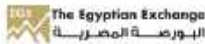


The African Exchanges Linkage Project (AELP): Phase 1

April 2021

Led and co-founded by:



Stock Exchange of Mauritius

Coordinated By:



Supported By:



Project Overview



The **African Exchanges Linkage Project (AELP)** is a flagship project of the African Securities Exchanges Association (ASEA) and the African Development Bank (AfDB) to facilitate cross-border trading of securities in Africa.

Improve depth and liquidity on Africa's capital markets

AELP will foster investment flows among the participating Exchanges by enabling:

- Cross-border securities trading using an order-routing system (AELP Link technology platform) to channel orders between Stockbrokers on participating Exchanges
- A Stockbroker sponsors the trade on the host Exchange
- Custody and settlement will be on the host Exchange according to its market rules and practice. Sponsoring broker and local custodian will be involved
- Live trading information among linked Exchanges and market participants
- Promote the African Listed Securities asset class and creating new products and securities on the linked Exchanges so that asset managers, stockbrokers, institutional investors and individual investors can identify investment opportunities across African markets
- Cross-border capital raising and Initial Public Offers (IPOs)
- Develop capacity between the Exchanges and boost collaboration between capital market Regulators, Central Banks and central depositories.

Participating Exchanges



In its initial phase, the Project aims to create linkages between 7 African capital markets that represent >90% of Africa's market capitalization.

No.	STOCK EXCHANGE	COUNTRY
1	Bourse Régionale des Valeurs Mobilières	Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo (WAEMU Region)
2	Casablanca Stock Exchange	Morocco
3	Johannesburg Stock Exchange	South Africa
4	Nairobi Securities Exchange	Kenya
5	Nigerian Exchange	Nigeria
6	Stock Exchange of Mauritius	Mauritius
7	The Egyptian Exchange	Egypt

Project Initiators

The AELP was initiated by ASEA with the support of the AfDB. It is supported by a grant from the Korea-Africa Economic Cooperation (KOAFEC) Trust Fund, administered by the African Development Bank.

The African Securities Exchanges Association (ASEA)



ASEA is the premier association of securities Exchanges in Africa, made up of 26 African Exchanges that have come together with the aim of developing member Exchanges and providing a platform for networking. The Association was established in 1993 and works closely with member Exchanges to unlock the potential of the African capital market and African economies. ASEA seeks to position African capital markets as key enablers of economic recovery in Africa by the year 2025.

The African Development Bank (AfDB)



The AfDB is a multilateral development bank and the premier financial development institution in the continent. There are 54 Regional Member Countries (African countries) and 26 Non-Regional Members. The Group has proven expertise in human and economic development in Africa, with extensive experience in the development of the financial sector. The Bank operates across five main areas that has been identified as essential in transforming the lives of the African people, and referred to as the High 5s: “Light up and Power Africa”, “Feed Africa”, “Industrialize Africa”, “Integrate Africa” and “Improve the Quality of Life for the People of Africa”.

AELP: Unlocking Opportunities in African Markets

Connecting African markets..

7

Stock Exchanges

14

Countries

\$ 1.4 trillion

Equity market capitalization

..providing diverse products...

Equities

Bonds

ETFs

Derivatives

REITs

Funds

and more..

...and access to Africa's largest companies.



About ASEA



ASEA mission and values



ASEA is the premier Association of 26 exchanges in Africa serving 32 economies. It is home to approximately 1,100 listed companies with a total equity market capitalization of \$1.5 trillion. The main objective is to unlock the potential of African capital markets and enhance the development and global competitiveness of member exchanges.

OUR MISSION

To engage African capital market ecosystems in order to foster capital mobilization, promote sustainability, and enhance financial inclusion for the benefit of Africa's economic development.

OUR VALUES

PROFESSIONALISM:

We bring the highest levels of knowledge, specialization and competence to our commitments.

INTEGRITY:

We adopt best business practices in line with the highest levels of ethical standards and promote same amongst our members.

RESPONSIVENESS:

We participate actively in all matters involving the Association, and respond proactively to the needs of our stakeholders.

ASEA Strategic objectives



1

Advocacy

- Increase the scope of influence of ASEA in order to promote enabling policies and regulation

2

Enhancing Liquidity

- Position African capital markets to achieve greater liquidity and attract global investors

3

Capacity-Building & Knowledge-Transfer

- Enhance capacity building, training and transfer of best practices for ASEA members

4

Regional Integration

- Successfully implement the African Exchange Linkage Project (AELP)

5

Funding

- Increase and diversify funding to ASEA

Overview of AELP Markets



Bourse Régionale des Valeurs Mobilières



The Bourse Régionale des Valeurs Mobilières (BRVM) is a regional stock Exchange shared by eight countries in the West African region. These countries are Benin, Burkina Faso, Côte D'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.

They are members of the West African Economic and Monetary Union (WAEMU), which is a fully integrated political and economic zone. The WAEMU countries have the same currency, the CFA Franc (XOF) that is pegged to the euro, the same Central Bank, one stock market, one central depository and settlement bank, one regulatory authority for financial market regulation.

The BRVM was created as a private company in 1996 and started its activities two years later with 35 listed companies and (USD) \$2 billion in market capitalization. Today, the BRVM has 46 listed companies, \$20.33bn total market capitalization, \$1.83 million value traded every day, 83 listed bonds (sovereign and corporate) including 3 Islamic bonds with a market capitalization of \$699 million.

Market Snapshot¹

	Equities	Bonds
# Listed	46	83
Value Traded (2020)	\$ 276.5 m	\$ 183.9 m
Market Cap.	\$ 8.17 bn	\$ 12.16 bn



30

dealing
members



2.37%

Turnover
Velocity

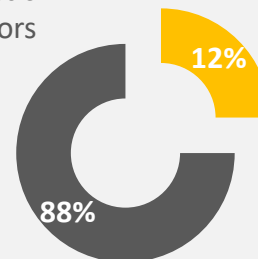


\$1.83 m

Avg. daily
value traded

Market Participation²

Domestic
investors



Foreign
investors

¹ As at December 31, 2020; ² As at December 31, 2020

Casablanca Stock Exchange



The Casablanca Stock Exchange (CSE) was established in 1929. It operates within a modern market infrastructure which includes a market authority, the AMMC, a central depository, Maroclear and a centralized payment system operated by the Central Bank.

CSE is a member of the World Federation of Exchanges (WFE), Sustainable Stock Exchanges (SSE) Initiative as well as the SIIA's Financial Information Services Division (FISD).

The CSE demutualized in 2016 and launched an ambitious strategy thereafter to assist in the country's economic development, meet the needs of market operators, develop the stock market and be ranked amongst the leading stock markets in Africa.

Also in 2016, the Exchange successfully implemented a state-of-the-art technology platform provided by London Stock Exchange Technology. Casablanca Stock Exchange has also implemented the ELITE programme in partnership with LSEG. This programme helps more than 90 companies and prepares them to meet the financial market requirements.

Market Snapshot¹

	Equities	Bonds
# Listed	75	36
Value Traded (2020)	\$ 5.5 bn	\$ 11 m
Market Cap.	\$ 65.6 bn	\$ 557 m



17

dealing
members



8.83%

Turnover
Velocity³

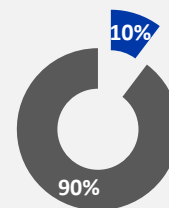


\$25 m

Avg. daily value
traded⁴

Market Participation²

Domestic
investors



Foreign
investors

¹⁻² As of 31 December 2020 ³⁻⁴ Period: January 2020 to December 2020

The Egyptian Exchange (EGX)



The Egyptian Exchange (EGX) is one of the oldest stock markets in the Middle East and North Africa (MENA) region. EGX traces its origins to 1883 when the Alexandria Stock Exchange was established followed by Cairo in 1903. Ever since this time, the exchange has been serving the Egyptian capital market and advocating for capital markets development in the MENA Region.

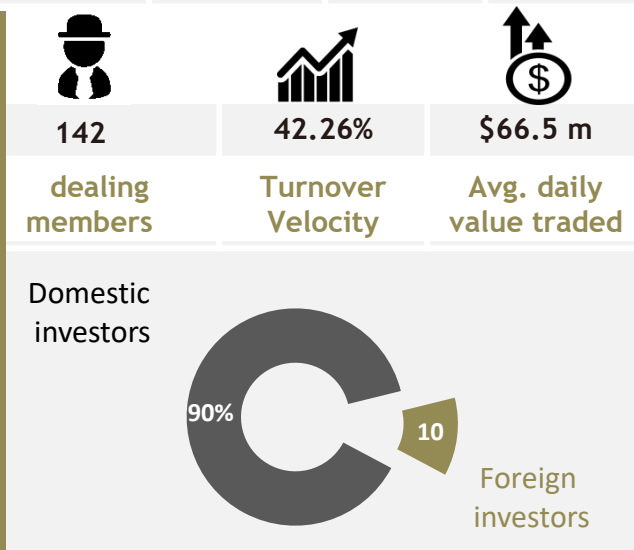
EGX is a member of the WFE, a Board member of ASEA and a member of the Federation of Euro-Asian Stock Exchanges (FEAS). The Executive Chairman of the EGX currently serves as Chairman of The Arab Federation of Exchanges (AFE).

EGX offers listing and trading services, specialized activities, market data solutions, technology services and more.

Market Snapshot-2020

	Equities	Bonds	ETFs
# Listed	238	120	1
Value Traded (2020)	\$17.5 bn	\$24 bn	\$0.18 m
Market Cap.	\$41.4 bn	\$104.4 bn	\$ 2.5 m

Market Participation-2020



Figures to 31 December 2020

Johannesburg Stock Exchange



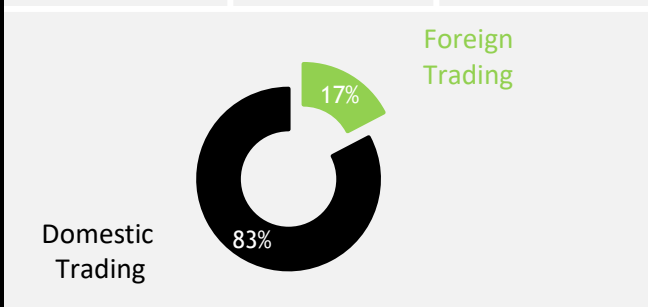
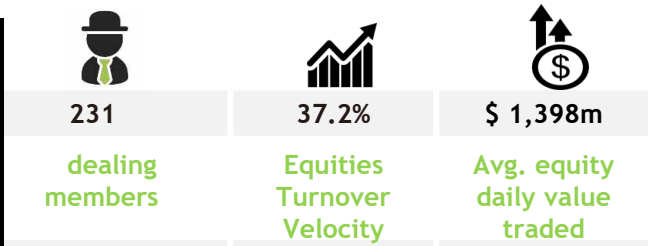
The Johannesburg Stock Exchange (JSE) has a well-established history operating as a market place for trading financial products. It is a pioneering, globally connected exchange group that enables inclusive economic growth through trusted, world class, socially responsible products, and services for the investor of the future.

The JSE offers secure and efficient primary and secondary capital markets across a diverse range of securities, spanning equities, derivatives, and debt markets. It prides itself as being the market of choice for local and international investors looking to gain exposure to leading capital markets on the African continent. The bourse is currently ranked in the Top 20 largest stock exchanges in the world by market capitalisation, and is the largest stock exchange in Africa, having been in operation for over 130 years. As a champion and advocate for sustainability, the JSE is committed to building a sustainable economy and world for future generations by embedding sustainability products in the market, promoting access to global investment opportunities in the South African market and promoting financial literacy.

Market Snapshot¹

	Equities	Bonds	Derivatives	ETFs
# Listed	339	1,816	N/A	78
Value Traded (2020)	\$394 bn	\$2,275 bn	\$551 bn	\$7.5 bn
Market Cap.	\$1,215 bn	\$254 bn	N/A	\$6.9 bn

Market Participation²



¹Year to December 2020; ²As at 31 December 2020

Nairobi Securities Exchange



The Nairobi Securities Exchange (NSE) is a leading African Exchange, based in Kenya – one of the fastest-growing economies in Sub-Saharan Africa.

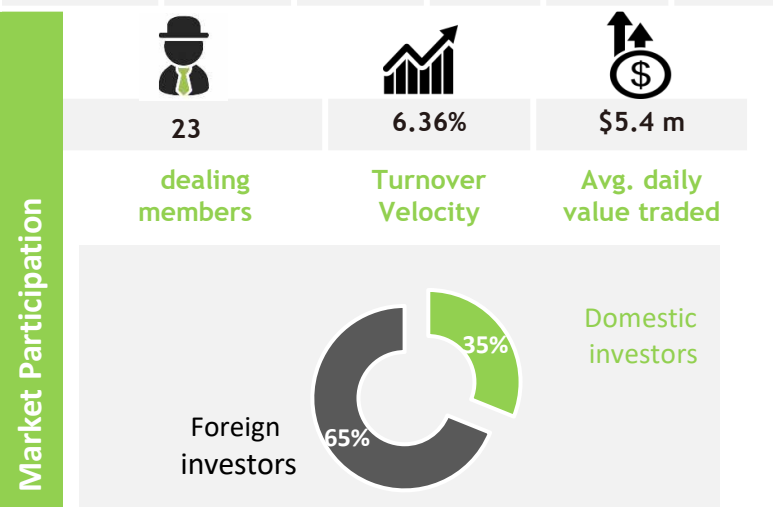
Founded in 1954, NSE has a six-decade heritage in listing equity and debt securities. It offers a world-class trading facility for local and international investors looking to gain exposure to Kenya and Africa’s economic growth.

NSE demutualized and self-listed in 2014. Its Board and management team are comprised of some of Africa’s leading capital markets professionals, who are focused on innovation, diversification and operational excellence in the Exchange.

NSE is playing a vital role in the growth of Kenya’s economy by encouraging a savings and investment, as well as helping local and international companies access cost-effective capital. It operates under the jurisdiction of the Capital Markets Authority of Kenya. It is a full member of the WFE, and a founding member of ASEA and the East African Securities Exchanges Association (EASEA). It is also a member of the Association of Futures Markets and a partner exchange in the SSE.

Market Snapshot

	Equities	Bonds	ETFs	Derivs ¹	REITs
# Listed	62	74	1	28	1
Value Traded (2020)	\$1.4 bn	\$6.3 bn	\$2.5 m	\$0.4 m	\$0.7 m
Market Cap.	\$21.4 bn	\$23.1 bn	\$4.5 m	\$0.37 m	\$9.3 m



As at 31 December 2020; ¹Number of Listed Contracts

Nigerian Exchange Limited



The Nigerian Exchange (NGX) services the largest economy in Africa and is championing the development of Africa's financial markets. The history of NGX dates back to 1960 when The Nigerian Stock Exchange was founded. NGX is licensed under the Investments and Securities Act (ISA) and is regulated by the Securities and Exchange Commission (SEC) of Nigeria. NGX provides the premier platform for raising capital, facilitates a thriving secondary market for trading securities, and maintains a seamless flow of market information.

NGX is committed to adopting the highest levels of international standards evident in its affiliation with global organizations that promote the development and integration of best practices. It is a founding member of ASEA and belongs to the International Organisation of Securities Commissions (IOSCO), the WFE and SSE Initiative, amongst others.

NGX continues to evolve in order to meet the needs of its valued customers and to achieve the highest level of competitiveness. It is an open, professional and vibrant Exchange, connecting Nigeria, Africa and the world.

Market Snapshot¹

	Equities	Bonds	ETFs	REIT&CEF
# Listed	161	133	12	5
Value Traded (2020)	\$2.51 bn	\$138.1 m	\$3.3 m	\$2.7 m
Market Cap.	\$51.34 bn	\$42.66 bn	\$59.7 m	\$73.9 m

Market Participation¹



223

Dealing members



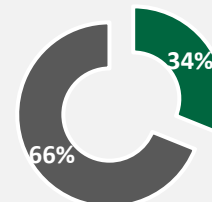
4.88%

Turnover Velocity



\$9.57m

Avg. daily value traded



Domestic investors

Foreign investors

¹ As at 31 December 2020

Stock Exchange of Mauritius



The Stock Exchange of Mauritius Ltd (SEM) started its operations in July 1989 as a domestic equity-centric Exchange. It has since witnessed a significant overhaul of its operational and regulatory framework to become one of the leading small Exchanges in Africa.

The SEM is a multi-asset class Exchange. It operates a multi-currency capital raising, listing and trading, and settlement platform. It is today well-positioned as an attractive capital raising and listing platform for local, niche international and Africa-focused ventures.

Since 2010, SEM has embarked on a new strategic orientation to move away from its domestic equity-centric focus to embrace a multi-asset class international focus. The results have been quite compelling and SEM has welcomed the listings of 194 new products since 2010, out of which 101 are international products.

Since 2010, (USD) \$6.5 billion has been raised by SEM-listed companies to fund their growth, create jobs and contribute to Mauritius' economic growth. SEM is member of ASEA and WFE, and represented at the Board level of WFE.

Market Snapshot¹

	Equities	Bonds	ETFs	Others ³
# Listed	103	60	4	33
Value Traded (2020)	\$354.9 m	\$22.6 m	\$18.9 m	\$20.4 m
Market Cap.	\$9.9 bn	\$1.8 bn	\$51.4 m	\$1.1 bn

Market Participation²



9

dealing
members



19%

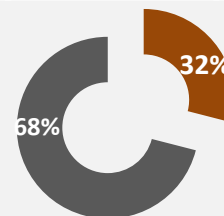
Turnover
Velocity



\$1.7m

Avg. daily
value traded

Domestic
investors



Foreign
investors

¹ As at 31 December 2020; ² As at 31 December 2020; ³ Refers to Funds and structured products

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