



EVOLVING

For Better Value Creation

www.ngxgroup.com

 **NGX**
Nigerian Exchange Group

Formerly Nigerian Stock Exchange



EVOLVING

For Better Value Creation

After the recent demutualisation and the internal restructuring exercise, we are refreshed to commence a new phase in our journey. We remain committed to value creation for our stakeholders. For us, change is beautiful

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OUR MISSION

TO PROVIDE INVESTORS AND BUSINESSES
A RELIABLE, EFFICIENT AND AN ADAPTABLE
EXCHANGE HUB IN AFRICA, TO SAVE AND
TO ACCESS CAPITAL.

OUR VISION

TO BE AFRICA'S
PREFERRED
EXCHANGE
HUB



Notice Of The Sixtieth Annual General Meeting

NOTICE OF THE SIXTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixtieth Annual General Meeting of Nigerian Exchange Group Plc (Formerly Nigerian Stock Exchange) will hold at Transcorp Hilton Hotel, Abuja, on Thursday, 9 September 2021 at 11:30 a.m. prompt to transact the following businesses:

ORDINARY BUSINESS

1. To present the Audited Financial Statements of Nigerian Exchange Group Plc (NGX Group). for the year ended 31 December 2020, and the Reports of the National Council and the Auditors thereon.
2. To re-elect the following Non-Executive directors that are retiring by rotation;
 - a. Mr. Patrick Ajayi;
 - b. Mr. Oluwole Adeosun; and
 - c. Mr. Chidi Agbapu.
3. To authorize the Board to fix the remuneration of the Auditors.
4. Disclosure of the remuneration of Managers of Nigerian Exchange Group Plc.
5. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

6. "To consider and if thought fit, pass with or without any modifications, the following as an Ordinary Resolution to fix the remuneration of Non-Executive Directors of Nigerian Exchange Plc:

"It is approved that the fees payable shall be N8,000,000 per annum, and N5,000,000 per annum to the Chairman and other Directors, respectively. For year 2021, the remuneration shall take effect from 1 March 2021 and shall be pro-rated accordingly. The fees shall be payable quarterly in arrears or at such other intervals agreed by the Board."
7. "To consider and if thought fit, pass as a special resolution (with or without any modifications), that the Board of Directors of Nigerian Exchange Group Plc. be and is hereby authorized to pay a total sum of N126,000,000 to all non-executive members of the erstwhile National Council of the Nigerian Stock Exchange as at 31 December 2020."
8. To consider and if thought fit, pass the following sub-joined resolutions as an ordinary resolution:
 - (i) "That further to Members' approval at the Extra-Ordinary General Meeting of 3 March 2020 for the establishment of an Employee Share Ownership Plan for the benefit of qualifying employees of Nigerian Exchange Group Plc and its Subsidiaries, that the Company be and is hereby authorised to issue and allot 200,419,990 ordinary shares of 50 kobo each out of the authorised share capital of Nigerian Exchange Group Plc for the operation of a Long Term Incentive Plan consisting of a Deferred Bonus Plan (DBP) and an Employee Share Purchase Plan (ESPP), with effect from 1 January 2021, subject to obtaining requisite regulatory approvals.
 - (ii) That the Board of Directors be and is hereby authorised to establish and operate a DBP for the benefit of qualifying members of the Senior and Executive Management of Nigerian Exchange Group Plc and its subsidiaries and an ESPP open to all employees of Nigerian Exchange Group Plc and its subsidiaries. The relevant details of the DBP and ESPP are contained in the Explanatory Note attached to this notice.
 - (iii) That the Board of Directors be and is hereby authorised to establish an Employee Trust to oversee the administration of the DBP and ESPP.
 - (iv) That the Board of Directors and Management be and are hereby authorised to draft relevant rules and policies, take all such actions, execute and deliver all such documents as may be deemed necessary or appropriate for the effective administration of the DBP and ESPP and to give effect to the foregoing resolutions and to ensure compliance with extant laws (tax laws, securities laws etc.) and regulations."

NOTE:

1. PROXY

- a) A shareholder entitled to attend and vote at the Annual-General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. A Proxy need not be a shareholder.
- b) A blank proxy form is attached to the Notice and may also be downloaded from NGX Group's website at www.ngxgroup.com
- c) All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at either the registered office of NGX Group's Registrars, DataMax Registrars, (2C Gbagada - Oworonshoki Expressway, Gbagada, Lagos) or via email to datamax@datamaxregistrars.com or contactcenter@ngxgroup.com at least 48 hours before the time of holding the meeting.

2. STAMPING OF PROXY

The Company has made arrangements, at its cost, for the stamping of the duly completed and signed proxy forms submitted at either the registered office of NGX Group's Registrars, DataMax Registrars (stated above) or via email to datamax@datamaxregistrars.com or contactcenter@ngxgroup.com

3. COVID-19 RELATED DIRECTIVES AND GUIDELINES

The convening and proceedings at the AGM shall be conducted in compliance with all directives and guidelines issued (by the Federal Government of Nigeria, and Federal Capital Territory (FCT), Abuja Health Authorities and Regulatory Agencies) to curb the spread of COVID-19 in Nigeria. In particular, the directives of the FCT, Abuja and the guidelines issued by the Corporate Affairs Commission (CAC) on holding of AGM of Companies using Proxies shall be complied with.

4. ATTENDANCE BY PROXY

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

- a. Otunba Abimbola Ogunbanjo
- b. Mr. Oscar N. Onyema, OON
- c. Dr. Umaru Kwairanga
- d. Mrs. Fatimah Bello-Ismail
- e. Dr. Okechukwu Itanyi
- f. Prof. Enase Okonedo
- g. Mr. Apollos Ikpobe
- h. Mrs. Ojinika Olaghere
- i. Chief Patrick Ezeagu
- j. Mr. Emeka Madubuike

5. LIVE STREAMING OF AGM

The AGM will be streamed live to enable shareholders and other stakeholders who are unable to physically attend to follow the proceedings online. The link for live streaming will be made available on NGX Group's website at www.ngxgroup.com.

6. STATUTORY AUDIT COMMITTEE

The Audit Committee consists of 3 Shareholder representatives and 2 Directors. In accordance with Section 404 of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. Further, CAMA provides that all members of the Audit Committee shall be financially literate, and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. Consequently, a detailed resume disclosing requisite qualification should be submitted with each nomination.

7. BIOGRAPHICAL DETAILS OF DIRECTORS FOR RE-ELECTION

Biographical details of Directors submitted for re-election or approval are contained in the Annual Report.

8. QUESTIONS FROM SHAREHOLDERS

Shareholders reserve the right 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. Please send questions, comments or observations to Investors Relations by e-mail to IR@ngxgroup.com not later than 2 September 2021. Questions and answers will be presented at the Annual General Meeting.




Mojisola Adeola
Group Company
Secretary/Head,
Compliance
NGX Group House
2/4, Customs Street
Lagos, Nigeria

Dated this 16th day of August 2021

By Order of the Board

Explanatory Notes To The Proposed Resolutions On The Agenda For The 60th Annual General Meeting Of The Nigerian Exchange Group Plc Scheduled For Thursday, 9 September 2021

The proposed resolutions presented for Shareholders' consideration and voting are in the best interests of the Nigerian Exchange Group Plc, and its Shareholders. Therefore, the Board unanimously recommends that the Shareholders should vote in favour of these resolutions.

Resolution 5: Election of Members of the Statutory Audit Committee

- 1.1 Pursuant to the provisions of Section 404 (3) to (5) of CAMA 2020, every public company shall have an audit committee which shall consist of five members comprising of three shareholders' representatives and two non-executive directors, the members of the audit committee are not entitled to remuneration, and are subject to election annually. The audit committee shall examine the auditors' report and make recommendations thereon to the annual general meeting as it may deem fit. All members of the audit committee shall be financially literate, and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly.
- 1.2 Following the demutualization and conversion/re-registration of the Company as a public company limited by shares, the shareholders in general meeting are now required to elect members of the Audit Committee. Leading up to this election at the forthcoming AGM, in accordance with Section 404 (6) of CAMA 2020, a Shareholder may nominate another Shareholder for election as a member of the Statutory Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting and any nomination not received prior to the meeting as stipulated is invalid. While making nominations, shareholders are to be guided by the statutory requirements on the qualification of members of the audit committee, the nominations should also include the curriculum vitae and/or profile of the nominee.

Resolution 6 – Directors Fees

- 1.1 Under this Agenda item, the Board has proposed that Shareholders approve the annual fees payable to the Non-Executive Directors (NEDs). Ahead of the impending demutualisation of The Nigerian Stock Exchange (as it was then known) and the consequent inauguration of new Boards across entities that make up the Nigerian Exchange Group Plc., KPMG Professional Services Limited's services had been engaged in 2020 to carry out a NEDs' Remuneration Survey (the Survey) to benchmark the remuneration paid by comparator companies to its NEDs. The Board has considered the Survey and is proposing that the fees payable to NEDs should be as follows:
 - * N8,000,000 per annum for the Chairman
 - * N5,000,000 per annum for other Directors
- 1.2 For the year 2021, the remuneration shall take effect from 1 March 2021, being legal day 1 of Nigerian Exchange Group Plc and shall be pro-rated accordingly. The fees shall be payable quarterly in arrears or at such other intervals agreed by the Board.
- 1.3 Resolution 6 being an ordinary resolution must receive a majority of the votes of Members present and voting (in person or by proxy) at the Annual General Meeting for its adoption/passing.

Resolution 7 – Payment to Non-Executive Members of the Erstwhile National Council of the Nigerian Stock Exchange as at 31 December 2020

- 1.1 Under this Agenda item, the Board has recommended that Shareholders should approve payment to the non-executive members of the erstwhile National Council of the Nigerian Stock Exchange as at 31 December 2020 in consideration of the level of work done since 2017 in furtherance of the demutualisation of The Nigerian Stock Exchange. Please recall that the Council Members were not paid directors' fees over the years.
- 1.2 The proposed payment to the twelve (12) Council Members is N126,000,000. (i.e. Chairman - N8 million and other NEDs – N5 million annually), for the years 2019 and 2020. The rate is equivalent to the proposed fees to be paid to the current Directors of Nigerian Exchange Group Plc (in line with the KPMG NEDs Remuneration) and is considered by the Board to be a fair compensation to the erstwhile Council members for the work done since 2017 in furtherance of the demutualisation of The Nigerian Stock Exchange. The compensation would, however, only be applicable for the years 2019 and 2020. The appropriate taxes in line with extant laws shall be deducted from the proposed payments.

1.3 At its meeting of 3 August 2021, following discussion on the recognition of these Council members for their efforts, the Board agreed to present Resolution 7 for the approval of Shareholders at the 2021 Annual General Meeting.

1.4 Resolution 7 being a special resolution must receive, at least three-quarters of the votes of Members present and voting (in person or by proxy) at the Annual General Meeting for its adoption/passing.

Resolution 8 – Issue and Allotment of Shares for the Operation of the Long Term Incentive Plan

1.1 Please recall that at the Extra-Ordinary General Meeting of 3 March 2020, Members approved the establishment of an Employee Share Ownership Plan for the benefit of qualifying employees of Nigerian Exchange Group Plc., and its Subsidiaries.

1.2 Further to this, the Board has recommended that Shareholders approve the issuance and allotment of 200,419,990 ordinary shares of 50 kobo each out of the authorised share capital of Nigerian Exchange Group Plc for the operation of a Long Term Incentive Plan consisting of a Deferred Bonus Plan (DBP) and an Employee Share Purchase Plan (ESPP), with effect from 1 January 2021, subject to obtaining the requisite regulatory approvals. Both Plans, by offering appropriate equity incentives to scheme participants will encourage wider employee ownership of shares and thereby, align our workforce with shareholders' interest.

1.3 The Board also seeks Shareholders' authorization to:

- a) establish and operate a DBP for the benefit of qualifying members of the Senior and Executive Management of Nigerian Exchange Group Plc and its subsidiaries and an ESPP open to all employees of Nigerian Exchange Group Plc and its subsidiaries;
- b) establish an Employee Trust (either internally or outsourced) to hold the allotted shares in trust for employees and oversee the administration of the DBP and ESPP;
- c) set up such rules and policies, to take all such actions, execute and deliver all such documents as may be deemed necessary or appropriate for the effective administration of the DBP and ESPP and to give effect to the foregoing resolutions; and
- d) ensure compliance with extant laws (tax laws, securities laws etc.) and regulations.

1.4 The DBP would be applicable to the Senior and Executive Management of NGX Group Plc and its subsidiaries. It would cover employees on the Principal Manager (PM) to MD/CEO grades, subject to meeting performance and corporate objectives. A portion of the bonus will be deferred in shares to vest over a period. Other critical & specialised roles below PM may be considered as well. A total of 100,209,995 units of ordinary shares would be allocated for the deferrals over the cycles in which the allocated shares can cover. The DBP is expected to help the Group better retain key talent and high performers to deliver on strategic imperatives.

1.5 A total of 100,209,995 units of ordinary shares would form the pool to be offered under the ESPP for purchase by the employees of Nigerian Exchange Group Plc and its subsidiaries, at a discount of between 15% - 20% of the market share price, subject to the fixed cap per employee and availability of the pool.

1.6 An Employee Trust would be established to oversee the administration of the shares for the DBP and ESSP. An applicable framework would also be drawn up for the administration of the DBP and ESSP.

1.7 Resolution 8(i-iv) being an ordinary resolution must receive majority of the votes of Members present and voting (in person or by proxy) at the Annual General Meeting for their adoption/passing.

Weathering The Storm



I am pleased to present the annual report of the Nigerian Exchange Group (NGX Group or the Group) for the year ended 31 December 2020. 2020 was both exciting and challenging as we navigated through an unprecedented global crisis, whilst recording several key milestones on our quest to enter a new growth phase as a demutualised group. The year was equally pivotal for me, as it marked the end of my tenure as the President of the National Council of The Nigerian Stock Exchange (NSE), to assume the office as the Group Chairman of Nigerian Exchange Group following the demutualisation of NSE.

Operating Surplus of
N1.84 billion

Net Assets grew
by **10.03%**

As with all industries, the COVID-19 pandemic presented significant challenges to the financial and operational resilience of the Nigerian and global capital markets. In adapting to these challenges, the Group activated its Business Continuity Plan in March that saw the transition to remote trading and 'work from home' protocols with no discernible impact on our service delivery or efficiency.

I am immensely proud of the way our business and the wider capital market responded to the COVID-19 crisis and continues to do so. I am also grateful to our employees and partners for their willingness to embrace our new ways of working that prioritise the health and wellbeing of our employees and other stakeholders in our broad ecosystem.

Financial Performance and Strategic Operations

Staying firmly afloat during the stormy financial year, the Group recorded an operating surplus of N1.84 billion for the year, which represented a decline of 18.56% from 2019. Our listing fees income reflected the headwinds dealt by the Covid-19 pandemic, declining by 62.66% from the previous year driven by uncertainty of prospective issuers in the wake of the pandemic. Following Management's cost containment efforts, total expenses declined by 12.86% year-on-year without affecting The Exchange's high operating standards and service delivery.

Conversely, our net assets grew by 10.03% to N31.28 billion providing us with greater financial flexibility to execute on our strategic agenda and respond to changes in our operating environment. The Group Managing Director/ CEO's Statement and Financial Highlights provides further details of our financial performance in 2020.

Despite the challenging environment in 2020, the Group maintained an unwavering focus on its strategy and made great strides on a number of strategic initiatives. In 2020, we gained traction on our goal to launch Exchange Traded Derivatives (ETDs) as NG Clearing Limited, Nigeria's first Central Counterparty Clearing House (CCP), secured approval in principle from the Securities and Exchange Commission (SEC) to clear and settle ETDs.

Demutualisation: A Historic Milestone Achieved

At the crux of its transformation agenda, the leadership of The Nigerian Stock Exchange, in 2015, decided to proceed with its long-term objective of demutualisation, to convert its corporate structure from a nonprofit, mutually-owned organisation to a company that is shareholder-based and profit-making. The successful demutualisation of The Nigerian Stock Exchange was one of my fundamental objectives when I assumed the Presidency of the Exchange in 2017.

We received significant impetus to our journey, when the President and Commander-in-Chief of the Federal Republic of Nigeria, His Excellency Muhammadu Buhari GCFR, signed the Demutualisation of The Nigerian Stock Exchange Bill into

law in August 2018. Following a 'No Objection' to the demutualisation of the NSE received from the Securities and Exchange Commission (SEC) in December 2019, Members unanimously agreed to the requisite resolutions for the demutualisation of the NSE at the Court Ordered Meeting and Extra Ordinary General Meeting of the NSE held in March 2020.

In March 2021, history was made as The Nigerian Stock Exchange completed its demutualisation process, following statutory approvals from the SEC and Corporate Affairs Commission (CAC). With demutualisation, a new non-operating holding company, the Nigerian Exchange Group Plc. (NGX Group) was created. The holding company has three operating subsidiaries, namely, Nigerian Exchange Limited (NGX), the operating exchange; NGX Regulation Limited (NGX RegCo), the independent regulation arm; and NGX Real Estate Limited (NGX RelCo), the real estate company.

Collectively, NGX Group is poised to capitalise on the myriad of opportunities made available through demutualisation which include greater business agility due to the separation of trading rights and voting rights, enhanced corporate governance and the opportunity to expand the ownership base and increase independent investor participation in the



governance of the Group. As the engine to Africa's largest economy, NGX Group is also better positioned to increase its regional impact as the demutualised exchange group now has the flexibility to pursue new opportunities to attract the best of African issuers, deepen our product suite and expand into new markets.

Strategic Partnerships

The Group remains focused on building long-term partnerships to develop value-add products and services across its ecosystem. We currently belong to over thirty global and domestic associations including the World Federation of Exchanges (WFE), African Securities Exchanges Association (ASEA), Association of Securities Exchanges in Nigeria (ASEN), International Organization of Securities Commissions (IOSCO), Intermarket Surveillance Group (ISG) and Global Reporting Initiative (GRI).

The value of our partnerships was evident in the year under review as we commemorated the 2020 International Women's Day (IWD) in partnership with World Federation of Exchanges (WFE), Sustainable Stock Exchange Initiative (SSEI), International Finance Corporation (IFC), UN Women, and Global Compact Network Nigeria (GCNN). The event brought together thought leaders from various industries to celebrate the accomplishments of women and champion the discourse on forging a gender equal world.

In addition, we collaborated with the SEC to train capital market operators on Legal and Regulatory requirements of derivatives trading and co-hosted a robust engagement with the 36 State Governors on the privatisation of state-owned enterprises together with the Nigerian Investment Promotion Commission (NIPC) and Nigeria Governor's Forum (NGF).

Corporate Citizenship

Sustainability remains an integral part of our business strategy and operations and we are cognisant of our wider role in society and the responsibility that comes with it. In the year under review, we joined the rest of the world to commemorate World Cancer Day by hosting cancer change agents and survivors to a Closing Gong Ceremony in line with the 2020 theme, "I am and I will". We also joined hands with capital market stakeholders in the fight against COVID-19 in Nigeria, and pledged a total of N100 million to relief efforts. Of this sum, we redeemed our pledge of N60 million to the Capital Market Support Committee for COVID-19 (CMSCC) with the donation of an ambulance and a cash sum of Twenty-Seven Million, Five Hundred Thousand Naira. The

CMSCC is a Securities and Exchange Commission (SEC) led committee set up to galvanize the capital market ecosystem to play an active role in curbing the spread of COVID-19 in Nigeria. The balance of N40 million was devoted to the "Masks For All Nigerians" campaign aimed at galvanising corporates and individuals to donate face masks to Nigerians, especially to low-income households. The Group received support from 13 companies and donated a total of 609,490 masks during the campaign.

Conclusion

With the successful completion of demutualisation, the NSE has transitioned from a member-owned company to a company owned by shareholders, bringing to an end the leadership of the National Council. In this new era, I have taken on the office of the Group Chairman of Nigerian Exchange Group, while Mr. Abubakar Mahmoud assumes office as the Chairman of Nigerian Exchange, Mrs Catherine Echeozo as the Chairman of NGX Regulation Limited, and Erelu Angela Adebayo as Chairman of NGX Real Estate Limited. All other members of the now dissolved National Council are serving in various capacities on the Boards of the new entities. I thank my fellow Directors for their support and counsel and wish them well in their new roles.

I would like to recognise Mr. Aigboje Aig-Imoukhuede, CON who recently retired as Ex-Officio from the National Council. His exemplary stewardship as First Vice President, President, and Ex-Officio of the National Council over the last seven years, in no small measure, strengthened the NSE's position as a world-class exchange with globally leading operational and governance practices. I would also like to thank him for his valuable contributions to the NSE over the years which were also keenly instrumental in the attainment of our demutualisation ambitions.

On behalf of the Board of NGX Group Plc., I thank the entire Management team and staff of NGX Group for their commendable efforts during a difficult year. Let us do more in the NGX era.



Otunba Abimbola Ogunbanjo
Group Chairman

A Year Of Resilience



The year 2020 was arguably one of the most challenging years in living memory. We were faced with several challenges including the outbreak of the Coronavirus (COVID-19), hyperinflation, forex scarcity, a weak global economy, historically low crude oil prices, and elevated geopolitical risks.

The COVID-19 pandemic, which claimed millions of lives and affected countries and families around the world, caused a global economic crisis. As a result, there was extreme uncertainty around the global growth forecast as many governments enacted containment policies which resulted in capital flow reversals across regions. In addition to these global economic shocks, Nigeria experienced a full-blown recession in Q3'2020 following the GDP decline by 3.62% (y-o-y) and second consecutive contraction from -6.10% recorded in Q2'2020. Hence, the performance of the economy reflected residual effects of the restrictions to movement and economic activity implemented across the country in response to the COVID-19 pandemic.

NGX ASI emerged the best-performing index in the world, delivering over **50% growth**

Equity Market Capitalization increased by **62.42%**

Bond Market Capitalization rose by **35.52%**

the Group's total income amounted to **N6.02 billion**

It is gratifying to note that despite these challenges, Nigerian Exchange Group (NGX Group) demonstrated a year of resilience as the NGX All Share Index (ASI) emerged the best-performing index in the world, delivering over 50% growth in the year under review.

Trading performance

Amidst rising cases of Coronavirus in Nigeria and declining crude oil prices, the NSE ASI lost 20.53% of its value by the end of the first quarter of 2020, despite beginning the year on a positive trajectory. However, in the second quarter, the NSE ASI began a moderate path to recovery as the Nigerian capital market responded positively to the gradual easing of the nationwide lockdown implemented in April 2020 and resumption of business activities.

The equity market recovery persisted through the latter half of the year, fuelled by unattractive fixed income yields and better-than-expected corporate earnings. In November, the NSE ASI posted its largest daily gain of 6.23% in more than five years to close the day's trading session at 35,342.46 points. The significant one-day gain, which exceeded the daily threshold of 5%, triggered a 30-minute trading halt on all stocks for the first time since the index Circuit Breaker was introduced on The Exchange in 2016.

By the end of December 2020, the NSE ASI had gained 50.03% to close the year at 40,270.72 points and become the best-performing index in the world according to

Bloomberg. Similarly, the equity market capitalization increased by 62.42% to close at N21.06 trillion.

In the fixed income market, capital-raising activities increased significantly, as the bond market capitalization rose by 35.52% to close at N17.50 trillion. The Federal Government of Nigeria (FGN) borrowed over N2.36 trillion, comprising about 92% of the total bond issuances, in a bid to finance fiscal and infrastructure deficits. On the other hand, corporates leveraged the low yield environment to fund expansion objectives and pursue debt refinancing, raising a total of N192 billion.

The Exchange Traded Fund (ETF) market also performed exceptionally well, as its market capitalization increased by 272.30% to close at N24.51 billion. In collaboration with Meristem Wealth Management Limited, we launched two new ETFs; Meristem Growth ETF which tracks the NSE Meristem Growth Index and Meristem Value ETF which tracks the NSE Meristem Value Index.

Similarly, the NSE mutual funds market gained traction as the total number of listed mutual funds increased to 52 following the listing of the ARM Eurobond fund and ARM Fixed Income fund. At the close of the year, the net asset value of listed mutual funds stood at N1.14 trillion.

Financial Highlights

In 2020, the Group's total income amounted to N6.02 billion, representing a 22.67% decline from 2019. The listing revenue stream was most impacted as it fell by 62.66% to N606.95 million, due largely to low primary market activities as a result of the COVID-19 pandemic. However, transaction fees grew by 4.82% to N2.84 billion from N2.71 billion in 2019. Due to the decline in the Group's total income, our operating surplus fell by 18.56% amounting to N1.84 billion in the year under review. Our market services business has proven to be one of our fastest growing sources of income. In 2020, we reported market services income of N350.20 million, representing a 13.42% increase from N308.77 million in 2019.

The Group closed the year with sound liquidity and strong balance sheet position as total assets stood at N35.11 billion, with N10.77 billion (accounting for 30.68%) held in liquid assets. Also, net assets increased by 10.03% to N31.28 billion from N28.43 billion in 2019.

Strategy Execution

In 2020, we continued to execute on our 2018 – 2021 strategic plan aimed at enhancing customer focus, reorganizing for optimization, and capitalizing on 'Big Bang' opportunities.

As highlighted in the Chairman's Statement, the NSE received final approvals from the Securities and Exchanges Commission and the Corporate Affairs Commission to operate as a demutualised exchange group, effective March 1, 2021. Consequently, the NSE has been re-registered as the non-operating holding company, Nigerian Exchange Group Plc (NGX Group), with three subsidiaries: Nigerian Exchange Ltd ("NGX"), NGX Regulation Ltd ("NGX REGCO") and NGX Real Estate Ltd ("NGX RELCO"). This new structure will enable us to operate as an efficient and competitive business while maintaining full compliance with our regulatory and governance requirements.

In line with our mantra to continually improve our value proposition to issuers and investors, we launched the Growth Board to support SMEs to access the capital market, by offering advisory support, relaxed entry criteria and reduced post-listing obligations. Following the launch, we migrated four companies from the ASeM Board to the Growth Board.

Additionally, we launched a new-look data portal, which offers a more user-friendly and efficient channel to access quality real-time and reference data for investment decision-making. We also upgraded X-Issuer, our secure web-based portal for submission of mandatory filings by listed companies and other issuers. The revamped portal supports the discharge of issuers' post-listing obligations in a convenient, effective and cost-efficient manner in the Covid-19 era, thereby improving market integrity and transparency.

Prioritizing Digital Transformation

In the course of the year, we scaled up our digital collaboration tools to support a new way of working and trading in response to the unprecedented pandemic. We also transitioned many of our physical engagements to digital events including the flagship Closing Gong Ceremony, Facts Behind the Figures series, CEO Engagement Sessions, Trainings and Workshops.

Furthermore, to promote agility and digitization in

governance, risk management, and compliance areas of businesses, the NSE launched the SentryGRC platform. This platform enables organizations to pursue a systematic and organized approach to managing GRC-related strategy and implementation, thereby creating an enabling environment for increasing efficiency and effectiveness alongside reducing costs.

In addition, we launched X-PO, the first end-to-end online public offerings platform in Africa. X-PO is designed to enhance the efficiency of public offering subscription process and operational workflow to support Issuers in raising capital and enhance the reach of public offerings.

NGX Group will continue to build better digital experiences for stakeholders across online platforms and will keep on positioning itself not only as a credible platform for raising capital but a hub for innovative financial solutions.



Regulation

As a market regulator, we have the task of ensuring that stakeholders uphold their obligations to the market and the investing public, whilst at the same time maintaining a regulatory framework that encourages and develops good practice to make it easy for these obligations to be met and for the market to thrive.

In 2020, we upgraded X-Whistle, our web-based whistleblowing portal that empowers members of the public to report possible violations of the rules and regulations of The Exchange and suspected fraudulent activity within the capital market. The upgraded portal affirms our commitment to upholding market integrity, protecting investors and building a world-class capital market that is fully digitized.

We also facilitated restitutions and recoveries of shares

worth N305.11 million for investors pursuant to our strategic focus on Investor Protection. Additionally, 49 claimants who suffered pecuniary losses during the year received N17.02 million in compensation.

NGX Group will continue to encourage a collaborative approach to regulation and remains committed to providing a dynamic and robust regulatory framework for the benefit of all our stakeholders, through oversight by NGX REGCO.

Developing Best in Class Capabilities

In support of our capacity building efforts, X-Academy was accredited as an Educational Training Service Provider (ETSP) for the banking and finance industry by the Chartered Institute of Bankers of Nigeria (CIBN). This brings the number of accreditations to two, as the academy obtained full accreditation with the Centre for Management Development (CMD) in 2019.

During the year, the X-Academy also partnered with the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN) and the IoD Centre of Corporate Governance (IoDCCG) to deliver corporate governance trainings focused on enabling participants to build and maintain best-in-class governance standards in the new business world occasioned by the Covid-19 pandemic. In the coming year, X-Academy will continue to work with its global network of partners to design and deliver quality programmes to equip business leaders, enabling them to transform their organisations for sustainable growth.



Outlook for 2021

Our 2021 outlook is largely influenced by several macroeconomic variables, including crude oil prices, foreign exchange movements, rebound in global economic activities, increased consumer demand, and the successful rollout of the COVID-19 vaccine. Renewed waves and new variants of the Coronavirus pose downside risks to the global outlook,

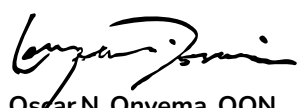
however, we are optimistic that economic activity will improve in 2021. According to the International Monetary Fund (IMF), global growth is forecast at 5.5% in 2021, with long-term effects of the pandemic set to include higher unemployment, lower investor confidence and human capital impairments. On the other hand, Nigeria is expected to grow at 1.5% in 2021 as economic activities gradually recover.

We will continue to execute on our 2018 – 2021 corporate strategic plan, with an even keener focus on executing our long-term market development initiatives. Following the completion of our demutualisation process, we welcome the new possibilities that have opened up for us and will prioritize those which enable us to deliver greater value to our community of global investors and issuers.

Conclusion

As I complete my second term as Chief Executive Officer and reflect over the last ten years in office, I am indeed grateful for the significant growth our business has experienced over the decade. Our success reflects a culture of teamwork and collaboration, and is testament that our corporate values to be ambitious, inclusive and fair, deliver resilience. Our determination in the face of unimaginable circumstances has helped us navigate through one of the most difficult years and I would like to thank the entire body of staff for their discipline and hard work throughout the year.

I would also like to take this opportunity to thank the astute members of the National Council and visionary leaders in the Executive Committee for their continuous support in moving the business forward. As I transition to the Group Managing Director/ Chief Executive Officer of Nigerian Exchange Group Plc., I look forward to deepening partnerships with our current stakeholders and exploring new collaborations locally and globally. I am confident that with hard work and perseverance, we will realize our vision to be Africa's preferred exchange hub.



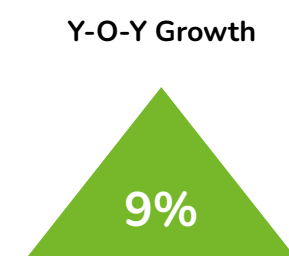
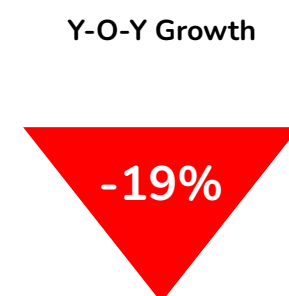
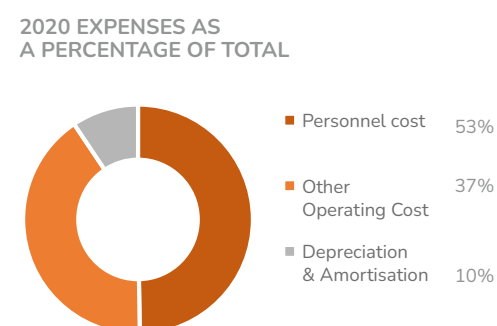
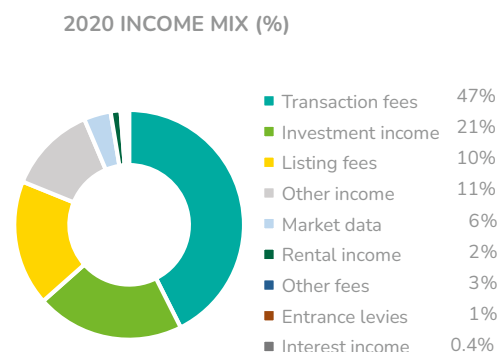
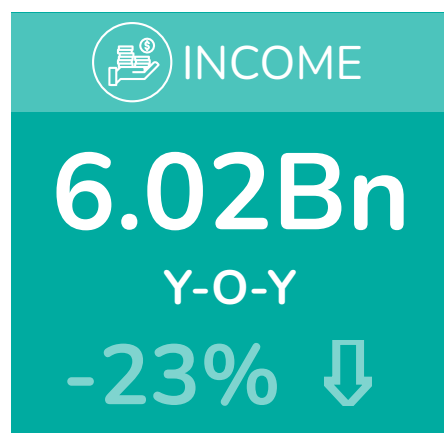
Oscar N. Onyema, OON

Group Managing Director/ Chief Executive Officer



2020 GROUP FINANCIAL HIGHLIGHTS

2020 Group Financial Highlights



Note: Surplus after tax N1.84 billion has share of profit of equity accounted investees of N2 billion



2020 STRATEGY REPORT

*Transforming our business
for enhanced sustainability*



Our Mission



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

Our Vision



Africa's Preferred Exchange Hub

Our Quantified Vision



To be the preferred exchange hub in Africa with a return on asset of 26% and total net assets of N30 billion by 2021 (1 – 2 – 3 – 4)

Our Strategic Themes



- * Operational Efficiency
- * Customer Centricity
- * Innovation
- * Partnerships

Driving Nigeria's Economic Growth

Nigerian Exchange Group is the engine to Africa's largest economy. We support the Nigerian economy with an array of diverse financial products aimed at providing stakeholders with reliable access to capital formation and value creation to aid sustainable development.

We continually execute on our mission “to provide investors and businesses a reliable, efficient and an adaptable exchange hub in Africa, to save and to access capital” by maintaining a keen focus on our corporate strategy which amongst other things is geared towards (a) enhancing the customer experience across the value chain, (b) reorganizing for success, and (c) capitalizing on mission critical strategic initiatives.

Our business interests span beyond the traditional listing and trading functions of an Exchange to services in the pre-trade and post-trade spaces. We adopt internationally recognized practices in our business, utilizing the latest technologies to ensure best-in-class global standards in regulation and corporate governance.

As we continue to evolve as a premier market infrastructure business in Africa, we will continue to (i) embrace the latest trends in our industry, (ii) seek opportunities for diversification, and (iii) enhance our service delivery to meet the growing needs of our stakeholders both domestic and foreign.

Our Business Operations

LISTING: Equities Fixed Income ETFs Mutual Funds

TRADING: Equities Fixed Income ETFs REITS Rights

SERVICES: Market Data Technology Regulation Training Licensing Real Estate



Key Strategic Highlights

Our Demutualization Journey

In 2020, we made significant inroads on our journey to demutualization and on the 10th of March, 2021, The Exchange received final approvals to demutualize from the Securities and Exchanges Commission (SEC) and the Corporate Affairs Commission (CAC).

Under the demutualization structure, a non-operating holding company, Nigerian Exchange Group Plc (NGX Group) has been created. NGX Group will have three operating subsidiaries – Nigerian Exchange Limited (NGX), the operating Exchange; NGX Regulation Limited (NGX RegCo), the independent regulatory company; and NGX Real Estate Limited (NGX RelCo), the real estate company.

Developing our Derivatives Market

Following the approval in principle received by NG Clearing Limited from the SEC to launch clearing and settlement of exchange traded derivatives products, as Nigeria's premier Central Counterparty Clearing House (CCP), we have intensified engagements with stakeholders as we look forward to launch our first derivatives product in 2021.

Groundbreaking Listings

NGX continues to be the preferred listing destination for public and private companies as we welcomed Nigeria's first 'unicorn', Interswitch, in a historic listing of its N23 billion 15.00% Fixed Rate Series 1 bond. We also witnessed the listing of Dangote Cement N100 billion 12.50% Series 1 bond, under its N300 billion bond program which became the largest corporate bond issuance in Nigeria's fixed income market.



Strategy At The Core

The year 2020 was a unique period. The outbreak of the COVID-19 pandemic in the first quarter of 2020 brought about global standstills, economic halts, declining global crude oil prices, recessions, and rapidly changing business models. The effect was far-reaching and profound in both global and domestic markets.

Despite this headwind, we continued to execute on our NGX 2018 – 2021 strategy. We activated remote trading, made significant inroads on our over-arching goal – demutualization, listed the largest corporate bond issuance in Nigeria's fixed income market, and ended the year as the best performing Exchange in the world.

2020 in Numbers

1st

Best performing Exchange
in the world (Bloomberg)

49%

Increase in total market
capitalization

306

Listed Securities

N35.1Bn

In total assets
(up by 9% from 2019)

7%

Increase in equity
market turnover

51,831%

Increase in ETF market
turnover

N100Mn

Donated in the fight
against COVID-19

1,448

Participants trained by
the X-Academy

27,528%

increase in the value of
securities lending

Our Strategy Map

Our Strategic Architecture reflects our aspirations of being the preferred market for end-to-end customer experience in Africa.

Our Strategic Roadmap



Strategy Implementation In 2020

In our 3rd year of implementing our current corporate strategy, we made great strides towards achieving our strategic objectives despite the COVID-19 pandemic. We have summarized the strategic highlights for 2020 under our six broad strategic initiatives in the table below.

INITIATIVE DESCRIPTION	PROGRESS IN 2020	KEY STRATEGIC IMPACT
Delight stakeholders across the value chain	<ul style="list-style-type: none"> * Listings drive: Key listings include the Interswitch Africa One Plc. N23 Billion bond; Ondo State Government N14.8 Billion bond; Dangote Cement Plc N100 Billion bond; International Breweries Plc's Rights Issue of N164.4 billion; and BUA Cement Plc. listing via a reverse scheme of merger. Launched two new ETFs – Meristem Growth ETF and Meristem Value ETF. * Growth Board: We launched the Growth Board to assist small and medium scale enterprises (SMEs) and growth-oriented companies looking to raise capital and promote liquidity in the trading of their shares via relaxed entry criteria and reduced post-listing obligations. Four (4) companies were successfully migrated to the Growth Board of NGX. * Index launch: Launched the NGX-Growth Index to track the Growth Board. * Fee Structure: We revised the trading fee charge on debt instruments to 0.0005% (N5 per million) in order to boost liquidity in the fixed income market 	<div>F1 C1</div> <div>C2</div>
Drive order flow by invigorating retail market	<ul style="list-style-type: none"> * Investor Protection: Compensated a total of N17.02Mn to 49 investors/claimants who suffered pecuniary losses in 2020 and facilitated restitutions and recoveries of shares worth N1.436Bn for investors pursuant to NGX's strategic focus on Investors Protection. * X-Whistle: Upgraded X-Whistle to strengthen investor protection. 	<div>F1 C4</div>
Boost activity across markets, products and services	<ul style="list-style-type: none"> * Securities Lending: We witnessed significant growth in Securities lending transactions on the back of changes made to tax provisions in the Finance Act 2019, enhanced market engagements and a Securities Lending Forum held in June 2020. The quantity of Securities lent grew from 61k units valued at N344.5k in 2019 to 7.38 million units valued at N95.18Mn in 2020. This represents a 120 and 276 fold increase in the quantity and value of securities lent respectively. * Derivatives: Following the approval in principle received by NG Clearing Limited from the SEC to launch clearing and settlement of exchange traded derivatives products, as Nigeria's premier Central Counterparty Clearing House (CCP), we have intensified engagements with stakeholders as we look forward to launch our first derivatives product in 2021. 	<div>F1 C1</div> <div>C2 C4</div>

INITIATIVE DESCRIPTION	PROGRESS IN 2020	KEY STRATEGIC IMPACT
Elevate the Nigerian Capital Market	<ul style="list-style-type: none"> * Demutualization: We recorded significant progress in 2020 including the successful completion of the Court Ordered Meeting (COM) and Extraordinary General Meeting (EGM). We received final approvals from the SEC and the CAC to demutualize in 2021. * Advocacy Efforts: Supported the legislative process for doing business reforms, which led to the Presidential assent of the Company and Allied Matters (Repeal and Re-enactment) Bill. We also engaged with the Federal Ministry of Finance, Budget and National Planning to achieve specific capital market incentives in the Finance Acts of 2019 and 2020. * COVID-19: We donated N100Mn in the fight against coronavirus in Nigeria. N60Mn was donated to Capital Market Support Committee for COVID-19 (CMSCC) while N40Mn was donated to NGX's "Mask for All Nigerians" campaign. * Financial Literacy: We published the first two editions of Stocktown – a comic book aimed at educating the public on savings and investments. * Capital Market Events: We hosted the 5th Market Data workshop, Nigerian Securities Lending Forum, the 2nd Islamic Finance Forum. We also co-hosted a robust engagement with the 36 State Governors on the privatization of state-owned-enterprises, in collaboration with the Nigerian Investment Promotion Commission (NIPC) and Nigeria Governor's Forum (NGF). 	<div> <div>C3P3</div> <div>ES1ES2</div> </div>
Capitalize on competencies and emerging technologies	<ul style="list-style-type: none"> * Solutions: We launched X-Issuer – an electronic platform for the subscription of public offerings; upgraded the X-Issuer to further enhance market integrity; revamped the X-Data portal to facilitate easier access to market data. Other solutions yet to be launched include Private markets – to facilitate private equity/placement financings for private companies while the X-Filing portal was launched in 2021 to simplify submission and processing of securities listing applications. * Enterprise Innovation Hub: Held internal hackathon for employees which generated 68 ideas. Developed the Fintech Masterclass in conjunction with X-Academy. * Partnerships: We made investments in two Fintech companies: FinFit and NigeriaLearn. We are currently reviewing proposals from different organizations. 	<div> <div>C1C2</div> <div>C4P3</div> <div>ES1ES3</div> </div>

INITIATIVE DESCRIPTION	PROGRESS IN 2020	KEY STRATEGIC IMPACT
Attract and develop high performing professionals	<ul style="list-style-type: none"> * X-Academy: 1,448 participants were trained across 52 courses by the X-Academy. The X-Academy also got accredited by the Chartered Institute of Bankers, Nigeria (CIBN) and partnered with the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN) and the IoD Centre of Corporate Governance (IoDCCG) to run corporate governance trainings during the year. * Staff Training: 97% of NSE staff received training surpassing the year's projection of 95%. This was achieved via the X-Academy Learning Management System, LinkedIn Learning, Seminars, Harvard Business Review, Massachusetts Institute of Technology (MIT) Sloan Management Review, Virtual Trainings and Workshops 	<div data-bbox="1289 495 1433 562">ES1 ES2</div>

ENTERPRISE RISK MANAGEMENT



Enterprise Risk Management At The Exchange

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

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

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

Risk management has evolved beyond risk assessment and reporting and as such we continue to empower ourselves to manage risks effectively in our market. Therefore, periodic risk awareness continues to be a major focus at The Exchange to heighten the risk sensitivity of employees and to entrench a culture of risk management into The Exchange's organizational culture. This is geared towards promoting a holistic risk culture, a step at a time ensuring a sustainable business for our stakeholders and by that position The Exchange for global competitiveness.

Risk Appetite and Risk Tolerance

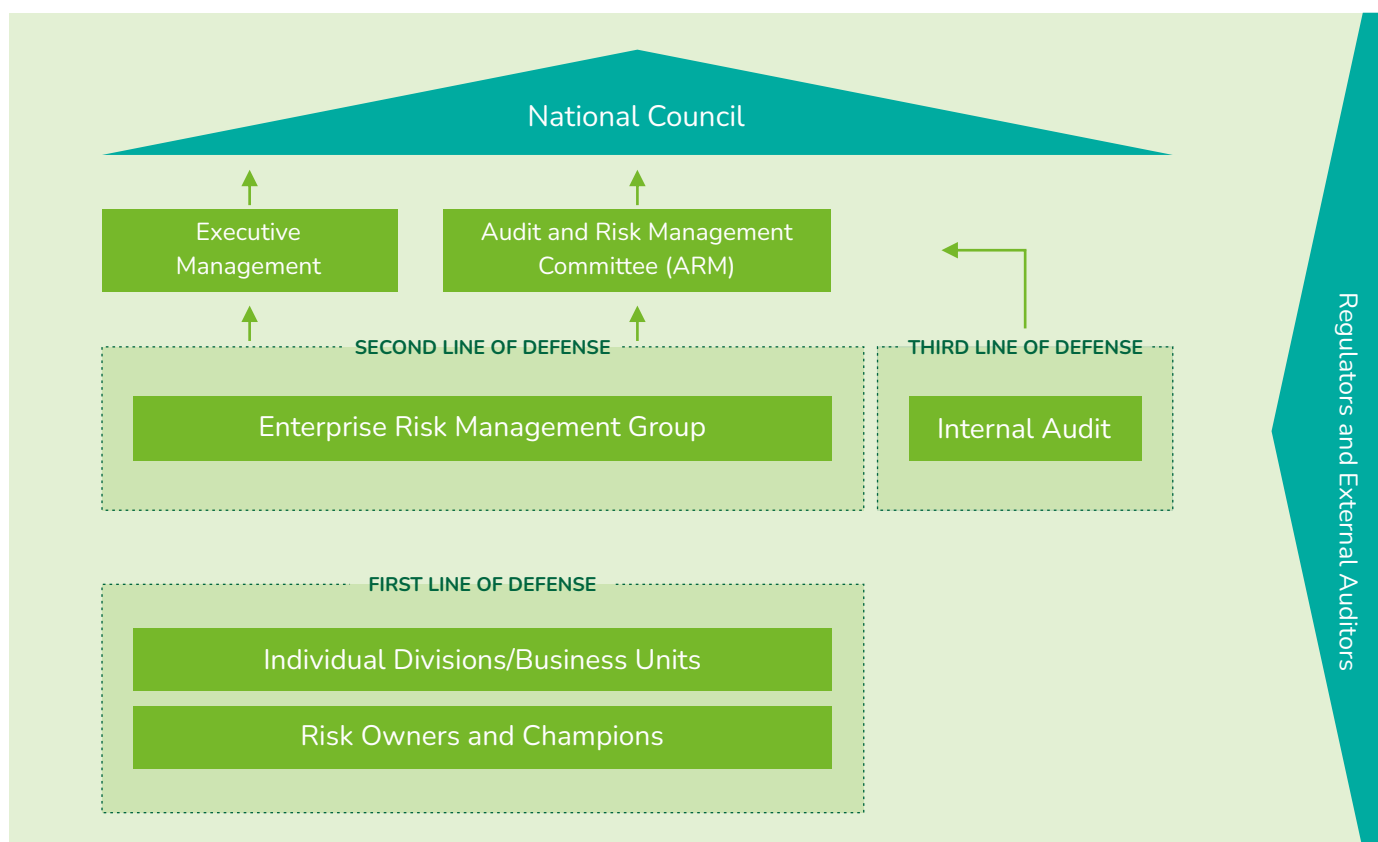
Since risks cannot be totally eliminated in our business, mitigating controls are put in place to reduce them to a level deemed acceptable by the Management and Council based on the capacity of its people, processes and procedures. Our risk appetite sets a clear strategic direction that aligns The Exchange's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

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

Risk Governance

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

The risk governance structure of The Exchange is as shown below:



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

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

The second line of defense is made up of the Enterprise Risk, Compliance, Internal Control, Information Security and

Business Continuity functions within the Enterprise Risk Management Group, which owns aspects of the risk management process and monitors the implementation of effective risk management practices. They provide oversight and integration guidance on risk assessment, quantification, measurement and controls, and supports Executive Management by bringing expertise and monitoring of the first line to ensure that risk and controls are properly managed. The Enterprise Risk Management Group provides second-line defense and plays a supporting role to the first-line defense functions. For effectiveness, they work with and collaborate with the business towards achieving The Exchange's objectives.

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

Our governance model provides guidance for the implemented structure and the assigned roles and

responsibilities of parties to increase the effective management of risk. Some of the roles of these stakeholders include:

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

Audit and Risk Management (ARM) Committee: Responsible for assisting the Council in setting business risk strategy and policies in liaison with management and, in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.

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

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

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

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

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

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

Risk Profile

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

Risk	Risk Description	Mitigation Strategies
Strategic Risk	These are risks that arise as a result of the decision of Management and National Council regarding the strategic vision of The Exchange and can affect the development and implementation of The Exchange's strategic objectives	<ul style="list-style-type: none"> * The Exchange continuously keep abreast of changes in the macro-economic environment, policies, and technology * Risk assessment of Enterprise's strategic objectives
Operational Risk	These are risks that can cause a failure of the Exchange's internal processes and a cessation of major business systems that can lead to a delay in service delivery	<ul style="list-style-type: none"> * Upgrade of all the technological systems * Quarterly review of Business Continuity, and Disaster Recovery Plans * Implementation of Information Security Management Systems and cyber security strategies
Compliance Risk	The risk of facing regulatory sanctions and legal penalties which may also result in financial loss and reputational damage as a result of breach of contractual agreement and failing to adhere or act in accordance to the rules and code of conduct as instituted by the Securities and Exchange Commission	<ul style="list-style-type: none"> * Continuous engagement with the regulator * Monitoring changes in the regulatory and legal landscape * Regularly monitor the adherence to all the reporting deadlines and report findings to Management and National Council
Business Risk	The risk that the competitive landscape may hinder The Exchange from meeting her financial goals.	<ul style="list-style-type: none"> * Survey of The Exchange's competitive landscape and review of The Exchange's business processes * Risk assessment of the Exchange's projects
Financial Risk	The risk of financial loss that may be as a result of a revenue shortfall, expenses over-run or fines from regulators.	<ul style="list-style-type: none"> * Strategically invest The Exchange's surplus in predictable growing stream of income * Ensure strict adherence to budgetary provisions * Zero tolerance to regulatory infractions
External Risks	These are risks that affects The Exchange from its external environment and may be out of the control of Management. However, measures are put in place to prepare for them and cushion the impact if they occur. These risks include political risks, natural disasters, changes in industry fundamentals and macro-economic environment.	<ul style="list-style-type: none"> * Functional Government Relations Department to increase government advocacy / engagement with policy makers * Conduct periodic business continuity and disaster recovery tests * Implementation of occupational health and safety practices
Reputational Risk	The potential for negative publicity, public perception or uncontrollable events that can have an adverse effect on The Exchange's reputation, thereby resulting in brand damage and financial loss	<ul style="list-style-type: none"> * Continuously manage relationship with media to control the narrative around the information being published * Tracking positive and negative publications in the media for immediate response and action * Shape public perception by releasing information about The Exchange's activities

Risk Monitoring

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

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

2020 in review

In the year under review, all efforts were geared towards achieving a better understanding of risk across multiple functions and departments as well as creating a link between Enterprise Risk Management and other departments of The Exchange to effectively manage and monitor risk. Hence, we continuously track the risk taking activities of The Exchange and closely monitor them to be within the approved risk appetite. This is tracked through the departmental risk registers where all information pertaining to the risk management process are captured. In addition, we created the Loss Event & Near Misses Register for The Exchange which are updated quarterly to keep the risk management team actively involved in the happenings of every department.

The risk management team recorded successes in the enterprise risk awareness program and made significant

impact in ensuring that The Exchange acts proactively in the face of a changing work environment by instituting ad-hoc risk assessments for projects and initiatives we embark on. In deepening the activities of risk management across all levels at The Exchange, Enterprise Risk Management Group re-instated the job functions of the Risk Champions who are the first liners in the three lines of defense and deployed risk registers to the departments to document risks inherent in their individual business units and processes. These registers are a repository for all the risks inherent in the business units and they are updated quarterly and submitted to the Enterprise Risk Management Group who then collates them into the enterprise wide risk register.

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

INFORMATION SECURITY AT THE EXCHANGE

The COVID-19 pandemic has forced organizations and individuals to embrace practices such as social distancing and remote working. Interestingly, this has led to more rapid development of information technology and digital transformation capabilities that has given rise to either modified business models or entirely new models with each featuring a diversified working style. Interestingly, while the world is focused on mitigating the health and economic threats posed by COVID-19, cyber criminals around the world undoubtedly are capitalizing on this crisis for their pernicious gain. There has been an increase globally of actions by malicious threat actors to take advantage of the situation in order to obtain either financial gain or political grandstand from their craft; and they are not restricted by geographical boundaries.

At The Exchange, we understand the need for cyber security risk assurance in these interesting times and have a cyber-resilient business strategy that brings together the capabilities of cybersecurity, business continuity and enterprise resilience to protect the value chain, including information kept in our care, our assets, vendors and third parties in our supply chain, while responding quickly to threats with the ability to continue business operations. We have been able to achieve cyber security resilience by

proactively re-strategizing and updating our information touchpoints and business continuity plans by ensuring that there is a tight collaboration and cohesion between our people and the processes they effectively optimize. We provided unrivalled services through the adoption of innovative technologies, automation and data products to deliver a platform that creates business opportunities within the capital market and also enhances the digital experiences of our customers.

Our risk mitigation and business continuity strategies ensure that the confidentiality, integrity and availability of our information assets and cyber infrastructure are assured while reducing the impact of disruption on business operations with the disaster recovery team on standby amidst the remote work mode. We have successfully benchmarked our Information Security Management System (ISMS) practices against the renowned ISO 27001:2013 global standard and we have continued in our commitment to maintaining the highest standard of Information & Cyber Security practices year on year.

Some of the notable initiatives executed in 2020 are:

- * Successfully maintained the ISO 27001:2013 global standard as by the British Standards Institute in 2020.
- * The Exchange organized the 8th Edition of our Nigerian Capital Market Information Security Forum (NCMISF). The aim was to build organizational resilience within the Nigerian Capital Market ecosystem and the global securities market at large. The forum highlights were the effect the pandemic on organizations and the sustainability strategies; the new cybercrime tactics and the changing landscape “New Normal”; digitization journey.
- * Review of The Exchange's Cybersecurity Framework which delivers a proactive approach to cyber risk management within a dynamically changing threat environment that is global to ensure synergy with other control documents.
- * Review of the Nigeria Data Protection Regulations to ensure The Exchange's compliance with the regulations.
- * Microsoft Office spam monitoring, vulnerability testing and implementation of additional authentication controls to protect information assets of The Exchange during the work from home transition.
- * Increased Information Security and Cyber threat awareness within the ecosystem to deepen knowledge

BUSINESS CONTINUITY EFFORTS AT THE EXCHANGE

The Nigerian Stock Exchange maintains sustainable business operations by consistently reviewing and improving on its capability to provide essential services and also meet regulatory requirements in the unlikely event of business disruption while constantly ensuring the business remains competitive both locally and globally. In the wake of the pandemic, the Business Continuity and the Emergency Operations plans were promptly enhanced to accommodate the unprecedented disruptions associated with the COVID-19 pandemic.

The highlights of business continuity efforts in 2020 were:

1. In response to the existential threat nature of the COVID-19 pandemic, The Exchange business continuity and emergency operations plan was updated to include protocols regarding framework for responses to five (5) critical risk dimensions of risks in line with the new threat landscape:
 - i) I.T/Cyber threats;
 - ii) Natural disasters;
 - iii) Riot/terrorist/war;
 - iv) Health epidemic/pandemic; and
 - v) Financial stability.
2. The Business Continuity Steering Committee (BCSC) took over the leadership role in coordinating and managing the pandemic and the related crisis as they unfold
3. The Committee developed strategic communication and engagement with all stakeholders in the course of the pandemic
4. The Business Continuity Team worked with the BCSC in developing the response strategies and execution
5. Facilitation of Enterprise-wide awareness and initiatives on crises management, emergency response and business recovery planning
6. Market-wide sensitization and awareness on crisis management and business recovery planning amongst the Capital Market and the wider eco-system awareness programs were:
 - I. *Organization Preparedness and Business Resilience training for the Ecosystem* - The aim was to guide the executives in the Capital Market in developing and implementing strategies for restoring business functions and accelerating the time frame to return to “business as usual” during a crisis, such as the ongoing COVID-19 pandemic.

- ii. The Nigerian Capital Market Information Security Forum (NCMISF) 2020 themed COVID -19 Global Pandemic: Survival Strategies. The forum comprised of a session on *Building a Recovery Team, Team Dynamics and Effective Leadership*.
- iii. Lastly, the Business Continuity Team engaged in a panel discussion during The Exchange annual Issuers' Engagement Forum for Company Secretaries, Chief Financial Officers/Finance Managers and Compliance Officers of listed companies. The discuss was on *The need for solid business continuity plan in sustaining compliance with regulatory obligations*.

Outlook for 2021

Covid-19 pandemic continues to disrupt the world, although there is concerted efforts to arrest the situation through widespread vaccination to achieve herd immunity. The pandemic has brought about a new normal; a new way of doing things both in the workplace and the larger environment as a whole. As The Exchange strives to meet its strategic vision and effectively manage and monitor the risks that can affect the achievement of our objectives in this new normal era, Enterprise Risk Management plans to proactively identify and manage risks to be within the approved risk appetite. To effectively manage risks, Key Risk Indicators will be leveraged to track, monitor and provide early signals of increasing or decreasing risk exposures in various areas of the enterprise.

Also, as The Exchange fully demutualizes, risk identification techniques will be enhanced to ensure that risks faced by the Exchange Group and its subsidiaries are effectively identified, monitored, managed and reported. Post demutualization, The Exchange will continue to adopt the three-lines of defense model where the primary responsibility for risk resides with the first line, which are the business units/departments. Moreover, Risk Champions will continue to provide the needed support to the Enterprise Risk Management Department by ensuring that departmental risk registers, a tool in risk management which includes all information about each identified risk, such as the nature of that risk, level of risk, who owns it and what are the mitigation measures in place to respond to it are continuously updated. Also, the Loss Event Register, a consolidated loss event catalog including actual losses, near misses and calibrated external loss events that occur at all times within The Exchange will continue to be implemented

and tracked. This will ensure that The Exchange continue to have a better understanding of the causes of loss events and the actions to be taken to remediate the problems that led to the loss event.

In line with the risk management philosophy of The Exchange and the need to continue to promote robust risk management culture across the group, the annual risk awareness programme, designed to continually educate members of staff of The Exchange on recent developments and findings in risk management with regards to The Exchange business will be pursued. Also, employees will be engaged on risk management issues through periodic issuance of risk tips/bulletins, to create enhanced employee awareness on risk issues.

Also, as we attune to the new way of work occasioned by the Covid-19 pandemic, the need to seek a cyber-resilient work environment cannot be over-emphasized. Therefore, we will;

- Enhance The Exchange's and the ecosystem cyber security resilience.
- Deepen the culture of privacy and protection of personally identifiable information within the capital market ecosystem.

Moreover, as we fully transmit to the post-demutualization era, the business continuity initiatives at The Exchange will be expanded as there are plans in place to:

- Carry out business continuity and resilience assessment of critical vendors/suppliers.
- Engage the Dealing Member community on the significance of business continuity and recovery of operations through workshops/forum and also carry out the assessment of their state of disaster readiness.
- Sustained coordinated efforts towards ensuring that the risks to the critical services of the Exchange are minimized to ensure least disruption to the business.



2020 ANNUAL COMPLIANCE AND INTERNAL CONTROL REPORT

2020 Annual Compliance And Internal Control Report

The Exchange Compliance and Ethics Program

One of our topmost priorities at The Exchange is to continue to operate to the highest level of integrity and uphold an ethos of zero-tolerance to regulatory and statutory breaches. This is made sustainable through a culture that embeds compliance, integrity, transparency, fairness and professionalism in all of our processes and services to ensure we comply with all applicable statutory and regulatory obligations and international best practices in the conduct of our business. In performing our daily operations, we recognize that the long term success and ability of The Exchange to continue to deliver value to its stakeholders' hinges on compliance with applicable statutory and regulatory obligations of the jurisdiction within which we operate, and maintaining the highest level of integrity, ethical values, social, environmental and health and safety standards.

The National Council sets the tone concerning The Exchange Compliance and Ethics program through the provision of the requisite leadership and oversight functions to ensure all compliance risks associated with The Exchange's business are proactively identified, assessed and reduced to an acceptable level. The Audit and Risk Management Committee of Council supports the National Council in the discharge of this oversight function. The Audit and Risk Management Committee at its quarterly meetings reviews the status reports of The Exchange Compliance and Ethics programs.

The Compliance Function

The Compliance function at The Exchange, headed by The Compliance Officer, is responsible for the implementation of The Exchange Compliance and Ethics Program, with a comprehensive approach. The Compliance Officer monitors conformity with The Exchange compliance obligations and supports all business units and employees across The Exchange to comply with all applicable regulatory and statutory requirements, code of ethics, standards and internal policies to ensure The Exchange operates to the highest social, ethical, environmental, and health and safety standards. We successfully navigated new compliance challenges resulting from COVID-19 by closing the financial year 2020 with no fines or penalties which is a testament to the effective compliance monitoring program instituted.

The compliance function manages compliance risks through the implementation of the National Council approved Compliance Framework. The Compliance Framework is continuously enhanced to align with new regulatory obligations and best practices. The Chief Risk Officer of The Exchange provides operational supervisory oversight over the compliance function.

Compliance Activities in 2020

We continue to drive enhancements to our Compliance and Ethics program by engaging in compliance activities. Some of the key compliance activities performed during the year include the following:

- * Completed a Privacy Impact Assessment (PIA) of The Exchange compliance with the Nigeria Data Protection Regulation (NDPR), and submitted the report of The Exchange compliance to the National Information Technology Development Agency (NITDA)
- * Monitored and ensured adherence to our regulatory and reporting obligations. A total of 640 reports and remittances were rendered to the regulator and other government agencies during the year under review.
- * Enhanced The Exchange whistleblowing programme by subscribing to an independent external whistleblowing channel (KPMG Ethics line).
- * Revision of the Compliance Standard Operating Procedures Manual to ensure it aligns with updates to compliance policies at The Exchange and global best practices.
- * Enhanced employees' awareness of compliance issues through enterprise-wide training for staff of The Exchange.

Highlight of The Exchange Social and Environmental Activities.

As the sustainable exchange championing Africa's growth, The Nigerian Stock Exchange ("NSE" or "The Exchange") continued to advance its contribution to the Sustainable Development Goals (SDGs) through the implementation of its Corporate Sustainability and Responsibility (CSR) strategy structured around the four strategic pillars of Community, Marketplace, Workplace and Environment. For the year under review, below are some highlights of our CSR initiatives:

- * Joined the rest of the world to commemorate World Cancer Day by hosting leading cancer change agents and survivors to a Closing Gong Ceremony on Tuesday, February 4, 2020 and hosting a campaign focused on telling positive stories from cancer patients and survivors. Participating organisations include Sebecclly Cancer Care, Project Pink Blue and Care Organization Public Enlightenment. (C.O.P.E).
- * Commemorated the 2020 International Women's Day (IWD) by hosting a half-day symposium and a "Ring the Bell for Gender Equality" Closing Gong Ceremony. The event was headlined by Harriet Thompson, British Deputy High Commissioner to Nigeria, and featured highly diverse and influential speakers including Bola Adesola, Senior Vice-Chairman, Standard Chartered Bank Group and Eme Essien, Country Manager, International Finance Corporation
- * Supported the fight against COVID-19 in Nigeria through a commitment of N100 Million disbursed through:
 - The donation of N60 million to the Capital Market Support Committee (CMSC), led by the Securities and Exchange Commission (SEC). The Exchange presented an ambulance and cash donation of N27.5million to the committee.
 - Commitment of N40 Million "Masks For All Nigerians" campaign used to donate 110, 000 face masks valued at N32,750,000 to beneficiaries in the 6 geopolitical zones of the Country. A dedicated website www.masksforallng.com was also launched to track progress.
 - Raised an additional N884,200 from the NSE Employee Giveback Initiative towards the donation of an additional 3,400 masks to beneficiaries across Lagos.
 - Hosted a national campaign to educate Nigerians on the use of facemasks leveraging our Good Cause Ambassador, Tuface Idibia.
- * Published the maiden edition of StockTown, a comic book aimed at promoting financial literacy in Nigeria. The comic book makes use of illustrated characters to educate readers of all ages about the importance of savings and investment.
- * Collaborated with Global Reporting Initiative (GRI) to host the Nigeria launch of the GRI Tax Standards. The GRI Tax Standard (GRI 207: Tax 2019) is the first global sustainability standard for public country-by-country reporting on tax and enables organizations to better understand and communicate information about their tax practices publicly.
- * Transitioned the Facts Behind the Sustainability Report (FBSR) to a fully virtual event and hosted the inaugural Virtual Facts Behind the Sustainability Report with Courteville Business Solutions Plc.
- * Commemorated World Environment Day 2020 by hosting a digital closing gong ceremony to create awareness on innovative financing for environmental causes. The ceremony was headlined by Ms. Staci Warden, Executive Director, Global Development and Partnerships, Milken Institute.

Health and Safety

The Exchange recognizes that the health and safety of each employee, customer, and visitor to its premises are critical to the long-term success of The Exchange. As such, we continuously adhere to best practices and standards for a safe workplace.

In response to the COVID-19 pandemic, we activated remote work policies to promote physical wellbeing for our staff, introduced temperature screening at entrances of The Exchange and enforced strict wearing of face masks for essential inbound visitors and staff. The Exchange recorded zero fire incidents in 2020 and maintained no loss incidence. We continue to maintain effective surveillance of our facility by ensuring our cameras are always functional. Access to our premises is granted on a need basis in strict compliance with approved Access Control Policy. To support employees, the Security function of The Exchange provides regular security awareness alerts/advisory to staff.

The effective implementation of our health and safety policies in 2020 enabled The Exchange to close the financial year with no workplace accidents or injuries.

Regulatory changes and compliance.

The Finance Bill 2020 (the Finance Act) was signed into law on 31 December 2020 by President Muhammadu Buhari. The effective date of the Finance Act is January 1, 2021. The Finance Act introduced amendments to over 80 existing tax and regulatory legislations in Nigeria, including the Companies Income Tax Act (CITA), Value Added Tax (VAT) Act, Personal Income Tax Act (PITA), Capital Gains Tax Act (CGTA), Customs and Excise Tariff (Consolidation) Act, Stamp Duties Act, among others.

Pursuant to the Investments & Securities Act (ISA) 2007, the Securities and Exchange Commission reviewed and approved sundry amendments to rule 180(6)- Legal Practitioner; Rule 199(3)- Removal from Listing; Rule 581(4)(b)(i)- Additional Requirements for Sukuk Programmes; and Schedule I (Registration Fees, Minimum Capital Requirements, Securities and others).

We continue to monitor and keep abreast of changes in our regulatory and statutory universe, and take necessary actions to ensure compliance.

Report on The Exchange Internal Control System

The Exchange internal control system is fundamental to the successful execution of its strategy by ensuring that material errors or inconsistencies in operations, financial statements and compliance with applicable laws and regulations are prevented, timely identified and corrected. A National Council approved Internal Control Framework ("the Framework") is central to The Exchange Internal Control processes. The Framework outlines the minimum

requirements for the design and operation of the internal control system at The Exchange. The application of a robust Control Framework ensures that procedures and activities are linked to the achievement of the strategic and business objectives of The Exchange. The Exchange has an established Internal Control Function which monitors and facilitates the implementation of effective and efficient internal control practices across The Exchange and is an integral part of Enterprise Risk Management at The Exchange.

In keeping with The Exchange's objective of being Africa's Preferred Exchange Hub, our Framework for managing internal controls is patterned after the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Internal Control Integrated Framework best practices.

The Exchange internal control system comprises the following five (5) areas present and functioning together in an integrated manner to support the achievement of the Exchange objectives.

Control Environment

Overview	Our Approach
Our control environment provides a strong foundational basis for carrying out internal controls across The Exchange, providing discipline and structure. The National Council and Executive Management of The Exchange sets the tone at the top regarding the importance of internal control and expected standards of conduct through established policies, procedures, processes, standards and structures	<p>The Exchange demonstrates the commitment to a sound control environment by the following actions:</p> <ul style="list-style-type: none"> * Defined ethical principles in the Council approved Code of Conduct. The Council also maintains a Code of Conduct that all members are required to execute and adhere to; * The Exchange Employee Handbook, which is provided to all employees when they join, outlines the conduct expected of all staff. * The National Council and its sub-committees are independent of Management at The Exchange and are responsible for providing oversight for the design and implementation of internal control; * Management, with oversight from the Council, established an organizational structure that clearly shows functions and authority levels. * The adoption of the three lines of defense model at The Exchange has formed the basis for holding employees accountable for control. <p>In 2020, we conducted an enterprise-wide internal control awareness training for all employees as part of our strategic objective to continuously improve our control environment. The Exchange Internal control awareness training is an integral part of the mandatory induction programme for all new employees.</p>

Risk Assessment

Overview	Our Approach
<p>At The Exchange, we adopt a dynamic and iterative process for identifying and assessing internal control risks by integrating risk management into the fabrics of our business processes and strategic planning. The Audit and risk management committee of the National Council and Executive Management regularly assess all significant risks The Exchange is exposed to, including risks relating to our system of internal control. Our robust Council approved Enterprise Risk Management Framework sets forth the requirement for effective risk assessment at The Exchange.</p>	<p>Our key approach with regards to risk assessment are outlined below:</p> <ul style="list-style-type: none"> * The National Council and Executive Management set clearly defined objectives to enable the identification and assessment of potential risk exposures to the achievement of those objectives; * The National Council and Executive Management meet regularly to assess the financial reporting, compliance, and operations risks The Exchange is exposed to and considers whether the existing internal controls are effective in mitigating the identified risks to an acceptable level. * As risk owners, Heads of Departments regularly identify and review risk exposures in their departments that may inhibit the achievement of The Exchange objectives as the basis for determining how the risk should be managed. The various departments and business units review and update their risk registers quarterly.

Control Activities

Overview	Our Approach
<p>The Exchange integrates robust control activities into the functions and activities of every level of the organisation, at various stages within business processes, and over the technology environment. We continuously deploy control activities through new and enhanced policies that establish what is expected of all employees at The Exchange, and procedures that put policies into action.</p>	<p>Some of our control activities at The Exchange in 2020 included the following:</p> <ul style="list-style-type: none"> * Controls at The Exchange are deployed through automation, policies and procedures. In 2020, the Executive Management of The Exchange approved a new "Guidelines for Preparing Standard Operating Procedure Manual". The Guidelines ensure we consistently incorporate best practices into the preparation of our procedure manuals. * All payment and expense requests are independently checked by the internal control function before disbursement; * Approval, Authorization and Reviews - The assignment of transaction approval and authorization limits is approved by the National Council. The Exchange ensures incompatible roles are segregated. No single employee of The Exchange can initiate and complete a transaction; * Logical and Physical Access Controls - The Exchange has in place established policies guiding access to The Exchange's physical and information assets. Access is granted on need basis, which limits the risks of unauthorized access.

Information and Communication

Overview	Our Approach
<p>The Exchange recognizes that communicating relevant, reliable, and timely information to internal and external stakeholders is necessary to carry our internal control responsibilities to support the achievement of its objectives. We adopt a top-down and bottom-up approach to internal communication. This enables employees to receive a clear message from the National Council and Executive Management on control responsibilities, while also providing top management with relevant reports and quality information to support the functioning of other components of internal control</p>	<p>Our approach with regards to the information and communication component of Internal Control include:</p> <ul style="list-style-type: none"> * The Exchange communicates new/updated policies and procedures to employees via email, intranet, and upload to The Exchange centralized policy repository (X-policy). * The internal control function presents quarterly and ad-hoc reports on the state of internal control in The Exchange to the Audit and Risk Management Committee and executive management for consideration. * The Exchange communicates externally with stakeholders on matters affecting the functioning of the internal control system through The Exchange annual financial statements, Annual General Meeting, corporate website, etc.

Monitoring

Overview	Our Approach
<p>We constantly evaluate and strengthen our system of internal control through monitoring. Monitoring ensures our controls continue to operate effectively and efficiently and can address emerging risks.</p>	<p>Examples of our internal control monitoring activities include the following:</p> <ul style="list-style-type: none"> * The Internal Control Function and Internal Audit conduct ongoing and/or separate evaluation of control in The Exchange. * Control deficiencies identified and actions taken are communicated in quarterly reports to the Audit and Risk Management Committee of The National Council and Executive Management for consideration. The control function actively monitors and reports on any open control deficiencies. * External Auditors provide reasonable independent assurance to external stakeholders and management regarding the functioning of controls in The Exchange.

A look ahead to 2021

As we look forward to becoming a demutualized Exchange in 2021, we remain committed to maintaining a sound system of compliance, ethics and internal control. The Compliance and Internal Control functions will continue to drive enterprise-wide compliance with external regulatory and statutory requirements across The Exchange. This is to ensure The Exchange continues to operate to the highest ethical and compliance standards post demutualization while ensuring an effective system of internal control designed to support The Exchange strategic objectives.



SPECIAL FEATURE ON
DEMUTUALISATION-
EMBRACING A NEW
ERA OF GROWTH



The successful demutualisation of the former The Nigerian Stock Exchange is one of the most exciting feats to be recorded in Nigeria's capital market. An aspiration that began many years ago came into fruition in March 2021, when final approval was received from the Securities and Exchange Commission (SEC) of Nigeria and the Corporate Affairs Commission (CAC).

Our journey to demutualisation began with Members of the NSE approving the demutualisation idea for The Exchange at an Extraordinary General Meeting (EGM) in March 2017. This was followed by the signing of the Demutualisation of The Nigerian Stock Exchange Bill into law in August 2018 by the President and Commander-in-Chief of the Federal Republic of Nigeria, President Muhammadu Buhari GCFR.

In December 2019, SEC gave its consent to the NSE in a No Objection letter, which led to the Court Ordered Meeting and EGM in March 2020. At these meetings, members unanimously agreed to the requisite resolutions to convert from a not-for-profit entity limited by guarantee into a profit-making, public limited liability company owned by shareholders. In May 2020, The Federal High Court, Lagos, granted an order authorising the scheme of arrangement for the demutualisation exercise finally leading up to the final approvals from the SEC and CAC in March 2021.

The results of the approvals saw to the transformation of the NSE into a new non-operating holding company, Nigerian Exchange Group (NGX Group). The Group has three operating subsidiaries, namely: Nigerian Exchange

(NGX) Limited, the operating exchange; NGX Regulation (NGX RegCo) Limited, the independent regulation company; and NGX Real Estate (NGX RelCo) Limited, the real estate company. These entities are led by industry veterans with proven records of accomplishment in the financial services industry: Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer (CEO), NGX Group; Temi Popoola, CFA, CEO, NGX; Tinuade Awe, CEO, NGX RegCo; and Gabriel Igbeka, Acting CEO, NGX RelCo.

At NGX Group, we believe that Nigerian capital markets should play a role commensurate with Nigeria's status as Africa's largest economy. We have a vision to become the premier exchange hub leading integrated capital market infrastructure for Nigerian businesses and for the African economy. As such, we are implementing a series of measures towards this goal, demutualisation being a critical milestone. The completion of demutualisation is a truly significant moment, and we welcome the new possibilities that have opened up for us.

The Group has also unveiled its new identity, launched a new website and introduced its consolidated social media assets. The new brand identity follows a monolithic brand architecture, which will facilitate the formation of any new

subsidiary by leveraging existing brand equity. This approach allows the group to build strong identity for the NGX brand while using a descriptor to differentiate the operating companies. The arrows of the stock exchange ticker tape as well as monetary exchange between a buyer and seller inspire the identity. These arrows are stylised to form an 'N' and denote the act of collaboration. The new website accessible via www.ngxgroup.com is vibrant, modern and responsive, ensuring that visitors have easy access to information as required. Of course, the website is supported by other infrastructure including the NGX's X-DataPortal and its social media channels: Instagram – @ngxgrp; Facebook, LinkedIn and YouTube – 'ngxgroup'.

NGX Group did not, however, stop at simply announcing its new identity. On 18 May 2021, NGX Group kicked off a campaign, The Stock Africa Is Made Of, to amplify its new positioning and commitment to the African financial markets as a leading capital market infrastructure provider, connecting Nigeria, Africa, and the world. The campaign which also spotlights the growth potential of the African continent was headlined by His Excellency, Muhammadu Buhari, GCFR, President of the Federal Republic of Nigeria.

Built around the new corporate identity, the campaign emphasises the vibrancy and dynamism of NGX Group and its subsidiaries. It provides stakeholders with an immersive experience through creative messaging and opportunities for direct engagement with the brand. Our goal is not only to celebrate this pivotal point in our journey but to also show our stakeholders that we are ready and able to explore new frontiers in our quest to be the partner and platform of choice for meeting their business, financial and investment objectives.

Furthermore, NGX Limited has recorded several listings since its emergence with capital raising topping N4.7Tn in the first half of 2021. The first of bond listings in the NGX era was the BUA Cement debut bond offering of N115Billion representing the largest amount raised by a corporate issuer in the history of Nigeria's Debt capital market. NGX RegCo has also hit the ground running, publishing its Supervision Priorities for 2021 in line with its commitment to ensure a fair and orderly market. The

Group and its subsidiaries also continue to engage with market stakeholders evidenced by the recently held trainings across asset classes and digital Closing Gong Ceremonies with market participants.

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

This move will see NGX Group evolve in a fashion similar to other demutualised exchanges, which have experienced significant growth following their demutualisation. The Group is poised to capitalise on the diverse opportunities opened up by the demutualisation including investor participation, improved corporate governance, access to broad pools of capital, diversified ownership, improved global brand perception, and enhanced competitiveness. We look forward to creating impactful partnerships that will unlock value for our stakeholders, whilst improving the state of the Nigerian and African economy at large.

The new phase of growth of NGX Group is indeed pivotal as it is expected to create new strategic opportunities that will enable the Group realise its vision of becoming Africa's leading capital market infrastructure provider.

Report On National Council Evaluation



20 July 2021

The Chairman
The Nigerian Exchange Group
Stock Exchange House
2/4 Customs Street
Lagos
Nigeria

Dear Sir,

REPORT ON THE OUTCOME OF THE NATIONAL COUNCIL EVALUATION FROM THE PERIOD ENDED 31 DECEMBER 2020

PricewaterhouseCoopers ("PwC") was engaged to carry out an evaluation of the Council, its Members and Committees of The Nigerian Exchange Group Plc. ("NGX" or "The Exchange") as required by Principle 14.1 of the Nigerian Code of Corporate Governance ("the Code" or "NCCG") and the SEC Corporate Governance Guidelines (SCGG) for the period ended 31 December 2020.

Our responsibility was to reach a conclusion on the Council's performance based on work carried out within the scope of our engagement as contained in our Letter of Engagement dated 4 June 2021. In carrying out the evaluation we have relied on representations made by Members of the Council and Management and on the documents provided for our review.

The Council has complied significantly with the provisions of the NCCG and the SCGG. Areas of strength include - providing strategic leadership towards the actualization of The Exchange's demutualization strategy, maintaining a strong ethical culture and tone at the top, leveraging technology, as well as maintaining effective oversight of emerging risks owing to the pandemic. Furthermore, the Council established the Project Stallion Committee to render support to the Management Team on the demutualization and corporate restructuring of the Exchange.

Details of our other findings and recommendations is contained in our report.

Yours faithfully,

For: **PricewaterhouseCoopers Chartered Accountants**

Femi Osinubi
Partner
FRC/2017/ICAN/00000016659

PricewaterhouseCoopers Chartered Accountants
Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria
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Corporate Information

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

Council Secretary:

Mrs. Mojisola Adeola
FRC/2013/NBA/00000004263

Registered Office:

Stock Exchange House
2/4, Customs Street
Marina
Lagos
FRC/2013/0000000000621

Independent Auditor:

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole street
Victoria Island, Lagos

Corporate Governance Report

For the year ended 31 December 2020

a. Introduction

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

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

b. Shareholding

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

c. National Council

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

d. The Role of the National Council

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

In light of this, the National Council (which is responsible for The Exchange's performance and charged with governance at the highest level) regards corporate governance as fundamentally important to the accomplishment of The Exchange's vision and mission. Members of the National Council are persons with the relevant qualification, experience in their various fields and they ensure that The Exchange is properly managed and oversee Management's performance. The National Council is independent of Management and discharges its oversight functions in an objective and effective manner.

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

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

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

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

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

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

Corporate Governance Report

For the year ended 31 December 2020

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

e. Council Structure

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

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

NAME	POSITION	CUMULATIVE YEARS OF SERVICE AS AT FEBRUARY 2021
Otunba Abimbola Ogunbanjo	President/Ordinary Member	9 Years, 8 months
Mr. Oscar N. Onyema, OON	Chief Executive Officer	9 Years, 11 months
Mr. Aigboje Aig-Imoukhuede, CON	Ex-Officio/Ordinary Member	8 Years, 1 month
Mr. Abubakar B. Mahmoud, SAN, OON	First Vice President/Ordinary Member	9 Years, 5 months
Mrs. Catherine Nwakaego Echeozo	Second Vice President/Ordinary Member	3 Years, 5 months
Erelu Angela Adebayo	Ordinary Member	3 Years, 5 months
Katsina State Investment & Property Development Co. Ltd. (Represented by Mrs. Fatimah Bintah Bello-Ismail)	Ordinary Member	3 Years, 5 months
Chartwell Securities Limited (Represented by Mr. Oluwale Adeosun)	Ordinary Member	3 Years, 5 months
Equity Capital Solutions Limited (Represented by Mr. Kamarudeen Oladosu)	Dealing Member	3 Years, 5 months
Fortress Capital Limited (Represented by Mr. Yomi Adeyemi)	Dealing Member	3 Years, 5 months
Pilot Securities Ltd (Represented by Mr. Seyi Osunkeye)	Dealing Member	3 Years, 5 months
Planet Capital Limited (Represented by Mr. Chidi Agbapu)	Dealing Member	3 Years, 5 months
WCM Capital Limited (Represented by Mr. Patrick Ajayi)	Dealing Member	3 Years, 5 months

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

f. Responsibilities of the Council

The Council is responsible for:

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

Corporate Governance Report

For the year ended 31 December 2020

The Council established four (4) standing and three (3) Adhoc Committees to facilitate the effective discharge of its oversight responsibilities and efficient decision-making. These Committees are constituted with formal Terms of Reference, which set out each Committee's roles, duties, and authority as well as the requirements for its composition, meeting procedures, and ancillary matters. These Committees also present formal report of their activities and recommendations to Council. These Committees are made up of individuals with relevant skills and competencies who devote sufficient time to the Committees' work.

g. Council Committees

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

The Committees have well defined Terms of Reference defining their scope of responsibilities in such a way as to avoid overlap of functions. Below is an overview of the remit of the Committees and their membership composition during the year under review:

I Audit and Risk Management Committee

The Committee provides reasonable assurance regarding the Council's oversight responsibilities with respect to the integrity of the Exchange's financial statement, the effectiveness of the Exchange's internal controls and the framework for risk identification, assessment and management.

The membership of the Committee as at 31 December 2020 is as follows:

1. Mrs. Fatimah Bintah Bello-Ismail (Legal Practitioner) - Chairperson
2. Mrs. Catherine Echeozo (Chartered Accountant, Banker)
3. Mr. Oluwale Adeosun (Chartered Accountant, Stockbroker and Banker)
4. Mr. Kamarudeen Oladosu (Chartered Accountant, Stockbroker)
5. Mr. Patrick Ajayi (Chartered Accountant, Stockbroker)

ii. Crisis Committee (Adhoc)

The National Council established the Crisis Committee in March 2020 to provide oversight over The Exchange's response to Covid-19. The membership of the Committee for the year under review is as follows:

1. Otunba Abimbola Ogunbanjo (Chairperson)
2. Mr. Oscar N. Onyema, OON (CEO, NSE)
3. Mr. Abubakar Mahmoud, SAN, OON (Legal Practitioner)
4. Mrs. Catherine N. Echeozo (Chartered Accountant, Banker)
5. Mr. Yomi Adeyemi (Chartered Accountant, Certified Financial Analyst)

iii. Demutualization Advisory Committee (Adhoc)

The Demutualization Advisory Committee in compliance with The Securities and Exchange Commission's Rules on Demutualisation is constituted by the National Council solely for the purpose of coordinating The Exchange's demutualization and advising the National Council on this process. The Committee includes three (3) independent members. The Committee held its valedictory meeting in February 2020.

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

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

Corporate Governance Report

For the year ended 31 December 2020

iv. Governance & Remuneration Committee

The Committee is charged with ensuring that The Exchange complies with good corporate governance policies and practices. The Committee also provides oversight functions over The Exchange's human resource policies.

The membership of the Committee as at 31 December 2020 is as follows:

1. Mr. Abubakar B. Mahmoud, SAN, OON, (Legal Practitioner) - Chairperson
2. Mrs. Catherine Echeozo (Chartered Accountant, Banker)
3. Erelu Angela Adebayo (Real Estate Consultant)
4. Mr. Kamarudeen Oladosu (Chartered Accountant, Stockbroker)
5. Mr. Seyi Osunkeye (Chartered Accountant, Stockbroker)
6. Mr. Chidi Agbapu (Economist, Stockbroker)

v. Project Stallion Committee (Adhoc)

The National Council established the Committee at its meeting of 1 April 2020 with oversight responsibilities over some demutualization related activities and The Exchange's corporate restructuring exercise. The Committee was constituted as follows:

The membership of the Committee as at 31 December 2020 is as follows:

1. Otunba Abimbola Ogunbanjo (Chairperson)
2. Mr. Oscar N. Onyema OON, (CEO, NSE)
3. Mr. Aigboje Aig-Imoukhuede, CON
4. Mr. Abubakar B. Mahmoud, SAN, OON, (Legal Practitioner)
5. Mrs. Catherine Echeozo (Chartered Accountant, Banker)
6. Mr. Oluwole Adeosun (Chartered Accountant, Stockbroker and Banker)
7. Mr. Chidi Agbapu (Economist, Stockbroker)

vi. Technical and Business Committee

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

The membership of the Committee as at 31 December 2020 is as follows:

1. Erelu Angela Adebayo (Real Estate Consultant) - Chairperson
2. Mr. Oscar N. Onyema, OON (CEO, NSE)
3. Mr. Oluwole Adeosun (Chartered Accountant, Stockbroker and Banker)
4. Mr. Yomi Adeyemi (Chartered Accountant, Certified Financial Analyst)
5. Mr. Seyi Osunkeye (Chartered Accountant, Stockbroker)

vii. Regulation Committee

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

The membership of the Committee as at 31 December 2020 is as follows:

1. Mrs. Catherine Echeozo (Chartered Accountant, Banker) – Chairperson
2. Mr. Oscar N. Onyema, OON (CEO, NSE)
3. Mrs. Fatimah Bintah Bello-Ismail (Legal Practitioner)
4. Mr. Yomi Adeyemi (Chartered Accountant, Certified Financial Analyst)
5. Mr. Chidi Agbapu (Economist, Stockbroker)
6. Mr. Patrick Ajayi (Chartered Accountant, Stockbroker)

These Committees ceased to exist in April 2021, following the conclusion of The Exchange's demutualization and restructuring in March 2021. Preparatory to the demutualisation and restructuring, Council engaged KPMG to assist with a Governance Framework for the Group.

Corporate Governance Report

For the year ended 31 December 2020

S/N	Committees	Composition	Number of Meetings held in 2020 and Attendance Compliance %	Summary of Activities in 2020
1	Audit and Risk Management Committee	<p>The Committee members for the review period were:</p> <ul style="list-style-type: none"> Mrs. Fatima Bello-Ismail (Chairperson) Mrs. Catherine Echeozo Mr. Oluwole Adeosun Mr. Kamarudeen Oladosu Mr. Patrick Ajayi 	5 meetings 100% attendance	<ul style="list-style-type: none"> Reviewed 2019 Internal Audit Plan Performance Status & 2019 Enterprise Risk Management Performance Evaluation Report. Approved the Internal Audit Operational Plan/Timetable for 2020 and the Enterprise Risk Management Plan for 2020. Discussed and approved The Exchange's External Auditors, (KPMG Professional Services Limited)'s audit strategy and plan for the year 2020. Reviewed the Internal Audit Quarterly Reports and Findings and ensured compliance with the timetables. Tracked the implementation of the 2019 audit recommendations contained in KPMG's Management Letter. Approved the Enterprise Risk Management, Compliance, Internal Control and Cybersecurity Frameworks of The Exchange. Reviewed the Quarterly Reports of Enterprise Risk Management Reports, Compliance Status Reports, Internal Control Reports, Information Security & Business Continuity Reports, Investment Risk Reports, Legal Risk Reports and other Reports. Discussed and reviewed the external assessment of the effectiveness of the internal audit function of The Exchange. Reviewed its terms of reference to ensure that it is operating optimally. Discussed and reviewed the Internal Audit Investigation Report on MTN Listing by Introduction on Due Process. Reviewed the Investment Policy of The Exchange. Extensively reviewed and discussed the Memorandum on Recovery of Monies owed to Investors and Debts owed to The Exchange by Dealing and Ordinary Members.
2	Crisis Committee (Adhoc)	<p>The National Council established the Crisis Committee on 21 March 2020, and constituted it as follows:</p> <ul style="list-style-type: none"> Otunba Abimbola Ogunbanjo (Chairperson) Mr. Oscar N. Onyema, OON Mr. Abubakar Mahmoud, SAN, OON Mrs. Catherine N. Echeozo Mr. Yomi Adeyemi 	3 meetings 100% attendance	<ul style="list-style-type: none"> Considered The Exchange's proposed response to Covid-19 for Nigeria, and recommended the NSE Mask-for-All Initiative for National Council's approval Oversight of The Exchange's responses to Covid-19 categorized as follows: <ul style="list-style-type: none"> (i) diseases preventive measures; (ii) stakeholder management; (iii) education; (iv) business continuity activation; and (v) the operating environment. Oversight of The Exchange's resumption protocols Oversight of NSE's Masks-for-all intervention operationalization
3	Demutualisation Advisory Committee (Adhoc)	<p>The Committee Members for the review period were:</p> <ul style="list-style-type: none"> Mr. Abubakar B. Mahmoud SAN, OON (Chairperson) Mr. Olufemi Akinsanya (Independent Member) Mr. Oscar N. Onyema, OON Erelu Angela Adebayo Finmal Finance Services Limited (Represented by Dr. Umaru Kwairanga) Signet Investment and Securities Ltd (Represented by Mr. Oladipo Aina) Ms. Benneditker Molokwu (Independent Member) Mr. Kayode Sofola, SAN (Independent Member) Alhaji Rasheed Yussuff 	1 meeting 100% attendance	<p>The Demutualization Advisory Committee held its valedictory meeting on 27 February 2020, and received updates on demutualization timelines, the Court-Ordered meeting and Extra-Ordinary General Meeting which held on 3 March 2020 and the next steps post demutualization. The meeting ended with valedictory remarks from the Council President.</p>

Corporate Governance Report

For the year ended 31 December 2020

S/N	Committees	Composition	Number of Meetings held in 2020 and Attendance Compliance %	Summary of Activities in 2020
4	Governance and Remuneration Committee	<p>The Committee members for the review period were:</p> <ul style="list-style-type: none"> Mr. A.B. Mahmoud, SAN, OON (Chairperson) Mrs. Catherine Echeozo Erelu Angela Adebayo Mr. Kamarudeen Oladosu Mr. Seyi Osunkeye Mr. Chidi Agbapu 	4 meetings 100% attendance	<ul style="list-style-type: none"> Maintain oversight of the selection process for the appointment of the Financial Communication Advisers of The Exchange, post demutualization; also supervised the selection process for the appointment of The Exchange's Programme Management Consultants for the demutualization exercise to enhance the overall change management. Reviewed and recommended various amendments to key Policies of The Exchange such as the Long Service Awards Policy, Corporate Travel Policy and Outside Business Activities Policy. Maintained oversight of the selection process for the appointment/re-appointment of the Trustees of the Investors Protection Fund of The Exchange Reviewed and recommended the approval of the Acting Appointment Policy (which was developed to drive operational sustainability in the event of the exit or prolonged absence of an incumbent staff) and the Employee Compensation Acts Policy (which spells out the process for making claims under the Employee Compensation Act, 2010). Reviewed and recommended for approval the Policy Prohibiting the Training, Admission, and Licensing of Employees of The Exchange as Authorized Dealing Clerks (ADC). This Policy was developed to address the potential conflict situation that could arise from the continued participation of staff and consultants of The Exchange in the admission procedure for becoming ADCs of The Exchange. Reviewed and recommended to Council for approval the Working Groups and Partnership Framework designed to provide the process and criteria for identifying organizations that The Exchange could partner with, as this was crucial to the success of any partnership/collaboration.
5	Project Stallion Committee (Adhoc)	<p>The National Council established the Committee at the meeting of 1 April 2020, and constituted it as follows:</p> <ul style="list-style-type: none"> Otunba Abimbola Ogunbanjo (Chairperson) Mr. Oscar N. Onyema, OON Mr. Aigboje Aig-Imoukhuede, CON Mr. Abubakar Mahmoud, SAN, OON Mrs. Catherine Echeozo Mr. Oluwole Adeosun Mr. Chidi Agbapu 	3 meetings 93% attendance	<ul style="list-style-type: none"> Reviewed its draft Terms of Reference Considered Updates on Demutualization; Updates on Restructuring Activities and Timelines Reviewed the documents for submission to SEC pursuant to Rules 2 and 3 of the SEC's Demutualization Rules Considered the Memorandum on the recovery of sums owed to The Exchange by its members Considered the Memorandum on Liquidity Control, Value and Control of the Nigerian Exchange Group Post-Demutualization

Corporate Governance Report

For the year ended 31 December 2020

S/N	Committees	Composition	Number of Meetings held in 2020 and Attendance Compliance %	Summary of Activities in 2020
6	Technical and Business Committee	<p>The Committee members for the review period were:</p> <ul style="list-style-type: none"> • Erelu Angela Adebayo (Chairperson) • Mr. Oscar N. Onyema, OON • Mr. Oluwole Adeosun • Mr. Yomi Adeyemi • Mr. Seyi Osunkeye 	3 meetings 100% attendance	<ul style="list-style-type: none"> • Oversight of the activities of the Listing Business Division, Trading Business Division, Technology Services Department, Branch Network and the Enterprise Innovation Hub. • Ensured that a robust governance process was in place for the implementation and management of key technology initiatives as well as maximize the benefits of advancing technologies. • Monitored the Management Information Technology Steering Committee ("IT Steering Committee") to ensure the resolution of all technical issues and facilitate strategic alignment with technology advances that are critical to the competitiveness of The Exchange. • Oversight of a mass market/retail solution for E-IPO and Trading Securities to engender financial inclusion and reduce the current dominance of institutional investors in the Nigerian Capital Market. • Oversight of the Exchange Traded Derivatives Market and Central Counterparty Clearing House Projects. • Reviewed the technical specifications of the DL380 GEN10 Servers. • Oversight of the Leverage Program for Trading Members for the Fixed Income Market. • Recommended the re-introduction of The Exchange's Fixed Income Fees. • Reviewed the Impact Analysis of Changes to The Exchange's Pricing Methodology. • Oversight of the Broker to Fintech Framework. • Monitored and received status updates on all prioritized projects of the Exchange for 2020. • Reviewed its Terms of Reference to ensure it is operating optimally.
7	Regulation Committee	<p>The Committee Members for the review period were:</p> <ul style="list-style-type: none"> • Mrs. Catherine Echeozo (Chairperson) • Oscar N. Onyema • Mrs. Fatima B. Bello-Ismail • Mr. Yomi Adeyemi • Mr. Chidi Agbapu • Mr. Patrick Ajayi 	2 meetings 93% attendance	<ul style="list-style-type: none"> • Reviewed its terms of reference to ensure that it is operating optimally. • Considered Free Float Compliance Reports, and X-Compliance Reports. • Considered several requests for Extension of Time to Resolve Free Float Deficiencies. • Approved the regulatory delisting of a company for its non-compliance with the provisions of the Post Listing Rules of The Exchange despite several engagements towards returning it to compliance. • Further to the National Council's delegation of some of the powers of the Committee to Management to approve certain applications and to notify the Committee subsequently, the Committee was notified of several applications approved by Management. • Recommended Proposed Amendments to the Procedure for Making Rules and Guidelines of The Exchange for the National Council's approval; • Recommended several Rules for the approval of the National Council. These include: • Proposed amendments to Chapter 19 – Rules relating to Board Meetings and General Meetings • Proposed Amendments to the Form of General Undertaking for Listing on The Nigerian Stock Exchange • Proposed Amendments to Rules Governing Transactions with Related Parties of Interested Persons (Chapter 20) • Proposed Amendments to Rules pertaining to Closed Period (Chapter 17) • Proposed Amendments to the Dealing Members' Rules – Part XVIII [(i) Rule 7.2 – Net Liquid Capital Requirement; ii) Rule 7.6 –

S/N	Committees	Composition	Number of Meetings held in 2020 and Attendance Compliance %	Summary of Activities in 2020
				<p>Prohibition of Manipulation of Financial Statement; iii) Rule 11.14: Third Party Transactions (Sales Proceeds in the Name of Third Party); iv) Rule 11.8: No Unauthorized Use of Client Funds; Segregation of Client Funds; v) Rule 13.1: Record of Transactions and Right of Inspection; vi) Rule 13.2: Cooperation in Connection with Inspections or Investigations]</p> <ul style="list-style-type: none"> • The Proposed Amendment to Rule 11:1 – Know your Client (KYC) (Attached as Annexure G) • Approved the exposure of several Rules for Stakeholders' comments. • Recommended for the National Council's approval, the proposal to adopt Virtual Hearings for Disciplinary Cases before the Regulation Committee the Guide to Recording Proceedings of Disciplinary Cases by The Exchange's Disciplinary Organs.

The Audit and Risk Management & Governance and Remuneration Committees held a joint session on 10 March 2021 to review The Exchange's draft Audited Financial Statements for the year ended 31 December 2020 and Management Letter thereon.

The Chairpersons of the Committees will be present at the Annual General Meeting to respond to questions regarding matters relating to their Committees.

h. Record of Council and Committee meetings held in 2020

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

S/N	Council Members	NCM	CC	ARM	DAC	GARC	TBC	REGCOM	ARM & GARC	PS
	Number of meetings	15	3	5	1	4	3	2	1	3
1	Otunba Abimbola Ogunbanjo	15	3	N/A	N/A	N/A	N/A	N/A	N/A	3
2	Mr. Oscar N. Onyema, OON	15	3	N/A	1	N/A	3	1	N/A	3
3	Mr. Aigboje Aig-Imoukhuede, CON	15	N/A	N/A	N/A	N/A	NA	N/A	N/A	3
4	Mr. Abubakar B. Mahmoud, SAN, OON	15	3	N/A	1	4	NA	N/A	1	3
5	Mrs Catherine Nwakaego Echeozo	15	3	5	N/A	4	NA	2	1	3
6	Erelu Angela Adebayo	15	N/A	N/A	1	4	3	N/A	1	N/A
7	Mrs Fatimah Bintah Bello-Ismaïl	15	N/A	5	N/A	N/A	NA	2	1	N/A
8	Mr. Oluwale Adeosun	15	N/A	5	N/A	N/A	3	N/A	1	3
9	Mr. Kamarudeen Oladosu	15	N/A	5	N/A	4	NA	N/A	N/A	N/A
10	Mr. Yomi Adeyemi	15	3	N/A	N/A	N/A	3	2	N/A	N/A
11	Mr. Seyi Osunkeye	15	N/A	N/A	N/A	4	3	N/A	N/A	N/A
12	Mr. Chidi Agbapu	15	N/A	N/A	N/A	4	NA	2	1	2
13	Mr. Patrick Ajayi	15	N/A	5	N/A	N/A	NA	2	1	N/A

Key

NCM- National Council Meetings

CC – Crisis Committee

ARM- Audit & Risk Management Committee

DAC- Demutualization Advisory Committee

GARC- Governance and Remuneration Committee

TBC - Technical and Business Committee

Reg - Regulation Committee

PS – Project Stallion Committee

i. Relationship with Stakeholders

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

The Exchange holds regular briefing sessions with its Dealing Members through quarterly CEO meetings, and officers of its Dealing Members through Compliance Officers' forum, and quarterly meetings with Authorised Dealing Clerk that trade on the floor of The Exchange. The Exchange also meets quarterly with representative of Association of Securities Dealing Houses of Nigeria.

The Exchange also, from time to time, holds briefing sessions with market operators (stockbrokers, dealers, institutional investors, issuing houses, stock analysts, mainly through investors conference) to update them on the state of its business.

During the year in review, the Group made good progress against its strategic priority of demutualisation. Given the imminent likelihood of securing approvals from the appropriate regulators (SEC and CAC), the NSE started the process of formalising an Investor Relations (IR) function during the last quarter of 2020. Following a competitive tender process, the NSE appointed professional advisers to set up the function and assist with the recruitment its in-house IR department. Subsequent to demutualisation, post period end, The Exchange welcomed its dealing and ordinary members as shareholders of the new NGX Group and allotted shares to each according to the court sanctioned allotment scheme. In addition, the NSE developed a shareholder communications management process to cater for shareholder enquiries and began the process of preparing for life as a listed company.

The Group recognise the need for a supportive shareholder base to achieve our ambitions as well as to maintain an optimal valuation. The Group intends to expand its institutional and retail ownership progressively post listing and the Board supports the ambition that the NGX Group will, upon listing, conduct its IR programme and disclosure at world-class standards.

j. Appointment of Council Members

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

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

The Governance and Remuneration Committee (GARC) is responsible for assessing and nominating potential candidates (who shall first become members of The Exchange) to the Council and its Committees, and to Branch Councils and recommending these candidates to the Council for consideration to fill a casual vacancy and or for election at The Exchange's Annual General Meeting (AGM) and at the Branch Council AGM convened annually by the Branch Council. Once approved by the Council, the candidates for appointment into the National Council are presented to the SEC for its approval prior to their presentation for election at The Exchange's Annual General Meeting. There were no appointments of Council Members in 2020.

k. Induction and Training of Council Members

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

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

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

One of the major training avenue is the organization of technical tours to other global exchanges to enable Council Members increase their knowledge base, learn best practices and processes in these jurisdictions as well as establish mutually beneficial relationships.

l. Conflict of Interest Policy

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

m. Whistle Blowing Policy

The Exchange has designed an effective whistle blowing program tagged "X-Whistle". This is to provide a dynamic and robust capital market regulatory regime. X-Whistle is a program that empowers a whistleblower (an employee, an investor, a compliance officer, an Issuer, a stockbroker or any member of the public) to report possible violations of the rules and regulations of The Exchange, the securities law and fraud related to activity within the market run by The Exchange. It is an important aspect of The Exchange's investor protection strategy designed to encourage those with information about misconduct to come forward to report it and to provide all stakeholders with the means of expressing their concerns in a responsible and effective manner.

X-Whistle is a very powerful means of defending and upholding the integrity of the capital market. The Exchange encourages stakeholders to blow the whistle to rid the market of infractions and misconduct. The Exchange also enhanced its whistle blowing programme by subscribing to an independent external whistle blowing channel (KPMG Ethics Line).

n. Remuneration Policy

Elements of The Exchange's Remuneration Policy

Key Principles Underlying Remuneration	
Council Members	· should not be at a level that can compromise their independence;
	· should match the levels paid to directors in comparable companies, whilst also taking into consideration Council members' required competencies, effort and the scope of the work and duties, and time commitments;
	· the remuneration paid will not include any performance related elements; and
	· there will be no pension for Council Members
Senior Management	· attract, motivate and retain required key talents.
	· competitive when benchmarked against comparable companies; and
	· In order to attract, motivate and retain the required talents, The Exchange's philosophy is to target its remuneration structure between the 25th and 50th percentile of comparable companies. The ability to meet this objective is dependent on sustainability of proposed remuneration levels, the business and the economic realities of the country.

o. Evaluation of the National Council

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

The Exchange engaged PricewaterhouseCoopers Limited to evaluate the performance of its Council, Committees and individual council members for the year ended 31 December 2020. The assessment covers the Council's structure and composition, responsibilities, processes and relationships for the year.

p. Council Secretary

The Council Secretary possesses relevant skill, qualification and competence necessary to discharge the duties of her office effectively. Mrs. Mojisola Adeola was appointed in October 2015 through a rigorous selection process. She is a lawyer and a Chartered Secretary, and she amongst other things:

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

BOARD OF DIRECTORS



Board Of Directors

Leading up to the demutualisation and restructuring of The Nigerian Stock Exchange, the members of the Board of Nigerian Exchange Group Plc, were appointed at an Extra-Ordinary General Meeting held on 3 March 2020. They were appointed to replace the National Council, however, their appointments would only become effective after the main regulatory approvals for the demutualisation of The Exchange is received. In light of the foregoing, the Directors of Nigerian Exchange Group Plc and their profiles are captured below:



Otunba Abimbola Ogunbanjo
Chairman (Non-Executive Director)

Otunba Abimbola Ogunbanjo has been President of the National Council of The Nigerian Stock Exchange (The Exchange) since September 25, 2017 and became the Chairman of the Board of Directors of the Nigerian Exchange Group Plc upon demutualisation of The Exchange. He is the Managing Partner of the renowned, leading corporate law firm of Chris Ogunbanjo & Co (Solicitors). Otunba Ogunbanjo serves on the boards of several multinational corporations and non-profit organizations including Beta Glass Plc and the Advisory Board of the University of Buckingham Centre for Extractive Studies.

He previously served on the Board of GTL Registrars Limited and ConocoPhillips Limited. Otunba Ogunbanjo is a member of the International Bar Association, Nigerian Bar Association, Institute of Directors, Institute of Petroleum (UK) and a registered capital market consultant with the Securities and Exchange Commission, Nigeria.

Otunba Ogunbanjo holds B.S. (Hons) (1985) and L.L.B from University of Buckingham (1989). He has also obtained a Capital Markets Certificate from New York Institute of Finance (2015).



Mr. Oscar N. Onyema, OON
Group Chief Executive Officer (Executive Director)

Mr. Onyema is the Group Chief Executive Officer, Nigerian Exchange Group. Prior to this, he served as the CEO and member of the National Council of The Exchange from 2011 – 2021 where he was responsible for supervising the general working of The Exchange. He serves as the Chairman, Central Securities Clearing System Plc (CSCS), the clearing, settlement and depository for the Nigerian capital markets; and Chairman, NG Clearing, which is in the process of developing a Central Counterparty Clearing House (CCP). In addition, Mr. Onyema is a Board member of the National Pension Commission of Nigeria (PENCOM) and sits on several advisory boards including London Stock Exchange Group (LSEG) Africa Advisory Group (LAAG).

Prior to relocating to Nigeria, he served as Senior Vice President and Chief Administrative Officer at American Stock Exchange (Amex). He also ran the NYSE Amex equity business following the merger of NYSE Euronext and Amex in 2008.

His remarkable achievements have earned him awards such as the Special Recognition Award for transformational leadership in the Nigerian Capital Markets at Business Day Top 25 CEOs Award 2018. In 2015, Forbes Magazine named him among the Top 10 Most Powerful Men in Africa. In the preceding year, he received the national honour of Officer of the Order of the Niger ("OON") from the Federal Government of Nigeria.

Mr. Onyema is an alumnus of The Wharton School, University of Pennsylvania and INSEAD International Directors Programmes. He is a Fellow of the Institute of Directors ("IoD") Nigeria, Fellow of the Chartered Institute of Stockbrokers (CIS), Associate of the Chartered Institute for Securities & Investment (CISI) in the UK, and holds FINRA Series 7, 24, 63 qualifications in the United States.

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

Mr. Apollos Ikpobe
(Independent Non-Executive Director)

Mr. Ikpobe is currently the Chairman of Just Food Nigeria Limited and a Director of Nigeria Sovereign Investment Authority (NSIA). He was formerly a Deputy Managing Director at United Bank for Africa Plc (2015), Director of UBA Pensions Custodian Limited (2015), Partner at Mazars, Coker & Co. (2013) and Executive Director at Zenith Bank Plc (2012). He was on the Board of Zenith Bank Sierra Leone, Zenith Pension Custodians Limited, Zenith Registrars Limited, Zenith General Insurance Limited and Zenith Securities Limited. He also occupied other positions in Zenith Bank Plc between 1992 and 2002. Prior to Zenith Bank, he worked at Insight Communications Limited, Ernst & Young and Spiroupolos, Adiele, Okpara & Company.

He holds an Ordinary National Diploma (Accountancy) (1984) and Higher Level Diploma (Accountancy) (1987) both from Yaba College of Technology and a Masters in Banking & Finance from University of Lagos (2002). He is a Fellow, Institute of Chartered Accountants of Nigeria, Institute of Directors, Institute of Credit Administration of Nigeria, Chartered Institute of Taxation of Nigeria and a member of Chartered Institute of Bankers of Nigeria.



Dr. Okechukwu Itanyi
(Independent Non-Executive Director)

Dr. Itanyi has over 35 years' experience in the public and private sectors. He presently directs two investment and property development companies: Valuehouse Limited and Wata Resources Limited. He is a former Executive Commissioner (Stakeholders Management) at Nigerian Communication Commission (NCC) (2010 to 2015). He was elected as the Deputy Governor of Enugu State for two consecutive terms (May 1999 to May 2007). Prior to being Deputy Governor, he represented Igbo-Etiti East Constituency in Enugu State House of Assembly (1997).

He worked for Catenation Incorporated, a financial consulting company in Green Bay, Wisconsin, USA, before returning to Nigeria in 1988. Between 1988 and 1995, he worked for International Merchant Bank, Diamond Bank and Commercial Trust Bank. He has extensive experience in Treasury and Corporate Banking. He is a member of Nigerian Institute of Management (Chartered) and Fellow of the Nigerian Institute of Public Relations.

Dr. Itanyi holds a Doctor of Philosophy (PhD) in Business Management from University of Nigeria, Nsukka (2013). He also holds a Higher Diploma (Animal Health from University of Nigeria, Nsukka (1982) a B.Sc. (Agriculture) (1984), MBA from Ohio State University (1987).



Professor Enase Okonedo
(Independent Non-Executive Director)

Professor Enase Okonedo, FCA, became the deputy vice-chancellor of Pan-Atlantic University in January 2021. Prior to that she was dean of Lagos Business School from July 2009 to December 2020. Trained as an accountant with a doctorate from the International School of Management (ISM), Paris and an MBA from IESE Business School, she has over 30 years' experience in the financial services and management education sectors. Before she was appointed Dean, Professor Okonedo was a full-time member of faculty at Lagos Business School where she held several leadership positions at various times. A seasoned educator and leading expert in problem-solving and decision-making in Africa, she has developed and taught courses in this area, as well as in corporate financial management.

Professor Okonedo serves on several boards in the banking, telecommunications and management education sectors including the Global Business School Network (GBSN), UN PRME; and the academic advisory board of the Blatnavik School of Government, University of Oxford. She has also held leadership positions on the boards of AACSB International – the world's largest business education alliance as Secretary-Treasurer, as well as the Association of African Business Schools where she was Chairperson.

She is the President of AIFA Reading Society, which is committed to achieving sustainable education in Africa by promoting and supporting a reading culture.





Mrs. Ojinika Olaghere
(Independent Non-Executive Director)

Mrs. Olaghere is the Managing Consultant of Rickela Consulting Limited. She retired from Access Bank Nigeria Plc in June 2018 as Executive Director, Operations and Information Technology Division. Prior to her appointment as an Executive Director, she had served as General Manager, General Resource Management Group and General Manager, the Enterprise Support Group. Prior to joining Access Bank in 2007, Mrs. Olaghere worked with Ecobank Nigeria for 16 years, in the Operations and Consumer Banking Groups. She started her career as a translator at Tropical Farming Magazine and the Embassy of Guinea. In 1987, she joined Coopers & Lybrand (Chartered Accountants) (now PriceWaterhouseCoopers).

Mrs. Olaghere currently sits as a Non-Executive Director on the Boards of Coronation Life Assurance Limited, First Ally Asset Management Limited and Coscharis Technologies Limited. She is a Fellow of the Institute of Chartered Accountants of Nigeria.

She holds a Diploma in French and Literature from Université de Grenoble III, FRANCE (1983; and a B.A.(French) from University of Nigeria, Nsukka (1984). She has also attended courses at Harvard Business School, INSEAD, Massachusetts Institute of Technology, London Business School and Lagos Business School.



Mr. Oluwale Adeosun
(Non-Executive Director)

Mr. Adeosun is the Managing Director/Chief Executive Officer of Chartwell Securities Limited. He was the Chief Executive Officer of Intercontinental Securities Limited (2000 to 2007).

He served as a pioneer member of the Governing Council of the Government promoted Abuja Securities Exchange (Now National Commodity Exchange) (2005 to 2007). He is an active participant in the affairs of the Association of Securities Dealing Houses of Nigeria and serve on its Market Development & Technical Committees. He is currently the First Vice President of the Chartered Institute of Stockbrokers. He serves on the Boards of Chartwell Securities Limited, Chartwell Bureau De Change Limited, Chartwell BDC (UK) Limited, Chartwell Partners (Chartered Accountants), and Chartwell HUB (UK) Limited.

He holds a B.Sc. (Hons) (Business Administration) from the University of Ilorin (1986) and MBA (Finance & Banking) from University of Lagos (1993). He qualified as a Chartered Accountant in May 1991. He attended the US Capital Markets program of the New York Institute of Finance (1999) and the Lagos Business School's Chief Executives Program (2006). Mr. Adeosun is a Fellow of the Institute of Chartered Accountants of Nigeria, Chartered Institute of Bankers of Nigeria, Chartered Institute of Stockbrokers, Chartered Institute of Taxation of Nigeria, and the Institute of Directors. He is also a member of the Society for Corporate Governance, Nigeria.



Mr. Chidi Agbapu
(Non-Executive Director)

Mr. Agbapu is the Managing Director of Planet Capital Limited. He was the former Managing Director of Emerging Capital Limited. He serves on the Board of General Cotton Mill Onitsha, MTI Plc and MTI Ltd (Ghana). He is a past director of Central Securities and Clearing System Plc (CSCS) and Bendel Feeds & Flour Mills Plc. He is the Chairman of the Shareholders Audit Committee of Fidelity Bank Plc.

He obtained a B.Sc. (Economics) from the University of Nigeria, Nsukka (1986) and a Masters in Banking & Finance from the University of Lagos. He completed the Advance Management Programme of the Lagos Business School.

Mr. Patrick Ajayi
(Non-Executive Director)

Mr. Ajayi is the Managing Director/CEO of WCM Capital Limited. He qualified as a Stock Broker in 2004 and worked with Support Services Limited (a stockbroking Firm) prior to joining Woodland Capital Markets Plc. in 2013. He serves on the Boards of Ned Phillips Capital Limited and WCM Capital Limited, WCM3 Investments Limited and Letshego Microfinance Bank. He is a Member of the Statutory Audit Committee, Central Securities Clearing Systems Plc.

Mr. Ajayi holds a B.Sc. (Physics) from Obafemi Awolowo University (1995). He is an Associate member of the Institute of Chartered Accountants of Nigeria, the Institute of Directors, the Chartered Institute of Stockbrokers, and the Commodities Brokers Association of Nigeria.



Mrs. Fatima Bintah Bello-Ismail
(Non-Executive Director)

Mrs. Bello-Ismail is the Managing Partner of Universal Chambers, a firm of Barristers, Solicitors and Notary Public. She previously worked at Kehinde Sofola & Co and Continental Merchant Bank Plc. She was a former member of the Board of Directors of National Insurance Company of Nigeria. She is a Trustee of the Home of Hospitality Development Initiative (HOHDI).

She obtained her LLB from Ahmadu Bello University Zaria (1984) and was called to The Nigerian Bar in 1985



Dr. Umaru Kwairanga
(Non-Executive Director)

Dr. Kwairanga has 25 years' cognate experience in the banking, pensions, investment, manufacturing and commercial sectors. He has served previously as a Council member of the Nigerian Stock Exchange and is currently a Council member of the Institute of Directors of Nigeria; and is an active director on the boards of many quoted/listed and unquoted companies such as Jaiz Bank Plc, Tangerine Pensions Limited and Tangerine General Insurance Limited. He is currently the GMD/CEO of Finmal Finance Services Limited.

He is a Fellow of the Chartered Institute of Stockbrokers, Fellow of the Certified Pension Institute Nigeria (2005) and Fellow of the Institute of Directors of Nigeria. He is the Chairman, Gombe State Investment and Property Development Company Limited.

Dr. Kwairanga has a B.Sc (Hons) Business Administration (1991) from the University of Maiduguri, MBA (1995) from Ambrose Alli University, Ekpoma, Edo State and M.Sc. Finance & Governance from Liverpool J M University UK (2007).



Report Of The Council

For the year ended 31 December 2020

The Council presents their report on the affairs of the Nigerian Stock Exchange ("The Exchange") and its subsidiaries (together "the Group"), together with the financial statements and independent auditors' report for the year ended 31 December, 2020.

a. Legal form

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

b. Principal activities and business review

The principal activities of The Exchange are to provide facilities to the public for the purchase and sale of securities, platform for the listing of securities and sale of securities to the public, market data and market indices for sale to the public. The Exchange has six (6) subsidiary companies namely; NGX Real Estate Limited (formerly Naira Properties Limited), Coral Properties Limited, NSE Consult Limited, NSE Nominees Limited, Nigerian Exchange Limited and NGX Regulation Limited. As at 31 December 2020, Nigerian Exchange Limited and NGX Regulation Limited were yet to commence operations and the intention is that the other pre-demutualisation subsidiaries (Coral Properties Limited, NSE Consult Limited and NSE Nominees Limited) are to be wound up. The Exchange also has interests in NG Clearing Limited and Central Securities Clearing System Plc (CSCS) as associate companies.

c. Operating results

Gross earnings of the Group recorded a decrease of 14% (2019: increase of 6%) and surplus before tax recorded a decrease of 17% (2019: decrease of 18%). Gross earnings for the Group comprises revenue, other income and share of profit of equity accounted investees. For The Exchange, gross earnings decreased by 17% (2019: increased by 6%) and the surplus before tax decreased by 30% (2019: decreased by 31%). Highlights of the Group and The Exchange's operating results for the year under review are as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019 Restated	Exchange 2020	Exchange 2019
Revenue and other income	6,019,233	7,783,358	7,116,474	8,592,037
Share of profit of equity accounted investee	2,003,217	1,531,589	-	-
Surplus before tax	1,909,260	2,299,814	1,062,078	1,523,852
Income tax expense	(70,266)	(41,766)	-	-
Surplus after taxation	1,838,994	2,258,048	1,062,078	1,523,852
Surplus	1,838,994	2,258,048	1,062,078	1,523,852
Appropriations:				
Other comprehensive income	1,011,370	250,276	4,767	9,710.00
Transfer to accumulated funds	2,850,364	2,508,325	1,066,845	1,533,562

d. Council members' interests in contracts

No Council member has notified the Exchange, for the purpose of section 303 of the Companies and Allied Matters Act (CAMA) 2020, of any interest in contracts with the Exchange during the year.

e. Property and Equipment

Information relating to changes in property and equipment is given in Note 22 of the financial statements. In the opinion of the Council members, the market value of the Group's properties is not significantly different from the value shown in the annual report.

f. Council members responsibilities

The Council members are responsible for the preparation of financial statements which give a true and fair view of the state of affairs and comply with Companies and Allied Matters Act (CAMA) 2020. They are obliged to ensure that:

- Proper accounting records are maintained;

Report Of The Council

For the year ended 31 December 2020

- ii. Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;
- iii. Applicable accounting standards are followed;
- iv. Judgments and estimates made are reasonable and prudent;
- v. Suitable accounting policies are adopted and consistently applied; and
- vi. The going concern basis is used, unless it is inappropriate to presume that The Exchange will continue in business.

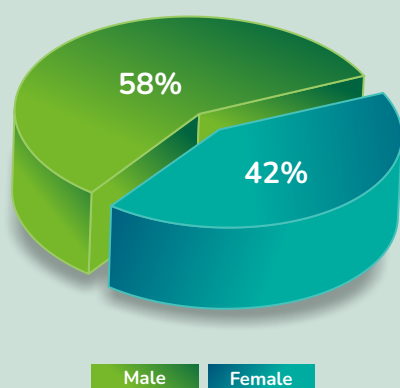
g. Human Resources

i. Report on Diversity in Employment

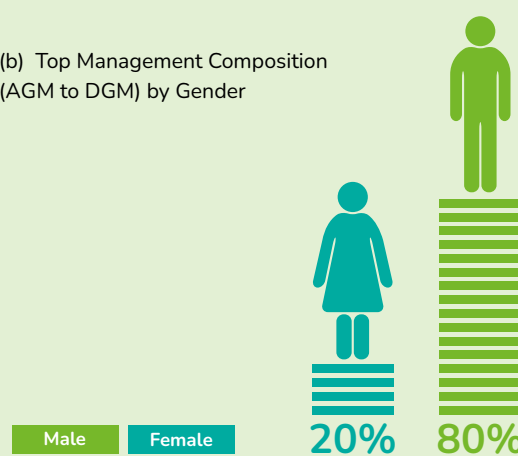
The Exchange operates a non-discriminatory policy (Work Force Diversity and Equal Opportunities Policy) in the consideration of applications for employment. The Exchange's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's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

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

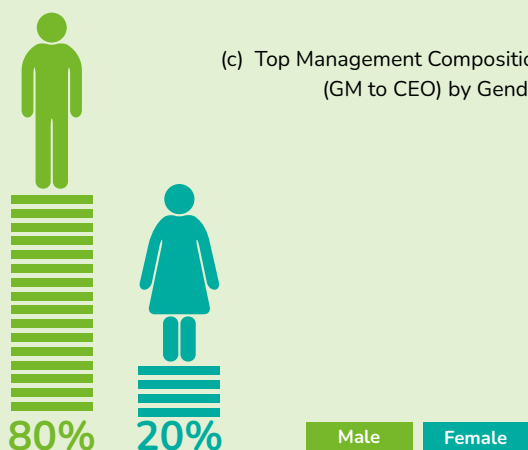
(a) Composition of Employees by Gender



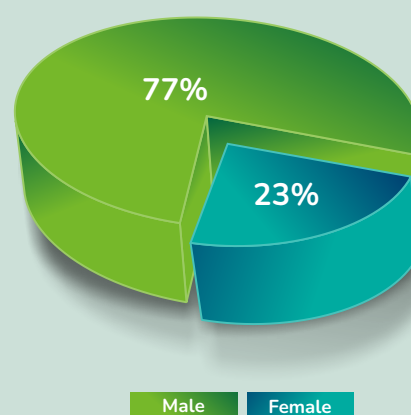
(b) Top Management Composition (AGM to DGM) by Gender



(c) Top Management Composition (GM to CEO) by Gender



(d) Council Composition by Gender



Report Of The Council

For the year ended 31 December 2020

ii. Employment of Disabled Persons

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

iii. Health, Safety and Welfare at Work

The Exchange enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly. The Exchange enrolls staff with top-class health maintenance organisation that provides medical care for staff and their immediate families at the Exchange's expense.

The Exchange has an HIV policy and promotes a non-discriminatory work environment for people living with HIV and other illness. Preventive health talks are organized for employees on managing prevalent medical conditions and annual medical checks are implemented through The Exchange's contracted health maintenance organizations.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Exchange's premises. In line with its family-friendly focus and fitness, the Exchange also operates a crèche facility and Gym at its Head Office.

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

iv. Employee Training and Development

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

Several programmes targeted at staff development have been developed/deployed such as: The Leadership Enhancement And Development (LEAD) Programme, designed to groom and expand the capacity of staff to take on higher responsibilities. Bespoke courses organised for employees based on job requirement. Local and international courses available to staff within the training budget. All these are complemented by continuous on-the-job training, through mentorship and coaching.

To ensure effective communication on learning deployments, formal and informal channels are employed while communicating with employees with an appropriate two-way feedback mechanism.

h. Operational Risk

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

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

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

Report Of The Council

For the year ended 31 December 2020

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

i. Disclosure on COVID-19

The COVID-19 pandemic which started in December 2019 and rapidly spread across the world is impacting all aspects of life in a manner that is unprecedented. The impact cuts across businesses, the economy and social interactions. These impacts seem like they will remain for the foreseeable future. Given its robust business continuity processes and forward looking policies around flexible working, The Exchange activated remote working, effective 24 March 2020, for all employees whose physical presence were not required for critical activities. Thereafter, in a bid to curtail the spread of the virus, the Federal Government of Nigeria imposed movement restrictions in some locations including Lagos state where the Group's head office is located on 29 March 2020. Tools needed to work from home were swiftly distributed to all employee with adequate precautions in place for employees who had to be at work at all cost. With this, we were able to satisfy all our clients without compromising quality and also able to report on our financials on time and in full Impact of COVID-19. Gradual lifting of movement has commenced with daily updates announced.

Going concern Assessment

The Group will continue to assess the status of the fight against the pandemic and its impact on the Group's business. However, based on current assessment, the Directors are confident that the Going Concern of the Group will not be threatened and would be able to continue to operate post COVID-19 and in the foreseeable future.

j. Events after reporting date

On the 10th of March 2021, Nigerian Stock Exchange received final approvals of its demutualised plan from the Securities and Exchange Commission (SEC) and Corporate Affairs Commission (CAC) respectively. A demutualised NSE will enable the stock exchange become a company limited by shares; having share capital or shareholders, a board of directors, management that is distinct and independent from the board and subject to rules and regulations of company operations in Nigeria. The Exchange has been restructured into three entities; the Nigerian Exchange group Plc, which is the holding Company and will continue as the investment arm of the group; NGX Regulation which will carry on the regulatory business and the Nigerian Exchange Limited which will continue the listing and trading business.

The Group considers this approval to be a non-adjusting subsequent event. There were no other events after reporting date requiring adjustment of, or disclosure in, these consolidated and separate financial statements.

k. Auditor

Messrs. KPMG Professional Services having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as auditors to the Exchange in accordance with section 401(2) of the Companies and Allied Matters Act (CAMA) 2020. Therefore, the auditor will be re-appointed at the next Annual General Meeting of the Exchange without any resolution being passed.

By Order of the Council



Mrs. Mojisola Adeola

FRC/2013/NBA/00000004263

Lagos, Nigeria

19/5/2021

Statement Of Council Members' Responsibilities In Relation To The Financial Statements

For The Year Ended 31 December 2020

The Council members accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

The Council members further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE NATIONAL COUNCIL BY:



Otunba Abimbola Ogunbanjo
FRC/2013/NBA/00000004358
President
19/5/2021



Mr. Oscar N. Onyema, OON
FRC/2013/IODN/00000001802
Chief Executive Officer
19/5/2021

Statement Of Corporate Responsibility For The Financial Statements For The Year Ended 31 December 2020

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Chief financial Officer, hereby certify the financial statements of the Nigerian Stock Exchange ("The Exchange") for the year ended 31 December 2020 as follows:

- a) That we have reviewed the audited consolidated and separate financial statements of the Company for the year ended 31 December 2020.
 - b) That the audited consolidated and separate 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.
 - c) That the audited consolidated and separate 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 year ended 31 December 2020.
 - d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to the officer by other officers of the companies, during the year end 31 December 2020.
 - e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited consolidated and separate financial statements, and certify that the Company's internal controls are effective as of that date.
 - f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
 - g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
- (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and
 - (ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.



Mr. Oscar N. Onyema, OON
FRC/2013/IODN/00000001802
Chief Executive Officer
19/5/2021



Mr. Cyril Eigbobo
FRC/2013/ICAN/00000001736
Chief Financial Officer
19/5/2021

Independent Auditor's Report

To The Members Of The Nigerian Stock Exchange



KPMG Professional Services

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Nigerian Stock Exchange

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of The Nigerian Stock Exchange ("the Exchange") and its subsidiaries (together, "the group"), which comprise:

- * the consolidated and separate statements of financial position as at 31 December, 2020;
- * the consolidated and separate statements of comprehensive income;
- * the consolidated and separate statements of changes in equity;
- * the consolidated and separate statements of cash flows for the year then ended and
- * the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Exchange and its subsidiaries as at 31 December, 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

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

Information Other than the Financial Statements and Audit Report thereon

The Council members are responsible for the other information. The other information comprises the Report of the Council, Statement of Council member's responsibilities, Corporate Information, Corporate Governance Report and Other National Disclosures, which we obtained prior to the date of this auditors' report but does not include the consolidated and separate financial statements and our audit report thereon.

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

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

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Registered in Nigeria No BN.988925

Partners:

Adegoke A. Oyelami	Adekunle A. Elebute	Adetola P. Adeyemi	Adeyemi K. Ajayi
Ayibola O. Olomola	Akinwami Ashade	Ayobami L. Salami	Ayodele A. Soyinka
Ayodele H. Othihiwa	Chibuzor N. Anyanedi	Chineme B. Nwigbo	Elijah O. Oladunmoye
Goodluck C. Obi	Ibitomi M. Adepoju	Ijeoma T. Emazie-Ezigo	Joseph O. Tegbe
Kabir O. Okunola	Lawrence C. Amadi	Martins I. Azogie	Mohammed M. Adama
Nneke C. Eluma	Olabimpe S. Afolabi	Oludimaj I. Salaudeen	Olanke I. James
Olufemi A. Babem	Olumide O. Olayinka	Olusegun A. Sowande	Olutayo I. Ogunlowo
Olufemi O. Awotoye	Olufemi A. Gbagi	Tayo I. Ogungberro	Temitope A. Onitiri
Tolulope A. Odukale	Victor U. Onyenkpa		

Independent Auditor's Report

To The Members Of The Nigerian Stock Exchange



Responsibilities of the Directors for the Consolidated and separate Financial Statements

The Council members are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

- * Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Exchange's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council members.
- * Conclude on the appropriateness of 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 Group and Exchange's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Exchange to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- * Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Exchange, so far as appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from branches not visited by us).
- iii. The Exchange's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

A. A. Oyelami

Adegoke A. Oyelami, FCA
FRC/2012/ICAN/0000000444
For: KPMG Professional Services
Chartered Accountants
11 June 2021
Lagos, Nigeria



Consolidated And Separate Statement Of Comprehensive Income

For The Year Ended 31 December 2020

		Group 2020	Group 2019 Restated*	Exchange 2020	Exchange 2019
<i>In thousands of naira</i>	Note				
Revenue	9	3,769,352	4,954,435	3,655,061	4,863,461
Revenue		3,769,352	4,954,435	3,655,061	4,863,461
Other income	10	2,249,881	2,828,923	3,461,413	3,728,576
Total Operating income		6,019,233	7,783,358	7,116,474	8,592,037
Impairment loss on assets	11	(60,409)	(63,990)	(34,443)	(82,821)
Personnel expenses	12	(3,240,385)	(3,694,465)	(3,240,385)	(3,694,465)
Depreciation	22	(474,386)	(385,566)	(498,659)	(437,186)
Amortization	23	(114,570)	(92,767)	(114,570)	(92,767)
Operating expenses	13	(2,223,440)	(2,778,345)	(2,166,339)	(2,760,945)
Total expenses		(6,113,190)	(7,015,133)	(6,054,396)	(7,068,184)
Operating (deficit)/surplus		(93,957)	768,225	1,062,078	1,523,852
Share of profit of equity accounted investees (net of income tax)	20(iii)	2,003,217	1,531,589	-	-
Operating Surplus before tax		1,909,260	2,299,814	1,062,078	1,523,852
Income tax expense	14	(70,266)	(41,766)	-	-
Operating Surplus after tax		1,838,994	2,258,048	1,062,078	1,523,852
Other comprehensive income:					
Items that are or may be reclassified to profit or loss					
Equity-accounted investee -share of OCI-fair value	30(b)	(12,627)	84,554	-	-
Items that will never be reclassified to profit or loss					
Remeasurement of defined benefit liability	27	4,767	9,710	4,767	9,710
Equity investment at FVOCI - net change in fair value	19(a)(iii)	1,018,992	156,012	-	-
Equity-accounted investee - share of OCI-remeasurement of defined benefit liability	30(b)	239	-	-	-
Other comprehensive income, net of tax		1,011,370	250,276	4,767	9,710
Total comprehensive income for the year		2,850,364	2,508,325	1,066,845	1,533,562

*The comparative information is restated on account of correction of prior year error. See Note 36

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

Consolidated And Separate Statement Of Financial Position

As At 31 December 2020

		Group 2020	Group 2019 Restated*	Exchange 2020	Exchange 2019
<i>In thousands of naira</i>	<i>Note</i>				
ASSETS					
Cash and cash equivalents	15	6,988,063	4,416,040	5,562,994	4,307,178
Trade and other receivables	16	862,045	229,550	847,600	200,383
Intercompany receivables	17	-	-	728,434	868,671
Prepayment	18	152,032	301,827	149,494	301,802
Investment securities	19	2,768,959	7,133,863	2,768,959	6,943,867
Total current assets		10,771,098	12,081,280	10,057,482	12,621,901
Investment securities	19	7,414,186	4,761,505	5,938,801	4,305,438
Investment in associates	20	12,425,595	10,689,986	3,157,340	2,157,340
Investment in subsidiaries	21	-	-	4,015,893	945,950
Property and equipment	22	4,253,760	4,391,352	397,780	2,255,226
Intangible assets	23	241,932	257,155	-	252,520
Total non-current assets		24,335,474	20,099,998	13,509,814	9,916,474
Total assets		35,106,572	32,181,278	23,567,296	22,538,376
LIABILITIES					
Other liabilities	24	2,411,964	2,576,302	2,370,941	2,554,990
Current tax liabilities	25	89,095	46,286	-	-
Lease Liabilities	26	133,781	84,742	191,823	167,998
Retirement benefit obligation	27	38,484	-	38,484	-
Total current liabilities		2,673,323	2,707,329	2,601,247	2,722,988
Retirement benefit obligation	27	544,582	477,034	544,582	477,034
Provisions	28	373,543	357,276	373,543	357,276
Deferred tax liability	29	238,882	213,761	-	-
Total non current liabilities		1,157,007	1,048,071	918,125	834,310
Total liabilities		3,830,330	3,755,400	3,519,372	3,557,298
EQUITY					
Accumulated funds	30(a)	29,886,848	28,047,854	20,096,266	19,034,188
Other reserves	30(b)	1,389,394	378,024	(48,342)	(53,109)
Total equity		31,276,242	28,425,878	20,047,924	18,981,079
Total equity and liabilities		35,106,572	32,181,278	23,567,296	22,538,376

The financial statements were approved by the Council on 19 May 2021 and signed on its behalf by:

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

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

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

*The comparative information is restated on account of correction of prior year error. See Note 36

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

Consolidated And Separate Statement Of Changes In Equity

For The Year Ended 31 December 2020

The Group					
<i>In thousands of naira</i>	Note	Accumulated funds	Fair value reserve	Actuarial valuation reserve	Total equity
Balance at 1 January 2019		25,789,805	190,567	(62,819)	25,917,553
Total comprehensive income for the year (restated):					
Surplus for the year	36	2,258,048			2,258,048
Other comprehensive income (net of income tax)			156,012	9,710	165,722
Equity accounted investee - share of OCI		-	84,554	-	84,554
Total comprehensive income for the year (restated)		2,258,048	240,566	9,710	2,508,325
Balance as at 31 December 2019		28,047,854	431,133	(53,109)	28,425,878
Balance at 1 January 2020		28,047,854	431,133	(53,109)	28,425,878
Total comprehensive income for the year:					
Surplus for the year		1,838,994			1,838,994
Other comprehensive income (net of income tax)			1,018,992	4,767	1,023,759
Equity accounted investee - share of OCI		-	(12,627)	239	(12,389)
Total comprehensive income for the year		1,838,994	1,006,364	5,006	2,850,364
Balance at 31 December 2020		29,886,848	1,437,497	(48,103)	31,276,242
The Exchange					
<i>In thousands of naira</i>		Accumulated funds	Fair value reserve	Actuarial valuation reserve	Total equity
Balance at 1 January 2019		17,510,336	-	(62,819)	17,447,517
Total comprehensive income for the year:					
Surplus for the year		1,523,852		-	1,523,852
Other comprehensive income (net of income tax)		-	-	9,710	9,710
Total comprehensive income for the year		1,523,852		9,710	1,533,562
Balance as at 31 December 2019		19,034,188		(53,109)	18,981,079
Balance at 1 January 2020		19,034,188	-	(53,109)	18,981,079
Total comprehensive income for the year:					
Surplus for the year		1,062,078		-	1,062,078
Other comprehensive income (net of income tax)		-	-	4,767	4,767
Total comprehensive income for the year		1,062,078	-	4,767	1,066,845
Balance at 31 December 2020		20,096,266	-	(48,342)	20,047,924

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

Consolidated And Separate Statement Of Cash Flows

For The Year Ended 31 December 2020

		Group 2020	Group 2019 Restated*	Exchange 2020	Exchange 2019
<i>In thousands of naira</i>	<i>Note</i>				
Cash flows from operating activities:					
Surplus after tax		1,838,994	2,258,048	1,062,078	1,523,852
Income tax expense	14	70,266	41,766	-	-
Surplus before tax		1,909,260	2,299,814	1,062,078	1,523,852
<i>Adjustments for:</i>					
Depreciation of property and equipment	22	474,386	385,566	498,659	437,186
Amortization of intangible assets	23	114,570	92,767	114,570	92,767
Gain on disposal of property and equipment	10	(4,631)	(238,854)	(4,631)	(25,962)
Provisions no longer required	25	-	(98,249)	-	-
Net foreign exchange differences	34(xiii)	(94,589)	(25)	(94,153)	(25)
Impairment loss on investment securities	11	903	295	903	295
Impairment charges on intercompany receivables	17	-	-	(25,568)	18,831
Impairment loss on trade and other receivables	11	59,123	63,215	59,108	63,215
Interest on Lease liabilities	13	5,721	3,451	5,075	27,597
Share of profit of equity accounted investee	20(iii)	(2,003,217)	(1,531,589)	-	-
Provision for retirement benefit obligations	27	86,236	118,400	86,236	118,400
Interest income	10	(1,258,388)	(1,732,102)	(1,257,121)	(1,732,046)
Dividend income	10	-	-	(1,255,218)	(1,050,049)
		(710,623)	(637,312)	(810,063)	(525,940)
Change in intercompany receivables	34(i)	-	-	165,805	(192,687)
Change in trade and other receivables	34(ii)	(691,618)	989,293	(706,326)	909,312
Change in prepayments	34(iii)	149,795	(10,040)	152,307	(83,164)
Change in liabilities	34(iv)	(143,280)	641,898	(20,569)	787,067
Change in retirement benefit obligations	27	38,484	-	38,484	-
		(1,357,243)	983,842	(1,180,362)	894,588
Income tax paid	25	(2,335)	(47,028)	-	-
Retirement benefit obligation paid	27	(13,921)	-	(13,921)	-
Net cash from operating activities		(1,373,499)	936,814	(1,194,283)	894,588
Cash flows from investing activities:					
Interest received	34(v)	1,004,281	1,620,077	1,002,105	1,620,439
Dividend received	34(vi)	1,255,218	1,050,049	1,255,218	1,050,049
Sale/(Purchase) of investments - financial assets	34(vii)	3,066,555	(1,334,605)	2,877,795	(1,108,626)
Acquisition of property and equipment	22	(349,060)	(846,479)	(486,124)	(868,766)
Proceeds from the sale of property and equipment	34(viii)	16,897	(10,612)	16,898	18,533
Proceeds from the sale of investment property	34(ix)	-	1,377,500	-	1,377,500
Additional investment in associates	34(x)	(1,000,000)	(1,099,036)	(1,000,000)	(1,099,036)
Additional investment in subsidiaries	34(xii)	-	-	(1,000,000)	-
Acquisition of intangible assets	23	(99,346)	(40,893)	(99,346)	(40,893)
Net cash used in investing activities		3,894,546	716,001	2,566,545	949,199
Cash flows from financing activities:					
Lease payment	26	(1,008)	(47,672)	(167,998)	(143,095)
Net cash used in Financing activities		(1,008)	(47,672)	(167,998)	(143,095)

Consolidated And Separate Statement Of Cash Flows Cont'd

For The Year Ended 31 December 2020

		Group 2020	Group 2019	Exchange 2020	Exchange 2019
<i>In thousands of naira</i>	Note		Restated*		
Net increase in cash and cash equivalents		2,520,039	1,605,143	1,204,264	1,700,693
Cash and cash equivalents at the beginning of the year		4,416,040	2,810,873	4,307,178	2,606,461
Effect of movements in exchange rates on cash held		51,983	25	51,552	25
Cash and cash equivalents at end of year	15	6,988,063	4,416,040	5,562,994	4,307,178

*The comparative information is restated on account of correction of prior year error. See Note 36

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



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Notes To The Consolidated And Separate Financial Statements

For The Year Ended 31 December 2020

1 Reporting entity

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

The consolidated and separate financial statements of the Exchange as at and for the year ended 31 December 2020 comprise the Exchange and its subsidiaries (together referred to as the "Group") and the Group's interest in equity accounted investees. The principal activity of the Exchange is to provide facilities to the public for the purchase and sale of capital market securities.

2 Basis of accounting

i Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), in the manner required by the Companies and Allied Matters Act of Nigeria (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, 2011.

ii Basis of preparation

These financial statements have been prepared on an accrual basis and under historical cost convention except for the following items, which are measured on an alternative basis on each reporting date:

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

These consolidated financial statements are presented in naira, which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. The financial statements were authorised for issue by the Council on 19 May 2021. Details of the Group's and the Exchange's accounting policies are included in note 5 to the financial statements.

3. Use of judgments and estimates

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

i Judgements

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

Note 31	Lease Term: whether the Group is reasonably certain to exercise extension options;
Note 19	Equity-accounted investees: whether the Group has significant influence over an investee; and
Note 20	Consolidation: whether the Group has de facto control over an investee.

Notes To The Consolidated And Separate Financial Statements

For The Year Ended 31 December 2020

ii Assumptions and estimation uncertainties

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

Note 7(B)	FVOCI: Key assumptions underlying the determination of fair value of the investments;
Note 23(a)	Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs;
Note 21	Investment in subsidiaries: Key assumptions underlying the recoverable amount;
Note 16	Measurement of ECL allowance for trade receivables : key assumptions in determining the weighted-average loss rate;
Note 27	Measurement of defined benefit obligations: key actuarial assumptions; and
Note 29	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and
Note 31	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

iii Measurement of fair values

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

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

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

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

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

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 7.

Notes To The Consolidated And Separate Financial Statements

For The Year Ended 31 December 2020

4 Changes in accounting policies

A number of new standards are also effective from 1 January 2020 but they do not have a material effect on the Group's financial statements. The Group adopted the Definition of a Business (Amendments to IFRS 3). The details of accounting policies are set out in Note 5.1(i).

- *Definition of Material (Amendments to IAS 1 and IAS 8)*
- *Amendments to References to Conceptual Framework in IFRS Standards*
- *"Definition of a Business – Amendments to IFRS 3"*
- *Revised Conceptual Framework for Financial Reporting*

5 Significant accounting policies

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

5.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

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

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

(iii) Loss of control

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

Notes To The Consolidated And Separate Financial Statements

For The Year Ended 31 December 2020

(iv) Investment in associates

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

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

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

(v) Transactions eliminated on consolidation

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

(vi) Non-controlling interest

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

5.2 Foreign currency translations

Transactions in foreign currencies are translated into the functional currencies of the operations at the spot exchange rates at the dates of the transactions.

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

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

5.3 Financial instruments

(i) Recognition and initial measurement

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

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

(ii) Classification and subsequent measurement

Financial Assets

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

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

Notes To The Consolidated And Separate Financial Statements

For The Year Ended 31 December 2020

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

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

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

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

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

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

Financial assets - Business model assessment

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

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

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

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

Financial Assets-Assessment whether contractual cash flows are solely payments of principal and interest

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

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

Notes To The Consolidated And Separate Financial Statements

For The Year Ended 31 December 2020

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

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

Financial assets - Subsequent measurement and gains and losses:

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

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. The principle of amortised cost is disclosed in note 5.3 (v)(b).

(iii) Derecognition of financial instruments

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

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

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

(iv) Offsetting

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

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

(a) Fair value measurement

The measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at the date. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities (see Note 3 (iii))

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

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

(b) Amortised cost measurement

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

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

5.4 Impairment

(I) Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for ECLs on:

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

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

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

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Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

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

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

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

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

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

- significant financial difficulty of the borrower or issuer
- a breach of contract such as a default or being more than 365 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

"Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with

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respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

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

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

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

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

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

5.5 Property and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent costs

The Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

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

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

Leasehold improvements	Over the shorter of the useful life of item or lease period
Building	50 years
Computer equipment	5 years
Office equipment	5 years
Furniture, fixtures & fittings	5 years
Motor vehicles	5 years

(iv) De-recognition

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

5.6 Intangible assets

(i) Goodwill

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

(ii) Software

Purchased software is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the software can be measured reliably. Expenditure that forms part of the cost of software that meets the recognition criteria are capitalized as part of the software. The capitalized costs of internally developed software or separately acquired software include all costs directly attributable to developing and purchasing the software respectively and capitalized borrowing costs, and are amortised over its useful life.

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

(iii) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that is available for use since this most reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years. The amortisation methods, useful lives and residual values of intangible assets are reviewed at each financial year-end and adjusted if appropriate.

(iv) De-recognition

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

5.8 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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

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

5.9 Prepayments

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

5.10 Employee Benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as employee benefit expenses in profit or loss in the years in which the services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the year in which the employees render the service are discounted to their present value at the reporting date.

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

(iii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation (DMO). When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

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

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

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

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

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

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

(iv) Termination benefits

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

5.11 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group Executive Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. Information relating to segment reporting is presented in Note 8 to the financial statements.

5.12 Contingencies

(i) Contingent asset

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

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

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

(ii) Contingent liability

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

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. A provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable is recognised, except in the extremely rare circumstances where no reliable estimate can be made.

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

5.13 Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue as service is performed and as it satisfied its obligations to provide a product or service to a customer.

Revenue comprises listing fees, entrance fees and transaction fees.

- Listing fees mainly comprise initial and annual listing fees. Initial listing fee is recognised on a per transaction basis when service is provided. Revenue from annual listing fee is recognised on a straight-line basis over the period which the fee relates.
- Transaction fees generated from contracts is recognised when service is rendered and on a per transaction basis. Revenue from trade executed is recognised at point in time when the trade takes place.
- Revenue from Entrance fees is recognised at point in time when the transaction takes place.

Any upfront fees or payment for services that are rendered over a period of time are treated as unearned income and recognised over the required period. These are warehoused in deferred income account.

(ii) Other income

Other income are recognised as the related services are performed. Included in other income are dividend income, interest income, market data income etc.

(a) Dividend income

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

(b) Interest Income

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

The calculation of the effective interest rate includes contractual fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs include incremental costs that

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are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

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

(c) Rental Income

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

5.14 Income Tax

Tax expense comprises current tax (Company Income Tax, Tertiary Education Tax, National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Finance Act 2019 became effective on 13 January 2020 and introduced significant changes to some sections of the Companies Income Tax Act (CIT). The Company has applied the CIT related provisions of the Finance Act in these financial statements.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)
- Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

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Minimum Tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

Minimum tax is determined based on the sum of:

- 0.5% of gross turnover of the company, less franked investment income.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised

(b) Deferred Tax

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

- * The initial recognition of goodwill;
- * The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

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

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

A deferred tax asset is recognized for unused tax losses only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Such reductions are reversed when the probability of future taxable profits improves.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date to cover or settle the carrying amount of its asset and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

5.16 Leases

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

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(i) The Group as a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

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

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

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

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

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

Generally, the Group recognises lease payments received under operating leases as income on a straightline basis over the lease term as the 'rental income' (see Note 9).

5.17 Equity and reserves

(i) Accumulated funds

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

(ii) Other reserves

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

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

A number of new standards are effective for annual periods beginning after 1 January 2020 and early application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. The following new and amended standards are not expected to have a significant impact on the Group's financial statements:

- COVID-19 Related Rent Concessions (Amendment to IFRS 16)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) (Amendments to IAS 1)
- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16)
- IFRS 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

6 Financial risk management

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

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

(i) Risk management framework

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

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The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to develop a disciplined and risk informed environment in which all employees have a good understanding of inherent risk specific to their department.

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

The outbreak of the COVID-19 pandemic created a challenging environment for the business community. From the announcement of the index case in Nigeria on February 25, 2020; several businesses have been impacted negatively by the resulting impact of the virus and measures taken to contain its spread. In a bid to mitigate the resulting impact, the Group established a crisis committee to respond to the risks associated with COVID-19. The committee activated the Group's business continuity plan and has continued to oversee the plan which has sustained business activities while prioritising the health and the wellbeing of the people in its ecosystem. While this pandemic has resulted to an unanticipated human and economic crisis, the group continue to operate during the normal trading days and hours which affirms the resilience of its market infrastructure.

(ii) Credit Risk

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

The Group has exposure to credit risk as a result of receivables due mainly from market operators such as listed entities and brokers. The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

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

<i>In thousands of naira</i>	Notes	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Impairment loss on trade receivables and other assets	11(a)	59,123	63,215	59,108	63,215
Impairment loss on debt securities at amortised cost	11(a)	903	295	903	295
Intercompany receivable	11(a)	-	-	(25,568)	18,831
Impairment loss on cash & cash equivalents	11(a)	383	481	-	481
		60,409	63,990	34,443	82,821

As at 31st December 2020, the exposure to credit risk for trade receivables by type of counterparty was as follows:

<i>In thousands of naira</i>	Notes	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Listed Entities	16	509,599	627,046	509,599	627,046
Brokers	16	107,976	125,219	107,976	125,219
Others	16	80,563	19,248	66,360	5,492
		698,138	771,512	683,935	757,757

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

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The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information and industry information.

The Group limits its exposure to credit risk from trade receivables by establishing immediate payment on all contracts with customers. In addition, the Risk Management Committee reviews the memorandum of debts owed to The Exchange by dealing and ordinary members for possible recovery actions. The Group, having carefully considered the creditworthiness of its customers, had no reason to grant credit terms as a direct result of the pandemic. However, the Group is monitoring the economic environment in response to the COVID-19 pandemic and its impact on its customers.

The Group does not require collateral in respect of trade and other receivables. The group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for customers as at 31 December 2020

The Group applies the simplified approach in calculating ECLs which recognises a loss allowance based on lifetime ECLs at each reporting date. The Group uses a provision matrix to calculate ECLs for trade and other receivables. The historical loss rates are based on actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The assessment of the correlation between historical observed default rates and economic conditions is a significant estimate to determine the economic variables that affect the ability of the customers to settle the receivables. A regression model was built to explain and predict the impact of macro-economic indicators on loss rates. The model regressed historical loss rate on a list of candidate macro-economic indicators. These indicators are central bank base rates, inflation rates, exchange rates and foreign reserves. The most predictive variables that were selected in the regression model (the most predictive indicators) were determined. The best-estimate, optimistic and downturn scalars of predicted target variables were determined. In order to account for differences in economic conditions in the data, the scalar denominator was adjusted to incorporate forward looking information. This process results in a forward-looking best-estimate, optimistic and downturn loss rate used to estimate the ECL.

The following table provides information about the Group and Exchange's exposure to credit risk and ECLs for trade and other receivables and contract assets from individual customers as at 31 December 2020.

31 December 2020 In thousands of naira	Weighted- average loss rate	Group Gross carrying amount	ECL allowance	Weighted- average loss rate	Exchange Gross carrying amount	ECL allowance
Trade receivables	16.2%	698,138	629,674	16.2%	683,935	629,674
Other receivables	16.2%	2,336,509	1,542,928	16.2%	1,784,470	991,130
Intercompany receivables	-	-	-	31%	1,704,128	975,694
		3,034,647	2,172,602		4,172,532	2,596,498

Debt securities

The Group limits its exposure to credit risk by investing in liquid debt securities with strong ratings. The Group principally invest in bonds issued by the Federal Government of Nigeria (FGN), treasury bill, investment grade corporate bonds and fixed deposit with banks.

The Group monitors changes in credit risk by tracking published credit ratings agencies (Augusto, GCR and S&P). To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields and, where available, together with available press and regulatory information about issuers.

12-month probabilities of default are based on historical data supplied by S&P for each credit rating. Loss given default (LGD)

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parameters generally reflect an assumed recovery rate of 95%. The following table presents the credit quality of the Group's exposure to credit risk for debt securities measured at amortised cost at the reporting date.

Credit Rating	Group		Exchange	
<i>In thousands of naira</i>	2020	ECL allowance	2020	ECL allowance
Corporate Securities				
BBB-AAA	1,044,466	470	1,044,466	470
Government securities				
BBB-AAA	6,758,460	87	6,758,460	87
B	906,083	692	906,083	692
Total	8,709,009	1,249	8,709,009	1,249

The Government securities rated B relates to bonds issued by the Federal Government of Nigeria in foreign currency which currently has a foreign long term issuer credit rating of B (S&P). The ECL on assets are 12-month ECL. The Group has no collateral in respect of these investments.

Cash and cash equivalents

The Group held cash and cash equivalents of N6,985,477,809.35 at 31 December 2020 (2019: N4,418,161,417.20). The cash and cash equivalents are held with local banks which are rated between AAA and BBB per Fitch, Standard & Poor's, and Global Credit Rating.

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

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

The amount of impairment allowance at 31 December 2020 is N2,504,450 (2019: N2,121,434).

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

<i>In thousands of naira</i>	Notes	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Investment in debt securities	19	8,707,760	11,438,974	8,707,760	11,249,304
Trade and other receivables	16	862,045	229,550	847,600	200,383
Intercompany receivables	17	-	-	728,434	868,671
Cash and cash equivalents	15	6,988,063	4,416,040	5,562,994	4,307,178
		16,557,866	16,084,564	15,846,789	16,625,536

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. The Group also prepares weekly cash flow reports, analysing its liquidity position. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities and commitments.

The group has taken the following mitigating actions to respond to possible future liquidity constraints arising from the COVID-19 pandemic,

- reducing non-essential capital expenditure and deferring or cancelling discretionary spend; and
- freezing non-essential recruitment;

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The ratio of investments to outflows was 4.4 at 31 December 2020 (2019: 5.9). The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. The following are the remaining contractual maturities of financial assets and liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and excludes the impact of any netting agreement.

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Maturity Analysis- Group		Contractual Cash Flows				
In thousands of Naira	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2020 Total	Carrying amount
<i>Financial assets</i>						
Trade and other receivables	-	-	-	3,034,647	3,034,647	862,045
Investment securities	218,575	921,800	428,167	10,366,335	11,934,876	10,183,145
Cash and cash equivalents	6,990,567	-	-	-	6,990,567	6,988,063
Total	7,209,142	921,800	428,167	13,400,982	21,960,091	18,033,252
<i>Financial liabilities</i>						
Other liabilities	-	-	-	2,084,524	2,084,524	2,084,524
Total	-	-	-	2,084,524	2,084,524	2,084,524

Maturity Analysis- The Exchange		Contractual Cash Flows				
In thousands of Naira	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2020 Total	Carrying amount
<i>Financial assets</i>						
Intercompany receivable	-	-	-	1,704,128	1,704,128	728,434
Trade and other receivables	-	-	-	3,034,647	3,034,647	862,045
Investment securities	218,575	921,800	428,167	8,890,949	10,459,490	8,707,760
Cash and cash equivalents	5,565,116	-	-	-	5,565,116	5,562,994
Total	5,783,691	921,800	428,167	13,629,724	20,763,382	15,861,232
<i>Financial liabilities</i>						
Other liabilities*	-	-	-	2,061,306	2,061,306	2,061,306
Total	-	-	-	2,061,306	2,061,306	2,061,306

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

31 December 2019

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

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

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

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(iv) Market Risk

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

(a) Currency Risk

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

At 31 December 2020, the Group was exposed to currency risk primarily as a result of its exposures which stood at \$3,178,964.07 in debt securities and bank balances.

The following significant exchange rates applied during the year

	Average Rate		Reporting Date Spot Rate		Amount	
	2020	2019	2020	2019	2020	2019
USD	382	362	400	365	1,272,634,688	868,742,260

Sensitivity analysis – Currency Risk

A reasonably possible strengthening (weakening) of the US Dollar against the Nigerian Naira as at 31 December 2020 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumed that all other variables remain constant and ignore any impact of forecast sales and purchases.

Effects in thousands of Naira	Operating Surplus			
	2020		2019	
	Strengthening	Weakening	Strengthening	Weakening
USD (5%)	63,632	(63,632)	43,437	(43,437)

(b) Equity Price Risk

This risk arises from equity price changes caused by equity investment securities. At 31 December 2020, the Group was exposed to equity investment risk as a result of its exposures which stood at N1,306,393,717 (2019: N456,393,000) in financial asset at fair value through other comprehensive income (FVOCI). The Group's equity investments include both quoted and unquoted securities. Please refer to Note 7 for the fair value and sensitivity analysis for equity price risk.

(c) Interest rate risk

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

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Sensitivity analysis – Interest rate risk

Group					
31 December 2020					
<i>In thousands of Naira</i>					
		Interest rate shock			
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalent	2,976,850	29,769	59,537	(29,769)	(59,537)
Investment securities	8,707,760	87,078	174,155	(87,078)	(174,155)
		116,847	233,692	(116,846)	(233,692)
31 December 2019					
<i>In thousands of Naira</i>					
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalent	2,654,660	26,547	53,093	(26,547)	(53,093)
Investment securities	11,438,974	114,390	228,779	(114,390)	(228,779)
		140,937	281,873	(140,936)	(281,873)
Exchange					
31 December 2020					
<i>In thousands of Naira</i>					
		Interest rate shock			
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalent	2,876,432	28,764	57,529	(28,764)	(57,529)
Investment securities	8,707,760	87,078	174,155	(87,078)	(174,155)
		115,843	231,684	(115,843)	(231,684)
31 December 2019					
<i>In thousands of Naira</i>					
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalent	2,601,251	26,013	52,025	(26,013)	(52,025)
Investment securities	11,249,304	112,493	224,986	(112,493)	(224,986)
		138,507	277,011	(138,507)	(277,011)

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7 Financial instrument - Fair value measurement

(a) Accounting classification and fair values

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

The Group		Fair value							
31 December 2020		Financial assets measured at FVOCI	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
In thousands of naira									
Financial assets measured at fair value		1,475,386	-	-	1,475,386	168,992	-	1,306,394	1,475,386
		1,475,386	-	-	1,475,386	168,992	-	1,306,394	1,475,386
Financial assets not measured at fair value									
Treasury bills	-	794,023	-	-	794,023	601,176	-	-	601,176
Bonds	-	7,160,789	-	-	7,160,789	6,890,837	-	-	6,890,837
Commercial Paper	-	754,197	-	-	754,197	740,907	-	-	740,907
Trade and other receivables	-	862,045	-	-	862,045	-	-	-	-
Cash and cash equivalent	-	6,988,063	-	-	6,988,063	-	-	-	-
	-	16,559,117	-	-	16,559,117	8,232,919	-	-	8,232,919
Financial liabilities not measured at fair value									
Other liabilities*	-	-	-	2,084,524	2,084,524	-	-	-	-
		-	-	2,084,524	2,084,524	-	-	-	-
The Exchange		Fair value							
31 December 2020		Financial assets measured at FVOCI	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
In thousands of naira									
Financial assets not measured at fair value									
Treasury bills	-	-	794,023	-	794,023	601,176	-	-	601,176
Bonds	-	-	7,160,789	-	7,160,789	6,890,837	-	-	6,890,837
Commercial Paper	-	-	754,197	-	754,197	740,907	-	-	740,907
Trade and other receivables	-	-	847,600	-	847,600	-	-	-	-
Cash and cash equivalent	-	-	5,562,994	-	5,562,994	-	-	-	-
	-	-	15,119,604	-	15,119,604	8,232,919	-	-	8,232,919
Financial liabilities not measured at fair value									
Other liabilities*	-	-	-	2,061,306	2,061,306	-	-	-	-
	-	-	-	2,061,306	2,061,306	-	-	-	-

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

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(iii) The Group		Fair value				
		Financial assets measured at FVOCI	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total Carrying Amount	Total
31 December 2019						
<i>In thousands of naira</i>						
Financial assets measured at fair value						
Investment in Equities	456,394	-	-	-	456,394	456,394
	456,394	-	-	-	456,394	456,394
Financial assets not measured at fair value						
Treasury bills	-	6,707,344	-	-	6,707,344	6,885,075
Bonds	-	4,305,457	-	-	4,305,457	4,005,523
Commercial Paper	-	426,519	-	-	426,519	423,468
Trade and other receivables	-	229,550	-	-	229,550	-
Cash and cash equivalent	-	4,416,040	-	-	4,416,040	-
	-	16,084,911	-	-	16,084,911	11,314,066
Financial liabilities not measured at fair value						
Other liabilities*	-	-	2,284,336	-	2,284,336	-
	-	-	2,284,336	-	2,284,336	-
(iv) The Exchange		Fair value				
		Financial assets measured at FVOCI	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total Carrying Amount	Total
31 December 2019						
<i>In thousands of naira</i>						
Financial assets not measured at fair value						
Treasury bills	-	6,517,675	-	-	6,517,675	6,885,075
Bonds	-	4,305,457	-	-	4,305,457	4,005,523
Commercial Paper	-	426,519	-	-	426,519	423,468
Trade and other receivables	-	200,383	-	-	200,383	-
Cash and cash equivalent	-	4,307,178	-	-	4,307,178	-
	-	15,757,211	-	-	15,757,211	11,314,066
Financial liabilities not measured at fair value						
Other liabilities*	-	-	2,278,573	-	2,278,573	-
	-	-	2,278,573	-	2,278,573	-

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

(b) Determination of fair value

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

(i) Cash and cash equivalents

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

(ii) Trade, other receivables and other liabilities

The estimated fair value of receivables and other liabilities with no stated maturity is the amount repayable or received on demand.

The carrying amount of other liabilities and other receivables do not attract interest rate and are receivable within six months, hence the impact of discounting is insignificant. Thus the amount payable or receivable on demand is a reasonable approximation of their fair values.

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7 Financial instrument - Fair value measurement (cont'd)

Measurement of fair values

(iii) Bonds, Treasury bills and other investments

The Group has investments in government and corporate debt securities. FGN Bonds and Treasury bills represent debt securities of the Federal Government of Nigeria issued by the Debt Management Office (DMO) and Central Bank of Nigeria (CBN) respectively. The estimated fair value of treasury bills, commercial papers and bonds at amortized cost is determined with reference to quoted prices (unadjusted) in active markets for identical assets.

(iv) Quoted equity investments

The fair values of quoted equity securities are determined by reference to quoted prices (unadjusted) in active market for identical instruments. The company has quoted equity investment in NASD PLC valued at N168,992,883 (2019: N168,992,883) at a share price of N3.50 (2019: N3.50).

(iv) Unquoted equity investments

The Group has investment in FMDQ OTC PLC of which there is no available market price as at 31 December 2020. In accordance with IFRS 13 fair value measurement, which outlines three approaches for valuing unquoted equity instruments; market approach, the income approach and the cost approach. The Group estimated the fair value of its investment in FMDQ at the end of the financial year using the market approach.

Level 3 fair values of investments have been generally derived using the adjusted fair value comparison approach. Quoted price per earning or price per book value, enterprise value to EBITDA ratios of comparable entities in a similar industry were obtained and adjusted for key factors to reflect estimated ratios of the investment being valued. Adjusting factors used are the Illiquidity Discount which assumes a reduced earning on a private entity in comparison to a publicly quoted entity and the Haircut adjustment which assumes a reduced earning for an entity located in Nigeria contributed by lower transaction levels in comparison to an entity in a developed or emerging market.

The steps involved in estimating the fair value of the Group's investment in FMDQ are as follows:

- Step 1: Identify quoted companies with similar line of business, structure and size.
- Step 2: Obtain the EV/EBITDA or the P/B or P/E ratios of these quoted companies identified from Bloomberg or Reuters.
- Step 3: Derive the average or median of EV/EBITDA or the P/B or P/E ratios of these identified quoted companies.
- Step 4: Apply the lower of average (mean) or median of the identified quoted companies ratios on the Book Value or Earnings of the investment company to get the value of the investment company.
- Step 5: Discount the derived value of the investment company by applying an Illiquidity and control discount to obtain the Adjusted Equity Value.
- Step 6: Compare the Adjusted Equity value with the carrying value of the investment company to arrive at a net gain or loss.

The significant unobservable inputs in the valuation method include:

- Illiquidity discount
- Control discount

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

Valuation Assumptions

Illiquidity discount and Control discount has been estimated at 31% and 23% respectively.

Reconciliation of Level 3 fair value

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

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Investment in equity		
<i>In thousands of Naira</i>	2020	2019
Opening balance	287,402	187,464
Gain included in OCI		
Net change in fair value (unrealized)	1,018,992	99,939
Closing balance	1,306,394	287,402
Sensitivity analysis – Equity Price Risk (unquoted equity investment)		
	2020	
<i>In thousands of Naira</i>	Increase	Decrease
Illiquidity discount (1% movement)	(8,809)	8,809
Control discount (1% movement)	(6,536)	6,536

8 Operating segments

(a) Information about reportable segments

The Group has three (3) reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services which is the basis for identifying the Group's reportable segments, and are managed separately. The following summary describes the operations in each of the Group's reportable segments:

- Capital Market & Post trade Services - Regulating the activities of all stock broking firms in Nigeria while providing them with the facilities for the purchase and sale of bonds, stocks and shares of any kind. This also includes the clearing and settlement of trades on the Stock Exchange.
- Strategic Investment - A vehicle for executing strategic investments on behalf of the Exchange and its members.
- Property management - Providing property letting and property management services to the members of the public.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Management Committee at least quarterly i.e. the Chief Decision Maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Information about reportable segments					
	Capital Market & Post trade Services	Strategic investment	Property management	Adjustments	Consolidated
<i>In thousands of Naira</i>	2020	2020	2020	2020	2020
External revenues	4,604,134	21,995	134,715	-	4,760,845
Inter-segment revenue	-	-	238,557	(238,557)	-
Segment revenue	4,604,134	21,995	373,272	(238,557)	4,760,845
Interest revenue	1,257,121	-	1,267	-	1,258,388
Dividend from Associate	1,255,218	-	-	(1,255,218)	-
Expenses					
Personnel expenses	(3,240,385)	-	-	-	(3,240,385)
Depreciation and amortization	(613,229)	-	(94,650)	118,923	(588,956)
Other expenses	(2,166,339)	(1,334)	(127,756)	71,990	(2,223,440)
Share of profit of equity accounted investee	-	-	-	2,003,217	2,003,217
Impairment loss on non financial asset	(34,443)	(23)	(319)	(25,624)	(60,409)
	1,062,077	20,638	151,814	674,730	1,909,260
Segment Operating Surplus before tax	1,062,077	20,638	151,814	674,730	1,909,260
Income tax expense	-	(7)	(70,259)	-	(70,266)
Segment Operating Surplus after tax	1,062,077	20,631	81,556	674,730	1,838,994
Assets & Liabilities					
Reportable segment assets	23,567,296	1,747,494	2,335,697	7,456,085	35,106,572
Reportable segment liabilities	3,519,372	654,992	1,498,075	(1,842,108)	3,830,330

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	Capital Market & Post trade Services 2019	Strategic investment 2019	Property management 2019 Restated*	Adjustments 2019	Consolidated 2019
<i>In thousands of Naira</i>					
External revenues	5,809,941	21,395	198,525	-	6,029,861
Inter-segment revenue	-	-	838,023	(838,023)	-
Segment revenue	5,809,941	21,395	1,036,548	(838,023)	6,029,861
Interest revenue	1,732,046	-	56	-	1,753,497
Dividend from Associate	1,050,049	-	-	(1,050,049)	-
Expenses					
Personnel expenses	(3,694,465)	-	-	-	(3,694,465)
Depreciation and amortization	(529,953)	-	(64,177)	115,798	(478,333)
Other expenses	(2,760,945)	(4,357)	(118,517)	105,475	(2,778,345)
Share of profit of equity accounted investee	-	-	-	1,531,589	1,531,589
Impairment loss on non financial asset	(82,821)	-	-	18,831	(63,990)
	1,523,852	17,037	853,909	(94,984)	2,299,814
Segment Operating Surplus before tax	1,523,852	17,037	853,909	(94,984)	2,299,814
Income tax expense	-	(108)	(41,658)	-	(41,766)
Segment Operating Surplus after tax	1,523,852	16,929	812,252	(94,984)	2,258,048
Assets & Liabilities					
Reportable segment assets	22,538,376	707,001	2,331,635	6,603,737	32,181,278
Reportable segment liabilities	3,557,298	654,071	1,577,582	(2,033,250)	3,755,400

Geographical segment

Nigeria is The Exchange's primary geographical segment as all The Exchange's income is derived in Nigeria. Accordingly, no further geographical segments information is reported.

9 Revenue

	Group 2020	Group 2019	Exchange 2020	Exchange 2019
<i>In thousands of naira</i>				
Transaction fees	2,835,597	2,705,219	2,835,597	2,705,219
Listing fees	606,946	1,625,603	606,946	1,625,603
Entrance levies	58,295	402,640	58,295	402,640
Interest income (see note (a) below)	21,560	21,395	-	-
Rental income (see note 26(b))	92,732	69,579	-	-
Other fees (see note (b) below)	154,223	129,999	154,223	129,999
	3,769,352	4,954,435	3,655,061	4,863,461

- (a) The Group earns interest income from fixed deposits managed through its investment arm. The interest income is recognised using the effective interest method.
- (b) Other fees represent rent of the trading floor, annual charges from brokers, dealing license and membership fees earned by The Exchange.

Notes To The Consolidated And Separate Financial Statements

For The Year Ended 31 December 2020

10 Other income

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Other operating income (see note (a) below)	440,732	401,699	398,312	471,917
Interest income (see note (b) below)	1,258,388	1,732,102	1,257,121	1,732,046
Dividend income (see note (c) below)	-	-	1,255,218	1,050,049
Rental income	52	-	52	-
Market data income	350,198	308,771	350,198	308,771
Net gain on disposal of property and equipment	4,631	238,854	4,631	25,962
Provisions no longer required	195,880	147,498	195,880	139,830
	2,249,881	2,828,923	3,461,413	3,728,576

(a) Other operating income is made up of technology income, other sub-lease income and penalty fees.

(b) Interest income comprises of income generated from investment in treasury bills, fixed deposit with commercial banks and bonds by The Exchange. The interest income is recognised using the effective interest method.

(c) Dividend income represents dividend income received from the associate company - Central Securities Clearing System Plc. (CSCS).

11 Impairment loss on assets

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
(a) Financial assets				
Net impairment (charge) on trade and other receivables (see note 16(e))	(59,123)	(63,215)	(59,108)	(63,215)
Impairment charge on debt instruments at amortised cost (see note 19(a))	(903)	(295)	(903)	(295)
Net Impairment (charge)/reversal on cash and cash equivalents (see note 15(a))	(383)	(481)	-	(481)
Net impairment charge on intercompany receivables (see note 17(a))	-	-	25,568	(18,831)
	(60,409)	(63,990)	(34,443)	(82,821)
(b) Non-financial assets				
	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Impairment charge on investment in subsidiary (see note 21)	-	-	-	-
	-	-	-	-
	(60,409)	(63,990)	(34,443)	(82,821)

12 Personnel expenses

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Salaries and allowances	2,957,296	3,389,940	2,957,296	3,389,940
Defined benefit cost (see note 27)	86,236	118,400	86,236	118,400
Contributions to defined contribution plans (See note (a) below)	196,852	186,124	196,852	186,124
	3,240,385	3,694,465	3,240,385	3,694,465

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For The Year Ended 31 December 2020

(a) The Group operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act of 2014 (amended). The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary.

(b) The average number of persons employed during the period was as follows:

	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Executive Directors	2	2	2	2
Management	26	21	26	21
Non-Management	241	265	241	265
	269	288	269	288

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

<i>In thousands of Naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Short term benefits	2,300,664	2,296,734	2,300,664	2,296,734
Contributions to defined contribution plans	180,132	140,089	180,132	140,089
Other staff cost	232,944	234,812	232,944	234,812
	2,713,740	2,671,635	2,713,740	2,671,635

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

<i>In thousands of Naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Sitting allowances	76,820	59,545	76,220	58,600
Executive compensation*	400,468	423,118	400,468	423,118
	477,288	482,663	476,688	481,718

*Executive compensation relates to compensation paid to Chief Executive Officer and members of the Executive management who are not Council members.

(e) The Council members' remuneration shown above includes:

<i>In thousands of Naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
The President	7,700	4,950	7,700	4,950
Highest paid Council member	156,149	156,203	156,149	156,203

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

	Group 2020	Group 2019	Exchange 2020	Exchange 2019
₦1,000,001 - ₦10,000,000	-	-	-	-
₦10,000,001 and above	2	2	2	2
	2	2	2	2

*Executive directors include the Chief Executive Officer and members of the Executive management who are not Council members.

Notes To The Consolidated And Separate Financial Statements

For The Year Ended 31 December 2020

(g) The number of employees of the Group, other than executive directors, who received emoluments in the following ranges (excluding pension contributions and other benefits) were:

	Group 2020	Group 2019	Exchange 2020	Exchange 2019
N60,000 - N2,000,000	44	65	44	65
N2,000,001 - N3,500,000	76	71	76	71
N3,500,001 - N5,000,000	6	15	6	15
N5,000,001 - N6,500,000	34	31	34	31
N6,500,001 - N8,000,000	22	25	22	25
N8,000,001 - N9,500,000	5	8	5	8
N9,500,001 and above	80	71	80	71
	267	286	267	286

13 Operating expenses

	Group 2020	Group 2019	Exchange 2020	Exchange 2019
<i>In thousands of naira</i>		restated*		
Repairs and Maintenance	191,516	362,235	86,821	259,704
Council member's sitting allowances and expenses	264,168	373,597	263,120	371,912
Professional fees (see note (a) below)	294,989	297,871	276,782	293,733
Audit Fees	37,000	35,000	34,000	31,764
Travelling expenses	27,514	148,438	27,514	148,438
Rent and rates	8,880	3,944	8,880	3,944
Stationery, library and fact book expenses	5,533	16,109	5,529	16,109
Subscriptions	127,710	70,476	127,710	70,476
NSITF charge	27,463	39,422	27,463	39,422
Software, Internet and connectivity subscription	530,197	581,123	530,197	581,123
Diesel expenses	44,910	79,404	44,910	79,404
Project expenses (see note (b) below)	146,320	261,537	146,320	261,537
Water and rates	38,636	42,396	109,130	115,930
Events, seminars & sponsorship expenses	27,510	76,009	27,510	76,009
Security expense	25,129	42,628	25,129	40,009
Bank charges	142,050	118,258	141,972	117,719
X Academy expense	7,173	25,648	7,173	25,648
Enterprise Innovation Hub Expense	36,416	9,772	36,416	9,772
Corporate social responsibilities and gifts	42,937	53,718	42,937	53,718
Telephone, postages and periodicals	19,044	9,693	19,044	9,677
Interest on Lease liabilities (see note (c) below)	5,721	3,451	5,075	27,597
Exchange loss (unrealised)	40,330	1,825	40,330	1,825
General expenses (see note (d) below)	132,293	125,792	132,377	125,473
	2,223,440	2,778,345	2,166,339	2,760,945

(a) Professional fees include a sum of N29.8 million paid to KPMG for non-audit services.

(b) Project expenses relate to ERP software upgrade, demutualisation and x-Issuer portal projects.

(c) Interest on lease liabilities relate to the implicit cost to the (right of use) of leased offices occupied by branches of The Exchange in various states in the country. The interest expense is computed using the incremental borrowing rate of 17%.

(d) General expenses include insurance, advert and publications, cleaning materials, office provisions, AGM expenses and brand management expenses.

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14 Income tax expense

<i>In thousands of naira</i>	Group 2020	Group 2019 Restated*	Exchange 2020	Exchange 2019
Current year tax expenses:				
Companies Income Tax	40,178	16,868	-	-
Minimum tax	-	134	-	-
Police Trust Fund Levy	6	6	-	-
Education Tax	4,960	3,329	-	-
	45,144	20,337	-	-
Deferred tax	25,122	21,429	-	-
Total tax expense	70,266	41,766	-	-
Reconciliation of effective tax rate				
<i>In thousands of naira</i>	Group 2020	Group 2020	Group 2019	Group 2019 Restated*
Surplus before tax		1,909,260		2,301,798
Income tax using the domestic corporation tax rate	30%	572,778	30%	690,539
Non-deductible expenses	2%	29,219	1%	18,197
Tax exempt income	0%	1,598	-10%	(232,294)
Police Trust Fund Levy	0%	6	0%	44
Effect of share of profit of equity accounted investee	-31%	(600,965)	-20%	(459,477)
Education tax	0.3%	4,960	0.1%	3,329
Change in recognised deductible temporary difference	3%	62,670	0%	21,429
Tax expense	4%	70,266	1%	41,766

(a) No tax charge has been computed for the Exchange because the income of TheExchange is not liable to tax since it is a company limited by guarantee. However, tax charge has been computed for the subsidiaries.

15 Cash and cash equivalents

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Bank balances	4,013,717	1,763,501	2,688,684	1,708,049
Fixed deposits	2,976,850	2,654,660	2,876,432	2,601,251
Gross total	6,990,567	4,418,161	5,565,116	4,309,300
ECL allowance (see note (a) below)	(2,504)	(2,121)	(2,121)	(2,121)
Carrying amount	6,988,063	4,416,040	5,562,994	4,307,178
(a) Movement in allowance for impairment of cash and cash equivalent				
<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Opening balance	2,121	1,641	2,121	1,641
Remeasurement of ECL allowance (see note 11)	383	481	-	481
Closing balance	2,504	2,121	2,121	2,121

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16 Trade and other receivables

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Trade receivables	698,138	771,512	683,935	757,757
Staff loans	299	299	299	299
Due from NSE/CSCS Multipurpose Cooperative Society (see note (a) below)	264,979	264,979	264,979	264,979
Deferred recovery of bonuses (see note (b) below)	522,500	527,500	522,500	527,500
Due from gratuity fund administrators	2,165	23,165	2,165	23,165
Deposit for investment (see note (c) below)	652,001	-	652,001	-
Other receivables (see note (d) below)	894,565	826,429	342,526	259,234
Gross total	3,034,647	2,413,884	2,468,404	1,832,934
ECL Allowance (See note (e) below)	(2,172,602)	(2,184,334)	(1,620,804)	(1,632,552)
Carrying amount	862,045	229,550	847,600	200,383
Non current	-	-	-	-
Current	862,045	229,550	847,600	200,383
Carrying amount	862,045	229,550	847,600	200,383

- (a) The amount due from NSE/CSCS Multipurpose Co-operative Society relates to two payments of N150million and N114.9million made in connection with the purchase of shares on behalf of the NSE/CSCS Multipurpose Cooperative Society. Efforts are being made by management to recover these disputed amounts and the matter is currently a subject of litigation. The Exchange has fully impaired the amount subject to recovery of the receivable in a future year.
- (b) Deferred recovery of bonuses represents N2.09billion distributed to certain ex-council members as share of surplus between 2006 and 2008. This payment was contrary to section 26(3) of the Companies and Allied Matters Act (CAMA), and the Securities and Exchange Commission directed The Exchange to recover the money from the ex-council Members involved. Refunds amounting to N655.50million have been received from the ex-council members to date. In 2017, the group reached an out of court settlement with two beneficiaries of the bonus leading to a write-off of N901.6million. The outstanding balance of N537.5million continues to be subject of a litigation on account of a dispute over the basis of payment. The Exchange has fully impaired the amount subject to recovery of the receivable in future years.
- (c) The Exchange subscribed to a Fund on Offer in December 2020 but allotment had not been approved by the regulatory authority as at December 31, 2020.
- (d) Other receivables include investment in defunct Hallmark Bank and other unsubstantiated receivables (N667.68million). These amounts have been fully impaired as at year end.
- (e) Analysis of allowance for impairment of trade and other receivable is shown below:

<i>In thousands of naira</i>	2020	2019	2020	2019
Trade debtors- listing fees	507,881	518,321	507,881	511,983
Trade debtors-annual charges	112,084	112,591	112,084	112,591
Trade debtors-market data	9,709	10,518	9,709	10,518
Sundry Debtors - NSE/CSCS Cooperative	264,979	264,979	264,979	264,979
Deferred recovery of bonuses	522,500	527,500	522,500	527,500
Gratuity plan assets	2,165	23,165	2,165	23,165
Other receivables	753,285	727,259	201,487	181,815
	2,172,602	2,184,334	1,620,804	1,632,552

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

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Opening balance	2,184,334	2,127,458	1,632,552	1,575,676
Movement during the year:				
Reversal	(70,855)	-	(70,855)	-
impairment (charge) on trade receivables				
Net remeasurement of ECL allowance (see note 11)	59,123	63,215	59,108	63,215
Closing balance	2,172,602	2,184,334	1,620,804	1,632,552

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17 Intercompany receivables

<i>In thousands of naira</i>				Group 2020	Group 2019	Exchange 2020	Exchange 2019
Intercompany receivables				-	-	1,704,128	1,869,934
ECL allowance				-	-	(975,694)	(1,001,263)
Carrying amount				-	-	728,434	868,671
Current asset						728,434	868,671
Non current asset						-	-
Intercompany receivables have been classified as current asset as the Exchange expects the subsidiaries to fulfil their obligation within 12 months.							
(a) Movement in ECL allowance on intercompany receivables is shown below							
<i>In thousands of naira</i>				Group 2020	Group 2019	Exchange 2020	Exchange 2019
Opening balance				-	-	1,001,263	1,717,143
Net remeasurement of ECL allowance (see note 11)				-	-	(25,568)	18,831
Reversal s				-	-	-	(734,711)
Closing balance				-	-	975,694	1,001,263
(b) Intercompany receivables represent amounts receivable from the Exchange's subsidiaries. An analysis of intercompany receivables is shown below							
The Exchange							
	Gross 2020	ECL Impairment 2020	Carrying amount 2020		Gross 2019	ECL Impairment 2019	Carrying amount 2019
<i>In thousands of naira</i>							
NSE Consult Limited	626,989	(626,989)	-		626,989	(626,989)	-
NGX Real Estate Limited	1,056,543	(328,109)	728,434		1,220,574	(351,903)	868,671
Coral Properties Limited	20,596	(20,596)	-		20,433	(20,433)	-
NSE Nominees Limited	-	-	-		1,937	(1,937)	-
	1,704,128	(975,694)	728,434		1,869,934	(1,001,263)	868,671

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

(i) **NSE Consult Limited**

Intercompany receivables from NSE Consult Limited represent payments made by The Exchange with respect to the purchase of shares by the subsidiary and other expenses incurred on behalf of the subsidiary. Impairment allowance was charged on the balance which Council members have determined is doubtful.

(ii) **NGX Real Estate Limited**

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

(iii) **Coral Properties Limited**

Intercompany receivables due from Coral Properties Limited was adjusted to reflect the board sitting allowance and other expenses incurred by the subsidiary with respect to its meetings and operations which were paid by The Exchange. During the year, the company transferred the investment property under construction to The Exchange as the full and final payment of amount due to The Exchange. Impairment allowance was charged on the remaining exposure as Council members are of the opinion that the recoverability of balance is doubtful.

(iv) **NSE Nominees Limited**

Intercompany receivables due from NSE Nominees Limited relate to board sitting allowance and other expenses incurred by the subsidiary with respect to its meetings and operations during the year which were paid by The Exchange. The Council members are of the opinion that the receivable is recoverable from the cash balance of the subsidiary.

18 Prepayment

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Prepayments	95,760	251,677	93,223	251,653
Prepayments for IT platform	42,591	36,469	42,591	36,469
Advance payments to third parties (See note (a) below)	13,681	13,681	13,681	13,681
Gross total	152,032	301,827	149,494	301,802
Current	152,032	301,827	149,494	301,802
Non current	-	-	-	-
	152,032	301,827	149,494	301,802

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

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19 Investment Securities

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
At amortised cost				
Bonds	7,160,789	4,305,457	7,160,789	4,305,457
Commercial Papers	754,197	426,519	754,197	426,519
Treasury bills	794,023	6,707,344	794,023	6,517,675
ECL allowance (see note (a) below)	(1,249)	(346)	(1,249)	(346)
Sub total	8,707,760	11,438,974	8,707,760	11,249,304
Equity securities at Fair Value through OCI (see note (b) below)	1,475,386	456,394	-	-
Sub total	1,475,386	456,394	-	-
Carrying amount	10,183,145	11,895,368	8,707,760	11,249,304
<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Non-current	7,414,186	4,761,505	5,938,801	4,305,438
Current	2,768,959	7,133,863	2,768,959	6,943,867
Carrying amount	10,183,145	11,895,368	8,707,760	11,249,304
			-	-
(a) Movement in allowance for impairment of investment securities is shown below				
<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Opening balance	346	51	346	51
Remeasurement of ECL allowance (see note 11)	903	295	903	295
	1,249	346	1,249	346
(b) Analysis of equity securities			Group	Group
(i) Equity investments at FVOCI comprise the following:			2020	2019
<i>In thousands of naira</i>				
Quoted investment				
National Association of Securities Dealers (NASD OTC PLC)			168,992	168,992
Sub total			168,992	168,992
Unquoted investment				
Financial Market Dealers Quotation (FMDQ OTC)			1,306,394	287,402
Sub total			1,306,394	287,402
Total carrying amount			1,475,386	456,394
(ii) Movement in equity investment at FVOCI				
<i>In thousands of naira</i>			2020	2019
Cost - FMDQ and NASD OTC			138,080	101,352
Additional investment			-	36,728
Fair value changes (see note (b) (iii) below)			1,337,305	318,314
			1,475,386	456,394
(iii) Movement in fair value on equity securities				
<i>In thousands of naira</i>			2020	2019
Opening balance			318,314	162,302
Fair value changes during the year (See note (b)(iv)below)			1,018,992	156,012
			1,337,305	318,314
(iv) Fair value changes on investment securities during the year				
<i>In thousands of naira</i>			2020	2019
NASD PLC			-	56,072
FMDQ (OTC)			1,018,992	99,939
			1,018,992	156,011

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(b) The financial assets which are held at FVOCI, are equity investments in National Association of Securities Dealers (NASD OTC) amounting to N88,080,433, investments in Financial Market Dealers Quotation (FMDQ OTC) amounting to N50,000,000. The Company holds 10.87% (2019: 10.87%) of NASD's shares and 6.5% (2019: 6.5%) of FMDQ's shares. The Group designated these investments at FVOCI because these equity investments represent investments that the group intends to hold for long term strategic purposes. None of these strategic investments were disposed of during 2020 and there were no transfers of any cumulative gain or loss within equity relating to these investments. The valuation techniques are explained in note 7.

20 Investment in associates

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Investment in Associate - CSCS ((see note (i) below)	10,574,670	9,875,445	1,420,653	1,420,653
Investment in Associate - NG Clearing ((see note (ii) below)	1,850,925	814,541	1,736,687	736,687
Carrying amount	12,425,595	10,689,986	3,157,340	2,157,340

(i) Investment in Associate - CSCS

The Group has a 29.19% ownership interest in Central Securities Clearing Systems (CSCS) Plc (2019: 29.19%). The principal activity of the Company is to act as a depository, clearing and settlement agency for all quoted and trade securities in the Nigerian capital market. CSCS is domiciled in Nigeria. The net assets of the Company as at 31 December 2020 was N35,347,343,000 (2019: N33,071,113,000).

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Balance, beginning of the year	9,875,445	8,344,433	1,420,653	387,804
Additional Investment during the year	-	1,032,849	-	1,032,849
Share of profit	1,966,832	1,463,658	-	-
Share of OCI	(12,389)	84,554	-	-
Dividends paid	(1,255,218)	(1,050,049)	-	-
Total investment in associates	10,574,670	9,875,445	1,420,653	1,420,653
Carrying amount	10,574,670	9,875,445	1,420,653	1,420,653

Summary financial information for the equity accounted investee, not adjusted for the percentage ownership held by the Group is as follows:

<i>In thousands of naira</i>	2020	2019
Percentage ownership interest	29.2%	29.2%
Non-current assets	23,061,533	29,566,590
Current assets	18,358,499	7,050,410
Non-current liabilities	(7,099)	(49,033)
Current liabilities	(6,065,591)	(3,496,853)
Net assets (100%)	35,347,343	33,071,113
Group's share of net assets (29.19%) (2019: 29.19%)	10,317,889	9,653,458
Revenue	12,101,902	9,206,240
Profit from continuing operations	6,738,033	5,014,244
Other comprehensive income	(42,441)	84,554
Total comprehensive income	6,695,592	5,098,798
Group's share of profit and total comprehensive income	1,954,443	1,548,212
Group's interest in net assets of investee at the beginning of the year	9,875,445	8,344,433
Additional Investment during the year	-	1,032,849
Share of profit attributable to the Group	1,966,832	1,463,658
Share of OCI attributable to the Group	(12,389)	84,554
Dividend received during the year	(1,255,218)	(1,050,049)
Group's interest in the net assets of investee at the end of the year	10,574,670	9,875,445

Investment in associates is currently carried at cost plus the share of the group percentage holding in net assets of the associate.

(ii) Investment in associate - NG Clearing

NG Clearing Limited is an associate company which The Exchange has 27.7% ownership interest (2019: 22.6%). During the year, the Exchange acquired additional shares thereby taking its shareholding from 22.6% to 27.7%. The Nigerian Stock Exchange owns 29.19% ownership interest in CSCS who is also a major shareholder in NG Clearing with a percentage holding of 22.6%. This implies that through direct and indirect, the exchange percentage of ownership in NG Clearing as at 31 December 2020 is 34.29% which is less than 50% required for classification as subsidiary. It is principally established to operate clearing house(s) for the clearance and settlement of transactions in financial securities and derivatives contracts. The Company is yet to commence operations.

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<i>In thousands of naira</i>	Cost			
	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Balance, beginning of the year	814,541	680,423	736,687	670,500
Adjustment to opening balance	-	66,187	-	66,187
Additional Investment during the year	1,000,000	-	1,000,000	-
Share of current year result (net of tax)	36,385	67,931	-	-
Total investment	1,850,925	814,541	1,736,687	736,687
Carrying amount	1,850,925	814,541	1,736,687	736,687

<i>In thousands of naira</i>	2020	2019
Percentage ownership interest	27.7%	22.6%
Non-current assets	202,474	24,288
Current assets	6,544,932	3,543,612
Current liabilities	(130,821)	(546,775)
Net assets (100%)	6,616,585	3,021,125

<i>In thousands of naira</i>	2020	2019
Group's share of net assets (27.7%)	1,832,794	682,774
Revenue	554,539	380,597
Profit from continuing operations	131,353	300,580
Total comprehensive income	131,353	300,580
Group's share of profit and total comprehensive income/(loss)	36,385	67,931
Group's interest in net assets of investee at the beginning of the year	814,541	680,423
Total comprehensive income attributable to the Group	36,385	67,931
Additional Investment during the year	1,000,000	66,187
Group's interest in the net assets of investee at the end of the year	1,850,926	814,541

(iii) Total amount recognised in profit or loss is as follows		
<i>In thousands of naira</i>	2020	2019
Share of profit from associate company: CSCS	1,966,832	1,463,658
Share of profit from associate company: NG Clearing	36,385	67,931
	2,003,217	1,531,589

21 Investment in subsidiaries

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
NSE Consult Limited	-	-	1,250	1,250
Coral Properties Limited	-	-	72,000	72,000
NGX Real Estate Limited	-	-	945,700	945,700
NSE Nominees Limited	-	-	500	500
Nigerian Exchange Limited	-	-	2,416,961	-
NGX Regulation Limited	-	-	652,982	-
Total investment in subsidiaries	-	-	4,089,393	1,019,450
Impairment (see note 19 (v) below)	-	-	(73,500)	(73,500)
Carrying amount	-	-	4,015,893	945,950

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For The Year Ended 31 December 2020

- (i) The Exchange has a 99.8% holding in NSE Consult Limited. NSE Consult Limited was incorporated in Nigeria on 19 May 2004 and commenced business on 15 April 2005. Its principal objective is to carry on business as consultants, financial advisers and analysts, and to carry on business as the strategic investment arm/subsidiary of the Nigerian Stock Exchange. The principal place of business of the Company is Nigeria.
- (ii) The Exchange has a 99.9% holding in Coral Properties Limited. Coral Properties Limited was incorporated in Nigeria as a private limited liability company on 20 May 1993 and became a public Company on 29 August 1995. The principal activity of the Company is real estate development and sales. The Company's place of incorporation is also the Company's place of principal place of business.
- (iii) The Exchange has a 99.9% holding in NGX Real Estate Limited. NGX Real Estate Limited was incorporated as a Limited Liability Company on 29 June 1974 as Naira Properties Limited and its name was changed to NGX Real Estate Limited on 13 October 2019. The company's main activities are property letting and investment. Nigerian Stock Exchange acquired 40% equity interest in NGX Real Estate Limited in February 1986. The company became a wholly owned subsidiary of the Exchange in 2005 when the Exchange acquired the balance of 60% interest in the company, previously held by the Daily Times Nigeria. The Company's place of incorporation is also the Company's place of principal place of business.
- (iv) The Nigerian Stock Exchange has a 83.3% holding in NSE Nominees Limited. NSE Nominees Limited was incorporated on 22 May 2007 with the principal objective of opening and operating a nominee account for the purpose of buying back shares for the benefit of investors who suffered losses through an unauthorized sale of their shares within the Nigerian Capital Market.
- (v) The Nigerian Stock Exchange has a 99.9% holding in Nigerian Exchange Limited. Nigerian Exchange Limited is a Company domiciled and incorporated in Nigeria. The Company was incorporated as a limited liability Company on 22 July 2019. The principal activities are to provide facilities to the public for the purchase and sale of securities, a platform for the listing of securities and sale of securities to the public, market data and indices for sale to the public. The company is yet to commence operations.
- (vi) The Nigerian Stock Exchange has a 99.9% holding in NGX Regulation Limited. NGX Regulation Limited is a Company domiciled and incorporated in Nigeria. The Company was incorporated as a limited liability Company on 22 July 2019. Its principal objective is to provide regulatory services to Nigerian Exchange and other entities, including other exchanges and financial market infrastructure. The company is yet to commence operations.
- (vii) An analysis of allowance for impairment of investment in subsidiaries is shown below:

	Gross 2020	ECL Impairment 2020	Carrying amount 2020	Gross 2019	ECL Impairment 2019	Carrying amount 2019
<i>In thousands of naira</i>						
NSE Consult Limited	1,250	(1,000)	250	1,250	(1,000)	250
Coral Properties Limited	72,000	(72,000)	-	72,000	(72,000)	-
NSE Nominees	500	(500)	-	500	(500)	-
	73,750	(73,500)	250	73,750	(73,500)	250
Movement in impairment allowance						
<i>In thousands of naira</i>					2020	2019
Opening balance					73,500	73,500
Charge for the year					-	-
Reversal					-	-
Closing balance					73,500	73,500

Notes To The Consolidated And Separate Financial Statements

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(viii) Condensed results of consolidated entities

Condensed results of the consolidated entities as at 31 December 2020, are as follows:

<i>In thousands of naira</i>	Group balance	Elimination entries	The Exchange	Nigerian Exchange Limited	NGX Regulation Limited	NSE Consult Limited	Coral Properties Limited	NGX Real Estate Limited	NSE Nominees Limited
Revenue	6,019,233	(1,494,348)	7,116,474	-	-	21,995	-	374,540	573
Expenses	(6,052,780)	191,485	(6,019,953)	-	-	(1,334)	(673)	(221,733)	(573)
ECL Allowance	(60,409)	(25,624)	(34,443)	-	-	(23)	-	(319)	-
Operating surplus before tax	(93,957)	(1,328,487)	1,062,078	-	-	20,638	(673)	152,487	-
Share of profit of equity accounted investees	2,003,217	2,003,217	-	-	-	-	-	-	-
Tax expense	(70,266)	-	-	-	-	(7)	-	(70,259)	-
Operating surplus/(loss) after tax	1,838,994	674,730	1,062,078	-	-	20,631	(673)	82,229	-
Other comprehensive income	1,011,370	(12,389)	4,767	-	-	1,018,992	-	-	-
Total comprehensive income for the year	2,850,364	662,341	1,066,845	-	-	1,039,622	(673)	82,229	-
Condensed financial position									
<i>In thousands of naira</i>	Group balance	Elimination entries	The Exchange	Nigerian Exchange Limited	NGX Regulation Limited	NSE Consult Limited	Coral Propertie Limited	NGX Real Estate Limited	NSE Nominee Limited
Total non-current assets	24,335,474	5,114,576	13,509,814	1,916,961	152,982	1,475,386	-	2,165,755	-
Total current assets	10,771,098	(728,434)	10,057,482	500,000	500,000	272,109	-	169,942	-
Total assets	35,106,572	4,386,142	23,567,296	2,416,961	652,982	1,747,494	-	2,335,697	-
Total equity	31,276,242	6,232,018	20,047,924	2,416,961	652,982	1,092,503	(20,471)	858,094	(3,769)
Total non current liabilities	1,157,007	-	918,125	-	-	-	-	238,882	-
Total current liabilities	2,673,323	(1,845,877)	2,601,247	-	-	654,992	20,471	1,238,721	3,769
Total liabilities	3,830,330	(1,845,877)	3,519,372	-	-	654,992	20,471	1,477,603	3,769
Total equity and liabilities	35,106,572	4,386,142	23,567,296	2,416,961	652,982	1,747,494	-	2,335,697	-

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

<i>In thousands of naira</i>	Group balance	Elimination entries	The Exchange	Nigerian Exchange Limited	NGX Regulatio Limited	NSE Consult Limited	Coral Propertie Limited	NGX Real Estate Limited*	NSE Nominee Limited
Revenue	7,783,358	(1,867,275)	8,592,037	-	-	21,395	753,087	283,517	598
Expenses	(6,951,143)	227,278	(6,985,363)	-	-	(9,766)	(6,454)	(176,241)	(598)
ECL Allowance	(63,990)	18,831	(82,821)	-	-	-	-	-	-
Operating surplus before tax	768,225	(1,621,166)	1,523,853	-	-	11,629	746,634	107,276	-
Share of profit of equity accounted investees	1,531,589	1,531,589	-	-	-	-	-	-	-
Tax expense	(41,766)	(0)	-	-	-	(108)	(252)	(41,406)	-
Operating surplus/(loss) after tax	2,258,048	(89,577)	1,523,853	-	-	11,521	746,381	65,870	-
Other comprehensive income	250,277	84,555	9,710	-	-	156,012	-	-	-
Total comprehensive income for the year	2,508,325	(5,022)	1,533,563	-	-	167,533	746,381	65,870	-
Condensed financial position									
<i>In thousands of naira</i>	Group balance	Elimination entries	The Exchange	Nigerian Exchange Limited	NGX Regulatio Limited	NSE Consult Limited	Coral Propertie Limited	NGX Real Estate Limited*	NSE Nominee Limited
Total non-current assets	20,099,998	7,282,412	9,916,475	-	-	646,064	-	2,255,047	-
Total current assets	12,081,280	(678,146)	12,621,901	-	-	60,937	-	76,588	-
Total assets	32,181,278	6,604,267	22,538,376	-	-	707,001	-	2,331,635	-
Total equity	28,425,878	8,642,106	18,981,079	-	-	52,931	(21,812)	775,865	(4,291)
Total non current liabilities	2,707,329	1,659,259	834,310	-	-	-	-	213,761	-
Total current liabilities	1,048,071	(3,697,100)	2,722,988	-	-	654,071	21,812	1,342,009	4,291
Total liabilities	3,755,400	(2,037,841)	3,557,298	-	-	654,071	21,812	1,555,770	4,291
Total equity and liabilities	32,181,278	6,604,267	22,538,376	-	-	707,001	-	2,331,635	-

* See Note 36

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22 Property and equipment

Reconciliation of carrying amount

In thousands of naira	Note	Land	Buildings	Leasehold Improvement	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
(a) The Group									
Cost									
Balance as at 1 January 2019, as previously reported		199,554	2,212,449	1,628,699	952,958	454,062	1,129,867	306,347	6,883,935
Impact of correction of prior year amount (see note 36)		(199,554)	199,554	-	-	-	-	-	-
Restated balance at 1 January 2019		-	2,412,003	1,628,699	952,958	454,062	1,129,867	306,347	6,883,935
Additions (Restated)	36	-	83,312	39,300	191,995	308,278	156,655	6,014	785,554
Disposals		-	-	-	(840)	(108,310)	11,328	(3,753)	(101,575)
Restated balance at 31 December 2019		-	2,495,316	1,667,998	1,144,112	654,030	1,297,851	308,607	7,567,913
Balance at 1 January 2020									
Additions		-	2,495,316	1,667,998	1,144,112	654,030	1,297,851	308,607	7,567,914
Disposals		-	95,290	7,959	49,093	111,995	55,009	29,714	349,060
		-	-	(0)	(7,747)	(22,968)	(244)	(9,048)	(40,008)
Balance as at 31 December 2020		-	2,590,606	1,675,957	1,185,458	743,057	1,352,616	329,273	7,876,966
Depreciation and impairment losses									
Balance as at 1 January 2019		-	463,690	268,085	597,649	270,280	1,069,871	239,363	2,908,937
Depreciation for the year (Restated)	36	-	91,701	33,350	116,304	88,331	35,147	20,732	385,566
Disposals		-	-	-	(658)	(98,105)	(15,199)	(3,751)	(117,713)
Restated balance as at 31 December 2019		-	555,391	301,436	713,295	260,506	1,089,818	256,344	3,176,790
Balance as at 1 January 2020									
Depreciation for the year		-	555,391	301,436	713,295	260,506	1,089,818	256,344	3,176,790
Disposals		-	99,586	33,511	143,330	120,501	56,681	20,778	474,386
		-	1	(230)	(5,914)	(16,940)	1,169	(6,056)	(27,970)
Balance as at 31 December 2020		-	654,978	334,718	850,711	364,066	1,147,668	271,066	3,623,206
Carrying amounts									
At 1 January 2020		-	1,939,925	1,366,562	430,817	393,524	208,033	52,263	4,391,352
At 31 December 2020		-	1,935,628	1,341,239	334,747	378,991	204,948	58,207	4,253,760

(i) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year.

(ii) Property, plant and equipment includes right-of-use assets of N142.3million (2019: N99.5 million) related to leased properties that do not meet the definition of investment property (See note (26)(A)(ii)). The leased properties include land and multiple office spaces.

(iii) There were no capital commitment relating to property and equipment as at reporting data (2019: nil).

(iv) There were no impairment loss on any of the class of property and equipment.

(v) Included in property and equipment is property valued at N4.2 billion (2019: N4.1 billion) which is accounted for as investment property in the separate financial statement of the subsidiary, NGX Real Estate Limited. The property was valued by Diya Fatmileyin and Co., a valuation expert duly registered with Financial Reporting Council (FRC), FRC/2013/NIESV/00000002773, and the Nigerian Institute of Estate Surveyors and Valuers (NIESV).

(vi) There were no liens or encumbrances on the assets.

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22 Property and equipment

Reconciliation of carrying amount

In thousands of naira	Note	Land	Buildings	Leasehold Improvement	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
(b) The Exchange									
Cost									
Balance as at 1 January 2019, as previously reported			298,770	1,481,198	903,638	454,062	1,127,212	306,346	4,571,225
Additions			-	39,298	30,603	308,278	185,803	6,014	569,996
Disposals			-	-	(840)	(108,310)	(17,818)	(3,752)	(130,721)
Transfers/write-offs			-	-	-	-	-	-	-
Balance as at 31 December 2019			298,770	1,520,496	933,401	654,030	1,295,197	308,607	5,010,501
Balance at 1 January 2020			298,770	1,520,496	933,401	654,030	1,295,197	308,607	5,010,500
Additions			237,712	7,960	43,734	111,995	55,009	29,714	486,124
Disposals			-	(0)	(7,748)	(22,968)	(243)	(9,048)	(40,007)
Transfers			(17,792)	(1,528,455)	(950,473)	(446,975)	(1,284,304)	(278,311)	(4,506,309)
Balance as at 31 December 2020			518,690	-	18,915	296,082	65,658	50,962	950,307
Depreciation and impairment losses									
Balance as at 1 January 2019			-	264,661	594,279	270,507	1,067,217	239,363	2,436,028
Depreciation for the year			162,056	30,400	100,521	88,331	35,147	20,732	437,186
Disposals			-	-	(658)	(98,333)	(15,199)	(3,751)	(117,940)
Transfers/write-offs			-	-	-	-	-	-	-
Balance as at 31 December 2019			162,056	295,060	694,142	260,506	1,087,165	256,344	2,755,275
Balance as at 1 January 2020			162,056	295,060	694,142	260,506	1,087,165	256,344	2,755,275
Depreciation for the year			169,419	30,561	100,719	120,501	56,681	20,778	498,659
Disposals			-	1	(5,914)	(16,940)	1,168	(6,056)	(27,740)
Transfers			(17,792)	(325,622)	(774,982)	(208,708)	(1,109,982)	(236,577)	(2,673,662)
Balance as at 31 December 2020			313,683	-	13,965	155,358	35,032	34,488	552,527
Carrying amounts									
At 1 January 2020			298,770	1,225,436	239,259	393,524	208,032	52,263	2,255,226
At 31 December 2020			205,007	-	4,950	140,724	30,626	16,474	397,780

- (i) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year.
- (ii) There were no capital commitment relating to property and equipment as at reporting data (2019: nil).
- (iii) There were no impairment loss on any of the class of property and equipment.
- (iv) There were no liens or encumbrances on the assets.
- (v) There were transfer of assets which formed part of the investment in the new subsidiaries, Nigerian Exchange Limited and NGX Regulation Ltd.

Notes To The Consolidated And Separate Financial Statements

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23 Intangible assets

Reconciliation of carrying amount

(a) The Group			
<i>In thousands of naira</i>	Goodwill	Purchased software	Total
Cost			
Balance as at 1 January 2019	61,784	2,827,200	2,888,984
Acquisitions	-	40,893	40,893
Balance at 31 December 2019	61,784	2,868,093	2,929,877
Balance as at 1 January 2020	61,784	2,868,093	2,929,877
Acquisitions	-	99,346	99,346
Balance at 31 December 2020	61,784	2,967,440	3,029,224
Amortization and impairment losses			
Balance as at 1 January 2019	57,148	2,522,806	2,579,954
Amortization for the year	-	92,767	92,767
Balance at 31 December 2019	57,148	2,615,574	2,672,722
Balance as at 1 January 2020	57,148	2,615,574	2,672,722
Amortization for the year	-	114,570	114,570
Balance at 31 December 2020	57,148	2,730,144	2,787,292
Carrying amounts			
At 1 January 2020	4,636	252,520	257,155
At 31 December 2020	4,636	237,296	241,932

- (i) There were no capitalized borrowing costs related to the acquisition of intangible assets during the year.
- (ii) There were no capital commitment relating to intangible assets as at reporting data (2019: nil).
- (iii) There were no impairment loss on any of the class of intangible assets.
- (iv) There were no liens or encumbrances on the assets.
- (v) Goodwill is tested annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in the year ended December 2020 (2019: nil).

(b) The Exchange

<i>In thousands of naira</i>	Purchased software	Total
Cost		
Balance as at 1 January 2019	2,827,200	2,827,200
Acquisitions	40,893	40,893
Balance at 31 December 2019	2,868,093	2,868,093
Balance as at 1 January 2020	2,868,093	2,868,093
Acquisitions	99,346	99,346
Disposals	-	-
Transfers/write-offs	(2,967,440)	(2,967,440)
Balance at 31 December 2020	-	-
Amortization and impairment losses		
Balance as at 1 January 2019	2,522,806	2,522,806
Amortization for the year	92,767	92,767
Balance at 31 December 2019	2,615,574	2,615,574
Balance as at 1 January 2020	2,615,574	2,615,574
Amortization for the year	114,570	114,570
Transfers/write-offs	(2,730,144)	(2,730,144)
Balance at 31 December 2020	-	-
Carrying amounts		
At 1 January 2020	252,520	252,520
At 31 December 2020	-	-

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- (i) There were no capitalized borrowing costs related to the acquisition of intangible assets during the year.
- (ii) There were no capital commitment relating to intangible assets as at reporting data (2019: nil).
- (iii) There were no impairment loss on any of the class of intangible assets.
- (iv) There were no liens or encumbrances on the assets.
- (v) Goodwill is tested annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in the year ended December 2020 (2019: nil).
- (v) There were transfer of assets which formed part of the investment in the new subsidiaries, Nigerian Exchange Limited and NGX Regulation Ltd.

24 Other liabilities

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Accrued expenses	940,070	979,923	919,987	978,443
Sundry creditors (see note (a) below)	258,873	559,022	258,688	557,778
Deferred income	166,032	102,625	152,624.0	90,191
Value Added Tax & WHT payable	161,407	189,341	157,011	186,226
Donations payable	254,314	254,314	254,314	254,314
Others (see note (b) below)	572,507	427,528	569,557	424,488
Staff related liabilities (see note (c) below)	58,761	63,549	58,761	63,549
Total	2,411,964	2,576,302	2,370,941	2,554,990

- (a) Sundry creditors include amounts payable to vendors, suppliers and service providers.
- (b) Included in the Other liabilities are amounts paid by members (dealing and listed entities) for which the Exchange is yet to identify the purpose of the payment.
- (c) Staff related liabilities comprises of PAYE, National Housing Fund (NHF) and staff related liabilities payable to the government.

25 Current tax liabilities

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Balance, beginning of the year	46,286	171,225	-	-
Prior year under/(over) provision	-	(98,249)	-	-
Charge for the year	45,144	20,337	-	-
Payment made during the year	(2,335)	(47,028)	-	-
Balance, end of the year	89,095	46,286	-	-

26 Leases

A. Leases as lessee (IFRS 16)

The Group leases office space and Land. The leases for the office space typically run for a period of 1 year, with an option to renew the lease after that date. Lease agreements are typically renegotiated every three years to reflect market rentals. The Lease for the land runs for a period of 90 years with an unutilised lease period of 45 years as at the reporting date.

Information about leases for which the Group is a lessee is presented below.

i. Right-of-use assets

The Right-of-use assets are all leased properties that do not meet the definition of investment property. The Leased properties are presented as property and equipment (see Note 22).

<i>In thousands of naira</i>	Group 2020	Group 2019 Restated*	Exchange 2020	Exchange 2019
Opening balance	99,542	60,925	136,714	298,770
Depreciation charge for the year	(52,580)	(44,695)	(169,419)	(162,056)
Additions to right-of-use assets	95,290	83,312	237,712	-
Derecognition of right-of-use assets	-	-	-	-
Balance at 31 December 2020	142,252	99,542	205,007	136,714

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ii. Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period: (see Note 22).

	Group 2020	Group 2019 Restated*	Exchange 2020	Exchange 2019
<i>In thousands of naira</i>				
Opening balance	84,742	45,651	167,998	283,496
Addition	44,326	83,312	186,748	-
	129,068	128,963	354,746	283,496
Accretion of interest	5,721	3,451	5,075	27,597
lease Payment	(1,008)	(47,672)	(167,998)	(143,095)
Balance at 31 December 2020	133,781	84,742	191,823	167,998

iii. Amounts recognised in statement of comprehensive income

	Group 2020	Group 2019 Restated*	Exchange 2020	Exchange 2019
<i>In thousands of naira</i>				
2020 - Leases under IFRS 16				
Interest on lease liabilities	5,721	3,451	5,075	27,597
Depreciation charge for the year	52,580	44,695	169,419	162,056
*See Note 36				
iv. Amounts recognised in statement of cash flows				
<i>In thousands of naira</i>				
	Group 2020	Group 2019	Group 2019	Exchange 2019
Total cash outflow for leases	(1,008)	(47,672)	(167,998)	(143,095)

B. Leases as lessor

The Group leases out its property consisting of its owned commercial properties (see Note 22). All leases are classified as operating leases from a lessor perspective.

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 16 sets out information about the operating leases of its property.

Rental income recognised by the Group during 2020 was N92.7 million (2019: N69.5 million).

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

<i>In thousands of naira</i>	2020	2019
Less than one year	92,732	69,579
Total	92,732	69,579

27 Retirement benefit obligation

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Recognised liability for defined contribution	38,484	-	38,484	-
Movement in cashflow statement	38,484	-	38,484	-
Recognised liability for defined benefit obligations (see note (a) below)	544,582	477,034	544,582	477,034
<i>Movement in defined benefit obligations</i>				
<i>In thousands of naira</i>				
	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Opening balance	477,034	368,344	477,034	368,344
Current service charge & interest cost: Long term incentive	38,806	79,304	38,806	79,304
Current service charge & interest cost: Long service award	47,430	39,096	47,430	39,096
Net actuarial (gain)/loss	(4,767)	(9,710)	(4,767)	(9,710)
Payment made during the year	(13,921)	-	(13,921)	-
Closing balance	544,582	477,034	544,582	477,034
Movement in cashflow statement	86,236	118,400	86,236	118,400

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(a) Defined benefit obligations

The Exchange operated a non-contributory, unfunded defined benefit scheme for its staff gratuity scheme until 16 March 2011 when the Council of the Nigerian Stock Exchange resolved to terminate the staff gratuity scheme with effect from 31 March, 2011. Final entitlements due to members of staff that had spent a minimum of five years by 31 March, 2011 was determined and payments was supervised by Gratuity Committee. However, a revised long-term incentive scheme was re-opened in 2015 for certain eligible employees. The entitlement for the qualifying employee ranges from 15% -17% of their annual total emolument in the first 5-year of service and a maximum of 25%-35% for 10-years of service.

On 1 August 2017, management established a long service recognition initiative which is designed to recognise, appreciate and celebrate the contributions of long tenured employees, at the attainment of milestone years during their work lifespan with the company. The policy became effective in 2018. See note 5.10 (iii).

(b) Actuarial assumptions

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

	2020	2019
Discount rate	7.15%	10.30%
Salary increase rate	6.00%	10.00%

The rate of mortality assumed for members in the Scheme are based on A67/70 Ultimate table published by the Institute of Actuaries of United Kingdom.

For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

In thousands of naira	31 December 2020		31 December 2019	
	Increase	Decrease	Increase	Decrease
Withdrawal rate (5% movement)	(53,731)	87,167	(51,488)	84,750
Mortality rate (20% movement)	(1,048)	1,057	(981)	990
Salary increase (10% movement)	26,721	(22,553)	25,403	(21,494)
Discount rate (3% movement)	(27,633)	37,483	(25,885)	35,046
(d) Expected maturity analysis of post-employment benefits:				
In thousands of naira	Between 1-2 years		Between 2-5 years	
	2020 Total		2019 Total	
Present value of the defined benefit obligation	333,726	5,532	205,324	544,582
	333,726	5,532	205,324	544,582
In thousands of naira	Between 1-2 years		Between 2-5 years	
	2019 Total		2020 Total	
Present value of the defined benefit obligation	297,122	9,130	170,782	477,034
	297,122	9,130	170,782	477,034

28 Provisions

In thousands of naira	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Balance as at 1 January 2019	357,276	357,276	357,276	357,276
Provision made during the year	16,267	-	16,267	-
Balance as at 31 December 2020	373,543	357,276	373,543	357,276

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29 Deferred tax

(a) Deferred tax liability comprises of:

<i>In thousands of naira</i>	Group 2020	Group 2019	Exchange 2020	Exchange 2019
Deferred tax liability				
Balance, beginning of the year	213,761	192,332	-	-
Deferred tax liability recognised by subsidiary	25,122	21,429		
Balance, end of the year	238,882	213,761	-	-

(i) Movements in temporary differences during the year

<i>In thousands of naira</i>	Opening balance	Recognised in profit or loss	Recognised in equity	Closing balance
For the year ended 31 December 2019				
Revaluation surplus	192,332	-	-	192,332
Charge during the year	-	21,429	-	21,429
Total	192,332	21,429	-	213,761

<i>In thousands of naira</i>	Opening balance	Recognised in profit or loss	Recognised in equity	Closing balance
For the year ended 31 December 2020				
Revaluation surplus	213,761	-	-	213,761
Charge during the year	-	25,122	-	25,122
Total	213,761	25,122	-	238,882

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

<i>In thousands of naira</i>	Liabilities
Group	
For the year ended 31 December 2019	
Revaluation surplus on Investment Property	213,761
Net deferred tax liability	213,761
For the year ended 31 December 2020	
Revaluation surplus on Investment Property	238,882
Net deferred tax liability	238,882

(b) Unrecognised deferred tax assets

(i) Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

<i>In thousands of naira</i>	31-Dec-20		31-Dec-19	
	Gross amount	Tax effect	Gross amount	Tax effect
Unrelieved tax losses	18,602	5,581	17,929	5,379
Balance, end of the year	18,602	5,581	17,929	5,379

30 Equity

(a) Accumulated funds

Accumulated funds are the funds carried forward recognised income net of expenses plus current year surplus.

<i>In thousands of naira</i>	Group Accumulated		Exchange Accumulated	
	Funds	Total	Funds	Total
Balance at 1 January 2020	28,047,854	28,047,854	19,034,188	19,034,188
Surplus for the year	1,838,994	1,838,994	1,062,078	1,062,078
Balance at 31 December 2020	29,886,848	29,886,848	20,096,266	20,096,266
<i>In thousands of naira</i>	Group Accumulated		Exchange Accumulated	
	Funds	Total	Funds	Total
Balance at 1 January 2019	25,789,805	25,789,805	17,510,336	17,510,336
Surplus for the year (restated balance)	2,258,048	2,258,048	1,523,852	1,523,852
Balance at 31 December 2019 (restated balance)	28,047,854	28,047,854	19,034,188	19,034,188

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(b) Other reserves

Other reserves represent fair value gain recognised on investment at FVOCI, Equity accounted investee- share of OCI on investment at FVOCI and actuarial gains/loss on defined benefit obligations.

<i>In thousands of naira</i>	Fair value reserve	Group Actuarial valuation reserve	Total	Fair value reserve	Exchange Actuarial valuation reserve	Total
Balance at 1 January 2020	431,133	(53,109)	378,024	-	(53,109)	(53,109)
Fair value changes in investment securities (See note 19b(iii))	1,018,992	-	1,018,992	-	-	-
Share of OCI in Equity accounted Investee-CSCS(See note 20(ii))	(12,627)	-	(12,627)	-	-	-
Share of OCI in Equity accounted Investee-CSCS(See note 20(ii))		239	239			
Movement in Actuarial gain/(loss)	-	4,767	4,767	-	4,767	4,767
Balance at 31 December 2020	1,437,497	(48,103)	1,389,394	-	(48,342)	(48,342)

<i>In thousands of naira</i>	Fair value reserve	Group Actuarial valuation reserve	Total	Fair value reserve	Exchange Actuarial valuation reserve	Total
Balance at 1 January 2019	190,567	(62,819)	127,748	-	(62,819)	(62,819)
Fair value changes in investment securities (See note 19 b (iii))	156,012	-	156,012	-	-	-
Share of OCI in Equity accounted Investee-CSCS(See note 20(ii))	84,554	-	84,554	-	-	-
Movement in Actuarial gain/(loss)	-	9,710	9,710	-	9,710	9,710
Balance at 31 December 2019	431,133	(53,109)	378,024	-	(53,109)	(53,109)

31 Contingent liabilities and commitments

(a) Legal proceedings

The Exchange, in its ordinary course of business, is presently involved in 8 cases as a plaintiff and 68 cases as a defendant. As at 31 December 2020, estimated contingent liabilities stood at N13,630,708,802 (2019:N13,630,708,802). Based on legal advice, management expects some of the outcome of the litigations to have minimal effect on the Group's financial position, hence, a provision of N373,543,090 (2019: N357,276,317) for claims and litigations have been recognised in the financial statements.

(b) Capital commitments

The Group had no capital commitments in respect of authorized and contracted capital projects as at 31 December 2020.

32 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. From the Exchange's perspective, this definition includes key management personnel and associates. As at the reporting date, the Exchange had a number of transactions with related parties in the normal course of business. These include rent paid to NGX Real Estate Limited on the property occupied by the Exchange and payment of other expenses on behalf of the subsidiaries.

A summary of related party transactions during the year is shown below:

(a) Intercompany receivables			2020	2019
<i>In thousands of naira</i>		Note		
NGX Real Estate Limited		17	728,434	868,671
			728,434	868,671

(b) Intercompany expenses			2020	2019
<i>In thousands of naira</i>		Note		
Rent and service charge paid to NGX Real Estate Limited			238,557	171,749
			238,557	171,749

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(c) Transactions with associate companies <i>In thousands of naira</i>		Note	2020	2019
Investment in CSCS		20	1,420,653	1,420,653
Dividend received from CSCS		10	1,255,218	1,050,049
Investment in NG Clearing		20	1,736,687	736,687
(d) Compensation to key management personnel during the year comprised: <i>In thousands of naira</i>			2020	2019
Short-term benefits			423,689	858,394
Post-employment benefits (pension and gratuity)			38,806	79,304
Total			462,495	937,698

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

Subsidiaries <i>In thousands of naira</i>	2020			2019		
	ECL Impairment on Receivable	Impairment on investment	Total	Impairment on Receivable	Impairment on investment	Total
NSE Consult Limited (see note 17 (b))	626,989	1,000	627,989	626,989	1,000	627,989
Coral Properties Limited (see note 17 (b))	20,596	72,000	92,596	20,433	72,000	92,433
NGX Real Estate Limited (see note 17 (b))	328,109	-	328,109	351,903	-	351,903
NSE Nominees Limited (see note 17 (b))	-	500	500	1,937	500	2,437
	975,695	73,500	1,049,194	1,001,262	73,500	1,074,762

33 Group entities

Significant subsidiaries	Country of incorporation	Nature of business	Ownership Interest	Non Controlling Interest
NGX Real Estate Limited	Nigeria	Property letting and investment	99.9%	0.1%
Coral Properties Limited	Nigeria	Real estate development	99.9%	0.1%
NSE Consult Limited	Nigeria	Financial advisers & consultants	99.8%	0.2%
NSE Nominees Limited	Nigeria	Acts as a nominee	83.3%	16.7%
Nigerian Exchange Limited	Nigeria	Capital Market	99.9%	0.1%
NGX Regulation Limited	Nigeria	Regulatory services	99.9%	0.1%

34 Cash flow workings

<i>In thousands of naira</i>	Group		Exchange	
	2020	2019	2020	2019
(i) Changes in intercompany receivables				
Opening balance	-	-	868,671	2,052,107
Impairment (charges)/reversal	-	-	25,568	(18,831)
Closing balance	-	-	(728,434)	(868,671)
	-	-	165,805	1,164,605
Adjustment for non cash item: Reclassification from intercompany receivables	-	-	-	(1,357,291)
Change during the year	-	-	165,805	(192,687)
(ii) Changes in trade and other receivables				
Opening balance	229,550	1,282,058	200,383	1,172,910
Less impairment charges	(59,123)	(63,215)	(59,108)	(63,215)
Closing balance	(862,045)	(229,550)	(847,600)	(200,383)
Change during the year	(691,618)	989,293	(706,326)	909,312
(iii) Changes in prepayments				
Opening balance	301,827	291,787	301,802	218,637
Closing balance	(152,032)	(301,827)	(149,494)	(301,802)
Change during the year	149,795	(10,040)	152,307	(83,164)



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(iv) Changes in liabilities				
Opening balance	(3,018,320)	(2,420,642)	(3,080,264)	(2,408,695)
Effect of unrealized loss on foreign currency transaction	(39,535)	-	(39,535)	-
Interest expense	(5,721)	(3,451)	(5,075)	(27,597)
Lease payment	1,008	47,672	167,998	143,095
Non cash adjustment	-	-	-	-
Closing balance	2,919,288	3,018,320	2,936,307	3,080,264
Change during the year	(143,280)	641,898	(20,569)	787,067
(v) Interest received				
Interest income	1,258,388	1,732,102	1,257,121	1,732,046
Interest received on prior period highly liquid investment	12,677	11,743	11,768	11,253
Interest receivable on placements	(3,835)	(12,677)	(3,835)	(11,768)
Interest receivable on bonds	(262,950)	(111,092)	(262,950)	(111,092)
	1,004,281	1,620,077	1,002,105	1,620,439
(vi) Dividend received				
Dividend income	1,255,218	1,050,049	1,255,218	1,050,049
	1,255,218	1,050,049	1,255,218	1,050,049
(vii) Purchase of investments				
Opening balance of investments	11,895,368	10,293,020	11,249,305	10,029,367
Fair value changes	1,018,992	156,012	-	-
Interest receivable placement and bonds	254,107	112,026	255,016	111,607
Effect of unrealized loss on foreign currency transaction	82,137	-	82,137	-
ECL impairment on treasury bills and bonds	(903)	(295)	(903)	(295)
Closing balance of total investments	(10,183,145)	(11,895,368)	(8,707,761)	(11,249,305)
Change during the year	3,066,555	(1,334,605)	2,877,795	(1,108,626)
(viii) Proceeds from the sale of property and equipment				
Gain on disposal of property and equipment	4,631	238,854	4,631	25,962
Cost eliminated on disposal	40,008	101,575	40,007	130,721
Accumulated depreciation eliminated on disposal	(27,970)	(117,713)	(27,740)	(117,713)
gain on disposal of investment property	-	(233,100)	-	(20,209)
Proceeds from the sale of property and equipment	16,897	(10,612)	16,899	18,533
(ix) Proceeds from the sale of Investment Property				
Gain on disposal of investment property	-	233,100	-	20,209
Cost eliminated on disposal	-	1,684,596	-	1,897,487
Impairment	-	(540,196)	-	(540,196)
Proceeds from the sale of investment property	-	1,377,500	-	1,377,500
(x) Additional investment in associates				
Opening balance	10,689,986	9,024,856	2,157,340	1,058,304
Closing balance	(12,425,595)	(10,689,986)	(3,157,340)	(2,157,340)
	(1,735,610)	(1,665,130)	(1,000,000)	(1,099,036)
Adjustment:				
Share of profit from joint venture	2,003,217	1,531,589	-	-
Dilution effect	-	-	-	-
Dividend received	(1,255,218)	(1,050,049)	-	-
Share of OCI from from Equity-accounted	(12,389)	84,554	-	-
Additional investment in joint venture	(1,000,000)	(1,099,036)	(1,000,000)	(1,099,036)
(xii) Additional investment in subsidiaries				
Opening balance	-	-	945,950	945,950
Less impairment charges	-	-	-	-
Net Asset transfer	-	-	2,069,943	-
Closing balance	-	-	(4,015,893)	(945,950)
Proceeds from the sale of investment property	-	-	(1,000,000)	-
(xiii) Net foreign exchange differences				
Exchange gain	134,483	1,850	134,919	1,850
Exchange loss	(40,330)	(1,825)	(40,330)	(1,825)
Net foreign exchange differences	94,153	25	94,589	25

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35 Subsequent events

On the 10th of March 2021, the parent company, Nigerian Stock Exchange, received final approvals of its demutualised plan from the Securities and Exchange Commission (SEC) and Corporate Affairs Commission (CAC) respectively. A demutualised NSE will enable the stock exchange become a company limited by shares; having share capital or shareholders, a board of directors, management that is distinct and independent from the board and subject to rules and regulations of company operations in Nigeria. The Exchange has been restructured into three entities; the Nigerian Exchange group Plc, which is the holding Company and will continue as the investment arm of the group; NGX Regulation which will carry on the regulatory business and the Nigerian Exchange Limited which will continue the listing and trading business.

The Group considers this approval to be a non-adjusting subsequent event. There were no other events after reporting date requiring adjustment of, or disclosure in, these consolidated and separate financial statements.

36 Restatement of prior year amount

During 2020, the Group discovered that a lease obligation had not been recognised in 2019. The lease obligation amounting to a one-time lease payment of N80million for a 20 year lease term relates to the lease obligation which was due on the sublease agreement on the portion of land in which the Stock Exchange building is situated which required the consideration of IFRS 16 Leases in that year. As a consequence, the land and building, included in the Group's property and equipment and the related lease liabilities have been understated. The depreciation charge on the investment property, interest on lease liabilities and operating expenses have also been understated. The prior year error have been corrected by restating each of the affected financial statement line items for 2019. The following tables summarise the impacts on the Group's consolidated financial statements.

i. Consolidated statement of financial position

		Impact of correction of prior year errors		
31-Dec-19		As previously reported	Adjustments	As restated
<i>In thousands of Naira</i>	Notes			
Total Current Assets		12,081,280		12,081,280
Property and equipment	a	4,309,602	81,750	4,391,352
Others		15,708,646	-	15,708,646
Total Asset		32,099,528	81,750	32,181,278
Lease liabilities	a	1,008	83,734	84,742
Current Tax liabilities	b	47,811	(1,525)	46,286
Deferred tax liabilities	b	201,395	12,365	213,760
Others		3,410,612	-	3,410,612
Total Liabilities		3,660,826	94,574	3,755,400
Accumulated funds		28,060,679	(12,825)	28,047,854
Other reserves		378,024	-	378,024
Total Equity		28,438,703	(12,825)	28,425,878
Total equity and liabilities		32,099,528		32,181,278

ii. Consolidated statement of profit or loss and OCI

31-Dec-19		As previously reported	Adjustments	As restated
<i>In thousands of Naira</i>				
Operating expenses	a	(2,777,924)	(422)	(2,778,345)
Depreciation	a	(384,003)	(1,562)	(385,565)
Income tax expense	b	(30,925)	(10,841)	(41,766)
Others		5,494,649	-	5,494,649
Operating Surplus before tax	c	2,301,798	(12,825)	2,288,973
Total comprehensive income		2,521,150	(12,825)	2,508,325


iii. Consolidated statement of cashflow

31-Dec-19		As previously reported	Adjustments	As restated
<i>In thousands of Naira</i>				
Surplus after tax	c	2,270,873	(12,825)	2,258,048
Income tax expense	a	30,925	10,841	41,766
Interest on lease liabilities	b	3,029	422	3,451
others		(1,496,977)	-	(1,496,977)
Operating cash flow		807,850		807,850

a. The lease liabilities were impacted with the recognition of ROU asset and related lease liabilities while the operating expense and depreciation were impacted with the interest expense and depreciation arising from the recognition of ROU asset respectively

b. Tax expense was restated

c. The overall impact of the restatement on the statement of comprehensive



OTHER NATIONAL DISCLOSURES

Value Added Statement

For The Year Ended 31 December 2020

<i>In thousands of naira</i>	Group 2020	%	Group 2019	%
Gross earnings	8,022,451		9,314,948	
Bought in materials and services - local	(2,223,440)		(2,777,924)	
Impairment	(60,409)		(63,990)	
Value added	5,738,602	100	6,473,034	100
DISTRIBUTION				
EMPLOYEES AND DIRECTORS				
Personnel expenses	3,240,385	56	3,694,465	57
GOVERNMENT				
Income tax expense	70,266	1	30,925	0
RETAINED IN THE BUSINESS				
For Depreciation and Amortization	588,956	10	476,771	7
To augment reserves	1,838,994	33	2,270,873	36
	5,738,602	100	6,473,034	100
<i>In thousands of naira</i>	Exchange 2020	%	Exchange 2019	%
Gross earnings	7,116,474		8,592,037	
Bought in materials and services - local	(2,166,339)		(2,760,945)	
Reversal/ (Provision) for losses	(34,443)		(82,821)	
	4,915,693	100	5,748,271	100
DISTRIBUTION				
EMPLOYEES AND DIRECTORS				
Personnel expenses	3,240,385	66	3,694,465	64
GOVERNMENT				
Tax expense	-	-	-	-
RETAINED IN THE BUSINESS				
For Depreciation and Amortization	613,230	12	529,954	9
To augment reserves	1,062,078	22	1,523,852	27
	4,915,693	100	5,748,271	100

Five Year Financial Summary

STATEMENT OF FINANCIAL POSITION For The Year Ended 31 December 2020

	Group 31 Dec 2020	Group 31 Dec 2019 <i>Restated*</i>	Group 31 Dec 2018	Group 31 Dec 2017	Group 31 Dec 2016
<i>In thousands of naira</i>					
ASSETS					
Cash and cash equivalents	6,988,063	4,416,040	2,810,873	3,566,350	1,618,691
Trade and other receivables	862,045	229,550	1,282,058	1,090,933	200,907
Prepayment	152,032	301,827	291,787	221,682	734,166
Investment securities	2,768,959	7,133,863	7,688,773	6,134,672	6,166,241
Non current Asset held-for-sale	-	-	-	-	1,144,400
Total current assets	10,771,098	12,081,280	12,073,491	11,013,637	9,864,405
Investment securities	7,414,186	4,761,505	2,604,247	1,994,095	1,944,651
Investment properties under construction	-	-	1,144,400	1,144,400	-
Investment in associates	12,425,595	10,689,986	9,024,856	7,998,012	7,029,661
Property and equipment	4,253,760	4,391,352	3,914,072	4,026,520	3,667,187
Intangible assets	241,932	257,155	309,030	512,713	287,722
Total non-current assets	24,335,474	20,099,998	16,996,605	15,675,740	12,929,221
Total assets	35,106,572	32,181,278	29,070,096	26,689,377	22,793,626
LIABILITIES					
Other liabilities	2,545,745	2,661,043	2,063,366	2,779,242	2,472,686
Current tax liabilities	89,095	46,286	171,225	145,400	285,657
Defined-contribution pension	38,484	-	-	26,651	26,228
Total current liabilities	2,673,323	2,707,329	2,234,591	2,951,293	2,784,571
Retirement benefit obligation	544,582	477,034	368,344	195,064	187,589
Provisions	373,543	357,276	357,276	267,767	267,767
Deferred tax liabilities	238,882	213,761	192,332	144,753	165,379
Total non current liabilities	1,157,007	1,048,071	917,952	607,584	620,735
Total liabilities	3,830,330	3,755,400	3,152,543	3,558,877	3,405,306
EQUITY					
Accumulated funds	31,276,242	28,425,878	25,917,553	23,130,500	19,388,320
Total equity	31,276,242	28,425,878	25,917,553	23,130,500	19,388,320
Total equity and liabilities	35,106,572	32,181,278	29,070,096	26,689,377	22,793,626
INCOME STATEMENT					
<i>In thousands of naira</i>					
Revenue	3,769,352	4,954,435	4,822,617	5,872,096	2,555,679
Revenue	3,769,352	4,954,435	4,822,617	5,872,096	2,555,679
Other income	2,249,881	2,828,923	2,848,871	2,431,200	1,902,176
Impairment loss on assets	(60,409)	(63,990)	(50,364)	(49,574)	(156,412)
Fair value (losses)/gain on investment securities	-	-	-	-	-
Personnel expenses	(3,240,385)	(3,694,465)	(3,066,896)	(2,866,324)	(2,655,547)
Operating expenses	(2,223,440)	(2,778,345)	(2,471,201)	(2,324,029)	(1,956,014)
Net operating expenses	(3,274,353)	(3,707,877)	(2,739,591)	(2,808,727)	(2,865,797)
Operating surplus/(deficit)	(93,957)	768,225	1,502,424	2,548,066	(802,772)
Share of profit of equity accounted investees (net of income tax)	2,003,217	1,531,589	1,302,603	1,267,264	869,372
Operating surplus/(deficit) before tax	1,909,260	2,299,814	2,805,027	3,815,330	66,600
Income tax expense	(70,266)	(41,766)	(101,583)	(23,536)	(39,148)
Operating Surplus after tax	1,838,994	2,258,048	2,703,444	3,791,794	27,452

*The comparative information is restated on account of correction of prior year amount. See Note 36

Five Year Financial Summary

STATEMENT OF FINANCIAL POSITION

For The Year Ended 31 December 2020

<i>In thousands of naira</i>	Exchange 31 Dec 2020	Exchange 31 Dec 2019	Exchange 31 Dec 2018	Exchange 31 Dec 2017	Exchange 31 Dec 2016
ASSETS					
Cash and cash equivalents	5,562,994	4,307,178	2,606,461	3,268,116	1,339,544
Trade and other receivables	847,600	200,383	1,172,910	986,698	150,906
Intercompany receivables	728,434	868,671	2,052,107	2,781,324	2,595,044
Prepayment	149,494	301,802	218,637	221,682	737,263
Investment securities	2,768,959	6,943,867	7,688,734	6,134,672	5,784,890
Total current assets	10,057,482	12,621,901	13,738,849	13,392,492	10,607,647
Investment securities	5,938,801	4,305,438	2,340,632	1,710,004	1,698,099
Investment in associates	3,157,340	2,157,340	1,058,304	450,304	450,304
Investment in subsidiaries	4,015,893	945,950	945,950	946,450	1,196,450
Property and equipment	397,780	2,255,227	1,836,427	1,932,814	1,685,626
Intangible assets	-	252,520	304,394	508,077	283,086
Total non-current assets	13,509,814	9,916,475	6,485,707	5,547,649	5,313,565
Total assets	23,567,296	22,538,376	20,224,556	18,940,141	15,921,212
Other liabilities	2,562,764	2,722,988	2,051,419	2,531,480	2,127,724
Current tax liabilities	-	-	-	-	-
Defined-contribution pension	38,484	-	-	26,651	26,228
Total current liabilities	2,601,247	2,722,988	2,051,419	2,558,131	2,153,952
LIABILITIES					
Retirement benefit obligation	544,582	477,034	368,344	195,064	187,589
Provisions	373,543	357,276	357,276	267,767	267,767
Total non current liabilities	918,125	834,310	725,620	462,831	455,356
Total liabilities	3,519,372	3,557,298	2,777,038	3,020,962	2,609,308
EQUITY					
Accumulated funds	20,047,924	18,981,079	17,447,517	15,919,179	13,311,904
Total equity	20,047,924	18,981,079	17,447,517	15,919,179	13,311,904
Total equity and liabilities	23,567,296	22,538,376	20,224,556	18,940,141	15,921,212
INCOME STATEMENT					
<i>In thousands of naira</i>	Exchange 31 Dec 2020	Exchange 31 Dec 2019	Exchange 31 Dec 2018	Exchange 31 Dec 2017	Exchange 31 Dec 2016
Revenue	3,655,061	4,863,461	4,700,579	5,758,128	2,555,679
Revenue	3,655,061	4,863,461	4,700,579	5,758,128	2,555,679
Other income	3,461,413	3,728,576	3,575,043	2,643,845	2,081,171
Impairment loss on assets	(34,443)	(82,821)	(52,840)	(69,659)	(121,094)
Fair value (losses)/gain on investment securities	-	-	-	-	-
Personnel expenses	(3,240,385)	(3,694,465)	(3,066,895)	(2,866,324)	(2,655,548)
Operating expenses	(2,166,339)	(2,760,945)	(2,431,748)	(2,363,350)	(2,014,225)
Net operating expenses	(1,979,754)	(2,809,656)	(1,976,441)	(2,655,488)	(2,709,696)
Operating (deficit)/surplus	1,675,307	2,053,806	2,724,138	3,102,640	(154,017)
Operating Surplus before tax	1,062,078	1,523,852	2,196,884	2,634,954	(599,135)
Income tax expense	-	-	-	-	-
Operating Surplus after tax	1,062,078	1,523,852	2,196,884	2,634,954	(599,135)

Complaints Management

A total of one hundred and one (101) complaints were received in 2020 out of which seventy-seven (77) complaints representing 76% were successfully resolved. Twenty-four (24) complaints received in 2020 are yet to be resolved (18 against Active Firms, 6 against Inactive Firms).

In addition, of the seventy-six (76) unresolved complaints brought forward from 2019, a total of thirty-two (32) complaints representing 42% were resolved with an outstanding of forty-four (44) unresolved complaints bringing the total unresolved complaints as at 31 December 2020 to 68. It is important to note that the unresolved complaints brought forward from 2020 reduced by 11% when compared to unresolved complaints brought forward from 2019. 58% of the unresolved complaints are complaints against inactive Trading License Holders which were still undergoing disciplinary actions at various stages of The Exchange's disciplinary process as at 31 December 2020.

Table 1. Complaints Statistics

Complaints	Received/ brought forward	Resolved	% of Resolved to Total	Unresolved	% of Unresolved to Total
Complaints brought forward from 2019	76	32	42%	44	58%
2020 complaints	101	77	76%	24	24%
Total as at 31 December 2020	177	109	62%	68	38%

INVESTIGATION PANEL

The Investigation Panel (IP) successfully held three (3) hearings in spite of the disruption of the Coronavirus Pandemic in 2020, (10 March 2020, 22 July 2020 and 8 December 2020 respectively). Two (2) of these hearings were virtual hearings and parties were able to fully participate in the virtual hearings and their disputes were resolved without delays/disruptions.

Five (5) cases were brought forward from 2019, while two (2) cases were referred from the Complaints Registry and Market Surveillance & Investigations Department in 2020, bringing the total cases before the Investigation Panel to seven (7). Three (3) out of the seven (7) cases were resolved while three (3) are pending before the Investigation Panel and one (1) was referred to the Regulation Committee.

Table 1. Complaints Statistics

Complaints referred to the IP in 2020	Number of complaints resolved by the IP in 2020	Number of cases pending before the IP as at 31 December 2020	Number of cases referred to the Regulation Committee of Council
7	3	3	1

INVESTORS' PROTECTION FUND

A total of one thousand and forty-four (1,044) investors' claims were referred by The Exchange to the IPF as at 31 December 2020, out of which eight hundred and seventy-six (876) claims have been successfully verified while one hundred and sixty-eight (168) claims are yet to be verified. A total of three hundred and fifty (350) claimants have been compensated by the IPF as at 31 December 2020 while a total of two hundred and seventy (270) claims were approved as abandoned claims. ¹

Table 3: Investors' Protection Fund 2020

Total No. of claims referred to the IPF	Total No. of claims verified under BOT approved methodology	Total No. of claims yet to be verified	Total number of claims approved for compensation (2015-2020)	Total number of claimants compensated (2015-2020)	Total number of approved claimants yet to be compensated (2015- 2020) ²	Total number of abandoned claims
1044	876	168	436	350	86	270

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

² The approved 85 Claimants are yet to be compensated due to the non-submission of their executed indemnity and subrogation document in favour of the IPF.

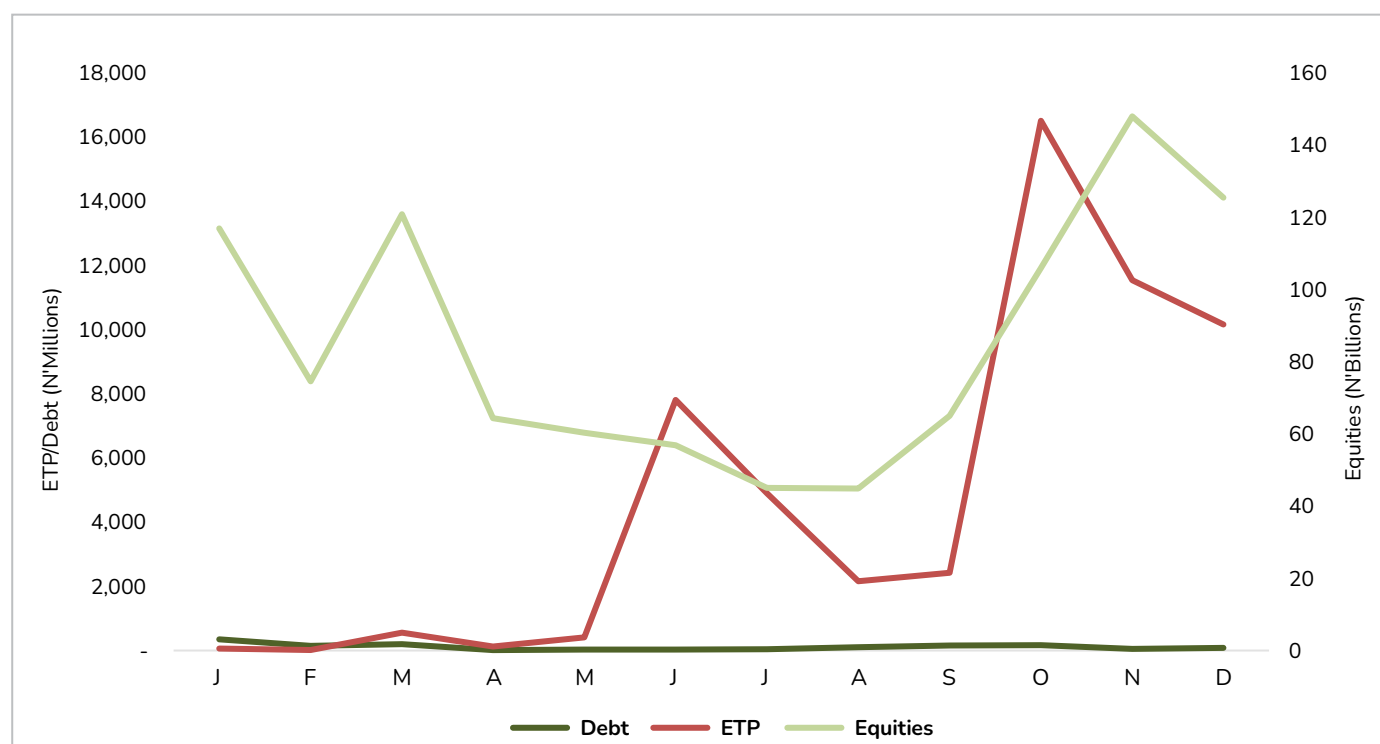
All Share Index 2020

Month	High	Low	Average	Closing
J	29,710.56	26,867.79	28,947.96	28,843.53
F	28,533.40	26,216.46	27,604.12	26,216.46
M	26,426.20	21,300.47	23,362.19	21,300.47
A	23,021.01	20,669.38	22,094.95	23,021.01
M	25,267.82	23,089.86	24,264.29	25,267.82
J	25,407.96	24,479.22	24,999.45	24,479.22
J	24,783.61	24,026.05	24,335.16	24,693.73
A	25,330.10	24,766.12	25,124.31	25,327.13
S	26,831.76	25,413.95	25,760.88	26,831.76
O	30,530.69	26,985.77	28,591.80	30,530.69
N	35,342.46	30,479.39	33,467.89	35,042.14
D	40,270.72	34,250.74	36,414.23	40,270.72



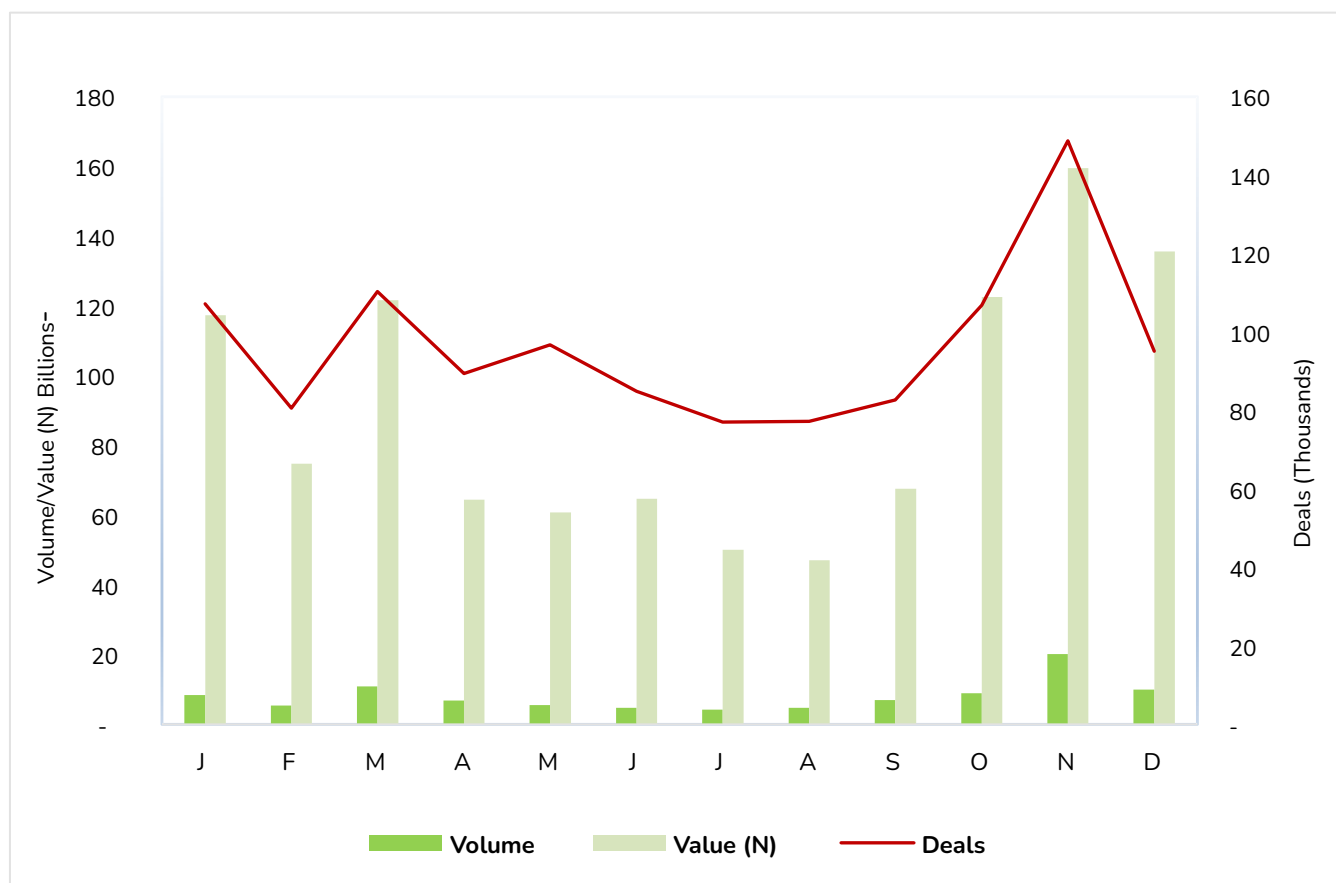
Monthly Trading Activities By Value(N) - 2020

Month	Debt	ETPs	Equities	Total
J	348,130,784	60,353,802	116,944,125,925	117,352,610,511
F	146,954,521	15,841,622	74,591,507,871	74,754,304,013
M	201,538,791	560,790,579	120,844,755,811	121,607,085,180
A	12,487,785	122,381,937	64,306,513,761	64,441,383,483
M	30,709,536	410,736,781	60,322,500,199	60,763,946,516
J	28,032,324	7,811,645,456	56,890,884,960	64,730,562,741
J	39,116,874	4,902,547,185	45,066,064,759	50,007,728,819
A	105,777,126	2,155,896,134	44,866,394,605	47,128,067,865
S	151,503,607	2,424,110,041	65,017,498,558	67,593,112,206
O	168,732,106	16,506,742,799	105,932,675,700	122,608,150,606
N	52,623,231	11,536,985,773	147,949,982,370	159,539,591,374
D	80,160,005	10,154,029,247	125,440,047,213	135,674,236,465
	1,365,766,691	56,662,061,355	1,028,172,951,731	1,086,200,779,777



Summary Of Trading Activities, January To December, 2020

Month	Deals	Volume	Value (N)
J	107,234	8,441,052,568	117,352,610,511
F	80,636	5,436,129,505	74,754,304,013
M	110,307	10,922,663,430	121,607,085,180
A	89,426	6,791,102,796	64,441,383,483
M	96,713	5,561,982,206	60,763,946,516
J	84,867	4,802,298,108	64,730,562,741
J	77,067	4,212,804,305	50,007,728,819
A	77,209	4,716,970,878	47,128,067,865
S	82,679	6,912,401,789	67,593,112,206
O	106,868	8,971,881,307	122,608,150,606
N	148,761	20,209,300,470	159,539,591,374
D	95,102	9,981,761,101	135,674,236,465
	1,156,869	96,960,348,463	1,086,200,779,777



Summary Of Trading Activities By Category

January To March 2020

SECTOR	JANUARY		FEBRUARY		MARCH	
	VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
Equity						
ASeM						
CONGLOMERATES	5	13	1,864	4,679	553	1,388
CONSTRUCTION/REAL ESTATE	60	19	600	186	-	-
CONSUMER GOODS	1,098,740	504,508	167,845	62,969	-	-
FINANCIAL SERVICES	-	-	-	-	-	-
OIL AND GAS	3,440	928	1,045	1,421	555,095	111,019
SERVICES	61,149	42,903	600	420	93,405.00	126,151
Sub Total	1,163,394	548,370	171,954	69,675	649,053	238,558
Main Board						
AGRICULTURE	49,330,319	1,216,434,556	22,530,918	240,364,905	23,084,741	404,873,726
CONGLOMERATES	501,817,220	1,645,886,090	288,007,443	979,384,158	292,477,806	550,020,421
CONSTRUCTION/REAL ESTATE	33,120,172	529,394,399	28,545,762	431,025,998	35,455,237	471,393,821
CONSUMER GOODS	378,608,198	9,345,702,115	267,958,600	11,187,139,566	335,043,692	18,223,652,528
FINANCIAL SERVICES	2,756,674,207	20,746,705,130	2,243,268,021	25,203,018,428	3,769,567,001	41,516,048,038
HEALTHCARE	572,102,865	351,045,392	35,928,035	97,441,150	49,569,729	117,561,103
ICT	159,979,586	200,284,866	75,028,736	133,166,558	175,749,362	53,584,235
INDUSTRIAL GOODS	173,298,810	2,590,417,958	31,979,184	796,676,295	217,355,143	325,475,618
NATURAL RESOURCES	29,614,096	31,388,436	1,048,651	2,845,331	848,302	416,308
OIL AND GAS	142,581,115	832,821,395	161,770,854	479,217,246	140,393,906	706,488,339
SERVICES	116,830,022	285,379,745	77,647,841	196,774,966	248,070,374	620,590,293
Sub Total	4,913,956,610	37,775,460,081	3,233,714,045	39,747,054,603	5,287,615,293	62,990,104,430
Premium Board						
FINANCIAL SERVICES	3,118,482,353	40,738,698,913	2,073,204,172	25,831,624,220	5,441,416,171	47,280,209,914
INDUSTRIAL GOODS	248,155,995	10,822,478,516	64,748,176	4,769,600,132	124,977,662	5,299,488,625
ICT	128,987,048	15,453,109,283	34,034,919	3,927,332,315	43,732,754	4,334,153,230
OIL AND GAS	20,396,327	12,117,326,987	148,838	81,069,082	1,600,046	870,624,871
Sub Total	3,516,021,723	79,131,613,700	2,172,136,105	34,609,625,749	5,611,726,633	57,784,476,641
REIT/CEP Board						
CONSTRUCTION/REAL ESTATE	9,549,840	36,498,804	29,966,656	234,700,192	22,394,231	69,575,847
FINANCIAL SERVICES	10	4,970	116	57,652	680	360,335
Sub Total	9,549,850	36,503,774	29,966,772	234,757,844	22,394,911	69,936,182
Equity Total	8,440,691,577	116,944,125,925	5,435,988,876	74,591,507,871	10,922,385,890	120,844,755,811
Debt						
CORPORATE BONDS/DEBENTURES	-	-	-	-	-	-
GOVERNMENT BONDS - STATE AND LOCAL	-	-	556	588,797	-	-
GOVERNMENT BONDS - FEDERAL	305,705	348,130,784	125,403	146,365,723	178,771	201,538,791
SUPRANATIONAL BONDS	-	-	-	-	-	-
Sub Total	305,705	348,130,784	125,959	146,954,521	178,771	201,538,791
Exchange Traded Products						
ETP	55,286	60,353,802	14,670	15,841,622	98,769	560,790,579
Sub Total	55,286	60,353,802	14,670	15,841,622	98,769	560,790,579
Grand Total	8,441,052,568	117,352,610,511	5,436,129,505	74,754,304,013	10,922,663,430	121,607,085,180



Summary Of Trading Activities By Category

April To June 2020

SECTOR	APRIL		MAY		JUNE	
	VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
Equity						
ASeM						
CONGLOMERATES	1,763	4,425	-	-	193,260	485,083
CONSTRUCTION/REAL ESTATE	120	37	-	-	-	-
CONSUMER GOODS	3,030	1,515	1,750,127	786,985	146,400	74,697
FINANCIAL SERVICES	1,400,000,000	770,250,000	-	-	-	-
OIL AND GAS	330,305	66,061	83,302	16,660	115,070	23,014
SERVICES	1,072	1,458	20,420	27,771	10,429	14,098
Sub Total	1,400,336,290	770,323,496	1,853,849	831,416	465,159	596,892
Main Board						
AGRICULTURE	28,656,295	88,691,050	17,230,590	489,880,930	28,523,065	960,966,322
CONGLOMERATES	184,369,250	340,988,012	229,219,099	663,336,582	179,908,900	535,221,191
CONSTRUCTION/REAL ESTATE	25,263,743	521,637,861	24,605,615	565,966,070	31,160,465	161,693,912
CONSUMER GOODS	206,186,015	11,658,900,505	260,727,784	7,864,473,769	429,602,454	11,975,690,377
FINANCIAL SERVICES	1,787,288,702	17,742,777,293	1,887,863,368	15,565,102,853	1,875,780,672	15,483,920,553
HEALTHCARE	94,358,769	437,993,321	186,718,323	786,923,936	110,664,360	396,567,714
ICT	72,240,648	30,956,327	34,803,079	35,353,191	112,275,814	186,327,624
INDUSTRIAL GOODS	14,869,538	301,208,307	25,041,869	538,986,315	15,473,627	388,656,677
NATURAL RESOURCES	667,192	1,398,175	1,453,131	2,508,634	12,320,518	7,553,424
OIL AND GAS	64,821,287	373,164,392	103,565,400	592,435,858	291,585,204	657,872,633
SERVICES	62,669,910	127,080,958	141,187,478	354,361,512	280,655,066	648,993,139
Sub Total	2,541,391,349	31,624,796,200	2,912,415,736	27,459,329,649	3,367,950,145	31,403,463,567
Premium Board						
FINANCIAL SERVICES	2,563,073,098	19,211,910,701	2,399,340,282	20,898,418,230	1,270,763,168	11,140,510,622
ICT	36,513,161	3,634,678,324	39,762,546	4,587,943,108	35,329,823	4,128,174,546
INDUSTRIAL GOODS	241,991,201	8,719,115,489	201,446,845	7,289,561,525	123,012,386	9,528,115,760
OIL AND GAS	691,074	334,063,853	141,470	62,353,386	1,674,162	682,150,940
Sub Total	2,842,268,534	31,899,768,367	2,640,691,143	32,838,276,249	1,430,779,539	25,478,951,867
REITCF Board						
CONSTRUCTION/REAL ESTATE	3,496,132	11,502,027	6,671,881	24,047,423	1,685,044	7,765,207
FINANCIAL SERVICES	221	123,670	28	15,462	180	107,426
Sub Total	3,496,353	11,625,697	6,671,909	24,062,885	1,685,224	7,872,633
Equity Total	6,787,492,526	64,306,513,761	5,561,632,637	60,322,500,199	4,800,880,067	56,890,884,960
Debt						
CORPORATE BONDS/DEBENTURES	-	-	-	-	-	-
GOVERNMENT BONDS - STATE AND LOCAL	-	-	-	-	-	-
GOVERNMENT BONDS - FEDERAL	11,033	12,487,785	28,350	30,709,536	26,211	28,032,324
SUPRANATIONAL BONDS	-	-	-	-	-	-
Sub Total	11,033	12,487,785	28,350	30,709,536	26,211	28,032,324
Exchange Traded Products						
ETP	3,599,237	122,381,937	321,219	410,736,781	1,391,830	7,811,645,456
Sub Total	3,599,237	122,381,937	321,219	410,736,781	1,391,830	7,811,645,456
Grand Total	6,791,102,796	64,441,383,483	5,561,982,206	60,763,946,516	4,802,298,108.00	64,730,562,741

Summary Of Trading Activities By Category

July To September 2020

ASeM	JULY		AUGUST		SEPTEMBER	
	VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
Equity						
ASeM						
CONGLOMERATES	186	467	31,819	79,750	3,600	8,212
CONSTRUCTION/REAL ESTATE	-	-	1,890	416	-	-
CONSUMER GOODS	11,443	5,674	91,012	46,386	350,000	158,070
FINANCIAL SERVICES	76,304	15,341	-	-	-	-
OIL AND GAS	-	-	16,534	3,307	200	60
SERVICES	2,926	2,092	1,095,808	765,282	11,076,952	6,666,342
Sub Total	90,859	23,574	1,237,063	895,140	11,430,752	6,832,684
Main Board						
AGRICULTURE	23,022,150	318,860,282	94,394,028	2,988,319,466	44,717,642	1,094,711,701
CONGLOMERATES	305,303,326	955,000,988	796,344,612	2,146,633,702	331,359,089	435,684,698
CONSTRUCTION/REAL ESTATE	24,223,237	295,940,883	33,543,020	114,986,409	981,453,514	867,209,926
CONSUMER GOODS	346,809,432	7,846,728,418	345,404,786	6,702,800,937	269,852,987	5,055,632,735
FINANCIAL SERVICES	1,802,191,408	9,615,492,174	1,583,264,694	12,045,985,656	2,499,443,585	15,246,457,329
HEALTHCARE	59,924,095	212,747,852	66,839,857	215,501,684	49,329,856	133,076,860
ICT	53,237,263	807,071,909	90,257,339	368,233,534	90,991,016	581,246,401
INDUSTRIAL GOODS	24,357,228	648,137,145	50,246,580	889,617,795	33,362,541	439,979,156
NATURAL RESOURCES	50,801,685	11,206,233	695,682	2,864,886	2,617,532	3,885,719
OIL AND GAS	165,291,361	488,460,146	105,482,142	595,978,669	100,520,472	630,571,570
SERVICES	58,317,131	122,595,136	63,229,793	125,653,104	78,946,313	159,617,083
Sub Total	2,913,478,316	21,322,241,166	3,229,702,533	26,196,575,841	4,482,594,547	24,648,073,178
Premium Board						
FINANCIAL SERVICES	1,051,125,958	8,775,940,003	1,349,141,717	12,322,746,977	2,146,066,186	20,963,528,394
ICT	73,386,875	8,519,236,654	19,085,149	2,265,865,026	89,765,220	10,875,853,391
INDUSTRIAL GOODS	140,473,090	5,169,805,363	111,791,194	2,909,199,231	177,884,893	7,242,057,701
OIL AND GAS	3,554,915	1,171,704,058	2,165,765	788,663,442	3,225,161	1,277,721,652
Sub Total	1,268,540,838	23,636,686,078	1,482,183,825	18,286,474,675	2,416,941,460	40,359,161,138
REIT/CEF Board						
CONSTRUCTION/REAL ESTATE	29,824,583	107,113,941	195,765	7,044,513	821,208	3,290,481
FINANCIAL SERVICES	-	-	3,255,606	375,404,436	263	141,077
Sub Total	29,824,583	107,113,941	3,451,371	382,448,949	821,471	3,431,558
Equity Total	4,211,934,596	45,066,064,759	4,716,574,792	44,866,394,605	6,911,788,230	65,017,498,558
Debt						
CORPORATE BONDS/DEBENTURES	-	-	-	-	-	-
GOVERNMENT BONDS - STATE AND LOCAL	-	-	-	-	-	-
GOVERNMENT BONDS - FEDERAL	30,921	39,116,874	94,217	105,777,126	129,925	151,503,607
SUPRANATIONAL BONDS	-	-	-	-	-	-
Sub Total	30,921	39,116,874	94,217	105,777,126	129,925	151,503,607
Exchange Traded Products						
ETP	838,788	4,902,547,185	301,869	2,155,896,134	483,634	2,424,110,041
Sub Total	838,788	4,902,547,185	301,869	2,155,896,134	483,634	2,424,110,041
Grand Total	4,212,804,305.00	50,007,728,819	4,716,970,878	47,128,067,865	6,912,401,789	67,593,112,206

Summary Of Trading Activities By Category

October To December 2020

SECTOR	OCTOBER		NOVEMBER		DECEMBER	
	VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
Equity						
Growth						
CONGLOMERATES	-	-	-	-	15,335	34,662
CONSTRUCTION/REAL ESTATE	-	-	-	-	-	-
CONSUMER GOODS	-	-	-	-	106,000	54,360
FINANCIAL SERVICES	-	-	-	-	-	-
OIL AND GAS	-	-	-	-	-	-
SERVICES	-	-	-	-	811,496	422,053
Sub Total	-	-	-	-	932,831	511,075
ASeM						
CONGLOMERATES	11,940	29,053	520	1,282	-	-
CONSTRUCTION/REAL ESTATE	11,500	2,530	-	-	-	-
CONSUMER GOODS	3,000	1,530	134,050	62,299	-	-
FINANCIAL SERVICES	632,770	379,705	139,500,000	83,700,000	-	-
OIL AND GAS	112,000	30,240	-	-	-	-
SERVICES	24,649	13,718	11,052	6,303	-	-
Sub Total	795,859	456,776	139,645,622	83,769,885	-	-
Main Board						
AGRICULTURE	23,645,154	283,335,097	123,356,552	1,242,969,991	159,060,261	511,983,087
CONGLOMERATES	425,302,361	776,155,856	1,216,416,609	1,726,237,944	323,987,657	568,303,853
CONSTRUCTION/REAL ESTATE	57,565,110	241,699,582	8,595,228,798	6,324,820,665	21,035,975	121,163,004
CONSUMER GOODS	422,312,024	8,000,481,996	828,834,302	18,407,199,750	612,250,875	13,646,852,779
FINANCIAL SERVICES	3,074,549,437	34,013,984,465	3,734,464,465	29,604,150,872	4,095,694,088	19,814,035,252
HEALTHCARE	89,441,861	363,016,779	165,601,561	873,962,921	69,261,472	198,893,942
ICT	45,867,041	352,529,456	112,333,427	1,589,198,058	75,708,343	3,718,635,576
INDUSTRIAL GOODS	64,368,760	1,514,634,252	90,962,922	3,261,638,119	103,672,590	3,809,569,386
NATURAL RESOURCES	833,156	3,332,689	88,555,784	31,127,465	7,194,892	14,916,609
OIL AND GAS	351,522,049	1,831,622,553	323,776,267	1,714,424,189	371,400,368	1,384,869,648
SERVICES	145,554,043	291,910,156	142,991,861	288,525,898	185,063,872	469,367,103
Sub Total	4,700,960,996	47,672,702,882	15,422,522,548	65,064,255,873	6,024,330,393	44,258,590,239
Premium Board						
FINANCIAL SERVICES	3,975,840,699	44,959,688,610	4,272,328,342	56,418,101,606	3,620,954,809	40,320,246,889
ICT	33,902,887	4,733,012,693	62,388,536	9,694,460,719	88,161,610	14,050,483,467
INDUSTRIAL GOODS	251,372,928	7,936,016,674	308,481,175	16,297,713,828	242,092,608	25,580,040,792
OIL AND GAS	1,049,089	430,432,514	927,698	385,019,644	3,043,110	1,226,374,373
Sub Total	4,262,165,603	58,059,150,491	4,644,125,751	82,795,295,797	3,954,252,137	81,177,145,522
REITCEF Board						
CONSTRUCTION/REAL ESTATE	5,378,978	200,305,912	1,201,539	6,653,794	301,731	3,800,377
FINANCIAL SERVICES	108	59,639	13	7,022	-	-
Sub Total	5,379,086	200,365,551	1,201,552	6,660,816	301,731	3,800,377
Equity Total	8,969,301,544	105,932,675,700	20,207,495,473	147,949,982,370	9,979,817,092	125,440,047,213
Debt						
CORPORATE BONDS/DEBENTURES	-	-	-	-	-	-
GOVERNMENT BONDS - STATE AND LOCAL	-	-	-	-	-	-
GOVERNMENT BONDS - FEDERAL	127,673	168,732,106	40,474	52,623,231	69,738	80,160,005
SUPRANATIONAL BONDS	-	-	-	-	-	-
Sub Total	127,673	168,732,106	40,474	52,623,231	69,738	80,160,005
Exchange Traded Products						
ETP	2,452,090	16,506,742,799	1,764,523	11,536,985,773	1,874,271	10,154,029,247
Sub Total	2,452,090	16,506,742,799	1,764,523	11,536,985,773	1,874,271	10,154,029,247
Grand Total	8,971,881,307	122,608,150,606	20,209,300,470	159,539,591,374	9,981,761,101	135,674,236,465

Comparative Trading Activities (1961 - 1995)

PERIOD	GOVT. BONDS STOCKS (N)	INDUSTRIAL/ EQUITIES (N)	TOTAL (N)
1961/62	4,123,270	246,730	4,370,000
1962/63	7,876,290	616,192	8,492,482
1963/64	11,467,380	1,039,036	12,506,416
1964/65	13,692,680	2,450,924	16,143,604
1965/66	15,724,800	1,121,630	16,846,430
1966/67	11,704,060	675,616	12,379,676
1967/68	12,607,120	279,856	12,886,976
1968/69	17,330,820	102,294	17,433,114
1969/70	15,634,480	221,800	15,856,280
1970/71	30,544,260	3,080,100	33,624,360
1971/72	26,738,800	1,303,242	28,042,042
1972/73	26,125,520	671,534	26,797,054
1973/74	99,348,520	1,261,995	100,610,515
1974/75	63,664,830	549,322	64,214,152
1975/76	80,634,830	788,853	81,423,683
1976/77	153,849,760	2,271,990	156,121,750
1977/78	226,961,915	3,045,040	230,006,955
1978/79	143,500,740	1,987,401	145,488,141
1979/80	512,034,222	10,816,784	522,851,006
1981	326,178,957	6,119,169	332,298,126
1982	208,215,689	8,188,927	216,404,616
1983	384,870,312	13,000,755	397,871,067
1984	234,115,541	15,702,860	249,818,401
1985	287,840,413	23,264,741	311,105,154
1986	475,846,312	11,986,021	487,832,333
1987	282,251,808	4,045,706	286,297,514
1988	215,829,622	34,485,043	250,314,665
1989	582,430,369	71,129,746	653,560,115
1990	172,801,696	133,540,209	306,341,905
1991	92,675,151	141,864,629	234,539,780
1992	85,020,960	406,547,508	491,568,468
1993	84,258,773	577,796,580	662,055,353
1994	15,202,218	970,679,018	985,881,236
1995	0	1,838,838,622	1,838,838,622

NOTE:

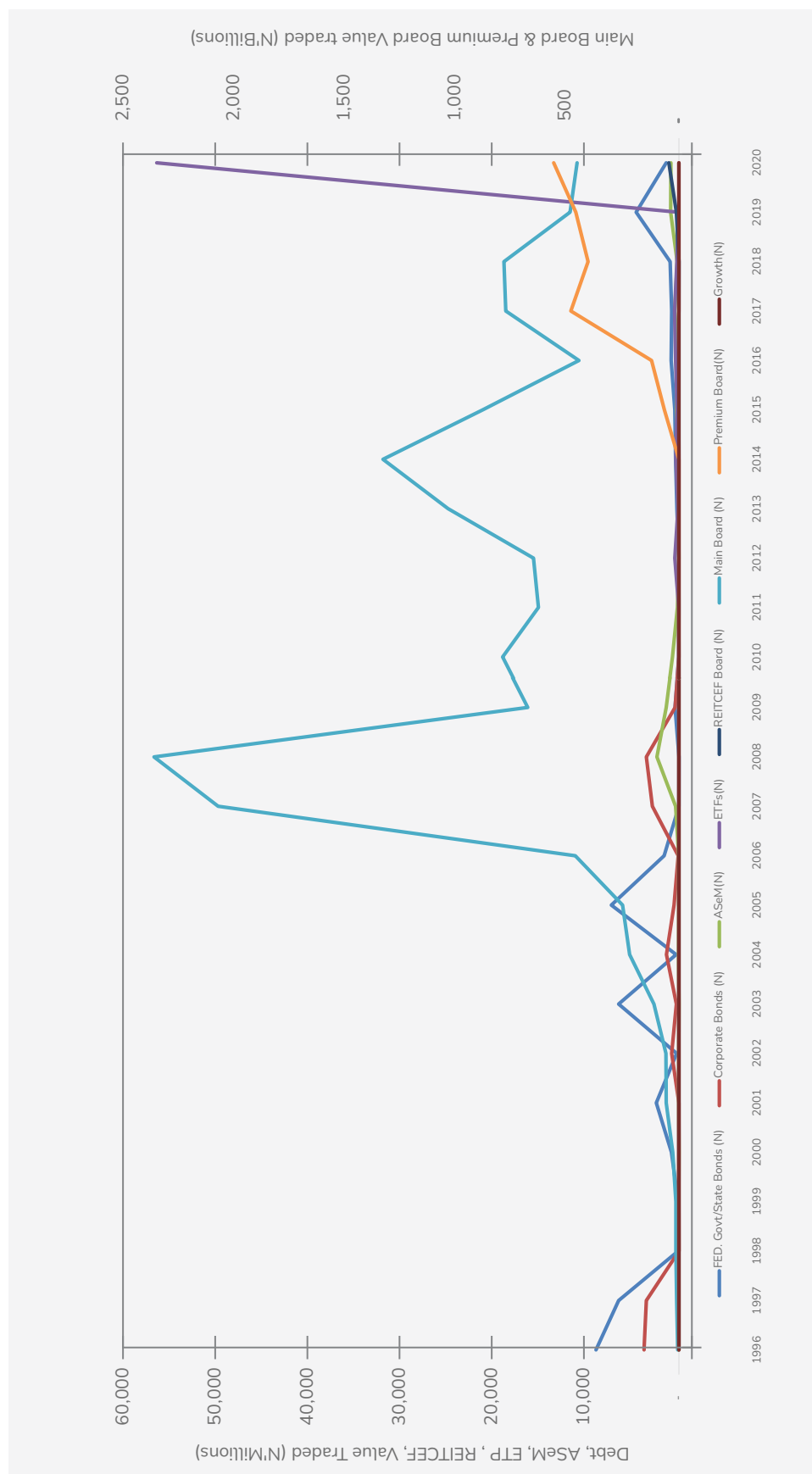
Government Bonds Stocks include Federal Government Bonds, State Government Bonds and Local Government Bonds.

Industrial/Equities include Corporate Bonds, Preference Shares, Debenture Stocks and Equities.

Comparative Trading Activities (1996 - 2020)

Period	FED. Govt/State Bonds (N)	Corporate Bonds (N)	ASem(N)	ETFs(N)	Main Board (N)	Premium Board(N)	REIT/CEP Board (N)	Growth(N)	Total (N)
1996	8,996,877,700	3,782,103,912	2,858,984	-	5,258,331,683	-	-	-	18,040,172,278
1997	6,524,606,324	3,536,832,000	3,239,630	-	9,948,505,081	-	-	-	20,013,183,035
1998	71,440,000	147,960	2,922,771	-	13,186,038,803	-	-	-	13,260,549,534
1999	82,712,105	-	9,316,780	-	13,452,357,054	-	-	-	13,544,385,939
2000	812,039,920	-	639,350	-	27,672,922,775	-	-	-	28,485,602,045
2001	2,459,138,100	-	7,007,404	-	57,267,201,602	-	-	-	59,733,347,106
2002	234,564,210	775,000,000	2,377,467	-	59,008,065,070	-	-	-	60,020,006,748
2003	6,547,040,600	269,427,488	838,038	-	112,631,949,046	-	-	-	119,449,255,171
2004	300,015,175	1,346,505,900	53,026,944	-	223,113,447,652	-	-	-	224,812,995,670
2005	7,321,040,000	534,427,625	14,049,966	-	254,166,107,544	-	-	-	262,035,625,135
2006	1,593,360,000	72,000,000	5,278,896	-	468,328,272,368	-	-	-	469,998,911,264
2007	-	2,870,000,000	357,151,465	-	2,083,067,442,226	-	-	-	2,086,294,593,691
2008	1,000,000	3,528,920,000	2,385,901,284	-	2,373,227,878,388	-	-	-	2,379,143,699,672
2009	412,919,530	412,800,000	1,372,257,737	-	683,932,110,964	-	-	-	686,130,088,231
2010	14,138,800	-	702,480,947	-	797,278,998,410	-	-	-	797,995,618,157
2011	-	-	154,673,516	17,115,994	634,745,155,214	-	-	-	634,916,944,724
2012	8239,299	-	-	454,610,693	657,767,439,181	-	-	-	658,230,289,173
2013	203,072,581	-	56,135,813	105,912,235	1,043,258,406,733	-	-	-	1,043,623,527,362
2014	343,850,845	-	18,824,638	325,643,304	1,337,935,995,492	-	-	-	1,338,624,314,279
2015	428,465,117	12,632,983	237,579,669	199,544,057	886,550,794,875	66,038,250,859	-	-	953,467,267,560
2016	852,565,578	194,044,609	80,448,819	352,499,107	451,532,992,033	124,093,262,536	-	-	577,105,812,682
2017	775,782,976	-	454,153,455	467,654,139	782,857,282,887	488,153,667,480	-	-	1,272,708,540,937
2018	949,071,250	-	192,932,476	205,086,396	791,148,906,293	410,873,111,775	1,694,865	-	1,203,370,803,055
2019	4,637,858,995	-	898,271,798	109,111,149	491,595,828,301	465,923,419,018	282,485,373	-	963,446,974,633
2020	1,365,766,691	-	864,586,466	56,662,061,355	460,162,647,710	566,056,626,274	1,088,580,207	511,075	1,086,200,779,777

Debt, ASeM, ETP , REITCEF, Value Traded (N'Millions)



Growth in Securities

Listing Statistics from 1 January 2020 to 31 December 2020

Board/Asset Class	Securities (as at 1 January 2020)	New Listings	Supplementary Listings ¹	Migration	Delisted/Matured/Adjustment	Securities (as at 31 December 2020)	Percentage change (%)
Premium Board	8 companies	-	-	-	-	8	0
Main Board	143 companies	1	13	-	(4)	140	(2.1)
	3 REITs	-	-	-	-	3	0
	2 funds	-	-	-	-	2	0
ASeM Board	9 companies	-	-	(4)	(1)	4	(55.6)
Growth Board	0 companies	-	-	4	-	4	
Bonds	134 bonds	27	25	-	(27)	134	0
ETFs	10 ETFs	2	1	-	-	12	20
Memorandum Listing	51 mutual funds	2	-	-	(1)	52	2
Total	360	32	39	-	(33)	359	(0.3)

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

Main Board:

- One (1) new listing
- Thirteen (13) supplementary listings
- Four (4) companies were delisted from the Main Board of the Daily Official List of The Exchange

ASeM Board:

- Four companies migrated from the ASeM Board to the Growth Board
- One (1) delisting

Bonds:

- Twenty-seven (27) new bond listings
- Twenty-five (25) supplementary bond listings
- Twenty-seven (27) bonds were delisted at their maturity dates from Daily Official List of The Exchange

ETFs

- Two (2) new listings
- One (1) supplementary listing

Memorandum Listings:

- Two (2) new listings
- One (1) delisting

¹ Not included in the computation of the total

Active Dealing Member Firms

As At 31 December 2020

S/N	FIRM	STATUS
1	Absa Securities Nigeria Limited	ACTIVE
2	Afrinvest Securities Limited	ACTIVE
3	Anchoria Investment and Securities Limited	ACTIVE
4	Apel Asset Limited	ACTIVE
5	APT Securities and Funds Limited	ACTIVE
6	ARM Securities Limited	ACTIVE
7	Arthur Stevens Asset Management Limited	ACTIVE
8	Associated Asset Managers Limited	ACTIVE
9	Atlass Portfolio Limited	ACTIVE
10	AVA Securities Limited	ACTIVE
11	Bauchi Investment Corporation Securities Limited	ACTIVE
12	Belfry Investment and Securities Limited	ACTIVE
13	Bestworth Assets and Trust Limited	ACTIVE
14	Calyx Securities Limited	ACTIVE
15	Camry Securities Limited	ACTIVE
16	Capital Asset Limited	ACTIVE
17	Capital Bancorp Plc	ACTIVE
18	Capital Express Securities Limited	ACTIVE
19	Capital Trust Brokers Limited	ACTIVE
20	Cardinal Stone Securities Limited	ACTIVE
21	Cashcraft Securities Limited	ACTIVE
22	Cashville Investment and Securities Limited	ACTIVE
23	CDL Capital Markets Limited	ACTIVE
24	Centre Point Investment Limited	ACTIVE
25	Century Securities Limited	ACTIVE
26	Chapel Hill Denham Securities Limited	ACTIVE
27	Chartwell Securities Limited	ACTIVE
28	Citi Investment Capital Limited	ACTIVE
29	City Code Trust and Investment Company Limited	ACTIVE
30	Compass Investment and Securities Limited	ACTIVE
31	Cordros Securities Limited	ACTIVE
32	Core Securities Limited	ACTIVE
33	Coronation Securities Limited	ACTIVE
34	Cowry Securities Limited	ACTIVE
35	Crossworld Securities Limited	ACTIVE
36	Crown Capital Limited	ACTIVE
37	CSL Stockbrokers Limited	ACTIVE
38	Deep Trust Investment Limited	ACTIVE
39	Delords Securities Limited	ACTIVE
40	Dominion Trust Limited	ACTIVE
41	DSU Brokerage Services Limited	ACTIVE
42	Dunbell Securities Limited	ACTIVE
43	DLM Securities Limited	ACTIVE
44	Dynamic Portfolio Limited	ACTIVE
45	EDC Securities Limited	ACTIVE
46	Edgefield Capital Management Limited	ACTIVE
47	EFG Hermes Nigeria Limited	ACTIVE
48	El-Elyon Alliance and Securities Limited	ACTIVE

S/N	FIRM	STATUS
49	Elixir Securities Limited	ACTIVE
50	Equity Capital Solutions Limited	ACTIVE
51	Eurocomm Securities Limited	ACTIVE
52	Express Portfolio Services Limited	ACTIVE
53	Falcon Securities Limited	ACTIVE
54	FBC Trust and Securities Limited	ACTIVE
55	FBNQuest Securities Limited	ACTIVE
56	FCSL Asset Management Company Limited	ACTIVE
57	Fidelity Finance Company Limited	ACTIVE
58	Financial Trust Company Nigeria Limited	ACTIVE
59	Finmal Finance Services Limited	ACTIVE
60	First Integrated Capital Management Limited	ACTIVE
61	FIS Securities Limited	ACTIVE
62	Foresight Securities and Investment Limited	ACTIVE
63	Forte Financial Limited	ACTIVE
64	Forthright Securities and Investments Limited	ACTIVE
65	Fortress Capital Limited	ACTIVE
66	FSDH Capital Limited	ACTIVE
67	FSL Securities Limited	ACTIVE
68	Funds Matrix and Assets Management Limited	ACTIVE
69	Fundvine Capital and Securities Limited	ACTIVE
70	Futureview Securities Limited	ACTIVE
71	Gem Assets Management Limited	ACTIVE
72	Gidauniya Investment and Securities Limited	ACTIVE
73	Global Asset Management (Nig) Limited	ACTIVE
74	GlobalView Capital Limited	ACTIVE
75	Golden Securities Limited	ACTIVE
76	Greenwich Securities Limited	ACTIVE
77	Growth & Development Asset Management Limited	ACTIVE
78	Gruene Capital Limited	ACTIVE
79	GTI Securities Limited	ACTIVE
80	Harmony Securities Limited	ACTIVE
81	Heartbeat Investment Limited	ACTIVE
82	Hedge Securities and Investments Company Limited	ACTIVE
83	Heritage Capital Markets Limited	ACTIVE
84	ICMG securities Limited	ACTIVE
85	Icon Stockbrokers Limited	ACTIVE
86	Imperial Asset Managers Limited	ACTIVE
87	Integrated Trust and Investment Limited	ACTIVE
88	Interstate Securities Limited	ACTIVE
89	Investment One Stockbrokers International Limited	ACTIVE
90	Investors and Trust Company Limited	ACTIVE
91	Kapital Care Trust and Securities Limited	ACTIVE
92	Kedari Capital Limited	ACTIVE
93	Kinley Securities Limited	ACTIVE
94	Kofana Securities and Investment Limited	ACTIVE
95	Lambeth Capital Limited	ACTIVE
96	Lead Securities and Investment Limited	ACTIVE

S/N	FIRM	STATUS
97	Lighthouse Asset Management Limited	ACTIVE
98	Magnartis Finance and Investment Limited	ACTIVE
99	Mainstreet Bank Securities Limited	ACTIVE
100	Marimpex Finance and Investment Company Limited	ACTIVE
101	Maxifund Investment and Securities Plc	ACTIVE
102	MBC Securities Limited	ACTIVE
103	Mega Equities Limited	ACTIVE
104	Meristem Stockbrokers Limited	ACTIVE
105	Mission Securities Limited	ACTIVE
106	Molten Trust Limited	ACTIVE
107	Morgan Capital Securities Limited	ACTIVE
108	Mountain Investment and Securities Limited	ACTIVE
109	Network Capital Limited	ACTIVE
110	Networth Securities and Finance Limited	ACTIVE
111	Newdevco Investments and Securities Limited	ACTIVE
112	Nigerian International Securities Limited	ACTIVE
113	Nigerian Stockbrokers Limited	ACTIVE
114	Nova Finance and Securities Limited	ACTIVE
115	NOVAMBL Securities Limited	ACTIVE
116	Osborne Capital Markets Limited	ACTIVE
117	PAC Securities Limited	ACTIVE
118	Peace Capital Markets Limited	ACTIVE
119	Pilot Securities Limited	ACTIVE
120	Pinefields Investment Services Limited	ACTIVE
121	PIPC Securities Limited	ACTIVE
122	Pivot Capital Limited	ACTIVE
123	Planet Capital Limited	ACTIVE
124	Portfolio Advisers Limited	ACTIVE
125	Premium Capital and Stockbrokers Limited	ACTIVE
126	Primewealth Capital Limited	ACTIVE
127	Prominent Securities Limited	ACTIVE
128	PSI Securities Limited	ACTIVE
129	PSL Capital Limited	ACTIVE
130	Pyramid Securities Limited	ACTIVE
131	Qualinvest Capital Limited	ACTIVE
132	Quantum Zenith Securities & Investments Limited	ACTIVE
133	Rainbow Securities and Investment Company Limited	ACTIVE
134	Readings Investment Limited	ACTIVE
135	Regency Asset Management Limited	ACTIVE
136	Rencap Securities (Nig) Limited	ACTIVE
137	Resort Securities and Trust Limited	ACTIVE
138	Reward Investment and Service Limited	ACTIVE
139	RMB Nigeria Stockbrokers Limited	ACTIVE
140	Rostrum Investment and Securities Limited	ACTIVE
141	Rowet Capital Management Limited	ACTIVE
142	Royal Crest Finance Limited	ACTIVE
143	Royal Guaranty and Trust Limited	ACTIVE
144	Sankore Securities Limited	ACTIVE

S/N	FIRM	STATUS
145	Santrust Securities Limited	ACTIVE
146	Securities Africa Financial Limited	ACTIVE
147	Securities and Capital Management Company Limited	ACTIVE
148	Security Swaps Limited	ACTIVE
149	Shalom Investment and Financial Services Limited	ACTIVE
150	Shelong Investments Limited	ACTIVE
151	Sigma Securities Limited	ACTIVE
152	Signet Investment and Securities Limited	ACTIVE
153	Skyview Capital Limited	ACTIVE
154	Smadac Securities Limited	ACTIVE
155	Solid Rock Securities and Investment Plc	ACTIVE
156	Spring Trust and Securities Limited	ACTIVE
157	Springboard Trust and Investment Limited	ACTIVE
158	Stanbic IBTC Stockbrokers Limited	ACTIVE
159	Standard Union Securities Limited	ACTIVE
160	StoneX Financial Nigeria Limited	ACTIVE
161	The Bridge Securities Limited	ACTIVE
162	Tiddo Securities Limited	ACTIVE
163	Tomil Trust Limited	ACTIVE
164	Topmost Securities Limited	ACTIVE
165	Tower Securities and Investment Company Limited	ACTIVE
166	Trade Link Securities Limited	ACTIVE
167	Traders Trust and Investment Company Limited	ACTIVE
168	Transworld Investment Limited	ACTIVE
169	Trust Yield Securities Limited	ACTIVE
170	TrustBanc Capital Management Limited	ACTIVE
171	Trusthouse Investment Limited	ACTIVE
172	TRW Stockbrokers Limited	ACTIVE
173	Tyndale Securities Limited	ACTIVE
174	UCML Capital Limited	ACTIVE
175	UIDC Securities Limited	ACTIVE
176	Unex Capital Limited	ACTIVE
177	United Capital Securities Limited	ACTIVE
178	Valmon Securities Limited	ACTIVE
179	Valueline Securities and Investment Limited	ACTIVE
180	Vetiva Securities Limited	ACTIVE
181	WCM Capital Limited	ACTIVE
182	WSTC Securities Limited	ACTIVE
183	Zion Stockbrokers and Securities Limited	ACTIVE

Group Executive Committee & Management Committee

Group Executive Committee



Oscar N. ONYEMA OON
GMD/CEO, Nigerian Exchange
Group Plc.



Temi POPOOLA CFA
CEO, Nigerian Exchange
Limited



Tinuade AWE
CEO, NGX Regulation Limited



Gabriel IGBEKA
Acting CEO,
NGX Real Estate Limited

Management Committee



Oscar N. ONYEMA OON
GMD/CEO, Nigerian Exchange
Group Plc.



Cyril EIGBOBO
Group Chief Financial Officer



Mojisola ADEOLA
Group Company Secretary
/Head Compliance



Okon ONUNTUEI
Acting Group Chief
Strategy Officer



Bernard AHANAONU
Group Internal Auditor



Wale BALOGUN
Acting Chief Investment
Officer

MOMENTS



Moments



L – R shows Olumide Bolumole, Head, Listings Business, Nigerian Exchange (NGX) Limited; Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group) Plc; Jude Chiemeka, Head, Trading Business, NGX; Wole Obayomi, Head of Tax, KPMG; Bola Adeeko, former Head, Business Support Services Division, NGX; and Ajibola Olomola, Partner, Deal Advisory, M&A Tax, Financial Services & Regulatory Services, KPMG during a symposium on the Finance Act 2020 at NGX Group House, Lagos.



L – R shows Haruna Jalo-Waziri, Managing Director/Chief Executive Officer, Central Securities Clearing System (CSCS) Plc; Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group) Plc; Olumide Bolumole, Head, Listings Business, Nigerian Exchange (NGX) Limited; Tony Ibeziako, Head, Primary Markets, NGX Limited; and Cyril Eigbobo, Group Chief Financial Officer, NGX Group during the Launch of NGX Growth Board at NGX Group House, Lagos.



L – R shows DR. Timi Austen- Peters, Principal Partner, Austen-Peters & Co; Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group) Plc; Mr. Emomotimi Agama, Head Registration and Exchanges, Securities and Exchange Commission (SEC) Nigeria; Oluwatoyin Alake, former Head, Secondary Markets, Nigerian Exchange (NGX) Limited; and Mr. Jude Chiemeka, Head, Trading Business, NGX during the training tagged, *Understanding the Regulatory Framework for a Thriving Derivatives Market in Nigeria* at NGX Group House in Lagos.



L – R shows Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group) Plc presenting a replica of the closing gong to Honourable Minister of Environment, Dr. Mohammad Mahmood Abubakar during a courtesy visit to NGX Group House in Lagos.



L – R shows Mr. Bola Adeeko, former Head, Business Support Services, Nigerian Exchange (NGX) Limited; Mr. Salisu Dahiru, Nigeria Erosion and Watershed Management Project (NEWMAP); Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group) Plc; Dr. Mohammad Mahmood Abubakar, Honourable Minister of Environment, Federal Republic of Nigeria; Dr. Yerima Tarfa, Director, Department of Climate Change; Mr. Amos Abu, Senior Environmental Specialist, World Bank; and Mr. Ikenna Chidi-Ebere, National Pension Commission (PenCom) during a courtesy visit to NGX Group House in Lagos.



L – R shows Mr. Olumide Bolumole, Head, Listings Business, Nigerian Exchange (NGX) Limited; Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group) Plc; Mr. Jude Chiemeka, Head, Trading Business, NGX; and Mr. Sulaiman Adedokun, Managing Director, Meristem Wealth Management Limited during the Smart Investment Workshop themed, "Using Exchange Traded Funds (ETFs) as a Proxy for Investing in Nigerian Equities" at NGX Group House in Lagos.



L – R shows Ariyike Daramola, former Product Manager, Secondary Markets, Nigerian Exchange (NGX) Limited; Taiwo Yusuf, Fund Manager, Meristem Limited; Sulyman Sulyman, Product Analyst, Secondary Markets, NGX; Oluwole Abegunde, Group Managing Director, Meristem Nigeria; Jude Chiemeka, Head, Trading Business, NGX; Abisoye Oludipe, Team Lead, Group Retail Services, Meristem Nigeria; Harding Udoh, Managing Partner, Tiqian Limited; Sulaiman Adedokun, Managing Director, Meristem Wealth Management Limited; and Oluwatoyin Alake, former Head, Secondary Markets, NGX during the Smart Investment Workshop themed, "Using Exchange Traded Funds (ETFs) as a Proxy for Investing in Nigerian Equities" at NGX Group House in Lagos.



L – R shows Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group) presenting a replica of the closing gong to Dr. Adebola Akindele, Group Managing Director, Courteville Business Solutions Plc during a courtesy visit to NGX Group House in commemoration of the company's 15th anniversary celebration.



L – R shows Layi Adedayo, Head, Risk Management, Courteville Business Solutions Plc; Wale Sonaiké, Deputy Managing Director, Business Development and International Business, Courteville Business Solution; Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group); Dr. Adebola Akindele, Group Managing Director, Courteville Business Solutions Plc; Mr. Kamarudeen Kareem Oladosu, Non-Executive Director, Nigerian Exchange Limited; and Lanre Lyanda, Head, Business Development and Upcountry, Courteville Business Solution Plc during a courtesy visit to NGX Group House in commemoration of the company's 15th anniversary celebration.



L – R shows Mr. Kunle Osilaja, Non-Executive Director, UACN Property Development Company (UPDC) Plc; Mrs. Bolarin Okunowo, Head, Corporate Finance, UPDC Plc; Mr. Bola Adeeko, former Head, Business Support Services Division, Nigerian Exchange (NGX) Limited; Mr. Fola Aiyesimoju, Chief Executive Officer, UPDC Plc; Mrs. Deborah Nicol-Omeruah, Deputy CEO, UPDC Plc; and Mrs. Folakemi Fadahunsi, Chief Finance Officer, UPDC Plc during the Facts Behind the Rights Issue presentation at NGX Group House in Lagos.



L – R shows Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group) presenting a replica of the closing gong to Mr. Bruno Zambrano, Finance Director, International Breweries Plc during a Closing Gong Ceremony to commemorate the successful listing of the N165Billion rights issue at NGX Group House in Lagos.



L – R shows Mr. Akeem Shadare, Managing Director, Chapel Hill Denham Securities Limited; Muyiwa Ayojimi, Company Secretary; Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group); Ms. Olutoyin Odulate, Independent Non-Executive Director, International Breweries Plc; Mr. Bruno Zambrano, Finance Director, International Breweries Plc; and Otunba Michael Daramola, Corporate Affairs Director, International Breweries Plc during a Closing Gong Ceremony to commemorate the successful listing of the N165Billion rights issue at NGX Group House in Lagos.



L – R shows Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group); Ms. Mary Uduk, former Acting Director General, Securities and Exchange Commission (SEC); Otunba Abimbola Ogunbanjo, Group Chairman, NGX Group; Dr. Zainab Shamsuna Ahmed, Honourable Minister of Finance, Budget and National Planning; and Dr. Sarah Alade, Special Adviser to the President on Finance and Economy during the visit of the Honourable Minister of Finance, Budget and National Planning to NGX Group House in Lagos.



L – R shows Mr. Seyi Osunkeye, Non-Executive Director, Nigerian Exchange (NGX) Limited; Mrs. Catherine Nwakaego Echeozo, Chairman, Board of Directors, NGX Regulation (RegCo) Limited; Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group); Otunba Abimbola Ogunbanjo, Group Chairman, Board of Directors, NGX Group; Dr. Zainab Shamsuna Ahmed, Honourable Minister of Finance, Budget and National Planning; Dr. Sarah Alade, Special Adviser to the President on Finance and Economy; Ms. Mary Uduk, former Acting Director General, Securities and Exchange Commission (SEC); Mr. Oluwale Ololade Adeosun, Non-Executive Director, NGX Group; and Mr. Bola Adeeko, former Head, Business Support Services Division, NGX during the Closing Gong Ceremony to commemorate the visit of the Honourable Minister of Finance, Budget and National Planning to NGX Group House in Lagos.



L – R shows Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group); Otunba Abimbola Ogunbanjo, Chairman, NGX Group; Mrs. Mojisola Adeola, Group Company Secretary and Head Compliance, NGX Group and Mr. Aigbojie Aig-Imkhuede, CON, former Ex-Officio, The Nigerian Stock Exchange (EGM), during a Court Ordered Meeting (COM) and an Extraordinary General Meeting (EGM) at the Civic Center, Lagos in Lagos.



L – R shows Olamide Sanya-Olu, representing the First Lady of Lagos State, Dr. (Mrs.) Ibijoke Sanwo-Olu; Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group); Ms. Harriet Thompson, British Deputy High Commission Lagos; Ms. Eme Essien, Country Manager, International Finance Corporation (IFC); Ms. Awuneba Ajumogobia, Chairman, CAP Plc; Ms. Bola Adesola, Senior Vice-Chairman, Standard Chartered Bank Group; and Ms. Uto Ukanah, Company Secretary, MTN Nigeria Communications Plc during the Closing Gong Ceremony to Commemorate 2020 International Women's Day Celebration at NGX Group House.



L - R shows Ms. Harriet Thompson, British Deputy High Commission Lagos; Ms. Awuneba Ajumogobia, Chairman, CAP Plc; Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group); Mr. Asue Ighodalo, Founding Partner, Banwo-and-Ighodalo; Ms. Eme Essien, Country Manager, International Finance Corporation (IFC); Mrs. Olamide Sanya-Olu, representing the First Lady of Lagos State, Dr. (Mrs.) Ibijoke Sanwo-Olu; during a symposium to Commemorate 2020 International Women's Day Celebration at NGX Group House.



L - R shows Jude Chiemeka, Head, Trading Business Division, Nigerian Exchange (NGX) Limited; Oluwole Adeosun, Non-Executive Director, Nigerian Exchange Group (NGX Group); Rt. Hon Comrade Philip Shaibu, Deputy Governor, Edo State; Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, NGX Group; His Excellency, Godwin Obaseki, Executive Governor, Edo State; Tinuade Awe, Chief Executive Officer, NGX Regulation (NGX RegCo) during a Closing Gong Ceremony at NGX Group House.



L - R shows Taiwo Akerele, former Chief of Staff, Edo State; Asue Ighodalo, Chairman, Sterling Bank plc; Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group); His Excellency, Godwin Obaseki, Executive Governor, Edo State and Rt. Hon Comrade Philip Shaibu, Deputy Governor, Edo State during a Closing Gong Ceremony at NGX Group House.



L - R shows Frances Akpomuka, Company Secretary/HOD Corporate Resources, Red Star Express Plc; Auwalu Babura, Executive Director, Finance & Administration, Red Star Express Plc; Sola Obabori, Group Managing Director/Chief Executive Officer, Red Star Express Plc; Olumide Bolumole, Head, Listings Business Division, Nigerian Exchange (NGX) Limited; and Victor Ukwat, Executive Director, Sales & Marketing, Red Star Express Plc during the Closing Gong Ceremony to commemorate the success of the company's rights issue and listing of additional shares at NGX Group House in Lagos.



L – R shows Olumide Bolumole, Head, Listings Business Division, Nigerian Exchange (NGX) Limited presenting a replica of the closing gong to Sola Obabori, Group Managing Director/Chief Executive Officer, Red Star Express Plc during the Closing Gong Ceremony to commemorate the success of the company's rights issue and listing of additional shares at NGX Group House in Lagos.



L – R shows: Sen. Amah Micheal Nnachi, Member, Senate Committee on Capital Market; His Excellency, Sen. Kashim Shettima, Member, Senate Committee on Capital Market; Ms. Mary Uduk, former Acting Director General, Securities and Exchange Commission; Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group); His Excellency, Sen. Ibikunle Amosun, CON, Chairman, Senate Committee on Capital Market; Sen Yaroe Binos Dauda, Member, Senate Committee on Capital Market; and Sen. Yakubu Oseni, Member, Senate Committee on Capital Market during the Senate Committee on Capital Market's courtesy visit to NGX Group House.



L – R shows: Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group) presenting a replica of the closing gong to His Excellency, Sen. Ibikunle Amosun, CON, Chairman, Senate Committee on Capital Market during the Senate Committee on Capital Market's courtesy visit to NGX Group House.



L – R shows Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group); Mr. Bode Ayeku, FCIS, President and Chairman of Governing Council, Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN); and Mrs. Taiwo Ganiyat Olusesi, FCIS, Registrar/CEO, ICSAN) at the 2020 Conference, Luncheon and Awards of ICSAN.



L – R shows Chairman, Committee on Capital Market and Institutions, Federal House of Representatives, Honourable Ibrahim Babangida; Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group), Mr. Oscar N. Onyema, OON, and Director General, Securities and Exchange Commission (SEC), Mr. Lamido Yuguda, CFA, at the enlightenment tour to NGX Group House.



L - R shows Mrs. Mojisola Adeola, Group Company Secretary and Head Compliance, Nigerian Exchange Group (NGX Group); Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, NGX Group; Otunba Abimbola Ogunbanjo, Chairman, Board of Directors, NGX Group; Ms. Catherine Echeozo, Chairman, Board of Directors, NGX Regulation (RegCo) and Mr. Oluwale Adeosun, Non-Executive Director, NGX Group at the 59th Annual General Meeting of Members of The Nigerian Stock Exchange.



L - R shows: Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group (NGX Group); Otunba Abimbola Ogunbanjo, Chairman, Board of Directors, NGX Group; and Mrs. Mojisola Adeola, Group Company Secretary and Head Compliance, NGX Group, at the 59th Annual General Meeting of Members of The Nigerian Stock Exchange.



L - R: Mr. Jude Chiemeka, Head, Trading Business Division, Nigerian Exchange (NGX) Limited; Mrs. Lilian Chukwuemeka, Assistant Director, Lagos Zonal Office, Securities and Exchange Commission (SEC); Dr. Ibijoke Sanwo-Olu, Wife of the Lagos State Governor; Mr. Ariyo Olushekun, Chairman, Capital Market Support Committee for COVID-19 (CMSCC); Mrs. Bukola Rufai, Deputy Director, Lagos Zonal Office, SEC; and Mr. Steven Falomo, Director, Lagos Zonal Office, SEC during the CMSCC's donation of an Ambulance to the Lagos State Government to support the fight against COVID-19.

Proxy Form

For The 60th Annual General Meeting

The 60th (Sixtieth) Annual General Meeting of Nigerian Exchange Group Plc (**NGX Group**) will hold at Transcorp Hilton Hotel, Abuja, on Thursday, 9 September 2021 at 11:30 a.m.

Name of Shareholder:

Address:

hereby appoint

as my proxy¹ to act and vote on my behalf at the Annual General Meeting of Nigerian Exchange Group Plc. scheduled for Thursday, 9 September 2021 at 11:30 a.m.

Dated this 16th day of August 2021

Affix
Passport
of Proxy

Member's Signature/Seal

Member's Name

ATTENDANCE BY PROXY

¹In line with CAC Guidelines, attendance at the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

- Otunba Abimbola Ogunbanjo
- Mr. Oscar N. Onyema, OON
- Dr. Umaru Kwairanga
- Mrs. Fatimah Bello-Ismail
- Dr. Okechukwu Itanyi
- Prof. Enase Okonedo
- Mr. Apollos Ikpobe
- Mrs. Ojinika Olaghere
- Chief Patrick Ezeagu
- Mr. Emeka Madubuike

S/N	AGENDA	FOR	AGAINST	ABSTAIN
i)	ORDINARY BUSINESS			
	1. To re-elect the following Non-Executive directors that are retiring by rotation;			
	a. Mr. Patrick Ajayi;			
	b. Mr. Oluwale Adeosun; and			
	c. Mr. Chidi Agbapu.			
	2. To authorize the Board to fix the remuneration of the Auditors.			
	3. To elect members of the Statutory Audit Committee.			

Proxy Form

For The 60th Annual General Meeting

S/N	AGENDA	FOR	AGAINST	ABSTAIN
ii)	<p>SPECIAL BUSINESSES:</p> <p>4. "To consider and if thought fit, pass with or without any modifications, the following as an Ordinary Resolution to fix the remuneration of Non-Executive Directors:</p> <p>"It is approved that the fees payable shall be N8,000,000 per annum, and N5,000,000 per annum to the Chairman and other Directors respectively. For year 2021, the remuneration shall take effect from 1 March 2021 and shall be pro-rated accordingly. The fees shall be payable quarterly in arrears or at such other intervals agreed by the Board."</p>			
	<p>5. "To consider and if thought fit, pass as a special resolution (with or without any modifications), that the Board of Directors of Nigerian Exchange Group Plc. be and is hereby authorized to pay a total sum of N126,000,000 to all non-executive members of the erstwhile National Council of the Nigerian Stock Exchange as at 31 December 2020."</p>			
	<p>6. To consider and if thought fit, pass the following sub-joined resolutions as an ordinary resolution:</p> <p>(i) "That further to Members' approval at the Extra-Ordinary General Meeting of 3 March 2020 for the establishment of an Employee Share Ownership Plan for the benefit of qualifying employees of Nigerian Exchange Group Plc and its Subsidiaries, that the Company be and is hereby authorised to issue and allot 200,419,990 ordinary shares of 50 kobo each out of the authorised share capital of Nigerian Exchange Group Plc for the operation of a Long Term Incentive Plan consisting of a Deferred Bonus Plan (DBP) and an Employee Share Purchase Plan (ESPP), with effect from 1 January 2021, subject to obtaining requisite regulatory approvals."</p> <p>(ii) That the Board of Directors be and is hereby authorised to establish and operate a DBP for the benefit of qualifying members of the Senior and Executive Management of Nigerian Exchange Group Plc and its subsidiaries and an ESPP open to all employees of Nigerian Exchange Group Plc and its subsidiaries. The relevant details of the DBP and ESPP are contained in the Explanatory Note attached to this notice.</p> <p>(iii) That the Board of Directors be and is hereby authorised to establish an Employee Trust to oversee the administration of the DBP and ESPP.</p> <p>(iv) That the Board of Directors and Management be and are hereby authorised to draft relevant rules and policies, take all such actions, execute and deliver all such documents as may be deemed necessary or appropriate for the effective administration of the DBP and ESPP and to give effect to the foregoing resolutions and to ensure compliance with extant laws (tax laws, securities laws etc.) and regulations.</p>			

NOTE:

1. PROXY

- A shareholder entitled to attend and vote at the Annual-General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. A Proxy need not be a shareholder.
- A blank proxy form is attached to the Notice and may also be downloaded from NGX Group's website at www.ngxgroup.com
- All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at either the registered office of NGX Group's Registrars, DataMax Registrars, (2C Gbagada - Oworonshoki Expressway, Gbagada, Lagos) or via email to datamax@datamaxregistrars.com or contactcenter@ngxgroup.com at least 48 hours before the time of holding the meeting.

2. STAMPING OF PROXY

The Company has made arrangements, at its cost, for the stamping of the duly completed and signed proxy forms submitted at either the registered office of NGX Group's Registrars, DataMax Registrars (stated above) or via email to datamax@datamaxregistrars.com or contactcenter@ngxgroup.com

3. COVID-19 RELATED DIRECTIVES AND GUIDELINES

The convening and proceedings at the AGM shall be conducted in compliance with all directives and guidelines issued (by the Federal Government of Nigeria, and Federal Capital Territory (FCT), Abuja Health Authorities and Regulatory Agencies) to curb the spread of COVID-19 in Nigeria. In particular, the directives of the FCT, Abuja and the guidelines issued by the Corporate Affairs Commission (CAC) on holding of AGM of Companies using Proxies shall be complied with.

4. ATTENDANCE BY PROXY

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

- Otunba Abimbola Ogunbanjo
- Mr. Oscar N. Onyema, OON
- Dr. Umaru Kwairanga
- Mrs. Fatimah Bello-Ismael
- Dr. Okechukwu Itanyi
- Prof. Enase Okonendo
- Mr. Apollos Ikpobe
- Mrs. Ojinika Olaghere
- Chief Patrick Ezeagu
- Mr. Emeka Madubuikwe

5. LIVE STREAMING OF AGM

The AGM will be streamed live to enable shareholders and other stakeholders who are unable to physically attend to follow the proceedings online. The link for live streaming will be made available on NGX Group's website at www.ngxgroup.com

6. STATUTORY AUDIT COMMITTEE

The Audit Committee consists of 3 Shareholder representatives and 2 Directors. In accordance with Section 404 of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. Further, CAMA provides that all members of the Audit Committee shall be financially literate, and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. Consequently, a detailed resume disclosing requisite qualification should be submitted with each nomination.

7. BIOGRAPHICAL DETAILS OF DIRECTORS FOR RE-ELECTION

Biographical details of Directors submitted for re-election or approval are contained in the Annual Report.

8. QUESTIONS FROM SHAREHOLDERS

Shareholders reserve the right 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. Please send questions, comments or observations to Investors Relations by e-mail to IR@ngxgroup.com not later than 2 September 2021. Questions and answers will be presented at the Annual General Meeting.

ADMISSION CARD

The 60th (Sixtieth) Annual General Meeting of Nigerian Exchange Group Plc will hold at Transcorp Hilton Hotel, Abuja, on **Thursday, 9 September 2021 at 11:30 a.m.**

NAME OF SHAREHOLDER:

ADDRESS:



Nigerian Exchange Group

2/4 Customs Street Marina, Lagos

Tel: +234 1 4638333-5

Email: contactcenter@ngxgroup.com

www.ngxgroup.com