKET REVIEW

"The year under review has been exciting for the BSE as we transitioned from being a mutual entity to a company limited by shares in August 2018. The demutualization of the BSE began in December 2015, when the BSE Transition Act, No. 2 of 2015 came into effect.

Thapelo Tsheole

dominated in terms of the quantity of bonds listed - a phenomenon that in most African markets is the reverse. At the sector level, Government Bonds accounted for 63.8% of market capitalization at the close of 2018, Quasi-Government - 1.3%, Parastatals - 7.9%, Corporates - 25.3% and Supranational - 1.7%.

Strategy in Action

Through global and regional market headwinds, the BSE has maintained an unwavering focus on building a world-class securities exchange that delivers value for all stakeholders. With this agenda in mind, we have undertaken several activities aimed at developing our listing platform and secondary trading activities.

Financial Education and Outreach

Educational activities are part of our strategic agenda as we continuously engage our stakeholders, particularly the general public and potential issuers on the activities of the BSE. We are pleased to have won the Best Educational Initiative Africa Award for our annual Senior Secondary Schools Finance & Investment Competition at the Structured Retail Products (SRP) Africa Awards held in Cape Town, South Africa in March, 2019. During the year, we continued hosting our monthly Opening Bell ceremonies under various themes. These ceremonies serve as a key platform for stakeholders’ engagement and public enlightenment on BSE’s activities. Similarly, BSE Open Days continue to help increase the reach and accessibility of the BSE, as our team traverses the country, promoting stock market education and raising market awareness for retail investors.

BSE Tshipidi Mentorship Program 2019

Towards the second half of the year under review, we launched the BSE Tshipidi Mentorship Program. The program, which complements the Tshipidi SME Board, was designed to prepare local SMEs to transition into capable corporations that can potentially access long-term equity capital through listing on the BSE and grow beyond the borders of Botswana. The program ran for three months (June to August 2019), with two-day workshops for each month which blended theoretical learnings and practical applications tailored to SME growth. Modules included corporate finance, corporate governance, and financial reporting, facilitated by BSE registered advisors. Directors of BSE-listed companies also participated in the program, by sharing testimonials of their ‘journey’ to listing, which served to inspire participating companies and demonstrate the commitment of the capital market ecosystem to the development of local SMEs.

New BSE Equity Listings Requirements

The new BSE Equity Listings Requirements came into effect in January 2019. The new requirements include improved disclosure rules across the different boards and provide rules for the listing of investment entities and Special Acquisition Companies (SACs), among others. The Exchange also introduced Rules for regulating market-makers at the beginning of the year 2019, which apply to all entities conducting market-making activities on the BSE.

Implementation of New CSD System

The BSE and the Central Securities Depository Botswana (CSDB), commenced the implementation of a new CSD system that comes with functionalities such as securities borrowing and lending, management of the Settlement Guarantee Fund, IPO processing, E-Voting for listed entities, Repo management and online investor access, among others. The system is an integral element of the ongoing Single CSD project pioneered by the Ministry of Finance and Economic Development, Non-Bank Financial Institutions Regulatory Authority and BSE. With its ability to connect real-time to the Botswana Interbank Settlement System, the system will improve settlement efficiency and reduce counterparty risk, in compliance with the International Organization of Securities Commissions (IOSCO) Principles for Financial Markets Infrastructures (PFMIs). The project commenced in the first quarter of 2019 and is progressing well.

ESG Information for Issuers and Investors

During the period under review the BSE published its inaugural Guidance for Listed Companies on Reporting ESG (Environmental, Social, and Governance) Information to Investors. The Guidance is an assimilation of the United Nations Sustainable Stock Exchange (SSE) initiative’s Model Guidance on Reporting ESG Information to Investors and is not part of the BSE Listing Requirements. It serves as a voluntary tool for listed companies to adopt as part of their own ESG disclosure frameworks and by extension, helps listed companies comply with the King requirements which are embedded in the BSE Equity Listings Requirements. The Guidance is available on the BSE and SSE Initiative websites.

BBMA Hosts 2019 Bond Market Conference

In June 2019, Botswana Bond Market Association (BBMA) of which BSE is the Secretariat, hosted the 2019 Bond Market Conference under the theme “Strengthening the Bond Market to Support the Fiscus and Private Sector Development.” The objective of the conference was to reflect on the status of the local bond market, the progress in addressing impediments and to also formulate reforms for further deepening of the bond market.

Outlook for 2019/2020

We are excited to be hosting the 23rd Annual African Securities Exchange Association (ASEA) Conference 2019 during the second half of 2019. The Conference, which will take place in Kasane, Botswana under the theme “Building Resilient African Capital Markets” on November 25 - 26, 2019, will feature presentations and panel discussions on key issues facing Africa’s capital markets.

For 2020, our three-pronged strategic approach will entail the development of a diverse investor base, increasing the pool of securities, and creating an enabling market environment. We will continue to sensitize stakeholders on issues affecting our market and prioritize engagements and initiatives for retail investors and potential issuers. With regards to product development, our focus in 2020 will be on increasing the number of equity and bond listings, as well as Exchange-Traded Funds by leveraging cooperative agreements with specialized capital market participants and regional partnerships. We are working towards signing a Memorandum of Understanding with the Zimbabwe Stock Exchange, which will provide a platform for collaborative initiatives to increase the pool of securities and investors across the two exchanges.

Lastly, the development and implementation of secure market infrastructure is a key priority for the BSE in our quest to improve market efficiency and create greater value for our stakeholders. The year 2020 will see the completion of the CSD system upgrade and the launch of our Data Analytics and Reporting System (DARS), which will represent a leap in our technological advancement.
## BOLSA DE VALORES DE CABO VERDE
Enhancing Access to the Cabo Verde Market

With Manuel Lima
President, Bolsa de Valores de Cabo Verde

### Market Statistics (2018/19)

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Market Capitalization</td>
<td>$802.9 million</td>
</tr>
<tr>
<td>No. of Listed Securities</td>
<td>199</td>
</tr>
<tr>
<td>No. of Listed Companies</td>
<td>10</td>
</tr>
<tr>
<td>52-Week Turnover</td>
<td>N/A</td>
</tr>
<tr>
<td>Average Daily Turnover</td>
<td>$0.96 million</td>
</tr>
<tr>
<td>Foreign: Domestic Turnover</td>
<td>N/A</td>
</tr>
<tr>
<td>Exchange Rate Vs.USD</td>
<td>97.1</td>
</tr>
</tbody>
</table>

In the financial year 2017-2018, the Bolsa de Valores de Cabo Verde (BVC) recorded over-the-counter (OTC) transactions valued at USD7.35 million, representing 84.77% of BVC’s total market turnover. The year 2018-19 saw a less positive performance, as the overall market turnover declined to USD 0.96 million from USD 8.67 million in the previous period.

The market capitalization of the Bourse increased from USD 747.19 million at the close of June 2018, to USD 802.86 million in June 2019, driven by the increased volume of treasury issuances. In this period, the State of Cabo Verde raised USD 174.41 million in the primary market. In addition to treasury issuances, there was a private bond issuance of USD 7.19 million during the year.

### Strategy Review
The Exchange has continued to carry out activities to enhance liquidity in the secondary market and increase the number of listed companies and bond issuances. To achieve our strategic objectives, we implemented a series of market development initiatives, increased our engagement with potential issuers and maintained a keen focus on activities that contribute to increasing the financial literacy of the population.

### Enhancing Market Access Leveraging Technology
The BVC has developed an investors’ portal for the Cabo Verde capital market, which provides an alternative way for investors (both private and institutional) to access market information. It offers automatic transaction management with a dynamic web interface. The portal is in line with our goal to boost the growth of the capital market in Cabo Verde by providing market participants, including businesses and investors, with new ways and channels to access market information and trade securities on the BVC. The portal provides information on securities available for trading via BVC’s Quotation of current securities traded in the capital market of Cabo Verde; an Investor Portfolio and historical transactions; registration of order intent for the primary market; client area; and balance query and validation, among other features.

### BVC Market Making Programme
The BVC has taken steps towards establishing a market-making programme to promote liquidity in the secondary market, particularly for public debt. We expect this to be a key enabler of the State’s policy to issue debt in the domestic market, for various reasons. The first being that, a dynamic secondary market will enable efficient price discovery for Cabo Verdean government debt. Further, the secondary market, along with auction mechanisms help promote more efficient management of public debt. Lastly, an active secondary market promotes liquid public debt securities, by facilitating investors’ entry and exit, mitigating risks and allowing early mobilization of savings.

### Outlook for 2019/2020
Our mid-term Strategic Plan for 2017 - 2020 is primarily focused on secondary market development programs, including: new market access channels, listing of newly privatized companies and stimulation of the treasury securities market. We are also strategically targeting private sector and local sector issue incentives and exploring opportunities in the green bond market. With these activities, as well as our continued promotion of investment education and financial literacy, we expect to see significant improvements in the dynamics of the capital market in Cabo Verde.
**2018/19 MARKET REVIEW**

**BOLSA DE VALORES DE MOCAMBIQUE**

**Stimulating Market Growth Through Partnerships and Cooperation**

With Salim Vala  
Chief Executive Officer, Bolsa de Valores de Mocambique

Year after year, BVM has been making efforts to put the capital market in its proper place in Mozambique’s financial system and economy. For sure, there are a number of relevant actors who must play their role with seriousness, competence, innovation and persistence - especially in the context of a global economic and financial crisis with major national repercussions – and the BVM has been driving efforts to increase between the various players through partnerships and cooperation.

### 2018/19 Market Performance

At the beginning of 2018, some signs of the much-desired economic upturn were felt, and the moderate rhythm of economic growth improved through the financial year 2018-19, as evidenced by a number of macroeconomic indicators. Mirroring the economy, the key performance indicators for the stock market were positive during the year. The market capitalization increased from MZN 85,359 million in 2018 to MZN 98,835.36 million in June 2019. The total value of transactions during the review period was MZN 3,677.47 million, continuing a rising trend in liquidity, however, with relatively lower levels compared to previous years. The number of listed securities also increased from 51 in 2018 to 58 in 2019. These institutional results were achieved in a context in which the world economy remains in slow growth and the contradiction between weak demand and excess production capacity persists, which presents challenges to companies in the way of managing production and operation costs and enhancing innovation capacity. The global economic climate, fraught with uncertainties, risks and instability, has affected the national economic performance, showing that the resumption of robust and inclusive economic growth will not occur in a simple, immediate and automatic way, but will be a winding and prolonged process.

### Review of Price Range

- **Equities Segment:**
  - Maximum price change increased from 15% to 25%; and
  - The maximum price change increased from the current 5% to 20%.

This amendment was aimed at stimulating trading activity and allowing the incorporation of impact variables on the prices of listed securities.

### Outlook for 2019/2020

The BVM intends to invest in new products and services, especially technology-based ones. We will: (i) continue to reflect on how to attract SMEs to stock market; (ii) assess whether the regulatory framework is suited to attract more companies and investors to BVM; (iii) give new impetus to initiatives to promote financial literacy and (iv) continue to crystallize agreements with economic, financial and educational institutions, including partnerships with other stock exchanges in other countries.
Bourse des Valeurs Mobilières de l’Afrique Centrale

Optimising The Central African Capital Market

With Mr. Jean Claude Ngbwa
Managing Director, Bourse des Valeurs Mobilières de l’Afrique Centrale

The merger of the Douala Stock Exchange (DSX) and Bourse des Valeurs Mobilières de l’Afrique Centrale (BVMAC) became effective in July 2019. Since this time, the regional exchange brought about by the union of the Cameroon financial market and the larger regional market, has been domiciled in Douala, Cameroon, at the headquarters of the former Douala Stock Exchange.

The merger of the two financial markets of Central Africa was decided by the Heads of State of the Central African Economic and Monetary Community (CEMAC) during an extraordinary summit which took place in N’Djamena, Chad Republic in October 2017. Under the new structure of the regional financial market, the stock exchange is headquartered in Cameroon, while the market regulator, La Commission de Surveillance du Marché Financier de l’Afrique Centrale (COSUMAF) is in Gabon. The Central Bank of the States of Central Africa (BEAC) has assumed clearing and settlement responsibilities for a transitional period of two years, pending the establishment of a dedicated regional clearing house.

There were three companies listed on the Douala Stock Exchange in 2018, namely: Société des Eaux Minérales du Cameroun (SEMC), Société Africaine Forestière et Agricole du Cameroun (SAFACAM) and Société Camerounaise de Palmeraies (SOCAPALM). The equity market capitalization increased by 4% during the year, to close at USD 256.80 million in December 2018. The uptick was primarily due to the positive performance of SOCAPALM shares, which contrasted with price declines of SEMC and SAFACAM shares of 1.74% and 3.38% respectively. The total number of shares traded increased by 1.56%; going from 9,300 in 2017 to 9,445 in 2018. Equity market turnover in 2018 was USD 369,850 compared to USD 398,155 in 2017. SOCAPALM was the most actively traded company on the market accounting for 84.69% of the volume of shares traded.

The value of bonds listed on the DSX fell from USD 483.92 million to USD 275.12 million, following the maturity of two listed bonds in 2018. The government bond, ECMR 5.50% 2021, was the most actively traded bond, with a turnover of USD 10.60 million during the year, representing 88% of the bond market turnover.

The OTC segment of the DSX is dedicated to the trading of Zero Coupon Treasury Bonds. In this segment, 204 Zero Coupon Treasury Bonds were exchanged, with a turnover of USD 369,966, representing a decline from the transaction value of USD 28.96 million in the previous year.

Outlook for BVMAC in 2019

The BVMAC will be focused on a number of key objectives in the year ahead, including a large communication campaign addressed to potential issuers and advisors. We also plan to improve market capacity by modernizing our quotation system, staff training and enhancement of the regulatory environment. Other core focus areas include the implementation of a market for SMEs and participation in regional initiatives through our ASEA network.

“...the larger regional stock exchange implement a dynamic strategy aimed, in the first instance, at attracting and reassuring national and international investors; as well as financing the huge projects of the CEMAC zone across various sectors and developing the economies of the six countries.”

- Jean Claude Ngbwa
For the past three years, the Bourse Régionale des Valeurs Mobilières (BRVM) has registered a downward trend. The declines observed in 2016 and 2017, were mainly due to investor profit-taking in view of the strong gains recorded between 2012 and 2015, which represented a cumulative increase of over 88 %. The market decline observed in 2018, follows global trends, during what a number of market analysts have dubbed the worst year for global financial markets in a decade.

At the BRVM these factors have been amplified by various endogenous factors, despite vigorous economic activity within the West African Economic and Monetary Union (WAEMU) which reveals, however, a stagnation of growth in some countries, amidst security challenges and fears of the International Monetary Fund (IMF) on the indebtedness of some Member States.

However, it should be noted that the overall performance of the BRVM Composite index between 2012 and 2018 remains excellent at + 38.36% over the full period, despite declines in recent years. In addition, the BRVM has recorded many positive indicators for the development and attractiveness of the regional financial market, including: (i) a reduction in price to earnings ratio from 24.25 in 2016 to 11.62 at the end of December 2018; (ii) an increase on the average yield on securities listed on the BRVM over the last three years, from an average rate of return on the equity market of 3.57% in 2016 to 7.21% at the close of December 2018; and (iii) an increase in the liquidity ratio of the BRVM from 5.15% in 2012 to 11.22% at the end of 2018.

Between 2008 and 2018 the market capitalization of the bond market has multiplied by 6.5 from USD 1 billion to USD 6.5 billion as at year end 2018. This reflects the extraordinary enthusiasm for our bond market. All of these elements point to a future recovery.
“Integration is part of the DNA of the BRVM, to the extent that this exchange is the only example of perfectly integrated exchange in the world. The BRVM therefore attaches particular importance to the integration of stock exchanges. The BRVM intends to accelerate the process of integration of stock exchanges in Africa, which is for us an imperative necessity to support the economic development of our continent due to a greater freedom of circulation of capital by the enlargement of the space of resource”

- Edoh Kossi Amenounve

Diaspora Bond Launched in the WAEMU

As part of the search for solutions to improve the financing of the economies of the WAEMU member states, one of the strategic pillars identified by the highest authorities of the Union is “the improvement of the supply of financial services through the diversification of instruments (and) promotion of specific financial vehicles to attract more external capital and drain diaspora savings towards productive investment”. This is indeed critical given the importance of the resources of the diaspora to financial flows to the Continent.

Between 2010 and 2017, financial flows from the diaspora were the leading source of financing for Africa with an average of USD 62.9 billion during the period, ahead of Foreign Direct Investment (FDI) and Official Development Assistance (ODA), the latter of which was estimated at USD 51.8 billion.

On this basis, the BRVM has noted the need to offer potential issuers investment products that have proven themselves in other regions of the world, one of these products being Diaspora Bonds. Diaspora Bonds allow issuers to diversify sources of financing while mobilizing significant financial resources available, previously poorly utilized towards productive purposes.

Thus, the BRVM, in its mission to contribute to better financing of the WAEMU economies, has come closer to all the States of our Union with a view to sensitizing them on the issuance of Diaspora Bonds. Diaspora Bonds allow issuers to diversify sources of financing while mobilizing significant financial resources available, previously poorly utilized towards productive purposes.

Outlook for 2019/2020

Given the persistence of the factors that have marked the macroeconomic and financial environment in 2018, we anticipate that the BRVM will record a mixed performance in the latter half of 2019. Faced with this looming challenge, the BRVM has initiated priority actions to enhance the attractiveness of the market to regional and international investors, including efforts to:

- Improve the market literacy of investors and the general public;
- Encourage better financial communication from listed companies and compliance with the operating rules of the market;
- Encourage both large companies and SMEs to list on the exchange;
- Strengthen the transaction monitoring mechanism to maintain market fairness;
- Continue regional and international promotion;
- Develop a governance code for listed companies;
- Renew the dialogue with institutional investors with a view to increasing their market presence;
- Reinforce the professionalism of market players through the implementation of training programs via the “BRVM Academy”, our training institute; and
- Support the integration of the ECOWAS capital markets and the continent through the AELP.

For the BRVM, technology lies at the heart of our strategic efforts for market development. For this reason, we set up the BRVM FinTech Lab, a digital technology laboratory. The FinTech Laboratory of the BRVM welcomes startups and young people who have innovative technology projects in the field of finance. With the development of disruptive technologies such as blockchain, artificial intelligence, internet of things, etc. and their potential impact on the future of our industry, we remain convinced that collaborations in FinTech are essential to achieve competitive business models, adapted to the needs of customers.

Building African Financial Markets Seminar (BAFM) 2019

The 8th edition of the BAFM took place from April 25 – 26, 2019. It counted nearly 200 participants from ten African exchanges and participants from overseas. For this edition, the critical importance of human capital to market development was emphasized, under the main theme: “Human Capital: A Cornerstone for Competitive African Capital Markets”.

During the two-day seminar there were eight sessions, including two special sessions, facilitated by sixteen African capital markets experts. The participation of the African Capacity Building Foundation (ACBF), who presented the inaugural session during this edition of the BAFM, was particularly welcomed by delegates and is hoped to lead to future collaborations between ASEA and the ACBF.

Oragroup Listing Marks Most Significant IPO in the History of the BRVM

The listing of Oragroup on the BRVM, in April 2019, marked the largest IPO since the creation of the BRVM in 1998, with a total amount raised of FCFA 56.92 billion (USD 90 million). The Oragroup network has grown to a presence in five countries in West and Central Africa and maintained a pan-African reach with subsidiaries in twelve countries, spread across four currency areas. This transaction holds even more significance to the BRVM as the first exit of a private equity fund through the stock market. The IPO enabled the reference shareholder, Emerging Capital Partners, to reduce its stake in Oragroup.

Oragroup’s listing was a significant milestone in the development of the BRVM’s transactional market, underlining its role as a leading exchange in the region, with a Diaspora Bond Issuance Loophole.

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2018 saw a slowdown in trading activity on the Casablanca Stock Exchange (CSE), despite renewed interest in the market in the previous year. Despite the context, two companies – Immorente and Mutandis - were listed via an initial public offering (IPO). This is a positive signal that the stock market remains a viable way to raise funds. Both IPOs showed clear interest from investors, as evidenced by subscription rates.

2018 was a pivotal year for Moroccan capital markets with the establishment of the Ambition 2021 road-map for the Casablanca Stock Exchange outlining the contours of a market commensurate with Morocco's economic aspirations. Ambition 2021 outlines the main avenues for development of the Casablanca Stock Exchange for 2018 - 2021, and beyond. This new roadmap, fruit of our collaboration with key market participants, is a market-wide project which is set to involve significant investments over its four-year course. We have initiated a number of projects simultaneously as part of its implementation. These projects include market modernization and deployment of new market architecture, in particular the launch of a clearing house and a derivatives market.

In 2018, we implemented the Casablanca ESG (Environment, Social and Governance) 10, in partnership with Vigeo Eiris. Casablanca ESG 10 is a benchmark index which allows us to attract a new category of investors interested in socially responsible investment products.

In the financial year 2018 -19, we continued to expand the ELITE Morocco program to support capital-raising and business dynamism for Moroccan companies. In just three years, ELITE Morocco has proven its success, with six cohorts consisting of over 80 of Morocco’s most promising companies; the program enjoys support from twenty-two partners and seven investors. However, the real success of the program lies in the number of companies that have successfully completed the program - 25 companies have been certified and are now able to access the capital market. This game-changing program has been made available to companies in the West African Economic and Monetary Union (WAEMU) region with the deployment of the ELITE BRVM Lounge, in partnership with the Bourse Régionale des Valeurs Mobilières (BRVM) and the London Stock Exchange Group (LSEG). As a result, three cohorts of ELITE BRVM Lounge - with thirty companies signed on, have been launched since 2018.

"The Casablanca Stock Exchange launched Ambition 2021, a new roadmap which outlines the main avenues for development of the Casablanca Stock Exchange for 2018 – 2021 and beyond. This new roadmap is a marketwide project. It aims to build a modern, efficient market for issuers and investors and act as a lever for economic growth in Morocco.”

- Karim Hajji

Outlook for the Year Ahead

During 2019 and 2020 we will continue to deploy the axes of development of our roadmap. This involves the completion of many projects that are already underway or will be in the coming year, such as setting up a clearing house. The clearing house will play a vital role in strengthening financial stability through the centralization and risk management mechanisms it provides, proffering a substantial reduction in counterparty risk.
DAR ES SALAAM STOCK EXCHANGE

A Rising Global Profile

With Moremi Marwa

Chief Executive Officer, Dar es Salaam Stock Exchange

The financial year 2018-19 was characterized by a decline across the DSE’s market segments, in terms of market size and liquidity, in comparison with the same period of the preceding year. Equity market capitalization fell by 16% to close the year at USD 8.14 billion, compared to USD 9.70 billion at the close of June 2018. This was largely as a result of a decrease in share prices for cross listed companies and a few domestic counters, due to sell-off pressures from both local and foreign investors.

In the fixed income market, Liquidity decreased by 53% during the period. Bond market turnover was USD 230 million in the review period, compared to USD 491 million for the period ended June 29, 2018. The total outstanding value of listed government (Treasury) bonds increased by 3% to USD 4.13 billion at the close of June 2019, compared to the position of USD 4.02 billion as at June 2018; while the outstanding value of corporate bonds listed on the Exchange stood at USD 36.83 million.

Strategy Review

During the period, the DSE has implemented a number of key strategic projects geared towards enhancing market liquidity, increasing the depth of the market through the introduction of new products and services, supporting SMEs and boosting the global competitiveness of our market.

Admission to the WFE as Full Member

In line with our objective to increase our market’s visibility to global investors, the DSE made a bid for full membership of the World Federation of Exchanges (WFE). After a robust application comprising an on-site peer review and inspection exercise, the DSE was successfully admitted as a Full Member of the WFE in January 2019, moving from Affiliate status which the Exchange obtained in 2016.

This evaluation confirms that the Exchange as well as the Regulatory agency and the Central Depository of the Tanzanian capital market meet WFE standards and requirements, in terms of compliance with market infrastructure, principles and governance. We are sustaining our efforts to boost the profile of our market and expect that the Tanzanian capital market will shortly be re-classified to a Frontier Market, by FTSE Russell, before the year 2020.

Introduction of the DSE Enterprise Acceleration Program

The DSE commenced collaborative efforts to introduce a capacity building program for SMEs, called the DSE Enterprise Acceleration Program (EAP). The program aims to enhance the capacity of participating SMEs in the areas of strategic planning, corporate governance and financial management, amongst others, to enable them to attract diverse sources of funding including bank finance, venture capital and market-based finance. The DSE expects that the program will support high potential companies to list on the Exchange. The DSE EAP is set to launch in the first quarter of the year 2020.

Listing of the First Open-Ended “Bond Fund” Scheme

During the period, the Exchange worked together with Unit Trust of Tanzania (UTT) to introduce the ‘Bond Fund’ - the first open-ended collective investment scheme in the Tanzanian capital market that will be solely investing in bonds. An initial public offering of the UTT Bond Fund is scheduled for the third quarter of 2019. The product is expected to trade over-the-counter for its first year and subsequently be listed on the Exchange.

Outlook for 2019/2020

The DSE will continue to deliver on its mission to provide a responsive securities exchange that promotes economic development by offering a range of attractive and cost-effective products and services. Product development that provides a solution to market needs, remains a key objective. Technology is also central to our business and in the coming year we will enhance our mobile trading platform and service delivery channels; as well as devise new ways of conducting our financial outreach activities leveraging technology.

From a regulatory perspective, we have been revising the Exchange’s Rules in order to provide an enabling environment for our new products and services. We have incorporated the feedback of our stakeholders and are in the process of seeking approval from our Regulator; we expect an approval in the final quarter of 2019. The DSE will also continue to pursue new listings opportunities as well as strengthen the trading, settlement and custody of securities including enhancing pre- and post-trading infrastructure, with a view of encouraging capital-raising in the equity and debt market.

“During the period under review, the Dar es Salaam Stock Exchange delivered several strategic initiatives aimed at positioning the Exchange to more effectively and efficiently carry out its mandate to facilitate investment activities for the country. Our efforts have culminated in the admission of the DSE as a Full Member of the World Federation of Exchanges and we are on course to attain Frontier Market status by 2020.”

- Moremi Marwa
In the second half of 2016 the Egyptian government embarked on the implementation of an economic reform program in partnership with the IMF, which had a positive impact on the Egyptian market’s development. Complementing this, some laws were issued to enhance the investing environment in Egypt.

Despite the instability of the international capital markets, on the 28 August 2018, Moody’s changed the outlook of the Egyptian government’s long-term issuer ratings from stable to positive and affirmed the B3 issuer ratings. This followed raising Egypt’s rating from CAA1 to B3 with a stable outlook on 7 April 2015. However, this is considered to be the best rating since March 2013 reflecting the financial institutions increasing confidence in the Egyptian market.

Worth mentioning that, Fitch Ratings changed Egypt’s outlook from stable to positive, keeping Egypt’s rating at the B level on 16 of January 2018.

Also Standards & Poor’s raised the rating of Egypt from B- to B with a stable outlook on 11 May 2018, following its outlook from stable to positive on 10 November 2017.

Market performance

Total trading on EGX during 2018 increased by 7.92% compared to 2017 to reach EGP 358.5 billion compared to EGP 332.2 billion last year. As for trading volumes, this year reached 60.8 billion securities compared to 77.9 billion securities last year. While the number of transactions this year was, 6.3 million compared to 7.03 million last year.

The Main market saw the majority of trading during 2018 with a value of EGP 270.33 billion compared to EGP 188.35 and EGP 278.36 billion during 2016 and 2017 respectively (including the small & medium market (Nilex) which...
The OTC market recorded a trading value of EGP 25.14 billion this year, compared to EGP 19 billion and EGP 35.82 billion during 2016 and 2017, respectively.

Total traded bonds during 2018 increased by 250.22% to reach EGP 4.5 billion compared to EGP 17.99 billion achieved during the previous year. Egyptian treasury bonds recorded 98% of total bond trading for 2018, while corporate bonds recorded 2% of total trading this year.

During 2018, EGX attracted more than 24,000 new investors, compared to 22,000 last year with an increase of 8.5%. It is worth mentioning that 1187 foreign funds and institutions traded in the Egyptian market compared to 1164 foreign institutions and funds last year.

In addition investors accounted for 36% of total transactions during the year 2018, and Egyptian investors accounted for 64%. Moreover, individuals accounted for 56% of total transactions in 2018 (Egyptians by 50% and foreigners by 6%). Institutions accounted for 44% (Egyptians by 14% and foreigners by 30%). During the year 2018, institutions were buyers with net purchases reaching EGP 4.5 billion EGP.

In 2018, EGX was keen on the development of trading activities to reach EGP 1.8 billion. As a result, intra-day recorded trading volume of 4.2 billion shares despite fluctuations in the Egyptian market affected by international events.

Client Relation Management System (CRM)
EGX launched its CRM system to follow-up with potential companies considering listing on EGX platform. The system comprises the data of companies engaged in the field of ownership transfers in the (OTC), MCDR System and GAfi system.

The system evaluates database of companies in all above-mentioned entities selecting companies suitable to list. EGX communicates with these companies to inform them of the mechanisms of listing in the Egyptian market, benefits of listing, and means to overcome obstacle facing listing process.

Through this system, EGX is able to analyze, comments and report all needed information of potential companies for adjustments. Interested companies, move to another phase of the system that checks documents of the company and lists steps needed to finalize listing process.

This system provides a comprehensive database of all potential companies to list with the exact status of each company in a programmed easy and efficient manner.

Financial Literacy
Part of EGX training strategy is to focus on developing the awareness of investment, practical and vocational training through three main stages. Training program for schools and universities students to increase their awareness of investment at the Egyptian capital market. In 2018, EGX efforts to raise the level of students’ awareness extended to students of various governorates. Conducting a series of lectures at their universities stating the basics of investments and different financial tools available in the Egyptian capital market. Total number of trained students reached in 2017 reached 5378 compared to 2000 students in 2016. In 2018, the number of trained students reached about 6260 students. This number comprises 5300 university students and 960 students from Egyptian Ministry of Youths and Sports.

EGX initiated coordination with the Ministry of Education aiming to introduce capital market awareness to all market participants. EGX held a number of meetings with various market professionals to prepare educational curriculum for different educational stages. This approach, when completed, will raise financial literacy of the Egyptian capital market within the Egyptian society.

Developing Technology Infrastructure
The technological dimension has a pivotal role in markets’ development and therefore EGX is continuously focusing on updating the Trading systems periodically for the benefit of the market. EGX renewed all programs of the brokerage firms allowing them to accommodate to market’s amendments and to trade by the loaned securities system. Another update to the trading systems, allowing multi times settlement. In the same context, EGX developed transfer of ownership system to allow recording data of the commercial registrations at EGX branch in the General Authority for Investment. Finally, new amendments were made to upgrade the electronic disclosure system functionalities.

EGX OUTLOOK
EGX is focusing on the following pillars for the coming period:

• Deepening the Egyptian capital market through creating new financial products & mechanisms such as: Short Selling, Market Maker and Futures & Options.
• Promoting social awareness on the benefits of listing and investment to attract new corporates & investors to the Egyptian Market.
• Supporting investors’ protection and minority protection according to the international standards.
• Developing technology & information infrastructures.
• Strengthen EGX position on the international level.
ESWATINI STOCK EXCHANGE
Promoting Financial Inclusion and Liquidity in the Domestic Capital Market

With Sandile Dlamini
Chief Executive Officer, Eswatini Stock Exchange

Trading during the period under review was rather unpredictable. Overall, the total value of trades brought to the Eswatini Stock Exchange (ESE) amounted to USD 1.01 million. A bulk of the trades were attributable to Swaziland Empowerment Limited, which accounted for 53% of all trades brought to the exchange between January 2018 and December 2018. The total number of shares traded on the exchange during this period stood at 2.70 million. In the fixed income market, the ESE granted approval of several corporate bonds during the period under review; including Select Limited (SML 700, SML 701, SML 702 and SML 703) whose cumulative value was USD 13.7 million while FINCORP issued FIN210 and FIN211 totaling USD 5.5 million.

This year saw a number of regulations passed in an effort to increase capital raising on the Exchange. For example, local asset requirements were increased from 30% to 50% for Collective Investment Schemes which allows for greater local investment in ESE listed companies. The ESE also amended its Listings Requirements to include products such as Exchange Traded Funds, Real Estate Investment Trusts, Commercial Papers and Global Depository Receipts. The Exchange continued to pursue policy interventions that can help attract more listings, such as tax incentives and reduced listing costs.

Strategic Performance
We are optimistic about the growth of the ESE and enhancing liquidity is at the top of our agenda. Our business strategy has been galvanized to build more operational efficiencies on the Exchange while focusing on market growth, intensifying the brand awareness and visibility of the Exchange and boosting financial inclusion.

Rebranding of the Exchange and Launch of Automated Trading System
The Swaziland Stock Exchange changed its name to Eswatini Stock Exchange. This was in line with the announcement of King Mswati III for the country to revert to its original name of Eswatini in April 2018. The official name change of the stock exchange was combined with the unveiling of the new logo and the introduction of the Automated Trading System (ATS). This watershed event was held at Royal Villas and the Prime Minister of the Kingdom of Eswatini officially launched the ATS and the new name and logo of the Exchange and was joined by the Minister of Finance and other high-ranking government officials and captains of the financial sector.

Attracting New Listings
Eswatini Stock Exchange hosted its Inaugural Listings and Investments Conference in March 2019 under the theme “Opening the ESE to the Business Community as a Gateway to Raising Capital”. The first annual conference aimed to open up the ESE to the business community, discuss the benefits of listing on the ESE, as well as the listing process and requirements. The event provided an occasion for potential issuers and already listed companies to share insights and growth stories following listing on the exchange. The event attracted market experts and high-ranking government officials, including the Honourable Minister of Finance of the Kingdom of Eswatini, as well as the Chairman of the Committee of SADC Stock Exchanges (CoSSE) who was joined by other SADC Stock Exchange Members as the event was preceded by the 55th Meeting of the Committee of SADC Stock Exchanges (CoSSE).

Driving Financial Literacy
The ESE in collaboration with the Financial Services Regulatory Authority (FSRA), CBSE, Centre for Financial Inclusion (CFI) and Junior Achievement (JA) Eswatini commemorated the 3rd Global Money Week which started with an official launch by the Minister of Education of Eswatini, followed by a panel session with the CEO, ESE and the Ministers of Finance and Education and Governor of the CBE, as well as a school debate competition on the theme “Learn, Save and Earn”, which was adjudicated by the Eswatini Bankers Association (EBA).

The annual Global Money Week aims at increasing the levels financial inclusion and financial literacy in Eswatini. As part of the commemorative events, staff of the ESE and Central Bank of Eswatini (CBE) teamed up to conduct financial literacy sessions at both the CBE and ESE. In this year’s edition, students from all forty Junior Achievement participating schools visited the CBE and ESE to be exposed to the mandates and operations of these financial institutions. Each day, thirty students and twenty teachers participated in the programme, enabling the ESE to reach over 200 people in the course of the four-day programme.

Outlook for 2019/2020
Liquidity of the ESE is expected to improve as a result of few local companies that have made public announcements to undertake Initial Public Offers (IPOs) before the end of 2019, including First National Bank (FNB) Eswatini and Eswatini Mobile. Pending the formalities and approvals which FNB must undergo, the bank hopes to list on the ESE and empower ordinary emSwati with the minimum 20% public float of its shares, in a move that will add much needed vibrancy to the local bourse.

The introduction of the new, fully operational Automated Trading System is also expected to impact trading volumes as investors will be able to trade from wherever they are in the world. With the promulgation of the Sectional Titles Act, property development companies to share insights and growth stories following listing on the exchange. The event attracted market experts and high-ranking government officials, including the Honourable Minister of Finance of the Kingdom of Eswatini, as well as the Chairman of the Committee of SADC Stock Exchanges (CoSSE) who was joined by other SADC Stock Exchange Members as the event was preceded by the 55th Meeting of the Committee of SADC Stock Exchanges (CoSSE).

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“The highlight for the Eswatini capital markets was the official launch of the Exchange’s Automated Trading System which is integrated to the Central Bank of Eswatini’s CSD for an efficient and safe trading cycle. A few local companies have made public announcements to list different securities on the Eswatini Stock Exchange before year end which will improve both the depth and breadth of the Exchange. At the same time, the automation of the trading platform will improve liquidity and promote financial inclusion of both institutional and retail investors, as we adopt the use of mobile technology as a means of making the stock market and stock market trading easily accessible to local investors”.

– Sandile Dlamini
In 2018/2019, FMDQ consolidated its business offering by extending it from just the provision of a trading venue for execution, to the clearing and settlement spectrum of the securities transaction cycle, with the operationalization of two wholly owned subsidiaries, FMDQ Clear Limited and FMDQ Depository Limited.

**Market Review**

Turnover in the fixed income, currency and derivatives markets for 2018 was USD 142.03 billion, representing a 28.74% increase in the turnover reported in 2017. Activity in the Treasury bills market remained the most dominant in 2018 contributing 39.44% to total turnover in 2018, despite a 300 basis points (bps) reduction in its contribution from 2017. Increased activity by foreign portfolio investors in the first half of the year also helped drive transactions in the foreign exchange market, which contributed 24.05% to total market turnover in 2018 from 16.85% in 2017.

FMDQ's securities admission business continued to grow in 2018 as we admitted seventy-eight debt securities, up 58% from the fifty securities admitted in the previous year, with a total value of USD 2.84 billion in 2018, compared to USD 65.4 million in 2017. The Federal Government of Nigeria (FGN) Green Bond and Sukuk totalled USD 30.5 million, the Lagos State Government Series II Tranche A and B bonds amounted to USD 23.5 million and commercial papers (CPs) was valued at USD 1.39 billion. A total of sixty CPs, fifteen bonds and three funds were listed and quoted on our platform during the year.

The Exchange's membership base also saw growth, as the year 2018 closed with a total of one hundred and ninety-five Members, up 7% from one hundred and eighty-one recorded in the previous year. This was largely due to the increased subscription in the Registration Member category which resulted in an increase in the admission of securities on the Exchange. The
year 2018 also saw significant growth in the Affiliate Membership category as well as the introduction of the Affiliate Member (Fixed Income) membership category, aimed at providing a platform for small-to-medium sized institutional investors who seek to access the fixed income market through trade execution with FMDQ-licencedDealing Members and Brokers.

As a thought leader in the Nigerian financial market, FMDQ continued to focus on market education through its fully sponsored Academy, in line with the Exchange’s market and product development agenda in the fixed income, currencies and derivatives markets. Two additional free course modules were included in the Learning Management System, increasing the number of available courses to five in 2018. The Academy is set to roll out face-to-face and tailored learning programs, with a focus on the derivatives markets, amongst others in 2019.

Launch of the Nigerian Green Bond Market Development Programme

FMDQ, in partnership with Climate Bond Initiative (CBI), UK and Financial Sector Deepening (FSD) Africa - a UK Aid initiative - launched the Nigerian Green Bond Market Development Programme to educate stakeholders on and promote the issuance of green debt securities targeted at environmental-friendly projects and investments in Nigeria. The 3-year programme is aimed at generating awareness and driving the required engagements to integrate the principles of green financing into the Nigerian DCM, as well as support the development of guidelines and listing requirements for green bonds in Nigeria.

Launch of the FMDQ Next Generation Empowerment Programme

FMDQ, also in July 2018, launched FMDQ-Next, its flagship corporate responsibility programme, and a learning and development initiative aimed at promoting financial market awareness and literacy among students across all levels (primary, secondary and tertiary), as well as fresh graduates within the country, making financial market education accessible to students from different backgrounds, and empowering the next generation of Nigerian youth to be financially astute, ultimately adding value to their society in the future.

The FMDQ-Next initiative is an expression of the FMDQ’s ongoing commitment to the community in which it operates, as the programme will bolster the students’ academic abilities and help demystify the workings of the financial market at early age, further enhancing their professional marketability and ability to positively contribute to society in the future. Over forty secondary school students were impacted by the programme in 2018, and so far, two hundred and eighty-nine students have participated in the programme in 2019.

Hosting of the British Prime Minister at Exchange Place

FMDQ marked a historic event when it played host to the British Prime Minister, Ms. Theresa May, the British business delegation and the Nigerian business community, at its Exchange Place premises in August 2018. The Prime Minister visited Nigeria as part of her African tour to strengthen bilateral relations between Nigeria, and Africa as a whole, through improved trade and investment relations between the United Kingdom and Africa. The choice of FMDQ as the most suitable location for the event, generated positive spotlight on the work and efforts of FMDQ in the Nigerian financial market.

FMDQ Appointed as Secretariat for the Financial Centre for Sustainability, Lagos

FMDQ, in line with its drive to promote sustainable finance in the Nigerian financial market was challenged to rally other stakeholders in the financial market ecosystem to set up the Financial Centre for Sustainability (FC4S), Lagos; with the aim of accelerating the expansion of green/sustainable finance in Nigeria, showcasing Lagos as a key financial centre working towards the implementation of the Sustainable Development Goals (SDGs), and afford Lagos an opportunity to draw lessons and insights from more developed financial centres that will aid its adaptation to climate change as well as provide an opportunity to harness the vast investment needs for the transition to a low-carbon and climate resilient economy that supports sustainable growth.

To this end, FC4S Lagos was admitted in May 2019, as the 23rd member of the FC4S Network, joining New York, London, Geneva, Shanghai, amongst others, with a mission “to position Nigeria as a leading market in sustainability principles through investments, innovation, partnerships and capacity development”. FMDQ Exchange currently serves as the Secretariat of FC4S Lagos, coordinating the activities of the financial centre and liaising with the international network towards meeting the overarching objective of promoting green and sustainable finance in Nigeria.

FMDQ Emerges as Africa’s First Vertically Integrated Financial Market Infrastructure Group

Following the approval of the apex Nigerian capital market regulator, the Securities and Exchange Commission (SEC), for the amendment of the registration of FMDQ OTC PLC from ‘an OTC market’ to a full-fledged ‘securities exchange’ in March 2019, the Company consequently changed its name to FMDQ Securities Exchange PLC (FMDQ Exchange) in August 2019, thereby aligning its name to its upgraded status in the capital market.

This followed the operationalization of two wholly owned subsidiaries – the first central clearing house in Nigeria, FMDQ Clear Limited, in 2018, and one of the depositories in the country, FMDQ Depository Limited, in 2019. The implications are far-reaching as the careful implementation of the FMDQ Entities – FMDQ Exchange, FMDQ Clear and FMDQ Depository – have not only created robust linkages between hitherto fragmented spheres of the markets, but also presented the market with an efficient, innovative and integrated financial market infrastructure (FMI) Group for the seamless execution, clearing and settlement of financial market transactions.

Outlook for 2019/2020

The strategic horizon for FMDQ in 2019/2020 is the integration of our markets with external markets. FMDQ has commenced the implementation its Derivatives Market Roadmap towards developing the derivatives market, with the target of ensuring market readiness ahead of launching derivative products in the Nigerian financial market in subsequent years. In support of the derivatives market agenda, and to promote settlement finality in the market, thereby reducing market uncertainty, FMDQ’s focus continues to be on developing the operational capabilities of its clearing house subsidiary, FMDQ Clear, as well as positioning it to operate a central counterparty for fixed income, currency and derivative products in the near future. The Exchange will also focus on developing its recently operationalised depository subsidiary, FMDQ Depository in 2019/2020.
GHANA STOCK EXCHANGE
Charting a New Course for the GSE

With Ekow Afedzie
Ag, Managing Director, Ghana Stock Exchange

The Ghana Stock Exchange (GSE) was not spared the global effects on stock markets during the year 2018 and most part of 2019. In Ghana, there were a number of macro-economic challenges that added to the global difficulties. Interest rates on 91-day Treasury Bills inched up from 13.35% at the end of 2017 to 14.59% at the end of 2018. Reforms in the banking sector contributed to mixed results posted by listed companies.

There were however some positive environmental factors which muted the impact of the global difficulties and the local challenges on the performance of the Composite Index. Inflation continued its downward trend and reached single digits of 9.4% in December 2018 - from 11.8% at the end of December 2017 - the first time in over five years. New oil and gas fields came on stream and there was a satisfactory International Monetary Fund review of Ghana's economy. Ghana also did a re-basing of its gross domestic product (GDP) in September 2018 with a new base year of 2013, which resulted in a 25% increase in year end 2017 GDP to 256.7 billion Ghanaian Cedis. Real GDP growth in 2018 was estimated at 6.3% compared to 8.1% in 2017.

Our Market Performance
The year 2018 saw very active trading which was significantly above levels recorded in 2017. The volume and value of shares traded in 2018 were 200.58 million and 659.36 million cedis compared to 322.73 million and 518.38 million cedis respectively in 2017. The top six traded securities by value were AngloGold Ashanti Ltd, Fan Milk Ltd, Ghana Oil Company Ltd, CAL Bank Ltd, GCB Bank Ltd and Ecobank Ghana Ltd. In 2017, the top six traded share securities by value were CAL Bank Ltd, Fan Milk Ltd, GCB Bank Ltd, Guinness Ghana Breweries Ltd, Standard Chartered Bank Ghana Ltd and Total Petroleum Ghana Ltd.

On the back of the aforementioned mixed macro-economic and environmental factors, the GSE Composite Index (GSE-CI) closed the year 2018 flat, with a one-year return of -0.29%. In respect of listed fixed income securities, corporate notes and bonds traded 4.08 million cedis as against 1.33 million cedis in 2017. The value of bonds and notes issued by the Government of Ghana was 37.86 million cedis, compared to 30.70 cedis in 2017.

Spotlight on Innovation
The Exchange in 2018 activated the interface built between the E-Bond Trading platform used for trading fixed income securities and the depository system of the central securities depository (CSD) to facilitate straight through processing of E-Bond transactions and delivery versus payment. Also during 2018, the Exchange added and operationalized a bond module to its trading system to offer an alternative platform for trading fixed income securities. In addition, the Exchange collaborated closely with MTN Ghana to provide a technology-driven Initial Public Offer of the latter in 2018. These initiatives amongst others, propelled the GSE to win ‘Most Innovative African Stock Exchange 2018’ at the African Investor Capital Markets Awards in New York.

Demutualization
During the period under review, the Council and Management of the GSE, made the decision to demutualize the Exchange, guided by global best practice. In this regard, a Demutualization Committee (a Council sub-Committee) was put in place to work out the modalities and develop an implementation plan for the process. Consultations with all stakeholders are currently ongoing to ensure that the chosen model for demutualization will be acceptable to all members. In line with our transformation agenda, the Ghana Stock Exchange is also in the process of finalizing a three year strategic plan which we hope will effectively address stakeholders’ expectations over the mid-term.

Outlook for 2019
In the year 2019, a number of far reaching initiatives are being undertaken including: the preparation and adoption of a new Strategic Plan for the Exchange; irreversible steps towards the demutualisation of the Ghana Stock Exchange; acquisition of a market surveillance system and GSE’s active support towards the introduction of a formal repurchase agreement (Repo) market for Ghana. We also intend to support and facilitate the efforts of the Secretariat of the Economic Community of West African States (ECOWAS) to renew momentum towards the integration of West African Capital Markets.

“The year ended December 31, 2018 with its challenges, local and external, was nonetheless very exciting on many fronts. Although the GSE Composite Index was relatively flat, the value of securities traded - both shares and fixed income securities - reached the highest levels recorded in the history of the GSE. We had our largest value subscription of a public offer during the year, and the Exchange was once more adjudged the most innovative among its peers on the African continent by African Investor”.

- Ekow Afedzie
Johannesburg Stock Exchange

Ensuring the Long-term Sustainability of the JSE

With Nicky Newton-King
Chief Executive Officer, Johannesburg Stock Exchange

Dr Leila Fourie has since been appointed as the new CEO of the JSE, as from 01 October 2019

The Year in Review

The first half of 2019 was challenging for the Johannesburg Stock Exchange (JSE). Although activity in most of the JSE’s asset classes was down, bond market activity (nominal value 31% up); currency derivatives activity (contracts 18% up); and commodity derivatives (contracts 7% up) showed good performance. At the close of June 2019, the JSE had 317 companies listed with a total market capitalization of USD 977.49 billion.

New Investment Opportunities

The JSE’s efforts to create new opportunities for global investors and business have manifested in a number of new offerings and listings in our market, particularly among niche and growing segments and sectors. For example, Africa’s leading hospitality group, Tsogo Sun Hotels Limited became the second company to list on the JSE’s main board in 2019, and also the second company to list in the hotels subsector where the sector has a market capitalisation of R4.38 billion. Also in 2019, Nedbank Limited became the first commercial bank in South Africa to list a green bond on the JSE’s Green Bonds segment. The JSE has three bonds listed in its Green Bonds segment with a market capitalisation of R$1.10 billion.

Enhancing Market Data Services

The JSE has partnered with CME Group, the world’s leading and most diverse derivatives marketplace, to house its first cloud solution offering. This development modernizes the JSE’s market data offering and strengthens the exchange’s position as a global market player. The historical tick data will enable clients, traders and investors to assess trading opportunities, strengthen their market insights and improve risk mitigation intelligence based on both the market and various individual stocks’ past performance, support compliance reporting with more extensive data and conduct other valuable trading-related analyses.

Driving Gender Inclusion

In keeping with the fifth Sustainable Development Goal (SDG) to achieve gender equality and empower all women and girls by 2030, the JSE has implemented a new initiative to promote gender inclusion in South Africa. In August 2018, the JSE launched an annual conference tagged ‘SheInvests’, targeted at improving gender representation amongst investors, as well as empowering, educating and supporting women seeking to achieve financial freedom through investing on the stock market.

The JSE has also continued to lead by example in this area; of the 421 employees at the JSE, 229 are women. Five out of nine executives are women and eight out of twelve board members are female. We will continue to promote women empowerment and contribute to driving equality and economic development in our country, through financial literacy and investment education.

Outlook for 2019/20

The South African economy is expecting GDP growth of 0.8% in 2019, which is forecasted to rise to 1.0% in 2020 according to the World Bank. This represents marginal growth and the structural economic and political challenges that the country and capital markets face currently. Nonetheless with the forecasted economic improvement towards the latter half of 2020, a pickup in trade activity across the JSE cash and derivatives is expected.

Going into the year 2020, the JSE is focused on delivering new functionality and new products across all our asset classes including: new trade order types, such as Request for Quotes, Dark pool and Block trade execution capabilities; African currency derivatives pairs; a globally recognised Bond Repo Platform; and migration to a new platform for interest rate derivatives products. With these new initiatives the JSE continues to grow its reputation as a world class market infrastructure and provide competitive and efficient capital markets to global and local investors.
The financial year 2018 – 19 proved a challenging period for the Zambian capital market. At the close of June 2019, the market capitalization of the Lusaka Securities Exchange (LuSE) stood at 57.81 billion Zambian Kwacha, representing a decline of 8.08% in local currency terms, from June 2018. The LuSE All Share Index (LASI) also decreased by 16.33% through the period, closing at 4,564.78 points in June 2019 from 5,455.83 points in the previous year. The number of trades fell by 26.23% compared to the previous year; while the volume and value of shares traded declined by 97.94% and 95.47% respectively. Notwithstanding the market turmoil, the LuSE took an active role in several government-led initiatives to boost the Zambian financial market, such as the National Financial Inclusion Strategy (NFIS), where our involvement includes targeted product development efforts to bring the financially excluded and underserved to the capital market.

As part of our objective to support financial inclusion in Zambia, we have taken a keen focus on marketing and outreach strategies that will enable our products and services to reach our nation’s rural populations where a significant proportion still face poverty, inequality, unemployment, illiteracy and superstition; which limits their ability to access formal financial institutions. The Exchange has also been encouraging access to finance for small and medium-sized enterprises (SMEs) in Zambia. A committee comprising key government and public agencies - such as the Zambia Development Agency, Development Bank of Zambia, Citizens Economic Empowerment, Patents and Companies Registration Agency, ZCCM Investment Holdings and the National Pension Scheme Authority - was constituted to assist small and medium-sized enterprises (SMEs) to access the capital markets. Through this vehicle, the LuSE will support twenty SMEs to list on the exchange from the year 2020.

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Product Diversification
The Exchange has also been working on market simulators that will complement our investor education and outreach efforts and support the introduction of new financial products that are expected to meet consumer and economic demands. Our product focus areas include Green Bonds, derivatives (soft commodities) and Exchange Traded Funds (ETFs). To strengthen our financial intermediaries, the LuSE is also seeking to introduce online and mobile trading facilities in the near future.

Green Bonds Financing Initiative
Our efforts to increase our product offering have seen us partner with the United Nations Development Programme (UNDP) on Zambia’s Biodiversity Finance Plan (BFP) to drive the introduction of green financing in Zambia. The BFP is focussed on the development of guidelines and listing rules for green bonds, with the aim of raising green finance that has co-benefits between climate change and biodiversity conservation. The guidelines and listing rules have been formulated and are scheduled to be implemented in the first quarter of 2020.

“Recently, the Lusaka Securities Exchange has received several enquiries from global fund managers seeking to invest in our listed companies – a positive indicator that the global investment community is becoming increasingly aware of opportunities in the Zambian capital market.”

- Priscilla Chikuni Sampa
The market registered a negative index return of 2.54% in the period under review. There was nevertheless improved activity on the market with a higher number of trades registered following automation of trading which resulted in extended trading hours, reduction in settlement cycle from T+5 to T+3 and a reduction in the minimum board lot from one hundred to one share. Market capitalisation decreased from USD 1.89 billion in July 2018 to USD 1.83 billion at the close of June 2019. This was a result of a marginal depreciation of the Malawi Kwacha (MWK). In the period under review, the Exchange listed one company on the equity board, three Treasury Notes and two corporate Medium-Term Notes on the debt market board bringing the total of listed securities to twenty-six; fourteen on the equities market and twelve on the debt market.

The MSE began a new chapter in its history in June 2018 with the commencement of electronic share trading following successful implementation of the Automated Trading System (ATS). Shareholdings will now be maintained in a Central Securities Depository (CSD) and dematerialization of the existing physical share certificates is currently in progress. We expect the platform to provide greater impetus to MSE’s efforts to bring new innovative, products and services to the Malawi capital market.

The exchange of the ATS was supported by the World Bank through the Financial Sector Technical Assistance Project (FSTAP). The Exchange is also working with the Reserve Bank of Malawi to upgrade the Central Securities Depository (CSD) to ensure that all corporate actions for equities are performed via the CSD.

Public Offer (IPO) of 1.68 billion shares that raised MWK 14.7 billion from investors. Domestic retail investors accounted for 97% of subscriptions to the IPO, while foreign portfolio and institutional investors comprised the remaining 3%. The milestone listing is a positive indicator that the MSE is a strong platform for businesses in Malawi to raise capital for growth and expansion.

Enabling Market Infrastructure

The Year in Review

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Attracting New Listings

The Exchange listed ICON Properties Plc. in January 2019, bringing the total number of listed companies to fourteen. The listing followed a successful Initial Public Offer (IPO) of 1.68 billion shares that raised MWK 14.7 billion from investors. Domestic retail investors accounted for 97% of subscriptions to the IPO, while foreign portfolio and institutional investors comprised the remaining 3%. The milestone listing is a positive indicator that the MSE is a strong platform for businesses in Malawi to raise capital for growth and expansion.

Outlook for 2019/2020

The second half of 2019 looks promising, owing to the improved macroeconomic environment in Malawi. Money market rates have tremendously gone down and majority of listed companies have posted strong half year results with most of them declaring dividends. Our strategic initiatives, as per the Exchange strategy, have also started bearing fruits as evidenced by a listing in the first quarter of 2019. We are anticipating more equity listings in the foreseeable future. On the debt market, we have had five listings, two corporate Medium-Term Notes and three Treasury Notes.

Going forward, the Exchange will continue implementing its strategic activities by focusing on expanding its core business through increasing the number of conventional exchange products (equity and bonds) by engaging with potential issuers to access the market on their capital raising initiatives. We will also continue engaging policy makers on policy issues affecting stock market operations and development. On the demand side, market awareness initiatives for the investing public will remain the primary focus of the Exchange in 2019/2020.
The Exchange ended the year 2018 with an equity market capitalisation of USD 287 million, representing an 11% increase when compared to 2017 (USD 259 million). This was mainly attributed to six new listings on MERJ for the year 2018, which resulted in a total of 30 listed securities across our different boards. When compared to the year 2017, where MERJ had 24 listings, this represents a 25% increase. The year 2018 was also marked by substantial capital raising activities on MERJ as new issuers raised a combined amount of USD 23.4 million from investors around the world.

We witnessed higher levels of investor participation on the MERJ for the year 2018, resulting in a total equity volume traded of 5.36 million shares, comparing to only 0.41 million shares for the year 2017, which is a 1,205.31% spike. The last quarter of 2018 reported the highest volume traded whereas the lowest volume traded was reported in the first quarter. The total equity value traded for the year 2018 was USD 8.86 million.

When looking at the first half of 2019, a total of 4.73 million shares were transferred on the Exchange with a total value traded of USD 4.51 million. Moreover, eight companies paid out dividends during the same period with an average dividend yield of 3.18%. For the year 2018, the average dividend yield was 6.33%. MERJ ended the first half of 2019 with a market capitalisation of USD 355.93 million, which is a 12.80% increase from the close of 2018.

Looking forward, we anticipate dramatic changes in the capital markets in the year ahead, particularly around the recording of share ownership. With the introduction of blockchain technology, MERJ aims to cut down costs for investors and issuers by streamlining a number of securities markets processes, including issuance, shareholder registers, compliance, distribution, and voting.

"During the period under review, MERJ Exchange has undergone transformational changes to position itself to be a global exchange through the digitization of the capital markets with a focus on consumers and financial markets.”

- Edmond Tuohy
Market Review

The Nairobi Securities Exchange (NSE) remained resilient in the face of challenging macro-economic factors that exerted immense pressure on frontier markets. The period saw high capital movement from the NSE occasioned by a strengthening dollar, rising interest rates and higher bond yields in developed markets.

During the period, equity market turnover declined by 26% from 1.94 billion US dollars (USD) to 1.40 billion USD. The benchmark index, the NSE 20 Share Index recorded a decrease of 20% from 3,286 points to close at 2,633 as at the end of June 2019, attributed to reduced valuations on its constituents during the period under review. In the bond market, turnover rose by 20.4% to settle at 5.9 billion dollars, up from 4.9 billion dollars. Foreign investor participation remained steady, accounting for 63% of share turnover by value during the period – an indicator of continued investor confidence in our market.

In 2019, the NSE launched NEXT derivatives market becoming the second African exchange to offer exchange-traded derivatives. The NSE NEXT derivatives market commenced with index futures and single stock futures for select indices and stocks. Index futures are offered on the NSE 25 Share Index, while single stock futures are offered on selected equities including Safaricom Plc., Equity Group Holding, KCB Group Plc. British American Tobacco Plc. and East African Breweries Limited. The launch followed successful pilot testing to ensure the functionality of end to end transactions in a live market environment. The establishment of the NEXT Derivatives Market underscores the NSE’s commitment to offer investors new and innovative avenues for deployment of capital and provide enhanced portfolio diversification and risk management options in the wake of rising asset price volatility in both local and international markets.

Market Performance

- **Total Market Capitalization**: $39.2 billion
- **No. of Listed Securities**: 148
- **No. of Listed Companies**: 63
- **1Yr Returns (Benchmark Index)**: -19.9%
- **52-Week Turnover**: $8.6 billion
- **Average Daily Turnover**: $36.1 million
- **Foreign: Domestic Ratio**: 74:26
- **Exchange Rate Vs. USD**: 102.3

New Opportunities for Global Investors

With Geoffrey Odundo
Chief Executive Officer, Nairobi Securities Exchange

The Nairobi Securities Exchange (NSE) remained resilient in the face of challenging macro-economic factors that exerted immense pressure on frontier markets. The period saw high capital movement from the NSE occasioned by a strengthening dollar, rising interest rates and higher bond yields in developed markets.

During the period, equity market turnover declined by 26% from 1.94 billion US dollars (USD) to 1.40 billion USD. The benchmark index, the NSE 20 Share Index recorded a decrease of 20% from 3,286 points to close at 2,633 as at the end of June 2019, attributed to reduced valuations on its constituents during the period under review. In the bond market, turnover rose by 20.4% to settle at 5.9 billion dollars, up from 4.9 billion dollars. Foreign investor participation remained steady, accounting for 63% of share turnover by value during the period – an indicator of continued investor confidence in our market.

In 2019, the NSE launched NEXT derivatives market becoming the second African exchange to offer exchange-traded derivatives. The NSE NEXT derivatives market commenced with index futures and single stock futures for select indices and stocks. Index futures are offered on the NSE 25 Share Index, while single stock futures are offered on selected equities including Safaricom Plc., Equity Group Holding, KCB Group Plc. British American Tobacco Plc. and East African Breweries Limited. The launch followed successful pilot testing to ensure the functionality of end to end transactions in a live market environment. The establishment of the NEXT Derivatives Market underscores the NSE’s commitment to offer investors new and innovative avenues for deployment of capital and provide enhanced portfolio diversification and risk management options in the wake of rising asset price volatility in both local and international markets.
Introduction of the Ibuka Program
The NSE launched Ibuka (meaning "emerge" in Swahili), a premium incubation and acceleration program that seeks to provide opportunities to high growth companies looking to expand their business in Kenya and the region. The program enables enterprises to reevaluate and restructure their businesses and provides a well-structured platform that prepares companies to list or access various capital options offered in the market in line with their strategic priorities. In addition to expert consultancy and advisory services, companies hosted on the program receive visibility and brand exposure to support business growth. The program consists of two non-trading boards, the Incubator Board and Accelerator Board. The incubation stage involves expert advisors supporting hosted companies to restructure their financial, technical, strategic, operational, governance and environmental functions to drive growth; while the acceleration stage enables companies to develop specialized documents such as capital raising assessments, transaction implementation plans and equity valuation reports. Since the launch of the Program in December 2018, the program has attracted 16 companies and across various sectors of the economy underpinning the program’s attractiveness to enterprises in Kenya.

Regulatory Framework for Green Bonds
During the review period, the NSE revised its listing rules to incorporate listing requirements for Green Bonds, thus paving the way for the listing of green instruments on the NSE. The NSE is now able to mobilize domestic resources and international capital and offer investors exposure to Kenya’s and Africa’s economic growth.

“The Nairobi Securities Exchange has completed several strategic initiatives aimed at developing a world class trading facility anchored on a wide variety of investment products and cutting edge technology that will support our ability to mobilize domestic resources and international capital and offer investors exposure to Kenya’s and Africa’s economic growth”.
- Geoffrey Odundo

Outlook for 2019/2020
In the coming year, the NSE will complete the upgrade of its automated trading system. The upgraded system will allow for short selling and day trading, both of which are expected to boost liquidity in our market. The successful launch of the NEXT derivatives market is also expected to increase the liquidity of underlying assets and provide a good opportunity for the NSE to diversify its revenue streams to support the achievement of our strategic priorities.

To enhance market activity in the year ahead, the NSE will place special focus on increasing interaction with local and international investors and issuers. The newly launched Ibuka program is already creating a pipeline of well-structured companies ready to list or access other capital options offered by the NSE. The NSE will also ramp up efforts to facilitate the issuance of corporate bonds, which will enable companies to access short term capital to support their growth objectives.

green bonds, comes against a backdrop of growth in the green bond market with global issuance totaling US$153.5 billion and US$167 billion in 2017 and 2018 respectively.

The regulatory framework for green bonds is a culmination of the work undertaken by The Kenya Green Bond Program which was established in 2017 to support the development of a vibrant domestic green bond market. We expect that green bond issuance on the NSE will broaden the investor base and enable investors on the NSE to balance financial returns with environmental benefits whilst hedging against climate change risk.

The Nairobi Securities Exchange has completed several strategic initiatives aimed at developing a world class trading facility anchored on a wide variety of investment products and cutting edge technology that will support our ability to mobilize domestic resources and international capital and offer investors exposure to Kenya’s and Africa’s economic growth.

- Geoffrey Odundo

NAMIBIAN STOCK EXCHANGE
Expanding the NSX Product Offering
During the review period, the Namibian economy continued to shrink. The deterioration has been observed across a key sectors, with the main contributors being the agriculture, mining and construction sectors. Despite the economic challenges, the Namibian Stock Exchange (NSX) recorded a positive performance in the financial year 2018 – 19.

Market Performance
At the close of June 2019, the NSX equities market comprised 47 listed companies with a market capitalization of NAD 2.080 trillion and a 52-week market turnover of NAD 1.11 billion. Trading of primary listed equities (local trades) accounted for 7.25% of the equity market turnover. The Namibian Stock Market Overall Index closed at 1376.50, an increase of 7.23% compared to June 2018; while the Local Index closed at 610.92 in June 2019.

Bond market trades reported to the NSX increased substantially from the previous year and the total outstanding value of listed Government debt securities was NAD 5.78 billion at the close of June 2019, comprising Government bonds (NAD 29.464 billion), Inflation-linked bonds (NAD 5.120 billion) and treasury bills (NAD 22.19 billion).

New Listings
The first green bond was listed on the Namibian Stock Exchange by Bank Windhoek in December 2018. They became the first commercial bank to list a green bond in the Southern African region. On the ETF frontier, four new ETFs were listed in March 2019 and Nimbus Infrastructure, a capital pool company which was initially listed in 2017, was reclassified to the NSX Main Board in 2018 after a successful acquisition of viable assets.

In 2019, Alpha Namibia Industries Renewable Power Limited (Anirep) became the first alternative electricity company and the second capital pool company to list on the NSX. Anirep listed on the Development Capital Board of the NSX.
“Diversification and deepening of the Namibian and regional capital markets remain the goal of the NSX. The new interest in Capital Pool Companies also opens avenues to raise local capital in ways to fund infrastructure or capital intense projects that may not have been accessible or fundable under traditional finance models.”

- Tiaan Bazuin

after raising more than NAD 110 million from institutional and retail investors via a private placement process. The NSX’s CPC Rules allow Anirep a two-year window to deploy the raised capital.

Launch of CSD

The NSX has embarked on a project to launch a Central Securities Depository (CSD) in the Namibian market, in partnership with the Bank of Namibia. The NSX intends to implement the CSD and offer shareholders the option of dematerializing their shares. In conjunction with the CSD project, NSX will be providing additional trading system functionality for bond and derivative trading, following the recent regulatory approval for NSX to carry out on-market bond trading.

Outlook for 2019/20

The Namibian economy is expected to contract by 1.7% in 2019, followed by moderate recovery in the year 2020. The projected contraction in 2019 is attributed to the prevailing drought in Namibia and a slowdown in key sectors such as agriculture, diamond mining, wholesale and retail trade. However, we are optimistic about NSX’s performance in the coming year, with the promise of a monumental new listing on the horizon.

We are also anticipating a significant change to our business. Following the recent directive to the Namibia Financial Institutions Supervisory Authority (NAMFISA) to draft a Financial Institutions and Markets Bill (FIM Bill) to replace various financial sector Acts, the NSX will be required to demutualize within twelve months of the enactment of the FIM Bill. Indeed, demutualization is an extensive process and the NSX is proactively preparing for this eventuality.

The comparison of the market performance in the preceding and current year shows several improved market indices. Market capitalization rose from USD 1.23 billion in January 2018 to USD 1.40 billion by December 2018 – a 20.43 % increase. The NASD Security Index also rose through the period, from 604.88 to 740.16 from 2018 year beginning to 2019-year beginning.

As at the second quarter of 2018 total securities traded was USD 2.77 million in 1,477 deals. Total securities traded as at the second quarter of 2019 stood at USD 7.12 million in a total of 1,698 deals. The market witnessed a 5.40% increase in the number of admitted securities, as well as 7.5% increase in Authorized Traders and 1.55% increase in Participating Institutions. During the period, NASD admitted two new securities to close with 39 securities and traded bonds worth $160.97 million.

Trading activity during the year 2019 declined as the number of trades executed on the NASD OTC Market decreased by 18.65% over the preceding period. The volume of shares traded during the year decreased by 34.78%, while the value traded decreased by 84.46% compared to the previous year.

In November 2018, NASD obtained the approval of the Securities & Exchange Commission of its Trade Guarantee Fund Rules and Penalties for Breaches of the Rules and Regulations of the OTC Market. It is expected that these rules will further strengthen the market and increase investor confidence. NASD also has introduced rules to support the trading of commercial papers and strengthen corporate governance for issuers on its platform.

The NASD Data Portal was deployed to enhance the visibility and transparency of the OTC market. Observers of the market can visit www.dataex.nasdotcng.com to view market activity in real time for any of our traded securities available. The

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<th>2018/19 Market Performance</th>
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<tbody>
<tr>
<td>Total Market Capitalization</td>
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<tr>
<td>No. of Listed Securities</td>
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<tr>
<td>No. of Listed Companies</td>
</tr>
<tr>
<td>1% Index (Benchmark Index)</td>
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<tr>
<td>52-Week Turnover</td>
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<td>Average Daily Turnover</td>
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<td>Foreign Domestic Ratio</td>
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<td>Exchange Rate Vs. USD</td>
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* This includes companies that are listed and/or permitted to trade on the NASD OTC market.
Our major focus in 2018 was exploring the capacity and ability of FinTech to significantly amplify the impact of the NASD OTC market in the Nigerian economy. We engaged what we consider a small and basic portion of the wide talent resident in the indigenous fintech industry to drive our markets with quite interesting results. Despite the slowing rate of economic growth in 2019, we have continued to introduce new products and expand the asset classes tradable on the market.”

- Bola Ajomale

portal also holds trading history dating back to market opening in 2013. To further deepen transparency and liquidity, we enabled SMS trade alerts and data feed APIs for data vendors. This has allowed us commence discussions with S&P and Refinitiv (formerly Thomson Reuters) to create a tradable index based on the best performing securities on the OTC market.

NASDMobile Application Launch

NASDMobile deployed to the market in July 2019 provides a comprehensive trading and market monitoring platform. It will provide market participants, especially retail investors, convenient, fast and real-time access to the NASD OTC Exchange investment activities. It features a real-time price lists; real-time market watch dashboard; NASD market news feed, amongst others. The application is current available to download on Google’s Play Store.

Outlook for 2019/2020

The year ahead holds its own challenges not just for the capital market but for the Nigerian economy. Nonetheless, we are optimistic that the increased awareness of the OTC Market and the support of the Securities and Exchange Commission, Nigeria to provide the regulatory framework required to grow the fledgling OTC space, will in no distant time yield the much-awaited results. The coming year will see the Exchange entering strategic relationships to foster growth and the expansion of our channels and products.

Against a backdrop of uncertainty over Nigeria’s 2019 general elections and a weaker than expected economic recovery, 2018/2019 saw a decline in activity in the Nigerian capital market. Notwithstanding, the Nigerian Stock Exchange (NSE) rolled out a range of products and services targeted at optimizing value creation and risk management for businesses and investors in the Nigerian capital market, and intensified revenue diversification efforts, successfully growing its asset base by 23% in the 2018 financial year.

2018/19 Market Performance

Although the year 2018 began on a high note, with the NSE All Share Index (ASI) reaching a ten-year peak of 45,092 points in January, the excitement was short-lived in the wake of a global stock market correction and apprehension regarding the 2019 elections which impacted equity market activity. The ASI declined through 2018 to 2019, closing at 29,967 points in the first half of 2019; however the NSE’s total market capitalization increased from 78.60 billion US dollars (USD) at the close of June 2018 to 83.97 billion USD in June 2019, buoyed by new listings across all markets.

The fixed income market witnessed significant activity during the period, as the Federal Government of Nigeria (FGN) borrowed ~3.91 billion USD in a bid to finance fiscal and infrastructure deficits, while state governments and corporates raised ~512.40 million USD. This included the listings of the pioneer FGN Sovereign Green Bond and the FGN Ijarah Sukuk. In the equities market, The Exchange welcomed Notore Chemicals Plc. to the Main Board by way of an introductory listing in August 2018, and marked the return of IPO activity in January 2019, with the admission of Skyway Aviation Handling Company (SAHCO) Plc.

In the twelve month period, domestic transactions outpaced foreign portfolio investments by 5.82% as at June 2019; and within domestic transactions, retail investor activity accounted for 53.91% of trading value, while institutional investor activity was 46.08%. Annual turnover velocity was 3.68% as at June 2019.
“During the review period, The Exchange delivered several initiatives aimed at boosting our agility in a changing operating environment and strengthening the Nigerian capital market. Overall, we made firm strides on our new strategy to achieve customer-centred growth driven by efficiency, innovation and partnership.”

- Oscar Onyema

Building Resilience in the Nigerian Capital Market

During the review period, The Exchange delivered several initiatives aimed at boosting our agility in a changing operating environment and strengthening the Nigerian capital market. Moving into 2018, we re-evaluated our strategy and birthed a roadmap to deliver customer-centered growth through efficiency, innovation and partnerships. Below is an update on some of the key strategic initiatives of 2018/2019.

Digital Transformation

Developments in financial technologies have been a central focus of the NSE in recent years, to such an extent that in 2018, The Exchange established two new offices to explore opportunities in this area. The new departments, Enterprise Innovation Hub and RegTech, are specially purposed to support the NSE to take advantage of the next wave of emerging technologies. The first product in the RegTech portfolio, tagged ‘X-Bot’, was launched early in 2019. X-Bot is an Artificial Intelligence powered chatbot which provides convenient, real-time customer support and enquiry resolution via our website. A first of its kind among African exchanges, X-Bot was developed to improve access to Exchange information for market participants, particularly retail investors.

Over the long term, we expect that X-Bot will be part of a full suite of dynamic solutions that improve the customer experience for all our user groups. The rollout of X-Bot was preceded by: (i) the launch of X-Pay, an online payment platform for the Exchange, which enables users to conveniently make payments for products, services, events and trainings offered by the bourse; and (ii) an upgrade to a state-of-the-art Tier III Data Centre which allows the NSE to provide secure cloud services to market operators and interested companies.

X-Academy e-Learning

In a bid to boost investment education for individuals, corporations and institutions, the NSE rolled out an online capital markets learning platform, X-Academy e-learning, in June 2019. Building on the 2017 launch of X-Academy - the NSE’s training institute - the e-learning platform enhances our capacity to bring quality educational programmes to a broader audience of practitioners, investors and individuals seeking a better understanding of the capital markets.

For decades, retail investor participation in African capital markets has remained low compared to frontier and emerging markets in other world regions – a feature which inhibits economic growth and household savings in our region. This initiative seeks to address the lingering challenges facing retail investor participation in the region. It also supports the FGN’s National Financial Inclusion Strategy (NFIS) which aims to reduce the number of adult Nigerians who are financially excluded, from 66.3% in 2010 to 20% by 2020.

Ultimately, we hope that X-Academy e-learning will help strengthen financial literacy in Nigeria and in the African region. The online courses have been designed as standalone resources that are able to substitute for the classroom programs of X-Academy, which are delivered locally in Nigeria. The platform currently features some free courses and can be accessed through the NSE website.

Demutualization

Following extensive engagement with our members and market stakeholders, the Demutualization Act, which allows the conversion of the NSE from a company limited by guarantee to a company limited by shares, was passed in 2018. The passage of the act gives greater impetus to our efforts to demutualize. The NSE is now focused on implementing the structural, legal and governance changes required to complete the process of becoming a more agile, demutualized exchange.

In embarking on this journey in 2013, the NSE sought to join the growing number of global exchanges that have drastically re-positioned their markets following demutualization, building alliances or consolidating within and across borders, in order to create greater value for their ecosystems. We believe that successful conclusion of the process will accelerate momentum in the diversification of our client base and revenue streams, by bringing about greater business flexibility, enhanced market access, and increased efficiency.

Derivatives Launch

The NSE commenced on-boarding of dealing member firms for the derivatives market in 2018. We have successfully concluded on the product specifications, pricing, draft rules and liquidity enhancement frameworks for the maiden derivative product. We are now working to secure the requisite approvals for the Derivatives Rulebook, as well as our recently-established central counterparty clearing house, NG Clearing Ltd. which will facilitate the trading of derivative securities upon launch.
At the same time, we are working closely with market stakeholders to build capacity for derivatives trading in Nigeria and equip market participants with the in-depth knowledge and understanding required for successful investment decision-making in this novel market. In this regard, we are partnering with several organizations, including US investment giant, JP Morgan to bring global expertise in derivatives to our local market. We are optimistic that the year ahead will see the NSE launch the first Exchange Traded Derivatives (ETDs) market in West Africa. This will not only help us meet our objective of facilitating order flow across various asset classes; but will offer our ever-increasing community of global investors a greater array of products to diversify and manage risk.

NSE Sustainability Disclosure Guidelines

The NSE recognizes that the promotion of Environmental, Social and Governance (ESG) principles can facilitate more meaningful engagement between investors and listed companies on investment risks and opportunities. For this reason, we developed the NSE Sustainability Disclosure Guidelines which was successfully approved by The Securities Exchange Commission (SEC) in 2018.

The Guidelines spotlight the imperative for sustainable business practices and provide a step by step approach to integrating sustainability into organizations. They also provide practical guidance on indicators to be considered when providing annual disclosure to The Exchange and timelines for such disclosures. Reporting has been mandated for companies listed on the NSE Premium Board effective January 2019.

Outlook for 2019/2020

The Nigerian economy is expected to pick up in the coming year, with the International Monetary Fund estimating GDP growth of 2.3% for the full year 2019, rising to 2.6% in 2020. This represents a moderate increase from 1.9% growth in 2018 and provides some optimism for the prospects of the Nigerian capital market. With the forecasted economic improvement and sustained macro stability, the NSE anticipates that the year ahead will see an uptick in the equities market in the wake of a peaceful election, as well as a significant boost in primary and secondary market activity for the second half of 2019.

Going into the year 2020, the NSE is focused on completing the demutualization process, launching exchange-traded derivatives and boosting our existing asset classes and portfolio of exchange services. We are confident that pursuing these initiatives will boost the competitiveness of the NSE at a time when the Nigerian capital market is at an inflection point, and provide new opportunities to create shared value for the Nigerian capital market.

RWANDA STOCK EXCHANGE
Supporting the Growth of the Real Sector

With Pierre Celestin Rwabukumba
Chief Executive Officer, Rwanda Stock Exchange

2018/19 Market Performance

During the period under review, market activity on the Rwanda Stock Exchange (RSE) increased compared to the previous year, largely due to higher trading in the fixed income segment. The RSE market capitalization stood at USD 3.40 billion in June 2019, up from USD 3.35 billion at the close of June 2018 and the Rwanda All Share Index (ALSI) rose by 3.51% to close at 136.15 points.

The government’s quarterly bond issuance program continued to record high levels of participation, with an average subscription rate of 200.03%, which is reflected on secondary trading activity by an increase in the turnover and number of transactions in the bond market of 17.41% and 33.33% respectively, for the year ended June 2019. In the equities market, BK Group Plc. raised USD 66.70 million by way of a Rights Issue which recorded a subscription performance rate of 107.9%. The equity market turnover increased by 3.58% in 2018/19, compared to the previous year.

East Africa Capital Markets Day

In May 2019, the Rwanda Stock Exchange in collaboration with the East Africa Securities Exchanges Association (EASEA) hosted the first edition of the East Africa Capital Markets Day themed: “Showcasing East Africa’s Economic Vibrancy and the Capital Market’s Place within the Region.” This multistakeholder forum elicited impactful debates on the conditions required to accelerate investment opportunities in the East Africa and the role of the capital markets as a catalyst in advancing the region’s agenda. The East Africa sub-region has one of the fastest growing economies, with growth currently estimated at 5.7% versus average growth of 3% in the wider African region. The pace of development necessitates rapid development of the region’s capital markets in order to support the ambitious plans of the respective economies and efficiently mobilize domestic resources.

Supporting the SME Sector

In 2018, the RSE launched the Next Gen-Q, a platform to provide financial and advisory support to start ups and innovators, as well as the Small and Medium Enterprise Market.
"The period under review saw yet another resilient performance of our market, with moderate growth in all segments, despite the challenging regional and global environment. A few initiatives such as the Small and Medium Enterprise Market Segment (SMEMS) and the Investment Clinic program for SMEs gained good momentum, paving the way for future growth of the market."

- Pierre Celestin Rwabukumba

Segment (SMEMS) – the RSE’s tailored SME market segment. We expect that the Next Gen-Q will play a big role in improving access to the capital market for SMEs and increase financial literacy for entrepreneurs. To complement and drive uptake on these platforms, the RSE commenced its Investment Clinic program during the year, which is targeted at identifying high-potential SMEs to list on the RSE’s new market segment.

Automation of the RSE

The automation agenda continued to be a priority and its implementation process is almost at the final stage. During the year, the RSE made significant investments in IT infrastructure which are expected to translate into gains for market participants in the coming year.

Outlook for 2019/2020

The Rwandan economy performed well in 2018-2019; this trend is expected to continue in the coming year with GDP forecasts for the full year 2020 set at 7.8%. In 2019/2020, RSE will focus on building capacity and driving efficiency within the ecosystem, leveraging technology to enable faster and more efficient operational processes. The Exchange is also driving regional integration as a strategic intervention that will enable the Rwanda capital market to source capital in regional markets and equally investors in Rwanda to access new investment opportunities in the region and beyond.
The Stock Exchange of Mauritius (SEM) has since its creation in 1989 emerged as a powerful value-creation platform for investors, generating annualized price and total returns of 10.7% and 15.7% respectively. In 2018, the total market capitalization of the SEM crossed the 12 billion US dollars (USD) mark, representing a market capitalization to GDP ratio of 86.6% - the highest in Africa, excluding South Africa.

After a strong start to the year 2018, which saw the SEM’s main indices, namely the SEMDEX, SEMTRI, SEM-ASI and SEMTRI-ASI reach their all-time highest levels in the first quarter, the market felt downward pressure from the second quarter of 2018 through to end June 2019, in line with some leading emerging markets. The SEMDEX and the SEMTRI started off July 2018 at 2244.64 points and 8124.22 points respectively and closed at 2128.40 points and 7932.36 points respectively at the end of June 2019.

From a transactions and capital-raising perspective, market activity during the financial year 2018 - 2019 was very dynamic. SEM’s multi-currency platform was used by both local and international issuers to raise capital to the tune of 540 million USD during the review period, confirming SEM’s competitive capital-raising platform.

Reinforcing SEM’s emergence as an attractive and compelling platform for capital raising, listing and trading of Africa-focused ventures, the exchange launched an Africa Board in October 2018, which showcases SEM’s listed issuers and products that have an Africa-centric orientation.

In another key milestone during the year, SEM listed in September 2018 the African Domestic Bond Fund (ADBF), a USD-denominated ETF, structured as an open-ended Collective Investment Scheme that seeks to replicate the AfDB/AFMISM Bloomberg African Bond Index 25% Capped, an index launched in December 2014 by the African Development Bank (AfDB). The ETF invests in African currency denominated debt obligations issued by an African Government. The ADBF constitutes a new product offering which provides investors with a broad exposure to African sovereign debt securities.

**On July 5, 2019, the Stock Exchange of Mauritius (SEM) celebrated its 30th anniversary. Over the years, the SEM has redefined the capital markets’ landscape in Mauritius through the implementation of a number of groundbreaking initiatives and succeeded in its transition from an equity-centric domestic stock exchange to a multi-asset class international exchange with 200+ securities cutting across various asset classes, issued by a diverse group of local, African and international entities.”**

- Sunil Benimadhu

In November 2018, SEM also launched the SEM Africa Index (SEM-AFRIDEX) to track the time-series performance of all products listed on the Africa Board.
and other relevant market participants to connect and relay dynamic market data feeds on their websites.

**Outlook for 2019/2020**

To firm up on our Africa strategy, SEM intends to engage with leading capital market service providers in key African countries regarding potential collaborations that can help promising African companies leverage on SEM’s attractive capital-raising and listing platform to grow their business activities.

The SEM is also planning to become a Green Exchange in line with a set of five Sustainability Principles of the World Federation of Exchanges (WFE), and take on a leadership role in promoting the sustainable finance agenda. We will also engage with potential issuers of green bonds to attract the first green bond listing in the Mauritian capital market.

**New SEM Website running on latest emerging technologies**

In our bid to embrace digital technology, SEM rolled out in February 2019 a new fully responsive website running on the latest technologies, to improve access to exchange information for market participants. This digital development complements the mySEM mobile app development in 2018. In terms of content and design, the new website’s homepage features an entirely new, dynamic look and feel and displays a full suite of interactive market information. Altogether, the inside pages have been streamlined, grouping information on SEM’s multi-asset classes more efficiently and in an interactive fashion. SEM’s data centre also provides secure cloud services to allow listed issuers

**UGANDA SECURITIES EXCHANGE**

**Diversifying Investment Opportunities**

With Paul Bwiso
Chief Executive Officer, Uganda Securities Exchange

The period under review saw yet another resilient performance of our market, with moderate growth in all segments, despite the challenging regional and global environment. A few initiatives such as the Small and Medium Enterprise Market Segment (SMEMS) and the Investment Clinic program for SMEs gained good momentum, paving the way for future growth of the market.

**Market Review**

The USE All Share Index opened the financial year at 2077.47 and closed at 1614.82, representing an annual decline of 22.27%. Similarly, market capitalization fell from UGX 28.09 trillion to UGX 22.66 trillion, while market turnover decreased by 35.62% in 2018-19 relative to 2017-18; UGX 47.03 billion was traded on the USE during the year in review, against UGX 73.06 billion in the previous year. Turnover by volume on the USE increased by 36.5% to 807 million in 2018-19, compared to 591 million recorded in 2017-18; while the number of transactions on the Bourse fell by 58% to 5,203 deals, from 12,409 in the previous financial year.

Activity on the equity segment was dominated by trading of Umeme Ltd. and Stanbic Bank Uganda Ltd. shares, which accounted for over 88% of the total turnover. Cross-listed counter, Centum Investment, also traded during the year, however trading activity was dominated by the local counters accounting for over 99% of the total turnover and volume. There was no activity in the corporate debt segment.

**Boosting USE’s Asset Classes**

Our domestic equities market received a boost with the initial public offering (IPO) of Cipla Quality Chemicals in September 2018. The IPO presented the opportunity for the public to invest in Uganda’s largest pharmaceutical firm and marked a return of primary market activity following a six-year drought. It brings the number of locally listed companies on USE to nine, with eight foreign companies also listed on the Bourse. During the IPO, we witnessed the entry of ~2,500 new participants to our market, who coupled with existing investors supported the capital-raising of USD 46 million.
2018/19 MARKET REVIEW

“Balancing pressures on the benchmark indices and market capitalization, in September 2018 the USE welcomed pharmaceutical giant, CIPLA Quality Chemical Industries to the exchange, as the 17th company listed on the Bourse. We rolled out our data vending services in January 2019 and made great strides on implementing direct market access (DMA) and commodity trading at the bourse.”
- Paul Bwiso

As we invigorate our efforts to develop our existing markets, we have also been exploring new sources of value for the Ugandan economy which has recorded growth in non-traditional exports such as gold and maize in recent years. To support this growth, the USE is seeking to commence commodities trading on the exchange. We are pleased to have recorded several milestones in this area during the year, including: successful system enhancements and tests; consultative workshops and development of the requisite regulatory framework.

Enhancing Market Access
During the year, the USE launched its registry and data vending services in a bid to meet client needs and diversify our revenue stream. Both services registered outstanding subscription levels and the USE is currently undertaking initiatives to develop customized packages for different client groups.

The exchange also made significant progress on our mobile trading, direct market access and broker back office initiatives. All these are aimed at enhancing access to the market for investors and market participants and are expected to be completed in the coming year.

Outlook for 2019/2020
We anticipate an uptick in the turnover value and volume on the Bourse, of around 20%, during the second half of 2019. This is predicated on the historical trend of higher institutional investor trading activity in the last quarter of the year, as our institutional clients rebalance portfolios to align with their different mandates. To drive activity on the USE, we are working to rollout our mobile trading platform and launch commodities trading in the year 2020 and undertaking efforts to boost our registry and training services.

We expect to register some trading activity on the corporate bond market in the first half of the year 2020, and welcome new Small and Medium Enterprises (SMEs) to the Bourse through listings on the USE’s Growth Enterprise Market Segment (GEMS) - our specially tailored platform which enables SMEs to raise capital while benefiting from greater visibility and liquidity within a regulatory environment designed specifically to meet their needs.

ZIMBABWE STOCK EXCHANGE
Staying the Course in a Volatile Operating Environment
With Justin Bgoni
Chief Executive Officer, Zimbabwe Stock Exchange

The Zimbabwe Stock Exchange Limited (ZSE) embarked on a long term strategy that will see the growth of the Exchange as well as the increased liquidity and depth of the capital market. The ZSE is working on several initiatives aimed at optimizing value for investors and deepening the Zimbabwean Capital Market, a number of which we expect to complete in the year 2019. During the review period, the equities market performance reflected changes in the macro environment, as well as the effect of monetary policies and currency reforms during the period.

2018/19 Market Performance
In 2018, the ZSE All Share Index gained 46.2% to close the year at 146.24 points, while the ZSE Top 10 index closed at 145.02 points. During the period January to June 2019, the All Share Index gained 18.78% to close at 187.12 points in June 2019.

Despite a decrease in the volume of shares traded in 2018 by 29%, market turnover increased by 33% to USD 926.31 million, the highest level recorded since 2009’s dollarization. The growth in turnover is considered to be on account of flight to safety as investors sought to hedge against inflation risks. The major contributors to market liquidity during the period under review were the dual-listed duo of Pretoria Portland Cement and Old Mutual Limited which remain popular with foreign investors.

The market capitalization of the ZSE rose from USD 9.58 billion in December 2017 to USD 19.42 billion in December 2018. This 103% increase was primarily due to the listing of new issuers SeedCo International and Cassava Smartech Zimbabwe Limited during the last quarter of 2018. In the period of January to June 2019, the ZSE was heavily affected by a change in currency in Zimbabwe, following the pronouncement of a monetary policy statement ending dollarization in February 2019.

Strategic Performance
During the period under review, the ZSE delivered several initiatives aimed at increasing our agility in a volatile economic environment and strengthening our capital market. The focus for 2018/19 was threefold, centred on: (i) Ensuring sound market fundamentals and business operations including sound processes for core areas such as
as regulation; (ii) Improving relationships with stakeholders; and (iii) Growing the exchange in terms of new products, listings and investors, as well as expanding ZSE’s reach and influence.

**Increasing Equity Listings**

Supporting our growth aspirations, Cassava Smartech Zimbabwe Limited listed on the ZSE in December 2018. The listing of Cassava was a historic moment in Zimbabwe’s history, with the dual distinction of being the first listing of a Technology company on the exchange and being the largest listed company in terms of market capitalization on the ZSE.

Following the partial unbundling of SeedCo Limited, a separate listing of SeedCo International took place in October 2018. Seedco International now has a primary listing on the Botswana Stock Exchange and a secondary listing on the ZSE.

**Gazetting of ZSE Listing Requirements**

The ZSE Listing Requirements were gazetted in June 2019. The gazetted Requirements, which had not been reviewed since 2002, were a product of wide consultations with various stakeholders which included investors, issuers, Government of Zimbabwe, Securities and Exchange Commission of Zimbabwe, advisors and market participants. Amendments were necessitated by the significant and numerous changes in the local and foreign capital markets which had not been accommodated for by the current rules. New changes include quarterly reporting for issuers, sustainability reporting, elimination of executive chairmanship for Boards of listed companies and penalties for breaches of the Rules by issuers. Regulation will continue to be a strategic thrust for the ZSE going forward.

The ZSE organized an Initial Public Offering (IPO) masterclass in April 2019 for potential companies to learn about the listing process in detail. This is one of the initiatives being implemented by the Exchange to support new companies to access the capital market. The workshop attracted a number of potential issuers, as well as capital market experts, including advisors, sponsoring brokers and fund managers, who shared practical insights on the benefits of listing and the listing application process.

**Launch of Direct Market Access**

The ZSE launched Direct Market Access (DMA) in June 2019 to enable Fund Managers and Institutional Investors to enter orders directly into the Automated Trading System without manual intervention by a broker. This is an important development for the ZSE which supports market transparency and liquidity.

**Outlook for 2019/2020**

The International Monetary Fund projects that the Zimbabwean economy will contract by 2.1% in 2019 due to the impact of the ongoing fiscal consolidation as well as a poor farming season. A rebound is expected in 2020 with gross domestic product forecasted to expand by 3.3%.

Going forward, the ZSE is focused on boosting our portfolio of exchange services to improve liquidity in the market. This will be implemented by diversifying listings from the traditional equity based products into Exchange-Traded Funds (ETFs) and Real Estate Investment Trusts (REITs). The Exchange will also focus on promoting investor education, to address the challenge of low participation by domestic investors on the ZSE. We are confident that pursuing these initiatives will boost the competitiveness of the ZSE and provide new opportunities to increase value for the Zimbabwean capital market.
### Officers and Statutory Information

#### Executive Committee

<table>
<thead>
<tr>
<th>Executive</th>
<th>Designation</th>
<th>Company</th>
<th>Elected since</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Karim Hajji</td>
<td>President</td>
<td>Casablanca Stock Exchange</td>
<td>November 2014</td>
</tr>
<tr>
<td>Dr. Edoh Kossi Amenounve</td>
<td>Deputy President</td>
<td>Bourse Régionale des Valeurs Mobilières SA</td>
<td>November 2014</td>
</tr>
<tr>
<td>Mr. Pierre Ekoule Mouangue</td>
<td>Member</td>
<td>Douala Stock Exchange</td>
<td>November 2016</td>
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<tr>
<td>Ms. Nicky Newton King</td>
<td>Member</td>
<td>Johannesburg Stock Exchange</td>
<td>November 2018</td>
</tr>
<tr>
<td>Mr. Geoffrey Odundo</td>
<td>Member</td>
<td>Nairobi Securities Exchange</td>
<td>March 2015</td>
</tr>
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<td>Mr. Pierre Celestin Rwabukumba</td>
<td>Member</td>
<td>Rwanda Stock Exchange</td>
<td>November 2016</td>
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<td>Mr. Mohamed Farid Saleh</td>
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<td>Mr. Thapelo Tsheole</td>
<td>Member</td>
<td>Botswana Stock Exchange</td>
<td>November 2016</td>
</tr>
<tr>
<td>Kofi Yamoah</td>
<td>Member</td>
<td>Ghana Stock Exchange</td>
<td>November 2018</td>
</tr>
<tr>
<td>Mr. Oscar N. Onyema, OON</td>
<td>Resigned</td>
<td>The Nigerian Stock Exchange</td>
<td>November 2014</td>
</tr>
<tr>
<td>Ms. Zeona Jacobs</td>
<td>Resigned</td>
<td>Johannesburg Stock Exchange</td>
<td>November 2014</td>
</tr>
</tbody>
</table>

#### Secretaries

- **Secretary**: Mr. Simon Peter Kariuki Azali Certified Public Secretaries
  Adlife Plaza 4th Floor, Suite No. 4E Ring Road, Kilimani
  P.O. BOX 6219
  00200 Nairobi, Kenya

- **Auditors**: Mbaya & Associates
  Certified Public Accountant (Kenya)
  Western Heights
  P.O. Box 85390
  00100 Nairobi, Kenya

#### Secretariat

- **Secretariat**: Ms. Furaha Karba
  Nairobi Securities Exchange
  The Exchange Building
  55 Westlands Road
  Nairobi

#### Principal Place Of Business And Registered Office

- **Principal Place Of Business And Registered Office**: The Exchange Building
  55 Westlands Road
  Nairobi, Kenya

#### Bankers

- **Barclays Bank of Kenya Limited**: Queensway House Business Centre
  PO Box 30011
  00100 Nairobi, Kenya

- **SBM Bank**: Riverside Mews, Riverside Drive
  PO Box 66019
  00800 Nairobi, Kenya
Before taking office as Chief Executive Officer of the Bourse Régionale des Valeurs Mobilières (BRVM) and Central Depository/Settlement Bank (DC/BR) in 2012, Dr. Edoh Kossi Amenounve was the Secretary General of the Regional Council for Savings and Financial Markets (CREPMF), the financial market regulatory authority of the West African Economic and Monetary Union (WAEMU), between 2003 and 2012. Prior to this, Dr. Amenounve was the CEO of SGI-Togo, a brokerage company covering the regional financial market, from 1997 to 2003, and served as President of the Professional Association of Brokerage Houses of WAEMU (APSGI) from 2000 to 2001. He holds an MBA and PhD in Administration and Finance from Laval University, Canada.

Mr. Geoffrey O. Odando is the Chief Executive Officer of the Nairobi Securities Exchange (NSE). He is an accomplished investment banker with over 20 years of experience in the financial sector, 16 years of which have been in the capital markets in various senior roles in asset management, corporate finance and stockbroking. Prior to his appointment to the NSE, Mr. Odundo was the Managing Director of Kingdom Securities Limited, Kenya; a position he held from June 2009; and at one time, a Director and Secretary of the Kenya Association of Stock Brokers and Investment Banks (KASIB). He holds an MBA from the United States International University, Kenya and BSc. in Mathematics and Economics from Egerton University.

Mr. Geoffery O. Odundo Executive Committee Member

Ms. Nicky Newton-King has been the Chief Executive Officer of the Johannesburg Stock Exchange (JSE) since January 2012 and retired on 30 September 2019. Nicky joined the JSE nearly 23 years ago from law firm Webber Wentzai where she was a partner. Prior to becoming CEO, Nicky was Deputy CEO for 8 years and member of the Board of Directors since December 2000. Nicky graduated from the University of Stellenbosch with BA LLB degrees and in 1994 obtained an LLM degree with first class honours, from the University of Cambridge, England. In 2006, Nicky spent 5 months at Yale University as a Young Global leader. Nicky was a World Economic Forum Global Leader of Tomorrow and subsequently a WEF Young Global Leader. Nicky was South Africa’s 2003 Businesswoman of the Year.

Nicky Newton-King Executive Committee Member

Mr. Geoffery O. Odando is the Chief Executive Officer of the Nairobi Securities Exchange (NSE). He is an accomplished investment banker with over 20 years of experience in the financial sector, 16 years of which have been in the capital markets in various senior roles in asset management, corporate finance and stockbroking. Prior to his appointment to the NSE, Mr. Odundo was the Managing Director of Kingdom Securities Limited, Kenya; a position he held from June 2009; and at one time, a Director and Secretary of the Kenya Association of Stock Brokers and Investment Banks (KASIB). He holds an MBA from the United States International University, Kenya and BSc. in Mathematics and Economics from Egerton University.

Mr. Geoffery O. Odando Executive Committee Member

Mr. Pierre Celestin Rwabukumba is the Chief Executive Officer of the Rwanda Stock Exchange (RSE). Mr. Rwabukumba was instrumental in the establishment of the RSE, overseeing the exchange as the first interim coordinator, before being appointed as the first substantive CEO. He started his career in financial services in New York City after graduating from the University of Buffalo, New York and joined the Central Bank of Rwanda in 2004 to help start the Capital Market Development Project in Rwanda; he has since played a key role in the development of the capital market in Rwanda and integration of the East African Community. He is the current Chairman of the East African Securities Exchanges Association and the Securities Industry Training Institute, East Africa.

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Pierre Celestin Rwabukumba Executive Committee Member

From 2005 until 2019, Mr. Pierre Ekoule Mouangue served as Managing Director of the Douala Stock Exchange (DSX). In this role he oversaw the operationalization and growth of the DSX and supported the development of the financial market of the Economic and Monetary Community of Central Africa (CEMAC). Before joining the DSX, Mr. Mouangue was involved in the restructuring of the Cameroonian banking sector and held various roles at Standard Chartered Bank Cameroon, between 1992 and 2005, including Executive Director of the bank. Mr. Mouangue holds a MSc. in Economics from the University of Paris I (Panthéon-Sorbonne) and a Diploma from the Institute of Business Administration, University of Bordeaux I, France.

Mr. Pierre Ekoule Mouangue Executive Committee Member

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Mr. Geoffrey O. Odando Executive Committee Member
Mr. Thapelo Tsheole was appointed Chief Executive Officer of the Botswana Stock Exchange (BSE) in 2016 following a two-year stint as Deputy CEO of the BSE. He has served with the BSE and previously, the Bank of Botswana, for over 15 years. He is a firm believer in the development of the financial market in Botswana and Africa and has driven several initiatives to enhance the local and regional financial markets. Mr. Tsheole holds an MBA from the University of Cape Town; MComm in Financial Markets from Rhodes University, South Africa; and a BSc. in Economics from the University of Botswana. He is also an alumnus of the University of Stellenbosch Business School.

Mr. Mohamed Farid Saleh was appointed as the Executive Chairman of the Egyptian Exchange (EGX) in 2017. Prior to his appointment, Mr. Farid was the Chairman and CEO of Dcode EFC, a leading economic forecasting and advisory firm in Egypt. He also served as Vice Chairman of the EGX between 2010 and 2011. He holds an MBA from American University, Egypt and the Arab Academy for Science, Technology and Maritime Transport (ASST); MSc. degrees in economics and finance from York University and the CASS Business School, UK, and a bachelor’s degree from Helwan University, Egypt. He also holds a certificate in Venture Capital from the University of California, Berkley, USA. He is currently the Chairman of the Arab Federation of Exchanges.

Mr. Kofi S. Yamoah is the Managing Director of the Ghana Stock Exchange (GSE) since 2003. He is a chartered accountant and an investment banker by profession. His career with the GSE, which dates back to December 1990, has seen him serve as the Presiding Officer on the Trading Floor, Financial Controller, Head of Listings and General Manager. He is an alumnus of Mfantsipim School; University of Ghana Business School, Legon and the China Europe International Business School. He holds an MBA and bachelor’s degree in administration, as well as a professional certificate of the Institute of Chartered Accountants, Ghana.

**EXECUTIVE COMMITTEE**

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<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>47th Executive Committee Meeting of 7th July 2018</th>
<th>48th Executive Committee Meeting of 28th September 2018</th>
<th>49th Executive Committee Meeting of 25th November 2018</th>
<th>50th Executive Committee Meeting of 9th November 2018</th>
<th>51st Executive Committee Meeting of 25th November 2018</th>
<th>52nd Executive Committee Meeting of 27th April 2019</th>
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<tr>
<td>Mr. Karim Hajji</td>
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Composition of Executive Standing Committees and Working Groups

### ASEA Working Committee

<table>
<thead>
<tr>
<th>Name</th>
<th>Exchange</th>
<th>Role</th>
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<tbody>
<tr>
<td>Mr. Geoffrey Odundo</td>
<td>Nairobi Securities Exchange</td>
<td>Chair</td>
</tr>
<tr>
<td>Ms. Anne Clayton</td>
<td>Johannesburg Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Pierre Elouke Mouangue</td>
<td>Douala Stock Exchange</td>
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### Audit and Finance Committee

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<tbody>
<tr>
<td>Mr. Geoffrey Odundo</td>
<td>Nairobi Securities Exchange</td>
<td>Outgoing Chair - Nov 2018</td>
</tr>
<tr>
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<tr>
<td>Mr. Pierre Elouke Mouangue</td>
<td>Douala Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Ms. Anne Clayton</td>
<td>Johannesburg Stock Exchange</td>
<td>Member</td>
</tr>
</tbody>
</table>

### ASEA Working Groups

#### Technology and Statistics Working Group

<table>
<thead>
<tr>
<th>Name</th>
<th>Exchange</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Pierre Elouke</td>
<td>Douala Stock Exchange</td>
<td>Chair</td>
</tr>
<tr>
<td>Mr. Omer Badang</td>
<td>Douala Stock Exchange</td>
<td>Vice Chair</td>
</tr>
<tr>
<td>Mr. Joseph Gichuru</td>
<td>Nairobi Securities Exchange</td>
<td>Secretary</td>
</tr>
<tr>
<td>Mr. Mohammed Saad</td>
<td>Casablanca Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Thabo Dhldia</td>
<td>Johannesburg Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Phil Daka</td>
<td>Lusaka Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Emmanuel Alao</td>
<td>FMDQ Securities Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Moussa Davou</td>
<td>Bourse Regionale des Valeurs Mobilieres</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Kopano Mogorosi</td>
<td>Botswana Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Khaled Amer</td>
<td>The Egyptian Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Ms. Joyce Dlamini</td>
<td>Eswatini Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Nsikak John</td>
<td>The Nigerian Stock Exchange</td>
<td>Member</td>
</tr>
</tbody>
</table>

#### Market Development Working Group

<table>
<thead>
<tr>
<th>Name</th>
<th>Exchange</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Thapelo Tsheole</td>
<td>Botswana Stock Exchange</td>
<td>Chair</td>
</tr>
<tr>
<td>Mr. Tiaan Bazuin</td>
<td>Namibian Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Ms. Joyce Dlamini</td>
<td>Swaziland Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Ms. Jumoke Olamiyan</td>
<td>FMDQ Securities Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Badr Benyoussef</td>
<td>Casablanca Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Kopano Bolokwe</td>
<td>Botswana Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Chinwendu Ekeh</td>
<td>NASD OTC</td>
<td>Member</td>
</tr>
<tr>
<td>Ms. Oluwatoyin Adenugba</td>
<td>The Nigerian Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Ms. Osasu Agbona</td>
<td>NASD OTC</td>
<td>Member</td>
</tr>
</tbody>
</table>

#### Policy and Regulation Working Group

<table>
<thead>
<tr>
<th>Name</th>
<th>Exchange</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms. Anne Clayton</td>
<td>Johannesburg Stock Exchange</td>
<td>Chair</td>
</tr>
<tr>
<td>Mr. Olumide Ejiofor</td>
<td>The Nigerian Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Olamide Niyi-Afuye</td>
<td>FMDQ Securities Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Ibrahim Mshindo</td>
<td>Dar-es-Salaam Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Ms. Mouna Kessaba</td>
<td>Casablanca Stock Exchange</td>
<td>Member</td>
</tr>
</tbody>
</table>

#### Sustainability Working Group

<table>
<thead>
<tr>
<th>Name</th>
<th>Exchange</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Mohamed Farid Saleh</td>
<td>The Egyptian Exchange</td>
<td>Chair</td>
</tr>
<tr>
<td>Mr. Olutobi Onajin</td>
<td>The Nigerian Stock Exchange</td>
<td>Vice Chair</td>
</tr>
<tr>
<td>Ms. Sara Magdy</td>
<td>The Egyptian Exchange</td>
<td>Secretary</td>
</tr>
<tr>
<td>Ms. Shameela Ibrahim</td>
<td>Johannesburg Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Ms. Lina Mushamongi</td>
<td>Zimbabwe Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Ms. Kofo Abiose</td>
<td>FMDQ Securities Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Hermann Fancho Traore</td>
<td>Bourse Regionale des Valeurs Mobilieres</td>
<td>Member</td>
</tr>
</tbody>
</table>
The Kenyan Companies Act, 2015 requires the Executive Committee to prepare financial statements for each financial year that give a true and fair view of the financial position of the Association as at the end of the financial year and of its profit or loss for that year. It also requires the Executive Committee to ensure that the Association maintains proper accounting records that are sufficient to show and explain the transactions of the Association and disclose, with reasonable accuracy, the financial position of the Association. The Executive Committee are also responsible for safeguarding the assets of the Association, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Committee accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

• Designing, implementing and maintaining such internal controls as they determine necessary to enable the presentation of financial statements that are free of material misstatement, whether due to fraud or error;
• Selecting suitable accounting policies and applying them consistently; and
• Making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the Association’s ability to continue as a going concern, the Executive committee are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Association’s ability to continue as a going concern.

The Executive Committee acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Executive Committee on August 28, 2019 and signed on its behalf by:

By Order of the Executive Committee

Mr. Karim Hajji (Moroccan)
President

Dr. Edoh Kossi Amenounve (Togolese)
Deputy President

Mr. Ekow Afedzie (Ghanaian)
Chair, Audit & Finance Committee
Executive Committee's Report

The Executive Committee submit their report together with the audited financial statements for the year ended 30 June, 2019 which disclose the state of affairs of the Association.

1. Incorporation
The Association is domiciled in Kenya where it is incorporated as a Company limited by guarantee under the Kenyan Companies Act, 2015. The address of the registered office is set out on page 97.

2. Principal activities
The principal Objective of the Association as set out in the Articles and Memorandum of Association are as follows;

• To assist in the promotion and development of self-regulation to the greatest possible extent and assist members in representations to national and international bodies in this regard,
• To assist members in the promotion and development of range of services associated with capital markets,
• To study, research and investigate matters of interest to members,
• To disseminate information, produce materials in all media, hold conferences, seminars, exhibitions, and conduct other education activities relevant to the interest of members,
• To assist in the promotion and development of financial instruments and the promotion of stock brokers and dealers,
• To explore the option of having a local currency account to effect direct payment to service providers so as to avoid loss through currency translation.
• To develop and establish standards of listing, maintenance of listing, issuing, trading and settlement of securities,
• To establish an Association for the systematic mutual cooperation, exchange of information, materials and persons, mutual assistance and joint programs between members,
• To assist members in the establishment of stock exchanges, the development of financial instruments and the promotion of stock brokers and dealers,
• To develop and establish standards of training and professionalism amongst stockbrokers and dealers and personnel associated with members,
• To develop and establish standards of listing, maintenance of listing, issuing, trading and settlement of securities,
• To assist members in the promotion and development of self-regulation to the greatest possible extent and assist members in representations to national and international bodies in this regard,
• To assist members in the promotion and development of range of services associated with capital markets,
• To study, research and investigate matters of interest to members,
• To disseminate information, produce materials in all media, hold conferences, seminars, exhibitions, and conduct other public education activities relevant to the interest of members,
• To ensure that the views and interest of the Association are promoted in the appropriate worldwide forums and to do all other things, not inconsistent with the foregoing as shall promote the objects and powers.

3. Business overview
The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015. The accounting policies have been applied consistently compared to the prior year. The company recorded a net profit after tax for the year ended 30 June 2019 of $ 15,560. This represented a decrease of 31% from the net profit after tax of the prior year.

Company revenue increased by 5% from $60,450 in the prior year to $63,752 for the year ended 30 June 2019.

The Association’s expenses increased due to travel expenses of the Secretariat office (in 2018, the Secretariat, Company Secretary and external Auditors attended the Annual General Meeting). Also an increase in website upgrade cost that went up from USD 1,208 in the year ended 30 June 2018 to USD 5,208 in the current year. The Audit and Finance Committee will explore the option of having a local currency account to effect direct payment to service providers so as to avoid loss through currency translation.

The Association intends to increase revenue through admission of new members to the Association, sale of market data and adjustment of the current fees structure.

The principal risks and uncertainties facing the Association as well as the risk management framework are outlined in Note 10 of the financial statements.

4. Dividends
The Executive Committee do not recommend the declaration of a dividend for the year.

5. Committee members
The Executive committee members in office at the date of this report are as stated on page 97.

6. Events after the reporting period
The Executive Committee are not aware of any material event which occurred after the reporting date and up to the date of this report.

7. Statement of disclosure to the company’s auditors
With respect to each person who is a Executive Committee on the day that this report is approved:

• There is, so far as the person is aware, no relevant audit information of which the Association’s auditors are unaware; and
• The person has taken all the steps that he/she ought to have taken as a Executive Committee to be aware of any relevant audit information and to establish that the Association’s auditors are aware of that information.

8. Terms of appointment of the auditors
Mbaya & Associates continues in office in accordance with the Association’s Articles of Association and Section 719 of the Kenyan Companies Act, 2015. The Executive Committee monitor the effectiveness, objectivity and independence of the auditors. The Executive Committee also approve the annual audit engagement contract which sets out the terms of the auditor’s appointment and the related fees. The agreed auditor’s remuneration of Kshs303,602 has been charged to profit or loss in the year.

The financial statements set out on pages 111 to 123, which have been prepared on the going concern basis, were approved by the Executive Committee on August 28, 2019 and were signed on its behalf by:

Approval of financial statements

Mr. Karim Hajji (Moroccan)
President

Dr. Edoh Kossi Amenouve (Togolese)
Deputy President

Mr. Ekow Afedzie (Ghanalian)
Chair, Audit & Finance Committee
Independent Auditors Report

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of African Securities Exchanges Association set out on pages 111 to 123, which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in fund balance and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of African Securities Exchanges Association as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming Our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

<table>
<thead>
<tr>
<th>Key audit matters</th>
<th>How our audit addressed the key audit matter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Subscription</td>
<td>- We reviewed the determination of the individual membership annual subscription fees and invoicing.</td>
</tr>
<tr>
<td></td>
<td>- We confirmed the invoiced amount to the bank statement and the accounts receivables for the invoices not yet paid.</td>
</tr>
<tr>
<td></td>
<td>- We verified that the income from members subscriptions is correctly recorded and accounted for, by currying out the cut off procedures.</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>- We reviewed the bank reconciliations and the bank statements against the general ledger.</td>
</tr>
<tr>
<td></td>
<td>- We carried our bank confirmations.</td>
</tr>
<tr>
<td></td>
<td>- Carried out opening balances tests.</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>- We reviewed the Associations budgets and Articles and Memorandum to ensure that their is proper compliance with the Associations mandate.</td>
</tr>
<tr>
<td></td>
<td>- In addition, we vouched all the expenses and agreed them to original support documentations.</td>
</tr>
</tbody>
</table>

Other information
The Executive Committee are responsible for the other information. The other information comprises the Executive Committee’s Report as required by the Kenyan Companies Act, 2015 of Kenya, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Committee for the Financial Statements
The Executive Committee are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee are responsible for assessing the Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.
Auditor’s responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion the information given in the report of the Executive Committee on page 106 - 107 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor’s report was Mike Mbaya Certified Public Accountants (Kenya), Practising Certificate No. 1544.

Mbay & Advocates

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Statement of Profit or Loss and Other Comprehensive Income

<table>
<thead>
<tr>
<th>Note</th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription from members</td>
<td>2</td>
<td>63,752</td>
</tr>
<tr>
<td>Other income</td>
<td>3</td>
<td>14,138</td>
</tr>
<tr>
<td>Total income</td>
<td></td>
<td>77,890</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>4</td>
<td>(62,330)</td>
</tr>
<tr>
<td>Taxation</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Surplus (Deficit) for the year</td>
<td></td>
<td>15,560</td>
</tr>
</tbody>
</table>

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### Statement of Financial Position as at 30 June 2019

<table>
<thead>
<tr>
<th>Note(s)</th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non - Current Assets</strong></td>
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<td></td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>5</td>
<td>2,370</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>6</td>
<td>35,729</td>
</tr>
<tr>
<td>Current tax receivable</td>
<td>8</td>
<td>1,004</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7</td>
<td>104,318</td>
</tr>
<tr>
<td></td>
<td></td>
<td>141,051</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity and Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>9</td>
<td>42,841</td>
</tr>
<tr>
<td><strong>Total Equities and Liabilities</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Statement of Changes in Fund Balance

<table>
<thead>
<tr>
<th>Fund Balance ($)</th>
<th>Accumulated Fund ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2017</td>
<td>62,774</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>22,446</td>
</tr>
<tr>
<td>Balance at 1 July 2018</td>
<td>85,220</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>15,560</td>
</tr>
<tr>
<td>Balance at 30 June 2019</td>
<td>100,780</td>
</tr>
</tbody>
</table>

The financial statements and the notes on pages 106 to 123, were approved by the Executive committee on the August 28, 2019, and were signed on its behalf by:

Mr. Karim Hajji (Moroccan)
President

Mr. Ekow Afedzie (Ghanaian)
Chair, Audit & Finance Committee

Dr. Edoh Kossi Amenounve (Togolese)
Deputy President

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Cash flows from operating activities

<table>
<thead>
<tr>
<th>Note(s)</th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus before taxation</td>
<td>15,560</td>
<td>22,446</td>
</tr>
<tr>
<td>Changes in working capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>2,399</td>
<td>(16,476)</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>23,653</td>
<td>(1,796)</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>41,612</td>
<td>4,174</td>
</tr>
<tr>
<td>Tax received</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Net Cash from operating activities</td>
<td>41,612</td>
<td>4,174</td>
</tr>
</tbody>
</table>

Cash flows from investing activities

<table>
<thead>
<tr>
<th>Note(s)</th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of intangible asset</td>
<td>(2,370)</td>
<td>-</td>
</tr>
<tr>
<td>Total cash movement for the year</td>
<td>39,242</td>
<td>4,174</td>
</tr>
<tr>
<td>Cash at the beginning of the year</td>
<td>65,076</td>
<td>60,902</td>
</tr>
<tr>
<td>Total Cash at end of year</td>
<td>104,318</td>
<td>65,076</td>
</tr>
</tbody>
</table>

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") Interpretations issued and effective at the time of preparing these financial statements and the Kenyan Companies Act, 2015.

These accounting policies are consistent with the previous period.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the Association holds for its own use or for rental to others and which are expected to be used for more than one year.

Property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Association, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Association and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset’s carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset’s economic benefits are consumed by the Association. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

- The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.
- Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.
- The depreciation charge for each year is recognised in surplus or deficit unless it is included in the carrying amount of another asset.
Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

### 1.3 Financial instruments: IFRS 9 Impairment of financial assets

At each reporting date the Association assesses all financial assets, other than those at fair valuethrough surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired. For amounts due to the Association, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment. Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset’s recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised. Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable. Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

### 1.4 Tax

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus or taxable surplus (tax deficit).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surpluses will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable surplus (tax deficit).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Tax expenses

Income tax expense comprises current tax. Current tax is the expected tax payable on the taxable income of the Association for the year using tax rates enacted at the reporting date, and any adjustments to tax payable in respect of the prior period. For the tax purposes of the Association’s gross income is deemed to be taxables as per Income Tax Act section 21(1).

However, where more than 75% of the gross income, other than gross investment income, is earned from the members of the Association, then no part of the gross income, other than gross investment income is subjected to tax. Investment income is however subjected to taxation under the same act unless the Association is granted exemption by the Kenyan Minister for Finance.

#### 1.5 Impairment of assets

The Association assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Association estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Association also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- Tests goodwill acquired in a business combination for impairment annually.
If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.6 Turnover

Income is accounted for on accrual basis. Subscriptions represents annual subscriptions receivable from various stock exchanges that are members of the Association (Full membership, Observer members and Associate members).

Full member exchange pay an annual subscription which is variable, computed based on the members’ markets conditions and sizes. A two year moving average (MA) of the value traded by each member exchange is used to compute the dues with the minimum payable by an exchange being US $ 1,000 (2018-US$ 1,000).

1.7 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in US Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

• Foreign currency monetary items are translated using the closing rate;
• Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
• Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in US Dollars by applying to the foreign currency amount the exchange rate between the US Dollar and the foreign currency at the date of the cash flow.

1.8 Association Membership

The African Securities Exchange Association is currently offering full, observer and associate membership. The membership movement during the period under review was as follows;

• Full members were 25 (2018: 27)
• Observer members were 3 (2018: 2)
• Associate members were 4 (2018: 2)
Notes to the Financial Statements

2. Subscription from members

<table>
<thead>
<tr>
<th></th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full members</td>
<td>58,752</td>
<td>56,450</td>
</tr>
<tr>
<td>Observer Members</td>
<td>3,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Associate Members</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>63,752</strong></td>
<td><strong>60,450</strong></td>
</tr>
</tbody>
</table>

The African Securities Exchanges Association (ASEA) is currently offering Full, Observer and Associate membership. Full member exchanges pay an annual subscription which is variable, computed based on the members’ markets conditions and sizes. A two year moving average (MA) of the value traded by each member exchange is used to compute the dues with the minimum payable by an exchange being USD 1,500 (2018 – USD 1,500).

Observer and Associate members are expected to pay a fixed fee of USD 1,000 (2018 – USD 1,000).

3. Other operating income

<table>
<thead>
<tr>
<th></th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad debt recovered income</td>
<td>14,138</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>-</td>
<td>8,852</td>
</tr>
<tr>
<td>Conference income</td>
<td>-</td>
<td>2,900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,138</strong></td>
<td><strong>11,752</strong></td>
</tr>
</tbody>
</table>

4. Administrative Expenses

<table>
<thead>
<tr>
<th></th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travelling costs</td>
<td>25,559</td>
<td>9,537</td>
</tr>
<tr>
<td>Secretariat fees</td>
<td>15,000</td>
<td>15,012</td>
</tr>
<tr>
<td>Impairment loss- Receivables</td>
<td>7,469</td>
<td>7,454</td>
</tr>
<tr>
<td>Website costs</td>
<td>5,208</td>
<td>1,208</td>
</tr>
<tr>
<td>Secretarial fees</td>
<td>3,147</td>
<td>6,562</td>
</tr>
<tr>
<td>Provision for audit fees</td>
<td>3,060</td>
<td>4,020</td>
</tr>
<tr>
<td>Exchange loss</td>
<td>701</td>
<td>1,344</td>
</tr>
<tr>
<td>Printing costs</td>
<td>682</td>
<td>1,200</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>574</td>
<td>2,308</td>
</tr>
<tr>
<td>Bank charges</td>
<td>484</td>
<td>346</td>
</tr>
<tr>
<td>Office expenses</td>
<td>446</td>
<td>765</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>62,330</strong></td>
<td><strong>49,756</strong></td>
</tr>
</tbody>
</table>

5. Intangible Asset

<table>
<thead>
<tr>
<th></th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work- in- progress software upgrade</td>
<td>2,370</td>
<td>-</td>
</tr>
</tbody>
</table>

This relates to the upgrade being undertaken for the new accounting software for the Association where by the installation process has only been done halfway. The costs will be capitalized once the installation is completed.

6. Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>25,871</td>
<td>25,370</td>
</tr>
<tr>
<td>Other receivables</td>
<td>9,858</td>
<td>9,858</td>
</tr>
<tr>
<td>Accrued Other income</td>
<td>-</td>
<td>2,900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35,729</strong></td>
<td><strong>38,128</strong></td>
</tr>
</tbody>
</table>

The Association provides for impairment of its receivables. The amount of receivables as indicated above are net of the impairment provision.

*Other receivables relate to short term deposits (90 days) placed in Chase Bank Kenya Limited before 7 April 2016 amounting to USD 69,113.

Chase Bank (Kenya) Limited (in receivership) was put under receivership on 7 April 2016 by the Central Bank of Kenya and was re-opened on 27 April 2016 under a Receiver Manager (KCB Bank Limited). During the receivership period, customers were restricted from withdrawing above the set limit of USD 10,000 resulting into the above balance which is still available for withdrawal. Interest has not been accrued since 7 April 2016.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

<table>
<thead>
<tr>
<th></th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barclays Bank of Kenya</td>
<td>104,318</td>
<td>65,076</td>
</tr>
</tbody>
</table>

8. Taxation

(a) Income tax expense

Income tax expense comprises current tax. Current tax is the expected tax payable on the taxable income of the Association for the year using tax rates enacted at the reporting date, and any adjustments to tax payable in respect of the prior period. For tax purposes the Association’s gross income is deemed to be taxable income as per Income Tax Act section 21(1), which notes that, provided that where not less than three-quarters of the gross receipts, other than gross investment receipts, are received from the members of the association, the association shall not be deemed to be carrying on a business and no part of those gross receipts, other than gross investment receipts, shall be income subject to tax.

Investment income is however subject to taxation under the same Act unless the Association is granted exemption by the Kenyan Minister for Finance.
Taxable Income determination

<table>
<thead>
<tr>
<th></th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income received from members (subscriptions income)</td>
<td>63,752</td>
<td>60,450</td>
</tr>
<tr>
<td>Other income</td>
<td>14,138</td>
<td>11,752</td>
</tr>
<tr>
<td>Less: Investment income for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>77,890</td>
<td>72,202</td>
</tr>
</tbody>
</table>

Income received from members as a percentage of total gross income other than investment income | 82 | 82 |

Total income tax charged to the statement of profit and loss and other comprehensive income is as follows:

- Investment income - -
- Current tax at 30% - -

(b) Tax receivable

<table>
<thead>
<tr>
<th></th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 July</td>
<td>1,004</td>
<td>1,004</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,004</td>
<td>1,004</td>
</tr>
</tbody>
</table>

(c) Deferred tax

There were no deferred tax asset (liability) on the period under review.

9. Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>2019 ($)</th>
<th>2018 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>22,334</td>
<td>-</td>
</tr>
<tr>
<td>Provision for bad debt</td>
<td>13,806</td>
<td>7,200</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>3,441</td>
<td>-</td>
</tr>
<tr>
<td>Accrued audit fees</td>
<td>3,060</td>
<td>3,887</td>
</tr>
<tr>
<td>Other payables - Nairobi Securities Exchange</td>
<td>-</td>
<td>1,565</td>
</tr>
<tr>
<td>ASEA Secondment Program</td>
<td>-</td>
<td>6,336</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>42,641</td>
<td>18,988</td>
</tr>
</tbody>
</table>

10. Risk management Financial risk management

Financial risk management

The Executive Committee has overall responsibility for the establishment and oversight of the Association’s risk management framework.

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association’s reputation.

The company’s risk to liquidity is a result of the funds available to cover future commitments. The association manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk is the risk of financial loss to the Association if a subscribed member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association’s receivables from members’ subscriptions and investment securities in which they had no investments in the period audited.

Trade and other receivable

The Association’s exposure to credit is influenced mainly by the individual characteristics of each member. The demographics of the Association’s members base, including the default risk of the country in which member operate. Geographically there is no concentration of credit risk.

Foreign exchange risk

The company does not hedge foreign exchange fluctuations.

The Association is exposed to currency risk on purchases that are denominated in a currency other than the $ currency, primarily the Kenya Shilling. The Association does not have any significant currency risk exposures.
NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF THE AFRICAN SECURITIES EXCHANGE ASSOCIATION (ASEA) WILL BE HELD ON SUNDAY, 24TH NOVEMBER 2019 IN KASANE, BOTSWANA AT CRESTA MOWANA SAFARI RESORT AT 2:00 P.M. BOTSWANA TIME.

AGENDA
1. To confirm the presence of a quorum.
2. To read the notice convening the meeting and adopt the agenda.
3. Welcome to Kasane, Botswana:
   3.1 To receive welcome remarks from the Chief Executive Officer of the Botswana Stock Exchange.
4. Opening of the 23rd ASEA Annual General Meeting
   4.1 To receive an opening statement from Mr. Karim Hajji, the President of ASEA.
5. To confirm minutes of the 22nd Annual General Meeting held on 25th November, 2019.
6. To receive the report of the Matters Arising from the Minutes of the 22nd Annual General Meeting held on 25th November, 2019.
7. To receive and approve the President’s Report.
8. To receive the report by the ASEA Secretariat.
9. To receive, consider and if approved, adopt the Financial Statements for the year ended 30th June 2019 together with the Directors and Auditor’s reports.
10. Re-appointment of Auditors: To re-appoint Messrs. Mbaya & Associates as the auditors and tax consultants of ASEA for the financial year ending 30th June 2020 in accordance with the provisions of Section 717 (2) of the Companies Act, 2015 and to authorize the Executive Committee to fix the auditors’ remuneration.
11. Election of Executive Committee Members
   11.1 To note that in accordance with Article 26 (a) of the Company’s Articles of Association, the following Members of the Executive Committee retire by rotation at this Annual General Meeting, and being eligible (in accordance with Article 26 (b) of the Articles of Association), offer themselves for re-election:
      a) Mr. Mohamed Farid
      b) Mr. Geoffrey Odundo
      c) Mr. Thapelo Tsehole
   11.2 To carry out the election of Members of the Executive Committee within the provisions of Article 25 (1) of the Company’s Article of Association which provides that the number of Members of the Executive Committee shall consist of up to Eleven (11) Members, which Members shall be elected at the Annual General Meeting.
12. Cessation of Membership
12.1 To note the withdrawal of ZAR X as a Full Member of ASEA.
13. Admission of New Members
13.1 To approve the admission of Central Securities Clearing System as an Associate Member and other new members, if any.

BY ORDER OF THE BOARD

AZALI CERTIFIED PUBLIC SECRETARIES LLP COMPANY SECRETARIES
2nd November 2019

Notes:
1. Only a Member in good standing with the Association shall be allowed to attend or vote at the above meeting.
2. A Member entitled to attend and vote at the above meeting may nominate such person as they think fit to act as their representative at the said meeting by informing the Association Secretary in writing of their nominated representative. Such nomination should be sent to the Association Secretary via email to casige@azali.co.ke to arrive at least seven (7) days before the date of the meeting.
3. Such nominated person shall be required to produce evidence of his/her identity and of such nomination at the meeting.
4. A nomination form is attached for your execution and return by 17th November 2019.
Notice of Nominating a Representative to the 23rd Annual General Meeting Of The African Securities Exchanges Association (ASEA)

We ________________, of P. O. Box ________________, being members of the African Securities Exchanges Association and duly qualified to attend and vote at the Association’s Annual General Meeting to be held on the 24th day of November 2019, do hereby nominate ________________, of P. O. Box ________________, as our representative at the said meeting and at any adjournment thereof.

SIGNED this ________________ day of ______________________ 2019.

SEALED WITH THE COMMON SEAL OF

In the presence of:

DIRECTOR

DIRECTOR/SECRETARY

NOTE:
1. A Member entitled to attend and vote at the above meeting may nominate such person as they think fit to act as their representative at the said meeting by informing the Association Secretary in writing of their nominated representative. Such nomination should be emailed to the Association Secretary on casige@azali.co.ke to arrive before November 17, 2019 at 2.00 PM GMT.
2. Such nominated person shall be required to produce evidence of their identity and of such nomination at the meeting.