



# THE Nigerian STOCK EXCHANGE

Reconstructing  
possibilities

ANNUAL  
REPORT **2018**

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## THE Nigerian STOCK EXCHANGE

### Our Vision

Africa's Preferred Exchange Hub

### Our Mission

To provide investors and businesses a reliable, efficient and an adaptable exchange hub in Africa, to save and to access capital.

# Notice of the Fifty-Eight Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Fifty-Eight Annual General Meeting of Members of the Nigerian Stock Exchange ("The Exchange") will be held at the NSE Event Centre, 20th floor, Stock Exchange House, 2/4 Customs Street Lagos, on **Monday, 30 September 2019 at 11:00 a.m.** prompt to transact the following businesses:

## ORDINARY BUSINESS

1. To present the Audited Financial Statements of The Exchange for the year ended 31 December 2018, and the Reports of the National Council and the Auditors thereon.
2. To re-elect the following Council members, who are retiring by rotation, as members of the National Council:
  - I. Mrs. Catherine Nwakaego Echeozo
  - ii. Katsina State Investment & Property Development Co. Limited (Represented by Mrs. Fatimah Bintah Bello–Ismail)
  - iii. Fortress Capital Limited (Represented by Mr. Yomi Adeyemi)
  - iv. Pilot Securities Limited (Represented by Mr. Seyi Osunkeye)
3. To authorize the National Council to fix the remuneration of the Auditors.

## NOTE:

1. A member entitled to attend and vote at the Annual-General Meeting is entitled to appoint a proxy to attend and vote instead of himself.
2. No person shall be appointed a proxy who is not already a member of The Exchange or the accredited representative of a member, save that a corporation being a member of The Exchange may appoint as its proxy one of its Directors or other authorized representative who is not a member of The

Exchange.

3. The Common Seal must be affixed on the proxy form if executed by a company.
4. Executed proxy forms should be deposited at the registered office of The Exchange (2/4 Customs Street, Marina, Lagos State) at least 48 hours before the time of holding the meeting.

Dated this 5<sup>th</sup> day of September 2019

By Order of Council



**Mojisola Adeola**  
Council Secretary  
Stock Exchange House  
2/4 Customs Street  
Lagos, Nigeria





# THE Nigerian STOCK EXCHANGE

## President's Statement

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## President's Statement



"This annual report statement affords me the opportunity to reflect on our journey as an Exchange during the period of my stewardship"

**Abimbola Ogunbanjo**

Distinguished ladies and gentlemen,

I am pleased to present to you the Annual Report and Financial Statements of the Nigerian Stock Exchange ("NSE" or "The Exchange") for the year ended 31 December 2018.

Following themes of disruption in the financial services sector, we quickly aligned our strategy with the interests of our customers and stakeholders. In our 2018 – 2021 strategy, we prioritised delighting our customers and set ourselves up to leverage emerging technologies such as big data analytics, Blockchain technology, etc. to capitalize on "Big Bang" opportunities. Our goal is to engrain customer service as a core organizational competence, elevate our ecosystem and provide a portfolio of globally competitive products and services which help our customers achieve their financial ambitions. The Council believes the renewed focus on delighting our customers will enable the NSE capitalise on opportunities within our industry to drive long-term value for our stakeholders. Early progress against the strategy has been encouraging and the Council is closely engaged with management on its delivery.

# President's Statement

## FINANCIAL PERFORMANCE AND STRATEGIC OPERATIONS

Despite a challenging external environment, as we progressed through the year we maintained increased surplus supported by our intensified diversification efforts. The year ended with a decline in Group revenues of 8% to 7.67Bn due to the poor performance of the equity market over the course of the year. However, we boosted our total assets to N29.07Bn up from N26.69Bn in 2017, providing us with adequate financial flexibility to support our strategy execution for the road ahead.

In line with global markets, our equities market experienced a decline in 2018. This trend, however, was counterbalanced by the Nigerian Stock Exchange's delivery of key initiatives for the development of the Nigerian capital market. Throughout the year, we maintained a focus on transforming the Exchange and reforming the market to be more efficient. Accordingly, we expanded our focus on retail investor activity and in positioning The Exchange to deploy innovation to be agile, offering smart products and services. In 2018, we witnessed the Debt Management Office (DMO) list the pioneer N10.69bn Federal Government of Nigeria (FGN) Sovereign Green Bond, and a N100bn FGN Ijarah Sukuk bond. This further asserted our aspiration as the platform for both the public and private sector to raise and to access capital, encouraging financial inclusion.

During the year, we concentrated efforts on introducing Exchange Traded Derivatives. We are currently in the final stages of securing approval for NG Clearing Ltd, the sole Central Counterparty Clearing House in the nation to facilitate the trading of derivative securities upon its official launch in 2019.

We also made significant progress with the Demutualization process, with the Demutualization bill now signed into law and assented to by the President. The successful completion of this project will ultimately position our market as a significant driver of socio-economic development.

In an effort to boost our listed asset classes, we migrated Real Estate Investment Trusts (REITs) and Closed-End Funds (CEFs) listed on the main board to an exclusive board after an extensive restructuring. This will promote the visibility and liquidity of listed REITs and Closed-End Funds; an assurance of our commitment to partnering with capital market stakeholders in being a multi-asset class exchange, catering to a variety of investors.

## STRATEGIC PARTNERSHIPS

As President, I believe we cannot build the future by ourselves. Having operated for this long in the financial markets and working with vast networks of companies, we deeply understand the need for partners who share our aspirations. The Nigerian Stock Exchange remains at the forefront of innovation and actively seeks ways to leverage new technologies and partnerships to drive the growth and development of the Nigerian capital market. In 2018, we deepened our technology partnership with NASDAQ, upgraded our matching engine technology and extended our license agreement. This partnership agreement also allowed us to continue leveraging NASDAQ's SMARTS Market Surveillance technology to monitor market manipulation.

As part of our efforts to engrain sanity in the capital markets, as well as eschew economic and financial crimes, our collaboration with the Economic and Financial Crime Commission (EFCC) resulted in the repatriation of over N70 Mn in capital market fraud to investors in 2018. We shall continue to seek out corporate partnerships that will help us maintain a fair and orderly market.

## CORPORATE SOCIAL RESPONSIBILITY

While executing on our vision for growth remains paramount, we also recognize the importance of continuously improving our environmental, social and governance (ESG) efforts. 2018 was another successful year as we raised N29Mn for mobile cancer units in the

## President's Statement

fifth edition of the annual 5km-race, bringing the total amount raised since inception to N121Mn.

As a member of the United Nations Sustainable Stock Exchanges (SSE) initiative, we are committed to supporting the United Nations' Sustainable Development Goals. To this end, we signed a Memorandum of Understanding (MoU) with Recycle Points Limited in support of the Cleaner Lagos Initiative; a demonstration of the Exchange's effort to 'End Plastic Pollution'.

We secured the Securities and Exchange Commission's (SEC) approval for our Sustainability Disclosure Guidelines for all listed companies. The Exchange's issuance of these guidelines is to further enable investors ascertain their exposure to ESG risks whilst providing our issuers a platform to disclose common sustainability themes for comparability.

We also received the 2018 award for "CSR in Education" from Lagos Chamber of Commerce & Industry (LCCI) in recognition of our commitment to promoting quality education as a tool for development. This award serves to recognise and promote our core values of growth through innovation, business sustainability and positive impact to the society.

### FUTURE OUTLOOK

According to the IMF's most recent forecast, the global economy is projected to grow at 3.5% and Sub-Saharan Africa forecasted at 3.5%. Growth in Nigeria is expected to rise to 2.0% in 2019, making it the highest real GDP growth estimate over the last three years.

While we expect market bias in the first half of the year to be driven by the 2019 general elections as well as uncertainty in global oil prices, we believe swift approval and implementation of the 2019 budget as well as stability post the 2019 general elections will have a positive impact on our organizational performance considering our positive correlation to the Nigerian economy.

We intend to capitalize on milestones achieved thus far while continuing to execute on our 2018-2021 strategy, which is focused on customer centricity, market development and innovation. We are currently at the approval stages of our Growth Board, a new marketplace to address the growing needs of start-ups, provide exit opportunities for investors and reduce the cost of funding.

In line with our desire to increase financial inclusion and unlock dormant capital for economic growth and development, we intend to intensify our promotion of the growth and development of the Islamic Finance Industry within the Nigerian capital markets.

We will continue to intensify efforts with our stakeholders to on-board new financial instruments and maximize organizational value.

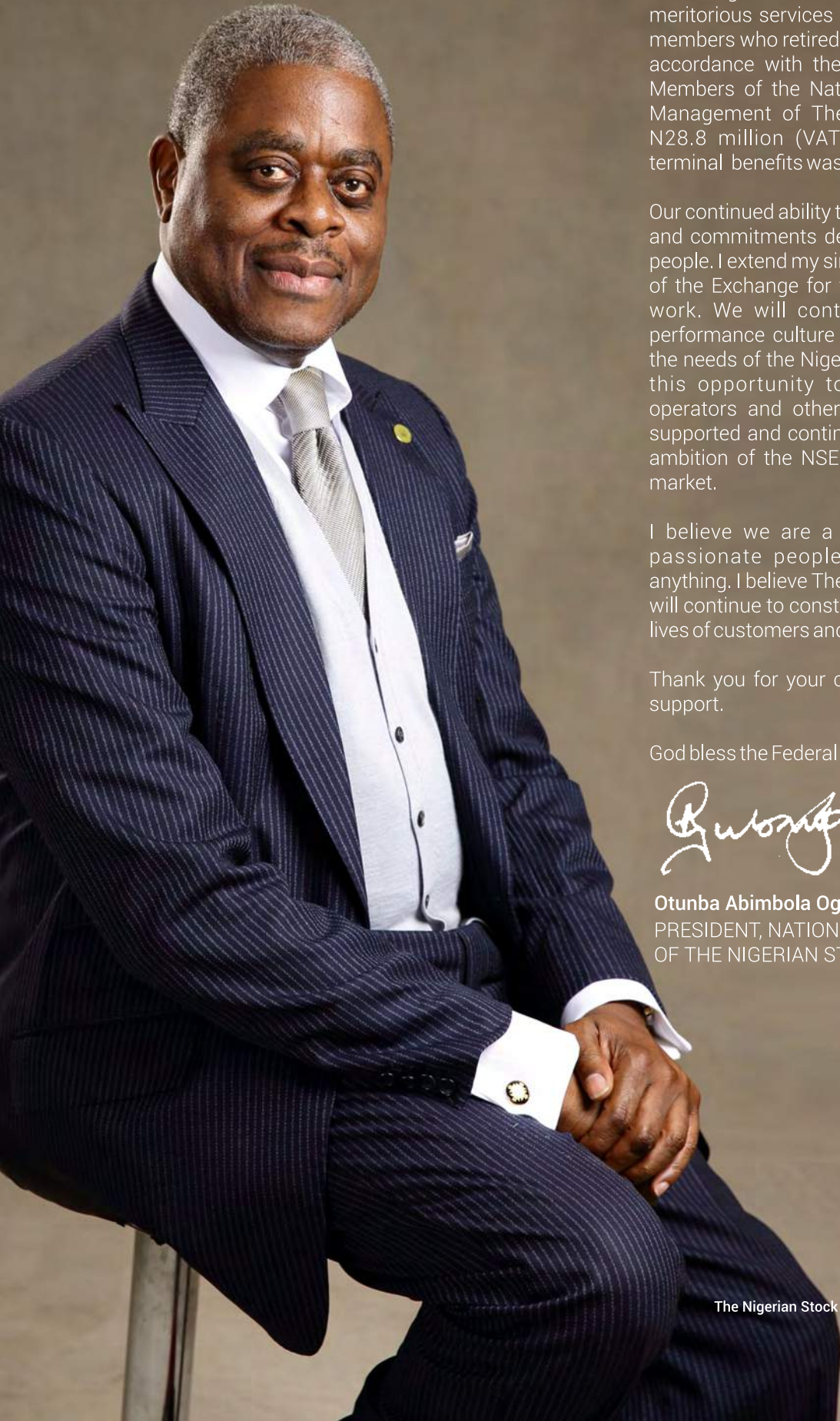
### CONCLUSION

The year 2019 is to be driven by the advent of Globalization 4.0, which is characterised by a global system that is knowledge based. To capitalize on the new opportunities that await us and take advantage of recent disruptions, we have redesigned our approach in executing our growth strategy and delivering the results that would create value for our members and the Nigerian financial market. With a mission of transforming markets, the Exchange is dedicated to serving customers across a number of asset classes globally.

I would like to thank all our various stakeholders for contributing to our success in 2018. We are aware of our role in the local and global community and will continue to proactively collaborate with the federal and state governments, regulators, businesses and investors to develop solutions to challenges central to our market and the national economy.

I wish to extend my appreciation to my colleagues in the National Council for their continued service and commitment to The Exchange and for consistently going far beyond

## President's Statement



In recognition and appreciation of the meritorious services rendered by the 8 council members who retired in September 2017 and in accordance with the Remuneration Policy of Members of the National Council and Senior Management of The Exchange, the sum of N28.8 million (VAT inclusive), being their terminal benefits was paid in 2018.

Our continued ability to meet our strategic goals and commitments depends essentially on our people. I extend my sincere gratitude to the staff of the Exchange for their dedication and hard work. We will continue to strengthen the performance culture at the Exchange to meet the needs of the Nigerian Capital market. I take this opportunity to thank all the market operators and other stakeholders who have supported and continue to support the growth ambition of the NSE and the Nigerian capital market.

I believe we are a company of dedicated, passionate people that can accomplish anything. I believe The Nigerian Stock Exchange will continue to constantly strive to improve the lives of customers and society as a whole.

Thank you for your continued confidence and support.

God bless the Federal Republic of Nigeria

A handwritten signature in white ink, reading "Ogunbanjo".

**Otunba Abimbola Ogunbanjo**  
PRESIDENT, NATIONAL COUNCIL  
OF THE NIGERIAN STOCK EXCHANGE



# THE Nigerian STOCK EXCHANGE

## CEO's Statement

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## CEO's Statement



**T**he Nigerian economy posted relatively stable growth in 2018, while the Nigerian Stock Exchange (NSE or The Exchange) sustained a strong financial performance in spite of a myriad of macro-economic challenges including overall weak performance of the global capital market.

During the year, The Exchange introduced a number of new products and services and grew its asset base from N18.9Bn to N20.9Bn. I am pleased to report on the 2018 NSE financial and operational performance where we continued to build and transform the Nigerian capital market through thought leadership and investments in innovation.

### **Trading Performance**

The year kicked off on a high note following last year's strong performance as the best performer in Africa and 3rd best globally according to CNN, with the NSE All Share Index (ASI) reaching a ten-year peak of 45,092.83 in January 2018. The rally at the beginning of the year was spurred by the solid performance of renewed interests from foreign investors in local stocks as well as the attractive valuation ratios on some stocks. Unfortunately, the excitement was short-lived in the wake of a global stock market correction, normalization of US monetary policy, weakening of key emerging market currencies, and oil price volatility.

As a result, the 18% capitalization of the NSE fixed income market inched up only marginally, while the equity and ETF market capitalization declined 18% and 8% to N11.7Tn and N6.13Bn respectively. The Exchange's benchmark index, the NSE ASI recorded a decline of 18% to close the year at 31,430.50. The performance of other NSE indices also followed global trends in the capital market. 2018 was a vibrant year from a fixed income capital-raising perspective. The Federal Government of Nigeria (FGN) borrowed N1.2Tn in a bid to finance fiscal and infrastructure deficits while the State Governments and Corporates raised a total of N157Bn. We believe this level of activity validates our position as a competitive capital-raising platform for both business and government issuers to finance various economic activities.

During the year, we witnessed a 47.6% increase in foreign outflows of N642.65Bn from a total of N435.31Bn in 2017 highlighting the flight to quality by foreign investors to higher yielding assets with lower risks in developed countries. This was intensified by the political risks associated with the Nigerian presidential elections.

### **Financial Performance**

Financially, the NSE Group demonstrated resilience in the face of a challenging operating environment closing the year with a surplus

## CEO's Statement

of N2.70Bn. Total revenues declined to 8% i.e. N7.67Bn as investors sought towards more guaranteed investment asset classes in the face of uncertainty. Our Listings revenue stream was the most impacted, as it fell by 21% to N1.4Bn. Influenced by the capital market trends within the period, transaction fees also declined to N3.3Bn, a 13% drop from last year, bringing a total surplus of N2.20Bn to The Exchange.

The effect of our diversification drive was evident as revenues from Market data and technology services surged by 15% and 7%, a cushion from cyclical economic trends.

The Group's balance sheet remained strong with a 9% growth in Total assets as the Group closed 2018 with Total Assets of N29.1Bn, with approximately N4.1Bn (14%) held in liquid assets and an accumulated fund of N25.9Bn to close the year with a sound liquidity position and strong balance sheet. On the backdrop of this result, Return on Net Assets (RONA) and Return on Assets (ROA) closed at 10% and 9% respectively.

### Strategy Execution

Moving into 2018, we reevaluated our strategy and birthed a new corporate strategic road map for the 2018 – 2021 period with three primary areas: (i) Enhancing our customer focus; (ii) Reorganizing for optimization; and (iii) Capitalizing on "Big Bang" opportunities (big data analytics, Blockchain technology, etc.).

Our refined vision, to be "Africa's Preferred Exchange Hub" states our ambitions to be a multifaceted exchange cutting across various markets and geographical regions. We aim to be a leading force in customer experience by leveraging emerging technologies to create smart products and services focused on market leadership and enhancement. As the NSE continues to perform strongly in an evolving macroeconomic, regulatory and political environment, the NSE has a responsibility to ensure the orderly functioning of our markets and to contribute to the financial stability of the nation as a whole. Accordingly, in the period under review, we restructured the organization

to include departments such as Enterprise Innovation Hub, Retail Coverage and State Owned Enterprises (SOE). These functions will enhance customer intelligence, boost retail investors activity and position The Exchange to respond to emerging competition proactively and innovatively.

### Business Development

Demutualization of The Exchange remained a priority for us in 2018. We reached a significant milestone during the year when the NSE Demutualization Bill was passed by the National Assembly and assented to by the President of the Federal Republic of Nigeria. This has propelled the initiative into the final stages of the demutualization process. We are continuously engaging with key stakeholders and remain convinced that successful demutualization in 2019 will transform the competitiveness of our market.

To further drive our commitment to best-in-class corporate governance practices, we launched the NSE Corporate Governance Index during the year to capture organizations who practice the highest form of corporate governance on our bourse. This has not only boosted the confidence of the market, but is also a reflection of our effective market regulation, thus enhancing the profile of the NSE as an African leader in promoting global best practices. In the same vein, we migrated four more companies to the premium board of the NSE after meeting the requirements, including displaying industry leadership in their respective sectors and adhering to the international best practices on corporate governance.

Keying into the 4th Industrial Revolution, we digitized some of our primary services. We launched X-Pay which highlights our commitment to building a sustainable cashless ecosystem, while satisfying users' preferences for self-serve bill payment options that is convenient and secure. We also launched X-Bot, the first Artificial Intelligence powered chatbot amongst African securities exchanges designed to provide market participants, especially retail investors, convenient and real-

## CEO's Statement

time access to data and information from the Exchange. As we progress into 2019, we are cognizant of other technological developments that are transforming the way exchanges and financial services operate such as technological advances that satisfy customers' demand for speed, efficiency, and reliability.

Through our Innovation Hub we are well positioned to take advantage of the next wave of emerging technologies to drive organizational growth. In addition to the market segments on our bourse, we also intend to launch a new board – the NSE Growth board, which offers an opportunity to help entrepreneurs scale their business and access a wider pool of investors.

### Strategic Collaborations

During the course of the year, we pursued initiatives that strengthened our leadership position in the African region and enriched our voice on the international capital market stage. We continued to promote the advancement of African financial markets through our memberships in World Federation of Exchanges (WFE), World Economic Forum (WEF) and International Organization of Securities Commissions (IOSCO). We were also active at the regional level through the African Stock Exchanges Association (ASEA) where I recently stepped down as President after serving for four years. Working with the association and its stakeholders, we advanced several initiatives aimed at unlocking liquidity in the region.

Domestically, we formally launched the Association of Securities Exchanges of Nigeria (ASEN) and some of the immediate areas of focus include policy advocacy to drive the general interests of the Nigerian capital market investors and operators as well as prevent fragmentation in the market.

### Outlook for 2019

We know that our future revenues and net income will continue to be influenced by a number of key domestic and international market forces including pricing, product features and service offerings, regulatory

changes relating to market structure and macro environment. We anticipate volatility in the equities markets in the first half of 2019, but expect enhanced stability post the 2019 elections and an expected return of primary and secondary market activity for the second half of 2019.

Building on the momentum we have gained thus far, we will strive to finalize our demutualization process, boost our fixed income market segment and establish our exchange traded derivatives market. In order to properly serve our customers, we intend to measure our brand awareness and perception, which will inform our communications and engagement initiatives as we position the NSE Group as a strong, trusted and credible brand.

We are confident that pursuing these initiatives in 2019 will boost the competitiveness of the NSE at a time when the Nigerian capital market is at an inflection point. To enable us succeed, we are investing heavily in our human and technology resources to make doing business easier for our people. Our highly capable and experienced management team remain focused on the opportunities ahead, to deliver the financial targets we have set, while at the same time continuing to meet the needs and demands of investors and the capital market at large.

### Conclusion and Appreciation

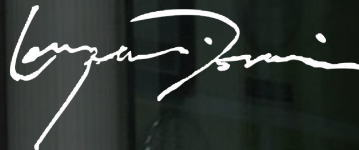
The achievements in 2018 are the result of foresight and hard work over the years. I would like to express my greatest appreciation to all the staff of the Nigerian Stock Exchange who have not only maintained a smooth operation of the business in 2018, but also delivered significant progress and execution under our 2018-2021 Strategic plan. I would also like to take this opportunity to thank the National Council of the Exchange for their guidance and support through the course of the year.

I must extend my appreciation to other stakeholders including our regulators, membership, investors and listed companies for their continuous support on our various initiatives.

## CEO's Statement

2019 promises to be an interesting year, with the general elections, potential for a new cabinet, national assembly and state governments. This could mean new policies, regulations and plans that can catalyze investment flows within and from outside the country. We remain poised to support the government and our stakeholders to maximize the potential that these new dawn brings. I am confident that with persistence, we will continue to make the most of opportunities ahead and actualize The NSE's vision of being Africa's Preferred Exchange hub.

Thank you.



Oscar N. Onyema, OON

Chief Executive Officer



# THE Nigerian STOCK EXCHANGE

## 2018 Strategy Report

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# 2018 Strategy Report

## Introduction

### Becoming Africa's Preferred Exchange Hub.

Our renewed approach to serving the needs of our customers is enhancing our value proposition and creating new opportunities for our diverse stakeholders to flourish.

We aspire to be 'Africa's preferred exchange hub' by

- (i) being the preferred market for the end-to-end customer experience;
- (ii) becoming a fully integrated, multi-asset class exchange hub; and
- (iii) creating value for investors and businesses in Africa, and beyond.

This report shows how we fared during the year and provides an update on the delivery of our strategic objectives.

The adaptability of our strategy uniquely positions us to achieve our long-term objectives, amid an increasingly dynamic business landscape. We believe that our unwavering commitment to strategy execution ensures that our stakeholders will keep on extracting value from the resilience and continued relevance of our business model.

## Business Model

### A business model built on transparency and regulatory rigor

In over 55 years of our illustrious history, we have remained true to our primary purpose of providing investors and businesses a safe and reliable exchange platform to save and access capital. The resilience of our business model is hinged on our commitment to upholding a zero tolerance for infractions and maintaining the highest levels of transparency for a fair and orderly market place for all our stakeholders.

Building on the successes of the past, our increased customer focus positions us to continue to enhance the sustainability of our business well into the future, as we seek to strengthen our value propositions to our diverse customers. Our ability to achieve this depends on the efficient use of our resources to create maximum value for our customers across the value chain.

## Leveraging on Key Resources

We use the resources at our disposal sustainably to achieve our long-term strategic objectives.



### Intellectual Capital

Our people are crucial to our success which underscores our commitment to attracting and retaining high performance professionals.



### Social Capital

We continue to leverage on our network of global exchanges, industry associations, broker dealer community, policymakers etc. to advance our cause.



### Financial Capital

We deploy our financial resources sustainably to create value for our customers and other stakeholders.



### Brand Equity

We are Nigeria's foremost securities exchange, with a reputation built over 55 years at the forefront of the Nigerian capital market.

# 2018 Strategy Report

## Delivering value to our stakeholders through diverse products and services

We provide a market for the issuance and trading of a range of investment products powered by world-class technologies and robust regulatory frameworks. Our core business as an exchange is complemented by operations and interests in pre and post trade services.

### Listing and Trading<sup>1</sup>

**169** **Equities<sup>2</sup>**  
Companies; REITS; Funds

**108** **Bonds**  
Government; Corporate;  
Supranational

**48** **Memorandum Listings**  
Collective Investment Schemes

**9** **Exchange Trade Funds**  
Commodity; Bond; Equity

### Services



Market Data



Technology



Regulation



Training



Licensing

## Our Strategy

### Capitalizing on big bang opportunities

With a keen sense of our increasingly dynamic business landscape, our strategy was formulated on the back of key trends which will significantly shape our operating environment.

#### 1. Increased focus on customers

Driven by technologies such as big data analytics and a rising middle class with a demand for more sophisticated financial services, industry players are now taking more proactive measures to enhance the end-to-end customer experience.

**Our Strategic Response:** Targeted efforts towards 'delighting' stakeholders across the value chain via deepening our customer intelligence and developing a customer needs framework.

#### 2. The rise of Fin-tech

The emergence of new technologies on the advent of the 4th industrial revolution has transformed the capital market industry, creating opportunities and challenges for market operators. An increasing number of operators are adopting these technologies and partnering with Fin-tech companies to boost their competitive edge.

**Our Strategic Response:** Deploy innovative solutions based on emerging technologies and provide bespoke market services/solutions.

<sup>1</sup>. As at December 31, 2018

<sup>2</sup>. 164 Listed Companies

# 2018 Strategy Report

## 3. Fast growing youthful population

Nigeria's population is on course to reach 440 million people by 2050, with youth (under the age of 35) expected to account for 60% of this<sup>1</sup>. With a current estimated population of 180 million people, Nigeria offers a large retail market that is yet to be fully tapped.

**Our Strategic Response:** Drive order flow by invigorating retail participation via financial literacy strategy, improved ease of access and amplified marketing to retail investors.

## 4. Growing regional connectivity

The push for regional integration is gaining prominence, evidenced by the new frameworks for cooperation at various stages of development, such as WACMIC and ASEA AELP. Our efforts in driving these pan-African initiatives positions us to take advantage of opportunities that arise in these areas.

**Our Strategic Response:** Become a multifaceted exchange, with business operations cutting across various markets and geographical regions.

## Our Strategic Themes

Our strategy is built around the four themes of Operational efficiency, Customer-centricity, Innovation and Partnerships (O-C-I-P).

### O OPERATIONAL EFFICIENCY

Efficient, effective and reliable operations that enables us to quickly provide our customers quality products and services at the best value for best efforts.

### C CUSTOMER CENTRICITY

Keen focus on deepening our customer intelligence, better understanding our customers' needs and serving them accordingly.

### I INNOVATION

Effective implementation of new ideas, leveraging emerging technology to create dynamic products and services for our customers.

### P PARTNERSHIPS

Mutually beneficial collaborations with all our stakeholders to support the development of a sustainable Nigerian capital market.

<sup>1</sup>. Source: UNICEF

# 2018 Strategy Report

## Enhancing our competitive edge through customer-centricity Delighting our customers across the value chain

To meet the needs of our diverse customers, it is important that we have a good understanding of who they are and what matters to them.

The 2018 – 2021 strategic plan outlines several initiatives aimed at deepening our customer intelligence and delivering innovative solutions to afford our customers the flexibility to decide how they save and access capital, as well as access information and support.

### Strategic Priorities

- Create and reward loyal customers through incentive schemes per product/segment. For example, volume-based rewards for institutional and tiered discount schemes for retail investors.
- Enhance the customer experience through streamlined listing and onboarding process for issuers and other prospective customers respectively, implementation of the CRM system and improved TATs in line with global benchmarks.
- Customer Needs Framework entailing product segmentation per customer group and implement account management strategies based on segmentation.
- Deepen customer intelligence via collaborating with the capital market ecosystem to build retail and institutional investor intelligence database.

## Enhancing our competitive edge through innovation Enterprise Innovation at the Exchange

In recognition of the increasing prominence of disruptive technologies in the capital markets business, we are seeking to institutionalize innovation as a foundation for the sustainability and long-term competitiveness of our business.

To this end, we created a new department called the Enterprise Innovation Hub which will be responsible for deploying innovation to build an agile Exchange enterprise, offering smart products & services focused on market leadership and dominance.

### Strategic Priorities





- **Partnerships:** Identify critical business and technology partners from technology hubs, parks, PE and VC firms, other forward looking exchanges/exchange associations.
- **Enterprise Innovation:** Develop internal capacity and train our people on the Enterprise Innovation Framework. Create a platform for ideas cross pollination and bilateral cooperation across the FINTECH ecosystem.
- **Investments:** Identify and invest in high growth Fin-tech start-ups with the potential to drive retail participation in the capital market.

# 2018 Strategy Report

## Our Strategy Map

### NSE 2018 – 2021 Strategic Plan

The NSE's 2018-2021 strategy takes account of the marked changes in our operating environment and the competitive landscape to provide a sharply enhanced focus towards new and emerging growth opportunities. Our strategy is focused on becoming the preferred market for the end-to-end customer experience with diverse business operations spanning various geographical locations, creating value for investors and businesses in Africa and beyond.

Our Mission	Our Vision	Our Quantified Vision	Our Strategic Themes
To provide investors and businesses a reliable, efficient and an adaptable exchange hub, to save and to access capital.	Africa's preferred Exchange hub.	BE the preferred exchange hub in Africa with an average RoA of 26% and net assets of N30Bn by 2021 (1 – 2 – 3 – 4)	 Operational Excellence Efficiency  Customer Centricity  Innovation  Partnerships

## Our Strategic Objectives

Financial	<b>F1</b>	Increase revenue from new and existing markets and businesses
	<b>F2</b>	Optimize cost structure
	<b>F3</b>	Increase asset efficiency
Customer	<b>C1</b>	Deliver better value to customers
	<b>C2</b>	Reinvent the customer experience via dynamic solutions
	<b>C3</b>	Enhance the Nigerian financial system
	<b>C4</b>	Increase retail participation via user-friendly technologies
Processes	<b>P1</b>	Understand drivers of customer value
	<b>P2</b>	Enhance /streamline internal processes
	<b>P3</b>	Create and enhance collaboration and innovation processes
Employees and Systems	<b>ES1</b>	Continuously develop human capital within the financial ecosystem
	<b>ES2</b>	Improve Knowledge-Sharing and Communication systems
	<b>ES3</b>	Boost end-to-end capabilities required to increase retail participation
	<b>ES4</b>	Enhance innovation capacity and systems

# 2018 Strategy Report

## Delivering on Our Strategic Commitments

The year 2018 marked our first year of implementing the 2018 – 2021 strategic plan and we are pleased to have made commendable strides towards achieving our strategic objectives. The table opposite contains a summary of our progress on the implementation on our six broad strategic initiatives for the period underreview.

Initiative Description	Progress in 2018	Strategic Objectives Impacted
'Delight' stakeholders across the value chain	<ul style="list-style-type: none"> <li>• <b>Listings Drive:</b> We achieved one (1) new company listing with the listing of Notore Chemicals Plc. in Q3'18. In addition, there were nine (9) supplementary listings during the year.</li> <li>• <b>Premium Board Migration:</b> We migrated four (4) companies to the Premium Board of The Exchange.</li> <li>• <b>Index Launch:</b> Launched the Corporate Governance Index to track performance of companies that meet the most stringent corporate governance criteria.</li> <li>• <b>Competitive Pricing Structure:</b> Ongoing engagement with the SEC regarding equity listing and fixed income trading fees under our Competitive Pricing Structure initiative. We are optimistic that the conclusion of these discussions will significantly improve our pricing competitiveness in the short to medium term.</li> </ul>	<div style="display: flex; flex-wrap: wrap; gap: 5px;"> <span style="background-color: #008000; color: white; padding: 2px 5px;">F1</span> <span style="background-color: #008000; color: white; padding: 2px 5px;">C1</span> <span style="background-color: #008000; color: white; padding: 2px 5px;">C2</span>   <span style="background-color: #008000; color: white; padding: 2px 5px;">P1</span> </div>
Drive order flow by invigorating retail market	<ul style="list-style-type: none"> <li>• <b>Investor Protection:</b> Investor Protection Fund approved the settlement of 62 claims valued at N15.42Mn, bringing it to a total of N65.58Mn paid out to beneficiaries within the past 3 years.</li> <li>• <b>Financial Literacy:</b> Impacted 231,048 beneficiaries (42,480 students) through 424 financial literacy programmes.</li> </ul>	<div style="display: flex; flex-wrap: wrap; gap: 5px;"> <span style="background-color: #008000; color: white; padding: 2px 5px;">F1</span> <span style="background-color: #008000; color: white; padding: 2px 5px;">C4</span> <span style="background-color: #008000; color: white; padding: 2px 5px;">ES3</span> </div>
Boost activity across markets, products and services	<ul style="list-style-type: none"> <li>• <b>Derivatives:</b> Our technology infrastructure has been enhanced to support the trading of ETDs. The Rulebook has been created and is currently going through the approval process alongside on-boarding of dealing members. We strongly believe this initiative will aid in efficient price discovery and risk management for our ecosystem.</li> </ul>	<div style="display: flex; flex-wrap: wrap; gap: 5px;"> <span style="background-color: #008000; color: white; padding: 2px 5px;">F1</span> <span style="background-color: #008000; color: white; padding: 2px 5px;">C1</span> <span style="background-color: #008000; color: white; padding: 2px 5px;">C2</span>   <span style="background-color: #008000; color: white; padding: 2px 5px;">C4</span> </div>

# 2018 Strategy Report

	<ul style="list-style-type: none"> <li>• <b>Market Structure:</b> Implemented a new equity market structure to dampen volatility and enable pricing efficiency during the open &amp; close auctions, as well as continuous trading.</li> </ul>	
<p>Elevate the Nigerian capital market</p>	<ul style="list-style-type: none"> <li>• <b>Demutualization:</b> Our effort to demutualize the NSE reached a key milestone as the Demutualization Bill was passed into law. The next steps are to finalize the demutualization plan, hold Extraordinary General Meeting and submit the Demutualization Plan to the SEC and secure regulatory and other approvals.</li> <li>• <b>Advocacy Efforts:</b> We continue to engage our key stakeholders including government, regulatory authorities (SEC &amp; CBN), law &amp; policy makers, our dealing member community etc. as part of advocacy efforts for the Nigerian capital market.</li> <li>• <b>Capital Market Events:</b> Hosted the 5th edition of the NSE-LSE Dual Listing Conference; ASEA flagship event; Capital Market Information Security Forum; NSE Market Data Workshop and the maiden NSE ETP Conference.</li> </ul>	<p>C3 P3 ES1</p>
<p>Capitalize on competencies and emerging technologies</p>	<ul style="list-style-type: none"> <li>• <b>Solutions:</b> We launched X-Pay, our online payments solution and X-Bot, an artificial intelligence (AI)-powered chat bot during the year. Other solutions currently at various stages of implementation include: X-PO, our electronic IPO platform(scheduled to go-live in Q2' 19), Mutual Funds Trading Platform(Q1'19 go-live) and X-Issuer Phase 2, an enhancement of our issuers portal(Q1'19 go live).</li> <li>• <b>Enterprise Innovation Drive:</b> During the year, we developed an enterprise innovation framework to drive internal creativity, intrapreneurship and staff training as key drivers of innovation for the Exchange. We have since begun the process of synthesizing staff and operationalizing the framework.</li> <li>• <b>Partnerships:</b> Our FinTech investment policy was completed and is being reviewed by the National Council. Five (5) partnership proposals were made during the year, one of which resulted in a partnership agreement.</li> </ul>	<p>F1 P2 P3 ES4</p>

# 2018 Strategy Report

Attract and develop high performance professionals

- **X-Academy:** During the year, the X-Academy unit was restructured for greater levels of operational efficiency. Our target of 16 courses to be delivered via X-Academy was achieved after leveraged partnership with two (2) organizations.
- **Staff Training:** Over 80% of our professional staff received training during the year. We anticipate higher participation rates with the launch of our Learning Management System, in Q2'19.
- **Corporate Restructuring:** We created new departments including Enterprise Innovation, Retail Coverage and State Owned Enterprises (SOE). 37 new roles were created across the organization of which 24 (65%) had been filled as at year end

ES1 ES2

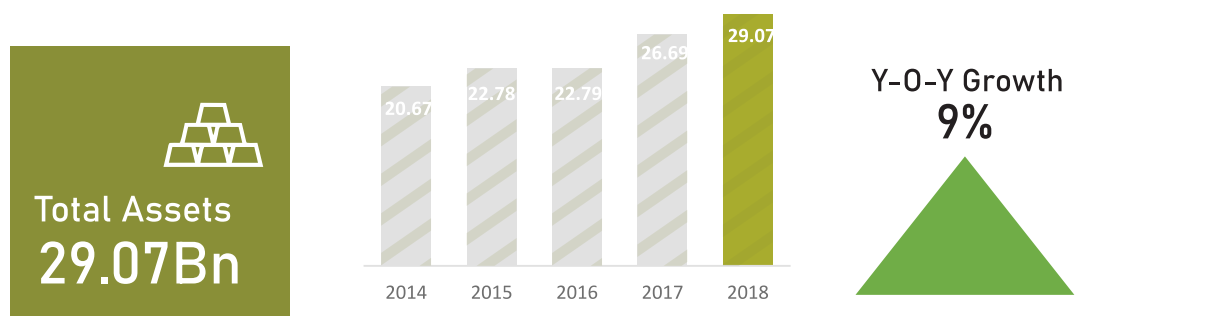
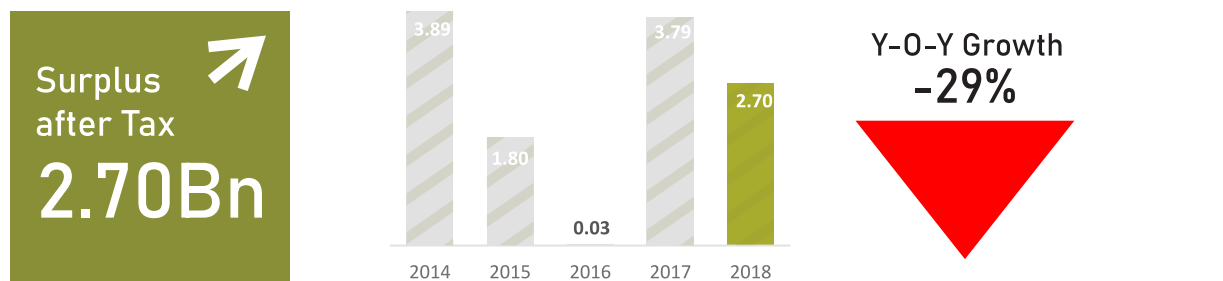
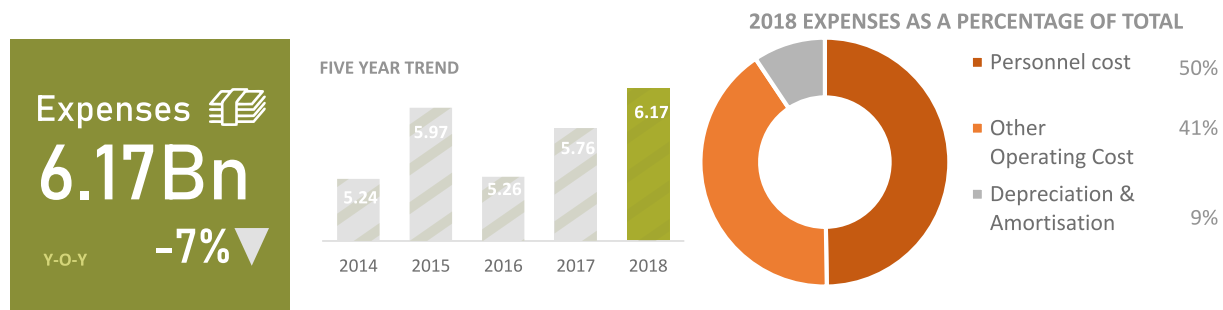
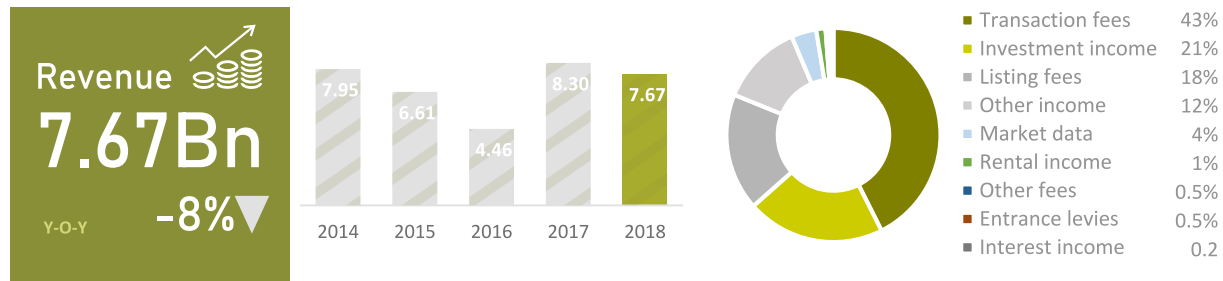


# THE Nigerian STOCK EXCHANGE

## 2018 Group Financial Highlights

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# 2018 Group Financial Highlights





# THE Nigerian STOCK EXCHANGE

## Enterprise Risk Management Report

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# Enterprise Risk Management Report

## Enhancing value by Ensuring Stability

Being a self-regulatory entity, we recognize that through effective risk management, our stakeholders can rely on our commitment to championing the development of Africa's financial markets. To investors, this means that their long-term value can be preserved and enhanced; for quoted companies, that our platform can always be relied upon to boost their businesses; for our Dealing Members, we provide them with a fair and orderly market and to our regulator, it provides the vital assurance that the market functions as it should.

## Risk Management Philosophy

We believe that risk management is the responsibility of everyone, hence at The Exchange Risk Management is integrated into business and decision-making processes including strategy formulation, product development, business planning, investment decisions, internal control and day-to-day operations. At the core of these activities lies our enterprise risk management framework, which provides the mechanism for implementing risk management in both strategic decisions and operational tasks. This involves a range of comprehensive, systematic, disciplined and proactive actions that are implemented to identify, assess, manage and report on the strategic business risks and all inherent risks related to the achievement of our objectives and vision. We prioritize early risk detection and are committed to achieving strong controls over them so that risks can be mitigated.

A summary of the thrust of our activities are as follows:

- **Oversight:** Ensure all critical risks are identified, managed and monitored under a holistic approach consistent with the Council approved risk appetite statement.
- **Ownership and Responsibility:** Establish ownership of identified risks and assigning them to individuals with detailed knowledge of the business unit/processes.
- **Assurance:** Ensure that Council, ARM and ExCo members have reasonable assurance that risk is being appropriately managed within defined levels of risk appetite and

tolerance therefore enhancing stakeholder value.

- **Awareness:** Employees of The Exchange executing transactions prone to risks are made aware of transaction risks and are able to identify, analyze and evaluate risks before executing such transactions.
- **Effectiveness:** Regular reviews are conducted to evaluate the effectiveness of risk mitigation measures against agreed targets.

Within the year, the Enterprise Risk Management Group expanded the curriculum of its Annual Risk Management trainings to deliver content on evolving risks, improve the enterprise awareness and further empower the business on implementation of risk management framework: risk identification, assessment, treatment and reporting as part of their daily operational activities.

## Risk Appetite and Risk Tolerance

Our risk appetite reflects the extent of risks The Exchange is willing to undertake in the pursuit of its strategic and business objectives. In our risk and opportunity interactions and decisions, we keep within our defined risk boundary hence our stakeholders expect that we will only take reasonable risks that:

- a) Align with our strategic objectives and capability.
- b) Can be understood and managed.
- c) Do not expose The Exchange to hazards that can;
  - Affect safety and health of our staff, contractors and / or the general public
  - Cause material financial loss impacting financial stability
  - Impede on our ability to drive strategy execution
  - Cause breach of regulations leading to loss of license and / or substantial fine
  - Lead to interruption leading to severe impact on trading and the market community
  - damage of our reputation and brand name

Our risk tolerance specifies the acceptable level of variation relative to set risk appetite. Furthermore, it outlines the level of risk which The Exchange is willing to tolerate without incurring significant financial losses.

**Risk Governance**

At The Exchange, risk governance is achieved through effective delegation of authority from the Council, which has the oversight for risk, and through the Audit and Risk Management (ARM) Committee to the Executive Management, Head of Departments and then to the staff. The Exchange has adopted the 'Three Line of Defense' model in executing its risk management strategy, and the model sets out

the arrangement and structure of roles, responsibilities, communication and accountability for decision-making to achieve effective governance of risk. The Council and Executive Management carry out their responsibilities through the three lines and are able to rely on each line function for monitoring and assurance. This provides the confidence that The Exchange's risk-taking activities reflect its defined thresholds, articulate roles and delineates involvement in the control of an effective enterprise risk management, and these are:

1. Functions that own and manage risks.
2. Functions that oversee risks.
3. Functions that provide independent assurance:

First Line	Second Line	Third Line
<ul style="list-style-type: none"> <li>● Front line Offices</li> <li>● Operations</li> <li>● Business Units</li> </ul>	<ul style="list-style-type: none"> <li>● Enterprise Risk Management</li> <li>● Information Security</li> <li>● Business Continuity</li> <li>● Compliance</li> <li>● Internal Control</li> </ul>	<ul style="list-style-type: none"> <li>● Internal Audit</li> <li>● External Audit</li> </ul>
<ul style="list-style-type: none"> <li>● Identify and assess risk relative to business objectives</li> <li>● Express risk appetite</li> <li>● Adopt policy, guidelines and establish business level risk procedures</li> <li>● Monitor risks / losses / KRIs</li> <li>● Identify and implement preventative / corrective actions and controls</li> <li>● Maintain culture of risk ownership</li> </ul>	<ul style="list-style-type: none"> <li>● Facilitate articulation of risk appetite</li> <li>● Participate in strategic risk management planning process</li> <li>● Review / analyze risk data and monitor the control environment</li> <li>● Advise on the implementation of preventative / corrective actions and controls</li> <li>● Independently escalate significant issues</li> <li>● Establish policies and guidelines</li> </ul>	<ul style="list-style-type: none"> <li>● Participate in Audit and Risk Committee as an observer</li> <li>● Provide independent assurance as to the effectiveness of the design, implementation and embedding of the Enterprise Risk Management</li> <li>● Testing of operating effectiveness of control</li> </ul>

## 2018 in focus

Though the year under review was challenging, The Exchange has remained resilient by proactively countering both business and economic challenges. Towards achieving the 2018 - 2021 Strategic Plan, The Exchange re-aligned its internal structure for efficiency in driving the new Corporate Strategy. A number of new departments emerged and strategic functions were consolidated to support our evolving strategic ambitions, which are primarily geared towards innovation, emerging technologies and retail participation. The Enterprise Risk Management (ERM) Group was expanded, and now includes Information Security Department, to ensure a holistic view of emerging risks of cyber security, and Business Continuity Management unit which drives The Exchange's plan to deal with internal and external threats. This expansion ensures that our risk management practice is strengthened and the risks to our information systems, data and operational resilience are adequately mitigated and monitored. As a validation of our commitment to instituting a world class Information Security Management System and mitigating cyber security risks, we successfully retained our ISO 27001:2013 certification for the fourth year. ISO 27001:2013, is the international standard of best practice for managing confidentiality, integrity and availability of information asset, and this includes financial information, intellectual property, personal records and information entrusted by third parties. The re-certification followed a rigorous independent audit of The Exchange's Information Security Management System (ISMS) by the British Standard Institute (BSI), to ensure that the principles of the International Organization for Standardization (ISO) on ISMS standard are being upheld at The Exchange and controls are working as intended. Furthermore, to deepen the information

security practices within the Nigerian Capital Market, we hosted the 6th Nigerian Capital Market Information Security Forum (NCMISF), themed, "Social Engineering, The Neglected Human Factor". The event brought together information security professionals and capital market participants to discuss emerging cybersecurity trends and share effective strategies and best practices to tackle cyber threats within the industry. This is another demonstration of The Exchange's commitment to working with government, regulators, international and local partners, market participants and other stakeholders to monitor developments and effectively respond to cyber threats in its drive to provide a sustainable capital market.

On the national front, the gradual rise in forex reserves and the success of the Investors' & Exporters' forex window provided positive upticks for market indices and economic activities. However, electioneering activities, a prelude to the general elections in 2019, were headwinds that were contended with. Within the Nigerian economy, of particular note is the Nigerian financial sector with the lingering non-performing loans and the corresponding level of success of each banking entity in managing these risks, the physical and economic insecurity, and decline in GDP growth rate have had varying effect on the Capital Market. On the global scene, policy shifts and interest rate hikes in developed economies, volatility in crude oil prices, and the impact of lingering US-China trade wars on global commerce exerted negative risks on emerging markets including Nigeria. Our resilience has been the product of proactive monitoring of high priority risks, continuous adaption and improvement of our control processes to manage these risk events.

### Looking ahead:

The Enterprise Risk Management function in furtherance of its goals as a strategic partner will continue to collaborate with the business in promoting value at The Exchange. Effective risk

management remains a top priority in 2019, particularly as the general elections and the demutualization of The Exchange approaches. We look forward to becoming an organization that assists investors and capital market stakeholders realize their potential through effective and efficient risk management practices and also maintain our prime position in the Nigerian Capital Market. The following are two high risk impact events envisaged in 2019:

- Uncertainties that may arise from the general elections and the potential adverse impact on foreign portfolio investments.

- Fluctuations in crude oil prices that may impact the economic indices.

These notwithstanding, through proactive risk management practices, we are well primed to navigate The Exchange successfully through the murky waters of uncertainties to achieve our vision to be Africa's Preferred Exchange Hub.



# THE Nigerian STOCK EXCHANGE

## Ethics and Compliance Report

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# Ethics and Compliance Report

At the Nigerian Stock Exchange we recognize that the long term success of The Exchange hinges on compliance with applicable statutory and regulatory obligations within the jurisdiction of our operations. In line with this recognition and The Exchange's vision of being Africa's Preferred Exchange Hub, we continuously ensure that we meet all of our compliance obligations, and maintain the highest level of integrity, ethical values, social, environmental, and health and safety standards in carrying out our operations to ensure we deliver sustained value to our stakeholders.

The National Council of The Exchange sets the tone on compliance, and provides requisite oversight to ensure that all compliance risks associated with The Exchange's business are identified, assessed and effectively managed. The National Council believes best compliance practices are fundamental to the accomplishment of The Exchange's vision and mission. As a testament to this belief, Council approved a robust Compliance Framework for managing the compliance risk at The Exchange. The Audit and Risk Management Committee of the National Council provides support to the Council in the discharge of its compliance oversight responsibilities.

## Our Compliance Function

The Exchange has an established compliance function which monitors conformity with our compliance obligations and supports all business units across The Exchange to comply with all applicable regulatory and statutory requirements, code of conduct, standards and internal policies as well as operate to the highest social, ethical, environmental, and health and safety standards.

The compliance function manages compliance risk through the implementation of the National Council approved Compliance Framework. The Compliance Framework is continuously enhanced to align with new regulatory obligations and best practice.

## Review of Our Compliance Activities in 2018

In 2018, we recorded zero regulatory and statutory fines and penalties through the implementation of a robust compliance monitoring program. We also closed the 2018 financial year with no material breach of the code of conduct and related social, environmental, health and safety policies. These achievements are clearly the results of our strong commitment to meeting all our compliance obligations as outlined in our risk appetite for zero tolerance for compliance breaches.

In the year under review, The Exchange continued to implement its Compliance Framework to ensure all employees adhere to the policies and act in accordance with the principles and values expressed in the framework. Some of the significant compliance activities performed during the year are outlined below:

- Monitoring and ensuring adherence to the reporting deadlines for the rendition of all regulatory and statutory reports. A total of 766 regulatory and statutory returns and remittance (with daily, weekly, monthly and annual frequencies) were rendered to the Securities and Exchange Commission and other relevant government agencies during the period;
- Embarked on a review to update the compliance framework to ensure that it remains current, relevant, and in line with evolving regulatory requirements and global best practices;
- Enhanced employees awareness on compliance issues through enterprise – wide training for all staff;
- Initiated the development of a Centralized Policy Repository for effective management of internal policies;
- Presented for approval a new Policy on 'Outside Business Activity'. The policy which is undergoing approval will provide

# Ethics and Compliance Report

guidance to employees on activities they can engage in outside the scope of their employment with the Exchange;

## Social and Environmental

As a member of the Sustainable Stock Exchanges Initiative (SSEI), we executed various sustainability initiatives hinged on the four sustainability pillars of The Exchange's strategy: Community, Marketplace, Workplace and Environment, and aligned with the United Nations' Sustainable Development Goals (SDGs). Our sustainability strategy continues to inform our strides to establish sustainability as a way of doing business at The Exchange, while also encouraging our ecosystem towards such sustainable practices. In 2018, we carried out several initiatives and programs that align with our strategic focus some of which are highlighted below:

- Secured the Security and Exchange Commission's approval for The Exchange's Sustainability Disclosure Guidelines for all listed companies;
- Partnered with Kinabuti Fashion Initiative to empower 25,000 young undergraduates with entrepreneurial and financial skills, leveraging on its Dare2Dream initiative across university campuses in Nigeria;
- Launched an employee campaign during the 2018 World Environment Day themed 'Beat Plastic Pollution', aimed at clearing plastic waste from our immediate environment and creating awareness on the menace of plastic pollution;
- Recorded zero dropout in the first year of operation of Maisandari Alamderi Model Nursery and Primary School, Borno state. The school was built and donated by The Exchange in 2017 to help Internally Displaced Persons (IDPs).

## Health and Safety

At the Nigerian Stock Exchange we are fully committed to achieving the highest standards of health and safety of our employees, customers, and visitors. This commitment was

sustained during the year through the effective implementation of our health and safety policies. We closed the financial year with zero workplace related accident or injuries. Some health and safety activities undertaken by the Exchange in 2018 include the following:

- Quarterly emergency evacuation drills to enhance awareness of all employees and other occupants of the building on emergency response procedures;
- Training of new hires on safety procedures as part of the mandatory induction program for new employees;
- Weekly fire alarm testing to test the efficacy of the safety equipment;

## Update on Changes in the Regulatory Environment.

The Demutualization Bill was signed into law in 2018. The Bill will amongst other things, provide the basis for The Exchange to convert from its present status as a company limited by guarantee to a public company limited by shares.

We continue to stay abreast of current trends and developments in the regulatory environment in our industry and proactively engage with our regulators and other government agencies on new and existing regulations that support and sustain the growth and development of the Nigerian Capital Market.

## A look ahead to 2019

As The Exchange transforms from a company limited by guarantee to a company limited by shares in the New Year, our compliance program will be adjusted to address emerging issues from the corporate restructuring. We shall remain focused on ensuring that we continue to meet all of our compliance obligations, and maintain the highest level of integrity, ethical values, social, environmental, and health and safety standards in our quest to become "Africa's Preferred Exchange Hub".



# THE Nigerian STOCK EXCHANGE

## Special Feature on the Demutualization of The Nigerian Stock Exchange

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# Demutualization of the Nigerian Stock Exchange- Catalyst for Driving Transformation and Growth in Nigerian and African Financial Markets

## BACKGROUND

The Nigerian Stock Exchange ("NSE" or "The Exchange") was incorporated in Nigeria on 15th September 1960 as a private company limited by guarantee and having a share capital. At incorporation, The Exchange was named as the Lagos Stock Exchange but changed to its current name on 15th December 1977. The Exchange was re-registered as a company limited by guarantee with no share capital on 18th December 1990. As a company limited by guarantee with no share capital, The Exchange is a member based organization or a mutual company. It has members, which are Ordinary Members and Dealing Members. In addition to membership, its Dealing Members have rights to trade on the trading facilities of The Exchange.

The principal activities of the Exchange are the provision of facilities and access to the public for the purchase and sale of securities, a platform for the listing and sale of securities, market data and market indices to the public. Accordingly, the Exchange offers listing, trading and licensing services in addition to market data solutions and ancillary technology services. The Exchange also provides a robust and internationally recognized regulatory environment with a focus on engendering trust and investor confidence.

Currently serving the largest economy in Africa, the NSE is a full member of the World Federation of Exchanges ("WFE"), with participation in other global and regional organizations (e.g., International Organization of Securities Commissions (IOSCO), African Securities Exchanges Association-ASEA, West African Capital Market Integration-WACMI, etc.). The NSE has an audacious drive to foster best-in-class global standards across its value chain.

In furtherance of its strategic objectives and the growth of the Nigerian capital market, The Exchange has made the decision to demutualize, which is to convert its legal structure from a company limited by guarantee to a company that is shareholder-owned. The

demutualization will lead to separation of membership rights from trading rights which is in line with the growing trend in the securities industry, especially among members of the WFE. Demutualization of Exchanges began in 1993 with the Stockholm Stock Exchange, followed by leading stock exchanges including the Australian, London, NASDAQ and New York Stock Exchanges.

According to WFE data, the number of mutual organizations dropped significantly from 40% in 1999 to only ~15% in 2016. In the same period of time, the number of demutualized stock exchanges increased from 10% in 1999 to ~85% in 2016. Of the 66 WFE members, less than 10 are currently mutual. However, there has been an uneven pace of exchange demutualization observed between developed and emerging markets. Within the first 10 years following the first demutualization in 1993, 21 exchanges in developed markets successfully demutualized. In contrast, only five (5) exchanges out of 76 exchanges in emerging markets demutualized in that same period of time.

Specifically, in Africa, of the twenty-seven (27) exchanges that are members of ASEA, eleven (11) namely the Johannesburg SE, Nairobi SE, SE Mauritius, Trop X, Rwanda SE, Casablanca SE, Botswana SE, Dar es Salaam SE, Zimbabwe SE, Uganda SE and BRVM are demutualized whilst several others including the NSE are in the process of demutualizing or considering this initiative. Accordingly, demutualization of The Exchange further enhances Nigeria's overall ambition as an emerging market, elevating our profile on the global stage.

## DEMUTUALIZATION - OVERVIEW AND BENEFITS

Demutualization is a term used to describe the transition from a mutual association of members, to a limited liability company, accountable to shareholders. Essentially demutualization separates ownership (and voting rights) from the right of access to trading on an exchange.

The primary factor that has driven the demutualization of exchanges is the increased pressure on capital market traditional sources of income. Technological advancements that have resulted in drastic reduction in trading costs and enabled exchanges to overcome national boundaries have also reduced the traditional intermediary role of exchange members, thereby forcing exchanges to seek other revenue opportunities.

As a demutualized entity disciplined by profit-seeking and distribution, exchanges will be in better stead to capitalize on new income opportunities, free from any limitations arising from conflicting member interests. To this end, it is worth noting that academic research on the effect of demutualization on the financial performance of twenty (20) demutualized exchanges between 1996 and 2008, suggests that the return on equity increases by an average of 5% to 20%, with the average net profit margin increasing by 14% to 30% (according to Rand Merchant Bank).

While member-owned exchanges may have limitations in raising the funds required to effectively compete in a dynamic business landscape, demutualized exchanges on the other hand, are able to tap into the capital markets as publicly owned stock exchanges. Capital raised by exchanges in an Initial Public Offer (IPO) or a private placement, like any other business can be used to upgrade systems and attract high-calibre human resources, thereby enhancing its ability to compete domestically and internationally.

Following demutualization, a number of exchanges have re-positioned their markets, building alliances or consolidating within and across borders in order to enhance their attractiveness. For example, in 2006, the Australian Stock Exchange merged with the Sydney Futures Exchange to form the Australian Securities Exchange (ASX). The following year (in 2007), the New York Stock Exchange (NYSE) merged with Euronext to form NYSE Euronext, creating the world's largest stock exchange with revenues of \$4.5Bn.

More peculiar to emerging markets, demutualization could serve as a means of collaborating with strategic shareholders with specialized know-how aimed at importing international skills, knowledge and technical efficiencies into our domestic markets.

Additionally, it will enable exchanges to be more agile and responsive to the intensifying global competition for capital market order flow while presenting opportunities to expand into new markets.

## **NSE DEMUTUALIZATION - EXPECTED BENEFITS**

There are several benefits to demutualization of an exchange, which do not only impact the exchange itself, but the overall economy it supports. Both foreign and domestic investors are more apt to consider facilitating growth capital through demutualized exchanges in support of the domestic economy, as they view the entity's enhanced corporate governance as a strong indicator of investment potential.

Additional benefits of demutualizing are provided below:

### **A. For The Nigerian Stock Exchange, direct benefits of the intended demutualization include:**

#### **1. Improved governance:**

- Reduced conflict of interest in the shareholder-owned entity, supports agile and objective decision-making.
- Brings about greater management performance, transparency and accountability, due to the new board structure and broad experience of directors appointed to the demutualized NSE, as well as positive shareholder activism.

#### **2. Wider access to capital:**

- Flexibility to explore new income opportunities e.g. mergers, access to global capital markets, etc.

#### **3. Enhanced competitiveness:**

- Greater ability to mobilize funds to: upgrade systems, attract high-calibre staff, expand into new markets, etc.
- Improved flexibility to innovate, respond to market changes, and meet the demands of increasingly sophisticated customers.

#### **4. Diversification of ownership:**

- The ownership base expands from members only to shareholder owned institution, thus diversifying ownership risk.

## 5. Brand perception:

- Demutualization symbolizes 'modernization of the organization' viz. enhanced governance, efficiency and transparency.
- The higher brand profile increases the NSE's attractiveness to equity investors.

## B. There are also significant advantages for the Nigerian capital market and wider domestic economy, including:

1. Diversification of financial system risk as it leads to a more agile and efficient capital market which is better able to complement the banking sector as an alternative source of capital;
2. Acts as positive force in propelling the Nigerian economy, by virtue of its potential to overcome liquidity challenges faced by African exchanges
3. Allows the demutualized NSE to create wealth for the general populace via listing on the capital market.

## THE REGULATORY FRAMEWORK FOR THE NSE DEMUTUALIZATION PROCESS AND THE JOURNEY SO FAR

On April 12, 2015 Securities Exchange Commission of Nigeria (SEC) released the Rules for Demutualization of Securities Exchanges in Nigeria which provides a process, within which the demutualization of the Exchange is to be effected. Currently, the NSE is working on ensuring that it satisfies the SEC rules and preconditions.

Further to the Extraordinary General Meeting held on March 30, 2017, during which the Members of The Exchange voted in favour of the commencement of the preparatory steps that would lead to demutualization, The Exchange has recorded significant progress in this regard. The members of the Exchange have been engaged throughout the demutualization process so far via their various membership organizations, and approvals sought from them, with the passing of the requisite resolutions for the process leading up to the demutualization of the Exchange.

Members have also passed resolutions at the aforementioned Extraordinary General meeting

of the Exchange in 2017, ratifying the engagement of financial advisers, legal advisers, tax advisers and any other adviser that may be required for the demutualization of the NSE. Furthermore, the members gave their approval for the National Council and management to do all such things and exercise all such powers as may be necessary or incidental to achieving the demutualization objective, subject to applicable laws and regulations and obtaining the approvals of members and the relevant regulatory authorities.

As the process continues, the approval of the members will again be sought for progressive actions leading up to the conclusion of the demutualization process. In addition to the above, the Federal Government of Nigeria ("FGN"), Securities and Exchange Commission, Corporate Affairs Commission, Federal Inland Revenue Services, individual members and other stakeholders have all been engaged through various channels.

Following the passage of the Demutualization Bill into law, which would allow for the re-registration and conversion of the Exchange from a company limited by guarantee to a public company limited by shares, alongside the NSE's fulfillment of other requirements of the SEC rules, the Exchange will seek the SEC's No Objection and consent to its demutualization.

## CORPORATE STRUCTURE CONSIDERATION

Exchanges may opt for a number of corporate structures upon demutualization. The demutualized exchange may adopt a for-profit private company structure where only members or members and outside investors are the owners. Alternatively, the exchange can be listed on a recognized exchange (most times, on itself) with or without restrictions on the number of shares that can be owned by exchange members and non-members. For most demutualized exchanges, a non-listed entity is usually the first step before becoming publicly listed, an example the JSE which demutualized in 2005 and listed on its own exchange in 2006.

Notwithstanding the overarching corporate structure adopted by the exchange, demutualization brings new conflicts of interest arising from the objective to maximize profits and the self-regulatory function of the

exchange. For-profit exchanges can establish a separate entity to conduct regulatory functions, thereby avoiding conflict-of-interest issues. This can take one of two forms, the independent subsidiary model (i.e. establishing a subsidiary with an independent governing board and management, separate from the exchange holding company) or the supervised subsidiary model where the subsidiary's governing board is the Regulatory Oversight Committee (ROC) of the exchange holding company. Alternatively, demutualized exchanges can adopt the supervised division model, whereby the regulatory function remains within the exchange and reports to the exchange holding company CEO and ROC.

The choice of regulatory model the exchange adopts will depend on several factors, including which model best guarantees the integrity of the exchange's market in reality and market perception,

#### **CONCLUSION**

The fact that majority of the world's leading exchanges have embraced demutualization is indicative of the significant benefits that accrue to the entities that have undergone a similar process. However, a proper understanding of all the issues, openness to new approaches and a high level of co-operation amongst all of an exchange's stakeholders are fundamental to any successful demutualization.



# THE Nigerian STOCK EXCHANGE

## Report on the National Council Evaluation for 2018

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# Report on the National Council Evaluation for 2018



9 August 2019

The Council President,  
The Nigerian Stock Exchange  
Stock Exchange House  
2-4 Customs Street  
Lagos, Nigeria.

Dear Sir,

## **REPORT ON THE OUTCOME OF THE COUNCIL EVALUATION FOR THE PERIOD ENDED 31 DECEMBER 2018**

Price water house Coopers (“PwC”) was engaged to carry out an evaluation of the Council members of The Nigerian Stock Exchange (“NSE”) or (“The Exchange”) as required by Section 15.1 of the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria (“the Code” or “SEC Code”). The evaluation covers the Council’s structure, composition, responsibilities, processes, relationships and performance of the Committees for the period ended 31 December 2018.

The Council is responsible for the preparation and presentation of the information relevant to its performance. Our responsibility is to reach a conclusion on the Council’s performance based on work carried out within the scope of our engagement as contained in our Letter of Engagement dated 17 June 2019. In carrying out the evaluation, we have relied on representations made by members of the Council and Management and on the documents provided for our review.

The Council has complied to a large extent with the provisions of the SEC Code. Areas of compliance include: diverse mix of skill and quality of experience on the Council, the Council’s involvement in strategy formulation and monitoring, and its oversight of The Exchange’s compliance, risk management and internal control environment. Furthermore, all members of the Council surpassed the minimum attendance requirements stipulated by the SEC Code.

Areas of improvement and other findings were also highlighted in the course of our review. Details of these are contained in the full Report to the National Council.

We also facilitated a Self and Peer Assessment of each Council Member’s performance in the year under review. This assessment covered the Council Member’s time commitment to the business of The Exchange, commitment to continuous learning and development and a self & peer assessment. Each individual Council Member’s assessment report is prepared and will be made available to them respectively while a consolidated report of the performance of all Council Members is submitted to the Council President.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Femi Osinubi', is written over a light blue horizontal line.

Femi Osinubi  
Partner

*PricewaterhouseCoopers Chartered Accountants*  
*Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria*  
*T: +234 1 271 1700, www.pwc.com/ng TIN: 01556757-0001*

Partners: S Abu, O Adeola, W Adetokunbo-Ajayi, UN Akpata, O Akhume, C Azobu, E Erhie, D McGraw, U Muoglim, P Obianwa, T Ogundipe, C Ojechi, O Oladipo, P Omontuemen, O Osinubi, T Oyedele, AB Rahji, O Ubah



# THE Nigerian STOCK EXCHANGE

## Financial Statement 31 December 2018

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# THE Nigerian STOCK EXCHANGE

## Corporate Governance Report

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# Corporate Governance Report

For the year ended 31 December 2018

## A. Introduction

The Nigerian Stock Exchange ("The Exchange") was established in 1960 and is a major exchange in the sub-Saharan African region. It has in place an effective governance mechanism that not only ensures proper oversight of its business by the National Council and other principal organs of The Exchange, but also carries on its business in a manner that engenders public trust and confidence whilst meeting the expectations of all stakeholders.

In pursuit of this objective, The Exchange's processes are consistently re-appraised to ensure that they operate on the global standard of corporate governance at all times. The Exchange gained full membership status of the World Federation of Exchanges (the "WFE") on 28 October 2014.

## B. Shareholding

The Exchange is a company limited by guarantee and therefore has no shareholding structure.

## C. National Council

The National Council ("the Council") is the governing body of the Nigerian Stock Exchange. The Council directs The Exchange's business and financial affairs, strategy, structures and policies; monitors the exercise of any delegated authority; and deals with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

## D. The Role of the National Council

In recognition of the importance of corporate governance as a key element in achieving its vision, The Exchange adopts best practices with respect to corporate governance and ensures these practices are infused into its activities to guarantee the highest level of business conduct in all its dealings with its stakeholders.

In light of this, the National Council (which is responsible for The Exchange's performance and charged with governance at the highest level) regards corporate governance as fundamentally important to the accomplishment of The Exchange's vision and mission. Members of the National Council are persons with

the relevant qualification, experience in their various fields and they ensure that The Exchange is properly managed and oversee Management's performance. The National Council is independent of Management and discharges its oversight functions in an objective and effective manner.

The Council retains full and effective control over The Exchange, and monitors Management's implementation of the strategic plans and financial objectives as defined by the Council. The Council also ensures that a comprehensive system of policies and procedures is in place and that appropriate governance structures exist to ensure the smooth, efficient and prudent stewardship of The Exchange.

The Council is governed by a Charter which outlines its principal roles, matters reserved for it, regulates the parameters within which it operates and ensures the application of the principles of good corporate governance across board.

The day-to-day management of The Exchange is vested in the hands of the Chief Executive Officer ("CEO"), who is assisted by the Executive Committee appointed by the Council. The Executive Committee (ExCo) through the exercise of authority delegated by the National Council, ensures that The Exchange discharges its obligations as a recognized and regulated securities exchange under the Investment and Securities Act, 2007. The ExCo is governed by a Charter approved by the council which outlines its principal roles, and regulate the parameters within which it operates.

The National Council has put in place an appropriate Risk Management Framework to mitigate financial, non-financial and regulatory risks. Where necessary, the National Council engages the services of external consultants to advise it on risk and legal issues.

The National Council also ensures that there is a succession planning policy for a smooth transition in key leadership positions at The Exchange.

In addition to the foregoing, members of the National Council have executed and adhere to a Code of Conduct which guides their dealings and commits them to behaving ethically, with integrity and honesty, and working together to achieve The Exchange's objectives.

In line with good practice, the National Council set up Committees to assist with certain areas of its functions. The Committees are governed by Terms of References approved by Council. The National Council and its Committees endeavor to meet as frequently as required by their respective charters/terms of reference. The Council members hold an annual retreat to review matters of strategic importance.

#### E. Council Structure

The Council is currently made up of thirteen (13) Members; a President, Chief Executive Officer, Ex-Officio, four (4) Ordinary Members and six (6) Dealing Members. The Chief Executive officer is responsible for the day to day running of The Exchange, assisted by the Executive Committee (EXCO).

The Council members who served on the Council during the financial year are as follows:

NAME	POSITION
Otunba Abimbola Ogunbanjo	President/Ordinary Member
Mr. Oscar N. Onyema, OON	Chief Executive Officer
Mr. Aigboje Aig-Imoukhuede, CON	Ex-Officio/Ordinary Member
Mr. Abubakar Mahmoud, SAN, OON	First Vice President/Ordinary Member
Mrs. Catherine Nwakaego Echeozo	Second Vice President/Ordinary Member
Erelu Angela Adebayo	Ordinary Member
Katsina State Investment & Property Development Co. Ltd. (Represented by Mrs. Fatimah Bintah Bello–Ismail)	Ordinary Member
Chartwell Securities Limited (Represented by Mr. Oluwole Adeosun)	Ordinary Member
Equity Capital Solutions Limited (Represented by Mr. Kamarudeen Oladosu)	Dealing Member
Fortress Capital Limited (Represented by Mr. Yomi Adeyemi)	Dealing Member
Pilot Securities Ltd (Represented by Mr. Seyi Osunkeye)	Dealing Member
Planet Capital Limited (Represented by Mr. Chidi Agbapu)	Dealing Member
WCM Capital Limited (Represented by Mr. Patrick Ajayi)	Dealing Member

The Council meets at least six (6) times a year and such other times as it is required to meet to address urgent matters.

#### **F. Responsibilities of the Council**

The Council is responsible for:

- Reviewing and providing guidance for The Exchange's corporate and business strategy, major plans of action and risk policy;
- Reviewing and approving of annual budgets and business plans; setting performance objectives, monitoring implementation and corporate performance;
- Overseeing major capital expenditures, acquisitions and divestitures;
- Monitoring the effectiveness of the governance practices under which The Exchange operates and making appropriate changes as necessary;
- Ensuring the integrity of The Exchange's accounting and financial reporting systems, including the internal audit function and that appropriate systems of control and risk monitoring are in place;
- Ensuring the effective execution of The Exchange's self-regulatory responsibilities under the Investment and Securities Act 2007.
- Ensuring that the Exchange achieves its objective of being a demutualised Exchange as mandated by its members
- Providing oversight of senior management; and
- Establishment of committees and approving their terms of reference as well as receiving reports from these committees to enable it have oversight of key areas of The Exchange's business.

#### **G. Council Committees**

The Committees of the Council were formed for the speedy and efficient functioning of the Council. The Committees are set up in line with statutory and regulatory requirements and consistent with global best practice.

The Committees have well defined terms of reference defining their scope of responsibilities in such a way as to avoid overlap of functions.

In the Course of the year, the National Council approved the restructuring of its Committees in

order to i) streamline areas of oversight and align areas of supervision to the new function; ii) enable enhanced oversight and impact by the National Council; iii) reflect the ongoing changes to The Exchange's structure; iv) align with The Exchange's revised disciplinary framework; and v) reduce the cost of governance. The restructuring was effective 1 October 2018 and further to this, the substantive Committees of the Council were reduced from six (6) to four (4). The Disciplinary, Quotations and Rules and Adjudication Committees are no longer standalone Committees as their respective oversight responsibilities were subsumed into the Regulation Committee. The Demutualisation Advisory Committee (which is an Ad-Hoc Committee) continues to be in existence until the Demutualisation Project is concluded.

Although the Council President and Ex-Officio are not members of any committee, they have standing invitation to attend committee meetings.

Below is an overview of the remit of the Committees and their membership composition during the year under review:

##### **i. Audit and Risk Management**

The Audit and Risk Management Committee ("ARM Committee") was established by the Council in May 2011 (and retained after the restructuring of Committees in October 2018) for the purpose of providing reasonable assurance regarding the Council's oversight responsibilities with respect to the integrity of The Exchange's financial statement, the effectiveness of The Exchange's internal controls and the framework for risk identification assessment and management.

The membership of the Committee as at 31 December 2018 is as follows:

1. Erelu Angela Adebayo (Real Estate Consultant) - Chairperson
2. Mrs. Catherine Echeozo (Chartered Accountant, Banker)
3. Mr. Yomi Adeyemi (Chartered Accountant, Certified Financial Analyst)
4. Mr. Chidi Agbapu (Economist, Stockbroker)
5. Mr. Patrick Ajayi (Chartered Accountant, Stockbroker)

- ii. Demutualization Advisory Committee  
The Demutualization Advisory Committee (DAC) in compliance with The Securities and Exchange Commission's Rules on Demutualisation is constituted by the National Council solely for the purpose of coordinating The Exchange's demutualization and advising the National Council on this process.

The membership of the Committee as at 31 December 2018 is as follows:

1. Mr. Abubakar Mahmoud, SAN, OON, (Legal Practitioner) - Chairperson
2. Mr. Olufemi Akinsanya (Investment Banker/Financial Adviser) - Vice Chairperson, Independent Member
3. Mr. Oscar N. Onyema OON, (CEO, NSE)
4. Erelu Angela Adebayo (Real Estate Consultant)
5. Dr. Umaru Kwairanga (Dealing Member, Financial Market Analyst)
6. Mr. Oladipo Aina (Economist, Stockbroker)
7. Ms. Benneditker Molokwu (Legal Practitioner), Independent Member
8. Mr. Kayode Sofola, SAN (Legal Practitioner), Independent Member
9. Alhaji Rasheed Yussuff (Dealing Member, Banker)
10. Mr. Seyi Osunkeye (Chartered Accountant, Dealing Member)

### iii. Governance & Remuneration Committee

The Committee is charged with ensuring that The Exchange complies with good corporate governance policies and practices. The Committee also provides oversight functions over The Exchange's human resource policies. In addition to this, the Committee has oversight over The Exchange's CSR and Sustainability initiative.

The membership of the Committee as at 31 December 2018 is as follows:

1. Mrs. Catherine Echeozo (Chartered Accountant, Banker)- Chairperson

2. Mr. Abubakar Mahmoud, SAN, OON, (Legal Practitioner)
3. Erelu Angela Adebayo (Real Estate Consultant)
4. Mr. Oluwole Adeosun (Chartered Accountant, Stockbroker) \*
5. Mr. Yomi Adeyemi (Chartered Accountant, Certified Financial Analyst)
6. Mr. Seyi Osunkeye (Chartered Accountant, Stockbroker)\*\*
7. Mr. Chidi Agbapu (Economist, Stockbroker)\*

\* Became a member effective 1 October 2018

\*\* Ceased to be a member from 1 October 2018

### iv. Technical and Business Committee

Pursuant to the restructuring of the Committees, the Technical Committee became the Technical and Business Committee.

The Committee is charged with reviewing The Exchange's technical and business operations and development including information security and business continuity measures. The Committee also assists the Council in exercising oversight on The Exchange's innovation agenda and its Branch Councils.

The membership of the Committee as at 31 December 2018 is as follows:

1. Mrs. Fatimah Bintah Bello–Ismail (Legal Practitioner) - Chairperson\*
  2. Mr. Oscar N. Onyema, OON (CEO, NSE)
  3. Mr. Kamarudeen Oladosu (Chartered Accountant, Stockbroker)\*
  4. Mr. Seyi Osunkeye (Chartered Accountant, Stockbroker)
  5. Mr. Patrick Ajayi (Chartered Accountant, Stockbroker)
  6. Mrs. Catherine Echeozo (Chartered Accountant, Banker)\*\*
  7. Mr. Oluwole Adeosun (Chartered Accountant, Stockbroker)\*\*
- \* Became a member effective 1 October 2018
- \*\* Ceased to be a member from 1 October 2018

#### v. Regulation Committee

The responsibilities of the Disciplinary, Quotations and Rules and Adjudication Committees were subsumed into the Regulation Committee. The function of the Regulation Committee was expanded to include investigation.

The Committee is charged with the continuous review of The Exchange's rules and regulations and provision of oversight regarding legal and regulatory issues affecting The Exchange. It also oversees the control of granting a quotation on The Exchange in respect of any securities and securities derivatives. It also exercises the disciplinary powers of the Council as set forth in the Rules and Regulations Governing Dealing Members.

The recommendations of the committee are subject to the approval of the National Council.

The membership of the Committee as at 31 December 2018 is as follows:

1. Mr Abubakar Mahmud, SAN, OON, (Legal Practitioner) – Chairperson
2. Mr. Oscar N. Onyema, OON (CEO, NSE)
3. Mrs. Fatimah Bintah Bello-Ismail (Legal Practitioner)
4. Mr. Wole Adeosun (Chartered Accountant, Stockbroker)
5. Mr. Kamarudeen Oladosu (Chartered Accountant, Stockbroker)
6. Mr. Seyi Osunkeye (Chartered Accountant, Stockbroker)

S/N	Committees	Composition	Number of Meetings held in 2018 and Attendance %	Summary of Activities in 2018
1	Audit and Risk Management Committee	<p>At the beginning of the year, the members were:</p> <ul style="list-style-type: none"> <li>• Mrs. Catherine Echeozo, (Chairperson)</li> <li>• Mr. Yomi Adeyemi</li> <li>• Mr. Chidi Agbapu;</li> <li>• Erelu Angela Adebayo;</li> <li>• Mr. Patrick Ajayi</li> </ul> <p>After the restructuring of the Committees, the members of the Committee remained the same, however Erelu Adebayo became the new Chairperson.</p>	<p>- 4 meetings</p> <p>-100% attendance</p>	<ul style="list-style-type: none"> <li>• Discussed and approved The Exchange's External Auditors, (KPMG Professional Services Limited)'s audit strategy and plan for the year 2018.</li> <li>• Approved the Internal Audit Operational Plan/Timetable for 2018 and the Enterprise Risk Management Plan for 2018.</li> <li>• Reviewed the Internal Audit Quarterly Reports and Findings and ensured compliance with the timetables.</li> <li>• Tracked the implementation of the 2018 audit recommendations contained in KPMG's Management Letter.</li> <li>• Reviewed the Enterprise Risk Management Quarterly Reports, Compliance Status Quarterly Reports, Investment Risk Reports, Legal Risk Report and other Reports.</li> <li>• Considered and approved the revised Investment Policy of The Exchange</li> <li>• Discussed and reviewed the external assessment of the effectiveness of the internal audit function of The Exchange.</li> <li>• Considered the Human Resources Dashboard and Report on Staff Turn-over.</li> <li>• Considered and approved the Business Continuity Plan.</li> <li>• Considered the Internal Audit Performance Evaluation Report.</li> </ul>

S/N	Committees	Composition	Number of Meetings held in 2018 and Attendance %	Summary of Activities in 2018
2	Demutualisation Advisory Committee	<p>At the beginning of the year, the members were:</p> <ul style="list-style-type: none"> <li>Mr. A.B. Mahmoud SAN, OON (Chairperson)</li> <li>Mr. Olufemi Akinsanya (Independent Member)</li> <li>Mr. Oscar N. Onyema, OON</li> <li>Erelu Angela Adebayo</li> <li>Finmal Finance Services Limited (Represented by Dr. Umaru Kwairanga)</li> <li>Signet Investment and Securities Ltd (Represented by Mr. Oladipo Aina)</li> <li>Ms. Benneditker Molokwu (Independent Member)</li> <li>Mr. Kayode Sofola, SAN (Independent Member)</li> <li>Alhaji Rasheed Yussuff</li> </ul> <p>At the National Council meeting of 25 June 2018, the National Council appointed Mr. Osunkeye to the Committee.</p>	<p>- 3 meetings</p> <p>-75% attendance</p>	<ul style="list-style-type: none"> <li>Oversight of the campaign to secure the passage of the Demutualization Bill, resulting in the receipt of the Presidential Assent to the Demutualization Bill and its passage into law.</li> <li>Consideration of Demutualisation Communication Documents.</li> <li>Made its recommendations to the National Council on a Structuring Option and Corporate Governance Options (including the selection of Independent Board Members, Board Composition and Board Committees, and management of Commercial and Regulatory Functions).</li> <li>Made its recommendations to the National Council on the Share Allocation Option.</li> <li>Considered the Inception Report of the Public Adviser.</li> <li>Oversight of the Demutualization Communication Plan.</li> <li>Oversight of the Submission of "No-Objection" Application (Pre-Conditions for Demutualisation).</li> <li>Discussed the proposed Employee Share Allocation Scheme to be implemented in the context of demutualization.</li> </ul>
3	Governance and Remuneration Committee	<p>At the beginning of the year, the members were:</p> <p>Mr. A.B. Mahmoud, SAN, OON (Chairperson)</p>	<p>- 4 meetings</p> <p>-95% attendance</p>	<p>Reviewed and recommended to Council the restructuring and reconstitution of the Committees of Council to reduce the total number of Committees from (6) to four (4) resulting in a reduction in</p>

S/N	Committees	Composition	Number of Meetings held in 2018 and Attendance %	Summary of Activities in 2018
		<ul style="list-style-type: none"> <li>Mrs. Catherine Echeozo</li> <li>Erelu Angela Adebayo</li> <li>Mr. Yomi Adeyemi</li> <li>Mr. Seyi Osunkeye</li> </ul> <p>However, after the restructuring of the Committees, its current members are:</p> <ul style="list-style-type: none"> <li>Mrs. Catherine Echeozo (Chairperson)</li> <li>Mr. A.B. Mahmoud, SAN, OON</li> <li>Erelu Angela Adebayo</li> <li>Mr. Wole Adeosun</li> <li>Mr. Yomi Adeyemi</li> <li>Mr. Chidi Agbapu</li> </ul>		<p>the cost of governance and streamlining of the areas of oversight of these committees.</p> <ul style="list-style-type: none"> <li>Monitored the implementation and completion of the Change Management Process introduced to enable a seamless transition of employees to The Exchange's new corporate structure and align with the Exchange's 2018-2021 strategy.</li> <li>Reviewed and recommended the approval of several policies to the National Council. These include policy on Long Services Award, Training Agreement Policy, X-Academy Framework etc.</li> <li>Maintained oversight of the recruitment process for the Head, Listing Business Division and Head, Trading Business Division.</li> <li>Recommended the approval of a Compressed Recruitment Process, for a six (6) month period, to speedily fill up vacant roles within the organization and thus ensure a balanced workforce required to deliver on The Exchange's strategic objective.</li> <li>Recommended for approval the Leadership Enhancement Development Programme aimed at developing The Exchange's experienced hire and building high performing, innovative, and global leaders</li> <li>Reviewed reports on activities of The Exchange's subsidiaries.</li> </ul>

S/N	Committees	Composition	Number of Meetings held in 2018 and Attendance %	Summary of Activities in 2018
				<ul style="list-style-type: none"> <li>Reviewed and recommended the appointment of Trustees to fill vacancies in The Exchange's Investors' Protection Fund.</li> </ul>
4	Technical and Business Committee	<p>At the beginning of the year, it was known as the Technical Committee the members were:</p> <ul style="list-style-type: none"> <li>Mrs. Catherine Echeozo (Chairperson)</li> <li>Mr. Oscar N. Onyema, OON</li> <li>Mr. Oluwole Adeosun</li> <li>Mr. Seyi Osunkeye</li> <li>Mr. Patrick Ajayi</li> </ul> <p>However, after the restructuring, the name was changed to the Technical and Business Committee. Its function expanded to include innovation and branch council oversight. It is composed as follows:</p> <ul style="list-style-type: none"> <li>Mrs. Fatima Bello-Ismael (Chairperson)</li> <li>Mr. Oscar N. Onyema, OON</li> <li>Mr. Kamarudeen Oladosu</li> <li>Mr. Seyi Osunkeye</li> <li>Mr. Patrick Ajayi</li> </ul>	<p>- 4 meetings</p> <p>-95% attendance</p>	<ul style="list-style-type: none"> <li>Oversight of the activities of the Listing Business Division, Trading Business Division, Technology Services Department, Branch Network and the Enterprise Innovation Hub.</li> <li>Ensured that a robust governance process was in place for the implementation and management of key technology initiatives as well as maximize the benefits of advancing technologies.</li> <li>Monitored the Management Information Technology Steering Committee ("IT Steering Committee") to ensure the resolution of all technical issues and facilitate strategic alignment with technology advances that are critical to the competitiveness of The Exchange.</li> <li>Post implementation oversight over the Minimum Operating Standards Technology Palliatives for Broker Dealers.</li> <li>Oversight of a mass market/retail solution for E-IPO and Trading Securities to engender financial inclusion and reduce the current dominance of institutional investors in the Nigerian Capital Market.</li> <li>Oversight of the Exchange</li> </ul>

S/N	Committees	Composition	Number of Meetings held in 2018 and Attendance %	Summary of Activities in 2018
				<ul style="list-style-type: none"> <li>Traded Derivatives Market and Central Counterparty Clearing House Projects.</li> <li>Oversight of The Exchange's infrastructure capacity and threshold monitoring.</li> <li>Reviewed the technical specifications of the NSE Collaboration Strategy - Video and Conferencing Solution and recommended the purchase and deployment of Microsoft Skype for Business (On Premise).</li> <li>Recommended the X-Cloud Hosting Application and Broker Back Office to Council for approval.</li> <li>Considered and recommended the Competency Framework for Operators for Council's approval.</li> <li>Reviewed the structure of AseM/Growth Board.</li> <li>Monitored and received updates on all prioritized projects of the Exchange for 2018.</li> </ul>
5	Regulation Committee	Following the restructuring, the Regulation Committee became responsible for the functions of the erstwhile Quotations, Disciplinary, and Rules and Adjudicatory Committees. Further, the function of the Regulation Committee was expanded to include investigation.	- 6 <sup>1</sup> meetings -93% attendance	<p><b>Quotation Committee</b></p> <ul style="list-style-type: none"> <li>Reviewed its terms of reference to ensure that it is operating optimally.</li> <li>Considered Free Float Compliance Reports, and X-Compliance Reports.</li> <li>Approved Notore Chemical Industries Plc's Application for Listing by Introduction of 1,612,066,200 Ordinary Shares of 50 Kobo Each at N62.50 Per Share.</li> </ul>

<sup>1</sup> meetings of the erstwhile Quotations, Disciplinary and Rules and Adjudication Committees.

S/N	Committees	Composition	Number of Meetings held in 2018 and Attendance %	Summary of Activities in 2018
		<p>The Committee is composed as follows:</p> <ul style="list-style-type: none"> <li>Mr. A.B. Mahmoud, SAN, OON</li> <li>Mr. Oscar N. Onyema, OON</li> <li>Mrs. Fatimah Bello-Ismail</li> <li>Mr. Wole Adeosun</li> <li>Mr. Kamarudeen Oladosu</li> <li>Mr. Seyi Osunkeye</li> </ul> <p>The Regulation Committee did not meet in 2018 after the committee restructuring in October 2018 so the summary of activities of the three (3) committees that were subsumed into the Regulation Committee have been highlighted.</p> <p>The composition of the former committees are as follows:</p> <p><b>Disciplinary Committee</b></p> <ul style="list-style-type: none"> <li>Mr. A.B. Mahmoud, SAN, OON (Chairperson)</li> <li>Mrs. Fatimah Bello-Ismail</li> <li>Mr. Wole Adeosun</li> <li>Mr Kamarudeen Oladosu</li> <li>Mr. Chidi Agbapu</li> </ul> <p><b>Rules and Adjudication Committee</b></p> <p>Erelu Angela Adebayo (Chairperson)</p>		<ul style="list-style-type: none"> <li>Considered several requests for Extension of Time to Resolve Free Float Deficiencies.</li> <li>Approved the amendment to the Delisting Preamble.</li> <li>Approved the regulatory delisting of two companies for their non-compliance with the provisions of the Post Listing Rules of The Exchange despite several engagements towards returning them to compliance.</li> <li>Further to the National Council's delegation of some of the powers of the Committee to Management to approve certain applications and to notify the Committee subsequently, the Committee was notified of several applications approved by Management.</li> </ul> <p><b>Disciplinary Committee</b></p> <ul style="list-style-type: none"> <li>Dealt with matters arising from complaints of unauthorized sales, misappropriation of proceeds of shares and breaches of The Exchange's Rules and Regulation.</li> </ul> <p><b>Rules and Adjudication Committee</b></p> <ul style="list-style-type: none"> <li>Recommended several Rules for the approval of the National Council. These include: <ul style="list-style-type: none"> <li>Draft Rules of The Exchange's Derivative Market;</li> <li>Proposed Amendments to the Premium Board Rules</li> <li>Proposed Cross Border Listing Rules</li> <li>Draft Rules for listing Commercial Papers on The Exchange</li> </ul> </li> </ul>

S/N	Committees	Composition	Number of Meetings held in 2018 and Attendance %	Summary of Activities in 2018
		<ul style="list-style-type: none"> <li>Mr. Oscar N. Onyema, OON</li> <li>Mrs. Fatimah Bello-Ismail</li> <li>Mr. Kamarudeen Oladosu</li> <li>Mr. Chidi Agbapu</li> <li>Mr. Patrick Ajayi</li> </ul> <p><b>Quotations Committee</b></p> <ul style="list-style-type: none"> <li>Otunba Abimbola Ogunbajo</li> <li>Mr. Oscar N. Onyema, OON</li> <li>Mr. Aigboje Aig-Imoukhuede, CON</li> <li>Mr. A.B. Mahmoud, SAN, OON</li> <li>Mrs. Catherine Echeozo</li> <li>Mrs. Fatimah Bello-Ismail</li> <li>Mr. Wole Adeosun</li> <li>Mr. Kamarudeen Oladosu</li> <li>Mr. Yomi Adeyemi</li> <li>Mr. Seyi Osunkeye</li> </ul>		<ul style="list-style-type: none"> <li>Amendments to Rule 1:15 – Prohibition of Business Relationship based on Guarantee</li> <li>Proposed Amendments to the Dealing Members' Rules further to the Market Structure</li> <li>Draft Rules for Price Stabilization of Securities</li> <li>Proposed Rules governing free float requirements for Issuers</li> <li>Proposed Rules on Release Calendar</li> <li>Proposed Rules for listing of Real Estate Investment Trusts (REITs)</li> </ul> <p>- Approved the exposure of several Rules for Stakeholders' comments. These include:</p> <ul style="list-style-type: none"> <li>the Issuers' Rules on Information Disclosure</li> <li>Proposed Rules for placing caution on Accounts</li> <li>Draft Rules for listing of Securities issued by Special Purpose Vehicles (SPV)</li> <li>Proposed Sanctions for violation of Rule 1:11: Dealing Member to sponsor applications for Quotations</li> <li>Rules for listing of Green Bonds on The Exchange</li> <li>Rules for listing of Closed-End Funds</li> </ul>

The Audit and Risk Management & Governance and Remuneration Committees held a joint session on 12 February 2018 to review The Exchange's draft Audited Financial Statements for the year ended 31 December 2017 and Management Letter there on.

The Chairpersons of the Committees will be present at the Annual General Meeting to respond to questions regarding matters within their Committees'. The profiles of the Chairpersons are available on pages 59 to 66 of the Annual Report.

## H. Record of Council and Committee meetings held in 2018

The table below shows the frequency of meetings of the Council, Council Committees and members' attendance at these meetings during the year under review.

S/N	Council Members	NCM	ARM	DAC	DisCo	GARC	RAC	TBC	TC	QC	Reg	ARM & GARC
	<b>Numbers of meetings</b>	<b>9</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>1</b>
1	Otunba Abimbola Ogunbanjo	9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	N/A	N/A
2	Mr. Oscar N. Onyema, OON	9	N/A	3	N/A	N/A	2	1	3	2	0	N/A
3	Mr. Aigboje Aig-Imoukhuede, CON	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A
4	Mr. Abubakar Mahmoud, SAN, OON	9	N/A	3	1	4	N/A	N/A	N/A	1	0	1
5	Mrs Catherine Nwakaego Echeozo	9	4	N/A	N/A	4	N/A	N/A	3	2	N/A	1
6	Erelu Angela Adebayo	7	4	2	N/A	3	3	N/A	N/A	N/A	N/A	1
7	Mrs Fatimah Bintah Bello–Ismail	7	N/A	N/A	1	N/A	3	1	N/A	2	0	N/A
8	Mr. Oluwale Adeosun	9	N/A	N/A	1	1	N/A	N/A	3	2	0	N/A
9	Mr. Kamarudeen Oladosu	9	N/A	N/A	1	N/A	3	1	N/A	2	0	N/A
10	Mr. Yomi Adeyemi	9	4	N/A	N/A	4	N/A	N/A	N/A	2	N/A	1
11	Mr. Seyi Osunkeye	9	N/A	1	N/A	3	N/A	1	3	2	0	1
12	Mr. Chidi Agbapu	8	4	N/A	1	1	3	N/A	N/A	N/A	N/A	1
13	Mr. Patrick Ajayi	9	4	N/A	N/A	N/A	3	1	3	N/A	N/A	1

Key

**NCM**-National Council Meetings

**ARM**-Audit & Risk Management Committee

**DAC**-Demutualization Advisory Committee

**DisCo**\*\* -Disciplinary Committee

**Reg**\* -Regulation Committee

**GARC**-Governance and Remuneration Committee

**RAC**\*\* -Rules and Adjudication Committee

**TBC**\* -Technical and Business Committee

**TC**\*\* -Technical Committee

**QC**\*\* -Quotations Committee

\* Post restructuring

\*\* Ceased to exist after October 2018

## I. Relationship with Stakeholders

The Exchange maintains an effective communication with its members, which enables them understand its business, financial condition and operating performance and trends. Apart from the annual report and accounts, proxy statements, The Exchange maintains a rich website that provides information on a wide range of issues for all stakeholders.

The Exchange holds regular briefing sessions with its Dealing Members through quarterly CEO meetings, and officers of its Dealing Members

through Compliance Officers' forum, and quarterly meetings with Authorised Dealing Clerk that trade on the floor of The Exchange.

The Exchange meets quarterly with representatives of Association of Securities Dealing Houses of Nigeria.

The Exchange also, from time to time, holds briefing sessions with market operators (stockbrokers, dealers, institutional investors, issuing houses, stock analysts, mainly through investors conference) to update them on the state of its business. It also meets with Registrars and started to meet in a structured

manner with shareholders' association.

#### **J. Appointment of Council Members**

The Exchange developed a comprehensive, clearly defined and transparent procedure for appointment to the Board of Directors. This procedure is documented in The Exchange's Policy on Nomination/Appointment of Individuals/Institutions to the National Council and Branch Councils

The Policy: (i) provides a comprehensive, clearly defined and transparent procedure for the nomination and/ or appointment of Individuals/Institutions to the Council and the Branch Councils; (ii) ensures that The Exchange together with the Branch Exchanges are managed and overseen by competent, capable and trustworthy individuals resulting in an effective Council and Branch Councils; and (iii) ensures that the Council is structured in such a way that it has an understanding of The Exchange's current and emerging issues, as well as the requisite competence and ability to oversee Management, as it addresses these emerging issues.

The Governance and Remuneration Committee (GARC) is responsible for assessing and nominating potential candidates (who shall first become members of The Exchange) to the Council and its Committees, and to Branch Councils and recommending these candidates to the Council for consideration to fill a casual vacancy and or for election at The Exchange's Annual General Meeting (AGM) and at the Branch Council AGM convened annually by the Branch Council. Once approved by the Council, the candidates for appointment into the National Council are presented to the SEC for its approval prior to their presentation for election at The Exchange's Annual General Meeting.

There were no appointments of Council Members in 2018.

#### **K. Induction and Training of Council Members**

Newly appointed Council members are onboarded in order to ensure that they can promptly and efficiently discharge their duties. The onboarding process is to build a solid foundation for informed oversight of The Exchange. The onboarding process is set forth as follows:

- Provision of the National Council

Onboarding Packet;

- A Formal induction sessions for Council and for each Committee;
- Familiarization meeting with The Exchange's Management team; and
- Completion of the Self-Assessment Form to determine training needs.

Council members are provided with the necessary support and resources during their tenure as Council Members and are trained annually based on identified training needs to ensure effective oversight in a dynamic and changing environment.

One of the major training avenue is the organization of Technical Tours to other global exchanges to enable Council Members increase their knowledge base, learn best practices and processes in these jurisdictions as well as establish mutually beneficial relationships. In 2018, the National Council undertook tours to the Singapore Exchange (SGX) and Stock Exchange of Thailand (SET) given their strategic focus, in order to support its effort of overseeing The Exchange's new strategic intent.

The Exchange invited other players in the Nigerian financial services industry to participate in the tour. These included Securities and Exchange Commission, Central Bank of Nigeria, Central Securities Clearing Systems, several stockbroking firms and banks.

#### **L. Conflict of Interest Policy**

The National Council maintains a Conflict of Interest Policy and all Council members are required to execute same stating that they would adhere to its provisions. The Conflict of Interest Policy ensures transparency and objectivity, protects the interests of The Exchange's Members, listed companies, capital market operators and the general investing public in the course of the activities of the National Council or any of its Committees. The policy ensures that conflicts of interest, whether real or perceived, that may arise within the Council are identified, disclosed and managed appropriately.

#### **M. Whistle Blowing Policy**

The Exchange has designed an effective whistle blowing program tagged "X-Whistle". This is to provide a dynamic and robust capital market regulatory regime. X-Whistle is a program that empowers a whistleblower (an employee, an investor, a compliance officer, an Issuer, a stockbroker or any member of the public) to

report possible violations of the rules and regulations of The Exchange, the securities law and fraud related to activity within the market run by The Exchange. It is an important aspect of The Exchange's investor protection strategy designed to encourage those with information about misconduct to come forward to report it and to provide all stakeholders with the means of

expressing their concerns in a responsible and effective manner.

X-Whistle is a very powerful means of defending and upholding the integrity of the capital market. The Exchange encourages stakeholders to blow the whistle to rid the market of infractions and misconduct.

## N. Remuneration Policy

Elements of The Exchange's Remuneration Policy

Key Principles Underlying Remuneration	
Council Members	<ul style="list-style-type: none"> <li>• should not be at a level that can compromise their independence;</li> <li>• should match the levels paid to directors in comparable companies, whilst also taking into consideration Council members' required competencies, effort and the scope of the work and duties, and time commitments;</li> <li>• the remuneration paid will not include any performance related elements; and</li> <li>• there will be no pension for Council Members.</li> </ul>
Senior Management	<ul style="list-style-type: none"> <li>• attract, motivate and retain required key talents.</li> <li>• competitive when benchmarked against comparable companies; and</li> <li>• In order to attract, motivate and retain the required talents, The Exchange's philosophy is to target its remuneration structure between the 25th and 50th percentile of its comparator companies. The ability to meet this objective is dependent on sustainability of proposed remuneration levels, the business and the economic realities of the country.</li> </ul>

## O. Evaluation of the National Council

The National Council established a system to undertake a formal and rigorous annual evaluation of its performance, that of its committees, the Council President and individual Council Members. The National Council recognizes that Board evaluation is a critical structural tool for assessing Board effectiveness and efficiency. The process and modalities are clearly defined in the Evaluation Policy.

The Exchange engaged PricewaterhouseCoopers Limited to evaluate

the performance of its Council, Committees and individual council members for the year ended 31 December 2018. The assessment covers the Council's structure and composition, responsibilities, processes and relationships for the year. A summary report on the outcome of the Council performance evaluation for 2018 is contained on page 40 of this Annual Report.

## P. Council Secretary

The Council Secretary possesses relevant skill, qualification and competence necessary to discharge the duties of her office effectively.

Mrs. Mojisola Adeola was appointed in October 2015 through a rigorous selection process. She is a Lawyer and a Chartered Secretary, and she amongst other things;

- Provides the National Council and its members with detailed guidance on their statutory and fiduciary duties, governance issues, and how their responsibilities should be properly discharged in The Exchange's interest;
- Manages Council communication and communication among Council inter se and between Council and management;
- Inducts new Council members to assist them transit quickly and effectively into their new roles as Council Members, particularly, to accelerate new members' integration and enable them to make quality contributions to Council discourse and decision making;
- Renders ongoing support and assistance to the National Council; Organizes relevant professional training as required by the National Council.



# THE Nigerian STOCK EXCHANGE

## The National Council

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## The National Council



**Otunba Abimbola Ogunbanjo**  
President

Otunba Abimbola Ogunbanjo was elected President of the National Council of The Nigerian Stock Exchange ("The Exchange") on September 25, 2017.

He currently serves as the Managing Partner of the renowned leading corporate law firm of Chris Ogunbanjo & Co (Solicitors). Otunba Ogunbanjo serves on the boards of several multinational corporations and non-profit organizations including Beta Glass PLC and the Advisory Board of the University of Buckingham Centre for Extractive Studies. He is a past Board member of GTL Registrars and ConocoPhillips amongst others.

Otunba Ogunbanjo is a member of the International Bar Association, Nigerian

Bar Association, Institute of Directors, Institute of Petroleum (UK) and a registered capital market consultant with the Securities and Exchange Commission, Nigeria.

Otunba Ogunbanjo acquired his first degree in Business Administration with Honours from the prestigious American College of Switzerland, Switzerland. He proceeded to the University of Buckingham, Buckingham where he obtained his law degree. He attended the New York Institute of Finance where he obtained his Capital Markets Certificate.

## The National Council



**Mr. Oscar N. Onyema, OON, FIOD**  
Chief Executive Officer

Mr. Onyema has been CEO and member of the National Council of The Exchange since April 2011. In this role, he is responsible for superintending the general working of The Exchange.

Mr. Onyema is the President of African Securities Exchanges Association (ASEA); Chairman of Central Securities Clearing System PLC (CSCS), the clearing, settlement and depository for the Nigerian capital market; and Chairman of the subsidiaries of The Exchange. He has served as a Council member of Chartered Institute of Stockbrokers (CIS); Global Agenda Council member of World Economic Forum (WEF); board member of FMDQ OTC PLC and National Pension Commission of Nigeria (PENCOM).

Prior to relocating to Nigeria, he served as Senior Vice President and Chief

Administrative Officer at American Stock Exchange (Amex). He also ran the NYSE Amex equity business after the merger of NYSE Euronext and Amex in 2008.

He holds the Nigerian National honor of Officer of the Order of the Niger (OON); is a Fellow of the Institute of Directors (IOD); and member of London Stock Exchange (LSEG) Africa Advisory Group. Forbes listed him as one of the ten most powerful men in Africa in 2015.

Mr. Onyema completed the Harvard Business School Advanced Management Program (AMP) in 2015. He got his MBA from Baruch College, New York in 1998; and BSc from Obafemi Awolowo University, Ile-Ife, in 1991.



**Mr. Aigboje Aig-Imoukhuede, CON**  
Ex-Officio

Mr. Aig-Imoukhuede is the founder and Chairman of Coronation Capital Nigeria Limited. He is also founder of the Africa Initiative for Governance ("AIG"). His career in banking and finance spans three decades and has earned him national as well as international recognition including; Commander of the Order of the Niger "CON", conferred by the Federal Republic of Nigeria, for his contributions to the development of banking and finance; Ernst & Young Entrepreneur of the Year (West Africa); and African Banker Magazine's "African Banker of the Year".

Aigboje Aig-Imoukhuede led the 2002 acquisition of Access Bank, then a fringe regional player. As Group Managing Director and Chief Executive Officer, he was head of the team responsible for placing the Bank on an unprecedented growth trajectory, transforming the bank into top-5 leadership position in Nigeria. Aigboje retired as CEO of Access Bank in December 2013

He is Co-Chairman of the UK-Nigeria Capital Market Task Force, and sits on the board of TCX Investment Management Company Netherlands. He is also Chairman Board of Trustees of the Financial Market Dealers Association, and Chairman of Wapic Insurance Plc. He was recently elected as member of the American Academy of Arts and Sciences and appointed a member of the International Advisory Board of Oxford University's Blavatnik School of Governance.

He holds law degrees from the University of Benin and the Nigerian Law School, and a Trium MBA, awarded jointly by the London School of Economics, New York University, and HEC Paris.

Having retired as President of the Exchange in 2017, he remains on the National Council as an Ex-Officio.

## The National Council



**Mr. Abubakar B. Mahmoud,**  
SAN, OON, FCI Arb (UK)  
First Vice President

Mr. Mahmoud is the Managing Partner and one of the founding partners of the law firm of DIKKO & MAHMOUD. He was one time Kano State Attorney General & Commissioner for Justice and was in the public service (from 1979 to 1993) as prosecutor and legal adviser. He held various positions including Director Litigation, Public Prosecution, Solicitor-General at the Ministry of Justice, Kano.

Mr. Mahmoud was elevated to the rank of Senior Advocate of Nigeria in 2001 and is a Life Bencher of the Body of Benchers, the highest regulatory body for the legal profession in Nigeria. He holds the national honour of the Officer of the Order of the Niger (OON). He was elected the 33rd president of the Nigerian Bar Association (NBA), Nigeria's umbrella association of professional lawyers on 1 August 2016.

Mr. Mahmoud is a member of the International Chamber of Commerce (ICC), London Court of International Arbitration (LCIA) and was accepted into the Energy Arbitrators List (EAL) in 2013.

Mr. Mahmoud trained at Ahmadu Bello University graduating in 1979. He holds a Master's degree in Law from the same University. He was at various times at different global institutes, including the International Development Law Institute (IDLI) now IDLO in Rome, Italy, where he obtained a certificate in Law and Development in 1987, and Harvard University where he obtained a certificate in Techniques of Privatization from the Harvard Institute of International Development (2000). He was also at the Northwestern University School of Law, where he attended the Summer Institute in Corporate Law and Business in 2001.



**Mrs. Catherine Nwakaego Echeozo**  
Second Vice President

Mrs. Cathy Echeozo is the director of Cathingens Organisation, a Social Investment and Innovation Non-Governmental Organization. She has over 33 years' experience in the Banking industry and retired as the Deputy Chief Executive Officer of GTBank in March 2017.

She previously served on the Boards of GTBank, and Nigerian Interbank Settlement System Plc.

She obtained a Bachelor of Science, Accountancy from the University of

Nigeria in 1984, and a Masters in Business Administration (MBA) from the University of Maryland University College in 2003. She is a fellow of the Institute of Chartered Accountants of Nigeria, and a Certified Information Systems Auditor from the Information Systems Audit and Control Association.

## The National Council



**Erelu Angela Adebayo**  
Ordinary Member

Erelu Angela Adebayo is the Founder of Erelu Adebayo Foundation, and Erelu Adebayo Children's Home.

She received the Lagos State Award Eko 2012, ThisDay Award for Service to Nigerian Children 2012, and Ekiti State Award for Development of Ekiti State, the Society and Humanity.

She was previously the first lady of Ekiti State and Chairman, Ekiti State Action Committee on Aids, Service to LASG. She was also the first Female Chairman on the Board of WEMABOD. She serves

on the Boards of Aliko Dangote Foundation, United Bank for Africa, Afriland Properties Plc., Meyer Paints Plc., Greenwich Trust Ltd., and Women at Risk Foundation.

She obtained a BSC Hon (Social Science) from the University of Ibadan, an MBA from the University of Lagos, and MPHIL (Cantab) from Cambridge University.

She holds the traditional titles Aare Erelu of Ado Ekiti, and Erelu of Iyin Ekiti.



**Mrs. Fatimah Bintah Bello-Ismael**  
(Representing Katsina State Investment & Property Development Co. Limited)  
Ordinary Member (Institutional)

Mrs. Fatimah Bintah Bello-Ismael is the Managing Partner Universal Chambers, a firm of Barristers, Solicitors and Notary Public. She worked at Kehinde Sofola & Co, and Continental Merchant Bank Plc.

She served as a panelist on WIMBIZ's 10th Anniversary Lecturer Series "Women on Board" in March 2012. She was invited by the Republic of Turkey to participate in the W20 (Women 20) Summit- a sub group and initiative of the Term Presidency of Turkey G20 in October 2015. She is the Secretary of the International Cancer Centre Abuja.

She currently serves on the Boards of Katsina State Investment and Properties Development Company and National Insurance Company of Nigeria.

She obtained her LLB from Ahmadu Bello University Zaria (LLB) and was called to the Nigerian Bar in 1984.

## The National Council



**Mr. Oluwale Adeosun**  
(Representing Chartwell  
Securities Limited)  
Dealing Member

Mr. Oluwale Olofade Adeosun is the Managing Director/Chief Executive Officer of Chartwell Securities Limited. Chartwell Securities Limited is registered by the Securities and Exchange Commission as a Broker/Dealer firm and an Issuing House. He was the Chief Executive Officer of Intercontinental Securities Limited from 2000 – 2007.

He served as a pioneer member of the Governing Council of the Government promoted Abuja Securities Exchange (Now National Commodity Exchange) from 2005 – 2007. He is an active participant in the affairs of the Association of Stockbroking Houses of Nigeria and serve on its Legal and Market Development & Technical Committees. As a capital market professional, he was involved in the packaging and execution of major capital raising issues, mergers and acquisition mandates and debt conversion transactions in the Nigerian capital market before and after the universal banking era. In January 1997, he initiated representation to the Securities & Exchange Commission that led to the Nigerian Capital market precedent for the absorption of oversubscription monies which hitherto was returned to investors.

He was re-elected as a Council Member of the Chartered Institute of Stockbrokers in April 2017. He serves on the Boards of Chartwell Securities Limited, Chartwell Bureau De Change Ltd, Chartwell BDC (UK) Limited, Chartwell Partners (Chartered Accountants, Chartwell HUB (UK) Limited. He is a past Director of Intercontinental Securities Limited and Abuja Securities Exchange.

He obtained a B.Sc (Hons) Business Administration from the University of Ilorin in 1986. He qualified as a Chartered Accountant in May 1991, and proceeded to the University of Lagos for the Executive MBA (Finance) program which he completed in 1993. He was at the prestigious New York Institute of Finance in 1999 for the flagship US Capital Markets program. He enrolled for the elite Lagos Business School Chief Executives Program which he completed in May 2006. He is a fellow of the Institute of Chartered Accountants of Nigeria, Chartered Institute of Bankers of Nigeria, Chartered Institute of Taxation of Nigeria, Chartered Institute of Stockbrokers, and the Institute of Directors. He is a member of the Society for Corporate Governance.



**Mr. Kamarudeen Oladosu**  
(Representing Equity Capital  
Solutions Ltd.)  
Dealing Member

Mr. Kamarudeen Kareem Oladosu, a chartered accountant and stockbroker, is the Managing Director of Equity Capital Solutions Ltd. Equity Capital Solutions Limited (ECSL) provides capital market services such as Securities Dealing, Issuing House functions, investment & financial advisory services and other ancillary services. He was former Head of Securities Dealing Services of the defunct Intercontinental Bank Plc.

Mr. Oladosu was a former member of the Finance Committee of the Chartered Institute of Stockbrokers from 2009-2014, a former Board member of the Corporate Finance Management Faculty of the Institute of Chartered Accountants of Nigeria (ICAN) from 2008 – 2015, and a member of the Finance & General Purpose Committee of ICAN from 2013-2014. He currently serves on the

Boards of Focal Point Travels Limited, MTI Plc (Nigeria and Ghana), and Three Points Industries Limited.

Mr. Oladosu holds an HND in Accountancy from the Polytechnic Ibadan, a Master of Business Administration (MBA) from Bayero University Kano in 1999 and he attended the Prestigious Lagos Business School's Senior Manager Programme in 2005. He also attended the Wharton School (University of Pennsylvania) Advanced Management Program in July 2010 and Harvard Business School's Executive Education in July 2011. He is a fellow of the Institute of Chartered Accountants of Nigeria, and an Associate of the Chartered Institute of Stockbrokers, Chartered Institute Of Taxation of Nigeria, and Certified Pension Institute of Nigeria.

## The National Council



**Mr. Yomi Adeyemi**  
(Representing Fortress  
Capital Limited)  
Dealing Member

Mr. Yomi Adeyemi is the Managing Director and Chief Executive Officer of Fortress Capital Limited. Fortress Capital Limited (formerly Heritage Investment and Securities Limited) is duly registered by Securities & Exchange Commission as an Issuing House, Broker/ Dealer and was admitted as a dealing member of The Exchange in 1997. Fortress Capital Limited offers securities trading, asset management and investment advisory services.

Mr. Adeyemi was the former group head of Financial Advisory at Core Trust & Investment Limited. He is a fellow of both the Chartered Institute of Stockbrokers and Institute of Chartered Accountants of Nigeria. He is also a CFA Charterholder.

He currently serves on the Boards of BDT Properties & Development Company Limited, Toksmail BDC Limited and Connect Marketing Services Limited.

He obtained a B.Sc in Mathematics/Statistics from the University of Lagos, and is a Graduate

of Owner Management Program (OMP 19), Lagos Business School. Mr. Seyi Osunkeye is the Managing Director of Pilot Securities Limited. Pilot Securities Limited is a Dealing Member of The Exchange and is licenced by the Securities & Exchange Commission as a Broker /Dealer. He was a former Treasurer of the Association of Stockbroking Houses of Nigeria.

He currently serves on the Boards of Alpgam Energy Plc, Greenfield Integrated Energy Services Limited Letshego Microfinance Limited, and Star Gaming Limited.

He obtained his B.SC Hons (Accounting) from the University of Lagos, Nigeria in 1990. He also obtained an MBA in Financial Management from the University of Hull, England, UK. He is a fellow of the Institute of Chartered Accountants of Nigeria, and Chartered Institute of Stockbrokers. He is a member of the Institute of Directors and Society for Corporate Governance.



**Mr. Seyi Osunkeye**  
(Representing Pilot Securities  
Limited)  
Dealing Member

Mr. Seyi Osunkeye is the Managing Director of Pilot Securities Limited. Pilot Securities Limited is a Dealing Member of The Exchange and is licenced by the Securities & Exchange Commission as a Broker /Dealer. He was a former Treasurer of the Association of Stockbroking Houses of Nigeria.

He currently serves on the Boards of Alpgam Energy Plc, Greenfield Integrated Energy Services Limited Letshego Microfinance Limited, and Star Gaming Limited.

He obtained his B.SC Hons (Accounting) from the University of Lagos, Nigeria in 1990. He also obtained an MBA in Financial Management from the University of Hull, England, UK. He is a fellow of the Institute of Chartered Accountants of Nigeria, and Chartered Institute of Stockbrokers. He is a member of the Institute of Directors and Society for Corporate Governance.

## The National Council



**Mr. Chidi Agbapu**  
(Representing Planet Capital Ltd.)  
Dealing Member

Mr. Chidi Agbapu is the Managing Director of Planet Capital Ltd. Planet Capital Limited is a boutique firm licensed by The Exchange and Security and Exchange Commission to operate as an Issuing House, Stockbrokers and Financial Advisors. He was former Managing Director of Emerging Capital Ltd.

He is the Chairman of the Shareholders Audit Committee of Fidelity Bank Plc. He serves on the Board of General Cotton Mill Onitsha, MTI Plc., and MTI Ltd (Ghana). He is a past director of Central Securities Clearing System

(CSCS), Bendel Feeds & Flour Mill Plc.

He obtained a BSc in Economics from the University of Nigeria, Nsukka, and a Masters in Banking & Finance from the University of Lagos. He completed the Advance Management Programme at the Lagos Business School.



**Mr. Patrick Ajayi**  
(Representing WCM Capital Ltd.)  
Dealing Member

Mr. Patrick Adebayo Ajayi is the Managing Director/CEO of WCM Capital Ltd (Previously known as Woodland Capital Markets Plc). He qualified as a Stock Broker in 2004 and worked with Surport Services Limited-[a stockbroking Firm] prior to joining Woodland Capital Markets Plc. in 2013. He helped to turn around the fortunes of Woodland Capital Markets Plc. when he joined in 2013 as part of the new Management Team.

He serves on the Boards of Ned Phillips Capital Limited and WCM3 Investments Limited.

Mr. Ajayi holds a Bachelor of Science Degree in Physics from the Obafemi Awolowo University (Ile-Ife). He is an Associate member of the following Professional Bodies Institute of Chartered Accountants of Nigeria, Chartered Institute of Stockbrokers, and the Commodities Brokers Association of Nigeria.



# THE Nigerian STOCK EXCHANGE

## Report of the National Council

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# Report of the National Council

For the year ended 31 December 2018

The Council presents their report on the affairs of the Nigerian Stock Exchange ("The Exchange") and its subsidiaries (together "the Group"), together with the financial statements and independent auditors' report for the year ended 31 December, 2018.

## a. Legal form

The Exchange was incorporated in Nigeria as a private company limited by shares on 15 September 1960 as Lagos Stock Exchange and its name changed to the Nigerian Stock Exchange on 15 December 1977. The Exchange was re-incorporated as a Company Limited by Guarantee on 18 December 1990.

## b. Principal activities and business review

The principal activities of The Exchange are to provide facilities to the public for the purchase and sale of securities, platform for the listing of securities and sale of securities to the public, market data and market indices for sale to the public. The Exchange has four (4) subsidiary companies namely; Naira Properties Limited, Coral Properties Plc, NSE Consult Limited

and NSE Nominees Limited. The Exchange also has interests in NG Clearing Limited and Central Securities Clearing System Plc (CSCS) as joint venture and associate company respectively.

## c. Operating results

Gross earnings of the Group recorded a decrease of 8% (2017: increase of 77%) and surplus before tax recorded a decrease of 23% (2017: increase of 5517%). Gross earnings for the Group comprises revenue, other income and share of profit of equity accounted investees. For The Exchange, gross earnings declined by 2% (2017: increased by 80%) and the surplus before tax decreased by 17% (2017: increased by 540%). Highlights of the Groups and The Exchange's operating results for the year under review are as follows:

<i>In thousands of naira</i>	Group 2018	Group 2017	Exchange 2018	Exchange 2017
Revenue and other income	7,671,488	8,303,296	8,275,622	8,401,973
Share of profit of equity accounted investee	1,302,603	1,267,264	-	-
Surplus before tax	2,805,027	3,815,330	2,196,884	2,634,954
Income tax expense	(101,583)	(23,536)	-	-
Surplus after taxation	2,703,444	3,791,794	2,196,884	2,634,954
Non-controlling interest	-	-	-	-
Surplus	2,703,444	3,791,794	2,196,884	2,634,954
Appropriations:				
Other comprehensive income/(loss)	103,152	(49,614)	-	-
Transfer to Accumulated Funds	2,806,596	3,742,180	2,196,884	2,634,954

**d. Council members' interests in contracts**

No Council Member has notified The Exchange, for the purpose of section 277 of the Companies and Allied Matters Act CAP C20 LFN 2004 (CAMA), of any interest in contracts with The Exchange during the year.

**e. Property and Equipment**

Information relating to changes in property and equipment is given in Note 15 of the financial statements. In the opinion of the Council members, the market value of the Group's properties is not significantly different from the value shown in the annual report.

**f. Council members responsibilities**

The Council members are responsible for the preparation of financial statements which give a true and fair view of the state of affairs and comply with Companies and Allied Matters Act (CAMA). They are obliged to ensure that:

- i. Proper accounting records are maintained;
- ii. Internal control procedures are instituted which, as far as is reasonably possible, safeguard the

- assets, prevent and detect fraud and other irregularities;
- iii. Applicable accounting standards are followed;
- iv. Judgments and estimates made are reasonable and prudent;
- v. Suitable accounting policies are adopted and consistently applied; and
- vi. The going concern basis is used, unless it is inappropriate to presume that The Exchange will continue in business.

**g. Human Resources**

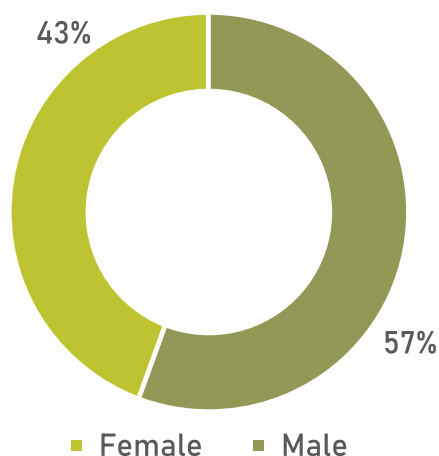
**i. Report on Diversity in Employment**

The Exchange operates a non discriminatory policy (Work Force Diversity and Equal Opportunities Policy) in the consideration of applications for employment. The Exchange's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion, gender or physical condition.

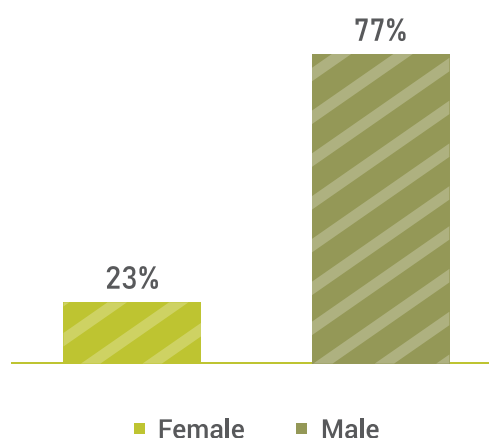
We believe diversity and inclusiveness are powerful drivers of competitive advantage in developing and understanding our customers' needs and creatively addressing them.



(a) Composition of Employees by Gender



(b) Council Composition by Gender

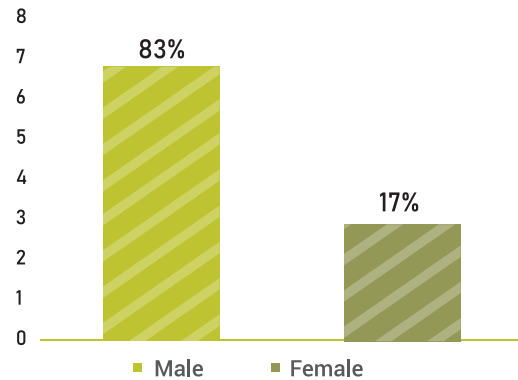




(c) Top Management  
(General Manager To CEO)  
composition by Gender



(d) Top Management  
(PM to DGM)  
composition by Gender



**ii. Employment of Disabled Persons**

The Exchange continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitude. The Exchange's policy prohibits discrimination against disabled persons in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment continues and appropriate training arranged to ensure that they fit into The Exchange's working environment.

**iii. Health, Safety and Welfare at Work**

The Exchange enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly. The Exchange enrolls staff with top-class health maintenance organisation that provides medical care for staff and their immediate families at the Exchange's expense. The Exchange has an HIV policy and promotes a non-discriminatory work environment for people living with HIV and other illness. Preventive health talks are organised for employees on

managing prevalent medical conditions and annual medical checks are implemented through The Exchange's contracted health maintenance organisations. Fire prevention and fire-fighting equipment are installed in strategic locations within The Exchange's premises. Also, first-aid boxes are installed within office premises and they are manned by trained first aiders from within the workforce. In line with its family friendly focus and fitness, The Exchange also operates a crèche facility and Gym at its Head Office.

The Exchange operates both a Group Personal Accident Insurance and the Employees' Compensation Scheme for the benefit of its employees. It also contributes to a contributory pension plan in line with the Pension Reform Act 2014.

**iv. Employee Training and Development**

The Exchange places premium on staff capacity development. In accordance with its policy, The Exchange provides continuous learning programmes to ensure that employees across all accountability levels remain competent and competitive throughout their career with The Exchange.

Several programmes targeted at staff development have been developed/deployed such as: The Leadership Enhancement And Development (LEAD) Programme, designed to groom and expand the capacity of staff to take on higher responsibilities. Bespoke courses organised for employees based on job requirement. Local and international courses are available to staff based on identified training needs. All these are complemented by continuous on-the-job training, through mentorship and coaching. To ensure effective communication on learning deployments, formal and informal channels are employed while communicating with employees with an appropriate two-way feedback mechanism.

#### **h. Operational Risk**

Operational risk is the risk that the Group would suffer a loss as a result of inadequate or failed processes, people and systems (including information technology and infrastructure) or from external events. By definition, operational risk excludes business risks (strategic and management) and financial risks (market, credit, and liquidity) but include all potential events that may impact one or more operational objectives of the Group.

Operational risk can arise due to human oversight, fraudulent acts, and inappropriate behaviour of employees or system failure. These events could result in financial losses, including litigations and regulatory fines, as well as reputational damage to the Group and can manifest in any of the following forms: business process execution failures, damage to tangible and intangible assets, threat to workplace health and safety, fraud and theft, compliance failures, technology failures and damages.

The Group recognizes that operational risks are inherent within its current

operations, and may emerge from implementing new business decisions or from other internal and external changes. Our approach to managing operational risk is through a comprehensive, systematic, disciplined and proactive process implemented to identify, assess, mitigate, monitor and report operational risk related to the achievement of our strategic objectives and is embodied within the Council approved Enterprise Risk Management Framework.

The Exchange has conducted an enterprise-wide assessment on all its activities, processes, its procedures and implemented global standard operational risk management methodologies intended to enhance our risk mitigating controls and proactive management of inherent operational risks.

#### **I. Events after reporting date**

There were no significant events after the reporting date that could affect the reported amount of assets and liabilities as of the reporting date.

#### **J. Auditor**

Messrs. KPMG Professional Services having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as auditors to the Exchange in accordance with section 357(2) of the Companies and Allied Matters Act (CAMA) of Nigeria. Therefore, the auditors will be re-appointed at the next Annual General Meeting of the Exchange without any resolution being passed.

By Order of the Council



**Mrs. Mojisola Adeola**

FRC/2013/NBA/00000004263

Lagos, Nigeria

21 February 2019



# THE Nigerian STOCK EXCHANGE

## Council Members' Responsibility in Relation to the Financial Statement

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## Council Members' Responsibility in Relation to the Financial Statement

### ***Statement of Council members' responsibilities in relation to the Financial Statements for the year ended 31 December 2018***

The Council members accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

The Council members further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act Cap C.20,

Laws of the Federation of Nigeria, 2004 and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Council members have made an assessment of the Group and Exchange's ability to continue as a going concern and have no reason to believe the Group and the Exchange will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE NATIONAL COUNCIL BY:



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**Otunba Abimbola Ogunbanjo**  
FRC/2013/NBA/00000004358  
President  
21 February 2019



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**Mr. Oscar N. Onyema, OON**  
FRC/2013/IODN/00000001802  
Chief Executive Officer  
21 February 2019



# THE Nigerian STOCK EXCHANGE

## Independent Auditor's Report

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# Independent Auditor's Report



**KPMG Professional Services**  
KPMG Tower  
Bishop Aboyade Cole Street  
Victoria Island  
PMB 40014, Falomo  
Lagos

Telephone 234 (1) 271 8955  
234 (1) 271 8599  
Internet www.kpmg.com/ng

To the Members of The Nigerian Stock Exchange

## Report on the Audit of the Consolidated and Separate Financial Statements

### Opinion

We have audited the consolidated and separate financial statements of The Nigerian Stock Exchange ("the Exchange") and its subsidiaries (together, "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December, 2018, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 79 to 167.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Exchange and its subsidiaries as at 31 December, 2018, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements* section of our report. We are independent of the Group and the Exchange in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Statements and Audit Report thereon

The Council members are responsible for the other information which comprises the Report of the Council, Statement of Council member's responsibilities, Corporate Information, Corporate Governance Report and Other National Disclosures, which we obtained prior to the date of this auditors' report, but does not include the consolidated and separate financial statements and our audit report thereon. Other information also include notice of Annual General Meeting, President's Statement, CEO's Statement, Strategic Report, Risk Management and Compliance Reports, Report on National Council Evaluation, Report on support to internally disposed persons (together "Outstanding reports"), which are expected to be made available to us after that date.

KPMG Professional Services, a Partnership established under Nigerian law, is a member of KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

Registered in Nigeria No. BN 986925

Adebiyi O. Lemikano  
Adegoke A. Odelemi  
Adekunle A. E. Ebezu  
Adekunle F. Adeyeremi  
Adeyemi K. Ajayi

Ajibola O. Olorinle  
Ayo L. Odelemi  
Ayodele A. Odeyinka  
Ayodele R. Odehina  
Chibuzor N. Anjimechi  
Enile A. Abangbeze

Goodluck C. Obi  
Ibiomi M. Adebajo  
Jesum T. Eneke-Egbo  
Joseph O. Tegbe  
Kabir O. Ounibade  
Lawrence C. Amadi

Mohammed M. Ademe  
Nwaka C. E. Ume  
Ogunbayo I. Ogunberru  
Olabiye G. Adabbi  
Oladapo R. Oluwadajo  
Oladireji I. Oluwadun

Olanike J. James  
Oluwade O. Odeyinka  
Oluwaseun A. Sowande  
Oluwatoyin I. Ogunlana  
Oluwafemi O. Awotunde  
Oluwatoyin A. Odeji

Temilope A. Oniri  
Toluope A. Oluwalade  
Victor O. Oyenike

## Independent Auditor's Report

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### ***Responsibilities of the Directors for the Consolidated and separate Financial Statements***

The Council members are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011 and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Council members are responsible for assessing the Group and Exchange's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Exchange or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's Responsibilities for the Audit of the Consolidated and separate Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Exchange's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council members.

## Independent Auditor's Report

- Conclude on the appropriateness of Council members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Exchange's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Exchange to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

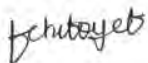
We communicate with the Board Audit and Risk Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

*Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004*

In our opinion, proper books of account have been kept by the Exchange, so far as appears from our examination of those books and the Exchange's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:



**Oluwafemi O. Awotoye, FCA**  
FRC/2013/ICAN/0000001182  
For: KPMG Professional Services  
Chartered Accountants  
1 March 2019  
Lagos, Nigeria



# THE Nigerian STOCK EXCHANGE

## Consolidated and Separate Statement

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## Consolidated and Separate Statement of profit or loss and other Comprehensive Income

For the year ended 31 December 2018

In thousands of naira	Note	Group 2018	Group 2017	Exchange 2018	Exchange 2017
Revenue	8	4,822,617	5,872,096	4,700,579	5,758,128
<b>Revenue</b>		4,822,617	5,872,096	4,700,579	5,758,128
Other income	9	2,848,871	2,431,200	3,575,043	2,643,845
		7,671,488	8,303,296	8,275,622	8,401,973
Impairment loss on financial	10	(50,364)	(49,574)	(52,840)	(69,659)
Personnel expenses	11	(3,066,896)	(2,866,324)	(3,066,895)	(2,866,324)
Depreciation	15	(374,916)	(328,612)	(321,567)	(280,995)
Amortization	14	(205,687)	(186,691)	(205,687)	(186,691)
Operating expenses	12	(2,471,201)	(2,324,029)	(2,431,748)	(2,363,350)
<b>Total expenses</b>		(6,169,064)	(5,755,230)	(6,078,738)	(5,767,019)
<b>Operating surplus</b>		1,502,424	2,548,066	2,196,884	2,634,954
Share of profit of equity accounted investees (net of income tax)	18(iii)	1,302,603	1,267,264	-	-
<b>Operating Surplus before tax</b>		2,805,027	3,815,330	2,196,884	2,634,954
Income tax expense	13	(101,583)	(23,536)	-	-

<b>Operating Surplus after tax</b>		2,703,444	3,791,794	2,196,884	2,634,954
<b>Other comprehensive income:</b>					
<b>Items that are or may be reclassified to profit or loss</b>					
Available for sale financial assets					
(net change in fair value)	20(a)(iii)	-	19,517	-	-
Equity-accounted investee -share of OCI	18(i)	(19,344)	(41,452)	-	-
<b>Items that will never be reclassified to profit or loss</b>					
Equity accounted investee - effect of dilution	18(ii)	89,062	-	-	-
Remeasurement of defined benefit liability	25	(29,190)	(27,679)	(29,190)	(27,679)
Equity investment at FVOCI - net change in fair value	20(a)(iii)	62,624	-	-	-
<b>Other comprehensive income/(loss), net of tax</b>		103,152	(49,614)	(29,190)	(27,679)
<b>Total comprehensive income for the year</b>		2,806,596	3,742,180	2,167,694	2,607,275

*The accompanying notes and the statement of significant accounting policies are an integral part of these consolidated financial statements*

## Consolidated and Separate Statement of Financial Position

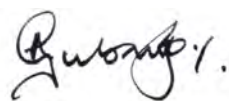
As at 31 December 2018

<i>In thousands of naira</i>	Note	Group 2018	Group 2017	Exchange 2018	Exchange 2017
<b>ASSETS</b>					
Property and equipment	15	3,914,072	4,026,520	1,836,427	1,932,814
Intangible assets	14	309,030	512,713	304,394	508,077
Investment properties	17	1,144,400	1,144,400	-	-
Equity-accounted investees	18	9,024,856	7,998,012	1,058,304	450,304
Investment in subsidiaries	19	-	-	945,950	946,450
Investment securities	20	2,604,247	1,994,095	2,340,632	1,710,004
<b>Total non-current assets</b>		16,996,605	15,675,740	6,485,707	5,547,649
Intercompany receivables	16	-	-	2,052,107	2,781,324
Trade and other receivables	21	1,282,058	1,090,933	1,172,910	986,698
Prepayment	22	291,787	221,682	218,637	221,682
Investment securities	20	7,688,773	6,134,672	7,688,734	6,134,672
Cash and cash equivalents	23	2,810,873	3,566,350	2,606,461	3,268,116
<b>Total current assets</b>		12,073,491	11,013,637	13,738,849	13,392,493
<b>Total assets</b>		29,070,096	26,689,377	20,224,556	18,940,141
<b>EQUITY</b>					
Accumulated funds	24(a)	25,789,805	23,105,904	17,510,336	15,952,808
Other reserves	24(b)	127,748	24,596	(62,819)	(33,629)
<b>Total equity</b>		25,917,553	23,130,500	17,447,517	15,919,179

## LIABILITIES

Retirement benefit obligation	25	368,344	195,064	368,344	195,064
Deferred tax liability	26	192,332	144,753	-	-
Provisions	27	357,276	267,767	357,276	267,767
<b>Total non current liabilities</b>		917,952	607,584	725,620	462,831
Other liabilities	28	2,063,366	2,779,242	2,051,419	2,531,480
Current tax liabilities	29	171,225	145,400	-	-
Defined contribution pension	25	-	26,651	-	26,651
<b>Total current liabilities</b>		2,234,591	2,951,293	2,051,419	2,558,131
Total liabilities		3,152,543	3,558,877	2,777,039	3,020,962
<b>Total equity and liabilities</b>		29,070,096	26,689,377	20,224,556	18,940,141

The financial statements were approved by the Council on 21 February 2019 and signed on its behalf by:



Otunba Abimbola Ogunbanjo  
FRC/2013/NBA/00000004358  
(President)



Mr. Oscar N. Onyema, OON  
FRC/2013/IODN/00000001802  
(Chief Executive Officer)



Mr. Cyril Eigbobo  
FRC/2013/ICAN/00000001736  
(Chief Financial Officer)

The accompanying notes and the statement of significant accounting policies are an integral part of these consolidated financial statements

## Consolidated and Separate Statement of Changes in Equity

For the year ended 31 December 2018

### The Group

<i>In thousands of naira</i>	Accumulated funds	Fair value reserve	Actuarial valuation reserve	Total equity
Balance at 1 January 2017	19,314,110	80,160	(5,950)	19,388,320
Total comprehensive income for the year:				
Surplus for the year	3,791,794	-	-	3,791,794
Other comprehensive income (net of income tax)	-	19,517	(27,679)	(8,162)
Equity accounted investee - share of OCI		(41,452)		(41,452)
Total comprehensive income for the year	3,791,794	(21,935)	(27,679)	3,742,180
<b>Balance as at 31 December 2017</b>	23,105,904	58,225	(33,629)	23,130,500
<b>Balance at 1 January 2018, as previously reported</b>	23,105,904	58,225	(33,629)	23,130,500
Opening balance				
Adjustment on initial application of IFRS 9, net of tax	(19,543)	-	-	(19,543)
<b>Restated balance at 1 January 2018</b>	23,086,361	58,225	(33,629)	23,110,957
Total comprehensive income for the year:				
Surplus for the year	2,703,444			2,703,444
Other comprehensive income (net of income tax)	-	62,624	(29,190)	33,434
Equity accounted investee - share of OCI	-	(19,344)	-	(19,344)
Dilution effect	-	89,062	-	89,062
<b>Total comprehensive income for the year</b>	2,703,444	132,342	(29,190)	2,806,596
<b>Balance at 31 December 2018</b>	25,789,805	190,567	(62,819)	25,917,553

## The Exchange

<i>In thousands of naira</i>	Accumulated funds	Fair value reserve	Actuarial valuation reserve	Total equity
<b>Balance at 1 January 2017</b>	13,317,854	-	(5,950)	13,311,904
Total comprehensive income for the year:				
Surplus for the year	2,634,954			2,634,954
Other comprehensive income (net of income tax)	-	-	(27,679)	(27,679)
Total comprehensive income for the year	2,634,954		(27,679)	2,607,275
<b>Balance as at 31 December 2017</b>	15,952,808		(33,629)	15,919,179
<b>Balance at 1 January 2018, as previously reported</b>	15,952,808		(33,629)	15,919,179
Adjustment on initial application of IFRS 9, net of tax	(639,356)	-	-	(639,356)
<b>Restated balance at 1 January 2018</b>	15,313,452	-	(33,629)	15,279,823
Total comprehensive income for the year:				
Surplus for the year	2,196,884		-	2,196,884
Other comprehensive income (net of income tax)			(29,190)	(29,190)
<b>Total comprehensive income for the year</b>	2,196,884	-	(29,190)	2,167,694
Balance at 31 December 2018	17,510,336	-	(62,819)	17,447,517

The accompanying notes and the statement of significant accounting policies are an integral part of these consolidated financial statements

## Consolidated and Separate Statement of Cash Flows

For the year ended 31 December 2018

<i>In thousands of naira</i>	Note	Group 2018	Group 2017	Exchange 2018	Exchange 2017
<b>Cash flows from operating activities:</b>					
Surplus after tax		2,703,444	3,791,794	2,196,884	2,634,954
<i>Adjustments for:</i>					
Income tax expense	13	101,583	23,536	-	-
Depreciation of property and equipment	15	374,916	328,612	321,567	280,995
Amortization of intangible assets	14	205,687	186,691	205,687	186,691
Gain on disposal of property and equipment	9	(6,120)	(887)	(6,121)	(887)
Loss on foreign exchange rates translation	12	9,521	148,334	9,521	148,864
Impairment loss on investment securities	10	15		15	-
Reversal of impairment loss on cash and cash equivalent	10	(846)		(846)	-
Impairment charges on intercompany receivables	16	-	-	1,977	20,085
Impairment loss on trade and other receivables	10	51,195	49,574	51,195	49,574
Impairment loss on investment in subsidiaries	10	-	-	500	-
Fair value changes on available for sale investments	20(a)(iii)	(62,624)	(19,517)	-	-
Share of profit of equity accounted investee	18	(1,302,603)	(1,267,264)	-	-
Provision for retirement benefit obligations	25	185,667	28,995	185,667	28,995
Interest income	9	(1,600,813)	(1,568,072)	(1,593,967)	(1,523,810)
Dividend income	9	-	(28,606)	(953,476)	(286,068)
		659,023	1,673,189	418,602	1,539,393

Change in intercompany receivables	33(i)	-	-	130,933	43,635
Change in trade and other receivables	33(ii)	(225,444)	(939,601)	(220,530)	(885,367)
Change in prepayments	33(iii)	(70,105)	512,484	3,045	515,581
Change in other liabilities	33(iv)	(627,433)	307,725	(391,619)	404,926
		(263,960)	1,553,797	(59,569)	1,618,168
Income tax paid	29	(28,179)	(163,793)	-	-
Retirement benefit obligation paid	25	(41,577)	(49,199)	(41,577)	(49,199)
<b>Net cash from operating activities</b>		<b>(333,716)</b>	<b>1,340,805</b>	<b>(101,146)</b>	<b>1,568,969</b>
Cash flows from investing activities:					
Interest received	33(v)	1,512,183	1,442,620	1,503,018	1,395,923
Dividend received	33(vi)	953,476	257,461	858,129	257,461
Purchase of investments - financial assets	33(vii)	(2,012,963)	155,014	(2,084,260)	(204,769)
Acquisition of property and equipment	15	(300,513)	(710,346)	(263,451)	(550,584)
Proceeds from the sale of property and equipment	33(viii)	44,165	23,288	44,164	23,287
Additional investment in associates	33(ix)	(608,000)	-	(608,000)	-
Acquisition of intangible assets	14	(2,004)	(411,682)	(2,004)	(411,682)
<b>Net cash used in investing activities</b>		<b>(413,657)</b>	<b>756,355</b>	<b>(552,405)</b>	<b>509,636</b>
Net increase in cash and cash equivalents		(747,372)	2,097,161	(653,551)	2,078,605
Cash and cash equivalents at the beginning of the year		3,566,349	1,618,691	3,268,116	1,339,544
Effect of movements in exchange rates on cash held		(8,104)	(149,503)	(8,104)	(150,033)
<b>Cash and cash equivalents at end of year</b>	33(x)	<b>2,810,873</b>	<b>3,566,349</b>	<b>2,606,461</b>	<b>3,268,116</b>

*The accompanying notes and the statement of significant accounting policies are an integral part of these consolidated financial statements*



# THE Nigerian STOCK EXCHANGE

## Notes to the Consolidated and Separate Financial Statements

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# Notes to the Consolidated and Separate Financial Statements

*For the year ended 31 December 2018*

## **1 Reporting entity**

"The Nigerian Stock Exchange ("the Exchange") is a Company domiciled in Nigeria. The Exchange was incorporated in Nigeria as a private Company Limited by shares on 15 September 1960 as Lagos Stock Exchange and its name was changed to The Nigerian Stock Exchange on 15 December 1977. The Exchange was re-incorporated as a Company Limited by Guarantee on 18 December 1990 and gained full membership status of the World Federation of Exchanges (the "WFE") on 28 October 2014. The address of the Exchange's registered office is Stock Exchange House, 2/4 Customs Street, Lagos."

The consolidated and separate financial statements of the Exchange as at and for the year ended 31 December 2018 comprise the Exchange and its subsidiaries (together referred to as the "Group") and the Group's interest in equity accounted investees. The principal activity of the Exchange is to provide facilities to the public for the purchase and sale of capital market securities.

## **2 Basis of accounting**

### **i Statement of compliance**

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), in the manner required by the Companies and Allied Matters Act of Nigeria (CAMA) and the Financial Reporting Council of Nigeria Act, 2011.

These financial statements have been prepared on the historical cost basis except for the following:

- (i) Equity investment measured at fair value through other comprehensive income (FVOCI)
- (ii) The liability for defined benefit obligations recognised as the present value of the defined benefit obligation less the fair value of the plan assets.
- (iii) Trade and other receivables and other liabilities are measurement are measured at amortised cost.

The financial statements were authorised for issue by the Council on 21 February 2019. Details of the Group's and the Exchange's accounting policies are included in note 4 to the financial statements.

### **ii Functional and presentation currency**

These consolidated and separate financial statements are presented in Nigerian Naira, which is the Exchange's functional currency. All financial information presented in Naira has been rounded to the nearest thousand, unless otherwise indicated.

## **3 Use of judgments and estimates**

In preparing these consolidated and separate financial statements, the Council members have made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Judgment refers to management's judgments applied to significant accounting policies that materially impact the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

## **I Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 18 Equity-accounted investees: whether the Group has significant influence over an investee;
- Note 19 Consolidation: whether the Group has de facto control over an investee

## **ii Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 6 FVOCI: Key assumptions underlying the determination of fair value of the investments.  
Measurement of ECL allowance for trade and other receivables: key assumptions in determining the loss rate such as forward looking information and use of risk rating.
- Note 21 Determining the fair value less costs to sell of the non-current asset held for sale on the basis of significant unobservable inputs
- Note 26 Measurement of defined benefit obligations: key actuarial assumptions
- Note 30 Contingent liabilities and Commitments: Key assumption about the likelihood and magnitude of an outflow of resources

## **iii Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and report directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit and Risk Management Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- (i) Level 1 : Quoted market price (unadjusted) in an active market for an identical instrument.
- (ii) Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations. For all other financial instruments, the Group determines

fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bonds and equity prices, foreign currency exchange rates, equity and equity index prices volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instruments at the reporting date that would have been determined by market participants acting at arm's length.

Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair value. Availability of observable market prices and inputs varies depending on the product and market and is prone to changes based on specific events and general conditions in the financial markets.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 6

#### **4 Significant accounting policies**

The Group has consistently applied the following accounting policies to all periods presented in these consolidated and separate financial statements except where otherwise stated.

##### **4.1 Basis of consolidation**

###### **(i) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated and separate financial statements incorporates the assets, liabilities and performance results of: NSE Consult Limited, Coral Properties Plc, Naira Properties Limited and NSE Nominees Limited. The financial statements of subsidiaries are included in the consolidated and separate financial statements from the date that control commences until the date that control ceases.

In the separate financial statements, investment in subsidiaries are carried at cost less impairment losses.

###### **(ii) Loss of control**

When the Group loses control over a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### **(iii) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated and separate financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### **(iv) Non-controlling interest**

Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interests in subsidiary that do not result in a loss of control are accounted for as equity transaction.

### **(v) Interest in equity-accounted investees**

The Group's interest in equity-accounted investees represents interest in associate companies. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which include transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which the significant influence ceases.

### **Joint Venture**

A joint venture is an arrangement which the Group has joint control whereby the Group has right to the net assets on arrangement basis rather the right to its asset and obligations to its liabilities. In prior year, the Group had interest in a joint venture which was diluted during the period ended 31 December 2018.

## **4.2 Foreign currency translations**

Transactions in foreign currencies are translated into the functional currencies of the operations at the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rates as at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in statement of profit or loss. However, foreign currency differences arising from the translation of the following items is recognised in OCI.

Fair value through other comprehensive income investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to statement of profit or loss).

## 4.3 Financial instruments

### (i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### (ii) Financial Assets

#### **Classification and subsequent measurement – Policy applicable from 1 January 2018**

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

#### **Business model assessment: Policy applicable from 1 January 2018**

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

***Assessment whether contractual cash flows are solely payments of principal and interest: Policy applicable from 1 January 2018***

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

***Subsequent measurement and gains and losses: Policy applicable from 1 January 2018***

<b><i>Financial asset at amortised cost</i></b>	These assets are subsequently measured at amortised cost using effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss. Included in financial assets at amortised cost are investments in debt securities, cash and cash equivalents, intercompany receivables and trade and other receivables.
<b><i>Equity investment at FVOCI</i></b>	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represent recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Classified as FVOCI are the investment in equity securities.

## ***Classification and measurement – Policy applicable before 1 January 2018***

The Group classified its financial assets into one of the following categories:

- held to maturity and
- available for sale
- loans and receivables;

### **(a) Held-to-maturity investments**

Held-to-maturity investments are non-derivative assets with fixed determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity, and which were not designated as at fair value through profit or loss or as available for sale.

Subsequent to initial recognition, held-to-maturity investments are carried at amortised cost, using the effective interest method. A sale or reclassification of a more than insignificant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments to available-for-sale financial instruments, and would prevent the Group from classifying investment securities as held-to-maturity for the current and the following two financial years. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- sales or reclassifications that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- sales or reclassifications after the Group has collected substantially all of the asset's original principal through scheduled payments or prepayments; and
- sales or reclassifications attributable to non-recurring isolated events beyond the Group's control that could not have been reasonably anticipated.

The Group classifies and measures investment in treasury bills as held to maturity.

### **(b) Available-for-sale investments**

Available-for-sale investments are non-derivative investments that are designated by the Group as available-for-sale or are not classified as another category of financial assets, or strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. All available-for-sale investments, including unquoted equity securities, are carried at fair value.

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the Group becomes entitled to the dividend.

Other fair value changes are recognised in other comprehensive income until the investment is sold or impaired, whereupon the cumulative gains and losses previously recognised in other comprehensive income are reclassified to profit or loss as a reclassification adjustment.

A non-derivative financial asset may be reclassified from the available-for-sale category to the loans and receivables category if it otherwise would have met the definition of loans and receivables and if the Group has the intention and ability to hold that financial asset for the foreseeable future or until maturity.

Investment securities are accounted for depending on their classification as either financial assets through profit or loss, available-for-sale financial assets or held-to-maturity investments. The Group classifies and measures investment in unquoted securities as available for sale.

### **(c) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term.

When the Group is the lessor in a lease agreement, it transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within loans and receivables.

Loans and receivables are initially measured at fair value plus directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method.

The use of market rates in the measurement of loans issued at below-market rate increases the Group's operating expenses and the balance on the loans and receivable account.

In case the financial instrument is denominated in a currency other than the functional currency of the reporting entity, foreign exchange translation differences is recognised in profit or loss.

The following items are classified and measured as loans and receivables by the Group:

- Cash and cash equivalents: Cash and cash equivalents include notes and coins in hand, deposits held with banks and highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.
- Trade and other receivables: Other receivables comprise of staff debtors, trade receivables and other receivables. They are carried at original invoice amount less any allowance for doubtful receivables. Allowances for doubtful receivables are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. Other receivables are initially measured at fair value and subsequently measured at amortised cost.

### **(d) Financial liabilities - Policy applicable to both current and prior periods**

Financial liabilities are measured at amortised cost. Other financial liabilities include sundry creditors and other liabilities. The principle of amortised cost is disclosed in note 4.3 (ii).

### **(iii) Derecognition of financial instruments - Policy applicable to both current and prior period**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all risks or rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position. In transactions where the Group

neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

**(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(v) The concept of fair value measurement and amortised cost**

**(a) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at the date. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation technique that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price or an ask price, then the Group measures the assets at a bid price and liabilities at an ask price.

**(b) Amortised cost measurement**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

**4.4 Impairment**

**(i) Non-derivative financial assets - Policy applicable from 1 January 2018**

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost and
- debt investments measured at FVOCI;

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following,

which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due or if the obligor has been delisted from the Exchange's trading platform for trade receivables in the case of listed companies.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be between AAA and BBB per Fitch, Standard & Poor's, and Global Credit Rating.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

### ***Measurement of ECLs***

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

### ***Credit-impaired financial assets***

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer
- a breach of contract such as a default or being more than 365 days past due;

- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

**Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Write-off**

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**(ii) Non-derivative financial assets - Policy applicable before 1 January 2018**

**(i) Assets carried at amortised cost**

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a 'loss event'), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The following factors are considered in assessing objective evidence of impairment:

- Payment defaults.
- Renegotiation of terms of the financial asset due to financial difficulty of the investee company.
- Disappearance of an active market for an asset due to financial difficulties.

The impairment loss is calculated as the difference between the carrying amount of the financial assets and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. When the Group considers that there are no realistic prospects of recovering the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

**(ii) Available-for-sale financial assets**

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In addition, an available-for-sale equity instrument is generally considered impaired if a significant or prolonged decline in the fair value of the instrument below its cost has occurred.

The Group has defined "significant" as any fair value loss that is more than 20% of investment cost and "prolonged" as a continuous decline in fair value for a period of 9 months or more.

If, in a subsequent period, the amount relating to an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised in profit or loss, where the instrument is a debt instrument, the impairment loss is reversed through profit or loss. An

impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through profit or loss but accounted for directly in equity.

**(iii) Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of goodwill is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. For impairment testing, assets grouped into cash-generating units (CGUs). A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**4.5 Property and equipment**

**(i) Recognition and measurement**

Items of property and equipment are initially recognised at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment and each component is depreciated separately. Changes to an existing item of property or equipment are added to or deducted from the cost of the related asset and depreciated prospectively over the remaining useful life of the asset.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and is recognised in other income/other expenses in statement of profit or loss. Freehold land is carried at cost and not depreciated.

### **(ii) Subsequent costs**

The cost of replacing a component of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

### **(iii) Depreciation**

Depreciation is recognised in profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

Depreciation on leasehold land is recognised in profit or loss on a straight-line basis over the unexpired lease period.

The estimated useful lives of items of property and equipment for the current and comparative year are as follows:

Leasehold improvements	Over the shorter of the useful life of item or lease period
Freehold land	Not depreciated
Building	50 years
Computer equipment	5 years
Office equipment	5 years
Furniture, fixtures & fittings	5 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if applicable.

### **(iv) De-recognition**

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

## **4.6 Intangible assets**

### **(i) Goodwill**

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Goodwill is subsequently measured at cost less accumulated impairment losses. In respect of equity-accounted investments, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

### **(ii) Software**

Purchased software is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the software can be measured reliably. Expenditure that forms part of the cost of software that meets the recognition criteria are capitalized as part of the software. The capitalized costs of internally developed software or separately acquired

software include all costs directly attributable to developing and purchasing the software respectively and capitalized borrowing costs, and are amortised over its useful life.

Software is stated at capitalized cost less accumulated amortisation and impairment. Subsequent expenditure of software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

#### **(iii) Amortisation**

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that is available for use since this most reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years.

The amortisation methods, useful lives and residual values of intangible assets are reviewed at each financial year-end and adjusted if appropriate.

#### **(iv) De-recognition**

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

### **4.7 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

### **4.8 Prepayments**

Prepayments are stated at cost less amortised amounts. Prepayments are amortised to income by the straight-line method or according to performance of the underlying transaction.

### **4.9 Employee Benefits**

#### **(i) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as employee benefit expenses in profit or loss in the years in which the services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in

future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the year in which the employees render the service are discounted to their present value at the reporting date.

The Group operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act of 2014. The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary. Obligations in respect of the Group's contributions to the scheme are recognised as an expense in the profit or loss account on an annual basis.

#### **(ii) Defined benefit plans**

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factor, such as age, years of service and compensation. The liability recognised in the statements of financial position in respect of defined pension plans is the present value of the defined benefit obligation at the date of the statements of financial position less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation (DMO).

Remeasurements arising from experience adjustments and changes in actuarial assumptions in excess of the plan assets or of the defined benefits obligation are charged or credited to Other Comprehensive Income in the financial year in which they arise. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

With effect from 31 March 2011, the defined benefit scheme was terminated and final entitlements due to qualified staff was subsequently fully funded by the Group.

Effective 1 January 2015, long-term incentive scheme was established for certain eligible employees. The entitlement for the qualifying employee is based on the following threshold of their gross salary per annum or annual cash pay (Total Cash Compensation (TCC)) for every year of services, depending on the term completed.

- \* 15%-17.5% in the first five years of service (first term)
- \* 25%-35% in the next 5 years of services (second term)

On 1 August 2017, management established a long service recognition initiative which is designed to recognize, appreciate and celebrate the contributions of long tenured employees, at the attainment of milestone years during their work lifespan with the company. The policy became effective in 2018.

Table below presents the cash benefit attached to each milestone year.

<b>Milestone Years</b>	<b>Computation of cash benefit</b>
5 years	5% of annual gross salary
10 years	9% of annual gross salary
15 years	13% of annual gross salary
20 years	17% of annual gross salary
25 years	21% of annual gross salary
30 years	25% of annual gross salary
35 years	30% of annual gross salary

### **(iii) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

## **4.10 Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group Executive Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. Information relating to segment reporting is presented in Note 7 to the financial statements.

## **4.11 Contingencies**

### **(i) Contingent asset**

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset is disclosed when an inflow of economic benefit is probable. When the realization of income is virtually certain, then the related asset is not a contingent and its recognition is appropriate.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statement.

### **(ii) Contingent liability**

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. A provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable is recognised, except in the extremely rare

circumstances where no reliable estimate can be made.

Contingent liabilities are assessed continually to determine whether an outflow of economic benefit has become probable.

#### **4.12 Revenue and other income**

##### **(I) Revenue**

Revenue comprises listing fees, entrance fees, transaction fees and trading levies. Revenue from fees and levies earned is recognised as related services are performed. Any upfront fees or payment for services that are rendered over a period of time are treated as unearned income and recognised over the required period. These are warehoused in deferred income account.

##### **(ii) Other income**

Other income are recognised as the related services are performed. Included in Other income are dividend income, interest income, rental income from investment property etc.

##### **(a) Dividend income**

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Dividends are presented in net trading income or net income from other financial instruments at fair value through profit or loss based on the underlying classification of the equity investment. Dividend income from equity accounted investee is recognised as a component of other operating income.

##### **(b) Interest Income**

Interest income is recognised in the statement of profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. The effective interest rate is established on initial recognition of the financial asset and is not revised subsequently.

The calculation of the effective interest rate includes contractual fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income presented in the income statement includes interest on financial assets at amortised cost on an effective interest basis. Interest income and expenses on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

##### **(c) Rental Income**

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

#### **4.13 Tax expense**

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Interest and penalties related income taxes, uncertain tax treatments are accounted for under IAS 37 provision contingent liabilities and contingent assets.

#### (i) **Current tax**

Current tax is the expected tax payable on taxable income or loss for the year determined in accordance with the Companies Income tax Act (CITA), using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Minimum tax is charged where an entity does not have taxable income or a lower tax expense when compared to minimum tax. Minimum tax is charged based on the highest of certain range as specified in the Company Income Tax Act (CITA).

The Federal Board of Inland Revenue upheld that the income of the Exchange is not liable to tax since it is a company limited by guarantee.

#### (ii) **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- The initial recognition of goodwill;
- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Differences relating to investments in subsidiaries and associate to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary difference only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the rates that are expected to be applied to temporary difference when they reverse using tax rates enacted or substantially enacted on the reporting date. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if criteria are met.

#### **4.14 Investment properties under construction**

Investment properties under construction for which the fair value cannot be determined reliably, but

for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections.

#### **4.15 Operating lease**

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place. The operating lease only relates to rental expenses which are renewed on annual basis.

#### **4.16 Equity and reserves**

##### **(i) Accumulated funds**

Accumulated funds are the carried forward recognized income net of expenses plus current period profit.

##### **(ii) Other reserves**

Other reserves comprises of fair value gain or loss on investments carried at FVOCI and actuarial gains or loss on retirement benefit obligation.

#### **4.17 Changes in accounting policies**

The Group has initially applied IFRS 15 and IFRS 9 from 1 January 2018. A number of other new standards are also effective from 1 January 2018 but they do not have material effect on the Group's financial statements.

Due to the transition methods chosen by the Group in applying these standards, comparative information throughout these financial statement has not been restated to reflect the requirements of the new standards.

The effect of initially applying these standards is mainly attributed to an increase in impairment losses recognised on financial assets.

##### **(i) IFRS 15 Revenue from Contract with Customers**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 Revenue, IAS 11 Construction Contract and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains controls of the goods or services. Determining the timing of the transfer of control - at a point in time or over time requires judgement.

The adoption of this standard does not have a significant impact on the Group

##### **(ii) IFRS 9 Financial Instruments**

IFRS 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. *The standard replaces IAS 39 Financial Instruments: Recognition and Measurement.*

The Group has adopted consequential amendments to IFRS7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but have not been generally applied to comparative information.

The following table summarises the impact, net of tax, of transition to IFRS 9 on the opening balance of accumulated funds and reserves.

In thousands of naira	<b>Group</b>	<b>Exchange</b>
	<b>Impact of adopting IFRS 9 on opening balance</b>	<b>Impact of adopting IFRS 9 on opening balance</b>
<b>Accumulated fund</b>	23,105,904	15,952,808
Recognition of Expected Credit Loss (ECL) under IFRS 9:		
Debt financial assets at amortised cost	(37)	(37)
Cash and cash equivalents	(2,630)	(2,487)
Other receivables	(6,577)	(6,577)
Trade receivables	(10,299)	(10,299)
Intercompany receivables	-	(619,956)
Total ECL under IFRS 9	(19,543)	(639,356)
Impact at 1 January 2018	23,086,361	15,313,452

**(a) Classification and measurement of financial assets and financial liabilities**

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had significant effect on the Group's accounting policies related to financial liabilities.

The following table and the accompanying notes below explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and financial liabilities as at 1 January 2018. The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirement.

**Group**

<i>In thousand of naira</i>	Notes	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	Remeasurement	New carrying amount under IFRS 9
<b>Financial assets</b>						
Treasury bills	(a)	HTM (Amortised cost)	Amortised cost	6,134,672	28	6,134,700
Bonds	(a)	HTM (Amortised cost)	Amortised cost	1,710,004	9	1,710,012
Unquoted equities	(b)	Available for sale FVOCI	FVOCI - equity instruments	201,030	-	201,030
Cash and cash equivalent		Loans and receivables	Amortised cost	3,566,350	2,630	3,568,980
Trade and other receivables	(c)	Loans and receivables	Amortised cost	1,090,933	16,876	1,107,810
<b>Total financial assets</b>				12,702,989	19,543	12,722,532

**Exchange**

<i>In thousand of naira</i>	Notes	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	Remeasurement	New carrying amount under IFRS 9
<b>Financial assets</b>						
Treasury bills	(a)	HTM (Amortised cost)	Amortised cost	6,134,672	28	6,134,700
Bonds	(a)	HTM (Amortised cost)	Amortised cost	1,710,004	9	1,710,012

Unquoted equities	(b)	Available for sale FVOCI	FVOCI - equity instruments	-	-	-
Cash and cash equivalent		Loans and receivables	Amortised cost	3,268,116	2,487	3,270,603
Trade and other receivables	(c)	Loans and receivables	Amortised cost	986,698	16,876	1,003,575
Intercompany receivable		Loans and receivables	Amortised cost	2,781,324	619,956	3,401,280
<b>Total financial assets</b>				14,880,814	639,356	15,520,170

HTM                      Held to maturity  
FVOCI                    Fair value through other comprehensive income

- (a) Treasury bills and FGN bonds were previously classified as held to maturity are now classified at Amortised cost. The Group intends to hold the assets to maturity to collect interest on the principal amount outstanding.
- (b) The unquoted equity securities represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.
- (c) Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. An increase of N16,876,000 (Exchange: N16,876,000) in the allowance for impairment over these receivables was recognised in opening retained earnings at 1 January 2018 on transition to IFRS 9.

## Group

<i>In thousand of naira</i>	<b>Original classification under IAS 39</b>	<b>New classification under IFRS 9</b>	<b>Original carrying amount under IAS 39</b>	<b>New carrying amount under IFRS 9</b>
<b>Financial liabilities</b>				
Other payables	Other financial liabilities	Other financial liabilities	2,779,242	2,779,242
<b>Total financial liabilities</b>			2,779,242	2,779,242

## Exchange

<i>In thousand of naira</i>	<b>Original classification under IAS 39</b>	<b>New classification under IFRS 9</b>	<b>Original carrying amount under IAS 39</b>	<b>New carrying amount under IFRS 9</b>
<b>Financial liabilities</b>				
Other payables	Other financial liabilities	Other financial liabilities	2,531,480	2,531,480
<b>Total financial liabilities</b>			2,531,480	2,531,480

### ii Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract asset and debt investment at FVOCI, but not to investment in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39

For assets in the scope of the IFRS impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of IFRS 9's impairment requirement at 1 January 2018 results in an additional follow

<i>In thousands of naira</i>	<b>Group</b>	<b>Exchange</b>
<b>Loss allowance at 31 December 2017 under IAS 39</b>	(2,092,575)	(1,540,793)
Additional impairment recognised at 1 January 2018 on:		
Trade and other receivables	16,876	16,876
Debt instrument at amortised cost	37	37
Cash and cash equivalents	2,630	2,487
Intercompany receivable		619,956
Total IFRS 9 transition adjustment in relation to		
ECL impairment assessment	19,542	639,356
<b>Loss allowance at 1 January 2018 under IFRS 9</b>	(2,073,033)	(901,437)

### iii Transition

Changes to accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below

- The Group has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Difference in the carrying amount of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in accumulated funds and reserves as at 1 January 2018. Accordingly, the information presented in for 2017 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.
- The following reassessment have been made on the basis of the facts and circumstances that existed at the date of initial application.
  - The determination of the business model within which a financial asset is held.
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
  - The designation of certain investments in equity instruments not held for trading as at FVOCI
  - If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Group has assumed that the credit risk of the asset had not increased significantly since its initial recognition.

### 4.18 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2019 and early application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

Of those standards that are yet effective, IFRS 16 is expected to have material impact on the Group's financial statements in the period of initial application.

#### a IFRS 16 Leases

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 includes a single model for lessees which will result in almost all leases being included in the Statement of Financial Position. No significant changes have been included for lessors. IFRS 16 also includes extensive new disclosure requirements for both lessees and lessors. The group and company have begun assessing the potential impact of IFRS 16 on the financial statements.

The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15.

**b IFRIC 23 Uncertainty over Tax Treatment.**

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.

IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

- Judgments made
- "Assumptions and other estimates"
- The potential impact of uncertainties that are not reflected

IFRIC 23 applies for annual periods beginning on or after 1 January 2019. Earlier adoption is permitted.

**c Amendments to IFRS 9 Prepayment Features with Negative Compensation**

The amendments clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The amendments apply for annual periods beginning on or after 1 January 2019 with retrospective application, early adoption is permitted.

**d Amendments to IAS 28 Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate and joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendments apply for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

**e Amendments to IAS 1 and IAS 8 Definition of Material**

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework. The changes in Definition of Material Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant change – the refinements are not intended to alter the concept of materiality.

**5 Financial risk management**

**(i) Risk management framework**

Fundamental to the business activities and growth of The Exchange is a strong risk management practice which is at the core of achieving The Exchange's Strategic Objectives. The Council has overall responsibility for the establishment and oversight of the Group's risk management framework. The Council has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to Council on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate limits and controls and to monitor risks and adherence to limits. Risk

management policies and systems are reviewed regularly to reflect the changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to develop a disciplined and risk informed environment in which all employees have a good understanding of inherent risk specific to their department.

The Group's Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee is assisted in its oversight role by the Internal Audit Department, which undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Management Committee.

The Group is exposed to the following risks arising from financial instruments:

- Credit risk - (see 5 (ii) below)
- Liquidity risk - (see 5 (iii) below)
- Market risk - (see 5 (iv) below)

## **(ii) Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The Group has exposure to credit risk as a result of receivables due mainly from market operators such as listed entities, brokers and dealers.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Impairment losses on financial assets and contract assets recognised in statement of profit or loss were as follows.

<i>In thousands of naira</i>	Note	Group 2018	2017	Exchange 2018	2017
Impairment loss on trade receivables and other assets	21	2,127,458	2,092,575	1,575,676	1,540,793
Impairment loss on debt securities at amortised cost	20	51	-	51	-
Intercompany receivable	16	-	-	1,717,143	1,118,859
		2,127,509	2,092,575	3,292,870	2,659,652

### Trade receivables and other assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information and industry information.

The Group limits its exposure to credit risk from trade receivables by establishing immediate payment on all contracts with customers. The Group does not require collateral in respect of trade and other receivables. The group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

### Comparative information under IAS 39

Impaired trade receivables as at 31 December 2017 had a gross carrying amount of N2,092,575,159. They relate to several customers that have indicated that they are not expecting to be able to pay their outstanding balances, mainly due to economic circumstances.

The movement in allowance for impairment with respect to trade receivables and contract assets during the year was as follows. Comparative amount in 2017 represents the allowance account for impairment losses under IAS 39.

<i>In thousands of naira</i>	Note	Group 2018	2017	Exchange 2018	2017
Balance as at 1 January 2018 under IAS 39	21	2,092,575	2,953,519	1,540,793	2,401,737
Adjustment on initial application of IFRS 9	21	16,878	-	16,878	-
<b>Adjusted balance as at 1 January 2018 under IFRS 9</b>		2,109,453	2,953,519	1,557,671	2,401,737
Reversal/ write-off	21	(33,190)	(910,518)	(33,190)	(910,518)
Net re-measurement of loss allowance	21	51,195	49,574	51,195	49,574
<b>Balance as at 31 January 2018</b>		2,127,458	2,092,575	1,575,676	1,540,793

### Expected credit loss assessment for customers as at 1 January and 31 December 2018

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from standard & Poor's and Global Credit Rating.

The following table provides information about the Group and Exchange's exposure to credit risk and ECLs for trade and other receivables and contract assets from individual customers as at 31 December 2018.

31 December 2018 <i>In thousands of naira</i>	Group			Exchange		
	Weighted- average loss rate	Gross carrying amount	12 months Lifetime ECL	Weighted- average loss rate	Gross carrying amount	12 months Lifetime ECL
Trade receivables	21%	682,863	581,397	21%	669,108	581,397
Other receivables	21%	2,726,653	1,546,061	21%	2,079,478	994,279
Intercompany receivables	-	-	-	25%	3,769,250	1,717,143
		3,409,516	2,127,458		6,517,836	3,292,819

Loss rates are based on actual credit loss experience over the past seven years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Also, the Group uses forward looking information and credit rating agencies.

### Debt securities

The Group limits its exposure to credit risk by investing only in liquid debt securities. The Group principally invest in bonds issued by the Federal Government of Nigeria (FGN) treasury bills and fixed deposit with banks.

The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields and, where available, together with available press and regulatory information about issuers. FGN Bonds are fully backed by the full faith and credit of the Federal Government of Nigeria. No historical data shows any past default of government instrument dominated in local currency and our prognosis does not show any possibility of default in the next twelve months as the economy is on the path of recovery. The expected default rate is very negligible. The 12 months probabilities of default are based on historical data supplied by standard & poor's.

### Cash and cash equivalents

The Group held cash and cash equivalents of N2,810,873,000 at 31 December 2018 (2017: N3,566,350,262). The cash and cash equivalents are held with local

banks which are rated between AAA and BBB per Fitch, Standard & Poor's, and Global Credit Rating.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

The following table shows the total exposure to credit risk as at year end.

In thousands of naira	Group		Exchange	
	2018	2017	2018	2017
Investment in debt securities	10,029,366	7,844,676	10,029,366	7,844,676
Trade and other receivables	1,282,058	1,090,933	1,172,910	986,698
Intercompany receivables	-	-	2,052,107	2,781,324
Cash and cash equivalents	2,810,873	3,566,350	2,606,461	3,268,116
	14,122,297	12,501,959	15,860,844	14,880,814

### (iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The ratio of investments to outflows was 2.16 at 31 December 2018 (2017: 2.13). The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Maturity Analysis- Group <i>In thousands of Naira</i>	Contractual Cash Flows				2018 Total	Carrying amount
	30 days or Less	31 - 60 days	61 - 90 days	91 days or more		
Financial assets						
Trade and other receivables	-	-		3,409,516	3,409,516	1,282,058
Investment securities				10,293,071	10,293,071	10,293,020
Cash and cash equivalents	945,861	1,866,653	-	-	2,812,514	2,810,873
Total	945,861	1,866,653	-	13,702,587	16,515,101	14,385,951

<i>Financial liabilities</i>						
Retirement benefit obligations	-	-	-	368,344	368,344	368,344
Other liabilities	-	-	-	1,651,199	1,651,199	1,651,199
<b>Total</b>	-	-	-	2,019,543	2,019,543	2,019,543

#### **Maturity Analysis- The Exchange**

#### **Contractual Cash Flows**

<i>In thousands of Naira</i>	<b>30 days or Less</b>	<b>31 - 60 days</b>	<b>61 - 90 days</b>	<b>91 days or more</b>	<b>2018 Total</b>	<b>Carrying amount</b>
<i>Financial assets</i>						
Intercompany receivable	-	-	-	3,769,250	3,769,250	2,052,107
Trade and other receivables	-	-	-	3,409,516	3,409,516	1,282,058
Investment securities	-	-	-	10,029,417	10,029,417	10,029,366
Cash and cash equivalents	935,551	1,672,551	-	-	2,608,102	2,606,461
<b>Total</b>	935,551	1,672,551	-	17,208,183	19,816,285	15,969,992
<i>Financial liabilities</i>						
Retirement benefit obligations	-	-	-	368,344	368,344	368,344
Other liabilities*	-	-	-	1,646,719	1,646,719	1,646,719
<b>Total</b>	-	-	-	2,015,063	2,015,063	2,015,063

\* Excluded from other liabilities are deferred income and statutory deduction such as VAT and WHT payable.

#### **Maturity Analysis- Group**

#### **Contractual Cash Flows**

<i>In thousands of Naira</i>	<b>30 days or Less</b>	<b>31 - 60 days</b>	<b>61 - 90 days</b>	<b>91 days or more</b>	<b>2017 Total</b>	<b>Carrying amount</b>
<i>Financial assets</i>						
Trade and other receivables	-	-	3,183,508	-	3,183,508	1,090,933

Other investments	419,096	1,100,630	-	6,609,041	8,128,767	8,128,767
Cash and cash equivalents	3,566,350	-	-	-	3,566,350	3,566,350
<b>Total</b>	<b>3,985,446</b>	<b>1,100,630</b>	<b>3,183,508</b>	<b>6,609,041</b>	<b>14,878,625</b>	<b>12,786,050</b>

*Financial liabilities*

Retirement benefit obligations	26,651	-	-	195,064	221,715	195,064
Other liabilities	-	-	-	2,422,792	2,422,792	2,608,381
<b>Total</b>	<b>26,651</b>	<b>-</b>	<b>-</b>	<b>2,617,856</b>	<b>2,644,507</b>	<b>2,803,445</b>

**Maturity Analysis- The Exchange**

**Contractual Cash Flows**

<i>In thousands of Naira</i>	<b>30 days or Less</b>	<b>31 - 60 days</b>	<b>61 - 90 days</b>	<b>91 days or more</b>	<b>2017 Total</b>	<b>Carrying amount</b>
<i>Financial assets</i>						
Intercompany receivable	-	-	-	2,781,324	2,781,324	2,781,324
Trade and other receivables	-	-	2,527,491	-	2,527,491	986,698
Other investments	419,096	1,100,630	-	6,421,869	7,941,595	7,844,676
Cash and cash equivalents	3,268,116	-	-	-	3,268,116	3,268,116
<b>Total</b>	<b>3,687,212</b>	<b>1,100,630</b>	<b>2,527,491</b>	<b>9,203,193</b>	<b>16,518,526</b>	<b>14,880,814</b>
<i>Financial liabilities</i>						
Retirement benefit obligations	-	-	-	195,064	195,064	195,064
Other liabilities*	-	-	-	2,189,353	2,189,353	2,365,423
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,384,417</b>	<b>2,384,417</b>	<b>2,560,487</b>

\* Excluded from other liabilities are deferred income and statutory deductions such as VAT payable.

#### (iv) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group uses a range of tools such as sensitivity analysis, to manage its exposure to market risk.

#### (a) Currency Risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the Group's functional currency. The functional currency of the Group is Nigerian Naira and the currencies in which these transactions are primarily denominated are Pounds and US Dollars.

At 31 December 2018, the Group was exposed to currency risk primarily as a result of its exposures which stood at \$1,760,919.79 and £15,131.70 in bank and cash balances.

The following significant exchange rates applied during the year

	Average Rate		Reporting Date Spot Rate		Amount	
	2018	2017	2018	2017	2018	2017
USD	362.50	365.50	364.18	360.00	641,291,769	286,707
GBP	455.00	445.44	455.00	445.44	6,884,924	12,016

The Group recorded a total net foreign currency revaluation loss of ₦9,520,997.58 in 2018 (2017: gain of ₦92,403,328).

#### Sensitivity analysis – Currency Risk

A reasonably possible strengthening (weakening) of the Pound and US Dollar against the Nigerian Naira as at 31 December 2018 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumed that all other variables remain constant and ignore any impact of forecast sales and purchases.

For the Group's risk sensitive assets classified as cash and cash equivalents, a 5% increase in exchange rate will have increased profit or loss and equity by N129.6 million (2017: N96.4 million) (20%) -an increase of N129.6 million) while a 50% increase will decrease profit or loss and equity by N324.1 million (2017: N240 million) 50% decrease will result in an increase of N324.1 million.

#### (b) Equity Price Risk

This risk arises from equity price changes caused by unquoted investments securities. At 31 December 2018, the Group was exposed to equity investment risk as a result of its exposures which stood at N263,654,000 (2017: N284,091,000) in financial asset at fair value through other comprehensive income (FVOCI).

### (c) Interest rate risk

The Group adopts a policy of ensuring that significant percentage of investable funds are invested into fixed rate financial assets (treasury bills and federal government bonds) in line with its investment policy. The Group is exposed to interest rate shocks even though most of its investments are on fixed rate to maturity investment, however the Group could still be exposed to interest risk if rate increased higher than the fixed rate. Other areas the Group could be exposed to interest risk is the opportunity cost of market movement.

#### Sensitivity analysis – Interest rate risk

##### Group

31 December 2018

In thousands of Naira

Carrying value	Interest rate shock			
	1%	2%	-1%	-2%
Cash and cash equivalent	18,667	37,333	(18,667)	(37,333)
Investment securities	100,294	200,587	(100,294)	(200,587)
	118,961	237,920	(118,960)	(237,920)

31 December 2017

In thousands of Naira

Carrying value	Interest rate shock			
	1%	2%	-1%	-2%
Cash and cash equivalent	31,926	63,851	(31,926)	(63,851)
Investment securities	78,447	156,894	(78,447)	(156,894)
	110,373	220,745	(110,373)	(220,745)

Exchange

31 December 2018

In thousands of Naira

Carrying value	Interest rate shock			
	1%	2%	-1%	-2%
Cash and cash equivalent	16,726	33,451	(16,726)	(33,451)
Investment securities	100,294	200,587	(100,294)	(200,587)
	117,020	234,038	(117,020)	(234,038)

31 December 2017

In thousands of Naira

Carrying value	Interest rate shock			
	1%	2%	-1%	-2%
Cash and cash equivalent	29,155	58,311	(29,155)	(58,311)
Investment securities	78,447	156,894	(78,447)	(156,894)
	107,602	215,205	(107,602)	(215,205)

## 6. Financial instrument - Fair value and risk management

The effect of initially applying IFRS 9 on the Group's financial instruments is described in Note 5. Due to the transition method chosen, comparative Information has not been restated to reflect the new requirements.

### Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(a) The Group

	Fair value							
	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>31 December 2018</b>								
<i>In thousands of naira</i>								
<b>Financial assets measured at fair value</b>								
Treasury bills	-	7,688,773	-	7,688,773	7,155,535	-	-	7,155,535
FGN Bonds	-	2,340,644	-	2,340,644	2,171,149	-	-	2,171,149
Unquoted equities	263,654	-	-	263,654	76,190	-	187,464	263,654
	<b>263,654</b>	<b>10,029,417</b>	<b>-</b>	<b>10,293,071</b>	<b>9,402,874</b>	<b>-</b>	<b>187,464</b>	<b>9,590,338</b>
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	-	-	-	-	-	-	-	-
Cash and cash equivalent	-	1,282,058	-	1,282,058	-	-	-	-
	<b>-</b>	<b>2,810,873</b>	<b>-</b>	<b>2,810,873</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>-</b>	<b>4,092,931</b>	<b>-</b>	<b>4,092,931</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>								
Other liabilities*	-	-	1,651,199	1,651,199	-	-	-	-
	<b>-</b>	<b>-</b>	<b>1,651,199</b>	<b>1,651,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## (b) The Exchange

## Fair value

<i>31 December 2018</i> <i>In thousands of naira</i>	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Treasury bills		7,688,773		7,688,773	7,155,535			7,155,535
Bonds	-	2,340,644	-	2,340,644	2,171,149	-	-	2,171,149
	-	<b>10,029,417</b>	-	<b>10,029,417</b>	<b>9,326,684</b>	-	-	<b>9,326,684</b>
<b>Financial assets not measured at fair value</b>								
Trade and other receivables		1,172,910	-	1,172,910				
Cash and cash equivalent		2,606,461	-	2,606,461				-
	-	<b>3,779,371</b>	-	<b>3,779,371</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Other liabilities*	-	-	1,646,719	1,646,719				
	-	-	<b>1,646,719</b>	<b>1,646,719</b>	-	-	-	-

\* Excluded from other liabilities are deferred income and statutory deduction such as VAT and WHT payable.

## (a) The Group

## Fair value

<i>31 December 2017</i> <i>In thousands of naira</i>	Held-to- maturity	Loans and receivables	Available -for-sale	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>									
Treasury bills	6,134,672	-	-	-	6,134,672	5,709,316		-	5,709,316
Bonds	1,710,004	-	-	-	1,710,004	1,679,200	-	-	1,679,200
Available for sale investments			284,091		284,091	-	-	284,091	284,091
	<b>7,844,676</b>	-	<b>284,091</b>	-	<b>8,128,767</b>	<b>7,388,516</b>	-	<b>284,091</b>	<b>7,672,607</b>

**Financial assets not measured at fair value**

Trade and other receivables	-	1,090,933	-	-	1,090,933				
Cash and cash equivalent	-	3,566,350	-	-	3,566,350				-
	-	<b>4,657,283</b>	-	-	<b>4,657,283</b>	-	-	-	-

**Financial liabilities not measured at fair value**

Other liabilities*				-	-				
	-	-	-	<b>3,047,009</b>	<b>3,047,009</b>				

(b) The Exchange

Fair value

<i>31 December 2017</i> <i>In thousands of naira</i>	Held-to-maturity	Loans and receivables	Available -for-sale	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>									
Treasury bills	6,134,672				-	5,709,316			5,709,316
Bonds	1,710,004	-	-	-	1,710,004	1,679,200	-	-	1,679,200
	<b>7,844,676</b>	-	-	-	<b>7,844,676</b>	<b>7,388,516</b>	-	-	<b>7,388,516</b>
<b>Financial assets not measured at fair value</b>									
Trade and other receivables	-	1,208,380	-	-	1,208,380				
Cash and cash equivalent	-	3,268,116	-	-	3,268,116	-	-	-	-
	-	<b>4,476,496</b>	-	-	<b>4,476,496</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Other liabilities*	-	-	-	3,020,962	3,020,962				
	-	-	-	<b>3,020,962</b>	<b>3,020,962</b>	-	-	-	-

\* Excluded from other liabilities are deferred income and statutory deduction such as VAT and WHT payable.

## Measurement of fair values

### a. Bonds, Treasury bills and other investments

FGN Bonds and Treasury bills represent debt securities of the Federal Government of Nigeria issued by the Debt Management Office (DMO) and Central Bank of Nigeria (CBN) respectively. The fair value of treasury bills at fair value through profit or loss are determined with reference to quoted prices (unadjusted) in active markets for identical assets. The estimated fair value of treasury bills and bonds at amortized cost represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine the fair value. The fair values of quoted equity securities are determined by reference to quoted prices (unadjusted) in active market for identical instruments.

### b. Unquoted equity investments

The Group has investment in FMDQ OTC and NASD OTC. The Group adopted the Discounted Cash flow (DCF) Technique in estimating the fair value of FMDQ while an over the counter (OTC) share price of N2.50 per share as at December 31, 2018 was adopted for NASD. Both techniques are acceptable under IFRS 13 fair value measurement. The fair valuation technique used for FMDQ has been classified as level 3 in the fair value hierarchy.

The key parameters and assumptions used in the valuation of FMDQ are as follows:

- Step 1: A five-year forecast of the free cash flow to the firm (FCFF) for each of the equity
- Step 2: The yearly FCFF forecasts were discounted to present value using the company's WACC.
- Step 3: The terminal value at year five was estimated by dividing the compounded (with 'g') year five FCFF by the capitalization rate.
- Step 4: The terminal value was discounted to present value using each company's WACC
- Step 5: The fair value was obtained by adding the present value of the five-year FCFF obtained in step (2) above to the present value of terminal value obtained in step (4) above.
- Step 6: The fair value of the group's investment in each of the unquoted equity investments was derived by multiplying the Group's percentage holding in the investee by the fair value obtained in step (5).

The significant unobservable inputs in the valuation method include:

- Five-year forecast of the free cash flows to the firm.
- The discounting factor which include each companies' WACC.

Generally, a change in any of the unobservable input as listed above will impact on the estimated fair values for these instruments.

### Valuation Assumptions - Discounted Cash flow

Risk free rate is the 15.50% yield on 10-year Federal Government of Nigeria Bond, risk premium of 13.14% and beta of 1.2 assumed based on trend analysis.

### Reconciliation of Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

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**(c) Determination of fair value**

The determination of fair value for each class of financial instrument was based on the particular characteristics of the instruments. The method and assumptions applied are enumerated below

**(i) Cash and cash equivalents**

The estimated fair value of fixed interest placement with banks is based on the discounted cashflow technique using prevailing money market interest rate.

**(ii) Trade, other receivables and other liabilities**

The estimated fair value of receivables and other liabilities with no stated maturity is the amount repayable or received on demand. The carrying amount of other liabilities and other receivables do not attract interest rate and are repayable within six months, hence the impact of discounting is insignificant. Thus the amount payable or receivable on demand is a reasonable approximation of their fair values.

## Investment in equity

<i>In thousands of Naira</i>	2018	2017
Opening balance	284,091	246,552
<b>Gain included in OCI</b>		
Net change in fair value (unrealized)	31,843	19,517
Transfer to level 1	(128,470)	18,022
Closing balance	187,464	284,091

## Sensitivity analysis – Equity Price Risk (unquoted equity investment)

<i>In thousands of Naira</i>	2018		2017	
	Increase	Decrease	Increase	Decrease
Risk free rate (1% movement)	(4,913)	5,113	7,405	(8,305)
Risk premium (1% movement)	(4,723)	5,323	6,164	(3,418)

## 7 Operating segments

### (a) Information about reportable segments

The Group has three (3) reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services which is the basis for identifying the Group's reportable segments, and are managed separately. The following summary describes the operations in each of the Group's reportable segments:

- Regulatory & Clearing Services - Regulating the activities of all stock broking firms in Nigeria while providing them with the facilities for the purchase and sale of bonds, stocks and shares of any kind. This also includes the clearing and settlement of trades on the Stock Exchange.
- Strategic Investment - A vehicle for executing strategic investments on behalf of the Exchange and its members.
- Property management - Providing property letting and property management services to the members of the public.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Management Committee at least quarterly i.e. the Chief Decision Maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

<i>In thousands of Naira</i>	Regulatory & Clearing services 2017	Strategic investment 2017	Property management 2017	Adjustments 2017	Consolidated 2017
External revenues	5,758,128	-	-	-	5,758,128
Other revenue	833,967		259,875	(166,361)	927,481
Segment revenue	6,592,095	-	259,875	(166,361)	6,685,609
Interest revenue	1,523,810	21,540	44,262	-	1,589,612
Dividend from Associate	286,068	-	-	(257,993)	28,075
<b>Expenses</b>					
Personnel expenses	(2,866,324)	-	-	-	(2,866,324)
Depreciation and amortization	(467,686)	-	(47,616)		(515,302)
Other expenses	(2,433,009)	(9,328)	(131,261)	199,994	(2,373,604)
Share of profit of equity accounted investee	1,267,264				1,267,264
	3,902,218	12,212	125,260	(224,360)	3,815,330
<b>Segment Operating Surplus before tax</b>	3,902,218	12,212	125,260	(224,360)	3,815,330
Income tax expense	-	(5,499)	(18,036)	-	(23,536)
<b>Segment Operating Surplus after tax</b>	3,902,218	6,713	107,224		3,791,794
<b>Assets &amp; Liabilities</b>					
Reportable segment assets	18,940,141	491,480	3,350,026	3,907,730	26,689,377
Reportable segment liabilities	3,020,962	763,366	3,596,452	(3,821,902)	3,558,877

### Geographical segment

Nigeria is the Exchange's primary geographical segment as all the Exchange's income is derived in Nigeria. Accordingly, no further geographical segments information is reported.

## Information about reportable segments

<i>In thousands of Naira</i>	Regulatory & Clearing services 2018	Strategic investment 2018	Property management 2018	Adjustments 2018	Consolidated 2018
External revenues	4,700,579	-	-	-	4,700,579
Other revenue	1,027,600	111,897	358,880	(142,447)	1,355,930
Segment revenue	5,728,179	111,897	358,880	(142,447)	6,056,509
Interest revenue	1,593,967	14,166	6,846	-	1,614,979
Dividend from Associate	953,476	-	-	(953,476)	-
<b>Expenses</b>					
Personnel expenses	(3,066,896)	-	-	-	(3,066,896)
Depreciation and amortization	(527,254)	-	(53,349)	-	(580,603)
Other expenses	(2,432,746)	(37,133)	(144,456)	143,134	(2,471,201)
Share of profit of equity accounted investee	1,302,603	-	-	-	1,302,603
Impairment loss on non financial asset	(52,840)	-	-	2,477	(50,364)
	3,498,488	88,930	167,921	(952,789)	2,805,027
<b>Segment Operating Surplus before tax</b>	3,498,488	88,930	167,921	(952,789)	2,805,027
Income tax expense	-	(31,734)	(69,849)	-	(101,583)
<b>Segment Operating Surplus after tax</b>	3,498,488	57,196	98,072		2,703,444
<b>Assets &amp; Liabilities</b>					
Reportable segment assets	20,224,556	565,157	3,307,251	4,973,131	29,070,096
Reportable segment liabilities	2,777,039	720,674	3,455,377	(3,800,547)	3,152,544

## 8 Revenue

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Transaction fees	3,266,964	3,758,290	3,266,964	3,758,290
Listing fees	1,356,590	1,712,760	1,356,590	1,712,760
Entrance levies	35,266	65,208	35,266	65,208
Interest income	14,166	21,010	-	-
Rental income (see note (a) below)	107,872	92,958	-	-
Other fees (see note (b) below)	41,759	221,870	41,759	221,870
	<b>4,822,617</b>	<b>5,872,096</b>	<b>4,700,579</b>	<b>5,758,128</b>

- (a) The group leases out portion of its property and equipment (see note 15). As at 31 December 2018, the future minimum payment under non-cancellable leases were receivables as follows:

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>
Building maintenance expenses	69,728	67,023
Other major maintenance expenses	46,130	45,862
	<b>115,858</b>	<b>112,885</b>

- (b) Other fees represent rent of the trading floor, annual charges from brokers, dealing license and membership fees earned by the Exchange.

## 9 Other income

In thousands of naira	Group 2018	Group 2017	Exchange 2018	Exchange 2017
Sundry income (see note (a) below)	505,100	467,116	497,995	467,051
Interest income (see note (b) below)	1,600,813	1,568,072	1,593,967	1,523,810
Dividend income (see note (c) below)	-	28,606	953,476	286,068
Rental income	200	490	200	-
Market data income	290,251	251,964	290,251	251,964
Realised exchange gain	-	56,461	-	56,461
Net gain on disposal of property and equipment	6,120	887	6,121	887
Provisions no longer required	446,387	57,604	233,033	57,604
	2,848,871	2,431,200	3,575,043	2,643,845

(a) Sundry income is made up of technology income, other sub-lease income and penalty fees.

(b) Interest income comprises of income generated from investment in treasury bills, fixed deposit with commercial banks and bonds by the Exchange.

(c) Dividend income represents dividend income received from the associate company - Central Securities Clearing System Plc. (CSCS)

## 10 Impairment loss on financial assets

In thousands of naira	Group 2018	Group 2017	Exchange 2018	Exchange 2017
<b>(a) Financial assets</b>				
Net impairment (charge) on trade and other receivables (see note 21(e))	(51,195)	(49,574)	(51,195)	(49,574)
Impairment charge on debt instruments at amortised cost	(15)	-	(15)	-
Impairment reversal on cash and cash equivalents (see note 23(a))	846	-	846	-

Net impairment change on intercompany receivables (see note 16 (a))	-	-	(1,977)	(20,085)
	(50,364)	(49,574)	(52,340)	(69,659)

**(b) Non-financial assets**

	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Impairment charge on investment in subsidiary (see note 19)	-	-	(500)	-
	-	-	(500)	-
	(50,364)	(49,574)	(52,840)	(69,659)

**11 Personnel expenses**

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Salaries and allowances	2,706,596	2,675,791	2,706,595	2,675,791
Defined benefit cost (see note 25)	185,667	28,995	185,667	28,995
Contributions to defined contribution plans (See note (a) below)	174,633	161,538	174,633	161,538
	3,066,896	2,866,324	3,066,895	2,866,324

- (a) The Group operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act of 2014 (amended). The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary.

(b) The average number of persons employed during the period was as follows:

	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Executive Directors	2	3	2	3
Management	18	25	18	25
Non-Management	221	211	221	211
	241	239	241	239

(c) Compensation for the above persons (excluding executive directors):

<i>In thousands of Naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Short term benefits	1,866,234	1,760,967	1,866,234	1,760,967
Contributions to defined contribution plans	149,665	139,260	149,665	139,260
Other staff cost	205,017	118,100	205,017	118,100
	2,220,916	2,018,327	2,220,916	2,018,327

(d) The remuneration paid to the Council members (excluding pension and reimbursable allowances):

<i>In thousands of Naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Sitting allowances	65,525	29,806	63,915	29,556
Executive compensation*	284,527	262,521	284,527	262,521
	350,052	292,327	348,442	292,077

\*Executive compensation relates to compensation paid to Chief Executive Officer and members of the Executive management who are not Council members.

(e) The Council members' remuneration shown above includes:

<i>In thousands of Naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
The President	4,400	2,550	4,400	2,550
Highest paid Council member	156,149	154,661	156,149	154,661

(f) The number of executive directors\* who received fees and other emoluments (excluding pension contributions and reimbursable expenses) in the following ranges was:

	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
N 1,000,001 - N 10,000,000	-	-	-	-
N 10,000,001 and above	2	3	2	3
	2	3	2	3

\*Executive directors include the Chief Executive Officer and members of the Executive management who are not Council members.

(g) The number of employees of the Group, other than executive directors, who received emoluments in the following ranges (excluding pension contributions and other benefits) were:

	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
N 60,000 - N 2,000,000	60	71	60	71
N 2,000,001 - N 3,500,000	43	50	43	50
N 3,500,001 - N 5,000,000	23	9	23	9
N 5,000,001 - N 6,500,000	21	32	21	32
N 6,500,001 - N 8,000,000	26	13	26	13
N 8,000,001 - N 9,500,000	7	7	7	7
N 9,500,001 and above	59	50	59	50
	239	232	239	232

## 12 Operating expenses

<i>In thousands of naira</i>	Group 2018	Group 2017	Exchange 2018	Exchange 2017
Repairs and Maintenance	353,064	669,943	237,207	557,058
Council member's sitting allowances and expenses	369,366	117,323	366,953	116,934
Professional fees	283,534	148,497	263,190	146,139
Audit Fees	35,000	35,000	31,764	31,764
Travelling expenses	148,665	107,213	148,330	107,210
Rent and rates (see note (c) below)	55,024	55,198	150,447	150,621
Stationery, library and fact book expenses	15,357	3,952	15,354	3,952
Subscriptions	40,293	26,057	40,293	26,057
NSITF charge	18,170	13,463	18,170	13,463
Software, Internet and connectivity subscription	277,313	226,345	277,313	226,345
Diesel expenses	73,184	75,635	73,184	75,635
Project expenses (see note (a) below)	131,749	310,864	131,749	310,864
Claims expense	138,408	-	138,408	-
Water and rates	47,118	26,485	90,823	94,966
Events, seminars & sponsorship expenses	101,792	128,746	101,792	128,746
Security expense	34,648	37,091	32,029	34,257
Bank charges	154,176	49,675	120,403	46,344
X Academy expense	28,412	-	28,412	-
Corporate social responsibilities and gifts	37,238	18,428	37,238	18,428
Exchange loss (unrealised)	9,521	148,334	9,521	148,864
Telephone, postages and periodicals	9,114	14,552	9,114	14,552
General expenses (see note (b) below)	110,055	111,228	110,054	111,151
	2,471,201	2,324,029	2,431,748	2,363,350

- (a) Project expenses relate to the branch upgrade, derivative, demutualisation, and data centre projects.
- (b) General expenses include insurance, advert and publications, cleaning materials, office provisions, AGM expenses and brand management expenses.
- (c) Rental expenses relate to rent paid in respect of leased offices occupied by branches of the Exchange in various state of the country. The rental expenses are paid on an annual basis and amortised over the lease period (12 months)

### 13 Income tax expense

<i>In thousands of naira</i>	Group 2018	Group 2017	Exchange 2018	Exchange 2017
Current year tax expenses:				
Companies Income Tax	49,596	39,449	-	-
Minimum tax	-	182	-	-
Education Tax	4,408	3,356	-	-
	54,004	42,987	-	-
Deferred tax	47,579	(19,451)	-	-
Origination and reversal of temporary difference				
Total tax expense	101,583	23,536	-	-

### Reconciliation of effective tax rate

<i>In thousands of naira</i>	Group 2018	Group 2018	Group 2017	Group 2017
Surplus before tax		2,805,027		3,815,330
Income tax using the domestic corporation tax rate	30%	841,508	30%	1,144,599
Non-deductible expenses	0%	(359)	45%	1,733,337
Tax exempt income	-14%	(400,187)	-65%	(2,497,028)
Effect of share of profit of equity accounted investee	-14%	(390,781)	-10%	(380,179)
Education tax	0.2%	4,408	0.1%	3,356
Change in recognised deductible temporary difference	2%	46,994	1%	19,451
Tax expense	3.6%	101,583	0.6%	23,536

- (a) No tax charge has been computed for the Exchange because the income of the Exchange is not liable to tax since it is a company limited by guarantee.

**14 Intangible assets**  
**Reconciliation of carrying amount**  
**(a) The Group**

<i>In thousands of naira</i>	<b>Goodwill</b>	<b>Purchased software</b>	<b>Total</b>
<b>Cost</b>			
Balance as at 1 January 2017	61,784	2,413,514	2,475,298
Acquisitions	-	411,682	411,682
Balance at 31 December 2017	61,784	2,825,196	2,886,980
Balance as at 1 January 2018	61,784	2,825,196	2,886,980
Acquisitions	-	2,004	2,004
Balance at 31 December 2018	61,784	2,827,200	2,888,984
<b>Amortization and impairment losses</b>			
Balance as at 1 January 2017	57,148	2,130,428	2,187,576
Amortization for the year	-	186,691	186,691
Balance at 31 December 2017	57,148	2,317,119	2,374,267
Balance as at 1 January 2018	57,148	2,317,119	2,374,267
Amortization for the year	-	205,687	205,687
Balance at 31 December 2018	57,148	2,522,806	2,579,954
<b>Carrying amounts</b>			
At 1 January 2018	4,636	508,076	512,713
At 31 December 2018	4,636	304,394	309,030

Goodwill is tested annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in the year ended December 2018 (2017: nil).

(b) The Exchange

<i>In thousands of naira</i>	<b>Purchased software</b>	<b>Total</b>
<b>Cost</b>		
Balance as at 1 January 2017	2,413,514	2,413,514
Acquisitions	411,682	411,682
Balance at 31 December 2017	2,825,196	2,825,196
Balance as at 1 January 2018	2,825,196	2,825,196
Acquisitions	2,004	2,004
Balance at 31 December 2018	2,827,200	2,827,200
<b>Amortization and impairment losses</b>		
Balance as at 1 January 2017	2,130,428	2,130,428
Amortization for the year	186,691	186,691
Balance at 31 December 2017	2,317,119	2,317,119
Balance as at 1 January 2018	2,317,119	2,317,119
Amortization for the year	205,687	205,687
Balance at 31 December 2018	2,522,806	2,522,806
<b>Carrying amounts</b>		
At 1 January 2018	508,077	508,077
At 31 December 2018	304,394	304,394

**15 Property and equipment**  
**Reconciliation of carrying amount**

<i>In thousands of naira</i>	Land	Buildings	Leasehold Improvements	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
<b>(a) The Group</b>								
<b>Cost</b>								
Balance as at 1 January 2017	199,554	2,151,524	1,271,091	576,998	438,441	1,086,723	257,692	5,982,023
Additions	-	-	308,709	338,974	8,839	20,223	33,600	710,346
Disposals	-	-	-	(18,257)	(39,400)	-	(9,019)	(66,676)
Transfers/ write offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2017	199,554	2,151,524	1,579,800	897,715	407,880	1,106,946	282,273	6,625,693
Balance as at 1 January 2018	199,554	2,151,524	1,579,800	897,715	407,880	1,106,946	282,273	6,625,692
Additions	-	-	48,899	60,392	136,082	23,312	31,829	300,513
Disposals	-	-	-	(5,149)	(89,900)	(391)	(7,755)	(103,195)
Transfers/ write offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	199,554	2,151,524	1,628,699	952,958	454,062	1,129,867	306,347	6,823,010
<b>Depreciation and impairment losses</b>								
Balance as at 1 January 2017	-	369,678	209,445	431,170	229,525	875,815	199,203	2,314,836
Depreciation for the year	-	47,006	26,474	71,057	47,171	107,547	29,357	328,612
Disposals	-	-	-	(13,253)	(22,046)	-	(8,976)	(44,275)
Transfers/ write offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2017	-	416,684	235,919	488,974	254,650	983,362	219,584	2,599,173

Balance as at 1 January 2018	-	416,684	235,919	488,974	254,650	983,362	219,584	2,599,173
Depreciation for the year	-	47,006	32,165	113,776	67,703	86,885	27,380	374,916
Disposals	-	-	-	(5,101)	(52,073)	(376)	(7,601)	(65,151)
Transfers/ write offs								
Balance as at 31 December 2018	-	463,690	268,085	597,649	270,280	1,069,871	239,364	2,908,938

#### Carrying amounts

At 1 January 2018	199,554	1,734,840	1,343,882	408,742	153,230	123,583	62,689	4,026,520
At 31 December 2018	199,554	1,687,834	1,360,613	355,308	183,782	59,997	66,983	3,914,072

- (i) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year.
- (ii) There were no capital commitment relating to property and equipment as at reporting date (2017: nil)
- (iii) There were no impairment loss on any of the class of property and equipment.
- (iv) Included in property and equipment is property valued at N4.1 billion (2017: N6.3 billion) which is accounted for as investment property in the separate financial statement of the subsidiary, Naira Properties Limited.
- (v) There were no liens or encumbrances on the assets
- (vi) Change in estimate  
During the year, the group conducted an operational efficiency review of its plant and equipment which resulted in change in the residual value of its motor vehicles. As a result, the residual value of motor vehicles was revised from 10% of cost to 1% of cost. The effect of the change in estimate is an additional depreciation cost of N4.4 million in 2018. It is impracticable to estimate the future impact of the change in useful life of motor vehicles because the motor vehicle could be bought over by their respective users upon promotion or resignation before they are fully depreciated.

(b) The Exchange	Land	Buildings	Leasehold Improvements	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
<b>Cost</b>								
Balance as at 1 January 2017	-	-	1,271,091	576,998	438,441	1,084,070	257,690	3,628,290
Additions	-	-	161,208	326,715	8,839	20,221	33,600	550,584
Disposals	-	-	-	(18,257)	(39,400)	-	(9,019)	(66,676)
Transfers/write-offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2017	-	-	1,432,299	885,457	407,880	1,104,291	282,272	4,112,198

Balance as at 1 January 2018	-	-	1,432,299	885,457	407,880	1,104,291	282,272	4,112,199
Additions	-	-	48,899	23,330	136,082	23,312	31,829	263,451
Disposals	-	-	-	(5,149)	(89,900)	(391)	(7,755)	(103,195)
Transfers/write-offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	-	-	1,481,198	903,638	454,062	1,127,212	306,346	4,272,455

### Depreciation and impairment losses

Balance as at 1 January 2017	-	-	209,445	431,170	229,525	873,321	199,203	1,942,664
Depreciation for the year	-	-	26,228	70,852	47,171	107,387	29,357	280,995
Disposals	-	-	-	(13,253)	(22,046)	-	(8,976)	(44,275)
Transfers/write-offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2017	-	-	235,673	488,769	254,650	980,708	219,584	2,179,384

Balance as at 1 January 2018	-	-	235,673	488,769	254,650	980,708	219,584	2,179,384
Depreciation for the year	-	-	28,988	110,611	67,703	86,885	27,380	321,567
Disposals	-	-	-	(5,101)	(51,846)	(376)	(7,601)	(64,923)
Transfers/write-offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	-	-	264,661	594,279	270,507	1,067,217	239,363	2,436,028

### Carrying amounts

At 1 January 2018	-	-	1,196,626	396,689	153,230	123,583	62,688	1,932,814
At 31 December 2018	-	-	1,216,536	309,358	183,555	59,995	66,983	1,836,427

- (i) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year.
- (ii) There were no capital commitment relating to property and equipment as at reporting date (2017: nil)
- (iii) There were no impairment loss on any of the class of property and equipment.
- (iv) There were no liens or encumbrances on the assets

### (v) Change in estimate

During the year, the group conducted an operational efficiency review of its plant and equipment which resulted in change in the residual value of its

motor vehicles. As a result, the residual value of motor vehicles was revised from 10% of cost to 1% of cost. The effect of the change in estimate is an additional depreciation cost of N4.4 million in 2018. It is impracticable to estimate the future impact of the change in useful life of motor vehicles because the motor vehicle could be bought over by their respective users upon promotion or resignation before they are fully depreciated.

## 16 Intercompany receivables

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Intercompany receivables	-	-	3,769,250	3,900,183
Allowance for impairment	-	-	(1,717,143)	(1,118,859)
Carrying amount	-	-	2,052,107	2,781,324
Current asset			2,052,107	2,781,324
Non current asset			-	-

Intercompany receivables have been classified as current asset as the Exchange expects the subsidiaries to fulfil their obligation within 12 months.

(a) Movement in allowance for impairment of intercompany receivables is shown below

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Opening balance	-	-	1,118,859	1,098,774
IFRS 9 transition adjustment (see note (i) below)	-	-	596,308	-
Impairment charges during the year (see note 10)	-	-	1,977	20,085
Closing balance	-	-	1,717,143	1,118,859

(i) IFRS 9 transition adjustment represents opening balance ECL impairment adjustment on intercompany balance.

(b) Intercompany receivables represent amounts receivable from the Exchange's subsidiaries.

An analysis of intercompany receivables is shown below:

**The Exchange**

<i>In thousands of naira</i>	<b>Gross 2018</b>	<b>ECL Impairment 2018</b>	<b>Carrying amount 2018</b>	<b>Gross 2017</b>	<b>IAS 39 Impairment 2017</b>	<b>Carrying amount 2017</b>
NSE Consult Limited	625,989	(625,989)	-	624,990	(364,411)	260,579
Naira Properties Limited	1,227,691	(319,984)	907,707	1,306,532	-	1,306,532
Coral Properties Plc.	1,914,152	(769,752)	1,144,400	1,898,848	(754,448)	1,144,400
NG Clearing Limited				68,934		68,934
NSE Nominees Limited	1,418	(1,418)	-	879	-	879
	<b>3,769,250</b>	<b>(1,717,143)</b>	<b>2,052,107</b>	<b>3,900,183</b>	<b>(1,118,859)</b>	<b>2,781,324</b>

These receivables have been evaluated for impairment based on their recoverable amounts as explained below:

**(i) NSE Consult Limited**

Intercompany receivables from NSE Consult represent payments made by the Exchange with respect to the purchase of shares by the subsidiary and other expenses incurred on behalf of the subsidiary. Impairment allowance was charged on the balance which Council members have determined is doubtful.

**(ii) Naira Properties Limited**

Intercompany receivables from Naira Properties represent maintenance expenses incurred by the Exchange on behalf of Naira Properties with respect to the property rented from the subsidiary. The Council members are of the opinion that this receivable is recoverable from rents paid to the subsidiary in subsequent years.

**(iii) Coral Properties Plc.**

Intercompany receivables due from Coral Properties Plc. relate to expenses incurred by the Exchange on behalf of the subsidiary with respect to its investment property under construction which were paid by the Exchange. The intercompany receivable was impaired by N754 million to the fair value less cost to sell of the property which was valued at N1.17 billion (2016: N1.14 billion). The Council is of the opinion that the net balance amount is recoverable from the proceeds of the sale of the investment property.

**(iv) NSE Nominees Limited**

Intercompany receivables due from NSE Nominees Limited, relate to board sitting allowance and other expenses incurred by the subsidiary with respect to its meetings and operations during the year which were paid by the Exchange. The Council members are of the opinion that the receivable is recoverable from the cash balance of the subsidiary.

## 17 Investment properties under construction

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Building under construction	1,144,400	1,144,400	-	-
Allowance for impairment	-	-	-	-
	<b>1,144,400</b>	<b>1,144,400</b>	<b>-</b>	<b>-</b>

Amount represents investment property under construction in Coral Properties Ltd. The fair value of the property under construction is N1.45billion. This is the recent bid received during an open bid.

## 18 Equity-accounted investees

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Investment in Associate - CSCS ((see note 18 (i) below)	8,344,433	7,996,250	387,804	387,804
Investment in Associate - NG Clearing ((see note 18 (ii) below)	680,423	1,762	670,500	62,500
Carrying amount	<b>9,024,856</b>	<b>7,998,012</b>	<b>1,058,304</b>	<b>450,304</b>

### (i) Investment in Associate - CSCS

The Group has a 27.2% ownership interest in Central Securities Clearing Systems (CSCS) Plc. The principal activity of the company is to act as a depository, clearing and settlement agency for all quoted and trade securities in the Nigerian capital market. CSCS is domiciled in Nigeria. The net assets of the company as at 31 December 2018 was N31,505,492,000 (2017: N29,615,742,000).

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Balance, beginning of the year	7,996,250	7,010,512	387,804	387,804
Share of current year result (net of tax)	1,321,003	1,284,651	-	-
Share of OCI	(19,344)	(41,452)	-	-
Dividends paid	(953,476)	(257,461)	-	-
Total investment in associates	8,344,433	7,996,250	387,804	387,804
Carrying amount	8,344,433	7,996,250	387,804	387,804

Summary financial information for the equity accounted investee, not adjusted for the percentage ownership held by the Group is as follows:

<i>In thousands of naira</i>	<b>2018</b>	<b>2017</b>
Percentage ownership interest	27.2%	27.2%
Non-current assets	26,001,283	30,058,912
Current assets	9,949,150	2,004,924
Non-current liabilities	-	-
Current liabilities	(4,784,197)	(2,448,094)
Net assets (100%)	31,166,236	29,615,742
<b>Group's share of net assets (27.2%)</b>	<b>8,414,884</b>	<b>7,996,250</b>
Revenue	9,219,341	8,696,708
Profit from continuing operations	4,856,629	4,757,968
Total comprehensive income	4,856,629	4,757,968
<b>Group's share of profit and total comprehensive income</b>	<b>1,321,003</b>	<b>1,284,651</b>

Group's interest in net assets of investee at the beginning of the year	7,996,250	7,010,512
Total comprehensive income attributable to the Group	1,321,003	1,284,651
Share of OCI	(19,344)	(41,452)
Dividend received during the year	(953,476)	(257,461)
Group's interest in the net assets of investee at the end of the year	8,344,433	7,996,250

Investment in associates is currently carried at cost plus the share of the group percentage holding in net assets of the associate.

**(ii) Investment in associate - NG Clearing**

NG Clearing Limited is an associate company which The Exchange has 22.6% ownership interest (2017: 50%). It is principally established to operate clearing house(s) for the clearance and settlement of transactions in financial securities and derivatives contracts. The Company is yet to commence operations.

During the year, the Group acquired additional shares through the company's private placement. The Group's percentage holding was neutralised from 50% to 22.6% as the company admitted more shareholders.

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Cost Exchange 2018</b>	<b>Exchange 2017</b>
Balance, beginning of the year	1,762	19,149	62,500	62,500
Adjustment to opening balance				
Additional investment in associate	608,000	-	608,000	-
Dilution effect	89,062	-		
Share of current year result (net of tax)	(18,400)	(17,387)	-	-
Total investment	680,423	1,762	670,500	62,500
Carrying amount	680,423	1,762	670,500	62,500

<i>In thousands of naira</i>	<b>2018</b>	<b>2017</b>
Percentage ownership interest	22.6%	50.0%
Non-current assets	-	-
Current assets	3,237,201	125,000
Non-current liabilities	-	(6)
Current liabilities	(226,475)	(145,064)
Net assets (100%)	3,010,726	(20,070)
<b>Group's share of net assets (22.6%)</b>	<b>680,424</b>	<b>(5,419)</b>
Revenue	-	-
Loss from continuing operations	(81,418)	(34,774)
Total comprehensive income	(81,418)	(34,774)
<b>Group's share of profit and total comprehensive income</b>	<b>(18,400)</b>	<b>(17,387)</b>

**(iii) Total amount recognised in profit or loss is as follows**

<i>In thousands of naira</i>	<b>2018</b>	<b>2017</b>
Share of profit from associate company: CSCS	1,321,003	1,284,651
Share of profit from associate company: NG Clearing	(18,400)	(17,387)
	1,302,603	1,267,264

## 19 Investment in subsidiaries

<i>In thousands of naira</i>	Group 2018	Group 2017	Exchange 2018	Exchange 2017
NSE Consult Limited	-	-	1,250	1,250
Coral Properties Plc.	-	-	72,000	72,000
Naira Properties Limited			945,700	945,700
NSE Nominees Limited			500	500
Total investment in subsidiaries	-		1,019,450	1,019,450
Impairment (see note 18 (v) below)	-	-	(73,500)	(73,000)
Carrying amount	-	-	945,950	946,450

- (i) The Exchange has a 99.8% holding in NSE Consult Limited. NSE Consult Limited was incorporated in Nigeria on 19 May 2004 and commenced business on 15 April 2005. Its principal objective is to carry on business as consultants, financial advisers and analysts, and to carry on business as the strategic investment arm/subsidiary of the Nigerian Stock Exchange. The principal place of business of the Company is Nigeria.
- (ii) The Exchange has a 100% holding in Coral Properties Plc. Coral Properties Plc. was incorporated in Nigeria as a private limited liability company on 20 May 1993 and became a public Company on 29 August 1995. The principal activity of the Company is real estate development and sales. The Company's place of incorporation is also the Company's place of principal place of business.
- (iii) The Exchange has a 100% holding in Naira Properties Limited. Naira Properties Limited was incorporated in Nigeria on 29 June 1974 as a limited liability Company. The company's main activities are property letting and investment. Nigerian Stock Exchange acquired 40% equity interest in Naira Properties in February 1986. The company became a wholly owned subsidiary of the Exchange in 2005 when the Exchange acquired the balance of 60% equity interest in the company, previously held by the Daily Times Nigeria. The Company's place of incorporation is also the Company's place of principal place of business.
- (iv) The Nigerian Stock Exchange has a 83.3% holding in NSE Nominees Limited. NSE Nominees Limited was incorporated on 22 May 2007 with the principal objective of opening and operating a nominee account for the purpose of buying back shares for the benefit of investors who suffered losses through an unauthorized sale of their shares within the Nigerian Capital Market.

(v) An analysis of allowance for impairment of investment in subsidiaries is shown below:

<i>In thousands of naira</i>	Gross 2018	ECL Impairment 2018	Carrying amount 2018	Gross 2017	IAS 39 Impairment 2017	Carrying amount 2017
NSE Consult Limited	1,250	(1,000)	250	1,250	(1,000)	250
Coral Properties Plc.	72,000	(72,000)	-	72,000	(72,000)	-
NSE Nominees	500	(500)	-	-	-	-
	73,750	(73,500)	250	73,250	(73,000)	250

#### Movement in impairment allowance

<i>In thousands of naira</i>	2018	2017
Opening balance	73,000	73,000
Charge for the year	500	-
Reversal	-	-
Closing balance	73,500	73,000

## (vi) Condensed results of consolidated entities

Condensed results of the consolidated entities as at 31 December 2018, are as follows:

<i>In thousands of naira</i>	<b>Group balance</b>	<b>Elimination entries</b>	<b>The Exchange</b>	<b>NSE Consult Limited</b>	<b>Coral Properties Plc</b>	<b>Naira Properties Limited</b>	<b>NSE Nominees Limited</b>
Operating income	7,671,488	(1,096,383)	8,275,622	126,063	107,874	257,852	459
Operating expenses	(6,118,700)	142,906	(6,025,897)	(37,133)	(14,674)	(182,903)	(999)
Impairment charges	(50,364)	2,477	(52,840)	-	-	-	-
Operating surplus before tax	1,502,423	(951,000)	2,196,884	88,930	93,200	74,949	(540)
Share of profit of equity accounted investees	1,302,603	1,302,603	-	-	-	-	-
Tax expense	(101,583)	-	-	(31,733)	(16)	(69,833)	-
Operating surplus/(loss) after tax	2,703,444	351,603	2,196,884	57,197	93,184	5,116	(540)
Other comprehensive income	103,152	(19,344)	(29,190)	62,624	-	-	-
Total comprehensive income for the year	2,806,596	332,259	2,167,694	119,821	93,184	5,116	(540)

## Condensed financial position

<i>In thousands of naira</i>	<b>Group balance</b>	<b>Elimination entries</b>	<b>The Exchange</b>	<b>NSE Consult Limited</b>	<b>Coral Properties Plc</b>	<b>Naira Properties Limited</b>	<b>NSE Nominees Limited</b>
Total non-current assets	16,996,605	8,169,599	6,485,707	263,654	-	2,077,645	-
Total current assets	12,073,491	(3,196,468)	13,738,849	301,404	1,144,400	85,206	100
Total assets	29,070,096	4,973,131	20,224,556	565,058	1,144,400	2,162,851	100
Total equity	25,917,553	8,773,678	17,447,517	(152,066)	(769,753)	621,627	(3,450)
Total non current liabilities	917,952	(625,989)	725,620	625,989	-	192,332	-
Total current liabilities	2,234,591	(3,174,558)	2,051,419	91,135	1,914,153	1,348,892	3,550
Total liabilities	3,152,543	(3,800,547)	2,777,038	717,124	1,914,153	1,541,224	3,550
Total equity and liabilities	29,070,096	4,973,131	20,224,556	565,058	1,144,400	2,162,851	100

**Condensed results of the consolidated entities as at 31 December 2017, are as follows:**

<i>In thousands of naira</i>	<b>Group balance</b>	<b>Elimination entries</b>	<b>Exchange</b>	<b>NSE Consult Limited</b>	<b>Coral Properties Plc</b>	<b>Naira Properties Limited</b>	<b>NSE Nominees Limited</b>
Operating income	8,303,297	(423,823)	8,401,973	21,010	-	304,137	-
Operating expenses	(5,705,656)	166,363	(5,697,360)	(3,300)	(4,655)	(166,042)	(663)
Impairment charges	(49,574)	20,084	(69,659)	-	-	-	-
Fair value loss on investment securities	-	-	-	-	-	-	-
Operating surplus before tax	2,548,067	(237,376)	2,634,954	17,710	(4,655)	138,095	(663)
Share of profit of equity accounted investees	1,267,264	1,267,264	-	-	-	-	-
Tax (expense)/credit	(23,536)	-	-	(5,497)	(5,200)	(12,836)	2
Operating surplus after tax	3,791,795	1,029,888	2,634,954	12,212	(9,855)	125,259	(661)
Other comprehensive income	(49,614)	(41,452)	(27,679)	19,518	-	-	-
Total comprehensive income	3,742,181	988,436	2,607,275	31,730	(9,855)	125,259	(661)

**Condensed financial position**

<i>In thousands of naira</i>	<b>Group balance</b>	<b>Elimination entries</b>	<b>Exchange</b>	<b>NSE Consult Limited</b>	<b>Coral Properties Plc</b>	<b>Naira Properties Limited</b>	<b>NSE Nominees Limited</b>
Total non-current assets	15,675,740	5,052,033	8,328,973	201,031	-	2,093,704	-
Total current assets	11,013,637	(1,144,402)	10,611,168	290,449	1,144,400	111,922	100
Total assets	26,689,377	3,907,631	18,940,141	491,480	1,144,400	2,205,626	100
Total equity	23,130,500	7,738,163	15,919,179	(271,886)	(862,937)	616,511	(8,530)
Total non current liabilities	339,817	-	195,064	-	-	144,754	-
Total current liabilities	3,219,060	(3,913,593)	2,825,898	763,366	2,007,337	1,444,361	8,630
Total liabilities	3,558,877	(3,913,593)	3,020,962	763,366	2,007,337	1,589,115	8,630
Total equity and liabilities	26,689,377	3,824,570	18,940,141	491,480	1,144,400	2,205,626	100

## 20 Investment Securities

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
<b>At amortised cost</b>				
Bonds	2,340,644	-	2,340,644	-
Treasury bills	7,688,773	-	7,688,773	-
Impairment charges (see note 20(c) below)	(51)	-	(51)	-
<b>Held to maturity investment securities</b>				
Bonds	-	1,710,004	-	1,710,004
Treasury bills	-	6,134,672	-	6,134,672
<b>Sub total</b>	<b>10,029,366</b>	<b>7,844,676</b>	<b>10,029,366</b>	<b>7,844,676</b>
<b>Equity securities</b>				
FVOCI	263,654	-	-	-
Available for sale investments (see note 20(a) below)	-	284,091	-	-
<b>Sub total</b>	<b>263,654</b>	<b>284,091</b>		
<b>Carrying amount</b>	<b>10,293,020</b>	<b>8,128,767</b>	<b>10,029,366</b>	<b>7,844,676</b>
<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Non-current	2,604,247	1,994,095	2,340,632	1,710,004
Current	7,688,773	6,134,672	7,688,734	6,134,672
<b>Carrying amount</b>	<b>10,293,020</b>	<b>8,128,767</b>	<b>10,029,366</b>	<b>7,844,676</b>

**(a) Analysis of equity securities**

	<b>Group</b>	<b>Group</b>
<i>In thousands of naira</i>	<b>2018</b>	<b>2017</b>
Investment in unquoted equities (FMDQ OTC and NASD OTC)	263,654	201,030
Investment in Quoted equities	-	83,061
	<u>263,654</u>	<u>284,091</u>
(ii) Movement in available for sale financial assets		
	<b>Group</b>	<b>Group</b>
<i>In thousands of naira</i>	<b>2018</b>	<b>2017</b>
Cost - FMDQ and NASD OTC	101,352	90,000
Additional investment in NASD OTC	-	11,352
Other equity investment	-	116,242
Disposal	-	-
Fair value changes (see note 19 (a) (iii) below)	162,302	99,678
Impairment charges	-	(33,181)
	<u>263,654</u>	<u>284,091</u>
(iii) Movement in fair value on unquoted equities		
	<b>Group</b>	<b>Group</b>
<i>In thousands of naira</i>	<b>2018</b>	<b>2017</b>
Opening balance	99,678	80,161
Fair value changes during the year	62,624	19,517
	<u>162,302</u>	<u>99,678</u>

(b) The financial assets which are held at FVOCI, are unquoted equity investments in National Association of Securities Dealers (NASD OTC) amounting to N78,421,804.02, investments in Financial Market Dealers Quotation (FMDQ OTC) amounting to N50,000,000. A fair value gain of N128.37 million was recognised in the other comprehensive income in respect of the investment in FVOCI financial assets for the financial year. The valuation techniques are explained in note 6.

(c) Movement in the allowance for impairment with respect to debt securities at amortised cost (2017: Held to maturity) during the year was as follows.

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Balance as at 1 January 2018 under IAS 39	-	-	-	-
Adjustment on initial application of IFRS 9	37	-	37	-
Adjusted balance as at 1 January 2018 under IFRS 9	37	-	37	-
Net re-measurement of loss allowance	14	-	14	-
Balance as at 31 January 2018	51	-	51	-

## 21 Trade and other receivables

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Trade receivables	682,863	594,129	669,108	580,374
Staff loans	299	299	299	299
Due from NSE/CSCS Multipurpose Cooperative Society (see note 20 (a) below )	264,979	264,979	264,979	264,979
Deferred recovery of bonuses (see note 21 (b) below)	537,500	567,500	537,500	567,500
Due from gratuity fund administrators	23,165	23,165	23,165	23,165
Deposit for investment	1,000,000	958,000	900,000	858,000
Other receivables (see note 21 (c) below)	900,710	775,436	353,535	233,174
Gross total	3,409,516	3,183,508	2,748,586	2,527,491

Allowance for impairment (See note 21 (e) below)	(2,127,458)	(2,092,575)	(1,575,676)	(1,540,793)
<b>Carrying amount</b>	<b>1,282,058</b>	<b>1,090,933</b>	<b>1,172,910</b>	<b>986,698</b>
Non current	-	-	-	-
Current	1,282,058	1,090,933	1,172,910	986,698
<b>Carrying amount</b>	<b>1,282,058</b>	<b>1,090,933</b>	<b>1,172,910</b>	<b>986,698</b>

- (a) The amount due from NSE/CSCS Multipurpose Co-operative Society relates to two payments of N150million and N114.9million made in connection with the purchase of shares on behalf of the NSE/CSCS Multipurpose Cooperative Society. Efforts are being made by management to recover these disputed amounts and the matter is currently a subject of litigation. The Exchange has fully impaired the amount subject to recovery of the receivable in a future year.
- (b) Deferred recovery of bonuses represents N2.09billion distributed to certain ex-council members as share of surplus between 2006 and 2008. This payment was contrary to section 26(3) of the Companies and Allied Matters Act (CAMA), and the Securities and Exchange Commission directed the Exchange to recover the money from the ex-council Members involved. Refunds amounting to N650.50million (2017: N620.50million) have been received from the ex-council members to date. In 2017, the group reached an out of court settlement with two beneficiaries of the bonus leading to a write-off of N901.6million. The outstanding balance of N537.5million continues to be subject of a litigation on account of a dispute over the basis of payment. The Exchange has fully impaired the amount subject to recovery of the receivable in future years.
- (c) Other receivables include investment in defunct Hallmark Bank and other unsubstantiated receivables (N667.68million). These amounts have been fully impaired as at year end. Other items included in Other receivables include receivable from NG Clearing Ltd.
- (d) Analysis of allowance for impairment of trade and other receivable is shown below:

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Trade debtors- listing fees	481,059	431,534	481,059	431,534
Trade debtors-annual charges	89,106	76,804	89,106	76,804
Trade debtors-market data	11,232	6,028	11,232	6,028

Sundry Debtors - NSE/CSCS Cooperative	264,979	264,979	264,979	264,979
Deferred recovery of bonuses	537,500	567,500	537,500	567,500
Gratuity plan assets	23,165	23,165	23,165	23,165
Other receivables	720,417	722,565	168,635	170,783
	2,127,458	2,092,575	1,575,676	1,540,793

(e) Movement in allowance for impairment of trade and other receivables is shown below

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Opening balance	2,092,575	2,953,519	1,540,793	2,401,737
Impact of adopting IFRS 9 on opening balance	16,878	-	16,878	-
Adjusted opening balance	2,109,453	2,953,519	1,557,671	2,401,737
Movement during the year:				
Reversal/Write off	(33,190)	(910,518)	(33,190)	(910,518)
Net impairment charge	51,195	49,574	51,195	49,574
Closing balance	2,127,458	2,092,575	1,575,676	1,540,793

## 22 Prepayment

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Prepayments	257,354	189,612	186,567	189,612
Prepayments for IT platform	3,124	761	761	761
Advance payments to third parties ( See note 21(a) below)	31,309	31,309	31,309	31,309
<b>Gross total</b>	291,787	221,682	218,637	221,682
Current	291,787	221,682	218,637	221,682
Non current	-	-	-	-
	291,787	221,682	218,637	221,682

(a) Advanced payments to third party represent part payments made to contractors for ongoing services and projects rendered to the Exchange during the year .

## 23 Cash and cash equivalents

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Cash balances	-	15	-	15
Bank balances	945,861	373,761	935,551	352,563
Fixed deposits	1,866,653	3,192,574	1,672,551	2,915,538
Allowance for ECL impairment (see note 23(a) below)	(1,641)	-	(1,641)	-
Carrying amount	2,810,873	3,566,350	2,606,461	3,268,116

### (a) Movement in allowance for impairment of cash and cash equivalent

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Opening balance	-	-	-	-
IFRS 9 transition adjustment	2,487	-	2,487	-
Impairment reversals during the year	(846)	-	(846)	-
Closing balance	1,641	-	1,641	-

## 24 Equity

### (a) Accumulated funds

Accumulated funds are the funds carried forward recognised income net of expenses plus current year profit.

### (b) Other reserves

Other reserves represent fair value gain recognised on investment FVOCI (2017: available for sale) and actuarial gains/loss on definite obligations.

<i>In thousands of naira</i>	Group			Exchange		
	Fair value reserve	Actuarial valuation reserve	Total	Fair value reserve	Actuarial valuation reserve	Total
Balance at 1 January 2018	58,225	(33,629)	24,596	-	(33,629)	(33,629)
Movement during the year	132,342	(29,190)	103,152	-	(29,190)	(29,190)
Balance at 31 December 2018	190,567	(62,819)	127,748	-	(62,819)	(62,819)

## 25 Retirement benefit obligation

<i>In thousands of naira</i>	Group 2018	Group 2017	Exchange 2018	Exchange 2017
Recognised liability for defined benefit obligations (see note (a) below)	368,344	195,064	368,344	195,064
Recognised liability for defined contributions	-	26,651	-	26,651

### Movement in defined benefit obligations

<i>In thousands of naira</i>	Group 2018	Group 2017	Exchange 2018	Exchange 2017
Opening balance	195,064	187,589	195,064	187,589
Current service charge & interest cost: Long term incentive	63,702	28,995	63,702	28,995
Current service charge & interest cost: Long service award	121,965	-	121,965	-
Net actuarial (gain)/loss	29,190	27,679	29,190	27,679
Payment made during the year	(41,577)	(49,199)	(41,577)	(49,199)
Closing balance	368,344	195,064	368,344	195,064
Movement in cashflow statement	185,667	28,995	185,667	28,995

**(a) Defined benefit obligations**

The Exchange operated a non-contributory, unfunded defined benefit scheme for its staff gratuity scheme until 16 March 2011 when the Council of the Nigerian Stock Exchange resolved to terminate the staff gratuity scheme with effect from 31 March, 2011. Final entitlements due to members of staff that had spent a minimum of five years by 31 March, 2011 was determined and payments was supervised by Gratuity Committee. However, a revised long-term incentive scheme was re-opened in 2015 for certain eligible employees. The entitlement for the qualifying employee ranges from 15% -17% of their annual total emolument in the first 5-year of service and a maximum of 25%-35% for 10-years of service.

On 1 August 2017, management established a long service recognition initiative which is designed to recognise, appreciate and celebrate the contributions of long tenured employees, at the attainment of milestone years during their work lifespan with the company. The policy became effective in 2018. See note 4.9 (ii).

**(b) Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	<b>2018</b>	<b>2017</b>
Discount rate	14.57%	13.95%
Salary increase rate	10.00%	11.20%
Inflation	10.00%	11.20%
Withdrawal rate (director long term incentive): within the first 5 years	17.50%	30.00%
Withdrawal rate (director long term incentive): within the second 5 years	35.00%	35.00%
Withdrawal rate (staff long service award): first 5 years	5.00%	-
Withdrawal rate (staff long service award): second 5 years	9.00%	-

The rate of mortality assumed for members in the Scheme are based on A49/52 Ultimate table published by the Institute of Actuaries of United Kingdom. For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

**(c) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

<i>In thousands of naira</i>	31 December 2018		31 December 2017	
	Increase	Decrease	Increase	Decrease
Withdrawal rate (5% movement)	(29,257)	40,114	9,977	(9,977)
Mortality rate (20% movement)	(552)	552	(1,412)	1,412
Salary increase (10% movement)	91,451	(51,522)	6,753	(6,753)
Discount rate (3% movement)	25,180	(30,929)	(3,223)	3,223
Inflation rate (2% movement)	(27,299)	24,392	3,423	(3,423)

**(d) Expected maturity analysis of post-employment benefits:**

<i>In thousands of naira</i>	Between 1-2 years	Between 2-5 years	Over 5 years	2018 Total
Present value of the defined benefit obligation	-	243,372	124,973	368,344
	-	243,372	124,973	368,344

<i>In thousands of naira</i>	Between 1-2 years	Between 2-5 years	Over 5 years	2017 Total
Present value of the defined benefit obligation	-	-	195,064	195,064
	-	-	195,064	195,064

## 26 Deferred tax liability

Deferred tax liability comprises of:

*In thousands of naira*

	Group 2018	Group 2017	Exchange 2018	Exchange 2017
<b>Deferred tax liability</b>				
Balance, beginning of the year	144,753	165,379	-	-
Deferred tax liability recognised by subsidiary	47,579	(20,626)		
Balance, end of the year	192,332	144,753	-	-

### (a) Movements in temporary differences during the year

	Opening balance	Recognised in profit or loss	Recognised in equity	Closing balance
<i>In thousands of naira</i>				
<b>For the year ended 31 December 2017</b>				
Revaluation surplus	144,753	-	-	144,753
Charge during the year	-	47,579	-	47,579
<b>Total</b>	144,753	47,579	-	192,332
	Opening balance	Recognised in profit or loss	Recognised in equity	Closing balance
<b>For the year ended 31 December 2018</b>				
Revaluation surplus	144,753	-	-	144,753
Charge during the year	-	47,579	-	47,579
<b>Total</b>	144,753	47,579	-	192,332

(b) **Recognised deferred tax liability is attributable to the following:**

**Group**

*In thousands of naira*

**Liabilities**

**For the year ended 31 December 2017**

Revaluation surplus on Investment Property 144,753

**Net deferred tax liability** 144,753

**For the year ended 31 December 2018**

Revaluation surplus on Investment Property 192,332

**Net deferred tax liability** 192,332

**27 Provisions**

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Balance as at 1 January 2018	267,767	267,767	267,767	267,767
Provision made during the year	89,509	-	89,509	
Balance as at 31 December 2018	357,276	267,767	357,276	267,767

**28 Other liabilities**

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Accrued expenses	787,336	949,869	786,084	938,404
Sundry creditors (see note (a) below)	291,147	644,672	290,963	422,698
Deferred income	143,183	121,011	135,891	111,492
Value Added Tax & WHT payable	268,984	438,628	268,809	433,824
Donations payable	253,089	252,157	253,089	252,157
Others (see note (b) below)	266,555	308,326	263,512	308,326
Staff related liabilities (see note (c) below)	53,073	64,578	53,073	64,578
Total	2,063,366	2,779,242	2,051,419	2,531,480

- (a) Sundry creditors include amounts payable to vendors, suppliers and service providers.
- (b) Included in the Other liabilities is the sum of N95.1 million being amount paid by members (dealing and listed entities) for which the Exchange is yet to identify the purpose of the payment.
- (c) Staff related liabilities comprises of PAYE, National Housing Fund (NHF) and staff related liabilities payable to the government.

## 29 Current tax liabilities

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>Group 2017</b>	<b>Exchange 2018</b>	<b>Exchange 2017</b>
Balance, beginning of the year	145,400	285,657	-	-
Charge for the year	101,582	23,536	-	-
Payment made during the year	(28,179)	(163,793)	-	-
Balance, end of the year	171,225	145,400	-	-

## 30 Contingent liabilities and commitments

### (a) Legal proceedings

The Exchange is involved in 8 claims and litigation. These claims, most of which arose in the normal course of business, are being contested by the Exchange. As at 31 December 2018, estimated contingent liabilities stood at N10,098,416,917 (2017:N10,685,132,525). Based on legal advice, management expects the outcome of the litigations to have an effect on the Group's financial position, hence, a provision of N357,276,317 (2017: N267,767,276) for claims and litigations have been recognised in the financial statements.

### (b) Capital commitments

The Group had no capital commitments in respect of authorized and contracted capital projects as at 31 December 2018.

## 31 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. From the Exchange's perspective, this definition includes key management personnel and associates. As at the reporting date, the Exchange had a number of transactions with related parties in the normal course of business. These include rent paid to Naira Properties on the property occupied by the Exchange and payment of other expenses on behalf of the subsidiaries.

A summary of related party transactions during the year is shown below:

<i>In thousands of naira</i>	<b>Note</b>	<b>2018</b>	<b>2017</b>
<b>(a) Intercompany receivables</b>			
NSE Consult Limited	16	-	260,579
Naira Properties Limited	16	907,707	1,306,532
Coral Properties Plc.	16	1,144,400	1,144,400
NG Clearing Limited	16	-	68,934
NSE Nominees Limited	16	-	879
		2,052,107	2,781,324

### The Exchange

<i>In thousands of naira</i>	<b>2018</b>	<b>2017</b>
<b>(b) Intercompany expenses</b>		
Rent and service charge paid to Naira Properties Limited	143,134	166,361
	143,134	166,361

<i>In thousands of naira</i>	<b>Note</b>	<b>2018</b>	<b>2017</b>
<b>(c) Transactions with associate companies</b>			
Investment in CSCS	18	387,804	387,804
Dividend received from CSCS	9	953,476	286,068
Investment in NG Clearing	18	670,500	62,500
Receivable from NG Clearing		90,734	68,934

(d) Compensation to key management personnel during the year comprised:

<i>In thousands of naira</i>	2018	2017
Short-term benefits	635,344	796,724
Post-employment benefits (pension and gratuity)	63,702	-
Total	699,046	796,724

(e) Balance on the ECL impairment losses on the related party receivables are shown below:

**Subsidiaries**

<i>In thousands of naira</i>	2018			2017		
	ECL Impairment on Receivable	ECL Impairment on investment	Total	Impairment on Receivable	Impairment on investment	Total
NSE Consult Limited (see note 16 (b) above)	625,989	1,000	626,989	364,411	1,000	365,411
Coral Properties Plc (see note 16 (b) above)	769,752	72,000	841,752	754,448	72,000	826,448
Naira Properties Limited (see note 16 (b) above)	319,984	-	319,984			
NG Clearing Limited (see note 16 (b) above)	-	-	-			
NSE Nominees Limited (see note 16 (b) above)	1417.95	500	1,918			
	1,717,142	73,500	1,790,642	1,118,859	73,000	1,191,859

**32 Group entities**

Significant subsidiaries	Country of incorporation	Nature of business	Ownership Interest	Non Controlling Interest
Naira Properties Limited	Nigeria	Property letting and investment	100%	0%
Coral Properties Ltd	Nigeria	Real estate development	100%	0%
NSE Consult Limited	Nigeria	Financial advisers & consultants	99.8%	0.2%
NSE Nominees Limited	Nigeria	Acts as a nominee	83.3%	16.7%

<b>33 Cash flow workings</b>	<b>Group</b>		<b>Exchange</b>	
<i>In thousands of naira</i>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>(i) Changes in intercompany receivables</b>				
Opening balance	-	-	2,781,324	2,595,044
Impairment (charges)/reversal	-	-	(1,977)	(20,085)
IFRS 9 transition adjustment			(596,308)	
Closing balance	-	-	(2,052,107)	(2,781,324)
	-	-	130,933	(206,365)
Adjustment for non cash item:				
Reclassification from investment in subsidiaries	-	-	-	250,000
Change during the year	-	-	130,933	43,635
<b>(ii) Changes in trade and other receivables</b>				
Opening balance	1,090,933	200,907	986,698	150,906
Less impairment charges	(51,195)	(49,574)	(51,195)	(49,574)
Less ECL impairment	16,877	-	16,877	-
Closing balance	(1,282,058)	(1,090,933)	(1,172,910)	(986,698)
Change during the year	(225,444)	(939,601)	(220,530)	(885,367)
<b>(iii) Changes in prepayments</b>				
Opening balance	221,682	734,166	221,682	737,263
Closing balance	(291,787)	(221,682)	(218,637)	(221,682)
Change during the year	(70,105)	512,484	3,045	515,581

	Group		Exchange	
	2018	2017	2018	2017
<b>(iv) Changes in other liabilities</b>				
Opening balance	3,047,009	2,740,453	2,799,247	2,395,491
Effect of unrealized loss on foreign currency transaction	1,066	(1,169)	1,066	(1,169)
Closing balance	(2,420,642)	(3,047,009)	(2,408,695)	(2,799,247)
Change during the year	627,433	(307,725)	391,619	(404,926)
<b>(v) Interest received</b>				
Interest income	1,600,813	1,568,072	1,593,967	1,523,810
Interest received on prior period highly liquid investment	34,206	20,109	31,396	14,177
Interest receivable on placements	(11,743)	(34,206)	(11,253)	(31,396)
Interest receivable on bonds	(111,092)	(111,355)	(111,092)	(110,668)
	1,512,183	1,442,620	1,503,018	1,395,923
<b>(vi) Dividend received</b>				
Dividend income	953,476	286,068	953,476	286,068
WHT on dividend income	-	(28,607)	(95,348)	(28,607)
	953,476	257,461	858,129	257,461
<b>(vii) Purchase of investments</b>				
Opening balance of investments	8,128,767	8,110,892	7,844,676	7,482,988
Fair value changes	62,624	19,517	-	-
Interest receivable placement and bonds	88,630	153,372	100,395	156,918
ECL impairment on treasury bills and bonds	37	-	37	-
Closing balance of total investments	(10,293,020)	(8,128,767)	(10,029,367)	(7,844,676)
Change during the year	(2,012,963)	155,014	(2,084,260)	(204,770)

**(viii) Proceeds from the sale of property and equipment**

Gain on disposal of property and equipment	6,120	887	6,121	887
Cost eliminated on disposal	103,195	66,676	103,195	66,676
Accumulated depreciation eliminated on disposal	(65,151)	(44,275)	(65,151)	(44,275)
Proceeds from the sale of property and equipment	44,165	23,288	44,165	23,287

**(ix) Additional investment in associates**

Opening balance	1,762	19,149	62,500	62,500
Closing balance	(680,423)	(1,762)	(670,500)	(62,500)
	(678,661)	17,387	(608,000)	-
Adjustment for non cash item:				
Share of loss from joint venture	(18,400)	(17,387)	-	
Dilution effect	89,061			
Additional investment in joint venture	(608,000)	-	(608,000)	-

**(x) Cash and cash equivalent**

Cash and cash equivalent per statement of financial position	2,810,873	3,566,350	2,606,461	3,268,116
less ECL impairment on cash and cash equivalent	2,630	-	2,487	-
Interest receivable on placements	(11,743)	(34,206)	(11,253)	(31,396)
	2,801,759	3,532,144	2,597,695	3,236,720

**34 Subsequent events**

There were no events after reporting date requiring adjustment of, or disclosure in, these consolidated and separate financial statements.



# THE Nigerian STOCK EXCHANGE

## Other National Disclosures

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## Other National disclosure Value Added Statement

*For the year ended 31 December 2018*

<i>In thousands of naira</i>	<b>Group 2018</b>	<b>%</b>	<b>Group 2017</b>	<b>%</b>
Gross earnings	8,974,091		9,570,561	
Bought in materials and services - local	(2,471,201)		(2,324,029)	
Impairment	(50,364)		(49,574)	
Value added	6,452,526	100	7,196,958	100

### **DISTRIBUTION**

#### **EMPLOYEES AND DIRECTORS**

Personnel expenses	3,066,896	48	2,866,324	40
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#### **GOVERNMENT**

Income tax expense	101,583	2	23,536	0
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#### **RETAINED IN THE BUSINESS**

For Depreciation and Amortization	580,603	9	515,304	7
To augment reserves	2,703,444	42	3,791,794	53
	6,452,526	100	7,196,958	100

<i>In thousands of naira</i>	<b>Exchange 2018</b>	<b>%</b>	<b>Exchange 2017</b>	<b>%</b>
Gross earnings	8,275,622		8,401,973	
Bought in materials and services - local	(2,431,748)		(2,363,350)	
Reversal/ (Provision) for losses	(52,840)		(69,659)	
	5,791,034	100	5,968,964	100

### **DISTRIBUTION**

#### **EMPLOYEES AND DIRECTORS**

Personnel expenses	3,066,895	53	2,866,324	48
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#### **GOVERNMENT**

Tax expense	-	-	-	-
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#### **RETAINED IN THE BUSINESS**

For Depreciation and Amortization	527,255	9	467,686	8
To augment reserves	2,196,884	38	2,634,954	44
	5,791,034	100	5,968,964	100

## Other National disclosure Five Year Financial Summary

### STATEMENT OF FINANCIAL POSITION

*For the year ended*

<i>In thousands of naira</i>	Group 31 Dec 2018	Group 31 Dec 2017	Group 31 Dec 2016	Group 31 Dec 2015	Group 31 Dec 2014
<b>ASSETS</b>					
Property and equipment	3,914,072	4,026,520	3,667,187	3,894,252	3,942,554
Intangible assets	309,030	512,713	287,722	410,765	535,871
Investment properties under construction	1,144,400	1,144,400	-	-	-
Equity-accounted investees	9,024,856	7,998,012	7,029,661	6,416,521	5,532,672
Investment securities	2,604,247	1,994,095	1,944,651	286,966	158,490
<b>Total non-current assets</b>	<b>16,996,605</b>	<b>15,675,740</b>	<b>12,929,221</b>	<b>11,008,504</b>	<b>10,169,587</b>
Trade and other receivables	1,282,058	1,090,933	200,907	204,639	405,429
Prepayment	291,787	221,682	734,166	391,304	318,011
Investment securities	7,688,773	6,134,672	6,166,241	7,153,131	5,032,245
Non current Asset held-for-sale	-	-	1,144,400	1,150,489	1,684,596
Cash and cash equivalents	2,810,873	3,566,350	1,618,691	2,868,444	3,060,496
<b>Total current assets</b>	<b>12,073,491</b>	<b>11,013,637</b>	<b>9,864,405</b>	<b>11,768,007</b>	<b>10,500,777</b>
<b>Total assets</b>	<b>29,070,096</b>	<b>26,689,377</b>	<b>22,793,626</b>	<b>22,776,511</b>	<b>20,670,364</b>

**EQUITY**

Accumulated funds	25,917,553	23,130,500	19,388,320	19,354,745	17,490,801
<b>Total equity</b>	<b>25,917,553</b>	<b>23,130,500</b>	<b>19,388,320</b>	<b>19,354,745</b>	<b>17,490,801</b>

**LIABILITIES**

Deferred tax liabilities	192,332	144,753	165,379	168,905	173,606
Retirement benefit obligation	368,344	195,064	187,589	144,784	388,696
Provisions	357,276	267,767	267,767	267,767	267,767
<b>Total non current liabilities</b>	<b>917,952</b>	<b>607,584</b>	<b>620,735</b>	<b>581,456</b>	<b>830,069</b>
Defined-contribution pension	-	26,651	26,228	52,784	25,635
Other liabilities	2,063,366	2,779,242	2,472,686	2,544,543	2,145,322
Current tax liabilities	171,225	145,400	285,657	242,983	178,537
<b>Total current liabilities</b>	<b>2,234,591</b>	<b>2,951,293</b>	<b>2,784,571</b>	<b>2,840,310</b>	<b>2,349,494</b>
<b>Total liabilities</b>	<b>3,152,543</b>	<b>3,558,877</b>	<b>3,405,306</b>	<b>3,421,766</b>	<b>3,179,563</b>
<b>Total equity and liabilities</b>	<b>29,070,096</b>	<b>26,689,377</b>	<b>22,793,626</b>	<b>22,776,511</b>	<b>20,670,364</b>

## INCOME STATEMENT

<i>In thousands of naira</i>	Group 31 Dec 2018	Group 31 Dec 2017	Group 31 Dec 2016	Group 31 Dec 2015	Group 31 Dec 2014
Revenue	4,822,617	5,872,096	2,555,679	4,226,254	6,303,423
<b>Revenue</b>	4,822,617	5,872,096	2,555,679	4,226,254	6,303,423
Other income	2,848,871	2,431,200	1,902,176	2,384,742	1,646,665
Impairment loss on financial	(50,364)	(49,574)	(156,412)	(847,632)	66,395
Fair value (losses)/gain on investment securities	-	-	-	-	(15,646)
Personnel expenses	(3,066,896)	(2,866,324)	(2,655,547)	(2,686,162)	(2,276,360)
Operating expenses	(2,471,201)	(2,324,029)	(1,956,014)	(1,972,241)	(2,531,759)
<b>Net operating expenses</b>	(2,739,591)	(2,808,727)	(2,865,797)	(3,121,293)	(3,110,705)
Operating surplus/(deficit)	1,502,424	2,548,066	(802,772)	644,661	2,755,383
Share of profit of equity accounted investees (net of income tax)	1,302,603	1,267,264	869,372	1,214,841	1,196,548
<b>Operating surplus/(deficit) before tax</b>	2,805,027	3,815,330	66,600	1,859,502	3,951,931
Income tax expense	(101,583)	(23,536)	(39,148)	(59,745)	(66,088)
Operating Surplus after tax	2,703,444	3,791,794	27,452	1,799,757	3,885,843

## STATEMENT OF FINANCIAL POSITION

For the year ended

*In thousands of naira*

	Exchange 31 Dec 2018	Exchange 31 Dec 2017	Exchange 31 Dec 2016	Exchange 31 Dec 2015	Exchange 31 Dec 2014
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### STATEMENT OF FINANCIAL POSITION

#### ASSETS

Property and equipment	1,836,427	1,932,814	1,685,626	1,865,155	1,865,920
Intangible assets	304,394	508,077	283,086	406,129	531,235
Intercompany receivables	2,052,107	2,781,324	2,595,044	2,663,145	3,419,962
Equity-accounted investees	1,058,304	450,304	450,304	387,804	387,804
Investment in subsidiaries	945,950	946,450	1,196,450	946,450	1,017,950
Investment securities	2,340,632	1,710,004	1,698,099	-	-

<b>Total non-current assets</b>	<b>8,537,814</b>	<b>8,328,973</b>	<b>7,908,609</b>	<b>6,268,683</b>	<b>7,222,871</b>
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Trade and other receivables	1,172,910	986,698	150,906	204,638	405,428
Prepayment	218,637	221,682	737,263	391,304	318,011
Investment securities	7,688,734	6,134,672	5,784,890	7,153,131	5,032,245
Cash and cash equivalents	2,606,461	3,268,116	1,339,544	2,503,396	2,835,407

<b>Total current assets</b>	<b>11,686,742</b>	<b>10,611,168</b>	<b>8,012,603</b>	<b>10,252,469</b>	<b>8,591,091</b>
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<b>Total assets</b>	<b>20,224,556</b>	<b>18,940,141</b>	<b>15,921,212</b>	<b>16,521,152</b>	<b>15,813,962</b>
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**EQUITY**

Accumulated funds	17,447,517	15,919,179	13,311,904	13,916,989	13,304,559
<b>Total equity</b>	<b>17,447,517</b>	<b>15,919,179</b>	<b>13,311,904</b>	<b>13,916,989</b>	<b>13,304,559</b>

**LIABILITIES**

Retirement benefit obligation	368,344	195,064	187,589	144,784	388,696
Provisions	357,276	267,767	267,767	267,767	267,767

<b>Total non current liabilities</b>	<b>725,620</b>	<b>462,831</b>	<b>455,356</b>	<b>412,551</b>	<b>656,463</b>
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Defined-contribution pension	-	26,651	26,228	52,784	25,635
Other liabilities	2,051,419	2,531,480	2,127,724	2,138,828	1,827,305
Current tax liabilities	-	-	-	-	-

<b>Total current liabilities</b>	<b>2,051,419</b>	<b>2,558,131</b>	<b>2,153,952</b>	<b>2,191,612</b>	<b>1,852,940</b>
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<b>Total liabilities</b>	<b>2,777,038</b>	<b>3,020,962</b>	<b>2,609,308</b>	<b>2,604,163</b>	<b>2,509,403</b>
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<b>Total equity and liabilities</b>	<b>20,224,556</b>	<b>18,940,141</b>	<b>15,921,212</b>	<b>16,521,152</b>	<b>15,813,962</b>
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## INCOME STATEMENT

<i>In thousands of naira</i>	Exchange 31 Dec 2018	Exchange 31 Dec 2017	Exchange 31 Dec 2016	Exchange 31 Dec 2015	Exchange 31 Dec 2014
Revenue	4,700,579	5,758,128	2,555,679	4,226,254	6,303,423
<b>Revenue</b>	4,700,579	5,758,128	2,555,679	4,226,254	6,303,423
Other income	3,575,043	2,643,845	2,081,171	2,535,320	1,811,754
Impairment loss on financial	(52,840)	(69,659)	(121,094)	(1,053,526)	286,395
Fair value (losses)/gain on investment securities	-	-	-	-	-
Personnel expenses	(3,066,895)	(2,866,324)	(2,655,548)	(2,686,162)	(2,276,360)
Operating expenses	(2,431,748)	(2,363,350)	(2,014,225)	(1,996,693)	(2,591,720)
<b>Net operating expenses</b>	(1,976,441)	(2,655,488)	(2,709,696)	(3,201,061)	(2,769,931)
Operating surplus	2,724,138	3,102,640	(154,017)	1,025,193	3,533,492
<b>Operating Surplus before tax</b>	2,196,884	2,634,954	(599,135)	612,430	3,533,492
Income tax expense	-	-	-	-	-
Operating Surplus after tax	2,196,884	2,634,954	(599,135)	612,430	3,533,492



# THE Nigerian STOCK EXCHANGE

## Complaints Management

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# Complaints Management

## 1. Complaints Management

A total of 271 complaints (from investors against Dealing Member Firms & complaints from Dealing Member Firms against Dealing Member Firms) were received in 2018 out of which 211 complaints representing 78% were successfully resolved. 60 complaints representing 22% of the complaints received in 2018 were yet to be resolved as at 31 December 2018.

In addition, of the 145 unresolved complaints brought forward from 2017, a total of 75 complaints representing 52% were resolved with an outstanding of 70 unresolved complaints bringing the total unresolved complaints as at 31 December 2018 to 130.

We note that the unresolved complaints brought forward from 2018 reduced by 10% when compared to the unresolved complaints brought forward from 2017. Dealing Member Firms with unresolved complaints are at various stages of The Exchange's disciplinary process.

**Table 1: Complaints Statistics**

Complaints	Received /brought forward	Resolved	% of Resolved to Total	Unresolved	% of Unresolved to Total
Complaints brought forward from 2017	145	75	52%	70	48%
2018 complaints	271	211	78%	60	22%
Total	416	286	69%	130	31%

**Table 2: All Parties Meeting (APM)**

The All Parties Meeting (APM) is The Exchange's mediation session for the resolution of complaints which could not be resolved independently between the investor and Dealing Member Firms. Appeals from the APM are referred to the Investigation Panel of The Exchange.

Number of Complaints referred to the All Parties Meeting (APM)	3
Number of complaints resolved at the APM	3
Number of cases pending before the APM	Nil
Number of cases referred to the Investigation Panel	Nil

*NB: Complaints resolved at the APM forms part of the total complaints resolved in 2018.*

*The number of complaints referred to the APM in 2018 reduced by 66% when compared to 2017. This was due to concerted efforts made at ensuring amicable resolution between parties under the supervision of the Exchange in order to foster a customer centric relationship between Dealing members and their clients.*

## Investigation Panel

The Investigation Panel (IP) held four (4) hearings in the course of 2018: 26 March 2018, 20 June 2018, 31 July 2018 and 4 December 2018 respectively.

11 cases were brought from 2017, while 33 cases were referred from the Complaints Registry and Market Surveillance & Investigations Department in the course of 2018, bringing the total cases before the Investigation Panel to 44.

Number of cases referred to IP	Number of complaints resolved by the IP in 2018	Number of cases pending before the IP as at 31 December 2018	Number of cases referred to the Disciplinary Committee in 2018
44 <sup>1</sup>	17	5	22

NB: Cases investigated forms part of the total complaints resolved in 2018.

## Investors' Protection Fund (IPF) Claims

A total of 935 investors claims were referred by The Exchange to the IPF as at 31 December 2018, out of which 742 claims have been successfully verified while 193 claims are yet to be verified.

A total of 62 claimants were compensated by the IPF as at 31 December 2018 bringing the total number of compensated investors from 2015-2018 to 241. A total of 288 claims were designated as abandoned claims by the Board of Trustees of the Investors' Protection Fund (IPF).

Total No. of claims referred to the IPF	Total No. of claims verified under BOT approved methodology	Total No. of claims yet to be verified	Total number of claimants compensated (2015-2018)	Total number of abandoned claims
935	742	193	241 <sup>3</sup>	288

1. 11 investors' complaints were brought forward from 2017 and 33 complaints referred in 2018 bringing the total to 44 complaints.
2. Abandoned claims refers to claims that have been verified by The Exchange and approved by the BOT for referral to Datapro Limited (consultant company engaged by the IPF for identity verification of claimants) for identity verification of the claimant but whose identity could not be verified due to inability to locate the claimant or the claimant's refusal to participate in the verification exercise. Abandoned claims are subject to reopening if the claimant comes forward within 6 years from the date the BOT approves the report on abandoned claims.
3. Total of 241 compensated investors, includes 62 Claimants compensated in 2018.



# THE Nigerian STOCK EXCHANGE

## Comparative Trading Activities

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## Comparative Trading Activities (1961 - 1995)

PERIOD	GOVT. BONDS STOCKS (N)	INDUSTRIAL/ EQUITIES (N)	TOTAL (N)
1961/62	4,123,270	246,730	4,370,000
1962/63	7,876,290	616,192	8,492,482
1963/64	11,467,380	1,039,036	12,506,416
1964/65	13,692,680	2,450,924	16,143,604
1965/66	15,724,800	1,121,630	16,846,430
1966/67	11,704,060	675,616	12,379,676
1967/68	12,607,120	279,856	12,886,976
1968/69	17,330,820	102,294	17,433,114
1969/70	15,634,480	221,800	15,856,280
1970/71	30,544,260	3,080,100	33,624,360
1971/72	26,738,800	1,303,242	28,042,042
1972/73	26,125,520	671,534	26,797,054
1973/74	99,348,520	1,261,995	100,610,515
1974/75	63,664,830	549,322	64,214,152
1975/76	80,634,830	788,853	81,423,683
1976/77	153,849,760	2,271,990	156,121,750
1977/78	226,961,915	3,045,040	230,006,955
1978/79	143,500,740	1,987,401	145,488,141
1979/80	512,034,222	10,816,784	522,851,006
1981	326,178,957	6,119,169	332,298,126
1982	208,215,689	8,188,927	216,404,616
1983	384,870,312	13,000,755	397,871,067
1984	234,115,541	15,702,860	249,818,401
1985	287,840,413	23,264,741	311,105,154
1986	475,846,312	11,986,021	487,832,333
1987	282,251,808	4,045,706	286,297,514
1988	215,829,622	34,485,043	250,314,665
1989	582,430,369	71,129,746	653,560,115
1990	172,801,696	133,540,209	306,341,905
1991	92,675,151	141,864,629	234,539,780
1992	85,020,960	406,547,508	491,568,468
1993	84,258,773	577,796,580	662,055,353
1994	15,202,218	970,679,018	985,881,236
1995	0	1,838,838,622	1,838,838,622

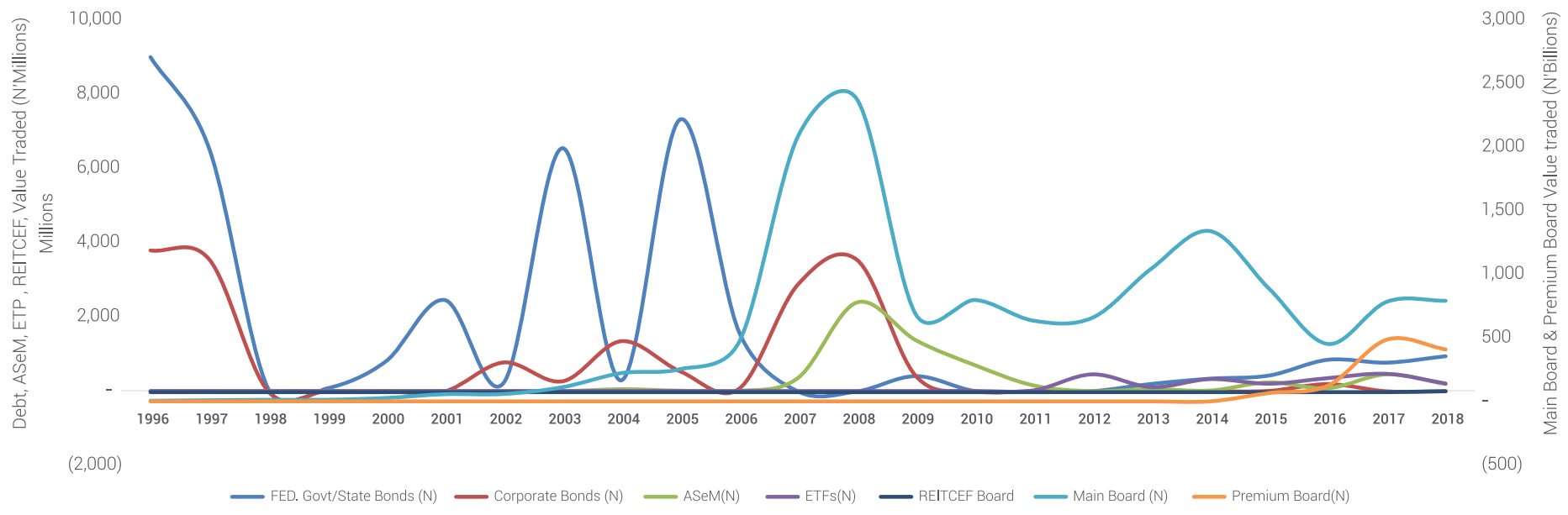
### NOTE:

**Government Bonds Stocks** include Federal Government Bonds, State Government Bonds and Local Government Bonds.

**Industrial/Equities** include Corporate Bonds, Preference Shares, Debenture Stocks and Equities.

## Comparative Trading Activities (1996 - 2018)

Period	FED. Govt/ State Bonds (N)	Corporate Bonds (N)	ASeM(N)	ETFs(N)	Main Board (N)	Premium Board(N)	REITCEF Board	Total (N)
1996	8,996,877,700	3,782,103,912	2,858,984	0	5,258,331,683	0	0	18,040,172,278
1997	6,524,606,324	3,536,832,000	3,239,630	0	9,948,505,081	0	0	20,013,183,035
1998	71,440,000	147,960	2,922,771	0	13,186,038,803	0	0	13,260,549,534
1999	82,712,105	0	9,316,780	0	13,452,357,054	0	0	13,544,385,939
2000	812,039,920	0	639,350	0	27,672,922,775	0	0	28,485,602,045
2001	2,459,138,100	0	7,007,404	0	57,267,201,602	0	0	59,733,347,106
2002	234,564,210	775,000,000	2,377,467	0	59,008,065,070	0	0	60,020,006,748
2003	6,547,040,600	269,427,488	838,038	0	112,631,949,046	0	0	119,449,255,171
2004	300,015,175	1,346,505,900	53,026,944	0	223,113,447,652	0	0	224,812,995,670
2005	7,321,040,000	534,427,625	14,049,966	0	254,166,107,544	0	0	262,035,625,135
2006	1,593,360,000	72,000,000	5,278,896	0	468,328,272,368	0	0	469,998,911,264
2007	0	2,870,000,000	357,151,465	0	2,083,067,442,226	0	0	2,086,294,593,691
2008	1,000,000	3,528,920,000	2,385,901,284	0	2,373,227,878,388	0	0	2,379,143,699,672
2009	412,919,530	412,800,000	1,372,257,737	0	683,932,110,964	0	0	686,130,088,231
2010	14,138,800	0	702,480,947	0	797,278,998,410	0	0	797,995,618,157
2011	0	0	154,673,516	17,115,994	634,745,155,214	0	0	634,916,944,724
2012	8,239,299	0	-	454,610,693	657,767,439,181	0	0	658,230,289,173
2013	203,072,581	0	56,135,813	105,912,235	1,043,258,406,733	0	0	1,043,623,527,362
2014	343,850,845	0	18,824,638	325,643,304	1,337,935,995,492	0	0	1,338,624,314,279
2015	428,465,117	12,632,983	237,579,669	199,544,057	886,550,794,875	66,038,250,859	0	953,467,267,560
2016	852,565,578	194,044,609	80,448,819	352,499,107	451,532,992,033	124,093,262,536	0	577,105,812,682
2017	775,782,976	0	454,153,455	467,654,139	782,857,282,887	488,153,667,480	0	1,272,708,540,937
2018	949,071,250	0	192,932,476	205,086,396	791,148,906,293	410,873,111,775	1,694,865	1,203,370,803,055





# THE Nigerian STOCK EXCHANGE

## Summary of Trading Activities by Category

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## Summary of Trading Activities by Category

January to March 2018

SECTOR	JANUARY		FEBRUARY		MARCH	
	VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
<b>Equity</b>						
<b>ASeM</b>						
CONGLOMERATES	37,330	114,579	27,334	84,016	223,483	688,419
CONSTRUCTION/REAL ESTATE	840	470	600	336	1,200	672
CONSUMER GOODS	9,001,201	10,793,622	144,089	164,261	12,847,999	13,226,155
FINANCIAL SERVICES	70,000	50,400	0	0	0	0
OIL AND GAS	6	3	300,000	144,000	313,907,790	144,085,989
SERVICES	1,546	2,093	0	0	402,520.00	344,406
<b>Sub Total</b>	<b>9,110,923</b>	<b>10,961,168</b>	<b>472,023</b>	<b>392,613</b>	<b>327,382,992</b>	<b>158,345,641</b>
<b>Main Board</b>						
AGRICULTURE	71,447,602	938,820,612	40,414,303	659,684,462	67,792,024	2,261,302,940
CONGLOMERATES	6,629,150,980	16,538,490,650	725,346,540	2,102,276,057	344,627,957	1,269,752,619
CONSTRUCTION/REAL ESTATE	32,926,334	268,997,941	22,212,548	120,227,090	14,349,785	108,701,800
CONSUMER GOODS	1,056,859,907	52,040,116,677	532,680,794	29,487,795,283	790,453,295	24,849,581,931
FINANCIAL SERVICES	11,120,804,964	68,596,315,022	8,437,453,158	39,933,163,971	5,740,172,901	54,064,117,380
HEALTHCARE	78,674,092	332,226,821	117,790,000	1,476,837,748	129,789,617	1,223,848,310
ICT	1,644,560	1,534,784	5,378,377	2,281,907	51,071,462	15,868,303
INDUSTRIAL GOODS	119,713,546	3,578,918,103	257,452,251	4,772,059,470	47,911,375	1,398,481,972
NATURAL RESOURCES	7,362,325	4,186,445	90,952,468	34,511,655	80,038,958	22,797,612
OIL AND GAS	395,787,627	5,185,992,698	209,333,750	2,613,497,549	467,459,671	4,237,444,506
SERVICES	171,068,993	368,424,508	368,883,479	511,676,243	103,454,328	225,444,361
<b>Sub Total</b>	<b>19,685,440,930</b>	<b>147,854,024,260</b>	<b>10,807,897,668</b>	<b>81,714,011,435</b>	<b>7,837,121,373</b>	<b>89,677,341,734</b>
<b>Premium Board</b>						
FINANCIAL SERVICES	1,972,917,438	39,375,365,374	1,120,349,388	20,117,633,917	1,985,087,610	41,793,845,381
INDUSTRIAL GOODS	39,695,526	9,980,393,164	16,168,235	4,193,523,810	17,404,780	4,611,755,593
<b>Sub Total</b>	<b>2,012,612,964</b>	<b>49,355,758,538</b>	<b>1,136,517,623</b>	<b>24,311,157,727</b>	<b>2,002,492,390</b>	<b>46,405,600,974</b>
<b>Equity Total</b>	<b>21,707,164,817</b>	<b>197,220,743,966</b>	<b>11,944,887,314</b>	<b>106,025,561,775</b>	<b>10,166,996,755</b>	<b>136,241,288,349</b>
<b>Debt</b>						

CORPORATE BONDS/DEBENTURES	0	0	0	0	0	0
GOVERNMENT BONDS - STATE AND LOCAL	0	0	0	0	13,206	15,000,358
GOVERNMENT BONDS - FEDERAL	30,591	30,097,084	37,333	36,304,549	58,978	60,991,775
SUPRANATIONAL BONDS	0	0	0	0	0	0
<b>Sub Total</b>	<b>30,591</b>	<b>30,097,084</b>	<b>37,333</b>	<b>36,304,549</b>	<b>72,184</b>	<b>75,992,133</b>
<b>Exchange Traded Products</b>						
ETP	3,187,922	119,111,906	1,416,737	17,178,217	1,908,891	10,867,710
<b>Sub Total</b>	<b>3,187,922</b>	<b>119,111,906</b>	<b>1,416,737</b>	<b>17,178,217</b>	<b>1,908,891</b>	<b>10,867,710</b>
<b>Grand Total</b>	<b>21,710,383,330</b>	<b>197,369,952,956</b>	<b>11,946,341,384</b>	<b>106,079,044,541</b>	<b>10,168,977,830</b>	<b>136,328,148,191</b>

## April to June 2018

SECTOR	APRIL		MAY		JUNE	
	VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
<b>Equity</b>						
<b>ASeM</b>						
CONGLOMERATES	49,960	148,374	3,200	10306	340	1,053
CONSTRUCTION/REAL ESTATE	0	0	360	202	1,200	672
CONSUMER GOODS	48,300	47,966	10,900	10423	11,537	10,845
FINANCIAL SERVICES	0	0	7,300	5256	0	0
OIL AND GAS	949,020	329,386	152,063	48660	109,651	35,088
SERVICES	1,148,888	931,454	1,231,744	935657	5,140	4,920
<b>Sub Total</b>	<b>2,196,168</b>	<b>1,457,180</b>	<b>1,405,567</b>	<b>1010504</b>	<b>127,868</b>	<b>52,579</b>
<b>Main Board</b>						
AGRICULTURE	32,621,944	513,999,818	25,167,024	1,153,893,222	18,848,523	1,099,627,622
CONGLOMERATES	341,026,665	1,516,748,563	218,624,545	512,370,144	233,655,456	638,931,127
CONSTRUCTION/REAL ESTATE	12,913,375	187,482,533	11,352,786	89,148,195	6,791,146	42,637,074
CONSUMER GOODS	380,523,322	22,941,163,537	307,207,080	18,389,554,961	642,680,443	19,948,060,557
FINANCIAL SERVICES	4,764,074,048	35,503,169,290	4,340,473,585	94,661,084,594	3,549,428,595	30,173,303,049
HEALTHCARE	56,749,014	756,635,216	99,279,930	485,757,526	51,599,600	187,310,106
ICT	33,649,415	16,947,407	26,232,859	94,837,590	332,515	267,005
INDUSTRIAL GOODS	35,653,243	839,149,820	30,970,698	663,275,857	54,856,254	1,278,546,783
NATURAL RESOURCES	11,140,625	3,044,987	1,570,878	6,227,930	72,383,363	16,213,033
OIL AND GAS	509,357,703	4,403,639,791	216,420,633	1,582,402,277	199,357,939	1,397,931,139
SERVICES	152,750,857	323,940,106	232,743,171	521,064,467	380,982,767	941,487,096
<b>Sub Total</b>	<b>6,330,460,211</b>	<b>67,005,921,067</b>	<b>5,510,043,189</b>	<b>118,159,616,764</b>	<b>5,210,916,601</b>	<b>55,724,314,592</b>
<b>Premium Board</b>						

FINANCIAL SERVICES	2,109,189,957	36,671,970,043	1,918,448,114	32,961,883,782	1,827,860,597	27,165,483,080
INDUSTRIAL GOODS	21,144,134	2,190,165,148	44,799,066	7,200,797,942	61,509,003	8,238,212,158
OIL AND GAS	331,164	245,028,442	1,099,936	811,435,146	3,936,328	2,765,434,075
<b>Sub Total</b>	<b>2,130,665,255</b>	<b>39,107,163,633</b>	<b>1,964,347,116</b>	<b>40,974,116,871</b>	<b>1,893,305,928</b>	<b>38,169,129,313</b>
<b>Equity Total</b>	<b>8,463,321,634</b>	<b>106,114,541,880</b>	<b>7,475,795,872</b>	<b>159,134,744,138</b>	<b>7,104,350,397</b>	<b>93,893,496,483</b>
<b>Debt</b>						
CORPORATE BONDS/DEBENTURES	0.00	0	0	0	0	0.00
GOVERNMENT BONDS - STATE AND LOCAL	0.00	0	75,000	77,783,174.17	0	0
GOVERNMENT BONDS - FEDERAL	21,437	21,423,690	32,618	33,320,745	31,745	29,442,920
SUPRANATIONAL BONDS	0	0	0	0	0	0
<b>Sub Total</b>	<b>21,437</b>	<b>21,423,690</b>	<b>107,618</b>	<b>111,103,919</b>	<b>31,745</b>	<b>29,442,920</b>
<b>Exchange Traded Products</b>						
ETP	975,273	15,204,376	1,308,624	10,408,939	289,600	2,623,326
<b>Sub Total</b>	<b>975,273</b>	<b>15,204,376</b>	<b>1,308,624</b>	<b>10,408,939</b>	<b>289,600</b>	<b>2,623,326</b>
<b>Grand Total</b>	<b>8,464,318,344</b>	<b>106,151,169,947</b>	<b>7,477,212,114</b>	<b>159,256,256,997</b>	<b>7,104,671,742.00</b>	<b>93,925,562,729</b>

## July to September 2018

SECTOR	JULY		AUGUST		SEPTEMBER	
	VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
<b>Equity</b>						
<b>ASeM</b>						
CONSTRUCTION/REAL ESTATE	12,800	7,552	6,250	3,000		
CONSUMER GOODS	12,487,781	11,144,584	69,105	46,045	520	369
CONGLOMERATES	7,347	22,630	2,087	5,980	520	1,446
HEALTHCARE	0	0	0	0	0	0
FINANCIAL SERVICES	415,030	253,619	0	0	0	0
OIL AND GAS	12,603,216	3,715,663	356,224	88,967	1,065,254	254,240
SERVICES	5,405,405	3,591,879	16,028	11,354	14,700	11,238
<b>Sub Total</b>	<b>30,931,579</b>	<b>18,735,927</b>	<b>449,694</b>	<b>155,347</b>	<b>1,080,994</b>	<b>267,292</b>
<b>Main Board</b>						
AGRICULTURE	21,925,581	504,388,998	22,518,573	497,888,172	10,226,623	308,297,780
CONGLOMERATES	409,712,573	676,228,736	218,005,922	339,925,900	179,932,279	426,249,210
CONSTRUCTION/REAL ESTATE	12,117,435	146,228,462	6,153,637	39,412,341	6,154,707	21,925,324
CONSUMER GOODS	332,967,402	16,118,096,095	258,945,581	14,016,248,333	207,664,719	12,600,472,476
FINANCIAL SERVICES	2,118,354,803	16,420,215,857	2,523,399,255	19,376,967,224	2,013,155,400	26,861,371,778
HEALTHCARE	57,968,331	103,653,046	153,731,387	208,328,487	37,466,808	78,136,871
ICT	630,925	711,742	42,213,859	10,241,441	2,031,256	1,223,850
INDUSTRIAL GOODS	30,949,720	622,293,540	47,896,530	2,048,583,683	56,975,161	314,938,957
NATURAL RESOURCES	358,607,064	73,572,372	4,344,934	3,830,268	627,861	725,687
OIL AND GAS	207,705,558	1,819,602,453	159,531,195	1,427,973,920	134,323,759	904,422,664
SERVICES	1,103,424,061	3,814,594,327	290,971,477	1,306,128,047	117,342,516	449,308,781
<b>Sub Total</b>	<b>4,654,363,453</b>	<b>40,299,585,627</b>	<b>3,727,712,350</b>	<b>39,275,527,817</b>	<b>2,765,901,089</b>	<b>41,967,073,378</b>
<b>Premium Board</b>						

FINANCIAL SERVICES	1,978,196,134	27,033,147,526	1,618,252,865	19,822,174,403	1,341,429,750	15,957,093,155
INDUSTRIAL GOODS	43,419,338	5,112,686,817	54,656,822	7,672,556,099	38,358,982	6,121,941,089
OIL AND GAS	885,751	577,934,954	229,919	153,126,183	1,746,187	1,054,007,760
<b>Sub Total</b>	<b>2,022,501,223</b>	<b>32,723,769,296</b>	<b>1,673,139,606</b>	<b>27,647,856,685</b>	<b>1,381,534,919</b>	<b>23,133,042,003</b>
<b>Equity Total</b>	<b>6,707,796,255</b>	<b>73,042,090,851</b>	<b>5,401,301,650</b>	<b>66,923,539,849</b>	<b>4,148,517,002</b>	<b>65,100,382,673</b>
<b>Debt</b>						
CORPORATE BONDS/DEBENTURES	0	0	0	0	0	0
GOVERNMENT BONDS - STATE AND LOCAL	0	0	40,000	40356250	0	0
GOVERNMENT BONDS - FEDERAL	50,997	54,713,798	171,444	198,336,741	130,863	135,642,707
SUPRANATIONAL BONDS	0	0	0	0	0	0
<b>Sub Total</b>	<b>50,997</b>	<b>54,713,798</b>	<b>211,444</b>	<b>238,692,991</b>	<b>130,863</b>	<b>135,642,707</b>
<b>Exchange Traded Products</b>						
ETP	106,355	2,146,997	16,304	4,828,300	169,539	3,305,263
<b>Sub Total</b>	<b>106,355</b>	<b>2,146,997</b>	<b>16,304</b>	<b>4,828,300</b>	<b>169,539</b>	<b>3,305,263</b>
<b>Grand Total</b>	<b>6,707,953,607.00</b>	<b>73,098,951,647</b>	<b>5,401,529,398</b>	<b>67,167,061,140</b>	<b>4,148,817,404</b>	<b>65,239,330,644</b>

## October to December 2018

SECTOR	OCTOBER		NOVEMBER		DECEMBER	
	VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
<b>Equity</b>						
<b>ASeM</b>						
CONSTRUCTION/REAL ESTATE	0	0	0	0	0	-
CONSUMER GOODS	1,027,250	530,325	250,166	114,953	60,125	28,232
CONGLOMERATES	2,548	7,083	3,500	9,730	40,881	113,649
FINANCIAL SERVICES	100	53	0	0	0	-
OIL AND GAS	43,120	10,851	15,550	3,266	0	-
SERVICES	1,160,953	661,259	50	80	109,500	74,744
<b>Sub Total</b>	<b>2,233,971</b>	<b>1,209,571</b>	<b>269,266</b>	<b>128,028</b>	<b>210,506</b>	<b>216,625</b>
<b>Main Board</b>						
AGRICULTURE	12,921,304	295,986,926	12,559,491	555,043,680	5,954,000	162,537,815
CONGLOMERATES	179,742,247	663,331,183	132,729,083	237,633,819	210,209,965	385,860,207
CONSTRUCTION/REAL ESTATE	9,205,725	72,120,908	6,384,160	44,076,662	3,806,876	42,632,993
CONSUMER GOODS	312,964,029	12,409,436,162	291,690,143	13,708,337,873	224,985,667	10,961,917,141
FINANCIAL SERVICES	3,298,160,058	24,511,756,154	2,306,340,009	18,490,005,602	4,299,821,661	19,074,404,152
HEALTHCARE	41,406,448	152,586,596	41,775,601	100,787,693	600,328,493	341,500,590
ICT	13,653,061	3,564,925	164,407	213,869	727,271	834,430
INDUSTRIAL GOODS	24,257,990	296,762,495	56,063,884	1,028,413,615	19,117,596	282,053,481
NATURAL RESOURCES	4,789,844	1,837,302	374,978	293,348	1,360,163	663,395
OIL AND GAS	97,577,126	527,941,312	173,129,229	1,088,723,498	156,987,079	1,939,397,157
SERVICES	46,813,652	109,850,359	333,557,892	740,545,017	518,026,166	1,240,439,262
<b>Sub Total</b>	<b>4,041,491,484</b>	<b>39,045,174,321</b>	<b>3,354,768,877</b>	<b>35,994,074,675</b>	<b>6,041,324,937</b>	<b>34,432,240,622</b>
<b>Premium Board</b>						

FINANCIAL SERVICES	971,223,431	13,438,081,230	2,041,859,007	33,686,038,762	1,621,996,158	20,472,274,421
INDUSTRIAL GOODS	42,736,434	5,770,545,807	39,859,538	3,573,285,619	141,354,336	7,568,881,461
OIL AND GAS	3,983,340	2,472,203,008	2,564,212	1,608,660,997	773,051	455,545,433
<b>Sub Total</b>	<b>1,017,943,205</b>	<b>21,680,830,044</b>	<b>2,084,282,757</b>	<b>38,867,985,378</b>	<b>1,764,123,545</b>	<b>28,496,701,315</b>
<b>REITCEF Board</b>						
CONSTRUCTION/REAL ESTATE	0	0	0	0	249,950	1,693,365
FINANCIAL SERVICES	0	0	0	0	3	1,500
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>249,953</b>	<b>1,694,865</b>
<b>Equity Total</b>	<b>5,061,668,660</b>	<b>60,727,213,937</b>	<b>5,439,320,900</b>	<b>74,862,188,081</b>	<b>7,805,908,941</b>	<b>62,930,853,427</b>
<b>Debt</b>						
CORPORATE BONDS/DEBENTURES	0	0	0	0	0	-
GOVERNMENT BONDS - STATE AND LOCAL	0	0	0	0		
GOVERNMENT BONDS - FEDERAL	81,774	83,497,377	103,744	103,541,181	30,661	28,618,898
SUPRANATIONAL BONDS	0	0	0	0	0	-
<b>Sub Total</b>	<b>81,774</b>	<b>83,497,377</b>	<b>103,744</b>	<b>103,541,181</b>	<b>30,661</b>	<b>28,618,898</b>
<b>Exchange Traded Products</b>						
ETP	333,344	4,247,464	30,577	3,817,009	990,853	11,346,889
<b>Sub Total</b>	<b>333,344</b>	<b>4,247,464</b>	<b>30,577</b>	<b>3,817,009</b>	<b>990,853.00</b>	<b>11,346,889</b>
<b>Grand Total</b>	<b>5,062,083,778</b>	<b>60,814,958,778</b>	<b>5,439,455,221</b>	<b>74,969,546,271</b>	<b>7,806,930,455</b>	<b>62,970,819,214</b>



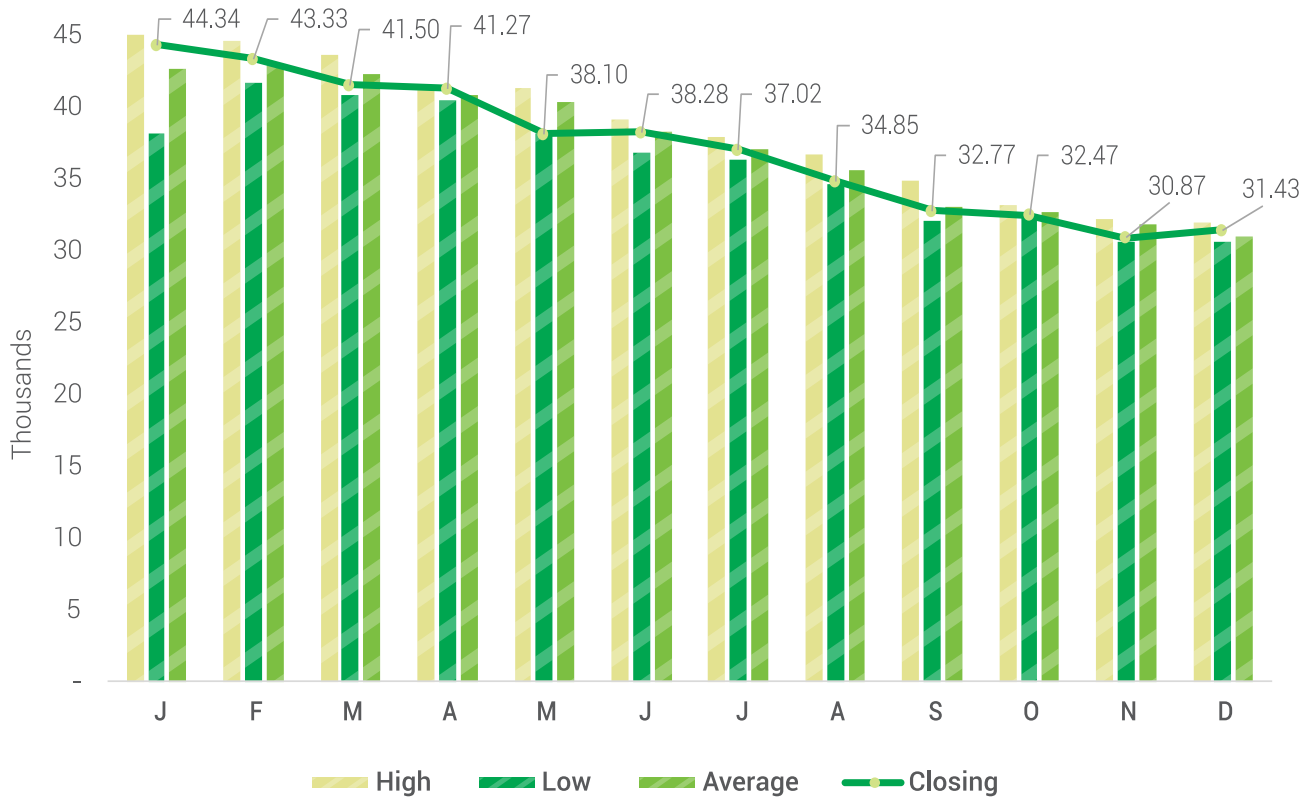
# THE Nigerian STOCK EXCHANGE

## All Share Index 2018

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## All Share Index 2018

Month	High	Low	Average	Closing
J	45,092.83	38,187.28	42,624.26	44,343.65
F	44,639.99	41,708.15	42,921.35	43,330.54
M	43,609.77	40,802.08	42,298.55	41,504.51
A	41,268.01	40,429.18	40,814.94	41,268.01
M	41,306.02	38,104.54	40,380.96	38,104.54
J	39,167.04	36,816.29	38,261.95	38,278.55
J	37,946.92	36,346.80	37,088.89	37,017.78
A	36,688.91	34,618.43	35,603.04	34,848.45
S	34,933.68	32,022.23	33,103.20	32,766.37
O	33,196.07	32,382.58	32,636.90	32,466.27
N	32,228.50	30,611.55	31,822.42	30,874.17
D	31,967.01	30,568.05	30,931.20	31,430.50





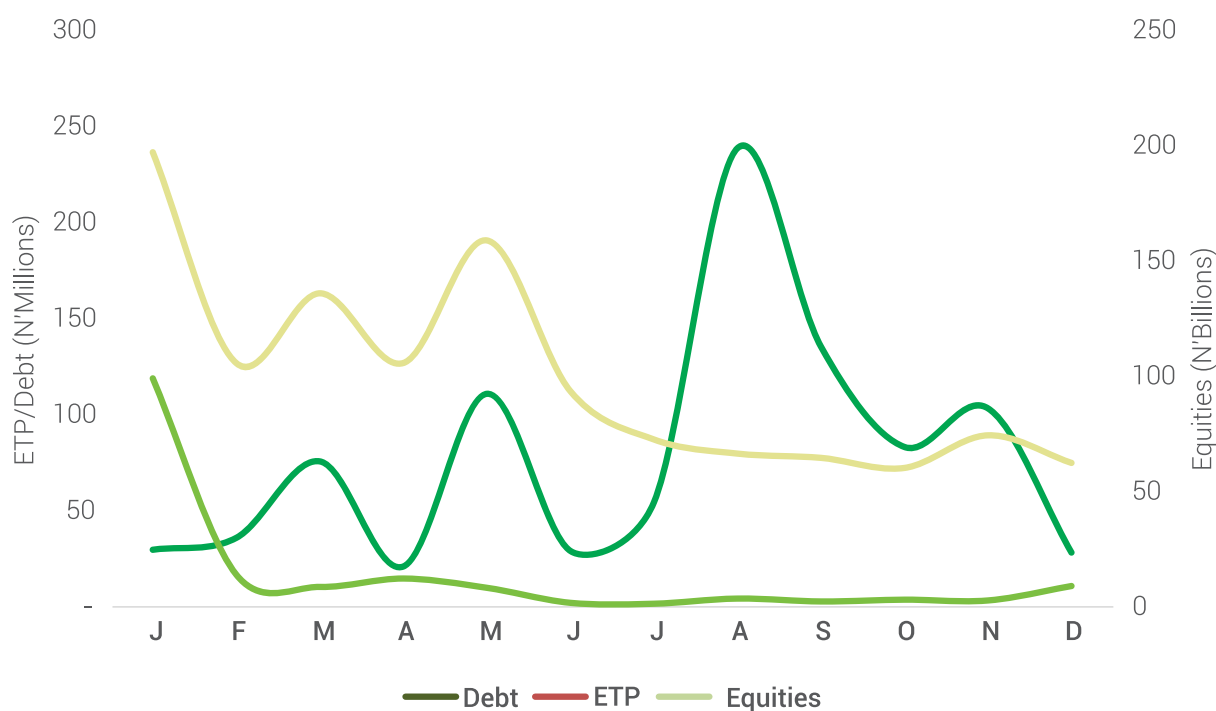
# THE Nigerian STOCK EXCHANGE

## Monthly Trading Activities by Value

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## Monthly Trading Activities by Value(N) - 2018

Month	Debt	ETPs	Equities	Total
J	30,097,084	119,111,906	197,220,743,966	197,369,952,956
F	36,304,549	17,178,217	106,025,561,775	106,079,044,541
M	75,992,133	10,867,710	136,241,288,349	136,328,148,191
A	21,423,690	15,204,376	106,114,541,880	106,151,169,947
M	111,103,919	10,408,939	159,134,744,138	159,256,256,997
J	29,442,920	2,623,326	93,893,496,483	93,925,562,729
J	54,713,798	2,146,997	73,042,090,851	73,098,951,647
A	238,692,991	4,828,300	66,923,539,849	67,167,061,140
S	135,642,707	3,305,263	65,100,382,673	65,239,330,644
O	83,497,377	4,247,464	60,727,213,937	60,814,958,778
N	103,541,181	3,817,009	74,862,188,081	74,969,546,271
D	28,618,898	11,346,889	62,930,853,427	62,970,819,214
	<b>949,071,250</b>	<b>205,086,396</b>	<b>1,202,216,645,409</b>	<b>1,203,370,803,055</b>





# THE Nigerian STOCK EXCHANGE

## Summary of Trading Activities

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## Summary of Trading Activities, January to December, 2018

Month	Deals	Volume	Value (N)
J	168,771	21,710,383,330	197,369,952,956
F	112,259	11,946,341,384	106,079,044,541
M	103,578	10,168,977,830	136,328,148,191
A	92,901	8,464,318,344	106,151,169,947
M	90,691	7,477,212,114	159,256,256,997
J	79,359	7,104,671,742	93,925,562,729
J	85,096	6,707,953,607	73,098,951,647
A	69,035	5,401,529,398	67,167,061,140
S	62,857	4,148,817,404	65,239,330,644
O	64,058	5,062,083,778	60,814,958,778
N	60,899	5,439,455,221	74,969,546,271
D	59,242	7,806,930,455	62,970,819,214
	<b>1,048,746</b>	<b>101,438,674,607</b>	<b>1,203,370,803,055</b>





# THE Nigerian STOCK EXCHANGE

## Growth in Listed Securities

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## Growth in Securities Report (2018)

*Listing Statistics from 1 January 2018 to 31 December 2018*

Board/Asset Class	Securities (as at 31 December 2017)	New Listings	Supplementary Listings <sup>1</sup>	Migration	Delisted/Matured /Adjustment	Securities (as at 31 December 2018)	Percentage change (%)
Premium Board	3 companies	0	0	4	0	7 companies	133.3
Main Board	154 companies	1	9	(4)	(3)	148 companies	(3.90)
	0 preference shares	0	0	0	0	0 preference shares	0
	3 REITs	0	0	0	0	3 REITs	0
	2 funds <sup>2</sup>	0	0	0	0	2 funds	0
ASeM	10 companies	0	0	0	(1)	9 companies	(10)
Bonds	85 bonds	37	26	0	(14)	108 bonds	27.06
ETPs	9 ETFs	0	0	0	0	9 ETFs	0
Memorandum Listing	44 mutual funds	4	0	0	(1)	47 mutual funds	9.30
<b>Total</b>	<b>310</b>	<b>42</b>	<b>35</b>	<b>0</b>	<b>(19)</b>	<b>333</b>	<b>7.42</b>

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Note that the changes within the period under consideration as shown above are:

**Main Board:**

- One (1) new listing
- Nine (9) supplementary listings
- Four (4) companies migrated from the Main Board to the Premium Board
- Three (3) companies were delisted from the Main Board of the Daily Official List of The Exchange

**ASeM Board**

- One (1) company was delisted from the ASeM Board of the Daily Official List of The Exchange

**Bonds:**

- Thirty-seven (37) new bond listings
- Twenty-six (26) supplementary bond listings
- Fourteen (14) bonds were delisted at their maturity dates from Daily Official List of The Exchange

**Memorandum Listings:**

- Four (4) new listings

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1 Not included in the computation of the total

2. These funds trade as equities



# THE Nigerian STOCK EXCHANGE

## Active Dealing Member Firms

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S/N	FIRM
1	Afrinvest Securities Limited
2	Alangrange Securities Limited
3	Anchoria Investment and Securities Limited
4	Apel Asset Limited
5	APT Securities and Funds Limited
6	ARM Securities Limited
7	Arthur Stevens Asset Management Limited
8	Associated Asset Managers Limited
9	Atlass Portfolio Limited
10	Barclays Stockbrokers Nigeria Limited
11	Bauchi Investment Corporation Securities Limited
12	Belfry Investment and Securities Limited
13	Bestworth Assets and Trust Limited
14	Calyx Securities Limited
15	Camry Securities Limited
16	Capital Asset Limited
17	Capital Bancorp Plc.
18	Capital Express Securities Limited
19	Capital Trust Brokers Limited
20	Cardinal Stone Securities Limited
21	Cashcraft Securities Limited
22	Cashville Investment and Securities Limited
23	CDL Capital Markets Limited
24	Centre Point Investment Limited
25	Century Securities Limited
26	Chapel Hill Denham Securities Limited
27	Chartwell Securities Limited
28	Citi Investment Capital Limited
29	City Code Trust and Investment Company Limited
30	Compass Investment and Securities Limited
31	Cordros Securities Limited
32	Core Securities Limited
33	Coronation Securities Limited
34	Cowry Securities Limited
35	Crane Securities Limited

36	Crossworld Securities Limited
37	Crown Capital Limited
38	CSL Stockbrokers Limited
39	Deep Trust Investment Limited
40	De-Lords Securities Limited
41	Dependable Securities Limited
42	Dominion Trust Limited
43	DSU Brokerage Services Limited
44	Dunbell Securities Limited
45	Dunn Loren Merrifield Securities Limited
46	Dynamic Portfolio Limited
47	EDC Securities Limited
48	Edgefield Capital Management Limited
49	EFCP Limited
50	El-Elyon Alliance and Securities Limited
51	Elixir Securities Limited
52	Enterprise Stockbrokers Limited
53	Equity Capital Solutions Limited
54	Eurocomm Securities Limited
55	Express Portfolio Services Limited
56	Falcon Securities Limited
57	FBC Trust and Securities Limited
58	FBNQuest Securities Limited
59	FCSL Asset Management Company Limited
60	Fidelity Finance Company Limited
61	Financial and Analytics Capital Limited
62	Financial Trust Company Nigeria Limited
63	Finmal Finance Services Limited
64	First Integrated Capital Management Limited
65	First Stockbrokers Limited
66	FIS Securities Limited
67	Foresight Securities and Investment Limited
68	Forte Financial Limited
69	Forthright Securities and Investments Limited

70	Fortress Capital Limited
71	FSDH Securities Limited
72	FSL Securities Limited
73	Funds Matrix and Assets Management Limited
74	Fundvine Capital and Securities Limited
75	Futureview Securities Limited
76	Gidauniya Investment and Securities Limited
77	Global Asset Management (Nig) Limited
78	GlobalView Capital Limited
79	Golden Securities Limited
80	Greenwich Securities Limited
81	Growth & Development Asset Management Limited
82	Gruene Capital Limited
83	GTI Securities Limited
84	Harmony Securities Limited
85	Heartbeat Investment Limited
86	Hedge Securities and Investment Limited
87	Helix Securities Limited
88	Heritage Capital Markets Limited
89	ICMG securities Limited
90	Icon Stockbrokers Limited
91	Imperial Asset Managers Limited
92	Integrated Trust and Investment Limited
93	Interstate Securities Limited
94	Investment Centre Limited
95	Investment One Stockbrokers International Limited
96	Investors and Trust Company Limited
97	Kapital Care Trust and Securities Limited
98	Kedari Capital Limited
99	Kinley Securities Limited
100	Kofana Securities and Investment Limited
101	Kundila Finance Services Limited
102	Lambeth Trust and Investment Company Limited
103	Lead Securities and Investment Limited

104	Lighthouse Asset Management Limited
105	Magnartis Finance and Investment Limited
106	Mainstreet Bank Securities Limited
107	Marriot Securities and Investment Co. Limited
108	Maxifund Investment and Securities Plc.
109	Mayfield Investment Limited
110	MBC Securities Limited
111	MBL Financial Services Limited
112	Mega Equities Limited
113	Meristem Stockbrokers Limited
114	Midas Stockbrokers Limited
115	Milestone Capital Management Limited
116	Mission Securities Limited
117	Molten Trust Limited
118	Morgan Capital Securities Limited
119	Mountain Investment and Securities Limited
120	Network Capital Limited
121	Networth Securities and Finance Limited
122	Newdevco Investments and Securities Limited
123	Nigerian International Securities Limited
124	Nigerian Stockbrokers Limited
125	Nova Finance and Securities Limited
126	Osborne Capital Markets Limited
127	PAC Securities Limited
128	Peace Capital Markets Limited
129	Phronesis Securities Limited
130	Pilot Securities Limited
131	Pinefields Investment Services Limited
132	PIPC Securities Limited
133	Pivot Capital Limited
134	Planet Capital Limited
135	Portfolio Advisers Limited
136	Premium Capital and Stockbrokers Limited
137	Primera Africa Securities Limited

138	Primewealth Capital Limited
139	Prominent Securities Limited
140	PSI Securities Limited
141	Pyramid Securities Limited
142	Qualinvest Capital Limited
143	Quantum Zenith Securities & Investments Limited
144	Rainbow Securities and Investment Company Limited
145	Readings Investment Limited
146	Regency Asset Management Limited
147	Rencap Securities (Nig) Limited
148	Resort Securities and Trust Limited
149	Reward Investment and Service Limited
150	RMB Nigeria Stockbrokers Limited
151	Rostrum Investment and Sec Limited
152	Rowet Capital Management Limited
153	Royal Crest Finance Limited
154	Royal Guaranty and Trust Limited
155	Royal Trust Securities Limited
156	Sankore Securities Limited
157	Santrust Securities Limited
158	Securities Africa Financial Limited
159	Securities and Capital Management Company Limited
160	Security Swaps Limited
161	Shalom Investment and Financial Services Limited
162	Shelong Investments Limited
163	Sigma Securities Limited
164	Signet Investment and Securities Limited
165	Skyview Capital Limited
166	Smadac Securities Limited
167	Solid Rock Securities and Investment Plc.
168	Spring Trust and Securities Limited
169	Springboard Trust and Investment Limited
170	Stanbic IBTC Stockbrokers Limited
171	Standard Union Securities Limited

172	TFS Securities and Investment Company Limited
173	The Bridge Securities Limited
174	Tiddo Securities Limited
175	Tomil Trust Limited
176	Topmost Securities Limited
177	Tower Securities and Investment Company Limited
178	Trade Link Securities Limited
179	Traders Trust and Investment Company Limited
180	Transworld Investment Limited
181	Trust Yield Securities Limited
182	TrustBanc Capital Management Limited
183	Trusthouse Investment Limited
184	TRW Stockbrokers Limited
185	Tyndale Securities Limited
186	UIDC Securities Limited
187	Unex Capital Limited
188	Union Capital Markets Limited
189	United Capital Securities Limited
190	Valmon Securities Limited
191	Valueline Securities and Investment Limited
192	Vetiva Securities Limited
193	WCM Capital Limited
194	WSTC Securities Limited
195	Zion Stockbrokers & Securities Limited



# THE Nigerian STOCK EXCHANGE

## Management Team

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## Management Team



**Oscar N. Onyema, OON**  
CEO



**Tinuade Awe**  
ED, Regulation



**Bola Adeeko**  
Divisional Head,  
Corporate Services



**Jude Chiemeka**  
Divisional Head,  
Tradings Business



**Olumide Bolumole**  
Divisional Head,  
Listings Business



**Cyril Eighbobo**  
Chief Financial Officer



**Olufemi Shobanjo**  
Head, Broker Dealer Regulation



**Abimbola Babalola**  
Head, Market Surveillance  
and Investigations



**Gabriel Igbeka**  
Head, Administration Services

## Management Team



**Rasaq Ozemede**  
Head, Enterprise Risk  
Management



**Olumide Orojimi**  
Head,  
Corporate Communications



**Irene Robinson-Ayanwale**  
Head, Legal Services



**Tony Ibeziako**  
Head, Primary Markets



**Mojisola Adeola**  
Head, Council Secretariat



**Adeyemi Osoba**  
Head, Branch Network



**Kenneth Nwafor**  
Head, Market Operations



**Okon Onuntuei**  
Head, Strategy



**Nsikak John**  
Head, Enterprise Innovation  
Hub

## Management Team



**Godstime Iwenekhai**  
Head, Listings Regulation



**Olufemi Balogun**  
Head, Market Services



**Bernard Ahanonu**  
Head, Internal Affairs



**Tosin Beredugo**  
Head, Technology Services



**John Adelana**  
Head, Regulatory Technology



**Oluwatoyin Alake**  
Head, Secondary Market



**Ugochi Obi**  
Head, NSE X-Academy



**Opeoluwa Adesanya**  
Head, State Owned Enterprises



# THE Nigerian STOCK EXCHANGE

## Moments

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# Moments



L – R shows Mr. Tony Ibeziako, Head of Primary Markets, The Nigerian Stock Exchange (NSE); Mr. Bola Adeeko, Head, Shared Services Division, NSE; Mr. Oscar N. Onyema OON, Chief Executive Officer, NSE; Ms. Tinuade Awe, Executive Director, Regulation, NSE during the presentation of 2017 Market Recap & Outlook for 2018 at The Exchange.



L – R shows Mr. Aigboje Aig-Imoukhuede, CON, Ex-Officio, The Nigerian Stock Exchange (NSE); Mr. James M. Stone, the founder and CEO of Plymouth Rock Company and former Chairman of the United State (US) Commodities Futures Trading Commission (CFTC); Mr. Oscar N. Onyema, OON, Chief Executive Officer, NSE; Mr. Abubakar Jimoh, Group Managing Director/CEO, Coronation Merchant Bank during a lecture on Pluses and Pitfalls of derivatives trading at The NSE.



L-R shows Lilian Idowu Adeleke, Program Officer at Pearls Africa; Debola Ibiokunle, Mentor at Pearls Africa; Jumoke Fajemirokun, Member of the Advisory Board of Pearls Africa, Nwala Lady Joy from GirlsCoding, Bola Adeeko-Divisional Head, Shared Services, The Nigerian Stock Exchange, Abisoye Ajayi-Akinfolarin Founder Pearls Africa, Mariam Matti from GirlsCoding, Odunayo Ajayi from GirlsCoding, Nosirat Alade from GirlsCoding, Oghale Otokunefor - Mentor at Pearls Africa, Bakenne Mariam - Facilitator from GirlsCoding, Jemimah Olisah - Facilitator from GirlsCoding during a Closing Gong Ceremony at The Exchange.



L – R shows Mr. Aigbovbioise Aig-Imoukhuede, Head, Capital Markets, Coronation Merchant Bank; Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Mr. James M. Stone, the Founder and CEO of Plymouth Rock Company and former Chairman of the United State (US) Commodities Futures Trading Commission (CFTC); Mrs. Cathy Stone; Mr. Aigboje Aig-Imoukhuede, CON, Ex-Officio NSE; and Mr. Abubakar Jimoh, Group Managing Director/CEO, Coronation Merchant Bank during Closing Ceremony at The Exchange.



L – R shows Mr. Oscar N. Onyema, OON, Chief Executive Office, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Mrs. Yemisi Ayeni, Chairperson, NASCON Allied Industries PLC during the Closing Gong Ceremony at The Exchange.



L – R shows Mr. Tony Ibeziako, Head of Primary Markets, The Nigerian Stock Exchange (NSE); Mrs Fatima Wali Abduranhman- Director, NASCON Allied Industries PLC; Fatimo Aliko Dangote- Executive Director, Commercial, NASCON Allied Industries PLC; Oscar N. Onyema, OON, Chief Executive Office, NSE; Mrs. Yemisi Ayeni, Chairperson, NASCON Allied Industries PLC; Mr. Paul Farrer, Managing Director, NASCON Allied Industries PLC; Halima Dangote, Director, NASCON Allied Industries PLC during the Closing Gong Ceremony at The Exchange.

## Moments



L – R shows Mr. Aigboje Aig-Imoukhuede, CON, Ex-Officio, National Council, The Nigerian Stock Exchange (NSE); Mr. Oscar N. Onyema OON, Chief Executive Officer, NSE; Mr. Abimbola Ogunbanjo, President, National Council, NSE and Mrs. Mojisola Adeola, Head, Council Secretariat, NSE, during the 57th Annual General Meeting of the Exchange held at the NSE Event Centre in Lagos.



L – R shows Mr. Aigboje Aig-Imoukhuede, CON, Ex-Officio, National Council, The Nigerian Stock Exchange (NSE); Mr. Oscar N. Onyema OON, Chief Executive Officer, NSE; Mr. Abimbola Ogunbanjo, President, National Council, NSE; Mrs. Mojisola Adeola, Head, Council Secretariat, NSE and Mr. Abubakar Balarabe Mahmoud, SAN, OON, First Vice President, National Council, NSE, during the 57th Annual General Meeting of the Exchange held at the NSE Event Centre in Lagos.



L – R shows Mr. Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Mr. Olufemi Shobanjo, Head, Broker Dealers Regulation, NSE; Mr. Oscar N. Onyema OON, Chief Executive Officer, NSE; Mrs. Mojisola Adeola, Head, Council Secretariat, NSE and Kenneth Nwafor, Head, Market Services, NSE during the Induction Ceremony of the Newly Authorised Dealing Clerks of The Nigerian Stock Exchange at the Exchange.



L – R shows Dr. Ore Sofekun, Managing Director, Vencap Limited; Mrs. Tope Omojokun, Managing Director, Investment-one Funds Management Limited; Mr. Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Mrs. Adejoke Chukwuma, Chairperson, Investment-one Funds Management Limited; Mr. Tony Ibeziako, Head, Primary Markets, NSE; Mr. Azubuike Okonkwo - Director, Investment-one Funds Management Limited and Mrs. Gbemi Adelekan- Director, Investment-one Funds Management Limited during the Listing of Abacus Money Market Fund at The Exchange.



L – R shows Mr. Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Mrs. Adejoke Chukwuma, Chairperson, Investment-one Funds Management Limited during the Listing of Abacus Money Market Fund at The Exchange.

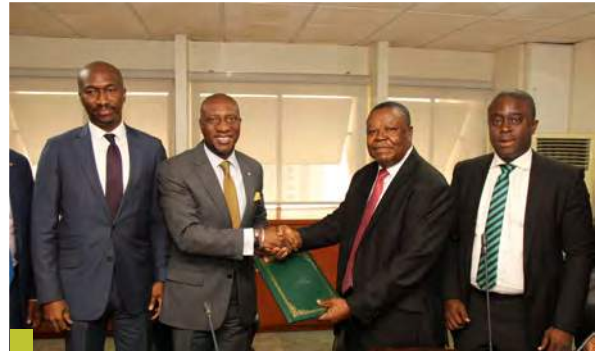


L – R shows Ms. Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Dr. Segun Aina OFR, President, FinTech Association of Nigeria during the Closing Gong Ceremony at The Exchange.

# Moments



L - R shows Mrs. Bunmi Lawon, Vice President, FinTech Association of Nigeria; Ms Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE); Dr. Segun Aina OFR, President, FinTech Association of Nigeria; Barrister Isa Alade, Secretary, FinTech Association of Nigeria and Dr. Yinka David-West, Member, FinTech Association of Nigeria during the Closing Gong Ceremony at The Exchange.



L - R shows Mr. Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Oscar N. Onyema, OON, Chief Executive Officer, NSE; Chief Patrick Ezeagwu, Chairman, Association of Securities Dealing Houses of Nigeria (ASHON) and Mr. Sam Onukwue, Vice Chairman, ASHON during the signing of Memorandum of Understanding (MoU) between NSE and ASHON on Lagos Commodity Exchange at The Exchange.



L - R shows Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Mr. John Coumantaros, Chairman, Flour Mills of Nigeria Plc, during a Facts Behind the Issue (FBI) presentation at The Exchange.



L - R shows Mr. Godstime Iwenekhai, Head, Listings Regulation, The Nigerian Stock Exchange (NSE); Joseph Umolu, Company Secretary / Director, Legal Services; Oscar N. Onyema, OON, Chief Executive Officer, NSE; Mr. John Coumantaros, Chairman, Flour Mills of Nigeria Plc; Mr. Paul Gbededo, Group Managing Director, Flour Mills of Nigeria Plc; Jacques Vauthier, Chief Finance Officer, Flour Mills of Nigeria Plc and Mr. Tony Ibeziako, Head of Primary Markets, NSE during the Facts Behind the Issue presentation at The Exchange.



L - R shows Mr. Tony Ibeziako, Head of Primary Markets, The Nigerian Stock Exchange (NSE); Mr. Oscar N. Onyema, OON, Chief Executive Officer, NSE; Mr. John Coumantaros, Chairman, Flour Mills of Nigeria Plc and Paul Gbededo, Group Managing Director, Flour Mills of Nigeria Plc during a Facts Behind the Issue (FBI) presentation at The Exchange.



L - R shows Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); His Excellency, Mr. Robert Petri, Netherlands Ambassador to Nigeria; Mrs. Marijke Petri - His wife; Mr. Michel Deelen, Deputy Ambassador/Head of Lagos Representation Office, The Embassy of the Kingdom of the Netherlands, Lagos Office; and Ms. Sonia Fajusigbe, Adviser Economic, Trade & investment Affairs, The Embassy of the Kingdom of the Netherlands, Lagos Office during a Closing Gong Ceremony at The Exchange.

## Moments



L – R shows Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to His Excellency, Mr. Robert Petri, Netherlands Ambassador to Nigeria during a Closing Gong Ceremony at The Exchange



L – R shows Mr. Urum Kalu Eke, Group Managing Director, FBN Holdings Plc; Mr. Aigboje Aig-Imoukhuede, CON, Ex-Officio, National Council of Tigerian Stock Exchange; Mr. Soji Apampa, Co-Founder and Chief Executive Officer, Convention on Business Integrity (Cbi); Ambassador Chiedu Osakwe, Director-General, NOTN/Nigerian Chief Trade Negotiator representing His Excellency, Professor Yemi Osinbajo, SAN, GCON, Vice-President, Federal Republic of Nigeria; Otunba Abimbola Ogunbanjo, President, NSE; Mr. Oscar N. Onyema, OON, Chief Executive Officer, NSE and Dr ABC Orjiakor, CEO, Seplat Petroleum Development Company Plc during NSE Launching of Corporate Governance Index and Honouring Companies and Directors for Passing Corporate Governance Rating Assessment dinner at the Civic Centre, Lagos.



L – R shows Mrs. Cynthia Akpomudiare, Director, Stakeholder Relations, The Convention on Business Integrity (Cbi); Ms. Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE); Soji Apampa, Co-Founder and Chief Executive Officer, Cbi; Olubukanla Rufai, Head, Operations Directorate, Lagos Zonal Office, Securities and Exchange Commission (SEC); Wole Famurewa, Former West Africa Editor, CNBC Africa and Head, Stakeholder Engagement, NESG and Vivien Shobo, CEO, Agosto & Co Limited during NSE Launching of Corporate Governance Index and Honouring Companies and Directors for Passing Corporate Governance Rating Assessment dinner at the Civic Centre, Lagos.



L – R shows Mr. Koye Sowemimo, Head Sport, Temple Management; Mr. Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Mr. Oscar N. Onyema, OON, Chief Executive Officer, NSE; Miss Seun Adigun, the Olympian and Captain of Bobsled and Skeleton Federation; Miss Simidele Adeagbo, Olympian and Skeleton Athlete and Ms. Tinuade Awe, Executive Director, Regulation, NSE during a Closing Gong Ceremony in commemoration of first African and Nigerian Bobsled team and a Skeleton Athlete that participated at the winter Olympics in South Korea.



L – R shows Mr. Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Miss Simidele Adeagbo, Olympian and Skeleton Athlete; Mr. Oscar N. Onyema, OON, Chief Executive Officer, NSE; Miss Seun Adigun, the Olympian and Captain of Bobsled and Skeleton Federation; Mrs. Tinuade Awe, Executive Director, Regulation, NSE during a Closing Gong Ceremony in commemoration of first African and Nigerian Bobsled team and a Skeleton Athlete to participate at the winter Olympics in South Korea.



L – R shows Her Excellency, Dame Abimbola Fashola, former First Lady of Lagos State and Chairman, Learn NGO/Ella Care; Mr. Oscar N. Onyema, OON, The Nigerian Stock Exchange (NSE), Oscar N. Onyema, and Ms. Laure Beauflis, former Deputy British Deputy High Commissioner to Nigeria, during the 2018 NSE International Women's Day Symposium on the theme, "Press for Progress" held at The Exchange in Lagos.

# Moments



L – R shows Mr. Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Mr. Abimbola Babalola, Head, Market Surveillance and Investigation, NSE; Mrs. Simi Nwogugu, Executive Director, Junior Achievement Nigeria (JAN); Ms Busola Ogundipe, Segment Manager, Access Bank Plc and Mr. Aju Joshua, President, AIESEC during the NSE 2018 Global Money Week Celebration at The Exchange.



L – R shows Ms. Busola Ogundipe, Segment Manager, Access Bank Plc; Mr. Abimbola Babalola, Head, Market Surveillance and Investigation, NSE; Mr. Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Miss Chukwudubem Somtochukwu, Liberty Bell Secondary School; Sikiru Mueenat, God First International School, Akeugo Kenchukwu, Rainbow College; Mrs. Simi Nwogugu, Executive Director, Junior Achievement Nigeria (JAN); Mr. Aju Joshua, President, AIESEC during the Closing Gong Ceremony in commemoration of NSE 2018 Global Money Week Celebration at The Exchange.



L – R shows Dr. Mrs. Ije Jidenma, FIoD, Second Vice President, Institute of Directors (IoD); Mr. Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Alhaji Ahmed Rufai Mohammed, F. IoD, President/Chairman of Council, IoD; Chief (Dr.) Chris Okunowo, F. IoD, First Vice President, IoD; Mr. Samuel Yemi Akeju, DF, IoD, Immediate Past President, IoD and Bola Adeeko, Head, Shared Services Division, NSE during the Closing Gong Ceremony at The Exchange.



L – R shows Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Bode Makanjuola, Chief Executive Officer, Caverton Offshore Support Group Plc during a Closing Gong Ceremony in commemoration of Caverton Helicopters successful bid award of a 5-Year Contract with Chevron at The Exchange.



L – R shows Mr. Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Alhaji Ahmed Rufai Mohammed, F. IoD, President/Chairman of Council, Institute of Directors (IoD) during the Closing Gong Ceremony at The Exchange.



L – R shows Mr. Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Mr. Charl Bruyns, Group Head, Investor Services & Financial Institutions, Transactional Products & Services, Standard Bank Group; Mr. Oscar N. Onyema OON, Chief Executive Officer, NSE; Mr. Hasan Khan, Group Head, Transactional Products & Services, Standard Bank Group; Akeem Oyewale, Chief Executive, Stanbic IBTC Nominees Limited and Mr. Babatunde Majiyagbe, Executive Director, Stanbic IBTC Nominees Limited during a Closing Gong Ceremony at The Exchange.

## Moments



L – R Shows Mr. Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Mr. Hasan Khan, Group Head, Transactional Products & Services, Standard Bank Group during a Closing Gong Ceremony at The Exchange.



L – R shows Mr. Ayo Omueti, Director, Corporate Services, Caverton Helicopters; Captain Josiah Choms, Managing Director, Caverton Helicopters; Mr. David Sale, Managing Director, Bell Helicopters Company Sales, Middle East & Africa; Mr. Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Mr. Bode Makanjuola, Chief Executive Officer, Caverton Offshore Support Group Plc; Mr. Tolu Osunsanya, Managing Director, Caverton Marines; Victor Ofili, Safety Manager, Caverton Helicopters during a Closing Gong Ceremony in commemoration of Caverton Helicopters successful bid award of a 5-Year Contract with Chevron at The Exchange.



L – R shows Ms. Tinuade Awe, Executive Director Regulation, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Mr. Siaka Isaiah Idoko-Akoh Esq, Chairman/CEO of Investment & Securities Tribunal (IST) during a Closing Gong Ceremony at The Exchange in Lagos.



L – R shows Mr. Dayo Oriomoloye, Chief Risk Officer, Sterling Bank Plc; Mr. Yinka Oni, Chief Information Officer, Sterling Bank Plc; Mr. Dapo Martins, Chief Marketing Officer, Sterling Bank Plc; Ms. Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE); Abubakar Suleiman, Chief Executive Officer, Sterling Bank Plc; Ms. Justina Lewa, Company Secretary, Sterling Bank Plc and Mrs. Adebimpe Olambiwonnu, Group Head, Finance and Performance Management, Sterling Bank Plc during the Closing Gong Ceremony in commemoration of the Facts Behind the Figures at The Exchange.



L – R shows Ms. Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Mr. Abubakar Suleiman, Chief Executive Officer, Sterling Bank Plc during the presentation of the Facts Behind the Figures of Sterling Bank Plc at The Exchange.



L – R shows Godstime Iwenekhai, Head, Listings Regulation, The Nigerian Stock Exchange (NSE); Ms. Tinuade Awe, Executive Director, Regulation, NSE; Mr. Abubakar Suleiman, Chief Executive Officer, Sterling Bank Plc and Yinka Oni, Chief Information Officer, Sterling Bank Plc during the Facts Behind the Figures presentation at The Exchange.

# Moments



L – R shows Mr. Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) with Paul Smith, President/CEO, CFA Institute after Oscar's Keynote presentation, titled: "Investing In Nigeria: Exploring the Investment Potential of One Africa's Leading Economy" at 71st CFA Institute Annual Conference, "themed: Future of Global Investing" in Hong Kong.



L – R shows Mr. Afolabi Oladele, Director Portfolio Management Department, Debt Management Office (DMO); Mr. Mark Eddo, Communicator & Founder, Mark Eddo Media; Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Babatunde Raji Fashola, SAN, Honourable Minister, Power, Works and Housing; Mr. Eme Essie Lore, Country Manager, International Financial Corporation (IFC); Mr. Gokul Mani, Head Primary Markets, London Stock Exchange (LSE) and Elias Kagumya, Director, Risk Management, The African Export-Import Bank during NSE – LSE Dual Listing Conference, Themed: "Attracting Global Capital to Drive Nigeria's Economic Reforms and Sustainable Growth" in Lagos.



L – R shows Otunba Abimbola Ogunbanjo, President, The Nigerian Stock Exchange (NSE); Mr. Oscar N. Onyema, Chief Executive Officer, NSE; Mr. Babatunde Raji Fashola, SAN, Honourable Minister, Power, Works and Housing and Ambassador Chiedu Osakwe, Nigerian Chief Trade Negotiator, Director-General Nigerian Office for Trade Negotiations (NOTN) during NSE – LSE Dual Listing Conference, Themed: "Attracting Global Capital to Drive Nigeria's Economic Reforms and Sustainable Growth" in Lagos.



L – R shows Mr. Afolabi Oladele, Director Portfolio Management Department, Debt Management Office (DMO); Mr. Mark Eddo, Communicator & Founder, Mark Eddo Media; Mr. Oscar N. Onyema, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Babatunde Raji Fashola, SAN, Honourable Minister, Power, Works and Housing; Eme Essie Lore, Country Manager, International Financial Corporation (IFC); Gokul Mani, Head Primary Markets, London Stock Exchange (LSE) and Elias Kagumya, Director, Risk Management, The African Export-Import Bank during NSE – LSE Dual Listing Conference, Themed: "Attracting Global Capital to Drive Nigeria's Economic Reforms and Sustainable Growth" in Lagos.



L – R shows Mrs. Bilikiss Adebiji Abiola, General Manager, Lagos State Parks and Gardens Agency (LASPARK); Mr. Tunji Kazeem, former Head, Enterprise Risk Management, The Nigerian Stock Exchange (NSE); Mr. Desmond Majekodunmi, Chairman of Lagos State Urban Forest and Animal Shelter Initiative (LUFASI); Chief Ede Dafinone, Chairman, Nigerian Conservation Foundation (NCF); Mazi Ukonu, CEO, RecyclePoints; Adewunmu Adetona, Chief Scientific Officer, Cleaner Lagos Initiative during the celebration World Environment Day to create awareness on the menace of plastic pollution at The Exchange.



L – R shows Ms. Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Mrs. Oluwatoyin Sanni, former Group Chief Executive Officer, United Capital Plc during a Closing Gong Ceremony in commemoration of the GCEO retirement from the United Capital Plc at The Exchange.

## Moments



L – R shows Mr. Babatunde Obaniyi, Managing Director, Investment Banking, United Capital Plc; Mr. Peter Ashade, Group Chief Executive Officer, United Capital Plc; Ms. Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE); Mrs. Oluwatoyin Sanni, former Group Chief Executive Officer, United Capital Plc; Mr. Jude Chiemeka, former Managing Director/CEO, United Capital Securities; Mr. Sunny Anene, Managing Director/CEO, United Capital Asset Management and Mr. Tony Ibeziako, Head, Primary Markets, NSE, during a Closing Gong Ceremony in commemoration of the GCEO retirement from the United Capital Plc at The Exchange.



L – R shows Mr. Edward Kallon, United Nation Resident Coordinator and Humanitarian Coordinator in the Federal Republic of Nigeria; Ms. Patience Oniha, Director General, Debt Management Office (DMO); Mr. Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) and Hon. Ibrahim Usman Jibril, former Honourable Minister of State for Environment during the listing of the N10.69billion, 5-year, Federal Government Sovereign Green Bond at coupon rate of 13.48% on the Exchange by DMO at The Exchange



Mr. Haruna Jalo-Waziri, Managing Director/CEO, Central Securities Clearing System (CSCS) Plc; Mr. Edward Kallon, United Nation Resident Coordinator and Humanitarian Coordinator in the Federal Republic of Nigeria; Mr. Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Ms. Patience Oniha, Director General, Debt Management Office (DMO); Hon. Ibrahim Usman Jibril, Honourable Minister of State for Environment; Dr. Shehu Ahmed, Permanent Secretary, Federal Ministry of Environment; Mr. Obi Ugochuku, Adviser to Minister on Climate Finance, Federal Ministry of Environment and Mr. Oladele Afolabi, Director, Portfolio Management Department, DMO during the listing of the N10.69billion, 5-year, Federal Government Sovereign Green Bond at coupon rate of 13.48% on the Exchange by DMO.



Ms. Patience Oniha, Director General, Debt Management Office (DMO); Mr. Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Hon. Ibrahim Usman Jibril, Honourable Minister of State for Environment; Mr. Edward Kallon, United Nation Resident Coordinator and Humanitarian Coordinator in the Federal Republic of Nigeria during the listing of the N10.69billion, 5-year, Federal Government Sovereign Green Bond at coupon rate of 13.48% on the Exchange by DMO at The Exchange



L – R shows Mr. Kayode Akinkugbe, Managing Director, FBNQuest Merchant Bank; Mr. Femi Agbaje, Group Chief Finance Officer (GCEO), Notore Chemical Industries Plc; Mr. Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); General (Dr.) Yakubu Gowon GCFR (rt), Chairman, Notore Chemical Industries Plc; Mr. Onajite Paul Okoloko, Group Managing Director/GCEO, Notore Chemical Industries Plc; Mr. Michael Osime, Non-Executive Director, Notore Chemical Industries Plc and Engr Mike Orugbo JP, Non-Executive Director, Notore Chemical Industries Plc during the Listing of Notore Chemical Industries Plc at the Exchange.



L – R shows Mr. Haruna Jalo-Waziri, Managing Director/CEO, Central Securities Clearing System (CSCS) Plc; Mr. Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); General (Dr.) Yakubu Gowon GCFR (rt), Chairman, Notore Chemical Industries Plc and Mr. Onajite Paul Okoloko, Group Managing Director/GCEO, Notore Chemical Industries Plc during the Facts Behind the Listing of Notore Chemical Industries Plc at the Exchange.

# Moments



L - R shows Ms. Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE); Mr. Kamarudeen Kareem Oladosu, National Council Member, NSE; Mr. Austin Ani, StanbicIBTC, Winner of the 2018 NSE Corporate Challenge; Mrs. Titi Ogungbesan, Chief Executive of Stanbic IBTC Stockbrokers Limited and Mr. Daniel Ogunboten, Sales Executive, Rwanda Air; and Mr. Patrick Adebayo Ajayi, National Council Member, NSE during the 2018 Corporate Challenge at Muri Okunola Park, Adeyemo Alakija Street, Victoria Island, Lagos.



The Nigerian Stock Exchange (NSE) today honoured its former Director-General, Apostle Hayford Alile whose exit was announced on October 1, 2018. Members of the Alile family include his children and widow, Dr. (Mrs.) Patience Alile was honoured with Closing Gong Ceremony.



L - R shows Otunba Abimbola Ogunbanjo, President of the National Council, The Nigerian Stock Exchange (NSE); Ik Alile (son), Dr. (Mrs.) Patience Alile (wife) and Mr. Oscar N. Onyema, OON, Chief Executive Officer, NSE, during the presentation of a replica of the Closing Gong to the Alile family at the ceremony held to honour and bid the erstwhile Director-General of the NSE, Apostle Hayford Alile, farewell at The Exchange in Lagos



L - R shows Mr. Cyril Eigbobo, Chief Financial Officer, The Nigerian Stock Exchange (NSE); Dr. Qasim Olalere Akinreti, President, Nigeria Union of Journalists (NUJ), Lagos Chapter and Mr. Willie Ndata, Doyen of Stockbrokers during the commissioning of the NSE media lounge in Lagos.



L - R shows Mr. Nornah Awoh, Chief Equity Analyst at Palesa Capital Markets Associates Limited; Mr. Friday Ekeoba, Secretary General, Capital Market Correspondents Association of Nigeria (CAMCAN); Mrs. Chinyere Joel-Nwokeoma, Vice President, CAMCAN; Mr. Cyril Eigbobo, Chief Financial Officer, The Nigerian Stock Exchange (NSE); Dr. Qasim Olalere Akinreti, President, Nigeria Union of Journalist (NUJ), Lagos Chapter; Mr. Chris Ugwu, Financial Secretary, CAMCAN; Mr. Kayode Ogunwale, Assistant General Secretary, CAMCAN and Mr. Abimbola Babalola, Head, Market Surveillance, NSE during the Closing Gong Ceremony in commemoration of the launch of NSE Media Lounge in Lagos.



L - R shows Ogun State First Lady representative Mrs. Yemisi Durojaye; Miss Lawrence Deborah of Good Shepherd School, Lagos; Mr. Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE) and Mr. Yahaya Hamza, Director/Head of Sectors, Sustainable Development Goals (SDGs) during the award presentation to the 1st prize winner of 2018 NSE Essay Competition Award at Civic Center, Ozumba Mbadawe Avenue, Victoria Island.

## Moments



L – R shows Mr. Yahaya Hamza, Director/Head of Sectors, Sustainable Development Goals (SDGs); Mr. Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Miss Lawrence Deborah of Good Shepherd School, Lagos, 1st Price Winner, 2018 NSE Essay Competition Award; Miss Ashiru Oluwalanayo of Corona Secondary School, Agbara, Ogun State, 2nd Price Winner; Master Dominic Charles of GEC Comprehensive College, Ipaja, Lagos State 3rd Price Winner; Mrs. Yemisi Durojaye representing Ogun State First Lady, Dr. (Mrs.) Olufunso Amosun and Mr. Abimbola Babalola, Head, Surveillance, NSE during the Closing Gong Ceremony in commemoration of the winners of 2018 NSE Essay Competition at The Exchange.



L – R shows Mrs. Yimika Phillips, Non-Executive Director, ETransact International Plc; Ms. Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE); Mr. Niyi Toluwalope, Managing Director/CEO, ETransact International Plc; Omowunmi Adedurotimi, Company Secretary and Adeyemi Adeyemo, Group Head, Financial Services during a Closing Gong Ceremony to introduce their new CEO to the capital market at The Exchange in Lagos.



L – R shows Ms. Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Mr. Niyi Toluwalope, Managing Director/CEO, ETransact International Plc during a Closing Gong Ceremony to introduce him as the new CEO to the capital market at The Exchange in Lagos.



L – R shows Mr. Victor Etuokwu, Executive Director, Access Bank Plc; Oladele Afolabi, Director, Portfolio Management, Debt Management Office; Titi Odufa Adeoye, Chief Executive Officer, Sankore Investments; Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Mr. Nnamdi J. Okonkwo, Managing Director/Chief Executive Officer, Fidelity Bank Plc; Jubril Enakele, Chief Executive Officer, Zenith Capital Plc and Shola Akinlade, Chief Executive Officer, Paystack during NSE Bloomberg CEO Roundtable at The Exchange.



L – R shows Mr. Olumide Orojimi, Head, Corporate Communications, The Nigerian Stock Exchange (NSE) receiving "Best Use of Technology for Efficiency Award" from Mr. Olusola Teniola, President, Association of Telecommunications Companies of Nigeria (ATCON) during Nigeria Tech Innovation & Telecom Awards 2018 ceremony at the Oriental Hotel, on Friday, October 12, 2018.



L – R shows Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Dr. Faruk Umar, Chairman, Board of Governors, PEARL Awards Nigeria during a closing gong ceremony in Lagos.

## Moments



L – R shows Hon. Yusuf Tajudeen, former Chairman, House Committee on Capital Markets and institutions; Mrs. Patience Oniha, Director General, Debt Management Office (DMO); Mr. Bola Onadele Koko, Trustee, ASEN, CEO, FMDQ OTC Securities Exchange; Mrs. Zaheera Baba-Ari, Trustee Managing Director/CEO, Nigeria Commodity Exchange; Mr. Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Mrs. Mary Uduk, Acting Director General, Securities and Exchange Commission (SEC); Mr. Bola Ajomale, Trustee, ASEN, Chief Executive Officer, NASD Plc and Mr. Ayodeji Balogun, Trustee, Country Manager, AFEX Nigeria Limited during the Official Launch of the Association of Securities Exchanges of Nigeria (ASEN) at the Exchange.



L – R shows Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Lady Maiden Alex-Ibru, Chairman/Publisher, The Guardian Newspaper Limited and Otunba Abimbola Ogunbanjo, President, NSE during a Closing Gong Ceremony in commemoration of The Guardian Newspaper Limited 35years anniversary celebration at the Exchange.



L – R shows Mr. Olorogun Oskar Ibru, Chief Executive Officer, Ibru Organisation; Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Lady Maiden Alex-Ibru, Chairman/Publisher, The Guardian Newspaper Limited; Otunba Abimbola Ogunbanjo, President, NSE; Professor Wale Omole, Director, The Guardian Newspaper Limited and Dr. Alexander A. Thomopolus, Chief Operating Officer/Director, The Guardian Newspaper Limited during a Closing Gong Ceremony in commemoration of The Guardian Newspaper Limited 35years anniversary celebration at the Exchange.



L – R shows Kazeem Gift, I.S.I International School, Ibadan; Kazeem Shalom, United Missionary Comprehensive College, Ibadan; Kola Akinola Tanitoluwa, Command Secondary School, Lagos; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Kola Akinola Wonder, Deeper Life High School, Abeokuta; Olumide Orojimi Jnr, Pampers Private School; Alabi Reuben, Babcock University High School; Iwenekhai Omoghena, Maryland Comprehensive Secondary School and Abimbola Babalola, Head, Market Surveillance, NSE during the Closing Gong Ceremony held in commemoration of 'A Day at The Exchange', a visit by NSE employees and floor based Dealing Members' children to the Trading Floor.



L – R shows Ms. Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Mr. Magunda Baker, MD/Chief Executive Officer, Guinness Nigeria Plc during a Closing Gong Ceremony in commemoration of his appointment as the new CEO at The Exchange.



L – R shows Mrs. Adenike Adebola, Marketing Director, Guinness Nigeria Plc; Mr. Stanley Njoroge, Finance Director, Guinness Nigeria Plc; Ms. Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE); Mr. Magunda Baker, MD/Chief Executive Officer, Guinness Nigeria Plc; Mrs. Viola Graham-Douglas, Corporate Relations Director, Guinness Nigeria Plc; Mr. Rotimi Odusola, Legal Director/Company Secretary, Guinness Nigeria Plc and Mr. Colman Hanna (Supply Chain Director, Guinness Nigeria Plc) during a Closing Gong Ceremony in commemoration of the appointment of Mr Magunda Baker as MD CEO.

## Moments



L - R shows Dr Biodun Adedipe, Member, PEARL Awards Nigeria; Chief Mrs. Eniola Fadayomi, Member, PEARL Awards Nigeria; Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Mr. Tayo Orekoya, President/CEO, PEARL Awards Nigeria; Dr. Faruk Umar, Chairman, Board of Governors, PEARL Awards Nigeria and Mr. Olufemi Awoyemi, Member, PEARL Awards Nigeria during a closing gong ceremony in Lagos.



L - R shows Mr. Aigboje Aig-Imokhuede, Ex-officio, The Nigerian Stock Exchange (NSE); Olawale Oluwo, Commissioner for Energy and Mineral Resources; Dr. Oba Otudeko, Past President, NSE; Ms. Mary Uduk, Acting Director General, Securities and Exchange Commission (SEC); Oscar N. Onyema, OON, former President, African Securities Exchanges Association (ASEA)/CEO, NSE; His Excellency, Professor, Yemi Osibanjo, Vice President of Nigeria; Otunba Abimbola Ogunbanjo, President, Nigerian Stock Exchange (NSE); Karim Hajji, President, ASEA and CEO, Casablanca Stock Exchange; Aruma Oteh, Vice President and Treasurer, World Bank and Yetunde, Odejaye, Personal Secretary, Deputy Governor's Office, Lagos State, during the 22nd African Securities Exchanges Association Annual Conference at Oriental Hotel, Lagos.



L - R shows Dayo Obisan, Managing Director, Greenwich Asset Management; Shuaib Audu, Executive Director, Stanbic IBTC Asset Management Limited; Damilola Ajayi, Executive Director, Vetiva Capital Management; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Ndako Minjidadi, Head, Investment & Research, Lotus Capital and Sulaiman Adedokun, Managing Director, Meristem Wealth Management during the 2018 NSE annual ETPs Conference tagged "Exchange Traded Products: Evolving investment themes, Accessing New Markets and Enhancing Portfolio Alpha", held in Lagos.



L - R Nerina Visser, CFA, Chairperson of the ASISA ETF Standing Committee; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) and Deborah A. Fuhr, Managing Partner & Founder, ETFGI during the 2018 NSE Annual ETPs Conference tagged "Exchange Traded Products: Evolving investment themes, Accessing New Markets and Enhancing Portfolio Alpha", held in Lagos.



L - R Alhaji Rasheed Yussuf, Doyen of Stockbrokers; Tony Ibeziako, Head, Primary Markets, The Nigerian Stock Exchange (NSE); Oscar N. Onyema, OON, Chief Executive Officer, NSE; Olaniyi Adigun, Executive Director Sales & Marketing Skyway Aviation Handling Company (SAHCO) Plc; Rotimi Omoso, Head of Finance, SAHCO Plc and Boma Ukwunna, Executive Director, SAHCO Plc during the Facts Behind the Offer presentation to capital market stakeholders at the Exchange in Lagos.



L - R shows Boma Ukwunna, Executive Director, SAHCO Plc; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) and Olaniyi Adigun, Executive Director Sales & Marketing Skyway Aviation Handling Company Plc during presentation of the replica of the closing gong to both Executives at the Facts Behind the Offer presentation to capital market stakeholders at The Exchange in Lagos.

## Moments



L – R shows Olutoyi Ariyo, Skyway Aviation Handling Company (SAHCO) Plc; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Olaniyi Adigun, Executive Director Sales & Marketing Skyway Aviation Handling Company Plc; Boma Ukwunna, Executive Director, (SAHCO) Plc; Mariam Afolabi, Executive Director, Sifax and Barrister Kayode Filani, NED, SAHCO Plc during closing gong ceremony in commemoration of the Facts Behind the Offer presentation to capital market stakeholders at The Exchange today in Lagos.



L – R: Olukemi Awodein, Managing Director, Investment Banking, Chapel Hill Denham; Serah Makka-Ugbabe, Country Director, ONE Campaign Nigeria; Dr. Ola Brown, Managing Director, Flying Doctors Nigeria; Olusola Amusan, Education Lead, Microsoft Nigeria, Kaidi Eddie Obiakor, Gender Specialist, International Finance Corporation



# THE Nigerian STOCK EXCHANGE

## Presidents of The Exchange

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## Presidents of The Exchange



**Otunba Abimbola Ogunbanjo**  
President, 2017 - date



**Mr. Aigboje Imoukhuede, CON**  
President, 2014 - 2017



**Alhaji Aliko Dangote, CON**  
President, 2012 - 2014



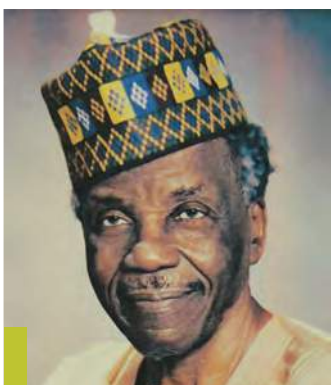
**Mallam Ballama Manu**  
Interim Head of Council  
2010 - 2012



**Mr. Oba Otudeko, OFR**  
President, 2006 - 2009



**Dr. Raymond C. Obieri, OON**  
President, 2003 - 2006



**Alhaji Abdul Razaq, OFR, SAN**  
President, 2000 - 2003



**Mr. Goodie Ibru**  
President, 1997 - 2000



**Mr. Pascal G. Dozie, OON**  
President, 1994 - 1997

## Presidents of The Exchange



**Aare M.K.O Abiola, FCA, FNIM**  
President, 1991 - 1994



**Chief Bayo Kuku, LL.B, MCL, FNIM, BL**  
President, 1987 - 1991



**Alhaji Aliko M. Mohammed, OFR**  
President, 1984 - 1987



**Chief J. O Udoji, OFR**  
President 1981 - 1984



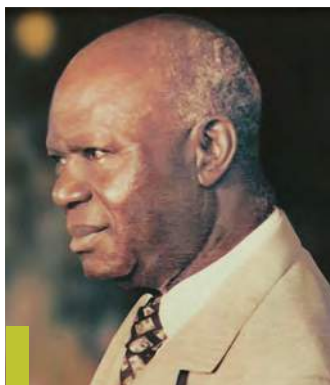
**Chief S. O. Asabia, OFR**  
President, 1975 - 1981



**Chief Adeola Odutola, CON**  
President, 1972 - 1975



**Chief Silas Bamidele Daniyan, OFR**  
President, 1970 - 1972



**Sir Mobolaji Bank-Anthony, CON**  
President, 1966 - 1970



**Sir Odumegwu Ojukwu, OBE**  
President, 1963 - 1966



# THE Nigerian STOCK EXCHANGE

## Proxy Form

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## Proxy Form

The Nigerian Stock Exchange's 58th Annual General Meeting to be held at the NSE Event Centre, 20th floor, Stock Exchange House, 2/4 Customs Street Lagos, on **Monday, 30 September 2019 at 11:00 a.m.**

Affix Passport  
of Proxy

Name of Member: .....

of

Address: .....

being a member of the Nigerian Stock Exchange ("The Exchange") hereby, appoint

.....

as my proxy to act and vote on my behalf at the Annual General Meeting of The Exchange to be held on **Monday, 30 September 2019 at 11:00 a.m.**

Dated this ..... 5th day of September 2019

.....  
Member's Signature/Seal

.....  
Member's Name

S/N	AGENDA	FOR	AGAINST	ABSTAIN
1.	<p><b>ORDINARY BUSINESS</b></p> <p>1. To present the Audited Financial Statements of The Exchange for the year ended 31 December 2018, and the Reports of the National Council and the Auditors thereon.</p> <p>2. To re-elect the following Council members, who are retiring by rotation, as members of the National Council:</p> <p>I. Mrs. Catherine Nwakaego Echeozo;</p> <p>ii. Katsina State Investment &amp; Property Development Co. Limited (Represented by Mrs. Fatimah Bintah Bello–Ismail);</p> <p>iii. Fortress Capital Limited (Represented by Mr. Yomi Adeyemi); and</p> <p>iv. Pilot Securities Limited (Represented by Mr. Seyi Osunkeye);</p> <p>3. To authorize the National Council to fix the remuneration of the Auditors.</p>			

## Proxy Form

Note:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself.
2. No person shall be appointed a proxy who is not already a member of The Exchange or the accredited representative of a member, save that a corporation being a member of The Exchange may appoint as its proxy one of its Directors or other authorized representative who is not a member of The Exchange.
3. The Common Seal must be affixed on the proxy form if executed by a company.
4. Executed proxy forms should be deposited at the registered office of The Exchange (2/4 Customs Street, Marina, Lagos State) at least 48 hours before the time of holding the meeting.

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### ADMISSION CARD

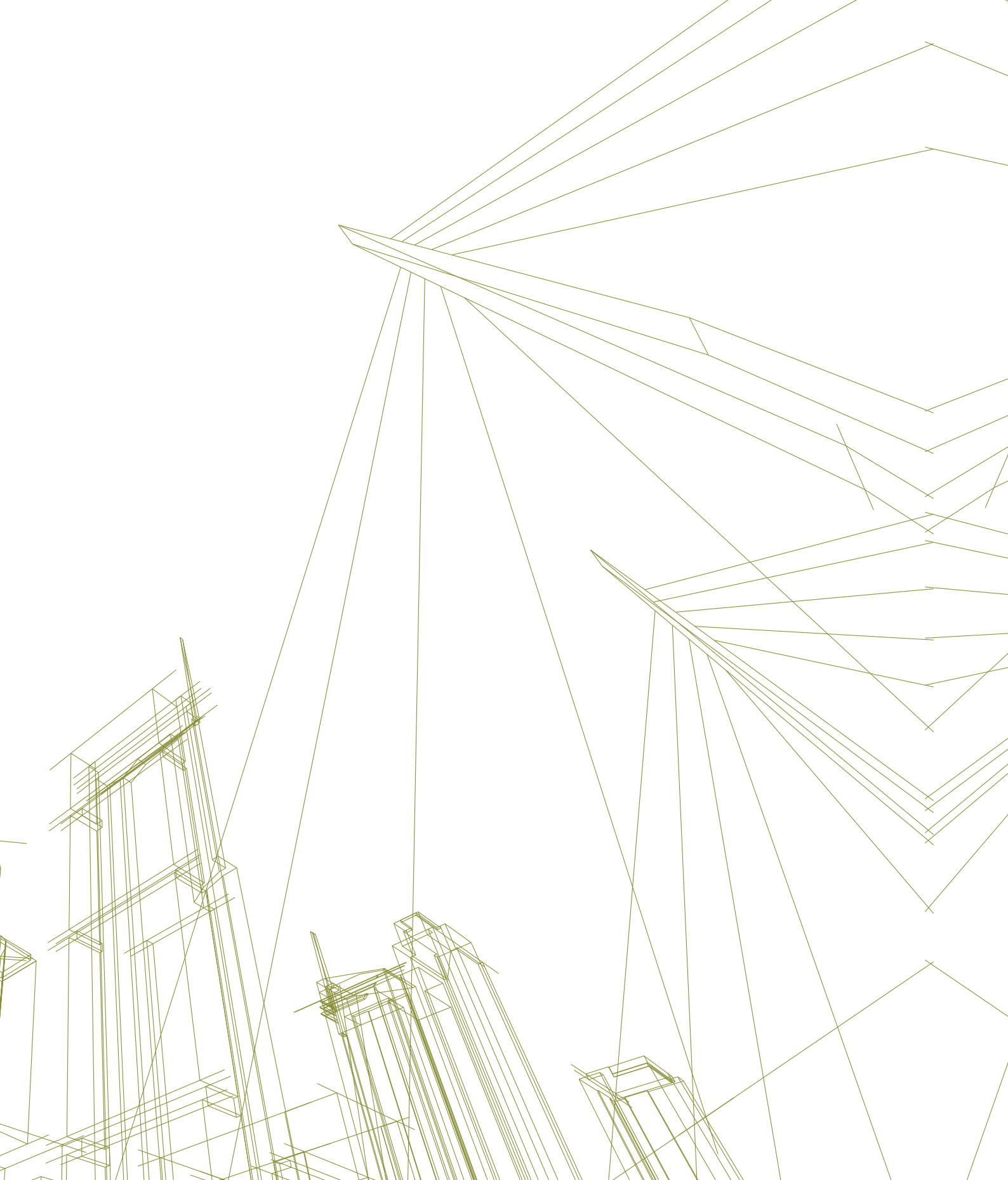
The Nigerian Stock Exchange's 58th Annual General Meeting to be held at the NSE Event Centre, 20th floor, Stock Exchange House, 2/4 Customs Street Lagos, on **Monday, 30 September 2019 at 11:00a.m.**

Name of Member (in BLOCK CAPITALS):

---

ADDRESS: .....

**Note:** A member or his/her proxy must produce this admission card in other to be admitted at the meeting.



[contactcenter@nse.com.ng](mailto:contactcenter@nse.com.ng)  
[www.nse.com.ng](http://www.nse.com.ng)

The Nigerian Stock Exchange  
Stock Exchange House  
2-4 Customs Street  
Lagos, Nigeria  
Tel: +234 700 225 5673



**THE Nigerian  
STOCK EXCHANGE**

