

2020

**Innovating
for the
Future**

**Annual Reports &
Financial Statements**



VISION

To be the most innovative exchange for capital formation in West Africa

MISSION

Enabling economic development in Africa through consistent innovation

OUR CORE VALUES

TRANSPARENCY

We will provide information that is relevant, necessary and timely.

INTEGRITY

We honour all commitments and never compromise our ethics.

PERFORMANCE

We ensure that all requirements are executed to exceed stakeholders' expectations

INNOVATION

We push beyond boundaries to develop customer focused products
- bringing ideas to life.



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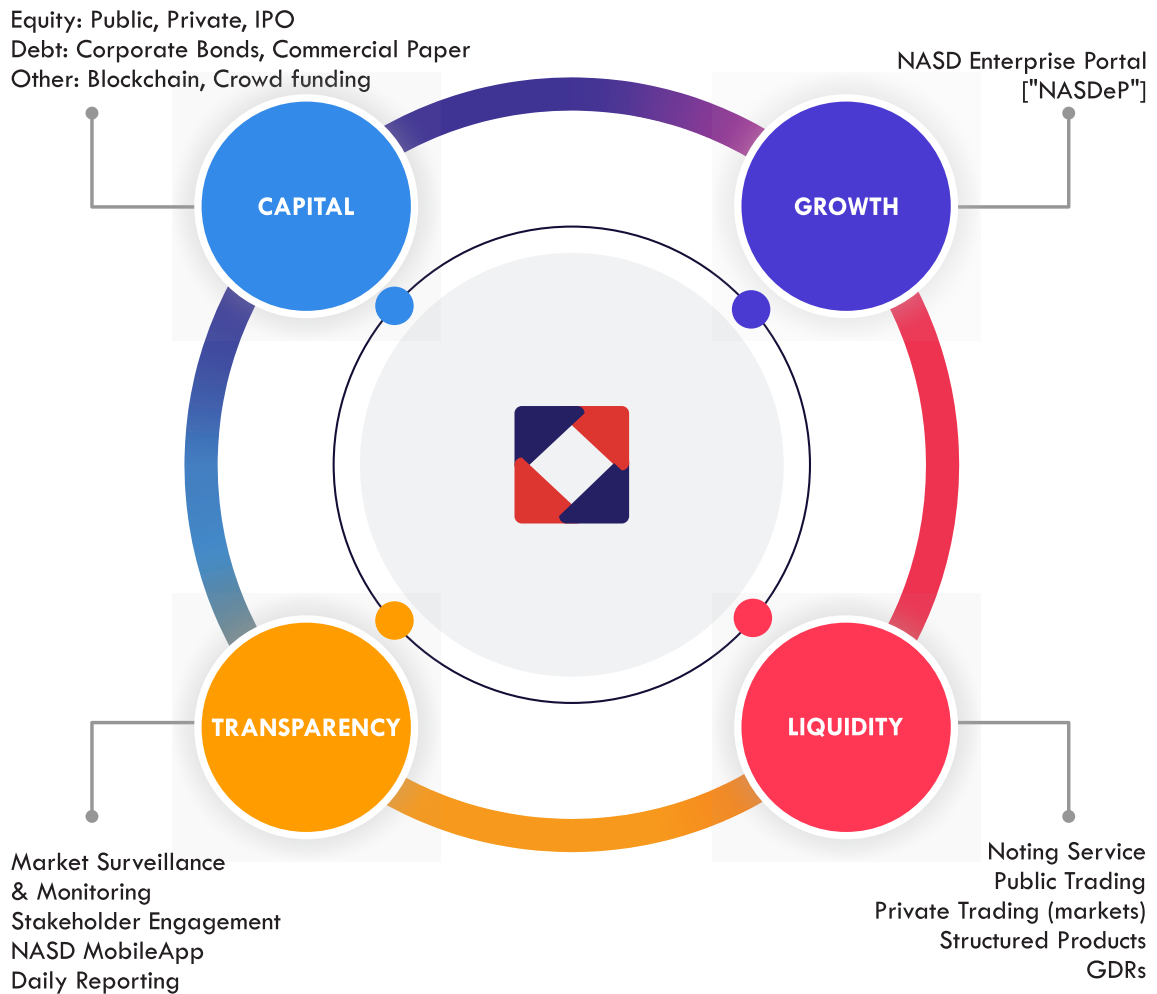
Corporate Profile

NASD PLC ["NASD"] is 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.

Our value points are



Irrespective of the complexity of a transaction, NASD's structure and function as an OTC market allows us the flexibility to develop innovative solutions to meet the most unique requirements.

Our objectives are met through the following vehicles:

1. NASD OTC Securities Exchange
2. NASD Enterprise Portal ["NASDeP"]
3. NASD VentureRamp

As an OTC Securities Exchange, NASD:

- Provides a cost-effective full listing platform.
- 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

ADMITTED COMPANY	ADMITTED SECURITIES
Initiated by the issuer	Initiated by the investor
Requires active participation/compliance of the issuer	Does not require active participation of the issuer
Full register is dematerialised with CSCS	Partial dematerialisation of register
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)

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.



NASD Enterprise Portal (NASDeP)



NASD Enterprise Portal (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

NASD VentureRamp

NASD VentureRamp is ideally suited for enterprises who wish to raise capital for the execution of developmental projects. The NASD VentureRamp provides a secure and transparent platform through which enterprises can raise funds via a private crowdfunding campaign from an approved number of crowdfunding investors or from the investing public.



Why VentureRamp?

VentureRamp create an efficient, accessible, and transparent platform for both investors and enterprises. The purpose behind VentureRamp is to:

1. Provide a capital raising platform for entrepreneurs without having to give up control or a portion of their businesses from the start.
2. Ease the capital raising process for entrepreneurs by giving access to a larger and more diverse group of investors.
3. Encourage investors of varying financial capacity to invest in great ideas and high growth businesses from the start.
4. Support creative, non-profit and humanitarian causes, by providing them with a platform to raise funding from people who would like to support creatives or people who believe in these causes.

Corporate Information

Board of directors	Mr. Olutola Mobolurin Mr. Bola Ajomale Mr. Chike Nwanze Mr. Ariyo Olushekun Mr. Oladipo Aina Mr. Abubakar Lawal Mr. Kayode Falowo Mr. Samuel Nwanze Ms. Obiageli Ugboma Mr. Aigbovbiose Aig-Imokhuede Mr. Kyari Bukar	(Chairman) (MD/CEO) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Independent Director)
Company Secretary	GIO Nominees Limited 864B Bishop Aboyade Cole Street Victoria Island, Lagos	
Business office	9th Floor, UBA House 57 Marina, Lagos Nigeria	
Auditor	Deloitte & Touche Civic Towers Plot GA1 Ozumba Mbadiwe Avenue Victoria Island, Lagos Nigeria	
Registrar	Coronation Registrars Limited Plot 9 Amodu Ojikutu Street Victoria Island, Lagos Nigeria	
Bankers	First Bank of Nigeria Limited Guaranty Trust Bank PLC Stanbic IBTC Bank PLC United Bank for Africa PLC	

Notice of 8th Annual General Meeting

NOTICE IS HEREBY GIVEN that the **Eighth Annual General Meeting of NASD PLC** (The Company) will hold on **Friday, 18 June 2021** at NASD PLC, 9th Floor, UBA House, 57 Marina, Lagos at **11.00am** to transact the following business:

ORDINARY BUSINESS

- To receive the Audited Financial Statements of the Company for the year ended 31st December 2020 together with the Reports of the Directors, Auditors and Audit Committee thereon.
- To elect Mr. Ayodeji Adigun as a Non-Executive Director.
- To elect Mrs. Olayimikah Bolo as a Non-Executive Director.
- To re-elect Mr. Olutola Mobolurin as a Non-Executive Director.
- To re-elect Mr. Oladipo Aina as a Non-Executive Director.
- To re-elect Mr. Abubakar Lawal as a Non-Executive Director.
- To re-elect Mr. Chike Nwanze as a Non-Executive Director.

Special notice is hereby given by the Company to the members in accordance with Section 278 of the Companies and Allied Matters Act, 2020 that the following resolution will be moved at the Meeting:

"That Mr. Chike Nwanze be re-elected a Director of the Company notwithstanding that he attained the age of 80 years on 7 November 2020".

- To authorise the Directors to fix the remuneration of the Auditors.
- To elect members of the Statutory Audit Committee.
- Pursuant to Section 257 of the Companies and Allied Matters Act 2020, to disclose the remuneration of Managers.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following as a special resolution:

Amendment of Articles of Association

"That pursuant to Section 53 of the Companies and Allied Matters Act, 2020, the Articles of Association of the Company be hereby altered by the insertion of a new **Clause 14** as follows:

"Electronic Meetings

Any Board or Committee meeting may be conducted by one or more means of remote communication through which all of the Directors may participate with each other during the meeting, if the number of Directors participating in the meeting would be sufficient to constitute a quorum.

Participation in a meeting by remote communication constitutes presence in person at the meeting. In the event a meeting is to be held by remote communication, the Board shall establish the procedures for the conduct thereof including, without limitation, the procedure for voting by telephonic, electronic or other communications facility."

PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy from the proxies stated in the Notice to attend and vote in his/her/its stead in accordance with the Corporate Affairs Commission guidelines on holding General Meetings using proxies. For the appointment to be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Coronation Registrars Limited, 9 Amodu Ojikutu St, Victoria Island, Lagos, Nigeria, not less than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report.

NOTES

COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES

In the interest of public safety and having due regard to the Nigeria Centre for Disease Control (NCDC) COVID-19 Guidance for Safe Mass Gatherings in Nigeria, (and the restrictions on public gatherings by the Lagos State Government) and pursuant to the Corporate Affairs Commission's (CAC) Guidelines on holding Annual General Meetings by Public Companies using Proxies, only persons indicated to be selected proxies on the Proxy Form would attend the Meeting physically. All other Shareholders would be required to attend the Meeting online and to vote at the Meeting through a proxy.

In view of the above, 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:

- | | | |
|---------------------------|---|------------------------------|
| 1. Mr. Olutola Mobolurin | – | Chairman |
| 2. Mr. Bola Ajomale | – | Managing Director |
| 3. 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@ikolokagbue.com or to legalcompliance@nasdng.com not later than June 15 2021 to enable the Company stamp the proxy forms and lodge same with Coronation Registrars not later than 48 hours prior to the meeting.

SPECIAL NOTICE

Mr. Chike Nwanze has given notice to the Company and by doing so hereby further discloses to members that he attained the age of 80 years on 7 November 2020.

AUDIT COMMITTEE

In accordance with Section 404(6) of the Companies and Allied Matters Act, 2020 any shareholder may nominate another shareholder for election to the Audit Committee by giving notice in writing of such nomination to the email of the Company Secretary likwuagwu@ikolokagbue.com or to legalcompliance@nasdng.com at least 21 days before the Annual General Meeting. Nominations can also be submitted to the Company Secretary, GIO Nominees Limited, 864B, Bishop Aboyade Cole Street, Victoria Island, Lagos.

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.

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.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from the 4th to 11th June 2021 (both days inclusive) for the purpose of updating the Register of Members.

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.

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 Company, 9th Floor, UBA Building, 57, Marina, Lagos or the email of the Company Secretary likwuagwu@ikolokagbue.com or office of the Company Secretary, GIO Nominees Limited, 864B, Bishop Aboyade Cole Street, Victoria Island, Lagos not later than June 15, 2021. Questions will be presented at the Annual General Meeting and answered thereat.

dated this 21st Day of May 2021

By Order of the Board



L. Omolola Ikwuagwu (Mrs.)
FRC/2014/NBA/0000007013
GIO Nominees Limited (Company Secretary)

Business Review

Chairman's Statement

Managing Director's Report

Business Review





Chairman's Statement

Distinguished shareholders, ladies, and gentlemen, on behalf of the Board of NASD Plc. ("the Company"), it is my pleasure to welcome you to the 8th Annual General Meeting and to present to you the Annual Report and Financial Statements for the year ended 31st December 2020.

The Company's performance in the year under review was shaped by various events during the period and will like to give a review of some of the major ones in the global and domestic terrain.



The Global Economy in 2020

The global economy was affected greatly by the spread of the coronavirus and the forceful lockdown of economies around the world to stop the spread of the virus; this in turn caused economies to go into recession as business activities declined. IMF research further showed that the global economy shrank by 4.4%, the worst since the great depression of the 1930s. The response to fight the pandemic led to lockdowns, causing business closures, layoffs and decline in productivity while social distancing, an anti-pandemic protocol, also caused major disruptions in many businesses, work environment and social interactions. All these went on to weaken economic prospects, reduced household consumption and investments in businesses.

The U.S. Federal Reserve took precise steps during the pandemic to reduce the effects of the economic decline by reducing interest rates to less than 0.25% per annum to stimulate the US economy.

The oil market was not exempted from the negative impact of the pandemic. Crude Oil prices suffered a \$37 per barrel decline as demand for crude oil fell. Crude oil prices eventually stabilized at \$30 per barrel after an agreement on daily production was reached between OPEC and non-OPEC oil producing and exporting countries.

Other industries such as travel, real estate, and even the stock market were also affected negatively by the pandemic; however, the stock market made a speedy recovery.

While the pandemic affected the economy, the year also saw the election victory by Joe Biden who also made history as the first president to have a female vice president in the United States of America.

Despite these challenges, the global economy saw light at the end of the tunnel as medical research companies recorded breakthroughs in their search for a vaccine inducing positive outlook for economies around the world.

The Nigerian Economy

On the domestic front, the Nigerian economy was not exempted from events affecting global financial markets and economies. The Nigerian economy due to restrictions and decline in economic activities had and went into recession suffering a cumulative decline in real GDP growth rate of 3.63%.

Crude oil price volatility exerted pressure on foreign exchange stability which necessitated several exchange rate adjustments by the Central Bank of Nigeria from ₦307/\$1 to ₦380/\$1 a significant devaluation of the Naira.

This pushed Nigeria's inflation rate higher, from 12.13% in January 2020 to 12.56% in June 2020.

Macro-economic indices and forecasts portrayed a decline in investors' confidence in the domestic investment climate as foreign direct investment (FDI) and foreign portfolio investments (FPI) plunged 33.41% and 91.14% respectively, YOY in Q2 2020.

With the drop in oil prices, government revenues declined further from an already low 8% in 2019 to a projected 5% in 2020; at a time when fiscal resources were desperately needed to contain the COVID-19 outbreak and stimulate the economy.

The pandemic also caused a decline in remittances to Nigeria which has been a major

contributor to the GDP. However, this year the CBN initiated some new policies projected to increase remittances to the country by 2.1%

The Central Bank of Nigeria ["CBN"] reduced its monetary policy rate ["MPR"] to 11.5%, maintaining loan to deposit ratio of commercial banks at 65%; this was done in a bid to stimulate the economy.

Despite the effects of the pandemic on the economy, we saw a few notable and historical moments. The FinTech space in 2020 saw the largest acquisition in Nigeria, which was the \$200m deal acquisition of Paystack a payment processing platform in Nigeria by Stripe, a Silicon Valley giant.

The Nigerian capital market also saw impressive returns in 2020 driven majorly by news of a viable vaccine against the virus, coupled with a 17% collapse in interest rates on bonds and money market instruments.

The Nigerian Bureau of Statistics ["NBS"] indicated that Nigeria's GDP rose to 0.11% in the 4th quarter of 2020 which brought us out of the recession.

NASD OTC: Business Environment

In the first quarter of the year 2020, your Company transitioned remarkably to working from home and this was evident as the NASD team trained over 70 individuals and brokers virtually.

We also joined the capital market CSR initiative to provide COVID relief to Nigerians affected by the pandemic.

In a bid to support enterprises affected by the pandemic, we launched the NASD VentureRamp platform which

creates an avenue for enterprises, non-profit organizations, and individuals to raise capital. The second quarter of the year also saw the incorporation of NASD Services Limited and NASD Technologies Limited which were both launched to further increase profitability for your Company.

Given the need to manage the business dynamically in the wake of the far-reaching effects of the coronavirus pandemic, NASD took the decision early in the year to create innovative solutions to emerging market challenges. It also decided to focus on enhancing trading experience and push for volume-led competitive growth as the best means of maximizing value.

We are confident that as the Economy recovers from the effects of the Pandemic, NASD is fully prepared and well positioned to close the year on a positive note.

Financial Performance

Distinguished shareholders, your Company earned ₦103million as trading commission in the year in comparison to ₦139 million achieved in the preceding year. This was due to the macroeconomic challenges outlined above. The Company earned ₦51.8 million from interest on investments. The marginal decrease in interest income was due to the general fall of interest rates for a significant period of the year. Our direct total expenses amounted to 188.2 million compared to the ₦193 million recorded in the preceding year.

As the global economy recovers from the effects of COVID -19, which created an extreme market volatility in 2020, there are still uncertainties around the speed





of the recovery.

On the domestic front, we just came out of a recession with projections for 2021 Q1 growth at 1.2%.

However, it is expected that initiatives such as NASD VentureRamp and NASD Enterprise Portal will encourage more companies, especially start-ups, to explore the opportunity of accessing the capital market for long term funding.

We are optimistic that the increased awareness of the OTC Market and the support of the Securities and Exchange Commission to provide the regulatory framework required to grow the fledgling OTC space will in no distant time yield the much-awaited result.

Appreciation

I would like to use this opportunity to thank Management and other employees for their ceaseless dedication to the success of the Company. I also like to thank the Securities and Exchange Commission for its continued support of the OTC Market. The Market has continued to grow and strengthen under the Commission's watchful supervision, and we look forward to its continued support. To the shareholders, I extend my appreciation for their unwavering belief in the Company even in uncertain times. As the operating result for 2020 reflects, we have a lot of work to do, and we do not intend to relent. I also say a big thank you to our Participating Institutions for their cooperation and active participation. Finally, I thank my colleagues on the Board for their sacrifice, co-operation, dedication and committed service to the Company with no remuneration. We look forward with great expectation to better years to come.

A handwritten signature in black ink, appearing to read 'Olutola Mobolurin'. The signature is stylized and somewhat abstract, with several overlapping loops and a long horizontal stroke at the end.

Olutola Mobolurin
Chairman, Board of Directors
NASD Plc

Managing Director's Report



General Economy Performance

The year 2020 was challenging globally as businesses operated in the most difficult year in recent history due to the outbreak of the coronavirus pandemic.

The global economy at large shut down drastically from the end of the 1st quarter of 2020 due to enforced restrictions on movement and all commercial and social activity. As a result of this, business operations were performed remotely and the general demand for services were at their lowest as the economy also slipped into recession.

In the final quarter of the year, commercial activity cautiously resumed but GDP had contracted by -4.4% and the inflation rate had risen to 15.75% from 13.71% in the third quarter. Nigeria's currency the Naira also depreciated against the benchmark U.S dollar to ₦500 to the dollar on the parallel market.

How NASD responded

In line with our objective of establishing a nimble and highly responsive securities exchange, NASD had completed all business continuity planning and testing ahead of the nationwide lockdown announcement of March 2020. The OTC market therefore seamlessly transitioned into full remote mode in March and remained compliant with all COVID-19 precautions as advised by the Federal Government of Nigeria through 2020.

Due to the resilience of both management and board of NASD PLC, the OTC market did not experience any downtime in delivering a consistent and orderly market through 2020. Although NASD was able to demonstrate strong operational stability, the effect of the lockdown on trades and activity was not as positive.

In general, the Nigerian economy practically came to a sudden halt as all movement and enterprise became restricted. This effect was even more pronounced on the OTC market as locked in investors sought liquidity while potential new investors tried to gauge market volatility. Value of trades dropped 60.1% between Q1 and Q2 2020 value from ₦7.2 billion in Q1 to ₦2.9 billion in Q2. In Q3 2020, transaction values declined another 56.7% to ₦1.25 billion. A marginal Q on Q increase of 5% was however witnessed in Q4 with executed transactions being 5% higher than Q3 executed transactions.

We however believe that as the Nigerian economy opens in 2021, NASD is structurally and strategically well positioned to deliver strong returns in 2021.

Financial Performance

In 2020, NASD saw a decrease in both transaction income and investment income in comparison to activity of 2019. NASD generated transaction fees of ₦103 million - 25.9% less than the ₦139 million earned in 2019. Prevailing interest rates declined from the 3rd quarter of 2020 to 11.5%. The potential negative impact of this was dampened somewhat with the switch to more active fund management through the year. NASD therefore recorded investment income of ₦51.8 million compared to the ₦65.7 million recorded in 2019.

In 2020, your company incurred total expenses amounted to ₦188.2 million compared to the ₦193 million recorded in the corresponding period of 2019.

At the year ended 31 December 2020, NASD recorded a loss before tax of ₦11.99 million.

Trade activity

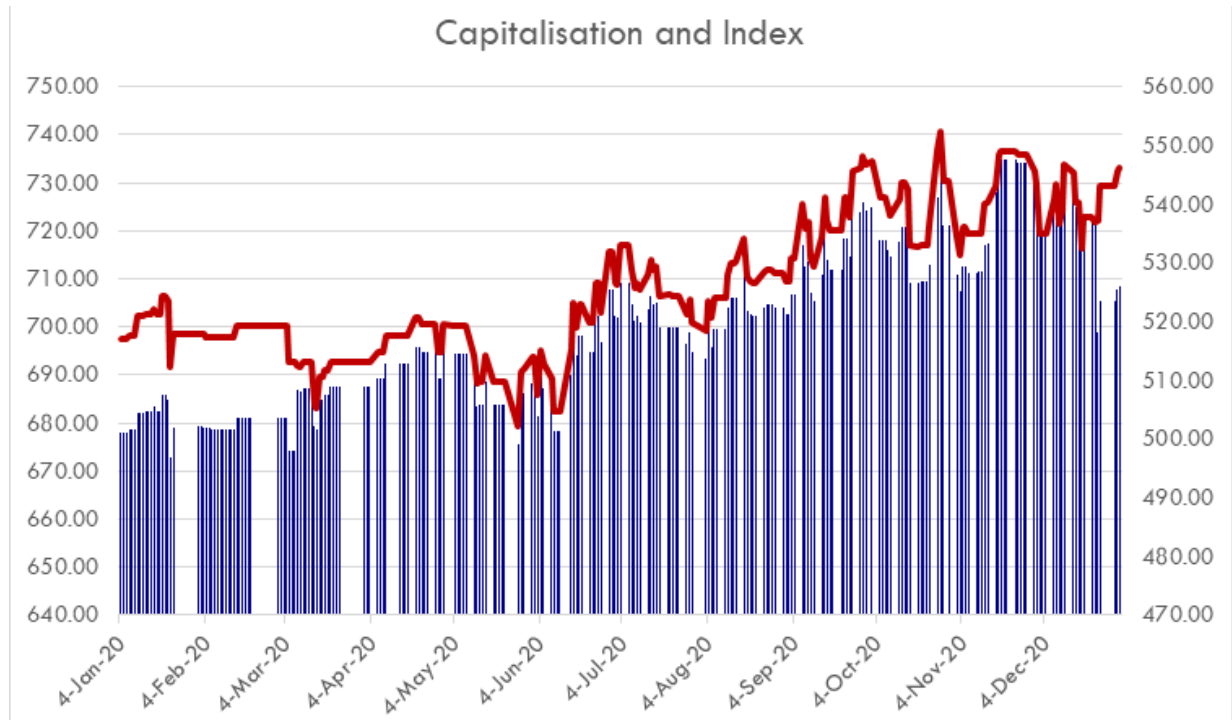
Overall, market turnover was 21.08% higher in 2020 than in 2019 in value terms. This however was significantly below the anticipated value at the beginning of the year in the company's budget due to the unexpected effect of the lockdown and pandemic.

The NASD Security Index ['NSI'] in the year 2020 however recorded a 6.29% increase to close the year at 733 and market capitalisation rose 4.95% from ₦501.14 billion at the beginning of the year to ₦525.95 billion; the increase of the NSI and Market cap were due to the newly added securities – GNI, Newrest PLC and VFD Group. Dematerialised shares available to trade rose from 45.02% in 2019 to 69.18% in 2020.

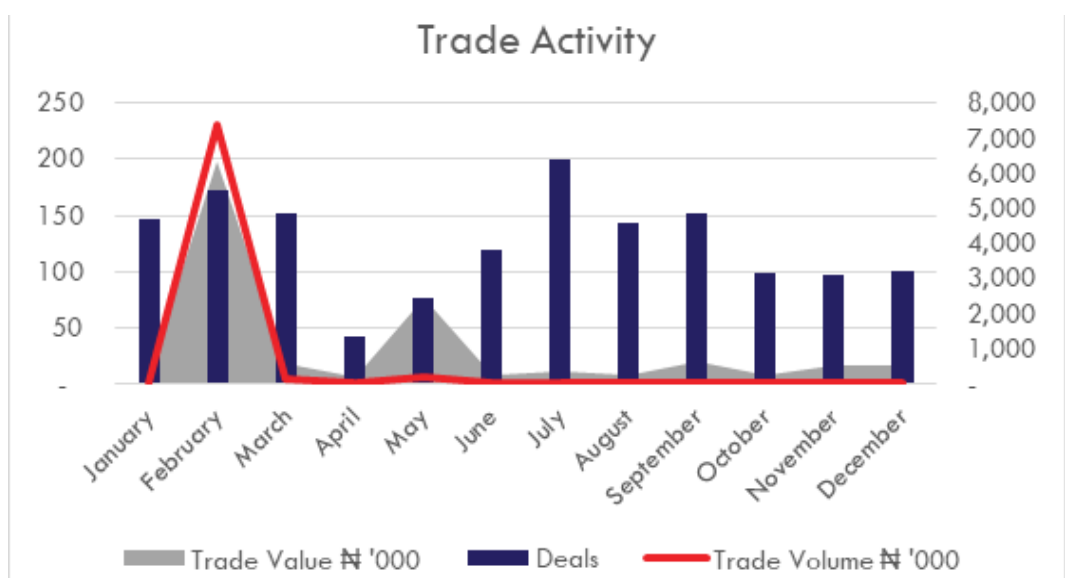
We shall continue to encourage securities to register with the SEC so they can be dematerialised into the market as we aim for 100% dematerialisation of public shares.

Key Market Metrics

Date	31-Dec-19	31-Dec-20	% Change
NSI	699.54	733	4.78
Market Cap	501.14	525.94	4.95



Trade Activity



Liquidity by Security

Top 5 Traded Securities by volume			Top 5 Securities traded by value		
Securities	Value Traded N'000 000	Market Cap. N'000 000	Securities	Value Traded N'000 000	Market Cap N'000 000
SDARMLIFE	7,421		SDARMLIFE	4,601	
SDCSCSPLC	213	80,000	SDNDEP	3,707	57,143
SDFOODCPT	152	4,674	SDCSCSPLC	2,862	80,000
SDLIGHTFSP	49	1,075	SDFCWAMCO	845	127,802
SDNASDPLC	29	1,554	SDNIPCOPLC	249	12,855

A total of 7.93 billion shares worth ₦12.68 billion was traded with 1,498 deals in the year 2020 compared to 2.68 billion shares worth ₦10.47 billion traded in 2,808 deals in the preceding year.

The Volume of shares traded increased by 195.23%, while the Value traded increased by 21.08% compared to the previous year.

The market was led by ARM LIFE Plc which accounted for 93.59% and 36.27% of the Volume and Value traded respectively.

Top Gainers and losers by share price							
Top 3 Gainers 2020				Top 3 losers 2020			
Security Code	Opening Price	Closing Price	Percentage Change %	Security Code	Opening Price	Closing Price	Percentage Change %
SDCSCSPLC	11.5	15.05	30.87%	SDAFRILAND	2.2	1.38	-37.27%
SDGEFLUID	0.53	0.63	30.19%	SDUBNPROP	1.49	1.26	-15.44%
SDNMRCPLC	4.55	5.82	27.91%	SDNIPCOPLC	72.53	68	-6.25%

Admitted securities

We continue to maintain two main methods for securities to enter the OTC Market. As at 31 December 2020, 13 companies were in the Blue category, 8 in the Pink and 15 in the Red category. Although this ranking does not reflect the profitability (and potential returns to investors), it provides a useful guide to what information is readily available on each company.

Categorisation of NASD OTC Securities

BLUE	PINK	RED
Highest level of compliance with regulatory disclosure	Securities that demonstrated some compliance with financial reporting standards.	In default of the requirements of regulatory disclosure
AG MORTGAGE BANK PLC	CR SERVICES (CREDIT BUREAU) PLC	FUMMAN AGRICULTURAL PRODUCT IND. PLC
AFRILAND PROPERTIES PLC	CR SERVICES (CREDIT BUREAU) PLC CLASS A	INDUSTRIAL AND GENERAL INSURANCE PLC
AIR LIQUIDE PLC	CR SERVICES (CREDIT BUREAU) PLC CLASS B	INTERNATIONAL PACKAGING IND. OF NIG PLC
CENTRAL SECURITIES CLEARING SYSTEM PLC	DUFIL PRIMA FOOD PLC	ACORN PETROLEUM PLC
FRIESLAND CAMPINA WAMCO NIGERIA PLC	FAN MILK PLC	COSTAIN (WEST AFRICA) PLC
NASD PLC	FOOD CONCEPTS PLC	FAMAD NIGERIA PLC
UBN PROPERTY PLC	FREE RANGE FARMS PLC	GEO-FLUIDS PLC
VFD GROUP PLC	LIGHTHOUSE FINANCIAL SERVICES PLC	GOLDEN CAPTIAL PLC
GREAT NIGERIA INSURANCE PLC		MASS TELECOM INNOVATION PLC
NEWREST PLC		PROVIDUS BANK PLC
NIGERIA MORTGAGE REFINANCE COMPANY PLC		RESOURCERY PIC
NIGER DELTA EXPLORATION & PRODUCTION PLC		RIGGS VENTURES WEST AFRICA PLC
NIPCO PLC		SWAP TECHNOLOGIES & TELECOMMS PLC
		VITAL PRODUCTS PLC
		CAPPA AND DALBERTO PLC

Corporate Social Responsibility

Despite our limited profitability in 2020, NASD recognizes its responsibility to the Nigerian economy and its people. As a Corporate Social Responsibility therefore, NASD joined the Securities and Exchange Commission led capital market initiative to support the Federal Government of Nigeria in providing relief to vulnerable Nigerians who were affected in any way by the pandemic and resulting lockdowns.

Strengthening the structure

At NASD we continued to strengthen our structure in preparation for a resumption of activity and growth

Reflecting on our resilience to continue providing services, we leveraged on remote trading access to conduct all trainings and inductions, covering over 70 firms and traders amid the pandemic; we also held our first virtual annual general meeting in line with the regulations of the country.

As we strive to keep all transactions transparent, throughout the year we were able to submit all annual, quarterly, and periodic returns to regulators in record time with no penalties given. We also initiated our remote compliance monitoring and supervision system for market participants which led to a total of 57 firms inspected.

To further solidify our business structure, NASD developed new policies to guide the year, policies such as the remote working policy, donation and sponsorship policy, non-audit policy for external auditors and data protection policy. Over 14 new authorized traders and 3 participating institutions were approved and registered during the business year.

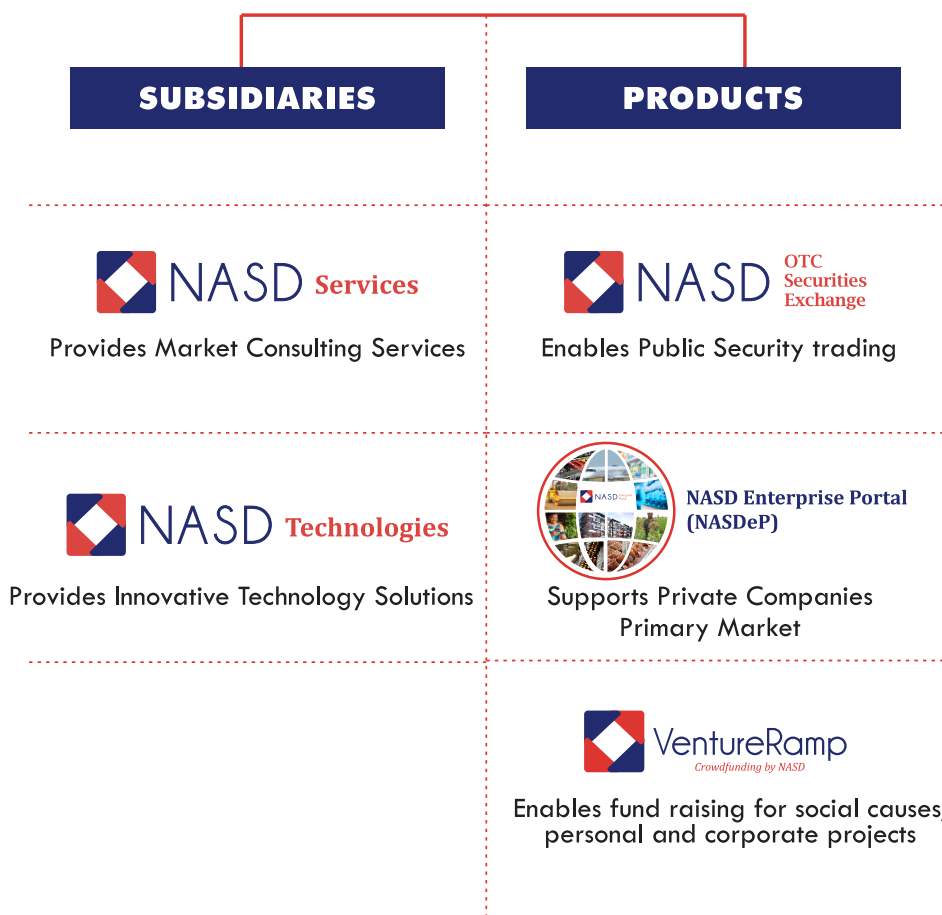
Among the notable transactions done in 2020, NASD processed the scheme of arrangements between Allianz Insurance and its shareholders; this was pursuant to the circular issued by the National Insurance Commission ['NAICOM'] which sought to increase the minimum paid up capital requirements for all insurance license clients. Allianz was noted to have had a material shortfall of approximately ₦11.8 billion. This led major shareholders acquire more shares in Allianz, subsequently converting the company to private.

Additionally, a few other companies listed on the exchange converted back to being private companies either through Shares Buyback by Providus Bank or Merger and Acquisition by ARM/Tangerine Life.

Strategy Execution

At the end of a very challenging year and in recognition that a new world order has emerged, the board of directors held a strategy session in December 2020. The Board recognised how critical innovation is to the emerging world of tomorrow and therefore decided that NASD PLC will focus on the vision of becoming the most Innovative Exchange for Capital formation in Africa. NASD will therefore deploy significant resources in fully exploiting our nimbleness, strong knowledge acquisition and low-cost structure to create provide innovative solutions to our clients, brokers, and investors in the oncoming years.

As a first step to accelerating growth and enabling innovation, NASD resolved to incorporate subsidiaries into a new structure as below:



This structure will enable us to create new business segments that will aid our growing ventures.

Return to Automated trading

NASD successfully concluded a major project within the lockdown period and in record time in returning to automated trading. We signed and engaged the services of EI-Escrow Group PLC for the deployment of an automated matching and surveillance engine to provide us the business functionalities to meet new product and trading needs. This was launched in the fourth Quarter of 2020 and has introduced promising capabilities and dynamism to the market.

The NASD Electronic Trading System ["N-ETS"] supports trading in Equities, Bonds, Commercial Paper, ETFs, money market and various structured products. We expect this to have a major impact on trade activity in 2021. N-ETS will bring additional transaction volumes onto its systems and has created the basis for adding further services in the future, such as the monitoring and control of the OTC market.

Trade Guaranty Fund (TGF)

This was launched during the year as part of our efforts to strengthen the risk management framework. The fund is overseen by a committee comprising of NASD and GTL Trustees. Contributions received from registered Participating Institutions as of December 31, 2020 based on Statement of account by GTL Trustees was ₦8,150,000 (Eight Million, One Hundred and Fifty Thousand Naira). The fund is expected to grow based on the investment strategies defined by the committee.

The SEC also conveyed its approval of rules to govern the Investor Protection Fund for the market.

Data Protection

We increased our capabilities on adopting best known practices on data securities. Your business was issued a Certificate of Compliance on NDPR Data protection which confirms that the business is driven by sound business practices, processes, and operational guidelines on data protection.

Strategic Collaborations

During the year, we engaged in initiatives positioned to enhance the introduction of new market products and technologies which implementations timelines are set for 2021. We also continued to promote the development of required skills set, partnering with educational bodies like the CISI UK, and CIS Nigeria.

Outlook for 2021

NASD looks forward to a cautious recovery in 2021. We believe further ingenuity and innovation will unlock new opportunities for capital mobilisation and liquidity in the investment space in Nigeria.

We will therefore continue equipping our structure with capacity to support direct market access and integration with the global world. We expect to finalize the implementation of the FIX Protocol and tight coupling to the CSD. We expect more business activities on the private market segment – the NASDEP Enterprise portal and VentureRamp, the crowdfunding initiatives from NASD.

The rules for our crowdfunding platform were released in late January 2021, Hence, marketing and onboarding of enterprises willing to raise capital has begun. In the third quarter of 2021, we also intend to enhance digital products trading initiative and commercial papers would also be a new market we would be bringing in the second quarter of 2021.

Conclusion and Appreciation

I would like to thank the SEC for its continuous effort in maintaining an efficient and transparent markets for all participants. I also thank all brokers and participating institutions for always ensuring the market stays liquid. To our investors, I thank you for your trust and confidence in the capital market and I look forward to more profitable days.

I would like to also thank all our people for their hard work and commitment to providing our customers and other stakeholders with reliable, resilient, and high-quality infrastructure, underpinning it all is their dedication to integrity and ethical behaviour.

Our deepest appreciation goes to our esteemed and distinguished shareholders, the Board of Directors, the management and staff for their extraordinary commitment and support. We continually reiterate our determination to achieve your company's vision to be the most innovative exchange for capital formation in West Africa.

We believe that with a continuation of the established trend of driving efficiency, opening new opportunities, and creating liquidity we shall deliver sustainable and attractive returns.

Thank you.



Bola Ajomale
Managing Director/CEO

Corporate Governance

Corporate Governance Report

Director's Report

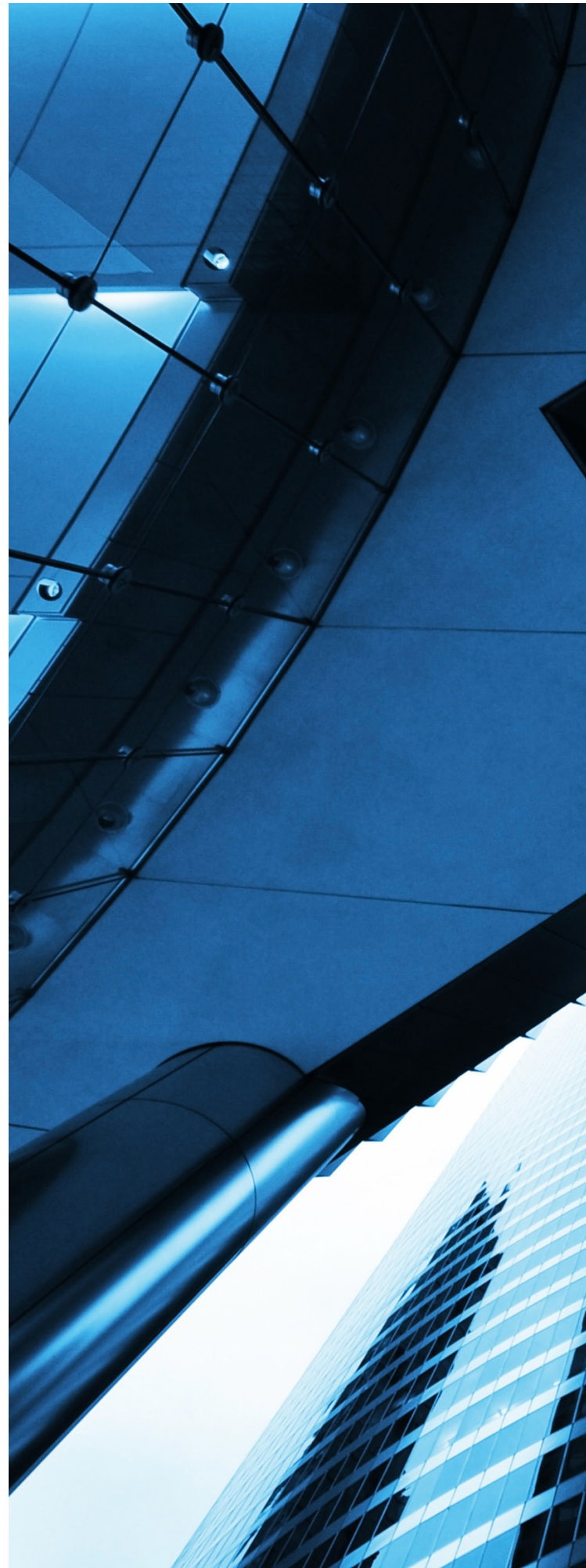
The Board of Directors

Report of the External
Consultants on Board Evaluation

Statement of Directors
Responsibilities

Certificate Pursuant to Section
60(2) of The Investments and
Securities Act

Report of the Statutory Audit
Committee





Corporate Governance Report

As at December 31, 2020

INTRODUCTION

NASD PLC (“NASD” or “the Company”) is committed to promoting high standards of corporate governance as guided by its Corporate Governance Manual, in accordance with the core principles of ethical culture, stewardship, independence, oversight of risk, accountability, transparency and continuous improvement. Other policies which further speak to our corporate governance approach include but are not limited to our Whistleblowing, Insider Dealing, Risk Management and Corporate Communications Policies. The business adopts standard accounting practices to facilitate transparency in the disclosure of information and to give assurance of the reliability of the financial statements.

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, 2020 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 reinforce 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 autonomy continues to inform the Board’s decision-making process, the Board has put effective mechanisms in place to safeguard this independence.

Oversight of Strategy

The 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, reviewing and approving 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 relative to risk appetite 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 and its role as a public interest entity.

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 Board Governance and General-Purpose Committee.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

During the year ended December 31, 2020, 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 able internal audit function exists in the Company and that, similarly, the Company's risk management, control and compliance functions and mechanisms are operational.

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.nasdaq.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. The Board is responsible for monitoring Management's implementation of the Company's strategic plans and initiatives for the long term benefit of the Company and its shareholders.

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 opinions 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 11 (Eleven) Directors which include: 9 (Nine) Non-Executive Directors, 1 (One) Executive Director, who is the Managing Director/Chief Executive Officer and 1 (One) Independent Director. 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 in turn delegates authority to the appropriate Senior Executives for specific activities and transactions.

The members of the Board of Directors as at December 31, 2020 are as follows:

S/N	Director	Designation	Date Appointed
1	Mr Olutola Mobolurin	Chairman	5/04/2013
2	Mr. Bola Ajomale	Managing Director	5/04/2013
3	Mr. Chike Nwanze	Non-Executive Director	5/04/2013
4	Mr. Oladipo Aina	Non-Executive Director	5/04/2013
5	Mr. Ariyo Olushekun	Non-Executive Director	5/04/2013
6	Mr. Abubakar Lawal	Non-Executive Director	5/04/2013
7	Mr. Kayode Falowo	Non-Executive Director	5/04/2013
8	Ms. Obiageli Ugboma	Non-Executive Director	13/07/2016
9	Mr. Aigbovbiose Aig-Imoukhuede	Non-Executive Director	12/10/2016
10	Mr. Samuel Nwanze	Non-Executive Director	5/04/2013
11	Mr. Kyari Bukar	Independent Non-Executive Director	24/04/2020

Re-Election of Directors

In accordance with Section 285(1) of the Companies and Allied Matters Act, 2020 the following Directors retiring by rotation being eligible are presenting themselves for re-election:

- Mr. Olutola Mobolurin
- Mr. Chike Nwanze
- Mr. Oladipo Aina
- Mr. Abubakar Lawal

Their profiles are contained on page 40 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 fulfill 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 Meetings

The Board of Directors met six (6) times in the 2020 financial year. In compliance with Section 284 (2) of the Companies and Allied Matters Act, 2020 the record of Directors' attendance at Board Meetings is set out below:

DIRECTOR	MEETING DATES						%
	16/01/20 21/01/20	25/02/20	29/04/20	06/08/20	27/10/20	10/12/20	
Mr Olutola Mobolurin	☑	☑	☑	☑	☑	☑	100%
Mr. Chike Nwanze	☑	x	☑	☑	☑	☑	80%
Mr. Oladipo Aina	☑	☑	☑	☑	☑	☑	100%
Mr. Ariyo Olushekun	☑	☑	☑	☑	☑	☑	100%
Mr. Abubakar Lawal	☑	☑	☑	☑	☑	☑	100%
Mr. Kayode Falowo	☑	☑	☑	x	x	☑	60%
Ms. Obiageli Ugboma	☑	☑	☑	☑	☑	☑	100%
Mr. Aigbovbioise Aig-Imoukhuede	☑	☑	☑	☑	☑	☑	100%
Mr. Samuel Nwanze	☑	☑	☑	x	☑	☑	80%
Mr. Bola Ajomale	☑	☑	☑	☑	☑	☑	100%
Mr. Kyari Bukar*	NYE**	NYE**	NYE**	☑	☑	☑	100%

Keys: ☑ Present x Absent **Not Yet Elected *Elected April 24, 2020

Board Performance and Evaluation

As required by the SEC Code of Corporate Governance, the firm of DCSL Corporate Services Limited upon the approval of the Board, was engaged to conduct the 2020 Board Evaluation of NASD PLC. They engaged with relevant personnel and examined relevant documentation from 2020. They also conducted interviews with the Board Chair and Chairs of the Board Committees and administered questionnaires.

STATUTORY AUDIT COMMITTEE

The Statutory Audit Committee was established in accordance with Section 404 (2) of the Companies and Allied Matters Act, 2020. The Committee consists of five (5) members comprising 2 Non-Executive Directors and Three (3) representatives of the shareholders.

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 four (4) times in 2020 and the following members served on the Committee during this period:

MEMBER/DIRECTOR	MEETING DATES				%
	11/02/20	07/04/20	14/07/20	09/10/20	
Mr. Kashimu Garba Kurfi (Representing APT Securities and Funds Limited)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Nornah Awoh (Representing Palesa Capital Associates Limited)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mrs. Fiona Ahimie (Representing FBNQuest Securities Limited)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Ms. Obiageli Ugboma	<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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Aigbovbioise Aig-Imoukhuede	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%

Key: Present

BOARD COMMITTEES

The Board carries out its oversight function through its committees each of which has Terms of Reference that clearly define 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 chaired by Mr. Abubakar Lawal 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 five (5) times in the 2020 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES					%
	12/02/20	07/04/20	06/05/20	24/07/20	19/10/20	
Mr. Abubakar Lawal	☑	☑	☑	☑	☑	100%
Mr. Aigbovbioise Aig-Imoukhuede	☑	☑	☑	☑	☑	100%
Mr. Samuel Nwanze	☑	☑	☑	☑	☑	100%
Mr. Kyari Bukar *	NYE**	NYE**	NYE**	NYE**	☑	100%
Ms. Obiageli Ugboma	☑	☑	☑	☑	☑	100%

Keys: ☑ Present **Not Yet Elected

Governance and General-Purpose Committee

The Governance and General-Purpose Committee chaired by Mr. Chike Nwanze 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 Management 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 six (6) times during the year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES						%
	13/02/20	25/03/20	16/07/20	26/08/20	15/10/20	22/10/20	
Mr. Chike Nwanze	☑	☑	☑	☑	☑	☑	100%
Mr. Oladipo Aina	☑	☑	☑	☑	☑	☑	100%
Mr. Ariyo Olushekun	☑	☑	☑	☑	☑	☑	100%
Mr. Abubakar Lawal	☑	x	☑	☑	☑	☑	83%
Ms. Obiageli Ugboma	☑	x	☑	☑	☑	☑	83%

Keys: ☑ Present x Absent

Finance and Investment Committee

The Finance and Investment Committee chaired by Mr. Ariyo Olushekun 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 four (4) times in 2020 and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES				%
	13/02/20	20/04/2020	09/07/20	07/10/20	
Mr. Ariyo Olushekun	☑	☑	☑	☑	100%
Mr. Abubakar Lawal	☑	☑	☑	☑	100%
Mr. Samuel Nwanze	☑	x	x	x	25%
Mr. Bola Ajomale	☑	☑	☑	☑	100%

Keys: ☑ Present x Absent

Technical Committee

The Technical Committee chaired by Mr. Ariyo Olushekun 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 five (5) times in the 2020 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES					%
	19/02/20	17/04/20	07/07/20	14/09/20	13/10/20	
Mr. Ariyo Olushekun	☑	☑	☑	☑	☑	100%
Mr. Aigbovbioise Aig-I moukhuede	☑	☑	☑	☑	☑	100%
Ms. Obiageli Ugboma	☑	☑	☑	☑	☑	100%
Mr. Kayode Falowo	☑	☑	☑	☑	☑	100%
Mr. Kyari Bukar *	NYE**	NYE**	NYE**	☑	☑	100%
Mr. Bola Ajomale	☑	☑	☑	☑	☑	100%

Keys: ☑ Present **Not Yet Elected *Elected April 24, 2020

Rules and Membership Committee

The Rules and Membership Committee chaired by Mr. Kayode Falowo is responsible for reviewing the Rules of the NASD OTC Securities Exchange, applications for membership and participation on the Market and admitting new companies.

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.

The Rules and Membership Committee met two (2) times in the 2020 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES		
	16/04/20	15/07/20	%
Mr. Kayode Falowo	☑	x	50%
Mr. Chike Nwanze	☑	☑	100%
Mr. Bola Ajomale	☑	☑	100%
Mr. Oladipo Aina	☑	☑	100%

Market Development Committee

The Market Development Committee chaired by Mr. Oladipo Aina 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 Committee met once (1) in 2020 financial year and the members of the Committee in 2020 are as follows:

DIRECTOR	MEETING DATE	
	14/09/20	%
Mr. Oladipo Aina	☑	100%
Mr. Abubakar Lawal	☑	100%
Mr. Kyari Bukar	☑	100%
Ms. Obiageli Ugboma	☑	100%

Key: ☑ Present

Disciplinary Committee

The Disciplinary Committee is chaired by Mr. Chike Nwanze. The 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 2020 are:

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

CODE OF PROFESSIONAL CONDUCT

NASD PLC has a documented Code of Professional Conduct approved by the Board 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.

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.

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 conflict 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.

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.

Director's Report

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 31st December 2020.

LEGAL FORM AND PRINCIPAL ACTIVITY

The Company was promoted by the National Association of Securities 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 a formal Over-The-Counter platform for trading securities. By 5th April 2013, 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:

	2020	2019
	N'000	N'000
Profit/(Loss) before tax	(11,991)	36,057
Tax	5,132	8,994
Profit/(Loss) after tax	(6,859)	45,051
Profit/(Loss) per share (kobo)	(1.54)	10.14

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 in the register of Directors shareholding and/or as notified by the Directors for the purposes of sections 301 and 302 of the Companies and Allied Matters Act 2020 are noted below:

Name	Designation	Interests	
		Direct	Indirect
		Ordinary shares of N1 each	
Mr. Olutola Mobolurin	Chairman	–	21,490,311
Mr. Bola Ajomale	Managing Director	–	–
Mr. Abubakar Lawal	Non-Executive Director	–	30,476,190
Mr. Ariyo Olushekun	Non-Executive Director	–	35,652,703
Ms. Obiageli Ugboma	Non-Executive Director	–	29,957,653
Mr. Chike Nwanze	Non-Executive Director	–	2,777,773
Mr. Aigbovbiose Aig-Imokhuede	Non-Executive Director	–	30,173,690
Mr. Kayode Falowo	Non-Executive Director	–	22,727,773
Mr. Oladipo Aina	Non-Executive Director	–	5,444,440
Mr. Samuel Nwanze	Non-Executive Director	–	38,093,333

- b) Mr. Kayode Falowo is a Director in Greenwich Trust Limited.
- GTL Trustees act as Fund Managers to the Company's Trade Guarantee Fund.
 - Greenwich Registrars deployed the Document Management and Archival Solution (DCMS) to NASD.

In accordance with section 303 of the Companies and Allied Matters Act 2020, Mr. Kayode Falowo has notified the Board of his position with Greenwich Trust Limited in respect of services rendered to the Company.

ANALYSIS OF SHAREHOLDING

As at December 31 2020

Number of holding	Number of shareholders	Number of shares held	Percentage
1–1,000,000	57	9,216,096	2.08%
1,000,001–10,000,000	34	101,907,098	22.94%
Over 10,000,000	11	333,081,194	74.98%
	102	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
NSE Consult Limited	10.87	No
Heirs Holdings	8.58	Yes
Capital Assets Limited	8.03	Yes
GTI Capital Limited	6.86	Yes
Coronation Securities Limited	6.79	Yes

Falcon Securities Limited	6.75	No
Chapel Hill Advisory Partners Limited	6.74	Yes
VFD Group PLC	6.54	No
Greenwich Trust Limited	5.12	Yes
Capital Bancorp PLC	4.84	Yes

PROPERTY AND EQUIPMENT

Information relating to changes in property and equipment is given in Note 17 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 physically 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 employees and also operates a contributory pension plan in line with 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 Chartered 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' 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 has 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 conduct 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 or unresolved 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.
- **Remote Working Policy:** In view of current realities, this policy outlines NASD's guidelines and expectations for employees working from a location other than its physical offices, ensures business continuity during crisis and provides a framework to guide remote working to ensure efficient productivity.

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 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 risk management, 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.

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 co-operating with Management on incident investigations.

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. Reviewing the effectiveness of the risk management policy and risk management processes;
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.

SUSTAINABILITY

Corruption

The Board of Directors has a long-standing commitment to good corporate governance, in addition to zero-tolerance of 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, 2020 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 401 (2) of the Companies and Allied Matters Act 2020.

By order of the Board



L. Omolola Ikwuagwu (Mrs.)
GIO Nominees Limited
Company Secretary
FRC/2014/NBA/00000007013
18 March 2021

Board of Directors



**Mr. Olutola
Mobolurin**

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 Crusader Sterling 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**

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 Agosto & 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.



**Mr. Chike
Nwanze**

Mr. Chike Nwanze is the Vice Chairman of the Board of NASD PLC. He is also the 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. Oladipo
Aina**

Mr. Oladipo Aina is the Managing Director & Chief Executive Officer of Signet Investment and Securities Limited. He is an accomplished Stock broker 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. Ariyo
Olushekun**

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 Advance 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 eleven out of which were spent at Centre-Point Merchant Bank Plc. He left Centre-Point in 1998 to establish and manage Capital Assets Limited, a leading Investment Banking outfit in Nigeria.

Mr. Olushekun is a Past President and Chairman of the Governing Council of the Chartered Institute of Stockbrokers. He has served on the National Council of The Nigerian Stock Exchange as well as on the Board of its subsidiary, NSE Consult Limited. 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 Stock market Research Portal.



**Mr. Abubakar
Lawal**

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**

Mr. Kayode Falowo is the Chairman of Greenwich Group 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), 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.

He has in recent past, served as the Chairman, Association of Issuing Houses of Nigeria (AIHN), Member of National Bond Steering Committee, and Standard for Service and Disclosure Sub–Committee of the Capital Market Committee, Rules and Regulations Committee of the Nigerian Stock Exchange and the National Essay Committee of the Nigerian Capital Market. He is currently a member of the Technical Committee of the Bureau of Public Enterprise (BPE) and member Presidential Advisory Committee on the Nigerian Capital Market.



**Mr. Samuel
Nwanze**

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.

Samuel has also worked on a number of projects and start–ups which span Nigeria's first credit bureau, an Insurance company, group shared services model, and the acquisition and set–up of various banks in Africa, as well as other projects in the US, UK and India. 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.



**Ms. Obiageli
Ugboma**

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. Aigbovbioise
Aig–Imoukhuede**

Mr. Aig–Imoukhuede 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.



**Mr. Kyari
Abba Bukar**

Mr. Kyari Bukar is a consummate professional with over 30 years' experience in information technology, financial services and business analytics. Mr. Bukar holds a B.Sc. degree in Physics from Ahmadu Bello University, Zaria, Nigeria and an M.Sc. degree in Nuclear Engineering from Oregon State University, USA. He is an alumnus of the Lagos Business School (LBS), Wharton Business School and Harvard Business School, USA. He started his career at Hewlett Packard, California, USA, where he grew through the ranks to become the Technical Marketing Programme Manager. On his return to Nigeria, he joined FSB International Bank (now Fidelity Bank) and served in various roles including Executive Director, e–Banking IT and Operations.

He served as the Managing Director/Chief Executive officer of the Central Securities Clearing System PLC where he is credited with the company's transformation. 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 Chairman of Sunu Assurances Nigeria PLC and CRC Credit Bureau Limited among others.

DCSL Corporate Services Limited

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RC NO. 352393

May 2021

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF NASD PLC FOR THE YEAR-ENDED DECEMBER 31, 2020

DCSL Corporate Services Limited (DCSL) was engaged as Independent External Consultants by NASD Plc ("NASD", "the Company") to carry out an evaluation of the performance of the Board of Directors, that of its Committees, the Board Chairman and Individual Directors for the year-ended December 31, 2020 in line with the provision of **Principle 14.1 of the Nigerian Code of Corporate Governance, 2018** as well as global best practices on Corporate Governance. The appraisal entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us and the administration of questionnaires to Directors.

The objective of the review was to ascertain the extent of compliance with corporate governance principles and the performance of the Board in general. The Company's corporate governance structures, policies and processes were benchmarked against the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission Corporate Governance Guidelines 2021 (SCGG), Companies and Allied Matters Act 2020 (CAMA) and international best practices. The evaluation covered the following six 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

The Board has the responsibility for putting in place adequate corporate governance structures and practices and approving policies that will ensure that the Company carries on its business in accordance with its Memorandum and Articles of Association as well as in conformity with applicable laws, codes and regulations to guarantee sustainability. Upon the conclusion of the evaluation exercise, we confirm that the Board substantially complied with the provisions of the SEC Corporate Governance Guidelines and the Nigerian Code of Corporate Governance 2018. We confirm that the activities of the Board and the Company are to a large extent in compliance with corporate governance best practice. In our opinion, the Board and individual Directors have displayed laudable commitment to enhancing the Company's growth as well as developing and monitoring corporate strategy to achieve sustainable growth.

We have recommended that the Board of Directors should approve a Training Plan to ensure continuous education and upskilling of Directors and also put in place a Clawback Policy to recover excess or undeserved reward from Directors and Senior Management in line with the Nigerian Code of Corporate Governance 2018.

Details of our key findings and other recommendations are contained in our Report.

Yours faithfully,

For: DCSL Corporate Services Ltd



Bisi Adeyemi
Managing Director

FRC/2013/NBA/00000002716

Directors: • Abel Ajayi (Chairman) • Obi Ogbечи • Adeniyi Obe • Dr. Anino Emuwa • Adebisi Adeyemi (Managing Director)



Statement of Directors' Responsibility

For The Year Ended 31 December 2020

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 2020 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, 2020 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 2020 were approved by the Board of Directors on 18th March 2021.

SIGNED ON BEHALF OF THE DIRECTORS BY:



Olutola Mobolurin

Chairman

FRC/2014/CISN/000000038004

18 March 2021



Bola Ajomale

Managing Director/Chief Executive Officer

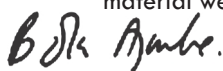
FRC/2014/CISN/00000005778

18 March 2021

Certification Pursuant to Section 60(2) of The Investment And Securities Act.

I, Bola Ajomale, the undersigned hereby certify the following with regards to the Annual Report of NASD PLC for the year ended 31 December 2020.

1. I have reviewed the Annual Report;
2. Based on my knowledge, the Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in the Report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this Report;
4. The company's other certifying officer and I:
 - a. are responsible for establishing and maintaining internal controls;
 - b. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the periodic report are being prepared;
 - c. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - d. have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the Report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
6. The company's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Bola Ajomale
Managing Director/CEO
FRC/2014/CISN/00000005778

Certification Pursuant to Section 60(2) of The Investment And Securities Act.

I, Kolawole Jiboku, the undersigned hereby certify the following with regards to the Annual Report of NASD PLC for the year ended 31 December 2020.

1. I have reviewed the Annual Report;
2. Based on my knowledge, the Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in the Report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this Report;
4. The company's other certifying officer and I:
 - a. are responsible for establishing and maintaining internal controls;
 - b. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the periodic report are being prepared;
 - c. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - d. have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the Report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
6. The company's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Kolawole Jiboku

Head, Finance and Accounts

FRC/2013/ICAN/00000003810

Report of The Audit Committee

For The Year Ended December 31, 2020 To The Members of NASD Plc

In accordance with the provisions of Section 404 of the Companies and Allied Matters Act 2020, we, the Members of the Audit Committee of NASD PLC report as follows:

1. We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act 2020, 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 2020 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
Mr. Aigbovbioise Aig-Imoukhuede	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

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **NASD Plc set out on pages 7 to 9**, which comprise the statement of financial position as at 31 December, 2020 statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of NASD Plc as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act and Financial Reporting Council Act.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Financial Statements in Nigeria.

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, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or 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 on the other information obtained prior to the date of this auditor's report, 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 the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and for such internal control as the directors determine is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

The list of Partners and Partner equivalents is available in our office

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited



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

Auditor's Responsibilities for the Audit of the 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 judgement 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Report on Other Legal and Regulatory Requirements

In accordance with the fifth schedule of Companies and Allied Matters Act 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 financial position and its statement of profit or loss and other comprehensive income agree with the books of account and returns.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria

24 March 2021

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



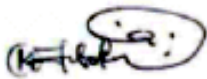
Statement of Comprehensive Income

		31 December	31 December
		2020	2019
	Notes	N'000	N'000
Fees and commission income	5	124,097	161,950
Employee benefits and compensation costs	7	(98,230)	(90,075)
Other operating expenses	9	(84,993)	(102,965)
Operating loss		(59,126)	(30,580)
Write-back of provision no longer required	15	307	510
CSR Expenses (Covid19 Capital Market Donation)	8	(5,000)	–
Interest Income	10	51,828	65,747
Other Income	6	–	890
Loss/(profit) before tax		(11,991)	36,057
Taxation	11	5,132	8,994
(Loss)/profit for the year		(6,859)	45,051
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:		–	–
Items that will not be reclassified subsequently to profit or loss:		–	–
Other comprehensive income for the year, net of tax		–	–
Total comprehensive (loss)/income for the year		(6,859)	45,051
(Loss)/ Earnings per share (kobo)–basic/adjusted	12	(1.54)	10.14

The accompanying notes form an integral part of these financial statements

Statement of Financial Position

		31 December 2020	31 December 2019
	Notes	N'000	N'000
Assets			
Cash and cash equivalents	13	240,741	70,826
Investment securities	14	207,225	440,829
Other assets	15	12,331	8,825
Intangible assets	16	55,989	3,129
Property and equipment	17	26,188	32,046
Deferred tax asset	18	110,735	105,163
Total assets		653,209	660,818
Liabilities			
Accounts payable	19	18,667	18,711
Current income tax	20	440	1,146
Total liabilities		19,107	19,857
Equity			
Share capital		444,204	444,204
Share premium		288,214	288,214
Accumulated losses	21	(98,316)	(91,457)
Total equity		634,102	640,961
Total liabilities and equity		653,209	660,818



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



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



Olutola Mobolurin
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 2019	444,204	288,214	(136,508)	595,910
Profit before tax	–	–	45,051	45,051
As at 31 December 2019	444,204	288,214	(91,457)	640,961
As at 1 January 2020	444,204	288,214	(91,457)	640,961
(Loss) before tax	–	–	(6,859)	(6,859)
As at 31 December 2020	444,204	288,214	(98,316)	634,102

The accompanying notes form an integral part of these financial statements

Statement of Cash flows

		31 December	31 December
		2020	2019
	Notes	N'000	N'000
Operating activities			
Cash used in operations	22	(56,615)	(16,584)
Tax paid	20	(1,146)	(3,029)
Net cash used in operating activities		(57,761)	(19,613)
Investing activities			
Purchase of government bond and treasury bills		(100,000)	(239,775)
Proceeds from redemption of treasury bills		334,989	240,000
Purchase of property and equipment	17	(1,666)	(32,116)
Purchase of intangible assets	16	(56,091)	(316)
Proceeds from sale of property and equipment		–	890
Interest received		50,444	25,652
Net cash generated from investing activities		227,675	(5,665)
Financing activities			
Proceeds from rights issue		–	–
Net cashflow from financing activities		–	–
Increase/ (Decrease) in cash and cash equivalents		169,915	(25,278)
Cash and cash equivalents at start of year		70,826	96,104
Cash and cash equivalents at end of year	13	240,741	70,826

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 several 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 authorized for issue by the Board of Directors on 18, March 2021.

The financial statements are presented in Nigerian Naira (₦), which is the Company’s presentation currency, and rounded to the nearest thousand (₦’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 recognized 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 recognized in profit or loss.

Derecognition

Financial assets or liabilities are derecognized 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 realize 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 considering 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 recognized. 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 amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized 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 is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. The Company assesses 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 realizing 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 realized.

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 amortized cost. Financial liabilities are derecognized 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 recognized 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 amortized cost

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortized cost. Financial liabilities measured at amortized cost are deposits from Companies 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 several 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 after 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 in default are included in this stage. Like 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 (lifetime 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;

a) 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 assessing 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.

b) 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 amortized cost: as a deduction from the gross carrying amount of the assets;

Debt instruments measured at FVTOCI: no loss allowance is recognized 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 recognized in the fair value reserve.

c) 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 enough 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.

d) 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.

e) 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 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 instrument.

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 instruments. 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 amortizing 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 consider deterioration in the credit rating of obligor/counterparty based on the Company's internal rating system or External Ratings while qualitative factors consider 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 Companies 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 2018 and 31 December 2018, 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 analyzed 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 1 January 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 some specific 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 recognized 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 consider the characteristics of those financial instruments. The classification made can be seen in the table below:

Financial assets

	Cash and Cash Equivalents
Amortized Cost	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 recognized 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 amortized on a straight-line basis over their expected useful lives. Where no internally generated intangible asset can be recognized, development expenditure is recognized as an expense in the period in which it is incurred.

ii. Purchased computer software

Intangible assets that arise from purchased software are recognized 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 amortized on a straight–line basis over their expected useful lives.

Subsequent measurement/amortization

After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. The amortization period, amortization 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 recognized 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 recognized 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 recognized 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–recognized 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 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 recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realized 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 recognized, 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 recognized, in the same or a different period, outside profit or loss.

Deferred tax assets are recognized for taxable temporary differences arising on depreciation of property and equipment and unutilized 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 enough 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 recognized 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 recognized for future operating losses.

Where there are several 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 recognized 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 recognized in profit or loss.

2.14 New and revised standards

Changes in accounting policies and disclosures

a) Other standards and amendments that were effective for the first time in 2020 that do not have significant impact on NASD.

Standard	Effective Date
Amendments to IFRS 3—Definition of Business	1 January 2020
Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.	1 January 2020
Amendments to IAS 1 and IAS 8—Definition of Material	1 January 2020
Impact of the initial application of Covid-19—Related Rent Concessions Amendment to IFRS 16	1 January 2020

Amendments to IFRS 3—Definition of Business

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to IAS 1 and IAS 8—Definition of Material

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a. The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b. Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- c. There is no substantive change to other terms and conditions of the lease.

b) New and revised IFRS Standards in issue but not yet effective

As at 31 December 2020, 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
Classification of Liabilities as Current or Non-current—Amendments to IAS 1	1 January 2023
Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework	1 January 2022
Amendment to IAS 16—Property, Plant, and Equipment.	1 January 2022
IFRS 17—Insurance Contract	1 January 2023
Amendments to IFRS 10 and IAS 28—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of the amendments has yet to be set by the Board
Amendments to IAS 37—Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018–2020 Cycle	1 January 2022

Amendments to IAS 1—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that

settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IFRS 3—Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to IAS 16—Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of ‘testing whether an asset is functioning properly’. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity’s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and

it explicitly measures the cost of that uncertainty. It considers market interest rates and the impact of policy holders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023.

At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

Amendments to IFRS 10 and IAS 28—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

Amendments to IAS 37—Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1: D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1: D16(a). The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the ‘10 percent’ test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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.

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 recognized 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 consider 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 2020	Financial assets			Financial liabilities	
	FVTPL	FVTOCI	Amortized Cost	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost
			N'000	N'000	N'000
Cash and cash equivalents	–	–	240,741	–	–
Investment securities	–	–	207,225	–	–
Other assets	–	–	4,283	–	–
Account payable	–	–	–	–	18,667
	–	–	452,249	–	18,667
31 December 2019					
Cash and cash equivalents	–	–	70,826	–	–
Investment securities	–	–	440,829	–	–
Other assets	–	–	4,589	–	–
Account payable	–	–	–	–	18,711
	–	–	516,244	–	18,711

	31 December 2020	31 December 2019
	N'000	N'000
Financial assets		
Cash and cash equivalents	240,741	70,826
Investment securities	207,225	440,829
Other assets	4,283	4,589
Financial liabilities		
Account payable	18,667	18,711

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 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).

Maximum exposure to credit risk	31 December	31 December
	2020	2019
	N'000	N'000
Balances with banks	20,165	12,786
Money market placement	220,489	57,991
Treasury bills	–	281,075
FGN bonds	106,735	159,754
FGN Sukuk	100,490	–
Other assets	4,283	4,589
	452,162	516,195

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 categorized by geographical region as of 31 December 2020 and 31 December 2019.

31 December 2020	Treasury bills	FGN bonds	FGN Sukuk	Money market placement	Balances with banks	Other assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Nigeria	–	106,735	100,490	220,489	20,165	4,283	452,162
31 December 2019	Treasury bills	FGN bonds	FGN Sukuk	Money market placement	Balances with banks	Other assets	Total
	N'000	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

(b) **Industry sector:** The following table breaks down the Company's credit exposure at their carrying amounts as categorized by industry as of 31 December 2020 and 31 December 2019.

31 December 2020	Treasury bills	FGN bonds	FGN Sukuk	Money market placement	Balances with banks	Other assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Government	–	106,735	100,490	–	–	–	207,225
Financial services	–	–	–	220,489	20,165	–	240,654
Others	–	–	–	–	–	4,283	4,283
	–	106,735	100,490	220,489	20,165	4,283	452,162

31 December 2019	Treasury bills	FGN bonds	FGN Sukuk	Money market placement	Balances with banks	Other assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Government	281,075	159,754	–	–	–	–	440,829
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

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 bond and treasury bills.

	31 December	31 December
	2020	2019
	N'000	N'000
FGN Bonds & Treasury Bills		
Sovereign Ratings		
Nigeria (B) S&P	207,225	440,829
Balances with banks		
External credit rating (S&P)		
B+	20,165	12,786
Money market placement		
External credit rating (S&P)		
B–	220,489	57,991
Unrated (other assets)	4,283	4,589

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 organization. Also, NASD PLC does not collect funds directly from brokers for trades executed through its platform, rather all cash settlements for trades executed are managed by Central Securities Clearing Systems PLC (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 honor 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 PLC 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 summarized 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 summarizes 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:

- Significant increase in credit spread of the issuer.
- Significant adverse changes in business, financial and/or economic conditions in which the counterparty operates.
- Actual or expected forbearance or restructuring.
- Actual or expected significant adverse change in operating results of the counterparty.
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default.
- Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans.
- More than 30 days past due on its contractual payments

The quantitative criteria are 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 company'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 recognized. 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

ECL Staging	As at 31 December 2020					31–December 2019
	Stage 1	Stage 2	Stage 3	Purchased credit–impaired	Total	Total
	12–month ECL	Lifetime ECL	Lifetime ECL			
	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount	207,225	–	–	–	207,225	440,829
Loss allowance	–	–	–	–	–	–
Carrying amount	207,225	–	–	–	207,225	440,829

Other assets

ECL Staging	As at 31 December 2020					31–December 2019
	Stage 1	Stage 2	Stage 3	Purchased credit–impaired	Total	Total
	12–month ECL	Lifetime ECL	Lifetime ECL			
	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount	12,331	–	4,283	–	16,614	13,414
Loss allowance	–	–	(4,283)	–	(4,283)	(4,589)
Carrying amount	12,331	–	(0)	–	12,331	8,825

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 daily 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 2020	Carrying amount	Gross nominal	less than 3months	3–6 months	6–12 months	1–5years
	N'000	N'000	N'000	N'000	N'000	N'000
Financial liabilities						
Accounts payable	18,667	18,667	18,667	–	–	–
Cash and cash equivalents	240,741	240,741	240,741	–	–	–
Investment securities	207,225	207,225	–	–	106,735	100,490
Other assets	4,283	4,283	–	4,283	–	–
	452,249	452,249	240,741	4,283	106,735	100,490
Gap(assets–liabilities)	433,582	433,582	222,074	4,283	106,735	100,490
Cumulative liquidity gap			222,074	226,357	333,092	433,582
31 December 2019						
	Carrying amount	Gross nominal	less than 3months	3–6 months	6–12 months	1–5years
	N'000	N'000	N'000	N'000	N'000	N'000
Financial liabilities						
Accounts payable	18,711	18,711	18,711	–	–	–
	18,711	18,711	18,711	–	–	–
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)	497,533	497,533	337,779	–	–	159,754
Cumulative liquidity gap			337,779	337,779	337,779	497,533

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 optimizing 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 daily 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 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 2020			
Assets	Fixed	Non-Interest bearing	Total
	N'000	N'000	N'000
Balances with banks	–	20,165	20,165
Money market placement	220,489	–	220,489
Treasury bills	–	–	–
FGN bonds	106,735	–	106,735
FGN Sukuk	100,490	–	100,490
Other assets	–	4,283	4,283
Liabilities			
Accounts payable	–	18,667	18,667
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	–	18,711	18,711

A reasonably possible change of 1% in interest rates of the Company's Federal Government Securities 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 2020		
Loss before tax	(11,776)	(12,207)
31 December 2019		
Profit before tax	33,229	32,827

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 2020	Carrying value N'000	Fair value N'000
Financial assets		
Cash and cash equivalents	240,741	240,741
Investment securities	207,225	207,225
Other assets	4,283	4,283
	452,249	452,249
Financial liabilities		
Accounts payable	18,667	18,667
	18,667	18,667
At 31 December 2019		
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	18,711	18,711
	18,711	18,711

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 categorized.

At 31 December 2020	Level 1	Level 2	Level 3	Total
Assets	N'000	N'000	N'000	N'000
Investment securities	–	207,225	–	207,225
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

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 deposit 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 approximate their carrying amounts.

(iii) Accounts payable

4 Sundry creditors represent 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.

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.

Recoverability of deferred tax assets

The company has deferred tax assets amounting to N110.74million (31 December 2019: N105.16 million). The deferred tax assets are primarily due to taxable losses of N320.27 million (31 December 2019: N310.8 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
	2020	2019
5 Fees and commission income	N'000	N'000
Trading commission	103,277	138,633
Registration fees	19,220	20,719
NASDep	–	400
Data Related Fees	600	700
Advertising	–	165
Settlement Bank Fees	1,000	1,333
	124,097	161,950
6 Other income		
Gains from asset disposal	–	890
7 Employee benefits and compensation costs		
Salaries and wages	91,325	83,648
Pension cost	6,905	6,427
	98,230	90,075
8 CSR (COVID–19 Donation)		
Capital Market Covid–19 Intervention Fund	5,000	–
9 Other operating expenses		
Trading costs	–	1,563
Marketing expenses	6,346	6,733
Professional Membership Subscription	575	473
Consultancy fees	13,668	8,760
Rent	10,667	10,500
Service charge	6,000	6,000
Depreciation (note 15)	7,524	6,652
Amortization (note 14)	3,231	5,884
Annual general meeting expense	2,923	1,323
Travelling expenses	295	2,357
Insurance expense	4,372	4,498
Training expenses	1,281	895
Auditor's remuneration	3,763	3,675
Conference and seminars	153	7,020
Printing and stationeries	828	1,365
Directors Sitting Allowances	3,960	9,450
Directors Fees	–	6,825
General and administrative expenses	19,407	18,992
	84,993	102,965

No non-audit services were provided to the Company during the period. (2019: Nil).

	31 December	31 December
10 Interest income	2020	2019
	N'000	N'000
Treasury bills	2,519	40,479
Money market placements	27,785	4,950
Bonds	15,434	20,318
FGN Sukuk	6,090	–
	51,828	65,747
11 Taxation		
Deferred tax income (Note 18)	(5,572)	(10,887)
Minimum tax	440	1,146
Increase in tax charge for the year	–	747
	(5,132)	(8,994)
Reconciliation of effective tax rate		
(Loss)/Profit before income tax	(11,991)	36,057
Non-deductible expenses	17,617	13,773
Tax exempt income	(24,043)	(61,469)
Taxable loss	(18,417)	(11,639)
Education tax	–	–
Minimum tax	440	1,146
Current tax on income for the year	440	1,146
Increase in tax charge for the year	–	747
Deferred tax credit to income statement	(5,572)	(10,887)
Tax expense/(credit) for the year	(5,132)	(8,994)
<p>The Company has a 'Nil' company income tax for 2020 (2019: 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.</p>		
12 (Loss)/Earnings per share		
Loss/(Profit) for the year attributable to shareholders (N'000)	(6,859)	45,051
Weighted average number of ordinary shares in issue (000)	444,204	444,204
(Loss)/Earnings per share (expressed in kobo per share)	(1.54)	10.14
	2020	2019
13 Cash and cash equivalents	N'000	N'000
Cash	87	49
Balances with banks	20,165	12,786
Money market placements	220,489	57,991
	240,741	70,826

	31 December 2020	31 December 2019
14 Investment securities	N'000	N'000
Bonds	106,735	159,754
FGN Sukuk	100,490	–
Treasury bills	–	281,075
	207,225	440,829
Current	–	281,075
Non-current	207,225	159,754
Total current and non-current	207,225	440,829
15 Other assets		
Financial assets:		
Fee receivables	4,283	4,589
Non-financial assets:		
Prepaid rent	5,583	5,500
Prepaid insurance	2,017	1,938
Other prepaid expenses	4,731	1,387
	16,614	13,414
Impairment provision	(4,283)	(4,589)
	12,331	8,825
Current	12,331	8,825
Movement in impairment provision		
Balance as at 1 January	4,589	5,099
Write back for the year	(307)	(510)
Balance at 31 December	4,283	4,589

16 Intangible assets			
Cost	Computer software	Trading software	Total
	N'000	N'000	N'000
As at 1 January 2020	370	13,715	14,085
Addition	–	56,091	56,091
As at 31 December 2020	370	69,806	70,177
Accumulated amortization			
As at 1 January 2020	370	10,586	10,956
Charge for the year	–	3,231	3,231
As at 31 December 2020	370	13,817	14,187
Net book value as at 31 December 2020	–	55,989	55,989

Cost	Computer software	Trading software	Total
	N'000	N'000	N'000
As at 1 January 2019	370	13,399	13,769
Addition	–	316	316
As at 31 December 2019	370	13,715	14,085
Accumulated amortization			
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

17 Property and equipment	Motor vehicles	Office equipment	Furniture and fittings	Computer equipment	Total
	N'000	N'000	N'000	N'000	N'000
Cost					
As at 1 Jan 2020	30,403	2,939	9,886	11,736	54,964
Addition	–	–	–	1,666	1,666
As at 31 December 2020	30,403	2,939	9,886	13,402	56,630
Accumulated depreciation					
As at 1 Jan 2020	5,647	793	9,397	7,081	22,918
Charge for the year	4,667	528	266	2,063	7,524
As at 31 December 2020	10,314	1,321	9,663	9,144	30,442
Net book value as at 31 December 2020	20,089	1,618	223	4,258	26,188

	Motor vehicles	Office equipment	Furniture and fittings	Computer equipment	Total
	N'000	N'000	N'000	N'000	N'000
Cost					
As at 1 January 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 December 2019	30,403	2,939	9,886	11,736	54,964

Accumulated depreciation					
As at 1 January 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 December 2019	5,647	793	9,397	7,081	22,919
Net book value					
As at 31 December 2019	24,756	2,145	489	4,655	32,046

18 Deferred tax assets

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2019: 30%).

	31 December	31 December
	2020	2019
	N'000	N'000
At 1 January	(105,163)	(94,276)
Credited to profit and loss account	(5,572)	(10,887)
At 31 December	(110,735)	(105,163)

18.1 Deferred tax assets

Deferred income tax assets are attributable to the following items:

Property and equipment	(14,654)	(11,923)
Unutilized tax losses	(96,081)	(93,240)
	(110,735)	(105,163)

Deferred tax assets are recognized for tax loss carryforwards to the extent that the realization of the related tax benefit through future taxable profits is probable.

Deferred tax assets to be recovered after more than 12 months	(110,735)	(105,163)
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19 Accounts payable

Withholding tax payable	528	39
Accrued expenses	14	–
Other payables	18,125	18,672
	18,667	18,711
Current	18,667	18,711

20 Current income tax

At 1 January	1,146	3,029
Payments made during the year	(1,146)	(3,029)
Charge for the year	440	1,146
Increase in tax charge for the year	–	747
At 31 December	440	1,893

21	Accumulated losses	31 December 2020	31 December 2019
		N'000	N'000
	Balance at beginning of year	(91,457)	(136,508)
	(Loss)/profit for the year	(6,859)	45,051
		(98,316)	(91,457)
22	Key management compensation		
	Profit before income tax	(11,991)	36,057
	Adjustments for		
	– Depreciation (Note 9)	7,524	6,652
	– Amortization (Note 9)	3,231	5,884
	– Interest income (Note 10)	(51,828)	(65,747)
	– Profit on disposal of fixed asset (Note 6)	–	(890)
	– Provision written back (Note 15)	(307)	(510)
	Changes in components of working capital		
	– Decrease in other assets	(3,200)	2,185
	– Decrease in payables	(45)	(215)
		(56,616)	(16,584)

23 Related party transactions

The Company has related party relationships where control and/or significant influence exists with its shareholding members. The company enters 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	31 December 2020	31 December 2019
			N'000	N'000
Income:				
Registration fees	Shareholding companies	Fees from shareholding companies that are also dealers	8,977	10,867

23.1	Key management compensation	31 December 2020	31 December 2019
		N'000	N'000
	Salaries and other short-term employee benefits	31,625	31,625
	Defined contribution	2,467	2,467
		34,092	34,092
	Key management comprise of the Managing director.		

24 Directors and employees

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

	31 December	31 December
	2020	2019
	Number	Number
Executive director	1	1
Management	3	3
Non-management	12	12
	16	16

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

	N'000	N'000
Salaries and other short-term benefits	91,325	83,648
Post-employment benefits	6,905	6,427
	98,230	90,075

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

	31 December	31 December
	2020	2019
	Number	Number
₦500,001– ₦1,000,000	1	1
₦1,000,000 – ₦4,000,000	11	11
Over ₦4,000,000	4	4
	16	16

26 Directors' emoluments

Remuneration paid to the Company's directors:

	N'000	N'000
Executive directors' compensation	31,625	31,625
Fees and other emoluments disclosed above include amounts paid to:		
Highest paid director	31,625	31,625

27 Capital commitments

There were no capital commitments to purchase any asset as at 31 December 2020 (31 December 2019: Nil).

28. COVID-19

On 30 January 2020, the World Health Organization announced the outbreak of COVID-19 as a world health

emergency of international concern, and on 11 March the outbreak was classified as a global pandemic. The outbreak of COVID-19 and the subsequent measures imposed by various Governments in an attempt to contain the spread of the virus, including travel and trade restrictions, social distancing measures and enforced lockdowns have caused disruption to businesses and economic activity in the country.

This pandemic had an impact on the operations and performance of the Company. However, the Company will continue to monitor the impact on its business and establish appropriate measures to mitigate an adverse impact on both operations and performance of the Company.

In addition to the business impact, the Company has also, as a mark of social responsibility donated funds towards containing the spread of COVID 19.

Value Added Statement

	31 December 2020		31 December 2019	
	N'000	%	N'000	%
Gross income	176,232		229,097	
Cost of services	(79,238)		(90,430)	
Value Added	96,994	100	138,667	100
Distribution				
Directors and employees				
Salaries and benefits	98,230	101	90,075	65
Government				
Taxes	(5,132)	(5)	(8,994)	(6)
Retained in the Company				
(Loss)/Profit for the year	(6,859)	(7)	45,051	32
The future				
Asset replacement (depreciation & amortization)	10,755	11	12,536	9
	96,994	100	138,668	100

Five-Year Financial Summary

	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Cash and cash equivalents	240,741	70,826	96,104	1,693	51,887
Investment securities	207,225	440,829	401,707	479,481	296,535
other assets	12,331	8,825	10,500	11,291	24,116
Intangible assets	55,989	3,129	8,697	10,727	–
Property and equipment	26,188	32,046	6,581	2,334	4,285
Deferred tax asset	110,735	105,163	94,276	62,683	62,683
	653,209	660,818	617,865	568,209	439,506
Liabilities					
Accounts payable	18,667	18,711	18,926	60,116	12,791
Current income tax	440	1,146	3,029	2,537	2,031
	19,107	19,857	21,955	62,653	14,822
Equity					
Share capital	444,204	444,204	444,204	444,204	333,153
Share premium	288,214	288,214	288,214	288,214	236,260
Accumulated losses	(98,316)	(91,457)	(136,508)	(226,862)	(144,729)
Total liabilities and equity	653,209	660,818	617,865	568,209	439,506
Statement of comprehensive income					
Gross earnings	176,232	229,097	225,127	121,636	108,998
Net operating income	176,232	229,097	225,127	121,636	108,998
Employee benefits and compensation cost	(98,230)	(90,075)	(70,760)	(72,316)	(67,820)
Other operating expenses	(89,993)	(102,965)	(92,344)	(127,905)	(150,098)
(Loss)/profit before tax	(11,991)	36,057	62,023	(78,585)	(108,920)
Tax	5,132	8,994	28,331	(2,537)	37,499
(Loss)/profit for the year	(6,859)	45,051	90,354	(81,122)	(71,421)
Basic (loss)/earnings per share (kobo)	(1.54)	10.14	20.34	(19.92)	(21.44)



Other Information

[Share Capital History](#)

[Securities Directory](#)

[NASDAQ Securities Index \(NSI\)](#)

[Active Participating Institutions](#)

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[Events](#)

[Proxy form](#)

[Shareholders' admission form](#)

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:



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 976million 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 3.6billion 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 NASDOTC 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 50kobo 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 50kobo each.



CONSUMER SERVICES

A sector of the economy that consists of businesses that sell 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 50kobo 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 50kobo 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 Financial Industry:

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 50kobo 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 NASDOTC 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 50kobo 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.



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 50kobo each.

Insurance



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 50kobo 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.

Mortgage Finances



FirstTrust 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** **SDFSTTRUSTMB**. 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 NASDOTC 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 444million 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 49.99million 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 50kobo each.



Lighthouse Financial Services PLC was incorporated in January 1984 and admitted to trade on the NASDOTC 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 50kobo 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 NASDOTC 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 50kobo each.



International Packaging Industries of Nigeria Plc was incorporated 26th September 1964 and admitted to trade on the NASDOTC 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 50kobo 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 50kobo 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 ₦1 each.



Air Liquide Nigeria Plc, a subsidiary of Air Liquide Group was incorporated in 1992 and admitted to trade on NASDOTC 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 50kobo 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 1kobo 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 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.

Active Participating Institutions

REGISTERED PI PERFORMANCE 2020			
S/N	Participating Institutions	N VALUE	DEALS
1	Stanbic IBTC Stockbrokers Limited	4,817,524,973.40	41
2	FCSL Asset Management Company Limited	2,465,371,553.00	53
3	Capital Assets Limited	1,212,040,007.04	50
4	Cardinal Stone Securities Limited	710,189,770.50	21
5	WSTC Financial Services Limited	472,464,030.00	12
6	Nigerian International Securities Limited	390,701,650.26	89
7	Arthur Stevens Asset Management Limited	326,118,879.92	110
8	Anchoria Investment and Securities Limited	298,528,315.35	59
9	The Bridge Securities Limited	243,493,926.00	25
10	Capital Bancorp PLC	233,556,275.20	43
11	Equity Capital Solutions Limited	190,118,657.60	40
12	Coronation Securities Limited	165,353,249.20	8
13	Reward Investments & Services Limited	100,490,440.30	42
14	GTI Securities Limited	97,464,925.00	27
15	CSL Stockbrokers Limited	83,443,148.00	15
16	Sigma Securities Limited	71,673,000.00	4
17	Portfolio Advisers Limited	71,300,000.00	2
18	Bestworth Assets & Trust Limited	68,019,856.23	15
19	Dynamic Portfolio Limited	51,848,135.95	20
20	Meristem Securities Limited	42,965,082.19	66
21	Tiddo Securities Limited	40,772,471.40	34
22	TRW Stockbrokers Limited	37,625,104.40	26
23	Magnartis Finance & Investment Limited	37,267,999.80	60
24	ARM Securities Limited	32,915,175.83	35
25	Readings Investments Limited	30,734,600.00	8
26	Capital Trust Brokers Limited	27,953,200.00	12
27	Lighthouse Asset Management Limited	24,616,046.50	8
28	Valmon Securities Limited	20,827,823.80	52
29	Fortress Capital Limited	19,892,805.00	5
30	Kapital Care Trust & Securities Limited	19,351,936.00	20
31	Cashcraft Securities Limited	18,641,417.00	15

32	Regency Assets Management Limited	15,745,394.00	8
33	FBN Securities Limited	15,689,363.00	9
34	APT Securities And Funds Limited	15,521,523.10	17
35	Pilot Securities Limited	15,047,755.00	6
36	Resort Securities and Trust Limited	14,921,680.00	2
37	Planet Capital Limited	11,000,000.00	1
38	Tradelink Securities Limited	10,674,638.45	65
39	Afrinvest Securities Limited	9,862,427.06	27
40	Greenwich Securities Limited	8,769,293.50	13
41	Kinley Securities Limited	8,450,995.50	59
42	Apel Asset Limited	7,469,977.00	11
43	PAC Securities Limited	6,245,330.00	10
44	PIPC Securities Limited	5,153,370.10	12
45	Cordros Capital Limited	5,131,009.00	7
46	Molten Trust Limited	5,126,500.00	6
47	Woodland Capital Markets Plc	4,802,100.00	12
48	Icon Stockbrokers Limited	2,541,807.00	10
49	Lead Securities & Investment Limited	2,442,156.25	12
50	Capital Express Securities Limited	2,092,450.00	11
51	Solid Rock Securities & Investment Plc	2,023,657.00	7
52	MBC Securities Limited	1,981,536.50	26
53	United Capital Securities Limited	1,599,124.83	12
54	Lambeth Trust & Investment Company Limited	1,516,154.50	5
55	Mega Equities Limited	1,479,339.00	29
56	Trusthouse Investment Limited	1,177,204.00	6
57	Network Capital Limited	1,013,410.00	4
58	Signet Investments & Securities Limited	984,868.00	8
59	Calyx Securities Limited	816,991.75	15
60	Rostrum Investment & Securities Limited	622,793.50	4
61	Harmony Securities Limited	594,000.00	1
62	FSDH Securities Limited	250,000.00	1
63	Nigerian Stockbrokers Limited	241,281.90	5
64	Cowry Securities Limited	173,300.00	3
65	Dunbell Securities Limited	161,000.00	1
66	Topmost Securities Limited	121,000.00	1
67	Dominion Trust Limited	110,055.20	9
68	Compass Investments & Securities Limited	46,200.00	3

69	Investment One Stockbrokers International Ltd	44,317.20	14
70	Golden Securities Limited	33,000.00	1
71	Prominent Securities Limited	26,096.00	6
72	Finmal Finance Services Limited	13,000.00	1
73	Chartwell Securities Limited	12,000.00	1
74	Pivot Capital Limited	3,892.00	1
75	Fidelity Finance Company Limited	3,600.00	2
76	Securities Africa Financial Limited	3,387.50	1
77	FIS Securities Limited	247.92	1
78	Edgefield Capital Management Limited	242.00	1
	TOTAL	12,605,003,922.63	1484

NASD Management Team



Bola Ajomale
Managing Director



Chinwendu Ekeh
Head, Market
Operations & IT



Ifeoma E. Uba-Onubogu
Head, Legal & Compliance



Kolawole Jiboku
Head, Finance & Accounts



Chioma Mbagwu
Head, Admin & Human
Resources

Event

International Women's Day Forum, 2020



I/We

Being member(s) of NASD PLC hereby

S/N	RESOLUTIONS	FOR	AGAINST
1.	To elect Mr. Ayodeji Adigun as a Non-Executive Director		
2.	To elect Mrs. Olayimikah Bolo as a Non-Executive Director		
3.	To re-elect Mr. Olutola Mobolurin as a Non-Executive Director.		
4.	To re-elect Mr. Oladipo Aina as a Non-Executive Director.		
5.	To re-elect Mr. Abubakar Lawal as a Non-Executive Director.		
6.	To re-elect Mr. Chike Nwanze as a Non-Executive Director.		
7.	To authorise the Directors to fix the remuneration of the Auditors		
8.	To elect members of the Statutory Audit Committee		
9.	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.		
10.	To disclose the remuneration of Managers		

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 18 June 2021 and at any adjournment thereof.

Dated this..... day of.....2021

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 office of the Registrar, Coronation Registrars 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.
2. A proxy need not be a member of the Company 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 Stamp Duty at the appropriate rate, not adhesive postage stamps.
3. If the shareholder is a corporation, this form must be under its common seal.

Before posting the above slip, tear off this part and retain it
ADMISSION SLIP NASD PLC
8TH ANNUAL GENERAL MEETING

PLEASE ADMIT ONLY THE SHAREHOLDER NAMED ON THIS CARD OR HIS/HER DULY APPOINTED PROXY TO THE 8TH ANNUAL GENERAL MEETING THAT WILL BE HELD ON JUNE 18, 2021 AT 9TH FLOOR, UBA BUILDING, 57, MARINA LAGOS AT 11 A.M.

NAME OF SHAREHOLDER

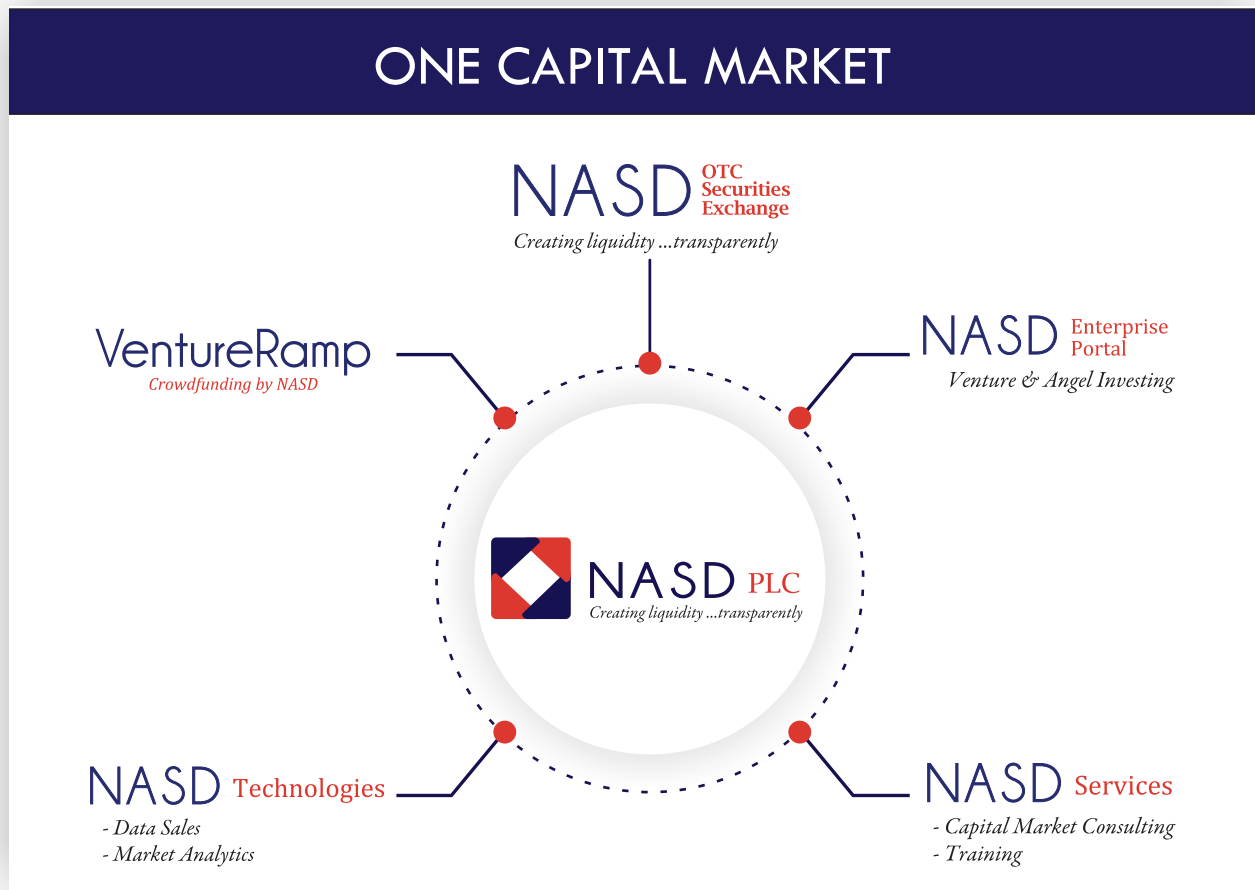
NAME OF PROXY

SIGNATURE.....

ADDRESS.....

NASD PLC ["NASD"] is a Self-Regulatory Organization ["SRO"] licensed by the Securities and Exchange Commission ["SEC"] to develop and operate a Securities Exchange.

Our service offerings are designed to deepen the capital market, enhance investor confidence and ease capital raise process for organizations. These objectives are achieved through the following vehicles:



CONTACT US


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