



Thisday BGL 50 Index

Introduction

Thisday BGL 50 Index was created by and is being maintained by the Thisday BGL Index Committee, a team of BGL Plc and Thisday Newspaper market and index analysts who meet on a regular basis. The objective of the Index Committee is to ensure that the Thisday BGL 50 becomes the leading indicator of Nigerian equities, reflecting the risk and return features of the market on a regular basis.

The commencement date of the index is January 1st 2011 at 100 points. The Index will be calculated at the end of each trading day.

Index Methodology

The Thisday BGL Index Committee follows a set of guidelines for maintaining the index.

Criteria for Index Additions

❖ Listing on the Nigerian Stock Exchange:

Companies on the Index must be listed on The Nigerian Stock Exchange in addition to other determining factors such as its corporate structure, accounting and disclosure levels.

❖ Market Capitalisation:

Companies with market capitalization in excess of N5 billion. This minimum is reviewed from time to time to ensure consistency with market conditions.

❖ Public Float:

There must be a public float of at least 25%. This minimum could be reviewed to accommodate large capitalization stocks which fall below this threshold but with a clear objective to expand public float to 25%.

❖ Financial Viability:

Real Sector companies should have four consecutive quarters of positive as-reported earnings, where as-reported earnings are defined as profit after tax excluding extraordinary items.

As a result of the current banking reforms which have led to write-downs of bad loans and significant provisioning, banks should have three consecutive quarters of positive as-reported earnings.

❖ Adequate Liquidity:

The ratio of annual naira value traded to market capitalisation for the company should be 4% or greater. Very low stock prices can affect a stock's liquidity.

❖ Sector Representation:

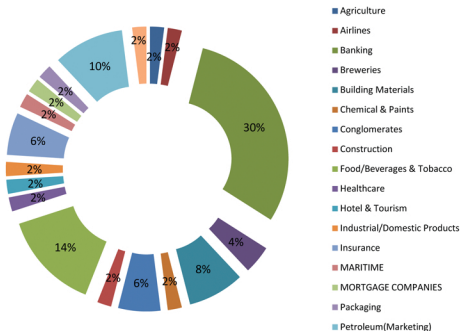
Companies' industry classifications contribute to the maintenance of a sector balance that is in line with the sector composition of the universe of eligible companies with market cap in excess of N5 billion.

Continued index membership is not necessarily subject to these guidelines. The Index Committee strives to minimise unnecessary turnover in index membership and each removal is determined on a case by case basis.

Criteria for Index Removals

- ❖ Companies that substantially violate one or more of the criteria for index inclusion.
- ❖ Companies involved in merger, acquisition, or significant restructuring such that they no longer meet the inclusion criteria.
- ❖ Companies de-listing from The Nigerian Stock Exchange.
- ❖ Companies that are substantially involved in market infractions and have faced indictments from their supervisory regulators or the Securities Exchange Commission.

Sector Breakdown





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