



**THE Nigerian  
STOCK EXCHANGE**

**UNLOCKING  
OPPORTUNITIES**  
*IN A CHANGING WORLD*

ANNUAL  
REPORT **20  
19**

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# THE Nigerian STOCK EXCHANGE

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**THE Nigerian  
STOCK EXCHANGE**

#### THE NSE VISION

Africa's Preferred  
Exchange Hub



#### THE NSE 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-Ninth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifty-Ninth 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 18th November 2020 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 2019, and the Reports of the National Council and the Auditors thereon.
2. To re-elect the following Council Member, who is retiring by rotation, as a Member of the National Council:
  - i. Otunba Abimbola Ogunbanjo
3. To authorize the National Council to fix the remuneration of the Auditors.

## SPECIAL BUSINESSES:

1. To consider and if thought fit, pass as a special resolution (with or without any modifications), that the underlisted being members of the National Council be and are hereby empowered to continue to serve as Council members and the governance structure of The Nigerian Stock Exchange be maintained until the Securities and Exchange Commission (SEC)'s approval to operate as a demutualized exchange is obtained and the securities exchange license of The Exchange is transferred to Nigerian Exchange Limited; and as such Articles 4(1) and (2) and 5(1)(v)(vi) and (viii) of the Nigerian Stock Exchange's 2006 Memorandum and Articles of Association, not being consistent with the foregoing, be and are hereby suspended. The said Council members and their designations are as follows:

i. Otunba Abimbola Ogunbanjo	- Council President
ii. Mr. Oscar N. Onyema, OON	- Chief Executive Officer
iii. Mr. Aigboje Aig-Imoukhuede, CON	- Ex-Officio
iv. Mr. Abubakar Mahmoud, SAN, OON	- 1st Vice President
v. Mrs. Catherine Nwakaego Echeozo	- 2nd Vice President
vi. Erelu Angela Adebayo	- Ordinary Member
vii. Katsina State Investment & Property Development Co. Limited (Represented by Mrs. Fatimah Bintah Bello–Ismail)	- Ordinary Member (Institutional)
viii. Chartwell Securities Limited (Represented by Mr. Oluwale Adeosun)	- Dealing Member
ix. Equity Capital Solutions Limited (Represented by Mr. Kamarudeen Oladosu)	- Dealing Member
x. Fortress Capital Limited (Represented by Mr. Yomi Adeyemi)	- Dealing Member
xi. Pilot Securities Limited (Represented by Mr. Seyi Osunkeye)	- Dealing Member
xii. Planet Capital Limited (Represented by Mr. Chidi Agbapu)	- Dealing Member
xiii. WCM Capital Ltd. (Represented by Mr. Patrick Ajayi)	- Dealing Member
2. To consider and if thought fit, pass as a special resolution (with or without any modifications), that subject to the receipt of requisite approvals of relevant regulatory authorities, following the conversion and re-registration of The Exchange as Nigerian Exchange Group Plc, the Nigerian Exchange Group Plc be and is hereby authorised to undertake a listing by introduction of its shares on

Nigerian Exchange Limited (the entity to which the securities license of The Nigerian Stock Exchange would be transferred), through the listing of [2,004,199,917] ordinary shares of 0.50k each in the issued share capital of The Exchange.

3. To consider and if thought fit, pass as a special resolution (with or without any modifications), that the National Council of The Exchange be and are hereby authorised to appoint such professional parties and undertake such other acts, matters, deeds and do all such other things as it may deem necessary, incidental to and/ or required for effecting the resolutions above, and to negotiate, finalise and execute such deeds, documents and agreements as may be deemed necessary, desirable or proper in the best interest of The Exchange to implement the resolutions set out above.
4. To consider and if thought fit, pass as a special resolution (with or without any modifications), that all acts carried out by the National Council and/or Management of The Exchange in connection with the above resolutions be and are hereby approved and ratified.
5. To consider and if thought fit, pass as a special resolution (with or without any modifications), that following the conversion and re-registration of The Exchange as Nigerian Exchange Group Plc, all or any of the powers of The Exchange devolved upon the National Council of The Exchange may be exercised by its Board of Directors.

**NOTE:**

**1. PROXY**

- a) 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/herself. 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.

- b) The Common Seal must be affixed on the proxy form if executed by a company.
- c) Executed proxy forms should be deposited at either the registered office of The Exchange's Registrars, Datamax Registrars, (92C, Gbagada - Oworonshoki Expressway, Gbagada, Lagos) or via email to [datamax@datamaxregistrars.com](mailto:datamax@datamaxregistrars.com) or [contactcenter@nse.com.ng](mailto:contactcenter@nse.com.ng) at least 48 hours before the time of holding the meeting. A blank proxy form is attached to the Annual Report and may also be downloaded from The Exchange's website at [www.nse.com.ng](http://www.nse.com.ng).

**2. PROVISIONS OF ARTICLES 4 (1), 4(2) AND 5(1)(V), (VI) AND (VIII) OF THE NIGERIAN STOCK EXCHANGE'S 2006 MEMORANDUM AND ARTICLES OF ASSOCIATION**

- 4 (1) The Council shall after each Annual General Meeting elect by ballot, one of their members being an individual Nigerian Member of The Exchange as President and any two other individual Nigerian Members as Vice-presidents who shall bear the titles of President, First Vice-President and Second Vice-President respectively of The Exchange. Provided that the President and anyone of the Vice Presidents shall not be members of the same Branch Exchange. Where within a period of fifteen minutes after the period fixed for a meeting either of Council or of Members, the President not being present, any of the Vice-Presidents, or failing them, any elected member of the Council shall preside at the meeting.

**4 (2) TERMS OF OFFICE**

The President and Vice-presidents shall hold office from the date of election till the next Council meeting following an Annual General Meeting of Members. A retiring President or Vice President shall be eligible for re-election provided that no person shall be elected for more than three terms of one year.

The President or any of the Vice-Presidents may be removed from office by a resolution carried by an absolute majority of the membership of the Council at a duly constituted meeting thereof and any other Member elected in his place".

- 5 (1)(V) Two (2) members representing Institutional Investors approved by the Council each with three (3) years tenure in the National Council.
- 5 (1)(VI) One (1) member representing Quoted Companies with three elected by Council (3) years tenure in the National Council.
- 5 (1)(VIII) Six (6) persons representing Dealing Member firms; each with three (3) years tenure in the National Council and protection of the interest of The Nigerian Stock Exchange.

### 3. COVID-19 RELATED DIRECTIVES AND GUIDELINES

The convening and proceedings at the AGM shall be conducted in compliance with all directives and guidelines issued (by the Federal Government of Nigeria, Lagos State Government, Health Authorities and Regulatory Agencies) to curb the spread of COVID-19 in Nigeria. In particular, the directives of the Lagos State Government that: (a) participants at any event should not exceed 50% capacity of the design of the event centre; and (b) a minimum of two-metre spacing between seats should be maintained at all times, would be strictly complied with. Further, the guidelines issued by the Corporate Affairs Commission (CAC) on holding of AGM of Companies using Proxies shall be complied with.

### 4. ATTENDANCE BY PROXY

In line with CAC Guidelines, attendance at the AGM shall be by proxy only. Members are required to appoint a proxy of their choice from the list of nominated proxies below:

- a. Otunba Abimbola Ogunbanjo
- b. Mrs. Catherine Echeozo
- c. Mr. Oluwole Adeosun
- d. Chief Patrick Ezeagu
- e. Mr. Sam Ndata

### 5. STAMPING OF PROXY

The Exchange shall make arrangements at its cost for the stamping of the duly completed and signed proxy forms submitted to The Exchange's Registrars within the stipulated time.

### 6. LIVE STREAMING OF AGM

The AGM will be streamed live to enable members and other stakeholders who are unable to physically attend to follow the proceedings online. The link for live streaming is as follows:  
<http://www.nse.com.ng/agm>.

Dated this 27th day of October 2020

By Order of Council



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

# Explanatory Notes to the Proposed Resolutions (under Special Business) on the agenda for the 59th Annual General Meeting of The Nigerian Stock Exchange scheduled for 18th November 2020

The National Council considers the proposed resolutions presented for Members' consideration and voting are in the best interests of the Nigerian Stock Exchange, and its Members as a whole. Therefore, the National Council unanimously recommends that Members should vote in favour of these resolutions.

## **Resolution 1 – Suspension of Articles 4(1) and (2) and 5(1)(v)(vi) and (viii) of the Nigerian Stock Exchange's 2006 Memorandum and Articles of Association for continuity of the National Council, as currently composed, till the completion of the Demutualization of the Nigerian Stock Exchange**

- 1.1 Under this Agenda item, it is proposed that Members authorize the National Council, as currently constituted, to continue to function in office from the date of the general meeting pending receipt of the Securities and Exchange Commission's (SEC) approval for the transfer of the Nigerian Stock Exchange's securities license to Nigerian Exchange Limited.
- 1.2 Members will note that at the Court Ordered Meeting of Members held on 3 March 2020, Members approved the proposed Scheme of Arrangement (the "Scheme") between the Nigerian Stock Exchange and its Members and voted overwhelmingly in favour of all the resolutions proposed thereat.
- 1.3 At the Extra-Ordinary General meeting

also held on the same day, Members authorized the appointment of the inaugural directors of the Board of Nigerian Exchange Group Plc as well as directors of its subsidiaries ("SubCos") who would direct the affairs of these entities once the relevant approvals for the transfer of the securities license and other milestones in the demutualization process have been completed. The demutualization process has advanced significantly and is expected to be completed shortly.

- 1.4 If passed, the afore-mentioned Special resolution will serve to empower the National Council, as currently composed, to continue to act after the Nigerian Stock Exchange's conversion to a Plc; up to and during the process of filing the Application to the SEC for: (i) the approval of the securities exchange (i.e. Nigerian Exchange Limited) and the transfer of the Nigerian Stock Exchange's securities license to Nigerian Exchange Limited; and (ii) issuance of the license to NGX Regulation Limited until the SEC's approval is received.
- 1.5 The authorization by Members will ensure that at no point is there a lacuna in the governance of the Nigerian Stock Exchange in view of the critical role it plays in the smooth functioning of Nigeria's capital market. Upon receipt of the SEC's approval for the transfer of the Nigerian Stock Exchange's securities license to the Nigerian Exchange Limited, effectively signifying the completion of the

demutualization process, the National Council will be deemed dissolved and the inaugural board of Nigerian Exchange Group Plc and its SubCos will be immediately constituted as approved

- 1.6 It is proposed that Members give effect to the foregoing resolution by approving the suspension of Articles 4(1) and (2), and 5(1)(v)(vi) and (viii) of the Nigerian Stock Exchange's 2006 Memorandum and Articles of Association, which are inconsistent with the approvals being sought.
- 1.7 Resolution 1 being a special resolution must receive, at least three-quarters of the votes of Members present and voting (in person or by proxy) at the Annual General Meeting for its adoption/passing.

**Resolutions 2 and 3 – Authorization of the Nigerian Exchange Group Plc. to undertake a Listing by Introduction of its Shares on Nigerian Exchange Limited post-demutualization.**

- 1.8 The purpose of these Special resolutions is to provide value for Members by creating a mechanism for them to access liquidity post-demutualization. Please recall that the Council of the Nigerian Stock Exchange had informed Members that one of the elements of the Scheme is that Members can realize the economic value of their interests if they elect to sell. An initial public offer (IPO) or strategic investment would provide opportunities for domestic and institutional investors and create liquidity for existing Members. Given that there shall be an interim period between completion of the demutualization and when the IPO or strategic investment is undertaken, the National Council sought independent professional advice regarding the pre-initial public offer liquidity options and considerations. The National Council has been duly advised that resolutions 2 and 3 are in the best interests of its Members, and supports

the objectives of the Nigerian Stock Exchange, which includes creating value for its Members in a transparent and efficient manner.

- 1.9 These resolutions require Members to authorize:
  - i. the Nigerian Exchange Group Plc. to undertake a listing by introduction of its shares on Nigerian Exchange Limited (the entity to which the securities license of The Nigerian Stock Exchange would be transferred), through the listing of [2,004,199,917] ordinary shares of 0.50k each in the issued share capital of Nigerian Exchange Group Plc; and
  - ii. the National Council to appoint such professional parties and undertake such other acts, matters, deeds and do all such other things as it may deem necessary, incidental to and/ or required for effecting the resolution to list, and to negotiate, finalise and execute such deeds, documents and agreements as may be deemed necessary, desirable or proper in the best interest of The Exchange to implement the resolution to list.

- 1.10 Resolutions 2 and 3 are Special resolutions, therefore at least three quarters of the votes of Members present and voting (in person or by proxy) at the Annual General Meeting must be in favour of the resolution for their adoption/passing.

**Resolutions 4 and 5 – Omnibus or Savings Resolutions to ensure that actions carried out by Management, the National Council of the Nigerian Stock Exchange and the Board of Nigerian Exchange Group Plc., are valid and enforceable.**

- 1.11 The purpose of the foregoing resolutions is to ensure that actions taken by, under or through the current governance structure are properly transmitted to the

succeeding governance structure in a seamless manner to ensure that steps can be validly taken in furtherance of these resolutions. They are to enable Management, the National Council or the Board of Nigerian Exchange Group Plc., (as may be appropriate) take all necessary actions or steps required to give effect to resolutions 1 to 3, (pre or postdemutualization), provided that these resolutions 1 to 3 are approved by Members.

1.12 These resolutions require Members to authorize:

- i. the National Council or the Board of Directors of Nigerian Exchange Group Plc (as may be appropriate), to take other steps or do all such other things as may be necessary for or incidental to, or as they deem appropriate to give effect to the spirit and intendments of the above resolutions.

- ii. all acts carried out by the National Council and/or Management of The Exchange in connection with the above resolutions.

- iii. that following the conversion and re-registration of The Exchange as Nigerian Exchange Group Plc, all or any of the powers of The Exchange devolved upon the National Council of The Exchange may be exercised by its Board of Directors.

1.13 Resolution 4 and 5 are Special resolutions, therefore at least three-quarters of the votes of Members present and voting (in person or by proxy) at the Annual General Meeting must be in favour of these resolutions for their adoption/passing.



## President's Statement

"I will speak more on our dynamic efforts regarding demutualization shortly, as well as highlight salient aspects of our strategic performance during the year"



Distinguished ladies and gentlemen,

I am pleased to welcome you to the 59th Annual General Meeting of Nigerian Stock Exchange (NSE or The Exchange) in my 3rd year as the National Council President, and it gives me immense pleasure to present to you our Annual Report for the year ended 31 December, 2019.

This year in particular was quite unique for our business as it marks the beginning of a pivotal transitional phase for the NSE on the back of continued progress on our audacious strategic ambition to demutualize the organization; a reality that continues to crystalize by the day. I can assure you that as we restructure the business to a more nimble and client focused entity, our demutualization efforts are essential to how we will compete in the future, in addition to how we will grow Nigeria's global financial markets.

I will speak more on our dynamic efforts

regarding demutualization shortly, as well as highlight salient aspects of our strategic performance during the year. Allow me to first start by providing an overview of the operating environment we faced in 2019.

### **The Global Economic Landscape**

The global economy was continually impacted by global trade tensions, uncertainties around Brexit, waning fiscal stimulus in Europe and geopolitical challenges in the Middle East, which exerted downward pressure on global economic performance. Nonetheless, the world's leading economy, the United States, experienced robust capital market performance despite lower GDP performance, driven by favourable fiscal policy (i.e. tax cuts) and monetary policy (i.e. lower U.S. Federal Reserve rate).

On the domestic front, investors and market operators contended with new economic realities in Nigeria, as our capital markets

## President's Statement

proved it was not isolated from events affecting global financial markets and economies. The Nigerian economy grew at a somber rate of 2.27% in 2019, as our economy experienced condensed private consumption, accompanied by investors' wait-and-see approach towards economic and capital market investments. Accordingly, the Nigerian macro-economic environment, and prevailing market conditions, had a great influence on Nigeria's leading bourse, as the NSE All Share Index (ASI or All Share Index) shed 14.60% points to close the year at 26,842.07. Despite these challenges, we advanced our strategy implementation and recorded sustainable financial performance in key financial indices – our revenue and other income for the year was relatively at par inching up slightly by 1.46% to N7.78Bn, total assets grew by 10.42% to N32.10Bn, while net assets increased by 9.73% to N28.44Bn. The growth in these indices were driven by a rise in listing income buoyed by groundbreaking primary market listings in the telecommunications and aviation sectors, in addition to favourable returns on strategic investments.

We remained diligently focused on the execution of the NSE's 2018 – 2021 Corporate strategy geared towards (a) enhancing the customer experience across the value chain, (b) reorganizing for success and (c) capitalizing on mission critical strategic initiatives. As aforementioned, we made significant progress in our demutualization journey as we received the Securities and Exchange Commission's (SEC) "No Objection" letter and are optimistic of completing the entire demutualization process in 2020. As the NSE completes its demutualization, The Exchange will speedily transform into a profit seeking entity that is well-positioned to capitalise on new income opportunities and be able to better support the economic growth of Nigeria. Upon completion of the demutualisation, and the re-registration of The Exchange, a non-operating holding company named Nigerian Exchange Group Plc (the "Group") will emerge, with ownership of Nigerian Exchange Limited, which will continue

normal operations in the securities business, as well as other subsidiaries aimed at enhancing Nigeria's global capital market. In line with our Vision of becoming Africa's Preferred Exchange Hub, the National Council in its pledge to assist the business to have a seamless transition to a more agile organization, together with Management, engaged the services of an international consulting firm to refine our 3-year corporate strategy post demutualisation. We will continue to update and sensitize the market on various plans and opportunities as we strive to enhance the value of the Group and its stakeholders.

We continued to fulfill our mission to provide investors and issuers with a reliable and adaptable exchange hub to save and access capital by making significant progress in our efforts to establish the first Exchange Traded Derivatives (ETDs) market in West Africa, which would help investors manage their exposure to risk in the capital market. We received the SEC approval for the NSE ETD rule book which will facilitate desired confidence in the derivatives market. In similar vein, the SEC released their Derivatives Trading and Clearing rules. We are also collaborating with JPMorgan Chase & Co. to facilitate in-depth capacity building programmes on the derivatives market. These types of collaborations will help to promote the development of derivatives in Nigeria by bridging the knowledge gap on derivatives instruments and trading strategies through knowledge transfer. We will continue our widespread sensitization efforts to enhance prospective participants' capacity and awareness as we work assiduously towards the official launch of ETDs.

As part of our response to emerging trends and global best practices, we made significant efforts towards the launch of the NSE Growth Board which will serve as a market segment for entrepreneurs and SMEs to raise much needed capital to grow their businesses. We are currently engaging with stakeholders and investors towards the launch of this market

## President's Statement

segment which we expect to take place in the first quarter of 2020.

### Strengthening Partnerships

The Exchange services Africa's largest economy and is a significant driver of economic growth and development in Africa. We would be unequivocally at a disadvantage in achieving our mandate without the support of various organizations who continually partner with us. I want to personally thank all of our clients and stakeholders, not only for their support, but also for their collaboration efforts in building an even stronger capital market.

During the year, we continued to identify and partake in various mutually beneficial collaborations with stakeholders. In collaboration with the SEC, we made the process of listing on The Exchange more efficient and cost-effective by streamlining the approval process between the SEC and the NSE. The streamlined process will reduce the regulatory burden on issuers by eliminating duplication of processes between the SEC and the NSE, reducing the time-to-market for the issuance and listing of securities, and ultimately assisting in the drive to list more organizations on The Exchange.

In line with The Exchange's objective to accelerate progress towards bridging gender parity, we organized a symposium themed "Balance for Better" during the International Women's Day (IWD) celebration in partnership with International Finance Corporation (IFC), UN Women, United Nation Global Compact (UNGC), World Federation of Exchanges (WFE) and Sustainable Stock Exchange Initiative (SSEI). As part of our core values as an organization, we will continue to promote inclusiveness and support programmes where this value is upheld.

The National Council organized an in-depth technical tour of a leading BRICS nation's global financial market in 2019, vis-à-vis Brazil's B3 Stock Exchange (Brasil Bolsa Balcão S.A.) and

their relevant domestic ecosystem, highlighting our efforts to leverage global best practices and forge mutually beneficial relationships with leading global exchanges, which will prove crucial as we transit to a demutualized exchange. We also collaborated with Afrinvest, Greenwich, Meristem, Luxembourg Stock Exchange, etc. to create value added services and products for all our domestic and international stakeholders. Our Chief Executive Officer's statement will shed more light on progress made with our strategic partnerships.

### Sustainable Governance

At The Exchange, we take sustainability in governance not only as the primary responsibility to our various class of stakeholders, but as the crux of our organizational mantra. Over the last few years, we have worked relentlessly to ensure a robust Group-wide governance structure that incorporates Best-in-Class global standards that promotes the highest levels of corporate governance practices. This has resulted in

- (i) a stronger exchange with internationally recognized regulatory practices,
- (ii) stronger intermediaries via our zero tolerance approach to regulation, and
- (iii) a sustainable culture that supports The Exchange's corporate aspirations.

Today, the NSE operates various policies geared at ensuring sustainability of the organization including conflict of interest, succession planning as well as training and capacity development of National Council members as evident in our technical tours. Notwithstanding that we are yet to be a legally demutualized entity, I can confidently state that, for the most part, the NSE already upholds controls which reflects the highest levels of sustainable good governance. We have a well formed National Council that represents diverse experience, balanced gender and age groups as obtainable in advanced markets around the world. To state the least, I am elated by the performance of our National Council committees and their commitment to high

## President's Statement

standards in The Exchange's governance processes. We will continue to lead the way in terms of ensuring adequate process controls, financial diligence and transparency in our transition.

As we continue to migrate to a demutualized entity, the composition of our board will change to reflect the needs of a more translucent institution comprised of a Holding Company (HoldCo) and various complimentary subsidiaries with members of the current National Council transitioning to the board of the HoldCo and the subsidiaries to maintain market stability and institutional knowledge. We will also identify and onboard well qualified and suited board members with proven track records who share our passion for transforming Nigeria's global financial markets. My immediate predecessor in office and Ex-Officio, Mr. Aigboje Aig-Imoukhuede will however be retiring from the Council at this meeting having served the stipulated term in office. During his tenure as President of the National Council, The Exchange became more visible globally and transcended to a beacon of regulation and governance amongst its African peers as it became the first African securities exchange to join the Intermarket Surveillance Group (ISG) and also the first African bourse to receive the ISO27001:2013 certification. It was also under his tenure that the NSE officially became a full member in the World Federation of Exchanges (WFE), after being an associated member for over fourteen (14) years. The NSE made giant strides to become a more agile organisation during the Ex-Officio's tenure as President, as our world renowned Premium Board was launched with leading African Champion companies who promote best-in-class corporate governance; the Premium Board index continually outperforms other leading NSE indexes. Right from the inception of his leadership of the Council, Mr. Aig-Imoukhuede stated his commitment to disentangle the NSE from corporate structural constraints as he worked assiduously to accelerate the timeline of the demutualization

process which had started 20 years ago. It is on this solid foundation that I commenced my tenure as President and continued the good work he started. It goes without saying that without his leadership and guidance, The NSE would not have made it this far in its quest to be the African Exchange of choice. Thank you very much for your genuine and sincere commitment to excellence in the execution of The Exchange's goals and ideals. .

With regards to Management, we welcomed two new senior team members into the Executive Management of The Exchange: Mr. Jude Chiemeka – Head of Trading Business Division, and Mr. Olumide Bolumole – Head of Listing Business Division. Since joining The Exchange, they have worked purposefully to lay the right foundation towards the attainment of our bold new corporate *Vision*.

### Corporate Social Responsibility

As a global organization, we understand that our responsibility goes beyond facilitating Africa's financial growth, as we essentially empower Africa's corporate giants, sovereign Issuers and all classes of investors in creating sustainable long-term value. Our Corporate Social Responsibility (CSR) initiative was developed to ensure that we contribute actively towards Environmental, Social and Governance (ESG) imperatives. The NSE implements key initiatives across four strategic pillars namely

- (i) Marketplace;
- (ii) Workplace;
- (iii) Community; and
- (iv) Environment.

During the year, we held the annual edition of corporate challenge which is geared towards raising awareness and funds to support cancer causes and charity. Since the start of this initiative, we have raised over (a record) N93million as at 31 December 2019 and introduced free cancer screening for 254 individuals. We launched the Facts Behind the Sustainability Report (FBSR) to promote ESG practice and reporting. We also launched the

## President's Statement

Sustainability Disclosure Guidelines in addition to partnering with RecyclePoints and Mental & Environmental Development Initiative for Children (MEDIC) to help preserve the environment.

On the back of our prominent work in CSR, the NSE emerged the winner of the "Best Corporate Social Responsibility Initiative award (Promoting Sustainability & Reporting)" at the 9th edition of the Marketing World Award. The award was in recognition of the remarkable initiatives implemented by NSE to advance sustainability reporting in Nigeria. This award reiterates our commitment towards a brighter and sustainable future for Nigeria.

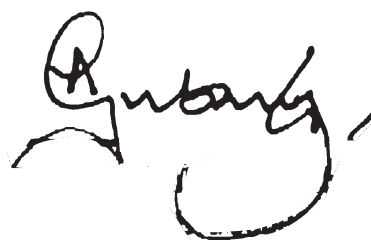
### Conclusion

The year 2020 marks the 60th anniversary of our organization. As we hit this milestone, I would like to laud the foresight of our founding fathers for establishing this essential institution. I would also like to commend the Federal Government and all other stakeholders that have helped establish such a robust market that has grown from the Lagos Stock Exchange to one of the largest markets in Africa with footprints across the globe.

There is an old African proverb that notes "Having a good discussion is like having riches". The journey that we have been on together over the last few years has been extremely rewarding, in which we all agree that we have made the right discussion in deciding to demutualize our esteemed organisation. It is in this regard that I would like to sincerely

appreciate the National Council members, Management and our excellent group of employees across Nigeria, in addition to every single class of stakeholder in the NSE for another successful year in the development of the Nigerian capital markets. We are aware of our role in the economic development of Nigeria and we will continue to transform the market and deliver a fair and efficient platform to the satisfaction and delight of our customers across the globe. We will also continue to collaborate to address challenges and develop solutions that are central to our market and the national economy. The Group remains well positioned for the opportunities ahead and we look forward to our future prospects with confidence.

Thank you and God Bless the Federal Republic of Nigeria.



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



CEO's  
Statement

## CEO's Statement

“With a keen focus on execution throughout the year, we recorded remarkable milestones and made a significant leap on our journey towards demutualization”



Nine years ago when I assumed the mantle of leadership as the Chief Executive Officer of The Exchange, I stated my commitment to contribute my quota towards developing the Nigerian financial markets, creating durable wealth for her citizens, and enhancing the NSE's global brand. In addition to assembling a team of passionate and well qualified individuals with a mix of experience across the globe, we have embarked on several audacious projects over the years. The year 2019 was no different as we continued to build on our strengths and execute on our strategy towards attaining the corporate aspirations we have set forth for the organization. With a keen focus on execution throughout the year, we recorded remarkable milestones and made a significant leap on our journey towards demutualization. Accordingly, it is with great pleasure that I reflect on another resilient year of operations at the NSE despite a tough operating environment.

### Operating Environment

The Nigerian capital market proved once more that it was in tandem with the larger economy as it began 2019 on the bearish momentum with which it ended 2018. The Nigerian economy was impacted by several global and local factors which led to a moderate real GDP growth of approximately 2% in 2019. These factors include sentiments following the 2019 general elections, trends in global foreign investments, trade tensions between the US and China, which affected global trade including demand for crude oil, as well as uncertainties surrounding the European Union's direction in a post Brexit world.

Even though the Federal Government made efforts to diversify the economy and make it more resilient to external shocks by implementing the Economic Recovery and Growth Plan (ERGP), foreign investors still

## CEO's Statement

sought safer haven in their home and adjacent countries – which were experiencing an upsurge in the price of risk-based assets, as FPI outflows outstripped inflows to The Exchange. In addition, moderate corporate performance in 2019 on the back of subdued private consumption and concerns around the stability of the Naira despite CBN's welcomed intervention in the FX market, led to a negative impact in the equities market as The Nigerian Stock Exchange (NSE) All Share Index (ASI) which started the year at 31,070.06 points declined 14.60%, breaching the 30,000 mark in the process, to close at 26,842.07 points. Our Fixed Income market, however, continued to perform well in 2019, reflecting investors' preference for less risky assets. Despite these challenging operating conditions, we continued to execute our corporate strategy which is aimed at amongst other things: enhancing The Exchange's value proposition to various stakeholders (i.e. exchange value chain); optimizing The Exchange's organizational structure; deepening retail participation in the Capital Market; and capitalizing on big bang opportunities (e.g. new initiatives) via the Strategic Plan for 2018 – 2021.

### Trading Performance

Despite the negative return posted by the ASI, the total market capitalization of the NSE increased by 15.26% to N25.89Tn in 2019 owing to an increase in the equity market capitalization and fixed income market capitalization. The equity market capitalization increased by 10.55% to N12.97Tn in 2019 largely due to the listing of some of Africa's largest companies; most notably the listings of MTN Nigeria Plc and Airtel Africa. The fixed income market capitalization increased by 20.42% to N12.92Tn in 2019 with the Federal Government of Nigeria (FGN) accounting for over 60% of total listings as the FGN continued to raise funds through the capital market to fund the economy. We continued to validate our position as a capital-raising platform for both business and government issuers as capital raising by Corporates increased by 321.61% in

2019. We lived up to our mantra of being the sustainable stock exchange championing Africa's growth as we witnessed the listing of several corporate green bonds on our platform. In the ETF market, turnover and trade volumes declined by 46.80% and 61.37% respectively indicating a flight from most of the underlying instruments by investors, however, the ETF assets under management increased by 7.43% to N6.58Bn driven by additional listing and rise in the price of NewGold ETF.

### Financial Performance

The NSE Group demonstrated resilience through the economic and market challenges, closing the year with revenue of N7.78Bn, a modest increase of 1.46% from 2018. Operating surplus was N2.27Bn; a 16% decline from 2018 largely due to an increase in operating and personnel expenses which was driven by The Exchange's long term view to undertake certain projects and invest in human capital. Whilst revenue from listings grew by 19.83% owing to the listing of MTN Nigeria, Airtel Africa and SAHCOL, transaction fees declined by 17.19% reflecting the general capital market trends within the period. I am pleased by the positive results generated from our diversification drive as market data income increased by 6.38%.

The Group's balance sheet continued to flourish as total assets grew by 10.42% to N32.10Bn while net assets increased by 9.73% to N28.44Bn – just N1.56Bn shy of our corporate strategy goal of N30Bn net assets by 2021.

### Strategic Execution and Partnerships

During the year, we showed commitment to achieving our strategic objectives. We focused on executing on the NSE's 2018 - 2021 Corporate Strategy, inclusive of restructuring the organization, onboarding new financial instruments and developing the market, as well as focusing on customer centricity. An important marker of our Vision of becoming Africa's Preferred Exchange Hub is to successfully demutualize the organization and as highlighted by the Council President, we

## CEO's Statement

made a significant leap in 2019 as we received a letter of 'No Objection' from the Securities and Exchange Commission (SEC) to enable us proceed to the final stages of the demutualization process. We are working fervently to complete this process which was muted 20 years ago and we expect to be a demutualized entity by FY 2020. This new phase of our history will give us unprecedented impetus to pursue various objectives and better serve our stakeholders as we become a more agile organization. We will continue to update and engage with our stakeholders on progress towards this goal.

When we launched the NSE 2018 – 2021 Corporate strategy, we stated our intent to capitalize on Big Bang opportunities and key into the 4th Industrial Revolution (4IR). We proceeded to create a new department – The Enterprise Innovation Hub, to serve as our anchor as we respond to emerging trends. In 2019, pursuant to these strategic objectives, we organized our first ever Hackathon to identify capital market solutions that could trigger the interest of young people and drive retail participation in the market. We have subsequently partnered with the most innovative solution providers identified and will deploy the solutions to the market in the near term. We hosted the first annual general meeting of the Fintech Association of Nigeria and forged partnerships with several institutions such as Seedstars and Rubies to improve The Exchange's support to startups and the Fintech ecosystem in Nigeria.

To highlight our green initiative, we signed an MoU with the Luxembourg Stock Exchange (LuxSE). The LuxSE is the leading green debt financing platform on the planet and this MoU will grant local green bond issuers access and visibility to international investors while promoting the cross-listing and trading of Green Bonds in Nigeria and Luxembourg. We partnered with Afrinvest Securities Limited to launch two new factor indices; the NSE-Afrinvest Banking Value Index and NSE-

Afrinvest High Dividend Yield Index to serve as tools for investors to evaluate the performance of their investments in the banking sector or high dividend paying stocks as apt. We also partnered with Meristem Securities Limited to launch the NSEMeristem Growth Index and NSE-Meristem Value Index to provide a benchmark for the market to gauge the performance of value stocks and growth stocks listed on The Exchange. We will continue to partner with various stakeholders to enhance the depth of our market and increase our products.

### Regulation

Regulation remains one of the core components of our operation and we will continue to effect global standard regulation to make the market more efficient and transparent for all our stakeholders across the globe. We reassessed our free float rules and announced amendments that will increase transparency and improve liquidity in the market. Together with the SEC, we made it easier for issuers to list on The Exchange by streamlining the listing processes which we hope will encourage more listings on our market. We made changes to the rules on equities pricing methodology to ensure better stability in listed company prices and fairness in trading these securities. We also enhanced the NSE/SEC financial reporting template for Capital Market Operators to align with new International Financial Reporting Standards and compliance requirements. In line with our efforts at boosting investors' confidence, we facilitated restitutions and recovery of shares worth N1.43Bn for investors in 2019. We will continue to review our rules and processes to ensure that the highest levels of regulatory oversight are upheld in our market.

### Developing Best in Class Capabilities

As part of our capacity building efforts, our X-Academy team delivered a Learning Management System which automated the administration, documentation, tracking, reporting and delivery of educational courses for The Exchange. Our quest to empower

## CEO's Statement

finance professionals in Africa received a major boost as we obtained full accreditation with the Center for Management Development. Our efforts in 2019 saw us record a 150% increase in the number of professionals trained. We will continue to harness the potential of our X-Academy to become a globally recognized hub for learning and development in the capital market. Our course offerings and training programmes will be continually reviewed to contain relevant and bespoke content that addresses the needs of an evolving world. We will also take advantage of existing NSE partnerships with leading global institutions such as the Chartered Institute for Securities and Investments (CISI), CFA Institute, etc., to facilitate and deliver world class training programmes.

### Outlook for 2020

In the Federal Government 2020 approved budget framework, Oil revenues constitutes about 31% of total revenues and given the dependence of the Nigerian economy on Oil exports for FX receipts, we expect that the price of Brent will affect investors' sentiments in the capital market. This is against the backdrop of increasing geopolitical tensions, concerns about climate change, and challenging fiscal and monetary policy environment.

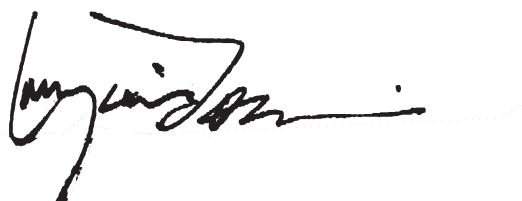
More recently, the outbreak of the deadly corona virus has changed all of our projections for global economic growth, with levels of uncertainty not seen since the global financial crisis of 2007/8. Accordingly, FGN intervention policies, structural reforms and greater collaboration between the public and private sectors have become even more critical to the performance of the domestic economy. Enhanced focus on saving the lives and livelihoods of Nigerians has also become paramount.

### Conclusion

Prior to the new coronavirus pandemic (COVID-19), the Nigerian economy was expected to grow by 2.5% in 2020. It is now expected to go into recession as we battle to stop the virus. The Exchange on its part will continue to be supportive of these efforts, while accelerating its digitization efforts as a way to survive the pandemic and indeed thrive post COVID-19. In spite of the health and economic challenges unleashed by COVID-19, I believe that with the measures we have already put in place, our demutualization, and restructuring, our company is positioned for the near term growth and long term prosperity.

I am deeply grateful to our regulator, the SEC, our Dealing Members and various stakeholders for their unflinching support last year. In a very special way, I would like to thank the National Council for their continued belief in and support for The Exchange's Management. Last but not least, I say a sincere 'thank you' to the NSE's stellar group of employees for their unwavering commitment and steadfastness throughout this period. As African Champions, we will deliver on our great promise of becoming Africa's preferred exchange hub.

God bless you and God bless Nigeria.



OSCAR N. ONYEMA, OON  
CHIEF EXECUTIVE OFFICER OF THE  
NIGERIAN STOCK EXCHANGE

The image features a large, thick, olive-green circle that is the central focus. It is surrounded by several thinner, light green and yellowish-green lines that form overlapping circles and arcs, creating a sense of movement and depth. The background is plain white.

# Strategy Report

# Strategy Report

## Advancing Africa's Global Capital Markets

The Nigerian Stock Exchange (NSE or The Exchange), the sustainable stock exchange championing Africa's growth, services the largest economy in Africa. Consistent with its Mission, NSE continues to support corporations to meet their business objectives by providing access to fund raising via the capital market while providing local and global investors community with an array of securities – Equities, Bonds and Exchange Traded Products (ETPs), Memorandum Listings, etc. to help meet their investment objectives.

In addition to The Exchange's core business of providing a platform for listing and trading of securities, NSE offers market data services, technology services, regulatory services, trainings and licensing services. In furtherance to our commitment to adopting the highest levels of international standards, we collaborate with like-minded institutions to

pursue world-class products, globally recognized regulatory standards and sustainability practices, best-in class technologies, and innovative financial outreach initiatives. Accordingly, we hold a number of leadership positions in several international and regional organizations that we partner with, aimed at enhancing the development and integration of global best practices across all of our operations.

As we celebrate our diamond jubilee in 2020, the NSE will evolve in order to meet the needs of its valued customers across the globe, and to achieve the highest level of competitiveness. Going by our goal to be a leading force in customer experience, by creating loyal and delighted clients and stakeholders, we will continue to provide a platform that will connect Nigeria, Africa and the world.

### Listing and Trading:



Equities



Fixed Income



ETFs



Mutual Funds



REITs



Rights

The Exchange, in stimulating economic growth, offers listing and trading services, licensing services, market data solutions, ancillary technology services, regulatory services, trainings and more...

### Services:



Market Data



Technology



Regulation



Training



Licensing

# Strategy Report

## Advancing Africa's Global Capital Markets

Our Vision concisely states our ambitions to become a multifaceted exchange that cuts across various markets and geographical regions. We aim to be a leading force in the Customer Experience, creating loyal and delighted clients and stakeholders.



### We Create Value for Investors and Businesses in Africa and Beyond

We are the engine to Africa's largest economy. We measure our success by the size and prosperity of our community of issuers, investors and intermediaries in Nigeria, Africa and world over. We aspire to increase our regional impact by helping more companies unlock their growth potential, providing new, accessible opportunities for citizens to create durable wealth, and better supporting governments to achieve inclusive growth and sustainable development. We are committed to achieving the highest levels of competitiveness across our business, matching local expertise with global insights, best practices and partnerships.



### We are No. 1 for Customer Experience

We aspire to be the preferred market for the end-to-end customer experience. We will achieve this by engraining customer service as a core organizational competence, elevating our ecosystem and providing a portfolio of globally competitive products and services which help our customers achieve their financial ambitions. Being "preferred" means becoming number one. In attaining service excellence we require dynamic solutions, business agility and a customer-focused workforce. To anticipate and satisfy our customers' needs, we must engage broadly, learn quickly and continuously improve our products, services and operations.



### We are an Integrated, Multi-Exchange Business with Diversified Revenues

We will become the premier exchange hub in our region, by adding new subsidiaries and business lines that complement each other and support us to provide better service for our customers at lower costs, via economies of scale.

At the heart of this, is our quest to operate in new geographical markets via consolidation of our business, and enter new product markets such as derivatives. Our aspirations also span the clearing and settlement, technology and market services businesses, as we seek to lower trading costs, enable seamless cross-border trading and settlement and maximize value creation for our stakeholders.

# Strategy Report

## Our Strategic Focus

We are a people-focused, result-oriented organization with a high-performance and intellectually challenging work environment. We are driven by our core values and constantly streamlining our processes to enable us

embrace change, innovation and growth. Our success is built on a clear strategic direction and a shared commitment to NSE's Vision, Mission and Core Values.

Our Mission	Our Vision	Our Quantified Vision	Our Core Value
To provide investors and businesses a reliable, efficient and an adaptable exchange hub in Africa, to save and to access capital	To be Africa's Preferred Exchange Hub	To be the preferred exchange hub in Africa with a return on asset of 26% and total net assets of N30 billion by 2021 (1 – 2 – 3 – 4)	Ambitious, Inclusive, Fair

We continue to run a sustainable business model to help us cushion the effects of cyclical changes in market conditions and deliver new, innovative opportunities for wealth creation. We operate in a market that is increasingly more competitive with the needs of customers rapidly changing, therefore, we provide a range of investment products, custom tailor to satisfy customers' needs.

The issuance and trading of these products is powered by world-class technologies and robust regulatory frameworks, to ensure a reliable and an efficient access to capital formation and value creation. In anticipation of derivatives trading on The Exchange, our technology infrastructure has been enhanced to support the trading of this product. In addition, a derivatives market rule book which would serve as a guide for trading derivatives on the bourse was released in the year under review. We believe that Exchange Traded Derivatives would aid efficient price discovery and risk management for our investors. By placing strategy at the forefront, we have seen our business emerge from challenging conditions to be a more responsive, resilient

and adaptable entity. This is reflected in our financial results and overall performance.

Continuous improvement, customer feedback and engagements, alongside the constant pursuit of service excellence are key to how we view Strategy at the NSE. Agility in execution and a translucent approach to stakeholder management also provides keen insights into initiatives we implement that engender market-wide impact.

The Exchange will continue to advance its business model to create a truly sustainable exchange hub for wealth creation and find more innovative ways to increase capital flows to sustainable companies and projects that are focused on fixing social or environmental challenges.



# Strategy Report

## Strategic Themes

The NSE leveraged on the Balanced Score Card (BSC) approach in its strategy implementation and as a part of the NSE's 2018 – 2021 corporate strategy, we identified four Strategic Themes, cutting across the four BSC perspective being financial, customer, processes and employee & systems, to ensure that the NSE's systems, processes and people

are aligned with its bold new vision of becoming Africa's Preferred Exchange Hub.

Accordingly, all initiatives executed are in line with the four strategic themes, which we've made commendable progress in achieving our goals at the halfway mark, while optimizing our resources.

Our Strategic Themes are:

 <p><b>O</b> Operational Efficiency</p>	 <p><b>C</b> Customer Centricity</p>	 <p><b>I</b> Innovation</p>	 <p><b>P</b> Partnerships</p>
<p>Efficient, effective and reliable operations that enables us to quickly provide our customers quality products and services at the best value for best efforts</p>	<p>Keen focus on deepening our customer intelligence, better understanding our customers' needs and serving them accordingly.</p>	<p>Effective implementation of new ideas, leveraging emerging technology to create dynamic products and services for our customers.</p>	<p>Mutually beneficial collaborations with all our stakeholders to support the development of a sustainable Nigerian capital market</p>

# Strategy Report

## Strategy Map

Driven by the advent of the fourth industrial revolution (4IR), the NSE reassessed its strategic agenda to align with the changing dynamics of the domestic and global operating landscape. This culminated in a new corporate strategic road map for the 2018 – 2021 period, with three key focus areas: (i) Enhancing our customer focus; (ii) Reorganizing for optimization; and (iii) Capitalizing on ‘Big Bang’ opportunities.

Our Strategic Roadmap enables the National Council, the Executive Management team and all other teams throughout the organization, to unanimously agree on the universal strategic intent of the business, fostering collective buy-in at all levels. This also holds true for our various classes of stakeholders.

## Our Strategy Roadmap

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

# Strategy Report

## 2019 in Numbers

The Exchange demonstrated another diligent year in strategy execution, despite a challenging operating environment, in line with its unwavering commitment to delight stakeholders with more asset classes as well as further deepen the capital market. We achieved three new company listings, one ETF listing, the ground breaking listing of Access Bank Plc's N15Bn Green Bond, the first of its kind to be issued by an African corporate, as

well as the listing of North South Power Company Limited's N8.5Bn corporate infrastructure Green Bond.

In our commitment to promote continuous financial literacy in Nigeria, we reached an all-time high of impacting over one hundred thousand participants in our various financial literacy programs and trained over 2,400 people since the launch of the X-Academy online.



Due to sustained primary market activities throughout the year, the total market capitalization increased by 15% to N25.89Tn

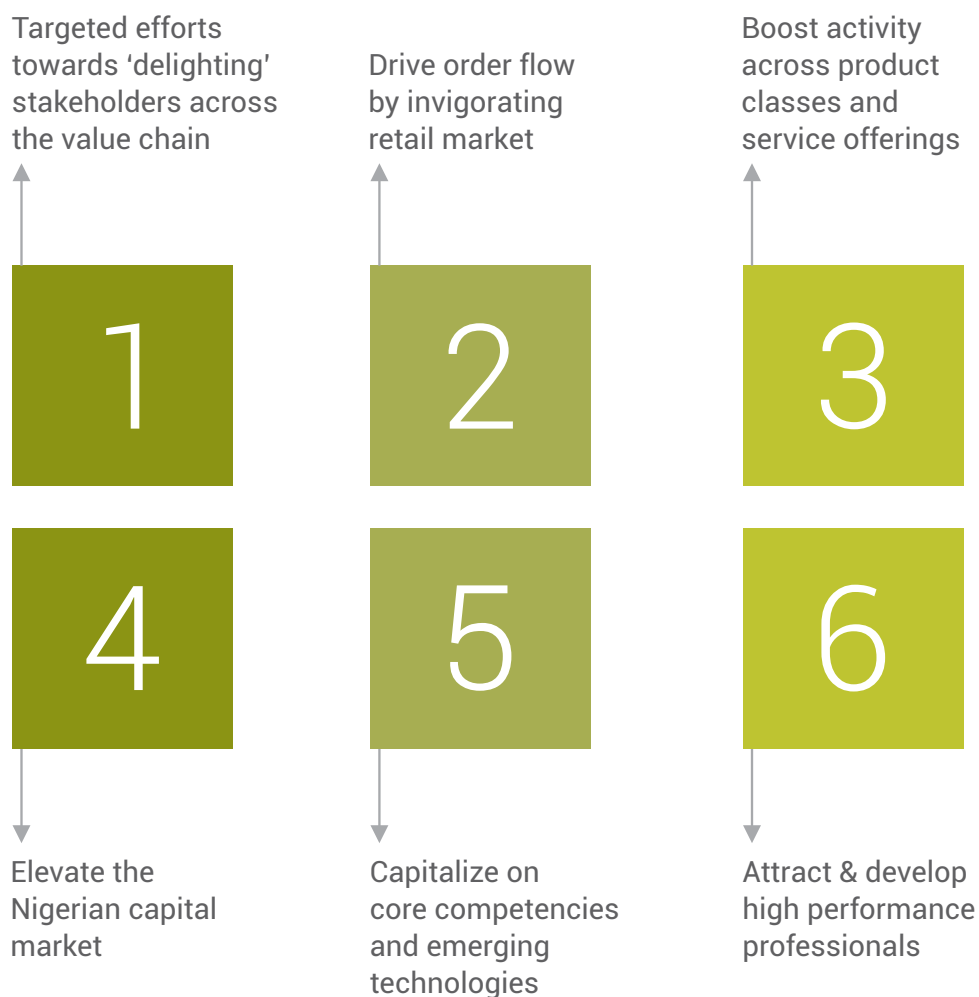
from N22.46Tn in 2018. In addition, we organized knowledge-sharing events with the aim of deepening the financial ecosystem.

# Strategy Report

## Strategic Performance 2019

In response to evolving economic conditions and rising domestic competition, the National Council in its strategy session in 2017, encouraged Management to reassess The Exchange's strategy and develop a new four year corporate strategy from 2018 – 2021.

The year under review marks the second year since initiation of the corporate strategy and commendable strides have been made in implementing our strategic plan. The 2018 – 2021 strategic plan comprises the following initiatives:



# Strategy Report

## Strategic Performance 2019

The table below contains a summary of our progress on the implementation on our six (6) broad strategic initiatives for the period under review.

Initiative Description	Progress in 2019	Key Strategic Impact
1 Delight stakeholders across the value chain	<ul style="list-style-type: none"> <li><b>Listings drive:</b> Attained three new company listings in 2019 – MTN Nigeria Plc by introduction, Airtel Africa and SAHCO Plc by IPO; – and one ETF listing – Greenwich Alpha ETF. Listed Access Bank Plc and North South Power Company Limited Green Bonds.</li> <li><b>Index launch:</b> Collaborated with Afrinvest Securities Limited to launch the NSE-Afrinvest Banking Value Index and NSE-Afrinvest High Dividend Yield and launched the NSE-Meristem Growth Index and NSE-Meristem Value Index in collaboration with Meristem Securities Limited.</li> <li><b>Financial Reporting:</b> Enhanced the SEC/NSE financial reporting template for Capital Market Operators to align with new International Financial Reporting Standards and compliance requirements.</li> </ul>	F1 C1 C2
2 Drive order flow by invigorating retail market	<ul style="list-style-type: none"> <li><b>Investor Protection:</b> Facilitated restitutions and recoveries of shares worth N1.436Bn for investors pursuant to The Exchange's strategic focus on Investors Protection.</li> <li><b>Free Float Rules:</b> Revised free float rules to enhance liquidity amongst quoted companies and streamlined the listing process to reduce the time to market for issuance and listing of securities.</li> </ul>	C1
3 Boost activity across markets, products and services	<ul style="list-style-type: none"> <li><b>Securities Lending:</b> Worked with securities lending agents to develop a securities lending pool currently worth about N1.07Bn and sensitized stakeholders on the possibilities that abound with securities lending.</li> <li><b>Rules on Pricing Methodology:</b> Amended rules on pricing methodology to ensure overall market stability and efficiency and fairness in pricing securities.</li> <li><b>Derivatives:</b> In anticipation for derivatives trading on The Exchange, the NSE released a derivatives market rule book that will serve as a guide for trading derivatives on the bourse.</li> </ul>	F1 C1 C2

# Strategy Report

## Strategic Performance 2019

Initiative Description	Progress in 2019	Key Strategic Impact
<p><b>4</b> Elevate the Nigerian Capital Market</p>	<ul style="list-style-type: none"> <li>▪ <b>Demutualization:</b> Proceeded to the next steps of the demutualization process which includes seeking formal approval from our members on our demutualization Scheme pursuant to the SEC's 'No Objection'.</li> <li>▪ <b>Strategic Partnership:</b> Signed an MoU with the Luxembourg Stock Exchange (the largest Green Bond listing platform in the world) to cooperate in promoting cross-listing and trading of Green Bonds in Nigeria and Luxembourg.</li> <li>▪ <b>Advocacy Efforts:</b> The Exchange continued to advocate for business-friendly regulatory and economic environment, working in conjunction with the Public and Private Sectors.</li> <li>▪ <b>Capital Market Events:</b> Hosted the 4th Market Data Workshop, interactive session in collaboration with Coronation Merchant Bank for the insurance sector and interactive session with stakeholders in the Consumer Goods Sector. Also, held the inaugural edition of the Islamic Finance in Nigeria (IFN) Forum in partnership with REDmoney Group, organized Fixed Income Trading Workshop and Retail Investor Coverage Workshop.</li> <li>▪ <b>Financial Literacy:</b> Joined The World Federation of Exchanges (WFE) and International Organization for Securities Commission (IOSCO) in the inaugural "Ring the Bell for Financial Literacy" initiative.</li> </ul>	<p>C3 P3 ES1 ES2</p>
<p><b>5</b> Capitalize on competencies and emerging technologies</p>	<ul style="list-style-type: none"> <li>▪ <b>Solutions:</b> Launched X-Mobile to enhance investors' participation in the capital market; mutual fund trading and distribution platform to enhance retail customer experience and X-Academy e-learning to make quality learning accessible and affordable to individuals, corporations and institutions. Other solutions yet to be launched include: data portal, a subscription based online data platform (Q2' go-live); X-PO, electronic IPO platform (Q2' 20 go-live) and X-Issuer II, an enhanced issuers' portal (Q2' go-live).</li> <li>▪ <b>Enterprise Innovation Hub:</b> Organized first ever Hackathon in the Nigerian capital market to encourage Tech enthusiasts to develop innovative Fintech solutions to drive up millennials participation.</li> </ul>	<p>C1 C2 C4 P3 ES3</p>

# Strategy Report

## Strategic Performance 2019

Initiative Description	Progress in 2019	Key Strategic Impact
	<ul style="list-style-type: none"> <li>▪ <b>Partnerships:</b> Forged partnerships with several institutions such as Seed Stars and Rubies to improve listings and enhance investors' participation in the capital market.</li> </ul>	
<p><b>6</b> Attract and develop high performance professionals</p>	<ul style="list-style-type: none"> <li>▪ <b>X-Academy:</b> In the year under review, X-Academy obtained full accreditation with the Centre for Management Development (CMD) and recorded a 150% increase from 968 to 2,417 in the number of participants trained across several courses offered.</li> <li>▪ <b>Staff Training:</b> An impressive 91.7% of our staff were trained during the year. This was boosted by the launch of the Learning Management System(LMS).</li> </ul>	<p><b>ES1 ES2</b></p>



# Strategy Report

## Key Strategic Highlights

### Demutualization - The Journey so far

- 1 2015** - Appointed the consortium of financial advisers, legal consultants and tax advisers
- 2 2016** - Due diligence process; Credible member register; Demutualization roadmap
- 3 2017** - Secured approval to formally commence the process leading up to the demutualization from The Exchange's members
- 4 2018** - Demutualization Bill assented to by the President of Nigeria and signed into law
- 5 2019** - Received approval to the No Objection application to demutualize from the SEC



We are confident that in the year 2020, the NSE will complete the final steps to actualizing demutualization.

### Pivotal Capital Market Listings

In keeping with our goal to delight our customers we listed Nigeria's top Telcos, MTN Nigeria Communications Plc ("MTN") on the Premium Board and Airtel Africa Plc on the main board via a cross border listing. MTN marks the first telecommunications network provider to be listed on the NSE Premium Board, while the Airtel Africa listing was the second company to have its ordinary shares listed on both the London Stock Exchange and NSE, as such, gives credence to the successful partnership between the two exchanges. These companies' listings on NSE indicate the NSE's platform as a veritable avenue for raising capital and enabling sustainable national growth.



### The Inaugural Hackathon Edition

The 4IR and Fintech space is an emerging area which industries cannot ignore. In light of this, we organized the inaugural edition of X-Kathon, a hackathon and idea innovation contest designed to improve the Nigerian capital market. The edition themed, "Millennials Participation in The Capital Market", was aimed at enhancing retail investors' participation in the capital market. X-kathon is an annual contest open to talented individuals, teams, and ventures in the tech ecosystem, with innovative ideas to spur the growth and development of the Nigerian capital market. Interested participants were asked to submit creative ideas, software/tech solutions and hacks to address "low participation of millennials in the capital market".



The X-Kathon is just one of the several initiatives NSE is leveraging to unlock the disruptive potential of the capital market and would be climaxed by the deployment of the solutions hashed from it over the next couple of months, to drive the NSE's retail participation agenda.

# Strategy Report

## The Road Ahead

As we move into 2020 with the aspiration of becoming Africa's Preferred Exchange Hub, we will continue our journey towards excellence by ensuring seamless execution of our various initiatives. We will also refine our existing

strategy – in terms of its implementation whilst making it more robust – to ensure alignment with our long term ambition to facilitate effective execution. Accordingly, we will work with our selected strategy consultant to:

We will continue to leverage our vast network of stakeholders and maintain an agile and adaptable approach to elevating The Exchange to becoming the Africa's Preferred Exchange Hub.

- Reassess and revalidate our current corporate strategy
- Refine elements of the business and operating model
- Expand beyond our current strategy execution period to reflect the future of the new corporate structure
- Restructure the Holding Company (HoldCo) and all its complementing subsidiaries
- Develop an implementation plan to facilitate a seamless execution of the strategy

As we restructure, we will realign with the realization of demutualization and identify several components as critical focus areas for us to successfully transition to the new organizational structures. We will develop and execute on relevant work streams – human capital optimization, financial restructuring, communication and stakeholder management, change management, etc. – to ensure a seamless transition to the new organizational

structure that is positioned to capitalize on new income opportunities and better support Nigeria's growth.

In addition, we will ensure that the HoldCo and all other subsidiaries run their independent strategy whilst keeping the human capital factor at the forefront as we reallocate resources across the Group.

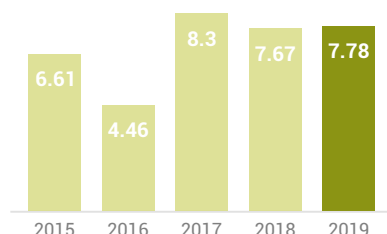


# 2019 Highlights

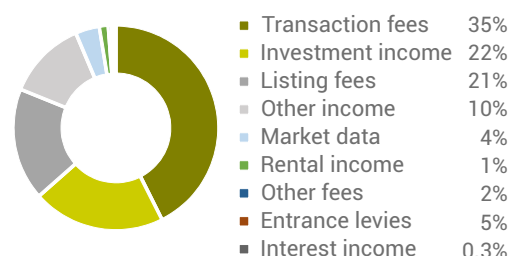
# 2019 Group Financial Highlights

Income  
**7.78Bn**  
 Y-O-Y **1%** ▲

FIVE YEAR TREND

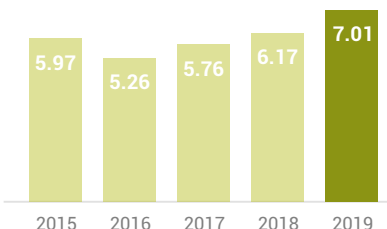


2019 INCOME MIX (%)

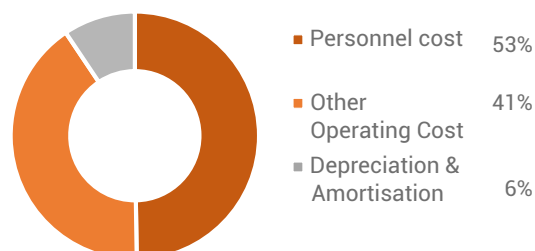


Expenses   
**7.01Bn**  
 Y-O-Y **-14%** ▼

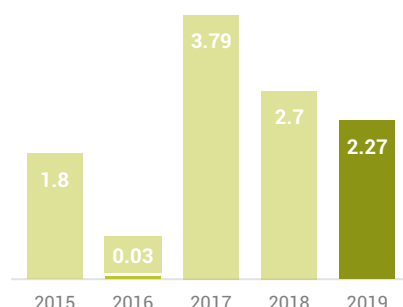
FIVE YEAR TREND



2019 EXPENSES AS A PERCENTAGE OF TOTAL



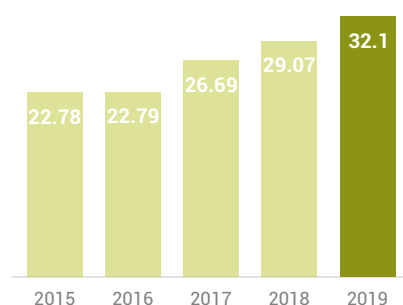
Surplus   
 after Tax  
**2.27Bn**



Y-O-Y Growth  
**-16%**



Total Assets   
**32.10Bn**



Y-O-Y Growth  
**10%**



Note: Surplus after tax N2.27B has share of profit of equity accounted investees N1.53B.



Enterprise Risk  
Management  
Report

# Enterprise Risk Management Report

## Enterprise Risk Management at The Exchange

The Nigerian Stock Exchange has continued to ensure sustainability in its business by embedding the culture of risk management in meeting its obligations to stakeholders. The Exchange embraced the best practice in Enterprise Risk Management, which aligns people, strategy, policies, processes, technology and business intelligence to evaluate, manage, and optimize the opportunities and threats we are potentially exposed to in our efforts to maximize stakeholders value. The integration of this practice has influenced our operations to improve process uptime, ensure value creation, and enhance enterprise resilience, operational effectiveness and efficiency.

As part of our objectives to ensure the business is a going concern, The Exchange integrated Enterprise Risk Management into its work ethics making it a prerogative at all levels of the organization to communicate the actionable risk information to the Management and Council at all times. Thus, risk management and project risk management have become a prerequisite for decision making in our business.

In line with this, the Enterprise Risk Management Group updated the risk management framework hinged on global standards like the ISO 31000:2018 as well as Basel II and COSO ERM 2017, to provide a comprehensive, systematic, disciplined and proactive process that is implemented to identify, assess, manage and report on the strategic business risks, and all risks related to the achievement of The Exchange's strategic objectives and transformation agenda. To this end, Enterprise Risk Management Group works with the risk owners periodically to ensure ongoing oversight/controls to mitigate the likelihood of these risks occurring.

Risk management has evolved beyond risk assessment and reporting and as such, we continue to empower ourselves and The Exchange to manage risks effectively in our market. Therefore, periodic risk awareness has

been instituted at The Exchange to heighten the risk sensitivity of employees and to integrate a culture of risk management into The Exchange's organizational culture. All this is geared towards promoting a holistic risk culture, a step at a time ensuring a sustainable business for our stakeholders and by that position The Exchange for global competitiveness.

## Risk Appetite and Risk Tolerance

Since risks cannot be totally eliminated in our business, mitigating controls are put in place to reduce them to a level deemed acceptable by the Management and Council based on the capacity of its people, processes and procedures. Our risk appetite sets a clear strategic direction that aligns The Exchange's risk tolerance with its business and objectives. Additionally, it outlines the aggregate level and types of risk on a broad-based level that The Exchange is willing to assume within its risk capacity to achieve its objectives and is defined by our Risk Appetite Statement.

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

## Risk Governance

To ensure that the tone for risk is set correctly, risk governance at The Exchange takes into account; roles, responsibilities and accountabilities of the Council, Senior Executive Management, and the Enterprise Risk Management Group, to guide and direct The Exchange risk program. Risk governance is therefore achieved through the collaborative effort of the Council through the Audit and Risk Management Committee (ARMC) to the Executive Management, Divisions/Business Units, Enterprise Risk Management Group and Internal Audit for independent assurance.

## Enterprise Risk Management at The Exchange



To ensure the effectiveness of The Exchange's ERM framework, the Council and Executive Management rely on line functions – including monitoring and assurance functions – within The Exchange. A model that dimensions the interrelationship between functional lines and provides the essence of their roles and responsibilities is the "Three Lines of Defense Model", and The Exchange has adopted this model to articulate the line functions and integrate the organizational governance structure with the ERM framework in order to deliver a robust framework for the management of risk. The lines of defense model serve as a primary means to demonstrate and structure the roles, responsibilities, communication and accountabilities for decision making and controls towards achieving effective governance risk management and assurance.

The first line of defense are the business units handling the day to day activities of the

business, adopting strategies to identify departmental risks opportunities and implementing risk mitigation actions that aligns with The Exchange's risk appetite. They have the responsibility of front-line monitoring of these risks.

The second line of defense is made up of enterprise risk, compliance, internal control, information security and business continuity functions within the Enterprise Risk Management Group, which owns aspects of the risk management process and monitors the implementation of effective risk management practices. They provide oversight and integration guidance on risk assessment, quantification, measurement and controls, and supports Executive Management by bringing expertise and monitoring of the first line to ensure that risk and controls are properly managed. For effectiveness, they work with and collaborate with the business units towards achieving The Exchange's objectives.

The third line of defense provides assurance to Executive Management and the National Council that the first and second lines' efforts are consistent with expectations. This is an assurance function performed by the Internal Audit department to provide assurance on the effectiveness of governance, risk management, and internal controls, including the manner in which the first and second lines of defense achieve risk management and control objectives.

Our governance model provides guidance for the implemented structure and the assigned roles and responsibilities of parties to increase the effective management of risk. Some of the roles of these stakeholders include:

**The National Council:**

Oversees the establishment of a risk management framework that defines The Exchange's risk policy and related processes, risk appetite and risk tolerances, and is responsible for satisfying itself that the ERM framework and processes in place are sound and effective.

**Audit and Risk Management (ARM) Committee:**

Responsible for assisting the Council in setting business risk strategy and policies in liaison with management and, in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.

**Executive Committee:**

Provides a forum for peer review and challenge the key risks facing the organisation. They approve the ERM strategy and champion an ERM culture throughout the organisation, coordinating ERM priorities and decision making.

**Enterprise Risk Management Group:**

Responsible for developing, and continually improving the implementation of the ERM framework, supporting the integration of risk management into strategic planning and developing the risk appetite.

**Divisions/Business Units:**

Accountable for the identification, assessment, management of and reporting on the key risks in their divisions and provide the necessary resources and ensure alignment with the ERM framework and process.

**Risk Champion:**

Point of contact for the Risk Management team with business unit and responsible for the quarterly risk reporting to the unit. Identifies and evaluates risks in their specific units that may hinder the achievement of The Exchange's strategic objectives.

The Three Lines of Defense model, articulate who does what and distinguishes among three groups (or lines) involved in the control of an effective enterprise risk management process and categorized thus;



RISK GOVERNANCE	Head of Departments			Enterprise Risk Management Group			Audit	
	1st Line [Division / Business Units (BUs)]			2nd Line [Standard Setters]			3rd Line [Assurance]	
	CEO's Office	Regulations	Listing Business	Enterprise Risk Management, Information Security, Business Continuity Compliance and Internal Control			Internal Audit	External Audit
	Shared Services		Trading Business					
RISK FRAMEWORK	<ul style="list-style-type: none"> <li>Day to day risk management and control, within the policies set by the 2nd line of defense.</li> <li>HODs adopt strategies to identify departmental risks / opportunities and optimize return on capital.</li> </ul>			<ul style="list-style-type: none"> <li>Established Risk Management, Internal Control, Compliance and Cybersecurity framework guidelines and ensure Business Units have an effective risk management process that operates within the guidelines.</li> <li>Ownership, development, review and deployment of corporate policies, including Enterprise Risk Management Framework.</li> <li>Support interpretation of corporate policies within Business Units.</li> </ul>			<ul style="list-style-type: none"> <li>Independent assurance over the risk and control framework.</li> </ul>	
RISK IDENTIFICATION & MANAGEMENT	<ul style="list-style-type: none"> <li>HODs' own BU Function risk Identification process               <ul style="list-style-type: none"> <li>- Document process</li> <li>- Identify risks</li> <li>- Measure and prioritize risks and implement risk mitigation actions aligned with BU risk appetite.</li> </ul> </li> </ul>			<ul style="list-style-type: none"> <li>Conduct periodic/ongoing reviews of risks, e.g., conduct risk assessments, info security reviews, ERM assessments and quality reviews.</li> <li>Support senior management in strategy settings by providing relevant risk analysis.</li> <li>Ensure that BUs assign appropriate accountability for risk management (prevention/detection or remediation).</li> </ul>			<ul style="list-style-type: none"> <li>Identify business risks for internal audit. Develop plan for IA/External audit testing</li> </ul>	
MONITORING TESTING, & VERIFICATION	<ul style="list-style-type: none"> <li>Responsibility for self-assessment of risk/testing of controls and "front line" monitoring.</li> </ul>			<ul style="list-style-type: none"> <li>Conduct periodic review of ongoing BU monitoring program.</li> <li>Disseminate results to respective risk and control groups.</li> <li>Review progress on mitigation status of critical risks within the BU.</li> </ul>			<ul style="list-style-type: none"> <li>Conduct independent testing testing of design and operating effectiveness of controls.</li> </ul>	
RISK REPORTING	<ul style="list-style-type: none"> <li>Responsible for on-going departmental updates / reports of existing and potential risks, management of risk register, ensuring effectiveness of controls.</li> </ul>			Update reports to EXCO	ARM Committee Reports	Council level risk reports.	<ul style="list-style-type: none"> <li>Assurance on controls and framework elements</li> </ul>	



## Risk Profile

The Exchange in the course of its operations identifies and differentiates the following major types of risks:

Risk	Risk Description	Mitigation Strategies
<b>Strategic Risk</b>	These are risks that arise as a result of the decision of Management and National Council regarding the strategic vision of The Exchange and can affect the development and implementation of The Exchange's strategic objectives	<ul style="list-style-type: none"> <li>▪ The Exchange makes continuously keep abreast of changes in the macro-economic environment, policies, and technology</li> <li>▪ Risk assessment of Enterprise's strategic objectives</li> </ul>
<b>Operational Risk</b>	These are risks that can cause a failure of the Exchange's internal processes and a cessation of major business systems that can lead to a delay in service delivery	<ul style="list-style-type: none"> <li>▪ Upgrade of all the technological systems</li> <li>▪ Quarterly review of Business Continuity, and Disaster Recovery Plan</li> <li>▪ Implementation of Information Security Management Systems and cyber security strategies</li> </ul>
<b>Compliance Risk</b>	The risks of facing regulatory sanctions and legal penalties which may also result in financial loss and reputational damage as a result of breach of contractual agreement and failing to adhere or act in accordance to the rules and code of conduct as instituted by the Securities and Exchange Commission	<ul style="list-style-type: none"> <li>▪ Continuous engagement with the regulator</li> <li>▪ Monitoring changes in the regulatory and legal landscape</li> <li>▪ Regularly monitor the adherence to all the reporting deadlines and report findings to Management and National Council</li> </ul>
<b>Business Risk</b>	The risk that the competitive landscape may hinder The Exchange from meeting her financial goals.	<ul style="list-style-type: none"> <li>▪ Survey of The Exchange's competitive landscape and review of The Exchange's business processes</li> <li>▪ Risk assessment of the Exchange's projects</li> </ul>
<b>Financial Risk</b>	The risk of financial loss that may be as a result of a revenue shortfall, expenses over-run or fines from regulators.	<ul style="list-style-type: none"> <li>▪ Strategically invest The Exchange's surplus in predictable growing stream of income</li> <li>▪ Ensure strict adherence to budgetary provisions</li> <li>▪ Zero tolerance to regulatory infractions</li> </ul>
<b>External Risks</b>	These are risks that affects The Exchange from its external environment and may be out of the control of Management. However,	<ul style="list-style-type: none"> <li>▪ Functional Government Relations department to increase government advocacy / engagement with policy makers</li> </ul>

## External Risks

measures are put in place to prepare for them and cushion the impact if they occur. These risks include political risks, natural disasters, changes in industry fundamentals and macro-economic environment.

- Conduct periodic business continuity and disaster recovery tests
- Implementation of occupational health and safety practices

## Reputational Risks

The potential for negative publicity, public perception or uncontrollable events that can have an adverse effect on The Exchange's reputation, thereby resulting in brand damage and financial loss

- Continuously manage relationship with media to control the narrative around the information being published
- Tracking positive and negative publications in the media for immediate response and action
- Shape public perception by releasing information about The Exchange's activities

## Risk Monitoring

Enterprise Risk Management Group continues to monitor all identified risks to ensure that they are actively managed, while controls in place are tested and verified periodically to confirm they are working effectively and The Exchange's risk exposure across the enterprise is managed to an acceptable margin within The Exchange's risk appetite. The effectiveness of these controls and implementation of new controls are monitored through the real-time reporting and documentation of the risk in departmental risk registers by the Risk Champions in all Business Units.

Furthermore, external and emerging risks are identified and assessed. Where feasible, mitigation strategies are proposed to reduce the probability and/ or the impact of these risks and to better position The Exchange to take advantage of these projected situations should they occur. The Enterprise Risk Management Group juxtaposes these risks with the risk appetite of The Exchange and report on the significant risks through The Exchange Business and Risk Report to the Executive Management and Audit and Risk Management Committee of the National Council on a quarterly basis. This provide a basis for the Committee to understand and assess the adequacy of decisions made by the Management on the key risks faced by The

Exchange and on emerging risks arising from new products, services or strategic initiatives.

## 2019 in Review

In the year under review, all efforts were geared towards achieving a better understanding of risk across multiple functions and departments as well as developing a risk management philosophy that is integrated into all levels and in decision-making activities of The Exchange. Hence, we updated The Exchange's Enterprise Risk Management (ERM) Framework to align with recent changes to two globally acceptable risk management standards (ISO 31000:2018 and COSO ERM 2017). Also, this was done in line with the standard requirement to update the framework periodically to align with best practice and reflect recent changes within the internal and external environment.

The risk management team recorded successes in the enterprise risk awareness program and made significant impact in ensuring that The Exchange acts proactively in the face of a changing work environment by instituting ad-hoc risk assessments for projects and initiatives we embark on. In deepening the activities of risk management across all levels at The Exchange, Enterprise Risk Management Group re-instated the job functions of the Risk Champions who are the first liners in the three lines of defense and

deployed risk registers to the departments to document risks inherent in their individual business units and processes. These registers are a repository for all the risks inherent in the business units and they are updated quarterly and submitted to the Enterprise Risk Management Group who then collates them into the enterprise wide risk register.

Moreover, in deepening the culture of Risk Management at The Exchange, the annual risk management training session was held. The training focused on reiterating to staff, their responsibilities in risk management. Also, the Risk Champions were trained on the changes to the risk management process landscape.

### **Information Security at The Exchange**

The Exchange information and cyber security risk management strategy adopts a multifaceted approach to securing both information assets and connectivity, through a paradigm that ensures that there is a tight collaboration and cohesion between our people and the processes they effectively optimize, our cyber infrastructure as well as the information in our care, and the underlying physical assets. This is because we understand the importance of cyber security within the digital world and the need to ensure our risk management strategies are truly integrated across the three tiers of defense at The Exchange.

Cyber security has taken an important role within the digital world because it provides the needed assurance to securely take advantage of the possibilities offered to organizations and business by technology, including the new wave of industry 4.0 technologies, and the world's population's embrace of an interconnected world. At The Exchange, we understand the need for cyber security risk assurance and we provide unrivalled services through the adoption of innovative technologies, automation and data products to deliver a platform that creates business opportunities within the capital market and also enhances the digital experiences of our customers.

We deliver this securely by bringing into the mix a top-notch cyber security risk mitigation

practice to counter cyber security threat actors that are synonymous with the internet and technology usage. We successfully benchmarked our Information Security Management System (ISMS) practices against the renowned ISO 27001:2013 global standard and we have continued in our commitment to maintaining the highest standard of Information & Cyber Security practices.

The ISO 27001:2013 certification is the most stringent global standard for Information Security management certified by the British Standards Institute (BSI), the United Kingdom based agency that provides assessment and certification to management system standards across 150 economies globally. It is the only auditable international standard which defines the requirements for Information Security Management Systems. In 2019, we validated our continued adherence to this global best practices through the successful BSI audit post re-certification.

Our risk mitigation strategies ensure that the confidentiality, integrity and availability of our information assets and cyber infrastructure are assured. This is achieved through planned initiatives and controls, which ensures that regulatory and operational risk in the operation of information and cyber technologies are mitigated. This provides an assurance for the proper functioning and stability of the capital market infrastructures. Some of the notable initiatives executed in 2019 are:

- Successfully maintained the ISO 27001:2013 global standard as The Exchange was re-certified in 2019
- The Exchange successfully achieved compliance with the recently introduced Nigeria Data Protection Regulation (NDPR), which includes an audit of processes and practices for protecting Personally identifiable information (PII)
- The Exchange organized the 7th Edition of our Nigerian Capital Market Information Security Forum (NCMISF). The aim was to improve knowledge and capacity within the Nigerian Capital Market ecosystem on the Nigeria Data Protection Regulation and how to achieve compliance

- The Exchange developed its Cyber Security Framework, this framework delivers a proactive approach to cyber risk management within a dynamically changing threat environment that is global. It also has the advantage of delivering a much higher level of transparency and trust to our stakeholders. The guiding principles of the framework core consists of five concurrent and continuous functions - Identify, Protect, Detect, Respond and Recover. The framework adopted, is based on the American National Institute of Science and Technology's (NIST) Cyber security Framework which is a set of standards, guidelines, and best practices to manage cyber security-related risk.

### **Business Continuity Efforts at The Exchange**

The Nigerian Stock Exchange established and maintains sustainable business operations by consistently providing essential services in the unlikely event of business disruption, meeting regulatory requirements and ensuring the business remains competitive both locally and globally. The business continuity management at The Exchange is benchmarked against the leading global standard and industry best practice, the ISO 22301:2013 on Business Continuity Management by the British Standards Institute (BSI), United Kingdom. This standard enables the business to respond effectively and promptly based on the procedures that had been defined before, during and after a disruption.

The highlights of business continuity efforts in 2019 were:

- Implementing and continual update of a robust business continuity and disaster recovery plans across the enterprise. The business continuity plan documents the pre-agreed decisions and procedures to restore mission critical services in the event of a disaster, while the Disaster Recovery plan details the process to recover critical IT Systems and services from any type of disaster at The Exchange.
- Scheduled Market-wide business continuity simulations test to ensure that collectively, the overall goal of least disruption to critical business processes and services can be achieved in the event

of a business disruption. The simulation tests were carried out in conjunction with the Central Securities Clearing System (CSCS) and other members of the ecosystem

- Enterprise-wide awareness and initiatives on crises management, emergency response and business recovery planning, this is to ensure that collectively as an organization, we can withstand a disaster
- Market-wide sensitization and awareness on cybersecurity resilience and business recovery planning within the ecosystem, thereby assisting organizations in accelerating the time frame to return to "business as usual" during a crisis

### **Outlook for 2020**

In a bid to meet The Exchange's strategic vision and effectively manage and monitor the risks that can affect the achievement of our objectives, Enterprise Risk Management plans to adopt an established key metrics of risk reporting; Risk Indicators, to track and monitor and provide early signals of increasing or decreasing risk exposures in various areas of the enterprise.

Another initiative to be implemented is the Loss Event Register, a consolidated loss event catalog including actual losses, near misses and calibrated external loss events that occur at all times within The Exchange. This will give us a better understanding of the cause of loss events and the actions to be taken to remediate the problems that led to the loss event.

The changes in The Exchange's work environment as we prepare for demutualization will require a lot of projects to be implemented, and as such Enterprise Risk Management team will be engaging the various project owners to carry out project risk assessments throughout the life cycle of these projects.

In furtherance of The Exchange's information and cyber security risk management strategy, efforts will be geared towards enhancing The Exchange's and the ecosystem's cyber security resilience and deepening the culture of privacy and protection of personally identifiable

information within the capital market ecosystem.

Also, the business continuity initiatives at The Exchange will be entrenched, as there are plans in place to:

- Carry out business continuity and resilience assessment of critical vendors/suppliers
- Engage the Dealing Member Community on the significance of business continuity

- and recovery planning through workshops/forum and also carry out the assessment of their state of disaster readiness

Sustain coordinated efforts towards ensuring that the risks to the critical services of The Exchange are mitigated,

- and, disruptions to the business are minimized.





Ethics and  
Compliance  
Report

# 2019 Annual Compliance and Internal Control Report

A critical success factor in The Exchange realizing its vision as "Africa's Preferred Exchange Hub" is maintaining a culture of integrity and compliance. This is made sustainable through an organizational culture that embeds compliance, integrity, transparency, fairness and professionalism into our day to day operations to ensure we comply with all applicable statutory and regulatory obligations and international best practices in the conduct of our business. We believe in upholding a zero tolerance policy for regulatory breaches and maintaining the highest level of integrity, ethical values, social, environmental and health and safety standards for our long-term success and delivery of value to our stakeholders.

The oversight responsibility for the Compliance and Ethics program at The Exchange lies with the National Council which ensures all compliance risks associated with The Exchange's business are proactively identified, assessed and effectively managed. The Audit and Risk Management Committee of the National Council of The Exchange provides support to the National Council in carrying out its compliance oversight obligations. In 2019, the National Council approved a revision to the Compliance Framework for managing The Exchange is Compliance and Ethics Program to ensure it aligns with recent changes at The Exchange and global best practices.

## The Compliance Function

The Exchange has an established compliance function that provides support to all business units across The Exchange and its Subsidiaries to ensure we continuously comply with all applicable regulatory and statutory obligations as well as operate to the highest ethical standards. The compliance function manages compliance risk at The Exchange through the implementation of the Council approved Compliance Framework. The Framework which was updated in 2019 to accommodate changes

in our regulatory universe and global best practices, documents our compliance policies on regulatory and statutory obligations, code of conduct and internal policy management.

## Highlights of Compliance Activities in 2019

The Exchange is strongly committed to ensuring compliance with all regulatory requirements and operating to the highest ethical standards. As a testament to this commitment, we engaged in several compliance activities to strengthen awareness on compliance issues and ensure The Exchange and its subsidiaries comply with statutory and regulatory obligations and demonstrate a strong sense of ethics in the discharge of its responsibilities. The highlight of compliance activities during the year include the following:

- Revision of The Exchange's Compliance Framework to ensure it aligns with recent changes at The Exchange and global best practices.
- Monitoring and ensuring adherence to our regulatory and reporting obligations. A total of 640 reports and remittances were rendered to the regulator and other government agencies during the year under review. Also, obligations arising from fines and penalties were duly discharged.
- Engaged a Data Protection Compliance Organization (DPCO) to perform a Privacy Impact Assessment (PIA) of The Exchange's compliance with the Nigeria Data Protection Regulation (NDPR) and submission of the audit report to the National Information Technology Development Agency (NITDA)
- Implemented a Centralized Policy Repository (X-Policy) for managing The Exchange's policies in a centralized location.
- Continued awareness on compliance issues through an enterprise – wide training for staff of The Exchange.

## Social and Environmental

As a sustainable stock exchange championing Africa's growth, our approach to Corporate Sustainability and Responsibility (CSR) influences the way we discharge duties and impact the diverse stakeholders that constitute our ecosystem. Our CSR strategy is structured around four strategic pillars of Community, Marketplace, Workplace, and Environment and is aligned with the United Nations Sustainable Development Goals (SDGs).

As The Exchange grows in its influence across Africa, our Corporate Social Responsibility (CSR) approach ensures that we give back to our local communities and provide the leadership support to enable our stakeholders to achieve their sustainability aspirations. Below are highlights of some of our CSR initiatives in 2019:

- Launched the Sustainability Disclosure Guidelines in March 2019, positioning The Exchange as one of the leading sustainable securities exchanges that have issued written guidance on Environmental, Social, and Governance (ESG) reporting.
- Launched the Facts Behind the Sustainability Report (FBSR) series in May 2019, to provide a new platform for listed companies to engage key stakeholders on the progress made in their efforts to adopt sustainable business practices.
- Received 40,966 entries for the 2019 The Exchange Essay Competition, marking over 100% increase from the 20,016 entries received in 2018 and the highest number of essays recorded in the 19-year history of the competition. At the award ceremony held in December 2019, Miss Adesewa Adeniyi from Grandmates Secondary School, Lagos State emerged the overall winner.
- Appointed Tuface Ujah Idibia as the Good Cause Ambassador to help in raising awareness and mobilizing support for the CSR initiatives of The Exchange geared toward achieving the United Nations SDGs in Nigeria.
- Raised a record sum of N51m at the 2019 The Exchange Corporate Challenge, exceeding our 2017 record of N44.6 million. The Exchange also made a first-

time donation of N20m, bringing the total funds raised in 2019 to N71m. 254 individuals benefitted from our free cancer screening at the venue and after the event.

- Reached 66,749 students in 6 states across the country during the 2019 Global Money Week (GMW), a 342% increase in the students reached during the 2018 GMW engagement.
- Revamped The Exchange Employee Volunteering Programme (EVP) by aligning the initiatives to the SDGs. A record 84 employees signed up to the revamped EVP and participated in a beach cleanup in partnership with Kid Beach Garden and the "No Tolerance Campaign" organized by Women at Risk International Foundation (WARIF).
- Collected 2047.9kg of recyclable wastes from The Exchange Head Office, a 172% increase from the 751.8kg collected for recycling in 2018.
- Ranked number 11 on the inaugural Forbes Africa Top 50 Brands Making a Difference ranking. Also, The Exchange received the Best Corporate Social Responsibility Initiative award (Promoting Sustainability & Reporting) at the Marketing World Awards 2019 in Accra, Ghana, and the Outstanding Invaluable Company Award for CSR from the Rotary International District 9110, Nigeria.

## Health and Safety

At The Exchange, the health and safety of our employees, customers and visitors is a top priority. We recognize that the safety of our workplace is critical to the long-term success of The Exchange. As a testament to this recognition, we continuously follow best practices and standards for a safe workplace. We summarise below our health and safety activities in 2019.

- Quarterly Emergency Evacuation Drill to raise awareness on emergency response procedures.
- Awareness training for Floor Wardens/Marshals and new hires to ensure prompt and appropriate response during emergencies.
- Uptime of installed life safety equipment – Ensured availability and functionality

of installed equipment like the Fire Alarm System, Extinguishers, Emergency Public Address System, etc.

- Aged major firefighting equipment in The Exchange Building were upgraded and on full automatic mode/standby. These include the Fire Hose Reel pumps and the Fire Hydrant systems.
- Good Housekeeping was encouraged among staff and followed through daily by the in-house facility team. Waste bins were provided in offices, lobbies, toilets, etc. Also, bins for recyclable materials were introduced at strategic positions to support the company's recycling initiative.

### Update on Changes in our Regulatory Environment.

The Nigerian Data Protection Regulation (NDPR) was issued by the National Information Technology Development Agency ("NITDA") on the 25th of January, 2019. The regulation applies to the storage and processing of Personal Identifiable Information (PII) in respect of Nigerian citizens and residents for which The Exchange has ensured compliance.

In November 2019, the Finance Bill, 2019 (the Bill) was passed by a joint session of the National Assembly. The Bill contains proposed changes to the Companies Income Tax Act (CITA), Value Added Tax (VAT) Act, Personal Income Tax Act, Petroleum Profits Tax Act (PPTA), Capital Gains Tax Act (CGTA), Customs and Excise Tariff (Consolidation) Act, and Stamp Duties Act.

Pursuant to the Investments & Securities Act (ISA) 2007, the Securities and Exchange Commission reviewed and approved new Rules

and Amendments to its existing Rules on 21 August 2019, 14 October 2019, and 23 December 2019.

Staying current with changes in our regulatory and statutory universe is a key component of our robust compliance program at The Exchange.

### Internal Control Report

The Exchange recognizes that effective internal controls are fundamental to achieving its vision and mission. In line with this recognition, the National Council approved a robust Internal Control Framework which outlines the basic principles for the design and operation of The Exchange's internal controls systems in our pursuit to deliver greater value for our stakeholders. The application of a Control Framework ensures that our policies, procedures, practices, and organizational structure at all levels are linked to the achievement of the strategic and business objectives of The Exchange. In keeping with The Exchange's objective of being Africa's Preferred Exchange Hub, our Framework for managing internal controls is patterned after the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Internal Control Integrated Framework best practices. The Internal Control Function monitors and facilitates the implementation of effective and efficient internal control practices by operational management and is an integral part of Enterprise Risk Management at The Exchange.

A summary of the thrust of our internal control systems at The Exchange during the year are depicted below:

Component of our Control System	Key Activities at The Exchange
Control Environment	<ol style="list-style-type: none"> <li>1. As a testament of its commitment to integrity, ethical values, and competence, the National Council (the Council) approved an extensive revision to The Exchange's Staff Handbook, Performance Management Policy, and Compliance Framework.</li> <li>2. The Council exercised oversight over The Exchange control system during the year. A robust Internal</li> </ol>

Component of our Control System	Key Activities at The Exchange
	<p>Control Framework was approved by the Council for managing control risk.</p> <ol style="list-style-type: none"> <li>3. The Exchange organizational structure aligns with best practice and defines roles and responsibilities directed toward the achievement of The Exchange vision and mission</li> </ol>
Risk Assessment	<ol style="list-style-type: none"> <li>1. The Enterprise Risk Management Framework of The Exchange was updated in 2019 to align with updates to two widely accepted risk management standards; ISO 31000 and COSO ERM 2017 methodologies. This attests to the commitment of the Council and Executive Management (ExCO) in establishing and sustaining best practices in risk assessment.</li> <li>2. The National Council and ExCO set clearly defined objectives to enable the identification and assessment of potential risk exposures to the achievement of The Exchange objectives</li> <li>3. Heads of Departments (HoDs) identify and assess risk exposures and changes that could inhibit the achievement of objectives.</li> </ol>
Control Activities	<ol style="list-style-type: none"> <li>1. Controls at The Exchange are deployed through policies and procedures. In 2019, the control function carried out a global review of the Standard Operating Procedure Manuals of all departments, units and divisions of The Exchange.</li> <li>2. All payment requests are independently checked by the internal control function.</li> <li>3. Approval Limits and Authorization – The Exchange ensures incompatible roles are segregated. No single employee of The Exchange can initiate and complete a transaction. The assignment of transaction approval limits is approved by the National Council.</li> </ol>
Information and Communication	<ol style="list-style-type: none"> <li>1. The Exchange communicates new/updated policies and procedures to employees via email, intranet, and upload to The Exchange centralized policy repository.</li> <li>2. The internal control function presents quarterly and ad hoc report on the state of internal control in The Exchange to the Audit and Risk Management</li> </ol>

Component of our Control System	Key Activities at The Exchange
	<p>Committee and Executive Management for consideration.</p> <p>3. The Exchange communicates externally with stakeholders on matters affecting the functioning of the internal control system through The Exchange annual financial statements, and corporate website.</p>
Monitoring Activities	<ol style="list-style-type: none"> <li>1. The Internal Control Function and Internal Audit conduct ongoing and/or separate evaluation of control activities in The Exchange.</li> <li>2. Control deficiencies identified and assessed are communicated in reports to the ARMC and ExCO. The control function actively monitors and reports on the remediation of these control deficiencies.</li> <li>3. External Auditors provide reasonable independent assurance to external stakeholders and management regarding the functioning of controls in The Exchange.</li> </ol>

The various components of our internal control system work together in an integrated manner to ensure that material errors or inconsistencies, waste, abuses, losses, and unauthorized use of The Exchange assets are promptly identified and corrected.

**A look ahead to 2020**

As we look forward to becoming a demutualized Exchange in 2020, our focus is to

maintain The Exchange policy of zero tolerance for regulatory and statutory breaches. The Compliance and Internal Control function will continue to ensure it remains compliant with existing and new regulatory and statutory obligations as well as comply with internal regulations and operate to the highest ethical standards and promptly identify and correct material errors or irregularities.



The image features a large, thick, light green circle that is partially cut off on the left and bottom edges. To its right, there are several concentric, thinner light green circles. Below the main circle, there are several thin, curved light green lines that sweep across the bottom of the page. The text is centered within the large circle.

Special  
Feature on the  
Growth Board

# Special Feature on the Growth Board

The Small and Medium-sized Enterprises (SME) sector account for a large part of emerging market economies, as they are important contributors to employment, economic and export growth. In Nigeria, SMEs contribute 48% of national GDP, accounting for 96% of businesses and 84% of employment.

Despite the significant contribution of SMEs to the Nigerian economy, challenges still persist that hinder the growth and development of the sector. For many SMEs, access to finance is a primary obstacle to growth. International Finance Corporation (IFC) data shows the financing shortfall for the 25–30 million formal SMEs in Emerging Market Countries at around \$1 trillion.

In line with its drive to deepen the Nigerian capital market and provide support for fast-growing companies, The Nigerian Stock Exchange (“NSE” or “The Exchange”) launched its Growth Board on Wednesday, 29 January 2020. The launch of the Growth Board provides issuers with the opportunity to leverage on the Exchange for listing, raising long term capital and facilitating liquidity in the trading of their shares. The Growth Board was established as part of the NSE's initiative on elevating the Nigeria Capital market and meeting the needs of businesses at every phase of their lifecycle. The board targets fast-growth companies which are often Small and Medium-Sized Enterprises (SMEs) operating in various sectors as well as operators in the technology ecosystem.

In delivering real value to SMEs, the Growth Board restructures current market segments along a company's entire lifecycle i.e. It offers issuers the opportunity to either list on the Entry Segment – for companies with a market capitalization from ₦50m, or the Standard Market – for institutions with a market capitalization from ₦500m. Furthermore, the segmentation of the boards provides alternative options for interested investors to participate in each company's growth journey.

## Objectives of the Growth Board

1. To encourage companies with high growth potential to seize the opportunity of raising long term capital and promote liquidity.
2. To cater for various market segments and to ensure all spectrum of businesses / companies in various growth phases can be listed.
3. To highlight the benefits available in the capital market for Start Ups, SMEs and Technology companies.
4. To provide market operators with a platform and access to potential pipeline of companies for listing on TheNSE.
5. To offer alternatives to a category of investors seeking opportunities in growth companies.
6. To allow growth companies to partake in the governance practices of the public markets to promote sustainability.

## Routes to Listing

The Growth Board acts as a vehicle to attract fast growing issuers to list on the NSE. The admittance to the Growth Board would be based on satisfying among other things listing requirements as stated below:

- **Growth Board – Entry Platform**  
The Entry level platform would serve as the entry point for public capital financing for start-ups and SMEs with market valuation between 50m and 500m. Companies admitted on The Growth Board – Entry platform would be publicly traded and subject to regulation and overall listing requirements of the Growth Board. Companies seeking admittance would need to be duly registered as Public Limited Liability Companies (PLCs), in addition to satisfying other requirements of The Exchange.
- **Growth Board – Standard Platform**  
The Growth Board – Standard platform would serve as the Standard board for public capital financing for Medium size businesses and venture capital seed companies with market valuation

between 500m and 4Bn. Companies admitted to this segment would be publicly traded and subject to regulation and overall listing requirements of the Growth Board. Companies seeking admittance would need to be duly registered as a Public Limited Liability Companies (PLCs), in addition to satisfying other requirements of The Exchange.

### Benefits of the Growth Board

The Growth Board presents immense benefits to both issuers, investors and the Exchange.

#### Benefits to issuers include:

1. Provides a platform for accessing right priced and long tenured capital (equity and fixed income) for growth companies
2. Provides global visibility for attracting a broad spectrum of investors including onshore and offshore institutional investors
3. Ensures increased corporate governance while providing the necessary support mechanism/framework for sustainability
4. Enhances visibility for growth companies to support brand promotion and customer acquisition
5. Provides clear valuation and enhances liquidity by providing access to new investors
6. Serve as an exit option for Core Investors
7. Offers an avenue and flexible mechanism for raising capital
8. Creates, broadens and diversifies investor base
9. Develops and increases sell side coverage / research for growth companies

#### Benefits to investors include:

1. Ability to invest in companies with high growth potential thereby resulting in high returns/capital appreciation
2. Ability to participate in new startups and companies within growth sectors.
3. Diversified investment options for Retail/institutional and onshore/offshore investors.
4. Ease of valuation of investments due to accessible price information.

#### Benefits to the NSE

The Exchange benefits by launching the growth board in the following ways:

- It positions the NSE as a more globally competitive Exchange
- Deepening of the Nigerian Capital Market Improved listings i.e. growth in the number of listed companies
- Increase of growth company/SME representation in the Nigerian capital market
- Creates a board that piques the interest of investors, by being fundamentally entrepreneurial, growth oriented, modern and innovative.
- Strategic Market Development that will drive increased investors' participation

#### Eligibility Criteria

Every Issuer that seeks admittance to the Growth Board shall make a written application to The Exchange and execute the General Undertaking for listing on the Growth Board Entry or Standard Segment

### Entry Segment

#### Route 1:

Company is already listed on the Main Board or Alternative Securities Market (ASeM) Board of The Exchange, or is seeking to list on the Growth Board (Entry) of The Exchange, and

- Is a public company limited by shares;
- at least two (2) years in Operation;
- Has audited financials (IFRS standard);
- Revenue growth by a minimum rate of 20% cumulatively in its last (two) 2 years of operations;

### Standard Segment

#### Route 1:

Company is already listed on the Main Board or Alternative Securities Market (ASeM) Board of The Exchange, or is seeking to list on the Growth Board (Entry) of The Exchange, and

- Is a public company limited by shares;
- at least two (2) years in Operation;
- Has audited financials (IFRS standard);
- Revenue growth by a minimum rate of 20% cumulatively in its last (two) 2 years of operations;

Entry Segment	Standard Segment
<p><b>Route 2:</b> Company is a new business that can provide evidence of investment in it by:</p> <ol style="list-style-type: none"> <li>1. A core investor or a strong technical partner that has a minimum of two (2) years' operating track record, or</li> <li>2. A majority shareholder who is either a High Net Worth individual or is a director of a listed company; and has <ul style="list-style-type: none"> <li>▪ Market capitalization <math>\geq</math> Fifty Million Naira (N50m) on the date The Exchange receives the Issuer's application</li> <li>▪ Minimum free float of 10% of its issued share capital;</li> <li>▪ a Designated Adviser</li> <li>▪ Minimum of 25 share-holders</li> <li>▪ Directors retain a minimum of 50% of their shares in the Issuer for a minimum period of 12 months from date of its listing</li> </ul> </li> </ol>	<p><b>Route 2:</b> Company is a new business that can provide evidence of investment in it by:</p> <ol style="list-style-type: none"> <li>1. A core investor or a strong technical partner who has a minimum of four (4) years' operating track record, or</li> <li>2. A majority shareholder who is a High Net Worth individual; and has <ul style="list-style-type: none"> <li>▪ Market capitalization <math>\geq</math> Five Hundred Million Naira (N500m) on the date The Exchange receives the Issuer's application</li> <li>▪ Minimum free float of 15% of its issued share capital;</li> <li>▪ a Designated Adviser</li> <li>▪ Minimum of 51 share-holders</li> </ul> </li> </ol> <p>Directors retain a minimum of 50% of their shares in the Issuer for a minimum period of 12 months from date of its listing</p>

Some examples of similar platforms in other Exchanges around the world.

S/N	SME Platforms	Exchanges
1.	Alternative Investment Market (AIM)	London Stock Exchange
2.	TSX Venture Exchange (TSXV)	Canadian Stock Exchange
3.	Nasdaq First North	NASDAQ
4.	AltX	Johannesburg Stock Exchange
5.	Bovespa Mais	BM&FBOVESPA
8.	Emerge platform	National Stock Exchange India
9.	Ghana Alternative Market (GAX)	Ghana Stock Exchange



Report on the  
National Council  
Evaluation



28 May 2020

The President  
The Nigerian Stock Exchange  
Stock Exchange House  
24 Customs Street  
Lagos  
Nigeria

**Report to the Council Members of The Nigerian Stock Exchange on the Outcome of the 2019 Council Performance Assessment**

PricewaterhouseCoopers (“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 for the period ended 31 December 2019.

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 21 April 2020. 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 significantly with the provisions of the SEC Code. Areas of compliance include effective oversight of strategy development and execution, as well as effective oversight of compliance and risk management within the Exchange. The Council also approved the revised EXCO charter which articulates the framework for delegation of authority to Management during the year.

Areas for improvement and other findings were also identified in the course of our review. Details of these are contained in our 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 was prepared and made available to them respectively while a consolidated report of the performance of all Council Members was submitted to the Council President.

Yours faithfully,  
for: PricewaterhouseCoopers

Femi Osinubi  
Partner  
FRC/2017/ICAN/00000016659

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



Corporate  
Governance  
Report

# Corporate Governance Report

## For the year ended 31 December 2019

### 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 match 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.

The National Council is composed of 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 the relevant corporate law, The Exchange's Memorandum & Articles of association and 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 Chief Executive Officer ("CEO"), who is assisted by other Executives 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 National 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 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, two (2) Vice Presidents (both of whom are Ordinary Members), other Ordinary Members and six (6) Dealing Members.

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

NAME	POSITION	CUMULATIVE YEARS OF SERVICE AS AT FEBRUARY 2020
Otunba Abimbola Ogunbanjo	President /Ordinary Member	8 Years, 8 months (12/05/2011 -28/09/2012 ) (31/01/2013 till February 2020)
Mr. Oscar N. Onyema, OON	Chief Executive Officer	9 Years, 1 month (1/04/2011 till February 2020)
Mr. Aigboje Aig-Imoukhuede, CON	Ex-Officio /Ordinary Member	7 Years, 4 months (31/01/2013 till February 2020)
Mr. Abubakar B. Mahmoud, SAN, OON	First Vice President/ Ordinary Member	8 Years, 8 months (12/05/2011 - 28/09/2012 ) (31/01/2013 till February 2020)
Mrs. Catherine Nwakaego Echeozo	Second Vice President/ Ordinary Member	2 Years, 8 months (25/09/2017 - till February 2020)
Erelu Angela Adebayo	Ordinary Member	2 Years, 8 months (25/09/2017 - till February 2020)
Katsina State Investment & Property Development Co. Ltd. (Represented by Mrs. Fatimah Bintah Bello–Ismail)	Ordinary Member	2 Years, 8 months (25/09/2017 - till February 2020)
Chartwell Securities Limited (Represented by Mr. Oluwole Adeosun)	Dealing Member	2 Years, 8 months (25/09/2017 - till February 2020)
Equity Capital Solutions Limited (Represented by Mr. Kamarudeen Oladosu)	Dealing Member	2 Years, 8 months (25/09/2017 - till February 2020)
Fortress Capital Limited (Represented by Mr. Yomi Adeyemi)	Dealing Member	2 Years, 8 months (25/09/2017 - till February 2020)

Pilot Securities Ltd (Represented by Mr. Seyi Osunkeye)	Dealing Member	2 Years, 8 months (25/09/2017 - till February 2020)
Planet Capital Limited (Represented by Mr. Chidi Agbapu)	Dealing Member	2 Years, 8 months (25/09/2017 - till February 2020)
WCM Capital Limited (Represented by Mr. Patrick Ajayi)	Dealing Member	2 Years, 8 months (25/09/2017 - till February 2020)

The Council meets once in two (2) months and such other times as it is required to meet to address urgent matters.

**f. Responsibilities of the Council**

The Council is responsible for:

- Ensuring the effective execution of The Exchange's self-regulatory responsibilities under the Investment and Securities Act 2007;
- 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;
- Ensuring that the Exchange achieves its objective of being a demutualised Exchange as mandated by its members;
- Providing oversight of senior management;
- Establishment of the various committees of The Exchange including the terms of reference and review of reports of such committees to address key areas of The Exchange's business;
- 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; and

- Monitoring the effectiveness of the governance practices under which The Exchange operates and making appropriate changes as necessary.

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

**i Audit and Risk Management Committee**

The Audit and Risk Management Committee ("ARM Committee") was established by the Council in May 2011 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 ARM Committee operates in line with formal terms of reference approved by the Council and during the financial year has executed its duties with a focus on governance, control and risk management arrangements.

The membership of the Committee as at 31 December 2019 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 for the year under review is as follows:

1. Mr. Abubakar B. 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 function.

The membership of the Committee as at 31 December 2019 is as follows:

1. Mrs. Catherine Echeozo (Chartered Accountant, Banker)- Chairperson
2. Mr Abubakar B. Mahmoud, SAN, OON, (Legal Practitioner)
3. Erelu Angela Adebayo (Real Estate Consultant)
4. Mr. Oluwole Adeosun (Chartered Accountant, Stockbroker and Banker)
5. Mr. Yomi Adeyemi (Chartered Accountant, Certified Financial Analyst)
6. Mr. Chidi Agbapu (Economist, Stockbroker)

**iv. 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 2019 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)

**v. Regulation Committee**

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 membership of the Committee as at 31 December 2019 is as follows:

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

**vi. Ad-Hoc Documentation Review Committee**

The Ad-hoc Documentation Review Committee was constituted by the National Council at its meeting of 31 January 2019 and was charged with the task of reviewing all documents to be submitted to the Securities and Exchange Commission (SEC) for its "No-Objection" to the proposed demutualization of The Exchange. The Committee was responsible to oversee, review and advise the National Council with respect to the documentary requirements for the grant of the No-Objection by the SEC as stated in Rule 2 of the SEC Rules on Demutualisation of Securities Exchanges in Nigeria.

The membership of the Committee for the year under review is as follows:

1. Mrs. Catherine Echeozo (Chartered Accountant, Banker)- Chairperson
2. Mr. Oscar N. Onyema, OON (CEO)
3. Mr. Oluwole Adeosun (Chartered Accountant, Stockbroker and Banker)
4. Mr. Yomi Adeyemi (Chartered Accountant, Certified Financial Analyst)

S/N	Committees	Composition	Number of Meetings held in 2019 and Attendance Compliance %	Summary of Activities in 2019
1.	Audit and Risk Management Committee	<p>The Committee members for the review period were:</p> <ul style="list-style-type: none"> <li>▪ Erelu Angela Adebayo (Chairperson)</li> <li>▪ Mrs. Catherine Echeozo</li> <li>▪ Mr. Yomi Adeyemi</li> <li>▪ Mr. Chidi Agbapu</li> <li>▪ Mr. Patrick Ajayi</li> </ul>	4 meetings 100% attendance	<ul style="list-style-type: none"> <li>▪ Discussed and approved The Exchange's External Auditor, (KPMG Professional Services Limited)'s audit strategy and plan for the year 2019.</li> <li>▪ Approved the Internal Audit Operational Plan/ Timetable for 2019 and the Enterprise Risk Management Plan for 2019.</li> <li>▪ Reviewed the Internal Audit Quarterly reports and findings and ensured compliance with the timetables.</li> <li>▪ Tracked the implementation of the 2019 audit recommendations contained in KPMG's Management Letter.</li> <li>▪ Approved the Enterprise Risk Management, Compliance, Internal Control and cybersecurity frameworks of The Exchange.</li> <li>▪ Reviewed the Enterprise Risk Management Quarterly Reports, Compliance Status Quarterly Reports, Internal Control Quarterly Report, Information Security &amp; Business Continuity Report, Investment Risk Report, Legal Risk Report and other reports.</li> <li>▪ Discussed and reviewed the external assessment of the effectiveness of the internal audit function of The Exchange.</li> <li>▪ Considered and approved the Internal Audit 2020 -2022 strategy.</li> <li>▪ Reviewed its terms of reference to ensure that it is operating optimally</li> </ul>



S/N	Committees	Composition	Number of Meetings held in 2019 and Attendance Compliance %	Summary of Activities in 2019
2.	Demutualisation Advisory Committee	<p>The Committee Members for the review period were:</p> <ul style="list-style-type: none"> <li>▪ Mr. Abubakar 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>▪ Pilot Securities Limited (Represented by Mr. Seyi Osunkeye)</li> <li>▪ Ms. Benneditker Molokwu (Independent Member)</li> <li>▪ Mr. Kayode Sofola, SAN (Independent Member)</li> <li>▪ Alhaji Rasheed Yussuff</li> </ul> <p>However, Pilot Securities Limited (Represented by Mr. Seyi Osunkeye) resigned in September 2019.</p>	1 meeting 100% attendance	<ul style="list-style-type: none"> <li>▪ Oversight of the demutualization communication plan;</li> <li>▪ Reviewed the draft Memorandum and Articles of Association of NGX Group Plc (Non- Operating Hold-Co), NGX Limited (Operating Exchange) and NGX Regulation Limited (Regulatory Entity);</li> <li>▪ Reviewed the terms of reference of the Claims Review Panel;</li> <li>▪ Reviewed the Valuation Report and Scheme of Arrangement; and</li> <li>▪ Reviewed the amended Rulebook of The Exchange (Proposed Rulebook of NGX Limited).</li> </ul>
3.	Governance and Remuneration Committee	<p>The Committee members for the review period were:</p> <ul style="list-style-type: none"> <li>▪ Mrs. Catherine Echeozo (Chairperson)</li> </ul>	6 meetings 100% attendance	<ul style="list-style-type: none"> <li>▪ Maintained direct oversight of the selection process for the nominees to the boards of the demutualized Exchange and its subsidiaries (the entities) and Members of the Claims Review Panel (the Panel)</li> </ul>



S/N	Committees	Composition	Number of Meetings held in 2019 and Attendance Compliance %	Summary of Activities in 2019
		<ul style="list-style-type: none"> <li>▪ Mr. Abubakar B. Mahmoud, SAN, OON</li> <li>▪ Erelu Angela Adebayo</li> <li>▪ Mr. Oluwole Adeosun</li> <li>▪ Mr. Yomi Adeyemi</li> <li>▪ Mr. Chidi Agbapu</li> </ul>		<p>and made its recommendations to the National Council. As part of this oversight responsibility, it also recommended the maximum number of directors for each of the above entities, having regard to a number of factors especially cost implications.</p> <ul style="list-style-type: none"> <li>▪ Maintained oversight of the selection process for the appointment of the Registrar of the Exchange and subsequently recommended to Council, the appointment of Datamax Registrars as the Exchange's Registrar, further to the imminent demutualization of the Exchange.</li> <li>▪ Reviewed and recommended various amendments to key Human Resources Policies such as the Employee Handbook, Performance Management System Policy, Performance Incentive Scheme Policy, Recruitment Policy, Status Car Policy, Leave of Absence Policy etc.</li> </ul>
4.	Technical and Business Committee	<p>The Committee members for the review period were:</p> <ul style="list-style-type: none"> <li>▪ Mrs. Fatimah Bintah Bello–Ismail (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>	4 meetings 100% attendance	<ul style="list-style-type: none"> <li>▪ Ensured that a robust governance process was in place for the implementation and management of key technology initiatives as well as maximizing the benefits of advancing technologies.</li> <li>▪ Oversight of the activities of the Listing Business Division, Trading Business Division, Technology Services Department, Branch Network and the Enterprise Innovation Hub.</li> </ul>



S/N	Committees	Composition	Number of Meetings held in 2019 and Attendance Compliance %	Summary of Activities in 2019
				<ul style="list-style-type: none"> <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 TheExchange.</li> <li>▪ Monitored and received updates on all prioritized projects of the Exchange for 2019 such as the roll-out of the insurance product and the securing of tax pioneer status for NG clearing (an associate of TheExchange).</li> <li>▪ Oversaw the successful completion of phase one of the X-PO platform, an electronic platform for the automation of Initial Public Offerings (IPO), ahead of its launch in 2020.</li> <li>▪ Monitored the implementation of the change to TheExchange's pricing methodology.</li> <li>▪ Oversight of The Exchange Traded Derivatives Market and Central Counterparty Clearing House Projects and in particular the achievement of significant milestones such as securing the Securities and Exchange Commission's approval on the draft Derivatives Rulebook.</li> <li>▪ Monitored and received updates on advocacy efforts relating to the proposal to expand the mandatory funding of the Investments and Securities Tribunal (IST) to all capital market operators.</li> </ul>



S/N	Committees	Composition	Number of Meetings held in 2019 and Attendance Compliance %	Summary of Activities in 2019
				<ul style="list-style-type: none"> <li>▪ Oversight of The Exchange's infrastructure capacity and threshold monitoring.</li> <li>▪ Reviewed its Terms of Reference to ensure that its provisions are sufficiently comprehensive to enable the Committee effectively discharge its obligations.</li> </ul>
5.	Regulation Committee	<p>The Committee Members for the review period were:</p> <ul style="list-style-type: none"> <li>▪ Mr. Abubakar B. Mahmoud, SAN, OON (Chairperson)</li> <li>▪ Mr. Oscar N. Onyema, OON</li> <li>▪ Mrs. Fatimah Bintah Bello–Ismail</li> <li>▪ Mr. Oluwole Adeosun</li> <li>▪ Mr. Kamarudeen Oladosu</li> <li>▪ Mr. Seyi Osunkeye</li> </ul>	3 meetings 100% attendance	<p>Rule-Making and Adjudication Matters:</p> <ul style="list-style-type: none"> <li>▪ Recommended several rules for the approval of the National Council. These include:</li> <li>▪ Proposed amendments to the rules for listing of Green Bonds on The Nigerian Stock Exchange</li> <li>▪ Proposed sanctions for violation of Rule 1:11: Dealing Member to sponsor applications for Quotations</li> <li>▪ Draft Rules on Custodial Accounts on Minors</li> <li>▪ Amendments to the Market Making Rules</li> <li>▪ Amendments to Issuer Rules on Information Disclosure</li> <li>▪ Amendments to Issuer Rules Governing the Use of the Issuers' Portal</li> <li>▪ The Rules for listing of Unit Trusts</li> <li>▪ The Rules on Placing Caution on Accounts</li> </ul> <p>Approved the exposure of several Rules for Stakeholders' comments. These include:</p> <ul style="list-style-type: none"> <li>▪ Proposed Amendments to Rules: Chapter 19 – Rules Relating to Board Meetings and General Meetings of Issuers</li> </ul>



S/N	Committees	Composition	Number of Meetings held in 2019 and Attendance Compliance %	Summary of Activities in 2019
				<ul style="list-style-type: none"> <li>▪ Rules on Third Party Transactions</li> <li>▪ Rules on unauthorized Use of Client Funds/ Segregation of Client Funds</li> <li>▪ Rules on Record of Transactions and Right of Inspection</li> <li>▪ Rules on Cooperation in Connection with Inspections or Investigations</li> </ul> <p>Quotations Matters:</p> <ul style="list-style-type: none"> <li>- Considered Free Float Compliance Reports, and applications for restructuring classifications.</li> <li>- Considered several requests for Extension of Time to Resolve Free Float Deficiencies.</li> <li>- Considered MTN Nigeria Communications Plc.'s Application for Listing by Introduction of 20,354,513,050 Ordinary Shares of N0.02 each at N90.00 Per Share.</li> <li>- Considered the regulatory delisting of two companies as a result of actions taken by their primary regulators.</li> </ul> <p>Disciplinary Committee</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>



S/N	Committees	Composition	Number of Meetings held in 2019 and Attendance Compliance %	Summary of Activities in 2019
6.	Ad-hoc Documentation Review Committee	<p>At the beginning of the year, the members were:</p> <ul style="list-style-type: none"> <li>▪ Mrs. Catherine Echeozo</li> <li>▪ Mr. Oscar N. Onyema, OON</li> <li>▪ Mr. Oluwole Adeosun</li> <li>▪ Mr. Yomi Adeyemi</li> </ul>	<p>- 3 meetings</p> <p>-100% attendance</p>	<ul style="list-style-type: none"> <li>▪ Reviewed and recommended the draft Demutualisation Plan of The Exchange, subject to amendments, to the National Council for its approval and subsequent submission to the Securities and Exchange Commission (SEC)</li> <li>▪ Conducted a review of the Memorandum and Articles of Association of Nigerian Exchange Group Plc, Nigerian Exchange Limited and NGX Regulation Limited and recommended them to the National Council for its approval and subsequent submission to the SEC as part of the documentary requirements for receipt of its "No-Objection".</li> <li>▪ Considered the 2019-2023 Strategic Road-Map of The Exchange and recommended it, subject to amendments, to the National Council.</li> <li>▪ Advised the National Council on the benefits to be allotted to certain categories of members of The Exchange upon its demutualisation.</li> <li>▪ Reviewed and recommended the Scheme Document (which outlined the Scheme of Arrangement through which The Exchange sought to achieve its demutualisation) to the National Council for its approval and subsequent submission to the SEC for its approval.</li> <li>▪ Advised the National Council on the names to be assigned to the post-demutualised entities of The Exchange, which formed part of the information to</li> </ul>



S/N	Committees	Composition	Number of Meetings held in 2019 and Attendance Compliance %	Summary of Activities in 2019
				<p>be submitted to the SEC for its "No-Objection" to The Exchange's demutualisation.</p> <ul style="list-style-type: none"> <li>▪ Reviewed and recommended to the National Council, the RuleBook drawn up for Nigerian Exchange Limited (post demutualisation of The Exchange) for its approval and subsequent submission to the SEC for its approval.</li> </ul>



Pursuant to delegated authority from the National Council, the Audit and Risk Management & Governance and Remuneration Committees held a joint session on 18 February 2020 to review The Exchange's draft Audited Financial Statements for the year ended 31 December 2019 and Management Letter thereon. They presented the draft Audited Financial Statements to the National Council for approval, and it was approved.

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 79 and 80 of the Annual Report.

#### h. Record of Council and Committee meetings held in 2019

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	ADRC	ARM	DAC	GARC	TBC	Reg	ARM & GARC
	<b>Number of meetings</b>	<b>10</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>1</b>
1	Otunba Abimbola Ogunbanjo	9	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Mr. Oscar N. Onyema, OON	10	3	N/A	1	N/A	4	3	N/A
3	Mr. Aigboje Aig-Imoukhuede, CON	9	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Mr. Abubakar B. Mahmoud, SAN, OON	9	N/A	N/A	1	6	N/A	3	1
5	Mrs Catherine Nwakaego Echeozo	10	3	4	N/A	6	N/A	N/A	1
6	Erelu Angela Adebayo	9	N/A	4	1	6	N/A	N/A	1
7	Mrs Fatimah Bintah Bello-Ismael	10	N/A	N/A	N/A	N/A	4	3	N/A
8	Mr. Oluwole Adeosun	10	3	N/A	N/A	6	N/A	3	1
9	Mr. Kamarudeen Oladosu	10	N/A	N/A	N/A	N/A	4	3	N/A
10	Mr. Yomi Adeyemi	10	3	4	N/A	6	N/A	N/A	1
11	Mr. Seyi Osunkeye	10	N/A	N/A	1	N/A	4	3	N/A
12	Mr. Chidi Agbapu	10	N/A	4	N/A	6	N/A	N/A	1
13	Mr. Patrick Ajayi	10	N/A	4	N/A	N/A	4	N/A	1

#### Key

NCM- National Council Meetings

ARM- Audit & Risk Management Committee

DAC- Demutualization Advisory Committee

ADRC- Adhoc Documentation Review Committee

Reg - Regulation Committee

GARC- Governance and Remuneration Committee

TBC - Technical and Business Committee

N/A- Not Applicable

#### 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 also meets quarterly with representative of Association of Securities Dealing Houses of Nigeria.

The Exchange 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.

**j. Appointment of Council Members**

The Exchange developed a comprehensive, clearly defined and transparent procedure for appointment to the Council. 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 2019.

**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 session 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 2019, the National Council undertook a tour to the B3B. In view of The Exchange's imminent transition to a for profit business via demutualization, the 2019 Technical Tour afforded the National Council the opportunity to leverage on the B3's unique market positioning for best-in-class operational excellence, as well as leverage on learnings from the Brazilian financial ecosystem

**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 comparable companies. The ability to meet this objective is dependent on the 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 2019. The assessment covers the Council's structure and composition, responsibilities, processes and relationships for the year. This report is on page 56.

**p. Council Secretary**

The Council Secretary possesses the 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:

- (i) 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;
- (ii) Manages Council communication and communication among Council

inter se and between Council and Management;

- (iii) 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;
- (iv) Renders ongoing support and assistance to the National Council;
- (v) Organizes relevant professional training as required by the National Council.

The image features a large, thick olive green circle that is partially cut off on the left and right sides. To its right, there are several concentric, thinner olive green circles. Below the main circle, there are several thin, curved lines that sweep across the bottom of the page. The text 'The National Council' is centered within the large circle.

The National  
Council

# The National Council





Profile of  
Members of the  
National Council

## Profile of Members of 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.



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 Chairman of Central Securities Clearing System Plc; the clearing, settlement and depository for the Nigerian capital market, and the pioneer chairman of NG Clearing Limited, which is championing the development of the Central Clearing Counterparty in Nigeria. He also serves as the Chairman of the subsidiaries of The Exchange, and the Association of Securities Exchanges in Nigeria. He sits on the London Stock Exchange Group Africa Advisory Group.

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). He was the immediate past President of the African Securities Exchanges Association ASEA and former

chairman of WACMIC, where he supported efforts to integrate securities markets in the West African sub-region.

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.

## Profile of Members of the National Council



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 is a member of the American Academy of Arts and Sciences and 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.



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. He serves on the Boards of Africa Initiative for Governance, Stanbic IBTC Pensions Managers, and MTN Nigeria Plc.

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.

# Profile of Members of the National Council



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 serves on the Board of Stanbic IBTC Pensions Managers. 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.



Erelu Angela Adebayo  
Ordinary Member

Erelu Angela Adebayo is the Founder of Erelu Adebayo Foundation, and Erelu Adebayo Children's Home. She holds the traditional titles Aare Erelu of Ado Ekiti, and Erelu of Iyin Ekiti.

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., 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.



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

Mrs. Fatimah Bintah Bello- Ismail 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.

## Profile of Members of the National Council



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

Mr. Oluwale Ololade 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), Three Points Industries Limited, UBN Property Plc. and EDC Registrars.

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.

# Profile of Members of 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, Toksmaill BDC Limited, Connect Marketing Services Ltd, and, Livestock Feeds Plc.

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  
(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.

## Profile of Members of the National Council



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 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.

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.



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 is a Member of the Statutory Audit Committee, Central Securities Clearing Systems Plc.

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.

He serves on the Boards of Ned Phillips Capital Limited, WCM3 Investments Ltd. and Letshego Microfinance Bank.



Report of the  
National Council

# Report of the Council

## For the year ended 31 December 2019

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, 2019.

### 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; NGX Real Estate Limited (formerly Naira Properties Limited), Coral Properties Limited, NSE Consult Limited and NSE Nominees Limited. The Exchange also has interests in NG Clearing Limited and Central Securities Clearing System Plc (CSCS) as associate companies.

### c. Operating results

Gross earnings of the Group recorded an increase of 6% (2018: decrease of 6%) and surplus before tax recorded a decrease of 18% (2018: decrease of 23%). Gross earnings for the Group comprises revenue, other income and share of profit of equity accounted investees. For The Exchange, gross earnings increased by 6% (2018: declined by 2%) and the surplus before tax decreased by 31% (2018: decreased by 17%). Highlights of the Group and The Exchange's operating results for the year under review are as follows:

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Revenue and other income	7,783,358	7,671,488	8,592,037	8,275,622
Share of profit of equity accounted investee	1,531,589	1,302,603	-	-
Surplus before tax	2,301,798	2,805,027	1,523,852	2,196,884
Income tax expense	(30,925)	(101,583)	-	-
Surplus after taxation	2,270,873	2,703,444	1,523,852	2,196,884
Surplus	2,270,873	2,703,444	1,523,852	2,196,884
Appropriations:				
Other comprehensive income	250,277	103,152	9,710	-
Transfer to accumulated funds	2,521,150	2,806,596	1,533,562	2,196,884

### d. Council members' interests in contracts

Mr. Mahmoud has notified The Exchange, for the purpose of section 277 of the Companies and Allied Matters Act CAP C20 LFN 2004 (CAMA), of his interest

in a contract with Coral Properties during the year.

### e. Property and Equipment

Information relating to changes in

property and equipment is given in Note 16 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

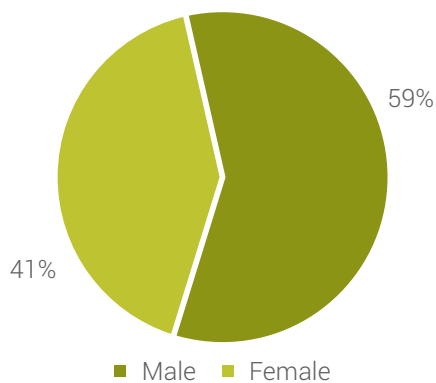
- maintained;
- ii. Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;
- iii. Applicable accounting standards are followed;
- iv. Judgments and estimates made are reasonable and prudent;
- v. Suitable 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**

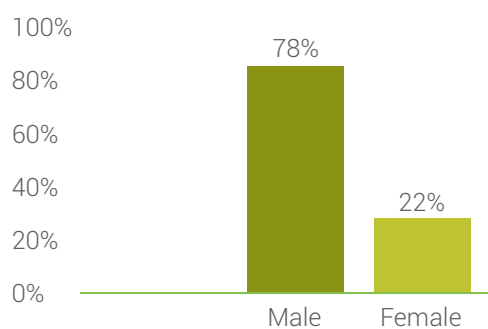
i. Report on Diversity in Employment The Exchange operates a non discriminatory policy (Work Force Diversity and Equal Opportunities Policy) in the consideration of applications for employment. The Exchange's policy is that the most qualified and experienced persons are recruited for appropriate job 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.

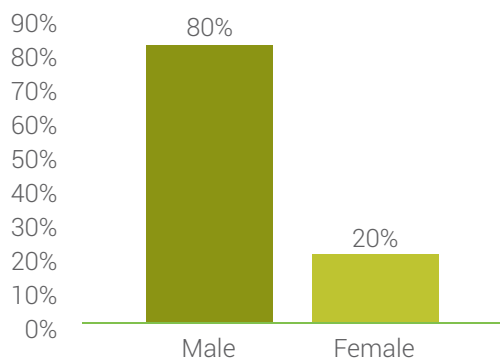
**(a) Composition of Employees by Gender**



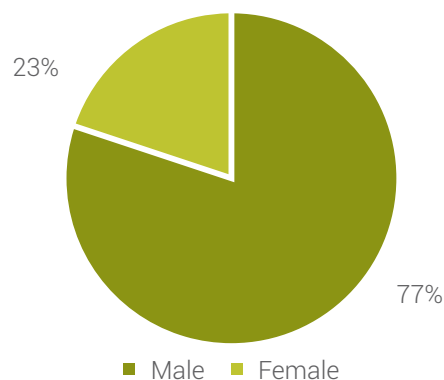
**(b) Top Management Composition (AGM to DGM) by Gender**



**(c) Top Management Composition (General Manager to CEO) by Gender**



**(d) Council 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 organisations that provide 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 organized 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. 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 available to staff within the training budget. 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 events after reporting date requiring adjustment of, or disclosure in, these consolidated and separate financial statements.

**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 auditor will be re-appointed at the next Annual General Meeting of the Exchange without any resolution being passed.

By Order of the Council



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Mrs. Mojisola Adeola  
FRC/2013/NBA/00000004263  
Lagos, Nigeria  
18 February 2020



# Council Members' Responsibility

# Statement of Council members' responsibilities in relation to the Financial Statements

## For the year ended 31 December 2019


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:



Otunba Abimbola Ogunbanjo  
FRC/2013/NBA/00000004358  
President  
18 February 2020



Mr. Oscar N. Onyema, OON  
FRC/2013/IODN/00000001802  
Chief Executive Officer  
18 February 2020



Consolidated  
and Separate  
Statement



**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 home.kpmg/ng

## INDEPENDENT AUDITOR'S REPORT

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, 2019, 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 95 to 178.

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, 2019, 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 Company 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. Other information comprises the Report of the Council, Statement of Council member's responsibilities, Corporate Governance Report and Other National Disclosures (Value added statement and five-year financial summary), 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 includes 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 the Demutualization of The Nigerian Stock Exchange, Complaints Management Report, Comparative Trading Activities Report, Summary of Trading Activities by Category Report, Monthly Trading Activities Value, Summary of Trading Activities, Report on

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#### Partners

Adediji O. Lamikanra	Adegoke A. Oyelami	Adelurife A. Eielute	Adetola P. Adeyemi
Adevala K. Agbi	Ajibola O. Olumote	Ayobami L. Salami	Ayodele A. Soyinka
Ayodele H. Othman	Chibuzor N. Ahyanegi	Chineme B. Nwagbo	Ehio A. Abangbe
Elijah O. Oadumayye	Goodluck C. Oba	Ibitomi M. Adepoju	Ijemma T. Eneze-Ezigbo
Joseph O. Tagbe	Kabir O. Okunola	Lawrence C. Amadi	Mohammed M. Adama
Nneka C. Eluma	Oguntayo I. Ogungbenro	Olabimpe S. Afolabi	Oladimeji I. Saludean
Olanike I. Jamis	Olumide O. Olayinka	Olusegun A. Sowande	Olutayo I. Ogunlowo
Oluwalemi O. Awotoye	Oluwatoyin A. Obagi	Territope A. Onitiri	Tolulope A. Ddukale
Victor U. Onyenkpa			



Growth in Listed Securities, Active Dealing Member Firms (together "Outstanding reports"), which are expected to be made available to us after that date.

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 Council Members 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.
- 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:

Adegoke A. Oyelami, FCA  
FRC/2012/ICAN/00000000435  
Partner  
KPMG Professional Services  
Lagos, Nigeria



6 March 2020

# Consolidated and Separate Statement of Comprehensive Income

For the year ended 31 December 2019

<i>In thousands of naira</i>	Note	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Revenue	9	4,954,435	4,822,617	4,863,461	4,700,579
<b>Revenue</b>		4,954,435	4,822,617	4,863,461	4,700,579
Other income	10	2,828,923	2,848,871	3,728,576	3,575,043
		7,783,358	7,671,488	8,592,037	8,275,622
Impairment loss on financial assets	11	(63,990)	(50,364)	(82,821)	(52,840)
Personnel expenses	12	(3,694,465)	(3,066,896)	(3,694,465)	(3,066,895)
Depreciation	16	(384,003)	(374,916)	(437,186)	(321,567)
Amortization	15	(92,767)	(205,687)	(92,767)	(205,687)
Operating expenses	13	(2,777,924)	(2,471,201)	(2,760,945)	(2,431,748)
<b>Total expenses</b>		(7,013,149)	(6,169,064)	(7,068,184)	(6,078,738)
<b>Operating surplus</b>		770,209	1,502,424	1,523,852	2,196,884
Share of profit of equity accounted investees (net of income tax)	19(iii)	1,531,589	1,302,603	-	-
<b>Operating Surplus before tax</b>		2,301,798	2,805,027	1,523,852	2,196,884
Income tax expense	14	(30,925)	(101,583)	-	-
<b>Operating Surplus after tax</b>		2,270,873	2,703,444	1,523,852	2,196,884

Other comprehensive income:

**Items that are or may be reclassified to profit or loss**

Equity-accounted investee - share of OCI	19(i)	84,554	(19,344)	-	-
Items that will never be reclassified to profit or loss					
Equity accounted investee effect of dilution	19(ii)	-	89,062	-	-
Remeasurement of defined benefit liability	26	9,710	(29,190)	9,710	(29,190)
Equity investment at FVOCI - net change in fair value	21(a)(iii)	156,012	62,624	-	-
<b>Other comprehensive income/(loss), net of tax</b>		<b>250,277</b>	<b>103,152</b>	<b>9,710</b>	<b>(29,190)</b>
<b>Total comprehensive income for the year</b>		<b>2,521,150</b>	<b>2,806,596</b>	<b>1,533,562</b>	<b>2,167,694</b>

*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 2019

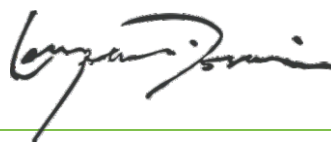
<i>In thousands of naira</i>	Note	Group 2019	Group 2018	Exchange 2019	Exchange 2018
<b>ASSETS</b>					
Property and equipment	16	4,309,602	3,914,072	2,255,227	1,836,427
Intangible assets	15	257,155	309,030	252,520	304,394
Investment properties	18	-	1,144,400	-	-
Investment in associates	19	10,689,986	9,024,856	2,157,340	1,058,304
Investment in subsidiaries	20	-	-	945,950	945,950
Investment securities	21	4,761,505	2,604,247	4,305,438	2,340,632
<b>Total non- current assets</b>		<b>20,018,248</b>	<b>16,996,605</b>	<b>9,916,475</b>	<b>6,485,707</b>
Intercompany receivables	17	-	-	868,671	2,052,107
Trade and other receivables	22	229,550	1,282,058	200,383	1,172,910
Prepayment	23	301,827	291,787	301,802	218,637
Investment securities	21	7,133,863	7,688,773	6,943,867	7,688,734
Cash and cash equivalents	24	4,416,040	2,810,873	4,307,178	2,606,461
<b>Total current assets</b>		<b>12,081,280</b>	<b>12,073,491</b>	<b>12,621,901</b>	<b>13,738,849</b>
<b>Total assets</b>		<b>32,099,528</b>	<b>29,070,096</b>	<b>22,538,376</b>	<b>20,224,556</b>
<b>EQUITY</b>					
Accumulated funds	25(a)	28,060,679	25,789,805	19,034,188	17,510,336
Other reserves	25(b)	378,024	127,748	(53,109)	(62,819)

<b>Total equity</b>		28,438,703	25,917,553	18,981,079	17,447,517
<b>LIABILITIES</b>					
Retirement benefit obligation	26	477,034	368,344	477,034	368,344
Deferred tax liability	27	201,395	192,332	-	-
Provisions	28	357,276	357,276	357,276	357,276
<b>Total non current liabilities</b>		1,035,705	917,952	834,310	725,620
Other liabilities	29	2,576,302	2,063,366	2,554,990	2,051,419
Current tax liabilities	30	47,811	171,225	-	-
Lease Liabilities	31	1,008	-	167,998	-
<b>Total current liabilities</b>		2,625,120	2,234,591	2,722,988	2,051,419
Total liabilities		3,660,825	3,152,543	3,557,298	2,777,039
<b>Total equity and liabilities</b>		32,099,528	29,070,096	22,538,376	20,224,556

The financial statements were approved by the Council on 18 February 2020 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 2019

The Group				
<i>In thousands of naira</i>	Accumulated funds	Fair value reserve	Actuarial valuation reserve	Total equity
<b>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>	<b>2,703,444</b>	<b>132,342</b>	<b>(29,190)</b>	<b>2,806,596</b>
<b>Balance as at 31 December 2018</b>	<b>25,789,805</b>	<b>190,567</b>	<b>(62,819)</b>	<b>25,917,553</b>
<b>Balance at 1 January 2019, as previously reported</b>	<b>25,789,805</b>	<b>190,567</b>	<b>(62,819)</b>	<b>25,917,553</b>
Opening balance				
Adjustment on initial application of IFRS 16, net of tax	-	-	-	-
<b>Restated balance at 1 January 2019</b>	<b>25,789,805</b>	<b>190,567</b>	<b>(62,819)</b>	<b>25,917,553</b>
<b>Total comprehensive income for the year:</b>				
Surplus for the year	2,270,873			2,270,873
Other comprehensive income (net of income tax)		156,012	9,710	165,722



Equity accounted investee - share of OCI	-	84,554	-	84,554
<b>Total comprehensive income for the year</b>	<b>2,270,873</b>	<b>240,566</b>	<b>9,710</b>	<b>2,521,149</b>
<b>Balance at 31 December 2019</b>	<b>28,060,679</b>	<b>431,133</b>	<b>(53,109)</b>	<b>28,438,703</b>

### The Exchange

<i>In thousands of naira</i>	Accumulated funds	Fair value reserve	Actuarial valuation reserve	Total equity
<b>Balance at 1 January 2018, as previously reported</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>	<b>2,196,884</b>		<b>(29,190)</b>	<b>2,167,694</b>
<b>Balance as at 31 December 2018</b>	<b>17,510,336</b>		<b>(62,819)</b>	<b>17,447,517</b>
<b>Balance at 1 January 2019, as previously reported</b>	<b>17,510,336</b>	-	(62,819)	17,447,517
Adjustment on initial application of IFRS 16, net of tax		-	-	-
<b>Restated balance at 1 January 2019</b>	<b>17,510,336</b>	-	(62,819)	17,447,517
Total comprehensive income for the year:				
Surplus for the year	1,523,852	-	-	1,523,852
Other comprehensive income (net of income tax)	-	-	9,710	9,710
<b>Total comprehensive income for the year</b>	<b>1,523,852</b>	-	<b>9,710</b>	<b>1,533,562</b>
<b>Balance at 31 December 2019</b>	<b>19,034,188</b>	-	(53,109)	<b>18,981,079</b>

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 2019

<i>In thousands of naira</i>	Note	Group 2019	Group 2018	Exchange 2019	Exchange 2018
<b>Cash flows from operating activities:</b>					
Surplus after tax		2,270,873	2,703,444	1,523,852	2,196,884
Adjustments for:					
Income tax expense	14	30,925	101,583	-	-
Depreciation of property and equipment	16	384,003	374,916	437,186	321,567
Amortization of intangible assets	15	92,767	205,687	92,767	205,687
Gain on disposal of property and equipment	10	(238,854)	(6,120)	(25,962)	(6,121)
Provisions no longer required	10	(147,498)	-	(139,830)	-
Loss on foreign exchange rates translation	13	1,825	9,521	(25)	9,521
Impairment loss on investment securities	11	295	15	295	15
Impairment loss/(reversal) on cash and cash equivalent	11	481	(846)	481	(846)
Impairment charges on intercompany receivables	17	-	-	(175,684)	1,977
Impairment loss on trade and other receivables	11	63,215	51,195	63,215	51,195
Impairment loss on investment in subsidiaries	11	-	-	-	500
Interest on Lease liabilities	31	3,029		27,597	
Fair value changes on investment held at FVOCI	21	(156,012)	(62,624)	-	-
Share of profit of equity accounted investee	19	(1,531,589)	(1,302,603)	-	-
Provision for retirement benefit obligations	26	118,400	185,667	118,400	185,667
Interest income	10	(1,732,102)	(1,600,813)	(1,732,046)	(1,593,967)
Dividend income	10	-	-	(1,050,049)	(953,476)
		(840,242)	659,023	(859,805)	418,602

Change in intercompany receivables	35(i)	-	-	20,205	130,933
Change in trade and other receivables	35(ii)	989,293	(225,444)	909,312	(220,530)
Change in prepayments	35(iii)	(10,040)	(70,105)	(83,164)	3,045
Change in liabilities	35(iv)	512,936	(627,433)	503,571	(391,619)
		651,946	(263,960)	490,119	(59,569)
Income tax paid	30	(47,028)	(28,179)	-	-
Retirement benefit obligation paid	26	-	(41,577)	-	(41,577)
<b>Net cash from operating activities</b>		<b>604,918</b>	<b>(333,716)</b>	<b>490,119</b>	<b>(101,146)</b>
<b>Cash flows from investing activities:</b>					
Interest received	35(v)	1,620,077	1,512,183	1,620,439	1,503,018
Dividend received	35(vi)	947,880	953,476	947,880	858,129
Purchase of investments financial assets	35(vii)	(1,313,218)	(2,011,308)	(1,107,137)	(2,082,605)
Acquisition of property and equipment	16	(702,242)	(300,513)	(569,996)	(263,451)
Proceeds from the sale of property and equipment	35(viii)	222,716	44,165	9,823	44,164
Proceeds from the sale of investment property	35(ix)	1,450,000	-	1,450,000	-
Additional investment in associates	35(x)	(1,183,590)	(608,000)	(1,099,036)	(608,000)
Acquisition of intangible assets	15	(40,893)	(2,004)	(40,893)	(2,004)
<b>Net cash used in investing activities</b>		<b>1,000,730</b>	<b>(412,002)</b>	<b>1,211,079</b>	<b>(550,749)</b>
Net increase in cash and cash equivalents		1,605,648	(745,717)	1,701,198	(651,896)
Cash and cash equivalents at the beginning of the year		2,812,514	3,566,349	2,608,102	3,268,116
Effect of movements in exchange rates on cash held		-	(8,104)	-	(8,104)
<b>Cash and cash equivalents at end of year</b>	35(xi)	<b>4,418,161</b>	<b>2,812,514</b>	<b>4,309,300</b>	<b>2,608,102</b>

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



Notes to the  
Consolidated and  
Separate Financial  
Statements

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 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 December 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 2019 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.

### ii Basis of preparation

These financial statements have been prepared on an accrual basis and under historical cost convention

except for the following items, which are measured on an alternative basis on each reporting date:

- (a) Investments in debt instruments measured at amortised cost.
- (b) Equity investments measured at fair value through other comprehensive income (FVOCI).
- (c) The liability for defined benefit obligations recognised as the present value of the defined benefit obligation less the fair value of the plan assets.
- (d) Trade and other receivables and other liabilities are measured at amortised cost.

These consolidated financial statements are presented in naira, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. The financial statements were authorised for issue by the Council on 18 February 2020. Details of the Group's and the Exchange's accounting policies are included in note 5 to the financial statements.

## 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 31 Lease Term: whether the Group is reasonably certain to exercise extension options;
- Note 19 Equity-accounted investees: whether the Group has significant influence over an investee; and
- Note 20 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 7(B) FVOCI: Key assumptions underlying the determination of fair value of the investments;
- Note 15(A) Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Note 20 Investment in subsidiaries: Key assumptions underlying the recoverable amount;
- Note 22 Measurement of ECL allowance for trade receivables: key assumptions in determining the

weighted-average loss rate;

- Note 26 Measurement of defined benefit obligations: key actuarial assumptions; and
- Note 32 Recognition and measurement of provisions and contingencies: key assumptions 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 asset or liability.
- (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
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 7.

#### 4 Changes in accounting policies

The Group initially applied IFRS 16 Leases from 1 January 2019. A number of new standards are also effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

The Group applied IFRS 16 using the modified retrospective approach which had no cumulative effect of initial application in accumulated funds at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented,

as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

##### a) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. Under IFRS 16, the Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note (5.16).

On transition to IFRS 16, the Group elected to apply the practical expedient to guide the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

##### (b) As a lessee

As a lessee, the Group leases office space for its respective branches. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities – i.e. these leases are on-balance sheet. At commencement or on modification of a contract that

contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. Also, for leases of property, the Group has elected to separate non-lease components and account for the lease and associated non-lease components as a separate components.

**i. Leases classified as operating leases under IAS 17**

Previously, the Group classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019 (see Note 4(d)). Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group applied this approach.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the

Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

**(c) As a lessor**

The Group leases out its own property. The Group has classified these leases as operating leases. The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. The Group has applied IFRS 15 Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

**(d) Impact on financial statements**

**i. Impact on transition**

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities. The impact on transition is summarised below.

In thousands of naira	1-Jan-19	1-Jan-19
Right-of-use assets – property, plant and equipment	60,925	298,770
Lease Liabilities	45,651	283,496

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 17%.

In thousands of naira

Operating lease commitments at 31 December 2018 as disclosed under IAS 17 in the Group's consolidated financial statements

Discounted using the incremental borrowing rate at 1 January 2019

- Recognition exemption for leases of low-value assets
- Recognition exemption for leases with less than 12 months of lease term at transition

	Group 1-Jan-19	Exchange 1-Jan-19
	47,672	143,095
	17%	17%
	-	-
	-	-

## 5 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.

### 5.1 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 incorporate the assets, liabilities and performance results of: NSE Consult Limited, Coral Properties Limited, NGX Real Estate Limited (formerly 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) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group accounts for Interests in associates 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.

In the separate financial statements for the Exchange, investment in associates are carried at cost.

#### (iv) 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.

**(v) 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.

**5.3 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 rate as at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in statement of profit or loss and presented within operating expenses. However, foreign currency differences arising from the translation of the following item are recognised in OCI.

- an investment in equity security designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);

**5.4 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) Classification and subsequent measurement**

**Financial Assets**

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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model

- whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets - Business model assessment**

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:**

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.

**Financial assets - Subsequent measurement and gains and losses:**

Financial assets at amortised cost	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.
Equity investments at FVOCI	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.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Financial liabilities - Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for- trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net

gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition s also recognised in profit or loss. The principle of amortised cost is disclosed in



note 5.4 (v)(b).

**(iii) Derecognition of financial instruments**

***Financial assets***

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

***Financial liabilities***

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**(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 (see Note 3 (iii))

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 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.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be

insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

**(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.

**5.5 Impairment**

**(I) Non-derivative financial assets  
Financial instruments**

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 (including lease 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. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

#### **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) 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. Goodwill is tested annually for impairment.

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 is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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.

## 5.6 Property and equipment

### (I) Recognition and measurement

Items of property and equipment are initially recognised at cost, which includes capitalised borrowing costs, and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate

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

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.

Any gain or loss on disposal of an item of property and equipment is recognised in other income/other expenses in statement of profit or loss.

### (ii) Subsequent costs

The Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. 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 calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

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 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.

**5.7 Intangible assets**

**(i) Goodwill**

Goodwill arising on the acquisition of subsidiaries is 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.

**5.8 Provisions**

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 the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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.

#### 5.9 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.

#### 5.10 Employee Benefits

##### (i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

##### (ii) 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.

##### (iii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any 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). When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. 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.

Milestone Years	Computation of cash benefit
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

**(iv) Termination benefits**

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

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 8 to the financial statements.

**5.11. 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,

**5.12 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.

### **5.13 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, market data income 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.

**5.14 Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, 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 or receivable 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 arising from:

- 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; and
- 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;

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual



subsidiaries in the Group. 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 realised; such reductions are reversed when the probability of future taxable profits improves. 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.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

#### **5.15 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.

#### **5.16 Leases**

As described in Note 4, The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

##### ***Accounting policy applicable from 1 January 2019***

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

##### **(i) The Group as a leasee**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that

case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability are made up of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

#### **Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **The Group as a lessor**

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. The Group also determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease,

not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract. The Group recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'revenue'.

Generally, the Group's accounting policy under IFRS 16 has not changed from the comparative period. The Group earns rental income from operating leases of its property (see Note 9). Rental income is recognised on a straight-line basis over the term of the lease.

#### ***Policy applicable before 1 January 2019***

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

#### **i. As a lessee**

In the comparative period, as a lessee the

Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

#### **ii. As a lessor**

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

### **5.17 Equity and reserves**

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

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

#### **(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.

#### **5.18 New Standards, amendments and Interpretations to existing Standards that are not yet effective**

A number of new standards are effective for annual periods beginning after 1 January 2020 and early application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. The group do not expect to have any material impact upon initial application. The standards and amendments include:

- IFRS 17 Insurance Contracts
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Amendments to References to Conceptual Framework in IFRS Standards

#### **6 Financial risk management**

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

- Credit risk - (see 6 (ii) below)
- Liquidity risk - (see 6 (iii) below)
- Market risk - (see 6 (iv) below)

##### **(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.

##### **(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 and brokers. 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>	Notes	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Impairment loss on trade receivables and other assets	22	2,184,334	2,127,458	1,632,552	1,575,676
Impairment loss on debt securities at amortised cost	21	346	51	346	51
Intercompany receivable	17	-	-	1,001,263	1,717,143
		<b>2,184,680</b>	<b>2,127,509</b>	<b>2,634,160</b>	<b>3,292,870</b>

As at 31st December 2019, the exposure to credit risk for trade receivables by type of counterparty was as follows:

<i>In thousands of naira</i>	Notes	Exchange 2019	Exchange 2018
Listed Entities	22	627,046	535,044
Brokers	22	125,219	101,062
Others	22	5,492	33,002
		<b>757,757</b>	<b>669,107</b>

#### 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.

The risk management committee 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.

#### **Expected credit loss assessment for customers as at 1 January and 31 December 2019**

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 2019.

31 December 2019 In thousands of naira	Weighted- average loss rate	Group		Exchange		
		Gross carrying amount	ECL allowance	Weighted- average loss rate	Gross carrying amount	ECL allowance
Trade receivables	14.5%	771,512	641,431	14.5%	757,757	641,431
Other receivables	14.5%	1,642,372	1,542,903	14.5%	1,075,177	991,121
Intercompany receivables	-	-	-	28%	1,869,934	1,001,263
		2,413,884	2,184,334		3,702,868	2,633,815

Loss rates are based on actual credit loss experience over the past five 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 N4,416,039,983 at 31 December 2019 (2018: N2,810,873,000). 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 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 2019.

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

The amount of impairment allowance at 31 December 2019 is N2,121,434 (2018: N1,640,689).

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

<i>In thousands of naira</i>	Notes	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Investment in debt securities	21	11,438,974	10,029,366	11,249,304	10,029,366
Trade and other receivables	22	229,550	1,282,058	200,383	1,172,910
Intercompany receivables	17	-	-	868,671	2,052,107
Cash and cash equivalents	24	4,416,040	2,810,873	4,307,178	2,606,461
		16,084,564	14,122,297	16,625,536	15,860,844

**(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 5.9 at 31 December 2019 (2018: 6.0).

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	Contractual Cash Flows					2019 Total	Carrying amount
	30 days or Less	31 - 60 days	61-90 days	91 days or more			
<i>In thousands of Naira</i>							
<i>Financial assets</i>							
Trade and other receivables	-	-	-	2,413,884	2,413,884	229,550	
Investment securities	-	-	-	11,895,714	11,895,714	11,895,368	
Cash and cash equivalents	3,369,558	990,254	58,349	-	4,418,161	4,416,040	
<b>Total</b>	<b>3,369,558</b>	<b>990,254</b>	<b>58,349</b>	<b>14,309,599</b>	<b>18,727,760</b>	<b>16,540,958</b>	
<i>Financial liabilities</i>							
Other liabilities	-	-	-	2,284,336	2,284,336	2,284,336	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,284,336</b>	<b>2,284,336</b>	<b>2,284,336</b>	

Maturity Analysis-The Exchange	Contractual Cash Flows					2019 Total	Carrying amount
	30 days or Less	31 - 60 days	61-90 days	91 days or more			
<i>In thousands of Naira</i>							
<i>Financial assets</i>							
Intercompany receivable	-	-	-	1,869,934	1,869,934	868,671	
Trade and other receivables	-	-	-	2,413,884	2,413,884	229,550	
Investment securities	-	-	-	11,249,650	11,249,650	11,249,304	
Cash and cash equivalents	3,314,106	990,254	4,940	-	4,309,300	4,307,178	
<b>Total</b>	<b>3,314,106</b>	<b>990,254</b>	<b>4,940</b>	<b>15,533,469</b>	<b>19,842,769</b>	<b>16,654,703</b>	
<i>Financial liabilities</i>							
Other liabilities*	-	-	-	2,278,573	2,278,573	2,278,573	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,278,573</b>	<b>2,278,573</b>	<b>2,278,573</b>	

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

Maturity Analysis-Group	Contractual CashFlows					2018 Total	Carrying amount
	<i>In thousands of Naira</i>	30 days or Less	31 - 60days	61-90 days	91 days or more		
<i>Financial assets</i>							
Trade and other receivables	-	-		3,409,516	3,409,516	1,282,058	
Other investments				10,293,071	10,293,071	10,293,020	
Cash and cash equivalents	945,861	1,866,653		-	2,812,514	2,810,873	
<b>Total</b>	<b>945,861</b>	<b>1,866,653</b>	<b>-</b>	<b>13,702,587</b>	<b>16,515,101</b>	<b>14,385,952</b>	
<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>	<b>-</b>	<b>-</b>		<b>2,019,543</b>	<b>2,019,543</b>	<b>2,019,543</b>	

Maturity Analysis-The Exchange	Contractual Cash Flows					2018 Total	Carrying amount
	<i>In thousands of Naira</i>	30 days or Less	31 - 60days	61 - 90days	91 days or more		
<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	
Other investments	-	-		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>	<b>935,551</b>	<b>1,672,551</b>	<b>-</b>	<b>17,208,183</b>	<b>19,816,285</b>	<b>15,969,992</b>	

<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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,015,063</b>	<b>2,015,063</b>	<b>2,015,063</b>

\* Excluded from other liabilities are deferred income and statutory deductions such as VAT and WHT 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 Euro, Pounds and US Dollars.

At 31 December 2019, the Group was exposed to currency risk primarily as a result of its exposures which stood at \$2,382,3354.49; £4,324.55 and €4,459.67 in debt securities, bank and cash balances.

The following significant exchange rates applied during the year

	Average Rate		Reporting Date Spot Rate		Amount	
	2019	2018	2019	2018	2019	2018
USD	364.66	362.50	364.66	364.18	868,742,260	641,291,769
GBP	477.00	455.00	477.00	455.00	2,062,810	6,884,924
EURO	398.00	-	398.00	-	1,774,949	-

**Sensitivity analysis – Currency Risk**

A reasonably possible strengthening (weakening) of the Pound and US Dollar against the Nigerian Naira as at 31 December 2019 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



<i>Effects in thousands of Naira</i>	Operating Surplus			
	2019		2018	
	Strengthening	Weakening	Strengthening	Weakening
USD (5%)	43,437	(43,437)	32,065	(32,065)
GBP (5%)	103	(103)	344	(344)
EURO(5%)	89	(89)	-	-

**(b) Equity Price Risk**

This risk arises from equity price changes caused by equity investment securities. At 31 December 2019, the Group was exposed to equity investment risk as a result of its exposures which stood at N456,393,000 (2018: N263,654,000) in financial asset at fair value through other comprehensive income (FVOCI). Please refer to Note 7 (b)(iv) for the sensitivity analysis for equity price risk

**(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 2019

*In thousands of Naira*

	Carrying value	Interest rate shock			
		1%	2%	1%	2%
Cash and cash equivalent	2,654,660	26,547	53,093	(26,547)	(53,093)
Investment securities	11,438,974	114,390	228,779	(114,390)	(228,779)
		140,937	281,873	(140,936)	(281,873)

31 December 2018

*In thousands of Naira*

	Carrying value	Interest rate shock			
		1%	2%	1%	2%
Cash and cash equivalent	1,866,653	18,667	37,333	(18,667)	(37,333)
Investment securities	10,029,366	100,294	200,587	(100,294)	(200,587)
		118,961	237,920	(118,960)	(237,920)



## Exchange

31 December 2019

*In thousands of Naira*

	Carrying value	Interest rate shock			
		1%	2%	1%	2%
Cash and cash equivalent	2,601,251	26,013	52,025	(26,013)	(52,025)
Investment securities	11,249,304	112,493	224,986	(112,493)	(224,986)
		138,507	277,011	(138,507)	(277,011)

	Carrying value	Interest rate shock			
		1%	2%	1%	2%
Cash and cash equivalent	1,672,551	16,726	33,451	(16,726)	(33,451)
Investment securities	10,029,366	100,294	200,587	(100,294)	(200,587)
		117,020	234,038	(117,020)	(234,038)

31 December 2018

*In thousands of Naira*

	Carrying value	Interest rate shock			
		1%	2%	1%	2%
Cash and cash equivalent	1,672,551	16,726	33,451	(16,726)	(33,451)
Investment securities	10,029,366	100,294	200,587	(100,294)	(200,587)
		117,020	234,038	(117,020)	(234,038)

## 7 Financial instrument - Fair value measurement

### (a) 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.

### (i) The Group

31 December 2019 <i>In thousands of naira</i>	FVOCI –equity instruments	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Fair value			
					Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment in Equities	456,394	-	-	456,394	168,992	-	287,402	456,394
	456,394	-	-	456,394	168,991	-	287,402	456,394

<b>Financial assets not measured at fair value</b>								
Treasury bills	-	6,707,344	-	6,707,344	-	-	-	-
Bonds	-	4,305,457	-	4,305,457	-	-	-	-
Commercial Paper	-	426,519	-	426,519	-	-	-	-
Trade and other receivables	-	229,550	-	229,550	-	-	-	-
Cash and cash equivalent	-	4,416,040	-	4,416,040	-	-	-	-
	-	<b>16,084,911</b>	-	<b>16,084,911</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Other liabilities*	-	-	2,284,336	2,284,336	-	-	-	-
	-	-	<b>2,284,336</b>	<b>2,284,336</b>	-	-	-	-

(ii) The Exchange

Fair value

<i>31 December 2019</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 not measured at fair value</b>								
Treasury bills		6,517,675		6,517,675	-	-	-	-
Bonds	-	4,305,457	-	4,305,457	-	-	-	-
Commercial Paper	-	426,519	-	426,519	-	-	-	-
Trade and other receivables	-	200,383	-	200,383	-	-	-	-
Cash and cash equivalent	-	4,307,178	-	4,307,178	-	-	-	-
	-	<b>15,757,211</b>	-	<b>15,757,211</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Other liabilities*	-	-	2,278,573	2,278,573	-	-	-	-
	-	-	<b>2,278,573</b>	<b>2,278,573</b>	-	-	-	-

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

(iii) The Group

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>								
Investment in Equities	263,654	-	-	263,654	76,190	-	187,464	263,654
	263,654	-	-	263,654	76,189	-	187,464	263,654
<b>Financial assets not measured at fair value</b>								
Treasury bills	-	7,688,747	-	7,688,747	-	-	-	-
Bonds	-	2,340,618	-	2,340,618	-	-	-	-
Trade and other receivables	-	1,282,058	-	1,282,058	-	-	-	-
Cash and cash equivalent	-	2,810,873	-	2,810,873	-	-	-	-
	-	14,122,297	-	14,122,297				
<b>Financial liabilities not measured at fair value</b>								
Other liabilities*	-	-	1,651,199	1,651,199	-	-	-	-
	-	-	1,651,199	1,651,199				

(iv) 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 not measured at fair value</b>								
Treasury bills	-	7,688,773	-	7,688,773	-	-	-	-
Bonds	-	2,340,644	-	2,340,644	-	-	-	-

Trade and other receivables	-	1,172,910	-	1,172,910	-	-	-	-
Cash and cash equivalent	-	2,606,461	-	2,606,461	-	-	-	-
	-	13,808,788	-	13,808,788	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Other liabilities*	-	-	1,646,719	1,646,719	-	-	-	-
	-	-	1,646,719	1,646,719	-	-	-	-

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

**(b) 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 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.

**(iii) 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, commercial papers 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.

**(iv) Unquoted equity investments**

The Group has investment in FMDQ OTC PLC of which there is no available market price as at 31 December 2019. The Group adopted the Discounted Cash flow (DCF) Technique in estimating the fair value of FMDQ. This technique is 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 cashflow to the firm (FCFF) for the equity investment was estimated.
- Step 2: The yearly FCFF forecasts were discounted to present value using the company's Weighted Average Cost of Capital
- Step 3: The terminal value at year five was estimated by dividing the compounded (with 'g') year five FCFF by the capitalization
- 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 FMDQ
- The discounting factor which is the WACC of FMDQ

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

Compound Average Growth Rate (CAGR) and WACC has been estimated at 12% and 19.97% respectively.

#### 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.

#### Investment in equity

<i>In thousands of Naira</i>	2019	2018
Opening balance	187,464	284,091
<b>Gain included in OCI</b>		
Net change in fair value (unrealized)	99,939	31,843
Transfer to level 1	-	(128,470)
Closing balance	287,402	187,464

#### Sensitivity analysis – Equity Price Risk (unquoted equity investment)

<i>In thousands of Naira</i>	2019		2018	
	Increase	Decrease	Increase	Decrease
Risk free rate (1% movement)	(12,344)	13,740	(4,913)	5,113
Risk premium (1% movement)	(9,377)	10,161	(4,723)	5,323

#### 8 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.

### Information about reportable segments

<i>In thousands of Naira</i>	Regulatory & Clearing services 2019	Strategic investment 2019	Property management 2019	Adjustments 2019	Consolidated 2019
External revenues	4,863,461	-	-	-	4,863,461
Other revenue	946,480	-	1,036,548	(816,628)	1,166,400
Segment revenue	5,809,941	-	1,036,548	(816,628)	6,029,861
Interest revenue	1,732,046	21,395	56	-	1,753,497
Dividend from Associate	1,050,049	-	-	(1,050,049)	-
<b>Expenses</b>					
Personnel expenses	(3,694,465)	-	-	-	(3,694,465)
Depreciation and amortization	(529,953)	-	(65,739)	118,922	(476,771)
Other expenses	(2,760,945)	(4,357)	(112,917)	100,296	(2,777,924)
Share of profit of equity accounted investee	-	-	-	1,531,589	1,531,589
Impairment loss on non financial asset	(82,821)	-	-	18,831	(63,990)
	1,523,852	17,037	857,949	(97,039)	2,301,798
<b>Segment Operating Surplus before tax</b>	1,523,852	17,037	857,949	(97,039)	2,301,798
Income tax expense	-	(292)	(30,633)	-	(30,925)

<b>Segment Operating Surplus after tax</b>	1,523,852	16,745	827,316	(97,039)	2,270,873
<b>Assets &amp; Liabilities</b>					
Reportable segment assets	22,538,376	707,001	2,250,414	6,603,737	32,099,528
Reportable segment liabilities	3,557,298	654,255	1,481,182	(2,031,910)	3,660,825
<i>In thousands of Naira</i>	<b>Regulatory &amp; Clearing services 2018</b>	<b>Strategic investment 2018</b>	<b>Property management 2018</b>	<b>Adjustments 2018</b>	<b>Consolidated 2018</b>
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	(2,431,746)	(37,133)	(144,456)	142,134	(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)
	2,196,884	88,930	167,921	(953,789)	2,805,027
<b>Segment Operating Surplus before tax</b>	2,196,884	88,930	167,921	(953,789)	2,805,027
Income tax expense	-	(31,734)	(69,849)	-	(101,583)
<b>Segment Operating Surplus after tax</b>	2,196,884	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)	3,152,543



## 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.

## 9 Revenue

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Transaction fees	2,705,219	3,266,964	2,705,219	3,266,964
Listing fees	1,625,603	1,356,590	1,625,603	1,356,590
Entrance levies	402,640	35,266	402,640	35,266
Interest income (see note (a) below)	21,395	14,166	-	-
Rental income (see note 31(b))	69,579	107,872	-	-
Other fees (see note (b) below)	129,999	41,759	129,999	41,759
	4,954,435	4,822,617	4,863,461	4,700,579

(a) The Group earns interest income from fixed deposits managed through its investment arm. The interest income is recognised using the effective interest method.

(b) Other fees represent rent of the trading floor, annual charges from brokers, dealing license and membership fees earned by the Exchange.

## 10 Other income

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Sundry income (see note (a) below)	401,699	505,100	471,917	497,995
Interest income (see note (b) below)	1,732,102	1,600,813	1,732,046	1,593,967
Dividend income (see note (c) below)	-	-	1,050,049	953,476
Rental income	-	200	-	200
Market data income	308,771	290,251	308,771	290,251
Net gain on disposal of property and equipment	238,854	6,120	25,962	6,121
Provisions no longer required	147,498	446,387	139,830	233,033
	2,828,923	2,848,871	3,728,576	3,575,043

- (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. The interest income is recognised using the effective interest method.
- (c) Dividend income represents dividend income received from the associate company - Central Securities Clearing System Plc. (CSCS)

## 11 Impairment loss on financial assets

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
<b>(a) Financial assets</b>				
Net impairment (charge) on trade and other receivables (see note 22(e))	(63,215)	(51,195)	(63,215)	(51,195)
Impairment charge on debt instruments at amortised cost	(295)	(15)	(295)	(15)
Net Impairment (charge)/reversal on cash and cash equivalents (see note 24(a))	(481)	846	(481)	846
Net impairment charge on intercompany receivables (see note 17(a))			(18,831)	(1,977)
	(63,990)	(50,364)	(82,821)	(52,340)
<b>(b) Non-financial assets</b>				
	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Impairment charge on non-current asset held for sale	-	-	-	-
Impairment charge on investment in subsidiary (see note 20)	-	-	-	(500)
	-	-	-	(500)
	(63,990)	(50,364)	(82,821)	(52,840)

## 12 Personnel expenses

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Salaries and allowances	3,389,940	2,706,596	3,389,940	2,706,595
Defined benefit cost (see note 26)	118,400	185,667	118,400	185,667
Contributions to defined contribution plans (See note (a) below)	186,124	174,633	186,124	174,633
	3,694,465	3,066,896	3,694,465	3,066,895

(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:

	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Executive Directors	2	2	2	2
Management	21	18	21	18
Non-Management	265	221	265	221
	288	241	288	241

(c) Compensation for the above persons (excluding executive directors):

<i>In thousands of Naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Short term benefits	2,296,734	1,866,234	2,296,734	1,866,234
Contributions to defined contribution plans	140,089	149,665	140,089	149,665
Other staff cost	234,812	205,017	234,812	205,017
	2,671,635	2,220,916	2,671,635	2,220,916

(d) The remuneration paid to the Council members (excluding pension and reimbursable allowances):

<i>In thousands of Naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Sitting allowances	59,545	65,525	58,600	63,915
Executive compensation*	423,118	284,527	423,118	284,527
	482,663	350,052	481,718	348,442

\* 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>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
The President	4,950	4,400	4,950	4,400
Highest paid Council member	156,203	156,149	156,203	156,149

(f) The number of executive directors\* who received fees and other emoluments (excluding pension contributions and reimbursable expenses) in the following ranges was:

	Group 2019	Group 2018	Exchange 2019	Exchange 2018
₦1,000,001 - ₦10,000,000	-	-	-	-
₦10,000,001 and above	2	2	2	2
	2	2	2	2

\* 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:

	Group 2019	Group 2018	Exchange 2019	Exchange 2018
₦60,000 - ₦2,000,000	65	60	65	60
₦2,000,001 - ₦3,500,000	71	43	71	43
₦3,500,001 - ₦5,000,000	15	23	15	23
₦5,000,001 - ₦6,500,000	31	21	31	21
₦6,500,001 - ₦8,000,000	25	26	25	26
₦8,000,001 - ₦9,500,000	8	7	8	7
₦9,500,001 and above	71	59	71	59
	286	239	286	239

### 13 Operating expenses

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Repairs and Maintenance	362,235	353,064	259,704	237,207
Council member's sitting allowances and expenses	373,597	369,366	371,912	366,953
Professional fees	297,871	283,534	293,733	263,190
Audit Fees	35,000	35,000	31,764	31,764
Travelling expenses	148,438	148,665	148,438	148,330
Rent and rates	3,944	55,024	3,944	150,447
Stationery, library and fact book expenses	16,109	15,357	16,109	15,354
Subscriptions	70,476	40,293	70,476	40,293
NSITF charge	39,422	18,170	39,422	18,170
Software, Internet and connectivity subscription	581,123	277,313	581,123	277,313

Diesel expenses	79,404	73,184	79,404	73,184
Project expenses (see note (a) below)	261,537	131,749	261,537	131,749
Interest on Lease liabilities (see note (b) below)	3,029	-	27,597	-
Claims expense	-	138,408	-	138,408
Water and rates	42,396	47,118	115,930	90,823
Events, seminars & sponsorship expenses	76,009	101,792	76,009	101,792
Security expense	42,628	34,648	40,009	32,029
Bank charges	118,258	154,176	117,719	120,403
X Academy expense	25,648	28,412	25,648	28,412
Enterprise Innovation Hub Expense	9,772	-	9,772	-
Corporate social responsibilities and gifts	53,718	37,238	53,718	37,238
Exchange loss (unrealised)	1,825	9,521	1,825	9,521
Telephone, postages and periodicals	9,693	9,114	9,677	9,114
General expenses (see note (c) below)	125,792	110,055	125,473	110,054
	2,777,924	2,471,201	2,760,945	2,431,748

- (a) Project expenses relate to ERP software upgrade, demutualisation, derivative and x-Issuer portal projects.
- (b) Interest on Lease liabilities relate to the implicit cost to the (right of use) of leased offices occupied by branches of the Exchange in various states in the country. The interest expense is computed using the incremental borrowing rate of 17%.
- (c) General expenses include fine, insurance, advert and publications, cleaning materials, office provisions, AGM expenses and brand management expenses.

#### 14 Income tax expense

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Current year tax expenses:				
Companies Income Tax	16,868	49,596	-	-
Minimum tax	1,621	-	-	-
Police Trust Fund Levy	44	-	-	-
Education Tax	3,329	4,408	-	-

	21,862	54,004	-	-
Deferred tax	9,063	47,579	-	-
Total tax expense	30,925	101,583	-	-

#### Reconciliation of effective tax rate

<i>In thousands of naira</i>	Group 2019	Group 2019	Group 2018	Group 2018
Surplus before tax		2,301,798		2,805,027
Income tax using the domestic corporation tax rate	30%	690,539	30%	841,508
Non-deductible expenses	1%	19,722	0%	(359)
Tax exempt income	-10%	(232,294)	-14%	(400,187)
Police Trust Fund Levy	0%	44	0%	-
Effect of share of profit of equity accounted investee	-20%	(459,477)	-14%	(390,781)
Education tax	0.1%	3,329	0.2%	4,408
Change in recognised deductible temporary difference	0%	9,063	2%	46,994
Tax expense	1%	30,925	3.6%	101,583

(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. However, tax charge has been computed for the subsidiaries.

#### 15 Intangible assets

##### Reconciliation of carrying amount

##### (a) The Group

<i>In thousands of naira</i>	Goodwill	Purchased software	Total
Cost			
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
Balance as at 1 January 2019	61,784	2,827,200	2,888,984
Acquisitions	-	40,893	40,893
Balance at 31 December 2019	61,784	2,868,093	2,929,877
<b>Amortization and impairment losses</b>			
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
Balance as at 1 January 2019	57,148	2,522,806	2,579,954
Amortization for the year	-	92,767	92,767
Balance at 31 December 2019	57,148	2,615,574	2,672,722
<b>Carrying amounts</b>			
At 1 January 2019	4,636	304,394	309,030
At 31 December 2019	4,636	252,520	257,155

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 2019 (2018: nil).



(b) The Exchange

<i>In thousands of naira</i>	Purchased software	Total
<b>Cost</b>		
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
Balance as at 1 January 2019	2,827,200	2,827,200
Acquisitions	40,893	40,893
Balance at 31 December 2019	2,868,093	2,868,093
<b>Amortization and impairment losses</b>		
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
Balance as at 1 January 2019	2,522,806	2,522,806
Amortization for the year	92,767	92,767
Balance at 31 December 2019	2,615,574	2,615,573
<b>Carrying amounts</b>		
At 1 January 2019	304,394	304,394
At 31 December 2019	252,520	252,520



## 16 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 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
Balance as at 1 January 2019	199,554	2,151,524	1,628,699	952,958	454,062	1,129,867	306,347	6,823,010
Recognition of right-of-use asset on initial application of IFRS 16	-	60,925	-	-	-	-	-	60,925
<b>Adjusted balance at 1 January 2019</b>	199,554	2,212,449	1,628,699	952,958	454,062	1,129,867	306,347	6,883,935
Additions	-	-	39,300	191,995	308,278	156,655	6,014	702,242
Disposals	-	-	-	(840)	(108,310)	11,328	(3,753)	(101,575)
Transfers/ write offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2019	199,554	2,212,449	1,667,998	1,144,112	654,030	1,297,851	308,607	7,484,602
<b>Depreciation and impairment losses</b>								
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

Balance as at 1 January 2019	-	463,690	268,085	597,649	270,280	1,069,871	239,363	2,908,937
<b>Adjusted balance at 1 January 2019</b>	-	463,690	268,085	597,649	270,280	1,069,871	239,363	2,908,937
Depreciation for the year	-	92,861	30,400	116,304	88,331	35,147	20,732	384,003
Disposals	-	-	-	(658)	(98,105)	(15,199)	(3,751)	(117,713)
Transfers/ write offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2019	-	556,551	298,485	713,295	260,506	1,089,819	256,344	3,175,227

#### Carrying amounts

At 1 January 2019	199,554	1,687,834	1,360,614	355,309	183,782	59,996	66,983	3,914,072
At 31 December 2019	199,554	1,655,897	1,369,512	430,817	393,524	208,032	52,262	4,309,602

- (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 data (2018: 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 (2018: N4.1 billion) which is accounted for as investment property in the separate financial statement of the subsidiary, NGX Real Estate Limited (formerly Naira Properties Limited).
- (v) There were no liens or encumbrances on the assets.

<i>In thousands of naira</i>	Land	Buildings	Leasehold Improvements	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
<b>The Exchange Cost</b>	Land	Buildings	Leasehold Improvements	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and	Total
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

Balance as at 1 January 2019	-	-	1,481,198	903,638	454,062	1,127,212	306,346	4,272,455
Recognition of right-of-use asset on initial application of IFRS 16	-	298,770	-	-	-	-	-	298,770
<b>Adjusted balance at 1 January 2019</b>	-	298,770	1,481,198	903,638	454,062	1,127,212	306,346	4,571,225
Additions	-	-	39,298	30,603	308,278	185,803	6,014	569,996
Disposals	-	-	-	(840)	(108,310)	(17,818)	(3,752)	(130,721)
Transfers/write-offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2019	-	298,770	1,520,496	933,401	654,030	1,295,197	308,607	5,010,501
<b>Depreciation and impairment losses</b>								
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
Balance as at 1 January 2019	-	-	264,661	594,279	270,507	1,067,217	239,363	2,436,028
Depreciation for the year	-	162,056	30,400	100,521	88,331	35,147	20,732	437,186
Disposals	-	-	-	(658)	(98,333)	(15,199)	(3,751)	(117,940)
Transfers/write-offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2019	-	162,056	295,060	694,142	260,506	1,087,165	256,344	2,755,275
<b>Carrying amounts</b>								
At 1 January 2019	-	298,770	1,216,536	309,358	183,555	59,995	66,983	1,836,427
At 31 December 2019	-	136,714	1,225,436	239,259	393,524	208,032	52,263	2,255,227

- (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 data (2019: 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.

## 17 Intercompany receivables

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Intercompany receivables	-	-	1,869,934	3,769,250
ECL allowance	-	-	(1,001,263)	(1,717,143)
Carrying amount	-	-	868,671	2,052,107
Current asset	-	-	868,671	2,052,107
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 ECL allowance on intercompany receivables is shown below

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Opening balance	-	-	1,717,143	1,715,167
Remeasurement of ECL allowance (see note 11)	-	-	18,831	1,977
Reversal	-	-	(734,711)	-
Closing balance	-	-	1,001,263	1,717,143

The impairment reversal relates to the settlement of receivables through the transfer of investment property under construction from Coral Property Limited to The Exchange.

(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>	Gross 2019	ECL Impairment 2019	Carrying amount 2019	Gross 2018	ECL Impairment 2018	Carrying amount 2018
NSE Consult Limited	626,989	(626,989)	-	625,989	(625,989)	-
NGX Real Estate Limited	1,220,574	(351,903)	868,671	1,227,691	(319,984)	907,707
Coral Properties Limited	20,433	(20,433)	-	1,914,152	(769,752)	1,144,400
NSE Nominees Limited	1,937	(1,937)	-	1,418	(1,418)	-
	1,869,934	(1,001,263)	868,671	3,769,250	(1,717,143)	2,052,107

These receivables have been evaluated for impairment based on their recoverable amounts as explained below:

**(i) NSE Consult Limited**

Intercompany receivables from NSE Consult Limited 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.

operations which were paid by the Exchange. During the year, the company transferred the investment property under construction to the exchange as the full and final payment of amount due to the exchange. Impairment allowance was charged on the remaining exposure as Council members are of the opinion that the recoverability of balance is doubtful.

**(ii) NGX Real Estate Limited**

Intercompany receivables from NGX Real Estate Limited represent maintenance expenses incurred by the Exchange on behalf of NGX Real Estate Limited with respect to the property rented from the subsidiary. Council members expect to recover the receivable from rents paid to the subsidiary in subsequent years.

**(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.

**(iii) Coral Properties Limited**

Intercompany receivables due from Coral Properties Limited was adjusted to reflect the board sitting allowance and other expenses incurred by the subsidiary with respect to its meetings and

## 18 Investment properties under construction

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Building under construction	-	1,144,400	-	-
Allowance for impairment	-	-	-	-
	-	1,144,400	-	-

The investment property under construction was realised through sale in 2019

## 19 Investment in associates

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Investment in Associate - CSCS ((see note 18 (i) below)	9,875,445	8,344,433	1,420,653	387,804
Investment in Associate - NG Clearing ((see note 18 (ii) below)	814,541	680,423	736,687	670,500
Carrying amount	10,689,986	9,024,856	2,157,340	1,058,304

### (i) Investment in Associate - CSCS

The Group has a 29.19% ownership interest in Central Securities Clearing Systems (CSCS) Plc (2018: 27.2%). 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. During the year, the

Exchange acquired additional shares thereby taking its share holding from 27.2% to 29.19%. The increase in share holdings during the year did not significantly impact on the control of the group over the investee entity. The net assets of the Company as at 31 December 2019 was N32,813,902,000 (2018: N31,166,236,000).

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Balance, beginning of the year	8,344,433	7,996,250	387,804	387,804
Share of current year result (net of tax)	1,463,658	1,321,003	-	-
Additional Investment during the year	1,032,849	-	1,032,849	-

Share of OCI	84,554	(19,344)	-	-
Dividends paid	(1,050,049)	(953,476)		
Total investment in associates	9,875,445	8,344,433	1,420,653	387,804
Carrying amount	9,875,445	8,344,433	1,420,653	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>	2019	2018
Percentage ownership interest	29.2%	27.2%
Non-current assets	29,566,590	26,001,283
Current assets	7,050,410	9,949,150
Non-current liabilities	(49,033)	-
Current liabilities	(3,496,853)	(4,784,197)
Net assets (100%)	33,071,113	31,166,236
<b>Group's share of net assets (29.19%) (2018: 27.2%)</b>	<b>9,653,458</b>	<b>8,414,884</b>
Revenue	9,206,240	9,219,341
Profit from continuing operations	5,014,244	4,856,629
Total comprehensive income	5,014,244	4,856,629
<b>Group's share of profit and total comprehensive income</b>	<b>1,463,658</b>	<b>1,321,003</b>
Group's interest in net assets of investee at the beginning of the year	8,344,433	7,996,250
Total comprehensive income attributable to the Group	1,463,658	1,321,003
Additional Investment during the year	1,032,849	
Share of OCI	84,554	(19,344)
Dividend received during the year	(1,050,049)	(953,476)
Group's interest in the net assets of investee at the end of the year	9,875,445	8,344,433



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. The Nigerian Stock Exchange owns 29.19% ownership interest in CSCS who is also a major shareholder in NG\_Clearing with a percentage holding of 22.6%. This implies that through direct and indirect, the exchange

percentage of ownership in NG\_Clearing as at 31 December 2019 is 29.23% which is less than 50% required for classification as subsidiary. 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 commenced operations.

<i>In thousands of naira</i>	Group 2019	Group 2018	Cost	
			Exchange 2019	Exchange 2018
Balance, beginning of the year	680,423	1,762	670,500	62,500
Adjustment to opening balance	66,187		66,187	-
Additional Investment during the year	-	608,000	-	608,000
Dilution effect	-	89,062	-	-
Share of current year result (net of tax)	67,931	(18,400)	-	-
<b>Total investment</b>	<b>814,541</b>	<b>680,423</b>	<b>736,687</b>	<b>670,500</b>
<b>Carrying amount</b>	<b>814,541</b>	<b>680,423</b>	<b>736,687</b>	<b>670,500</b>

<i>In thousands of naira</i>	2019	2018
Percentage ownership interest	22.6%	22.6%
Non-current assets	24,288	-
Current assets	3,543,612	3,237,201
Non-current liabilities	(529,152)	-
Current liabilities	(17,623)	(226,475)
<b>Net assets (100%)</b>	<b>3,021,125</b>	<b>3,010,726</b>



Group's share of net assets (22.6%)	682,774	680,424
Revenue	380,597	-
Profit from continuing operations	300,580	(81,418)
Total comprehensive income	300,580	(81,418)
<b>Group's share of profit and total comprehensive income/(loss)</b>	67,931	(18,400)

(iii) Total amount recognised in profit or loss is as follows

<i>In thousands of naira</i>	2019	2018
Share of profit from associate company: CSCS	1,463,658	1,321,003
Share of profit from associate company: NG Clearing	67,931	(18,400)
	1,531,589	1,302,603

## 20 Investment in subsidiaries

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
NSE Consult Limited	-	-	1,250	1,250
Coral Properties Limited	-	-	72,000	72,000
NGX Real Estate 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)	(73,500)
Carrying amount	-	-	945,950	945,950

- (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 Limited. Coral Properties Limited 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 NGX Real Estate Limited. NGX Real Estate Limited was incorporated as a limited liability Company on 29 June 1974 as Naira Properties Limited and its name was changed to NGX Real Estate Limited on 13 October

2019. The company's main activities are property letting and investment. Nigerian Stock Exchange acquired 40% equity interest in NGX Real Estate Limited 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 2019	ECL Impairment 2019	Carrying amount 2019	Gross 2018	ECL Impairment 2018	Carrying amount 2018
NSE Consult Limited	1,250	(1,000)	250	1,250	(1,000)	250
Coral Properties Limited	72,000	(72,000)	-	72,000	(72,000)	-
NSE Nominees	500	(500)	-	500	(500)	-
	73,750	(73,500)	250	73,750	(73,500)	250

## Movement in impairment allowance

<i>In thousands of naira</i>	2019	2018
Opening balance	73,500	73,000
Charge for the year	-	500
Reversal	-	-
Closing balance	73,500	73,500

### (vi) Condensed results of consolidated entities

Condensed results of the consolidated entities as at 31 December 2019, are as follows:

<i>In thousands of naira</i>	Group balance	Elimination entries	The Exchange	NSE Consult Limited	Coral Properties Limited	NGX Real Estate Limited	NSE Nominees Limited
Revenue	7,783,358	(1,867,275)	8,592,037	21,395	753,087	283,517	598
Expenses	(6,949,159)	228,122	(6,985,363)	(9,766)	(6,454)	(175,101)	(598)
ECL Allowance	(63,990)	18,831	(82,821)	-	-	-	-
Operating surplus before tax	770,209	(1,620,320)	1,523,852	11,629	746,633	108,416	-
Share of profit of equity accounted investees	1,531,589	1,531,589	-	-	-	-	-
Tax expense	(30,925)	-	-	(1,592)	(292)	(29,040)	-
Operating surplus/(loss) after tax	2,270,873	(88,731)	1,523,852	10,037	746,340	79,376	-
Other comprehensive income	250,277	84,555	9,710	156,012	-	-	-
Total comprehensive income for the year	2,521,150	(4,175)	1,533,562	166,048	746,340	79,376	-

## Condensed financial position

	Group	Elimination		NSE Consult	Coral Properties	NGX Real Estate	NSE Nominees
<i>In thousands of naira</i>	balance	entries	The Exchange	Limited	Limited	Limited	Limited
Total non - current assets	20,018,248	7,282,412	9,916,475	646,064	-	2,173,297	-
Total current assets	12,081,280	(678,675)	12,621,901	60,937	-	77,117	-
Total assets	32,099,528	6,603,737	22,538,376	707,001	-	2,250,414	-
Total equity	28,438,703	8,639,937	18,981,079	52,747	(21,812)	791,043	(4,291)
Total non current liabilities	1,035,705	(650,421)	834,310	629,989	20,433	201,395	-
Total current liabilities	2,625,120	(1,385,779)	2,722,988	24,266	1,379	1,257,975	4,291
Total liabilities	3,660,825	(2,036,201)	3,557,298	654,255	21,812	1,459,370	4,291
		-					
Total equity and liabilities	32,099,528	6,603,737	22,538,376	707,001	-	2,250,414	-

Condensed results of the consolidated entities as at 31 December 2018, are as follows:

	Group	Elimination	Exchange	NSE Consult	Coral Properties	NGX Real Estate	NSE Nominees
<i>In thousands of naira</i>	balance	entries		Limited	Limited	Limited	Limited
Revenue	7,671,488	(1,096,383)	8,275,622	126,063	107,874	257,852	459
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 after tax	2,703,443	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>	Group balance	Elimination entries	Exchange	NSE Consult Limited	Coral Properties Limited	NGX Real Estate Limited	NSE Nominees Limited
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

### 21 Investment Securities

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
<b>At amortised cost</b>				
Bonds	4,305,457	2,340,644	4,305,457	2,340,644
Commercial Paper	426,519	-	426,519	-

Treasury bills	6,707,344	7,688,773	6,517,675	7,688,773
ECL allowance (see note (21) (a) below)	(346)	(51)	(346)	(51)
<b>Sub total</b>	<b>11,438,974</b>	<b>10,029,366</b>	<b>11,249,304</b>	<b>10,029,365</b>
Equity securities at Fair Value through OCI	456,394	263,654	-	-
<b>Sub total</b>	<b>456,394</b>	<b>263,654</b>	<b>-</b>	<b>-</b>
<b>Carrying amount</b>	<b>11,895,368</b>	<b>10,293,020</b>	<b>11,249,304</b>	<b>10,029,365</b>
<i>In thousands of naira</i>	<b>Group 2019</b>	<b>Group 2018</b>	<b>Exchange 2019</b>	<b>Exchange 2018</b>
Non-current	4,761,505	2,604,247	4,305,438	2,340,632
Current	7,133,863	7,688,773	6,943,867	7,688,734
<b>Carrying amount</b>	<b>11,895,368</b>	<b>10,293,020</b>	<b>11,249,304</b>	<b>10,029,365</b>
			-	-

(a) Movement in allowance for impairment of investment securities is shown below

<i>In thousands of naira</i>	<b>2019</b>	<b>2018</b>
Opening balance	51	-
Remeasurement of ECL allowance (see note 11)	295	51
	346	51

(b) Analysis of equity securities

<i>In thousands of naira</i>	<b>Group 2019</b>	<b>Group 2018</b>
Investment in equities (FMDQ OTC and NASD OTC) (see note 21 (b) (ii) below)	456,394	263,654
	456,394	263,654



(ii) Movement in equity investment at FVOCI

<i>In thousands of naira</i>	Group 2019	Group 2018
Cost - FMDQ and NASD OTC	101,352	101,352
Additional investment in NASD OTC	36,728	-
Fair value changes (see note 21 (b) (iii) below)	318,314	162,302
	456,394	263,654

<i>In thousands of naira</i>	Group 2019	Group 2018
Opening balance	162,302	99,678
Fair value changes during the year (See note 25(b))	156,012	62,624
	318,314	162,302

(b) The financial assets which are held at FVOCI, are equity investments in National Association of Securities Dealers (NASD OTC) amounting to N88,080,433, investments in Financial Market Dealers Quotation (FMDQ OTC) amounting to N50,000,000. The valuation techniques are explained in note 7. The Group designated these investments at FVOCI because

these equity investments represent investments that the group intends to hold for long term strategic purposes. None of these strategic investments were disposed of during 2019 and there were no transfers of any cumulative gain or loss within equity relating to these investments.

22 Trade and other receivables

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Trade receivables	771,512	682,863	757,757	669,108
Staff loans	299	299	299	299
Due from NSE/CSCS Multipurpose Cooperative Society (see note 22 (a) below )	264,979	264,979	264,979	264,979



Deferred recovery of bonuses (see note 22 (b) below)	527,500	537,500	527,500	537,500
Due from gratuity fund administrators	23,165	23,165	23,165	23,165
Deposit for investment	-	1,000,000	-	900,000
Other receivables (see note 22 (c) below)	826,429	900,710	259,234	353,535
Gross total	2,413,884	3,409,516	1,832,934	2,748,586
ECL Allowance (See note 22 (e) below)	(2,184,334)	(2,127,458)	(1,632,552)	(1,575,676)
<b>Carrying amount</b>	<b>229,550</b>	<b>1,282,058</b>	<b>200,383</b>	<b>1,172,910</b>
Non current	-	-	-	-
Current	229,550	1,282,058	200,383	1,172,910
<b>Carrying amount</b>	<b>229,550</b>	<b>1,282,058</b>	<b>200,383</b>	<b>1,172,910</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 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.

(d) Analysis of allowance for impairment of trade and other receivable is shown below:

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Trade debtors-listing fees	518,321	481,059	518,321	481,059
Trade debtors-annual charges	112,591	89,106	112,591	89,106
Trade debtors-market data	10,518	11,232	10,518	11,232
Sundry Debtors - NSE/CSCS Cooperative	264,979	264,979	264,979	264,979
Deferred recovery of bonuses	527,500	537,500	527,500	537,500
Gratuity plan assets	23,165	23,165	23,165	23,165
Other receivables	727,259	720,417	175,477	168,635
	2,184,334	2,127,458	1,632,552	1,575,676

(e) Movement in allowance for impairment of trade and other receivables is shown below

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Opening balance	2,127,458	2,092,575	1,575,676	1,540,793
Movement during the year:				
Reversal (see note 11)	(32,230)	(33,190)	(32,230)	(33,190)
Remeasurement of ECL allowance (see note 11)	95,445	51,195	95,445	51,195
Closing balance	2,184,334	2,127,458	1,632,552	1,575,676

## 23 Prepayment

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Prepayments	251,677	257,354	251,653	186,567

Prepayments for IT platform	36,469	3,124	36,469	761
Advance payments to third parties ( See note 23(a) below)	13,681	31,309	13,681	31,309
<b>Gross total</b>	<b>301,827</b>	<b>291,787</b>	<b>301,802</b>	<b>218,637</b>
Current	301,827	291,787	301,802	218,637
Non current	-	-	-	-
	<b>301,827</b>	<b>291,787</b>	<b>301,802</b>	<b>218,637</b>

(a) Advanced payments to third party represent part payments made to contractors for ongoing services and projects rendered to the Exchange during the year .

## 24 Cash and cash equivalents

<i>In thousands of naira</i>	<b>Group 2019</b>	<b>Group 2018</b>	<b>Exchange 2019</b>	<b>Exchange 2018</b>
Cash balances	-	-	-	-
Bank balances	1,763,501	945,861	1,708,049	935,551
Fixed deposits	2,654,660	1,866,653	2,601,251	1,672,551
Gross total	4,418,161	2,812,514	4,309,300	2,608,102
ECL allowance (see note 24(a) below)	(2,121)	(1,641)	(2,121)	(1,641)
Carrying amount	4,416,040	2,810,873	4,307,178	2,606,461

(a) Movement in allowance for impairment of cash and cash equivalent

<i>In thousands of naira</i>	<b>Group 2019</b>	<b>Group 2018</b>	<b>Exchange 2019</b>	<b>Exchange 2018</b>
Opening balance	1,641	2,487	1,641	2,487
Remeasurement of ECL allowance (see note 11)	481	(846)	481	(846)
Closing balance	2,121	1,641	2,121	1,641

## 25 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 at FVOCI, Equity accounted investee- share of OCI on investment at FVOCI and actuarial gains/loss on defined benefit obligations.

<i>In thousands of naira</i>	Group			Exchange		
	Fair value reserve	valuation reserve	Total	Fair value reserve	valuation reserve	Total
Balance at 1 January 2019	190,567	(62,819)	127,748	-	(62,819)	(62,819)
Fair value changes in investment securities(See note 21 b (iii))	156,012		156,012	-	-	-
Share of OCI in Equity accounted Investee-CSCS(See note 19)	84,554		84,554	-	-	-
Movement in Actuarial gain/(loss)	-	9,710	9,710	-	9,710	9,710
Balance at 31 December 2019	431,133	(53,109)	378,024	-	(53,109)	(53,109)

## 26 Retirement benefit obligation

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Recognised liability for defined benefit obligations (see note (a) below)	477,034	368,344	477,034	368,344
Recognised liability for defined contributions	-	-	-	-
<b>Movement in defined benefit obligations</b>				
<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Opening balance	368,344	195,064	368,344	195,064
Current service charge & interest cost: Long term incentive	79,304	63,702	79,304	63,702
Current service charge & interest cost: Long service award	39,096	121,965	39,096	121,965

Net actuarial (gain)/loss	(9,710)	29,190	(9,710)	29,190
Payment made during the year		(41,577)		(41,577)
Closing balance	477,034	368,344	477,034	368,344
Movement in cashflow statement	118,400	185,667	118,400	185,667

**(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 5.10 (iii).

**(b) Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2019	2018
Discount rate	10.30%	14.57%
Salary increase rate	10.00%	10.00%

The rate of mortality assumed for members in the Scheme are based on A67/70 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 2019		31 December 2018	
	Increase	Decrease	Increase	Decrease
Withdrawal rate (5% movement)	(51,488)	84,750	(29,257)	40,114



Mortality rate (20% movement)	(981)	990	(552)	552
Salary increase (10% movement)	25,403	(21,494)	91,451	(51,522)
Discount rate (3% movement)	(25,885)	35,046	25,180	(30,929)

(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	2019 Total
Present value of the defined benefit obligation	297,122	9,130	170,782	477,034
	297,122	9,130	170,782	477,034

<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

27 Deferred tax liability

Deferred tax liability comprises of:

<i>In thousands of naira</i>	2019	2018	2019	2018
<b>Deferred tax liability</b>				
Balance, beginning of the year	192,332	144,753	-	-
Deferred tax liability recognised by subsidiary	9,063	47,579		
Balance, end of the year	201,395	192,332	-	-



(a) Movements in temporary differences during the year

<i>In thousands of naira</i>	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>	<b>144,753</b>	<b>47,579</b>	<b>-</b>	<b>192,332</b>
	Opening balance	Recognised in profit or loss	Recognised in equity	Closing balance
<b>For the year ended 31 December 2019</b>				
Revaluation surplus	192,332	-	-	192,332
Charge during the year	-	9,063	-	9,063
<b>Total</b>	<b>192,332</b>	<b>9,063</b>	<b>-</b>	<b>201,395</b>

(b) Recognised deferred tax liability is attributable to the following:

Group	Liabilities
<i>In thousands of naira</i>	
<b>For the year ended 31 December 2018</b>	
Revaluation surplus on Investment Property	192,332
<b>Net deferred tax liability</b>	<b>192,332</b>
<b>For the year ended 31 December 2019</b>	
Revaluation surplus on Investment Property	201,395
<b>Net deferred tax liability</b>	<b>201,395</b>



## 28 Provisions

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Balance as at 1 January 2019	357,276	357,276	357,276	357,276
Balance as at 31 December 2019	357,276	357,276	357,276	357,276

## 29 Other liabilities

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Accrued expenses	979,923	787,336	978,443	786,084
Sundry creditors (see note (a) below)	559,022	291,147	557,778	290,963
Deferred income	102,625	143,183	90,191	135,891
Value Added Tax & WHT payable	189,341	268,984	186,226	268,809
Donations payable	254,314	253,089	254,314	253,089
Others (see note (b) below)	427,528	266,555	424,488	263,512
Staff related liabilities (see note (c) below)	63,549	53,073	63,549	53,073
<b>Total</b>	<b>2,576,302</b>	<b>2,063,366</b>	<b>2,554,990</b>	<b>2,051,419</b>

(a) Sundry creditors include amounts payable to vendors, suppliers and service providers.

(b) Included in the Other liabilities is the sum of N79 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.

## 30 Current tax liabilities

<i>In thousands of naira</i>	Group 2019	Group 2018	Exchange 2019	Exchange 2018
Balance, beginning of the year	171,225	145,400	-	-

Prior year under/(over) provision	(107,312)	-	-	-
Charge for the year	30,925	101,582	-	-
Payment made during the year	(47,028)	(28,179)	-	-
Balance, end of the year	47,811	171,225	-	-

### 31 Leases

#### A Leases as lessee (IFRS 16)

The Group leases office space. The leases typically run for a period of 1 year, with an option to renew the lease after that date. Lease agreements are typically renegotiated every three years to reflect market rentals. Previously, these leases were classified as operating leases under IAS 17. Information about leases for which the Group is a lessee is presented below.

#### i. Right-of-use assets

The Right-of-use assets are all leased properties that do not meet the definition of investment property. The Leased properties are presented as property and equipment (see Note 16).

<i>In thousands of naira</i>	Group 2019	Exchange 2019
2019		
Opening balance	60,925	298,770
Depreciation charge for the year	(43,133)	(162,056)
Additions to right-of-use assets	-	-
Derecognition of right-of-use assets	-	-
Balance at 31 December 2019	17,792	136,714

#### ii. Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period: (see Note 16).

<i>In thousands of naira</i>	Group 2019	Exchange 2019
2019		
Opening balance	45,651	283,496

Accretion of interest	3,029	27,597
lease Payment	(47,672)	(143,095)
Balance at 31 December 2019	1,008	167,998

*iii. Amounts recognised in statement of income statement*

<i>In thousands of naira</i>	Group 2019	Exchange 2019
<b>2019 - Leases under IFRS 16</b>		
Interest on lease liabilities	3,029	27,597
Depreciation charge for the year	43,133	162,056

**B. Leases as lessor**

The Group leases out its property consisting of its owned commercial properties (see Note 16). All leases are classified as operating leases from a lessor perspective.

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and

rewards incidental to the ownership of the assets. Note 16 sets out information about the operating leases of its property. Rental income recognised by the Group during 2019 was N69.5 million (2018: N107 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

<i>In thousands of naira</i>	Group 2019	Group 2018
Less than one year	96,728	69,091
<b>Total</b>	<b>96,728</b>	<b>69,091</b>

**32 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 2019, estimated contingent liabilities stood at N13,630,708,802

(2018: N10,098,416,917). 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 (2018: N357,276,317) 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 2019.

**33 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 NGX Real Estate Limited 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>	Note	2019	2018
<b>(a) Intercompany receivables</b>			
NGX Real Estate Limited	17	868,671	907,707
Coral Properties Limited	17	-	1,144,400
		868,671	2,052,107
<b>The Exchange</b>			
<i>In thousands of naira</i>		2019	2018
<b>(b) Intercompany expenses</b>			
Rent and service charge paid to NGX Real Estate Limited		171,749	143,134
		171,749	143,134



<i>In thousands of naira</i>	Note	2019	2018
<b>(c) Transactions with associate companies</b>			
Investment in CSCS	19	1,420,653	387,804
Dividend received from CSCS	10	1,050,049	953,476
Investment in NG Clearing	19	736,687	670,500
<b>(d) Compensation to key management personnel during the year comprised:</b>			
<i>In thousands of naira</i>		2019	2018
Short-term benefits		858,394	635,344
Post-employment benefits (pension and gratuity)		79,304	63,702
Total		937,698	699,046

(e) Balance on the ECL impairment losses on the related party receivables are shown below:

Subsidiaries	2019			2018		
	ECL Impairment on Receivable	Impairment on investment	Total	Impairment on Receivable	Impairment on investment	Total
<i>In thousands of naira</i>						
NSE Consult Limited (see note 17 (b) above)	626,989	1,000	627,989	625,989	1,000	626,989
Coral Properties Limited (see note 17 (b) above)	20,433	72,000	92,433	769,752	72,000	841,752
NGX Real Estate Limited (see note 17 (b) above)	351,903	-	351,903	319,984	-	319,984
NSE Nominees Limited (see note 17 (b) above)	1,937	500	2,437	1,418	500	1,918
	1,001,263	73,500	1,074,762	1,717,142	73,500	1,790,642

(f) Transactions with key management personnel during the year

A council member brokered the sale of the investment property under construction and received 5% of the sale proceeds.(N72,500,000)

34 Group entities

Significant subsidiaries	Country of incorporation	Nature of business	Ownership Interest	Non Controlling Interest
NGX Real Estate Limited	Nigeria	Property letting and investment	100%	0%
Coral Properties Limited	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%

35 Cash flow workings

*In thousands of naira*

(i) Changes in intercompany receivables

	Group		Exchange	
	2019	2018	2019	2018
Opening balance	-	-	2,052,107	2,781,324
Impairment (charges)/reversal	-	-	(18,831)	(1,977)
IFRS 9 transition adjustment	-	-	-	(596,308)
Closing balance	-	-	(868,671)	(2,052,107)
	-	-	1,164,605	130,933
Reclassification from intercompany receivables	-	-	(1,144,400)	-
Change during the year	-	-	20,205	130,933

(ii) Changes in trade and other receivables

Opening balance	1,282,058	1,090,933	1,172,910	986,698
Less impairment charges	(63,215)	(51,195)	(63,215)	(51,195)
Less ECL impairment		16,877		16,877

Closing balance	(229,550)	(1,282,058)	(200,383)	(1,172,910)
Change during the year	989,293	(225,444)	909,312	(220,530)

**(iii) Changes in prepayments**

Opening balance	291,787	221,682	218,637	221,682
Closing balance	(301,827)	(291,787)	(301,802)	(218,637)
Change during the year	(10,040)	(70,105)	(83,164)	3,045

Group		Exchange	
2019	2018	2019	2018

**(iv) Changes in other liabilities**

Opening balance	2,420,642	3,047,009	2,408,695	2,799,247
Effect of unrealized loss on foreign currency transaction	-	1,066	-	1,066
Closing balance	(2,933,578)	(2,420,642)	(2,912,266)	(2,408,695)
Change during the year	(512,936)	627,433	(503,571)	391,619

**(v) Interest received**

Interest income	1,732,102	1,600,813	1,732,046	1,593,967
Interest received on prior period highly liquid investment	11,743	34,206	11,253	31,396
Interest receivable on placements	(12,677)	(11,743)	(11,768)	(11,253)
Interest receivable on bonds	(111,092)	(111,092)	(111,092)	(111,092)
	1,620,077	1,512,183	1,620,439	1,503,018

**(vi) Dividend received**

Dividend income	1,050,049	953,476	1,050,049	953,476
WHT on dividend income	(102,169)	(95,348)	(102,169)	(95,348)
	947,880	858,129	947,880	858,129



<b>(vii) Purchase of investments</b>				
Opening balance of investments	10,293,020	8,128,767	10,029,367	7,844,676
Fair value changes	156,012	62,624	-	-
Interest receivable placement and bonds	112,026	88,630	111,607	100,395
ECL impairment on treasury bills and bonds	295	51	295	51
Closing balance of total investments	(11,895,368)	(10,293,020)	(11,249,305)	(10,029,367)
Change during the year	(1,313,218)	(2,011,308)	(1,107,137)	(2,082,605)
<b>(viii) Proceeds from the sale of property and equipment</b>				
Gain on disposal of property and equipment	238,854	6,120	25,962	6,121
Cost eliminated on disposal	101,575	103,195	101,575	103,195
Accumulated depreciation eliminated on disposal	(117,713)	(65,151)	(117,713)	(65,151)
Proceeds from the sale of property and equipment	222,716	44,165	9,824	44,165
<b>(ix) Proceeds from the sale of Investment Property</b>				
Proceeds from the sale of investment property	1,450,000	-	1,450,000	-
<b>(x) Additional investment in associates</b>				
Opening balance	9,024,856	1,762	1,058,304	62,500
Closing balance	(10,689,986)	(680,423)	(2,157,340)	(670,500)
	(1,665,130)	(678,661)	(1,099,036)	(608,000)
Adjustment:				
Share of profit from joint venture	1,531,589	(18,400)	-	-
Dilution effect	-	89,061	-	-
Dividend received	(1,050,049)	-	-	-
Additional investment in joint venture	(1,183,590)	(608,000)	(1,099,036)	(608,000)



<b>(xi) Cash and cash equivalent</b>				
Cash and cash equivalent per statement of financial position	4,416,040	2,810,873	4,307,178	2,606,461
ECL impairment on cash and cash equivalent	2,121	1,641	2,121	1,641
	<hr/> 4,418,161	<hr/> 2,812,514	<hr/> 4,309,300	<hr/> 2,608,102

### 36 Subsequent Events

There were no events after reporting date requiring adjustment of, or disclosure in, these consolidated and separate financial statements.





# Other National Disclosures

# Value Added Statement

For the year ended 31 December 2019

<i>In thousands of naira</i>	Group 2019	%	Group 2018	%
Gross earnings	9,314,948		8,974,091	
Bought in materials and services - local	(2,777,924)		(2,471,201)	
Impairment	(63,990)		(50,364)	
Value added	6,473,034	100	6,452,526	100
<b>DISTRIBUTION</b>				
<b>EMPLOYEES AND DIRECTORS</b>				
Personnel expenses	3,694,465	57	3,066,896	48
<b>GOVERNMENT</b>				
Income tax expense	30,925	0	101,583	2
<b>RETAINED IN THE BUSINESS</b>				
For Depreciation and Amortization	476,771	7	580,603	9
To augment reserves	2,270,873	35	2,703,444	42
	6,473,034	100	6,452,526	100



<i>In thousands of naira</i>	Exchange 2019	%	Exchange 2018	%
Gross earnings	8,592,037		8,275,622	
Bought in materials and services - local	(2,760,945)		(2,431,748)	
Reversal/ (Provision) for losses	(82,821)		(52,840)	
	5,748,271	100	5,791,034	100
<b>DISTRIBUTION</b>				
<b>EMPLOYEES AND DIRECTORS</b>				
Personnel expenses	3,694,465	64	3,066,895	53
<b>GOVERNMENT</b>				
Tax expense	-	-	-	-
<b>RETAINED IN THE BUSINESS</b>				
For Depreciation and Amortization	529,954	9	527,255	9
To augment reserves	1,523,852	27	2,196,884	38
	5,748,271	100	5,791,034	100



# Five Year Financial Summary

## STATEMENT OF FINANCIAL POSITION

*For the year ended*

<i>In thousands of naira</i>	Group 31 Dec 2019	Group 31 Dec 2018	Group 31 Dec 2017	Group 31 Dec 2016	Group 31 Dec 2015
<b>ASSETS</b>					
Property and equipment	4,309,602	3,914,072	4,026,520	3,667,187	3,894,252
Intangible assets	257,155	309,030	512,713	287,722	410,765
Investment properties under construction	-	1,144,400	1,144,400	-	-
Investment in associates	10,689,986	9,024,856	7,998,012	7,029,661	6,416,521
Investment securities	4,761,505	2,604,247	1,994,095	1,944,651	286,966
<b>Total non-current assets</b>	<b>20,018,248</b>	<b>16,996,605</b>	<b>15,675,740</b>	<b>12,929,221</b>	<b>11,008,504</b>
Trade and other receivables	229,550	1,282,058	1,090,933	200,907	204,639
Prepayment	301,827	291,787	221,682	734,166	391,304
Investment securities	7,133,863	7,688,773	6,134,672	6,166,241	7,153,131
Non current Asset held-for-sale	-	-	-	1,144,400	1,150,489
Cash and cash equivalents	4,416,040	2,810,873	3,566,350	1,618,691	2,868,444
<b>Total current assets</b>	<b>12,081,280</b>	<b>12,073,491</b>	<b>11,013,637</b>	<b>9,864,405</b>	<b>11,768,007</b>
<b>Total assets</b>	<b>32,099,528</b>	<b>29,070,096</b>	<b>26,689,377</b>	<b>22,793,626</b>	<b>22,776,511</b>

<b>EQUITY</b>					
Accumulated funds	28,438,703	25,917,553	23,130,500	19,388,320	19,354,745
<b>Total equity</b>	<b>28,438,703</b>	<b>25,917,553</b>	<b>23,130,500</b>	<b>19,388,320</b>	<b>19,354,745</b>
<b>LIABILITIES</b>					
Deferred tax liabilities	201,395	192,332	144,753	165,379	168,905
Retirement benefit obligation	477,034	368,344	195,064	187,589	144,784
Provisions	357,276	357,276	267,767	267,767	267,767
<b>Total non current liabilities</b>	<b>1,035,705</b>	<b>917,952</b>	<b>607,584</b>	<b>620,735</b>	<b>581,456</b>
Defined-contribution pension	-	-	26,651	26,228	52,784
Other liabilities	2,577,310	2,063,366	2,779,242	2,472,686	2,544,543
Current tax liabilities	47,811	171,225	145,400	285,657	242,983
<b>Total current liabilities</b>	<b>2,625,120</b>	<b>2,234,591</b>	<b>2,951,293</b>	<b>2,784,571</b>	<b>2,840,310</b>
<b>Total liabilities</b>	<b>3,660,825</b>	<b>3,152,543</b>	<b>3,558,877</b>	<b>3,405,306</b>	<b>3,421,766</b>
<b>Total equity and liabilities</b>	<b>32,099,528</b>	<b>29,070,096</b>	<b>26,689,377</b>	<b>22,793,626</b>	<b>22,776,511</b>

### **INCOME STATEMENT**

<i>In thousands of naira</i>	<b>Group 31 Dec 2019</b>	<b>Group 31 Dec 2018</b>	<b>Group 31 Dec 2017</b>	<b>Group 31 Dec 2016</b>	<b>Group 31 Dec 2015</b>
Revenue	4,954,435	4,822,617	5,872,096	2,555,679	4,226,254
<b>Revenue</b>	<b>4,954,435</b>	<b>4,822,617</b>	<b>5,872,096</b>	<b>2,555,679</b>	<b>4,226,254</b>
Other income	2,828,923	2,848,871	2,431,200	1,902,176	2,384,742
Impairment loss on financial assets	(63,990)	(50,364)	(49,574)	(156,412)	(847,632)

Fair value (losses)/gain on investment securities	-	-	-	-	-
Personnel expenses	(3,694,465)	(3,066,896)	(2,866,324)	(2,655,547)	(2,686,162)
Operating expenses	(2,777,924)	(2,471,201)	(2,324,029)	(1,956,014)	(1,972,241)
<b>Net operating expenses</b>	<b>(3,707,455)</b>	<b>(2,739,591)</b>	<b>(2,808,727)</b>	<b>(2,865,797)</b>	<b>(3,121,293)</b>
Operating surplus/(deficit)	770,209	1,502,424	2,548,066	(802,772)	644,661
Share of profit of equity accounted investees (net of income tax)	1,531,589	1,302,603	1,267,264	869,372	1,214,841
<b>Operating surplus/(deficit) before tax</b>	<b>2,301,798</b>	<b>2,805,027</b>	<b>3,815,330</b>	<b>66,600</b>	<b>1,859,502</b>
Income tax expense	(30,925)	(101,583)	(23,536)	(39,148)	(59,745)
Operating Surplus after tax	2,270,873	2,703,444	3,791,794	27,452	1,799,757

## STATEMENT OF FINANCIAL POSITION

<i>In thousands of naira</i>	Exchange 31 Dec 2019	Exchange 31 Dec 2018	Exchange 31 Dec 2017	Exchange 31 Dec 2016	Exchange 31 Dec 2015
<b>ASSETS</b>					
Property and equipment	2,255,227	1,836,427	1,932,814	1,685,626	1,865,155
Intangible assets	252,520	304,394	508,077	283,086	406,129
Intercompany receivables	868,671	2,052,107	2,781,324	2,595,044	2,663,145
Investment in associates	2,157,340	1,058,304	450,304	450,304	387,804
Investment in subsidiaries	945,950	945,950	946,450	1,196,450	946,450
Investment securities	4,305,438	2,340,632	1,710,004	1,698,099	-
<b>Total non-current assets</b>	<b>10,785,146</b>	<b>8,537,814</b>	<b>8,328,973</b>	<b>7,908,609</b>	<b>6,268,683</b>
Trade and other receivables	200,383	1,172,910	986,698	150,906	204,638
Prepayment	301,802	218,637	221,682	737,263	391,304

Investment securities	6,943,867	7,688,734	6,134,672	5,784,890	7,153,131
Cash and cash equivalents	4,307,178	2,606,461	3,268,116	1,339,544	2,503,396
<b>Total current assets</b>	<b>11,753,230</b>	<b>11,686,742</b>	<b>10,611,168</b>	<b>8,012,603</b>	<b>10,252,469</b>
<b>Total assets</b>	<b>22,538,376</b>	<b>20,224,556</b>	<b>18,940,141</b>	<b>15,921,212</b>	<b>16,521,152</b>
<b>EQUITY</b>					
Accumulated funds	18,981,079	17,447,517	15,919,179	13,311,904	13,916,989
<b>Total equity</b>	<b>18,981,079</b>	<b>17,447,517</b>	<b>15,919,179</b>	<b>13,311,904</b>	<b>13,916,989</b>
<b>LIABILITIES</b>					
Retirement benefit obligation	477,034	368,344	195,064	187,589	144,784
Provisions	357,276	357,276	267,767	267,767	267,767
<b>Total non current liabilities</b>	<b>834,310</b>	<b>725,620</b>	<b>462,831</b>	<b>455,356</b>	<b>412,551</b>
Defined-contribution pension	-	-	26,651	26,228	52,784
Other liabilities	2,722,988	2,051,419	2,531,480	2,127,724	2,138,828
Current tax liabilities	-	-	-	-	-
<b>Total current liabilities</b>	<b>2,722,988</b>	<b>2,051,419</b>	<b>2,558,131</b>	<b>2,153,952</b>	<b>2,191,612</b>
<b>Total liabilities</b>	<b>3,557,298</b>	<b>2,777,038</b>	<b>3,020,962</b>	<b>2,609,308</b>	<b>2,604,163</b>
<b>Total equity and liabilities</b>	<b>22,538,376</b>	<b>20,224,556</b>	<b>18,940,141</b>	<b>15,921,212</b>	<b>16,521,152</b>



## INCOME STATEMENT

<i>In thousands of naira</i>	Exchange 31 Dec 2019	Exchange 31 Dec 2018	Exchange 31 Dec 2017	Exchange 31 Dec 2016	Exchange 31 Dec 2015
Revenue	4,863,461	4,700,579	5,758,128	2,555,679	4,226,254
<b>Revenue</b>	<b>4,863,461</b>	<b>4,700,579</b>	<b>5,758,128</b>	<b>2,555,679</b>	<b>4,226,254</b>
Other income	3,728,576	3,575,043	2,643,845	2,081,171	2,535,320
Impairment loss on financial assets	(82,821)	(52,840)	(69,659)	(121,094)	(1,053,526)
Fair value (losses)/gain on investment securities	-	-	-	-	-
Personnel expenses	(3,694,465)	(3,066,895)	(2,866,324)	(2,655,548)	(2,686,162)
Operating expenses	(2,760,945)	(2,431,748)	(2,363,350)	(2,014,225)	(1,996,693)
<b>Net operating expenses</b>	<b>(2,809,656)</b>	<b>(1,976,441)</b>	<b>(2,655,488)</b>	<b>(2,709,696)</b>	<b>(3,201,061)</b>
Operating surplus	2,053,806	2,724,138	3,102,640	(154,017)	1,025,193
<b>Operating Surplus before tax</b>	<b>1,523,852</b>	<b>2,196,884</b>	<b>2,634,954</b>	<b>(599,135)</b>	<b>612,430</b>
Income tax expense	-	-	-	-	-
Operating Surplus after tax	1,523,852	2,196,884	2,634,954	(599,135)	612,430



# Complaints Management

# Complaints Management

- a) A total of Two Hundred and One (201) complaints (complaints from investors against Dealing Member Firms; and complaints from Dealing Member Firms against other Dealing Member Firms) were received in 2019, out of which One Hundred and Sixty (160) complaints representing Eighty (80%) were successfully resolved. Forty-One (41) complaints representing Twenty (20%) of the complaints received in 2019 were unresolved as at 31 December 2019.
- b) In addition, a total of One Hundred and One (101) complaints representing Seventy-Eight percent (78%) of the One Hundred and Thirty (130) unresolved complaints brought forward from 2018, were resolved. Twenty-Nine (29) complaints were unresolved representing Twenty-Two (22%) bringing the total number of unresolved complaints as at 31 December 2019 to Seventy (70).
- c) The unresolved complaints brought forward from 2019 were reduced by Forty-Six percent (46%) when compared to the unresolved complaints brought forward from 2018. The primary reason for this is that a total of Fifty-Four (54) unresolved complaints against Dealing Member Firms who were inactive for 2 years and above were referred to the Investors Protection Fund (IPF) for compensation. This accounted for the significant reduction in the number of unresolved complaints against inactive firms in 2019. The 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 2018	130	101	78%	29	22%
2019 complaints	201	160	80%	41	20%
<b>Total</b>	<b>331</b>	<b>261</b>	<b>79%</b>	<b>70</b>	<b>21%</b>

## All Parties Meeting:

The All Parties Meeting (APM) is The Exchange's mediation stage for the resolution of complaints which could not be resolved independently between the investor and a

Dealing Member Firm. Appeals from the APM are currently referred to the Investigation Panel (IP) of The Exchange.

**Table 2: All Parties Meeting (APM)**

Number of Complaints referred to the All Parties Meeting (APM)	8
Number of complaints resolved at the APM	6
Number of cases pending before the APM	Nil

Number of Complaints referred to the All Parties Meeting (APM)	8
Number of cases referred to the Investigation Panel	1
Number of cases referred to the Market Surveillance & Investigations Department (MSID)	1

**NB: Complaints resolved at the APM forms part of the total complaints resolved in 2019.**

### Investigation Panel

The Investigation Panel (IP) held three (3) hearings in 2019: 12 March 2019, 19 September 2019 and 4 December 2019 respectively.

One (1) case was brought from 2018, while Twelve (12) cases were referred from the

Complaints Management Secretariat and the Market Surveillance & Investigations Department (MSID) in the course of 2019, bringing the total number of cases before the Investigation Panel to Thirteen (13).

Numbers of Complaints Referred to IP	Number of Cases Resolved at IP	Number of Cases pending before the IP	Number of Cases Referred to the Regulation Committee of Council
13	5	3	5

**NB: Cases investigated form part of the total complaints resolved in 2019.**

### Investors' Protection Fund (IPF) Claims

A total of One Thousand and Thirteen (1,013) investors' claims were referred by The Exchange to the IPF as at 31 December 2019, out of which, Eight Hundred and Thirty-Nine (839) claims have been successfully verified while Twenty-Seven (27) claims are yet to be verified. A total of Three Hundred and Ten (310)

claimants were compensated by the IPF as at 31 December 2019 while a total of Two Hundred and Seventy Four (274) claims were categorized 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 (2015-2019)	Total number of abandoned claims
1,013	839	27	310	274

1. Abandoned claims refer to claims that have been verified by The Exchange and approved by the BOT for identity verification of the claimant but whose identity could not be verified due to the inability to locate the claimant or claimant's refusal to participate in the verification exercise. Abandoned claims are subject to reopening if the claimant comes forward within the 6 year period of limitation and contingent liability (commencement of the 6-year period of limitation and contingent liability is 1 January of the calendar year immediately after the claim is deemed or categorized as abandoned.

The image features a large, thick olive green circle that is partially cut off on the left and bottom edges. To its right, there are several concentric, thinner olive green circles. Below the main circle, there are several thin, curved lines that sweep across the bottom of the page. The overall design is minimalist and modern, using a monochromatic color palette of olive green and white.

# Comparative Trading Activities

## 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 - 2019)

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	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
2019	4,637,858,995	40,293,854	898,271,798	109,111,149	491,595,828,301	465,923,419,018	282,485,373	963,446,974,633





# Summary of Trading Activities by Category

# Summary of Trading Activities by Category

January to March 2019

SECTOR	JANUARY		FEBRUARY		MARCH	
	VOLUME	VALUE (N)	VOLUME	VALUE (N)	VOLUME	VALUE (N)
<b>Equity</b>						
<b>ASeM</b>						
CONGLOMERATES	40,676	113,079	1,164	3,269	2,653	7,375
CONSTRUCTION/REAL ESTATE	0	0	0	0	0	0
CONSUMER GOODS	11,951,772	4,196,030	8,261,014	3,614,253	6,680,533	3,864,401
FINANCIAL SERVICES	0	0	0	0	0	0
OIL AND GAS	32,571	6,840	163,977	34,435	146,800	30,828
SERVICES	0	0	106,636	78,784	18,040.00	13,325
<b>Sub Total</b>	<b>12,025,019</b>	<b>4,315,949</b>	<b>8,532,791</b>	<b>3,730,741</b>	<b>6,848,026</b>	<b>3,915,930</b>
<b>Main Board</b>						
AGRICULTURE	12,098,416	519,298,027	17,665,164	473,392,973	14,111,778	534,300,574
CONGLOMERATES	311,502,616	545,461,332	725,615,290	1,209,346,470	215,299,455	360,977,070
CONSTRUCTION/REAL ESTATE	11,942,424	149,580,640	43,492,729	288,886,916	21,572,953	75,886,525
CONSUMER GOODS	206,325,533	9,213,536,340	438,914,904	17,882,774,064	208,188,508	7,358,372,236
FINANCIAL SERVICES	3,429,696,919	22,711,081,422	3,671,151,166	31,946,867,484	3,490,237,145	16,422,376,466
HEALTHCARE	34,868,735	102,572,103	53,684,759	239,055,713	14,859,457	41,290,574
ICT	776,050	1,014,739	80,569,778	16,608,678	236,128,216	47,619,512



INDUSTRIAL GOODS	20,558,766	416,882,878	39,226,275	624,518,644	14,665,254	167,169,247
NATURAL RESOURCES	1,166,768	3,407,027	1,077,312	539,028	1,507,552	732,537
OIL AND GAS	93,127,121	993,590,748	186,198,081	1,037,405,473	122,611,894	575,857,350
SERVICES	81,430,904	265,869,670	63,014,541	163,992,038	49,673,095	167,070,389
<b>Sub Total</b>	<b>4,203,494,252</b>	<b>34,922,294,928</b>	<b>5,320,609,999</b>	<b>53,883,387,481</b>	<b>4,388,855,307</b>	<b>25,751,652,479</b>
<b>Premium Board</b>						
FINANCIAL SERVICES	1,982,007,089	21,682,808,448	2,465,106,851	29,830,078,880	2,142,403,783	26,041,063,774
INDUSTRIAL GOODS	42,381,489	2,270,987,895	94,208,870	8,511,583,287	31,413,978	3,513,796,004
OIL AND GAS	1,332,595	716,497,169	1,387,293	788,196,827	1,464,754	803,557,773
<b>Sub Total</b>	<b>2,025,721,173</b>	<b>24,670,293,513</b>	<b>2,560,703,014</b>	<b>39,129,858,994</b>	<b>2,175,282,515</b>	<b>30,358,417,552</b>
<b>REITCEF Board</b>						
CONSTRUCTION/REAL ESTATE	435,344	2,908,005	78,344	454,199	734,097	43,058,609
FINANCIAL SERVICES	350	195,940	580	332,746	0	0
<b>Sub Total</b>	<b>435,694</b>	<b>3,103,945</b>	<b>78,924</b>	<b>786,945</b>	<b>734,097</b>	<b>43,058,609</b>
<b>Equity Total</b>	<b>6,241,676,138</b>	<b>59,600,008,334</b>	<b>7,889,924,728</b>	<b>93,017,764,162</b>	<b>6,571,719,945</b>	<b>56,157,044,570</b>
<b>Debt</b>						
<b>CORPORATE BONDS/DEBENTURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
GOVERNMENT BONDS - STATE AND LOCAL	0	0	0	0	0	0
FEDERAL GOVERNMENT BONDS	34,285	34,362,829	35,773	37,161,929	21,561	22,037,592
SUPRANATIONAL BONDS	0	0	0	0	0	0
<b>Sub Total</b>	<b>34,285</b>	<b>34,362,829</b>	<b>35,773</b>	<b>37,161,929</b>	<b>21,576</b>	<b>22,052,998</b>
<b>Exchange Traded Products</b>						
ETP	50,569	802,764	1,401,950	13,314,517	107,509	5,363,300
<b>Sub Total</b>	<b>50,569</b>	<b>802,764</b>	<b>1,401,950</b>	<b>13,314,517</b>	<b>107,509</b>	<b>5,363,300</b>
<b>Grand Total</b>	<b>6,241,760,992</b>	<b>59,635,173,927</b>	<b>7,891,362,451</b>	<b>93,068,240,608</b>	<b>6,571,849,030</b>	<b>56,184,460,867</b>



## April to June 2019

SECTOR	APRIL		MAY		JUNE	
	VOLUME	VALUE (N)	VOLUME	VALUE (N)	VOLUME	VALUE (N)
<b>Equity</b>						
<b>ASeM</b>						
CONGLOMERATES	455	1,265	4,245	11,801	5	14
CONSTRUCTION/REAL ESTATE	0	0	0	0	0	0
CONSUMER GOODS	3,467,547	2,459,818	1,191,544	618,359	133,777	76,838
FINANCIAL SERVICES	0	0	0	0	0	0
OIL AND GAS	7,975	1,675	11,880	2,628	1,997,254	410,351
SERVICES	147,005	117,803	169,316	255,667		
<b>Sub Total</b>	<b>3,622,982</b>	<b>2,580,561</b>	<b>1,376,985</b>	<b>888,455</b>	<b>2,131,036</b>	<b>487,203</b>
<b>Main Board</b>						
AGRICULTURE	10,233,069	229,963,697	14,104,447	184,793,789	10,548,582	244,936,475
CONGLOMERATES	483,685,049	1,167,895,531	615,221,228	1,780,611,775	196,116,050	635,638,049
CONSTRUCTION/REAL ESTATE	221,487,875	4,363,121,704	5,172,669	73,501,531	10,125,126	45,741,266
CONSUMER GOODS	389,879,210	16,464,940,744	290,494,291	11,209,363,921	270,803,581	11,595,917,448
FINANCIAL SERVICES	4,168,453,876	23,675,947,944	1,950,258,399	16,048,893,969	6,908,633,473	25,119,040,973
HEALTHCARE	65,254,256	119,610,585	103,530,161	135,771,316	24,264,560	95,942,580
ICT	559,063,039	174,584,695	360,078,768	112,459,347	189,769,706	165,673,580
INDUSTRIAL GOODS	171,937,114	2,107,759,540	24,015,313	220,392,702	29,893,099	220,180,466
NATURAL RESOURCES	929,585	1,319,775	4,919,155	2,046,879	30,280,926	13,138,643
OIL AND GAS	511,320,934	1,517,540,152	279,332,124	1,511,465,211	1,111,607,363	66,838,722,875
SERVICES	128,633,780	376,455,696	96,498,341	251,383,982	76,845,849	207,565,757
<b>Sub Total</b>	<b>6,710,877,787</b>	<b>50,199,140,063</b>	<b>3,743,624,896</b>	<b>31,530,684,422</b>	<b>8,858,888,315</b>	<b>105,182,498,113</b>
<b>Premium Board</b>						

FINANCIAL SERVICES	1,825,101,186	18,818,375,612	1,868,519,628	18,376,680,828	1,801,026,331	26,913,051,274
ICT	0	0	391,458,995	52,185,710,899	74,470,637	9,962,009,291
INDUSTRIAL GOODS	26,008,628	2,769,955,426	59,456,284	7,545,845,074	146,478,441	4,591,272,351
OIL AND GAS	910,555	513,933,161	484,430	262,753,084	1,648,004	831,866,434
<b>Sub Total</b>	<b>1,852,020,369</b>	<b>22,102,264,198</b>	<b>2,319,919,337</b>	<b>78,370,989,885</b>	<b>2,023,623,413</b>	<b>42,298,199,350</b>
<b>REITCEF Board</b>						
CONSTRUCTION/REAL ESTATE	2,724,143	109,757,862	7,345	49,393	2,545	12,471
FINANCIAL SERVICES	0	0	0	0	0	0
<b>Sub Total</b>	<b>2,724,143</b>	<b>109,757,862</b>	<b>7,345</b>	<b>49,393</b>	<b>2,545</b>	<b>12,471</b>
<b>Equity Total</b>	<b>8,569,245,281</b>	<b>72,413,742,683</b>	<b>6,064,928,563</b>	<b>109,902,612,155</b>	<b>10,884,645,309</b>	<b>147,481,197,136</b>
<b>Debt</b>						
CORPORATE BONDS/DEBENTURES	37,500.00	40,293,854	0	0	0	0
GOVERNMENT BONDS - STATE AND LOCAL	0	0	0	0	0	0
GOVERNMENT BONDS - FEDERAL	836,814	847,085,164	14,317	13,892,018	93,070	97,340,847
SUPRANATIONAL BONDS	0	0	0	0	0	0
<b>Sub Total</b>	<b>874,314</b>	<b>887,379,018</b>	<b>14,317</b>	<b>13,892,018</b>	<b>93,070</b>	<b>97,340,847</b>
<b>Exchange Traded Products</b>						
ETP	1,199,822	9,626,269	422,292	7,118,092	508,285	40,622,907
<b>Sub Total</b>	<b>1,199,822</b>	<b>9,626,269</b>	<b>422,292</b>	<b>7,118,092</b>	<b>508,285</b>	<b>40,622,907</b>
<b>Grand Total</b>	<b>8,571,319,417</b>	<b>73,310,747,970</b>	<b>6,065,365,172</b>	<b>109,923,622,265</b>	<b>10,885,246,664.00</b>	<b>147,619,160,890</b>



## July to September 2019

SECTOR	JULY		AUGUST		SEPTEMBER	
	VOLUME	VALUE (N)	VOLUME	VALUE (N)	VOLUME	VALUE (N)
<b>ASeM</b>						
<b>Equity</b>						
<b>ASeM</b>						
CONGLOMERATES	8,464	23,530	5,119	14,231	4,410	12,260
CONSTRUCTION/REAL ESTATE	0	0	1,500	465	2,400	744
CONSUMER GOODS	1,225,621	601,171	53,401	28,295	122,959	57,340
FINANCIAL SERVICES	0	0	0	0	0	0
OIL AND GAS	37,600	7,664	9,955	2,004	3,620	724
SERVICES	300	250	10,370	8,228	4,671,460	3,270,821
<b>Sub Total</b>	<b>1,271,985</b>	<b>632,614</b>	<b>80,345</b>	<b>53,222</b>	<b>4,804,849</b>	<b>3,341,888</b>
<b>Main Board</b>						
AGRICULTURE	16,574,085	229,784,233	11,290,479	206,596,556	18,298,728	305,352,990
CONGLOMERATES	305,093,553	478,617,244	463,280,047	663,995,204	396,510,584	974,117,860
CONSTRUCTION/REAL ESTATE	15,218,383	60,290,670	28,833,546	53,601,053	103,204,896	146,891,638
CONSUMER GOODS	183,410,369	7,250,969,450	193,378,107	7,004,674,910	314,929,011	17,403,483,051
FINANCIAL SERVICES	1,635,605,557	15,284,129,261	2,394,735,486	18,123,275,493	1,703,974,259	24,320,566,373
HEALTHCARE	136,720,429	105,050,079	32,908,618	69,710,645	19,341,567	43,577,060
ICT	330,537,540	489,963,130	127,618,382	62,036,128	157,229,584	238,411,957
INDUSTRIAL GOODS	34,572,090	330,258,184	19,366,072	248,726,669	20,877,002	170,740,849
NATURAL RESOURCES	7,499,295	5,322,045	3,483,005	20,049,094	2,153,287	2,165,485
OIL AND GAS	114,782,411	1,040,115,580	79,412,342	610,751,353	72,282,560	431,548,848
SERVICES	67,565,781	188,167,060	37,847,946	89,876,619	70,624,000	216,207,271



<i>Sub Total</i>	2,847,579,493	25,462,666,936	3,392,154,030	27,153,293,724	2,879,425,478	44,253,063,383
<b>Premium Board</b>						
FINANCIAL SERVICES	1,568,791,805	15,189,134,225	1,435,198,547	13,484,692,374	1,754,754,544	14,787,675,189
ICT	62,549,640	8,053,068,834	111,269,235	14,925,419,645	46,825,974	6,554,773,381
INDUSTRIAL GOODS	186,973,516	7,013,683,381	177,127,135	6,359,598,713	121,683,841	3,679,151,896
OIL AND GAS	573,673	281,425,733	290,775	127,981,932	800,913	379,013,279
<i>Sub Total</i>	1,818,888,634	30,537,312,174	1,723,885,692	34,897,692,664	1,924,065,272	25,400,613,744
<b>REITCEF Board</b>						
CONSTRUCTION/REAL ESTATE	3,575	32,963	350	1,715	2,924,132	14,304,795
FINANCIAL SERVICES	0	0	107	53,200	0	0
<i>Sub Total</i>	3,575	32,963	457	54,915	2,924,132	14,304,795
<i>Equity Total</i>	4,667,743,687	56,000,644,687	5,116,120,524	62,051,094,524	4,811,219,731	69,671,323,810
<b>Debt</b>						
CORPORATE BONDS/DEBENTURES	0	0	0	0	0	0
GOVERNMENT BONDS - STATE AND LOCAL	0	0	0	0	0	0
GOVERNMENT BONDS - FEDERAL	1,469,263	1,497,392,898	28,787	31,026,195	103,656	110,613,219
SUPRANATIONAL BONDS	0	0	0	0	0	0
<i>Sub Total</i>	1,469,263	1,497,392,898	28,787	31,026,195	103,656	110,613,219
<b>Exchange Traded Products</b>						
ETP	70,283	7,161,974	77,213	2,744,546	28,734	3,871,824
<i>Sub Total</i>	70,283	7,161,974	77,213	2,744,546	28,734	3,871,824
<i>Grand Total</i>	4,669,283,233.00	57,505,199,559	5,116,226,524	62,084,865,265	4,811,352,121	69,785,808,854

## October to December 2019

SECTOR	OCTOBER		NOVEMBER		DECEMBER	
	VOLUME	VALUE (N)	VOLUME	VALUE (N)	VOLUME	VALUE (N)
<b>Equity</b>						
<b>ASeM</b>						
CONGLOMERATES	7,626	21,200	1,376	3,825	166,518	462,893
CONSTRUCTION/REAL ESTATE	0	0	3,399	1,054	0	0
CONSUMER GOODS	204,810	94,450	287,862	127,885	45,119	21,140
FINANCIAL SERVICES	799,250,000	439,537,500	0	0	796,453,653	438,049,509
OIL AND GAS	1,500	352	5,565	1,113	6,120	1,234
SERVICES	3,500	2,378	1	1	1,000	700
<b>Sub Total</b>	<b>799,467,436</b>	<b>439,655,880</b>	<b>298,203</b>	<b>133,878</b>	<b>796,672,410</b>	<b>438,535,477</b>
<b>Main Board</b>						
AGRICULTURE	5,273,797	124,177,740	12,695,258	162,283,919	22,970,861	239,929,059
CONGLOMERATES	326,819,890	570,109,918	547,734,691	2,363,463,944	462,349,785	1,647,830,782
CONSTRUCTION/REAL ESTATE	116,377,284	143,944,261	5,647,881	35,384,333	7,098,728	73,755,681
CONSUMER GOODS	249,082,936	14,320,721,515	408,727,847	15,377,786,535	229,822,255	8,703,761,978
FINANCIAL SERVICES	2,317,164,695	17,788,930,941	2,245,397,362	12,690,494,273	1,508,667,249	14,271,920,732
HEALTHCARE	54,417,000	126,225,129	48,755,413	173,958,941	392,607,275	191,738,107
ICT	72,462,730	86,417,611	95,910,656	184,352,110	65,650,981	106,915,262
INDUSTRIAL GOODS	10,944,547	94,667,404	82,299,309	1,494,863,166	38,848,282	574,583,659
NATURAL RESOURCES	26,257,986	6,417,915	1,726,355	809,493	699,731	2,757,232
OIL AND GAS	47,869,404	422,634,220	60,679,006	362,622,407	58,130,998	290,788,776
SERVICES	103,322,890	409,014,420	58,922,166	112,696,351	46,198,916	101,188,960



<b>Sub Total</b>	<b>3,329,993,159</b>	<b>34,093,261,073</b>	<b>3,568,495,944</b>	<b>32,958,715,471</b>	<b>2,833,045,061</b>	<b>26,205,170,228</b>
<b>Premium Board</b>						
FINANCIAL SERVICES	1,710,152,837	20,543,783,539	3,201,060,099	38,454,134,020	1,765,256,475	19,386,435,408
ICT	40,739,340	5,196,023,668	74,717,197	9,102,110,157	28,732,067	3,120,193,434
INDUSTRIAL GOODS	200,078,610	22,728,257,277	129,574,158	5,662,831,796	122,123,661	12,751,093,144
OIL AND GAS	416,614	211,598,394	367,032	192,842,688	1,441,564	808,473,422
<b>Sub Total</b>	<b>1,951,387,401</b>	<b>48,679,662,878</b>	<b>3,405,718,486</b>	<b>53,411,918,661</b>	<b>1,917,553,767</b>	<b>36,066,195,407</b>
<b>REITCEF Board</b>						
CONSTRUCTION/REAL ESTATE	493,433	2,984,061	2,684,780	97,597,015	2,705,683	10,388,575
FINANCIAL SERVICES	100	49,700	513	268,508	65	35,617
<b>Sub Total</b>	<b>493,533</b>	<b>3,033,761</b>	<b>2,685,293</b>	<b>97,865,523</b>	<b>2,705,748</b>	<b>10,424,192</b>
<b>Equity Total</b>	<b>6,081,341,529</b>	<b>83,215,613,592</b>	<b>6,977,197,926</b>	<b>86,468,633,533</b>	<b>5,549,976,986</b>	<b>62,720,325,303</b>
<b>Debt</b>						
CORPORATE BONDS/DEBENTURES	0	0	0	0	0	0
GOVERNMENT BONDS - STATE AND LOCAL	0	0	300,000	305,573,770	0	0
GOVERNMENT BONDS - FEDERAL	18,999	20,022,102	125,934	140,277,673	1,213,827	1,440,763,500
SUPRANATIONAL BONDS	0	0	0	0	0	0
<b>Sub Total</b>	<b>18,999</b>	<b>20,022,102</b>	<b>425,934</b>	<b>445,851,443</b>	<b>1,213,827</b>	<b>1,440,763,500</b>
<b>Exchange Traded Products</b>						
ETP	14,226	1,679,515	19,338	560,384	246,559	16,245,057
<b>Sub Total</b>	<b>14,226</b>	<b>1,679,515</b>	<b>19,338</b>	<b>560,384</b>	<b>246,559.00</b>	<b>16,245,057</b>
<b>Grand Total</b>	<b>6,081,374,754</b>	<b>83,237,315,209</b>	<b>6,977,643,198</b>	<b>86,915,045,360</b>	<b>5,551,437,372</b>	<b>64,177,333,859</b>





All Share  
Index 2019

## All Share Index 2019

Month	High	Low	Average	Closing
J	31,426.63	29,336.80	30,579.24	30,557.20
F	32,715.20	30,636.36	31,959.93	31,718.70
M	32,173.66	30,829.45	31,376.65	31,041.42
A	30,529.39	29,158.57	29,681.46	29,159.74
M	31,477.51	28,286.08	29,657.70	31,069.37
J	30,928.29	29,609.00	30,019.58	29,966.87
J	29,614.61	27,718.26	28,517.72	27,718.26
A	27,800.17	26,925.29	27,429.56	27,525.81
S	27,779.00	27,047.58	27,454.55	27,630.56
O	27,314.87	26,244.39	26,562.90	26,355.35
N	27,035.78	26,188.24	26,644.62	27,002.15
D	26,990.59	26,090.88	26,622.75	26,842.07

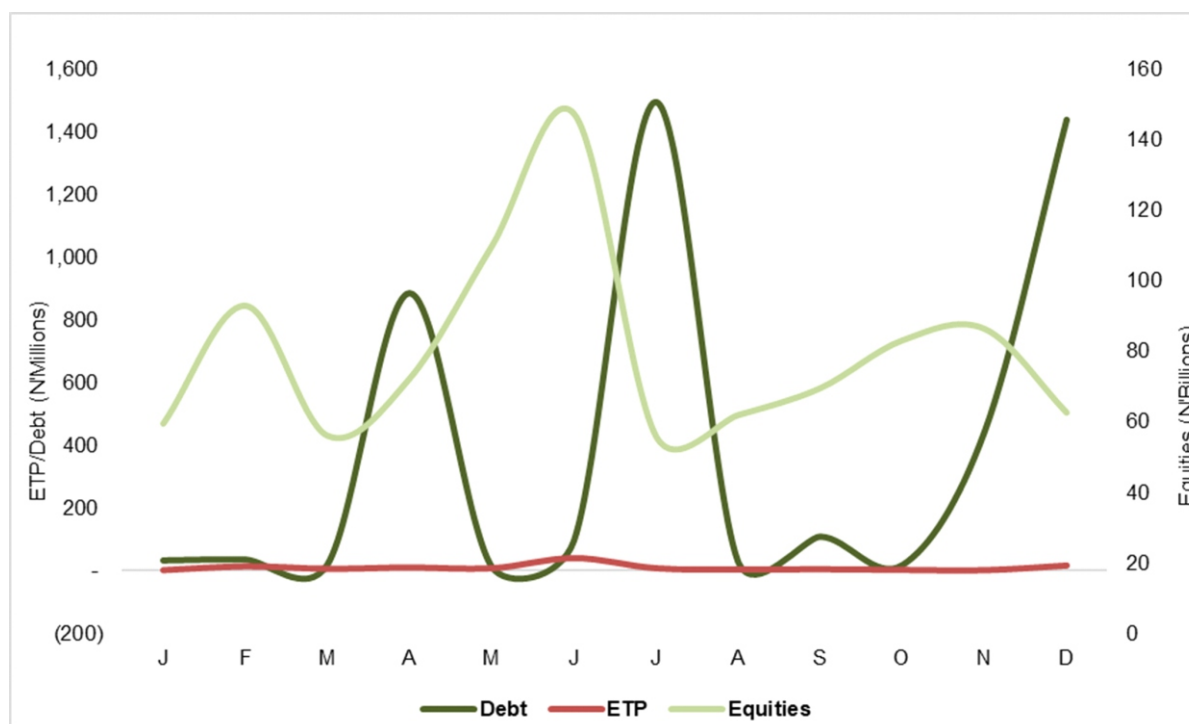




Monthly  
Trading Activities  
Value 2019

## Monthly Trading Activities by Value(N)-2019

Month	Debt	ETPs	Equities	Total
J	34,362,829	802,764	59,600,008,334	59,635,173,927
F	37,161,929	13,314,517	93,017,764,162	93,068,240,608
M	22,052,998	5,363,300	56,157,044,570	56,184,460,867
A	887,379,018	9,626,269	72,413,742,683	73,310,747,970
M	13,892,018	7,118,092	109,902,612,155	109,923,622,265
J	97,340,847	40,622,907	147,481,197,136	147,619,160,890
J	1,497,392,898	7,161,974	56,000,644,687	57,505,199,559
A	31,026,195	2,744,546	62,051,094,524	62,084,865,265
S	110,613,219	3,871,824	69,671,323,810	69,785,808,854
O	20,022,102	1,679,515	83,215,613,592	83,237,315,209
N	445,851,443	560,384	86,468,633,533	86,915,045,360
D	1,440,763,500	16,245,057	62,720,325,303	64,177,333,859
	<b>4,637,858,995</b>	<b>109,111,149</b>	<b>958,700,004,489</b>	<b>963,446,974,633</b>



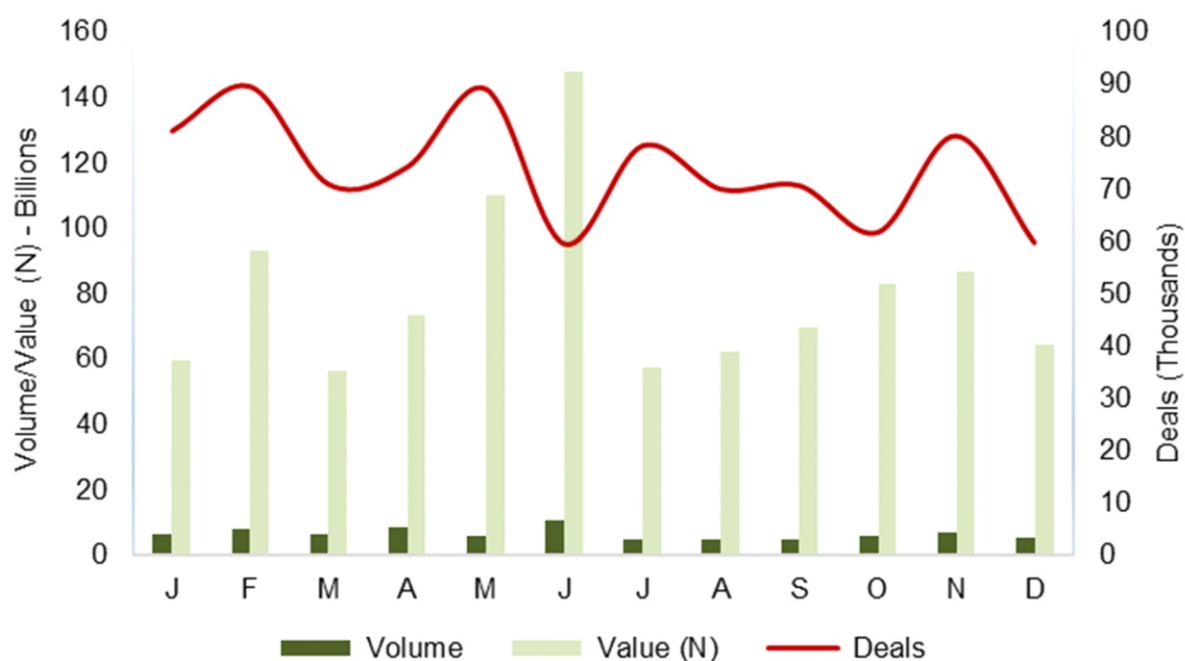


# Summary of Trading Activities

# Summary of Trading Activities

January To December, 2019

Month	Deals	Volume	Value (N)
J	81,013	6,241,760,992	59,635,173,927
F	89,441	7,891,362,451	93,068,240,608
M	70,808	6,571,849,030	56,184,460,867
A	74,171	8,571,319,417	73,310,747,970
M	89,027	6,065,365,172	109,923,622,265
J	59,484	10,885,246,664	147,619,160,890
J	78,187	4,669,283,233	57,505,199,559
A	69,932	5,116,226,524	62,084,865,265
S	70,608	4,811,352,121	69,785,808,854
O	61,690	6,081,374,754	83,237,315,209
N	80,081	6,977,643,198	86,915,045,360
D	59,733	5,551,437,372	64,177,333,859
	884,175	79,434,220,928	963,446,974,633



The background features a large, thick olive green circle on the left side. To its right, there are several thin, light olive green lines that curve and overlap, creating a sense of movement and depth. On the far right, there are concentric olive green circles of varying thicknesses, partially cut off by the edge of the frame. The overall aesthetic is clean, modern, and organic.

# Growth in Listed Securities

# Growth in Securities Report (2019)

Listing Statistics from 1 January 2019 to 31 December 2019

Board/Asset Class	Securities (as at 31 December 2018)	New Listings	Supplementary Listings <sup>1</sup>	Migration	Delisted/Matured/Adjustment	Securities (as at 31 December 2019)	Percentage change (%)
Premium Board	7 companies	1	0	0	0	8 companies	14.29
Main Board	148 companies	2	10	0	(7)	143 companies	(3.38)
	0 preference shares	0	0	0	0	0 preference shares	0
	3 REITs	0	0	0	0	3 REITs	0
	2 funds	0	0	0	0	2 funds	0
	9 companies	0	0	0	0	9 companies	0
ASeM	9 companies	0	0	0	0	9 companies	0
Bonds	108 bonds	45	20	0	(19)	134 bonds	24.07
ETFs	9 ETFs	1	5	0	0	10 ETFs	11.11
Memorandum Listing	47 mutual funds	4	0	0	0	51 mutual funds	8.51
<b>Total</b>	<b>333</b>	<b>53</b>	<b>35</b>	<b>0</b>	<b>(26)</b>	<b>360</b>	<b>8.11</b>

Note that the changes within the period under consideration as shown above are:

#### Premium Board:

- One (1) new listing

#### Main Board:

- Two (2) new listings
- Ten (10) supplementary listings
- Seven (7) companies were delisted from the Main Board of the Daily Official List of The Exchange



**Bonds:**

- Forty-five (45) new bond listings
- Twenty (20) supplementary bond listings
- Nineteen (19) bonds were delisted at their maturity dates from Daily Official List of The Exchange

**ETFs**

- One (1) new listing
- Five (5) supplementary listings

**Memorandum Listings:**

- Four (4) new listings

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<sup>1</sup> Not included in the computation of the total





# Active Dealing Member Firms

## Active Dealing Member Firms

As at 31 December 2019

S/N	FIRM	STATUS
1	Absa Securities Nigeria Limited	Active
2	Afrinvest Securities Limited	Active
3	Anchoria Investment and Securities Limited	Active
4	Apel Asset Limited	Active
5	Apt Securities and Funds Limited	Active
6	ARM Securities Limited	Active
7	Arthur Stevens Asset Management Limited	Active
8	Associated Asset Managers Limited	Active
9	Atlass Portfolio Limited	Active
10	Bauchi Investment Corporation Securities Limited	Active
11	Belfry Investment and Securities Limited	Active
12	Bestworth Assets and Trust Limited	Active
13	Calyx Securities Limited	Active
14	Camry Securities Limited	Active
15	Capital Asset Limited	Active
16	Capital Bancorp Plc.	Active
17	Capital Express Securities Limited	Active
18	Capital Trust Brokers Limited	Active
19	Cardinal Stone Securities Limited	Active
20	Cashcraft Securities Limited	Active
21	Cashville Investment and Securities Limited	Active
22	CDL Capital Markets Limited	Active
23	Centre Point Investment Limited	Active
24	Century Securities Limited	Active
25	Chapel Hill Denham Securities Limited	Active
26	Chartwell Securities Limited	Active
27	Citi Investment Capital Limited	Active
28	City Code Trust and Investment Company Limited	Active
29	Compass Investment and Securities Limited	Active
30	Cordros Securities Limited	Active
31	Core Securities Limited	Active
32	Coronation Securities Limited	Active

33	Cowry Securities Limited	Active
34	Crane Securities Limited	Active
35	Crossworld Securities Limited	Active
36	Crown Capital Limited	Active
37	CSL Stockbrokers Limited	Active
38	Deep Trust Investment Limited	Active
39	Delords Securities Limited	Active
40	Dominion Trust Limited	Active
41	DSU Brokerage Services Limited	Active
42	Dunbell Securities Limited	Active
43	Dunn Loren Merrifield Securities Limited	Active
44	Dynamic Portfolio Limited	Active
45	EDC Securities Limited	Active
46	Edgefield Capital Management Limited	Active
47	EFG Hermes Nigeria Limited	Active
48	El-Elyon Alliance and Securities Limited	Active
49	Elixir Securities Limited	Active
50	Equity Capital Solutions Limited	Active
51	Eurocomm Securities Limited	Active
52	Express Portfolio Services Limited	Active
53	Falcon Securities Limited	Active
54	FBC Trust and Securities Limited	Active
55	FBNQuest Securities Limited	Active
56	FCSL Asset Management Company Limited	Active
57	Fidelity Finance Company Limited	Active
58	Financial Trust Company Limited	Active
59	Finmal Finance Services Limited	Active
60	First Integrated Capital Management Limited	Active
61	FIS Securities Limited	Active
62	Foresight Securities and Investment Limited	Active
63	Forte Financial Limited	Active
64	Forthright Securities and Investments Limited	Active
65	Fortress Capital Limited	Active
66	FSDH Securities Limited	Active
67	FSL Securities Limited	Active
68	Funds Matrix and Assets Management Limited	Active
69	Fundvine Capital and Securities Limited	Active

70	Futureview Securities Limited	Active
71	Gidauniya Investment and Securities Limited	Active
72	Global Asset Management (Nigeria) Limited	Active
73	GlobalView Capital Limited	Active
74	Golden Securities Limited	Active
75	Greenwich Securities Limited	Active
76	Growth and Development Asset Management Limited	Active
77	Gruene Capital Limited	Active
78	GTI Securities Limited	Active
79	Harmony Securities Limited	Active
80	Heartbeat Investment Limited	Active
81	Hedge Securities and Investment Limited	Active
82	Helix Securities Limited	Active
83	Heritage Capital Markets Limited	Active
84	ICMG securities Limited	Active
85	Icon Stockbrokers Limited	Active
86	Imperial Asset Managers Limited	Active
87	Integrated Trust and Investment Limited	Active
88	Interstate Securities Limited	Active
89	Investment One Stockbrokers International Limited	Active
90	Investors and Trust Company Limited	Active
91	Kapital Care Trust and Securities Limited	Active
92	Kedari Capital Limited	Active
93	Kinley Securities Limited	Active
94	Kofana Securities and Investment Limited	Active
95	Lambeth Capital Limited	Active
96	Lead Securities and Investment Limited	Active
97	Lighthouse Asset Management Limited	Active
98	Magnartis Finance and Investment Limited	Active
99	Mainstreet Bank Securities Limited	Active
100	Maxifund Investment and Securities Plc.	Active
101	MBC Securities Limited	Active
102	Mega Equities Limited	Active
103	Meristem Stockbrokers Limited	Active
104	Midas Stockbrokers Limited	Active
105	Mission Securities Limited	Active
106	Molten Trust Limited	Active
107	Morgan Capital Securities Limited	Active

108	Mountain Investment and Securities Limited	Active
109	Network Capital Limited	Active
110	Networth Securities and Finance Limited	Active
111	Newdevco Investments and Securities Limited	Active
112	Nigerian International Securities Limited	Active
113	Nigerian Stockbrokers Limited	Active
114	Nova Finance and Securities Limited	Active
115	Osborne Capital Markets Limited	Active
116	PAC Securities Limited	Active
117	Peace Capital Markets Limited	Active
118	Pilot Securities Limited	Active
119	Pinefields Investment Services Limited	Active
120	PIPC Securities Limited	Active
121	Pivot Capital Limited	Active
122	Planet Capital Limited	Active
123	Portfolio Advisers Limited	Active
124	Premium Capital and Stockbrokers Limited	Active
125	Primewealth Capital Limited	Active
126	Prominent Securities Limited	Active
127	PSI Securities Limited	Active
128	Pyramid Securities Limited	Active
129	Qualinvest Capital Limited	Active
130	Quantum Zenith Securities and Investments Limited	Active
131	Rainbow Securities and Investment Company Limited	Active
132	Readings Investment Limited	Active
133	Regency Asset Management Limited	Active
134	Rencap Securities (Nigeria) Limited	Active
135	Resort Securities and Trust Limited	Active
136	Reward Investment and Service Limited	Active
137	RMB Nigeria Stockbrokers Limited	Active
138	Rostrum Investment and Securities Limited	Active
139	Rowet Capital Management Limited	Active
140	Royal Crest Finance Limited	Active
141	Royal Guaranty and Trust Limited	Active
142	Royal Trust Securities Limited	Active
143	Sankore Securities Limited	Active
144	Santrust Securities Limited	Active
145	Securities Africa Financial Limited	Active

146	Securities and Capital Management Company Limited	Active
147	Security Swaps Limited	Active
148	Shalom Investment and Financial Services Limited	Active
149	Shelong Investments Limited	Active
150	Sigma Securities Limited	Active
151	Signet Investment and Securities Limited	Active
152	Skyview Capital Limited	Active
153	Smadac Securities Limited	Active
154	Solid Rock Securities and Investment Plc.	Active
155	Spring Trust and Securities Limited	Active
156	Springboard Trust and Investment Limited	Active
157	Stanbic IBTC Stockbrokers Limited	Active
158	Standard Union Securities Limited	Active
159	Tellimer Capital Limited	Active
160	The Bridge Securities Limited	Active
161	Tiddo Securities Limited	Active
162	Tomil Trust Limited	Active
163	Topmost Securities Limited	Active
164	Tower Securities and Investment Company Limited	Active
165	Trade Link Securities Limited	Active
166	Traders Trust and Investment Company Limited	Active
167	Transworld Investment Limited	Active
168	Trust Yield Securities Limited	Active
169	TrustBanc Capital Management Limited	Active
170	Trusthouse Investment Limited	Active
171	TRW Stockbrokers Limited	Active
172	Tyndale Securities Limited	Active
173	UIDC Securities Limited	Active
174	Unex Capital Limited	Active
175	Union Capital Markets Limited	Active
176	United Capital Securities Limited	Active
177	Valmon Securities Limited	Active
178	Valueline Securities and Investment Limited	Active
179	Vetiva Securities Limited	Active
180	WCM Capital Limited	Active
181	WSTC Securities Limited	Active
182	Zion Stockbrokers and Securities Limited	Active
	<b>SUMMARY</b>	
A	Active Dealing Member Firms	182

The image features a large, thick olive green circle that is partially cut off on the left and right sides. Inside this circle, the words "Management" and "Team" are written in a clean, sans-serif font, stacked vertically. The background is white and decorated with several thin, light olive green lines that form overlapping circles and arcs, creating a sense of movement and depth. On the right side, there are three concentric olive green circles of varying thicknesses, partially visible.

Management  
Team

# Management Team



**Oscar Onyema**  
Chief Executive Officer



**Tinuade Awe**  
Executive Director, Regulation  
Division



**Bola Adeeko**  
Divisional Head-Shared Services



**Jude Chiemeka**  
Divisional Head-Trading Business



**Olumide Bolumole**  
Divisional Head-Listings Business



**Cyril Eigbobo**  
Chief Financial Officer



**Abimbola Babalola**  
Head-Market Surveillance and  
Investigations



**Olufemi Shobanjo**  
Head-Broker Dealer Regulation



**Gabriel Igbeka**  
Head-Administration Services

# Management Team



**Rasaq Ozemedede**  
Chief Risk Officer



**Olumide Orojimi**  
Head-Corporate Communications



**Irene Robinson-Ayanwale**  
Head-Legal Services | General Counsel



**Tony Ibeziako**  
Head-Primary Market



**Mojisola Adeola**  
Head-Council Secretariat | Council Secretary



**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



**Ademola Adebayo**  
Chief Human Resource Officer



**Bernard Ahanaonu**  
Head-Internal Audit



**Tosin Beredugo**  
Head-Technology Services



**John Adelana**  
Head-Regulatory Technology



**Oluwatoyin Alake**  
Head-Secondary Market



**Ugochi Obi**  
Head-X-Academy



**Opeoluwa Adesanya**  
Head-State Owned Enterprises

The image features a large, thick, light green circle that is the central focus. It is surrounded by several other light green elements: a thin circle to its left, a series of concentric thin circles to its right, and several thin, curved lines that sweep across the bottom and right sides of the frame. The text 'Flash of our Events' is centered within the large circle.

Flash of  
our Events

# Flash of our Events



L – R shows Tony Ibeziako, Head, Primary Markets, The Nigerian Stock Exchange (NSE); Oscar N. Onyema, OON, Chief Executive Officer (CEO), NSE; and Tinuade Awe, Executive Director, Regulation Division, NSE during the 2018 Market Recap and Outlook for 2019 where the CEO, NSE briefed the stockbroking community, analysts, media and other stakeholders on the performance of the market in the preceding year and provided a prognosis for the market for the New Year 2019 at the Stock Exchange House, Marina, Lagos.



L – R shows Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Abdul Samad Rabiu, CON, Chairman, Board of Directors, Cement Company of Northern Nigeria (CCNN) Plc during a Closing Gong Ceremony in commemoration of the Merger & Acquisition between CCNN Plc and Kalambaina Cement Company Limited at The Exchange.



L – R shows Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Finn Arnoldsen, Director, Cement Company of Northern Nigeria (CCNN) Plc; Chimaobi Madukwe, Director, CCNN Plc; Oscar N. Onyema, OON, Chief Executive Officer, NSE; Abdul Samad Rabiu, CON, Chairman, Board of Directors, CCNN Plc; Kabiru Rabiu, Director CCNN Plc; Ahmed Aliyu, Company Secretary, CCNN Plc and Haruna Jalo-Waziri, Managing Director/CEO, Central Securities and Clearing System (CSCS) Plc during a Closing Gong Ceremony in commemoration of the Merger & Acquisition between CCNN Plc and Kalambaina Cement Company Limited at The Exchange.



L - R shows Olumide Orojimi, Head, Corporate Communications, The Nigerian Stock Exchange (NSE); Abimbola Babalola, Head, Market Surveillance, NSE; Bola Adeeko, Head, Shared Services Division, NSE; Orondaam Otto, Executive Director/Founder, Slum2School; Tobi Oyewole, CSR Analyst, NSE; and Clifford Akpolo, Team Lead, Brand Marketing, NSE with students from Slum2School Initiative, Bridge Academies and Dialogue School during the Closing Gong Ceremony in commemoration of the 2019 International Day of Education at The Exchange in Lagos.



L – R shows Kemi Dasilva-Ibru, Founder, Women at Risk International Foundation; Erelu Angela Adebayo, former First Lady of Ekiti State and National Council Member, The Nigerian Stock Exchange (NSE); Tinuade Awe, Executive Director, Regulation, NSE; Eme Essien, Country Director, International Finance Corporation (IFC); and Lansana Wonneh, Deputy Country Representative, United Nations Women during the Closing Gong Ceremony in commemoration of the International Women's Day (IWD) celebration at the NSE in Lagos.



L – R shows Abiodun Adeniran, Executive Director, Vetiva Securities; Patrick Ilodiana, Managing Director, SFS Capital; Jude Chiemeka, Head, Trading Business Division, The Nigerian Stock Exchange (NSE); Pai Gamde, former Chief Human Resource Officer, NSE; and Adewunmi Senbanyo, Investment Manager, AICO Pensions during the Compliance Officers and Operations Officers workshop on Derivatives organised by the NSE.

# Flash of our Events



L – R shows Roosevelt Ogbonna, Group Deputy Managing Director, Access Bank Plc; Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); and Herbert Wigwe, Group Managing Director/CEO, Access Bank Plc during the presentation of a replica of the closing gong to Access Bank Group at the Closing Gong Ceremony to commemorate the successful merger of Access Bank Plc and Diamond Bank Plc and the Listing of the N15b Corporate Green Bond.



L – R shows Seyi Kumapayi, Chief Financial Officer, Access Bank Plc; Ajoritsedere Awosika, Board Member, Access Bank Plc; Oscar N. Onyema, OON Chief Executive Officer, The Nigerian Stock Exchange (NSE); Herbert Wigwe, Group Managing Director/CEO, Access Bank Plc; Roosevelt Ogbonna, Group Deputy Managing Director, Executive Director, Access Bank Plc; and Victor Etuokwu, Personal Banking Division, Access Bank Plc during the Closing Gong Ceremony to commemorate the successful merger of Access Bank Plc and Diamond Bank Plc and the Listing of the N15b Corporate Green Bond.



L – R shows Olumide Orojimi, Head, Corporate Communications, The Nigerian Stock Exchange (NSE); Bekeme Masade-Olowola, Global Reporting Initiative (GRI) Board Member and Chief Executive Officer, CSR-in-Action; Bola Adeeko, Head, Shared Services Division, NSE; and Douglas Kativu, Director, GRI Africa during the Sustainability Reporting Workshop and the Unveiling of the NSE Sustainability Disclosure Guidelines at the NSE in Lagos.



L – R shows Olumide Orojimi, Head, Corporate Communications, The Nigerian Stock Exchange (NSE); Oduniyi Daniella, S-Tee Cambridge School; Pai Gamde, former Chief Human Resource Officer, NSE; Wisdom Ojini, Kingdom & Base School; Abimbola Babalola, Head, Market Surveillance, NSE; and Aina Rotimi, Anthony Village Senior High School during the NSE 2019 Global Money Week celebration themed Learn.Save.Earn at The Exchange in Lagos.



L – R shows Joke Alli, Head, Human Resource, Fidson Healthcare Plc; Olugbenga Olayeye, Sales & Marketing Director, Fidson Healthcare Plc; Oscar N. Onyema OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Fidelis Ayebae, Managing Director/CEO, Fidson Healthcare Plc; Segun Adebajani, Chairman, Fidson Healthcare Plc; and Imokha Ayebae, Head, Finance & Account, Fidson Healthcare Plc during the Closing Gong Ceremony to commemorate Fidson Healthcare Plc's Facts Behind the Offer presentation at the Exchange in Lagos.



L – R shows Anthony Chiejina, Group Head, Corporate Communications, Dangote Group Plc; Zouera Youssoufu, Chief Executive Officer, Aliko Dangote Foundation; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Joseph Makoju, Chief Executive Officer, Dangote Cement Plc; Olakunle Alake, Group Managing Director, Dangote Group Plc; Guillaume Moya, Chief Finance Officer, Dangote Cement Plc; and Ndidi Nnoli, Group Head, Sustainability & Governance, Dangote Industries Limited, during the Closing Gong Ceremony to commemorate the maiden edition of the Facts Behind the Sustainability Report at The Exchange in Lagos.

# Flash of our Events



L-R shows Daniel Tetteh, Director General, Securities and Exchange Commission (SEC), Ghana; Ngozi Egbuna, Director General, West African Monetary Institute, Ghana; Mamado Traore, Commissioner, Industry and Private Sector Promotion, ECOWAS Commission; Mary Uduk, Acting Director General, Securities and Exchange Commission (SEC) Nigeria; and Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) during the Experts Meeting to Validate West Africa Securities Regulatory Agency and West Africa Capital Market Integration Council Rules and Regulations in Abuja.



L-R shows Kobby Bentsi Enchill, Managing Director, Stanbic IBTC Capital; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Ms Patience Oniha, Director General, Debt Management Office (DMO); Ms Hamda Ambah, Managing Director, FSDH Merchant Bank; Oladele Afolabi, Director, Portfolio Management Department, DMO; and Monday Usiade, Head Market Development Department, DMO during the closing gong ceremony to commemorate the listing of the FGN Eurobond at The Exchange.



L – R shows Jude Chiemeka, Head, Trading Business Division, The Nigerian Stock Exchange (NSE); Patience Oniha, Director General, Debt Management Office (DMO); Hajara Adeola, Managing Director/CEO, Lotus Capital; and Andrew Morgan, Managing Director/CEO, REDmoney during the Inaugural Islamic Finance News (IFN) Nigeria Forum at the Eko Hotel in Lagos.



L – R shows Hafsaf Rufai, Deputy Director, Lagos Zonal Office, Securities & Exchange Commission (SEC); Ildong Koh, Representative, Korea Development Institute (KDI); Mr Choonglyol Lee, Representative, KDI; Mr Soonwon Chung, Senior Advisor, Knowledge Sharing Programme (KSP), Nigeria; Jude Chiemeka, Divisional Head, Trading Business, The Nigerian Stock Exchange (NSE); Mr Steven Falomo, Director, SEC Lagos office; Mr Emomotimi Agama, Deputy Director, Registration and Exchanges Department, SEC; Ms Jiyoung Lee, Consultant, Good Consulting Group Co. Limited; Mr Yoonho Kim, Representative, KDI during a courtesy visit and Closing Gong Ceremony at The Exchange, Lagos.



L – R shows Bolaji Balogun, Chief Executive Officer, Chapel Hill Denham; Oluwatoyin Alake, Head, Secondary Markets, The Nigerian Stock Exchange (NSE); Jude Chiemeka, Divisional Head, Trading Business, NSE; and Phil Southwell, Partner Chapel Hill Denham during a training on alternative investment titled "Listed Real Assets: A Teach-In on Alternative Investment Companies" at the NSE in Lagos.



L – R shows Erelu Angela Adebayo, National Council Member, The Nigerian Stock Exchange (NSE); Aigboje Aig-Imoukhuede, CON, Ex-Officio, NSE; Oscar N. Onyema, OON, Chief Executive Officer, NSE; Ferdi Moolman, Chief Executive Officer, MTN Nigeria Communication Plc; Pascal Dozie, CON, Chairman, MTN Nigeria Communication Plc; Bolaji Balogun, Chief Executive Officer, Chapel Hill Denham; Abubakar Balarabe Mahmoud, SAN, OON, First Vice President, NSE; and Gbenga Oyeboode, MFR, Director, MTN Nigeria Communication Plc during the Listing of MTN Nigeria Communications Plc on the Premium Board of The Exchange in Lagos.

# Flash of our Events



L – R shows Eunice Sampson, Head, Sustainability, Dangote Cement Plc; Anthony Chiejina, Group Head, Corporate Communications, Dangote Group Plc; Zouera Youssoufu, Chief Executive Officer, Aliko Dangote Foundation; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Joseph Makoju, Chief Executive Officer, Dangote Cement Plc; Olakunle Alake, Group Managing Director, Dangote Group Plc; Guillaume Moyen, Chief Finance Officer, Dangote Cement Plc; Ndidi Nnoli, Group Head, Sustainability & Governance, Dangote Industries Limited; and Bola Adeeko, Head, Shared Services Division, NSE during the Closing Gong Ceremony to commemorate the maiden edition of the Facts Behind the Sustainability Report at The Exchange in Lagos.



L – R shows Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Austin Anni, Stanbic IBTC and overall winner 2019 NSE Corporate Challenge; Yinka Sanni, Chief Executive Officer, Stanbic IBTC Holdings; Folakemi Akinboye, Manager, ATS Travels; and Demola Sogunle, Chief Executive, Stanbic IBTC Bank, during the awards presentation at the 2019 NSE Corporate Challenge held at Muri Okunola Park, Victoria Island, Lagos.



L – R shows Segun Ogunsanya, Managing Director/CEO, Airtel Nigeria Plc; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange, (NSE); and Awuneba Ajumogobia, Member, Airtel Africa Board during the listing of Airtel Africa Plc on the Daily Official List of the NSE in Lagos.



L – R shows Olumide Bolumole, Divisional Head, Listings Business, The Nigerian Stock Exchange, (NSE); Efe Eferintin, Acting Managing Director, Quantum Zenith; Kanyinsola Ajayi, Managing Partner, Olaniwun Ajayi; Oscar N. Onyema, OON, Chief Executive Officer, NSE; Segun Ogunsanya, Managing Director/CEO, Airtel Nigeria Plc; Awuneba Ajumogobia, Member, Airtel Africa Board; Emeka Onwuka, Board Member, Airtel Nigeria; and Feyi Olusanya, Managing Director, Barclays Securities Nigeria during the listing of Airtel Africa Plc on the Daily Official List of the NSE in Lagos.



L – R shows Chinelo Anohu-Amazu, Former Director General, National Pension Commission (PENCOM); Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Suneel Bakhshi, Chairman, London Africa Advisory Group (LAAG); ABC Orjiako, Chairman, Seplat; Ian Greenstreet, CEO Infinity Capital Partners; and Kola Karim, Chief Executive Officer, Shoreline Energy during the Closing Gong Ceremony to commemorate Companies to Inspire Conference at The Exchange.



L – R shows Jude Chiemeka, Head, Trading Business Division, The Nigerian Stock Exchange (NSE); Oscar N. Onyema, OON, Chief Executive Officer, NSE; Mojisola Adeola, Council Secretary, NSE; Stephen Falomo, Director, Lagos Zonal Office, Securities and Exchange Commission (SEC); and Adedapo Adekoje, President, Chartered Institute of Stockbrokers (CIS) during the induction ceremony of the newly authorised dealing clerks at The Exchange in Lagos.

# Flash of our Events



L – R shows Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) presenting a certificate to one of the inductees, Olurotimi Kuti while Mojisola Adeola, Council Secretary, NSE looks on during the induction ceremony of the newly authorised dealing clerks at The Exchange in Lagos.



L – R shows Folusho Phillips, Chairman, Phillips Consulting Limited; Chioma Dennis, Trainee of the Year 2019; and Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) during the NSE Graduate Trainee Programme Class of 2019 Graduation Ceremony and Dinner at the Civic Center, Victoria Island Lagos.



L – R shows Folusho Phillips, Board Member, Special Olympics Nigeria; Mr. Haruna Jalo-Waziri, Board Member, Special Olympics Nigeria; Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Mr. Victor Gbolade Osibodu, Chairman, Special Olympics Nigeria and the Athletes during a Closing Gong Ceremony to commemorate their outstanding performance at the 2019 Special Olympics World Summer Games at The Exchange.



L – R shows Kenneth Nwafor, Head, Market Operations, The Nigerian Stock Exchange (NSE); Oscar N. Onyema, OON, Chief Executive Officer, NSE; Patience Oniha, Director General, Debt Management Office (DMO); and Afolabi Oladele, Director Portfolio Management, DMO during the 2019 Retail Bond Workshop at The Exchange.



L – R shows Olumide Bolumole, Head, Listings Business Division, The Nigerian Stock Exchange (NSE); Aderemi Atanda, Executive Director, Corporate Strategy, SystemSpecs; Oscar N. Onyema, OON, Chief Executive Officer, NSE; Mary Akinyemi, Lecturer, Department of Mathematics, University of Lagos; and Jude Chiemeka, Head, Trading Business Division, NSE during The Nigerian Stock Exchange Market Data Workshop 2019 themed, "Partnerships, Products and the Customer" at Harbour Point, Victoria Island, Lagos.



L – R shows Nkiru Balonwu, Managing Partner, African Women on Board (AWB); Otunba Abimbola Ogunbanjo, President of the National Council, The Nigerian Stock Exchange (NSE); His Royal Majesty, Nnaemeka Alfred Achebe, CFR, Obi of Onitsha; and Oscar N. Onyema, OON, Chief Executive Officer, NSE, at the global launch of African Women on Board (AWB) which held as a side event during the United Nations General Assembly Forum in New York, USA.

# Flash of our Events



L – R shows Mrs. Fatimah Bintah Bello-Ismail, National Council Member, The Nigerian Stock Exchange (NSE); Aigboje Aig-Imoukhuede, CON, Ex-Officio, NSE; Oscar N. Onyema, OON, Chief Executive Officer, NSE; Otunba Abimbola Ogunbanjo, President of the National Council, NSE; and Mojisola Adeola, Secretary to the Council, NSE during the 58th Annual General Meeting (AGM) at The Exchange in Lagos.



L – R shows Benedicta Osigbemhe, Relationship Manager, Investment One Funds Management; Efok E. Efok, Head, Investment Management Department, Securities and Exchange Commission (SEC); Omotola Imafidon, Stockbroker, FBNQuest Securities; Oluwatoyin Alake, Head, Secondary Markets, The Nigerian Stock Exchange (NSE); Adeyemi Aloyinlapa, Head, Direct Sales, FBNQuest Asset Management; Kike Mesubi, Representative, Fund Managers Association of Nigeria (FMAN); and Abimbola Babalola, Head, Market Surveillance, NSE, during the Mutual Funds Workshop at The Exchange.



L – R shows Ugochi Obi, Head, X-Academy, The Nigerian Stock Exchange (NSE); Olufemi Shobanjo, Head, Broker Dealer Regulation, NSE; Boniface Okezie, Chairman, Progressive Shareholders Association of Nigeria; Shuaib Audu, Vice President, Fund Managers Association of Nigeria (FMAN); Jude Chiemeka, Head, Trading Business Division, NSE; Haruna Jalo-Waziri, Managing Director/CEO, Central Securities Clearing System (CSCS) Plc; Dapo Adekoje, President/Chairman, Chartered Institute of Stockbrokers (CIS); and Olumide Orojimi, Head, Corporate Communications, NSE, during the "Ring the Bell for Financial Literacy" at The Exchange.



L – R shows Duma Mxenge, Satrix SA; Fiona Ahimie, FBNQuest Securities Limited; Jude Chiemeka, Head, Trading Business Division, The Nigerian Stock Exchange (NSE); Yusuf Wadee, Satrix SA; and Omotola Imafidon, FBNQuest Securities Ltd during Satrix SA's Nigerian no-deal roadshow to understand the Exchange Traded Funds (ETF) ecosystem.



L – R shows Tinuade Awe, Executive Director, Regulation Division, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Chief Patrick Ezeagu, Chairman, Association of Securities Dealing Houses of Nigeria (ASHON) during the Closing Gong Ceremony to honour the Executive Management of ASHON ahead of its Annual General Meeting (AGM).



L – R shows Emeka Madubiike, Ex-Officio, Association of Securities Dealing Houses of Nigeria (ASHON); Alhaji Rasheed Yussuff, Council Member, ASHON; Tinuade Awe, Executive Director, Regulation, The Nigerian Stock Exchange (NSE); Chief Patrick Ezeagu, Chairman, ASHON; Ify Ejezie, Council Member, ASHON; Akin Akeredolu-Ali, First Vice Chairman, ASHON; and Bunmi Ajayi, Treasurer, ASHON during the Closing Gong Ceremony to honour the Executive Management of ASHON ahead of its Annual General Meeting (AGM).

# Flash of our Events



L – R shows Hafsat Olubukanla Rufai, Deputy Director, Lagos Zonal Office, Securities and Exchange Commission (SEC); Alessia Balducci, General Manager, SeedSpace Nigeria; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Felix Imafidon, overall winner, Team Requid; Oluwatomi Solake, first runner up, Team Trove; Oluwataniola Esan, second runner up, Team Investors Masterclass, during the 2019 X-Kathon Closing Gong Ceremony at The Exchange in Lagos.



L – R shows Rasaq Ozemede, Chief Risk Officer, The Nigerian Stock Exchange (NSE); Michael Ango Associate Director, Andersen Tax; Akin Oyegoke, Managing Consultant, Johan Consults; Tinuade Awe, Executive Director, Regulation Division, NSE; Linus Osita Okeke, Partner, Ernst & Young; and Oluyemi Obadare, Business Continuity Manager, NSE during the Nigerian Capital Market Information Security Forum 2019 themed, "The Nigeria Data Protection Regulation – Achieving Compliance" at The Exchange in Lagos.



L – R shows Ambassador Kayode Garrick, Non-Executive Director, Chemical and Allied Products (CAP) Plc; Muhibat Abbas, Non-Executive Director, CAP Plc; Bolarin Okunowo, Non-Executive Director, CAP Plc; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Awuneba Ajumogobia, Chairperson, CAP Plc; David Wright, Managing Director, CAP Plc; and Udo Okonjo, Non-Executive Director, CAP Plc during a Closing Gong Ceremony to introduce their newly appointed Board Members and Executive Management to capital market stakeholders at The Exchange in Lagos.



L – R shows Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Awuneba Ajumogobia, Chairperson, Chemical and Allied Products Plc during a Closing Gong Ceremony to introduce their newly appointed Board Members and Executive Management to capital market stakeholders at The Exchange in Lagos.



L – R shows Haruna Jalo-Waziri, Managing Director/CEO, Central Securities Clearing System (CSCS) Plc; Yemisi Salisu; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); His Excellency, Oluogboyega Oyetola, Executive Governor, Osun State; His Excellency, Benedict Oluogboyega Alabi, Deputy Governor, Osun State; Kamarudeen Kareem Oladosu, National Council Member, NSE during a Closing Gong Ceremony to commemorate Facts Behind the Osun State Economy at The Exchange.



L – R shows Kamarudeen Kareem Oladosu, National Council Member, The Nigerian Stock Exchange (NSE); Oscar N. Onyema, OON, Chief Executive Officer, NSE; His Excellency, Oluogboyega Oyetola, Executive Governor, Osun State; His Excellency, Benedict Oluogboyega Alabi, Deputy Governor, Osun State during the Facts Behind the Osun State Economy at The Exchange, Lagos.

# Flash of our Events



L – R shows Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to His Excellency, Olugboyega Oyetola, Executive Governor, Osun State during the Facts Behind the Osun State Economy at The Exchange, Lagos.



L – R shows Olumide Bolumole, Head, Listings Business Division, The Nigerian Stock Exchange (NSE); Oye Oyeniya, Head, Membership Committee, Chartered Institute of Stockbrokers (CIS); Abiola Adekoya, Chairman Annual Conference Organizing Committee, CIS; Bola Adeeko, Head, Shared Services Division, NSE; Dapo Adekoje, President, CIS; Fiona Ahimie, Council Member, CIS; Tunde Amolegbe, 1st Vice President, CIS; Oluwale Adeosun, 2nd Vice President, CIS; and Olufemi Balogun, Head, Market Services, NSE during a Closing Gong Ceremony to commemorate the CIS 2019 Annual Conference in Lagos.



L – R shows Otunba Abimbola Ogunbanjo, National Council President, The Nigerian Stock Exchange (NSE); Danladi Verheijen, Co-Founder & Chief Executive Officer, Verod Capital; Celestina Eke, Head, Technical, Federal Integrated Staff Housing (FISH); Uju Ifejika, Chief Executive Officer, Britannia-U Nigeria Limited; and Asue Ighodalo, Founding Partner, Banwo and Ighodalo at the 2019 WimBiz Annual Conference.



L – R shows Emeka Chimezie Madubuike, Honourable Member, The Investments and Securities Tribunal (IST); Jude I. Udunni Esq, Acting Chairman, IST; Jude Chiemeka, Head, Trading Business Division, The Nigerian Stock Exchange (NSE); Onyemaechi E. M. Elujekor, Honourable Member, IST; and Mabel Ekeke, Practice Group Lead, Babalakin & Co during a knowledge sharing/training themed "The Nigerian Capital Market; Developments, Challenges and Trends" at The Exchange in Lagos.



L – R Shows Nandini Sukumar, Chief Executive Officer, World Federation of Exchanges (WFE); Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Stefan Nalletamy, Director, Financial Sector Development Bank; Sunil Benimadhu, Chief Executive Officer, Stock Exchange of Mauritius; and Kemi Owonubi, Senior Transactor, Corporate Finance, Rand Merchant Bank Nigeria (RMBN) Limited at the 2019 ASEA Conference in Botswana.



L – R shows Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) presenting a replica of the closing gong to Bruno Zambrano, Finance Director, International Breweries Plc during a Closing Gong Ceremony to commemorate the successful listing of the N165 billion rights issue at The Exchange in Lagos.

# Flash of our Events



L – R shows Akeem Shadare, Managing Director, Chapel Hill Denham Securities Limited; Muiyiwa Ayojimi, Company Secretary; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Olutoyin Odulate, Independent Non-Executive Director, International Breweries Plc; Bruno Zambrano, Finance Director, International Breweries Plc and Otunba Michael Daramola, Corporate Affairs Director, International Breweries Plc during a Closing Gong Ceremony to commemorate the successful listing of the N165billion rights issue at The Exchange in Lagos.



L – R shows Toke Alex Ibru, Director, Capital Hotel Plc; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Chief Anthony Idigbe, SAN, Chairman, Capital Hotel Plc; Chuma Anosike, Director, Capital Hotel Plc; Fadeke Odugbemi, Director, Capital Hotel Plc; Alexander Thomopoulos, Director, Capital Hotel Plc; and Olumide Bolumole, Head, Listings Business Division, NSE during the Capital Hotel Plc Facts Behind the Figures presentation for capital market stakeholders at The Exchange in Lagos.



L – R shows Olumide Bolumole, Head, Listings Business Division, The Nigerian Stock Exchange (NSE); Oscar N. Onyema, OON, Chief Executive Officer, NSE; Chief Anthony Idigbe, Chairman, Capital Hotel Plc; and Alex Ugwuanyi, Company Secretary, Capital Hotel Plc during the Capital Hotel Plc Facts Behind the Figures presentation for capital market stakeholders at The Exchange in Lagos.



The Nigerian Stock Exchange (NSE) celebrates the exemplary life of an icon Pa Aki Williams, CFR, CBE, FCA a founding father of NSE (middle), flanked on the left by Otunba Abimbola Ogunbanjo, National Council President, NSE and Chief Chris Ogunbanjo, and on the right by Oscar N. Onyema, OON, Chief Executive Officer of the NSE and Aigboje Aig-Imokhue, CON, Ex-Officio, NSE, in a symbolic Closing Gong ceremony at The Exchange.



L – R shows Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Tinuade Awe, Executive Director, Regulation Division, NSE; Oscar N. Onyema, OON, Chief Executive Officer, NSE; Mary Uduk, former Acting Director General, Securities and Exchange Commission (SEC); Otunba Abimbola Ogunbanjo, President, NSE; Jude Chiemeka, Divisional Head, Trading Business, NSE and Olumide Bolumole, Divisional Head, Listings Business, NSE during the induction ceremony of Mary Uduk, former Acting Director General, SEC at The Exchange in Lagos.



L – R shows Mike Itigboje, Former President, Chartered Institute of Stockbrokers (CIS); Oluseyi Abe, Immediate Past President, CIS; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Mary Uduk, former Acting Director General, Securities and Exchange Commission (SEC); Dapo Adekoje, President, CIS; Oladipo Williams, Past President, CIS; and Oladipo Aina, Past President, CIS during the Closing Gong Ceremony in commemoration of the induction ceremony of Mary Uduk, former Acting Director General, SEC at The Exchange in Lagos.

# Flash of our Events



L – R shows (standing) Urs Rügsegger, Chairman, World Federation of Exchanges (WFE) and Chairman, SIX Swiss Exchange; Nandini Sukumar, Chief Executive Officer, WFE; Edward Tilly, Vice Chairman, WFE and President, Chairman and CEO, CBOE; (sitting) Robert Scharfe, CEO, Luxembourg Stock Exchange; and Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) during the signing of a Memorandum of Understanding (MoU) to promote cross listing and trading of green bonds in Nigeria and Luxembourg in Singapore.



L – R shows John Osuoha, Country Representative, Nigeria, Chartered Institute for Securities & Investment (CISI); Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Simon Culhane, Chief Executive, CISI; and Ade Buraimo, Group Managing Director, Alpha Morgan Capital during a courtesy visit by CISI to The Exchange in Lagos.



L – R shows Bola Adeeko, Head, Shared Services Division, The Nigerian Stock Exchange (NSE); Tinuade Awe, Executive Director, Regulation Division, NSE; Innocent Ujah Idibia (TuBaba), Internationally Renowned Award-Winning Artist; Oscar N. Onyema, OON, Chief Executive Officer, NSE and Olumide Bolumole, Divisional Head, Listings Business, NSE during the presentation of Certificate at the unveiling ceremony of Tuface Idibia as NSE Good Cause Ambassador in Lagos.



L – R shows Tinuade Awe, Executive Director, Regulation Division, The Nigerian Stock Exchange (NSE); Bola Adeeko, Head, Shared Services Division, NSE; Innocent Ujah Idibia (Tuface), Internationally Renowned Award-Winning Artist; Oscar N. Onyema, OON, Chief Executive Officer, NSE; and Olumide Bolumole, Divisional Head, Listings Business, NSE during the presentation of the replica of the closing gong at the unveiling ceremony of Tuface Idibia as NSE Good Cause Ambassador in Lagos.



L – R shows Chuka Eseka, Chief Executive Officer, Vetiva Capital Management Limited and President of the Association of Issuing Houses of Nigeria (AIHN); Lawrence Deborah, 2018 Winner, NSE Essay Competition; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Adeniyi Adesewa, Grandmates Secondary School, Isolo, Lagos, 1st place winner, 2019 NSE Essay Competition; Funke Omotoso, representing Her Excellency, Dr. Ibijoke Sanwo-Olu, Wife of Lagos State Governor; and Tuface Idibia, NSE Good Cause Ambassador during the 2019 NSE Essay Competition Awards Ceremony at The Civic Centre, Lagos.



L – R shows, Joseph Ogbeide, former Brand Manager, The Nigerian Stock Exchange (NSE); Olufemi Shobanjo, Head, Broker Dealer Regulation, NSE; Elsie Okpocha; Bola Adeeko, Head, Shared Services Division, NSE; Bright Okpocha aka Basketmouth, Ace Comedian; Ann Obaseki, Talent Manager; Kenneth Nwafor, Head, Market Operations, NSE; and Opeoluwa Adesanya, Head, State Owned Enterprise Listings, NSE at the End of Year Closing Gong Ceremony which held at The Exchange, Lagos.

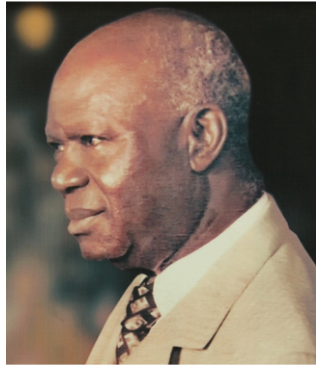


# Presidents of The Exchange

# Presidents of The Exchange



**Sir Odumegwu Ojukwu, OBE**  
President, 1963 - 1966



**Sir Mobolaji Bank-Anthony, CON**  
President, 1966 - 1970



**Chief Silas Bamidele Daniyan, OFR**  
President, 1970 - 1972



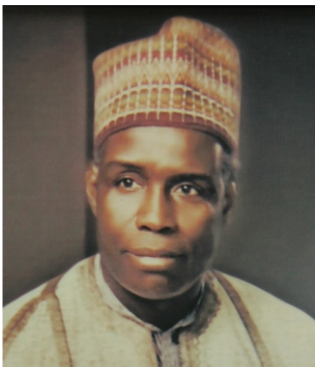
**Chief Adeola Odutola, CON**  
President, 1972 - 1975



**Chief S. O. Asabia, OFR**  
President, 1975 - 1981



**Chief J. O. Udoji, OFR**  
1981 - 1984



**Alhaji Aliko M. Mohammed, OFR**  
President, 1984 - 1987



**Chief Bayo Kuku, LL.B, MCL, FNIM, BL**  
President, 1987 - 1991



**Aare M.K.O Abiola, FCA, FNIM**  
President, 1991 - 1994

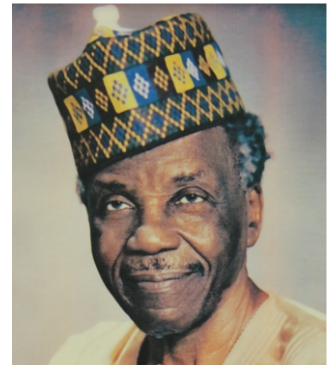
## Presidents of The Exchange



**Mr. Pascal G. Dozie, oon**  
President, 1994 - 1997



**Mr. Goodie Ibru**  
President, 1997 - 2000



**Alhaji Abdul Ganiyu Folorunsho Razaq, OFR, SAN**  
President, 2000 - 2003



**Dr. Raymond C. Obieri, oon**  
President, 2003 - 2006



**Mr. Oba Otudeko, OFR**  
President, 2006 - 2009



**Mallam Ballama Manu**  
Interim Head of Council  
2010 - 2012



**Alhaji Aliko Dangote, GCON**  
President, 2012 - 2014



**Mr. Aigboje Aig-Imoukhuede, CON**  
President, 2014 - 2017



**Otunba Abimbola Ogunbanjo**  
President, 2017 - till date



# Proxy Form

# Proxy Form

The Nigerian Stock Exchange's 59th Annual General Meeting to be held at the NSE Event Centre, 20th floor, Stock Exchange House, 2/4 Customs Street Lagos, on **Wednesday, 18 November 2020 at 11:00 a.m.**

Name of Member \_\_\_\_\_

of

Address \_\_\_\_\_

Affix Passport of Proxy

being a member of the Nigerian Stock Exchange ("The Exchange") hereby, appoint

\_\_\_\_\_ as my proxy<sup>1</sup> to act and vote on my behalf at the Annual General Meeting of The Exchange to be held on **Wednesday, 18th November 2020 at 11:00 a.m.**

\_\_\_\_\_  
Member's Signature/Seal

\_\_\_\_\_  
Member's Name

S/N	AGENDA	FOR	AGAINST	ABSTAIN
I.	<b>ORDINARY BUSINESS</b> 1. To present the Audited Financial Statements of The Exchange for the year ended 31 December 2019, and the Reports of the National Council and the Auditors thereon.			

## <sup>1</sup> ATTENDANCE BY PROXY

In line with CAC Guidelines, attendance at the AGM shall be by proxy only. Members are required to appoint a proxy of their choice from the list of nominated proxies below:

- a) Otunba Abimbola Ogunbanjo
- b) Mrs. Catherine Echeozo
- c) Mr. Oluwole Adeosun
- d) Chief Patrick Ezeagu
- e) Mr. Sam Ndata

S/N	AGENDA	FOR	AGAINST	ABSTAIN
	<p>2. To re-elect the following Council Member, who is retiring by rotation, as a Member of the National Council:</p> <p>a) Otunba Abimbola Ogunbanjo</p>			
	<p>3. To authorize the National Council to fix the remuneration of the Auditors.</p>			
II.	<p><b>SPECIAL BUSINESSES:</b></p> <p>1. To consider and if thought fit, pass as a special resolution (with or without any modifications), that the underlisted being members of the National Council be and are hereby empowered to continue to serve as Council members and the governance structure of The Nigerian Stock Exchange be maintained until the Securities and Exchange Commission (SEC)'s approval to operate as a demutualized exchange is obtained and the securities exchange license of The Exchange is transferred to Nigerian Exchange Limited; and as such Articles 4(1) and (2) and 5(1)(v)(vi) and (viii) of the Nigerian Stock Exchange's 2006 Memorandum and Articles of Association, not being consistent with the foregoing, be and are hereby suspended. The said Council members and their designations are as follows:</p> <p>a) Otunba Abimbola Ogunbanjo - Council President</p> <p>b) Mr. Oscar N. Onyema, OON - CEO</p> <p>c) Mr. Aigboje Aig-Imoukhuede, CON - Ex-Officio</p> <p>d) Mr. Abubakar Mahmoud, SAN, OON - 1st Vice President</p> <p>e) Mrs. Catherine Nwakaego Echeozo - 2nd Vice President</p> <p>f) Erelu Angela Adebayo - Ordinary Member</p> <p>g) Katsina State Investment &amp; Property Development Co. Limited (Represented by Mrs. Fatimah Bintah Bello–Ismail) - Ordinary Member (Institutional)</p> <p>h) Chartwell Securities Limited (Represented by Mr. Oluwole Adeosun) - Dealing Member</p> <p>i) Equity Capital Solutions Limited (Represented by</p>			

S/N	AGENDA	FOR	AGAINST	ABSTAIN
	Mr. Kamarudeen Oladosu) - Dealing Member			
j)	Fortress Capital Limited (Represented by Mr. Yomi Adeyemi) - Dealing Member			
k)	Pilot Securities Limited (Represented by Mr. Seyi Osunkeye) - Dealing Member			
l)	Planet Capital Limited (Represented by Mr. Chidi Agbapu) - Dealing Member			
m)	WCM Capital Ltd. (Represented by Mr. Patrick Ajayi) - Dealing Member			
2.	To consider and if thought fit, pass as a special resolution (with or without any modifications), that subject to the receipt of requisite approvals of relevant regulatory authorities, following the conversion and re-registration of The Exchange as Nigerian Exchange Group Plc, the Nigerian Exchange Group Plc be and is hereby authorised to undertake a listing by introduction of its shares on Nigerian Exchange Limited (the entity to which the securities license of The Nigerian Stock Exchange would be transferred), through the listing of [2,004,199,917] ordinary shares of 0.50k each in the issued share capital of The Exchange.			
3.	To consider and if thought fit, pass as a special resolution (with or without any modifications), that the National Council of The Exchange be and are hereby authorised to appoint such professional parties and undertake such other acts, matters, deeds and do all such other things as it may deem necessary, incidental to and/ or required for effecting the resolutions above, and to negotiate, finalise and execute such deeds, documents and agreements as may be deemed necessary, desirable or proper in the best interest of The Exchange to implement the resolutions set out above.			
4.	To consider and if thought fit, pass as a special resolution (with or without any modifications), that all acts carried out by the National Council and/or Management of The Exchange in connection with the above resolutions be and are hereby approved and ratified.			
5.	To consider and if thought fit, pass as a special resolution (with or without any modifications), that			

S/N	AGENDA	FOR	AGAINST	ABSTAIN
	following the conversion and re-registration of The Exchange as Nigerian Exchange Group Plc, all or any of the powers of The Exchange devolved upon the National Council of The Exchange may be exercised by its Board of Directors.			

**NOTE:**

**1. PROXY**

- a) 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/herself. 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.
- b) The Common Seal must be affixed on the proxy form if executed by a company.
- c) Executed proxy forms should be deposited at either the registered office of The Exchange's Registrars, Datamax Registrars, (92C, Gbagada - Oworonshoki Expressway, Gbagada, Lagos) or via email to [datamax@datamaxregistrars.com](mailto:datamax@datamaxregistrars.com) or [contactcenter@nse.com.ng](mailto:contactcenter@nse.com.ng) at least 48 hours before the time of holding the meeting. A blank proxy form is attached to the Annual Report and may also be downloaded from The Exchange's website at [www.nse.com.ng](http://www.nse.com.ng).

**2. PROVISIONS OF ARTICLES 4 (1), 4(2) AND 5(1)(V), (VI) AND (VIII) OF THE NIGERIAN STOCK EXCHANGE'S 2006 MEMORANDUM AND ARTICLES OF ASSOCIATION**

- a) 4(1) The Council shall after each Annual General Meeting elect by ballot, one of their members being an individual Nigerian Member of The Exchange as President and any two other individual Nigerian Members as Vice-presidents who shall bear the titles of President, First Vice-President and Second Vice-President respectively of The Exchange. Provided that the President and anyone of the Vice Presidents shall not be members of the same Branch Exchange. Where within a period of fifteen minutes after the period fixed for a meeting either of Council or of Members, the President not being present, any of the Vice-Presidents, or failing them, any elected member of the Council shall preside at the meeting.
- b) 4 (2) TERMS OF OFFICE The President and Vice-presidents shall hold office from the date of election till the next Council meeting following an Annual General Meeting of Members. A retiring President or Vice President shall be eligible for re-election provided that no person shall be elected for more than three terms of one year. The President or any of the Vice-Presidents may be removed from office by a resolution carried by an absolute majority of the membership of the Council at a duly constituted meeting thereof and any other Member elected in his place".
- c) 5(1)(V) Two (2) members representing Institutional Investors approved by the Council each with three (3) years tenure in the National Council. 5(1)(VI) One (1) member representing Quoted Companies with three elected by Council (3) years tenure in the National Council.
- d) 5(1)(VIII) Six (6) persons representing Dealing Member firms; each with three (3) years tenure in the National Council and protection of the interest of The Nigerian Stock Exchange.

**3. COVID-19 RELATED DIRECTIVES AND GUIDELINES**

The convening and proceedings at the AGM shall be conducted in compliance with all directives and guidelines issued (by the Federal Government of Nigeria, Lagos State Government, Health Authorities and Regulatory Agencies) to curb the spread of COVID-19 in Nigeria. In particular, the directives of the Lagos State Government that:

- a) participants at any event should not exceed 50% capacity of the design of the event centre; and
- b) a minimum of two-metre spacing between seats should be maintained at all times, would be strictly complied with. Further, the guidelines issued by the Corporate Affairs Commission (CAC) on holding of AGM of Companies using Proxies shall be complied with.

**4. ATTENDANCE BY PROXY**

In line with CAC Guidelines, attendance at the AGM shall be by proxy only. Members are required to appoint a proxy of their choice from the list of nominated proxies below:

- a) Otunba Abimbola Ogunbanjo
- b) Mrs. Catherine Echeozo
- c) Mr. Oluwole Adeosun
- d) Chief Patrick Ezeagu
- e) Mr. Sam Ndata

**5. STAMPING OF PROXY**

The Exchange shall make arrangements at its cost for the stamping of the duly completed and signed proxy forms submitted to The Exchange's Registrars within the stipulated time.

**6. LIVE STREAMING OF AGM**

The AGM will be streamed live to enable members and other stakeholders who are unable to physically attend to follow the proceedings online. The link for live streaming is as follows: <http://www.nse.com.ng/agm>.

**ADMISSION CARD**

The Nigerian Stock Exchange's 59th Annual General Meeting to be held at the NSE Event Centre, 20th floor, Stock Exchange House, 2/4 Customs Street Lagos, on **Wednesday, 18 November 2020** at **11:00 a.m.**  
Name of Member (in BLOCK LETTERS):

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ADDRESS: \_\_\_\_\_





**THE Nigerian  
STOCK EXCHANGE**

[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

Registrar:  
Datamax Registrars  
92C, Gbagada - Oworonsoki,  
Expressway,  
Gbagada, Lagos