



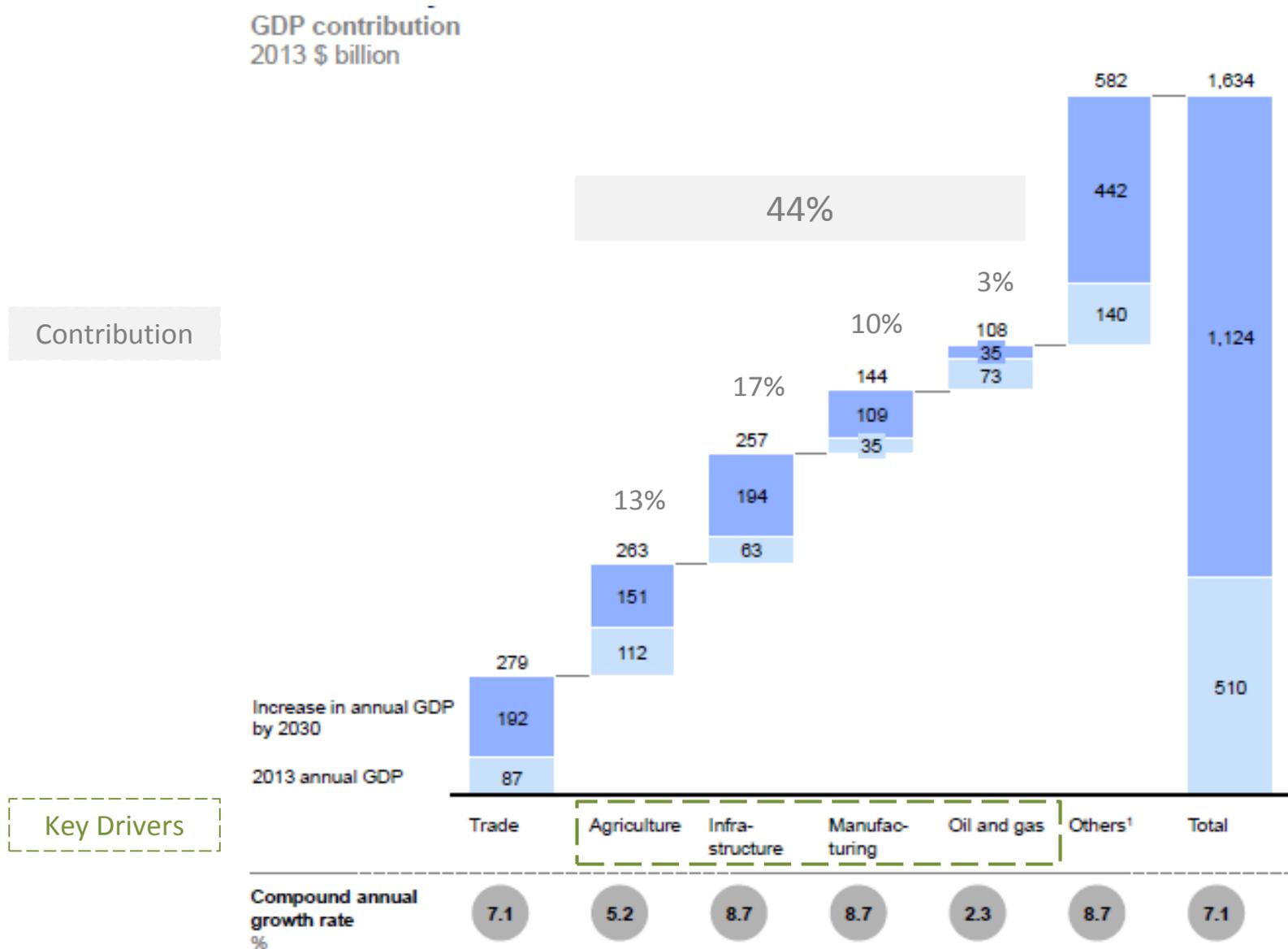
**THE Nigerian
STOCK EXCHANGE**

Green Bonds: The Opportunity for Nigeria

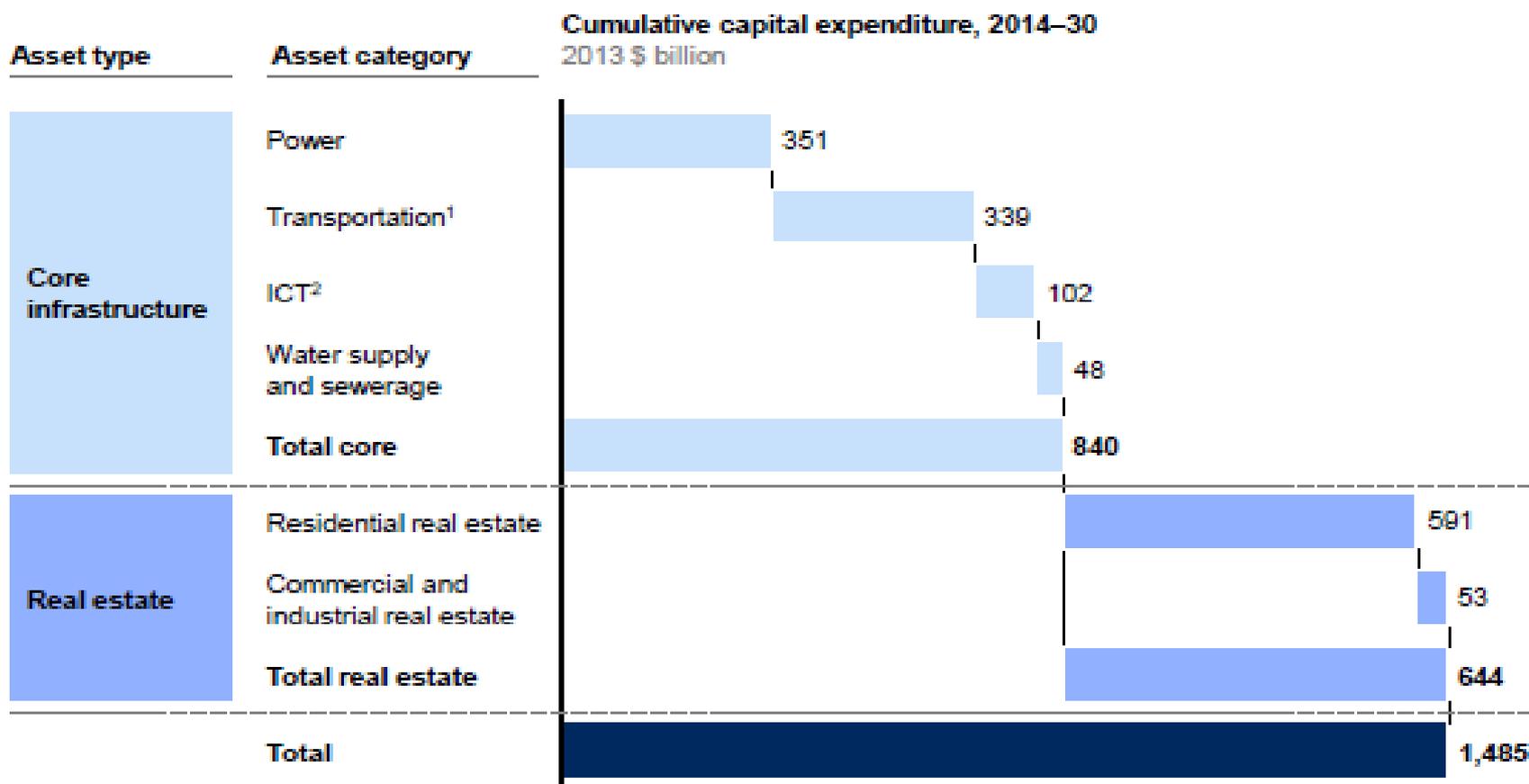
Nigeria: Towards a \$1.6 Trillion Economy by 2030 (1)



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Should Nigeria reach its full potential, capital spending on infrastructure and real estate could rise to \$1.5 trillion through 2030



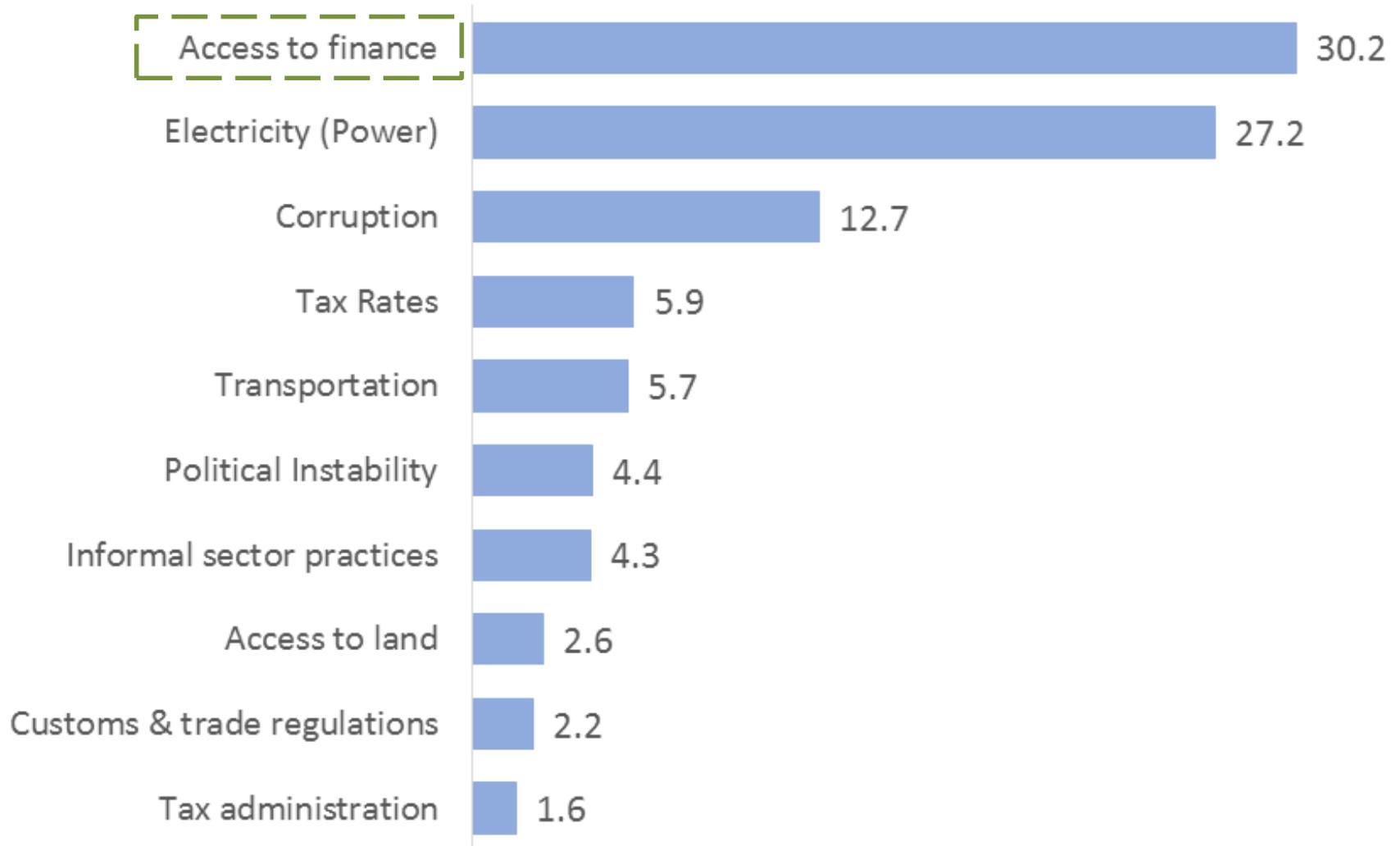
¹ Transport includes road, rail, ports, waterways, and airports.

² Information and communication technology.

NOTE: Numbers may not sum due to rounding.

SOURCE: McKinsey Global Institute analysis

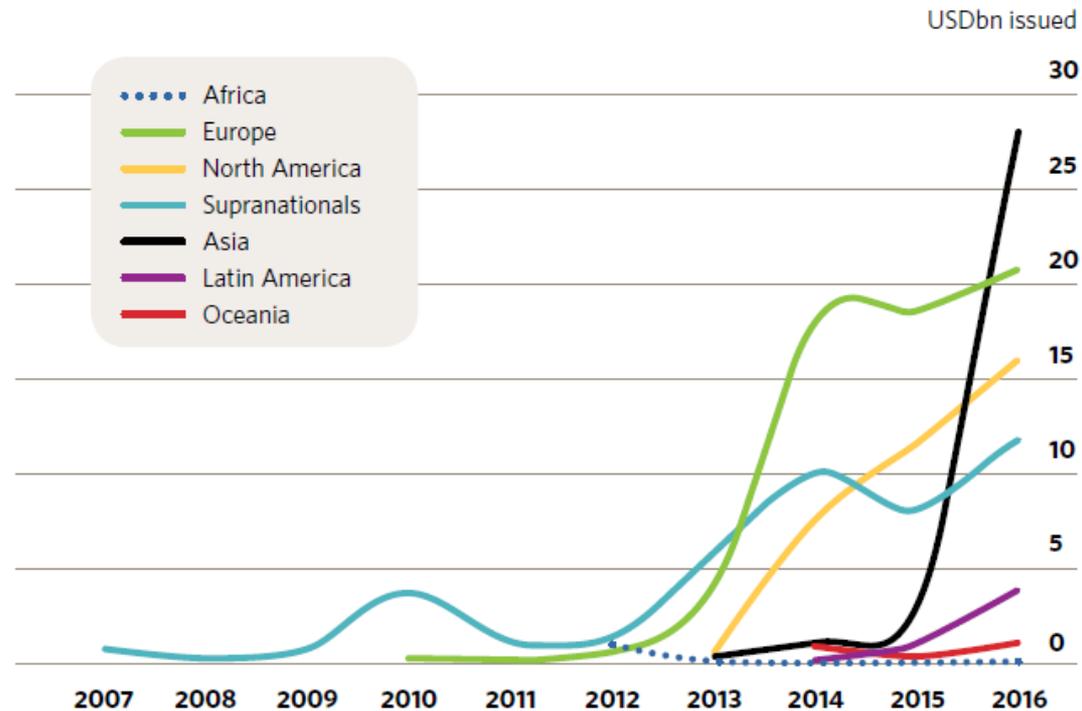
Ranking of top business environment obstacles, 2014 (%)



Bridging the financing Gap – Green Bonds (1)

- 
- 2007 • Emerged in 2007-08 with issuances by EIB & World Bank
 - 2013 • 1st African Issuance – Triple A rated \$500m AfDB Green Bond
 - 2016 • China emerged the largest issuer with Green bonds worth c\$81bn
 - 2017 • Nigeria's first Green Bond Issuance; 1st by African Sovereign

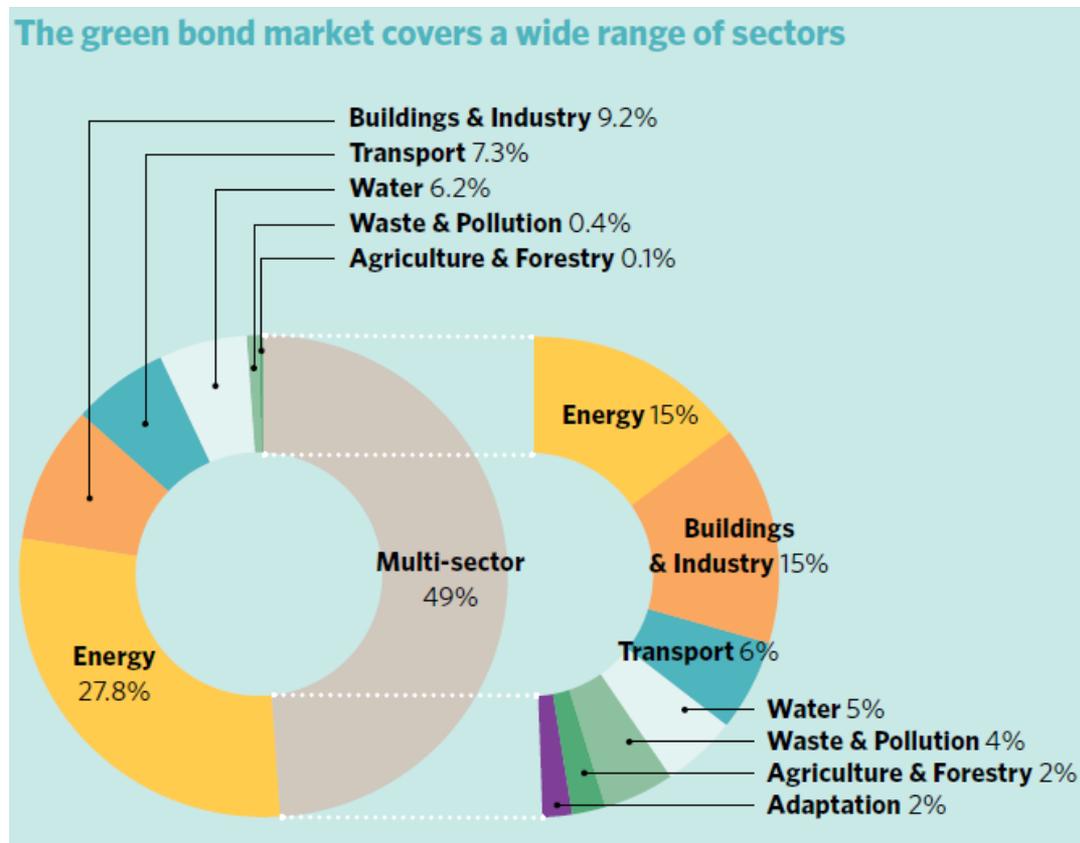
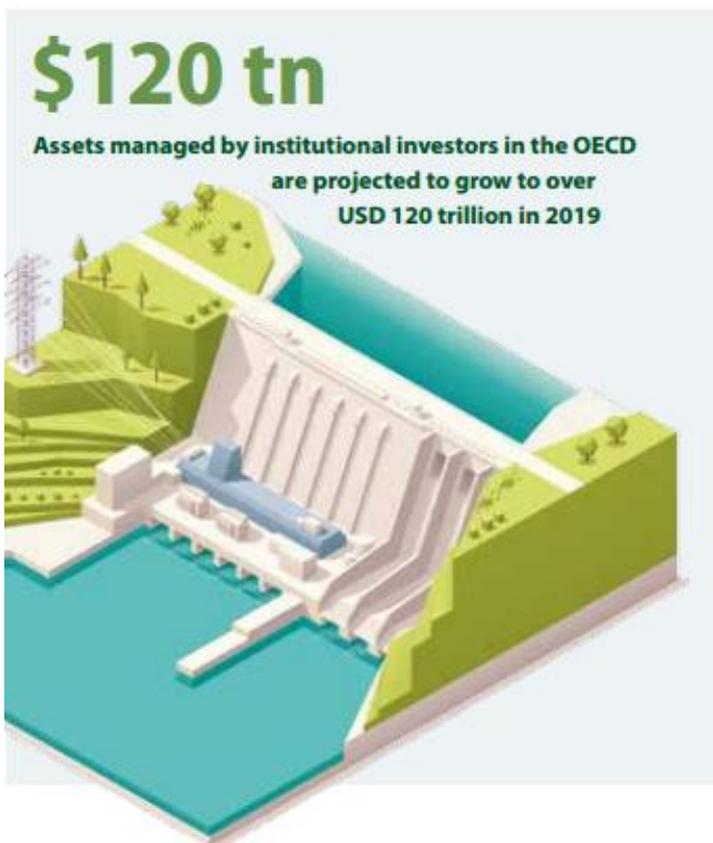
Green bond issuance by region



Bridging the financing Gap – Green Bonds (2)

Demand outstrips supply

- ✓ Oversubscription is commonplace
- ✓ AUM by signatories to UN-supported Principles for Responsible Investment up from \$4trn (in 2006) to \$60trn (in 2015)



Green Bonds – DD/SS gap supports competitive pricing



THE Nigerian STOCK EXCHANGE



Benefits for Issuers & Investors

Investors

- Balance risk-adjusted financial returns with environmental benefits
- Satisfy ESG requirements and green investment mandates
- Improved risk assessment in an otherwise opaque fixed income market through use of proceeds reporting
- Potential use pure-play, project and ABS to actively hedge against climate policy risks in a portfolio that includes emissions intensive assets
- Recognised by UNFCCC as non-state actor “climate action”

Issuers

- Demonstrating commitment to ESG issues
- Strong investor demand can lead to oversubscription and potential to increase issuance size
- Improving diversification of bond issuer investor base, potentially reducing exposure to bond demand fluctuations
- Evidence of more “buy and hold” investors for green bonds which can lead to lower bond volatility in secondary market
- Reputational benefits
- Enhanced credibility of sustainability strategy
- Access to “economies of scale” as majority of issuance costs are in setting up the processes

Growth Measures

Enhance
Environmental
Awareness

Implement Green
Finance
Regulation

Green Financing
Tools and
Products

Adoption of ESG
Guidelines

Green Financing Options

Debt

Green
Eurobond

Green
Sukuk

Green
Supra
Bonds

Green
Depository
Receipts

Green
Indices &
ETFs

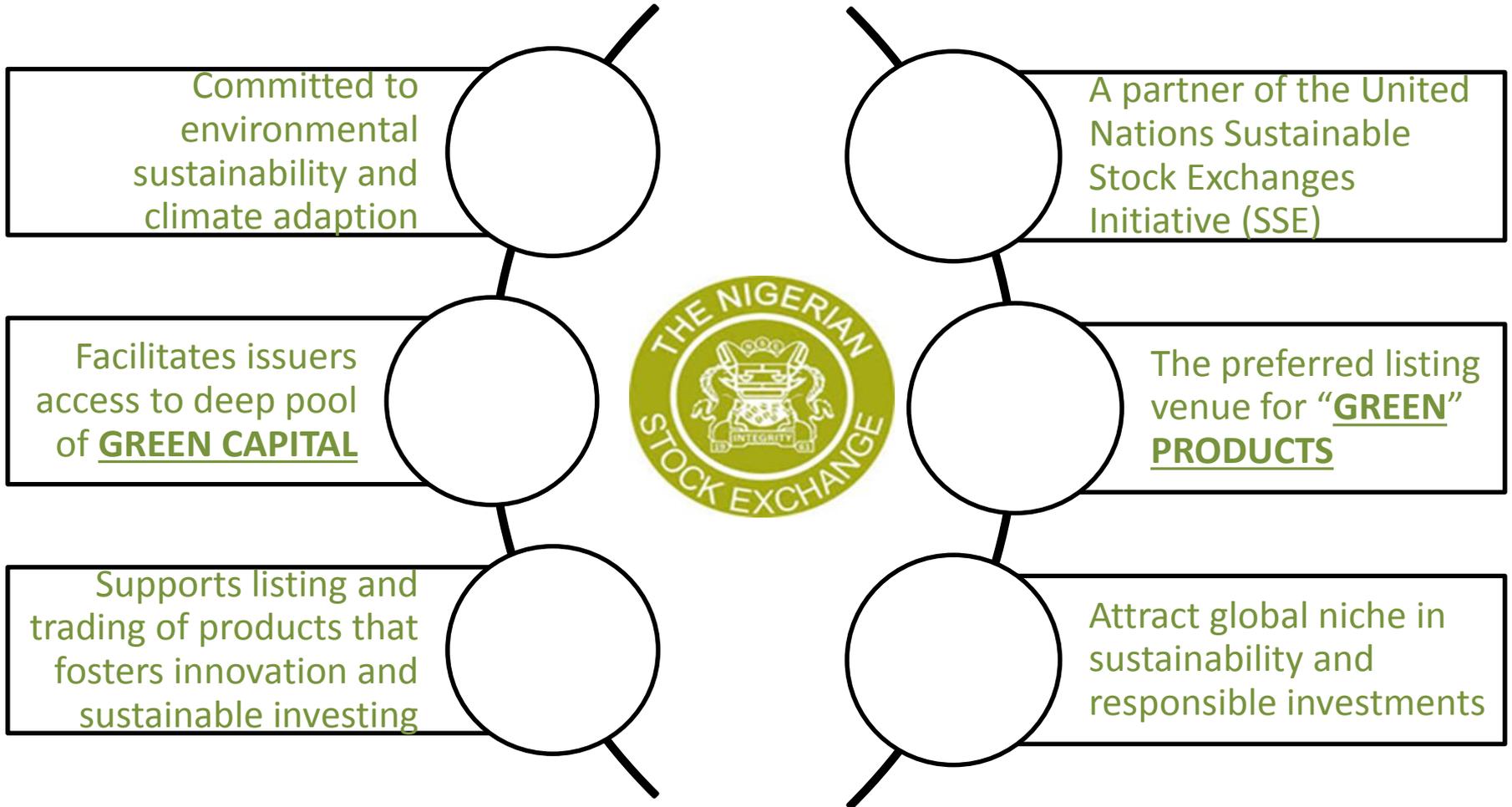
Green
Funds

Green
Structured
Products

Other Products

Mobilizing Capital for a Sustainable Economic Future

The NSE and Green Financing



A world-class Exchange



**THE Nigerian
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WACMI



Financial Services Regulation Coordinating Committee (FSRCC) Nigeria



**London
Stock Exchange**

"Greening" the Nigerian Economy...



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Right Decision

Wrong Decision

- ✓ Resource Efficient
- ✓ New growth engine
- ✓ Net generator of jobs
- ✓ Poverty elimination strategy

Social
Inclusion

Green Sectors

Jobs

Green
Investments



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THANK YOU

Questions & Answers

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