



Expanding The Frontiers

Branching out into new business segments

20 Annual
19 Reports &
Financial
Statements

VISION

To be the hub of first call for capital formation in West Africa.

OUR GUIDING PRINCIPLES

INTEGRITY

We will honour all commitments and never compromise our ethics.

TRANSPARENCY

Provide information that is relevant, necessary and timely.

PERFORMANCE

Ensure that all requirements are executed to exceed stakeholders' expectations.

Contents

A

OVERVIEW

Corporate Profile	4
Corporate Information	8

B

BUSINESS REVIEW

Chairman's Statement	12
Managing Director's Report And Business Review	16

C

GOVERNANCE

Corporate Governance Report	24
Directors Report	35
The Board of Directors	43
Report of the External Consultants on Board Evaluation	47
Statement of Directors' Responsibilities	48
Certificate Pursuant To Section 60(2) of The Investments And Securities Act	49
Report of The Audit Committee	50

D

FINANCIAL STATEMENTS

Independent Auditors' Report	52
Statement of Comprehensive Income	56
Statement of Financial Position	57
Statement of Changes in Equity	58
Statement of Cash Flows	59
Notes to the Financial Statements	60
Value Added Statement	103
Five-year Financial Summary	104

E

OTHER INFORMATION

NASD Securities Directory	108
Active Participating Institutions	118
NASD Management Team	121
Events	122
Connecting to NASD	124
Proxy form	125

Corporate Profile

NASD PLC [“NASD”] was promoted by the National Association of Securities Dealers and has morphed into a Self-Regulatory Organization [“SRO”] licensed by the Securities and Exchange Commission [“SEC”] to develop and operate a Securities Exchange.

What we do

We provide an opportunity for investors to trade their holdings transparently in a formal and orderly manner. Our service offerings are designed to deepen the Nigerian capital market, enhance investor confidence level and ease the capital raise process for organisations. These objectives are met through two vehicles:

1. **NASD OTC Securities Exchange**
2. **NASD Enterprise Portal [“NASDeP”]**

As an OTC Securities Exchange, NASD:

- Provides a cost-effective alternative to full listing
- Creates public visibility for issuers and acts as a centralised data source for unlisted securities
- Provides a new exit window for Venture Capital and Private Equity investors
- Deepens the capital market by providing public access to non-quoted investment opportunities
- Creates transparency around transactions in all publicly held

securities

- Provides a platform on which issuers may seek project funding.
- Supports growth in the real sector by providing liquidity platform for investors

Admission Roadmap

Entry into NASD OTC Securities Exchange can either be through an Admission of Company (Issuer-Led) or an Admission of Securities (Investor-Led).

An Admitted Company is an entity that has formally applied to NASD for admission (Listing). The company is ranked and placed on one of the NASD Market tiers according to their level of compliance with corporate governance best practices.



ADMITTED COMPANY

ADMITTED SECURITY

Initiated by the issuer

Initiated by the investor

Requires active participation and compliance of the issuer

Does not require active participation of the issuer

Full register of shareholders is dematerialized with CSCS

Partial dematerialization of register of shareholders

Issuer agrees to comply with NASD OTC Market rules

Regulation is directed at the Participating Institutions

Company will be placed in one of two bands (Blue or Pink)

Securities are placed in one of three bands (Blue, Pink, Red)

Admission of Security Process

01

- Investor indicates interest to liquidate shares in an unlisted public company
- Contacts a broker


02

- Broker fills and submits NASD Form 3
- No listing fee is required

03


- NASD sets up Security Trading Code
- Dematerialisation
- Admission into the NASD Security Admission List
- Trading Commences

Company Admission Process



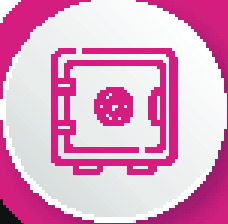
PRE-ADMISSION

- Company Board appoints Issuing House
- Issuing house/PI fulfills the application requirements
- Company Board submits a signed undertaking to comply with NASD OTC Market Rules




REVIEW

- NASD will review corporate governance and company structure
- After due diligence, NASD will give approval



DEMATERIALIZATION

- Company will open a register with CSCS
- 100% Dematerialization of shares can commence



ANNOUNCEMENT

- Company announces admission to NASD OTC Market
- Trading on Securities commences

The NASD OTC Securities Exchange ecosystem consists of:

229

Authorised Traders who are members of the Chartered Institute of Stockbrokers

6

Nominated Settlement Banks that ensure the prompt settlement and completion of the transaction cycle on the market

131

Registered broker/dealer firms who are members of the Association of Stockbroking houses of Nigeria

The CSCS which is the central securities depository for all transactions executed on the market

NASD eases access to funding for Issuers required for capital projects, growth opportunities for small companies and a transparent secondary market for shareholders

NASD Enterprise Portal ["NASDeP"]



NASDeP is a portal that eases the capital raising process for high growth companies. It is an online environment that brings together players in the capital market and allows for safe, efficient, transparent and appropriately priced interactions.

The portal encourages growth enterprises to release structured information about their performance operations and requirements to a select audience of Venture Capital, Private Equity and other accredited investors who are seeking investment opportunities.

Objectives and benefits of NASDeP

NASDeP creates an efficient, accessible and transparent information exchange.

Specifically, it :

- Encourages enterprises to imbibe a culture of regular financial reporting and corporate governance - critical for next stage financing
- Eases the prolonged due diligence process that tends to be an added expense for investors
- Collates standardised information on growth enterprises - free of entrepreneur bias
- Provides registered capital market operators with information on potential clients and market depth.

How NASDeP works

Due Diligence Analysts perform preliminary due diligence on growth enterprises in their clientele, or in the Incubator Pool. After preliminary due diligence, information memorandums, investment teasers and supporting documents are uploaded to the portal. Investment teasers are available to the general NASDeP Community, while analysts and their clients have full discretion over which investors they grant access to more detailed information.

Corporate Information

Board of directors	Mr. Olutola Mobolurin	Chairman
	Mr. Bola Ajomale	Managing Director/Chief Executive Officer
	Mr. Chike Nwanze	Non-executive director
	Mr. Abubakar Lawal	Non-executive director
	Mr. Ariyo Olushekun	Non-executive director
	Ms. Obiageli Ugboma	Non-executive director
	Mr. Aigbovbiose Aig-Imokhuede	Non-executive director
	Mr. Kayode Falowo	Non-executive director
	Mr. Oladipo Aina	Non-executive director
	Mr. Samuel Nwanze	Non-executive director

Company secretary GIO Nominees Limited
864B Bishop Aboyade Cole Street
Victoria Island Lagos

Business office 9th Floor, UBA House
57, Marina
Lagos

Auditor Deloitte & Touche
Civic Towers, Plot GA1
Ozumba Mbadiwe Avenue
Victoria Island, Lagos
Nigeria

Registrar United Securities Limited
Plot 009, Amodu Ojikutu
Victoria Island Lagos

Bankers United Bank of Africa Plc
Stanbic IBTC PLC
First Bank of Nigeria Limited
Guaranty Trust Bank Plc

NOTICE OF 7TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **Seventh Annual General Meeting of NASD PLC (the Company)** will hold on **Thursday, 25 June 2020** at NASD PLC, 9th Floor, UBA House, 57 Marina, Lagos at **11.00am** to transact the following businesses:

ORDINARY BUSINESS

- To receive the Audited Financial Statements of the Company for the year ended 31 December 2019 together with the Reports of the Directors, Auditors and Audit Committee thereon.
- To re-elect Mr. Ariyo Olushekun as a Non-Executive Director
- To re-elect Mr. Samuel Nwanze as a Non-Executive Director
- To re-elect Mr. Kayode Falowo as a Non-Executive Director
- To elect Mr. Kyari Bukar as an Independent Non - Executive Director
- To authorise the Directors to fix the remuneration of the Auditors
- To elect members of the Statutory Audit Committee

NOTES

1. COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES

The Federal Government of Nigeria, State Governments, Health Authorities and Regulatory Agencies have issued a number of guidelines and directives aimed at curbing the spread of COVID-19 in Nigeria. Particularly, the Lagos State Government prohibited the gatherings of more than 20 people while the Corporate Affairs Commission (CAC) issued Guidelines on holding AGM of public companies by Proxy. The convening and conduct of the Annual General Meeting (AGM) shall be done in compliance with these directives and guidelines.

2. ATTENDANCE BY PROXY ONLY

In view of the Covid-19 pandemic and following the Government restriction of public gatherings, the CAC has approved that attendance to the Meeting shall only be by proxy to ensure public health and safety. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

- Mr. Olutola Mobolurin - Chairman
- Mr. Bola Ajomale - Managing Director
- Mr. Kasimu Garba Kurfi - Shareholder's representative

Shareholders are therefore requested to submit their completed proxy forms in line with the Corporate Affairs Commission's Guidelines to the email of the Company Secretary likwuagwu@ikoliokagbue.com or to legalcompliance@nasdng.com not later than 19 June 2020 to enable the Company stamp the proxy forms and lodge same with the Registrars not later than 48 hours prior to the meeting.

3. AUDIT COMMITTEE MEMBERSHIP

- In accordance with Section 359(5) of the Companies and Allied Matters Act (Cap C20 LFN, 2004), any shareholder may nominate another shareholder for

election to the Audit Committee by giving notice in writing of such nomination to the office of the Company Secretary, GIO Nominees Limited, 864B, Bishop Aboyade Cole Street, Victoria Island, Lagos at least 21 days before the Annual General Meeting. It is preferable that such nominations are sent by email to the email addresses highlighted above.

- The Code of Corporate Governance for Public Companies issued by the Securities and Exchange Commission provides that members of the Audit Committee should be financially literate and able to read financial statements. We therefore request that all nominations to the Audit Committee should be accompanied with the Curriculum Vitae of the Nominees.

4. LIVE STREAMING OF AGM

The AGM will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live streaming will be made available on the Company's website at www.nasdng.com.

5. CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from the 11-17 June 2020 (both days inclusive) for the purpose of updating the Register of Members.

6. WEBSITE

A copy of this Notice, the Annual Report and Accounts and other information relating to the meeting can be accessed via the Company's website at www.nasdng.com. Shareholders who have submitted their email details to the Registrar will receive the electronic version of the Annual Report via email.

7. SHAREHOLDERS' RIGHT TO ASK QUESTIONS

The right of shareholders and other holders of the Company's securities to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Annual Report and Accounts is recognised. Please send questions, comments or observations to the office of the Company, 9th Floor, UBA Building, 57, Marina, Lagos or the office of the Company Secretary, GIO Nominees Limited, 864B, Bishop Aboyade Cole Street, Victoria Island, Lagos or to the email addresses indicated above not later than June 19, 2020. Questions will be presented at the Annual General Meeting and answered thereat.

Dated this 27th Day of May 2020

By Order of the Board



L. Omolola Ikwuagwu (Mrs.)
FRC/2014/NBA/00000007013
GIO Nominees Limited (Company Secretary)



BUSINESS REVIEW

- Chairman's Letter
- Managing Director's Report
- And Business Review





“The early passage of the 2020 budget promised to create a more enabling environment for economic growth. The coronavirus pandemic however has created a total disruption of global trade, capital flows and universal business practices. As the global business becomes less physically driven and more digital-human remote, we see an opportunity for us to exploit our nimbleness and unique position as an Over the Counter Securities Exchange.”

Olutola Mobolurin

Chairman, Board of Directors NASD Plc

Chairman's Statement

Distinguished shareholders, members of the Board of Directors, invited guests, ladies and gentlemen, I welcome you all to the 7th Annual General Meeting of our Company, NASD PLC (NASD or “the Company”), I hereby present to you the Annual Report and Accounts for the financial year ended 31 December 2019 as well as an overview of the major developments that influenced our operations and financial results.



The Global Economy

Trade policy uncertainty, geopolitical tensions, and stress in key emerging market economies continued to weigh on global economic activity in 2019. Intensifying social unrest in several countries posed new challenges, as did nature-related disasters—from hurricanes in the Caribbean, to drought and bushfires in Australia, floods and locust infestations in eastern Africa, and drought in southern Africa.

Impacted by prolonged trade disputes, the global economy suffered its lowest growth in a decade, slipping to 2.3% in 2019. According to the United Nations World Economy Report, 2019 experienced the slowest global economic expansion since the world financial crisis in 2008-2009, with growth trending down in virtually all major economies and slowing in all geographic areas except Africa. Central banks reacted aggressively to the weaker activity. Over the course of the

year, several large emerging market central banks, including the US Federal Reserve and the European Central Bank (ECB) cut interest rates.

Despite these headwinds, some indications toward year-end suggested that global growth may be bottoming out. Generally, favorable news on US-China trade relations and diminished fears of a hard Brexit supported investors' risk appetite. Equities continued to advance in the large advanced economies; core sovereign bond yields rose; and portfolio flows to emerging market economies strengthened, particularly to bond funds.

Regionally, economic growth in Africa grew by 3.4 percent in 2019. For the first time in a decade, investment spending accounted for a larger share (more than half) of GDP growth than consumption. Net exports were also a strong contributor, particularly among commodity exporters, as oil prices recovered. Despite rising tensions occasioned by xenophobic attacks in South Africa, Africa's economy remained largely stable.

Macroeconomic Review

The Nigerian economy started at a slow pace due to the 2019 general elections that dominated the first half of the year, coupled with low capital expenditure and restrictive monetary policies. The economy grew by 2.28% in Q3 2019 better than 2.12% and 2.10% in the preceding quarters of Q2 and Q1 respectively, primarily driven by growth in the non-oil sector. By the fourth quarter of 2019, Nigeria's GDP grew by 2.55% (year-on-year) in real terms resulting in an overall real

growth rate of 2.27% for 2019, compared to 1.91% in 2018. Crude Oil exports contributed 87.7% to foreign exchange in 2019.

Growth was mainly in transport, an improved oil sector, and information and communications technology. Agriculture was hurt by sporadic flooding and by conflicts between herdsmen and local farmers. Manufacturing continued to suffer from a lack of financing. Final household consumption was the key driver of growth in 2019, reinforcing its 1.1% contribution to real GDP growth in 2018. Despite the growth in GDP, poverty remained widespread with poverty rates in over half of Nigeria's 36 states at above the national average of 69%.

Inflation rate averaged 11.4% but closed the year at 12% following the effects of the land border closure. Exchange rate stability was sustained on the back of continued Central Bank of Nigeria's (CBN) interventions while foreign exchange reserves depleted significantly due to dwindling inflows from foreign portfolio investors and falling oil prices. CBN maintained Monetary Policy Rate at 13.50%.

During the year, fiscal authorities continued to grapple with the challenges of underperforming revenue triggered by lower than expected oil revenues below the budgeted target of 2.3 million barrels per day. Efforts to improve non-oil revenues yielded positive results during the year with an improved collection of taxes by the FIRS. Nigeria was ranked among the top 10 improvers in the 2019 World Bank Ease of Doing Business Rankings jumping from 145th in the previous year to 131st in the global rankings.

NASD OTC: Business Environment

In 2019, capital importation declined by 31% from US\$8.49 billion in Q1 2019 to US\$5.82 billion in Q2 2019, mainly driven by a decline in foreign portfolio investments (FPI). FPI dropped by 40% from US\$7.15 billion in Q1 2019 to US\$4.3 billion. Analysis of portfolio investments showed that the bulk of FPI inflow was channeled into money market instruments (82.21%). Investments in equity and bonds, on the other hand, declined by 52.60% y/y and 20.96% y/y respectively.

During the course of the year, the Securities and Exchange Commission (SEC) introduced new rules to address Direct Cash Settlements, Electronic Offerings, Transmission of Shares, Derivative Trading, Central Counter Party, Fee Structure for Registration of existing Fixed Income Securities.

In furtherance of our aim to ensure an orderly market and expand service offerings, NASD exposed some draft rules to the public in 2019. These include: Rules for executing Negotiated Deals, Admission of Rights Issues, Admission of Commercial Papers and Registration of Sub Brokers.

We expect these Rules will further improve transparency and price discovery on the market.

Trade Activity

As at 31 December 2019, the volume of shares traded on NASD OTC Securities Exchange decreased by -85.82%, while the value traded declined by -65.61% compared to the financial year ended 31 December 2018. The Bond

market on the other hand recorded trades valued at ₦4.01 billion during the year under review.

Market Capitalisation closed at ₦501.14 billion compared to the market value of ₦514.77 billion. As at 31 December 2019, the value of transactions executed on the Market was ₦10.45 billion.

Company Financial Performance

In a year that was not without its macroeconomic challenges, your Company generated Transaction Fees of ₦139 million compared to the ₦167 million recorded as Fees and Commission Income in the corresponding period in 2018. The Company recorded Investment Income of ₦65.5 million compared to the ₦57.7 million recorded in 2018. In 2019, your Company generated Listing Fees of ₦2.62 million.

Total Expenses amounted to ₦196.7 million compared to the ₦163 million recorded in the corresponding period of 2018.

At the end of the year ended 31 December 2019, NASD recorded a Profit After Tax of ₦45.01 million.

Board of Directors

The Board is ultimately responsible for ensuring the Company adheres to sound corporate governance practices, the highest standards of ethics and that it operates in a fair and transparent manner.

On 28 April 2020, the Board appointed Mr. Kyari Bukar as an Independent Non-Executive

Director. He is a highly qualified and seasoned professional whose appointment will bring a renewed dynamism to the Board. He will be presented to you for election during the Annual General Meeting.

I am satisfied that the Board is sufficiently diverse in terms of experience, expertise and thinking to address the critical contemporary and future issues facing NASD.

The work of our Board committees is crucial to the effective functioning of the Board and the discharge of its oversight role. To this end, the Board reconstituted some Board Committees during the year. The newly constituted Board Committees are included in this report.

Outlook

The early passage of the 2020 budget promised to create a more enabling environment for economic growth. The coronavirus pandemic however has created a total disruption of global trade, capital flows and universal business practices. As the global business becomes less physically driven and more digital-human remote, we see an opportunity for us to exploit our nimbleness and unique position as an Over the Counter Securities Exchange.

Fortuitously, in 2019 NASD had reassessed the Company's strategy and redefined its focus to facilitate its becoming the hub of first call for capital formation in West Africa. We are expanding our product offerings and services to cater to the new business and capital raising environment. We have embarked on a material technology overhaul that will improve our scope, efficiency and

effectiveness as an Over the Counter market. We shall continue to deliver our objectives to all stakeholders in NASD PLC.

Appreciation

I would like to take this opportunity to express my appreciation to the Board, the Management Team and the staff of NASD as a whole.

My appreciation also goes to the Securities and Exchange Commission for its continued efforts at maintaining a vibrant and robust capital market.

NASD looks forward to continuing to improve the way in which we provide investors and issuers with a transparent environment in which to transact.

Thank you.



Olutola Mobolurin

Chairman, Board of Directors NASD Plc

June 25, 2020

Managing Director's Report And Business Review

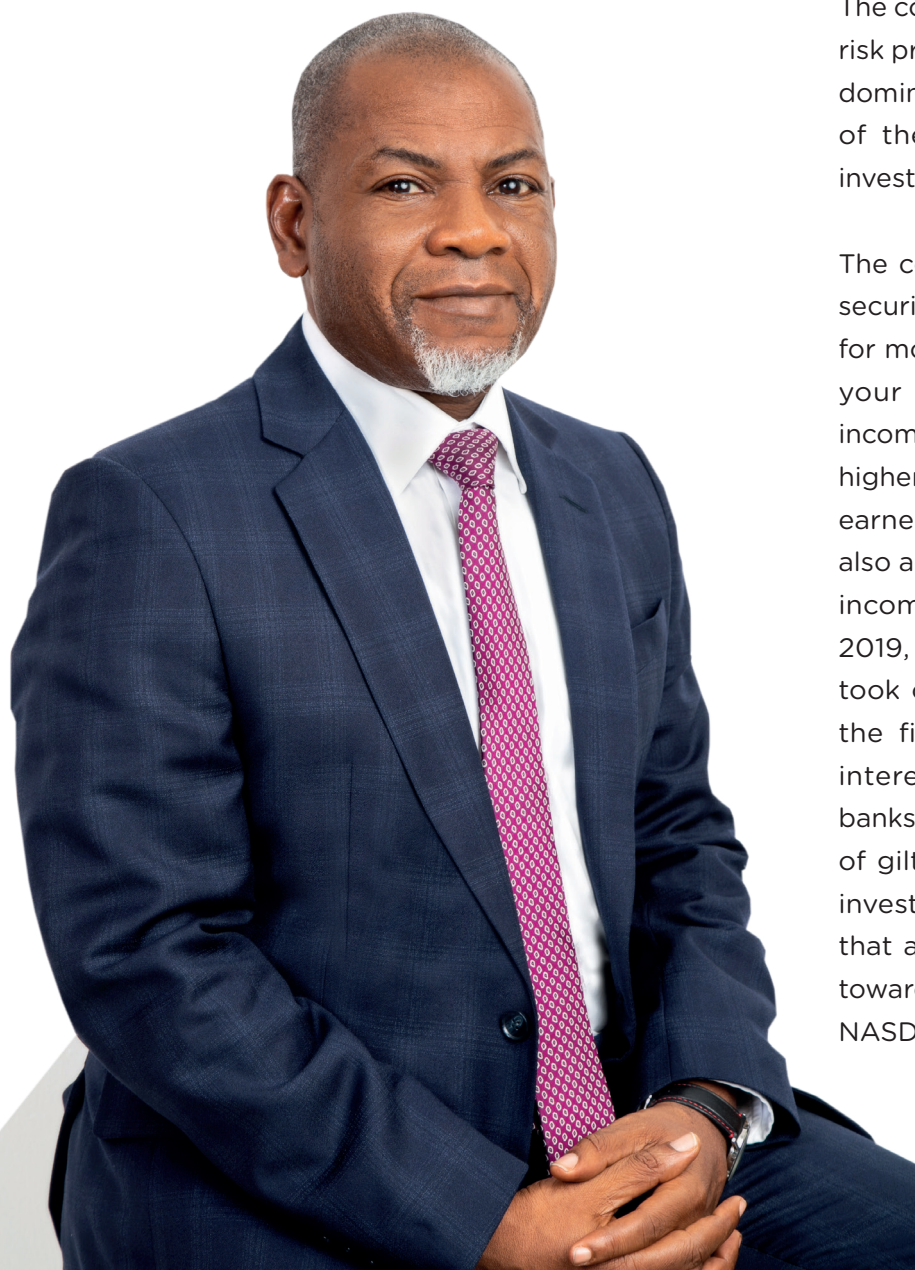
Dear Shareholders,

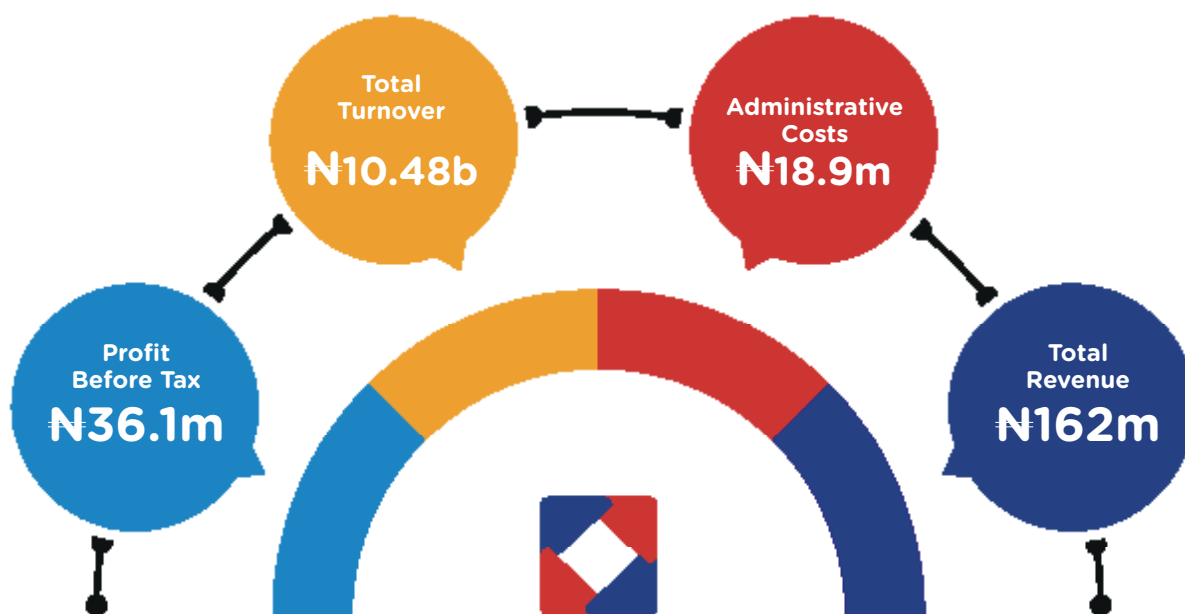
Summary of profitability

In spite of a very challenging year for the Nigerian Economy as a whole and the equity market in particular, your Company was able to post an profit before tax of ₦36.1 million as against ₦62 million in the previous year, a 41.89% decline from 2018. Total turnover of the market was ₦10.48 Billion, as

against ₦30.7 billion in the previous year. Total revenue was ₦162 million – a 3% decline compared to the ₦167 million earned in 2018. The decrease in market activity experienced in 2019 is a sharp change in trend from what was witnessed in 2018 and was a direct result of a downturn in market activity as well as a reduction in the number of new securities admitted to the market. The continued decline in the country's risk profile coupled with the sustained dominance of the fixed income sector of the market also contributed to investor apathy.

The continual issuance of gilt edged securities at interest rates above 15% for most of the year however allowed your Company earn an interest income of ₦65 million which was 14% higher than the income of ₦57 million earned in 2018. This interest income also accounted for about 29% of total income for the year. In November 2019, the, Central Bank of Nigeria took corrective measures to realign the financial markets by dropping interest rates, increasing CRR in banks and reducing the attractiveness of gilt edged securities as a default investment instrument. We believe that as investors refocus their funds towards risk bearing instruments, the NASD OTC market will supply much





needed alternative investment opportunities.

Throughout the year we continued to rigorously control and monitor our expenses. In 2019, Administrative costs were ₦18.9 million [2018: ₦18.5 million] while trading platform costs were retained at less than ₦10million.

Market development and growth

In 2019, two new securities were introduced and admitted to trade on the market:

- TRW Stockbrokers Limited introduced the shares of VFD Group Plc (SDVFDGROUP). VFD Group has a share capital of 3,827,484,380 ordinary shares at 50 Kobo each and was introduced at a price of ₦105.07 per share.
- Greenwich Securities Limited introduced the shares of Great Nigeria Insurance Plc (SDGNI). Great Nigeria Insurance has a share capital of 84,738,381 ordinary shares at ₦0.5 each and was introduced at a price of ₦0.5 per share.

We note that there are many public companies that have not completed the registration of their securities at the Securities and Exchange Commission (SEC). Such securities have been excluded from trading on any public platform which therefore denies shareholders access to the transparency and price discovery of a market. The underlying Issuers are operating in conflict with the Investments and securities Act and SEC's Rule on Trading in Unlisted Securities. NASD will therefore continue to work with Corporate Affairs Commission ["CAC"] to identify and provide advisory services to such public companies to bring them into compliance with the law.

NASD continued to build relationships with major stakeholders, develop rules to improve the smooth running and launch new products to enhance investor experience. In February 2019 we held a business breakfast with admitted and target public companies. Dr. Doyin Salami presented the keynote address on the outlook for 2019.

Other engagements during the year were with Participating Institutions in Stakeholder

EXPANDING THE FRONTIERS

forums, the Lagos Chamber of Commerce and Industry, the Fintech Association of Nigeria, the Chartered Institute of Stockbrokers and the Chartered Institute for Securities and Investment, UK.

Afriland Properties PLC also held a well-received investor call on the OTC platform and we look forward to hosting more of our traded companies to such forums.

To improve transparency and access to information and data, NASD launched a Market data portal [www.nasddataex.com] in two versions – a free version which shows basic trading information and a subscribed version that provides historical data for analysts.

In June 2019, we also launched a mobile application which can be downloaded onto any Android device (iPhone launch to follow in 2020). We believe these open infrastructure solutions enhance analytical capacity in our stakeholders without them having to develop their own tools.

We shall continue improving our operational efficiency by investing in our existing structure, using scalable technology and driving innovation. During the year, the Board of Directors approved the implementation of an asset class agnostic trading platform. The trading platform is expected to significantly improve trading volumes and speed on the market.

In line with our objective to be the market of choice especially for growing companies, our enterprise portal (NASDeP) has remained open and continues to attract the attention

of pre-IPO companies. We had initially expected to match such companies to Private Equity investors who would provide managerial capacity in addition to capital. Funding requirements for such companies have however been below the minimum investment thresholds of Private Equity firms. We are therefore refocusing NASDeP as a fund sponsor to match these companies. Discussions started towards the end of 2019 to raise such a fund from multilateral companies. We shall continue to express courage and our entrepreneurial spirit in this venture.

Our Operations

Overall market activity

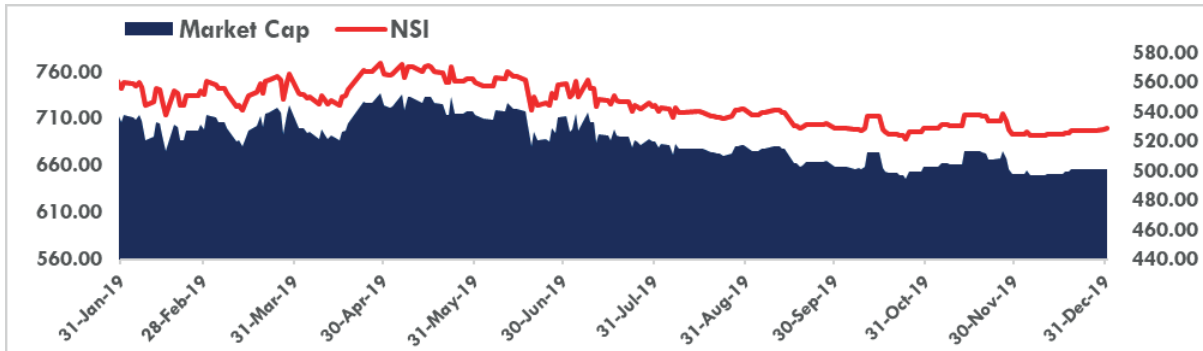
The overall NASD Securities Index depreciated by -5.49 % between January 2019 and December 2019 while Market Capitalisation declined -2.6% from ₦514.77 billion in January 2019 to ₦501.14 billion as at 31 December 2019.

We recorded lower trades in general (2018: 5,779; 2019: 4,068) and activity is still not evenly spread across all brokers. Of the 133 Participating Institutions registered on our platform, 90 were active in 2019 and the 20 most active Institutions accounted for more than 50% of deals, and value traded. We believe that as more information is disseminated about the market, more Participating Institutions will become active for their investing clients.

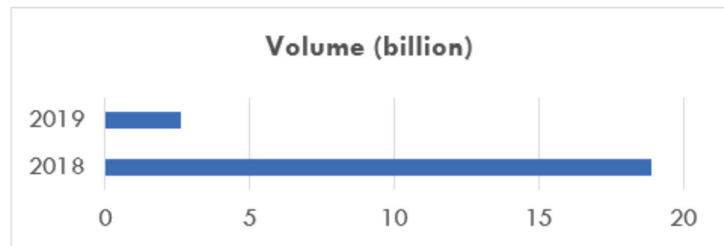
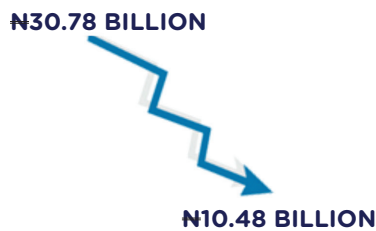
A list of Participants by activity can be viewed on page 118 of the Annual Report.

Market Capitalisation and NASD Securities Index (NSI) Performance

The NASD Securities Index opened the year 2019 at 740.66 points, while closing the year 2019 at 699.54 points. The NSI Index declined by -5.49%. Market Capitalization at the beginning of the year was ₦514.77 billion and closed at ₦501.14 billion (-2.6% decline).

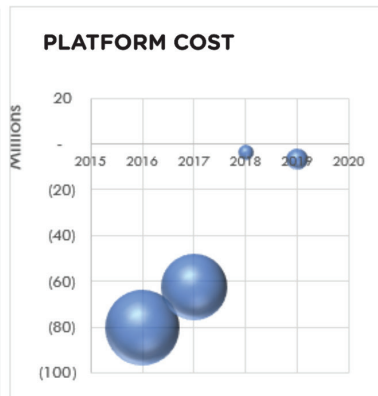
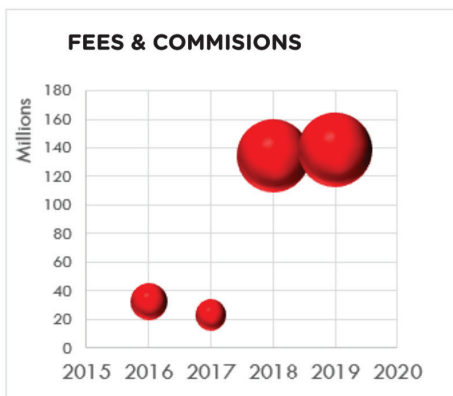


Trade activity performance



Value And Volume : 2018 -2019

- Highest trade activity was in Category Blue securities (See categories on the next page.)



Profitability 2016 - 2019

Categorisation of Securities

In order to improve transparency and investor confidence, we commenced ranking securities based on the amount of information available to the public and the level of each company's compliance with capital market rules.

Blue category securities have the highest level of compliance with satisfactory levels of financial reporting and demonstrated governance as well as timely submission of reports.

Category : Blue					
Name of company	Security code	2019 AGM date	Open price 2019 (N)	Close price 2019 (N)	Market Cap (N'mn)
Afriland Properties PLC	SDAFRILAND	28-Mar-19	2.25	2.20	2,885.19
AG Mortgage Bank PLC	SDAGMBANK	12-Sep-19	0.60	0.58	4,497.55
Allianz Insurance PLC		19-Jul-19	1.10	1.19	18,609.59
ARM Life PLC	SDARMLIFE	13-Jun-19	0.50	0.50	4,786.96
Cappa & D'alberto	SDCAPDBETO	18-12-19	33.00	33.00	8,121.09
Central Securities Clearing System PLC	SDCSCSPLC	30-April-19	12.00	11.50	65,000.00
CR Services (Credit Bureau) PLC	SDCRSBUR	20-June-19	1.90	1.90	683.42
Friesland Campina WAMCO Nigeria PLC	SDFCWAMCO	20-June-19	164.55	121.88	117,160.32
NASD PLC	SDNASDPLC	17-Jul-19	2.59	3.50	1,554.71
Niger Delta Exploration & Production PLC	SDNDEP	20-Jun-19	308.00	323.92	54,422.40
Nigeria Mortgage Refinance Company PLC	SDNMRCPLC	10-Jul-19	4.55	4.55	1,328.40
UBN Property Company PLC	SDUBNPROP	25-Jun-19	1.50	1.49	8,383.35
VFD Group PLC	SDVFDGROUP	31-May-19	105.07	105.07	8,903.46

Pink category securities demonstrated some compliance albeit less than the Blue category,

Category : Pink					
Name of company	Security code	2019 AGM date	Open price 2019 (N)	Close price 2019 (N)	Market Cap (N'mn)
Air Liquide PLC	SDAIRLIQ	22-Aug-19	6.00	6.00	1,080.00
Dufil Prima Foods PLC	SDDUFIL	16-May-19	9.00	9.00	60,780.00
Fan Milk PLC	SDFANMILK	25-Jun-19	20.00	20.00	23,260.66
Food Concepts PLC	SDFOODCPT	17-Oct-19	0.66	0.70	4,090.32
Fumman Agricultural Product Ind. PLC	SDFUMMAN	Nil	1.58	1.58	5,688.00

Great Nigeria Insurance PLC	SDGNI	Nil	0.50	0.50	1,913.74
Industrial and General Insurance PLC	SDIGIPLC	Nil	0.07	0.07	996.19
Lighthouse Financial Services PLC	SDLIGHTFSP	Nil	0.50	0.50	1,076.00
Mixta Real Estate PLC	SDMIXREAL	30-Jul-19	2.20	2.20	21,622.19
NIPCO PLC	SDNIPCOPLC	25-Sep-19	71.50	72.53	13,324.45
Providus Bank PLC	SDPROVIDUS	Nil	0.85	0.85	14,915.20
Resourcery PLC	SDRSOURCE	19-12-19	0.45	0.45	1,722.36
Trustbond Mortgage Bank PLC	SDTRUSTMB	Nil	0.79	0.70	2,945.24

Red category securities were considered deficient in their reporting.

Category : Red

Name of company	Security code	2019 AGM date	Open price 2019 (N)	Close price 2019 (N)	Market Cap (N'mn)
Acorn Petroleum PLC	SDACORN	Nil	0.16	0.16	320.00
Costain (West Africa) PLC	SDCOSTAIN	Nil	0.50	0.50	540.00
Famad Nigeria PLC	SDFAMADPLC	Nil	1.25	1.25	232.03
Free Range Farms PLC	SDFARMSPLC	Nil	1.00	1.00	520.00
Geo-Fluids PLC	SDGEFLUID	Nil	0.49	0.53	2,256.56
Golden Capital PLC	SDGOLDEN	Nil	1.00	1.00	1,170.32
International Packaging Ind. of Nigeria PLC	SDIPIPLC	Nil	0.50	0.50	20.00
Mass Telecom Innovation PLC	SDMASTCOM	Nil	0.53	0.50	2,446.79
Riggs Ventures West Africa PLC	SDRIGGS	Nil	0.95	0.95	4,441.24
Swap Technologies & Telecomms PLC	SDSWAPPLC	Nil	0.88	0.88	2,380.73
Vital Products PLC	SDVITPROD	Nil	2.33	2.33	4,247.79

NASD will continue to build confidence in the OTC market by working with issuers to improve their reporting and information disclosure.

Consistent with this, in 2019, new rules and policies were developed to identify and appropriately treat market infractions and disputes. In 2019, we also successfully implemented our Trade Guarantee Fund and got approval with SEC to execute Negotiated Deals on our market.

As the market continues to grow, we shall not relent in increasing stakeholder confidence by ensuring an organised, transparent and efficiently run market.

Staffing

The core of our business development and market structure has been our staff. We continue to drive our corporate values and structure to maintain continued high quality intellectual and technical output from our staff. All staff have the opportunity to attend relevant training that will enhance both their personal and professional value. We also thank the staff for their dedicated hard work and drive in creating value for our shareholders in 2019.

Looking forward

Looking into the year 2020 and beyond, it is important to take account of the uncertainty created by the outbreak of the Novel Corona Virus Pandemic. Not only has the outbreak threatened the world economy; it has also created a significant structural shift in business conduct and practice. Its sudden, rapid and sustained escalation has led to a suspension of all 'normal' activity in all spheres of life.

NASD has since inception been committed to providing innovative solutions that are reliable, resilient and functional. We recognise the new opportunities that are rising out of this situation and intend to remain versatile and flexible to maintain market operations while providing capital raise services to enterprises that now have an even more pronounced need for the capital market.

I would sincerely like to thank the Board of Directors for their continued visioning, trust and support. I would also like to extend my appreciation to my colleagues whose commitment and ethical behaviour has allowed us deliver another successful year.

Most importantly, I thank you our shareholders for your continued support and believe that with a continuation with our established trend of driving efficiency, opening up new opportunities and creating liquidity, we shall deliver sustainable and attractive returns.

We also appreciate the apex regulator of the capital market – the Securities and Exchange Commission for creating a fair and well managed environment for the Over the Counter market to grow.

Yours sincerely



Bola Ajomale

Managing Director/Chief Executive Officer



CORPORATE GOVERNANCE

- **Approach to Corporate Governance**
- **Corporate Governance Compliance Statement**
- **The Board of Directors**
- **Report of the External Consultants on Board Evaluation**
- **Statement of Directors Responsibilities**
- **Report of the Statutory Audit Committee**

Corporate Governance Report

As at 31 December 2019

1. INTRODUCTION

NASD PLC (“NASD” or “the Company”) is committed to promoting high standards of corporate governance in accordance with the core principles of ethical culture, stewardship, independence, oversight of risk, accountability, transparency and continuous improvement.

Guided by our core values, we are also committed to high standards of integrity in all business dealings, applying the principles of transparency, accountability and ethics to prevent corruption and bribery in all its forms.

In the conduct of our business, we seek to comply with all statutory requirements, adopted tried and proven best practices to protect the environment and our employees and strive to enhance shareholder value in the process.

THE COMPANY’S APPROACH TO CORPORATE GOVERNANCE

The Board of Directors is fully devoted to ensuring that the Company meets best practice corporate governance principles and adheres to high ethical standards, values, and behaviours. To this end, the Board has put in place relevant structures, policies and processes to ensure adherence to the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies (the “SEC Code of Corporate Governance”), the Nigerian Code of Corporate Governance (NCCG) issued by the Financial Reporting Council of Nigeria, relevant provisions of extant law—including the Investments and Securities Act 2007, the Companies and Allied Matters Act, 2004—and global best practices, to deliver sustainable value for the Company’s shareholders, employees and stakeholders.

The responsibilities of the Board are detailed in the Board Charter. The Board’s conduct is also governed by the Company’s Memorandum and Articles of Association. All Board Committees have Terms of Reference which inform their activities.

The Company’s approach to corporate governance is guided by the following core principles:

The Company’s Ethical Culture

Trust, integrity and good governance are hallmarks of the Board’s governance approach. In

setting the tone at the top, the Board strives to nurture the strong corporate values that are well entrenched in the culture of NASD and reinforces the ethical principles on which NASD's reputation and success are founded. These values extend to every segment of the Company's operations and business activities.

Independence

Independence from Management is fundamental to its role, and, in order to ensure that this independence continues to inform the Board's decision-making process, the Board has put effective mechanisms in place to safeguard this independence.

Oversight of Strategy

Members of the Board are the key advisors to Management, overseeing strategic direction and the formulation of plans, considering both the opportunities and risks of NASD's businesses. In carrying out this oversight role, the Board actively engages in setting the long term strategic goals of the organisation, reviews and approves business strategies, corporate financial objectives and financial and capital plans that are consistent with the strategic goals, and monitoring the Company's performance in executing strategies and meeting objectives.

Oversight of Risk

A key priority of the Board is embedding a strong risk management culture throughout the organisation and overseeing the frameworks, policies and processes adopted to identify principal risks to the business and systems implemented to manage those risks. The Board actively monitors the organisation's risk profile and seeks to ensure that Management's plans and activities provide an appropriate balance of return for the risks assumed and are prudently focused on generating shareholder value and safeguarding the integrity of NASD.

Accountability and Transparency

The Board defines the expectations and scope of duties of its Committees and Management and is accountable to shareholders and other stakeholders. Transparency is fundamental to good governance, and the Board takes seriously NASD's commitment to constructive stakeholder engagement, clear and comprehensive disclosure and financial reporting.

Continuous Improvement

The Board is committed to the continuous improvement of NASD's corporate governance principles, policies, and practices. To ensure that these policies and practices meet or exceed evolving best practices and regulatory expectations, NASD's corporate governance system is subject to on-going review by the Governance and General-Purpose Committee.

2. CORPORATE GOVERNANCE COMPLIANCE STATEMENT

During the year ended December 31, 2019, the Company complied with the provisions of the

SEC Code of Corporate Governance and the NCCG. The Company, applied the principles recommended in both Codes to its corporate governance structure and practices. The Board assures shareholders and stakeholders that an effective internal audit function exists in the Company and that, the Company's risk management, control and compliance functions and mechanisms are operational.

3. BOARD OF DIRECTORS

The Board is accountable to shareholders for the overall direction and control of the Company. It is committed to high standards of governance designed to protect the interests of its shareholders and all other stakeholders while promoting the highest standards of integrity, transparency and accountability. The profiles of the Directors are contained in this Annual Report and can also be accessed via the Company's website: www.nasdng.com.

The Board is duly constituted to provide support for, and control of the activities of Management-led by the Managing Director/Chief Executive Officer.

Board Balance and Independence

The Board is satisfied that it has the appropriate balance of skills, experience, independence and knowledge to enable it and its Committees discharge their duties and responsibilities effectively, as required by the SEC Code of Corporate Governance and NCCG.

The independence of the Board from Management is a notion that the Board takes seriously; to this end, the Board and all Board Committees are chaired by Non-Executive Directors, while the Board Audit Committee—responsible for the review of the adequacy of the audit functions and the adequacy of internal control systems—is chaired by a Shareholder Representative.

The non-executive Directors are independent from Management and are free from any constraints which may materially affect their ability to exercise independent judgement as Directors of the Company.

Information Flow and Access to Advisers

All Directors have access to the advice and services of the Company Secretary; in addition, the Board solicits external opinion and counsel as and when required. The Board has a good line of communication with Management and can request the presence of any senior Management staff to provide information when required at its meetings.

Comprehensive Board papers are circulated electronically and in print to the Directors before each meeting of the Board and Board Committees. The Board papers sufficiently detail and address matters on which Management will report and areas requiring approvals and decisions of the Board.

Board Structure and Composition

The Board comprises 10 (ten) Directors which include: 9 (nine) Non-Executive Directors and 1 (one) Executive Director, who is the Managing Director/Chief Executive Officer. As stipulated in the SEC Code of Corporate Governance and NCCG, the roles of Chairman and Managing Director/Chief Executive Officer are distinct and separate with a clear division of responsibilities.

The Chairman provides leadership to the Board whilst ensuring its effectiveness in discharging its supervisory duties. The Board delegates responsibility for the day-to-day management of the business to the Managing Director/Chief Executive Officer but retains responsibility for the overall strategy and direction of the Company. The Managing Director/Chief Executive Officer then delegates authority to the appropriate Senior Executives for specific activities and transactions.

The members of the Board of Directors as at 31 December 2019 are as follows:

S/N	Director	Designation	Date Appointed
1	Mr Olutola Mobolurin	Chairman	5/4/2013
2	Mr. Bola Ajomale	Managing Director	5/4/2013
3	Mr. Chike Nwanze	Non-Executive Director	5/4/2013
4	Mr. Oladipo Aina	Non-Executive Director	5/4/2013
5	Mr. Ariyo Olushekun	Non-Executive Director	5/4/2013
6	Mr. Samuel Nwanze	Non-Executive Director	5/4/2013
7	Mr. Abubakar Lawal	Non-Executive Director	5/4/2013
8	Mr. Kayode Falowo	Non-Executive Director	5/4/2013
9	Ms. Obiageli Ugboma	Non-Executive Director	13/7/2016
10	Mr. Aigbovbioise Aig-Imoukhuede	Non-Executive Director	12/10/2016

Election/Appointment of Director

On 29 April 2020, the Board through the Governance and General-Purpose Committee recognizing the need for greater diversity on the Board and to strengthen its composition appointed Mr. Kyari Bukar as a Non-Executive Independent Director.

Mr. Kyari Bukar is a consummate professional with over 30 years' experience in information technology, financial services and business analytics. He served as the Managing Director/Chief Executive officer of the Central Securities Clearing System PLC where he is credited with the transformation of the company to an efficient and resourceful organization. He also served as MD/CEO of Unified Payments System Limited (formerly Valucard Nigeria PLC) where he spearheaded the Company's complete reorganization, transforming the company into one of the most secure, technologically advanced and profitable payments processors in Nigeria. He was the Chairman of the Nigerian Economic Summit Group and currently serves as an Independent Non-Executive Director on the Board of Standard Chartered Bank Nigeria.

The Board hereby presents the appointment of Mr. Kyari Bukar as a Non-Executive Independent Director for approval at this Annual General Meeting.

Re-Election of Directors

In accordance with Section 259(1) of the Companies and Allied Matters Act, CAP C20, LFN, 2004, the following Directors retiring by rotation and being eligible are presenting themselves for re-election:

- a. Mr. Ariyo Olushekun
- b. Mr. Samuel Nwanze
- c. Mr. Kayode Falowo

Their profiles are contained on page 43 of this Annual Report.

Board Appointments, Induction and Training

All Directors are appointed on the basis of certain core competencies as outlined in the Company's 'Selection and Appointment of Directors Policy' and in line with best corporate governance practice.

The Governance and General-Purpose Committee has overall responsibility for the appointment process subject to approval by the Board. The fundamental principles of the process include evaluation of the balance of skills, knowledge and experience on the Board, leadership needs of the Company and ability of the candidate to fulfil his/her duties and obligations as a Director.

The Company has in place a 'Board Induction Policy' which ensures that newly appointed Directors have a broad understanding of their role, the Board's culture and operations and that they receive adequate information and support to discharge their functions effectively.

The Company is committed to ensuring that Directors attend trainings to continually update their skills and knowledge of the Company's business, relevant operating environment, and overall economic landscape to assist them effectively discharge their duties.

Board Performance and Evaluation

In compliance with the SEC Code of Corporate Governance, the Company appointed the firm of DCSL Corporate Services Limited to conduct the annual Board Evaluation exercise for the year ended 31st December, 2019. The report of the Board Evaluation is contained on page 47 of the Annual Report.

Board Meetings

The Board of Directors met five (5) times in the 2019 financial year. In compliance with Section 258 (2) of the Companies and Allied Matters Act, 2004, the record of Directors' attendance at Board Meetings is set out below:

DIRECTOR	MEETING DATES					%
	24/01/19	20/03/19	26/04/19	17/7/19	24/10/19	
Mr Olutola Mobolurin	☑	☑	☑	☑	☑	100%
Mr. Bola Ajomale	☑	☑	☑	☑	☑	100%
Mr. Chike Nwanze	☒	☑	☑	☑	☑	80%
Mr. Ariyo Olushekun	☑	☑	☑	☑	☑	100%
Mr. Oladipo Aina	☑	☒	☑	☑	☑	80%
Mr. Abubakar Lawal	☒	☑	☑	☒	☑	60%
Mr. Kayode Falowo	☒	☑	☒	☒	☒	20%
Mr. Samuel Nwanze	☒	☑	☑	☑	☑	80%
Ms. Obiageli Ugboma	☑	☑	☒	☑	☑	80%
Mr. Aigbovbioise Aig-Imoukhuede	☑	☑	☑	☑	☒	80%

Keys: ☑ Present ☒ Absent

4. BOARD COMMITTEES

The Board carries out its oversight function through its committees each of which has Terms of Reference that clearly defines its purpose, composition and structure, frequency of meetings, duties, tenure, and reporting lines to the Board. In line with best practice, the Chairman of the Board does not sit on any of the committees. The Committees report to the Board and provide recommendations to the Board on matters reserved for Board approval.

During the period under review, the Board of Directors worked through Seven (7) committees.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its corporate governance and oversight responsibilities relating to the integrity of NASD's financial reporting and the effectiveness of the Company's management framework.

The Audit and Risk Committee met three (3) times in the 2019 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES			%
	24/04/19	09/07/19	15/10/19	
Mr. Abubakar Lawal	☑	☑	☑	100%
Mr. Samuel Nwanze	☑	☑	☒	67%
Ms. Obiageli Ugboma	☑	☑	☑	100%
Mr. Aigbovbioise Aig-Imoukhuede	☑	☑	☑	100%

Keys: ☑ Present ☒ Absent

Governance and General-Purpose Committee

The Committee assists the Board to discharge its responsibilities as regards corporate governance strategy and organisational structure. The Committee is responsible for compliance with and review of the Company's corporate governance policies and practices, the review and setting of the Charter and Terms of Reference for the Board and Board Committees, and ensuring that the Company's policies, including the remuneration policy, support the successful identification, recruitment, development and retention of directors, senior executives and managers.

The Committee is equally responsible for the development of recruitment policies, training, promotion and all other Human Capital issues. The relevant members of the management team in attendance at the Committee's meetings include the Head of Legal and the Head of Human Resources.

The Committee met four (4) times during the year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES				%
	21/01/19	03/04/19	03/07/19	09/10/19	
Mr. Chike Nwanze	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Ariyo Olushekun	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	75%
Mr. Oladipo Aina	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Abubakar Lawal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	75%
Ms. Obiageli Ugboma	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	75%

Keys: Present Absent

Finance and Investment Committee

The Finance and Investment Committee assists the Board in its oversight responsibilities over the Company's financial and investment strategy. The Committee ensures that clear policies are in place for treasury management, investment management, risk management and other financial processes and that these policies are periodically reviewed. The Head of Finance and Accounts sits in attendance at the Committee's meetings to provide answers to questions that may arise in the course of the meeting.

The Finance and Investment Committee met seven (7) times in 2019 and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES							%
	17/01/19	21/01/19	18/03/19	11/04/19	10/07/19	21/10/19	9/12/19	
Mr. Bola Ajomale	☑	☑	☑	☑	☑	☑	☑	100%
Mr. Ariyo Olushekun	☑	☑	☑	☑	☑	☑	☑	100%
Mr. Abubakar Lawal	☑	☑	☑	☑	☑	☑	☑	100%
Mr. Samuel Nwanze	☒	☒	☑	☒	☑	☒	☑	43%

Keys: ☑ Present ☒ Absent

Technical Committee

The Technical Committee assists the Board in its responsibility to choose and maintain a reliable trading platform, assess the viability and integrity of the trading network, product development and improving IT governance and strategy. The Head of IT and Operations reports to the Technical Committee.

The Technical Committee met three (3) times in the 2019 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES			%
	04/15/19	15/07/19	02/10/19	
Mr. Bola Ajomale	☑	☑	☑	100%
Mr. Ariyo Olushekun	☑	☑	☑	100%
Mr. Kayode Falowo	☒	☒	☒	0%
Ms. Obiageli Ugboma	☒	☑	☒	33%
Mr. Aigbovbioise Aig-Imoukhuede	☑	☑	☑	100%

Keys: ☑ Present ☒ Absent

Rules and Membership Committee

The Rules and Membership Committee is responsible for reviewing the Rules of the NASD OTC Securities Exchange, applications for membership and participation on the Market and admission of new companies and securities..

The Committee oversees, monitors and ensures the effectiveness and independence of the Company's regulatory program including trade practice and market surveillance and other regulatory responsibilities with respect to Participating Institutions registered with NASD. The Head of Legal and Compliance reports to this Committee.

EXPANDING THE FRONTIERS

The Rules and Membership Committee met four (4) times in 2019 financial year and the following members served on the Committee during the period:

DIRECTOR	MEETING DATES				
	23/01/19	10/04/19	11/07/19	9/10/19	%
Mr. Kayode Falowo	☑	☑	☒	☒	50%
Ms. Obiageli Ugboma	☒	☒	☑	☑	50%
Mr. Bola Ajomale	☑	☑	☑	☑	100 %
Mr. Chike Nwanze	☑	☑	☑	☑	100%

Keys: ☑ Present ☒ Absent

STATUTORY AUDIT COMMITTEE

The Statutory Audit Committee was established in accordance with Section 359 (4) of the Companies and Allied Matters Act. The Committee consists of an equal number of Directors and representatives of the shareholders but is subject to a maximum limit of Six (6) members.

The Committee meets to: review the adequacy of the internal and external audit plan, receive and deliberate on the report of the external auditors, review the adequacy of internal control systems and the degree of business compliance with laid down internal policies, laws, codes of business principles and any other relevant regulatory framework.

The Statutory Audit Committee met three (3) times in 2019 and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES			
	13/02/19	12/07/19	15/10/19	%
Mr. Kashimu Garba Kurfi (Representing APT Securities and Funds Limited)	☑	☑	☒	67%
Mr. Nornah Awoh (Representing Palesa Capital Associates Limited)	☑	☑	☑	100%
Mrs. Fiona Ahimie (Representing FBNQuest Securities Limited) *	NYE**	NYE**	☑	33%

Keys: ** Not Yet Elected ☑ Present ☒ Absent

*Elected 17 July 2019

Market Development Committee

The Market Development Committee assists the Board in fulfilling its responsibility relating to market awareness, business development, client retention and recommend policies that will encourage trading activities on NASD.

The Committee meets on an ad hoc basis as the need arises. The members of the Committee in 2019 were as follows:

DIRECTOR

Mr. Oladipo Aina	Mr. Bola Ajomale
Mr. Kayode Falowo	Mr. Abubakar Lawal
Mr. Aigbovbioise Aig-Imoukhuede	Ms. Obiageli Ugboma
Mr. Segun Omowaye	Mr. Kayode Fadahunsi
Mr. Olutunde Odetoynbo	Mr. Dolapo Ashiru
Mr. Abiodun Fagbulu	Mr. Damilola Ajayi
Mr. Akinyemi Gabriel	Mrs. Ebiere Helen Fumudoh
Mrs. Titi Ogungbesan	

Disciplinary Committee

The Disciplinary Committee was set up to investigate violations of the Rules and Regulations of NASD OTC Securities Exchange and adjudicate all disputes between Participating Institutions and their customers. The Committee meets on an ad hoc basis as the need arises.

The members of the Committee as at 31 December 2019 were:

DIRECTOR

Mr. Chike Nwanze
Mr. Aigbovbioise Aig-Imoukhuede
Mr. Samuel Nwanze
Mr. Oladipo Aina

5. CODE OF PROFESSIONAL CONDUCT

NASD PLC has a documented Code of Professional Conduct approved by the Board which sets out basic principles to guide all employees, Directors and business partners of NASD and sets the standard of professionalism and degree of integrity required for business operations. The Code covers a wide range of business practices and procedures including; compliance with the law, conflicts of interest, public activities, environmental management, diversity in the workplace, accuracy and reliability of financial reporting, related party transactions and procedure for handling breaches and instances of non-compliance.

6. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

The Board understands the importance of effective communication with shareholders. NASD has a vibrant and dynamic website where important information is provided on a timely basis. There is also a dedicated information desk where email enquiries are responded to within 24 hours. The Annual General Meeting gives the shareholders an opportunity to communicate and interact with members of the Board.

7. CONFLICT OF INTEREST

The Board has approved a Conflict of Interest Policy, which outlines guidelines and procedures in connection with the identification, disclosure and management of any real, potential or perceived conflicts of interest as it relates to NASD. In addition, all new and existing Directors are required to annually disclose their memberships on other Boards and any real or potential conflict of interest situations which they are aware of.

8. WHISTLEBLOWING POLICY

NASD PLC in its capacity as a self-regulatory organisation, is committed to the preservation of the integrity of the Nigerian financial markets. In line with this commitment, the Company has established a Whistle Blowing Policy which provides a secure channel of communication for all employees and stakeholders (members, regulators, investors, industry professionals, issuers and the general public) to report issues of a sensitive nature or wrongdoing to the Board and Management of NASD while maintaining the confidentiality of the whistle-blower. The Company has a dedicated phone number and email address through which such complaints can be received.

Directors' Report

For The Year Ended 31 December 2019

The Directors are pleased to present their Annual Report on the affairs of NASD PLC (“NASD or the Company”), together with the Audited Financial Statements and the Auditor’s Report for the year ended 31 December 2019.

LEGAL FORM AND PRINCIPAL ACTIVITY

The Company was promoted by the National Association of Security Dealers (“NASD”) and incorporated on the 1st of June 1998 as a private limited liability company. By 2012, the Company morphed into a Self-Regulatory Organization (“SRO”) licensed by the Securities and Exchange Commission (“SEC or the Commission”) to develop and operate a Securities Exchange and formal Over the Counter platform for trading securities. By 15 May 2012, the Company converted to a public limited liability company.

The Company has since transformed into a central infrastructure provider that ensures the flow of information and money between banks, traders, merchants, investors and service providers worldwide. Service offerings include securities trading, stock market transactions, financial information, payment transactions and an alternative market for capital raising.

OPERATING RESULTS

The following is a summary of the operating results:

	2019	2018
	N000	N000
Profit before tax	36,057	62,023
Tax	8,994	28,331
Profit before tax	45,051	90,354
Profit per share (kobo)	10.14	20.34

DIVIDEND

The Directors have not recommended the payment of dividend.

DIRECTORS AND THEIR INTERESTS

- a. The Directors of the Company who held office during the year together with their direct and indirect interests in the issued share capital of the Company as recorded

EXPANDING THE FRONTIERS

in the register of Directors shareholding and/or as notified by the Directors for purposes of sections 275 and 276 of the Company and Allied Matters Act are noted below:

Name	Designation	Interests	
		Ordinary shares of ₦1 each	
		Direct	Indirect
Mr. Olutola Mobolurin	Chairman	-	21,490,311
Mr. Bola Ajomale	Managing Director	-	-
Mr. Chike Nwanze	Non - Executive	-	2,777,773
Mr. Ariyo Olushekun	Non - Executive	-	35,652,703
Mr. Oladipo Aina	Non - Executive	-	5,444,440
Mr. Abubakar Lawal	Non - Executive	-	30,476,190
Mr. Kayode Falowo	Non - Executive	-	22,727,773
Mr. Samuel Nwanze	Non - Executive	-	38,093,333
Ms. Obiageli Ugboma	Non - Executive	-	29,957,653
Mr. Aigbovbiose Aig-Imokhuede	Non - Executive	-	30,173,690

- b. Mr. Kayode Falowo is a Director in GTL Trustees Limited, Fund Managers to the Company's Trade Guarantee Fund. In accordance with section 277 of the companies and Allied Matters Act of Nigeria, he has notified the Board of his position with GTL Trustees Limited in respect of services rendered to the Company.

ANALYSIS OF SHAREHOLDING

As at 31st December 2019

Range	Number of shareholders	Number of shares held	% Holdings
1 - 1,000,000	52	9,216,096	2.07%
1,000,000 - 10,000,000	34	101,907,098	22.94%
Over 10,000,001	11	333,081,194	74.98%
Total	97	444,204,388	100%

SUBSTANTIAL INTEREST IN SHARES

The following are shareholders who hold more than 5% of the issued share capital of the company

Shareholder	% Holding	Board Representation
Greenwich Trust Limited	5.12	Yes
BGL Securities Limited	6.54	No
Chapel Hill Advisory Partners Limited	6.74	Yes
Falcon Securities Limited	6.75	No
Coronation Securities Limited	6.79	Yes
GTI Capital Limited	6.86	Yes
NSE Consult Limited	10.87	No
Capital Assets Limited	8.03	Yes
Heirs Holdings	8.58	Yes

PROPERTY AND EQUIPMENT

Information relating to changes in property and equipment is given in Note 16 of the financial statements.

HUMAN RESOURCES

Employment of Physically Challenged persons

The Company operates a non-discriminatory policy in the consideration of applications for employment, including those received from challenged persons. The Company's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of such applicant's state of origin, ethnicity, religion or physical condition.

In the event that an employee becomes physically challenged in the course of employment, the Company shall arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the Company has no physically challenged persons on its staff list.

Health, Safety and Welfare at work

The Company maintains business premises designed to guarantee the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises. Fire drills are carried out quarterly and Safety Officers attend safety training refresher courses on an annual basis.

In addition, the Company provides medical and transportation subsidies to all levels of

EXPANDING THE FRONTIERS

employees and also operates a contributory pension plan in line with the Pension Reform Act 2004 (superseded by the Pension Reform Act 2014).

Employee Training and Involvement

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their well-being. Towards this end, the Company provides opportunities where employees deliberate on issues affecting the Company and employee interests, with a view to making inputs to decisions thereon. The Company places a high premium on the development of its manpower. All professional employees are also registered with the Chattered Institute of Investment and Securities (CISI) UK.

Training is carried out at various levels through in-house and external courses. The company also encourages employees in personal development by reimbursing 50% of their professional course fees.

Diversity and Inclusion

NASD is committed to employment policies free from discrimination against existing or potential employees on the grounds of age, race, ethnic and national origin, gender, sexual orientation, faith or disability. The Company's workforce consists of a fair proportion of the genders and is drawn from diverse tribes and cultures within and outside Nigeria. The Company continues to recognize the need for diversity and inclusion in leadership including the need to promote gender equality and equity in leadership.

As part of our commitment to promoting

gender balance within the organisation, 60% of our Management staff are female and 40% of our entire work force is female.

CODE OF BUSINESS CONDUCT AND BUSINESS ETHICS

In order to further strengthen the Company's Corporate Governance policies, the Board approved and implemented the following internal policies and practices which are reviewed periodically:

- **Whistle Blowing Policy:** The whistle blowing policy of the Company specifically mandates members of staff to timely disclose any illegal, immoral or illegitimate practices including suspicious activities thereof that may adversely affect the Company and/or its stakeholders. The Company provides a window for anonymous disclosures under this Policy via a dedicated portal in addition to other channels through which employees may wish to make whistleblowing disclosures anonymously.
- **Employment Practices:** The NASD Staff Handbook regulates the conducts and affairs of members of staff.
- **Service Delivery:** To facilitate quality service delivery to customers, the Company has in place Service Level Agreements (SLA), which regulate the contractual relationships among different units of the Company and their external vendors.
- **Board Evaluation Policy:** To formulate procedures and lay down criteria

for the evaluation of the Board, Committees, Chairman and Individual Directors.

- **Board Induction Policy:** ensures that newly appointed Directors have a broad understanding of their role, the Board's culture and operations as well as ensuring that new members are well informed and receive the required support to function as Directors.
- **Conflict of Interest Policy:** Aims to identify, reduce and address conflicts of interest within the Company.
- **Complaint Management Policy:** To ensure the delivery of consistent, high quality and accountable responses to complaints and minimize damage to the Company's reputation arising from an unattended complaint.
- **Directors' Remuneration Policy:** Sets out remuneration for Directors that is fair and appropriate and ensures that the Company maintains the mix and balance of remuneration to adequately reward, attract, motivate and retain Directors and Senior Executives.
- **Selection and Appointment of Directors Policy:** Stipulates the procedure for selection and appointment of directors.
- **Employee Trading Account Policy:** To ensure that transactions undertaken by employees in securities trading on NASD platform do not conflict with money laundering and other

regulations.

- **Code of Professional Conduct:** sets out basic principles to guide the conduct of Directors, employees and other stakeholders who have dealings with NASD.
- **Corporate Communications Policy:** Aims to ensure the dissemination of high quality internal and external information consistent with the Company's identity, positioning and strategic priorities.

INSIDER TRADING

The Directors of the Company and employees who are in possession of price sensitive information are prohibited from dealing with the shares of the Company in accordance with the provisions of the Investments and Securities Act 2007. As required by law, the shares held by Directors are disclosed in the Annual Report. The Company has adopted a Securities Trading Policy applicable and circulated to Directors, insiders, external advisers and all employees that may at any time possess any inside or material information about our Company. The Policy is also available on the website of the Company.

ENTERPRISE RISK MANAGEMENT

NASD PLC is committed to the effective management of risk, which is central to the continued growth and profitability of the Company. Our risk management approach ensures that both prevailing and emerging risks are proactively identified

EXPANDING THE FRONTIERS

and appropriately mitigated to reduce the likelihood of occurrence. It also ensures the development of opportunities inherent in the risks in order to create value.

NASD operates a suitable enterprise risk management structure for the purpose of planning, executing, monitoring, and improving the organisation's risk management processes.

The Board

The Board is responsible for:

1. Setting risk appetite levels.
2. Overseeing ERM activities of the Company.
3. Understanding the nature and magnitude of significant risks to which the company is exposed.
4. Reviewing reports on the assessment of risk levels compared to established strategic risk targets; and
5. Annually reviewing risk management policies, including risk appetite, and strategies to ensure that risk exposures remain appropriate and prudent.

The Risk Management Committee:

The Risk Management Committee assists the Board in fulfilling its corporate governance responsibilities regarding risk management. Specifically, these include:

1. To review and approve NASD's risk management policy and framework for identifying, assessing, monitoring and managing risk.
2. To regularly review NASD's updated risk profile.

3. To review at least quarterly, the implementation of the risk management policy and framework.
4. To report to the Board on risk exposure levels.

Executive Management

Executive management is responsible for periodically reviewing the Company's risk profile, fostering a risk-aware culture and reporting to the Board on the effectiveness of the risk management framework and of the Company's management of its material business risks.

Head of Risk

The Risk Officer co-ordinates:

1. The development of the Risk Management Policy and keeping it up to date;
2. Risk management activities and appropriate risk management training, and
3. Compilation of risk information and provision of reports for the Risk Committee and Board.

Internal Audit

NASD's Internal Audit is an independent appraisal function established to provide assurance to the Board, the Audit Committee and the Executive Committee about the adequacy and effectiveness of existing internal controls vis-à-vis the associated risks.

In the context of this policy, the Internal Audit function is more specifically responsible for:

1. Developing and implementing an annual audit plan having regard to

- NASD's material risks;
2. Reviewing the effectiveness of the risk management policy and risk management processes;
 3. Notifying new and emerging risks identified in the course of implementing the audit plan and, where necessary, modifying the audit plan to take account of the impact of new risks; and
 4. Reporting to the Audit Committee no less frequently than quarterly on risk and compliance issues.

Line Managers

Business unit leaders are responsible for the effective identification, assessment, management, monitoring, reporting and control of risk within their areas of responsibility in accordance with the organisation's approved risk management process methodology, and for developing risk management performance targets and a risk awareness culture. Among other things, they are responsible for:

1. Supporting the risk culture of the organization.
2. Identifying, communicating and managing risks in their area of operations.
3. Preparing risk analysis worksheet (risk registers) on risks concerning their area of operations on a semi-annual basis; and
4. Managing risks on a day-to-day basis.

All managers, supervisors and employees

All managers, supervisors and employees are responsible for: taking all reasonable and practicable steps to perform their

responsibilities delegated under the Risk Management Policy and the related systems and procedures, reporting inefficient, unnecessary or unworkable risk controls, reporting risk events and near miss incidents, and cooperating on incident investigations.

SUSTAINABILITY

Corruption

The Board of Directors has a long-standing commitment to good corporate governance, in addition to zero-tolerance for corrupt practices including bribery and breach of applicable anti-corruption laws. The Company's Code of Professional Conduct stipulates measures that guide the professional conduct of employees, Directors and other stakeholders in line with NASD's core values.

Donation

The Company did not make any donations to any political parties during the period under review.

ACQUISITION OF OWN SHARES

The Company did not acquire any of its own shares during the period under review.

EVENTS AFTER THE REPORTING DATE

There were no post balance sheet events after the reporting date which could have a material effect on the state of affairs of the Company as at 31 December, 2019 and the profit for the year ended on that date have been adequately provided for or disclosed in the financial statements.

AUDITORS

The Firm of Deloitte & Touche has indicated its willingness to continue in office as Auditors to the Company in accordance with Section 357 (2) of the Companies and Allied Matters Act of Nigeria.

BY ORDER OF THE BOARD



L. Omolola Ikwuagwu (Mrs.)

FRC/2014/NBA/00000007013

GIO Nominees Limited (Company Secretary)

Board of Directors



Mr. Olutola Mobolurin

(Chairman)

Mr. Olutola Mobolurin is the Chairman of NASD Board of directors. He is also the Chairman and pioneer Managing Director of Capital Bancorp Plc. He holds a Bachelor of Science degree in Accounting and Finance from State University of New York in Binghamton and an MBA from York University, Toronto.

Prior to joining Capital Bancorp Plc, he worked at City Securities Limited and Continental Merchant Bank Plc (formerly Chase Merchant Bank) where he was a Deputy General Manager and Head of Corporate Finance.

Mr. Mobolurin was the Vice-Chairman and Group Chief Executive of Crusader Nigeria Plc till October 2012 and the first Chairman of CrusaderSterling Pensions Limited. He is currently a Non - Executive Director of the FCMB Group Plc. He had in the past served as the Chairman, Securities and Exchange Commission's Committee on the Resuscitation of the Bond Market and was the President of the Chartered Institute of Stockbrokers from 2001 to 2003. He also served as an assessor/part-time member of the Investment and Securities Tribunal, from 2003 - 2006. He has over 40 years' experience of varied exposure and experience in the financial services industry and has been involved in pioneering many financing structures in the Nigerian Financial Market.



Mr. Bola Ajomale

(Managing Director/CEO)

Mr. Ajomale is a highly versatile investment and financial adviser with over 20 years' experience in the finance industry both locally and internationally. He trained as an accountant in Ernst & Young and as a stockbroker in City Securities Limited where he headed Stockbroking operations. He expanded his research and financial advisory skills at Augusto & Co where he was a Senior business consultant. He also worked at MBC International Bank as the Divisional Head, Corporate Finance and Syndications and later became the pioneer CEO of Associated Asset Managers Limited. His international exposure includes various project and investment advisory work at Manulife Financial and the Canada Pension Plan Investment Board both in Canada.

Bola read Economics at the University of Leeds (UK). He is a Fellow of the Chartered Institute of Stockbrokers, and a Member of the Institute of Chartered Accountants of Nigeria and the Chartered Institute for Securities and Investments (UK). He has participated in capital market courses conducted by Euromoney (UK), and the Canadian Securities Institute

He sits in a non-executive capacity on the Boards of directors of several non-public companies and is a Trustee of the Association of Securities Exchanges of Nigeria. He is currently the Chief Executive Officer and Managing Director of NASD Plc.

EXPANDING THE FRONTIERS



Mr. Chike Nwanze

(Non-executive Director)

Mr. Chike Nwanze is Vice Chairman/ CEO of ICON Stockbrokers Limited. He holds a bachelor's degree in business administration and also an MBA in Financial Management. He has had diverse work experience in the oil and gas, banking, and stock broking sectors of the economy.

Prior to his current position, he worked in Shell, Houston Texas from 1969 to 1972 before returning to Nigeria to join Shell-BP Petroleum Development Company Nigeria. In 1975, he joined the Nigerian Bank for Commerce and Industry (now Bank of Industry) and ICON Limited (Merchant Bankers) as a General Manager.

He has participated in various workshops, seminars and executive programs at The Economic Development Institute of the World Bank; Industrial projects course and Amos Tuck school of Business Administration, USA. He is a fellow of the Institute of Directors, Fellow of the Economic Development Institute (F.E.D.I) and a Fellow of the Chartered Institute of Stockbrokers.



Mr. Ariyo Olushekun

(Non-executive Director)

Mr. Olushekun is Chief Executive Officer of Capital Assets Limited. He is a Fellow of the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Stockbrokers and the Institute of Directors. He is also an Associate of the Chartered Institute of Taxation and The Nigerian Institute of Management. He is an Authorized Dealing Clerk of The Nigerian Stock Exchange and NASD Plc. He is registered by the Securities & Exchange Commission. He holds HND (Upper Credit) in Accountancy from Yaba College of Technology as well as MBA (Marketing) from the University of Lagos. He is an Alumnus of the Advanced Management Program (AMP) of IESE Business School, Barcelona, Spain. Mr. Olushekun has about 30 years experience of active participation in various aspects of Investment Banking. He is currently serving on the Boards of Central Securities Clearing System Plc, NASD Plc - the Over-The-Counter Trading Platform of the Nigerian Capital Market, Unity Registrars Limited, Co-Link Investment Management Limited and Applied Logic Limited, operators of BroadStreetLagos.com, a Stockmarket Research Portal.



Mr. Oladipo Aina

(Non-executive Director)

Mr. Oladipo Aina is the Managing Director & Chief Executive Officer of Signet Investment and Securities Limited. He is an accomplished Stockbroker with over 36 years' experience in the Money and Capital markets. He is a Fellow of and served as President of the Chartered Institute of Stockbrokers between 2005 to 2007. He is also a Fellow of the Institute of Directors, London, a former Director of the Central Securities Clearing System Plc and former council member of The Nigerian Stock Exchange.

Prior to establishing Signet Investment and Securities Limited, Mr. Aina worked at NAL Merchant Bank Limited (now Sterling Bank Plc) in 1980 and then transferred to Nigerian Stockbrokers Limited, a company managed by NAL as the Managing Director. He also worked with the Bank of the North Limited in Gusau, Zamfara state.

He holds a BSc in Economics at the University of Ife (now Obafemi Awolowo University) and an MSc in Banking and Finance from the University of Ibadan. He also holds a Master of Science Degree in Corporate Governance and Finance from Liverpool John Moores University, Liverpool UK.



Mr. Abubakar Lawal

(Non-executive Director)

Mr. Abubakar Lawal is the Chairman of the Audit & Risk Committee of NASD Plc. He is the Managing Director and Chief Executive Officer of GTI Capital Limited. His wealth of experience in Finance and Investment Banking spans over two decades having participated in various landmark capital market transactions.

He has attended various international trainings and competence development programs. He is a fellow of the Chartered Institute of Stockbrokers (CIS) of Nigeria. He currently serves on the board of Wema Bank Plc. Abubakar is a retired Council member of the Nigerian Stock Exchange and Chartered Institute of Stockbrokers of Nigeria.



Mr. Kayode Falowo

(Non-executive Director)

Mr. Kayode Falowo is the Managing Director/CEO of Greenwich Trust Limited, one of the leading Investment Banking firms in Nigeria. He is a Chartered Stockbroker with over 25 years post graduate experience and practice in Finance, Commercial and Investment Banking. He holds a B.Sc. (Hons) in Agricultural Engineering from the University of Ife (now Obafemi Awolowo University) and an MBA from the University of Benin. He is a distinguished Fellow of the Chartered Institute of Stockbrokers (2010) and Association of Investment Advisers and Portfolio Managers (2005), President and Council Member of the Nigerian-British Chamber of Commerce and Council Member of the Nigerian Stock Exchange.

Kayode is also a Member of the Lagos Chamber of Commerce & Industry, Institute of Directors Nigeria, Institute of Management Consultants and Nigerian Institute of Management. He serves as a Member of the Central Organising Committee of the Nigerian Economic Summit Group (NESG), and Council Member of the Lagos Business School Alumni Association. He is the Chairman of DN Meyer Plc, Chairman of GTL Registrars and Director of Skye Trustees Limited.



Mr. Samuel Nwanze

(Non-executive Director)

Mr. Samuel Nwanze is the Director of Finance and Investments at Heirs Holdings. Prior to joining Heirs Holdings, Samuel served as Group Treasurer with Bank PHB Plc, Lagos, Nigeria from 2009 to 2010. He was responsible for the overall management of Treasury for the Bank PHB Group (including five banks and several non-bank subsidiaries) which included the restructuring of the trading desk, dealing in financial markets' money markets, bonds, treasury bills, BAs/CPs, and currencies, as well as liquidity management and capital discipline.

Before taking the role at Bank PHB, he served as the head of Financial Performance Management and Budgets in UBA in 2005. Samuel's path to joining UBA's management was preceded by a period at Platinum Bank where he served as Financial Controller before joining Standard Trust Bank (STB) team. At STB, he served as head of Performance Management and worked jointly as a member of the Assets & Liabilities Management Committee, and as part of the core team responsible for the STB - UBA merger.

In addition to graduating best in class with a Masters in Finance and Management from Cranfield School of Management in London, Samuel's other key distinctions include the prestigious annual award, bestowed by the Association of Corporate Treasurers (ACT) of the United Kingdom.

EXPANDING THE FRONTIERS



Ms. Obiageli Ugboma

(Non-executive Director)

Obiageli Ugboma joined Chapel Hill Denham Group in July 2011 as the Chief Risk Officer - Executive Director and leader of a team spread across Risk Management, Compliance and Internal audit. She also sits on the Board of Chapel Hill Denham Securities Limited.

Prior to her current position, she worked with J.P. Morgan, Investors, London from October 2007 to June 2011 as Executive Director and Head of EMEA FMP Risk Management and Vice-president, EMEA Compliance. She worked with HSBC Bank Plc, London in various positions: Sales and Relationship Manager, Corporate and Commercial; Manager, Credit & Risk and Branch Manager between 1999 and 2005. She also had a stint with Deloitte & Touche, London as Trainee Chartered Accountant within audit and financial services functions from August 1998 to August 1999.

She holds a B.Sc. (Hons.) Biotechnology from the Imperial College of Science and Technology and a B.Sc in Financial Services from the UMIT (UK). She is a Fellow of the Chartered Institute of Bankers of Nigeria and an Associate of the Institute of Financial services, UK.



Mr. Aigbovbiose Aig-Imokhuede

(Non-executive Director)

Mr. Aig-Imokhuede has over 18 years' experience in the Financial Services Industry, spanning, Corporate Banking, Commercial Banking, Treasury and Private Banking. He joined Marina Securities Limited in 2007 as the Vice President, Wealth Management Group; he moved on to become the Director of Wealth Management and Business Development in 2011 and then Deputy Managing Director in 2014 in Coronation Securities Limited (formerly Marina Securities Stockbroking Services Limited), presently Head of Coronation Capital Markets at Coronation Merchant Bank Ltd. He is an Associate Member of the Institute of Directors (IoD) Nigeria.

He holds a Bachelor of Science Degree in Business Studies from the University of Buckingham, UK.

DCSL Corporate Services Limited

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Abuja

RC NO. 352393

June 2020

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF NASD PLC. (“NASD”) FOR THE YEAR-ENDED DECEMBER 31, 2019

DCSL Corporate Services Limited (DCSL) was engaged by NASD Plc. to carry out an evaluation of the performance of the Board of Directors for the year-ended December 31, 2019 in line with the provisions of **Section 15 of the Securities and Exchange Commission (SEC) Code of Corporate Governance, and Section 14.1 of the Nigerian Code of Corporate Governance (“the NCCG 2018”)**. Our appraisal entailed a review of the Company’s corporate and statutory documents, the Minutes of Board and Committee meetings, Policies and other ancillary documents made available to us. We also administered electronic surveys and conducted interviews with the Directors to ascertain the level of the Board’s compliance with the provisions of the Codes, relevant legislation as well as global Best Practice. Our appraisal covered the following seven key corporate governance themes:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring of Performance
5. Risk Management and Compliance
6. Corporate Citizenship; and
7. Transparency and Disclosure.

Our responsibility, as Consultants, is to draw conclusion on the effectiveness of these structures, policies and processes based on our review of the Board’s activities and performance during the year ended 31 December 2019.

Our review of the corporate governance standards and processes affirm that the Board substantially complied with the provisions of the SEC and Nigerian Codes of Corporate Governance and other relevant corporate governance best practices. The appraisal indicates that the activities of the Board and the Company are to a large extent in compliance with corporate governance best practice and individual Directors remain committed to enhancing the Company’s growth. In our opinion, the Board has displayed significant commitment to developing and monitoring the Corporate Strategy and achieving improvement in the Company’s performance.

Whilst commending the Board for its efforts thus far towards ensuring compliance with the Codes, we urge the Board to approve a Delegation of Authority Document (DoA) which will clearly state those matters specifically delegated to Executive Management and those reserved for the Board and also finalize the appointment of an Independent Non - Executive Director (INED).

Our key findings and other recommendations are contained in our detailed Report. We urge the Board to consider our recommendations in its efforts towards entrenching best governance practices in the Company for the long - term interest of all Stakeholders.

Yours faithfully,

For: DCSL Corporate Services Ltd



Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Statement of Directors' Responsibility

For the year ended 31 December 2019

The Directors of NASD PLC (the Company) are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31st December 2019 and the results of its operations, statements of cash flows and changes in equity for the year ended, which have been prepared in conformity with, the International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, Cap C20 2004 and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the consolidated and separate financial statements, the Directors are responsible for:

- a. Ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and complies with the requirements of the Companies and Allied Matters Act, the International Financial Reporting Standards and other relevant legislation;
- b. Designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- c. Preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgment and estimates that are consistently applied and maintaining accounting records that may be relied upon in the preparation of the financial statements; and
- d. Taking such steps as are reasonably available to them to safeguard the assets of the Group and Company.

Going Concern

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

The Financial Statements of the Company for the year ended 31st December 2019 were approved by the Board of Directors on 25th February 2020.

SIGNED ON BEHALF OF THE DIRECTORS BY:



Olutola Mobolurin
Chairman

FRC/2014/CISN/00000003804
25 February 2020



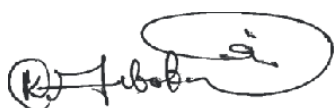
Bola Ajomale
Managing Director /CEO

FRC/2014/CISN/00000005778
25 February 2020

Certification Pursuant To Section 60(2) of The Investments And Securities Act

We, the undersigned hereby certify the following with regards to the Annual Report of NASD PLC for the year ended 31 December 2019 that:

1. We have reviewed the Annual Report;
2. To the best of our knowledge, the Annual Report does not contain any untrue statement of a material fact, or omit to state a material fact, which would make a statement misleading in light of the circumstance under which such statement was made;
3. To the best of our knowledge, the financial statements and other financial information included in the Report fairly present in all material respects, the financial condition and the results of operations of the company as of, and for the periods presented in the report.
4. We:
 - a. are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to us by others within the Company particularly during the period in which the periodic reports are being prepared;
 - b. have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the Report;
 - c. have presented in the Report our conclusions about the effectiveness of our internal controls based on our evaluation as of date;
5. We have disclosed to the Auditors of the Company and the Audit Committee:
 - a. all significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarise and report financial data and have identified for the Company's auditors any material weakness in internal control, and
 - b. any fraud whether or not material, that involves Management or other employees who have significant roles in the Company's internal controls.
6. We have also identified in the Report whether or not there were significant deficiencies and material weaknesses.



Head, Finance & Accounts

Kolawole Jiboku

FRC/2013/ICAN/00000003810



Managing Director/CEO

Bola Ajomale

FRC/2014/CISN/00000005778

Report of the Audit Committee to the Members of NASD PLC

For the Year Ended 31 December, 2019

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, we, the Members of the Audit Committee of NASD PLC report as follows:

1. We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004 and we acknowledge the cooperation of Management in the conduct of these functions.
2. We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
3. We are of the opinion that the scope and planning of both the external and internal audit programmes for the year ended 31 December 2019 are satisfactory and reinforce the Company's internal control systems.
4. Having reviewed the external auditors' findings and recommendations on Management matters, and deliberated with the external auditors, who confirmed that they received Management's cooperation in the course of their audit, we are satisfied with Management's response to the Management Letter on the audit of the financial statements of the Company.



Mr. Kasimu Garba Kurfi

Chairman, Statutory Audit Committee
FRC/2013/ICSN/00000004053

Members of the Audit Committee

Mr. Kasimu Garba Kurfi	Chairman
Mr. Nornah Awoh	Shareholders' Representative
Mrs. Fiona Ahimie	Shareholders' Representative
Mr. Abubakar Lawal	Non-Executive Director
Ms. Obiageli Ugboma	Non-Executive Director



FINANCIAL STATEMENTS

- Independent Auditors' Report
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements
- Value Added Statement
- Five-year Financial Summary



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Independent Auditor's Report to the Shareholders of NASD Plc

Opinion

We have audited the financial statements of **NASD PLC** which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of **NASD PLC** as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Companies and Allied Matters Act CAP C20 LFN 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 Financial Statements section of our report. We are independent of **NASD PLC** in accordance with the requirements of the Institute of Chartered Accountants of Nigeria professional code of conduct and guide for Accountants (ICAN code) and other ethical requirements in the International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for Professional Accountants adopted in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and Audit Committee's Reports as required by Companies and Allied Matters Act CAP C20 LFN 2004, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Financial Reporting Council of Nigeria Act 2011, and for such internal control as directors 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 financial statements, directors are responsible for assessing the entity'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Entity's Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' 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 company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004, Pension Reform Act and the Financial Reporting Council of Nigeria Act 2011, we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's statements of financial position and its statements of profit or loss and other comprehensive income are in agreement with the books of account.



Contraventions

The company contravened certain provision(s) of the Industrial Training Fund Act during the year. The particulars thereof are as disclosed in Note 22 to the financial statements.

No evidence of non-compliance with laws and regulations (NOCLAR) was brought to our notice during the year.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
25, March 2020



Engagement Partner: Joshua Ojo, FCA
FRC/2013/ICAN/00000000849

Statement Of Comprehensive Income

For The Year Ended 31 December 2019

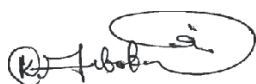
		31 December	31 December
		2019	2018
	Note	N'000	N'000
Fees and commission income	5	161,950	167,379
Employee benefits and compensation costs	7	(90,075)	(70,760)
Write-back of provision no longer required	14	510	-
Other operating expenses	8	(102,965)	(92,344)
Operating profit/(loss)		(30,580)	4,274
Interest income	9	65,747	57,748
Other Income	6	890	529
Profit/(loss) before tax		36,057	62,023
Taxation	10	8,994	28,331
Profit for the year		45,051	90,354
Total comprehensive profit for the year		45,051	90,354
Profit per share (kobo) - basic/adjusted	11	10.14	20.34

The accompanying notes form an integral part of these financial statements

Statement Of Financial Position

As At 31 December 2019


		31 December 2019	31 December 2018
	Note	N'000	N'000
Assets			
Cash and cash equivalents	12	70,826	96,104
Investment securities	13	440,829	401,707
Other assets	14	8,825	10,500
Intangible assets	15	3,129	8,697
Property and equipment	16	32,046	6,581
Deferred tax asset	17	105,163	94,276
Total assets		660,818	617,865
Liabilities			
Accounts payable	18	18,711	18,926
Current income tax	19	1,146	3,029
Total liabilities		19,857	21,955
Equity			
Share capital		444,204	444,204
Share premium		288,214	288,214
Accumulated losses	20	(91,457)	(136,508)
Total equity		640,961	595,910
Total liabilities and equity		660,818	617,865



Head, Finance and Accounts
FRC/2013/ICAN/00000003810



Managing Director/Chief Executive Officer
FRC/2014/CISN/00000005778



Chairman
FRC/2014/CISN/00000003804

Statement Of Changes In Equity

	Share capital	Share premium	Accumulated losses	Total
	N'000	N'000	N'000	N'000
As at 1 January 2018	444,204	288,214	(225,851)	506,567
IFRS 9 Day 1 Adjustment	-	-	(1,011)	(1,011)
Profit after tax	-	-	90,354	90,354
As at 31 December 2018	444,204	288,214	(136,508)	595,910
As at 1 January 2019	444,204	288,214	(136,508)	595,910
Profit after tax	-	-	45,051	45,051
As at 31 December 2019	444,204	288,214	(91,457)	640,961

The accompanying notes form an integral part of these financial statements

Statement of Cash flows

		31 December	31 December
		2019	2018
	Note	N'000	N'000
Operating activities			
Cash used in operations	22	(16,584)	(31,349)
Tax paid	19	(3,029)	(2,537)
Net cash used in operating activities		(19,613)	(33,886)
Investing activities			
Purchase of government bond and treasury bills		(239,775)	(348,508)
Proceeds from redemption of treasury bills		240,000	438,841
Purchase of property and equipment	16	(32,116)	(5,727)
Purchase of intangible assets	15	(316)	(1,793)
Proceeds from sale of property and equipment		890	529
Interest received		25,653	44,955
Net cash generated from investing activities		(5,664)	128,297
Financing activities			
Net cashflow from financing activities		-	-
(Decrease)/Increase in cash and cash equivalents		(25,278)	94,411
Cash and cash equivalents at start of year		96,104	1,693
Cash and cash equivalents at end of year	12	70,826	96,104

The accompanying notes form an integral part of these financial statements

Notes To The Financial Statements

1 The Company

NASD Plc was incorporated as a private limited liability company in 1998 and converted to a public company in May 2013. It was licensed by the Securities and Exchange Commission in December 2012 to operate an over the counter (“OTC”) market for securities of unquoted companies.

Ownership

NASD Plc is owned by a number of licensed and corporate capital market operators.

2.1 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements include the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and explanatory notes. The financial statements were authorised for issue by the Board of Directors on 25 February 2020.

The financial statements are presented in Nigerian Naira (N), which is the Company’s presentation currency, and rounded to the nearest thousand (N’000) unless otherwise indicated. Items in the statement of financial position have been presented in order of liquidity.

2.3 Basis of measurements

The financial statements have been prepared on a going concern basis using the historical cost convention.

2.4.1 Financial instruments

Recognition and initial measurement

Financial instruments are recognised initially when NASD becomes a party to the contractual provisions of the instruments. NASD classifies financial instruments, or their components parts, on initial recognition as a financial asset, a liability or an equity instrument in accordance with the substance of the contractual arrangement. Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets.

For financial instruments which are not at fair value through profit or loss, transactions costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Derecognition

Financial assets or liabilities are derecognised when the rights to receive cash flows from the investments or settlement of obligations have expired or have been transferred and NASD has transferred substantially all risks and rewards of ownership.

Off-setting

Financial assets or liabilities are set off and the net amount presented in the statement of financial position only when the company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.4.2a Financial assets – Classification and Measurement

From 1 January 2018, the Company has applied IFRS 9 and classifies its financial assets

in accordance with this standard. Financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost based on our business model for managing the financial instruments and the contractual cash flow characteristics of the instrument. For non-revolving facilities, origination date is the date the facility is disbursed while origination date for revolving facilities is the date the line is availed. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

a) A financial asset is measured at amortized cost if it meets both of the following conditions:

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

After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

b) A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- i. *the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset; and*
- ii. *the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.*

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Movements in the carrying amount of these assets are taken through OCI, except for the recognition of impairment gains or losses, and interest revenue on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in income (as part fees and commission income). Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

c) *Equity Instruments*

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Equity instruments are measured at FVTPL. However, on initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect for strategic or long term investment reasons to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Income Statement. For equity instruments measured at FVTPL, changes in fair value are recognized in the Income Statement. Dividends received are recorded as income in the Income Statement. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Income Statement on sale of the security. NASD does not currently have any equity security in its portfolio.

All other financial assets not classified as measured at amortized cost or FVTOCI as discussed above are measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

d) *Business model assessment*

Business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance

EXPANDING THE FRONTIERS

is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. Other factors considered in the determination of the business model include:

- i. the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- ii. how the performance of the portfolio is evaluated and reported to the Company's management;
- iii. 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;
- iv. 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
- v. the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Company may decide to sell financial instruments held under the business model category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

- i. When the Company sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Company considers sale of financial assets that may occur in assets held with the sole objective of collecting cashflows to be infrequent if the sales is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.
- ii. Where these sales are infrequent even if significant in value. A Sale of financial assets is considered infrequent if the sale is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.

- iii. Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.
- Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
 - Selling the financial asset to manage credit concentration risk (infrequent).
 - Selling the financial assets as a result of changes in tax laws or due to a regulatory requirement e.g. comply with liquidity requirements (infrequent).
 - Other situations also depends upon the facts and circumstances which need to be judged by the management

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

e) *Assessment of 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. Principal may change over the life of the instruments due to repayments. '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 profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company 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 the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. nonrecourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

2.4.2b Financial liabilities

The accounting for financial liabilities remains largely the same under IFRS 9 as it was under IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVTPL. Such movements are presented in OCI with no subsequent reclassification to the income statement. The Company does not currently have such instruments. Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on the business model and their contractual terms. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed.

2.4.2c Financial liabilities

The Company's holding in financial liabilities is in financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value) and financial liabilities at amortised cost. Financial liabilities are derecognised when extinguished.

a) ***Financial liabilities at fair value through profit or loss***

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the Company as at fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the Income Statement and are reported as 'income'. Interest expenses on financial liabilities held for trading are included in 'interest income'.

Financial liabilities for which the fair value option is applied are recognised in the statement of financial position as 'Financial liabilities designated at fair value'. Fair value changes relating to such financial liabilities are passed through the statement of comprehensive income.

b) ***Other liabilities measured at amortised cost***

Financial liabilities that are not classified as at fair value through profit or loss fall into

this category and are measured at amortised cost. Financial liabilities measured at amortised cost are deposits from Company's and customers, other deposits, financial liabilities in other liabilities, borrowed funds which the fair value option is not applied, convertible bonds and subordinated debts.

2.4.2d Impairment of financial assets

The IFRS 9 requires the Company to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL, together with receivables. No impairment loss is recognized on equity investments.

The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.
- The Company generally considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.
- 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Expected Credit Loss Impairment Model

The Company's allowance for losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Company adopts a three-stage approach for impairment assessment based on changes

in credit quality since initial recognition:

- i. Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- ii. Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- iii. Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

a) Measurement

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cashflows;

b) Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt financial assets carried at FVTOCI 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 past due event;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio.

A debt instrument that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in debt securities is credit-impaired, the Company considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The issuer's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

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

Allowances for ECL are presented in the statement of financial position as follows:

Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

Debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

d) Write-off

Receivables and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

e) Definition of default

The Company considers a financial asset to be in default which is fully aligned with the credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

- The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy.
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout

the Company's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

f) Explanation of inputs, assumptions and estimation techniques: Exposure at Default (EAD), Probability of Default (PD) and Loss Given Default (LGD)

ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows:

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. This 12M PD is used to calculate 12-month ECLs. The Lifetime PD is used to calculate lifetime ECLs for stage 2 and 3 exposures.

EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for

each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type:

For amortising products and bullet repayment debts, this is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type:

LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a semi-annual basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

g) Significant Increase in Credit Risk (SICR)

At each reporting date, the Company assesses whether there has been a significant increase in credit risk (SICR) for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR include macroeconomic outlook, management judgement, and delinquency and monitoring.

Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on factors such as the type of product, industry, borrower, etc.

The Company adopts a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative, Qualitative and Back stop indicators which are critical in allocating financial assets into stages. The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Company's internal rating system or External Ratings while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc. A backstop is typically used to ensure that in the (unlikely) event that the quantitative indicators do not change and there is no trigger from the qualitative indicators, an instrument that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 as the case may be except where there is a reasonable and supportable evidence available without undue cost to rebut the presumption. g) Forward-looking information incorporated in the ECL models

The assessment of significant increase in credit risk (SICR) and the calculation of ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by NASD Plc's Management team (as well as from other credible external sources such as Business Monitor International (BMI), International Monetary Fund (IMF), World Company, respective Central Company's etc.) on a quarterly basis and provide the best estimate view of the economy over the next five years. After five years, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used, which means that economic variables tend to either a long run average rate (e.g. for unemployment) or a long run average growth rate (e.g. GDP) over a period of two to five years. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Company's Management team also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 1 January 2019 and 31 December 2019, the Company concluded

that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Company measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs). As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

2.4.2e Reclassification of financial assets – Policy applicable from January 1, 2018

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets. There were no changes to any of the Company's business models during the current period. A change in the Company's business model will occur only when the Company either begins or ceases to perform an activity that is significant to its operations such as: – Significant internal restructuring or business combinations;

Any other reason that might warrant a change in the Company's business model as determined by management based on facts and circumstances

The following are not considered to be changes in the business model:

A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions) – A temporary disappearance of a particular market for financial assets.

When reclassification occurs, the Company reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'.

Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not be restated when reclassification occurs.

There were no changes to any of the Company's business models during the current period.

Classes of financial instruments

The Company classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments. The classification made can be seen in the table below:

Financial assets

Amortised Cost	Cash and Cash Equivalents
	Investment Securities
	Other assets

2.5 Intangible assets

Initial recognition and measurement

i. Internally generated intangible assets

An internally-generated intangible asset that arises from the company's computer software program development is recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are initially measured at cost and subsequently amortised on a straight-line basis over their expected useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

ii. Purchased computer software

Intangible assets that arise from purchased software are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the entity; and the cost of the item can be reliably measured. Purchased computer software are measured initially at cost and are amortised on a straight-line basis over their expected useful lives.

Subsequent measurement/amortisation

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation period, amortisation method and residual value is reviewed at each financial year end.

The estimated useful life of intangible assets is as follows:

- Computer software 4 years.

The residual value of intangible assets is assumed to be zero.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.6 Property and equipment

Recognition and measurement

An asset is recognized when it is probable that economic benefits associated with the item would flow to the company, the cost of the item can be reliably measured and when it is available for use

All property and equipment are initially recognized at cost. They are subsequently stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Property and equipment items are recognised in the book of the company when they are available for use.

All repairs and maintenance costs are charged to other operating expenses in the financial period in which they occur.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the income statement during the financial period in which they are incurred.

Depreciation

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values on a systematic basis over their estimated useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is de-recognised or classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued operations.

The estimated useful lives for the current and comparative periods are as follows:

- Computer equipment : 4 years
- Furniture and fittings : 5 years
- Office equipment : 5 years
- Motor vehicles : 6 years

Each part of an item of office equipment, furniture and fittings with a cost that is significant in relation to the total cost of the item is depreciated separately.

The asset's residual values, useful lives and depreciation method are reviewed on an annual basis, and are adjusted if appropriate.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the income statement under other operating expenses.

2.7 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Company is currently not under any operating agreement.

2.8 Share capital

i. Ordinary shares

Ordinary shares are classified as equity and are recorded at the proceeds received net of incremental external costs directly attributable to the issue.

ii. Share premium

This represents the excess of share issuance price over the nominal price of the shares.

2.9 Employee benefits

Defined contribution plan

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the company does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In accordance with the provisions of the Pension Reform Act (PRA), the Company operates a defined contributory pension scheme. The scheme is fully funded and is managed by licensed Pension Fund Administrators. Membership of the scheme is automatic upon commencement of employment at the Company. The employee and the Company contribute 8% and 10% respectively of the employee's total emoluments to the scheme. The Company's contributions to the scheme are charged to profit and loss account in the year to which they relate.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

2.10 Taxation

The tax expense represents the sum of the current tax and deferred tax charge.

The current tax is based on taxable profit for the year. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is charged or credited to profit or loss for the period, except to the extent that the tax arises from (1) a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity or (2) a business combination. Deferred tax is charged or credited outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss.

Deferred tax assets are recognised for taxable temporary differences arising on depreciation of property and equipment and utilised tax losses. The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.11 Provisions

Provisions are liabilities of uncertain timing or amount, and are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' estimate of the expenditure required to settle that obligation at the end of each reporting period, and are discounted (at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability) to present value where the effect is material.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to

any one item included in the same class of obligations may be small.

2.12 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business net of VAT and other related sales taxes.

i. Fees and commission income

Commission income comprises transaction fees earned on trading activities and registration/ annual fees paid by registered participating institutions and their sponsored representatives.

ii . Interest income

Interest income comprises interest income on short term deposits, treasury bills and federal government bonds.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.13 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. The functional currency is the currency of the primary economic environment in which the entity operates, which is the Nigerian Naira.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.14 Changes in accounting policies and disclosures

a) Other standards and amendments that were effective for the first time in 2019 that do not have significant impact on NASD

Standard	Effective Date
Amendment to IFRS 9- Prepayment Features with Negative Compensation	1 January 2019
IFRS 16 - Leases	1 January 2019
Uncertainty over Income Tax Treatment IFRIC 23	1 January 2019
Amendment to IAS 28 - Long-term Interest in Associates and Joint Ventures	1 January 2019

b) Standards and interpretations relevant to NASD issued/amended but not yet effective

As at 31 December 2019, a number of standards and interpretations, and amendments thereto, had been issued by the IASB which are not yet effective for these financial statements. Details are set out below.

Standard	Effective Date
Amendments to IFRS 3 - Definition of Business	1 January 2020
Amendments to IAS 1 and IAS 8 - Definition of Material	1 January 2020
Amendments to IFRS 9, IAS 39, and IFRS 7 - Interest Rate Benchmark Reform.	1 January 2020
Amendments to IAS 40 - Investment Property - Transfers of Investment Property	1 January 2018
IFRS 17 - Insurance Contract	1 January 2021

3.0 Financial risk management

3.1 (a) Introduction and overview

NASD Plc has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

(i) Risk management framework

The company maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy. The company's investment strategy states that its investible funds shall be spread among different financial institutions in such a way that no single financial institutions shall hold more than 25% of its invested funds. The company's investment profile comprises short term deposit in financial institution in Nigeria and Nigerian Treasury Bills.

Financial assets & liabilities

Financial assets and liabilities are recognised in the statement of financial position and measured in accordance with their assigned category. The Company uses settlement date accounting for regular way contracts when recording financial asset transactions.

The Company classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments. The Company allocates financial assets to the following categories: loans and receivables and held-to-maturity investments, and financial liabilities to Financial liabilities at amortized cost. Management determines the classification of its financial instruments at initial recognition. The classification made can be seen below:

31 December 2019	Financial assets			Financial liabilities	
	FVTPL	FVTOCI	Amortized Cost	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost
N'000					
Cash and cash equivalents	-	-	70,826	-	-
Investment securities	-	-	440,829	-	-
Other assets	-	-	4,589	-	-
Account payable	-	-	-	-	18,711
	-	-	516,244	-	18,711

31 December 2018		Financial assets			Financial liabilities	
N'000	FVTPL	FVTOCI	Amortized Cost	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	
Cash and cash equivalents	-	-	96,104	-	-	-
Investment securities	-	-	401,707	-	-	-
Other assets	-	-	5,124	-	-	-
Account payable	-	-	-	-	-	18,926
	-	-	502,935	-	-	18,926

	31 December 2019	31 December 2018
	N'000	N'000
Financial assets		
Cash and cash equivalents	70,826	96,104
Investment securities	440,611	401,707
Other assets	4,589	5,124
Financial liabilities		
Account payable	18,672	18,807

3.1a Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the company, resulting in a financial loss to the company. It arises principally from debt securities held, and also from non-derivative financial assets, cash and cash equivalents and balances due from brokers. For risk management reporting purposes the company considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

EXPANDING THE FRONTIERS

Maximum exposure to credit risk	31 December	31 December
	2019	2018
	N'000	N'000
Balances with banks	12,786	95,957
Money market placement	57,991	-
Treasury bills	281,075	240,000
FGN bonds	159,754	161,707
Other assets	4,589	5,124
	516,195	502,788

The exposures set out above are based on amounts reported in the statements of financial position.

Concentration of risks of financial assets with credit risk exposure

(a) Geographical sectors: The following table shows the Company's credit exposure at their carrying amounts as categorised by geographical region as of 31 December 2019 and 31 December 2018.

31 December 2019	Treasury bills	FGN bonds	Money market placement	Balances with banks	Other assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Nigeria	281,075	159,754	57,991	12,786	4,589	516,195
31 December 2018	Treasury bills	FGN bonds	Money market placement	Balances with banks	Other assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Nigeria	240,000	161,707	-	95,957	5,124	502,788

(b) Industry sector: The following table breaks down the Company's credit exposure at their carrying amounts as categorised by industry as of 31 December 2018 and 31 December 2017.

31 December 2019	Treasury bills	FGN bonds	Money market placement	Balances with banks	Other assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Government	281,075	159,754	-	-	-	440,611
Financial services	-	-	57,991	12,786	-	70,777
Others	-	-	-	-	4,589	4,589
	281,075	159,754	57,991	12,786	4,589	516,195

31 December 2018	Treasury bills	FGN bonds	Money market placement	Balances with banks	Other assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Government	240,000	161,707	-	-	-	401,707
Financial services	-	-	-	95,957	-	95,957
Others	-	-	-	-	5,124	5,124
	240,000	161,707	-	95,957	5,124	502,788

3.1b Credit quality of financial assets

IFRS 7 requires information about the credit quality of financial assets. This information is provided below for balances held with banks, money market placements, federal government bonds and treasury bills.

	31-Dec-19	31-Dec-18
	N'000	N'000
Sovereign Ratings		
Nigeria (B) S&P	440,829	401,707
Balances with banks		
External credit rating (S&P)		
B+	12,786	95,957
Money market placement		
External credit rating (S&P)		
B-	57,991	-
Unrated (other assets)	4,589	5,124

Rating Legend:

External credit rating (S&P)

- B Highly speculative credit rating
- B+ Highly speculative credit rating
- B- Highly speculative credit rating

- (i) Management of credit risk

The Company's policy over credit risk is not to deal with counterparties with perceived higher risk of default and by dealing only with counterparties meeting the credit standards set out in the company's prospectus.

NASD Plc is not currently involved in granting credit facilities to counterparties and does not hold investment securities of any organisation. Also, NASD Plc does not

EXPANDING THE FRONTIERS

collect funds directly from brokers for trades executed through its platform, rather than all cash settlements for trades executed are managed by Central Securities Clearing Systems Ltd (CSCS) and accredited settlement banks.

(ii) Exposure to credit risk

The Company's maximum credit risk exposure is managed by only investing idle funds in Treasury bills and financial institutions with high credit rating and at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

(iii) Cash and cash equivalents

The Company's cash and cash equivalents are held mainly with selected deposit money banks. The investment team monitors the financial position of the institutions on a monthly basis.

(iv) Settlement risk

The company's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions the company mitigates this risk by conducting settlements through Central Securities Clearing Systems Ltd and its accredited six (6) settlement banks which executed firm agreements with CSCS that all trades executed by the bank's clients (that is, brokers firms) will be settled.

3.1c Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- a. A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
- b. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer below for a description of how the Company determines when a significant increase in credit risk has occurred.

- c. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Refer below for a description of how the Company defines credit-impaired and default.
- d. Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Refer below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- e. A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- f. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3)

Further explanation is also provided of how the Company determines appropriate rankings when ECL is measured on a collective basis.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition		
Stage 1	Stage 2	Stage 3
(initial recognition)	(Significant increase in credit risk since initial)	(Credit-impaired assets)
12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

3.1d Significant increase in credit risk

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

The quantitative criteria is based on either absolute or relative changes in credit quality. In both cases, the Company is expected to specify the percentage change, for either 12-month or lifetime PDs in comparison to the corresponding 12-month or lifetime PDs as calculated at origination, respectively, that would indicate a significant increase in credit risk since origination.

3.1e Maximum exposure to credit risk

Maximum exposure to credit risk – Financial instruments subject to ECL impairment

For ECL purposes, the bank's financial asset is segmented into sub-portfolios are listed below:

- Money market placements
- Investment securities – Debt instruments
- Other assets – Fees receivables

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

Investment Securities – Debt Instruments						
As at December 31 2019						31-Dec-18
ECL Staging	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		₺'000	₺'000
Gross carrying amount	440,829	-	-	-	440,829	402,089
Loss allowance	-	-	-	-	-	(382)
Carrying amount	440,829	-	-	-	440,829	401,707
Other assets						
As at December 31 2019						31-Dec-18
ECL Staging	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		₺'000	₺'000
Gross carrying amount	8,825	-	4,589	-	13,414	15,498
Loss allowance	-	-	(4,589)	-	(4,589)	(5,099)
Carrying amount	8,825	-	-	-	8,825	10,399

3.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

3.2a (i) Management of liquidity risk

The Company's policy and the investment team's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of short term fund placements, without incurring unacceptable losses or risking damage to the company's reputation.

The Company's liquidity risk is managed on a daily basis by the investment team in accordance with policies and procedures in place. The Company's investment team at all time may invest up to 40% of the Company's assets in cash, cash equivalents and money market instruments.

3.2b (ii) Liquidity gap analysis

The table below analyses financial liabilities of the Company into relevant maturity rankings based on the remaining period at balance sheet date to the contractual maturity date. The table includes both principal and interest cash flows.

31 December 2019						
	Carrying amount	Gross nominal	less than 3 months	3-6 months	6-12 months	1-5 years
	N'000	N'000	N'000	N'000	N'000	N'000
Financial liabilities						
Accounts payable	18,672	18,672	18,672	-	-	-
Financial assets						
Cash and cash equivalents	70,826	70,826	70,826	-	-	-
Investment securities	440,829	440,829	281,075	-	-	159,754
Other assets	4,589	4,589	4,589	-	-	-
	516,244	516,244	356,490	-	-	159,754
Gap(assets-liabilities)	497,572	497,572	337,818	-	-	159,754
Cumulative liquidity gap			337,818	337,818	337,818	497,572
31 December 2018						
	Carrying amount	Gross nominal	less than 3 months	3-6 months	6-12 months	1-5 years
	N'000	N'000	N'000	N'000	N'000	N'000
Financial liabilities						
Accounts payable	18,807	18,807	18,807	-	-	-
Financial assets						
Cash and cash equivalents	96,104	96,104	96,104	-	-	-
Investment securities	401,707	401,707	240,000	-	-	161,707
other assets	5,124	5,124	5,124	-	-	-
	502,935	502,935	341,228	-	-	161,707
Gap(assets-liabilities)	484,128	484,128	322,421	-	-	161,707
Cumulative liquidity gap			322,421	322,421	322,421	484,128

3.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices will affect the company's income or the fair 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 optimising the return.

(i) Management of market risk

The Company's strategy for the management of market risk is driven by the Company's investment objective, which focuses on long-term growth while taking into cognizance the preservation of investor capital.

The Company's market risk is managed on a daily basis by the investment team in accordance with policies and procedures in place. The Company's investment team may not invest more than 25% of its investible funds in any single financial institution.

(ii) Currency risk

NASD Plc has no investments that are exposed to currency risk and it does not plan to enter into such investment in the foreseeable future.

(iii) Interest rate risk

The Company's investment in fixed interest money market placements, treasury bills and Federal Government Bonds are not exposed to interest rate risks, due to the short term nature of the placements and treasury bills the fair value risk is considered insignificant.

Exposure to fixed interest rate risk

31 December 2019			
Assets	Fixed	Non-Interest bearing	Total
	N'000	N'000	N'000
Balances with banks	-	12,786	12,786
Money market placement	57,991	-	57,991
Treasury bills	281,075	-	281,075
FGN bonds	159,754	-	159,754
Other assets	-	4,589	4,589
Liabilities			
Accounts payable	-	18,672	18,672
31 December 2018			
Assets	Fixed	Non-Interest bearing	Total
	N'000	N'000	N'000
Balances with banks	-	95,957	95,957
Money market placement	-	-	-
Treasury bills	240,000	-	240,000
FGN bonds	161,707	-	161,707
Other assets	-	5,124	5,124
Liabilities			
Accounts payable	-	18,807	18,807

A reasonably possible change of 1% in interest rates of the Company's Federal Government Bonds at the reporting date would increase (decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	1% Increase	1% Decrease
	N'000	N'000
31 December 2019		
Profit before tax	36,258	35,856
31 December 2018		
Profit before tax	62,221	61,825

3.4 Fair value of financial assets and liabilities

All of NASD's assets and liabilities are measured at amortized cost. For financial assets with short term maturity the amortized cost closely approximates the fair value.

The table below shows the analysis of financial instruments not measured at fair value.

At 31 December 2019	Carrying value N'000	Fair value N'000
Financial assets		
Cash and cash equivalents	70,826	70,826
Investment securities	440,829	440,829
Other assets	4,589	4,589
	516,244	516,244
Financial liabilities		
Accounts payable	18,672	18,672
At 31 December 2018		
Financial assets		
Cash and cash equivalents	96,104	96,104
Investment securities	401,707	401,707
Other assets	5,124	5,124
	502,935	502,935
Financial Liabilities		
Accounts payable	18,807	18,807

Fair value hierarchy for financial assets not measured at fair value

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data

The table below sets out the fair values of investment securities not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

At 31 December 2019	Level 1	Level 2	Level 3	Total
Assets	N'000	N'000	N'000	N'000
Investment securities	-	440,829	-	440,829
At 31 December 2018				
Assets	Level 1	Level 2	Level 3	Total
Assets	N'000	N'000	N'000	N'000
Investment securities	-	401,707	-	401,707

Fair valuation methods and assumptions

For other financial assets and liabilities not measured at fair value, due to their short term nature, the fair values are not significantly different from their carrying amounts. These financial assets and liabilities are as follows:

(i) Cash and cash equivalents

Cash and cash equivalents represent cash and short term deposits held with various banks in Nigeria. The fair value of these balances approximates their carrying amounts.

(ii) Other assets

Other assets represent short term receivables from third parties, therefore the fair values of these balances approximates their carrying amounts.

(iii) Accounts payable

Sundry creditors represents short-term payables to third parties. The carrying value approximates the value required to settle these liabilities. Hence, the fair values of these balances approximate their carrying amount.

4 Critical judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions have been based on historical experience and other factors that management believes to be reasonable under the circumstances.

(a) Recoverability of deferred tax assets

The company has deferred tax assets amounting to N105.16million (31 December 2018: N94.23 million).The deferred tax assets are primarily due to taxable losses of N305.81 million (31 December 2018: N325 million). The company has concluded that deferred tax assets will be recoverable using the estimated future taxable income based on approved profit projections of the company. The losses can be carried forward indefinitely and have no expiry date.

	31 December	31 December
	2019	2018
	N'000	N'000
5 Fees and commission income		
Trading commission	138,633	134,413
Registration fees	20,719	24,937
NASDep	400	7,500
Data Related Fees	700	-
Advertising	165	-
Settlement Bank Fees	1,333	-
	161,950	166,849
	31 December	31 December
	2019	2018
	N'000	N'000
6 Other income		
Gains from asset disposal	890	529
	890	529
7 Employee benefits and compensation costs		
Salaries and wages	83,648	65,678
Pension cost	6,427	5,082
	90,075	70,760
8 Other operating expenses		
Trading costs	1,563	1,390
Marketing expenses	6,733	17,082
Professional Membership Subscription	473	1,090
Consultancy fees	8,760	11,589
Rent	10,500	10,833
Service charge	6,000	6,000
Depreciation (note 15)	6,652	1,480
Amortisation (note 14)	5,884	3,823
Annual general meeting expenses	2,223	1,595
Travelling expenses	2,357	2,933
Insurance expense	4,498	3,594
Training expenses	895	1,230
Auditor's remuneration	3,675	3,675
Conference and seminars	7,020	1,374
Printing and stationeries	1,365	1,534
Directors Sitting Allowances	9,450	-
Directors Fees	6,825	4,550
General and administrative expenses	18,092	18,572
	102,965	92,344

No non-audit services was provided to the Company during the period. (2018: Nil)

EXPANDING THE FRONTIERS

		31 December	31 December
		2019	2018
9	Interest income	N'000	N'000
	Treasury bills	40,479	22,233
	Money market placements	4,950	15,737
	Bonds	20,318	19,778
		65,747	57,748
10	Taxation		
	Deferred tax income(Note 16)	(10,887)	(31,593)
	Minimum tax (Note 18)	1,146	3,029
	Increase in tax charge for the year (Note 18)	747	233
		(8,994)	(28,331)
Reconciliation of effective tax rate			
	Profit before income tax	36,057	62,023
	Non-deductible expenses	13,773	5,537
	Tax exempt income	(61,469)	(41,520)
	Taxable loss	(11,639)	26,040
	Minimum tax	1,146	3,029
	Current tax on income for the year	1,146	3,029
	Increase/(Decrease) in tax charge for the year	747	233
	Deferred tax credit to income statement	(10,887)	(31,593)
	Tax expense/(credit) for the year	(8,994)	(28,331)

The Company has a 'Nil' company income tax for 2019 (2018: nil) due to its carried forward unrelieved losses situation. Minimum tax has been computed as the Company is liable to be assessed under the minimum tax law. However, education tax is not included as a result of the assessable loss situation.

		31 December	31 December
		2019	2018
11	Earnings per share		
	Profit for the year attributable to shareholders (N'000)	45,051	90,354
	Weighted average number of ordinary shares in issue (000)	444,204	444,204
	Basic earnings per share (expressed in kobo per share)	10.14	20.34
31 December			
		2019	2018
12	Cash and cash equivalents	N'000	N'000
	Cash	49	147
	Balances with banks	12,786	95,957
	Money market placements	57,991	-
		70,826	96,104

13 Investment securities

Bonds	159,754	161,707
Treasury bills	281,075	240,000
	440,829	401,707
Current	281,075	240,000
Non-current	159,754	161,707
Total current and non-current	440,829	401,707

14 Other assets**Financial assets:**

Fee receivables	4,589	5,124
	4,589	5,124

Non-financial assets:

Prepaid rent	5,500	5,500
Prepaid insurance	1,938	3,246
Other prepaid expenses	1,387	1,729
	13,414	15,599
Impairment provision	(4,589)	(5,099)
	8,825	10,500
Current	8,825	10,500

Movement in impairment provision

Balance as at 1 January	5,099	4,579
IFRS 9 Day 1 adjustment	-	520
Write-back of provision no longer required	(510)	-
Balance at 31 December	4,589	5,099

	Computer software	Trading software	Total
	N'000	N'000	N'000
15 Intangible assets			
Cost			
As at 1 January 2019	370	13,399	13,769
Addition	-	316	316
As at 31 December 2019	370	13,715	14,085
Accumulated amortisation			
As at 1 January 2019	370	4,702	5,072
Charge for the year	-	5,884	5,884
As at 31 December 2019	370	10,586	10,956
Net book value as at 31 December 2019	-	3,129	3,129

EXPANDING THE FRONTIERS

Cost	Computer software	Trading software	Total
	N'000	N'000	N'000
As at 1 January 2018	370	11,606	11,976
Addition	-	1,793	1,793
As at 31 December 2018	370	13,399	13,769
Accumulated amortisation			
As at 1 January 2018	370	879	1,249
Charge for the year	-	3,823	3,823
As at 31 December 2018	370	4,702	5,072
Net book value as at 31 December 2018	-	8,697	8,697

	Motor vehicles	Office equipment	Furniture and fittings	Computer equipment	Total
	N'000	N'000	N'000	N'000	N'000
16 Property and equipment					
Cost					
As at 1 Jan 2019	11,303	353	9,849	10,243	31,748
Addition	28,000	2,586	37	1,493	32,116
Disposal	(8,900)	-	-	-	(8,900)
As at 31 Dec 2019	30,403	2,939	9,886	11,736	54,964
Accumulated depreciation					
As at 1 Jan 2019	10,545	314	9,124	5,184	25,167
Charge for the year	4,002	479	273	1,897	6,652
Disposal	(8,900)	-	-	-	(8,900)
As at 31 Dec 2019	5,647	793	9,397	7,081	22,918
Net book value					
As at 31 Dec 2019	24,756	2,145	489	4,655	32,046
Cost					
As at 1 Jan 2018	16,598	343	9,576	4,799	31,316
Addition	-	10	273	5,444	5,727
Disposal	(5,295)	-	-	-	(5,295)
As at 31 Dec 2018	11,303	353	9,849	10,243	31,748
Accumulated depreciation					
As at 1 Jan 2018	15,239	300	8,869	4,574	28,982
Charge for the year	601	14	255	610	1,480
Disposal	(5,295)	-	-	-	(5,295)
As at 31 Dec 2018	10,545	314	9,124	5,184	25,167
Net book value					
As at 31 Dec 2018	758	39	725	5,059	6,581

17 Deferred tax asset

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2018: 30%).

	31 December	31 December
	2019	2018
	N'000	N'000
At 1 January	(94,276)	(62,683)
Credited to profit and loss account	(10,887)	(31,593)
At 31 December	(105,163)	(94,276)
17.1 Deferred tax assets		
Deferred income tax assets are attributable to the following items:		
Property and equipment	(11,923)	(7,094)
Unutilised tax losses	(93,240)	(87,182)
	(105,163)	(94,276)
Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.		
	31 December	31 December
	2019	2018
	N'000	N'000
Deferred tax assets to be recovered after more than 12 months	(105,163)	(94,276)
18 Accounts payable		
Withholding tax payable	39	119
Accrued expenses	-	5
Other payables	18,672	18,802
	18,711	18,926
Current	18,711	18,926
19 Current income tax		
At 1 January	3,029	2,537
Payments made during the year	(3,029)	(2,537)
Charge for the year	1,146	3,029
Increase in tax charge for the year	747	233
At 31 December	1,893	3,262
20 Accumulated losses	31 December	31 December
Balance at beginning of year	(136,508)	(225,851)
IFRS 9 Day 1 Adjustment	-	(1,011)
Profit/(Loss) for the year	45,051	90,354
	(91,457)	(136,508)

21 Contingent liabilities

The Company had no pending litigation as at 31 December 2019 (2018: nil).

22 Fines and Penalties

The Company was subject to a fine of ₦2,693,084.04 being an amount imposed by the Industrial Training Fund (ITF) as the Underpaid Annual Statutory Contribution for the period of 2014 – 2018 amounting to ₦400, 708.63 and the related penalties totalling ₦2, 292,375.41. (31 December 2018: Nil)

	31 December 2019	31 December 2018
	N'000	N'000
23 Cash (used in)/generated from operations		
Profit before income tax	36,057	62,023
Adjustments for		
- Depreciation (Note 8)	6,652	1,480
- Amortisation (Note 8)	5,884	3,823
- Interest income (Note 9)	(65,747)	(57,748)
- Profit on disposal of fixed asset (Note 6)	(890)	(529)
- Impairment provision no longer required (Note 6)	(510)	-
Changes in components of working capital		
- Decrease in other assets	2,185	791
- Decrease in payables	(215)	(41,190)
	(16,584)	(31,349)

24 Related party transactions

The Company has related party relationships where control and/or significant influence exists with its shareholding members. The company enters into business transactions with these members who are also its customers, on an arm's length basis in the normal course of business.

The income and expenses and assets and liabilities resulting from transactions with related parties are as follows:

Transactions	Type of relationship	Nature of transaction	2019 N'000	2018 N'000
Income:				
Registration fees	Shareholding companies	Fees from shareholding companies that are also dealers	10,867	24,937

	31 December	31 December
	2019	2018
25 Key management compensation		
Salaries and other short-term employee benefits	31,625	26,875
Defined contribution	2,467	2,102
	34,092	28,977

Key management comprise of the Managing director, Chief financial officer and Operations manager.

26 Directors and employees

The average number of persons employed by the Company during the year was as follows:

	31 December	31 December
	2019	2018
Executive director	1	1
Management	3	3
Non-management	12	13
	16	17

The total employee benefits expense in the year comprise the following:

Salaries and other short term benefits	83,648	65,678
Post-employment benefits	6,427	5,082
	90,075	70,760

The number of employees of the company, other than directors, who received emoluments in the following ranges were:

	31 December	31 December
	2019	2018
₦500,001 – ₦1,000,000	1	3
₦1,000,000 – ₦4,000,000	11	7
Over ₦4,000,000	4	7
	16	17

27 Directors' emoluments

Remuneration paid to the Company's directors:		
Executive directors' compensation	31,625	26,875
Fees and other emoluments disclosed above include amounts paid to:		
Highest paid director	31,625	26,875

28 Capital commitments

There were no capital commitments to purchase any asset as at 31 December 2019 (31 December 2018: Nil).

Value Added Statement

	31 Dec 2019		31 Dec 2018	
	N'000		N'000	
Gross income	229,097		225,127	
Cost of services	(93,458)		(87,041)	
Value Added	135,639	100	138,086	100
Distribution				
Directors and employees				
Salaries and benefits	90,075	67	70,760	51
Government				
Taxes	(8,994)	(7)	(28,331)	(21)
Retained in the Company				
Profit	42,022	31	90,354	66
The future				
Asset replacement (depreciation & amortization)	12,536	9	5,303	4
	135,639		138,086	

Five-Year Financial Summary

	31 December				
	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Cash and cash equivalents	70,826	96,104	1,693	51,887	239,260
Investment securities	440,829	401,707	479,481	296,535	211,318
other assets	8,825	10,500	11,291	24,116	26,597
Intangible assets	3,129	8,697	10,727	-	402
Property and equipment	32,046	6,581	2,334	4,285	9,020
Deferred tax asset	105,163	94,276	62,683	62,683	23,153
	660,818	617,865	568,209	439,506	509,750
Liabilities					
Accounts payable	18,711	18,926	60,116	12,791	12,637
Current income tax	1,146	3,029	2,537	2,031	1,008
	19,857	21,955	62,653	14,822	13,645
Equity					
Share capital	444,204	444,204	444,204	333,153	333,153
Share premium	288,214	288,214	288,214	236,260	236,260
Accumulated losses	(91,457)	(136,508)	(226,862)	(144,729)	(73,308)
Total liabilities and equity	660,818	617,865	568,209	439,506	509,750
	12 months ended 31 December				
	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000
Statement of comprehensive income					
Gross earnings	229,097	225,127	121,636	108,998	311,780
Net operating income	229,097	225,127	121,636	108,998	311,780
Employee benefits and compensation cost	(90,075)	(70,760)	(72,316)	(67,820)	(71,783)
Other operating expenses	(102,965)	(92,344)	(127,905)	(150,098)	(164,878)
(Loss)/profit before tax	36,057	62,023	(78,585)	(108,920)	75,119
Tax	8,994	28,331	(2,537)	37,499	(13,452)
(Loss)/profit for the year	45,051	90,354	(81,122)	(71,421)	61,667
Basic (loss)/earnings per share (kobo)	10.14	20.34	(19.92)	(21.44)	18.51



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NASD Securities Directory by Industry

Consumer Goods:

These are products that are purchased for consumption by the average consumer. Alternatively called final goods, consumer goods are the result of production and manufacturing and are what a consumer will see on the store shelf.

Admitted Securities under Consumer Goods:

Food Product:



Dufil prima food Plc was incorporated in 1995 and admitted to trade on NASD OTC Securities Exchange market on January 20, 2015 with security code SDDUFIL. The principal activities of the company are manufacturing and marketing of indomie brand of instant noodles.

It has an issued and fully paid capital of 6.8 billion Ordinary Shares of 50 kobo each.



Friesland Campina Wamco Plc was incorporated in April 1973 and admitted to trade on NASD OTC Securities Exchange market on July 25, 2013 with security code SDFCWAMCO. The company is principally engaged in manufacturing and marketing of evaporated milk, instant milk powder and other dairy products. It has an issued and fully paid capital of 976 million Ordinary Shares of 50 kobo each.



Fumman Agricultural Product Industries Plc was incorporated in 1994 and admitted to trade on NASD OTC Securities Exchange market June 8, 2015 with security code SDFUMMAN. The company is principally engaged in producing and marketing wholesome fruits and juices in Nigeria. It has an issued and fully paid capital of 3.6 billion Ordinary Shares of 50 kobo each.



Free Range Farms Plc was incorporated in 2009 and admitted to trade on NASD OTC Securities Exchange market on September 28, 2015 with security code SDFARMSPLC. The company is principally engaged in carrying out integrated poultry farming. It has an

issued and fully paid capital of 520 million Ordinary Shares of 50 kobo each.



Vital Product Plc was incorporated in 1999 and admitted to trade on NASD OTC Securities Exchange market on January 25, 2016 with security code SDVITPROD. The company is principally engaged in manufacturing and distribution of fruit drinks and non-alcoholic beverages. It has an issued and fully paid capital of 1.82 billion Ordinary Shares of 50 kobo each.



Fan Milk Plc was incorporated on the 4 November 1961 and admitted to trade on NASD OTC Securities Exchange market on February 25, 2016 with security code SDFANMILK. The company is principally engaged in production and distribution of dairy and food products. It has an issued and fully paid capital of 999.82 million Ordinary Shares of 50 kobo each.

Consumer Services

A sector of the economy that consists of businesses that sells non-essential goods and services. Companies in this sector include retailers, media companies, consumer services companies, consumer durables and apparel companies and automobiles and components companies.

Admitted Securities under Consumer Services



Food Concepts Plc commenced operations in 2001 and admitted to trade on NASD OTC Securities Exchange market on July 15, 2013 with security code SDFOODCPT. The company is engaged in the provision of restaurant services, bakery and confectionery products. It has an issued and fully paid capital of 5.7 billion Ordinary Shares of 50 kobo each.



This company (originally known as Bata Trading Company) was founded in 1932 and admitted to trade on NASD OTC Securities Exchange market on April 5, 2016 with security code SDFAMADPLC. The company is mainly into manufacturing and marketing of footwear and purchasing and sales of footwear accessories. It has an issued and fully paid capital of 185 million Ordinary Shares of 50 kobo each.

Financials

This category of stocks contains firms that provides financial services to commercial and retail customers. This sector includes banks, investment funds, insurance companies and real estate.

Admitted Securities under Financials Industry

Real Estate Services



Afriland Properties Plc was incorporated on 14 March 2007 and admitted to trade on NASD OTC Securities Exchange market on April 9, 2014 with security code SDAFRILAND.

The company principal line of business includes Property Development, Project Management and Property Acquisition and Sales. It has an issued and fully paid capital of 1.3 billion Ordinary Shares of 50 kobo each.



Mixta Real Estate Plc (formerly ARM Properties Plc) commenced operations in February 2006 as a real estate investment fund management and admitted to trade on NASD OTC Securities Exchange market on May 11, 2015 with security code SDMIXREAL. The company is licensed to provide property development and investment services.

It has an issued and fully paid capital of 1.9 billion Ordinary Shares of 50 kobo each.



UBN Property Company Plc was incorporated on November 1, 2003 and admitted to trade on NASD OTC Securities Exchange market on January 25, 2018 with security code SDUBNPROP. The company's principal line of business includes purchase and sale of land properties, management of real estate properties and construction of estate and estate sales. It has an issued and fully paid capital of 5.6 billion Ordinary Shares of ₦1 each.

Insurance



ARM Life Plc was incorporated in 1994 and admitted to trade on NASD OTC Securities Exchange market on February 10, 2014 with security code SDARMLIFE. The company is licensed and regulated by the National Insurance Commission of Nigeria (NAICOM) to underwrite Life, Annuity and Health insurance. It has an issued and fully paid capital of 5.8 billion Ordinary Shares of 50 kobo each.



Great Nigeria Insurance Plc was incorporated in 1960 and admitted to trade on NASD OTC Securities Exchange market on August 27, 2019 with security code SDGNI. The company is licensed and regulated by the National Insurance Commission of Nigeria (NAICOM) to underwrite insurance. It has an issued and fully paid capital of 84 million Ordinary Shares of 50 kobo each.



Industrial & General Insurance Plc was incorporated on 31 October 1991 and admitted to trade on NASD OTC Securities Exchange market on July 19, 2013 with security code SDIGIPLC. The company is licensed and regulated by the National Insurance Commission of Nigeria (NAICOM) to cover tailor-made Life and Non-Life Insurance protection. It has an issued and fully paid capital of 14.2 billion Ordinary Shares of 50 kobo each.



Allianz Insurance Nigeria PLC (formerly known as Ensure Insurance PLC) was established in 1993 and admitted to trade on NASD OTC Securities Exchange market on December 21, 2018 with security code SDALLINSUR. The company is licensed and regulated by the National Insurance Commission of Nigeria (NAICOM) to cover underwriting of Life and Non-Life businesses. It has an issued and fully paid capital of 4.3 billion Ordinary Shares of 50 kobo each.

Mortgage Finance



Trustbond Mortgage Bank Plc was incorporated in 2014 and admitted to trade on NASD OTC Securities Exchange market on August 7, 2014 with security code SDTRUSTMB. The company is licensed to provide Mortgages, Real Estate Finance and Financial Advisory services. It has an issued and fully paid capital of 10.95 billion Ordinary Shares of ₦1 each.



Nigeria Mortgage Refinance Company Plc was incorporated on 24th of June 2013 and admitted to trade on NASD OTC Securities Exchange market on November 27, 2015 with security code SDNMRCPLC. The company is licensed to provide and encourage financial institutions by increasing their mortgage lending and providing them with long term funding. It has an issued and fully paid capital of 1.76 billion Ordinary Shares of ₦1 each.



AG Mortgage Bank Plc was incorporated on 21st July 2004 and admitted to trade on NASD OTC Securities Exchange market on June 17, 2016 with security code SDAGMBANK. The company is licensed to carry on business as a Primary Mortgage Institution [PMI].

It was granted a mortgage banking license by the Central Bank of Nigeria in December 2004 and commenced full operations by 31st January 2005. It has an issued and fully paid capital of 3.08 billion Ordinary Shares of 50 kobo each.

Special Services



Central Securities Clearing System Plc was incorporated on July 29, 1992 and admitted to trade on NASD OTC Securities Exchange market on May 14, 2014 with security code SDCSCSPLC. The company was licensed by the Securities and Exchange Commission as an agent for Central Depository, Clearing and Settlement of transactions in the stock market.

It has an issued and fully paid capital of 5 billion Ordinary Shares of ₦1 each.



NASD PLC was incorporated in June 1998 and admitted to trade on the NASD OTC Securities Exchange market on August 4, 2016 with security code SDNASDPLC.

The company provides a Network that eases secondary market trading of all securities of unquoted public companies. It has an issued and fully paid capital of 444 million Ordinary Shares of ₦1 each.



CR Services (Credit Bureau) PLC was incorporated in January 2003 and admitted to trade on the NASD OTC Securities Exchange market on March 29, 2017 with security code SDCRSBUR. The company is a licensed by the Central Bank of Nigeria as a credit bureau providing credit and risk management solutions. It has an issued and fully paid capital of 49.99 million Ordinary Shares of ₦1 each.

Investment Services



Golden Capital Plc was incorporated on 16 September 2008 and admitted to trade on NASD OTC Securities Exchange market on March 18, 2014 with security code SDGOLDEN.

The Company is licensed to carry out issuing House, financial consultancy and investment activities. It has an issued and fully paid capital of 1.2 billion Ordinary Shares of 50 kobo each.



Lighthouse Financial Services PLC was incorporated in January 1984 and admitted to trade on the NASD OTC Securities Exchange market on September 25, 2017 with security code SDLIGHTFSP. The company is registered with the Securities and Exchange Commission that provides financial advisory and fund-raising services to SMEs through its group registered subsidiaries. It has an issued and fully paid capital of 2.15 billion Ordinary Shares of 50 kobo each.



Providus Bank (formerly United Mortgage PLC) commenced operations in May 2016 as a regional commercial bank in Nigeria and admitted to trade on NASD OTC Securities Exchange market on December 7, 2018 with security code SDPROVIDUS. The company is licensed to provide business banking, digital banking and institutional banking service across Nigeria. It has an issued and fully paid capital of 1.2 billion Ordinary Shares of 50 kobo each.



VFD Group was incorporated on July 7, 2009 and admitted to trade on NASD OTC Securities Exchange market on November 12, 2019 with security code SDVFDGROUP. The company's principal line of business includes providing Financial Advisory, Asset Management, Currency, Real Estate, Debt Services and Private Funds Management Services, taking deposits and providing loans at very competitive rates. It has an issued and fully paid capital of 3.8 billion Ordinary Shares of 50 kobo each.

Industrials:

These are companies that produce goods for construction and manufacturing purposes. This sector includes companies involved with aerospace and defense, industrial machinery, tools, lumber production, construction, cement and metal fabrication

Heavy Construction



Cappa & D'Alberto Plc was incorporated in 1932 and admitted to trade on NASD OTC Securities Exchange market on January 22, 2015 with security code SDCAPDBETO. The company is principally engaged in Engineering, Procurement and Construction (EPC).

It has an issued and fully paid capital of 197 million Ordinary Shares of 50 kobo each.



Costain West Africa Plc was incorporated in 1948 and admitted to trade on the NASD OTC Securities Exchange market on March 10, 2017 with security code SDCOSTAIN. The Company is principally engaged in building and civil engineering projects.

It has an issued and fully paid capital of 1.08 billion Ordinary Shares of 50 kobo each.

Industrial Supplies



Geo-Fluids Plc was incorporated in 1994 and admitted to trade on NASD OTC Securities Exchange market on August 20, 2013 with security code SDGEOFLUID. The Company is principally engaged in Drilling, Mud engineering services, Filtration services and product, Storage capacity and Laboratory services. It has an issued and fully paid capital of 4.3 billion Ordinary Shares of 50 kobo each.

Container & Packaging



Riggs Ventures West Africa Plc was incorporated on the 22nd of August 1993 and admitted to trade on NASD OTC Securities Exchange market on 9 April 2014 with security code SDRIGGS. The Company is principally engaged in production of high-quality poly- propylene sacks. It has an issued and fully paid capital of 880 million Ordinary Shares of 50 kobo each.



International Packaging Industries of Nigeria Plc was incorporated 26th September 1964 and admitted to trade on the NASD OTC Securities Exchange market on June 20, 2016 with security code SDIPIPLC. The Company is principally engaged in manufacturing and sale of waxed sheets, paper bags, exercise books, toilet roll wrappers and other printing materials. It has an issued and fully paid capital of 40 million Ordinary Shares of 50 Kobo each.

Oil & Gas

A business entity that engages in the exploration, production, refinement and distribution of oil and gas in Nigeria. Admitted Securities under Oil & Gas.



Acorn Petroleum Plc was incorporated in 1981 and admitted to trade on NASD OTC Securities Exchange market on November 14, 2014 with security code SDACORN. The Company is principally engaged in trading and distribution of refined petroleum products. It has an issued and fully paid capital of 2 billion Ordinary Shares of 50 kobo each.



Niger Delta Exploration & Production Plc was incorporated on 25 March 1992 (as the Midas Drilling Fund) and admitted to trade on NASD OTC Securities Exchange market on August 1, 2013 with security code SDNDEP. The Company is principally engaged in Exploration and production of oil and natural gas.

It has an issued and fully paid capital of 181 million Ordinary Shares of 1kobo each.



Air Liquide Nigeria Plc, a subsidiary of Air Liquide Group was incorporated in 1992 and admitted to trade on NASD OTC Securities Exchange market on September 5, 2016 with security code SDAIRLIQ. The Company is principally engaged in the production and sales of industrial and medical gases in the country.

It has an issued and fully paid capital of 180 million Ordinary Shares of 50 kobo each.



Nipco Plc was incorporated on 8 January 2001 and admitted to trade on NASD OTC Securities Exchange market on February 16, 2017 with security code SDNIPCOPLC. The Company is principally engaged in the distribution of Oil products, Compressed Natural Gas (CNG) and Liquefied Petroleum Gas (LPG).

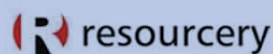
It has an issued and fully paid capital of 187.67 million Ordinary Shares of 1 kobo each.

Technology:

This sector contains businesses revolving around the manufacturing of electronics, creation of software, computers or products and services relating to information technology.

Admitted Securities under Technology:

Telecommunication Equipment



Resourcery Plc was incorporated in 1985 and admitted to trade on NASD OTC Securities Exchange market on November 25, 2013 with security code SDRSOURCE.

The Company provides Network and Infrastructure, business voice & video and data security solutions. It has an issued and fully paid capital of 2.6 billion Ordinary Shares of 50 kobo each.

SWAP

Swap technologies & telecoms Plc was incorporated in June 1996 and admitted to trade on NASD OTC Securities Exchange market on September 30, 2013 with security code SDSWAPPLC. The company provides engineering & project service, networking sharing & managed service and international operation.

It has an issued and fully paid Capital of 2.7 billion Ordinary Shares of 50 kobo each.



Mass Telecom Innovation Plc was incorporated in the year 2001 and admitted to trade on NASD OTC Securities Exchange market on December 14, 2017 with security code SDMASSTCOM. The company provides telecommunication products & services especially in the area of sales, installation and maintenance of telecommunication switching and transmission equipment. It has an issued and fully paid capital of 4.9 billion Ordinary Shares of 50 kobo each.

Active Participating Institutions

As At 31 December 2019

Participating Institutions	Value	Deals
Greenwich Securities Limited	3,278,022,051.40	41
Equity Capital Solution Limited	2,591,757,950.98	1,087
Nigerian International Securities Limited	1,884,111,859.49	256
Reward Investments & Services Limited	1,368,060,725.65	86
Stanbic IBTC Stockbrokers Limited	1,266,866,880.66	46
Valmon Securities Limited	1,134,253,879.10	241
Regency Assets Management Limited	1,040,546,749.00	19
FCSL Asset Management Company Limited	983,233,265.22	166
CSL Stockbrokers Limited	846,614,553.21	43
Anchoria Investment & Securities Limited	831,407,406.45	217
Cardinal Stone Securities Limited	688,133,413.00	47
GTI Securities Limited	618,399,672.34	86
Capital Bancorp Plc	534,332,747.10	231
Magnartis Finance & Investment Limited	437,053,635.82	140
Kedari Securities Limited	327,990,498.20	2
Bestworth Assets & Trust Limited	286,436,372.84	49
Chapel Hill Denham Securities	264,040,338.10	28
TRW Stockbrokers Limited	243,693,939.51	107
Tiddo Securities Limited	176,073,412.20	193
Capital Asset Limited	168,842,472.00	149
Lighthouse Asset Management Limited	140,497,296.30	27
Mega Equities Limited	127,386,233.60	30
Kinley Securities Limited	97,570,967.15	180
Portfolio Advisers Limited	97,024,510.08	27
Apel Asset Limited	96,113,832.60	142
Capital Trust Brokers Limited	89,228,764.90	137
Cordros Capital Limited	70,414,675.18	29
Cashcraft Securities Limited	65,880,453.70	88
Meristem Securities Limited	65,051,363.30	41
Arthur Steven Asset Management Limited	58,521,147.50	126
Calyx Securities Limited	58,123,384.86	72

The Bridge Securities Limited	54,357,997.10	38
Fortress Capital Limited	53,737,679.97	48
Icon Stockbrokers Limited	52,971,713.00	43
Apt Securities And Funds Limited	52,380,798.74	105
ARM Securities Limited	44,288,654.12	61
Readings Investments Limited	37,656,589.91	18
Lambeth Trust & Investment Company Limited	36,389,387.00	58
Vetiva Securities Limited	35,455,000.00	3
Tradelink Securities Limited	30,848,564.84	90
United Capital Securities Limited	28,145,809.33	32
PIPC Securities Limited	27,740,652.00	9
SFC Securities Limited	27,493,762.41	43
Nigerian Stockbrokers Limited	24,771,795.14	77
Qualinvest Capital Limited	22,502,634.20	9
Kapital Care Trust & Securities Limited	21,203,802.00	30
Rostrum Investment & Securities Limited	18,583,020.50	19
Springboard Trust And Investment Limited	18,302,970.00	10
Coronation Securities Limited	17,507,310.30	4
Wstc Financial Services Limited	16,874,439.06	16
Dynamic Portfolio Limited	15,894,220.70	45
Trusthouse Investments Limited	13,197,926.45	90
Network Capital Limited	12,537,006.00	7
Planet Capital Limited	10,282,350.13	8
Fidelity Finance Company Limited	9,523,945.10	10
Compass Investment & Securities Limited	8,479,981.00	20
Lead Securities & Investment Limited	8,072,327.60	22
Pilot Securities Limited	7,759,600.00	5
Newdevco Investments And Securities Company Limited	7,299,520.00	6
Dunbell Securities Limited	6,423,788.40	82
Woodland Capital Market Plc	6,080,450.00	15
FSDH Securities Limited	5,741,118.50	10
FIS Securities Limited	5,457,573.00	46
Afrinvest Securities Ltd	5,332,112.62	32
Harmony Securities Limited	4,721,570.50	8
FBN Securities Limited	3,073,000.00	4
Signet Investments & Securities Limited	3,062,795.50	19

EXPANDING THE FRONTIERS

EDC Securities Limited	2,538,500.00	14
Traders Trust And Investment Company Limited	1,719,360.74	8
Chartwell Securities Limited	1,546,220.00	3
Global Asset Management Nigeria Limited	1,278,405.00	5
Capital Express Securities Limited	1,223,048.00	9
Molten Trust Limited	1,159,000.00	5
Fidelity Securities Limited	1,147,500.00	1
Centrepoint Investment Limited	1,028,790.00	1
Sigma Securities Limited	1,027,236.05	14
Mbc Securities Limited	1,021,268.45	84
Pac Securities Limited	680,227.50	9
Imperial Asset Managers Limited	534,837.50	3
Investment One Stockbrokers International Limited	447,250.86	65
Cowry Securites Limited	414,748.30	5
Eurocomm Securities Limited	333,476.00	6
Securities Africa Financial Limited	205,584.00	15
Finmal Finance Services Limited	175,330.00	7
Dominion Trust Limited	147,818.00	5
Pivot Capital	139,850.00	3
Prominent Securities Limited	125,163.40	28
Resort Securities & Trust Limited	113,976.00	4
Edgefield Capital Management Limited	72,250.00	1
Topmost Securities Limited	65,749.38	11
Golden Securities Limited	41,022.00	10
Elixir Securities Limited	6,736.70	4

NASD Management Team



Bola Ajomale
Managing Director/CEO



Chinwendu Ekeh
Head, Market
Operations & IT



Ifeoma E. Uba-Onubogu
Head, Legal & Compliance



Kolawole Jiboku
Head, Finance &
Accounts



Chioma Mbagwu
Head, Admin & Human
Resources

Events

Afriland Analyst Call



Events

Breakfast Meeting/Recognition Award



Stakeholders Forum Training



Connecting To NASD

Issuers, Investors, Market Intermediaries and other stakeholders can obtain information about NASD, its admitted securities and companies, market metrics, corporate governance and financial performance through various media.



Proxy Form



I/We

Being member(s) of NASD PLC hereby

S/N	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Mr. Ariyo Olushekun as a Non-Executive Director.		
2.	To re-elect Mr. Kayode Falowo as a Non-Executive Director.		
3.	To re-elect Mr. Samuel Nwanze as a Non-Executive Director.		
4.	To elect Mr. Kyari Bukar as an Independent Non- Executive Director		
5.	To elect members of the Audit Committee.		
6.	To alter the Articles of Association of the Company by inserting a new Clause 14 for the provision of Electronic Meetings for the Board and Board Committees.		

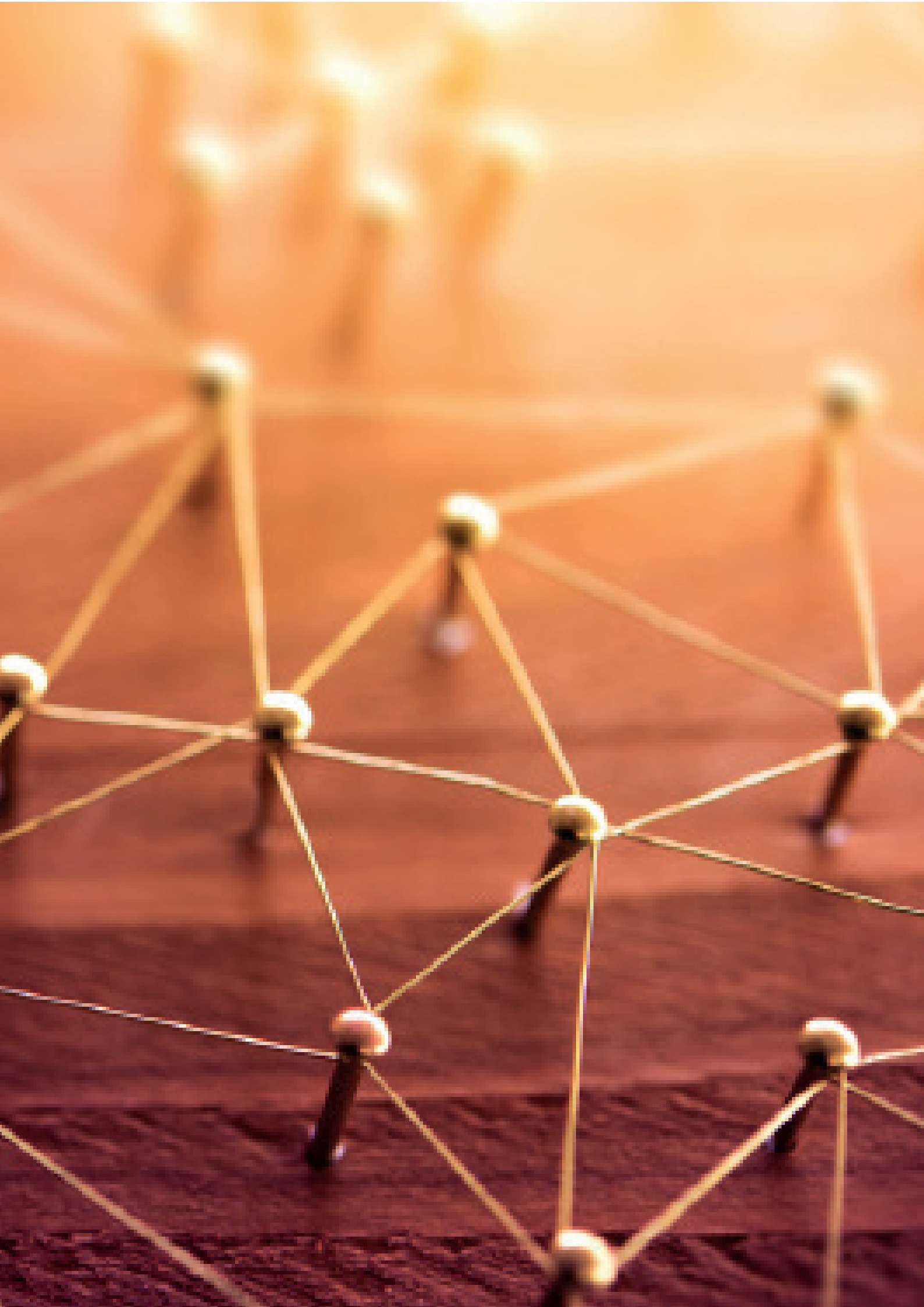
appoint..... as my/our proxy to act and vote on my/our behalf at the Annual General Meeting of the Company to be held on June 25 2020 and at any adjournment thereof.

Dated this..... day of.....2020

Shareholder's Signature.....

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his or her stead. All executed proxy forms should be deposited at the registered office of the Company, 9th Floor, UBA Building, 57, Marina, Lagos or the the office of the Registrar, United Securities Limited, Plot 009, Amodu Ojikutu Street, Off Saka Tinubu, Victoria Island, Lagos, not less than 48 hours before the time for holding the Annual General Meeting. A proxy need not be a member of the Company.
2. It is required by the law under the Stamp Duties Act, Cap. S8 Laws of the Federation of Nigeria 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear S tamp Duty at the appropriate rate, not adhesive postage stamps.
3. If the shareholder is a corporation, this form must be under its common seal.



CONTACT US



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