

FMDQ SPOTLIGHT

NEWSLETTER EDITION 50 – DECEMBER 2018



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■ GLOBAL COMPETITIVENESS

■ OPERATIONAL EXCELLENCE

■ LIQUIDITY

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NEW STORIES

FMDQ Commemorates its Fifth Year Anniversary!

On November 7, 2013, the Nigerian financial market regulators, architects and founding treasurers, subject-matter experts and indeed, a host of other domestic and international stakeholders gathered to witness the launch of a game-changing market infrastructure, FMDQ OTC Securities Exchange (“FMDQ” or the “OTC Exchange”), onto the Nigerian financial markets landscape. This marked the beginning of a unique and much-needed revolution for the Nigerian financial markets, particularly in the fixed income, currencies and derivative markets space.

The OTC Exchange, having sustained its commitment through the years to transform and make the Nigerian financial markets **“GOLD”** – **G**lobally Competitive, **O**perationally Excellent, **L**iquid and **D**iverse, with the invaluable support of its stakeholders and market participants, turned five (5) on November 7, 2018! To commemorate five (5) years of innovation, resilience, value-adding and most importantly, immeasurable collaboration with its varied stakeholders, the OTC Exchange embarked on a week-long series of activities, commencing with a visit to FMDQ’s Print Media Strategic Partner, followed by an Anniversary Reception at its business complex, Exchange Place, and the Inaugural Staff Leadership Development Series (SLDS). The OTC Exchange also introduced and hosted the Inaugural FMDQ GOLD Awards, a first of its kind in the Nigerian fixed income, currencies and derivatives markets, geared at recognising the commitments and invaluable contributions of FMDQ’s market participants and stakeholders who have contributed towards the growth and development of the markets. The Anniversary week celebration culminated with a Media Parley, where the capital market correspondents and photo journalists were hosted to an informal reception. Details of the week-long celebration activities are provided below.

▪ **FMDQ Visits Strategic Media (Print) Partner, BusinessDay Media Limited**

In recognition and appreciation of the formidable role of the media in the development of the Nigerian financial markets, and the collaborative relationship between FMDQ and BusinessDay Media Limited (BusinessDay), one of its strategic media partners, the OTC Exchange commenced its Fifth Year Anniversary celebration activities by visiting, BusinessDay at its offices in Apapa, Lagos, on November 5, 2018.

Amongst those present at the visit were Mr. Bola Onadele. Koko, Managing Director/CEO of FMDQ, Ms. Kaodi Ugoji, Associate Executive Director, Corporate Development, FMDQ, along with other representatives from FMDQ. Also present at the visit were the host, Mr. Frank Aigbogun, Publisher/CEO, BusinessDay Media, Mr. Anthony Osae-Brown, Editor, BusinessDay Media, Mr. Patrick Atuanya, News Editor, BusinessDay Media and other key representatives from the BusinessDay Media.





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▪ FMDQ Holds Reception to mark its Fifth Year Anniversary

To commemorate its Fifth Year Anniversary, the OTC Exchange played host to national icons, financial market doyens, market participants and its employees, at yet another impactful event on November 7, 2018. Notable amongst these were regulatory icons and personalities who shared in the FMDQ vision in the early days, and directly contributed to the birthing and indeed, berthing of the FMDQ franchise. They included, but were not limited to, His Royal Majesty, Emir Kano, Muhammadu Sanusi II, CON; Pioneer Chairman of FMDQ, Mr. Aigboje Aig-Imoukhuede, CON; immediate Past Chairman of FMDQ and former Deputy Governor, Economic Policy of Central Bank of Nigeria (CBN), Dr. Sarah O. Alade, OON; Chairman of FMDQ, Mr. Okwu Joseph Nnanna, ably represented by the Vice Chairman of FMDQ, Mr. Jibril Aku; outgoing Vice President and Treasurer, International Finance Corporation, Mr. Jingdong Hua; Mr. Akinsowon Dawodu, Former Director of FMDQ and Country Officer, Citibank Nigeria Limited, amongst other franchise promoters, capital market doyens and subject matter experts.

Welcoming the guests to the event, Mr. Jibril Aku expressed his appreciation to all the founding Members of FMDQ, noting that FMDQ was borne out of and continues to operationalise its initiatives with the collective efforts of varied market stakeholders, to which the Financial Markets Dealers Association (FMDA), Securities and Exchange Commission (SEC), CBN, Debt Management Office (DMO) and a host of other salient stakeholders within the market, must be applauded.



Key highlights of the anniversary included the launch of the FMDQ Archives – a well-equipped history room which tells the story of FMDQ's evolution, highlights the OTC Exchange's achievements, and showcases the series of initiatives, collaborations and indeed, progression of FMDQ from its evolution in 2013 to date. There was also a tour of the FMDQ Q-Hub – the trading simulation facility for the FMDQ Next Generation Financial Market Empowerment Programme (FMDQ-Next), FMDQ's flagship corporate responsibility initiative which provides bespoke financial markets education for the younger generation (i.e. primary, secondary and tertiary institutions' students, as well as fresh graduates).





[Click Here to View FMDQ Anniversary & Archives Launch Photos](#)

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▪ **FMDQ Launches Its Inaugural Staff Leadership Development Series**

Amidst the exciting activities planned in commemoration of FMDQ's Fifth Year Anniversary, the OTC Exchange launched its Inaugural Staff Leadership Development Series (SLDS) on November 8, 2018.

The SLDS, which is line with FMDQ's Employee Value Proposition to 'Manage Careers & Talent through Learning and Development' and 'Uphold and Inspire high standards of Leadership & Management' towards the development of high performing employees, is a series of highly participatory and engaging sessions for its staff, which is aimed at enhancing staff leadership capacity and competencies, and is facilitated by industry experts and national icons, who shares their leadership experiences, challenges and successes, on a periodic basis, in a bid to foster the sustainable development of leaders across FMDQ's workforce.

The inaugural SLDS was facilitated by Mr. Fola Adeola, MFR, an industry captain whose experience and wealth of knowledge is undoubtedly exemplary. Mr. Adeola, during the SLDS shared his leadership



experience with FMDQ Business Leadership team and staff, and engaged everyone present in a case study, using the story in a movie titled, “Twelve O’ Clock High”.



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▪ Media Parley with FMDQ

Having recognised that the successes and achievements recorded by the OTC Exchange over the last five (5) years is a function of the collaborative effort of all its stakeholders including the media, FMDQ culminated its Fifth Year Anniversary activities with a Media Parley. The Media Parley was held on November 10, 2018, towards fostering a mutual understanding as well as to strengthen existing relationships with the OTC Exchange's media partners.

Welcoming the guests, Ms. Kaodi Ugoji, Associate Executive Director, Corporate Development, FMDQ, appreciated the collaboration and invaluable efforts the Capital Markets Correspondents Association of Nigeria has made towards bringing visibility to the FMDQ markets via print, electronic and online channels. She reiterated the full commitment of the Exchange to continue to support the Association in achieving its mandate.

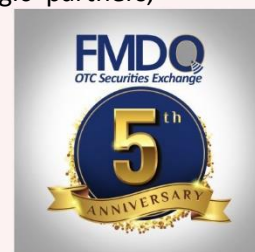
Key highlights of the Media Parley included informal engagements of the media representatives with the Managing Director/Chief Executive Officer of FMDQ, Mr. Bola Onadele. Koko, discussing the state and outlook for the FMDQ markets. There were also presentations by FMDQ Business Executives providing a brief and better understanding where required of FMDQ's strategic initiatives, as well as an open forum for the media representatives to interact and learn more about the Nigerian financial markets.



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FMDQ Launches Maiden GOLD Awards

As part of the plans to commemorate its Fifth Year Anniversary, FMDQ at a momentous occasion hosted key financial market stakeholders (governments, regulators, Members, issuers, strategic partners,



foreign and local investors, media etc.), at the inaugural **FMDQ GOLD Awards** (the “GOLD Awards”) on November 9, 2018, at the Lagos Oriental Hotel, Victoria Island, Lagos. The GOLD Awards, which brought together domestic and international stakeholders in the Nigerian and global financial markets space, provided a platform to acknowledge and formally recognise the contributions of market participants within the FMDQ markets, whose activities have directly impacted the development of the markets and positively contributed to making them **G**lobally Competitive, **O**perationally Excellent, **L**iquid and **D**iverse.

The long-awaited FMDQ GOLD Awards, first in the Nigerian financial markets, played host to the Governor of the CBN, Mr. Godwin Emefiele, who was the Special Guest of Honour, the Deputy Governors of the CBN – Dr. Okwu Joseph Nnanna (also Chairman, Board of Directors, FMDQ), Mrs. Aishah Ahmad and Mr. Adebisi Shonubi -, former and current Board of Directors of FMDQ, the Nigerian financial markets regulators, FMDQ’s Members, and other players in the Nigerian financial markets, such as, issuers, investors, solicitors, media, international stakeholders, franchise promoters and industry experts, captains of the Nigerian financial markets, amongst others.

Delighted at the diverse gathering of market participants and stakeholders at the GOLD Awards, Dr. Okwu Joseph Nnanna, Chairman, Board of Directors, FMDQ, specially commended the SEC for demonstrating great foresight in registering FMDQ, and commended other market stakeholders for the support given to FMDQ from inception. The Chairman, during his speech stated that, “the uncommon contributions FMDQ has made to the growth of the Nigerian financial markets thus far, are directly proportionate to the support FMDQ has received from its world of stakeholders”. Dr. Nnanna, reiterated during his speech that, FMDQ will continue to provide the requisite platform to power growth and foster the deepening of the Nigerian financial markets”.

The CBN Governor, Mr. Godwin Emefiele, during his Keynote Address highlighted that “FMDQ has proven to be a reliable partner to the Central Bank by providing an efficient platform for financial markets participants in the primary and secondary markets in a bid to ensure sustainable growth and development in the Nigerian financial markets”. He further stated that “FMDQ’s contributions towards the development of a well-functioning and transparent financial system have immensely helped to ensure system liquidity and significantly deepened the Nigerian markets”. The Governor, in his address, appreciated FMDQ’s staunch support to the CBN in stabilising the Nigerian FX markets and operationalising the OTC FX Futures market, and committed that the CBN will continue to support FMDQ in its joint quest to make the financial markets “GOLD”.

The major highlights of the Ceremony were the presentation of the GOLD Awards to the winners of the various categories (Primary, Secondary and Members’ & Clients’ Choice Award Categories), the FMDQ Market Luminary Awards, FMDQ Game Changer Award and Special Recognitions for FMDQ’s Media and Technology Partners, who have all performed creditably in supporting the development of FMDQ’s markets over the past five (5) years, from November 2013. The FMDQ-Next was also formally launched to the market with the presentation of gifts and certificates to the students of Lagoon Secondary School and Canterbury International School for participating and excelling in the FMDQ-Next Programme held during the FMDQ Anniversary week, November 5 – 10, 2018.



The complete list of awardees is as shown below.

[Click Here to View FMDQ GOLD Awards Pictures](#)





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Congratulations to the Maiden FMDQ GOLD Awards Winners!!!

FMDQ Capital Markets Securities Origination



Stanbic IBTC
A member of Standard Bank Group

Stanbic IBTC Capital Limited

This award goes to the Dealing Member with the highest turnover in the products traded on FMDQ over the first 5 years of FMDQ.

Largest Corporate Bond Issuer on FMDQ

★★★



Lafarge
Building better cities™
Lafarge Africa PLC

Largest Sub-national Bond Issuer on FMDQ

★★★



Lagos State Government of Nigeria

Largest Commercial Paper Issuer on FMDQ

★★★



Access Bank PLC

Largest Fund Manager on FMDQ

★★★



Stanbic IBTC
Stanbic IBTC
Asset Management Limited

This award goes to the corporate entity with the highest total bond(s) value listed on FMDQ within the period in view.

This award goes to the Nigerian State Government with the highest total bond(s) value listed on FMDQ within the period in view.

This award goes to the issuer with the largest total commercial paper value quoted on FMDQ's platform within the period in view.

This award goes to the Fund Manager with the highest total fund(s) value listed on FMDQ within the period in view.

Most Market-Impacting Issuer on FMDQ

★★★



Debt Management Office, Nigeria

FMDQ Registration Member (Listings)

★★★

CHAPEL HILL DENHAM

**Chapel Hill Denham
Advisory Limited**

FMDQ Registration Member (Quotations)

★★★



Stanbic IBTC
A member of Standard Bank Group
Stanbic IBTC Capital Limited

Debt Capital Markets Solicitors

★★★



BANWO & IGHODALO
Banwo & Ighodalo

This Award goes to the issuer with the highest number of pace-setting (inaugural) potentially "market-impacting" debt securities listed on FMDQ.

This award goes to the Registration Member (Listings) that has sponsored the highest total value (listings) of non-sovereign local currency securities on FMDQ.

This award goes to the Registration Member (Quotations) that has sponsored the highest total value of Commercial Papers (single issues + series) quotations on FMDQ.

This award goes to the solicitor who has participated in the most diverse and highest number of offers listed and quoted on FMDQ.

Regulator Market Transformation Initiative Award - National Pension Commission

★★★



Pension Reform Act 2014

Regulator Market Transformation Initiative Award - Securities and Exchange Commission, Nigeria

★★★



SEC NIGERIA
SECURITIES AND EXCHANGE COMMISSION, NIGERIA
Licencing of FMDQ OTC Securities Exchange
& FMDQ Clear Limited

This award goes to National Pension Commission for the action/initiative during the last 5 years that has had or has the potential to have the most significant and progressive transformation in the capital markets. This action/initiative has caused a glaring positive difference in the markets and has made for an improved market.

This award goes to the Securities and Exchange Commission for the action/initiative during the last 5 years that has had the most significant and progressive transformation in the capital markets. This action/initiative has caused a glaring positive difference in the markets and has made for an improved market.

Congratulations to the Maiden FMDQ GOLD Awards Winners!!!

FMDQ 1st Lustrum Dealing Member



Stanbic IBTC
A member of Standard Bank Group

Stanbic IBTC Bank PLC

This award goes to the Registration Member that has sponsored the highest value of listings and/or quotations of non-sovereign local currency securities on FMDQ.

**Debt Capital Markets
Financing for Infrastructure
Development**
★★★



Lagos State Government of Nigeria

**FMDQ Fixed Income
Market Liquidity Provider**
★★★

access >>>
Access Bank PLC

**FMDQ Money Market
Liquidity Provider**
★★★

FirstBank
Since 1894
First Bank of
Nigeria Limited

**FMDQ FX Market
Liquidity Provider**
★★★

Stanbic IBTC
A member of Standard Bank Group

Stanbic IBTC Bank PLC

This award goes to the issuer with the largest value (single or combined series) of fixed income securities (bonds, CPs, funds, etc.) on FMDQ raised and channeled directly towards promoting/impacting the development of infrastructure in Nigeria.

This award goes to the FMDQ Dealing Member with the highest turnover in fixed income securities on FMDQ within the review period.

This award goes to the FMDQ Dealing Member with the highest turnover in money market products on FMDQ within the review period.

This award goes to the FMDQ Dealing Member with the highest turnover in FX on FMDQ within the review period.

**Most Active Foreign
Portfolio Investor in the
Nigerian Fixed Income
and Currency Markets**
★★★

J.P.Morgan

J.P. Morgan, United Kingdom

**FMDQ OTC FX
Futures Bank**
★★★



Zenith Bank PLC

**FMDQ Member
Compliance**
★★★

Stanbic IBTC
A member of Standard Bank Group

Stanbic IBTC Bank PLC

**Debt Capital Markets
Development Catalyst**
★★★



**Nigeria Mortgage
Refinance Company PLC**

This award goes to the institution that has been voted by FMDQ Dealing Members as the most active foreign portfolio investor in the Nigerian fixed income and currency markets, contributing significantly to foreign currency inflows to the nation.

This award goes to the FMDQ Dealing Member with the highest value of executed OTC FX Futures contracts on FMDQ within the review period.

This award goes to the Dealing Member with the least number of infractions, thereby most compliant to the market rules and guidelines of FMDQ.

This award goes to an institution that was established to fulfil a fundamental gap in the DCM; and has the potential to galvanise and propel development in the DCM.

**Most Active
Corporate in the
Foreign Exchange Market**
★★★



**MTN Nigeria
Communications Limited**

**Most Active Buy-side
Participant in the
Fixed Income Market**
★★★



Stanbic IBTC
Stanbic IBTC
Pension Managers Limited

**Best
Brokerage Service**
★★★



Parthian Partners Limited

This award goes to the institution that has been voted the most active non-bank corporate player in the FX market by FMDQ Dealing Members.

This award goes to the buy-side participant that has been voted the most active player in the fixed income market by FMDQ Dealing Members.

This award goes to the FMDQ Associate Member (Inter-Dealer Brokers) voted by Members as providing the most exemplary brokerage service.

Special Recognitions and GOLD Awards Winners



Ms. Arunma Oteh, OON



Emir of Kano, H.R.M. Muhammadu Sanusi II, CON



Mr. Godwin Emefiele, CON (Governor, Central Bank of Nigeria)

This award recognises an individual whose action(s), while in "office" introduced a significantly important product, policy, structure or infrastructure, that delivered sustainable transformation to the Nigerian financial market and economic ecosystems.

This award recognises an institution and its leader for spearheading an initiative that has had significant impact on almost every stakeholder group/segment in the financial markets; an initiative that has delivered evident market and/or economic development.



Mr. Jingdong Hua

(Vice President & Treasurer, International Finance Corporation)

This award recognises an institution and its leader for aligning with FMDQ's initiatives as an economic development partner.

Financial Market Architects



Mr. Aigboje
Aig-Imoukhuede, CON



Mr. Akinsowon
Dawodu



Mrs. Sola
David-Borha



Financial Markets
Dealers Association

In recognition of their role as Architects in the formation of FMDQ.

Regulatory Visionaries (Individuals)



Ms. Arunma
Oteh, OON



Dr. Abraham
Nwankwo



Dr. (Mrs.) Sarah
O. Alade, OON



Emir of Kano,
H.R.M. Muhammadu
Sanusi II, CON

In recognition of their role as regulatory visionaries in the formation of FMDQ.

FMDQ Markets Luminaries



Mr. Fola
Adeola, MFR



Mr. Jim Ovia,
CON



Mrs. Funke
Osibodu



Mr. Atedo
Peterside, CON

In recognition of their role as founding treasurers and makers of the Capital markets whose foresight and creativity led to the innovation and advancements in the market today.

Regulatory Visionaries (Institutions)



Central Bank of Nigeria



Debt Management
Office, Nigeria



SEC NIGERIA

Securities and Exchange
Commission, Nigeria

In recognition of their role as regulatory visionaries in the formation of FMDQ.

Financial Market Champions



G. Elias & Co



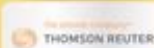
FDHL



Management Transformation Limited

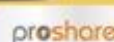
In recognition of their role as one of the champions in the formation of FMDQ.

Special Recognition (Technology Partners)



In recognition of their role as technology providers who have keyed into the FMDQ vision and have partnered with FMDQ to provide bespoke technology solutions for the benefit of the FMDQ markets.

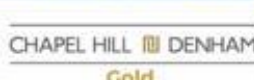
Special Recognition (Media Partners)



In recognition of their role as supporters of FMDQ's agenda and mandate through the continued provision of visibility for the FMDQ markets through print, electronics and online.

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SPONSORS:



FMDQ Hosts Ms. Arunma Oteh, OON, Outgoing Vice President & Treasurer of The World Bank at Exchange Place

On November 23, 2018, at a modest yet impactful event, FMDQ played host to the outgoing Vice President & Treasurer, World Bank, Ms. Arunma Oteh, OON, at its business premises, Exchange Place, in honour of her contributions and visionary role in defining the strategic path for FMDQ.

Key highlights of the Ceremony included an “FMDQ HardTalk” session with Ms. Oteh, where she shared her views on the current state and outlook for the Nigerian capital markets as well as provided some titbits relevant for FMDQ to maintain sustainable development in the Nigerian financial markets space.

As an FMDQ franchise promoter, Ms. Oteh was recognised and two (2) Awards, thereof, presented;

1. Regulatory Visionaries Award – in recognition of her role as a regulatory visionary in the formation of FMDQ
2. FMDQ Markets Legacy Award – which recognised an individual whose action(s) while in “office” introduced a significantly important product, policy, structure, or infrastructure, that delivered sustainable transformation to the Nigerian financial market and economic ecosystem



Among those present at the Ceremony and from whom goodwill messages trooped in for Ms. Oteh were Ms. Eme Essien Lore, Country Manager (Nigeria), International Finance Corporation, Mr. Ayo Gbeleyi, Partner, GA Capital, Mr. Abubakar Jimoh, MD/CEO, Coronation Merchant Bank, Ms. Cecilia Akintomide, OON, Independent Non-Executive Director, FBN Holdings, Mr. Bolaji Balogun, Managing Director/Chief Executive Officer, Chapel Hill Denham and Mr. Frank Aigbogun, Publisher/CEO, BusinessDay Media.





Ms. Otefe, following receipt of her awards, expressed her delight and appreciation to FMDQ for positively impacting the standards of development in the Nigerian financial markets. She went on to charge the OTC Exchange to sustain its drive and mandate to transform the markets, noting that such welcome development is required to fully integrate the Nigerian markets into the global financial landscape.

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FMDQ Integrates Money and Capital Markets... Creates New Market for Stockbrokers to Trade Fixed Income with Banks in the Nigerian Debt Capital Market

Following its long-time agenda to foster market integration, improve network effects and promote liquidity in the Nigerian financial markets, FMDQ announced the launch of its Dealing Member (Specialists) (DMS) Market, which went live on December 19, 2018. This unprecedented market development initiative comes on the back of the fragmentation identified in the fixed income market and will provide seamless integration of the fixed income inter-bank market - FMDQ Dealing Member (Banks) [DMBs] - and the securities dealers, who are Members of the newly-created membership category - FMDQ Dealing Member (Specialists) [DMSs].



The DMS category is a subset of the FMDQ Dealing Member category, which also warehouses the DMBs, and is made up of securities dealers, including investment banking firms, securities trading/stockbroking firms and OTC fixed income dealers licenced to make market in all fixed income products admitted for trading on the FMDQ platform. FMDQ, in the last three (3) years, has worked with the SEC and market participants to create the DMS market, and this new market affords both the SEC-registered Nigerian Stock Exchange (NSE) as well as FMDQ Dealers the opportunity to trade together in a liquid fixed income market operated by banks, who are the foundation Members of FMDQ. The participation of DMSs in the Nigerian fixed income market will not only enhance liquidity, but also serve as an efficient channel for FMDQ to integrate retail participants into the Nigerian fixed income market. Furthermore, in a first-time move, the banks have committed to support the DMS market with trading liquidity by accepting to provide two-way quotes to the DMSs, whereas FMDQ Clear Limited, will act as the clearing house for the market and Stanbic IBTC Bank PLC as the settlement bank.



Currently six (6) securities dealing institutions - Afrinvest Securities Limited; Chapel Hill Denham Securities Limited; Cordros Securities Limited; Dunn Loren Merrifield Securities Limited; Cardinal Stone Securities Limited and PSL Capital Limited - have been successfully onboarded on the system as pioneer FMDQ DMSs, and are strategically positioned to take advantage of the entrepreneurial opportunities for Nigerian bankers with financial markets trading, risk management and trading operation experience and backgrounds.

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FMDQ, Office of the Vice President, Host the Ease of Doing Business Sensitisation Session

FMDQ having taken on the role of an advocate, providing relevant advice to government and regulators, as well as a catalyst for infrastructure capital through the Nigerian debt capital markets (DCM), hosted the maiden DCM Ease of Doing Business Sensitisation Session, facilitated by the Enabling Business Environment Secretariat (“EBES”) of the Office of the Vice President of Nigeria.

The FMDQ DCM Sensitisation Session, which was attended by key representatives from the government agencies/institutions, including but not limited to the SEC, CBN, Nigerian Ports Authority (NPA), Nigerian Customs Service (NCS), Nigerian Maritime Administration and Safety Agency (NIMASA), Nigerian Investment Promotion Commission (NIPC); members of the FMDQ Debt Capital Markets Development (DCMD) Project Implementation Committees; and other capital market stakeholders from FMDA, Association of Corporate Treasurers of Nigeria (ACTN), Association of Issuing Houses of Nigeria (AIHN), Capital Market Solicitors Association (CMSA), Fund Managers Association of Nigeria (FMAN), Nigerian Insurers Association (NIA) Pension Fund Operators Association of Nigeria (PenOp), etc.; aimed to provide an avenue for key officials of the EBES to update and educate stakeholders in the Nigerian DCM on specific initiatives emanating from the implementation of the recent National Action Plans (NAP) and the impact on their businesses.



The well-attended session afforded DCM stakeholders an opportunity to provide feedback to the EBES on the challenges currently being experienced on the back of the reforms, as well as to proffer suggestions/key modalities for ensuring that the implementation of the NAP precipitates the optimal enabling environment for conducting business in Nigeria.



Dr. Jumoke Oduwole, Senior Special Assistant to the President on Industry, Trade and Investment, during her presentation at the Session stated that the “FMDQ DCM Ease of Doing Business Sensitisation Session is a laudable initiative from the private sector that provides the opportunity for the Government to share with the DCM community all completed and on-going business environment reforms that have been achieved so far. Today, we are pleased to receive feedback from our DCM stakeholders on challenges as well as improvements in the Nigerian business environment as we jointly strive to make Nigeria a progressively easier place in which to do business.”



[Click Here For More on the FMDQ DCM Ease of Doing Business Sensitisation Session](#)

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FMDQ, IFC, FHF and Others Collaborate towards the Development of the Nigerian Housing Market

From unfavourable land laws, difficulty in land registration and titling, to dearth of construction finance, restricting tenors of mortgage banks and general sector illiquidity, the Nigerian housing sector is faced with a myriad of challenges inhibiting its growth.



FMDQ, in seeking innovative and plausible ways to resolve some of the identified challenges, partnered the International Finance Corporation (“IFC”) and Family Homes Funds (“FHF”) as part of its DCM deepening effort, to hold its Series II Housing Roundtable (“the Roundtable”) session on November 19, 2018, at FMDQ’s business complex, Exchange Place.



The Housing Roundtable, which was executed via a two-Series approach, held its Series I on November 6, 2018, with a focus on issues culminating from the supply side of the sector. The Series II, on the other hand, more largely focused on providing a platform for policy makers and investors, particularly from the demand side, to engage; discussing and proffering plausible solutions to the challenges that plague the housing and mortgage sectors in Nigeria.

Among key participants in attendance at the Roundtable session were Ms. Eme Essien Lore, Country Manager (Nigeria), International Finance Corporation; Mr. Bolaji Balogun, Chairman, Steering Committee, FMDQ Debt Capital Markets Development Project & Managing Director/Chief Executive Officer, Chapel Hill Denham; Ms. Imeh Okon, Senior Special Assistant to the President on Infrastructure; Brig. General Tunde Reis (Rtd.), President & Founder, First World Communities; Mrs. Tokunbo Martins, Director, Other Financial Institution Supervision Department, CBN; Mr. Sonnie Ayere, Chairman, Mortgage Warehouse Funding Limited & Founder/Chief Executive Officer, Dunn Loren Merrifield Group; amongst others.

[Click Here For More on the FMDQ Series II Housing Roundtable](#)

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30th OTC FX Futures Contract Matures and Settles on FMDQ

On Wednesday, December 26, 2018, the 30th OTC FX Futures contract NGUS DEC 26 2018, with contract amount of US\$664.78 million matured and settled on FMDQ. This maturity brings the total value of matured Naira-settled OTC FX Futures contracts on FMDQ, since the inception of the market in June 2016, to over US\$13.00 billion; with well over \$17.00 billion worth of OTC FX Futures contracts traded so far.

The maturing contract was settled against the FMDQ reference Spot FX rate, NAFEX – the Nigerian Autonomous Foreign Exchange Fixing – published on December 26, 2018. In line with its treatment for previous maturities, the CBN replace the matured contract with a new contract NGUS DEC 24 2019, and repriced its quotes on the existing 1-11 months contracts.

The contracts quotes are published daily on FMDQ's website – www.fmdqotc.com and on the FMDQ Twitter page - [@FMDQOTCExchange](https://twitter.com/FMDQOTCExchange)

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FMDQ continues to avail its credible and efficient platform as well as tailor its Listings, Quotations and Noting services to suit the needs of issuers. With the growing interest of corporate entities in the commercial paper (CP) market to finance their short-term funding needs, the OTC Exchange has, following the due diligence of the responsible Board Committee approved the successful registration of the Mixta Real Estate PLC ₦15.00 billion CP Programme and the Eterna PLC ₦10.00 billion CP Programme. These are in addition to the approval for formal admission and quotation of the FBNQuest Merchant Bank Limited ₦7.42 billion Series 1 - 4 CPs under its ₦100.00 billion CP Programme and the FSDH Merchant Bank Limited ₦257.57 million Series 7 and ₦15.08 billion Series 8 CPs under a ₦30.00 billion CP Issuance Programme on the FMDQ platform.

As these corporate entities and a host of others continue to effectively and sustainably meet their funding needs, as well as contribute to the development of the nation's debt markets, FMDQ will continue to take crucial steps, in collaboration with market stakeholders, towards promoting transparency, governance, integrity and efficiency in the Nigerian CP market.

FMDQ Lists the Flour Mills of Nigeria PLC Bonds on its Platform

Present to celebrate the successful admission of FMN Bonds on FMDQ were the issuer, Flour Mills of Nigeria PLC, represented by the Group Managing Director, Mr. Paul Gbededo and other key representatives from Flour Mills of Nigeria PLC. Also present at the ceremony were the sponsor of the



Bond on FMDQ and the Registration Member (Listings), Stanbic IBTC Capital Limited (Stanbic IBTC Capital), and senior representatives from the Joint Issuing Houses, ARM Securities Limited, FBNQuest Merchant Bank Limited, United Capital PLC and Zenith Capital Limited, as well as the solicitors to the listing, The New Practice, KB & Company, Udo Udoma & Belo-Osagie, amongst others.



[Click Here For More on the Listing of the Flour Mills Bonds](#)

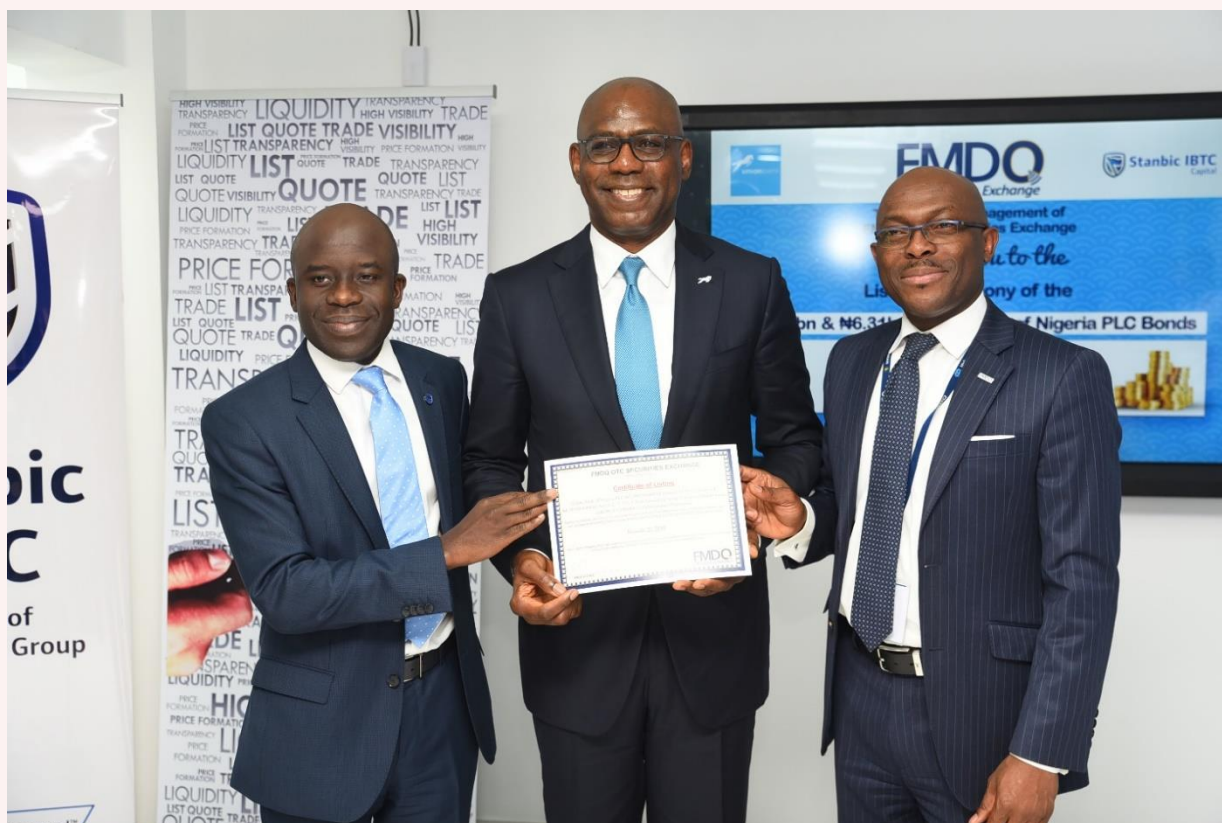
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FMDQ Admits Union Bank of Nigeria PLC ₦13.50 billion Fixed Rate Secured Bond to its Platform

The Board Listings, Markets and Technology Committee of FMDQ approved for listing on FMDQ, the Union Bank of Nigeria PLC ₦7.19 billion 3-Year 15.50% Series 1 Senior Unsecured Fixed Rate Bond and ₦6.31 billion Series 2 7-Year 15.5% Series 2 Senior Unsecured Fixed Rate Bond (the “Union Bank of Nigeria Bonds”) under its ₦100.00 billion Debt Issuance Programme on its platform.



Present to celebrate the successful admission of Union Bank Bonds on FMDQ were the issuer, Union Bank of Nigeria PLC (“Union Bank PLC”), represented by the Group Managing Director/CEO, Mr. Emeka Emuwa and other key representatives from Union Bank PLC. Also present at the ceremony were the sponsor of the Bond on FMDQ and the Registration Member (Listings), Stanbic IBTC Capital Limited (Stanbic IBTC Capital), and representatives from the Joint Issuing Houses, Barclays Securities Nigeria Limited, Standard Chartered Capital & Advisory Nigeria Limited, Union Capital Markets Limited, solicitors to the listing, Aluko & Oyebo, Udo Udoma & Belo-Osagie, as well as the trustees.



In delivering his special address, Mr. Emeka Emuwa, commented, “Union Bank PLC is pleased to be listing its inaugural Series 1 & 2 issuances under its ₦100.00 billion Debt Issuance Programme on FMDQ Platform. The issuance of the Series 1 & 2 Bonds is a key milestone of our corporate funding strategy and listing the Bonds on FMDQ ensures growth in liquidity and transparency within the fixed income market in Nigeria”.

[Click Here For More on the Listing of the Union Bank Bonds on FMDQ](#)

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FMDQ TURNOVER & DEALING MEMBER (BANKS) LEAGUE TABLE

FMDQ Turnover & League Table Reports

The FMDQ OTC Market Turnover Report shows the turnover on all products traded on the FMDQ secondary market – Foreign Exchange (FX), Treasury Bills (T.bills), Bonds (FGN Bonds, other Bonds (Agency, Sub-national, Corporate & Supranational) & Eurobonds)) Commercial Papers and Money Market (Repos/Buy-Backs and Unsecured Placements/Takings). These figures exclude primary market auctions in T.bills and Bonds.

The data, collated from the weekly trade data submissions by FMDQ Dealing Member (Banks), represents trades executed amongst the Dealing Member (Banks), Dealing Member (Banks) & Clients, and Dealing Member (Banks) & the CBN.

FMDQ OTC Market Turnover (January - November 2018)

Product Category	(₦'mm)	(\$'mm)
Foreign Exchange	40,126,480	110,908
Foreign Exchange Derivatives	20,509,893	56,703
Treasury Bills	65,666,935	181,504
FGN Bonds	11,067,484	30,591
Other Bonds*	105,467	292
Eurobonds	72,053	199
Repurchase Agreements/Buy-Backs	26,808,242	74,066
Unsecured Placements/Takings	767,771	2,124
Money Market Derivatives	25,550	71
Commercial Papers	877	2
Total	165,150,753	456,461

Average YTD \$/₦ @ 361.72

mm - million

**Other Bonds include Agency, Sub-national, Corporate & Supranational Bonds*

Note: Figures may be subject to change due to potential adjustments from Dealing Member (Banks)

Source: FMDQ Data Portal as @ December 7, 2018; Figures reported by Dealing Member (Banks) on a week-ending basis

The total turnover for the January to November 2018 period amounted to ₦165.15 trillion. Trading activities in T.bills contributed the largest to overall turnover, accounting for 39.76% of the market. FX market transactions (Spot FX and FX Derivatives) accounted for 36.72% whilst Repurchase Agreements (Repos)/Buy-Backs product categories (Repos/Buy-backs) accounted for 16.23%, and Bonds and Unsecured Placements & Takings representing 6.81% and 0.46% respectively, of overall market turnover.

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FMDQ League Table Reports

Top Ten (10) Dealing Member (Banks) in FMDQ Markets (January - November 2018)

The FMDQ League Table shows the rankings of its top ten (10) Dealing Member (Banks) by overall market turnover in the FMDQ Markets

RANK	DEALING MEMBER (BANKS)
1	STANBIC IBTC BANK PLC
2	ACCESS BANK PLC
3	UNITED BANK FOR AFRICA PLC
4	STANDARD CHARTERED BANK NIGERIA LIMITED
5	ECOBANK NIGERIA LIMITED
6	FIRST BANK OF NIGERIA LIMITED
7	CITIBANK NIGERIA LIMITED
8	GUARANTY TRUST BANK PLC
9	CORONATION MERCHANT BANK LIMITED
10	ZENITH BANK PLC

The top ten (10) Dealing Member (Banks) accounted for 75.77% (₦125.14 trillion) of the overall turnover in the market, with the top three (3) accounting for 58.44% (₦73.13 trillion) of this sub-section of the market. Stanbic IBTC Bank PLC, Access Bank PLC and United Bank for Africa PLC were the leaders in the value traded for the overall over-the-counter (OTC) market, ranking 1st, 2nd and 3rd respectively.

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▪ **FMDQ Fixed Income Primary Markets Sponsors' League Table (January - September 2018)**

The quarterly FMDQ fixed income primary markets sponsors' league table shows the rankings of sponsors of fixed income securities (excluding FGN Bonds and T.bills) on FMDQ.

RANK	Bonds
	Registration Member (Listings) (RMLs)
1	FBNQuest Merchant Bank Limited
2	Lotus Financial Services Limited
3	Chapel Hill Advisory Partners Limited
4	Dunn Loren Merrifield Advisory Partners Limited
5	Renaissance Securities Nigeria Limited
6	Planet Capital Limited
7	First City Monument Bank Limited
7	United Capital PLC

A review of market participation for bond listings revealed that of the thirty (30) FMDQ RMLs, only eight (8) were sponsors to bonds listed on the OTC Exchange in the period. FBNQuest Merchant Bank Ltd., Lotus Financial Services Ltd. and Chapel Hill Advisory Partners Ltd. came 1st, 2nd and 3rd respectively in this category, with FBNQuest Merchant Bank Ltd. and Lotus Financial Services Ltd. co- sponsoring the Federal Roads Sukuk Company 1 PLC bond and Chapel Hill Advisory Partners Ltd. sponsoring the ₦85.14 billion Lagos State Government of Nigeria bond.

RANK	Commercial Papers
	Registration Member (Quotations) (RMQs)
1	Stanbic IBTC Capital Limited
2	Coronation Merchant Bank Limited
3	Chapel Hill Advisory Partners Limited
4	FBNQuest Merchant Bank Limited

The CP market saw the participation of four (4) RMQs out of thirty- two (32) FMDQ RMQs in this category. The top three (3) positions were occupied by Stanbic IBTC Capital Ltd., Coronation Merchant Bank Ltd. and Chapel Hill Advisory Partners Ltd. with market participation of 61.30% 31.34% and 27.52% respectively, of the total value of the CPs quoted within the period.

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▪ **FMDQ Fixed Income (Bonds) Primary Markets Solicitors' League Table (January - September 2018)**

The quarterly FMDQ league table represents the top solicitors of debt securities listed and/or quoted on FMDQ excluding FGN Bonds and T.bills.

RANK	Bonds
	Solicitors to the Issue
1	Banwo & Ighodalo
2	Sefton Fross
3	Solola Akpana & Co
4	Olaniwun Ajayi LP
5	G. Elias & Co
6	Jackson, Etti and Edu

RANK	Commercial Papers
	Solicitors to the Issue
1	Aluko & Oyeboode
2	G. Elias & Co.
3	Banwo & Ighodalo
4	Udo Udoma & Belo Osagie

The most active solicitors were Banwo & Ighodalo and G. Elias & Co., participating as solicitors in both bond listings and CP quotations for the review period with a total value participation of ₦254.73 billion and ₦128.29 billion respectively.

In the bonds category, the top three (3) solicitors to the issues were Banwo & Ighodalo, Sefton Fross and Solola & Akpana. Banwo & Ighodalo was the sole solicitor to the listing of one (1) bond and a co-solicitor to two (2) other bond listings alongside Solola & Akpana and Sefton Fross. In the CPs category, the top three (3) solicitors to the issue were Aluko & Oyeboode, G. Elias & Co. and Banwo & Ighodalo.

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Green Bonds Financing

In the September edition of the [FMDQ Spotlight](#), the concept of Sustainable Finance was introduced and its different elements – Environment, Social and Government (ESG) – were discussed, including the different categories under each element. In this month's edition, the discourse delves further into Green Bonds Financing as a subset of Sustainable Finance.

Introduction

Climate change portends serious threats to energy, food supplies and water, amongst others, and it is imperative that both governments and the private sector work together to build structures and infrastructures that will continuously reduce these threats and foster the sustainable growth and development of the economy. Furthermore, financial market operators have, of necessity, become creative in finding funding options for sustainable infrastructure development that support energy, food security and clean water supply. One of such options is the issuance of green bonds. The green bonds market, therefore, provides a plan and access for funding projects that contribute to environmental sustainability.

Green Bonds Principles

The primary objective of green bonds is to raise capital for new and existing projects that have environmental benefits. The Principles guiding such investments, referred to as the Green Bonds Principles ("the GBP") are process guidelines that promote transparency, disclosure, integrity and reporting in the green bonds market. The GBP sets the foundation for the various elements that need to be incorporated within a Green Bond Policy Framework ("the Policy Framework")— a critical document developed prior to the issuance of a green bond depicting the sustainability-based qualities and the environmental value-add of a given green project and which gives credibility to a green bond.

The core elements typically covered in a Green Bond Policy Framework are as follows:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

Use of Proceeds

All green bonds must be utilised for the projects they are designated for, and such projects must have clear environmental benefits which shall be captured and appropriately described in all legal documentation for the security. These benefits are assessed and quantified by the issuer. Where the proceeds of the bond are to be used either in whole or in part for refinancing, full disclosure of the

investment project portfolios being refinanced must be made. Proceeds realised from the issuance of green bonds must be directed towards projects that deliver clear environmental benefits. Some areas of eligible projects include:

- Renewable energy and energy efficiency
- Pollution prevention and control
- Sustainable land use (including sustainable forestry and agriculture)
- Sustainable water management (including clean and/or drinking water)
- Clean transportation

Routines and systems are set up to ensure the proceeds are allocated to the intended projects.

Process for Project Evaluation and Selection

Within the Policy Framework, the following should be typically outlined:

- A process to identify eligible green projects
- A process to determine how a selected project(s) fits within the eligible green projects' categories identified in (1) above
- The environmental sustainability objectives of a selected project(s)

This information must be within the context of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability. The GBP transparency principle is very high. Consequently, all green projects evaluation and selection process are subjected to external reviews.

Management of Proceeds

The process for managing and tracking the proceeds of issued green bonds should be clearly and publicly disclosed. For transparency, it is recommended that an issuer's management of proceeds is supplemented with the appointment of an auditor or other third party to monitor and verify the internal tracking methods and the allocation of funds from the green bond proceeds. Where the green bonds are outstanding, the balance of the tracked proceeds are periodically adjusted to match allocations to eligible green projects made during a given period. Full disclosures must exist with respect to the intended types of temporary placement for the balance of unallocated proceeds.

Reporting

Detailed reporting promotes credibility and transparency of the entire process. It not only provides periodic information which assures the investors but highlights the issuer's effort in the promotion of sustainability and related practices. Pending full allocation, issuers of a Green Bond are to report the use of proceeds to be renewed annually. Such information must be readily available and timely in case of any material development. The periodic report will usually include the list, description and amount allocated to projects funded with the proceeds of the bond. Where a confidentiality agreement is in place, or in the face of competitive considerations, the issuer is under obligation to still provide generic information on an aggregated portfolio basis. For instance, percentage allocated to certain project categories. On an annual basis, or as is required/agreed, periodic reports on the use of green bond proceeds and expected climate and/or environmental impacts of eligible projects must be reported.



Green Bond Market in Nigeria

As a champion of innovative initiatives in the Nigerian financial markets, FMDQ, in partnership with FSD Africa and CBI, has made one of the most significant contributions yet, to the development of the Nigerian non-sovereign DCM, specifically the green bond market. Having signed a Cooperation Agreement in June 2018, the trio have spearheaded a three (3)-year Nigerian Green Bond Market Development Programme to, among others, create awareness and drive the requisite education required to integrate the principles of green financing into the Nigerian DCM, in order to facilitate the establishment and development of the green bond market in Nigeria. The Programme will support the development of guidelines and listing requirements for green bonds in Nigeria, develop a pool of Nigeria-based licensed verifiers to support issuers, facilitate engagement with extant and potential issuers and investors, and support broader DCM reforms that have/will have an impact on the non-government bond market in Nigeria.

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