



BOOSTING CAPITAL MARKET COMPETITIVENESS IN A CHALLENGING MACRO ENVIRONMENT

LEVERAGING FINTECH TO DRIVE RETAIL PARTICIPATION IN THE CAPITAL MARKET

Fintech as Disruptor or Enabler

Financial technology (fintech) is a fast evolving sector that aims to compete with traditional financial methods in the delivery of financial services

Disruption and disruptive technology is a process by which a product or service takes root initially in simple applications at the bottom of a market and then relentlessly move up in the market eventually displacing established players or products

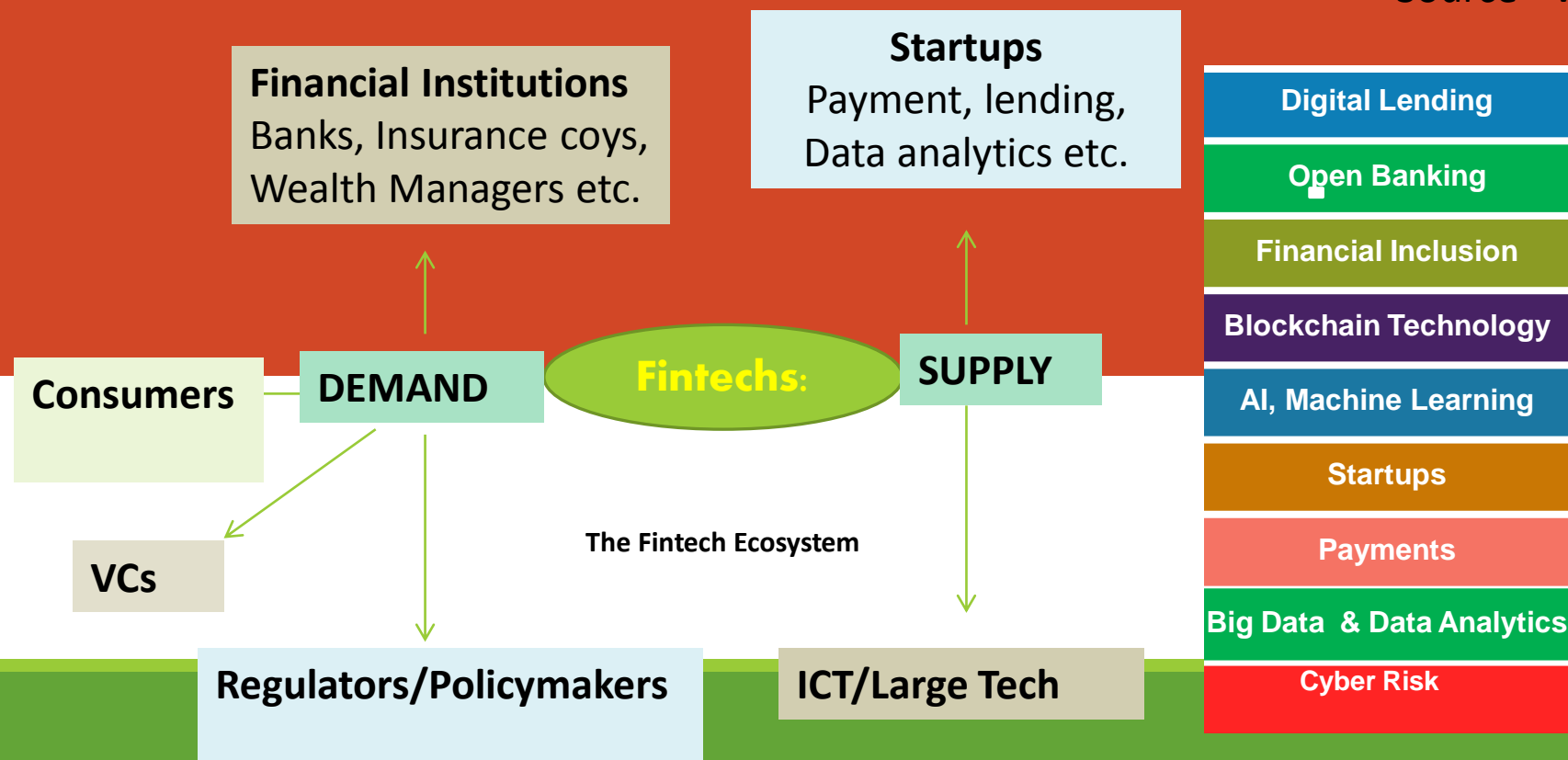
Fintech is the intersection of finance and technology to disrupt existing practices

Fintech/Digital Enablers –
Internet & Mobile Technology

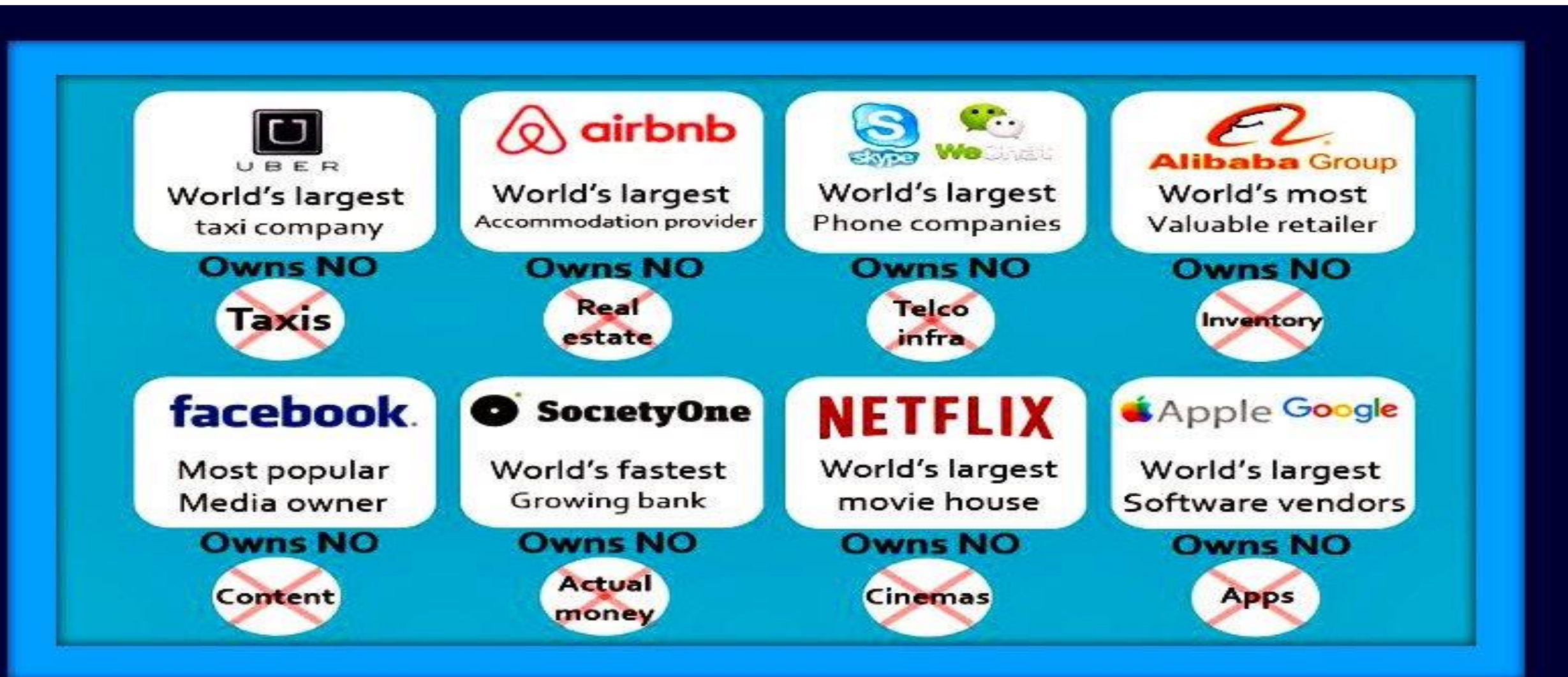
Overview of Fintech Ecosystem

Ecosystem is an economic community supported by a foundation of interacting organizations and individuals—the organisms of the business world. The economic community provides value to customers. The member ecosystem include consumers, suppliers, lead producers, competitors, and other stakeholders.

Source - Wikipedia



How Digitization is changing the World – Disruptive



8 out of 10 Most Capitalized Companies in the World in 2019 are Tech Companies














2010(2 out of 10 were in Tech)

2019(8 out of 10 in Tech)

Rank	Fourth quarter ^[53]	
1		Exxon Mobil ▲368,711.5
2		PetroChina ▲303,273.6
3		Apple Inc. ▲295,886.3
4	 	BHP Billiton ▲243,540.3
5		Microsoft ▲238,784.5
6		ICBC ▲233,369.1
7		Petrobras ▲229,066.6
8		China Construction Bank ▲222,245.1
9	 	Royal Dutch Shell ▲208,593.7
10		Nestlé ▲203,534.3

2019 [\[edit \]](#)

This list is up to date as of September 30, 2019. Indicated changes in market value are relative to

Rank	First quarter		Second quarter		Third quarter		Fourth quarter
1		Microsoft ▲904,860 ^[8]		Microsoft ▲1,028,000 ^[8]		Microsoft ▲1,062,000 ^[8]	
2		Apple Inc. ▲895,670 ^[9]		Amazon.com ▲928,540 ^[10]		Apple Inc. ▲1,012,000 ^[9]	
3		Amazon.com ▲874,710 ^[10]		Apple Inc. ▲911,240 ^[9]		Amazon.com ▼858,680 ^[10]	
4		Alphabet Inc. ▲818,160 ^[11]		Alphabet Inc. ▼751,170 ^[11]		Alphabet Inc. ▲838,020 ^[11]	
5		Berkshire Hathaway ▼493,750 ^[12]		Facebook ▲551,490 ^[13]		Berkshire Hathaway ▼508,530 ^[12]	
6		Facebook ▲475,730 ^[13]		Berkshire Hathaway ▲521,100 ^[12]		Facebook ▼508,050 ^[13]	
7		Alibaba Group ▲472,940 ^[14]		Alibaba Group ▼439,150 ^[14]		Alibaba Group ▼435,400 ^[14]	
8		Tencent ▲440,980 ^[15]		Tencent ▼432,080 ^[15]		Tencent ▼398,840 ^[15]	
9		Johnson & Johnson ▲372,230 ^[16]		Visa ▲379,271 ^[17]		Visa ▲385,370 ^[17]	
10		Visa ▲353,710 ^[17]		Johnson & Johnson ▼370,300 ^[16]		JPMorgan Chase ▲376,310 ^[18]	

Source - Wikipedia

The Skills Challenge

The Jobs Landscape in 2022

emerging
roles,
global
change
by 2022

**133
Million**

Top 10 Emerging

1. Data Analysts and Scientists
2. AI and Machine Learning Specialists
3. General and Operations Managers
4. Software and Applications Developers and Analysts
5. Sales and Marketing Professionals
6. Big Data Specialists
7. Digital Transformation Specialists
8. New Technology Specialists
9. Organisational Development Specialists
10. Information Technology Services

declining
roles,
global
change
by 2022

**75
Million**

Top 10 Declining

1. Data Entry Clerks
2. Accounting, Bookkeeping and Payroll Clerks
3. Administrative and Executive Secretaries
4. Assembly and Factory Workers
5. Client Information and Customer Service Workers
6. Business Services and Administration Managers
7. Accountants and Auditors
8. Material-Recording and Stock-Keeping Clerks
9. General and Operations Managers
10. Postal Service Clerks

2022 Skills Outlook

Growing

- 1 Analytical thinking and innovation
- 2 Active learning and learning strategies
- 3 Creativity, originality and initiative
- 4 Technology design and programming
- 5 Critical thinking and analysis
- 6 Complex problem-solving
- 7 Leadership and social influence
- 8 Emotional intelligence
- 9 Reasoning, problem-solving and ideation
- 10 Systems analysis and evaluation

Declining

- 1 Manual dexterity, endurance and precision
- 2 Memory, verbal, auditory and spatial abilities
- 3 Management of financial, material resources
- 4 Technology installation and maintenance
- 5 Reading, writing, math and active listening
- 6 Management of personnel
- 7 Quality control and safety awareness
- 8 Coordination and time management
- 9 Visual, auditory and speech abilities
- 10 Technology use, monitoring and control

Factors responsible for the evolution



Mobile technology



Internet Service

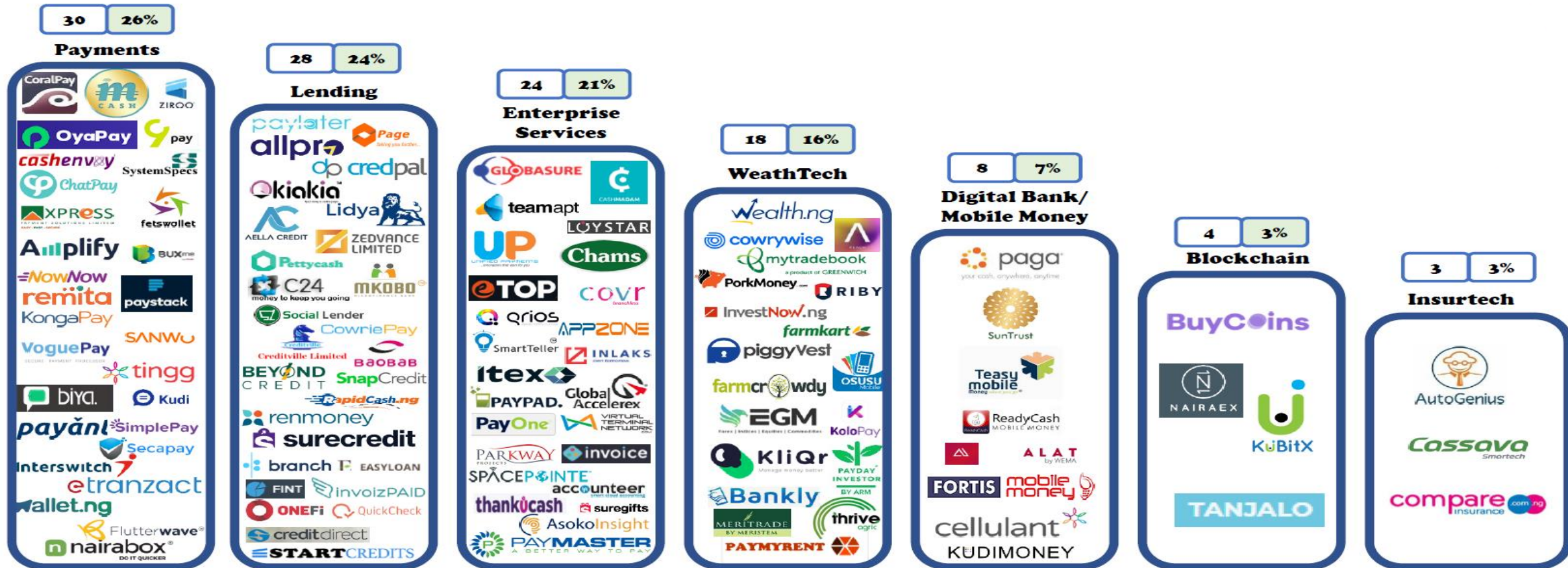


Millennials and their
ease of doing things

Nigerian Fintech Landscape

Sankore
INVESTMENTS

Nigerian FinTech Landscape



2.0 Characteristics of Participants in the Capital Market



PRIMARY DEALER

BUY SELL

- A **primary dealer** is a firm that buys government securities directly from a government.
- The intention is to resell the securities to others.
- Act as a market maker of government securities.
- The government may regulate the behavior and numbers of its primary dealers and impose conditions of entry.

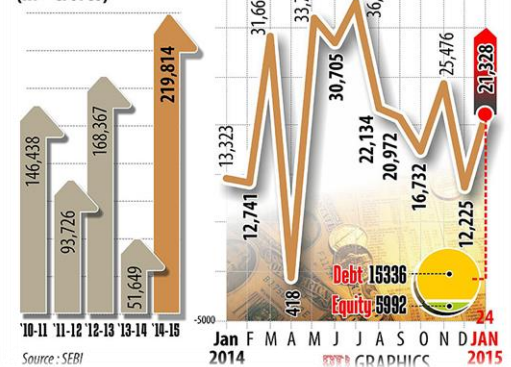


INVESTMENT BANK ?



Foreign Institutional Investment

(in ₹ Crores)



Custodian Services



iNDIVIDUALS



3.0 Challenges Affecting Retail Participation



**Inadequate
knowledge about
the capital market**

**Overbearing
procedures and
general inefficiencies
of registrars**

**Lack of information
about quoted
companies**

**The capital market
crash**

**Paucity of investible
funds**

**Low returns on
investment**

**Lack of transparency
in the market**

**High cost of
transaction**

**Insincere and
dishonest
stockbrokers**

Policy summersaults

**Share price
manipulation**

4.0 Adoption of Innovative Technological Solutions in the Capital Market – Local and Global Perspectives

Pre-Trade or Access to Capital
(crowd funding, bondsstartup market)

Trade Execution (cost efficiencies,
enhanced trading security)

Post-Trade Services (distributed
ledgers, KYC automation)

Life Cycle Management (Data and
Data analytics, value added services)

SEC – Fintech Roadmap for the
Capital Market



5.0 Achieving Greater Level of Retail Participation in the Capital Market with Fintech Adoption

Network Platforms

Robotic Process Automation

Customer Experience

Blockchain Technology

Fintech Association of Nigeria – Unifying the Value-Driven Ecosystem

Vision

To make Nigeria one of the world's leading markets for FinTech Innovation and Investment.

Mission

To foster an ecosystem that supports all stakeholders to achieve a thriving and growing Nigerian FinTech industry



- ✓ **Diverse Membership Base** – 109 Corporate Members from various sectors of the economy.
- ✓ **Global Affiliation** – Member of Global Fintech Hubs Federation (member institutions across eighty five countries. Serves as a vehicle to access global best practices in Fintech)
- ✓ **Global Reputation** – engaged by IMF, DFID on financial inclusion and open banking initiatives in Nigeria; Global Financial Innovation Network on global sandbox and British Prime Minister/DFID Business Network
- ✓ **Strong Local Presence** – organises series of events including National Fintech Conferences in Nigeria with other partners.

Fintech Ecosystem in Nigeria

Membership - 109

ICT & FSPs



LEGAL, CONSULTING & VCs



MEDIA, EDUCATION & START-UPS



BANKS, ICT & FSPs



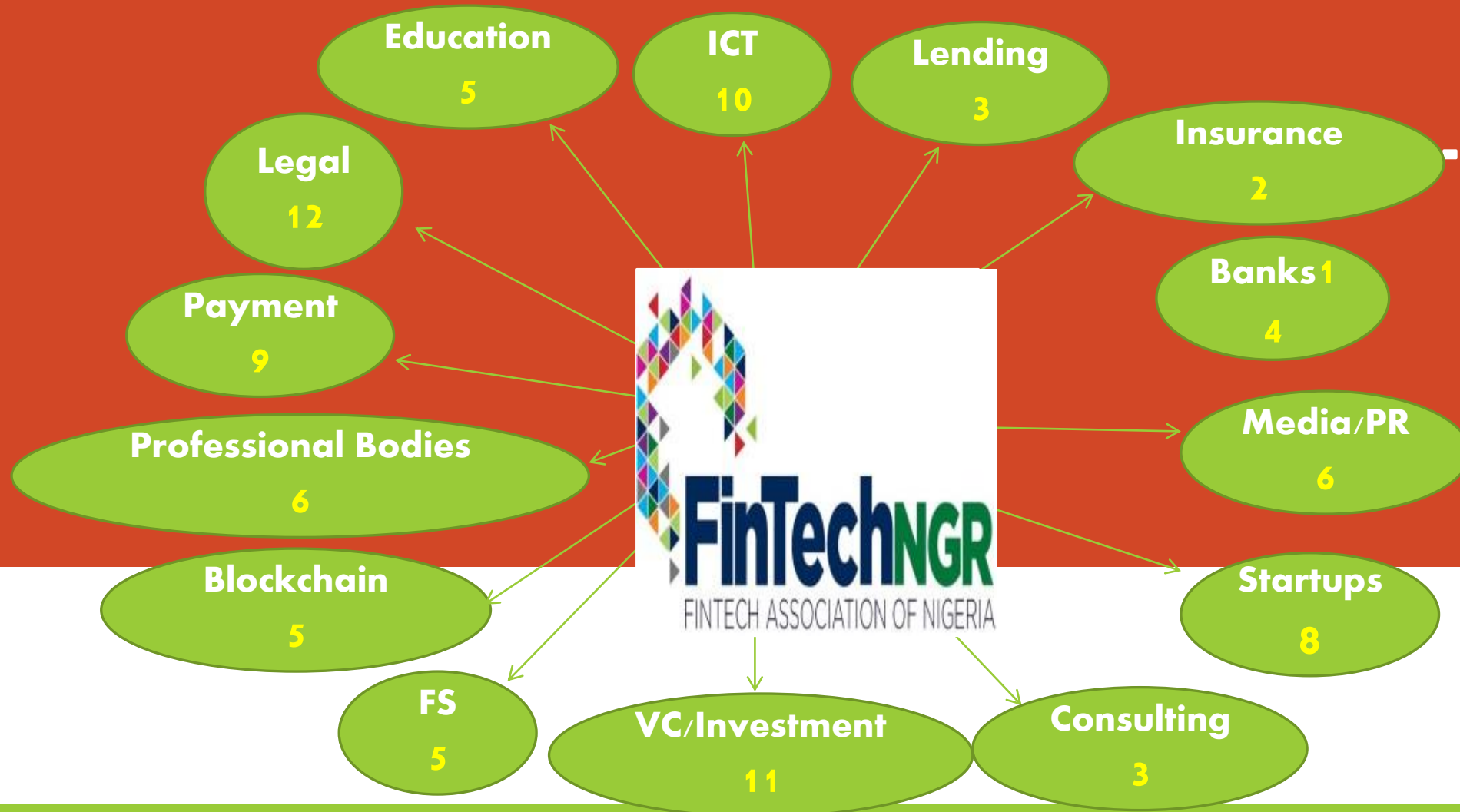
LEGAL, CONSULTING & VCs



MEDIA, EDUCATION



Fintech Association of Nigeria – Unifying the Value-Driven Ecosystem



7.0 Conclusion

Disruptive technological solutions are the only things that are constant in today's financial services sector. The capital market can deepen reach and increase participation by a lot more retail participant if:

1. Appropriate mobile technological solutions are deployed to improve access for transaction initiation and closure especially, to capture the millennials and generation Z.
2. Embark on financial literacy on capital market operations and benefits in towns outside of Lagos, Abuja, and PortHarcourt. This will also assist in increasing financial inclusion.
3. Regulators need to come up with progressive regulatory reforms that support financial inclusion to boost retail participation in the capital market (China, Pakistan and SEC, Nigeria).
4. Creative products that speak to socio-religio-cultural issues will also help to increase financial inclusion

7.0 Conclusion

Innovation is the key to the future, its either we innovate or become extinct. Welcome to the future!

“Financial Technology solutions, once seen as a threat, are now being adopted by asset markets to improve their operations.”

- Vikram Limaye -

*Thank
you*

