



# Shifting Gear Changing Lanes

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## **VISION**

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 will honour all commitments and  
never compromise our ethics.

### **PERFORMANCE**

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

### **INNOVATION**

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

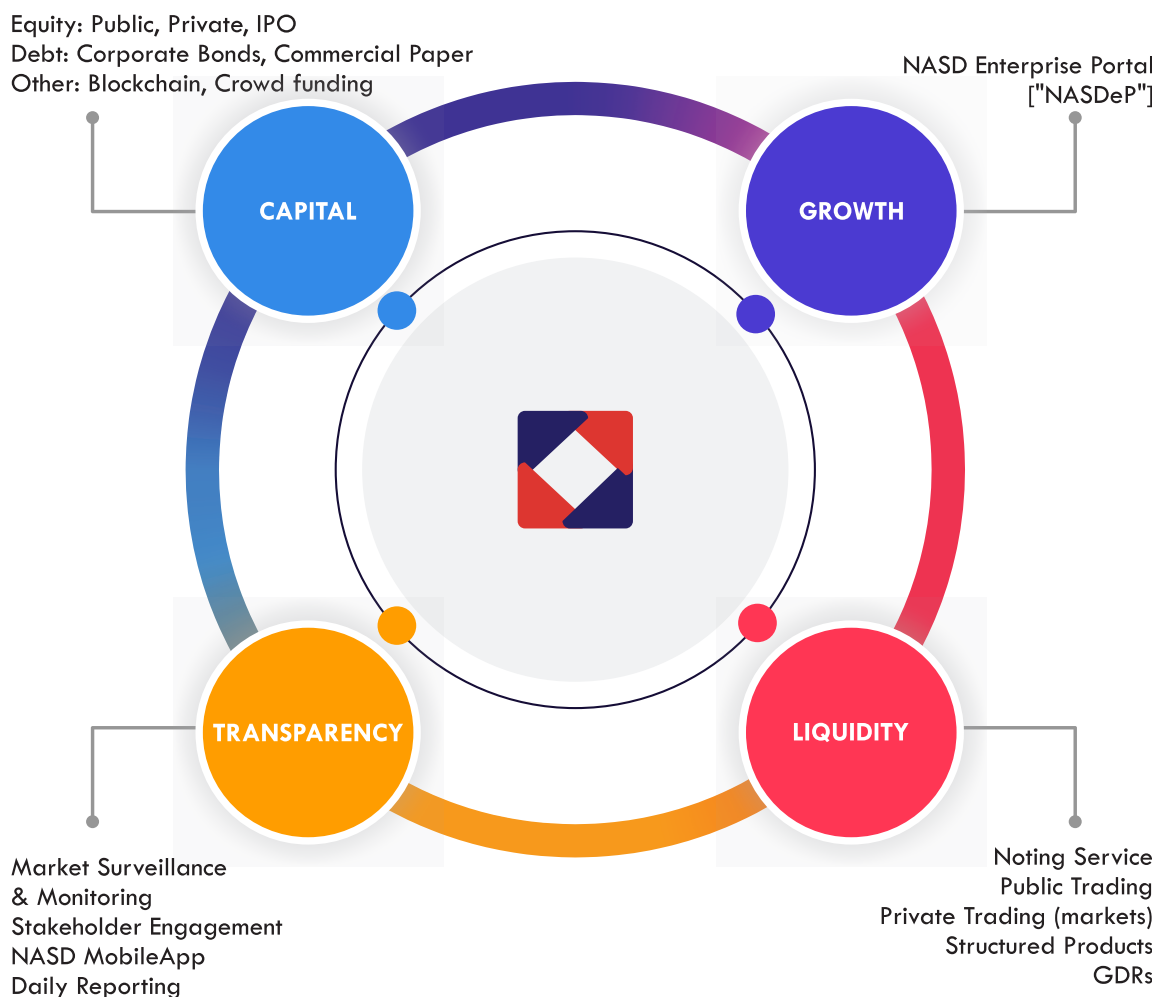
# Corporate Profile

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

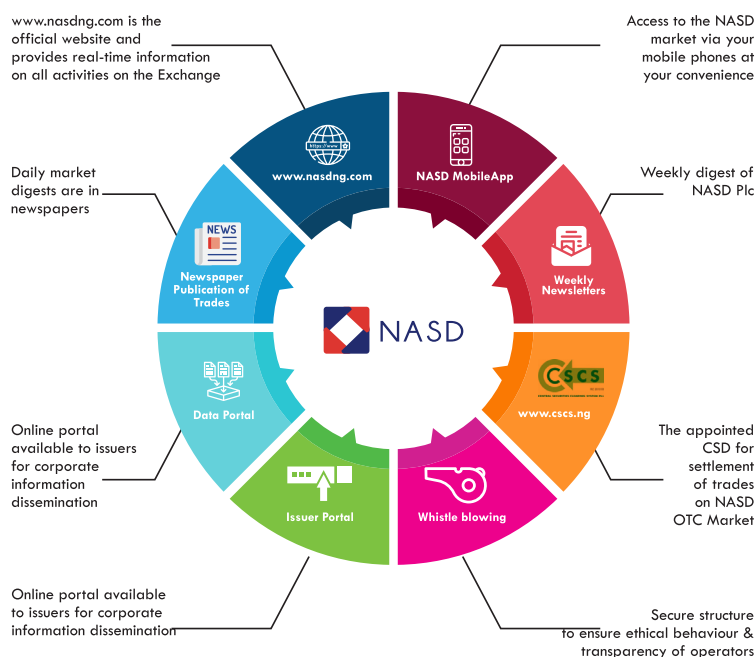
As an OTC Securities Exchange, NASD:

- 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 creates 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.

# NASD Corporate Information

## Board of Directors

Mr. Olutola Mobolurin	(Chairman)
Mr. Bola Ajomale	(MD/CEO)
Mr. Chike Nwanze	(Non-executive director)
Mr. Samuel Nwanze	(Non-executive director)
Ms. Obiageli Ugboma	(Non-executive director)
Mr. Abubakar Lawal	(Non-executive director)
Mr. Ariyo Olushekun	(Non-executive director)
Ms. Olayimikah Bolo	(Non-executive director)
Mr. Aigbovbiose Aig-Imokhuede	(Non-executive director)
Mr. Kayode Falowo	(Non-executive director)
Mr. Oladipo Aina	(Non-executive director)
Mr. Adedeji Adigun	(Non-executive director)
Mr. Kyari Bukar	(Independent director)
Mr. Eguarekhide Longe	(Executive Director)

## Company Secretary

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

## Business office

9th Floor, UBA House  
57 Marina  
Lagos

## Auditor

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

## Registrar

Coronation Registrars Limited  
Plot 009 Amodu Ojikutu  
Victoria Island Lagos

## Bankers

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



# Notice of 9th Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the **Ninth Annual General Meeting** of **NASD PLC**. (The Company) will hold on **Monday, 4 July 2022** at The Metropolitan Club, 15 Kofo Abayomi Street, Victoria Island, Lagos at **11.00am** to transact the following business:

## ORDINARY BUSINESS

- To present and consider the Audited Financial Statements of the Company for the year ended 31st December 2021 together with the Reports of the Directors, Auditors and Audit Committee thereon.
- To ratify the appointment of Mr. Eguarekhide Longe as Executive Director.
- To ratify the appointment of Ms Kenechi Ezezikah as a Non-Executive Director.
- To appoint Mr Ishmael Ebhodaghe as a Non-Executive Director.
- To appoint Mrs. Fatumata Soukouna Coker as a Non-Executive Director.
- To re-elect the following Directors who retire by rotation at this meeting and being eligible, offer themselves for re-election:
  - Mr. Kayode Falowo
  - Mr. Ariyo Olushegun
  - Mr. Abubakar Lawal
- To appoint Deloitte as the Auditors of the Company and authorise the Directors to fix the remuneration of the Auditors
- To elect/re-elect members of the Statutory Audit Committee.
- To disclose the remuneration of Managers pursuant to Section 257 of the Companies and Allied Matters Act 2020.

## SPECIAL BUSINESS

To consider and if thought fit, pass the following ordinary resolutions:

- To fix the remuneration of the Directors for the year ending December 31, 2022
- Approval of the Issuance of Bonus Shares to NASD Shareholders**

"THAT upon the recommendation of the Board of Directors, the sum of N44,420,438 be credited from the Company's retained earnings account and capitalised as 44,420,438 ordinary shares of N1.00 each by way of bonus shares in the ratio of one new share for every ten shares (1:10), held by shareholders whose names appear in the register of members at the close of business on 23rd June, 2022; and the shares so allotted shall be treated for all purposes as capital and not as income and shall rank pari-passu with the existing shares of the Company."

### Explanatory Note to Resolution 11

By virtue of Section 124 of the Companies and Allied Matters Act 2020 ("CAMA"), every company is required to maintain a prescribed minimum "issued share capital". The Companies Regulations 2021 further directed that all companies in existence comply with the requirement of minimum issued share capital; as such, companies could no longer hold unissued shares. The Corporate Affairs Commission ("CAC") issued a circular on 16th April, 2021, directing all companies to comply with the new provisions of CAMA no later than 31st December, 2022.

The current share capital structure of NASD Plc is highlighted below:

Authorised Share Capital	Issued Share Capital	Unissued Shares
500,000,000	444,204,388	55,795,612

In order to comply with the Companies Regulations, the Board of Directors, subject to shareholders approval, is proposing a 1:10 bonus share issue to shareholders.

- Approval of allotment of Shares under an Employee Share Option Scheme**

"The Directors be and are hereby authorised to do all such things and exercise such powers as may be necessary to establish an Employee Share Option Scheme and allot under the Scheme 11,375,174 ordinary shares of ₦1.00 each, representing 2.5% of the total Shares of the Company to qualifying employees of the Company at such price, time, for such period and on such other terms and conditions as the Directors may deem fit, subject to the applicable laws and regulations and receipt of such other relevant regulatory approvals as may be necessary"

### Explanatory Note to Resolution 12

This Resolution is proposed as a special resolution and seeks shareholder approval to establish an Employee Share Option Scheme for the benefit of the Company's employees on such terms and in such manner as the Directors may determine from time to time, subject to the limitations set out in this Resolution.

If this Resolution is passed, the Company will be authorised to allot 11,375,174 shares to the Staff Share Trust in the initial instance the shares so allotted will be paid for out of the Company's share premium account.

- Eligibility to purchase shares from the Staff Share Trust by staff, is minimum service to the Company of 2 years, provided that the Board in its absolute discretion may direct a shorter period for any member of Management.
  - Staff eligible to purchase the Staff Share Scheme shares will make their purchases at the approved price, in accordance with the terms of the Staff Share Scheme from the Staff Share Trust.
  - A Trustee will be appointed that will be allotted the approved percentage of shares to seed the NASD Staff Share Scheme. Management has selected Stanbic IBTC Trustees Limited to act as Trustee over the Scheme.
- To consider and if thought fit, pass the following ordinary resolutions:
    - That the Company be and is hereby authorised to take all necessary steps to ensure that the Memorandum and Articles of Association of the Company are altered to comply with the Resolutions above, including replacing the provision stating the authorised share capital with the issued share capital;

- The Company be and is hereby authorised to enter into and execute agreements, deeds, notices and any other document(s) necessary for and or incidental to the resolutions above;
- The Company be and is hereby authorised to appoint such professional parties, consultants and advisers as may be required to comply with the resolutions above; and
- The Company be and is hereby authorised to perform all acts and to do all such other things as may be necessary for or incidental to giving effect to the above resolutions, including without limitation, complying with the directives of the regulatory authorities".

## 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

### 1. COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES

Shareholders should note that the Corporate Affairs Commission (CAC) has in view of the Covid-19 Pandemic and in the interest of public safety, issued certain Guidelines on holding Annual General Meetings by Public Companies using Proxies. Accordingly, 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 at the Meeting shall only be by proxy to ensure public health and safety. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

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

**Shareholders are therefore requested to submit their completed proxy forms in line with the Corporate Affairs Commission's Guidelines to the email of the Company Secretary [likwuagwu@ikoliokagbue.com](mailto:likwuagwu@ikoliokagbue.com) or to [legalcompliance@nasdng.com](mailto:legalcompliance@nasdng.com) not later than 29th June 2022 to enable the Company stamp the proxy forms and lodge same with Coronation Registrars not later than 48 hours prior to the meeting.**

### 2. 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@ikoliokagbue.com](mailto:likwuagwu@ikoliokagbue.com) or to [legalcompliance@nasdng.com](mailto: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.

### 3. 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](http://www.nasdng.com).

### 4. CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed on 23rd June 2022 for the purpose of updating the Register of Members.

### 5. 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](http://www.nasdng.com). Shareholders who have submitted their email details to the Registrar will receive the electronic version of the Annual Report via email.

### 6. 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@ikoliokagbue.com](mailto:likwuagwu@ikoliokagbue.com) or office of the Company Secretary, GIO Nominees Limited, 864B, Bishop Aboyade Cole Street, Victoria Island, Lagos not later than 1st July 2022. Questions will be presented at the Annual General Meeting and answered thereat.

Dated this 10th Day of June 2022

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, esteemed regulators, ladies and gentlemen.

On behalf of the Board of NASD Plc ("the Company"), I am delighted to welcome you all to the 9th Annual General Meeting (AGM) and to present to you the Annual Report and Financial Statements for the year ended December 31, 2021.

Permit me to provide an overview of the global and domestic operating environment, and thereafter outline our financial performance.

## The Global Economy In 2021

In the gradual recovery from the ravages of COVID-19 pandemic experienced in 2020, there was a slow but steady return to regular economic activity across the globe in 2021.

The global growth in 2021 was estimated at 5.9% with strong economic performances delivered by the major economies as shown in table 1 below:

Table 1—2021 World Regional Economic Growth Rate

Region	2021 Estimated Growth Rate (%)
USA	5.7%
China	8.1%
East Asia & Pacific	5.4%
European Area & EU	5.2%
Africa	3.3%
Middle East	3.5%

**Source:** IMF World Economic Outlook & World Bank blogs

Coming in tow with the strong growth in the U.S economy in 2021, was the highest inflation rate experienced in 40 years (4.7%). This was largely attributable to strong consumer demand driven by Government palliatives to counter the global recession 2020, which tended to overwhelm the global supply chain and delivery system.

The constricted supply chain experience was the same in most of the economies across the globe as regional economies could not crank up their economic engines quickly enough to restore activity to pre-pandemic levels.

This position was particularly pronounced in economies like that of Canada that witnessed a very notable spike in its Real Estate market with an over 10-month lag in construction supplies in a burgeoning property market.

Spike in crude oil prices was a significant contributor to notably increased inflation rates globally. The spot prices of Brent Crude Oil ("Brent") and the West Texas Intermediate ("WTI") averaged \$71 per barrel and \$68 per barrel respectively in 2021, having opened at approximately \$50/bl at the start of the year.

The Aviation industry which is critical to global economic recovery due to the connectivity it provides for passenger traffic between countries, but more for prompt cargo delivery services which businesses have grown to increasingly embrace. According to the International Air Transport Association (IATA), while revenue per passenger kilometres (RPK) in 2021 was at 40% pre-pandemic levels, cargo recovered in 2021 rising above 2019 levels, given the increasing reliance on deliveries in the new work norm.

Table 2—Regional Aviation Industry Profitability (2019–2022F)—Net Post Tax Profit US\$bn

Regions	2019	2020	2021 E	2022 F
Africa	-0.3	-2.2	-1.9	-1.5
Asia-Pacific	4.9	-45.6	-11.2	-2.4
Middle East	-1.5	-8.5	-6.8	-4.6
Latin America	0.7	-11.9	-5.6	-3.7
North America	17.4	-35.1	-5.5	9.9
Europe	6.5	-34.5	-20.9	-9.2

Source: IATA—Economic Performance of The Airline Industry—2021 Semi Annual Report—[www.iata.org/economics](http://www.iata.org/economics)

### The Nigerian Economy

According to data from the National Bureau of Statistics (“NBS”), the domestic economy expanded by 3.4% in 2021 from the drop of 1.92% recorded in 2020. This is the highest growth the Nigerian economy has achieved since 2014 coming off the fallen base of 2020. This is marginally ahead of the average annual population growth rate estimated at 2.543% in 2020, according to the

World Bank collection of development indicators, compiled from officially recognized sources. The GDP growth rate needs to be significantly higher given the expressed objective to move a minimum of 100 million people out of poverty over the next 10 years (2020 base year).

In consideration of the Country's economic growth potential, 'low hanging fruits' such as the gap between the average daily oil production achieved in 2021 (1.424mbd) versus Nigeria's OPEC quota (1.78mbd) demonstrates one of the performance gaps that need to be urgently closed by the country. Thus, the positive impact of rising global crude oil prices (averagely 42% in 2021–Brent Crude) to the domestic economy was tempered.

Non-oil GDP contribution showed consistent progress in the Nation's quest to diversify away from Crude Oil which continues to dominate its foreign currency earnings. According to the NBS, annual non-crude oil contribution to GDP increased from 91.87% in 2020 to 92.76% in 2021.

Nigeria's external reserves increased by 14.56% to \$40.53bn in 2021, largely from Eurobond and IMF Special Drawing Rights borrowing (Source: CBN Governor).

Despite this positive position, the Naira: US Dollar exchange rate continues to be under considerable pressure with the Naira slipping 0.5% on the USD and closing the year at ₦412.2. The challenge, however, remains seamless access to the USD for key economic actors and bridging the gap/premium between the official and grey markets for the USD.

The signing into law of the long-awaited Petroleum Industry Act on August 16, 2021 by President Muhammadu Buhari encouraged the optimism of market watchers that the 20-year in-the-making bill would revive new investments in Nigeria's Oil & Gas sector.

The Nigerian Economy remains "a work in progress" with tough and tight sets of options for policy makers, and difficult daily experiences to contend with for the general populace.

### NASD OTC: Business Development

Activities at the NASD in 2021 increased notably when compared with the previous year.

Table 3–Activity On The NASD OTC Exchange

	2021	2020	%age Growth
No of Deals Executed	4,988	1,496	233.42%
Volume Of Shares Traded	12,949,534,051	7,930,320,521	63.29%
Value of Shares Traded (₦)	32,845,468,092.22	12,687,637,817.08	158.88%
NASD Securities Index	742.85	733.00	1.34%
NASD Market Capitalization (₦)	629.03	525.94	19.60%

Encouraging as the activity in the table above is, the aim is to propel the Company's performance from its current low base to one of operational sustainability. The achievement in 2021 is a clear indication of the positive trajectory on which the Company's activities have been placed. The reports of performance for Q1, 2022 continue to signal this trend.

### Financial Performance

Distinguished shareholders, I am pleased to inform you that your Company improved its fee and commission income by 96% year-on-year from ₦124m in 2020 to ₦243m in 2021. However, investment income declined by approximately 14% to ₦44.8m in 2021 (₦51.8m–2020) due to depressed yields in the financial markets. Total expenses increased by 43% during the year (from ₦183m–2020 to ₦262m–2022) largely from increased administrative costs coming out of the restrictions of the work environment in 2020 and returning gradually to normal operations in 2021.



In conformity with the Companies and Allied Matters Act 2020 and the Companies Regulations 2021, the Board has recommended a bonus issue of 1 for every 10 shares held and established a Staff Share Scheme to utilize the unissued shares out of the Company's outstanding authorized shares. These actions effectively take care of the prescription of the Companies regulations 2021 that all Companies issue or forfeit all unissued shares in their authorized capital.

I urge shareholders to approve these recommendations of the Board.

## **The Board**

Good Corporate Governance is at the forefront of the Board's agenda. Throughout the year, the Board actively provided guidance to Management in running the affairs and strategizing for the growth of the Company. The Board and its committees continue to carry out their duties and responsibilities in the best interest of the Company.

Since the last Annual General Meeting, there have been some changes in the composition of the Board. Mr. Ayodeji Adigun resigned from the Board in August 2021 and I would like to thank him for his contributions to the Board and the Company. In December 2021, Mr. Eguarekhide Longe was appointed as an Executive Director of the Board, and at this meeting, we shall be asking you to ratify his appointment. Mr. Longe brings over 30 years' experience in the financial services and business analytics spaces. Please join me in welcoming him unto the Board of NASD.

## **Outlook**

NASD in its 10th year of operation, has indeed come of age. As the theme of this AGM states; 'Shifting Gear, Changing Lanes'; the Company is entering another phase of its development. The structure for the Company's development and growth have been well laid by the pioneer Managing Director, who now retires and hands over to a new team.

This also comes at a time when we embark on a fresh election season in the Country with all its prospects and expectations of a renewal of energy and vision to make progress with the Nigerian project.

As the economic review in the earlier part of my statement has shown, strong prospects lie ahead for the Nigerian society. Improved coordination and skilful use of the ready material and resources that lie in abundance at our collective command as a people, truly beckons.

We see these opportunities at NASD and are truly excited and prepared to harness the prospects and deliver very positive growth to the organization in the coming years.

We will continue to embrace the frontiers in technology, innovation and product development in conjunction with all our stakeholders.

## **Conclusion**

In conclusion, I would like to thank the outgoing Managing Director, Mr. Bola Ajomale for his sterling contribution to the setting up and development of the OTC market in Nigeria, working with no template on which to anchor his activities in an uncertain regulatory environment. All other members of the Management team and staff on which the operations of the Company have been anchored deserve our commendation as well. We thank also our Regulator; the Securities and Exchange Commission for its guidance and support over years. We of course seek its continuing cooperation and flexibility as we, jointly with others, define a securities market that can galvanise capital formation, especially risk capital, to build a more productive and resilient economy. Gratitude goes also to our shareholders and participating institutions who have been steadfastly committed to the deliberate development of the Company. Finally, I thank my colleagues on the Board for their professionalism and dedication to the arduous task of keeping the Company firmly on track. The years to come evince very tangible promise to which we all should look positively.



**Olutola Mobolurin**  
Chairman, Board of Directors  
NASD Plc



# Managing Director's Report

Dear Shareholder,

After a rather concerning 2020 we looked forward to a brighter 2021 and a return to normalcy. As it happened, the global pandemic intensified its impact in Q1 2021 although it softened towards the end of the year. At NASD we continued to encourage our team to stay safe during that period while also ensuring that our systems operated optimally and delivering a reliable and transparent market.

## Review of 2021

In 2021 some new milestones were reached in terms of positioning of the OTC market and capacity of the market to deliver even greater efficiencies to the African capital market.

## Financial Performance

In 2021, NASD saw an increase in transaction income in comparison to activity of 2020. NASD generated transaction fees of ₦203 million representing a 97% increase over the ₦103 million earned in 2020. The Company however recorded a 13% decline in Investment Income from ₦51.8 million in 2020 to ₦44.8 million in 2021, due to the drop in average prevailing interest rates over the year. Total income generated from listing fees was ₦0.6 million. We expect that this will increase significantly in 2022 as the company repositions its service offering.

In 2021, your company's total expenses incurred amounted to ₦262.1 million compared to the ₦188.2 million recorded in the corresponding period of 2020.

At the year ended 31 December 2021, NASD recorded a profit after tax of ₦23.2 million.

## Operations

### Trade Activity

Overall, activity and turnover were 158.88% higher in 2021 than in 2020. The Exchange index, NASD Security Index ['NSI'] recorded a 1.34% increase to close the year at 742.85 and market capitalisation rose by 19.60% to close at ₦629.03 billion from ₦525.94 billion at the beginning of the year.

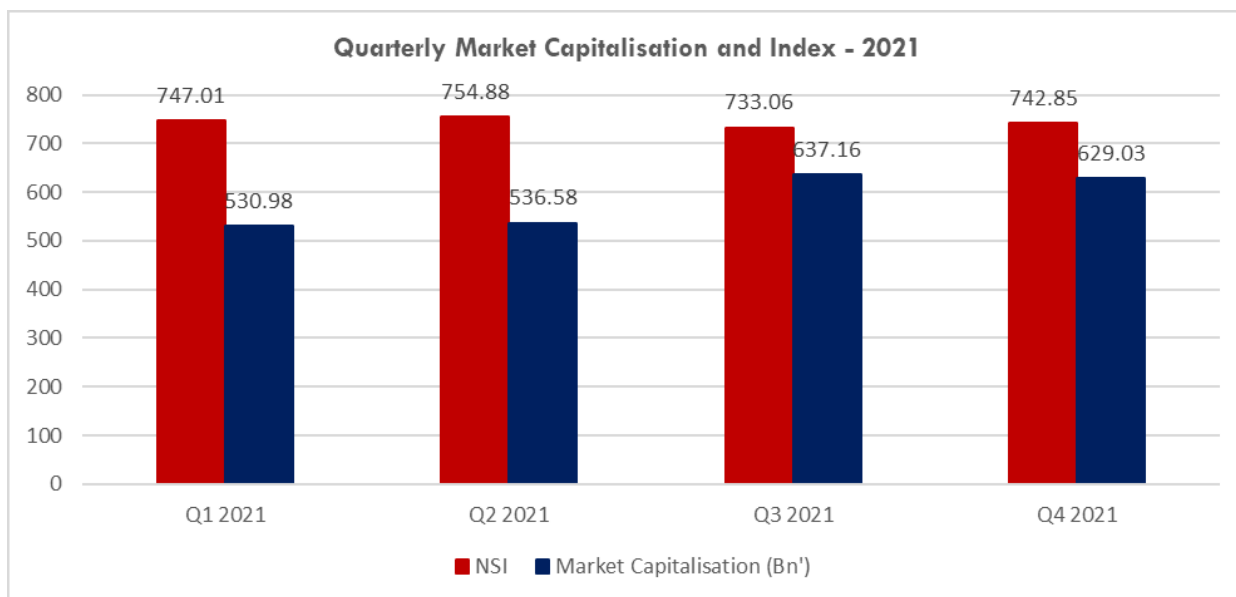
Dematerialisation of shares available to trade increased from 109.03 billion units to 162.5 billion representing 82.05% of all shares available to trade on the exchange. We shall continue to encourage securities to register with the SEC so they can be dematerialised into the market as we aim for 100% dematerialisation of public shares.

Equity trading on NASD reached unprecedented volumes of our history. A stand out during the year was the admission of 1.9 billion shares of NGX PLC to trade on the OTC platform. This pivotal admission of shares and the volume of trades executed confirmed the fit for purpose nature of our market, technology and structure. It also reaffirmed our belief in the market continuum where shares can trade in an organised market before opting to list on any other market.



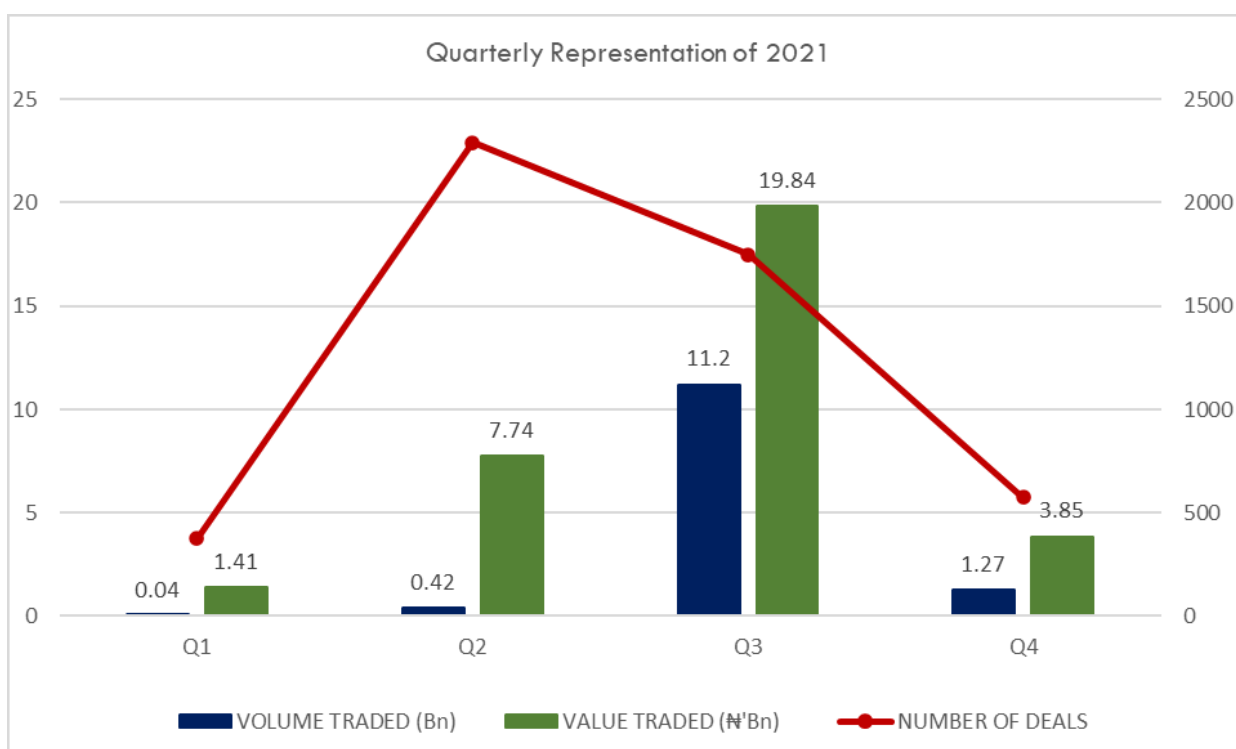
### Key Market Metrics

	Dec 2021	Dec 2020	% Change
Market Capitalization (Bn'N):	629.03	525.94	19.60
Volume Dematerialized (Bn):	109.03	97.30	12.06
Dematerialized Percentage (%):	82	69	18.84
Volume of trades (Bn):	12.94	7.93	63.18
Number of trades:	4,988	1,498	232.98
Value traded (Bn'N):	32.84	12.60	160.63
NSI	742.85 points	733.00 points	1.34



## Trade Activity

Quarterly Trade Activity					
	Total	Q4	Q3	Q2	Q1
Deals	4,988	574	1,749	2,291	374
Volume Traded (Bn)	12.94	1.27	11.20	0.42	0.04
Value Traded (₹'Bn)	32.84	3.85	19.84	7.74	1.41





## Liquidity by Security

Top five traded securities by volume

Securities	Volume Traded (in millions)	Total shares issued (in millions)	% Shares traded a/b	Comments
SDFOODCPT	10,009	26,496	37.77	CSCS, reflected normal activity while SDFOODCPT, SDLIGHTFSP, SDGEFLUID were the exceptional trades in 2021. NGX delisted in October 2021 after trading for 4 months.
SDLIGHTFSP	1,092	2,151	50.76	
SDGEFLUID	1,000	4,257	23.49	
SDNGXGROUP	447	1,900	23.53	
SDCSCSPLC	153	5,000	3.06	

Top Five Traded Securities by Value			
Securities	Value Traded Nbn	Total market capitalisation Nbn	Comments
SDFOODCPT	12.58	21.46	CSCS activity was consistent with previous year trends, while SDFOODCPT and SDVFDGROUP had significant deals. NGX delisted in October 2021
SDNGXGROUP	9.06	30.68	
SDVFDGROUP	3.5	45.83	
SDCSCSPLC	2.8	93.55	
SDFCWAMCO	1.1	231.25	

Top Gainers 2021

Security Code	Opening price	Closing Price	% Change
SDNASDPLC	3.50	18.70	434.29
SDVFDGROUP	105.07	361.82	244.36
SDCSCSPLC	15.05	18.25	21.26
SDIGIPLC	0.07	0.08	14.29
SDNEWREST	10.00	11.00	10.00
SDNMRCPLC	68.00	70.00	2.94
SDNIPCOPLC	0.69	0.70	1.45
SDGEFLUID	0.80	0.81	1.25

Top Losers 2021

Security Code	Opening price	Closing Price	Change %
SDNDEP	340.00	235.50	-30.74
SDSWAPPLC	0.88	0.64	-27.27
SDAFRILAND	1.38	1.07	-22.46
SDMIXREAL	2.20	1.76	-20.00
SDMASSTCOM	0.50	0.45	-10.00

SDNMRCPLC	5.82	5.24	-9.97
SDFCWAMCO	130.00	118.43	-8.90
SDUBNPROP	1.26	1.15	-8.73
SDAIRLIQ	6.00	5.50	-8.33
SD11PLC	230.00	215.00	-6.52
SDACORN	0.16	0.15	-6.25

### Admitted securities

We continue to maintain two main methods for securities to enter the OTC Market. As at 31 December 2021, 10 companies were in the blue category, 16 in the pink and 14 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 the company.

### Categorisation of NASD OTC Securities

Blue Highest level of compliance with regulatory disclosure	Pink Somewhat complies with regulatory requirements	Red In default of the requirements of regulatory disclosure
1 11 PLC	1 ACORN PETROLEUM PLC	1 FAMAD NIGERIA PLC
2 AFRILAND PROPERTIES PLC	2 AG MORTGAGE BANK PLC	2 FREE RANGE FARMS PLC
3 AIR LIQUIDE PLC	3 CAPITAL BANCORP PLC	3 GEO-FLUIDS PLC
4 CENTRAL SECURITIES CLEARING SYSTEM PLC	4 COSTAIN (WEST AFRICA) PLC	4 GOLDEN CAPITAL PLC
5 FRIESLAND CAMPINA WAMCO NIGERIA PLC	5 CR SERVICES (CREDIT BUREAU) PLC	5 GREAT NIGERIA INSURANCE PLC
6 NASD PLC	6 DUFIL PRIMA FOOD PLC	6 INTERNATIONAL PACKAGING IND OF NIGERIA PLC
7 NIGER DELTA EXPLORATION & PRODUCTION PLC	7 FAN MILK PLC	7 MASS TELECOM INNOVATION PLC
8 UBN PROPERTY PLC	8 FIRSTTRUST MORTGAGE BANK PLC	8 MIXTA REAL ESTATE PLC
9 VFD GROUP PLC	9 FOOD CONCEPTS PLC	9 NEWREST ASL NIGERIA PLC
10 NIGERIAN EXCHANGE GROUP	10 FUMMAN AGRICULTURAL PRODUCT IND. PLC	10 PROVIDUS BANK PLC
	11 INDUSTRIAL AND GENERAL INSURANCE PLC	11 RESOURCERY PLC
	12 LIGHTHOUSE FINANCIAL SERVICES PLC	12 RIGGS VENTURES WEST AFRICA PLC
	13 NIGERIA MORTGAGE REFINANCE COMPANY PLC	13 SWAP TECHNOLOGIES & TELECOMS PLC
	14 NIPCO PLC	14 VITAL PRODUCTS PLC
	15 THE INFRASTRUCTURE BANK PLC	



## Corporate Social Responsibility

NASD PLC joined the rest of the international community to commemorate the World Cleanup Day on the 18th of September, 2021. This shows not only our commitment to the Capital Market but also to the environment. The event was held at the Ilashe and Ibeshe private beach resort, Lagos State in collaboration with the Lagos State Waste Management Authority (LAWMA) as well as a network of corporate bodies, NGOs and governmental organisations such as Nigerian Ports Authority (NPA), AND Nigerian Maritime Administration and Safety Agency (NIMASA). The event which lasted for 5 hours during which 75,000 plastic bottles, weighing 1,250 kilogrammes, were collected, along a 5-kilometre distance of Ilashe/Ibeshe beach.

In the coming year, we intend to reduce our carbon footprint to benefit the planet, starting with these areas:

- Implement and encourage green practices amongst our staff;
- Foster a culture of social responsibility and
- Share and communicate the value of corporate social responsibility to employees.

## Strengthening the structure

In 2021 we leveraged on technology to improve our service offering. our market surveillance and monitoring. The trading platform currently in use "N-ETS" has embedded protocols which we believe will improve market confidence. The annual surveillance and monitoring exercise is also carried out using virtual data rooms, thereby allowing NASD to continue to its oversight functions over participating institutions, whilst ensuring the safety of its employees.

Having transparency and efficiency at our core, the Management and the Board of NASD continue to devise and implement strategies that facilitate the provision of world class services to the public. During the year, the Company issued new Rules to introduce new products and expand/improve existing services. Notable amongst these Rules are the Rules for the issuance of Digital Securities, which was drafted ahead of the planned launch of NASD's Digital Securities Platform in year 2022. The Rules are currently before the Securities and Exchange Commission, for approval.

New policies were also put in place to improve the internal controls of the Company.

S/N	DETAILS	EFFECTIVE DATE
<b>RULES &amp; GUIDELINES</b>		
1	Sub Broker Rules	16 March 2021
2	Guidelines for Dealers Operating on NASD OTC Market	1 June 2021
3	Rights Issue Rules	6 September 2021
4	Disclosure Requirements for Securities Admitted to trade on the OTC Market	27 April 2021
5	Guidelines for Schemes of Arrangement	27 April 2021
<b>POLICIES</b>		
1	Business Continuity Plan Policy	27 April 2021
2	Data Backup Policy	27 April 2021
3	Code of Professional Conduct	27 April 2021
4	Vendor Onboarding Policy	26 October 201
5	Corporate Communications Policy	26 October 2021

In addition, the efficiency of the OTC Market and the quality of securities on the market, led to a total of twenty-one (21) participating institutions and forty-one (41) authorized traders registering to join and trade on our market. During the year, we also successfully carried out surveillance and monitoring exercises on one hundred and eleven (111) participating institutions to ensure full compliance with regulatory requirements, organizational policies, and adherence to internal control procedures. NASD's aim is to not only detect audit deficiencies, but also prevent them from occurring in the first place.



The Trade Guaranty Fund was launched in 2020 as part of our efforts to strengthen the risk management framework. The fund is overseen by a Board of Trustees comprising of NASD and the Central Securities Clearing System Plc (“CSCS”). Contributions received from registered Participating Institutions as at December 31, 2021 based on Statement of account by GTL Trustees was ₦14,481,734.72 (Fourteen Million, Four Hundred and Eighty-One Thousand, Seven Hundred and Thirty-Four Naira, Seventy-Two Kobo). The fund is expected to continue to grow as more participating institutions join the OTC Market, and based on the investment strategies defined by the Trustees.

The Securities & Exchange Commission also conveyed its approval on rules to govern the Investor Protection Fund (“IPF”) for the market. The Board of Trustees of the IPF is currently being constituted and we expect the Fund to be launched in 2022, after which funding shall commence.

### Data Protection

NASD recognises its importance as a major data hub and in compliance with the Nigeria Data Protection Regulation, 2019, NASD reinforced its data protection structure by adopting best practice in data security. The Company currently has three (3) Data Protection Officers (“DPO”) who work assiduously towards ensuring that the data of the company as well as the data shared with the company, are processed and stored in accordance with the NDPR and global best practices. We are also pleased to inform you that NASD successfully carried out its annual Data Audit for year 2021, with no deficiencies raised by the regulator.

### People & Culture

Employees of NASD have demonstrated great resilience and engagement over the last two years of the pandemic. NASD continued to provide an enabling environment for constructive interaction where employees can thrive and remain engaged in the growth of the Company.

In 2021, emphasis was placed on broadening skill sets through personal training and courses. Safety however remained the area of primary priority as the pandemic entered its second and third waves.

NASD is unwavering in its desire to recruit and retain the best talent available. We therefore believe that under the evolving virtual work format, we will have additional access to engage an even wider talent pool. At the executive level, NASD is pleased to announce that Mr. Eguarekhide Longe joined the Company in November 2021 as the Chief Operating Officer. I am confident that his broad-based experience acquired over a thirty-year period will have a significant positive impact on the growth trajectory of the company.

### Technology

#### Data and Technology Innovation At NASD

At NASD we recognise how central data and digital information is to decision making. In 2021, we therefore expanded and aligned our data portal to allow issuers upload corporate information to the market and our participating institutions upload their trade reports. Currently available information are reference data, pricing data, and corporate actions more time and sensitive information will be made available in 2022. These tools were not heavily utilised in 2021 and

Having transparency and efficiency at our core, the Management and the Board of NASD continue to devise and implement strategies that facilitate the provision of world class services to the public. During the year, the Company issued new Rules to introduce new products and expand/improve existing services. Notable amongst these Rules are the Rules for the issuance of Digital Securities, which was drafted ahead of the planned launch of NASD’s Digital Securities Platform in year 2022.



we expect it to gain momentum and utilisation in the oncoming years as the world goes even more virtual.

### **Distributed Ledger technology and NASD**

In June 2021, NASD concluded an investigation into the applicability of blockchain technology to capital markets and concluded that there were efficiencies available in the deployment of that technology to the Nigerian market. NASD formed a partnership with Blockstation Canada and TK Tech Africa to run a pilot program with a small sample of market operators. NASD is looking forward to bridging the gap between the digital and traditional world with its digital platform "N-DSP".

In the interim, the regulator developed guidelines on digital securities and we anticipate that the regulator will approve for NASD to open this new asset class in 2022.

### **Leasing out platform to other markets**

As expected in 2020 the NASD Electronic Trading System ['N-ETS'] made trading smoother and enhanced efficiency in price discovery and data collation. Using standardised protocols, we were able to transmit trade data for settlement to our depository system in real time. N-ETS will also enable capacity to broaden asset class traded to Bonds, Commercial Paper, ETFs, money market and structured products. As part of our strategy to widen the reach of NASD into private markets, we shall also preserve the functionality of the legacy BiTS platform and make it available for private market bilateral deal making.

### **Risk Management**

The 2021 NASD Enterprise Risk Management process was based on the principle that the board is focused on those risks capable of undermining the strategy or long-term viability of the company and damaging its reputation, while the usual business risks are assessed and managed by the executive management.

The board has set out strategic risk management objectives, which aligning with the strategic plan, provide boundaries for setting risk appetite for all material risks. These strategic risk objectives are the bridge between the NASD's business strategy and frameworks, limits and tolerances that are used to set risk appetite used in managing risk on a day-to-day basis.

### **NASD's 10 year journey**

In all journeys, it is necessary to shift gears and change lanes to get to your destination. Over the last 10 years, NASD has evolved from an association of securities dealers to an innovative regulated market for both public and private enterprise.

We believe the growth of NASD however would have been much faster with a stable growing economy and without the crowding out effect of Federal government policies in the mid-2000s. NASD's reach would also benefit from the enforcement of the Rules on trading Public Securities passed by the SEC in 2014.

We expect that enforcement of this rule will have a multiplier effect on market capitalisation, transparency and transaction volumes.

### **Shifting Gear and Changing Lanes**

With the changing terrain, increased virtualisation of products and processes and in line with new business style the Board reaffirmed its focus on becoming the most Innovative Exchange for Capital formation in Africa. This was evidenced in





the drive for Blockchain technology, strong knowledge acquisition and continual lowering of market costs.

Business lines were also divided among the two main subsidiaries:

- NASD Technologies which is responsible for delivering technology solutions to both the company and its stakeholders
- NASD Services Limited which provides consulting, trading operations and market services to our clients.

### Changing Lanes

In striving to reach a goal, it is inevitable that the vehicle must purposefully make decisions to change direction, speed and even co-travellers. It is also required to adapt to environmental conditions in order to remain efficient. At NASD, we have purposefully decided to adopt blockchain technology as our base – leading to a more efficient, less risky and more virtual market.

We are pleased to announce that In June 2021 your company signed a Master Agreement with TK Tech Limited and Blockstation Canada. Both companies will NASD with blockchain technology on which we intend to launch the NASD Digital Securities Platform. Your company is therefore in the forefront of the move to establish a blockchain based trading platform for digital securities and will in the oncoming months. To ensure the smooth take-off of this exciting market, NASD has launched a knowledge building enlightenment series and will in later months of 2022 launch an onboarding program for stakeholders in this space.

NASD also signed an agreement to provide market support services to the Cooperative Community in 2021. This is a unique and refreshing look at deploying public market capacity to the opaque cooperative world. We anticipate the approval of the regulator to commence services to this part of the capital market.

### Shifting Gears

NASD, in changing lanes will focus on efficiently utilisation of available resources and refuelling where necessary in order to change pace and continue the journey. While we continue with our core focus of **creating liquidity ...transparently** we shall be deploying new resources at all levels.

At the Board of Directors level, Coronation Merchant Bank Limited has indicated that it will be stepping down from its position on the Board. I thank them for their significant contribution to the growth of the company. In the same vein, the Board shall be recommending to the shareholders some new members to the Board in the AGM of 2021.



NASD shall also be driven by a new lead manager. As my tenure as Managing Director comes to an end, I am pleased to welcome a highly respected and experienced colleague – Mr E. Longe to take over the steering wheel of the company. I wish him even greater success than I have been able to achieve for this company.

## Outlook for 2022

2022 has found Nigeria and NASD in transitory organisational stages; the former entering into a general election season and the latter entering into a new phase of corporate development. The coincidence is quite significant to prospects of NASD in the current financial year and beyond.

Translation to implementation of pending initiatives undergoing regulator review; such as the Digital Securities platform and private market propositions like the Cooperative Shares Exchange, will significantly deepen the value proposition of NASD PLC. and it is hoped that these initiatives will crystallize very soon.

In search of forging a new direction to achieve greater National economic value, we will see improved integration of the capital markets to the Nigerian economy. NASD is poised to take the lead in this area with its unique positioning in being able to spot potential, promote growth and increase value in budding enterprises.

We believe that truly harnessing innovation can lift large numbers of people out of poverty, and it is to this task that the organisation will be dedicated and will itself grow through 2022 and the coming years.

Financial markets are evolving. New technologies allow for ground-breaking innovations that will lead toward the transformation of the entire financial market infrastructure landscape. NASD is one of the very few companies acting at the intersection of finance, data, technology, and infrastructure. Continuous investments and margin accretive growth are indispensable for NASD to stay competitive and serve its constituency in the long term.

## Appreciation

I would like to 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.

We acknowledge the support, guidance and tacit support of the Securities and Exchange Commission, the Chartered Institute of Stockbrokers respectively and other partners without whom this market cannot function.

I personally thank you the shareholders for your support and patience in growing this institution. It truly has been a privilege to be of service to the industry and to have been trusted with the task of creating a market for so many years. I can only appeal that you give Mr Longe even more support and trust than you have given me as he leads NASD to greater heights.

We at NASD truly believe that the future of finance is happening now, therefore we are continuously investing in technology, services, and people.

Thank you for your ongoing support in this transformational journey.

Yours sincerely



**Bola Ajomale**

Managing Director  
June 2022











# Corporate Governance

Corporate Governance Report

Director's Report

The Board of Directors

Report of 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 31ST DECEMBER 2021

### INTRODUCTION

NASD PLC (“NASD” or “the Company”) is committed to promoting high standards of corporate governance and ethical business practices (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, and global best practices, whilst creating and enhancing sustainable value for our shareholders.

Understanding the importance of maintaining high corporate governance standards, and in compliance with the extant laws of Nigeria, an annual evaluation is conducted by an independent Board Evaluator (DCSL Corporate Services Limited) on the activities of the Company. The report from the evaluation process is submitted to the Board and subsequently presented to the shareholders of the Company at every Annual General Meeting.

### 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, and values. 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 other stakeholders.

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

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

#### The Company’s Ethical Culture

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

#### Independence

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

## 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 be 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, 2021, 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.nasdng.com](http://www.nasdng.com).

The Board is duly constituted to provide support for, and control of the activities of Management—led by the Managing Director/Chief Executive Officer. 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 opinion and counsel as and when required. The Board has a good line of communication with Management and can request the presence of any senior Management staff to provide information when required at its meetings.

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

### Board Structure and Composition

The Board comprises 12 (twelve) Directors which include: 9 (nine) Non-Executive Directors, two (two) Executive Directors 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 then delegates authority to the appropriate Senior Executives for specific activities and transactions.

The members of the Board of Directors as at 31st December 2021 are as follows:

S/N	Director	Designation	Date	Gender
	Mr Olutola Mobolurin	Chairman	5/4/2013	Male
	Mr. Bola Ajomale	Managing Director	5/4/2013	Male
	Mr. Chike Nwanze	Non-Executive Director	5/4/2013	Male
	Mr. Oladipo Aina	Non-Executive Director	5/4/2013	Male
	Mr. Ariyo Olushekun	Non-Executive Director	5/4/2013	Male
	Mr. Abubakar Lawal	Non-Executive Director	5/4/2013	Male
	Mr. Kayode Falowo	Non-Executive Director	5/4/2013	Male
	Ms. Obiageli Ugboma	Non-Executive Director	13/7/2016	Female
	Mr. Aigbovbioise Aig-Imoukhuede	Non-Executive Director	12/10/2016	Male
	Mr. Samuel Nwanze	Non-Executive Director	5/4/2013	Male
	Mr. Kyari Bukar	Independent Non-Executive Director	24/4/2020	Male
	Mr. Ayodeji Adigun	Non-Executive Director	26/1/2021	Male
	Mrs. Olayimikah Bolo	Non-Executive Director	25/3/2021	Female
	Mr. Eguarehide Longe	Executive Director	9/12/2021	Male



## Changes on the Board

In the year ended 31 December 2021, the following changes took place on the Board:

Name	Designation	Change
Mr. Samuel Nwanze	Non-Executive Director	Resigned 13 January 2021
Mr. Ayodeji Adigun	Non-Executive Director	Appointed 8 March 2021
Ms. Obiageli Ugboma	Non-Executive Director	Resigned 18 March 2021
Mrs. Olayimikah Bolo	Non-Executive Director	Appointed 25 March 2021
Mr. Ayodeji Adigun	Non-Executive Director	Resigned 3 August 2021
Mr. Eguarekhide Longe	Executive Director	Appointed 12 December 2021

## Re-Election of Directors

In accordance with Section 285(1) of the Companies and Allied Matters Act, 2020 the Directors to retire at the Annual General Meeting are:

Mr. Kayode Falowo

Mr. Ariyo Olushekun

Mr Abubakar Lawal

The retiring Directors, being eligible, offer themselves for re-election. Their profiles are contained on pages 42 - 48 of this Annual Report.

## Board Appointments, Induction and Training

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

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

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

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

## Board Meetings

The Board of Directors met seven (7) times in the 2021 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							%
	26/01/21	18/03/21	27/04/21	26/07/21	26/10/21	04/11/21	09/12/21	
Mr Olutola Mobolurin	☑	☑	☑	☑	☑	☑	☑	100%
Mr. Chike Nwanze	☑	☑	☑	☑	☑	☑	☑	100%
Mr. Oladipo Aina	☑	☑	☑	☑	☑	☑	☑	100%
Mr. Ariyo Olushekun	☑	☑	☑	☑	☑	☑	x	85%
Mr. Abubakar Lawal	☑	☑	x	☑	☑	x	☑	71%
Mr. Kayode Falowo	☑	☑	x	☑	x	x	x	43%
Mr. Aigbovbioise Aig-Imoukhuede	☑	☑	☑	☑	☑	☑	x	85%
Mr. Kyari Bukar	☑	☑	☑	☑	☑	☑	x	85%
Mr. Ayodeji Adigun	NYA	NYA	☑	☑	R	R	R	100%
Mrs. Olayimikah Bolo	NYA	NYA	☑	☑	☑	☑	☑	100%
Mr. Bola Ajomale	☑	☑	☑	☑	☑	☑	☑	100%
Mr. Eguarekhide Longe	NYA	NYA	NYA	NYA	NYA	NYA	☑	100%
Ms. Obiageli Ugboma	☑	☑	R	R	R	R	R	100%
Mr. Samuel Nwanze	☑	R	R	R	R	R	R	100%

Attendance Keys:

**NYA**—Not Yet Appointed

**R**—Resigned

## Board Performance and Evaluation

As required by the SEC Code of Corporate Governance and the Nigerian Code of Corporate Governance, DCSL Corporate Services Limited was engaged to conduct the 2021 Board Evaluation of NASD PLC. The firm engaged with relevant personnel and examined relevant documentation for year 2021. They also conducted interviews with the Board Chairman and Chairmen of the Board Committees and administered questionnaires.

## BOARD COMMITTEES

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

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

### Audit and Risk Committee

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

The Audit and Risk Committee met four (4) times in the 2021 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES				%
	21/01/21	13/04/21	22/7/21	18/10/21	
Mr. Abubakar Lawal	☑	☑	☑	☑	100%
Mr. Kyari Bukar	☑	☑	☑	☑	100%
Mrs. Olayimikah Bolo	NYA	NYA	☑	☑	100%
Mr. Aigbovbiose Aig-Imoukhuede	☑	☑	☑	☑	100%
Mr. Ayodeji Adigun	NYA	NYA	☑	R	100%
Mr. Samuel Nwanze	☑	R	R	R	100%
Ms. Obiageli Ugboma	☑	R	R	R	100%

#### Keys

NYA–Not Yet Appointed

R –Resigned

#### Governance and General Purpose Committee

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

The Committee is equally responsible for the development of recruitment policies, training, promotion and all other Human Capital 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						%
	21/01/21	23/03/21	07/04/21	16/07/21	11/10/21	12/11/21	
Mr. Chike Nwanze	☑	☑	☑	☑	☑	☑	100%
Mr. Oladipo Aina	☑	☑	☑	☑	☑	☑	100%
Mr. Ariyo Olushekun	☑	☑	☑	☑	☑	☑	100%
Mr. Kayode Falowo	x	x	x	☑	x	☑	25%
Mr. Abubakar Lawal	☑	☑	☑	☑	☑	☑	100%
Ms. Obiageli Ugboma	☑	R	R	R	R	R	100%

#### Attendance Keys

R–Resigned



## Finance and Investment Committee

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

The Finance and Investment Committee met five (5) times in 2021 and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES					%
	13/01/21	08/04/21	08/07/21	07/10/21	3/12/21	
Mr. Ariyo Olushekun	☑	☑	☑	☑	☑	100%
Mr. Bola Ajomale	☑	☑	☑	☑	☑	100%
Mr. Abubakar Lawal	☑	☑	☑	☑	☑	100%
Mr. Ayodeji Adigun	NYA	NYA	☑	R	R	100%
Mr. Samuel Nwanze	☑	x	R	R	R	100%

Attendance Keys:

**NYA**—Not Yet Appointment

**R**—Resigned

## Technical Committee

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

The Technical Committee met five (5) times in the 2021 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES					%
	18/01/21	15/04/21	07/07/21	22/07/21	6/10/21	
Mr. Ariyo Olushekun	☑	☑	☑	☑	☑	100%
Mr. Kayode Falowo	x	☑	☑	☑	☑	80%
Mrs. Olayimikah Bolo	NYA	NYA	☑	☑	☑	100%
Mr. Kyari Bukar	☑	☑	☑	☑	☑	100%
Mr. Aigbovbioise Aig—Imoukhuede	☑	x	☑	☑	☑	80%
Mr. Bola Ajomale	☑	☑	☑	☑	☑	100%
Ms. Obiageli Ugboma**	☑	R	R	R	R	100%

Attendance Keys:

**NYA**—Not Yet Appointed

**R**—Resigned



## 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 five (5) times in 2021 and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES					%
	14/01/21	15/02/21	12/04/21	13/07/21	15/10/19	
Mr. Kashimu Garba Kurfi (Representing APT Securities and Funds Limited)	x	☑	☑	☑	☑	80%
Mr. Nornah Awoh (Representing Palesa Capital Associates Limited)	☑	☑	☑	☑	☑	100%
Mrs. Fiona Ahimie (Representing FBNQuest Securities Limited)	☑	☑	☑	☑	☑	100%

## Rules and Membership Committee

The Rules and Membership Committee is responsible for reviewing the Rules of the NASD OTC Securities Exchange, applications for membership and participation on the Market and 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 four (4) times in 2021 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES				%
	23/01/21	19/04/21	19/07/21	20/10/21	
Mr. Kayode Falowo	☑	☑	x	☑	75%
Mr. Oladipo Aina	☑	☑	☑	☑	100%
Mr. Bola Ajomale	☑	☑	☑	☑	100%
Mr. Chike Nwanze	☑	☑	☑	☑	100%

## Market Development Committee

The Market Development Committee assists the Board in fulfilling its responsibility relating to market awareness, business



development, client retention and recommend policies that will encourage trading activities on NASD.

The Committee meets on an adhoc basis as the need arises and met two (2) times. The members of the Committee met twice in year 2021.

DIRECTOR	MEETING DATES		
	17/02/21	11/03/21	%
Mr. Oladipo Aina	☑	☑	100%
Mr. Kyari Bukar	☑	☑	100%
Mr. Abubakar Lawal	☑	☑	100%
Mr. Bola Ajomale	☑	☑	100%
Ms. Oby Ugboma	☑	R	100%

#### Attendance Keys

R-Resigned

#### Disciplinary Committee

The Disciplinary Committee was set up to investigate violations of the Rules and Regulations of NASD OTC Securities Exchange and adjudicate all disputes between Participating Institutions and their customers. The Committee meets on an ad hoc basis as the need arises and met one (1) time.

The members of the Committee met once as at 31 December 2021:

DIRECTOR	MEETING DATES	
	8/02/21	%
Mr. Chike Nwanze	☑	100%
Mr. Oladipo Aina	☑	100%
Mr. Kyari Bukar	☑	100%
Mr. Aigbovbioise Aig-Imoukhuede	☑	100%

#### 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 and continuous engagement with shareholders. The Company provides its shareholders with quarterly reports of its performance and also publishes its full year results in the Annual Reports. NASD also 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 also 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 conflicts of interest as it relates to NASD. In addition, all new and existing Directors are required to annually disclose their memberships on other Boards and any real or potential conflict of interest situations which they are aware of.

## **WHISTLEBLOWING POLICY**

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



# Directors' Report

## For the year ended 31st December 2021

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 2021.

### LEGAL FORM AND PRINCIPAL ACTIVITY

The Company was promoted by the National Association of Security Dealers ("NASD") and incorporated on the 1st of June 1998 as a private limited liability company. By 2012, the Company morphed into a Self-Regulatory Organization ("SRO") licensed by the Securities and Exchange Commission ("SEC or the Commission") to develop and operate a Securities Exchange and formal Over the Counter platform for trading securities. The Company converted to a public limited liability company on 5th April 2013.

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. The principal service offerings of NASD include securities trading, stock market transactions, transaction noting, donor crowdfunding, private market transactions, financial information/data, and an alternative market for capital raising for both private and public companies.

The shares of the Company are currently admitted to trade on the NASD OTC Exchange.

### OPERATING RESULTS

The following is a summary of the operating results:

	2021 N000	2020 N000
<b>Profit before tax</b>	26,625	(11,991)
<b>Tax</b>	(3,387)	5,132
<b>Profit/(loss) after tax</b>	23,238	(6,859)
<b>Profit/(loss) per share (kobo)</b>	5.23	(1.54)

### 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 purposes of Sections 301 and 302 of the Companies and Allied Matters Act, 2020 are noted below:





Name	Designation	Interests Ordinary shares of N1 each	
		Direct	Indirect
Mr. Olutola Mobolurin	Chairman	–	21,490,311
Mr. Bola Ajomale	Managing Director	–	-
Mr. Abubakar Lawal	Non – Executive	–	15,627,436
Mr. Ariyo Olushekun	Non – Executive	–	35,652,703
Ms. Obiageli Ugboma (resigned 18 March 2021)	Non-Executive	–	–
Mrs Olayimikah Bolo	Non – Executive	–	29,957,653
Mr. Chike Nwanze	Non – Executive	–	2,777,773
Mr. Aigbovbiose Aig-Imokhue	Non – Executive	–	29,957,653
Mr. Kayode Falowo	Non – Executive	–	22,727,773
Mr. Oladipo Aina	Non – Executive	–	5,444,440
Mr. Samuel Nwanze (resigned 13 January 2021)	Non-Executive	–	–
Mr. Ayodeji Adigun (resigned 3 August 2021)	Non – Executive	–	38,093,333
Mr. Kyari Bukar	Independent Director	–	–
Mr. Eguarekhide Longe	Executive Director	–	–

b. Directors' Interest in Contracts

Mr. Kayode Falowo is the Director of Greenwich Trust Limited.

- GTL Trustees, an affiliate of Greenwich Trust Limited acts 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 31st December 2021

Range	Number of shareholders	Number of shares held	% Holdings
1 – 1,000,000	78	9,923,145	2.0%
1,000,000 – 10,000,000	35	100,268,680	23%
Over 10,000,001	13	334,012,563	75%
<b>Total</b>	<b>126</b>	<b>444,204,388</b>	<b>100%</b>



## 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
Chapel Hill Advisory Partners Limited	6.74	Yes
Coronation Securities Limited	6.67	Yes
VFD Group PLC	6.55	No
Trinet Technologies Limited	5.50	No
Greenwich Trust Limited	5.12	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 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, and consequently invests in learning and development opportunities for employees. 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 on 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, 50% 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 strengthen the entrenchment of Corporate Governance within the Company, 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 that may adversely affect the Company and/or its stakeholders. NASD provides a window for anonymous disclosures under this policy via a dedicated portal in addition to other channels through which employees may wish to make whistleblowing disclosures anonymously.
- **Employment practices** – The NASD Staff Handbook regulates the conducts and affairs of members of staff.
- **Service Delivery:** To facilitate quality service delivery to customers, the Company has in place Service Level Agreements (SLA), which regulate the contractual relationships among different units of the Company and their external vendors.
- **Board Evaluation Policy:** This policy sets out the procedure and criteria for the evaluation of the Board, Committees, Chairman and Individual Directors.
- **Board Induction Policy:** Ensures that newly appointed Directors have a broad understanding of their role, the Board's culture and operations as well as ensuring that new members are well informed and receive the required support to function as Directors.
- **Conflict of Interest Policy:** Aims to identify, reduce and address conflicts of interest within the Company.
- **Complaint Management Policy:** To ensure the delivery of consistent, high quality and accountable responses to complaints and minimize damage to the Company's reputation arising from an unattended complaint.
- **Directors' Remuneration Policy:** Sets out remuneration for Directors that is fair and appropriate and ensures that the Company maintains the mix and balance of remuneration to adequately reward, attract, motivate and retain Directors and Senior Executives.
- **Selection and Appointment of Directors Policy:** Stipulates the procedure for selection and appointment of directors.
- **Employee Trading Account Policy:** Ensures 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 new realities, this policy outlines NASD's guidelines and expectations, for employees working from a location other than its physical offices, ensure business continuity during crisis and provides a framework to guide remote working to ensure efficient productivity.

## INSIDER TRADING

The Directors of NASD 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 also 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. This Policy is also available on the website of the Company.



## ENTERPRISE RISK MANAGEMENT (“ERM”)

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 Audit and Risk Committee:

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

1. Reviewing and approving NASD’s risk management policy and framework.
2. Regularly reviewing NASD’s updated risk profile.
3. Reviewing at least quarterly, the implementation of the risk management policy and framework.
4. Reporting 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 on the Company’s management of its material business risks.

### Head of Risk

The Head of Risk 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 Audit and Risk Committee and Board.

### Internal Audit

An independent appraisal function established to provide assurance to the Board, the Audit Committee and the Executive Management 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 Management and the Board of 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 these new risks; and
4. Reporting to the Audit Committee quarterly on risk and compliance issues.

### Line Managers

Business unit leaders are responsible for the effective identification, assessment, management, monitoring, reporting

and control of risk within their areas of responsibility in accordance with the organisation's approved risk management methodology, and for developing risk management performance targets and a risk awareness culture. Among other things, they are responsible for the following:

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

#### **All managers, supervisors and employees**

All managers, supervisors and employees are responsible for: taking all reasonable and practicable steps to perform their responsibilities delegated under the Risk Management Policy and the related systems and procedures, reporting inefficient, unnecessary or unworkable risk controls, reporting risk events and near miss incidents, and co-operate with management on incident investigations.

### **SUSTAINABILITY**

#### **Corruption**

The Board of Directors has a long-standing commitment to good corporate governance, in addition to zero-tolerance to 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.

#### **Charitable Gifts**

In line with Section 43 (2) of Companies and Allied Matters Act of Nigeria 2020, the Company did not make any donations to any political party, political association or for any political purpose.

### **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, 2021 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 of Nigeria.

### **BY ORDER OF THE BOARD**



**L. Omolola Ikwuagwu (Mrs.)**  
GIO Nominees Limited  
Company Secretary  
FRC/2014/NBA/00000007013  
29 March 2022





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



**Mr. Bola Ajomale**

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 Stockmarket 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.

Mr Nwanze 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.



**Mr. Ayodeji Adigun**

Mr. Ayodeji Adigun has over 30 years of experience in the banking and finance industry with strong background and core competencies in financial control, performance management, project management, operations, audit, strategic planning, and business transformation. He holds a First-Class B.Sc. degree in Accounting from the University of Lagos, Nigeria. He is an Associate Member of the Chartered Institute of Management Accountants, UK (CIMA), Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and an Associate Member of the Chartered Institute of Taxation of Nigeria.

Mr. Adigun is currently the Group, Chief Finance Officer of Heirs Holdings Ltd. Prior to joining Heirs Holdings Ltd he was the Executive Director/Chief Operating Officer of Nova Merchant Bank. Before then, he had played different roles in United Bank for Africa Plc such as the Chief of Staff to the GMD/CEO, Head of Strategy and Business Transformation, Head of Performance Management, the Chief Financial Officer (North Region), and Chief Operating Officer of UBA Properties.

Mr. Adigun has also served in several executive roles in the banking industry including the Chief Finance Officer at Standard Trust Bank, Head of Financial Control & Strategy at Diamond Bank, Head of Financial Control & Head of Corporate Planning & Development at NAL Merchant Bank (now part of Sterling Bank).





### **Mrs. Olayimikah Bolo**

NASD is pleased to announce the appointment of Mrs. Olayimikah Bolo as a Non-Executive Director on its Board.

Mrs. Olayimikah Bolo is currently the Chief Risk Officer of Chapel Hill Denham, and is an accomplished professional with over 25 years of experience in strategic risk management, risk governance (credit, market, operational risks), strategy & policy formulation, and corporate finance advisory.

She sits as a Non-Executive Director on the board of Unicorn Exploration & Production Nigeria Limited (UEPNL) and Siglo Risk Consultants (formerly Falkirk Risk Limited).

Prior to joining Chapel Hill Denham, Mrs. Bolo was the Acting Managing Director/Chief Operations Officer of FMDQ Clear Limited (a subsidiary of FMDQ OTC Securities Exchange Limited). Before then Mrs. Bolo was the Head of Risk Governance for Stanbic IBTC Holdings (a subsidiary of Standard Bank, South Africa in Nigeria) and her role included regional responsibility for Standard Bank in Ghana, Angola, and DRC. Over the years, she held different roles in Stanbic IBTC Bank and Kakawa Discount House Limited (now FBNQuest Merchant Bank).

Mrs Bolo holds a BSc degree in Chemical Engineering from the University of Lagos, Nigeria and an Executive Masters in Business Administration from the Lagos Business School. She is an active member of the Risk Management Association of Nigeria (RIMAN) and occupied the position of the 2nd Vice President in 2015/2016. She is also a member of the Institute of Directors.



### **Mr Eguarekhide Longe**

Mr. Eguarekhide Longe is a consummate professional with over 30 years' experience in financial services and business analytics. He holds a B.Sc. degree in Political Science from the University of Ibadan, Nigeria and an MBA from IESE Business School, University of Navara, Spain. He is a Fellow of the Chartered Institute of Stockbrokers.

He started his career at Fidelity Finance Company as an Investment Analyst and later moved to Hamilton Hammer & Co. Ltd. He then proceeded to work at Securities Transactions & Trust Co Ltd. (now Afrinvest West Africa) where he rose to the level of Vice President Sales and Business Development. Mr. Longe subsequently moved to Shell Trustees Nigeria Ltd; the pension fund Manager of Shell Petroleum Development Company, Nigeria, as the Capital Market Analyst where he advised and managed the Capital Market portfolio.

Following this, Mr Longe moved to First Funds Ltd- the Venture Capital subsidiary of First Bank of Nigeria Limited- as Head Financial Advisory where he succeeded in raising capital for clients via debt/equity through Private market placements. He joined Kakawa Asset Management Ltd. as the MD/CEO and then moved to Diamond Capital Ltd. as Head Asset Management where he handled Securities Dealing, Sales and Product Development. Mr. Longe, in his immediate last role, served as the Managing Director of AllCO Pension Managers Ltd. from November 2011 to November 2021.

Mr. Longe is currently the Chief Operating Officer of NASD PLC, and was appointed as an Executive Director of NASD, effective 9th December 2021.



**DCSL Corporate Services Limited**

235 Ikorodu Road  
Ilupeju, Lagos

**Abuja Office:**  
Statement Hotel, Plot 1002  
1<sup>st</sup> Avenue, Off Shehu Shagari  
Way, Abuja

P. O. Box 965, Marina  
Lagos, Nigeria  
Tel: +234 9 1271 7817  
www.dcs.com.ng

Tel: +234 9 461 4902  
RC NO. 352393

May 2022

**REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS OF NASD PLC FOR THE YEAR ENDED DECEMBER 31, 2021.**

DCSL Corporate Services Limited (DCSL) was engaged by NASD Plc ("NASD") to carry out a performance evaluation of the Board of Directors for the year-ended December 31, 2021, in line with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission (SEC) Corporate Governance Guidelines (SCGG), as well as global best practices on Corporate Governance.

The evaluation 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, to ascertain the level of the Board's compliance with corporate governance practices with particular reference to the provisions of the above-mentioned Codes as well as global Best Practices and considered the following seven key corporate governance parameters:

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

We also conducted an evaluation of the performance of the Board Committees and deplored Peer Review Forms to assess the performance of individual Directors and the Chairman.

Following a review of the policies and processes put in place by the Board, we confirm that the Board of Directors is committed to ensuring best corporate governance practices and adherence to the principles enshrined in the NCCG and the SCGG as well as globally accepted best practices. Upon the conclusion of the performance evaluation of the Board, we confirm that the Board and Company substantially complied with the provisions of the applicable Codes.

We have noted a few areas that require improvement and proffered appropriate recommendations, trusting that the Board will take steps to address and implement same. Details of our key findings and recommendations are contained in our detailed Report.

Yours faithfully,

**For: DCSL Corporate Services Ltd**



Bisi Adeyemi  
**Managing Director**  
FRC/2013/NBA/0000002716

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



# Statement of Directors' Responsibilities

For the year ended December 31, 2021

## For the preparation and approval of the financial statements

The Directors of NASD Plc accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the NASD Plc as at 31 December 2021, and the results of its operations, statement of cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance.

## Going Concern:

The Directors have made 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.

## SIGNED ON BEHALF OF THE DIRECTORS BY:



**Olutola Mobolurin**  
**Chairman**

FRC/2014/CISN/00000003804  
25 February 2020



**Bola Ajomale**  
**MD/CEO**

FRC/2014/CISN/00000005778  
25 February 2020

## 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 2021.

- i. audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- ii. audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements;

We state that management and directors:

- i. are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the company , particularly during the period in which the audited financial statement report is being prepared,
- ii. has evaluated the effectiveness of the company's internal controls within 90 days prior to the date of its audited financial statements, and
- iii. certifies that company's internal controls are effective as of that date;

We have disclosed:

- i. all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarize and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and
- ii. whether or not, there is any fraud that involves management or other employees who have a significant role in the company's internal control; and
- iii. as indicated in the report, whether or not, there were significant changes in internal controls or in other factors 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.
- iv. The financial statements of the Company for the year ended 31 December 2021 were approved by the directors on 28 March 2022



**Managing Director/CEO**

**Bola Ajomale**

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 2021.

- i. audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- ii. audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements;

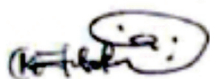
We state that management and directors:

- i. are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the company , particularly during the period in which the audited financial statement report is being prepared,
- ii. has evaluated the effectiveness of the company's internal controls within 90 days prior to the date of its audited financial statements, and
- iii. certifies that company's internal controls are effective as of that date;

We have disclosed:

- i. all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarize and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and
- ii. whether or not, there is any fraud that involves management or other employees who have a significant role in the company's internal control; and
- iii. as indicated in the report, whether or not, there were significant changes in internal controls or in other factors 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.

The financial statements of the Company for the year ended 31 December 2021 were approved by the directors on 28 March 2022



**Head, Finance & Accounts**  
**Jiboku Kolawole Olusegun**  
FRC/2013/ICAN/00000003810

# Report of the Statutory Audit Committee

For the year ended December 31, 2021 to the Members of NASD PLC (“Company”)

In accordance with the provisions of Section 404 (7) of the Companies and Allied Matters Act, 2020, we, the Members of the Statutory 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. The scope and planning of both the external and internal audit programmes for the year ended 31 December 2021 were 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

23 May 2022

## Members of the Statutory Audit Committee

- |    |                                |                              |
|----|--------------------------------|------------------------------|
| 1. | Mr. Kasimu Garba Kurfi         | Chairman                     |
| 2. | Mr. Nornah Awoh                | Shareholders’ Representative |
| 3. | Mrs. Fiona Ahimie              | Shareholders’ Representative |
| 4. | Mr. Abubakar Lawal             | Non-Executive Director       |
| 5. | Mr. Aigbovbiose Aig-Imoukhuede | Non-Executive Director       |

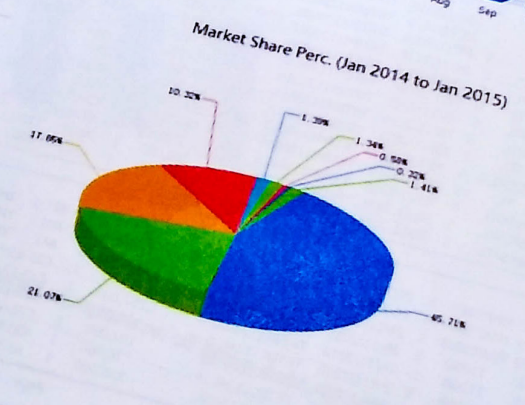
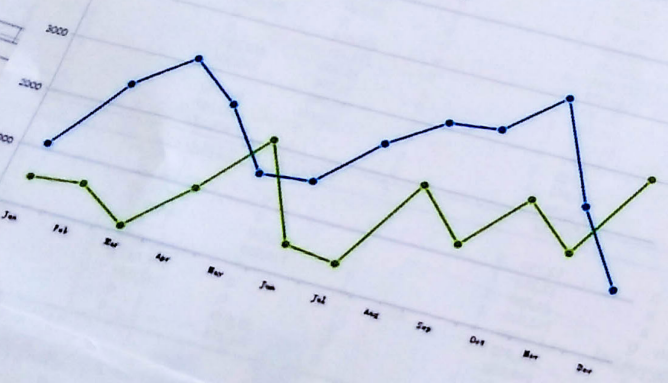
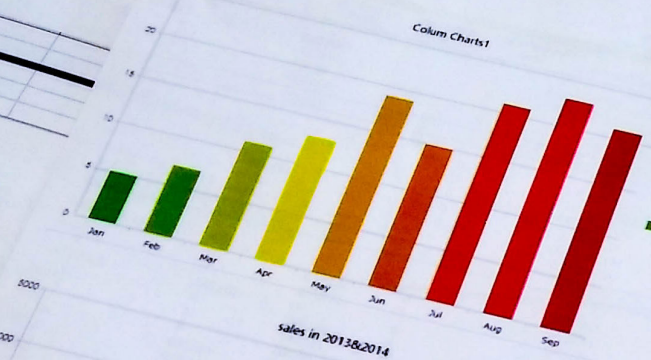
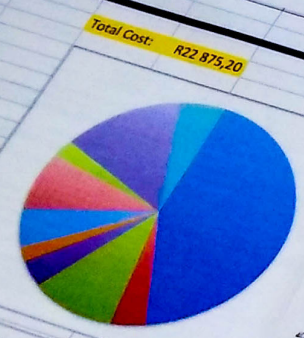
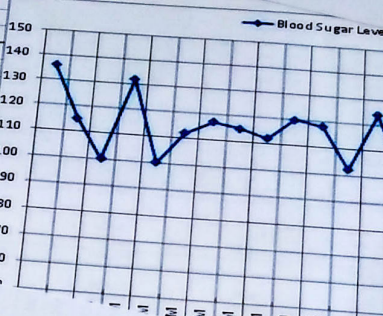




Compliance Performance Against Target by:

Company	Score
Company 1	100
Company 2	100
Company 3	100
Company 4	100
Company 5	100
Company 6	100
Company 7	100
Company 8	100
Company 9	100
Company 10	100
Company 11	100
Company 12	100
Company 13	100
Company 14	100
Company 15	100
Company 16	100
Company 17	100
Company 18	100
Company 19	100
Company 20	100

Date	Time	Blood Sugar Level
11/1/2003	8:45 AM	136
	12:30 PM	115
11/2/2003	7:15 PM	100
	8:00 AM	132
	12:15 PM	100
11/3/2003	6:45 PM	112
	7:30 AM	117
	11:30 AM	115
11/4/2003	5:00 PM	112
	7:30 AM	120
	11:30 AM	118
11/5/2003	5:00 PM	102
	7:30 AM	124
	11:30 AM	100
	5:00 PM	99
		132







# Financial Statements

Independent Auditor's Report

Statement of Comprehensive Income

Statement of Financial Positions

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Value Added Statement

Five-year Financial Summary

## 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 10 to 50, which comprise the statements of financial position as at 31 December 2021, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements 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 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, Companies and Allied Matters Act and the Financial Reporting Council of Nigeria 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 financial statements that are free from material misstatement, whether due to fraud or error.

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 scepticism 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.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the financial statements of the current period. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

In accordance with the 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 are in agreement with the books of account and returns.

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

Osinloye Michael, FCA

FRC/2013/ICAN/0000000819

For: Deloitte & Touché  
Chartered Accountants

Lagos, Nigeria

31, March 2022



# Statement of Comprehensive Income

		31 December	31 December
		2021	2020
	Notes	N'000	N'000
Fees and commission income	5	243,174	124,097
Employee benefits and compensation costs	7	(135,109)	(98,230)
Other operating expenses	9	(126,920)	(84,993)
Operating profit/(loss)		<b>(18,855)</b>	<b>(59,126)</b>
Impairment provision no longer required	15	397	307
CSR Expenses	8	(50)	(5,000)
Interest income	10	44,835	51,828
Other Income	6	298	–
Profit/(loss) before tax		<b>26,625</b>	<b>(11,991)</b>
Tax expense	11	(3,387)	5,132
<b>Profit/(loss) after tax</b>		<b>23,238</b>	<b>(6,859)</b>
<b>Total comprehensive profit for the year</b>		<b>23,238</b>	<b>(6,859)</b>
<b>Profit/(loss) per share (kobo) – basic/adjusted</b>	12	5.23	(1.54)

The accompanying notes form an integral part of these financial statements



# Statement of Financial Position

		31 December 2021	31 December 2020
	Notes	N'000	N'000
<b>Assets</b>			
Cash and cash equivalents	13	393,355	240,741
Investment securities	14	100,432	207,225
Other assets	15	16,682	12,331
Intangible assets	16	41,742	55,989
Property and equipment	17	21,827	26,188
Deferred tax asset	18	108,945	110,735
<b>Total assets</b>		<b>682,983</b>	<b>653,209</b>
<b>Liabilities</b>			
Accounts payable	19	24,046	18,667
Current income tax	20	1,597	440
<b>Total liabilities</b>		<b>25,643</b>	<b>19,107</b>
<b>Equity</b>			
Share capital		444,204	444,204
Share premium		288,214	288,214
Accumulated losses	21	(75,078)	(98,316)
<b>Total equity</b>		<b>657,340</b>	<b>634,102</b>
<b>Total liabilities and equity</b>		<b>682,983</b>	<b>653,209</b>



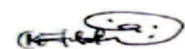
**Bola Ajomale**

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



**Olutola Mobolurin**

Chairman  
FRC/2014/CISN/00000003804



**Kolawole Jiboku**

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

## Statement of Changes In Equity

	Share capital	Share premium	Accumulated losses	Total
	N'000	N'000	N'000	N'000
<b>As at 1 January 2020</b>	444,204	288,214	(91,457)	640,961
Profit/(loss) after tax	–	–	(6,859)	(6,859)
<b>As at 31 December 2020</b>	<b>444,204</b>	<b>288,214</b>	<b>(98,316)</b>	<b>634,102</b>
<b>As at 1 January 2021</b>	444,204	288,214	(98,316)	634,102
Profit/(loss) after tax	–	–	23,238	23,238
<b>As at 31 December 2021</b>	<b>444,204</b>	<b>288,214</b>	<b>(75,078)</b>	<b>657,340</b>

The accompanying notes form an integral part of these financial statements





# Statement of Cash Flows

		31 December 2021	31 December 2020
	Notes	N'000	N'000
<b>Operating activities</b>			
Cash used in operations	22	5,100	(56,615)
Tax paid	20	(440)	(1,146)
Net cash used in operating activities		4,660	(57,761)
<b>Investing activities</b>			
Purchase of government bond and treasury bills		–	(100,000)
Proceeds from redemption of treasury bills		107,190	334,989
Purchase of property and equipment	17	(3,665)	(1,666)
Purchase of intangible assets	16	(704)	(56,091)
Proceeds from sale of property and equipment		–	–
Interest received		44,835	50,444
Net cash generated from investing activities		147,656	227,675
<b>Financing activities</b>			
Proceeds from rights issue		–	–
Net cashflow from financing activities		–	–
(Decrease)/Increase in cash and cash equivalents		152,316	169,915
Cash and cash equivalents at start of year		240,741	70,826
Foreign Exchange gains		298	–
Cash and cash equivalents at end of year	13	393,355	240,741

The accompanying notes form an integral part of these financial statements

# Notes to the Financial Statements

## 1 The Company

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

### Ownership

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

## 2.1 Significant accounting policies

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

## 2.2 Basis of preparation

### Statement of compliance

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

The financial statements include the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and explanatory notes. The financial statements were authorized for issue by the Board of Directors on 22, March 2022.

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 taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach. The carrying amount of these assets is adjusted by any expected credit loss allowance 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 makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. Other factors considered in the determination of the business model include:

- (i) the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or 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 a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve



months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Company adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition:

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

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

Measuring ECL – Explanation of inputs, assumptions and estimation techniques 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 making an assessment of whether an investment in debt securities is credit-impaired, the Company considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.

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

**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 sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**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 considered to be credit impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows:

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

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

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the 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 considers deterioration in the credit rating of obligor/counterparty based on the Company's internal rating system or External Ratings while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc. A backstop is typically used to ensure that in the (unlikely) event that the quantitative indicators do not change and there is no trigger from the qualitative indicators, an instrument that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 as the case may be except where there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

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

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

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

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

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

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

Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously 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 take into account the characteristics of those financial instruments. The classification made can be seen in the table below:

<b>Financial assets</b>	
Amortized Cost	Cash and Cash Equivalents
	Investment Securities
	Other assets





## 2.5 Intangible assets

### Initial recognition and measurement

#### i. Internally generated intangible assets

An internally-generated intangible asset that arises from the company's computer software program development is 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 sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## **2.11 Provisions**

Provisions are liabilities of uncertain timing or amount, and are 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 a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is 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 Changes in accounting policies and disclosures**a) Other standards and amendments that were effective for the first time in 2021 that do not have significant impact on NASD

<b>Standard</b>	<b>Effective Date</b>
Amendments to IFRS 4 – Provision of temporary exemption to IFRS 9	1 January 2021
Interest rate benchmark reform – Amendment to IFRS 9, IAS 39 and IFRS 7	1 January 2021
Amendment from IFRS 16 covid related rent concession	1 January 2021
Definition of material – Amendment to IAS 1 and IAS 8	1 January 2021

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

As at 31 December 2021, 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.

<b>Standard</b>	<b>Effective Date</b>
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2022
Amendments to IFRS 3 Business Combinations re: 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
IAS 37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
IFRS 1 – First time adoption of international financial reporting standard	1 January 2022
Amendment to IAS 8 Accounting policies, changes in Accounting estimates and errors – definition of accounting estimates	1 January 2023
Amendment to IAS 12 – Deferred tax related to assets & liabilities arising for a single transaction	1 January 2023



### 3.0 Financial risk management

#### 3.1(a) Introduction and overview

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

- credit risk
- liquidity risk
- market risk

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

#### (i) Risk management framework

The company maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy. The company's investment strategy states that its investible funds shall be spread among different financial institutions in such a way that no single financial institutions shall hold more than 20% of its invested funds. The company's investment profile comprises short term deposit in financial institution in Nigeria and the FGN Sukuk.

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

31 December 2021	Financial Assets			Financial Liabilities	
	N'000	FVTPL	FVTOCI	Amortized Cost	Financial liabilities at fair value through profit or loss
Cash and cash equivalents	–	–	393,355	–	–
Investment securities	–	–	100,432	–	–
Other assets	–	–	3,886	–	–
Account payable	–	–	–	–	24,046
	–	–	497,673	–	24,046

31 December 2020	Financial Assets			Financial Liabilities	
	N'000	FVTPL	FVTOCI	Amortized Cost	Financial liabilities at fair value through profit or loss
Cash and cash equivalents	–	–	240,741	–	–
Investment securities	–	–	207,225	–	–
Other assets	–	–	4,283	–	–
Account payable	–	–	–	–	18,667



	-	-	452,249	-	18,667
			<b>31 December</b>		<b>31 December</b>
			<b>2021</b>		<b>2020</b>
			<b>N'000</b>		<b>N'000</b>
<b>Financial assets</b>					
Cash and cash equivalents			393,355		240,741
Investment securities			100,432		207,225
Other assets			3,886		4,283
<b>Financial liabilities</b>					
Account payable			24,046		18,667

### 3.1a Credit risk

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

<b>Maximum exposure to credit risk</b>	<b>31 December</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>
Balances with banks	22,733	20,165
Money market placement	370,535	220,489
FGN bonds	-	106,735
FGN Sukuk	100,432	100,490
Other assets	3,886	4,283
	<b>497,586</b>	<b>452,162</b>

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 2021 and 31 December 2020.

31 December 2021	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	–	–	100,432	370,535	22,733	3,886	497,586

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

(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 2021 and 31 December 2020.

31 December 2021	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	–	–	100,432	–	–	–	100,432
Financial services	–	–	–	370,535	22,733	–	393,268
Others	–	–	–	–	–	3,886	3,886
	–	–	100,432	370,535	22,733	3,886	497,586

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



### 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.

<b>FGN Bonds &amp; Treasury Bills</b>		
	<b>31-Dec-21</b>	<b>31-Dec-20</b>
<b>Sovereign Ratings</b>	<b>N'000</b>	<b>N'000</b>
Nigeria (B) S&P	100,432	207,225
<b>Balances with banks</b>		
External credit rating (S&P)		
B+	22,733	20,165
<b>Money market placement</b>		
External credit rating (S&P)		
B+	370,535	220,489
Unrated (other assets)	3,886	4,283

#### 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 Ltd (CSCS) and accredited settlement banks.

#### (ii) Exposure to credit risk

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

#### (iii) Cash and cash equivalents

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



#### (iv) Settlement risk

The company's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to 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 Ltd and its accredited six (6) settlement banks which executed firm agreements with CSCS that all trades executed by the bank's clients (that is, brokers firms) will be settled.

#### 3.1c Expected credit loss measurement

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

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



### 3.1e Maximum exposure to credit risk

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

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

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

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is 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						
	As at December 31 2021				31-Dec-20	
ECL Staging	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		N'000	N'000
Gross carrying amount	100,432	–	–	–	100,432	207,225
Loss allowance	–	–	–	–	–	–
<b>Carrying amount</b>	<b>100,432</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>100,432</b>	<b>207,225</b>

Other assets						
	As at December 31 2021				31-Dec-20	
ECL Staging	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		N'000	N'000
Gross carrying amount	16,682	–	3,886	–	20,568	16,614
Loss allowance	–	–	(3,886)	–	(3,886)	(4,283)
<b>Carrying amount</b>	<b>16,682</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>16,682</b>	<b>12,331</b>

### 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 Management of liquidity risk

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





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

### **3.2b 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 2021						
	Carrying amount	Gross nominal	less than 3months	3–6 months	6–12 months	1–5 years
	N'000	N'000	N'000	N'000	N'000	N'000
<b>Financial liabilities</b>						
Accounts payable	24,046	24,046	24,046	–	–	–
	24,046	24,046	24,046	–	–	–
<b>Financial assets</b>						
Cash and cash equivalents	393,355	393,355	393,355	–	–	–
Investment securities	100,432	100,432	–	–	–	100,432
Other assets	3,886	3,886	3,886	–	–	–
	497,673	497,673	397,241	–	–	100,432
Gap(assets–liabilities)	473,628	473,627	373,195	–	–	100,432
Cumulative liquidity gap			<b>373,195</b>	<b>373,195</b>	<b>373,195</b>	<b>473,627</b>

31 December 2020						
	Carrying amount	Gross nominal	less than 3months	3–6 months	6–12 months	1–5 years
	N'000	N'000	N'000	N'000	N'000	N'000
<b>Financial liabilities</b>						
Accounts payable	18,667	18,667	18,667	–	–	–
	18,667	18,667	18,667	–	–	–
<b>Financial assets</b>						
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			<b>222,074</b>	<b>226,357</b>	<b>333,092</b>	<b>433,581</b>



### **k3.3 Market risk**

Market risk is the risk that changes in market prices, such as interest rates, equity prices will affect the company's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### **(i) Management of market risk**

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

The company's market risk is managed on a daily basis by the investment team in accordance with policies and procedures in place. The company's investment team may not invest more than 20% of its investible funds in any single financial institution.

#### **(ii) Currency risk**

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

#### **(iii) Interest rate risk**

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



**Exposure to fixed interest rate risk****31 December 2021**

<b>Assets</b>	<b>Fixed</b>	<b>Non- Interest bearing</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balances with banks	–	22,733	22,733
Money market placement	370,535	–	370,535
FGN Sukuk	100,432	–	100,432
Other assets	–	3,886	3,886
<b>Liabilities</b>			
Accounts payable	–	24,046	24,046

**31 December 2020**

<b>Assets</b>	<b>Fixed</b>	<b>Non- Interest bearing</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balances with banks		20,165	20,165
Money market placement	220,489	–	220,489
FGN bonds	106,735	–	106,735
FGN Sukuk	100,490		100,490
Other assets	–	4,283	4,283
<b>Liabilities</b>			
Accounts payable	–	18,667	18,667

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.

	<b>1% Increase</b>	<b>1% Decrease</b>
	<b>N'000</b>	<b>N'000</b>
<b>31 December 2021</b>		
Profit before tax	26,814	26,437
<b>31 December 2020</b>		
Loss before tax	(11,776)	(12,207)



### 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 2021	Carrying value N'000	Fair value N'000
<b>Financial assets</b>		
Cash and cash equivalents	393,355	393,355
Investment securities	100,432	100,432
Other assets	3,886	3,886
	<b>497,673</b>	<b>497,673</b>
<b>Financial liabilities</b>		
Accounts payable	24,046	24,046
	<b>24,046</b>	<b>24,046</b>
<b>At 31 December 2020</b>		
	<b>Carrying value N'000</b>	<b>Fair value N'000</b>
<b>Financial assets</b>		
Cash and cash equivalents	240,741	240,741
Investment securities	207,225	207,225
Other assets	4,283	4,283
	<b>452,249</b>	<b>452,249</b>
<b>Financial Liabilities</b>		
Accounts payable	18,667	18,667
	<b>18,667</b>	<b>18,667</b>

#### 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 reflects 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 2021	Level 1	Level 2	Level 3	Total
Assets	N'000	N'000	N'000	N'000
Investment securities	–	100,432	–	100,432

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

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

#### Critical judgements and estimates

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

##### (a) Recoverability of deferred tax assets

The company has deferred tax assets amounting to N108.9 million (31 December 2020: N110.7 million). The deferred tax assets are primarily due to taxable losses of N286.4 million (31 December 2020: N320.27 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 2021	31 December 2020
<b>5 Fees and commission income</b>	<b>N'000</b>	<b>N'000</b>
Trading commission	203,350	103,277
Registration fees	32,659	19,220
Listing Fees	600	–
Data Related Fees	379	600
Settlement Bank Fees	6,186	1,000
	<b>243,174</b>	<b>124,097</b>
<b>6 Other income</b>		
Exchange Rate Differences	<b>298</b>	<b>–</b>
<b>7 Employee benefits and compensation costs</b>		
Salaries and wages	125,342	91,325
Pension cost	9,767	6,905
	<b>135,109</b>	<b>98,230</b>
<b>8 CSR Expenses</b>		
CSR Expenses (2020: Covid19 Intervention Fund)	<b>50</b>	<b>5,000</b>
<b>9 Other operating expenses</b>		
Trading costs	160	–
Marketing expenses	6,942	6,346
Professional Membership Subscription	2,245	575
Consultancy fees	11,845	13,668
Rent	10,750	10,667
Service charge	8,173	6,000
Depreciation (note 17)	8,026	7,524
Amortization (note 16)	14,952	3,231
Annual general meeting expense	3,107	2,923
Travelling expenses	1,270	295
Insurance expense	5,295	4,372
Training expenses	4,568	1,281
Auditor's remuneration	3,763	3,763
Conference and seminars	665	153
Printing and stationeries	1,268	828

Directors Sitting Allowances	14,812	3,960
Directors Fees	7,575	–
General and administrative expenses	21,504	19,407
	<b>126,920</b>	<b>84,993</b>

No non-audit services was provided to the Company during the period. (2020: Nil)

#### 10 Interest income

Treasury bills	–	2,519
Money market placements	25,947	27,786
Bonds	7,747	15,434
FGN Sukuk	11,141	6,090
	<b>44,835</b>	<b>51,828</b>

#### 11 Tax expense

Deferred tax income(Note 18)	1,790	(5,572)
Taxation	1,597	440
	<b>3,387</b>	<b>(5,132)</b>

#### Reconciliation of effective tax rate

Profit/(Loss) before income tax	26,625	(11,991)
Non-deductible expenses	27,703	17,617
Tax exempt income	(19,326)	(24,043)
	<b>35,002</b>	<b>(18,417)</b>
Education tax	875	–
Minimum tax	722	440
	<b>1,597</b>	<b>440</b>
Deferred tax credit to income statement	1,790	(5,572)
	<b>3,387</b>	<b>(5,132)</b>

The Company has a 'Nil' company income tax for 2021 (2020: 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. The Company is also liable for both the tertiary education tax and the Police Trust Fund.

<b>12 Profit/(Loss) per share</b>		
Profit/(Loss) for the year attributable to shareholders (N'000)	23,238	(6,859)
Weighted average number of ordinary shares in issue (000)	444,204	444,204
Basic earnings/(loss) per share (expressed in kobo per share)	5.23	(1.54)
<b>13 Cash and cash equivalents</b>		
Cash	87	87
Balances with banks	22,733	20,165
Money market placements	370,535	220,489
	<b>393,355</b>	<b>240,741</b>
<b>14 Investment securities</b>		
Bonds	–	106,735
FGN Sukuk	100,432	100,490
	<b>100,432</b>	<b>207,225</b>
Current	–	–
Non-current	100,432	207,225
Total current and non-current	<b>100,432</b>	<b>207,225</b>
<b>15 Other assets</b>		
<b>Financial assets:</b>		
Fee receivables	<b>3,886</b>	<b>4,283</b>
<b>Non-financial assets:</b>		
Prepaid rent	6,583	5,583
Prepaid insurance	4,425	2,017
Other prepaid expenses	5,674	4,731
	20,568	16,614
Impairment provision	(3,886)	(4,283)
	<b>16,682</b>	<b>12,331</b>
Current	16,682	12,331
<b>Movement in impairment provision</b>		

Balance as at 1 January	4,282	4,589
Write back for the year	(397)	(307)
Balance at 31 December	<b>3,885</b>	<b>4,282</b>

## 16 Intangible assets

Cost	Computer software	Trading software	Total
	N'000	N'000	N'000

As at 1 January 2021	370	69,807	70,177
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Addition	–	704	704
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As at 31 December 2021	370	70,511	70,881
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### Accumulated amortization

As at 1 January 2021	370	13,817	14,187
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Charge for the year	–	14,952	14,952
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As at 31 December 2021	370	28,769	29,139
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<b>Net book value as at 31 December 2021</b>	<b>–</b>	<b>41,742</b>	<b>41,742</b>
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Cost	Computer software	Trading software	Total
	N'000	N'000	N'000

As at 1 January 2020	370	13,715	14,085
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Addition	–	56,092	56,092
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As at 31 December 2020	370	69,807	70,177
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### Accumulated amortization

As at 1 January 2020	370	10,586	10,956
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Charge for the year	–	3,231	3,231
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As at 31 December 2020	370	13,817	14,187
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<b>Net book value as at 31 December 2020</b>	<b>–</b>	<b>55,990</b>	<b>55,990</b>
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17	Property and equipment	Motor vehicles	Office equipment	Furniture and fittings	Computer equipment	Total
		N'000	N'000	N'000	N'000	N'000
<b>Cost</b>						
	As at 1 Jan 2021	30,403	2,939	9,886	13,402	56,630
	Addition	–	265	438	2,962	3,665
	As at 31 December 2021	30,403	3,204	10,324	16,364	60,295
<b>Accumulated depreciation</b>						
	As at 1 Jan 2021	10,314	1,321	9,663	9,144	30,442
	Charge for the year	4,667	471	170	2,718	8,026
	As at 31 December 2021	14,981	1,792	9,833	11,862	38,468
<b>Net book value</b>						
	As at 31 December 2021	<b>15,422</b>	<b>1,412</b>	<b>491</b>	<b>4,502</b>	<b>21,827</b>
	Property and equipment	Motor vehicles	Office equipment	Furniture and fittings	Computer equipment	Total
		N'000	N'000	N'000	N'000	N'000
<b>Cost</b>						
	As at 1 January 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
<b>Accumulated depreciation</b>						
	As at 1 January 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
<b>Net book value</b>						
	As at 31 December 2020	<b>20,089</b>	<b>1,618</b>	<b>223</b>	<b>4,258</b>	<b>26,188</b>



**18 Deferred tax asset**

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2020: 30%).

	31 December 2021	31 December 2020
	N'000	N'000
At 1 January	(110,735)	(105,163)
Credited to profit and loss account	1,790	(5,572)
At 31 December	<b>(108,945)</b>	<b>(110,735)</b>

**18.1 Deferred tax assets**

Deferred income tax assets are attributable to the following items:

Property and equipment	(23,030)	(14,654)
Unutilized tax losses	(85,915)	(96,081)
	<b>(108,945)</b>	<b>(110,735)</b>

Deferred tax assets are recognized for tax loss carry-forwards 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

	31 December 2021	31 December 2020
	N'000	N'000
<b>19 Accounts payable</b>		
Withholding tax payable	124	528
Accrued expenses	–	15
Other payables	23,922	18,125
	<b>24,046</b>	<b>18,668</b>

Current	24,046	18,668
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**20 Current income tax**

	N'000	N'000
At 1 January	440	1,146
Payments made during the year	(440)	(1,146)
Charge for the year	1,597	440
At 31 December	<b>1,597</b>	<b>440</b>

**21 Accumulated losses**

	N'000	N'000
Balance at beginning of year	(98,316)	(91,457)
Profit/(Loss) for the year	23,238	(6,859)
	<b>(75,078)</b>	<b>(98,316)</b>



	31 December 2021	31 December 2020
<b>22 Cash (used in)/generated from operations</b>		
Profit before income tax	26,625	(11,991)
Adjustments for		
– Depreciation (Note 9)	8,026	7,524
– Amortization (Note 9)	14,952	3,231
– Interest income (Note 10)	(44,835)	(51,828)
– Foreign Exchange (gains)/loss (Note 6)	(298)	
– Provision written back (Note 15)	(397)	(307)
Changes in components of working capital		
– Increase in other assets	(4,351)	(3,200)
– Increase in payables	5,378	(45)
	<b>5,100</b>	<b>(56,616)</b>

### 23 Related party transactions

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

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

Transactions	Type of relationship	Nature of transaction	2021	2020
<b>Income:</b>			<b>N'000</b>	<b>N'000</b>
Registration fees	Shareholding companies	Fees from shareholding companies that are also dealers	31,028	8,977

	31 December 2021	31 December 2020
<b>23.1 Key management compensation</b>	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>
Salaries and other short-term employee benefits	55,597	31,625
Defined contribution	4,336	2,467
	<b>59,933</b>	<b>34,092</b>

Key management comprise of the Managing director and the Chief Operating Officer.

### 24 Directors and employees

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

	31 December	31 December
	2021	2020
Executive director	2	1
Management	4	3
Non-management	13	12
	<b>19</b>	<b>16</b>

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

Salaries and other short term benefits	125,342	91,325
Post-employment benefits	9,767	6,905
	<b>135,109</b>	<b>98,230</b>

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

	31 December	31 December
	2021	2020
N500,001 – N1,000,000	1	1
N1,000,000 – N4,000,000	12	11
Over N4,000,000	6	4
	<b>19</b>	<b>16</b>

## 26 Directors' emoluments

### Remuneration paid to the Company's directors:

Executive directors' compensation	55,597	31,625
Fees and other emoluments disclosed above include amounts paid to:		
Highest paid director	49,865	31,625
	<b>49,865</b>	<b>31,625</b>

## 27 Capital commitments

There were no capital commitments to purchase any asset as at 31 December 2021 (31 December 2020: Nil).

## 28 Contingent Assets/Liabilities

There were no contingent assets or liabilities as at 31 December 2021 (31 December 2020: Nil).



# Value Added Statement

	31 December 2021		31 December 2020	
	N'000		N'000	
Gross income	288,406		176,231	
Cost of services	(110,468)		(79,238)	
<b>Value Added</b>	<b>177,938</b>	<b>100</b>	<b>96,993</b>	<b>100</b>
<b>Distribution</b>				
<b>Directors and employees</b>				
Salaries and benefits	135,109	76	98,230	101
<b>Government</b>				
Taxes	(3,387)	(2)	(5,132)	(5)
<b>Retained in the Company</b>				
Profit	23,238	13	(6,860)	(7)
<b>The future</b>				
Asset replacement (depreciation & amortization)	22,978	13	10,755	11
	<b>177,938</b>		<b>96,993</b>	

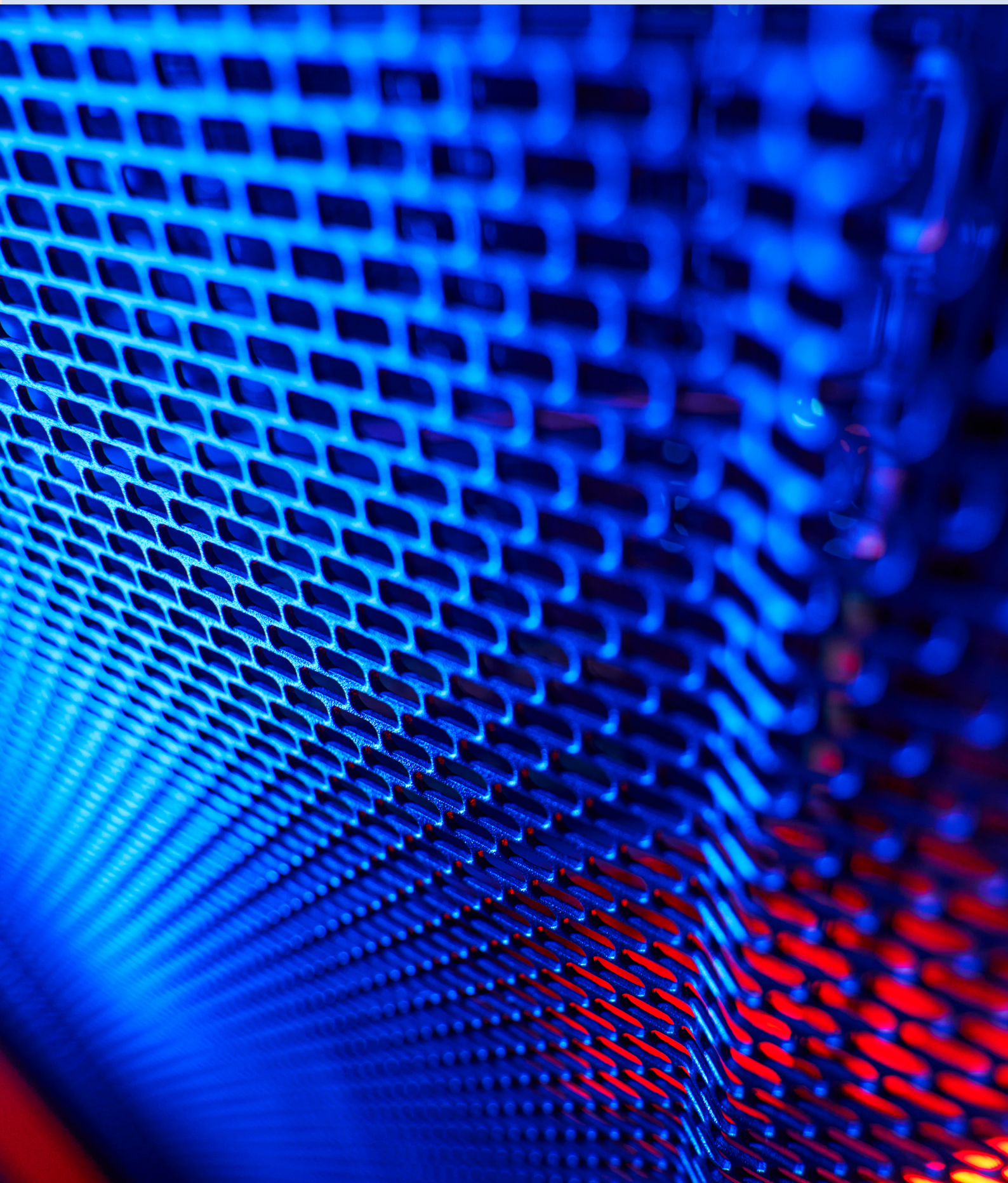


## Five-year financial summary

	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
<b>Statement of financial position</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Assets</b>					
Cash and cash equivalents	393,355	240,741	70,826	96,104	1,693
Investment securities	100,432	207,225	440,829	401,707	479,481
other assets	16,682	12,331	8,825	10,500	11,291
Intangible assets	41,742	55,990	3,129	8,697	10,727
Property and equipment	21,827	26,188	32,046	6,581	2,334
Deferred tax asset	108,945	110,735	105,163	94,276	62,683
	<b>682,983</b>	<b>653,209</b>	<b>660,818</b>	<b>617,865</b>	<b>568,209</b>
<b>Liabilities</b>					
Accounts payable	24,046	18,667	18,711	18,926	60,116
Current income tax	1,597	440	1,146	3,029	2,537
	<b>25,643</b>	<b>19,107</b>	<b>19,857</b>	<b>21,955</b>	<b>62,653</b>
<b>Equity</b>					
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	(75,078)	(98,316)	(91,457)	(136,508)	(226,862)
<b>Total liabilities and equity</b>	<b>682,983</b>	<b>653,209</b>	<b>660,818</b>	<b>617,865</b>	<b>405,204</b>
	<b>12 months</b>	<b>12 months</b>	<b>12 months</b>	<b>12 months</b>	<b>12 months</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Statement of comprehensive income</b>					
Gross earnings	288,704	176,232	229,097	225,127	121,636
Net operating income	288,704	176,232	229,097	225,127	121,636
Employee benefits and compensation cost	(135,109)	(98,230)	(90,075)	(70,760)	(72,316)
Other operating expenses	(126,970)	(89,687)	(102,965)	(92,344)	(127,905)
(Loss)/profit before tax	26,625	(11,685)	36,057	62,023	(78,585)
Tax	(3,387)	5,132	8,994	28,331	(2,537)
(Loss)/profit for the year	<b>23,238</b>	<b>(6,553)</b>	<b>45,051</b>	<b>90,354</b>	<b>(81,122)</b>
Basic (loss)/earnings per share (kobo)	<b>5.23</b>	<b>(1.54)</b>	<b>10.14</b>	<b>20.34</b>	<b>(19.92)</b>











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[NASD Management Team](#)

[CSR Report](#)

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## NASD Securities Directory by Industry

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### 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 976 million Ordinary Shares of 50kobo 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 50kobo 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 50 kobo each.



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



### CONSUMER SERVICES

A sector of the economy that consists of businesses that 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 50 kobo each.



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





## FINANCIALS

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

Admitted Securities under Financials Industry



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** and **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 **SDNMRCPIC**. 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.



Nigerian Exchange Group (NGX Group) was incorporated in 15 September 1960 and admitted to trade on NASD OTC Securities Exchange market on April 14, 2021 with security code **SDNGXGROUP**. 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 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.



Newrest ASL PLC was incorporated in 1996 and admitted to trade on the NASD OTC Securities Exchange market on September 25, 2017 with security code **SDNEWREST**. The company provide catering and related services to airlines operating in Nigeria. It has an issued and fully paid capital of 634 million 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.



The Infrastructure Bank PLC (formerly known as Urban Development Bank of Nigeria Plc) was incorporated in 1992 and admitted to trade on NASD OTC Securities Exchange market on June 18, 2021 with security code **SDINFRA BANK**.

The company In line with its establishing Act, the Bank has the mandate to raise and manage funds for infrastructure development projects in the country.

It has an issued and fully paid capital of 6.21 billion Ordinary Shares of 50 kobo each.





## Capital Bancorp Plc

Capital Bancorp Plc. (CBP) was incorporated on June 13, 1988 and admitted to trade on NASD OTC Securities Exchange market on June 18, 2021 with security code SDCBANCO. The company is licensed to operate by the Securities and Exchange Commission (SEC) as an Issuing House, Investment Adviser and Portfolio Manager. It has an issued and fully paid capital of 766.34 million Ordinary Shares of 50 kobo each.



### INDUSTRIALS:

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

### Heavy Construction



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

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



Costain West Africa Plc was incorporated in 1948 and admitted to trade on the 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 50kobo 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 880million 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 40million 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 2billion 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 1kobo 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 50 kobo each





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

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



#### TECHNOLOGY:

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

Admitted Securities under Technology:

### TELECOMMUNICATION EQUIPMENT



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

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



Swap 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.



## Participating Institution Activity By Value 2021

S/N	Company Name	No of Trades	Total Volume Traded	Total Value Traded (₦)
1	Stanbic IBTC Stockbrokers Limited	57	19,365,356,801	24,394,954,280.20
2	Anchoria Investment & Securities Limited	520	148,547,648	8,665,587,787.20
3	Greenwich Securities Limited	202	149,726,475	2,834,687,066.84
4	GTI Securities Limited	348	114,728,865	1,831,232,102.86
5	Lighthouse Asset Management Limited	71	2,208,725,720	1,450,375,380.42
6	Resort Securities & Trust Limited	54	2,000,247,476	1,415,023,967.50
7	Fidelity Securities Limited	48	77,978,784	1,357,740,760.40
8	Heritage Capital Markets Limited	262	73,798,131	1,347,709,876.27
9	Capital Asset Limited	147	4,936,769	1,185,016,344.52
10	Tradelink Securities Limited	590	54,171,718	1,131,287,909.19
11	FCSL Asset Management Company Limited	66	51,436,058	1,117,119,760.56
12	Kedari Securities Limited	89	40,701,251	1,085,880,900.92
13	TRW Stockbrokers Limited	218	17,986,266	1,019,112,944.37
14	Meristem Securities Limited	256	308,750,078	946,181,610.34
15	The Bridge Securities Limited	159	29,995,883	879,890,670.85
16	Finmal Finance Services Limited	171	38,708,020	797,096,031.92
17	Capital Trust Brokers Limited	499	34,184,488	790,144,918.49
18	Equity Capital Solution Limited	381	54,757,010	629,790,857.24
19	Fundvine Capital & Securities Limited	99	29,834,558	561,935,061.10
20	Dunbell Securities Limited	60	11,313,410	553,985,128.70
21	CSL Stockbrokers Limited	99	294,573,493	506,926,222.33
22	Cardinal Stone Securities Limited	61	55,798,581	483,337,597.07
23	Portfolio Advisers Limited	197	23,602,752	465,297,018.46
24	Compass Investment & Securities Limited	239	23,039,864	455,584,252.92
25	Tiddo Securities Limited	360	43,484,138	439,766,966.58
26	Cordros Capital Limited	44	25,878,867	421,809,361.90
27	Dynamic Portfolio Limited	86	16,061,862	418,962,890.56
28	Springboard Trust And Investment Limited	159	21,611,679	397,223,859.98

29	Traders Trust And Investment Company Limited	35	18,652,884	386,384,974.00
30	AVA Securities Limited	91	5,711,000	350,142,587.50
31	Apt Securities And Funds Limited	131	105,074,021	328,145,298.46
32	Interstate Securities Limited	65	6,697,766	326,146,822.46
33	Molten Trust Limited	193	14,376,231	325,364,414.34
34	Fortress Capital Limited	153	14,225,657	302,245,741.75
35	Sigma Securities Limited	129	16,605,615	298,951,909.48
36	Apel Asset Limited	181	14,212,483	284,407,504.90
37	Golden Securities Limited	43	15,843,168	280,251,815.68
38	Novembl Securities Limited	9	10,923,652	273,416,114.00
39	Rostrum Investment & Securities Limited	180	13,430,597	246,340,013.05
40	CDL Capital Markets Limited	2	12,015,768	240,675,833.04
41	Valmon Securities Limited	236	10,595,664	237,499,643.31
42	Nigerian International Securities Limited	79	6,429,904	218,207,565.81
43	Century Securities Limited	159	9,102,676	187,252,380.58
44	Cowry Securites Limited	7	12,993,364	176,965,342.35
45	Chapel Hill Denham Securities	92	1,390,173	174,542,017.20
46	Elixir Securities Limited	2	6,007,884	168,712,404.00
47	Harmony Securities Limited	131	7,559,313	167,854,377.45
48	Readings Investments Limited	84	7,051,732	160,985,773.34
49	Bestworth Assets & Trust Limited	52	1,063,441	156,814,191.10
50	Lambeth Trust & Investment Company Limited	16	2,377,560	147,894,878.80
51	Reward Investments & Services Limited	72	7,773,005	136,716,080.88
52	United Capital Securities Limited	203	7,682,701	135,411,777.11
53	Lead Securities & Investment Limited	47	6,024,654	113,501,509.17
54	Pivot Capital	29	4,501,374	112,029,297.44
55	Pac Securities Limited	28	125,420,135	110,065,813.20
56	Woodland Capital Market Plc	86	5,583,830	107,549,807.17
57	Edgefield Capital Management Limited	55	6,793,085	100,848,125.64
58	Nigerian Stockbrokers Limited	23	6,780,788	89,218,061.51
59	Mega Equities Limited	46	2,755,932	78,398,960.00
60	Chartwell Securities Limited	59	3,516,054	77,795,545.40
61	Financial Trust Company NIG Limited	35	3,370,486	72,720,976.82
62	Capital Bancorp Plc	126	10,443,906	72,682,916.82
63	Primera Africa Securities Limited	62	3,095,008	71,771,046.33
64	SFC Securities Limited	29	5,681,680	69,496,490.84
65	Magnartis Finance & Investment Limited	47	8,881,070	67,359,169.80
66	Growth And Development Asset Mgt	13	2,740,000	65,016,410.00
67	ICMG Securities Limited	36	3,525,915	61,448,086.85
68	Imperial Asset Managers Limited	33	2,592,116	59,703,834.14
69	FBN Securities Limited	71	2,805,373	57,346,469.30



70	PIPC Securities Limited	25	3,605,622	57,228,784.20
71	WSTC Financial Services Limited	36	3,341,541	55,309,811.42
72	Arthur Steven Asset Management Limited	88	2,013,266	54,758,137.44
73	Trusthouse Investments Limited	108	997,278	53,233,368.00
74	Newdevco Investments And Securities Company Limited	32	1,432,175	51,491,303.80
75	Solid Rock Securities & Investments Plc	38	2,866,102	50,813,706.80
76	ARM Securities Limited	57	3,788,796	50,330,225.33
77	Foresight Securities & Invetment Limited	48	2,667,759	48,516,173.90
78	Nova Finance And Securities Limited	31	3,059,724	47,076,156.84
79	Signet Investments & Securities Limited	29	2,598,700	45,076,026.50
80	Coronation Securities Limited	38	796,168	44,189,214.90
81	Associated Asset Managers Limited	11	2,441,274	41,850,417.80
82	Network Capital Limited	54	2,001,777	35,328,148.10
83	Qualinvest Capital Limited	4	2,300,200	34,528,100.00
84	Skyview Capital Limited	39	1,300,048	33,999,950.00
85	SECURITY SWAPS LIMITED	45	1,462,671	31,600,138.76
86	Gruene Capital Limited	8	1,062,116	28,471,539.60
87	Kapital Care Trust & Securities Limited	55	1,354,672	26,943,428.90
88	Integrated Trust & Investment Limited	21	1,205,050	21,964,414.29
89	Midas Stokebrokers Limited	3	1,250,000	21,303,000.00
90	Regency Assets Management Limited	22	222,445	18,876,821.50
91	DSU Brokerage Services Limited	18	1,000,000	17,478,610.00
92	Afrinvest Securities Ltd	60	347,953	15,309,375.87
93	Calyx Securities Limited	19	895,682	14,814,773.90
94	Planet Capital Limited	3	44,000	13,404,800.00
95	Quantum Zenith Securities Ltd	10	75,762	12,573,630.20
96	EDC Securities Limited	7	330,000	11,940,000.00
97	Kinley Securities Limited	90	144,377	9,844,872.61
98	Icon Stockbrokers Limited	7	137,545	8,371,414.83
99	Securities Africa Financial Limited	16	406,391	8,185,609.81
100	Capital Express Securities Limited	27	32,412	7,630,162.50
101	Vetiva Securities Limited	3	624,500	6,211,800.00
102	Dunn Loren Merrifield Securities Limited	5	25,000	6,130,000.00
103	Mbc Securities Limited	36	200,344	5,314,697.31
104	Investment One Stockbrokers International Limited	28	248,456	5,121,965.01





105	Cashcraft Securities Limited	18	44,832	5,029,978.00
106	Morgan Capital Securities Limited	44	226,920	3,819,330.52
107	First Integrated Capital Management Ltd	21	149,650	3,101,270.00
108	Heartbeat Investments Limited	21	139,300	2,980,550.00
109	Prominent Securities Limited	4	81,000	1,701,000.00
110	Topmost Securities Limited	16	48,147	1,448,049.10
111	Delords Securities Limited	4	60,000	837,500.00
112	Dominion Trust Limited	4	19,839	444,113.25
113	FSDH Securities Limited	2	3,520	241,520.00
114	Global Asset Management Nigeria Limited	2	11,000	189,500.00
115	FIS Securites Limited	5	4,050	130,490.50
116	Tyndale Securities Limited	2	5,228	90,135.70
117	Tower Securities & Inv Co. Ltd	1	500	8,750.00



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## NASD Management Team

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**Bola Ajomale**  
Managing Director/CEO



**Mr Eguarekhide Longe**  
Chief Operations Officer



**Chinwendu Ekeh**  
Head, Market Operations  
& IT



**Zainab Babalola**  
Head, Legal & Compliance



**Kolawole Jiboku**  
Head, Finance & Accounts



**Chioma Mbagwu**  
Head, Admin & Human  
Resources



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## CSR - The World Cleanup Day 2021

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NASD PLC joined the rest of the international community to commemorate the World Cleanup Day on the 18th September, 2021. This emphasizes NASD PLC's commitment to not only the Capital market but also to the environment. The event was held at the Ilashe and Ibeshe private beach resort, Lagos State in collaboration with the Lagos State Waste Management Authority (LAWMA) as well as a network of other corporate bodies, NGOs and governmental organizations such as Nigerian Ports Authority (NPA), and Nigerian Maritime Administration and Safety Agency (NIMASA). The event lasted for 5 hours during which 75000 plastic bottles, weighing 1,250 kilogrammes, were collected, along a 5-kilometre distance of the Ilashe/Ibeshe beach.

The essence of the exercise was to open the entire Ilashe Island to proper clean up, urge residents and beach users, to come together and make a difference, by leaving an enduring legacy of people-friendly environment, for improved living and economic prosperity.

NASD PLC employees who represented the company at the event were-Mrs Chioma Mbagwu, Miss Nkiru Origa, Mr Raphael Onyewotu, Miss Fatima Abba and Mr Innocent Ihedioha.







# PROXY FORM

I/We

Being member(s) of NASD PLC hereby

	RESOLUTIONS	FOR	AG.
1.	To receive the Audited Financial Statements for the year ended December 31, 2021, and the Reports of the Directors, Auditors and Statutory Audit Committee thereon.		
2.	To ratify the appointment of Mr. Eguarekhide Longe as Executive Director.		
3.	To ratify the appointment of Ms. Kenechi Ezezikah as a Non-Executive Director.		
4.	To appoint Mr. Ishmael Ebhodaghe as a Non-Executive Director		
5.	To appoint Mrs. Fatumata Soukouna Coker as a Non-Executive Director.		
6.	To re-elect the following Directors: i. Mr. Ariyo Olushekun as a Non-Executive Director. ii. Mr. Kayode Falowo as a Non-Executive Director. iii. Mr. Abubakar Lawal as a Non-Executive Director.		
7.	To appoint Deloitte as the External Auditor of the Company, and authorise the Directors to fix the remuneration of the Auditors		
8.	To elect/re-elect members of the Statutory Audit Committee		
9.	To disclose the remuneration of Managers pursuant to Section 257 of the Companies and Allied Matters Act 2020.		
10.	To fix the remuneration of the Directors for the year ending 31 <sup>st</sup> December 2022.		
11.	To consider and if thought fit pass the following resolutions as an ordinary resolution: <b>Approval of the Issuance of Bonus Shares to NASD Shareholders</b> "THAT upon the recommendation of the Board of Directors, the sum of ₦44,420,438 be credited from the Company's retained earnings account and capitalised as 44,420,438 ordinary shares of ₦1.00 each by way of bonus shares in the ratio of one new share for every ten shares (1:10), held by shareholders whose names appear in the register of members at the close of business on 23 <sup>rd</sup> June 2022; and the shares so allotted shall be treated for all purposes as capital and not as income and shall rank pari-passu with the existing shares of the Company."		
12.	<b>Approval of allotment of Shares under an Employee Share Option Scheme</b> "The Directors be and are hereby authorised to do all such things and exercise such powers as may be necessary to establish an Employee Share Option Scheme and allot under the Scheme 11,375,174 ordinary shares of ₦1.00 each, representing 2.5% of the total Shares of the Company to qualifying employees of the Company at such price, time, for such period and on such other terms and conditions as the Directors may deem fit, subject to the applicable laws and regulations and receipt of such other relevant regulatory approvals as may be necessary"		
13.	To consider and if thought fit, pass the following ordinary resolutions:  a. That the Company be and is hereby authorised to take all necessary steps to ensure that the Memorandum and Articles of Association of the Company are altered to comply with the Resolutions above, including replacing the provision stating the authorised share capital with the issued share capital; b. The Company be and is hereby authorised to enter into and execute agreements, deeds, notices and any other document(s) necessary for and or incidental to the resolutions above; c. The Company be and is hereby authorised to appoint such professional parties, consultants and advisers as may be required to comply with the resolutions above; and d. The Company be and is hereby authorised to perform all acts and to do all such other things as may be necessary for or incidental to giving effect to the above resolutions, including without limitation, complying with the directives of the regulatory authorities".		

I appoint..... (Mr. Olutola Mobolurin (Chairman) or Mr. Bola Ajomale (Managing Director) or Mr. Kasimu Garba Kurfi) as my/our proxy to act and vote on my/our behalf at the Annual General Meeting of the Company to be held on July 4, 2022, and at any adjournment thereof.

Dated this..... day of, ..... 2022

Shareholder's Signature.....

**Notes:**

- 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 Sal Street, Victoria Island, Lagos, not less than 48 hours before the time for holding the Annual General Meeting. A proxy need not be a member of the Company.
- 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.
- If the shareholder is a corporation, this form must be under its common seal.

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**Before posting the above slip, tear off this part and retain it.**  
**9th ANNUAL GENERAL MEETING**  
**ADMISSION SLIP NASD PLC**

PLEASE ADMIT ONLY THE SHAREHOLDER NAMED ON THIS CARD OR HIS/HER DULY APPOINTED PROXY TO THE 9TH ANNUAL GENERAL MEETING THAT WILL BE HELD ON JULY 4, 2022 AT THE METROPOLITAN CLUB, 15 KOFO ABAYOMI STREET, VICTORIA ISLAND LAGOS AT 11:00a.m

NAME OF SHAREHOLDER .....

NAME OF PROXY .....

SIGNATURE.....

ADDRESS.....





## CONTACT US



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Nigeria



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