

ANNUAL REPORT 2015

GROWTH
FURTHERANCE
DIVERSIFICATION
EXPANSION



THE Nigerian
STOCK EXCHANGE

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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 foremost securities exchange driven by

R- Regulation,

E- Efficiency,

L- Liquidity and

I-Innovation.

(R - E - L - I)

NOTICE OF THE FIFTY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Fifth Annual General Meeting of Members of the Nigerian Stock Exchange ("The Exchange") will be held at the NSE Event Centre, 20th floor, Stock Exchange House, 2/4 Customs Street Lagos, on Thursday, 23 June 2016 at 11:00 a.m. prompt to transact the following businesses:

ORDINARY BUSINESS

1. To present the Audited Financial Statements of The Exchange for the year ended 31 December 2015, and the Reports of the National Council and the Auditors thereon.
- To re-elect the following as members of the National Council who are retiring by rotation:
2.
 - i) Mr. Aigboje Aig-Imoukhuede, CON;
 - ii) Engr. Muhammad Daggash;
 - iii) Mr. Oluwole Abegunde (Representing Meristem Securities Limited);
 - iv) Mr. Oladipo Aina (Representing Signet Investment & Securities Ltd.)
 3. To authorize members of the National Council to fix the remuneration of the Auditors.

SPECIAL BUSINESS

1. To consider and if thought fit to pass as a Special Resolution:
 - I. "That the National Council and Management be and are hereby authorised to commence the process leading up to the Demutualisation of The Exchange.
 - II. "That the National Council and Management be and are hereby authorized to do all such things and exercise all such powers as may be necessary or incidental for achieving the objective specified in I above, subject to applicable laws and regulations and obtaining the approvals of members and the relevant regulatory authorities".

NOTE:

Proxy: A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. No person shall be appointed a proxy who is not already a Member of The Exchange or the accredited representative of a Member, save that a corporation that is a Member of The Exchange may appoint as its proxy one of its Directors or other authorized representative who is not a Member of The Exchange. Executed proxy forms should be deposited at the registered office of The Exchange at least 48 hours prior to the time of the meeting. A proxy form is attached to this notice.

Dated this 31st day of May 2016

By Order of Council



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





PRESIDENT'S STATEMENT

// **By the end of year, the Exchange's asset base exceeded N22.78 billion, with N19.29 billion in accumulated funds, providing us adequate financial flexibility to support strategy execution in key business areas for *the road ahead*.**

//

It is a privilege to present to you the 2015 annual report and financial statements of The Nigerian Stock Exchange (NSE).

Challenging Operating Environment

I am pleased to report that through effective fiscal discipline and tight budgetary controls, we were able to weather the impact of capital flight shocks experienced globally during 2015. Despite a year characterized by recessionary pressures including a slump in crude oil prices, uncertainty in Nigerian economic policies and significant local currency exchange rate pressures, our management and staff successfully delivered on a number of ambitious operational and strategic initiatives. The National Council gave support to management's efforts during the year, with a focus on lifting investors' confidence given the headwinds facing our market.

Bearish sentiments pervaded the market during the year and caused a drop in all our revenue lines compared to the previous year. However, Management demonstrated diligence in managing the budget and generated a healthy operating surplus of N1.86 billion. Part of management's efforts in this regard entailed strategic prioritization of key initiatives based on efficiency, scale and growth potential. By the end of year, the Exchange's asset base exceeded N22.78 billion, with N19.29 billion in

accumulated funds, providing us adequate financial flexibility to support strategy execution in key business areas for the road ahead.

Strategy in Operation

During the year, the NSE became the first African exchange to receive the ISO27001:2013 certification, a stringent global information security standard, and an important reference for many international organisations. I am extremely pleased to announce the Exchange's achievement of this feat, a further testament of our devotion to best-in class practices.

Strong regulation remains a core pillar of our business, being one of our three corporate strategic objectives. One of our most important mandates as a self-regulatory organisation (SRO) is the formation and enforcement of standards for dealing members of the Exchange. Accordingly, in 2015, we completed the first phase of implementing minimum operating standards (MOS) for dealing member firms. To assist our members meet the new standards, the National Council approved palliatives of over N265 million in technology infrastructure as well as legal, financial and other advisory support services that will facilitate the institutional strengthening of our members. We anticipate that full compliance with our MOS will create stronger domestic market operators and promote greater investor confidence, as well as garner global recognition from the international financial community.



A key development to highlight in 2015 relates to the strategic partnership we formed with MSCI Inc. (MSCI), a leading global index solutions provider with extensive emerging and frontier market experience. Our collaborative effort with MSCI will create a co-branded family of Nigerian based indexes that can be marketed around the world. This also reflects our commitment to continue to innovate and develop products that will increase the sophistication of African capital markets and establish Nigeria as a market for sustainable growth.

Corporate Citizenship and Governance

Our corporate social responsibility (CSR) efforts have not gone unnoticed, with the NSE receiving awards for CSR, as well as best practice reporting and corporate disclosure. During the year, we joined the organisational stakeholder program of the Global Reporting Initiative (GRI). The GRI membership aligns with our drive for improved Environmental, Social & Governance (ESG) performance and disclosure in our market, and is expected to directly strengthen our issuer and dealing member reporting standards.

Additionally, we launched the Premium Board, in line with our commitment to place good corporate governance at the centre of the way business is conducted in Africa. We are optimistic that companies on the Premium Board will enjoy high levels of visibility and appeal to investors looking for large companies with the high standards of corporate governance.

Governance

In line with the Exchange's commitment to high levels of corporate governance and best practice, the Council approved the separation of the Council Secretarial function from the Legal and Regulatory Division. Prior to this decision, Ms. Tinuade Awe was saddled with the responsibility of supervising the Legal and Regulatory Division and the Council Secretariat simultaneously. I would like to specially acknowledge and thank Ms. Awe for her immense contribution to Council and the Exchange during her tenure as Council Secretary. We also welcome on board our new Council Secretary Mrs. Moji Adeola who is now responsible for the secretariat.

In the same vein, it is with pleasure that I announce to you, that this year, the National Council engaged the firm of PricewaterhouseCoopers Nigeria ("PWC"), as external consultant, to conduct the very first performance evaluation of the National Council, its Committees and individual members. PWC conducted a very robust evaluation on the Council, its Committees and individual members and benchmarked the performance against the Securities and Exchange Commission, Nigeria ("SEC") Code of Corporate Governance for public companies in Nigeria, and the codes of corporate governance in force in the other jurisdictions (where our comparator/peer exchanges are domiciled). Based on the Evaluation Report, the National Council has complied with the SEC Code of Corporate Governance for public companies in Nigeria, in the course of carrying out its duties and responsibilities in The Exchange. The letter issued by PWC further to the Evaluation is available on page 22 of this Annual Account.



The Road Ahead

The NSE is a dynamic and globally competitive exchange, well-equipped to navigate the cyclic turbulence of the market and support the anticipated recovery of the domestic economy. As the investing public continues data and information to drive insights and investment in the capital markets, the Exchange will seek to adopt market leading approaches and controls to facilitate inclusive growth through a transparent, well-regulated and efficient capital market. In 2016, we will focus on: i) demutualization of the Exchange for maximum efficiency in our operations and decision-making processes; ii) increase in our quoted asset classes to include exchange traded derivatives; and iii) monetization of our market services suite, as we explore untapped business opportunities to diversify and grow our income streams.

Some of the benefits of demutualization include delivering greater returns to members, greater flexibility and access to global markets, a more flexible governance structure fostering decisive action in response to the rapid

changes in the business environment, enhanced synergies with other stock exchanges, and increased access to resources for capital investment raised by way of equity offerings or private investment. The National Council is committed to delivering these benefits and is requesting Members at the 2016 AGM to authorize the National Council and Management to commence the process leading up to the demutualisation of The Exchange and all such things incidental thereto. I trust that we can count on your usual co-operation and encourage all Members to support this step in the right direction.

I would like to thank all of our various stakeholders for their contribution to our success in 2015. We are acutely aware of our role in the local and global community and will continue to proactively collaborate with the federal and state governments, regulators, businesses and investors to develop solutions to challenges central to our market and national economy.

Aigboje Aig-Imoukhuede, CON
President,
The Nigerian Stock Exchange



CEO's STATEMENT

“In 2015, we became the first securities exchange in Africa to meet the most stringent global standard for Information Security—the ISO27001:2013 certification.

This achievement reaffirms our commitment to leadership in information management, and gives stakeholders the confidence to trust The Exchange with the safe-guarding and processing of sensitive and confidential information.”

As I complete my first five-year term with the Exchange as CEO, I am pleased to communicate that our various initiatives to build a sustainable positive legacy are taking hold.

Enhancing the Viability of The Exchange

The Exchange operates in an increasingly global environment and 2015 proved to be an exciting period for global financial markets continuing the bearish sentiments experienced in the previous year. Thus, it is with great pleasure that I announce that the Group illustrated its resilience during the year, in generating an operating surplus before tax of N1.86 billion amidst prolonged economic uncertainty, diminishing commodity prices and volatile securities markets. This was driven by a business model that focused on budgetary prudence, complimented by heightened focus on strategy execution.

Top line revenues, primarily composed of transaction fees (39%) and listing income (21%), fell due to continued sluggish market conditions, with total income declining by 17% from the previous year to N6.61 billion. Our operating surplus before taxes declined by 53% from 2014's record breaking performance of N3.95 billion. Despite declines in our core income streams, alternative sources of income continued to play an important role in supporting the financial performance of our business. In 2015, revenues

excluding transaction fees and listing income, grew by 15%, contributing 40% to total revenue. The greatest drivers of this growth were revenues from our proactive investment strategy and income generated from our market services business.

In fact, our market services business has proven to be one of our fastest growing sources of income in the past five years with a compounded annual growth rate (CAGR) of approximately 55% between 2011 and 2015. In 2015, we reported market services income of N377 million, representing a 47% increase from N256 million in 2014. In recognition of the important role market services can play in diversifying our income streams, we will continue to commit more resources to drive and sustain its incredible growth.

From an efficiency conservation aspect, strict budgetary controls deployed during the year ensured that the Group's expenses were effectively managed. The Exchange also took several measures to ensure viability of the business by enhancing strategic frameworks such as contingency planning and crisis management, from financial and infrastructure perspectives.

Our balance sheet remains solid, with over N22.78 billion in assets, representing a 10% growth rate in 2015. Our liquidity metrics remain resilient as well, with a current ratio of 3.79x and a total liabilities-to-total assets factor of 15% as of December 31, 2015.

Strategic Positioning For Sustainable Growth

Our organisation continued to execute on the NSE's Corporate Strategic Plan leading up to 2019. As highlighted by the Council President and in line with our mantra to continually improve our value proposition to issuers and investors, we launched a Premium Board dedicated to an elite group of issuers who meet the NSE's most stringent corporate governance and listing standards. This platform creates a unique value add for our African Champions (companies with over N200 billion in market capitalization and growing across the continent) and investors alike, by creating a basket of potential products for bench marking best-in-class governance in Africa, such as the NSE Premium Index.

Efforts to restructure our business for greater efficiency continued during the year as we transformed our Business Development Division into the Capital Markets Division (CMD). We are now separated into international and domestic primary markets, as well as secondary markets. Primary markets will assist the business in meeting our strategic objective to increase listings in 5 asset classes, while our secondary markets team will drive order flow in those 5 asset classes. We expect the restructuring to noticeably enhance the customer experience, while delivering on our primary objectives as an exchange.

Our efforts to demutualize the NSE achieved another milestone following the appointments of a consortium of financial, legal and tax advisers on the demutualization initiative. The appointments affirm our commitment to achieving the demutualization of the NSE in a methodical and transparent manner in the shortest possible time. We are truly encouraged by the support from our stakeholders, particularly our dealing member community and our regulator, the Securities and Exchange Commission (SEC) of Nigeria for creating the appropriate framework to enable the process.

Meanwhile, we are intensifying our efforts to build our position as the premiere destination for investment in Africa. Accordingly, we held an investor forum for Nigerians living abroad and an investor road show at the London Stock Exchange Group (LSEG) to enlighten the investing community in the UK about investment opportunities in Nigeria. Our foreign investors who account for approximately 54% of trade participation on the NSE's platform are as equally important to us as our domestic retail and institutional investor base, who thrive on well-informed engagements with The Exchange. Accordingly, the NSE continued its domestic investor engagement drive via i) investor clinics showcasing investment strategies and risk management techniques, ii) education initiatives designed to promote an adequate

savings culture, (iii) directly working with leading Nigerian fund managers to create new baskets of investable product, such as the three (3) new ETFs and three (3) new indexes launched during the year.

Building Best In Class Capabilities

Bench-marking ourselves against high-performing peer exchanges and other leading global institutions, as well as staying on top of our global reporting responsibilities remains a priority for us. In 2015 we became the first securities exchange in Africa to meet the most stringent global standard for Information Security – the ISO27001:2013 certification. This achievement reaffirms our commitment to leadership in information management, and gives stakeholders the confidence to trust the Exchange with the safe-guarding and processing of sensitive and confidential information.

In pursuing our strategic objective to operate a fair and orderly market, we launched our Broker Oversight & Supervision System (X-BOSS) that is the first of its kind in West Africa. The system is designed to improve the efficiency and security of the regulatory communication between the NSE and the dealing member community. It also ensures that dealing members are continually aware of their regulatory obligations, while empowering The Exchange to gauge intra day compliance with key NSE rules and regulations.

Another feat I am proud to announce is that the board of trustees of the NSE Investors' Protection Fund (IPF) approved the sum of N42 million for compensation to 158 claimants for pecuniary losses suffered as a result of wrong doing by certain dealing member firms. Of this amount, over 50% (N24.77 million) was paid to 102 claimants in 2015. This is a great achievement for The Exchange, as we have worked tirelessly with key stakeholders to ensure the operationalisation of the IPF in accordance with the provisions of the Investments and Securities Act, 2007.

Critical to our business model, is the ability of our value chain to clearly understand the rules of engagement with seamless access to information pertinent to their participation. To augment value chain capabilities, we delivered the Electronic Rulebook (the "Rulebook of The Exchange, 2015"), a virtual web based document that facilitates quick and easy access to all NSE's rules and regulations, accessible to dealing members, issuers, investors and all other stakeholders. We restructured our rules based on a detailed gap analysis and then renumbered them using a coherent hierarchy system, all while reviewing for consistency and accuracy throughout the process. I believe this is the first time in our history that all rules and regulations of The Exchange are composed as one electronic record.



A Continued Focus on Corporate Social Responsibility (CSR)

The Exchange is proud of its CSR efforts, which the Council President and I are highlighting in these annual statements. In partnership with the Committee Encouraging Corporate Philanthropy (CECP), we held the 2nd edition of the NSE Corporate Challenge competition aimed at promoting corporate wellness, and creating awareness for the fight against cancer. The ultimate goal is to acquire thirty-seven (37) mobile cancer centres (MCCs), one for each state and the Federal Capital Territory, Abuja. Over 500 participants from our listed companies and broker dealer community joined in the race against cancer in 2015, raising over N36.5million. We thank all of our corporate sponsors for their participation and contribution, and hope to see you in 2016.

A key CSR initiative we supported during the year is the inaugural Nigerian Capital Market Sustainability Conference (NCMSC) dedicated to raising environmental, social and governance (ESG) awareness amongst listed companies. We hosted this in conjunction with Ernst and Young. We also held our annual essay competition, targeted at building a financially savvy generation. Several winners emerged out of over 4,200 applicants from across the country, winning approximately N3.2 million in total prizes. Furthermore, we successfully transitioned the first set of graduates from the NSE graduate trainee programme into various departments of The Exchange, as we continue to develop in-house capacity and expertise for the future of the Nigerian capital market.

A Resilient Path Ahead

As I start my second five-year term, our goal is to reinforce our business to take advantage of fluctuations in market cycles. To this end, we will be intensifying our efforts to demutualise, and to develop the necessary infrastructure and frameworks to launch derivative products in our market. We believe demutualisation will strengthen The Exchange's operational agility and aptitude, and that derivatives will empower investors to create stronger portfolios of uncorrelated products.

We delivered a resilient performance in 2015 amidst a turbulent climate, and this would not have been possible without the dedication and hard work of the NSE team who continually challenge themselves to perform better. I must also pay homage to our dealing members, the investor community and the gamut of issuers who drive value in our market and take a long-term view of the Nigerian opportunity. I thank government policy makers and our primary regulator (SEC) for their support during the period.

I am confident that we will not rest on our laurels, and will build on the strong foundation achieved throughout the past years to continue to deliver remarkable performance.

Oscar N. Onyema, OON
Chief Executive Officer,
Nigerian Stock Exchange

// We delivered a resilient performance in 2015 amidst a turbulent climate, and this would not have been possible without the dedication and hard work of the NSE team who continually challenge themselves to perform better. I must also pay homage to our dealing members, the investor community and the gamut of issuers who drive value in our market and take a long-term view of the Nigerian opportunity.

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A large, faint, light green illustration of a hand moving a chess piece, likely a king or queen, from the top right towards the center of the page. The background is a solid light green color.

NSE'S STRATEGY REPORT

A keen focus on strategy implementation is the driving force behind how we operate as an exchange. We continually execute on our corporate vision “to be Africa’s foremost securities exchange driven by regulation, efficiency, liquidity and innovation” by keeping a bird’s-eye view of our long-term strategic objectives despite interim shocks to the global financial system.

Utilizing the NSE’s *Corporate Strategic Plan* leading up to 2019 as a roadmap to create a more robust and dynamic capital market experience, the NSE continuously interfaces with various stakeholder groups, ensuring their specific needs and requirements are properly addressed. Our accommodative approach to stakeholder interaction is a unique value proposition for The Exchange, specifically related to business-wide value creation.







Driving value across the Business

Dimensioning our business into strategic perspectives ensures we adequately devote resources to where it is most beneficial. Strategic perspectives we consider viable to the longevity of The Exchange include:

- Interactions with stakeholders - i.e. issuers, investors, government, etc.
- Sustainability of the capital markets using the NSE as a barometer of economic growth
- Efficiency in our operating processes
- Capacity building for our employees and systems dedicated to executing our strategic plan.

Accordingly, we consistently ensure that our strategic roadmap embodies various elements of our value chain.

Our value chain is critical to our competitive advantage and a balanced strategic initiative portfolio that cuts across the entire value chain is a core element of our strategic thrust. The diagram below illustrates several initiatives executed in 2015 pertinent to delivering value across our businesses.

Issuers	The Exchange	Products	Brokerage	Settlement	Investors
 <p>. NSE Premium Board: Launch of West Africa’s 1st Premium Board promoting an elevated level of corporate governance in Africa.</p> <p>. Nigerian Capital Market Sustainability Conference (NCMSC): Inaugural CSR initiative dedicated to raising ESG awareness amongst listed companies.</p> <p>. Electronic Rulebook*: Virtual web based rule book facilitating quick & easy access to all NSE’s rules and regulations, marking the first time in our history that all our rules are composed as one electronic record.</p> <p><small>*Cross-value chain initiative</small></p>	 <p>NSE/MSCI Partnership: Our collaborative efforts with MSCI Inc., a global leader in the index business, illustrates our continued commitment to high quality service excellence and best-in-case product development that caters to wide range of investors criteria.</p> <p>ISO27001: 2013 Certification: 1st bourse in Africa to receive this certification, representing the most stringent global standard for information security.</p> <p>Demutualization: The ongoing process of demutualization will strengthen The Exchange’s operational agility and aptitude.</p>	 <p>Creation of three (3) new indices: In 2015, 3 new indices were launched including 1) The Premium Board index; 2) Pension index; and 3) The Main Board index.</p> <p>Launch of ETFs: Continued product innovation with the creation of 3 new ETF products being Vetiva’s 1) Banking ETF; 2) Consumer Goods ETF; and 3) Industrial ETF</p>	 <p>.X-BOSS: the NSE’s premier dealing member oversight tool being the first of its kind in West Africa and designed to improve the efficiency and regulatory communication between the NSE and the dealing member community.</p> <p>Minimum Operating Standards (MOS): Our ongoing work with the MOS initiative will create stronger domestic market operators and promote greater investor confidence in the capital market.</p> <p>Electronic Rulebook*</p>	 <p>Post-trade allocation service: The NSE and CSCS collaborated to launch this initiative in an effort to create liquidity and improve the trade settlement experience in the capital market. This service will be available on a web-based platform.</p> <p>Direct Cash Settlement: Working in conjunction with our apex regulator the SEC, Direct Cash Settlement was implemented, which is the direct payment of proceeds of sale of securities into an investor’s nominated bank account thereby increasing transparency in the market.</p>	 <p>NSE/Bloomberg CEOs Roundtable: First CEOs Roundtable liaising with African captains of industry and key influencers to share in-depth knowledge about their sectors with key players in the capital market</p> <p>IPF payout approval: The Board of Trustees of the NSE’s investors’ Protection Fund (IPF), approved the sum of N42 million compensation to 158 claimants in 2015.</p>



The Exchange operates in a market that is increasingly competitive, which means there is intense pressure to innovate and improve upon efficiency. The needs and demands of our stakeholders are changing at an increasing pace, and a high level of flexibility and customer focus are therefore key to our success.

The NSE will continue to execute on its strategy in order to advance our platform for financing the economy. To this end, we intend to intensify engagement efforts with critical stakeholders, such as the Federal Government of Nigeria. We have also prioritized three (3) initiatives for 2016 aimed at achieving the Exchange's three (3) strategic objectives of:

- Increasing the number of new listings across five (5) asset classes,
- Increasing order flow in the five (5) asset classes;
- Operating a fair and orderly market based on just and equitable principles.

The three (3) aforementioned initiatives prioritized for 2016 include:

- **Demutualization of the NSE:** Demutualization will allow for improved operational efficiency, enhanced corporate governance and an opportunity to better articulate and execute strategy. This initiative is expected to provide for greater independent investor participation as the business will be focused as a for-profit entity with the intent of maximizing shareholder value. We also believe that demutualization will increase the global branding and profile of The Exchange and create a currency for acquisitions, as well as other investments opportunities that may arise. The resultant effect is a transformation of The Exchange to a more nimble organization, better equipped to respond to changing market conditions of the competitive landscape.
- **Establishment of Derivatives Market:** Building the framework for launching derivatives is expected to enhance the value offering of the capital markets, by creating hedging opportunities for the investment community. Ingrained within the establishment of the derivatives market is the need to create a central counterparty clearing house (CCP), which is primarily responsible for providing efficiency and stability in the derivative clearing and settlements process, while ultimately reducing systemic risk in the market. The CCP will be a market-wide initiative encompassing various stakeholders in the financial system ranging from deposit money financial institutions to other securities exchanges. This approach ensures critical stakeholder buy-in pertinent to the overall success of the derivatives business, as well as inherently spreading manageable risks to the relevant parties who are better positioned to mitigate appropriately.
- **Monetize Market Services Suite:** Leveraging on our established suite of market services, the NSE can utilize its experience in technology solutions and regulatory know-how to enhance the capital market. This will entail evaluating the capital market value chain to identify "value gaps" that will enable The Exchange pinpoint opportunities that can be monetized based on our relevant experience.

As we look beyond 2015, we will ensure seamless strategy execution that enhances our competitive capabilities, while improving upon customer experience. Developing "adaptable" initiatives aimed at addressing the evolving competitive landscape and client-based concerns will be an important measurement in determining how we will "win" as an organization.

By placing strategy at the forefront, the NSE has been able to focus on underlining themes of efficient capital markets vis-à-vis inclusiveness, reliability and efficiency in the ability to save and access capital. We intend to build upon these capital market themes by capitalizing on the momentum of our strategic drive in 2016 and beyond.



ENTERPRISE RISK MANAGEMENT REPORT

Overview

Fiscal year 2015 was a stellar year for growth in the Enterprise Risk Management (ERM) program at the Nigerian Stock Exchange (NSE). During the year, we saw broader adaptation of risk consideration in decision-making and the continued evolution of incorporating the Council approved risk framework into most activities at the Exchange. This has helped to bring a cultural change towards embedding risk management firm-wide. The growth trajectory is also a reflection of the enormity of the fundamental transformational drive experienced at the NSE as we work towards effectively executing on our strategic objectives and increasing operational efficiencies. Equally important to note is the support and oversight endeared by senior management which has contributed and greatly enhanced the progress of the risk program. Risk Management is increasingly thought of as an organizational imperative and additionally, significant progress was made in increasing risk maturity and embedding risk in our processes and procedures through conducting enterprise-wide risk awareness campaigns, group discussions / risk workshops. In total, we engaged all divisions / departments at the Exchange during the year.

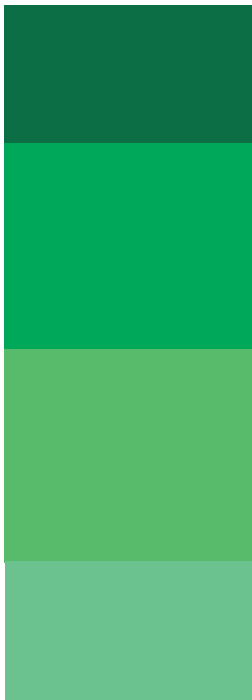
Risks identified through our risk management processes are prioritized and, depending on the probability, severity and our level of preparedness, these risks are escalated and reported through our risk reporting channel (depicted below). Risk responsibilities are assigned to the head of department or subject matter experts most suited to manage the risk. Assigned owners are required to continually track, evaluate effectiveness of the mitigating controls put in place and report on the risks. The risks are assessed periodically by Enterprise Risk Management to ensure the response strategies, which categorize risks according to whether we avoid, transfer, reduce or accept the risk, yield expected results. The response strategies are tailored to ensure that risks are within acceptable NSE's risk appetite and tolerance levels.

Comprehensive and consistent reporting on the level of risk within the Exchange is regularly done to Executive management and the Council to enable management have an enterprise-wide view of risk inherent within the organization and understand the events which may impede on our ability to meet

Risk Reporting Structure

As part of our risk governance which is consistent with best practices, critical enterprise-wide risks are prioritized and reported to the National Council through the Audit and Risk Management Committee. The chart below outlines the reporting structure and how risk information cascades from the business units all the way to the National Council.





- Receives and considers formal risk from the Audit and Risk Management Committee on the most significant risks facing the Exchange.
- The Audit and Risk Committee receives and reviews risk report against approved risk tolerance.
- Evaluates and reports to the Council the adequacy and effectiveness of the risk management at the Exchange.
- ERM reviews and prioritizes risks in conjunction with business owner.
- Presents prioritized risks to EXCO for approval prior to submitting to ARM.
- Business Units provides risk reports to ERM.
- Required to evaluate status and effectiveness of risk mitigation.

Risk Profile

Despite the challenging path that trailed 2015, most notably the presidential elections, the oil price shocks and investors flight to quality, the Exchange's overall risk profile remained largely moderate with regards to operational risk, which has been fairly stable from an IT availability, compliance and legal risk perspective. This is a direct reflection of the successful IT risk response strategies put in place to bolster our IT security environment and evident by the achievement of an enterprise wide ISO 27001:13 certification at first attempt. The certification makes us the first African Exchange to demonstrate the application of the highest global standards in Information Security Management as specified by the 2013 version of the ISO 27001 standard. However, it is worth mentioning that efforts thus far do not eliminate the increased threat of cybercrime. We continue to implement defensive strategies to help proactively reduce the likelihood of cybercrime and increase awareness across the Nigerian Capital Market ecosystem.

Our legal risk was slightly elevated year-on-year. We saw increased legislative and regulatory scrutiny which precipitated the need for more specialized legal resources. Concerns around business risk, specifically driven by fluctuating economic, political, market volatility and oil shocks contributed to an increasing business risk environment compared to the previous year. We continue to execute on our strategic imperatives, introduce new products and explore revenue diversification opportunities. Competitive risk also continues to be elevated as competing products are introduced into the market.

Compliance

An integrated focus on compliance continues to evolve at the Exchange. We are committed to good corporate governance practices and demonstrate this by our commitment to promote an organizational culture that encourages ethical conduct and a commitment to comply fully with all regulatory obligations under the ISA 2007, the SEC Rules, Companies and Allied Matter Act and all other relevant legislation of the Federal Republic of Nigeria. We ensure we adhere to this by instituting a zero tolerance policy for regulatory breaches and the tone at the top supports this commitment to excellence.

Over the past year, the Exchange has built on a foundation of integrity by implementing a number of enhancements to its compliance program. Additionally, we conducted an enterprise-wide compliance gap analysis to determine our compliance status with the universe of regulatory obligations we are subjected to.

The key strategic compliance areas that were improved upon in 2015 include:

- Enhanced and published compliance policies and procedures, most notably our Code of Conduct and the Anti-Money Laundering Policy/Countering Financing of Terrorism Policy for the Exchange.
- Strengthened our compliance management process.
- Introduced risk-based compliance assessment program.
- Enhanced communication channels to provide more regular and effective compliance communications.
- Introduced enforcement of standards and disciplinary guidelines.
- Organized annual enterprise-wide compliance training.
- Introduced quarterly compliance management report to the Council.



NSE 2015 HIGHLIGHTS

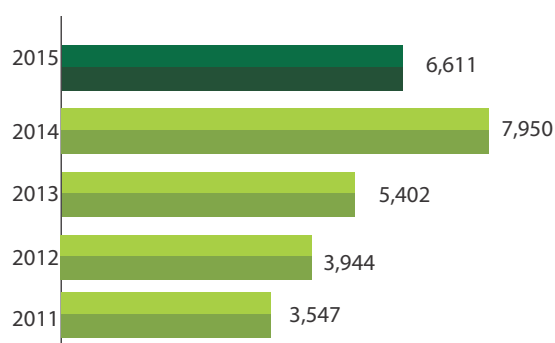
N6.6 billion	N6.0 billion	N2.7 billion	N1.9 billion	266
Total Income	Total Expenses	Personnel Expenses	Operating Surplus before Tax	Employees

Year-on-Year performance

Year End 31 Dec (N 000)	2014	2015	Variance (%)
Revenue	6,303,423	4,226,254	-32.95%
Other Income	1,646,665	2,384,742	44.82%
Total Income	7,950,088	6,610,996	-16.84%
Operating Surplus before Tax	3,951,931	1,859,502	-52.95%

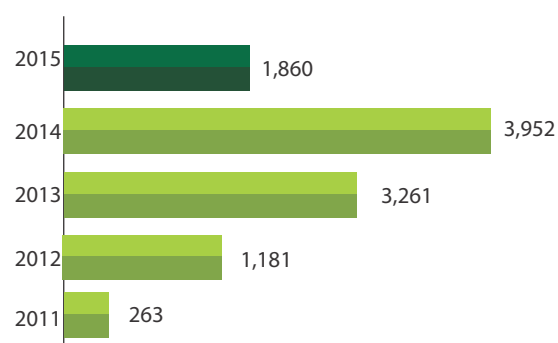
Total Income

N millions



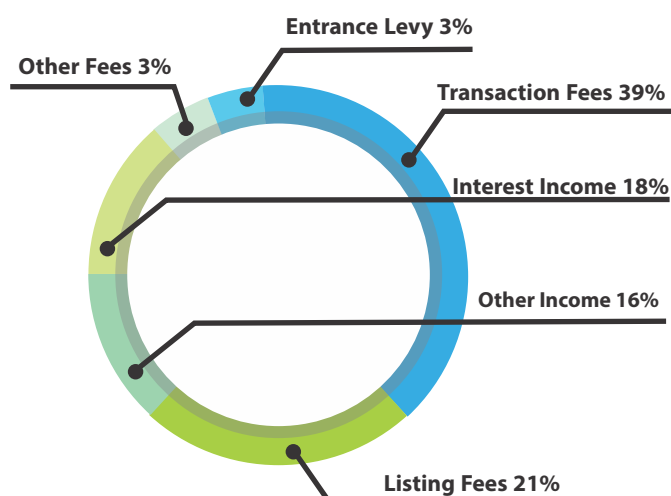
Operating Surplus before Tax

N millions



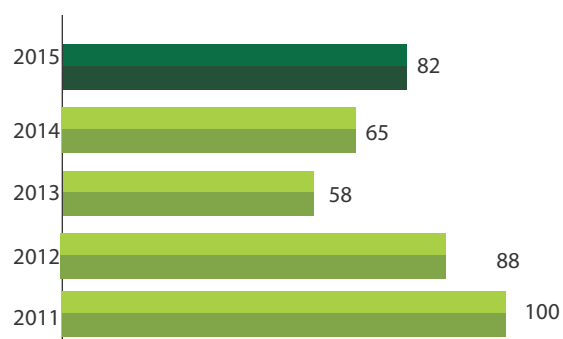
Total Income Mix

Per cent (%)



Cost-to-Income Ratio

Per cent (%)





N22.8 billion
Total Assets

N19.3 billion
Accumulated
Fund

N2.9 billion
Cash & Cash
Equivalents

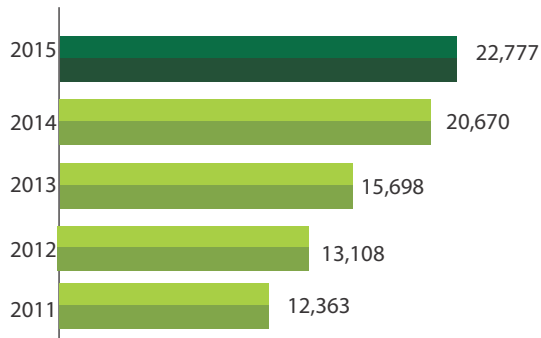
N7.4 billion
Total Other
Investments

N3.4 billion
Total
Liabilities

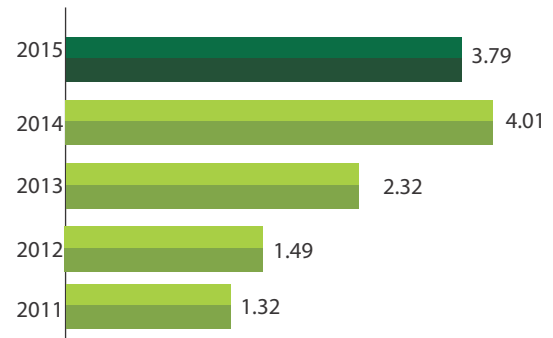
Year-on-Year performance

Year End 31 Dec (N 000)	2014	2015	Variance (%)
Total Assets	20,670,364	22,776,511	10.19%
Total Equity	17,490,801	19,354,745	10.66%
Total Liabilities	3,179,563	3,421,766	7.62%
Operating Other Investments	5,190,735	7,440,097	43.33%

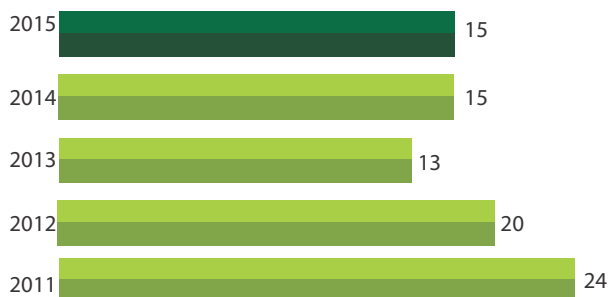
Total Assets N millions



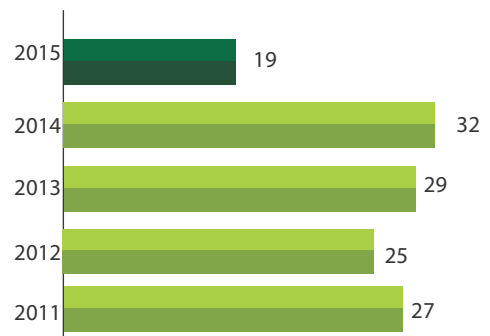
Current Ratio N millions



Total Income Mix Per cent (%)



Asset Turnover Per cent (%)



The Nigerian Stock Exchange Group financial statements are prepared in fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011. The preparation of the consolidated and separate financial statements in conformity with IFRS, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimate.



PREMIUM
BOARD



The Premium Board is the market segment for companies that meet the Exchange's most stringent listing standards on market capitalization, liquidity and corporate governance.

Special Feature on the The Premium Board

In line with the NSE's commitment to engendering the growth and development of the Nigerian Capital Market and Economy, the Exchange launched its premium listing segment – The Premium Board – and the associated Premium Board Index, on 25 August 2015 with the voluntary migration of listing of three companies – Dangote Cement Plc; FBN Holdings Plc; and Zenith International Bank Plc.

The Premium Board is the market segment for companies that meet the Exchange's most stringent listing standards on market capitalization, liquidity and corporate governance.

To achieve a listing on the Premium Board, the issuer must satisfy the National Council of the Exchange on the following:

1. The issuer must make a written application to the Exchange requesting to list on the Premium Board
2. The issuer must undertake the Corporate Governance Rating System (CGRS) evaluation and achieve a minimum rating of 70%
3. The issuer must achieve a market capitalization (where the company is already listed on a listing Board of the Exchange) or have a valuation (where it is a fresh listing) that is equal to or in excess of N200 billion on the date the Exchange receives the issuer's application to list on the Premium Board
4. The issuer must satisfy either of the following:
 - A minimum free float requirement of 20% of its issued share capital; or
 - The value of its free float is equal to or above N40 billion on the date the Exchange receives the issuer's application to list.
5. The issuer must execute the General Undertaking for listing on the Premium Board



Rationale

In today's increasingly competitive and global financial markets, investors seek to efficiently identify companies/securities that align with their investment scale and risk appetite. As listing destinations and financial market centers, an exchange must facilitate the ability of their issuers to attract requisite investment from the right type of investors to ensure supportive funding of business growth. Critical to an exchange's ability to adequately showcase listed companies to the right type of investor is proper market segmentation.

The NSE is committed to providing markets that allow for effective and efficient matching of issuers and investors for mutual benefit, while ensuring transparency and adherence to the principles of corporate governance and sustainability. The Premium Board is one of the results of our commitment to place corporate governance in the forefront of our agenda, as a way to improve the climate for doing business in Africa.



Objectives

Our core objective is to ensure that the NSE's Listing Boards provide companies with platforms that align with their capital and visibility needs, by showcasing them to investors that have the requisite appetite (as defined by the respective Listing Board standards). Accordingly, Listing Boards are not structured to be superior, in any way, to each other but rather to permit for proper segmentation for investors to efficiently identify target company types and for the Exchange to properly service the companies on a particular Board. The thrust of the NSE Premium Board is to provide a platform that permits for adequate global visibility by showcasing companies who are industry leaders in their sectors; adhere to international best practice of corporate governance standards, and meet the Exchange's highest standards of market capitalization and liquidity.



Benefits

Some of the envisaged benefits of achieving a Premium Listing status with the Exchange are:

- Achieve greater global visibility as a top value company on the African continent with adherence to international corporate governance standards (this should enhance the ability to attract global capital flows and further reduce financing costs)
- Eligibility to use the Premium Board Brand Mark – A premium listing on the NSE is a prestige. To help companies showcase the profile of their listing, we have created a brand mark to promote their status and showcase their association with the Exchange. Premium listed Companies will be able to display the brand mark on corporate materials such as websites, flags at the Corporate Head Office, publications, press releases and advertisements.
- Enhanced shareholder value via potential increase in company valuation and share liquidity (research findings reveal that premium listed company valuations tend to exceed their industry peers on average between 18% - 22%)
- Belong to an elite club of issuers that exemplify adherence to the most stringent listing standards, as well as compliance with continuing listing obligations of the Exchange.
- Eligibility for the company's shares to belong in the NSE Premium Index (the index is exclusive to Premium listed companies. This will also increase visibility and liquidity of the company's shares with added value for the shareholders.)
- Eligibility for the company's shares to belong to the proposed NSE Corporate Governance Index – an index of only the very best run listed corporates.





REPORT ON THE EVALUATION OF THE NATIONAL COUNCIL



11 May 2016

The President of the National Council
The Nigerian Stock Exchange
Stock Exchange House
2-4 Customs Street
Lagos

Dear Sir

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

PricewaterhouseCoopers was engaged to carry out an assessment of the performance of the National Council ('the Council') of the Nigerian Stock Exchange as prescribed by Section 15.1 of the Securities and Exchange Commission's Code of Corporate Governance for public companies ('the Code'). The assessment covered all aspects of the Council's structure and composition, responsibilities, processes and relationships, as well as individual members' competencies and respective roles in the Council's performance. The assessment was conducted for the year ended 31 December 2015.

The Council is responsible for the preparation and presentation of information relevant to its performance. Our responsibility is to reach a conclusion on the Council's performance based on work carried out within the scope of our engagement as contained in our letter of engagement. In carrying out the assessment, we have relied on representations made by members of the Council and on the documents provided for our review.

The Council has substantially complied with the provisions of the Code. The Council and its Committees are comprised of members with the right mix of skills and quality of experience required to consistently improve on the Exchange's position particularly from a corporate governance perspective. Other areas of strength include the Council's attention to risk management, implementation of strategic plan, robustness of Council discussions and the existence of a Conflict of Interest Policy to address situations where such conflicts arise. The Council is also aware of the need to have a clearly documented and transparent procedure for the appointment of Council members. To address this, a policy has been developed which is in the final stage of review. A Remuneration Policy also needs to be put in place for Council members. Other findings and recommendations are contained in our full report to the National Council.

We also facilitated the assessment of the individual performance of Council members by themselves and their fellow Council members for the year under review. This assessment covered the perceived competence, level of attendance at Council and Council Committee meetings, contribution and participation at these meetings and relationships with each other. Each individual Council member's assessment report was prepared and made available to them respectively while a consolidated report for all Council members was submitted to the President of the National Council.

Yours faithfully

For: PricewaterhouseCoopers Limited

Ifori Layegue

Associate Director

FRC/2013/ICAN/00002989

PricewaterhouseCoopers Limited

Landmark Towers, 5B Water Corporation Road, Victoria Island, P O Box 2419, Lagos, Nigeria

T: +234 1 271 1700, www.pwc.com/ng

TIN: 00290010-0001 RC39418

Directors: S Abu, O Adekoya, W Adetokunbo-Ajayi, UN Akpata, O Alakhume, I Arofor, K Asante-Poku (Ghanian), D Asapokhai, C Azobu, R Eastaugh (South African), E Erhie, A Eriksson (Kenyan), I Ezeuko, M Iwelumo, A Kehinde, D McGraw (American), A Nevin (Canadian), R Newsome (British), P Obianwa, B Odiaka, T Ogundipe, P Omontuemen, T Oputa, T Oyedele, AB Rahji, O Ubah, A Ugarov (American)



REPORT OF THE COMMITTEES OF THE NATIONAL COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2015

The Report of the Audit and Risk Management Committee

The Audit and Risk Management Committee (ARM) of the National Council of The Exchange held three (3) meetings and a two (2) days Retreat in 2015.

At the beginning of the year under review, the members of the ARM were:

1. Prof. Herbert Onye Orji, OON (Chairperson)
2. Mr. Abubakar Mahmoud, SAN, OON
3. Mrs. Yemisi Ayeni
4. Mr. Oluwale Abegunde (Meristem Securities Limited)
5. Mr. Dunama Balami (Sigma Securities Limited)
6. Mr. Oladipo Aina (Signet Investment & Securities Ltd.)

Following the reconstitution of the Committee in July 2015, the current Members of the ARM are as follows:

1. Prof. Herbert Onye Orji, OON (Chairperson)
2. Mr. Abubakar Mahmoud, SAN, OON
3. Mr. Oluwale Abegunde (Meristem Securities Limited)
4. Mr. Dunama Balami (Sigma Securities Limited)
5. Mr. Oladipo Aina (Signet Investment & Securities Ltd.)

Remit of the Committee

The ARM operates pursuant to its Terms of Reference which were approved by the National Council. It was established for the purpose of providing reasonable assurance regarding the Council's oversight responsibilities with respect to:

- I. Monitoring The Exchange's compliance with the operational processes established to ensure protection of The Exchange's resources against waste, malfeasance, and poor value for money;
- II. Monitoring The Exchange's compliance with the process established for financial reporting; and
- III. Monitoring compliance with applicable laws and regulations and The Exchange's Code of Conduct for employees.

The ARM exercises the powers of the Council pursuant to the Companies and Allied Matter Act, CAP C.20 Laws of the Federation of Nigeria 2004 and The Exchange's Memorandum and Articles of Association, by overseeing The Exchange's financial reporting, internal controls, risk management systems, whistle blowing, and fraud, internal and external audit.

The ARM works closely with The Exchange's External Auditors, Internal Auditor, Chief Risk Officer, Chief Financial Officer, Council Secretary and other people temporarily or permanently responsible for the control functions of The Exchange.

Below is a summary of some of the issues handled by the Committee in 2015.

1. The ARM met with The Exchange's External Auditors, KPMG Professional Services Limited, to discuss KPMG's audit strategy and plan for the year 2015.
2. The ARM sitting in joint session with the Governance and Remuneration Committee met The Exchange's External Auditors, KPMG Professional Services Limited to discuss The Exchange's Audited Financial Statements and provided further direction on the Financial Statements.
3. **Internal Control and Risk Management**
The ARM considered and approved the Internal Audit Manual and Timetable for 2015 and the Enterprise Risk Management framework for 2015. It also reviewed the Internal Audit Quarterly Reports and Findings and ensured compliance with the timetables. The ARM tracked the implementation of the 2014 audit recommendations contained in KPMG's Management Letter.

The ARM considered and recommended for Council's approval the following policies: Compliance Policy and Process Manual Framework, The Exchange Travel Policy, the Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Policy and Procedures Manual.

The Chairperson of the Committee or his designated representative attends General Meetings of The Exchange at which he is available to respond to any questions regarding matters within the Committee's remit. Please see the profile of the Chairperson, Prof. Herbert Onye Orji, OON on page 37 of the Annual Report.



Report of the Demutualization Committee

The Demutualization Committee of the National Council of the Nigerian Stock Exchange (the “Committee”) held three (3) meetings in 2015. At the beginning of the year under review, the Members of the Committee were:

Mrs. Yemisi Ayeni (Chairperson)
Mr. Oscar N. Onyema, OON
Mr. Abimbola Ogunbanjo
Mr. A. B. Mahmoud, SAN, OON
Dr. Umaru Kwairanga (Representing Finmal Finance Services Ltd)
Mr. Kayode Falowo (Representing Greenwich Securities Ltd)
Mr. Oladipo Aina (Representing Signet Investment and Securities Limited)

Following Mrs. Yemisi Ayeni’s resignation as a National Council Member in April 2015 and the reconstitution of the Committee in July 2015, the current Members of the Committee are as follows:

Mr. A. B. Mahmoud, SAN, OON (Chairperson)
Mr. Oscar N. Onyema, OON
Mr. Abimbola Ogunbanjo
Dr. Umaru Kwairanga (Representing Finmal Finance Services Ltd)
Mr. Kayode Falowo (Representing Greenwich Securities Ltd)
Mr. Oladipo Aina (Representing Signet Investment and Securities Limited)

The Committee operates pursuant to its Terms of Reference that were approved by the National Council. The duties of the Committee include reviewing, examining and making recommendations to the National Council regarding the present structure of The Exchange and, in that context, examining and determining the appropriate response(s) to legal, regulatory, financial, and legacy issues pertinent to the demutualization of The Exchange. Further, the Committee is responsible for reviewing the regulatory framework, including self-regulatory organization status, shareholding criteria, and trading rights; as well as identifying effective ways to deal with issues relating to the legitimate interests of all stakeholders and making recommendations to the National Council in that regard.

Governance

During the year under review, Members of the Committee were trained on Demutualization and Regulation; overview of regulatory issues raised by demutualization.

The Committee continued to provide strategic guidance and oversight over The Exchange's Management Demutualization Project Team (DPT). The Committee monitored the execution of the Project Plan (DPP) and reported project progress to the National Council. The DPP identifies major tasks and monitors the execution of these tasks and responsibilities relating to the demutualization, highlights those that are on the Project’s critical path and identifies the parties responsible for all Project tasks. Under the Committee's oversight, The Exchange appointed the legal, financial and tax professional advisers to the demutualization exercise. Following a rigorous, robust and transparent selection process, The Exchange appointed:

- a) the Law Firm of Aluko and Oyeboode as the legal adviser to the demutualization exercise;
- b) the consortia of Rand Merchant Bank/Chapel Hill Denham as the financial advisers to the demutualization exercise; and
- c) Pedabo Associate Limited as the tax advisers to the demutualization exercise.

Stakeholder Engagement

The Committee recognises that stakeholder engagement is a critical element of the demutualization process. Thus, the Committee reviewed the strategy for engaging various stakeholders and continued to engage these stakeholders in its bid to compile a comprehensive database of stakeholder issues and to identify effective ways to deal with these issues. Further, the Committee reviewed the stakeholder mapping process. Representatives of the Association of Stockbroking Houses of Nigeria (ASHON) and Association of Issuing Houses of Nigeria (AIHN) have standing invitations to attend the meetings of the Committee, as observers. The Chairperson of the Committee attends General Meetings of The Exchange at which he is available to respond to questions regarding matters within the Committee's remit. Please see the profile of the Chairperson, Mr. A. B. Mahmoud, SAN, OON on page 36 of the Annual Report.

**Mr. A. B. Mahmoud, SAN, OON,
Chairperson**

Report of the Disciplinary Committee

The Disciplinary Committee (the Committee) held six meetings in 2015. At the beginning of the year under review, the Members of the Committee were:

1. Mr. A. B Mahmoud, SAN, OON (Chairperson)
2. Mr. Oscar N. Onyema, OON
3. Mr. Wole Abegunde (Representing Meristem Securities Limited)
4. Mr. Dunama Balami (Representing Sigma Securities Limited)
5. Mr. Kayode Falowo (Representing Greenwich Securities Limited)
6. Mr. Oladipo Aina (Representing Signet Investment & Securities Limited)

Following the reconstitution of the Committee in July 2015, the Members are as follows:

1. Mr. A. B Mahmoud, SAN, OON (Chairperson)
2. Engr. Muhammad Daggash
3. Mr. Wole Abegunde (Representing Meristem Securities Limited)
4. Mr. Dunama Balami (Representing Sigma Securities Limited)
5. Mr. Kayode Falowo (Representing Greenwich Securities Limited)
6. Mr. Oladipo Aina (Representing Signet Investment & Securities Limited)

Remit of the Committee

The Committee operates pursuant to its terms of reference that were approved by the National Council. It exercises the disciplinary powers of Council pursuant to The Exchange's license granted by the Securities and Exchange Commission in accordance with the Investment and Securities Act, 2007; The Exchange's Memorandum and Articles of Association; as well as The Exchange's Rules and Regulations Governing Dealing Members. In recognition of The Exchange's functions as a Self-Regulatory Organization, the Committee works to ensure the effective execution of The Exchange's self-regulatory responsibilities under the Investment and Securities Act 2007. Below is a summary of some of the matters handled by the Committee in 2015.

1. Governance

During the year under review, Members of the Committee were trained on Fundamentals of Administrative Rule Making, Fundamentals of Rule Interpretation and Rule Making by Self-Regulatory Organizations.

2. Investor Protection

The Committee, in order to sanitize the market and enhance investors' confidence therein, dealt with matters that border on unauthorised sale of Clients' shares by Dealing Members.

Unauthorized Sale Of Client's Shares

During the year under review, the Committee, following its hearing of and deliberation on complaints against Fittco Securities Limited, recommended to the Council, and the Council approved the expulsion of Fittco Securities Limited as a Member of The Exchange and revoked its Dealing Member license. The Committee consequently recommended, and the Council approved that the unresolved complaints against Fittco Securities Limited should be referred to the Investors' Protection Fund (IPF) for payment of compensation in accordance with the IPF Rules. The Committee heard several complaints made against some Dealing Members for unauthorized sales of their clients' shares. The Committee also dealt with a complaint of price manipulation and made its recommendations to the Council accordingly.

3. Rebuilding Investors' Confidence in the Capital Market

a. Disciplinary Process Against Dealing Members With Inactivated Licenses

During the year under review, the Committee, in continuation of its efforts to restore investors' confidence in the Market, deliberated on the disciplinary actions against Dealing Members with Inactivated Licenses. Following the hearing, the Committee recommended to Council, and Council approved the revocation of the licenses of Dealing Members listed below, and expelled firms as Members of The Exchange owing to their failure to activate their respective licenses issued to them by The Exchange:

- i. Afro-Arab Investment Limited
- ii. Al-Pina Investment & Trust Co. Limited
- iii. Barakat Investment Limited
- iv. BBL Asset Management Limited



- v. Enabell Capital & Investment Limited
- vi. First Express Limited
- vii. Integrated & Allied Securities Limited
- viii. Kingdom Securities Limited
- ix. Standard Chartered Securities Limited
- x. Translux Services Limited
- xi. MultiTrust Securities Limited

b. Disciplinary Process Against Dealing Members Deregistered by the Securities Exchange Commission

The Committee deliberated on the disciplinary actions against the following Dealing Members firms which were deregistered by the SEC. Pursuant to The Rules, the Committee recommended to the Council, and the Council approved the revocation of the licences of the 16 (Sixteen) Dealing Members listed below, and expelled the firms as Members of The Exchange, owing to their deregistration by the SEC.

- i. AAA Securities Limited
- ii. BFCL Asset & Securities Limited (CBO Capital Partners Limited)
- iii. BIC Securities Limited
- iv. Colvia Securities Limited
- v. Davandy Finance Limited
- vi. Epic Investment Trust Limited
- vii. Equator Stockbrokers Limited
- viii. Empire Securities Limited
- ix. First Atlantic Securities Limited
- x. Folu Securities Limited
- xi. Genesis Sec. & Inv. Ltd
- xii. Indemnity Finance Limited
- xiii. Midlands Inv. & Trust Limited
- xiv. RIVTrust Securities Limited
- xv. Riverside Trust Limited
- xvi. Sikon Securities and Investment Trust Limited

c. Disciplinary Process Against Authorised Clerk

During the year under review, the Authorized Clerkship licenses of four (4) Authorized Clerks were evoked in line with Rule 8.12: Power to Suspend or Revoke the Registration of Authorized Clerks, Rulebook of The Exchange, 2015 (Dealing Members' Rules), on the grounds of their unethical and fraudulent activity which has eroded the confidence of investors in the Market.

The Chairperson of the Committee attends the Annual General Meetings of The Exchange at which he is available to respond to questions regarding matters within the Committee's remit. Please see the profile of the Chairperson, Mr. A. B Mahmoud, SAN, OON on page 36 of the Annual Report.

Mr. A. B Mahmoud, SAN, OON
Chairperson

Report of the Governance and Remuneration Committee

The Governance and Remuneration Committee ("Committee") of the National Council of The Exchange held five (5) meetings and a one-day Retreat in 2015.

At the beginning of the year under review, the Members of the Committee were:

- 1. Mr Abimbola Ogunbanjo (Chairperson)
- 2. Prof Herbert Onye Orji, OON
- 3. Engr. Muhammad Daggash
- 4. Mr Michael Osime (Representing ICMG Securities Limited)
- 5. Dr. Umaru Kwairanga (Representing Finmal Finance Services Limited)
- 6. Mr Kayode Falowo (Representing Greenwich Securities Limited)

Following the reconstitution of the Committee in July 2015, the current Members of the Committee are as follows:

1. Mr Abimbola Ogunbanjo (Chairperson)
2. Prof Herbert Onye Orji, OON
3. Engr. Muhammad Daggash
4. Mr Michael Osime (Representing ICMG Securities Limited)
5. Mr Kayode Falowo (Representing Greenwich Securities Limited)

Remit of the Committee

The Committee operates pursuant to its Terms of Reference which have been approved by the National Council ("Council"). The Committee exercises the powers of Council pursuant to the Companies and Allied Matters Act, CAP C, 20 Laws of the Federation of Nigeria 2004, the Code of Corporate Governance issued by the Securities and Exchange Commission and The Exchange's Memorandum and Articles of Association by overseeing, amongst other things, The Exchange's corporate governance policies and benchmarking same against international best practices, The Exchange's strategic plans, financial objectives and human resource policies and the establishment and implementation of a comprehensive system of policies, procedures and governance structures. Below are some of the activities undertaken and matters considered by the Committee in 2015.

1. Governance

During the year under review, in a bid to review the performance of each of the Council Committees to ensure that their composition, mandate and authority enable them to provide effective assistance to the Council in the key areas in which they function, members of the Committee were trained on Enhancing Board Performance.

2. 2014 Audited Financial Statements

The Committee sitting in joint session with the Audit and Risk Management Committee met The Exchange's External Auditors, KPMG Professional Services Limited to discuss The Exchange's Audited Financial Statements and provided further direction on the Financial Statements.

3. 2016 Budget

The Committee considered and reviewed The Exchange's 2016 budget and recommended the approval of the budget by the Council.

4. Corporate Governance

a. Policies of The Exchange

The Committee considered and recommended the following policies for the Council's approval: Graduate Trainee Programme Framework, Drug and Substance Abuse Policy, Pre-employment Medical Examination Policy, Staff Deployment Policy, Benefits In Kind Policy, Long Term Incentive Pay Policy (LTI), NSE Manual of Authority, The Exchange Directors and Officer Indemnity Policy, Project Management Framework, Centralized Procurement Policy, Workforce Diversity and Equal Opportunities Policy, The Exchange Disaster Recovery Plan, Out-of-office Cover Policy, Arts Collection Policy, Financial Literacy Framework Policy, Library Management Policy, Performance Management System Policy and Framework, Reimbursable/ Entertainment Expenses Policy, Training Facility Policy, Litigation and ADR Policy, Succession Planning Policy, Operationalisation and the Conflict of Interest Policy.

b. Review of the Current Business Development Division (BDD) Organogram

The Committee considered and recommended for the Council's approval the proposed restructuring and transformation plan for the Business Development Division (BDD) to enable The Exchange develop the requisite sales capabilities to compete effectively and deliver on growth objectives.

c. Contract Extension

During the year under review, the Committee considered and recommended for approval by the National Council:

- i. the extension of Mr. Oscar Onyema OON, Chief Executive Officer's contract of employment with The Exchange for another five (5) years;
- ii. the extension of Mr. Ade Bajomo, Executive Director, Market Operations and Technology's contract of employment with The Exchange for another five (5) years; and

d. Appointment of a Council Secretary

The Committee considered and recommended for approval by the National Council the appointment of Mrs. Mojisola Adeola as Council Secretary subject to the provisions of the Companies and Allied Matters Act Cap. C20. Laws of the Federation 2004.

The Chairperson of the Committee attends general meetings of The Exchange at which he is available to respond to questions regarding matters within the Committee's remit. Please see the profile of the Chairperson, Mr. Abimbola Ogunbanjo on page 36 of the Annual Report.

Mr. Abimbola Ogunbanjo
Chairperson



Report of the Rules and Adjudication Committee

The Rules and Adjudication Committee ("Committee") of the National Council ("Council") held one meeting and a two-day retreat in 2015. At the beginning of the year under review, the Members of the Committee were:

1. Engr. Muhammad Daggash (Chairperson)
2. Mr. Oscar N. Onyema, OON
3. Mr. Abimbola Ogunbanjo
4. Prof. Herbert Orji, OON
5. Mr. Michael Osime (Representing ICMG Securities Limited)
6. Dr. Umaru Kwairanga (Representing Finmal Finance Services Limited)

Following the reconstitution of the Committee in July 2015, the current Members of the Committee are as follows:

1. Mr. Abimbola Ogunbanjo (Chairperson)
2. Mr. Oscar N. Onyema, OON
3. Prof. Herbert Orji, OON
4. Mr. Michael Osime (Representing ICMG Securities Limited)
5. Dr. Umaru Kwairanga (Representing Finmal Finance Services Limited)

Remit of the Committee

The duties of the Committee include:

- a) Reviewing, and recommending for Council approval, all Management's proposed rules and regulations for The Exchange, including but not limited to Listing Rules, Rules and Regulations governing Dealing Members, Product Rules, and Market Rules.
- b) Continuous review of the rules and regulations of The Exchange, and recommending for Council approval, Management's proposed revisions to such rules and regulations as appropriate.
- c) Providing oversight regarding legal and regulatory issues affecting The Exchange, including oversight in the choice of legal counsel in matters considered significant to The Exchange.
- d) Review and providing clarification of the meaning of existing rules and regulations, and advising the Council and/ or its Committees regarding their interpretation.

1. Governance

During the year under review, Members of the Committee were trained on Fundamentals of Administrative Rule Making, Fundamentals of Rule Interpretation and Rule Making by Self-Regulatory Organizations.

2. Review and Recommendation for Approval of Rules

During the year under review, the Committee reviewed and recommended the following Rules for the approval of the Council and the Securities and Exchange Commission ("SEC"), after going through the robust rule making process of The Exchange:

a) Listing Rules:

i. Rules for Listing on the Premium Board

The Committee considered and recommended for Council approval the proposed amendment to the Rules for Listing on the Premium Board ("Premium Board Rules"). The proposed amendments were to: (i) reflect a more realistic free float of N40 Billion as opposed to the US\$1 Billion originally provided for in the Rule as one of the eligibility criteria for admission to the Premium Board; and (ii) reflect the currency for the market capitalization and free float requirements in Naira. The Committee also considered other sundry amendments regarding the Corporate Governance Rating System (CGRS). The Rules have been approved by the Council and the SEC.

ii. Revised Rules Governing Compliance with Free Float Requirements

The Committee considered, and recommended for Council approval, the proposed Rules Governing Compliance with Free Float Requirements. The purpose of the proposed Rule is to provide an alternative for large capitalized companies that may not have the minimum free float requirement of 20% as prescribed by the Listings Requirements but have large volume/values of shares in the hands of the investing public.

iii. Rules For Filing Of Accounts And Treatment Of Default Filing

The Committee reviewed and recommended for Council approval the proposed Rules for Filing of Accounts and Treatment of Default Filing which seeks to address requests by Issuers for extension of time to submit their audited and interim accounts, as well as the issue of default filing and delisting of delinquent filers from the Daily Official List of The Exchange. The revised Rules are awaiting Council and SEC approvals.

iv. Rules Regarding Delisting from the Daily Official List

The Committee considered the Rules Regarding Delisting from the Daily Official List of The Exchange. The Rules set out the delisting procedures, the modes of de-listing and the period after which the Issuer of a de-listed security can seek to have the security re-listed on The Exchange after its de-listing. The Rules have been exposed for stakeholders' comments.

v. Rules Governing the Listing of Sukuk and Similar Debt Securities

The Committee considered, and recommended for Council approval, the Rules Governing the Listing of Sukuk and Similar Debt Securities, which sets out the requirements that must be complied with by an Issuer seeking to list its sukuk or debt securities for trading on The Exchange. The Rules contain provisions on requirements for approval for admission and appointment of a Shari'ah adviser; contents of the sukuk trust deed; admission of a foreign issuer; requirements imposed on the obligor; continuing listing obligations; disclosure of information; submission of financial statements; and delisting by The Exchange. The Council approved the Rules and the Rules are awaiting SEC approval.

b. Rules and Regulations Governing Dealing Members:

i. Amendments and Additions to the Rules and Regulations Governing Dealing Members.

The Committee considered the Rules and Regulations Governing Dealing Members (Additions and Amendments, VII): Par Value Rule which have received Council and SEC approvals; (Amendments and Additions, Part VIII) which included proposed amendments and additions to the following Rules on: Publication of Disciplinary Actions, Effects of Suspension, Specific Powers of Council, Eligibility and Admission Procedures for Authorized Clerks, Unauthorized Sale or Transfer of Securities, Specific Actions Requiring Prior Consent Of The Exchange and, Qualifications of a Chief Executive Officer. These Rules have also received Council and SEC approvals respectively.

Further, the Committee reviewed the Amendments and Additions to Rules and Regulations Governing Dealing Members (IX) and recommended the same for Council approval. The amendments and additions addressed matters such as New Rule on Online Trading Portal; Prescribed Mode of Advertisement, Minimum Standards for Communicating with the Public, Amendment of "Sanctions for Violating the Regulations for Communicating with the Public"; Article Specific Actions Requiring Prior Consent of The Exchange and, New Article on No Defaults.

ii. Consideration Of Code Of Conduct For Approved Persons

The Committee reviewed the Code of Conduct for Approved Persons of Dealing Member firms (the "Code of Conduct"), and recommended same for Council approval. The Exchange collaborated with the Committee of Compliance Officers of Dealing Members Firms to draft the Code of Conduct. The objective of the Code of Conduct is to prescribe acceptable standards of behaviour and improve ethical conduct of approved persons. The Code of Conduct addresses Minimum Standards, Business Practice Standards, Compliance and Conflict Resolution Standards, Personal Trading/Insider Trading, Risk Based Monitoring Minimum Controls, Corporate Governance, Client Money Management, Record Keeping Page and Compliance with the code.

iii. Amendments to the Rules for Registration as a Dealing Member of the Nigerian Stock Exchange

The Committee reviewed and recommended for Council's approval, the proposed amendments to the Rules for Registration as a Dealing Member of The Exchange. The amendments amongst others is to recognize Brokers and Dealers as Members of The Exchange.

iv. Amendments to the Guidelines for Designated Advisers for Entities Listed on ASeM

The Committee reviewed and recommended for Council approval, amendments to Guidelines for Designated Advisers for Entities Listed on ASeM (ASeM Rules). The purpose of the amendment to the ASeM Rules was to expand the pool from which Designated Advisers could be selected so as to include more professionals, as well as, the inclusion of sanctions in the ASeM Rules to ensure compliance. The Guidelines have been approved by the Council and the SEC.

v. Rules Governing the Inclusion of Retail Participants in Securities Lending Transactions

The Committee reviewed and recommended for Council approval, the draft Rules Governing the Inclusion of Retail Participants in Securities Lending Transactions. The Rules were approved by the Council and are awaiting SEC approval.



vi. Amendments to the NSE Guidelines on Securities Lending and the Nigerian Addendum

The Committee considered the proposed amendments to The Exchange's Guidelines on Securities Lending (NSE Guidelines) and the Nigerian Addendum to the Global Master Securities Lending Agreement (GMSLA). The purpose of the amendments is to provide clarity and to ensure that the use of the GMSLA by Securities Lenders conform to the SEC's Rules on Securities Lending.

3. Rulebook of The Nigerian Stock Exchange, 2015

The Exchange prepared and published on the website, the Electronic Rulebook of The Exchange, 2015. This is the first time in the history of The Exchange that all of its Dealing Members Rules and Issuers' Rules, and a consolidated Index would be issued as one document. The Rulebook will facilitate quick and easy access to the Rules by Dealing Members, Issuers, investors and such other stakeholders.

Annual General Meeting

The Chairperson of the Committee attends the Annual General Meetings of The Exchange at which he is available to respond to questions regarding matters within the Committee's remit. Please see the profile of the Chairperson, Mr. Abimbola Ogunbanjo, on page 36 of the Annual Report.

Mr. Abimbola Ogunbanjo
Chairperson

Report of the Technical Committee

The Technical Committee held 3 meetings in 2015. At the beginning of the year under review, the Members of The Technical Committee were:

1. Mrs' Yemisi Ayeni (Chairperson)
2. Mr. Oscar Onyema, OON
3. Engr. Muhammad Daggash
4. Mr. Wole Abegunde (Representing Meristem Securities Limited)
5. Mr. Kayode Falowo (Representing Greenwich Securities Limited)
6. Mr. Oladipo Aina (Representing Signet Investment and Securities Limited)

Following the reconstitution of the Committee in July 2015, the current Members of the Committee are as follows:

1. Engr. Muhammad Daggash (Chairperson)
2. Mr. Oscar N. Onyema, OON
3. Mr. Wole Abegunde (Representing Meristem Securities Limited)
4. Mr. Oladipo Aina (Representing Signet Investment and Securities Limited)
5. Mr. Dunama Balami (Representing Sigma Securities Limited)

The Committee operates pursuant to Terms of Reference that have been approved by the National Council. The duties of the Committee as contained in its Terms of Reference include reviewing The Exchange's business and technology development, strategic opportunities and plans, and technology operations including Information Security and business continuity measures. The Committee also reviews other key technical initiatives in The Exchange, such as market structure, market surveillance and market operations.

Governance

With the critical importance of Technology to the operational viability and growth of The Exchange, the Committee 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.

The Committee also monitored the Management Information Technology Steering Committee ("IT Steering Committee") to address technical issues and facilitate strategic alignment with technology advances that are critical to the competitiveness of The Exchange. The Committee benchmarked the achievements of the IT Steering Committee against global exchanges.

In line with good corporate governance, the Committee oversaw the organization of Financial Literacy Programmes/Investor clinics through the organising of the first edition of the Nigerian Capital Market Information Security Forum ("NCMISF" or "Forum") in 2015.

Technology Development and Related Initiatives: Under the Committee's effective oversight, NASDAQ has installed a World-Class

Surveillance Program i.e. NSE-NASDAQ OMX SMARTS SOFTWARE. The installation is to enable The Exchange maintain a fair and orderly market based on just and equitable principles.

The Committee recommended to Council the introduction of the Exchange Traded Derivatives Market which would herald a central clearing service to the Nigerian Capital market in line with global best practices. Business Continuity Following a review of a number of business continuity options, the Committee directed Management to upgrade The Exchange's branches across the country in line with the Branch Strategy Technology Project. Information Management and Technology Strategy Policies

The Exchange has also obtained the ISO 27001:2013 Certification Award. The certification, which is the first in Africa, was issued after a thorough audit and validation process conducted by the British Standards Institute (BSI). The certification gives maximum assurance to stakeholders that their information with The Exchange is protected and is geared towards maintaining the highest level of Information Security management for the business of The Exchange. The Chairperson of the Committee attends the Annual General Meetings of The Exchange at which he is available to respond to questions regarding matters within the Committee's remit. Please see the profile of the Chairperson, Engr. Muhammad Daggash on page 37 of the Annual Report.

Engr. Muhammad Daggash
Chairperson

Report of the Quotations Committee

The Quotations Committee of the National Council ("Council") held eight (8) meetings in 2015. At the beginning of 2015, the Members of the Quotations Committee of the National Council (QCN) were:

1. Mr. Aigboje Aig-Imoukhuede, CON (Chairperson)
2. Mr. Oscar N. Onyema, OON
3. Mr. Abimbola Ogunbanjo
4. Mr. Abubakar Mahmoud, SAN, OON
5. Alh. Aliko Dangote, GCON
6. Mrs. Yemisi Ayeni
7. Dr. Umaru Kwairanga (Representing Finmal Finance Services Limited)
8. Mr. Kayode Falowo (Representing Greenwich Securities Limited)
9. Mr. Michael Osime (ICMG Securities Limited)
10. Mr. Dunama Balami (Sigma Securities Limited)

However, following Mrs. Yemisi Ayeni's resignation from the National Council in April 2015, the current Members of the Committee are as follows:

1. Mr. Aigboje Aig-Imoukhuede, CON (Chairperson)
2. Mr. Oscar N. Onyema, OON
3. Mr. Abimbola Ogunbanjo
4. Mr. Abubakar Mahmoud, SAN, OON
5. Alh. Aliko Dangote, GCON
6. Dr. Umaru Kwairanga (Representing Finmal Finance Services Limited)
7. Mr. Kayode Falowo (Representing Greenwich Securities Limited)
8. Mr. Michael Osime (ICMG Securities Limited)
9. Mr. Dunama Balami (Sigma Securities Limited)

Remit of the Committee

The remit of the Committee includes:

- i. To control the granting of a quotation on The Exchange in respect of any securities and securities derivatives;
- ii. To determine, prescribe and/or enforce all listing requirements and from time to time amend or alter such requirements as it may deem fit;
- iii. To grant quotations to companies, delist, suspend or withdraw quotations from any quoted companies as it may deem fit;



- iv. To admit any investment to be traded or dealt with on The Exchange or market;
- v. To provide market expertise and advice on international trends, issuers, investors and other market participants, and new product opportunities relating to the listings; and
- vi. To generally, act as a sounding board for policy recommendations and strategic initiatives in relation to listings.

Governance

Under the Committee's oversight, Management is developing a due diligence book for reviewing listing applications to enhance a robust analysis of applications.

Applications

In 2015, the Committee considered and approved applications from various Companies with respect to Initial Public Offers (IPOs), Bonds, Block divestments, Rights Issues, Special Placing, and Offer for Subscription. The Committee also approved the delisting of 3 Companies from the Daily Official list of The Exchange.

Initial Public Offers (IPOs)

The Committee considered and approved initial public offer from two companies i.e. HMK Real Estate Investment Trust and Notore Chemical Industries Plc.

Bonds

Regarding Bonds, the Committee considered and approved application of States Bonds worth N57.1 Billion, and Corporate Bonds worth N89.7 Billion.

Block divestment

On Block divestment, the Committee approved 2 block divestments applications.

Rights Issues

The Committee considered and approved several Rights Issues applications such as Diamond Bank Plc's listing of a Rights Issue of 8,685,145,863 ordinary shares of 50k each at N5.80 per share on the basis of three (3) new shares for every five (5) previous held.

Others

Further, the Committee approved Lafarge Africa Plc's Take-Over Bid in Ashakacem; Fortis Microfinance Bank Plc's Placing, Vetiva Capital Management Ltd's Initial Public Offering and Listing of Vetiva Banking ETF; Vetiva Consumer Goods ETF; and Vetiva Industrial ETF; Ecobank Transnational Incorporated Plc's Placing; and Seplat Petroleum Development Company Plc's Employee Long-Term Incentive Plan.

Scheme of Merger

The Committee also approved Nigerian Breweries Plc. and Consolidated Breweries Plc's Scheme of Merger; Union Homes Savings & Loans Plc's Scheme of Arrangement; Cornerstone Insurance Plc's Acquisition of Fin Insurance Company Limited; Guinness Overseas Limited's Tender Offer in Guinness Nigeria Plc., and Sunu Assurances Vie Cote d'Ivoire's Acquisition in Equity Assurance Plc.

Delisting

In the year under review, the Committee delisted three (3) companies namely: Nigeria Wire & Cable Plc; Nigeria Sewing Machine Plc; and Stockvis Plc for their failure to regularize their listing status within the timeframe granted by The Exchange. The Chairperson of the Committee attends meetings of The Exchange at which he is available to respond to questions regarding matters within the Committee's remit. Please see the profile of the Chairperson, Mr. Aigboje Aig-Imoukhuede on page 34 of the Annual Report.

Mr. Aigboje Aig-Imoukhuede, CON
President/Chairperson

The background image shows a large, empty conference room. A long, dark conference table is positioned in the center, with rows of chairs on either side. The room has a drop ceiling with square light fixtures and a large whiteboard on the far wall. The entire image is covered with a semi-transparent green gradient, which is darker on the left and fades to a lighter green on the right.

THE NATIONAL COUNCIL



**MR. AIGBOJE
AIG-IMOUKHUEDE, CON**
President

Mr. Aigboje Aig-Imoukhuede CON, was elected the President of The Exchange on 24 September 2014. From 2002 until his retirement in 2013, he was the Group Managing Director and Chief Executive Officer of Access Bank PLC. During his tenure, the bank was transformed to rank amongst Nigeria's top five Banks. His distinguished banking career has spanned 25 years of which 10 were spent at GTBank (Guaranty Trust Bank PLC) where he resigned as Executive Director in March 2002.

Mr. Aig-Imoukhuede was the board Chairman of FMDQ OTC PLC until August 2014, and is the Chairman of Wapic Insurance PLC. He is a member of the National Economic Management Team and a foundation board member of the Africa Finance Corporation.

As the Chairman of Friends Africa, a partner organization of the Global Fund to fight HIV, Malaria and Tuberculosis, he led the Gift from Africa campaign which has raised millions of Dollars for the Global Fund. He is Co-Chairman of the Board of GBC Health and is a founding member of the Private Sector Health Alliance of Nigeria.

He is an alumnus of Harvard Business School having attended its Executive Management Programme and also an Honorary Fellow of the Chartered Institute of Bankers of Nigeria. Mr. Aigboje Aig-Imoukhuede holds an LLB degree from the University of Benin and is qualified to practice as a Barrister and Solicitor of the Supreme Court of Nigeria.



MR. OSCAR N. ONYEMA, OON
Chief Executive Officer

Mr. Oscar Onyema was appointed Chief Executive Officer of The Exchange and member of the National Council in April 2011. Before this, he had acquired over 20 years of experience in both the United States financial markets and the Nigerian information technology sector.

He is currently the President of the African Securities Exchanges Association and the immediate past Chairman of the West African Capital Market Integration Council. He is the Chairman of Central Securities Clearing System (CSCS) PLC, the clearing house for the Nigerian capital market; a Council member of the Chartered Institute of Stockbrokers of Nigeria (CIS); and a Global Agenda Council member of the World Economic Forum. Mr. Onyema also serves on the boards of all subsidiaries of The Exchange, and on the board of FMDQ OTC PLC (FMDQ). Chief Executive Officer.

In 2009, Mr. Onyema founded Market Strategists LLC and consulted under the Gerson Lehrman Group platform in the United States, successfully enabling decision-makers at investment firms and corporations to understand financial products, services, companies, and issues in global financial markets. He served as Senior Vice President and Chief Administrative Officer at American Stock Exchange (Amex), which he joined in 2001. He was the first person of colour to hold that position, and was instrumental in integrating the Amex equity business into the New York Stock Exchange (NYSE) Euronext equity business after the later's acquisition of Amex in 2008. He then managed the NYSE Amex equity trading business, which he helped position as a premier market for small and mid-cap securities.

Mr. Onyema holds an MBA, Finance and Investment from City University of New York, Baruch College and a first degree in Computer Engineering from Obafemi Awolowo University.



ALHAJI ALIKO DANGOTE, GCON
Ex-Officio

Alhaji Aliko Dangote, GCON leads the Dangote Group, Nigeria's premier conglomerate, as President/Chief Executive. He was the President of The Exchange from June 2012 until September 2014. Internationally, Alhaji Dangote sits on the board of the Corporate Council for Africa, and is a member of the Steering Committee of the United Nations Secretary-General's Global Education First Initiative (GEFI), Clinton Global Initiative, McKinsey Advisory Council and International Business Council of the World Economic Forum (WEF). He served as a Co-chair of the 2014 annual meeting of the WEF in Davos, Switzerland, and Co-chair of the 2014 WEF Africa in Abuja, Nigeria.

A graduate of Business Studies from the Al-Azhar University, Cairo, Egypt, Alhaji Dangote was born on April 10, 1957. He started business in 1978 trading in rice, sugar and cement, before he ventured into full-scale manufacturing. Under his stewardship, the Dangote Group has expanded from the commodities trading company he established, into the most recognized brand in Nigeria, with a presence in 16 other African countries. Dangote Group has received national and international recognition for its accomplishments including, Top 10 African Brands and the Top Consumer Brand in Africa by London-based African Business in November 2013 and Top 40 African Challengers by the Boston Consulting Group in June 2010. Dangote Group's businesses provide high quality, local, value-added products and services that meet the basic needs of Nigerians. Its market capitalization is currently over \$24 billion. Four of its thirteen subsidiaries are listed on The Exchange. One of the listed entities, Dangote Cement Plc, DCP, is the largest listed company in West Africa and the first Nigerian company to join the Forbes Global 2000 companies list. Obajana Cement Plant, DCP's flagship, is reportedly one of the single largest cement factories in the world with a production capacity of about 13.25 million metric tonnes per annum (MTPA). Dangote Sugar Refinery Plc is the largest sugar refinery in Sub-Saharan Africa and the second largest in the world. It is implementing a bold 10-year master plan to produce 1.5 million metric tonnes of sugar annually in line with the Federal Government of Nigeria's backward integration policy.

Alhaji Dangote continues to steward the growth of the Dangote Group into other sectors of the economy with the construction of the largest refinery, petrochemical and fertiliser complex in Africa. It comprises a refinery with the capacity to produce 500,000 barrels of crude oil per day; a petrochemical plant with the capacity to produce about 750,000 MTPA of polypropylene; and a fertiliser plant with 2.8 million MTPA of urea and ammonia production capacity. Alhaji Dangote participates in several national development efforts including: Chair, National Partnership Committee of Government and Private Sector on Technical and Vocational Education and Training (TVET); Co-Chair, Presidential Committee on Flood Relief and Rehabilitation; Member, Honourary International Investor Council; Founding board member, Private Sector Health Alliance of Nigeria; and Nigeria Private Sector Malaria Ambassador. Alhaji Dangote's business and civic accomplishments are globally recognized.

Forbes listed him as the 'Most Powerful Man in Africa' in 2013. In 2014, Forbes ranked him 23rd on its 'Richest in the World List' and named him the Richest Black Man in the World with a fortune of \$25 billion. In April 2014, TIME Magazine listed him among its 100 'Most Influential People in the World' and he was also listed on CNBC's 'Top 25 Businessmen in the World' that same month.

In 2011, Alhaji Dangote was awarded Nigeria's second highest national honour, Grand Commander of the Order of the Niger (GCON). In 2013, he received the highest national honour in the Republic of Benin, the Grand Commander of the Order of Benin Republic. A dedicated philanthropist, Alhaji Dangote made an initial endowment of \$1.25 billion to Dangote Foundation in March 2014 to enable it scale up its work in health, education and economic empowerment.



MR. ABIMBOLA OGUNBANJO
First Vice President

Mr. Abimbola Ogunbanjo was elected first Vice President of The Nigerian Stock Exchange on 24 September 2014. Mr. Ogunbanjo acquired his first degree in Business Administration with Honours from the prestigious American College of Switzerland whereupon he joined Chase Manhattan Bank (Nigeria) Limited where he worked as a Credit Analyst. After a successful stint at Chase, Mr Ogunbanjo proceeded to the University of Buckingham, Buckingham, where he obtained his law degree and upon completion of his Bar exams, joined the renowned leading corporate law firm of Chris Ogunbanjo & Co (Solicitors) where he currently serves as Managing Partner. He is a member of the International Bar Association, Nigerian Bar Association, Institute of Petroleum and a registered capital market consultant with the Securities and Exchange Commission, Nigeria.

Mr. Ogunbanjo recently retired as director and Country Legal Adviser of ConocoPhillips, the world's largest independent exploration and production company but continues to serve on the boards of several multinational corporations and non-profit organizations, including Beta Glass Plc, GTL Registrars and the Advisory Board of the University of Buckingham Centre for Extractive Studies.



**MR. ABUBAKAR BALARABE
MAHMOUD, SAN, OON, FCIArb (UK)**
Second Vice President

Mr. Abubakar Balarabe Mahmoud, SAN, was elected the second Vice President of The Exchange on 24 September 2014. He is the Managing Partner and one of the founding partners of the law firm of DIKKO & MAHMOUD. He was at one time the Kano State Attorney General & Commissioner for Justice, and was previously in the public service from 1979-1993 as prosecutor, and legal adviser, and held various positions including Director, Litigation, Public Prosecution, Solicitor-General at the Ministry of Justice, Kano. Mr. Mahmoud was elevated to the rank of Senior Advocate of Nigeria in 2001 and is a Life Bencher of the Body of Benchers, the highest regulatory body for the legal profession in Nigeria. He has served on several national assignments. He was a member of the Presidential Committee on Incentives, Waivers and Concessions for Investments and Businesses in Nigeria. He also served as a member of the Vision 2020, Business Support Group. He chaired the National Committee on the review of Nigeria's Code of Corporate Governance for Public Companies. Mr. Mahmoud serves on an advisory basis on the World Bank Country Advisory Group for Nigeria and on the National Advisory Council of the Nigeria Stability and Reconciliation Programme (NSRP) a British Council run programme supported by the Department for International Development.

Mr. Mahmoud trained at Ahmadu Bello University, graduating in 1979. He holds a Masters degree in law from the same university. He was at various times at different global institutes, including the International Development Law Institute (IDLI) now IDLO in Rome, where he obtained a certificate in Law and Development in 1987, and Harvard University where he obtained a certificate in Techniques of Privatization from the Harvard Institute of International Development (2000). He was also at the Northwestern University School of Law where He attended the Summer Institute in Corporate Law and Business in 2001. He was admitted as a Fellow of the Chartered Institute of Arbitrators UK after obtaining a Diploma in International Commercial Arbitration of the Institute at Keble College Oxford UK in 2008. Mr. Mahmoud is a member of the International Chamber of Commerce (ICC), London Court of International Arbitration (LCIA) and was accepted into the Energy Arbitrators List (EAL) in 2013. Mr. Mahmoud holds the national honour of the officer of the Order of the Niger (OON).



**PROFESSOR HERBERT
ONYE ORJI, OON**
Ordinary Member

Prof Herbert Onye Orji, OON, is a chartered global investment banker, academic and author of 5 books on applied economics of development, banking & finance, investment management and the nature of risks in modern management enterprise systems. He serves as the Chairman of the National Broadcasting Commission. He was the former Vice-Chairman of the Industrial Training Fund and past Chairman of the Nigerian Economic Summit's Committee on Federal Government Budgeting Strategy & Process.

He has previously served as Chairman & CEO of Summa Guaranty & Trust Company Plc. (Member, The Nigerian Stock Exchange), Senior Advisor to IFC-Emerging Markets Discount Houses Projects in Africa, CEO of Progress Bank of Nigeria (1985-1991), Pioneer Representative & General Manager of United Bank for Africa U.K, Vice-President of American Express Bank New York and Senior Systems Programmer with Riggs National Bank (now PNC Bank).

Prof Orji graduated with a first class honors from Howard University, obtained an MBA with distinction in Finance & Operations Research from the University of Michigan, a PhD from Union College and a PMD from Harvard Business School. His teaching and lecturing experiences include Howard University, Lagos Business School, Union College, Clark Atlanta University, National Institute for Policy & Strategic Studies, Harvard Business School and City University, Los Angeles. He recently served as the Chairman of the Visitation Panel of Abia State University and was the pioneer Chairman of United Way-Nigeria for 10 years while serving on the global board for six years. He was also President of the HBS Alumni Association of Nigeria for three years and later served on the global HBS Alumni Board in Boston for three years. He is married to Dr. Nnenna A. Orji, the pioneer Chairman and Chief Judge of the Investments and Securities Tribunal and they have 6 children.



ENGR. MUHAMMAD DAGGASH
Ordinary Member

Engr. Muhammad Daggash is a seasoned technocrat. He has just completed a two-year stint as Vice-President, Strategic Projects & Government Relations for Lafarge Nigeria. He was until the end of July 2011, the Managing Director/Chief Executive Officer of Ashaka Cement Plc (AshakaCem) and holds the record of being the longest serving Chief Executive Officer in the history of the company having spent over 20 years in that capacity. Prior to joining AshakaCem in 1991, he was the pioneer Assistant General Manager (Properties Division) with the Nigerian Provident Fund / Nigerian Social Insurance Trust Fund for one year. He served as the Honourable Commissioner for Works and Housing in the former combined Borno state (Borno & Yobe) for two years. He was Director for Projects Implementation for four years with Ashamu Group, an indigenous conglomerate with businesses ranging from real estate and agribusiness to pharmaceuticals, civil explosives and shipping. He also worked as a structural analyst for two years in an American construction company, Lee Pare and Associates, Providence, Rhode Island.

He holds a B.Sc in Civil Engineering from the prestigious Ivy League, Brown University, Rhode Island, USA, and an MSc in Engineering Management from Catholic University of America, Washington DC, USA. He has attended several management and business courses over the years from renowned institutions such as Henley Business School, Ashridge Business School, INSEAD, Instituto de Estudios Sociales Avanzados and Lagos Business School, Lagos. He is a member of the Nigerian Society of Engineers and a Fellow of the Nigerian Institute of Management. He was a member of the technical committee for the Vision 20:2020 programme of the Federal Government and was for many years, the Chairman of the Cement Manufacturers Association of Nigeria. Now in semi-retirement, he is engaged in private consulting for the cement industry and does some real estate construction and private business. He is happily married and lives with his family in Lagos.



**DR. UMARU
KWAIRANGA, F.IoD, FCS, FCIP**
Dealing Member
Representing FINMAL Finance Services
Limited

Dr. Umaru Kwairanga is an experienced Investment professional with almost two decades of experience at the highest levels of the Capital Market, Banking and the Real Sector.

He possesses first and post graduate degrees in business administration, corporate governance and finance respectively. He has also attended courses and training programmes in fields relating to finance, investment and money market in reputable institutions including the Harvard Business School, New York Institute of Finance and the Wharton Business School.

Dr. Kwairanga has professional certifications of the Chartered Institute of Stockbrokers and the Certified Pension Institute of Nigeria, and he is a member of the Abuja Commodities & Securities Exchange. Dr. Kwairanga has been Managing Director of a top notch stock broking firm for over a decade and a director in several blue chip organizations. He was the Chairman of Ashaka Cement Plc, a prominent cement manufacturer in the North East of Nigeria and a quoted company on The Nigerian Stock Exchange.

Dr. Kwairanga as chairman of Ashaka Cement greatly improved the performance of the company and ensured that Gombe State Government and other local Governments generated significant revenue from Ashaka Cement PLC through prompt payment of taxes and other statutory obligations.

He also ensured that the company was diligent in fulfilling its corporate social responsibility and maintained excellent relations with its various stakeholders. Dr. Kwairanga is the Group Managing Director/Chief Executive Officer of Finmal Finance Services Limited, Director Jaiz Bank Plc, Director, Central Securities Clearing System Plc, Chairman, Penman PFA Limited and President, Certified Pension Institute of Nigeria.

He is a member of the Presidential Advisory Council on Industrial Relations, a Fellow of the Chartered Institute of Stockbrokers and a Fellow of the Certified Pension Institute of Nigeria. He is happily married with children and widely travelled.



MR. KAYODE FALOWO
Dealing Member
Representing Greenwich
Securities Limited

Mr. Kayode Falowo is the Group Managing Director/CEO of Greenwich Trust Limited, one of the leading Investment Banking firms in Nigeria.

He is a Chartered Stockbroker with over 27 years post graduate experience and practice in Finance, especially in Commercial and Investment Banking. He holds a B.Sc. (Hons) in Agricultural Engineering from the University of Ife (now Obafemi Awolowo University), an MBA from the University of Benin and a Diploma in Information Management. He has attended numerous workshops and seminars, which include the International Management Programme and Chief Executive Programme at the Lagos Business School and Financial Training at the IESE Business School, Barcelona, Spain.

He is an active member of numerous professional and industry associations. He is a distinguished Fellow of the Chartered Institute of Stockbrokers, a Fellow of the Association of Investment Advisers and Portfolio Managers and a Fellow of the Certified Pension Institute of Nigeria. He is the Vice President of the Nigerian-British Chamber of Commerce and Council Member of the Nigerian-Malaysian Chamber of Commerce and Industry. In addition, he is a Member of the Lagos Chamber of Commerce and Industry, Institute of Directors (IoD) Nigeria, Institute of Management Consultants, Nigerian Institute of Management and the Nigerian Society of Engineers.

Mr. Falowo, a seasoned Investment Banker, is very passionate about the development of the Capital Market in Nigeria. He serves as the Chairman of the Capital Market Committee on Products and Business Development, seats on the Board of the National Association of Securities Dealers (NASD) Plc., where he is also the Chairman of the Rules Committee. He is a Member of the Central Organizing Committee of the Nigerian Economic Summit Group (NESG), a Member of the Technical Committee of the National Council on Privatization and a Member of the Presidential Advisory Committee on the Capital Market.

He has, in the recent past, served as the Chairman, Association of Issuing Houses of Nigeria (AIHN), a Member of the National Bond Steering Committee, Rules and Adjudication Committee of the National Council of The Exchange and the National Essay Competition Committee of The Exchange.

Mr. Falowo is the Chairman of Citadel Registrars Limited (formerly Wema Registrars Limited) and GTL Registrars (formerly Union Registrars Limited). He is also a Member of the Board of Directors of DN Meyer Plc. He is a Paul Harris Fellow and a Major Donor of the Rotary International Club.

He is also a Member of the Ikeja Golf Club and the Lagos Motor Boat Club.



MR. MICHAEL OSIME
Dealing Member
Representing ICMG Securities Limited

Mr. Michael Osime is the founder and Chief Executive Officer of ICMG Securities Limited, an Investment banking and financial services company. Mr. Osime has over 32 years of experience in Corporate Finance, Investment and Financial Service 29 industry in Nigeria.

He started his working career in 1982 with the then Chase Merchant Bank (Nigeria) Limited in the Corporate Finance Department as Corporate Finance Executive. While at Chase, he handled major transactions in the Money and Capital markets. He joined the Capital Market group of Citibank (then Nigeria International Bank) in 1986 and he was responsible for managing the bank's entire Financial Institution business, before setting up International Capital Markets Group Limited (ICMG) in 1988.

Mr. Osime serves as Chairman of Broadband Technologies Limited, an IT Infrastructure Company. He is also Vice Chairman of Millennium Oil and Gas Limited. He serves as a Director of Notore Chemical Industries Limited, Fidelity Pension Managers Limited and EasiPay Africa Limited, a Mobile Payment Company.

Mr. Osime holds a 2nd Class Upper Division Honours degree in Actuarial Science from the University of Lagos and an MBA from Strathclyde Business School, Glasgow, Scotland. He is a fellow of the Chartered Institute of Stockbrokers since 1993.

Mr. Osime is a Trustee of COPE, a Breast Cancer Awareness, Non-profit Organisation focusing on early education about Breast Cancer. He is also past President of the Association of Esan Professionals, a Non-Profit, Non-Political Organisation focusing on Community Service in Education, Health and Agriculture.



MR. OLUWOLE ABEGUNDE
Dealing Member
Representing Meristem
Securities Limited

Mr. Oluwole Abegunde is a Fellow of the Chartered Institute of Stockbrokers and an Authorised Dealing Clerk of The Nigerian Stock Exchange with over 24 years work experience in the finance industry. He graduated from University of Ibadan in 1987 with a degree in Agricultural Economics. He thereafter studied Business Administration at University of Ilorin and obtained a Masters in Business Administration (MBA) Degree in 1990.

Mr. Abegunde began his career with a high-profile global firm at International Tobacco Company (formerly Phillip Morris Nigeria) and subsequently worked in other prestigious firms like Unilever Nigeria Plc.. In 1991 however, he veered into the finance industry when he joined Afribank Nigeria Plc where he trained and worked as a Credit Officer. He also worked with Emerald Finance and Investment Limited and Reward Investment and Services Limited where he trained and qualified as a Stockbroker in 1996.

In 1999, Mr. Abegunde was appointed General Manager of Investment Centre Limited, an investment subsidiary of Broad Bank Nigeria Limited, from where he joined NAL Bank Plc in year 2000. While at NAL, he was seconded to Nigerian Stockbrokers Limited (NSL) - the stock broking subsidiary of the Bank and later returned to the Capital Market Group of the Bank to handle fund management responsibilities.

Mr. Abegunde became the Managing Director/Chief Executive of Meristem Securities Limited in August 2003. Meristem Securities Limited is licensed by the Securities & Exchange Commission as a Broker/Dealer, Issuing House and Fund Manager and is also a Dealing Member of The Nigerian Stock Exchange. Meristem Registrars Limited, Meristem Wealth Management Limited and Meristem Trustees Limited are subsidiaries of Meristem Securities Limited.

He currently serves on the Board of Berger Paints Plc, FTN Cocoa Plc, Etranzact International Plc and Intergraded Diaries Limited (makers of Farm Fresh yoghurt).



MR. DUNAMA BALAMI
Dealing Member
Representing Sigma Securities Limited

Mr. Dunama Balami is the Managing Director/CEO of Sigma Securities Limited. He has over 20 years of experience in the financial markets. Mr. Balami started his professional career as an investment executive with Tiddo Universal Securities and Finance Company, where he qualified as a stock broker/dealing clerk in 1994. He later joined Financial Equities Limited as Assistant Manager and Head Capital Market in May 1995, overseeing Operations, Marketing and Capital Market functions.

In 1997 Mr. Balami joined Sigma Securities Limited as a pioneer staff, and as Manager, Head Operations and Capital Market Department and participated in a number of major landmark Capital Market transactions during the BPE privatisation era. Sigma Securities Limited is licensed by the Securities and Exchange Commission and The Nigerian Stock Exchange.

He has attended several training programs, seminars and workshops on information technology, business development, securities and bonds trading and also on financial management and corporate governance, Some of which are at the West African Capital Market School Accra Ghana, and Executive Education Programme at Harvard Business School, Boston Massachusetts, and Lagos Business School, Lekki.

He is a Fellow of the Chartered Institute of Stock Brokers, Associate Member of the Nigerian Institute of Management, and Associate Member of the Certified Pension Institute of Nigeria. He is also a Director on the Board of Sigma Pensions Limited.

Mr. Balami holds an HND (Business Administration) from the prestigious Ramat Polytechnic Maiduguri, and an MBA from University of Calabar.



MR. OLADIPO AINA
Dealing Member
Representing Signet Investment
& Securities Limited

Mr. Oladipo Abiose Aina is the Chief Executive Officer of Signet Investments and Securities Limited which he founded in 1989. He holds a B.Sc. in Economics from the University of Ife (now Obafemi Awolowo University), an M.Sc. in Banking and Finance from the University of Ibadan, and an M.Sc. in Corporate Governance and Finance from Liverpool John Moores University, Liverpool, UK.

He is a Fellow of the Chartered Institute of Stockbrokers (CIS), a Fellow of the Institute of Directors (IOD) and is currently a director of NASD Limited. He is the immediate past Chairman of The Exchange's Investigation Panel and was a Member of the Lagos-Ibadan Branch Council of The Exchange. He is a past President/ Chairman of Council, Chartered Institute of Stockbrokers and a former Member of the Disciplinary Tribunal of the Chartered Institute of Stockbrokers.

He served as a Member of the Presidential Advisory Committee on Capital & Securities Limited Market and was a director of the Central Securities Clearing System Plc.

He is a Member of Ikoyi Club 1938, Ikeja Golf Club and Yoruba Tennis Club.

FINANCIAL REPORT



CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2015

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 in 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. Council Structure

The Council is made up of a President, Chief Executive Officer, Ex-Officio, four (4) Ordinary Members and six (6) Dealing Members. The Chief Executive 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:

Council Members for the Year 2015

NAME	POSITION
Mr. Aigboje Aig-Imoukhuede, CON**	President
Mr. Oscar N. Onyema, OON	Chief Executive Officer (WEF 4 April 2011)
Mr. Abimbola Ogunbanjo**	First Vice President/Ordinary Member
Mr. Abubakar Mahmoud, SAN, OON**	Second Vice President/Ordinary Member
Alhaji Aliko Dangote, GCON***	Ex-Officio
Prof. Herbert Onye Orji, OON**	Ordinary Member
Engr. Muhammad Daggash***	Ordinary Member
Mrs. Yemisi Ayeni *	Ordinary Member
FINMAL Finance Services Limited (Represented by Dr. Umaru Kwairanga)***	Dealing Member
Greenwich Securities Limited (Represented by Mr. Kayode Falowo)***	Dealing Member
ICMG Securities Limited (Represented by Mr. Michael Osime)***	Dealing Member
Meristem Securities Limited (Represented by Mr. Oluwale Abegunde) ***	Dealing Member
Sigma Securities Limited (Represented by Mr. Dunama Balami) ***	Dealing Member
Signet Investment and Securities Limited (Represented by Mr. Oladipo Aina)	Dealing Member

* Resigned effective 30 April 2015 ** Appointed on 31 January 2013 *** Elected on 24 September 2014

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

e. Responsibilities of the Council

The Council is responsible for:

- 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;
- Monitoring the effectiveness of the governance practices under which The Exchange operates and making appropriate changes as necessary
- 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
- Ensuring the effective execution of The Exchange's self-regulatory responsibilities under the Investment and Securities Act 2007.
- 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.

f. Council Committees

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

The Committees have well defined terms of reference defining their scope of responsibilities in such a way as to avoid overlap of functions.

Below is an overview of the remit of the Committees and their current membership composition:

i. Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARM Committee") was established by the Council in May 2011 for the purpose of providing reasonable assurance regarding the Council's oversight responsibilities with respect to:

- 1 Monitoring The Exchange's compliance with the operational processes established to ensure protection of The Exchange's resources against waste, malfeasance, and poor value for money
- 2 Monitoring The Exchange's compliance with the process established for financial reporting
- 3 Monitoring compliance with applicable laws and regulations and The Exchange's code of conduct

The ARM operates in line with formal terms of reference approved by the Council and during the financial year has executed its duties in accordance with these terms of reference with a focus on governance, control and risk management arrangements.

The membership of the Committee as of 31 December 2015 is as follows:

1. Professor Herbert Onye Orji, OON, (Investment Banker, Economist), Chairperson
2. Mr Abubakar Mahmoud, SAN, OON, (Legal Practitioner)
3. Mr. Oluwale Abegunde (Business Administrator, Stockbroker)
4. Mr. Dunama Balami (Financial Market Analyst)
5. Mr. Oladipo Aina (Economist, Stockbroker)

ii. Demutualization Committee

The Committee is assigned the function of reviewing and examining the present structure of The Exchange and in that context, examining the legal, regulatory, financial, and legacy issues involved in the demutualization of The Exchange.

The membership of the Committee as of 31 December 2015 is as follows:

1. Mr Abubakar Mahmoud, SAN, OON, (Legal Practitioner), Chairperson
2. Mr. Abimbola Ogunbanjo (Legal Practitioner)
3. Mr. Oscar N. Onyema OON, (CEO, NSE)
4. Dr. Umaru Kwairanga (Financial Market Analyst)
5. Mr. Kayode Falowo (Investment Banker)
6. Mr. Oladipo Aina (Economist, Stockbroker)

iii. Disciplinary Committee

The Committee is empowered to hear and adjudicate upon disciplinary matters brought before it in respect to Dealing Members and Authorised Clerk, and exercise the disciplinary powers of Council as set forth in the Rules Governing Dealing Members and other applicable Rules and Regulations.

The membership of the Committee as of 31 December 2015 is as follows:

1. Mr. Abubakar Mahmoud, SAN, OON, (Legal Practitioner), Chairperson
2. Engr. Muhammad Daggash (Technocrat, Engineer)
3. Mr. Oluwole Abegunde (Business Administrator, Stockbroker)
4. Mr. Dunama Balami (Financial Market Analyst)
5. Mr. Kayode Falowo (Financial Analyst, Stockbroker)
6. Mr. Oladipo Aina (Economist, Stockbroker)

iv. Rules and Adjudication 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.

The membership of the Committee as of 31 December 2015 is as follows:

1. Mr. Abimbola Ogunbanjo (Legal Practitioner), Chairperson
2. Mr. Oscar N. Onyema, OON (CEO, NSE)
3. Professor Herbert Onye Orji, OON, (Investment Banker, Economist)
4. Dr. Umaru Kwairanga (Financial Market Analyst)
5. Mr. Michael Osime (Investment Banker)

v. Technical Committee

The Committee is charged with reviewing The Exchange's technical and business development as well as technology operations including information security and business continuity measures. The Committee also assists the Council in the execution of its information management risk responsibilities.

The membership of the Committee as of 31 December 2015 is as follows:

1. Engr. Muhammad Daggash (Technocrat, Engineer), Chairperson
2. Mr. Oscar N. Onyema, OON (CEO, NSE)
3. Mr. Oladipo Aina (Economist, Stockbroker)
4. Mr. Kayode Falowo (Financial Analyst, Stockbroker)
5. Mr. Dunama Balami (Financial Market Analyst)
6. Mr. Oluwole Abegunde (Business Administrator, Stockbroker)

vi. 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 of 31 December 2015 is as follows:

1. Mr. Abimbola Ogunbanjo (Legal Practitioner), Chairperson
2. Professor Herbert Onye Orji, OON, (Investment Banker, Economist)
3. Engr. Muhammad Daggash (Technocrat, Engineer)
4. Mr. Kayode Falowo (Financial Analyst, Stockbroker)
5. Mr. Michael Osime (Investment Banker)

vii. MEMART Committee (Ad-Hoc)

The Committee is charged with reviewing and evaluating proposed changes to the Memorandum and Articles of Association of The Exchange. The Committee also reviewed actions which appear in conflict with the Memorandum and Articles of Association of The Exchange and made recommendations on same to the National Council. In the course of the year, the Committee was on 23 July 2015 dissolved by the National Council.



The membership of the Committee as at 23 July 2015 is as follows:

1. Mr. Abimbola Ogunbanjo (Legal Practitioner), Chairperson
2. Mr. Oscar N. Onyema, OON (CEO, NSE)
3. Professor Herbert Onye Orji, OON, (Investment Banker, Economist)
4. Engr. Muhammad Daggash (Technocrat, Engineer)
5. Mr. Michael Osime (Investment Banker)
6. Mr. Oluwole Abegunde (Business Administrator, Stockbroker)
7. Mr. Dunama Balami (Financial Market Analyst)

viii. Quotations Committee

The Committee is responsible for granting quotations on The Exchange in respect of any securities and securities derivatives, determining, prescribing and/or enforcing all listing requirements and determining whether The Exchange should delist, suspend or withdraw quotations from any quoted securities. The Committee further provides market expertise and advice to the Council regarding international trends, issuers, investors and other market participants and new product opportunities relating to the listings.

The membership of the Committee as at 31 December 2015 is as follows:

1. Mr. Aigboje Aig-Imoukhuede, CON(Banker, Legal Practitioner)
2. Mr. Oscar N. Onyema, OON (CEO, NSE)
3. Mr. Abimbola Ogunbanjo (Legal Practitioner)
4. Mr. Abubakar Mahmoud, SAN, OON (Legal Practitioner)
5. Alhaji Aliko Dangote, GCON (Industrialist)
6. Mr. Michael Osime (Investment Banker)
7. Mr. Dunama Balami (Financial Market Analyst)
8. Mr. Kayode Falowo (Financial Analyst, Stockbroker)
9. Dr. Umaru Kwairanga (Financial Market Analyst)

9. Record of Council and Committee meetings held in 2015

The table on following page 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	ARM	DC	DisCo	GARC	MEMART	RAC	TC	QC	ARM & GARC
Number of meetings		9	5	3	6	6	1	3	3	8	1
1	Mr. Aigboje Aig-Imoukhuede, CON	9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8	N/A
2	Mr. Oscar N. Onyema, OON	9	N/A	3	1**	N/A	1	1	3	5	N/A
3	Mr. Abimbola Ogunbanjo	5	N/A	3	N/A	6	1	2	N/A	5	1
4	Mr. Abubakar Mahmoud, SAN, OON	9	3	3	6	N/A	N/A	N/A	N/A	6	1
5	Alhaji Aliko Dangote, GCON	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	N/A
6	Prof. Herbert Onye Orji, OON	9	5	N/A	N/A	5	1	1	N/A	N/A	1
7	Mrs. Yemisi Ayeni	1*	1*	1*	N/A	N/A	N/A	N/A	1*	1*	1
8	Engr. Muhammad Daggash	9	N/A	N/A	4***	6	1	3	3	N/A	1
9	Dr. Umaru Kwairanga	7	N/A	0	N/A	2**	N/A	2	N/A	5	1
10	Mr. Kayode Falowo	7	N/A	2	3	2	N/A	N/A	1*	5	0
11	Mr. Michael Osime	9	N/A	N/A	N/A	6	1	2	N/A	7	1
12	Mr. Oluwole Abegunde	7	4	N/A	3	N/A	N/A	N/A	2	N/A	1
13	Mr. Dunama Balami	9	5	N/A	5	N/A	1	N/A	2***	8	1
14	Mr. Oladipo Aina	9	5	3	6	N/A	N/A	N/A	2	N/A	1

Key

NCM- National Council Meetings

ARM- Audit & Risk Management Committee

DC- Demutualization Committee

DisCo- Disciplinary Committee

GARC- Governance and Remuneration Committee

RAC- Rules and Adjudication Committee

TC- Technical Committee

QC- Quotations Committee

* Served from 01 January 2015 to 30 April 2015

** Non-member of the Committee after its reconstitution in July 2015

*** Non-member of the Committee before its reconstitution in July 2015

h. 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 Stockbroking 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.



REPORT OF THE COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2015

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 auditors' report for the year ended 31 December, 2015.

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 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.

b. Principal activities and business review

The principal activities of The Exchange are to provide facilities to the public for the purchase and sale of securities, platform for the listing of securities and sale of securities to the public, market data and market indices for sale to the public. The Exchange has four (4) subsidiary companies namely; Naira Properties Limited, Coral Properties Plc, NSE Consult Limited and NSE Nominees Limited. The Exchange also has an interest in Central Securities and Clearing System Limited (CSCS) as an associate company.

c. Operating results

Gross earnings of the Group decreased by 14% (2014: increased by 40%) and surplus before tax decreased by 53% (2014: increased by 21%). 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% (2014: increased by 48%) and the surplus before tax decreased by 81% (2014: increased by 35%). Highlights of the Group's and The Exchange's operating results for the year under review are as follows:

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Gross earnings:	7,825,837	9,146,636	6,761,574	8,115,177
Surplus before tax	1,859,502	3,951,931	612,430	3,143,710
Income tax expense	(59,745)	(66,088)	-	-
Surplus after taxation	1,799,757	3,885,843	612,430	3,143,710
Non- controlling interest	-	-	-	-
Surplus attributable to the Group	1,799,757	3,885,843	612,430	3,143,710
Appropriations:				
Other comprehensive income	64,187	3,900	-	-
Transfer to Accumulated Funds	1,863,944	3,889,743	612,430	3,143,710

d. Council members' interests in contracts

For the purpose of section 277 of the Companies and Allied Matters Act CAP C20 LFN 2004 (CAMA), none of the existing Council members had direct or indirect interest in contracts or proposed contracts with The Exchange during the year.

e. Property and Equipment

Information relating to changes in property and equipment is given in Note 16 to 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.

Gross Earnings of The Group



Gross Earnings of The Exchange



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 CAMA. They are obliged to ensure that:

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

h. Human Resources

i. 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.

ii. 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 retains top-class private hospitals where medical facilities are provided for staff and their immediate families at the Exchange's expense.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Exchange's premises.

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.

iii. Employee Training and Development

The Exchange ensures, through various forums, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism. In accordance with The Exchange's policy of continuous development, training facilities are provided in our well-equipped training centers. In addition, employees of The Exchange are nominated to attend both locally and internationally organized courses. These are complemented by on-the-job training.

i. 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.

The Group's approach to managing operational risk is embodied within the Council approved Enterprise Wide Risk Management framework. The framework is a comprehensive, systematic, disciplined and proactive process that was implemented to identify, assess, manage and report on the inherent risks related to the achievement of the Exchange strategic objectives.

Operational risk can manifest itself in various ways, including human oversights, fraudulent acts or inappropriate behaviour of employees. These events could result in financial losses, including litigation and regulatory fines, as well as reputational damage to The Exchange.

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

j. Events after reporting date

There were no significant events after the reporting date that could affect the reported amount of assets and liabilities as of the reporting date.

k. Auditors

The auditors, Messrs KPMG Professional Services have indicated their willingness to continue in office as auditors in accordance with section 357 (2) of the Companies and Allied Matters Act (CAMA).

By Order of the Council



Mrs. Mojisola Adeola
FRC/2013/NBA/00000004263
Lagos, Nigeria
11 February 2016

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Council members accept responsibility for the preparation of the financial statements set out on pages 54 to 99 that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act.

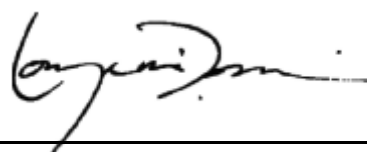
The Council members further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the Council members determine necessary to enable the preparation of financial statements that are free from material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

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

SIGNED ON BEHALF OF THE NATIONAL COUNCIL BY:



Mr. Aigboje Aig-Imoukhuede, CON
FRC/2013/CIBN/00000001999
President
11 February 2016



Mr. Oscar N. Onyema, OON
FRC/2013/IODN/00000001802
Chief Executive Officer
11 February 2016



Independent Auditor's report

To the Members of **The Nigerian Stock Exchange**

Report on the Financial Statements

We have audited the accompanying financial statements of **The Nigerian Stock Exchange** ("the Exchange") and its subsidiary companies (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2015, and the consolidated and separate statement of comprehensive income, the consolidated and separate statement of changes in equity, and the consolidated and separate statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, as set out on pages 54 to 99.

Council Members' Responsibility for the Financial Statements

The Council members are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of **The Nigerian Stock Exchange** ("the Exchange") and its subsidiaries (together "the Group") as at 31 December, 2015, and of the Group and Exchange's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act.

Report on Other Legal and Regulatory Requirements

Compliance with the Requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

In our opinion, proper books of account have been kept by the Exchange, so far as appears from our examination of those books and the Exchange's statement of financial position and the statement of comprehensive income are in agreement with the books of account.

Signed:

Kabir Okunlola, FCA

FRC/2012/ICAN/00000000428

For: KPMG Professional Services

Chartered Accountants

25 February 2016

Lagos, Nigeria





CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

<i>In thousands of naira</i>	Note	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Revenue	8	4,226,254	6,303,423	4,226,254	6,303,423
Revenue		4,226,254	6,303,423	4,226,254	6,303,423
Other income	9	2,384,742	1,646,665	2,535,320	1,811,754
		6,610,996	7,950,088	6,761,574	8,115,177
Impairment (loss)/reversal on financial assets	10	(847,632)	66,395	(1,053,526)	286,395
Fair value (losses)/gain on investment securities	11	-	(15,646)	-	-
Personnel expenses	12	(2,686,162)	(2,276,360)	(2,686,162)	(2,276,360)
Depreciation	16	(315,891)	(283,551)	(268,355)	(235,998)
Amortization	15	(144,409)	(153,784)	(144,408)	(153,784)
Operating expenses	13	(1,972,241)	(2,531,759)	(1,996,693)	(2,591,720)
Total expenses		(5,966,335)	(5,194,705)	(6,149,144)	(4,971,467)
Net operating expense		(3,581,593)	(3,548,040)	(3,613,824)	(3,159,713)
Operating Surplus		644,661	2,755,383	612,430	3,143,710
Share of profit of equity accounted investees (net of income tax)	18	1,214,841	1,196,548	-	-
Operating Surplus before tax		1,859,502	3,951,931	612,430	3,143,710
Tax expense	14	(59,745)	(66,088)	-	-
Operating Surplus after tax		1,799,757	3,885,843	612,430	3,143,710
Other comprehensive income:					
Items that are or may be reclassified to profit or loss					
Available for sale financial assets (net change in fair value)	20(b)	64,187	3,900	-	-
Other comprehensive income, net of tax		64,187	3,900	-	-
Total comprehensive income for the year		1,863,944	3,889,743	612,430	3,143,710

The accompanying notes on pages 58 to 96 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

<i>In thousands of naira</i>	Note	Group 2015	Group 2014	Exchange 2015	Exchange 2014
ASSETS					
Property and equipment	16	3,894,252	3,942,554	1,865,155	1,865,920
Intangible assets	15	410,765	535,871	406,129	531,235
Intercompany receivables	17	-	-	2,663,145	3,419,962
Equity-accounted investees	18	6,416,521	5,532,672	387,804	387,804
Investment in subsidiaries	19	-	-	946,450	1,017,950
Other investments	20	286,966	158,490	-	-
Total non-current assets		11,008,504	10,169,587	6,268,683	7,222,871
Trade and other receivables	21	204,639	405,429	204,638	405,428
Prepayment	22	391,304	318,011	391,304	318,011
Other investments	20	7,153,131	5,032,245	7,153,131	5,032,245
Non-current asset held for sale	23	1,150,489	1,684,596	-	-
Cash and cash equivalents	24	2,868,444	3,060,496	2,503,396	2,835,407
Total current assets		11,768,007	10,500,777	10,252,469	8,591,091
Total assets		22,776,511	20,670,364	16,521,152	15,813,962
EQUITY					
Accumulated fund	25 (a)	19,286,658	17,486,901	13,916,989	13,304,559
Other reserves	25 (b)	68,087	3,900	-	-
Total equity		19,354,745	17,490,801	13,916,989	13,304,559
LIABILITIES					
Retirement benefit obligation	27	144,784	388,696	144,784	388,696
Deferred tax liability	28	168,905	173,606	-	-
Total non current liabilities		313,689	562,302	144,784	388,696
Other liabilities	29	2,812,310	2,413,089	2,406,595	2,095,072
Current tax liabilities	30	242,983	178,537	-	-
Defined contribution pension	27	52,784	25,635	52,784	25,635
Total current liabilities		3,108,077	2,617,261	2,459,379	2,120,707
Total liabilities		3,421,766	3,179,563	2,604,163	2,509,403
Total equity and liabilities		22,776,511	20,670,364	16,521,152	15,813,962

The financial statements were approved by the Council on 11 February 2016 and signed on its behalf by:

Mr. Aigboje Aig-Imoukhuede, CON
FRC/2013/CIBN/00000001999
(President)

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

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

The accompanying notes on pages 58 to 96 form an integral part of these financial statements.



CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

The Group	Accumulated funds	Fair value reserve	Total equity
<i>In thousands of naira</i>			
Balance at 1 January 2014	13,601,058	-	13,601,058
Total comprehensive income for the year:			
Surplus for the year	3,885,843	-	3,885,843
Other comprehensive income (net of income tax)	-	3,900	3,900
Total comprehensive income for the year	3,885,843	3,900	3,889,743
Balance at 31 December 2014	17,486,901	3,900	17,490,801
Total comprehensive income for the year:			
Surplus for the year	1,799,757	-	1,799,757
Other comprehensive income (net of income tax)	-	64,187	64,187
Total comprehensive income for the year	1,799,757	64,187	1,863,944
Balance at 31 December 2015	19,286,658	68,087	19,354,745
The Exchange	Accumulated funds	Fair value reserve	Total equity
<i>In thousands of naira</i>			
Balance at 1 January 2014	10,160,849	-	10,160,849
Total comprehensive income for the year:			
Surplus for the year	3,143,710	-	3,143,710
Total comprehensive income for the year	3,143,710	-	3,143,710
Balance at 31 December 2014	13,304,559	-	13,304,559
Total comprehensive income for the year:			
Surplus for the year	612,430	-	612,430
Total comprehensive income for the year	612,430	-	612,430
Balance at 31 December 2015	13,916,989	-	13,916,989

The accompanying notes on pages 58 to 96 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

<i>In thousands of naira</i>	Note	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Cash flows from operating activities:					
Surplus after tax		1,799,757	3,885,843	612,430	3,143,710
<i>Adjustments for:</i>					
Income tax expense	14	59,745	66,088	-	-
Depreciation of property and equipment	16	315,891	283,551	268,355	235,998
Amortization of intangible assets	15	144,409	153,784	144,408	153,784
Gain on disposal of property and equipment	9	(1,019)	(28,378)	(1,019)	(27,927)
Loss/(Gain) on investment securities at fair value through profit and loss	11	-	15,646	-	-
Loss on foreign exchange rates translation		15,498	26,324	15,498	26,324
Impairment charges/(reversal) on intercompany receivables	17	-	-	723,592	(220,000)
Impairment loss on investment in subsidiaries	19	-	-	72,000	-
Impairment loss/(reversal) on trade and other receivables/other assets		847,632	(66,395)	257,934	(66,395)
Share of profit of equity accounted investee	18	(1,214,841)	(1,196,548)	-	-
Provision for retirement benefit obligations		144,784	388,696	144,784	388,696
Interest income	9	(1,192,052)	(567,059)	(1,166,088)	(549,197)
Dividend income	9	(36,941)	(31,304)	(367,933)	(299,765)
		882,863	2,930,248	703,961	2,785,228
Change in intercompany receivables		-	-	(33,224)	375,374
Change in trade and other receivables		(57,144)	(71,732)	(57,144)	(71,731)
Change in prepayments		(73,293)	(155,292)	(73,293)	(155,292)
Change in other liabilities		375,646	628,907	345,301	621,345
		1,128,072	3,332,131	885,601	3,554,924
Income tax paid	30	-	-	-	-
Retirement benefit obligation paid		(388,696)	-	(388,696)	-
Net cash from operating activities		739,376	3,332,131	885,601	3,554,924
Cash flows from investing activities:					
Interest received		1,161,926	544,902	1,138,660	530,307
Dividend received		39,240	31,304	367,933	299,765
Purchase of investments		(2,194,386)	(1,986,128)	(2,455,005)	(2,187,304)
Dividend received from associate	18	330,992	269,698	-	-
Acquisition of property and equipment	16	(238,078)	(351,516)	(238,078)	(351,516)
Proceeds from the sale of property and equipment		5,970	43,373	5,970	42,922
Acquisition of intangible assets	15	(21,594)	(7,967)	(21,594)	(7,967)
Net cash used in investing activities		(915,930)	(1,456,334)	(1,202,114)	(1,673,793)
Net increase in cash and cash equivalents		(176,554)	1,875,797	(316,513)	1,881,131
Cash and cash equivalents at the beginning of the reporting year		3,060,496	1,211,023	2,835,407	980,600
Effect of movements in exchange rates on cash held		(15,498)	(26,324)	(15,498)	(26,324)
Cash and cash equivalents at end of year	24	2,868,444	3,060,496	2,503,396	2,835,407

The accompanying notes on pages 58 to 96 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1. Reporting entity

The Nigerian Stock Exchange ("the Exchange") is a company domiciled in Nigeria. The Exchange was incorporated in Nigeria as a private company limited by shares on 15 September 1960 as Lagos Stock Exchange and its name was changed to The Nigerian Stock Exchange on 15 December 1977. The Exchange was re-incorporated as a company limited by guarantee on 18 December 1990 and gained full membership status in the World Federation of Exchanges (the 'WFE') on 28 October 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 2015 comprise the Exchange and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates. 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 and the Financial Reporting Council of Nigeria Act.

The financial statements were authorized for issue by the Council on 11 February 2016. Details of the Group's and the Exchange's accounting policies are included in note 4 to the financial statement.

ii Functional and presentation currency

These consolidated and separate financial statements are presented in Nigerian Naira, which is the Exchange's functional currency. All financial information presented in Naira has been rounded to the nearest thousand, unless otherwise indicated.

3. Use of judgments and estimates

In preparing these consolidated and separate financial statements management has made judgments, estimates and assumptions that affect the application of the group's accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Judgment refers to management 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 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 19	Investment in subsidiaries: Key assumptions underlying the recoverable amount
Note 20	Available for sale investments: Key assumptions underlying the determination of fair value of the investments
Note 17, 21 & 23	Impairment test: Key assumptions underlying the recoverable amounts.
Note 27	Measurement of defined benefit obligations: key actuarial assumptions
Note 31	Contingent liabilities and Commitments: Key assumption about the likelihood and magnitude of an outflow of resources

ii Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial 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 reports directly to the Chief Executive 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 Committee.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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 instrument.

(ii) Level 2 : Valuation techniques based on observable inputs, either directly - i.e. as prices or indirectly - i.e. derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; other valuation techniques where all significant inputs are directly or indirectly observable from market data.

(iii) Level 3 : Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations. For all other financial instruments, the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bonds and equity prices, foreign currency exchange rates, equity and equity index prices volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instruments at the reporting date that would have been determined by market participants acting at arm's length.

Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair value. Availability of observable market prices and inputs varies depending on the product and market and is prone to changes based on specific events and general conditions in the financial markets.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 5 (iv)	Financial risk management
Note 23	Non current asset held for sale

4 Significant accounting policies

4.1 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights or, 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 Plc, Naira Properties Limited and NSE Nominees Limited. The financial statements of subsidiaries are included in the consolidated and separate financial statements from the date that control commences until the date that control ceases.

(ii) Loss of control

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

(iii) Transactions eliminated on consolidation

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

(iv) Non-controlling interest

Non-controlling interests 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 transactions.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

(V) Equity-accounted investees

Equity-accounted investees are entities over which the Group has significant influence but not control over the financial and operating policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income (OCI) of the investee after the date of acquisition, until the date on which significant influence ceases.

4.2 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 rates as at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period using the rates prevalent at the beginning, adjusted for effective interest and payments during the period, and the amortized cost in the functional currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognized in profit or loss. However, foreign currency differences arising from the translation of the following items is recognised in OCI:

Available for sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

4.3 Financial Instruments

The Group classifies non-derivative financial assets into the following categories:

- Financial assets held for trading
- Financial assets held to maturity
- Available for sale financial assets

The Group also classifies the financial liabilities as other financial liabilities.

(i) Recognition and initial measurement

The Group initially recognizes its financial assets and liabilities on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

(ii) Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortized cost, depending on their classification.

(a) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at the date.

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 there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

(b) Amortized cost measurement

The amortized 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 amortization using the effective interest method of any difference between the initial amount recognized 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.

(iii) Classification

(a) Held-to-maturity investments

Held-to-maturity investments are non-derivative assets with fixed determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity, and which were not designated as at fair value through profit or loss or as available for sale.

Subsequent to initial recognition, held-to-maturity investments are carried at amortized cost, using the effective interest method. A sale or reclassification of a more than insignificant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments to available-for-sale financial instruments, and would prevent the Group from classifying investment securities as held-to-maturity for the current and the following two financial years. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- sales or reclassifications that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value
- sales or reclassifications after the Group has collected substantially all of the asset's original principal through scheduled payments or prepayments; and
- sales or reclassifications attributable to non-recurring isolated events beyond the Group's control that could not have been reasonably anticipated.

The Group classifies and measures investment in treasury bills as held to maturity.

(b) Financial assets and liabilities held for trading

This category has two sub-categories; financial assets held for trading, and those designated at fair value through profit or loss at inception.

Trading assets and liabilities are those assets and liabilities that the Group acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking. Derivatives are also categorized as trading unless they are designated as hedges.

Financial assets and liabilities are designated at fair value through profit or loss when:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise from measuring such financial instrument on different bases
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

Subsequent to initial recognition, the fair values are re-measured at each reporting date. All gains and losses arising from changes therein are recognized in the profit or loss and described as 'net trading income' for trading assets, and in 'net income from other financial instruments carried at fair value' for financial assets designated at fair value through profit or loss at inception.

Interest earned and dividends received while holding trading assets at fair value through profit or loss are included in net trading income. Trading assets are not reclassified subsequent to their initial recognition except for assets that subsequently qualify as loans and receivables and which the Group has the intention and ability to hold for the foreseeable future or until maturity.

Reclassification from held for trading are made when the Group no longer actively trade in the investments initially classified as held for trading. Such investments are reclassified as available for sale.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

(c) Available-for-sale investments

Available-for-sale investments are non-derivative investments that are designated by the Group as available-for-sale or are not classified as another category of financial assets, or strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. All available-for-sale investments, including unquoted equity securities, are carried at fair value.

Interest income is recognized in profit or loss using the effective interest method. Dividend income is recognized in the profit or loss when the Group becomes entitled to the dividend.

Other fair value changes are recognized in other comprehensive income until the investment is sold or impaired, whereupon the cumulative gains and losses previously recognized in other comprehensive income are reclassified to profit or loss as reclassification adjustment.

A non-derivative financial asset may be reclassified from the available-for-sale category to the loans and receivables category if it otherwise would have met the definition of loans and receivables and if the Group has the intention and ability to hold that financial asset for the foreseeable future or until maturity.

Investment securities are accounted for depending on their classification as either financial assets through profit or loss, available-for-sale financial assets or held-to-maturity investments.

The Group classifies and measures investment in unquoted securities as available for sale.

(d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term.

When the Group is the lessor in a lease agreement, it transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognized and presented within loans and receivables.

Loans and receivables are initially measured at fair value plus directly attributable transaction costs, and subsequently measured at their amortized cost using the effective interest method.

The use of market rates in the measurement of loans issued at below-market rate increases the Groups operating expenses and the balance on the loans and receivable account.

In case the financial instrument is denominated in a currency other than the functional currency of the reporting entity, foreign exchange translation differences are recognized in profit or loss.

The following items are classified and measured as loans and receivables by the Group:

Cash and cash equivalents: Cash and cash equivalents include notes and coins in hand, deposits held with banks and highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

Trade and other receivables: Other receivables comprise of staff debtors, trade receivables and other receivables. They are carried at original invoice amount less any allowance for doubtful receivables. Allowances for doubtful receivables are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. Other receivables are initially measured at fair value and subsequently measured at amortized cost.

(e) Other financial liabilities

Other financial liabilities, besides those held at fair value through profit or loss are measured at amortized cost. Other financial liabilities include sundry creditors, VAT payable, WHT payable and other liabilities. The principle of amortized cost is disclosed in note 4.3 (ii)

(iv) Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

(v) De-recognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. The Group enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all risks or rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized from the statement of financial position. In transactions where the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognizes the asset if control over the asset is lost.

The rights and obligations retained in the transfer are recognized separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Group continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

4.4 Impairment of financial assets

(i) Assets carried at amortized cost

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a 'loss event'), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The following factors are considered in assessing objective evidence of impairment:

- Payment defaults.
- Renegotiation of terms of the financial asset due to financial difficulty of the investee company.
- Disappearance of an active market for an asset due to financial difficulties.

The impairment loss is calculated as the difference between the carrying amount of the financial assets and the recoverable amount (being the present value of the estimated cash flows discounted at the original effective rate of interest). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. When the Group considers that there are no realistic prospects of recovering the asset, the relevant amount is written off.

If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In addition, an available-for-sale equity instrument is generally considered impaired if a significant or prolonged decline in the fair value of the instrument below its cost has occurred.

Where an available-for-sale asset, which has been re-measured to fair value directly through equity, is impaired, the impairment loss is recognized in profit or loss. If any loss on the financial asset was previously recognized directly in equity as a reduction in fair value, the cumulative net loss that had been recognized in equity is transferred to profit or loss and is recognized as part of the impairment loss. The amount of the loss recognized in profit or loss is the difference between the acquisition cost and the current fair value, less any previously recognized impairment loss.

If, in a subsequent period, the amount relating to an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognized in profit or loss, where the instrument is a debt instrument, the impairment loss is reversed through profit or loss. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through profit or loss but accounted for directly in equity.

4.5 Equity-accounted investee

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with the carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimate used to determine the recoverable amount.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

4.6 Impairment of non-financial assets

The carrying amounts of the Groups 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 assets recoverable amount is estimated.

The recoverable amount of goodwill is estimated at each reporting date. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. 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 recognized in profit or loss. Impairment losses recognized 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 in respect of goodwill is not reversed. In respect to other assets, impairment losses recognized 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 amortization, if no impairment loss had been recognized.

4.7 Property and equipment

(i) Recognition and measurement

Items of property and equipment are initially recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of equipment.

When parts of an item of property and equipment have different useful lives, 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.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and is recognized in other income/other expenses in profit or loss. Freehold land is carried at cost and not depreciated.

(ii) Subsequent costs

The cost of replacing a component of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment.

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

Depreciation on leasehold land is recognized in profit or loss on a straight-line basis over the unexpired lease period. The estimated useful lives for the current and comparative year are as follows:

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Leasehold improvements	Over the shorter of the useful life of item or lease period
Freehold land	Not depreciated
Building	50 years
Computer equipment	5 years
Office equipment	5 years
Furniture, fixtures & fittings	5 years
Motor vehicles	4 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if applicable.

(iv) De-recognition

An item of property and equipment is derecognized 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 derecognized.

4.8 Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Goodwill is subsequently 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 recognized 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 amortized over its useful life.

Software is stated at capitalized cost less accumulated amortization 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) Amortization

Amortization is recognized 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 amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(iv) De-recognition

Intangible assets are derecognized 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 derecognized.

4.9 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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, where appropriate, the risks specific to the liability.

A provision for restructuring is recognized 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 recognized 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 recognizes any impairment loss on the assets associated with that contract.



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4.10 Prepayments

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

4.11 Employee Benefits

(i) 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 recognized as employee benefit expenses in profit or loss in the years in which the services are rendered by employees. Prepaid contributions are recognized 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 recognized as an expense in the profit or loss account on an annual basis.

(ii) Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation. The liability recognised in the statements of financial position in respect of defined pension plans is the present value of the defined benefit obligation at the date of the statements of financial position less the fair value of 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).

Remeasurements arising from experience adjustments and changes in actuarial assumptions in excess of the plan assets or of the defined benefits obligation are charged or credited to Other Comprehensive Income in the financial year in which they arise. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

With effect from 31 March 2011, the defined benefit scheme was terminated and final entitlements due to qualified staff were 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)

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans 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.

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4.12 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 Management 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 7 to the financial statements.

4.13 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 nonoccurrence of one or more uncertain future events not wholly within the control of the entity.

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

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

(ii) Contingent liability

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

4.14 Revenue and other income

(I) Revenue

Revenue comprises listing fees, entrance fees, transaction fees and trading levies.

Revenue from fees and levies earned is recognized based on the period of time of the particular service or transaction. Any upfront fees or payment for services that are rendered over a period of time are treated as unearned income and recognized over the required period. These are warehoused in a deferred income account.

(li) Other income

Other fees and income are recognized as the related services are performed.

Rental income from investment property leased is recognized in profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(iii) Dividend income

Dividend income is recognized 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. Dividends on equity instruments designated at fair value through other comprehensive income are presented in other income in profit or loss. Dividend income from equity accounted investee is recognised as a component of other operating income.

(iv) Interest Income

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

The calculation of the effective interest rate includes contractual fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.



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Interest income presented in the income statement includes interest on financial assets at amortized 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.

4.15 Tax expense

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.

(i) Current tax

Current tax is the expected tax payable on taxable income or loss for the year determined in accordance with the Companies Income tax Act (CITA), using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Minimum tax is charged where the company does not have taxable income or a lower tax expense when compared to minimum tax. Minimum tax is charged based on the highest of certain range as specified in the Company Income Tax Act (CITA).

The Federal Board of Inland Revenue upheld that the income of The Exchange is not liable to tax since it is a company limited by guarantee.

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not 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
- Differences relating to investments in subsidiaries and associate to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future
- Deferred tax 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 as at 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, unused tax credits and deductible temporary difference 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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. 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.

4.16 Investment properties under construction

Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections.

Valuations are performed as of the financial position date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated and separate financial statements.

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4.17 Non-current assets held for sale

Assets, or disposal groups comprising assets and liabilities, are classified by the Group as held-for-sale if it is highly probable that their carrying amount will be recovered primarily through sale transaction rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, such assets are no longer depreciated.

The corresponding rental obligations, net of finance charges, are included in other liabilities. The interest element of the finance cost

4.18 Leases

Leases are accounted for in accordance with IAS 17 and IFRIC 4. They are divided into finance leases and operating leases.

(A) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statements on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(b) Finance lease

Leases are classified as finance leases where a substantial portion of the risks and rewards of ownership are transferred to the lessee. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding balance of the finance lease.

The corresponding rental obligations, net of finance charges, are included in other liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Investment properties acquired under finance lease are measured subsequently at their fair value.

4.19 Changes in accounting policies

There are no new standards and amendments that may have material impact on the reported balances as at 31 December 2015.

4.20 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015 and earlier application is permitted.

However, the Group does not plan to adopt these standards early. Those which may be relevant to the Group are set out below. For some of the new standards, the Group has completed the assessment of their potential impacts while the evaluation of likely effect of the others is still ongoing.

(i) Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

The amendments to IAS 16 Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The amendments to IAS 38 Intangible Assets introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. The presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are highly correlated or when the intangible asset is expressed as a measure of revenue.

The Group currently does not have intangible assets or plants that are amortised or depreciated using a revenue based method. Thus, this amendment will not have any impact on the Group when it becomes effective. The amendments apply prospectively for annual periods beginning on or after 1 January 2016 and early adoption is permitted.



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(ii) IFRS 15 Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC 31 Revenue - Barter of Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract based five step analysis of transactions to determine whether, how much and when revenue is recognised. This new standard will most likely have a significant impact on the Group, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The Group is currently in the process of performing a more detailed assessment of the impact of this standard on the Group and will provide more information in the year ending 31 December 2016 financial statements.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under IFRS.

(iii) IFRS 9 Financial Instruments

On 24 July 2014 the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the Group, which will include changes in the measurement bases of the Group's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an incurred loss model from IAS 39 to an expected credit loss model, which is expected to increase the provision for bad debts recognised in the Group.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted. The Group will adopt the amendments for the year ending 31 December 2018.

(iv) IAS 1 Disclosure Initiative

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements. The amendment is effective for annual period beginning on or after 1 January 2016. Early adoption is permitted. The Group will adopt the standard at the effective date.

5 Financial risk management

(i) Risk management framework

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

The Group's risk management policies are established to identify and analyze 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 Group is exposed to the following risks arising from financial instruments:

- Credit risk - (see 5 (ii) below)
- Liquidity risk - (see 5 (iii) below)
- Market risk - (see 5 (iv) below)



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(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 investment securities.

The Exchange has exposure to credit risk as a result of receivables due mainly from market operators such as listed entities, brokers and dealers.

(a) Exposure to Credit Risk

The Group is not exposed to settlement risk, but only to credit risk on fees and its financial investments.

The Group's exposure to credit risk is influenced mainly by the characteristics of the counterparties. Management considers the default risk of the industry in which the counterparty operates based on economic factors as this may have an influence on credit risk.

The Group is exposed to credit risk on its trade receivable balances due from counterparties which include listed firms, brokers and dealers. The Group limits its exposure to credit risk by ensuring its ratio of trade receivable to total revenue is kept within acceptable threshold. In the year ended December 2015, approximately 5% (2014: 6%) of the Group's revenue was attributable to receivable balances. The carrying amount of this financial asset which represents the maximum exposure to credit risk at the reporting date was as follows:

<i>In thousands of Naira</i>	Note	Group Carrying amount		Exchange Carrying amount	
		2015	2014	2015	2014
Trade and other receivables	21	204,639	405,429	204,638	405,428
Intercompany receivables	17	-	-	2,663,145	3,419,962
Cash and cash equivalents	24	2,868,444	3,060,496	2,503,396	2,835,407
Other investments:					
Held-to-maturity investments	20	7,153,131	5,032,245	7,153,131	5,032,245
Financial assets - held for trading	20	-	64,590	-	-
Available for sale investments	20	286,966	93,900	-	-

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

<i>In thousands of Naira</i>	Trade and other receivables		Intercompany receivables	
	Group	Exchange	Group	Exchange
Balance as at 1 January 2014	(2,611,657)	(2,059,875)	-	624,411
Movement in the year	66,395	66,395	-	(220,000)
Balance as at 31 December 2014	(2,545,262)	(1,993,480)	-	404,411
Movement in the year:				
Impairment charge on other assets	(257,934)	(257,934)	-	723,592
Balance as at 31 December 2015	(2,803,196)	(2,251,414)	-	1,128,003

Refer to note 21 for the details of impairment charged on trade and other receivables and note 17 for details of impairment charged on intercompany receivables.

(b) Held to Maturity Investments (HTM)

The Group limits its exposure to credit risk by investing only in liquid money market instruments with counterparties that have a minimum credit rating of B from at least two (2) reputable rating agencies such as Augusto & Co., Standard & Poors, and Global Credit Ratings.

Management actively monitors credit ratings and ensures that the Group has only made investment in line with the Investment Policy Manual as approved by Council which provides investment in Short Term Fixed Deposit Placement with Local Banks and Federal Government Treasury Bills in a mix of 30:70.

The Group held HTM investments of N7,153,131 at 31 December 2015 (2014: N5,032,245) which represents its maximum credit exposure on Federal Government Treasury Bills. The investments are held in treasury bills with local banks which are rated "BB" based on Standard & Poors ratings.

The Group did not have any Held to Maturity Investment that were impaired as of 31 December 2015.



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(c) Cash and cash equivalents

The Group held cash and cash equivalents of N2,868,444 at 31 December 2015 (2014: N3,060,496) which represents its maximum credit exposure on these assets. The cash and cash equivalents, with maturity profile of less than 3 months, are held with local banks which are rated "BB" based on Standard & Poors ratings.

(lii) 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 always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses monthly Management Account reporting, which assists in monitoring cash flow requirements and optimizing its cash return on investments. The Group also prepares weekly cash flow reports, analyzing 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 following are the remaining contractual maturities of financial assets and financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude any impact of netting arrangements.

Maturity Analysis- Group							
<i>In thousands of Naira</i>	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2015 Total	Carrying amount	2014 Total
<i>Financial assets</i>							
Trade and other receivables	-	-	3,007,835	-	3,007,835	204,639	2,950,691
Other investments	829,965	1,160,000	513,426	5,159,295	7,662,686	7,440,097	5,359,566
Cash and cash equivalents	2,514,195	-	-	-	2,514,195	2,868,444	3,060,496
Total	3,344,160	1,160,000	3,521,261	5,159,295	13,184,716	10,513,180	11,370,753
<i>Financial liabilities</i>							
Retirement benefit obligations	52,784	-	-	144,784	197,568	144,784	414,331
Other liabilities	-	-	-	2,241,269	2,241,269	2,812,310	2,352,979
Total	52,784	-	-	2,386,053	2,438,837	2,957,094	2,767,310

Maturity Analysis- The Exchange							
<i>In thousands of Naira</i>	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2015 Total	Carrying amount	2014 Total
<i>Financial assets</i>							
Intercompany receivable	-	-	-	2,663,145	2,663,145	2,663,145	3,419,962
Trade and other receivables	-	-	2,456,052	-	2,456,052	204,638	2,398,908
Other investments	829,965	1,160,000	513,426	4,872,329	7,375,720	7,153,131	5,201,076
Cash and cash equivalents	2,513,226	-	-	-	2,513,226	2,503,396	2,835,407
Total	3,343,191	1,160,000	2,969,478	7,535,474	15,008,143	12,524,310	13,855,353
<i>Financial liabilities</i>							
Retirement benefit obligations	52,784	-	-	144,784	197,568	144,784	414,331
Other liabilities	-	-	-	1,850,239	1,850,239	2,406,595	2,063,133
Total	52,784	-	-	1,995,023	2,047,807	2,551,379	2,477,464



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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 currencies in which these transactions are primarily denominated are Pounds and US Dollars.

At 31 December 2015, the Group was exposed to currency risk primarily as a result of its exposures which stood at \$476,258 and £678 in bank and cash balances.

The following significant exchange rates applied during the year

	Average Rate		Reporting Date Spot Rate		Amount	
	2015	2014	2015	2014	2015	2014
USD	192.64	156.45	196.50	167.50	476,258	183,595
GBP	294.71	257.75	291.19	261.47	678	17,971

The rate used by the Group is the CBN official rate

The Group incurred a total foreign currency revaluation loss of N15,497,876 in 2015 (2014: N26,324,344).

Sensitivity analysis - Currency Risk

A reasonably possible strengthening (weakening) of the Pound and US Dollar against the Nigerian Naira as at 31 December 2015 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.

For the Group's risk sensitive assets classified as cash and cash equivalents and held-to-maturity, a 20% increase in exchange rate will have increased profit or loss and equity by N18.6 million (2014: 1%) an increase of N3.54 million) while a 50% decrease will decrease profit or loss and equity by N46.89 million (2014: 1%) a decrease of N3.54 million).

(b) Equity Price Risk

This risk arises from equity price changes caused by quoted and unquoted investments securities as of 31 December 2015, the Group was exposed to equity investment risk as a result of its exposures which stood at N286,966,000 (2014: N64,590,000) in available for sale financial assets. In a bid to further reduce exposure to equity risks and independence of the market, the Group has adopted a strategy to divest from all its quoted investments.

Sensitivity analysis - Equity Price Risk

All the Groups listed equity investments are listed on the Nigerian Stock Exchange (NSE). For such investments classified as available-for-sale, a 2% increase in NSE index would have increased profit or loss and equity by N3.6 million (2014: an increase of N1.2 million) while a 2% decrease will decrease profit or loss and equity by N3.6 million (2014: a decrease of N1.2 million).

Treasury bills and other investments

Treasury bills represent short term instruments issued by the Central Bank of Nigeria. The fair value of treasury bills at fair value through profit or loss are determined with reference to quoted prices (unadjusted) in active markets for identical assets. The estimated fair value of treasury bills and bonds at amortized cost represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine the fair value. The fair values of quoted equity securities are determined by reference to quoted prices (unadjusted) in active market for identical instruments.

Unquoted equity investments

The Group adopted the Discounted Cash flow (DCF) Technique in estimating the fair value of its unquoted equity investments as at December 31, 2015. This technique is compliant with Level 3 of the fair value hierarchy as enshrined in IFRS 13 - Fair Value Measurement.



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The key parameters and assumptions used in the valuation are as follows:

- Step 1: A five-year forecast of the free cash flow to the firm (FCFF) for each of the equity investments was made.
- Step 2: The yearly FCFF forecasts were discounted to present value using the company's WACC.
- Step 3: The terminal value at year five was estimated by dividing the compounded (with 'g') year five FCFF by the capitalization rate.
- Step 4: The terminal value was discounted to present value using each company's WACC.
- Step 5: The fair value was obtained by adding the present value of the five-year FCFF obtained in step (2) above to the present value of terminal value obtained in step (4) above.
- Step 6: The fair value of the group's investment in each of the unquoted equity investments was derived by multiplying the Group's percentage holding in the investee by the fair value obtained in step (5).

The significant unobservable inputs in the valuation method include:

- Five year forecast of the free cash flows to the firm.
- The discounting factor which include each companies' WACC.

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

Valuation Assumptions - Discounted Cash flow

Risk free rate is the 15.50% yield on 5-year Federal Government of Nigeria Bond, Beta at less than 1 and market premium of 3% and 6% assumed for NASD and FMDQ respectively based on trend analysis.

Reconciliation of Level 3 fair value

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

Investment in equity

<i>In thousands of Naira</i>	2015	2014
Opening balance	3,900	-
Gain included in OCI		
Net change in fair value (unrealized)	64,187	3,900
Closing balance	68,087	3,900



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6 Financial assets and liabilities

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.

(a) The Group		Carrying amount					Fair value			
31 December 2015 In thousands of naira	At fair value through P/L	Held-to- maturity	Loans and receivables	Available-for- sale	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment securities	-	7,153,131	-	286,966	-	7,440,097	7,082,939	-	286,966	7,369,905
	-	7,153,131	-	286,966	-	7,440,097	7,082,939	-	286,966	7,369,905
Financial assets not measured at fair value										
Trade and other receivables	-	-	204,639	-	-	204,639				
Cash and cash equivalent	-	-	2,868,444	-	-	2,868,444		2,868,444		2,868,444
	-	-	3,073,083	-	-	3,073,083	-	2,868,444	-	2,868,444
Financial liabilities not measured at fair value										
Other liabilities	-	-	-	-	2,812,310	2,812,310				
	-	-	-	-	2,812,310	2,812,310	-	-	-	-
(b) The Exchange		Carrying amount					Fair value			
31 December 2015 In thousands of naira	At fair value through P/L	Held-to- maturity	Loans and receivables	Available-for- sale	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Investment securities	-	7,153,131	-	-	-	7,153,131	7,082,939	-	-	7,082,939
	-	7,153,131	-	-	-	7,153,131	7,082,939	-	-	7,082,939
Financial assets not measured at fair value										
Trade and other receivables	-	-	595,942	-	-	595,942				
Cash and cash equivalent	-	-	2,503,396	-	-	2,503,396		2,503,396		2,503,396
	-	-	3,099,338	-	-	3,099,338	-	2,503,396	-	2,503,396
Financial liabilities not measured at fair value										
Other liabilities	-	-	-	-	2,406,595	2,406,595				
	-	-	-	-	2,406,595	2,406,595	-	-	-	-



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(a) The Group									
31 December 2014 In thousands of naira	Carrying amount					Fair value			
	At fair value through P/L	Held-to- maturity	Loans and receivables	Available-for- sale	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investment securities	64,590	5,032,245	-	93,900	-	5,190,735	5,786,408	-	93,900
	64,590	5,032,245	-	93,900	-	5,190,735	5,786,408	-	93,900
Financial assets not measured at fair value									
Trade and other receivables	-	-	405,429	-	-	405,429	-	-	-
Cash and cash equivalent	-	-	3,060,496	-	-	3,060,496	-	3,060,496	-
	-	-	3,465,925	-	-	3,465,925	-	3,060,496	-
Financial liabilities not measured at fair value									
Other liabilities	-	-	-	-	2,827,420	2,827,420	-	-	-
	-	-	-	-	2,827,420	2,827,420	-	-	-
(b) The Exchange									
31 December 2014 In thousands of naira	Carrying amount					Fair value			
	At fair value through P/L	Held-to- maturity	Loans and receivables	Available-for- sale	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investment securities	-	5,032,245	-	-	-	5,032,245	5,721,818	-	-
	-	5,032,245	-	-	-	5,032,245	5,721,818	-	-
Financial assets not measured at fair value									
Trade and other receivables	-	-	723,439	-	-	723,439	-	-	-
Cash and cash equivalent	-	-	2,835,407	-	-	2,835,407	-	2,835,407	-
	-	-	3,558,846	-	-	3,558,846	-	2,835,407	-
Financial liabilities not measured at fair value									
Other liabilities	-	-	-	-	2,509,403	2,509,403	-	-	-
	-	-	-	-	2,509,403	2,509,403	-	-	-



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7 Operating segments

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

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

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

Information about reportable segments

	Regulatory & Clearing services 2015	Regulatory & Clearing services 2014	Strategic investment 2015	Strategic investment 2014	Property management 2015	Property management 2014	Adjustments		Consolidated 2015	Consolidated 2014
<i>In thousands of Naira</i>							2015	2014		
External revenues	4,226,254	6,303,423	-	-	-	-	-	-	4,226,254	6,303,423
Other revenue	2,216,140	2,159,340	-	451	314,377	250,448	(162,227)	(165,389)	2,368,290	2,244,850
Segment revenue	6,442,394	8,462,763	-	451	314,377	250,448	(162,227)	(165,389)	6,594,544	8,548,273
Interest revenue	1,166,088	549,197	8,267	3,429	19,996	15,670	-	-	1,194,351	568,296
Dividend from Associate	367,933	299,765	-	-	-	-	(330,992)	(269,698)	36,941	30,067
Expenses										
Personnel expenses	(2,686,162)	(2,276,360)	-	-	-	-	-	-	(2,686,162)	(2,276,360)
Depreciation and amortization	(412,763)	(389,782)	-	-	(47,537)	(47,553)	-	-	(460,300)	(437,335)
Other expenses	(3,050,219)	(2,305,325)	(62,036)	(20,595)	(665,406)	(100,479)	957,819	(54,611)	(2,819,842)	(2,481,010)
	1,827,271	4,340,258	(53,769)	(16,715)	(378,570)	118,086	464,600	(489,698)	1,859,532	3,951,931
Segment Operating Surplus before tax	1,827,271	4,340,258	(53,769)	(16,715)	(378,570)	118,086	464,600	(489,698)	1,859,532	3,951,931
Income tax expense	-	-	(30)	(199)	(59,745)	(65,889)	-	-	(59,775)	(66,088)
Segment Operating Surplus after tax	1,827,271	4,340,258	(53,799)	(16,914)	(438,315)	52,197	464,600	(489,698)	1,799,757	3,885,843
Assets & Liabilities										
Reportable segment assets	16,521,152	15,813,962	375,322	196,401	3,456,279	3,948,409	2,423,758	711,592	22,776,511	20,670,364
Reportable segment liabilities	2,604,163	2,509,403	707,693	539,662	3,901,058	3,954,871	(3,791,148)	(3,824,373)	3,421,766	3,179,563

Geographical segment

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.



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8 Revenue

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Transaction fees	2,609,302	4,140,541	2,609,302	4,140,541
Listing fees	1,386,548	1,536,071	1,386,548	1,536,071
Entrance levies	164,759	370,138	164,759	370,138
Other fees (see note (a) below)	65,645	256,673	65,645	256,673
	4,226,254	6,303,423	4,226,254	6,303,423

(a) Other fees represent rent of the trading floor, annual charges of brokers, dealing license and membership fees received by The Exchange.

9 Other income

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Sundry income (see note (a) below)	393,529	816,090	393,959	818,022
Rental income	88,686	86,991	-	-
Interest income	1,192,052	567,059	1,166,088	549,197
Dividend income (see note (b) below)	39,240	31,304	367,933	299,765
Market data income	156,928	113,423	156,928	113,423
Net gain on disposal of property and equipment	1,019	28,378	1,019	27,927
Provisions no longer required (see note (c) below)	513,288	3,420	449,393	3,420
	2,384,742	1,646,665	2,535,320	1,811,754

(a) Sundry income is made up of technology income, rental income and penalty fees.

(b) Dividend income represents dividend income received from the associate company- Central Securities Clearing System Plc and other equity investments by NSE Nominees Limited.

(c) Amount represents gratuity provisions no longer required.

10 Impairment (loss)/reversal on financial assets

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
(a) Financial assets				
Net impairment charge on available for sale equity securities (see note 20 (b)(ii))	(55,591)	-	-	-
Net impairment (charge)/reversal on trade receivables (see note 21 (d))	(257,934)	66,395	(257,934)	66,395
Net impairment (charge)/reversal on intercompany receivables (see note 17 (a))	-	-	(723,592)	220,000
	(313,525)	66,395	(981,526)	286,395
(b) Non-financial assets				
Impairment charge on non-current asset held for sale (see note 23)	(534,107)	-	-	-
Impairment charge on investment in subsidiary (see note 19)	-	-	(72,000)	-
	(534,107)	-	(72,000)	-
	(847,632)	66,395	(1,053,526)	286,395



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(a) Amount represents the impairment charge on intercompany receivables resulting from measuring the Group's non-current asset held for sale at the lower of carrying amount and fair value less costs to sell being the principal source of repayment.

11 Fair value (losses)/gain on financial instruments classified as held for trading

	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Financial assets				
Fair value loss on securities	-	(15,646)	-	-
	-	(15,646)	-	-

12 Personnel expenses

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Wages and salaries	2,386,397	2,166,435	2,386,397	2,166,435
Defined benefit cost (see note 27 below)	144,784	-	144,784	-
Contributions to defined contribution plans (See note (a) below)	154,981	109,925	154,981	109,925
	2,686,162	2,276,360	2,686,162	2,276,360

(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 2015	Group 2014	Exchange 2015	Exchange 2014
Executive Directors	3	3	3	3
Management	24	26	24	26
Non-Management	239	214	239	214
	266	243	266	243

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

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Short term benefits	1,725,281	1,292,520	1,725,281	1,292,520
Contributions to defined contribution plans	136,701	96,959	136,701	96,959
Other staff cost	461,861	548,938	461,861	548,938
	2,323,843	1,938,417	2,323,843	1,938,417

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

<i>In thousands of Naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Fees and sitting allowances	44,880	52,252	44,380	51,402
Executive compensation	56,805	94,903	56,760	94,903
	101,685	147,155	101,140	146,305

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

<i>In thousands of Naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
The President	2,120	2,120	2,120	2,120
Highest paid Council member	56,760	94,903	56,760	94,903

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

	Group 2015	Group 2014	Exchange 2015	Exchange 2014
₦1,000,001 - ₦10,000,000	-	-	-	-
₦10,000,001 and above	3	3	3	3
	3	3	3	3

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

(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 2015	Group 2014	Exchange 2015	Exchange 2014
N60,000 - N2,000,000	94	88	94	88
N2,000,001 - N3,500,000	35	36	35	36
N3,500,001 - N5,000,000	28	33	28	33
N5,000,001 - N6,500,000	24	22	24	22
N6,500,001 - N8,000,000	18	16	18	16
N8,000,001 - N9,500,000	4	5	4	5
N9,500,001 and above	60	40	60	40
	263	240	263	240

13 Operating expenses

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Repairs and Maintenance	411,284	437,381	294,750	349,157
Council member's sitting allowances and expenses	101,685	144,409	101,140	142,835
Professional fees	159,967	160,201	147,477	152,374
Audit Fees	32,000	35,000	29,304	35,000
Travelling expenses	99,043	107,206	98,877	107,206
Rent and rates	32,780	30,721	128,203	126,144
Stationery, library and fact book expenses	8,271	11,025	8,271	11,025
Subscriptions	69,354	84,240	69,159	84,240
NSITF charge	22,222	10,039	22,222	10,039
Software, Internet and connectivity subscription	310,774	222,739	310,774	222,739
Diesel expenses	57,666	97,963	57,666	97,963
Project expenses	172,171	275,759	172,171	275,759
Provision for staff gratuity	-	109,316	-	109,316
Donations	-	249,927	-	249,927
Water and rates	28,169	20,940	92,515	88,409
Events, seminars & sponsorship expenses	81,296	108,924	81,296	108,924
Security expense	32,306	25,797	31,788	25,797
Bank charges	62,207	47,384	60,034	45,082
Provision for VAT and withholding tax	129,000	69,000	129,000	69,000
Corporate social responsibilities and gifts	38,354	21,651	38,354	21,651
Exchange difference	15,498	26,324	15,498	26,324
Telephone, postages and periodicals	15,511	16,509	15,511	16,509
General expenses	92,683	219,304	92,683	216,300
	1,972,241	2,531,759	1,996,693	2,591,720

General expenses include insurance, advert and publications, AGM expenses and brand management expenses.



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14 Income tax expense

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Current year:				
Companies Income Tax	60,037	49,058	-	-
Minimum tax	210	378	-	-
NITDA	-	-	-	-
Under/(Over) provision in prior year	-	8,517	-	-
Education Tax	4,199	3,493	-	-
	64,446	61,446	-	-
Deferred tax	(4,701)	4,642	-	-
Deferred tax reversal	-	-	-	-
Total tax expense	59,745	66,088	-	-
Reconciliation of effective tax rate				
<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Surplus before tax		1,859,502		3,951,931
Income tax using the domestic corporation tax rate	30%	557,851	30%	1,185,579
Non-deductible expenses	3%	48,128	1%	27,023
Tax exempt income	-10%	(191,581)	-20%	(777,884)
Prior year under/(over) provision	0%	-	0%	(8,517)
Effect of share of profit of equity accounted investee	-20%	(364,452)	-9%	(358,964)
Education tax	0%	4,199	0%	3,493
Change in recognised deductible temporary difference	0%	4,701	0%	(4,642)
Tax expense	3%	58,845	2%	66,088

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

15 Intangible assets

Reconciliation of carrying amount

(a) The Group

<i>In thousands of naira</i>	Goodwill	Purchased software	Total
Cost			
Balance as at 1 January 2014	61,784	2,400,999	2,462,783
Acquisitions	-	7,967	7,967
Transfers/write-offs	-	-	-
Balance at 31 December 2014	61,784	2,408,966	2,470,750
Balance as at 1 January 2015	61,784	2,408,966	2,470,750
Acquisitions	-	21,594	21,594
Disposal	-	(823)	(823)
Transfers/write-offs	-	(41,825)	(41,825)
Balance at 31 December 2015	61,784	2,387,912	2,449,696
Amortization and impairment losses			
Balance as at 1 January 2014	57,148	1,723,947	1,781,095
Amortization for the year	-	153,784	153,784
Balance at 31 December 2014	57,148	1,877,731	1,934,879



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Balance as at 1 January 2015	57,148	1,877,731	1,934,879
Amortization for the year	-	144,409	144,409
Disposals	-	(357)	(357)
Transfers/write-offs	-	(40,000)	(40,000)
Balance at 31 December 2015	57,148	1,981,783	2,038,931
Carrying amounts			
At 1 January 2015	4,636	531,235	535,871
At 31 December 2015	4,636	406,129	410,765

Goodwill is reviewed 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 2015 (2014: nil).

(b) The Exchange

<i>In thousands of naira</i>	Purchased software	Total
Cost		
Balance as at 1 January 2014	2,400,999	2,400,999
Acquisitions	7,967	7,967
Transfers/write-offs	-	-
Balance at 31 December 2014	2,408,966	2,408,966
Balance as at 1 January 2015	2,408,966	2,408,966
Acquisitions	21,594	21,594
Disposals	(823)	(823)
Transfers/write-offs	(41,825)	(41,825)
Balance at 31 December 2015	2,387,912	2,387,912
Amortization and impairment losses		
Balance as at 1 January 2014	1,723,947	1,723,947
Amortization for the year	153,784	153,784
Balance at 31 December 2014	1,877,731	1,877,731
Balance as at 1 January 2015	1,877,731	1,877,731
Amortization for the year	144,408	144,408
Disposals	(356)	(356)
Transfers/write-offs	(40,000)	(40,000)
Balance at 31 December 2015	1,981,783	1,981,783
Carrying amounts		
At 1 January 2015	531,235	531,235
At 31 December 2015	406,129	406,129



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16 Property and equipment Reconciliation of carrying amount

	<i>In thousands of naira</i>	Land	Buildings	Leasehold Improvements	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
(a) The Group									
Cost									
Balance as at 1 January 2014	-	-	2,351,078	1,183,259	401,865	336,349	975,537	217,228	5,465,316
Reclassification	199,554	(199,554)	-	-	-	-	-	-	-
Additions	-	-	-	87,832	63,915	120,795	42,991	35,983	351,516
Disposals	-	-	-	-	(524)	(48,168)	-	(7,677)	(56,369)
Balance as at 31 December 2014	199,554	199,554	2,151,524	1,271,091	465,256	408,976	1,018,528	245,534	5,760,463
Balance as at 1 January 2015	199,554	199,554	2,151,524	1,271,091	465,256	408,976	1,018,528	245,534	5,760,463
Additions	-	-	-	-	95,714	73,050	54,246	15,068	238,078
Disposals	-	-	-	-	(1,212)	(31,850)	-	(4,157)	(37,219)
Transfers/ write offs	-	-	-	-	16,290	-	12,668	2,606	31,564
Balance as at 31 December 2015	199,554	199,554	2,151,524	1,271,091	576,048	450,176	1,085,442	259,051	5,992,886
Depreciation and impairment losses									
Balance at 1 January 2014	-	-	228,646	133,614	325,797	184,006	580,426	123,243	1,575,732
Depreciation for the year	-	-	47,022	24,988	23,099	67,287	89,059	32,096	283,551
Disposals	-	-	-	-	(219)	(36,643)	-	(4,512)	(41,374)
Balance as at 31 December 2014	-	-	275,668	158,602	348,677	214,650	669,485	150,827	1,817,909
Balance as at 1 January 2015	-	-	275,668	158,602	348,677	214,650	669,485	150,827	1,817,909
Depreciation for the year	-	-	47,005	25,421	39,139	63,207	107,844	33,275	315,891
Disposals	-	-	-	-	(1,136)	(28,664)	-	(2,468)	(32,268)
Transfers/ write offs	-	-	-	-	319	(2,187)	(709)	(321)	(2,898)
Balance as at 31 December 2015	-	-	322,673	184,023	386,999	247,006	776,620	181,313	2,098,634
Carrying amounts									
At 1 January 2015	199,554	199,554	1,875,856	1,112,489	116,579	194,326	349,043	94,707	3,942,554
At 31 December 2015	199,554	199,554	1,828,851	1,087,068	189,049	203,170	308,822	77,738	3,894,252

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

(ii) Included in property and equipment is property valued at N2.3 billion (2014: N2.1 billion) which is accounted for as investment property in the separate financial statement of the subsidiary, Naira Properties Limited.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

16 Property and equipment
Reconciliation of carrying amount

<i>In thousands of naira</i>	Land	Buildings	Leasehold Improvements	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
(b) The Exchange Cost								
Balance at 1 January 2014	-	-	1,183,259	401,865	336,349	972,884	217,226	3,111,583
Additions	-	-	87,832	63,915	120,795	42,991	35,983	351,516
Disposals	-	-	-	(524)	(48,168)	-	(7,677)	(56,369)
Balance at 31 December 2014	-	-	1,271,091	465,256	408,976	1,015,875	245,532	3,406,730
Balance at 1 January 2015	-	-	1,271,091	465,256	408,976	1,015,875	245,532	3,406,730
Additions	-	-	-	95,714	73,050	54,246	15,068	238,078
Disposals	-	-	-	(1,212)	(31,850)	-	(4,157)	(37,219)
Transfers/write-offs	-	-	-	16,290	-	12,668	2,606	31,564
Balance at 31 December 2015	-	-	1,271,091	576,048	450,176	1,082,789	259,049	3,639,153
Depreciation and impairment losses								
Balance at 1 January 2014	-	-	133,614	325,798	184,008	579,526	123,240	1,346,186
Depreciation for the year	-	-	24,988	23,099	67,287	88,528	32,096	235,998
Disposals	-	-	-	(219)	(36,643)	-	(4,512)	(41,374)
Balance at 31 December 2014	-	-	158,602	348,678	214,652	668,054	150,824	1,540,810
Balance at 1 January 2015	-	-	158,602	348,678	214,652	668,054	150,824	1,540,810
Depreciation for the year	-	-	25,421	39,139	63,207	107,313	33,275	268,355
Disposals	-	-	-	(1,137)	(28,665)	-	(2,466)	(32,268)
Transfers/write-offs	-	-	-	319	(2,188)	(710)	(320)	(2,899)
Balance at 31 December 2015	-	-	184,023	386,999	247,006	774,657	181,313	1,773,998
Carrying amounts								
At 1 January 2015	-	-	1,112,489	116,578	194,324	347,821	94,708	1,865,920
At 31 December 2015	-	-	1,087,068	189,049	203,170	308,132	77,736	1,865,155

- (i) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year. Rather, the initial direct costs associated with leased assets have been capitalized.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

17 Intercompany Receivables

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Intercompany receivables	-	-	3,791,148	3,824,373
Allowance for impairment	-	-	(1,128,003)	(404,411)
Carrying amount	-	-	2,663,145	3,419,962

(a) Movement in allowance for impairment of intercompany receivables is shown below

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Opening balance	-	-	404,411	624,411
Impairment charges/(reversal) during the year (see note 10)	-	-	723,592	(220,000)
Closing balance	-	-	1,128,003	404,411

(b) Intercompany receivables represent amounts receivable from the Exchange's subsidiaries. An analysis of intercompany receivables is shown below:

The Exchange

<i>In thousands of naira</i>	Gross 2015	Impairment 2015	Carrying amount 2015	Gross 2014	Impairment 2014	Carrying amount 2014
NSE Consult Limited	410,392	(404,411)	5,981	405,167	(404,411)	756
Naira Properties Limited	1,506,127	-	1,506,127	1,550,223	-	1,550,223
Coral Properties Plc.	1,874,629	(723,592)	1,151,037	1,868,982	-	1,868,982
	3,791,148	(1,128,003)	2,663,145	3,824,372	(404,411)	3,419,961

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

(i) NSE Consult Limited

Intercompany receivables from NSE Consult 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 that it is doubtful

(ii) Naira Properties Limited

Intercompany receivables from Naira Properties represent maintenance expenses incurred by the Exchange on behalf of Naira Properties with respect to the property rented from the subsidiary. The Council members are of the opinion that this receivable would be recovered from rents paid to the subsidiary.

(iii) Coral Properties Plc.

Intercompany receivables due from Coral Properties Plc. relate to expenses incurred by the subsidiary with respect to its building in progress (now being carried as asset held for sale) which were paid by the Exchange. The intercompany receivable was impaired by N724 million to the fair value less cost to sell of the property which was valued at N1.15 billion (2014: N4.30 billion). The Council is of the opinion that the net balance amount would be recovered from the proceeds of the asset held for sale.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

18 Equity-accounted investees

Associates

<i>In thousands of naira</i>	Group 2015	Group 2014	Cost Exchange 2015	Cost Exchange 2014
Carrying amount of interests in associates	5,532,672	4,605,822	387,804	387,804
Share of current year result (net of tax)	1,214,841	1,196,548	-	-
Dividends paid	(330,992)	(269,698)	-	-
Total investment in associates	6,416,521	5,532,672	387,804	387,804
Carrying amount	6,416,521	5,532,672	387,804	387,804

The Group has a 27% ownership interest in Central Securities Clearing Systems (CSCS) Plc. 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 of 31 December 2015 was N23,764,894,000 (2013: N20,491,376,000).

Summary of 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>	2015	2014
Percentage ownership interest	27%	27%
Non-current assets	24,478,472	22,623,728
Current assets	771,027	387,652
Non-current liabilities	(29,780)	(48,031)
Current liabilities	(1,454,825)	(2,471,973)
Net assets (100%)	23,764,894	20,491,376
Group's share of net assets (27%)	6,416,521	5,532,672
Revenue	7,585,719	7,980,280
Profit from continuing operations	4,499,411	4,532,777
Other comprehensive income	-	-
Total comprehensive income	4,499,411	4,532,777
Group's share of profit and total comprehensive income	1,214,841	1,196,548
Group's interest in net assets of investee at the beginning of the year	5,532,672	4,605,822
Total comprehensive income attributable to the Group	1,214,841	1,196,548
Dividend received during the year	(330,992)	(269,698)
Group's interest in the net assets of investee at the end of the year	6,416,521	5,532,672

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

19 Investment in subsidiaries

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
NSE Consult Limited	-	-	1,250	1,250
Coral Properties Plc.	-	-	72,000	72,000
Naira Properties Limited	-	-	945,700	945,700
NSE Nominees Limited	-	-	500	-
Total investment in subsidiaries	-	-	1,019,450	1,018,950
Impairment (see note 19 (v) below)	-	-	(73,000)	(1,000)
Carrying amount	-	-	946,450	1,017,950



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

- (i) The Exchange has a 99.8% holding in NSE Consult Limited. NSE Consult Limited was incorporated in Nigeria on 19 May 2004 and commenced business on 15 April 2005. Its principal objective is to carry on business as consultants, financial advisers and analysts, and to carry on business as the strategic investment arm/subsidiary of the Nigerian Stock Exchange. The principal place of business of the company is Nigeria.
- (ii) The Exchange has a 100% holding in Coral Properties Plc. Coral Properties Plc. was incorporated in Nigeria as a private limited liability company on 20 May 1993 and became a public company on 29 August 1995. The principal activity of the Company is real estate development and sales. The company's place of incorporation is also the company's place of principal place of business.
- (iii) The Exchange has a 100% holding in Naira Properties Limited. Naira Properties Limited was incorporated on 29 June 1974 as a limited liability Company. The company's main activities are property letting and investment. Nigerian Stock Exchange acquired 40% equity interest in Naira Properties in February 1986. The company became a wholly owned subsidiary of the Exchange in 2005 when the Exchange acquired the balance of 60% equity interest in the company, previously held by the Daily Times Nigeria. The company's place of incorporation is also the company's place of principal place of business.
- (iv) The Nigerian Stock Exchange has a 83.3% holding in NSE Nominees Limited. NSE Nominees Limited was incorporated on 22 May 2007 with the principal objective of opening and operating a nominee account for the purpose of buying back shares for the benefit of investors who suffered losses through an unauthorized sale of their shares within the Nigerian Capital Market.
- (v) An analysis of allowance for impairment of investment in subsidiaries is shown below:

<i>In thousands of naira</i>	Gross 2015	Impairment 2015	Carrying amount 2015		Gross 2014	Impairment 2014	Carrying amount 2014
NSE Consult Limited	1,250	(1,000)	250		1,250	(1,000)	250
Coral Properties Plc.	72,000	(72,000)	-		72,000	-	72,000
	73,250	(73,000)	250		73,250	(1,000)	72,250



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

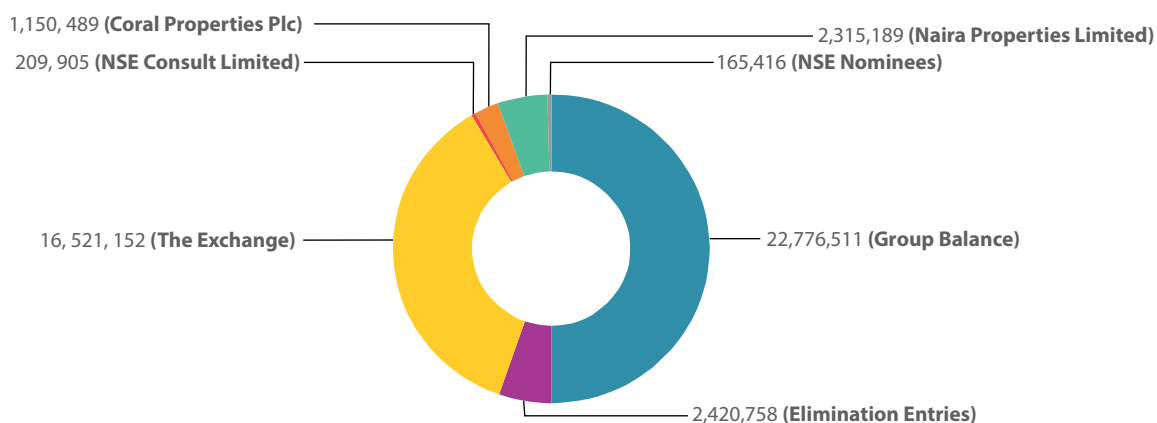
(vi) Condensed results of consolidated entities

Condensed results of the consolidated entities as at 31 December 2015, are as follows:

	Group balance	Elimination entries	The Exchange	NSE Consult Limited	Coral Properties Plc	Naira Properties Limited	NSE Nominees Limited
<i>In thousands of naira</i>							
Operating income	6,610,996	(493,219)	6,761,574	4,953	-	334,373	3,314
Operating expenses	(5,118,703)	162,227	(5,095,618)	(6,445)	(6,298)	(172,569)	-
Impairment charges	(847,632)	795,592	(1,053,526)	-	(534,107)	-	-
Fair value loss on investment securities	-	-	-	(55,591)	-	-	-
Operating surplus before tax	644,661	464,600	612,430	(57,083)	(540,405)	161,804	3,314
Share of profit of equity accounted investees	1,214,841	1,214,841	-	-	-	-	-
Fair value gain on AFS investment	64,187	-	-	64,187	-	-	-
Tax (expense)/credit	(59,745)	-	-	(30)	(180)	(59,535)	-
Operating surplus after tax	1,863,944	1,679,441	612,430	7,074	(540,585)	102,269	3,314
Condensed financial position							
<i>In thousands of naira</i>							
Total non-current assets	11,008,504	2,420,758	6,268,683	158,088	-	2,029,097	128,878
Total current assets	11,768,007	-	10,252,469	51,817	1,150,489	276,694	36,538
Total assets	22,776,511	2,420,758	16,521,152	209,905	1,150,489	2,305,791	165,416
Total equity	19,354,745	6,206,393	13,916,989	(336,186)	(843,329)	407,063	3,814
Total non current liabilities	313,689	-	144,784	-	-	178,307	-
Total current liabilities	3,108,077	(3,785,635)	2,459,379	546,091	1,993,818	1,729,819	161,602
Total liabilities	3,421,766	(3,785,635)	2,604,163	546,091	1,993,818	1,908,126	161,602
Total equity and liabilities	22,776,511	2,420,758	16,521,152	209,905	1,150,489	2,315,189	165,416

CONDENSED RESULTS OF CONSOLIDATED ENTITIES

(Financial Position as at 31st December, 2015)





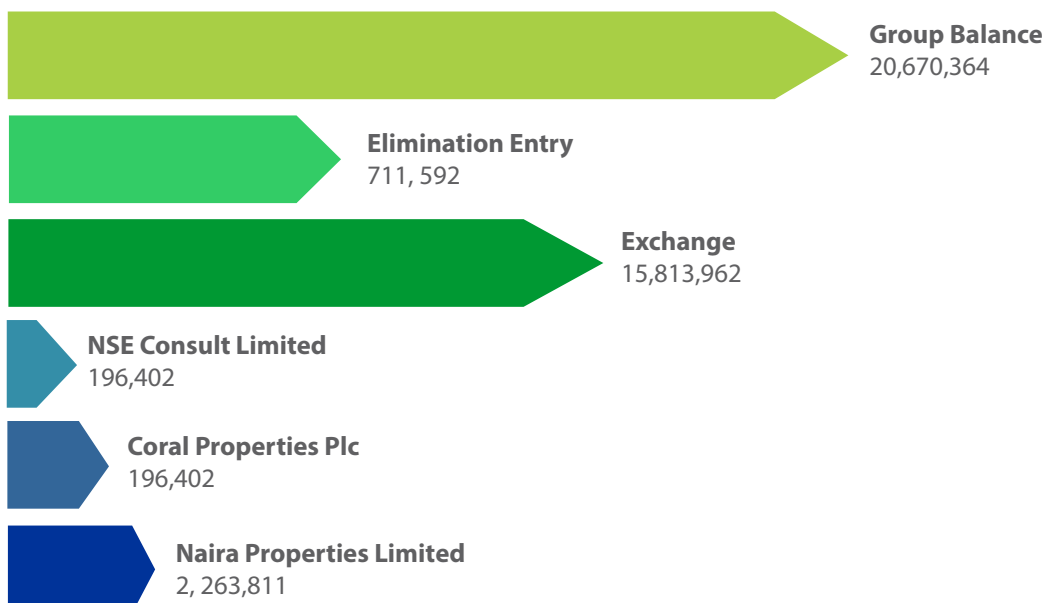
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

Condensed results of the consolidated entities as at 31 December 2014, are as follows:

<i>In thousands of naira</i>	Group balance	Elimination entries	Exchange	NSE Consult Limited	Coral Properties Plc	Naira Properties Limited
Operating income	7,950,088	(436,036)	8,115,177	3,880	-	267,067
Operating expenses	(5,245,454)	169,486	(5,257,862)	(8,848)	(7,443)	(140,787)
Impairment reversal	66,395	(220,000)	286,395	-	-	-
Fair value loss on investment securities	(15,646)	-	-	(15,646)	-	-
Operating surplus before tax	2,755,383	(486,550)	3,143,710	(20,614)	(7,443)	126,280
Share of profit of equity accounted investees	1,196,548	1,196,548	-	-	-	-
Fair value gain on AFS investment	3,900	-	-	3,900	-	-
Tax (expense)/credit	(66,088)	(8,517)	-	(197)	(180)	(57,194)
Operating surplus after tax	3,889,743	701,481	3,143,710	(16,911)	(7,623)	69,086
Condensed financial position						
<i>In thousands of naira</i>	Group balance	Elimination entries	Exchange	NSE Consult Limited	Coral Properties Plc	Naira Properties Limited
Total non-current assets	10,169,587	711,592	7,222,871	158,491	-	2,076,633
Total current assets	10,500,777	-	8,591,091	37,911	1,684,597	187,178
Total assets	20,670,364	711,592	15,813,962	196,402	1,684,597	2,263,811
Total equity	(17,490,801)	(4,527,641)	(13,304,559)	343,259	302,634	(304,494)
Total non current liabilities	(562,302)	-	(388,696)	-	-	(173,606)
Total current liabilities	(2,617,261)	3,816,049	(2,120,707)	(539,661)	(1,987,231)	(1,785,711)
Total liabilities	(3,179,563)	3,816,049	(2,509,403)	(539,661)	(1,987,231)	(1,959,317)
Total equity and liabilities	(20,670,364)	(711,592)	(15,813,962)	(196,402)	(1,684,597)	(2,263,811)

Condensed financial position (Financial Position as at 31st December, 2014)





NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

20 Other investments

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Held-to-maturity investments (see note 20(c) below)	7,153,131	5,032,245	7,153,131	5,032,245
Sub total	7,153,131	5,032,245	7,153,131	5,032,245
Financial assets- held for trading (see note 20(a) below)	-	64,590	-	-
Available for sale investments (see note 20(b) below)	286,966	93,900	-	-
Sub total	286,966	158,490	-	-
Carrying amount	7,440,097	5,190,735	7,153,131	5,032,245
<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Non-current	286,966	158,490	-	-
Current	7,153,131	5,032,245	7,153,131	5,032,245
Carrying amount	7,440,097	5,190,735	7,153,131	5,032,245

(a) The movement in Held for Trading financial assets is as follows:

<i>In thousands of naira</i>	Group 2015	Group 2014
Opening balance	64,590	278,145
Additions	-	-
Fair value loss (See note 11)	-	(15,646)
Reclassification to available for sale financial asset *	(64,590)	-
Disposal	-	(197,909)
Closing balance	-	64,590

* Investment in quoted equity securities were reclassified from Held for Trading to available for sale as the equities are no longer being actively traded.

(b) Analysis of available for sale investment securities

(i) Investment in available for sale is as follows:

<i>In thousands of naira</i>	Group 2015	Group 2014
Investment in unquoted equities (FMDQ OTC and NASD OTC)	158,088	93,900
Investment in Quoted equities	128,878	-
	286,966	93,900

(ii) Movement in available for sale financial asset

<i>In thousands of naira</i>	Group 2015	Group 2014
Opening balance -cost	90,000	90,000
Reclassified from Held for Trading (see note 20 (a) above)	64,590	-
Additions during the year (see note 20 (d) below)	128,878	-
Disposal	(8,999)	-
Fair value changes (see note 20 (b) (iii) below)	68,088	3,900
Impairment charges (see note 10 above)	(55,591)	-
	286,966	93,900

(iii) Movement in fair value on available for sale financial asset

<i>In thousands of naira</i>	Group 2015	Group 2014
Opening balance	3,900	-
Fair value changes during the year	64,188	3,900
	68,088	3,900



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

(c) The financial assets which are available for sale, are unquoted equity investments in National Association of Securities Dealers (NASD OTC) amounting to N40,000,000, investments in Financial Market Dealers Quotation (FMDQ OTC) amounting to N50,000,000, and other investment in quoted equities securities that are not actively traded (N128,878,000). A fair value gain of N64.1 million was recognised in the statement of comprehensive income in respect of the investment in available for sale financial assets for the financial year. The valuation techniques are explained in note 5 (iv). An impairment of N55,591,000 was recognised in the profit or loss in respect of quoted equities where there has been a significant and prolonged decline in the value of the shares since the purchased date.

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
(c) Held to maturity investments				
Treasury bills	7,153,131	5,032,245	7,153,131	5,032,245
Carrying amount	7,153,131	5,032,245	7,153,131	5,032,245

21 Trade and other receivables

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Trade receivables	497,745	436,990	483,989	423,234
Staff loans	299	262	299	262
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)	1,469,065	1,469,065	1,469,065	1,469,065
Due from gratuity fund administrators	23,165	23,165	23,165	23,165
Other receivables (see note 21 (e) below)	752,582	756,230	214,555	218,203
Gross total	3,007,835	2,950,691	2,456,052	2,398,908
Allowance for impairment (See note (c) below)	(2,803,196)	(2,545,262)	(2,251,414)	(1,993,480)
Carrying amount	204,639	405,429	204,638	405,428

(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 N2.09 billion 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, and the Securities and Exchange Commission directed the Exchange to recover the money from the ex-council Members involved. Refunds amounting to N620.50 million (2014: N620.50 million) have been received from the ex-council members to date. The outstanding balance of N1.47 billion is the 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) Analysis of allowance for impairment of other assets is shown below:

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Trade debtors- listing fees	293,468	59,019	293,468	59,019
Trade debtors-annual charges	47,064	23,579	47,064	23,579
Sundry Debtors - NSE/CSCS Cooperative	264,979	264,979	264,979	264,979
Deferred recovery of bonuses	1,469,065	1,469,065	1,469,065	1,469,065
Gratuity plan assets	23,165	23,165	23,165	23,165
Other receivables	705,455	705,455	153,673	153,673
	2,803,196	2,545,262	2,251,414	1,993,480

(d) Movement in allowance for impairment of other assets is shown below

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Opening balance	2,545,262	2,611,657	1,993,480	2,059,875
Movement during the year:				
Net impairment charge/(reversal) on other assets (see note 10a)	257,934	(66,395)	257,934	(66,395)
Closing balance	2,803,196	2,545,262	2,251,414	1,993,480

(e) Other assets include investment in defunct Hallmark Bank and other unsubstantiated receivables. These amounts have been fully impaired as at year end.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

22 Prepayment

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Prepaid expenses	254,690	235,638	254,690	235,638
Prepayments for IT platform	104,045	9,948	104,045	9,948
Advance payments to third parties (See note 22(a) below)	32,569	72,425	32,569	72,425
Gross total	391,304	318,011	391,304	318,011

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

23 Non-current assets held for sale

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Transfer from investment property under construction	1,684,596	1,684,596	-	-
Impairment charge (see note 10(b))	(534,107)	-	-	-
Balance as at 31 December 2015	1,150,489	1,684,596	-	-

(a) Movement in allowance for impairment of non-current assets held for sale is shown below

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Opening balance	-	-	-	-
Movement during the year:				
Impairment charge on non-current asset held for sale (see note 10)	(534,107)	-	-	-
Closing balance	(534,107)	-	-	-

The asset held for sale relates to the Group's investment property under construction which is now accounted for as non-current asset held-for-sale following the commitment to its sale by the Group's management.

In line with IFRS 5 (Non-current assets held for sale), the asset held for sale was measured by the Group at the lower of carrying amount and fair value less costs to sell. The fair value of the property as at 31 December 2015 was N1.15 billion. The fair value less costs to sell of N1.15 billion is lower than the carrying amount of N1.68 billion, hence, the recognition of N534 million as impairment charge on the property during the year.

The fair value less costs to sell of N1.15 billion was estimated by Messrs. Diya Fatimilehin & 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). The asset is still available for immediate sale in its current condition and efforts to sell it are still on as the asset has been offered for bid and Messrs. Diya Fatimilehin & Co is in charge of the sale. A sale is expected in 2016.

24 Cash and cash equivalents

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Cash balances	265	11	265	11
Bank balances	289,380	218,157	286,732	199,093
Fixed deposits	2,578,799	2,130,345	2,216,399	1,924,320
Treasury bills	-	71,983	-	711,983
Total	2,868,444	3,060,496	2,503,396	2,835,407

Included in cash and cash equivalents are treasury bills whose original maturity periods are within 90 days.

25 Equity

(a) Accumulated funds

Accumulated funds are the carried forward recognized income net of expenses plus current year profit.

(b) Other reserves

Other reserves represent fair value gain recognised on available for sale investments.

26 Earnings per share

No earnings per share is presented in these financial statements as the Exchange is limited by guarantee and has no issued shares.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

27 Retirement benefit obligation

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Recognized liability for defined benefit obligations (see note (a) below)	144,784	388,696	144,784	388,696
Recognized liability for defined contributions	52,784	25,635	52,784	25,635

Movement in retirement benefit obligation

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Opening balance	388,696	-	388,696	-
Under provision on terminated scheme	-	388,696	-	388,696
Obligation arising from the new scheme	144,784	-	144,784	-
Payment made during the year	(388,696)	-	(388,696)	-
	144,784	388,696	144,784	388,696

(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.

(b) Actuarial assumptions

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

	2015
Discount rate	10.84%
Salary increase rate	9.00%
Inflation	9.00%
Withdrawal rate: within the first 5 years	6.00%
Withdrawal rate: within the second 5 years	5.00%

The rate of mortality assumed for members in the Scheme are based on A49/52 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 change sat the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

<i>In thousands of naira</i>	31 December 2015	
	Increase	Decrease
Withdrawal rate (5% movement)	(1,205)	(655)
Mortality rate (20% movement)	(1,563)	(293)
Salary increase (10% movement)	(688)	(1,183)

28 Deferred tax liability

Deferred tax liability comprises of:

<i>In thousands of naira</i>	2015	2014	2015	2014
Deferred tax liability				
Balance, beginning of the year	173,606	168,964	-	-
Deferred tax liability recognized by subsidiary	(4,701)	4,642	-	-
Deferred tax reversal	-	-	-	-
Balance, end of the year	168,905	173,606	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

(a) **Movements in temporary differences during the year**

<i>In thousands of naira</i>	Opening balance	Recognized in profit or loss	Recognized in equity	Closing balance
For the year ended 31 December 2014				
Revaluation surplus	168,964	-	-	168,964
Credit during the year	-	4,642	-	4,642
Total	168,964	4,642	-	173,606

	Opening balance	Recognized in profit or loss	Recognized in equity	Closing balance
For the year ended 31 December 2015				
Revaluation surplus	173,606	-	-	173,606
Charge during the year	-	(4,701)	-	(4,701)
Total	173,606	(4,701)	-	168,905

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

Group

In thousands of naira

	Liabilities
For the year ended 31 December 2014	
Revaluation surplus on Investment Property	173,606
Net deferred tax liability	173,606
For the year ended 31 December 2015	
Revaluation surplus on Investment Property	168,905
Net deferred tax liability	168,905

29 Other liabilities

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Accrued expenses	430,332	467,049	430,332	467,049
Sundry creditors	970,630	908,942	761,675	661,205
Deferred income	140,709	60,110	126,024	31,939
Value Added Tax & WHT payable	550,145	438,131	550,145	438,131
Donations payable	249,927	249,927	249,927	249,927
Payable to NSE Nominee Limited	161,602	-	-	-
Others (see note (a) below)	255,508	203,057	235,035	160,948
Staff related liabilities (see note (b) below)	53,457	85,873	53,457	85,873
Total	2,812,310	2,413,089	2,406,595	2,095,072

- (a) Included in the Other liabilities is the sum of N157 million being amount paid by members (dealing and listed entities) for which the Exchange is yet to identify the purpose of the payment.
- (b) Staff related liabilities comprises of PAYE, National Housing Fund (NHF) and staff related liabilities payable to the government.

30 Current tax liabilities

<i>In thousands of naira</i>	Group 2015	Group 2014	Exchange 2015	Exchange 2014
Balance, beginning of the year	178,537	117,091	-	-
Prior year under/(over) provision	-	8,517	-	-
Charge during the year	64,446	52,929	-	-
Payment made during the year	-	-	-	-
Balance, end of the year	242,983	178,537	-	-



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

31 Contingent liabilities and commitments

(a) Legal proceedings

The Exchange is involved in various claims and litigation. These claims, most of which arose in the normal course of business, are being contested by the Exchange. As at 31 December 2015, estimated contingent liabilities stood at N3,636,034,949 (2014:N3,137,175,259). Based on legal advice, management does not expect the outcome of the litigations to have an effect on the Group's financial position, hence, no provisions for claims and litigations were made during the year.

(b) Capital commitments

The Group had no capital commitments in respect of authorized and contracted capital projects as at 31 December 2015.

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 Naira Properties on the property occupied by the Exchange and payment of other expenses on behalf of the subsidiaries. Related party transactions were made on terms equivalent to those that prevail in arm's length transaction.

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

<i>In thousands of naira</i>	Note	2015	2014
(a) Intercompany receivables			
NSE Consult Limited	17	411,566	405,167
Naira Properties Limited	17	1,507,301	1,550,224
Coral Properties Plc.	17	1,875,281	1,868,982
		3,794,148	3,824,373
The Exchange			
<i>In thousands of naira</i>	Note	2015	2014
(b) Intercompany expenses			
Rent and service charge paid to Naira Properties Limited		162,227	165,389
Impairment charge on receivable from Coral Properties Plc.	10	723,592	-
		885,819	165,389
(a) Compensation to key management personnel during the year			
<i>In thousands of naira</i>		2015	2014
Short-term benefits		209,264	209,264
Post-employment benefits (pension and gratuity)		-	-
		209,264	209,264

(b) Balance on the specific allowances made for impairment losses on the related party receivables are shown below:

Subsidiaries

<i>In thousands of naira</i>	Impairment on Receivable	2015 Impairment on investment	Total	Impairment on Receivable	2014 Impairment on investment	Total
NSE Consult Limited (see note 17 (b) above)	404,411	1,000	405,411	404,411	1,000	405,411
Coral Properties Plc (see note 17 (b) above)	723,592	72,000	795,592	-	-	-
	1,128,003	73,000	1,201,003	404,411	1,000	405,411

33 Group entities

Significant subsidiaries

Ownership Interest

Naira Properties Limited	100%
Coral Properties Plc	100%
NSE Consult Limited	99.8%
NSE Nominees Limited	83.3%



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

34 Subsequent events

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

35 Changes in presentation

To enhance the inter-period comparability of information, changes were made to the presentation of certain items in the financial statements.

Accordingly, comparative figures were reclassified. Find below the nature of the changes;

(a) Statement of profit or loss and other comprehensive income

(ii) Exchange

<i>In thousands of Naira</i>	Prior presentation (31 December 2014)	Reclassification	Current presentation (31 December 2015)
Income			
Revenue	6,533,618	230,195	6,303,423
Other income	1,581,559	(230,195)	1,811,754
	8,115,177	-	8,115,177
Expenses			
Impairment (charge)/reversal on financial assets	66,395	(220,000)	286,395
Other expenses	2,371,720	220,000	2,591,720
	2,438,115	-	2,878,115
(i) Group			
<i>In thousands of Naira</i>	Prior presentation (31 December 2014)	Reclassification	Current presentation (31 December 2015)
Income			
Revenue	6,533,618	230,195	6,303,423
Other income	1,416,470	(230,195)	1,646,665
	7,950,088	-	7,950,088
(b) Statement of financial position Exchange			
<i>In thousands of Naira</i>	Prior presentation (31 December 2014)	Reclassification	Current presentation (31 December 2015)
(i) Assets			
Trade and other receivable	723,439	318,011	405,428
Prepayment	-	(318,011)	318,011.00
	723,439	-	723,439
Group			
<i>In thousands of Naira</i>	Prior presentation (31 December 2014)	Reclassification	Current presentation (31 December 2015)
(i) Assets			
Trade and other receivable	723,439	318,011	405,428
Prepayment	-	(318,011)	318,011.00
	723,439	-	723,439
(ii) Equity			
Accumulated fund	17,490,801	3,900	17,486,901
Other reserve	-	(3,900)	3,900
	17,490,801	-	17,490,801



VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

<i>In thousands of naira</i>	Group 2015	%	Group 2014	%
Gross earnings	7,825,837		9,146,636	
Bought in materials and services	(2,031,986)		(2,597,847)	
(Provision)/Reversal) for losses	(847,632)		50,749	
Value added	4,946,219	100	6,599,538	100
DISTRIBUTION				
EMPLOYEES AND COUNCIL MEMBERS				
Personnel expenses	2,686,162	54	2,276,360	34
GOVERNMENT				
Tax expense	(59,745)	-	(66,088)	-
RETAINED IN THE BUSINESS				
For Depreciation and Amortization	460,300	9	437,335	6
To augment reserves	1,859,502	38	3,951,931	60
	4,946,219	100	6,599,538	100

<i>In thousands of naira</i>	Exchange 2015	%	Exchange 2014	%
Gross earnings	6,761,574		8,115,177	
Bought in materials and services	(1,996,693)		(2,591,720)	
(Provision)/Reversal for losses	(1,053,526)		286,395	
	3,711,355	100	5,809,852	100
DISTRIBUTION				
EMPLOYEES AND DIRECTORS				
Personnel expenses	2,686,162	72	2,276,360	39
GOVERNMENT				
Tax expense	-	-	-	-
RETAINED IN THE BUSINESS				
For Depreciation and Amortization	412,763	11	389,782	7
To augment reserves	612,430	17	3,143,710	54
	3,711,355	100	5,809,852	100



FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2015

<i>In thousands of naira</i>	Group 31 Dec 2015	Group 31 Dec 2014	Group 31 Dec 2013	Group 31 Dec 2012	Group 31 Dec 2011
ASSETS					
Property and equipment	3,894,252	3,942,554	3,889,584	3,441,234	3,660,673
Intangible assets	410,765	535,871	681,688	259,801	594,835
Investment properties under construction	-	-	1,684,596	1,601,593	1,601,593
Equity-accounted investees	6,416,521	5,532,672	4,605,822	3,793,918	3,238,841
Other investments	286,966	158,490	368,145	343,041	217,654
Total non-current assets	11,008,504	10,169,587	11,229,835	9,439,587	9,313,596
Trade and other receivables	204,639	405,429	430,021	549,102	312,738
Prepayment	391,304	318,011	-	-	-
Other investments	7,153,131	5,032,245	2,827,498	1,989,408	401
Asset held-for-sale	1,150,489	1,684,596	-	-	-
Cash and cash equivalents	2,868,444	3,060,496	1,211,023	1,129,403	2,736,140
Total current assets	11,768,007	10,500,777	4,468,542	3,667,913	3,049,279
Total assets	22,776,511	20,670,364	15,698,377	13,107,500	12,362,875
EQUITY					
Accumulated fund	19,354,745	17,490,801	13,601,058	10,527,590	9,374,530
Total equity	19,354,745	17,490,801	13,601,058	10,527,590	9,374,530
LIABILITIES					
Retirement benefit obligation	144,784	388,696	-	121,099	683,420
Deferred tax liabilities	168,905	173,606	168,964	-	-
Total non current liabilities	313,689	562,302	168,964	121,099	683,420
Defined-contribution pension	52,784	25,635	27,082	41,438	28,433
Other liabilities	2,812,310	2,413,089	1,784,182	2,319,247	2,206,641
Current tax liabilities	242,983	178,537	117,091	98,126	69,851
Total current liabilities	3,108,077	2,617,261	1,928,355	2,458,811	2,304,925
Total liabilities	3,421,766	3,179,563	2,097,319	2,579,910	2,988,345
Total equity and liabilities	22,776,511	20,670,364	15,698,377	13,107,500	12,362,875

INCOME STATEMENT

<i>In thousands of naira</i>	Group 31 Dec 2015	Group 31 Dec 2014	Group 31 Dec 2013	Group 31 Dec 2012	Group 31 Dec 2011
Revenue	4,226,254	6,303,423	4,576,697	3,326,643	3,302,205
Other income	2,384,742	1,646,665	825,206	617,588	244,313
Impairment (loss)/reversal on financial assets	(847,632)	66,395	69,785	(66,129)	197,414
Fair value (losses)/gain on investment securities	-	(15,646)	118,092	-	(72,915)
Personnel expenses	(2,686,162)	(2,276,360)	(1,820,331)	(1,646,639)	(1,767,514)
Operating expenses	(1,972,241)	(2,531,759)	(1,022,564)	(1,740,205)	(1,910,945)
Net operating expense	(3,121,293)	(3,110,705)	(1,829,812)	(2,835,385)	(3,309,647)
Operating Surplus	644,661	2,755,383	2,265,609	491,258	(7,442)
Share of profit of equity accounted investees (net of income tax)	1,214,841	1,196,548	995,789	690,077	270,243
Operating Surplus before tax	1,859,502	3,951,931	3,261,398	1,181,335	262,801
Tax expense	(59,745)	(66,088)	2,335	(28,275)	(4,504)
Operating Surplus after tax	1,799,757	3,885,843	3,263,733	1,153,060	258,297



FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2015

<i>In thousands of naira</i>	Exchange 31 Dec 2015	Exchange 31 Dec 2014	Exchange 31 Dec 2013	Exchange 31 Dec 2012	Exchange 31 Dec 2011
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Property and equipment	1,865,155	1,865,920	1,765,397	1,271,778	1,446,526
Intangible assets	406,129	531,235	677,052	252,511	590,199
Intercompany receivables	2,663,145	3,419,962	3,575,336	3,607,993	3,514,716
Equity-accounted investees	387,804	387,804	387,804	387,804	387,804
Investment in subsidiaries	946,450	1,017,950	1,017,950	1,017,950	1,017,700
Other investments	-	-	-	-	15,290
Total non-current assets	6,268,683	7,222,871	7,423,539	6,538,036	6,972,235
Trade and other receivables	204,638	405,428	430,021	549,102	280,689
Prepayment	391,304	318,011	-	-	-
Other investments	7,153,131	5,032,245	2,827,498	1,989,408	401
Cash and cash equivalents	2,503,396	2,835,407	980,600	927,799	2,598,065
Total current assets	10,252,469	8,591,091	4,238,119	3,466,309	2,879,155
Total assets	16,521,152	15,813,962	11,661,658	10,004,345	9,851,390
EQUITY					
Accumulated fund	13,916,989	13,304,559	10,160,849	7,825,749	7,311,913
Total equity	13,916,989	13,304,559	10,160,849	7,825,749	7,311,913
LIABILITIES					
Retirement benefit obligation	144,784	388,696	-	121,099	683,420
Total non current liabilities	144,784	388,696	-	121,099	683,420
Defined-contribution pension	52,784	25,635	27,082	41,438	28,433
Other liabilities	2,406,595	2,095,072	1,473,727	2,016,059	1,827,624
Current tax liabilities	-	-	-	-	-
Total current liabilities	2,459,379	2,120,707	1,500,809	2,057,497	1,856,057
Total liabilities	2,604,163	2,509,403	1,500,809	2,178,596	2,539,477
Total equity and liabilities	16,521,152	15,813,962	11,661,658	10,004,345	9,851,390

INCOME STATEMENT

<i>In thousands of naira</i>	Exchange 31 Dec 2015	Exchange 31 Dec 2014	Exchange 31 Dec 2013	Exchange 31 Dec 2012	Exchange 31 Dec 2011
Revenue	4,226,254	6,303,423	4,576,697	3,326,643	3,302,205
Revenue	4,226,254	6,303,423	4,576,697	3,326,643	3,302,205
Other income	2,535,320	1,811,754	916,352	632,678	404,722
Impairment (loss)/reversal on financial assets	(1,053,526)	286,395	145,345	(86,322)	515,335
Fair value (losses)/gain on investment securities	-	-	-	-	(716)
Personnel expenses	(2,686,162)	(2,276,360)	(1,820,331)	(1,646,639)	(1,767,517)
Operating expenses	(1,996,693)	(2,591,720)	(1,049,240)	(1,712,524)	(1,824,886)
Net operating expense	(3,201,061)	(2,769,931)	(1,807,874)	(2,812,807)	(2,673,062)
Operating Surplus	1,025,193	3,533,492	2,768,823	513,836	629,143
Operating Surplus before tax	612,430	3,143,710	2,768,823	513,836	629,143
Tax expense	-	-	-	-	-
Operating Surplus after tax	612,430	3,143,710	2,768,823	513,836	629,143



OTHER INFORMATION

An aerial photograph of a multi-lane highway interchange with several overpasses. The image is covered with a semi-transparent green filter. The text 'CORPORATE SOCIAL RESPONSIBILITY' is overlaid in white, bold, sans-serif capital letters on the left side of the image.

CORPORATE SOCIAL RESPONSIBILITY



CORPORATE SUSTAINABILITY REPORT

The dynamic economic trends that unfolded in Nigeria and around the world made 2015 a challenging year. Despite the difficult operating environment, The Nigerian Stock Exchange remained resilient in its commitment to its communities, employees and all relevant stakeholders.

The NSE continued the holistic implementation of its corporate sustainability strategy. The ultimate goal we have set for ourselves is to embed sustainability into our day-to-day operations and by so doing effectively manage both risk and business development opportunities. As a responsible organization, our corporate sustainability philosophy is aimed at delivering a stock exchange that offers responsible financial and investment services, adopts sustainable business practices, employs talented people, makes community contributions and provides environmental stewardship.

This approach provides a veritable platform for differentiation not just amongst capital market players in Nigeria but also in Africa. Our unique CSR policies and projects have resulted in positive recognition from stakeholders as we were awarded "Best Corporate Social Responsibility Award" by the African Business Awards. Commendations like this will continue to spur us to action and we are optimistic that this will encourage our listed companies to also focus on mainstreaming sustainable business practices into their operations for strategic growth and long-term success as it comes with both financial and non-financial benefits.

Key developments in 2015

To assess our progress, we have addressed the broad sustainability agenda through key performance areas:

- Sustainable Community Investment
- Engaging Employees
- Sustainable Partnerships
- Environment, Social and Governance (ESG) Performance

Sustainable Community Investment

Women Economic Empowerment

In line with our commitment to promote women's economic empowerment, The Nigerian Stock Exchange (NSE) is creating forums for dialogue as well as advocating for gender inclusiveness in the workplace, marketplace and community. We believe that achieving gender equality is important not only because it is fair and the right thing to do, it can also positively increase the bottom line of a business and boost productivity of our nation. In 2015, the NSE hosted women leaders from the private and public sector as well as civil society to a Closing Gong Ceremony on March 6 to commemorate the 20th Anniversary of the 1995 Beijing Declaration and International Women's Day. In attendance were the United Nations Women Representative to Nigeria and ECOWAS and top executives from United Nations Global Compact Network Nigeria, Access Bank Plc and capital market community.

Internally, female employees were treated to an expository brown bag session on "Building a successful career". The event was anchored by Mrs. Yemisi Ayeni, former Managing Director, Shell Nigeria CPFA Ltd and past council member of The Nigerian Stock Exchange.



L – R (Pix C) shows Mrs. Dorothy Anametemfiok, Stockbroker, Compass Investment Limited; Mrs. Yetunde Ojo, Head, Technology, The Nigerian Stock Exchange (NSE); Dr. Jobi Makinwa, Head Transparency, UNGC New York; Mr. Haruna Jalo- Waziri, Executive Director, Business Development, The Nigerian Stock Exchange (NSE); Dr. Grace Ongile, Country Programme Director Nigeria, United Nations (UN) Women; Ms. Pai Gamde, Head, Human Resources, NSE; Mr. Victor Etuokwu, Executive Director, Access Bank Plc and Ms. Yvonne Emordi, Head, Strategy, NSE, at the Closing Gong Ceremony in commemoration of International Women's Day celebration at the Exchange today, Friday, March 06, 2015 in Lagos.



Corporate Challenge

Corporate Challenge race against cancer on Saturday, May 16, 2015. The event took place at Onikan Stadium, Lagos. Runners were from listed companies, dealing member firms and other individuals from the general public.

2015 Key achievements include:

Corporate Challenge race against cancer on Saturday, May 16, 2015. The event took place at Onikan Stadium, Lagos. Runners were from listed companies, dealing member firms and other individuals from the general public.

2015 Key achievements include:

- Over 535 participants from over 56 companies. This signifies about 53% increase from the inaugural competition.
- Social Media publicity with over 27 million impressions on Twitter and over 5,000 likes on Facebook.
- Introduced 3 new categories of awards namely, fastest male, female and Senior Citizen Award.
- Received gross donations totalling N36.5m, which was 467% higher than 2014 which will be geared towards the purchase of Mobile Cancer Centres.
- Celebrity endorsement from Chocolate City Music Group and the event ambassador was MI Abaga.



Executive Health Programme

The NSE commemorated the annual World Health Day by implementing Health & Wellness Programmes for employees and other stakeholders. For 2015, we held a Mini Health Fair at the NSE Corporate Head Office which was themed 'Food Safety – From Farm to Plate, From Plate to Body, Make Food Safe' in line with the global message for the year. The programme was well attended with up to 150 participants.

The Mini Health Fair provided FREE Basic Biometric Health Screenings, Nutritional and Lifestyle Counseling, Over-the-Counter OTC Drugs and Personalised First Aid Wallets, to all attendees. The fair was conducted by a 10-man Livewell Initiative (LWI) Health Team of vast experts. The free medical screenings consisted of blood pressure checks, random blood sugar testing, body mass index BMI check, stress test, and where necessary cholesterol testing; all in line with the laid down international algorithms.

The NSE Mini Health Fair also showcased vendors who exhibited their exciting and healthy products and services namely: Chellarams Plc (Nutritional Beverages); Reel Fruits (Real Dry Fruits); New Heights Pharmaceuticals (Omron Blood Pressure Screening Kits), G2G Group (Little Black Book – Healthy Food Eatery Guide); and Forever Living Products FLP (Natural Cosmetics / Makeovers & Nutritional supplements).





2015 Essay Competition

The NSE Essay competition is the pioneer CSR initiative of The Exchange. It was launched in 2000 and encourages students to research and write about real-world economic issues and events, helping them to develop the financial awareness to make confident decisions about money. The competition's overall goal is to build a financially savvy generation.

The 2015 competition made giant strides one of which was the significant increase of 147% in the number of entries received from across the country. Chiamaka Loretta Nwajiaku from the Sacred Heart College, Apapa, Lagos, won 1st prize thereby winning N500,000 in scholarship fund for university education, N250,000 worth of equity investment and a laptop. She was also honoured with a Closing Gong ceremony. Vivian Aneke of Government Day Secondary School, Gwagwalada, Abuja and Miss Kindness Jehu of All Saints College, Gombe emerged first and second runner up respectively.

Engaging Employees

Employee Volunteering

Members of staff at the NSE support their local communities through The Exchange or personal activities. Investing in communities is a long-standing tradition which has continued to receive positive feedback from employees.

The NSE Employee Volunteering scheme was formally launched in 2015 after 2 years of working with employees to build connectedness between employees and our operating environment. For the flagship project, a special need focus was unanimously selected by the Champions and Pacelli School for the Blind and Partially Sighted Children was chosen as beneficiary. The school is a charity based organization that provides free education to less privileged children in our operating community. It provides only boarding facility which houses over 130 students within the primary school age range. The school has been in existence since 1962 and it is solely run on donations from individuals, groups and organisations. Currently, we run bi-weekly reading and mentoring programmes at the school. We also had a food drive in November, 2015. The school library and medical center were upgraded in December of the same year.

Sustainability Partnerships

The Nigerian Stock Exchange became a member of the United Nations Global Compact (UNGC) in 2015. This milestone further affirms the commitment of NSE to improve its organizational performance around UNGC's 10 universal principles while contributing to a more stable and inclusive Nigerian economy. The CEO of the NSE also signed the UNGC Call to Action: Anti-Corruption and the Global Development Agenda which urges Governments to promote efficient and effective anti-corruption measures and to implement robust policies that will foster good governance.



As part of the Exchange's sustainability commitment to seek partnership with reputable multilateral organisations, The Nigerian Stock Exchange (NSE) became an Organisational stakeholder of the Global Reporting Initiative (GRI) in October 2015. This partnership provides one platform and source of resources to drive sustainability performance and disclosure in the Nigerian Capital Market. Currently, The NSE is working with the GRI Africa office on the Sustainability Disclosure Guidelines.



Environment, Social and Governance (ESG) Performance

Nigerian Capital Market Sustainability Conference

The inaugural Nigerian Capital Market Sustainability Conference (NCMSC) held on November 13, 2015 in Lagos, Nigeria. The event included a half day conference and a CEO Roundtable. It was hosted by the Nigerian Stock Exchange (NSE) in partnership with Ernst and Young (EY) and Global Reporting Initiative (GRI). It provided a platform to discuss the business value of sustainable investment, enhancing corporate transparency and ultimately performance on environmental, social and governance (ESG) issues as well as reveal how companies, investors and regulators can better collaborate to unlock the potential of the private sector in tackling sustainability related challenges.

The Conference included three break-out sessions:

- Good Corporate Governance: Key to Sustainability
- Sustainability reporting in Financial Services industry
- Environmental, Health, Safety and Social Audits

Recommendations

Participants also deliberated on likely sustainability indicators and provided recommendations for "The Nigerian Capital Market Sustainability Disclosure Guidelines". Please see key highlights from the sessions:

Good Corporate Governance: Key to Sustainability	Sustainability reporting in Financial Services industry	Environmental, Health, Safety and Social Audits
<ul style="list-style-type: none"> • Promote best corporate governance practices amongst stakeholders. • Enforce strict compliance with regulations. • Board of Directors for organizations should be encouraged to set the right tone at the top and promote the right corporate culture within their organizations. 	<ul style="list-style-type: none"> • Provide evidence based data on sustainability and corporate performance by working with academia and research institutions. • Promote Gender diversity based on skills and competence. • Drive integrity of reported information and role of assurance. • Adopt a report and explain approach. 	<ul style="list-style-type: none"> • Specify key sustainability disclosure KPIs for companies listed on The NSE. • Promote sustainability drive through advocacy, and institute a system for monitoring and evaluation. • Focus on a process beyond compliance and incentivize companies practicing sustainably. • The NSE should incorporate sustainability into its core operations and brand-led by example



TIPS AND COMPLAINTS MANAGEMENT

Complaints Management and Regulatory Approvals

A total of 271 complaints were received in the course of 2015 out of which 197 complaints were successfully resolved. In addition a total of 54 complaints were resolved from the 105 unresolved complaints brought forward from 2014 while one complaint was referred to the Securities and Exchange Commission (SEC).

Complaints	Received/brought forward	Resolved	Unresolved
Complaints brought forward from 2014	105	54	51
2015 complaints	271	197	74
Total unresolved complaints as at 31 December 2015			125

It is important to note that 73% of the complaints received in 2015 were resolved and of the 74 unresolved complaints received in 2015, only 30 unresolved complaints were against Active Dealing Member Firms, 41 unresolved complaints were against Inactive Firms, and 3 against Non-members (e.g. Registrars).

All Parties Meeting (APM) 2015

Number of Complaints referred to the All Parties Meeting	14
Number of complaints resolved at the APM	9
Number of cases pending before APM	2
Number of cases referred to the Investigation Panel	3

NB: Complaints resolved at the AMP forms part of the total complaints resolved in 2015;

Investigation Panel - 2015

The Investigation Panel held 4 meetings; 10 March, 25 June, 30 September and 24 November 2015 respectively.

2 cases were brought from 2014, while 10 cases were referred from the Complaint Registry, All Parties Meeting Secretariat and Market Surveillance Department in the course of 2015, bringing the total to 12.

NB: Cases investigated form part of the total complaints resolved in 2015;

Number of cases brought forward from 2014	2
Number of complaints referred to the Investigation Panel in 2015	10
Number of complaints resolved by the Investigation Panel in 2015	8
Number of cases pending before the Investigation Panel as at 31 December 2015	2
Number of cases referred to the Disciplinary Committee in 2015	1
Number of cases referred to the Securities and Exchange Commission in 2015	1



IPF Complaints

The total of 716 legacy claims were referred by The Exchange to the IPF as at 31 December 2015, out of which 524 claims have been successfully verified while 192 claims are yet to be verified. A total of 103 claimants were compensated as at 31 December 2015.

Total No. of claims referred to the IPF	Total No. of claims verified under BOT approved methodology	Total No. of claims yet to be verified	Total number of claimants compensated as at 31 December 2015
716	524	192	103

It is noteworthy that some of the claimants who ought to have received their compensation are yet to be compensated because they have not returned their executed Indemnity and Subrogation documents, which is a prerequisite for payment of compensation and some others provided wrong account details which made it impossible to pay the compensation sum into the bank account provided.

Regulatory Approvals

The Department received a total of 173 applications for regulatory approvals during the year under review. These requests include approval for Managing Directors / Chief Executive Officers, Directors, change of name, Advertisement, change in shareholding structure, admission of new shareholders, transfer of proprietary accounts and transfer of interests in Dealing Members etc. Of the total applications received, 7 applications were denied for not meeting the regulatory requirements.



COMPARATIVE TRADING ACTIVITIES

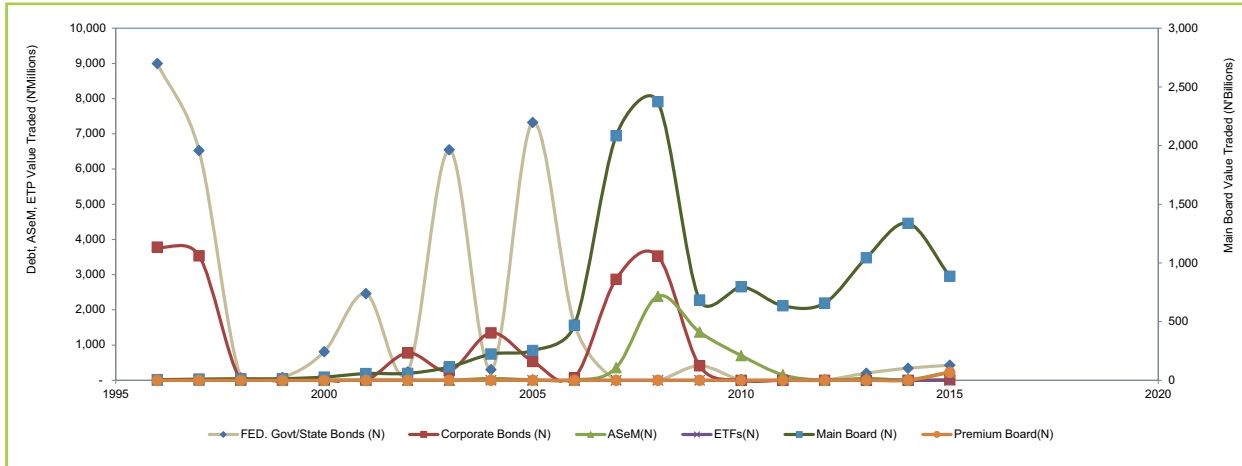
Comparative Trading Activities (1996 - 2015)

Period	FED. Govt/State Bonds (N)	Corporate Bonds (N)	ASeM(N)	ETFs(N)	Main Board (N)	Premium Board(N)	Total (N)
1996	8,996,877,700.00	3,782,103,911.50	2,858,984.40	0.00	5,258,331,682.58	0.00	18,040,172,278.48
1997	6,524,606,324.40	3,536,832,000.00	3,239,630.41	0.00	9,948,505,080.63	0.00	20,013,183,035.44
1998	71,440,000.00	147,960.00	2,922,770.90	0.00	13,186,038,803.28	0.00	13,260,549,534.18
1999	82,712,105.00	0.00	9,316,780.40	0.00	13,452,357,054.02	0.00	13,544,385,939.42
2000	812,039,920.00	0.00	639,350.30	0.00	27,672,922,775.11	0.00	28,485,602,045.41
2001	2,459,138,100.00	0.00	7,007,404.02	0.00	57,267,201,601.81	0.00	59,733,347,105.83
2002	234,564,210.00	775,000,000.00	2,377,467.39	0.00	59,008,065,070.28	0.00	60,020,006,747.67
2003	6,547,040,600.00	269,427,487.54	838,037.65	0.00	112,631,949,045.93	0.00	119,449,255,171.12
2004	300,015,175.00	1,346,505,900.00	53,026,943.64	0.00	223,113,447,651.61	0.00	224,812,995,670.25
2005	7,321,040,000.00	534,427,625.00	14,049,966.00	0.00	254,166,107,543.84	0.00	262,035,625,134.84
2006	1,593,360,000.00	72,000,000.00	5,278,896.05	0.00	468,328,272,367.74	0.00	469,998,911,263.79
2007	0.00	2,870,000,000.00	357,151,465.23	0.00	2,083,067,442,225.84	0.00	2,086,294,593,691.07
2008	1,000,000.00	3,528,920,000.00	2,385,901,283.72	0.00	2,373,227,878,388.03	0.00	2,379,143,699,671.75
2009	412,919,530.00	412,800,000.00	1,372,257,737.22	0.00	683,932,110,963.68	0.00	686,130,088,230.90
2010	14,138,800.00	0.00	702,480,946.82	0.00	797,278,998,409.81	0.00	797,995,618,156.63
2011	0.00	0.00	154,673,515.79	17,115,994.00	634,745,155,214.16	0.00	634,916,944,723.95
2012	8,239,298.50	0.00	0.00	454,610,692.69	657,767,439,181.31	0.00	658,230,289,172.50
2013	203,072,581.09	0.00	56,135,812.83	105,912,235.30	1,043,258,406,733.00	0.00	1,043,623,527,362.22
2014	343,850,844.66	0.00	18,824,637.82	325,643,303.91	1,337,935,995,492.42	0.00	1,338,624,314,278.81
2015	428,465,116.96	12,632,983.43	237,579,668.59	199,544,056.95	886,550,794,874.99	66,038,250,859.44	953,467,267,560.36

Debt	441,098,100.39
ETPs	199,544,056.95
Equities	952,826,625,403.02
Total	953,467,267,560.36
Difference	-



Comparative Trading Activities (1996 - 2015)



FEDERAL	369,977,582.90
STATE	58,487,534.06
CORPORATE	12,632,983.43
ASEM	237,579,668.59
MAINBOARD	886,550,794,874.99
PREMIUM	66,038,250,859.44
ETF	199,544,056.95

FEDERAL	369,977,582.90
STATE	58,487,534.06
	428,465,116.96



SUMMARY OF TRADING ACTIVITIES BY CATEGORY

January to March 2015

SECTOR	JANUARY		FEBRUARY		MARCH	
ASeM	VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
CONSTRUCTION/ REAL ESTATE					3,000.00	3,480.00
CONSUMER GOODS	20,014	28,919.74	11,055	15,587.55	2,211,620.00	3,415,197.20
FINANCIAL SERVICES	3,150	2,885.00	0	0.00	2,000.00	1,800.00
OIL AND GAS	400,000	200,000.00	77,007,000	47,603,305.00	1,500.00	750.00
SERVICES	30	50.10	0	0.00	-	-
Sub Total	423,194	231,854.84	77,018,055	47,618,892.55	2,218,120	3,421,227.20
Main Board						
AGRICULTURE	54,508,040	1,253,133,925.49	21,734,909	535,056,088.70	16,439,022	244,291,368.45
CONGLOMERATES	412,591,966	2,236,752,429.24	541,919,126	4,763,671,931.62	542,705,991	4,057,199,440.28
CONSTRUCTION/ REAL ESTATE	14,731,223	260,487,954.19	10,088,487	209,609,594.68	42,396,789	1,261,177,857.34
CONSUMER GOODS	452,332,585	20,257,578,078.75	603,105,138	28,817,744,386.08	304,914,870	22,504,417,821.61
FINANCIAL SERVICES	5,819,742,039	44,228,086,791.69	5,941,153,256	46,283,985,193.54	8,812,618,640	54,345,280,157.41
HEALTHCARE	35,795,221	307,279,986.45	50,118,100	161,804,237.34	52,132,790	156,075,039.37
ICT	3,260,344	2,477,566.60	149,863,050	610,469,703.20	59,877,368	31,930,811.98
INDUSTRIAL GOODS	51,408,605	4,822,485,917.71	63,938,730	5,730,724,530.28	53,391,074	4,419,936,368.73
NATURAL RESOURCES	43,349,647	21,724,771.59	192,261	718,115.59	526,505	364,029.81
OIL AND GAS	975,141,582	21,050,050,063.01	182,677,248	4,870,105,352.87	242,003,944	4,785,536,053.65
SERVICES	141,707,311	423,084,130.15	93,533,030	213,366,446.66	67,505,185	198,976,393.85
Sub Total	8,004,568,563	94,863,141,614.87	7,658,323,335	92,197,255,580.56	10,194,512,178	92,005,185,342.48
Equity Total	8,004,991,757	94,863,373,469.71	7,735,341,390	92,244,874,473	10,196,730,298	92,008,606,569.68
Debt						
CORPORATE BONDS/ DEBENTURES	0	0	0	0	0	0
GOVERNMENT BONDS - STATE AND LOCAL	500	521,487.73	0	0	0	0
GOVERNMENT BONDS - FEDERAL	74,300	63,135,444.10	1,215	1,224,709.70	736	766,094.86
SUPRANATIONAL BONDS	0	0	0	0	0	0
Sub Total	74,800	63,656,931.83	1,215	1,224,709.70	736	766,094.86
Exchange Traded Products						
ETP	64,073	3,162,373.42	509,433	8,648,860.50	1,288,165	20,025,572.63
Sub Total	64,073	3,162,373.42	509,433	8,648,860.50	1,288,165	20,025,572.63
Grand Total	8,005,130,630	94,930,192,774.96	7,735,852,038	92,254,748,043.31	10,198,019,199	92,029,398,237.17



April to June 2015

SECTOR	APRIL		MAY		JUNE	
ASeM	VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
CONSTRUCTION/ REAL ESTATE	0	0.00	0	0	1000	1160
CONSUMER GOODS	229,403	346,691.76	610,475	910,716.50	6,888,920	9,904,715.40
OIL AND GAS	10,020	5,010.00	66,000	33,000.00	103,098	51,549.00
SERVICES	0	0.00	0	0	8,070	13,476.90
Sub Total	239,423	351,701.76	676,475	943,716.50	7,001,088	9,970,901.30
Main Board						
AGRICULTURE	37,423,339	591,425,556.70	75,204,755	1,905,921,471.78	40,598,813	670,080,381.02
CONGLOMERATES	1,016,421,423	7,219,464,732.63	395,440,426	2,021,955,569.59	242,691,122	1,196,035,574.37
CONSTRUCTION/ REAL ESTATE	40,410,902	443,185,360.78	11,264,969	113,748,265.14	197,472,481	9,560,735,564.44
CONSUMER GOODS	415,207,862	16,704,160,642.41	350,367,943	23,894,399,964.83	502,987,118	29,271,504,371.44
FINANCIAL SERVICES	8,550,936,823	63,553,485,081.93	6,546,666,944	35,815,291,406.14	4,210,382,284	39,729,291,479.92
HEALTHCARE	102,819,909	581,626,430.07	35,597,122	368,591,217.76	120,227,135	1,001,762,247.14
ICT	133,258,688	67,245,023.02	112,229,269	74,351,127.60	98,735,786	50,624,924.10
INDUSTRIAL GOODS	76,890,187	7,537,511,205.26	51,767,704	4,603,295,973.57	121,640,157	5,279,227,319.77
NATURAL RESOURCES	232,679	1,750,619.71	2,273,530	1,574,287.75	130,771,466	68,159,310.40
OIL AND GAS	236,525,747	6,347,265,176.38	101,789,644	3,554,897,021.01	313,678,516	14,667,235,393.13
SERVICES	108,064,871	382,060,116.44	269,283,876	371,883,273.28	127,304,445	222,724,000.90
Sub Total	10,718,192,430	103,429,179,945	7,951,886,182	72,725,909,578	6,106,489,323	101,717,380,567
Equity Total	10,718,431,853	103,429,531,647.09	7,952,562,657	72,726,853,294.95	6,113,490,411	101,727,351,467.93
Debt						
CORPORATE BONDS/ DEBENTURES	12,000	12,632,983.43	0	0	0	0
GOVERNMENT BONDS - STATE AND LOCAL	4,500.00	4,737,494.16	40,000	41,841,436.46	0	0
GOVERNMENT BONDS - FEDERAL	9,790	11,206,108.15	39,367	44,291,840.87	20,551	24,036,513.03
SUPRANATIONAL BONDS	0	0	0	0	0	0
Sub Total	26,290	28,576,585.74	79,367	86,133,277.33	20,551	24,036,513.03
Exchange Traded Products						
ETP	3,394,790	81,501,811.34	1,442,634	36,823,076.87	31,322	7,858,783.03
Sub Total	3,394,790	81,501,811.34	1,442,634	36,823,077	31,322	7,858,783.03
Grand Total	10,721,852,933.00	103,539,610,044.17	7,954,084,658.00	72,849,809,649.15	6,113,542,284.00	101,759,246,763.99
Grand Total	8,005,130,630	94,930,192,774.96	7,735,852,038	92,254,748,043.31	10,198,019,199	92,029,398,237.17



July to September 2015

SECTOR	JULY		AUGUST		SEPTEMBER	
ASeM	VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
CONSTRUCTION/REAL ESTATE	0	0	0	0	452,400	417,160
CONSUMER GOODS	6,630,850	9,505,898.12	8,021,850	10,108,418.00	56,786	68,443.20
HEALTHCARE					2,000	1,000.00
FINANCIAL SERVICES			50	44.00	0	0.00
OIL AND GAS	10,110	5,055.00	105,100	52,550.00	435,500	217,750.00
SERVICES	25,500	42,585	1,400	2,338.00	0	0.00
Sub Total	6,666,460	9,553,538.12	8,128,400	10,163,350.00	946,686	704,353.20
Main Board						
AGRICULTURE	21,967,000	207,072,485.29	15,439,311	215,784,759.29	22,859,919	376,097,850.13
CONGLOMERATES	258,246,055	1,490,351,505.81	453,563,205	1,445,869,837.94	334,816,322	3,227,511,580.51
CONSTRUCTION/REAL ESTATE	12,016,963	68,195,838.39	11,530,620	165,468,304.99	12,482,238	119,021,237.95
CONSUMER GOODS	216,260,474	16,418,926,928.64	275,863,699	14,170,501,001.56	230,933,182	10,819,861,925.66
FINANCIAL SERVICES	4,473,263,994	51,072,203,125.84	8,732,406,205	40,148,988,172.05	4,532,447,444	22,767,505,783.74
HEALTHCARE	254,521,219	436,200,238.93	64,963,153	442,260,201.40	45,732,163	166,500,023.68
ICT	139,641,716	73,618,414.01	92,330,983	310,797,874.58	173,267,524	179,899,696.91
INDUSTRIAL GOODS	100,291,771	8,564,945,405.79	77,131,273	6,387,489,390.92	56,470,519	4,322,132,589.48
NATURAL RESOURCES	221,369,667	111,076,363.90	232,937,221	117,199,490.04	16,842,837	8,588,680.55
OIL AND GAS	394,313,018	6,770,693,419.27	147,996,010	3,925,247,512.81	88,165,191	2,887,016,505.54
SERVICES	94,130,469	190,006,210.00	60,464,094	111,071,030.80	64,058,391	107,905,286.50
Sub Total	6,186,022,346	85,403,289,936	10,164,625,774	67,440,677,576	5,578,075,730	44,982,041,161
Premium Board						
FINANCIAL SERVICES		-	428,684,221	5,058,026,969.22	1,371,499,730	17,864,085,764.43
INDUSTRIAL GOODS		-	1,984,224	335,543,275.13	12,592,493	2,121,063,838.59
Sub Total			430,668,445	5,393,570,244	1,384,092,223	19,985,149,603.02
Equity Total	6,192,688,806	85,412,843,474	10,603,422,619	72,844,411,170.73	6,963,114,639	64,967,895,116.87
Debt						
CORPORATE BONDS/ DEBENTURES	0	0	0	0	0	0
GOVERNMENT BONDS - STATE AND LOCAL	0	0	0	0	0	0
GOVERNMENT BONDS - FEDERAL	3,697	3,856,844.12	32,848	35,687,382.18	11,354	11,038,966.47
SUPRANATIONAL BONDS	0	0	0	0	0	0
Sub Total	3,697	3,856,844.12	32,848	35,687,382.18	11,354	11,038,966.47
Exchange Traded Products						
ETP	75,005	4,397,740.44	75,186	5,678,896.95	27,118	8,527,123.71
Sub Total	75,005	4,397,740.44	75,186	5,678,896.95	27,118	8,527,123.71
Grand Total	6,192,767,508.00	85,421,098,058.55	10,603,530,653	72,885,777,449.86	6,963,153,111	64,987,461,207.05



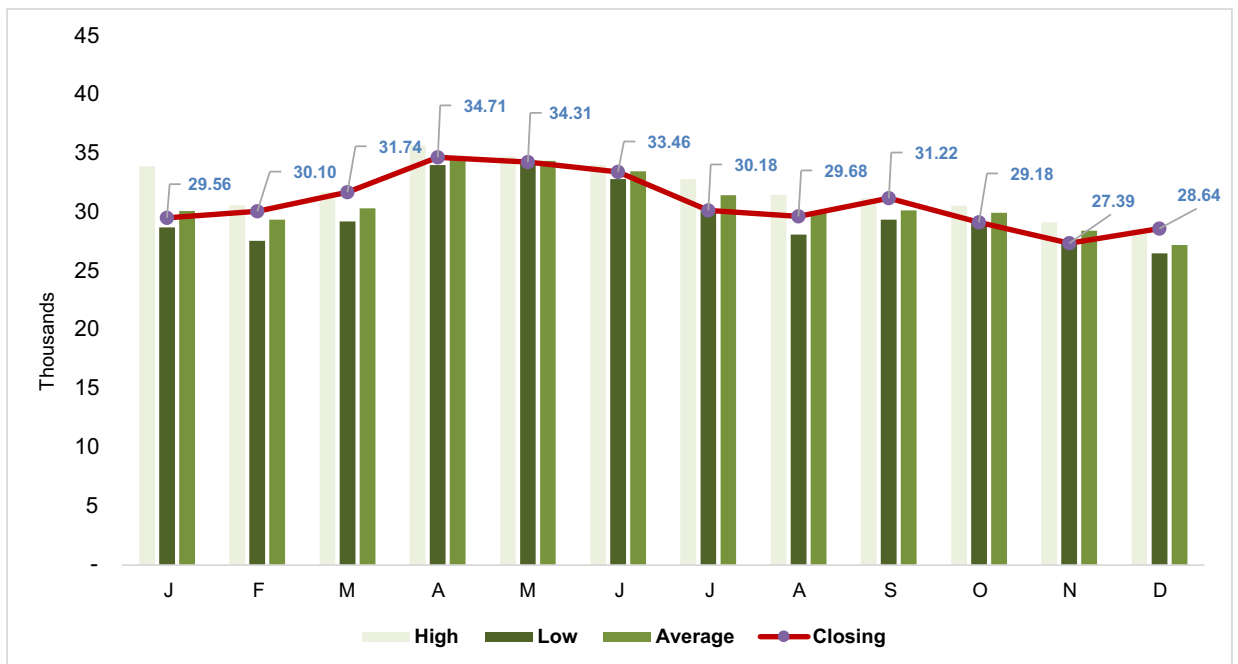
October to December 2015

SECTOR	OCTOBER		NOVEMBER		DECEMBER	
ASeM	VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
CONSTRUCTION/REAL ESTATE	5,000	5,100	54,000	55,080.00	54,000	57,780.00
CONSUMER GOODS	584,060	676,752.00	266,679	306,069.58	109,954	136,072.04
FINANCIAL SERVICES	0	0	0	-	200	176.00
OIL AND GAS	200,000,400	100,000,200.00	106,683,166	53,341,583.00	81,138	40,569.00
SERVICES	0	0	0	-	450	751.50
Sub Total	200,589,460	100,682,052.00	107,003,845	53,702,732.58	245,742	235,348.54
Main Board						
AGRICULTURE	27,472,017	726,048,821.35	22,614,162	118,980,995.51	13,369,636	210,919,085.68
CONGLOMERATES	223,923,945	795,252,459.82	277,542,314	1,280,335,244.49	194,886,464	902,730,679.85
CONSTRUCTION/REAL ESTATE	21,253,543	106,883,139.82	5,360,375	88,340,303.57	11,307,309	135,496,094.26
CONSUMER GOODS	204,815,939	11,915,072,389.91	262,445,989	13,995,881,880.63	535,345,454	17,830,774,033.48
FINANCIAL SERVICES	3,072,950,860	16,312,022,983.21	3,807,825,108	24,586,324,559.70	5,100,922,315	18,862,348,770.20
HEALTHCARE	22,691,095	120,750,954.09	25,572,364	118,527,650.37	28,478,739	609,423,110.62
ICT	16,122,837	22,619,014.65	7,052,941	16,808,447.95	55,295,147	53,556,777.71
INDUSTRIAL GOODS	91,815,344	4,238,117,306.30	46,052,363	3,145,617,850.17	40,884,950	1,930,978,417.86
NATURAL RESOURCES	9,973,515	64,611,278.53	17,082,770	9,053,104.00	147,309,180	74,703,756.02
OIL AND GAS	184,597,295	4,834,493,795.96	328,956,857	5,587,648,403.51	69,745,453	2,649,477,482.55
SERVICES	40,884,139	65,267,275.58	55,372,618	116,556,978.93	92,948,116	261,110,527.49
Sub Total	3,916,500,529	39,201,139,419.22	4,855,877,861	49,064,075,418.83	6,290,492,763	43,521,518,735.72
Premium Board						
FINANCIAL SERVICES	830,308,826	11,086,459,577.38	1,190,388,794	12,461,688,198.36	921,153,520	7,483,299,951.44
INDUSTRIAL GOODS	18,429,220	3,032,177,130.01	14,379,774	2,322,355,291.92	25,667,810	4,273,550,862.96
Sub Total	848,738,046	14,118,636,707.39	1,204,768,568	14,784,043,490.28	946,821,330	11,756,850,814.40
Equity Total	4,965,828,035	53,420,458,179	6,167,650,274	63,901,821,641.69	7,237,559,835	55,278,604,899
Debt						
CORPORATE BONDS/ DEBENTURES	0	0	0	0	0	0
GOVERNMENT BONDS - STATE AND LOCAL	0	0	0	0	10,001	11,387,115.71
GOVERNMENT BONDS - FEDERAL	30,872	32,300,116.65	11,288	12,965,359.24	76,340	129,468,203.53
SUPRANATIONAL BONDS	0	0	0	0	0	0
Sub Total	30,872	32,300,116.65	11,288	12,965,359.24	86,341	140,855,319.24
Exchange Traded Products						
ETP	1,715,531	16,483,300.93	63,463	3,390,884.53	409,720	3,045,632.60
Sub Total	1,715,531	16,483,300.93	63,463	3,390,884.53	409,720	3,045,632.60
Grand Total	4,967,574,438	53,469,241,596.19	6,167,725,025	63,918,177,885.46	7,238,055,896	55,422,505,850.50



ALL SHARE INDEX 2015

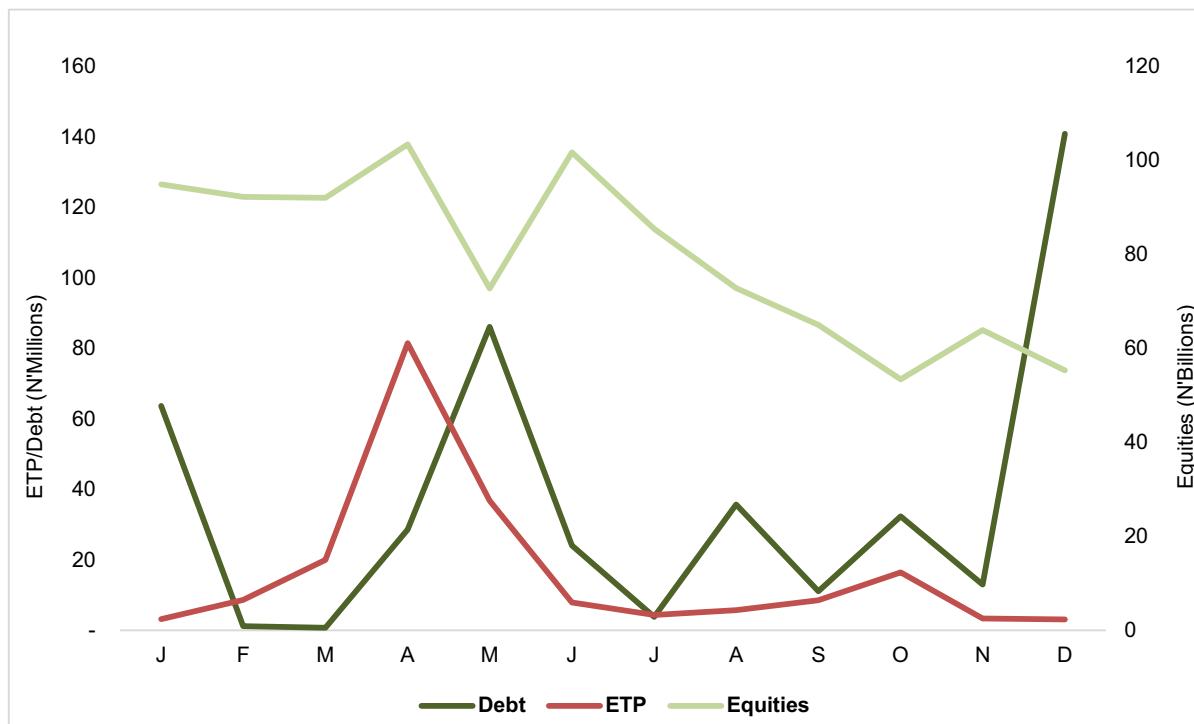
Month	High	Low	Average	Closing
J	33,943.29	28,740.61	30,125.52	29,562.07
F	30,617.96	27,585.26	29,387.08	30,103.81
M	31,744.82	29,243.91	30,361.35	31,744.82
A	35,728.12	34,050.92	34,682.75	34,708.11
M	34,781.46	34,115.49	34,413.40	34,310.37
J	34,051.40	32,853.49	33,501.71	33,456.83
J	32,863.43	30,180.27	31,474.86	30,180.27
A	31,495.73	28,137.65	30,138.87	29,684.84
S	31,217.77	29,411.47	30,196.32	31,217.77
O	30,588.41	29,177.72	29,973.76	29,177.72
N	29,175.35	27,385.69	28,453.92	27,385.69
D	28,642.25	26,537.36	27,245.48	28,642.25





MONTHLY TRADING ACTIVITIES BY VALUE 2015

Month	Debt	ETPs	Equities	Total
J	63,656,931.83	3,162,373.42	94,863,373,469.71	94,930,192,774.96
F	1,224,709.70	8,648,860.50	92,244,874,473.11	92,254,748,043.31
M	766,094.86	20,025,572.63	92,008,606,569.68	92,029,398,237.17
A	28,576,585.74	81,501,811.34	103,429,531,647.09	103,539,610,044.17
M	86,133,277.33	36,823,076.87	72,726,853,294.95	72,849,809,649.15
J	24,036,513.03	7,858,783.03	101,727,351,467.93	101,759,246,763.99
J	3,856,844.12	4,397,740.44	85,412,843,473.99	85,421,098,058.55
A	35,687,382.18	5,678,896.95	72,844,411,170.73	72,885,777,449.86
S	11,038,966.47	8,527,123.71	64,967,895,116.87	64,987,461,207.05
O	32,300,116.65	16,483,300.93	53,420,458,178.61	53,469,241,596.19
N	12,965,359.24	3,390,884.53	63,901,821,641.69	63,918,177,885.46
D	140,855,319.24	3,045,632.60	55,278,604,898.66	55,422,505,850.50
	441,098,100.39	199,544,056.95	952,826,625,403.02	953,467,267,560.36

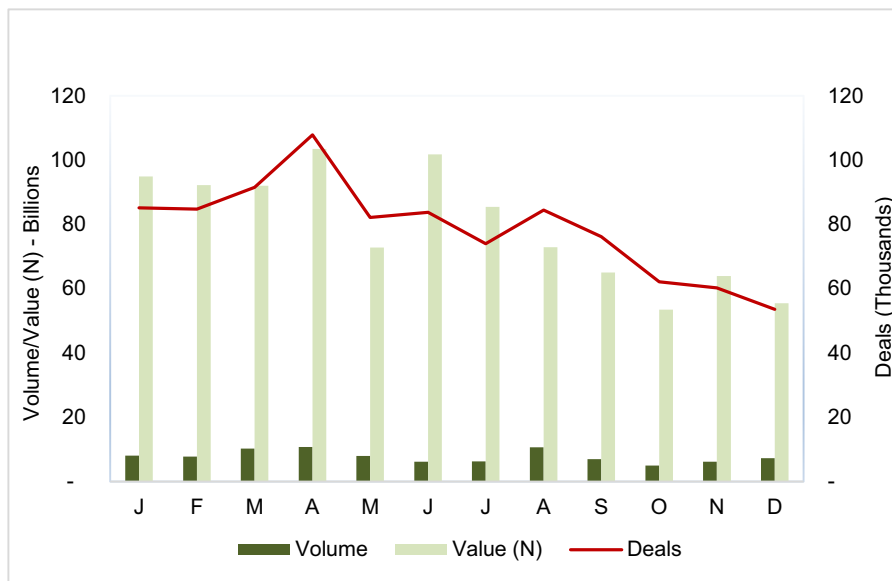




SUMMARY OF TRADING ACTIVITIES

JAN TO DEC 2015

Month	Deals	Volume	Value (N)
J	85,149	8,005,130,630	94,930,192,774.96
F	84,775	7,735,852,038	92,254,748,043.31
M	91,550	10,198,019,199	92,029,398,237.17
A	107,932	10,721,852,933	103,539,610,044.17
M	82,199	7,954,084,658	72,849,809,649.15
J	83,790	6,113,542,284	101,759,246,763.99
J	74,031	6,192,767,508	85,421,098,058.55
A	84,494	10,603,530,653	72,885,777,449.86
S	76,181	6,963,153,111	64,987,461,207.05
O	62,143	4,967,574,438	53,469,241,596.19
N	60,256	6,167,725,025	63,918,177,885.46
D	53,567	7,238,055,896	55,422,505,850.50
	946,067	92,861,288,373	953,467,267,560.36

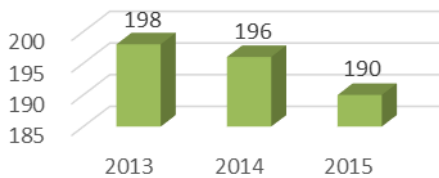




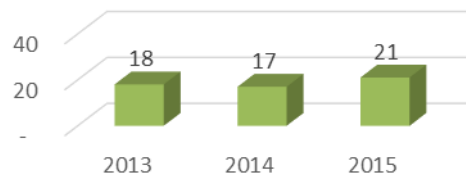
GROWTH IN LISTED SECURITIES

	Number of Listed Sec. 2013	Number of Listed Sec. 2014	Number of Listed Sec. 2015	% Growth (2015 vs. 2014)
Equities	198	196	190	(3.06)
Corporate Bonds/Debenture	18	17	21	23.53
Federal Government Bonds	17	15	15	-
State/Local Government Bonds	17	19	22	15.79
Supranational Bonds	1	1	2	100.00
ETFs	1	4	7	75.00
Funds (Memorandum Listing)	27	28	29	3.57
Total	279	280	286	2.14

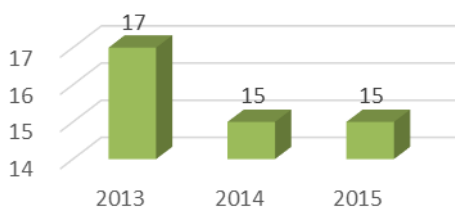
Number of Listed Equities



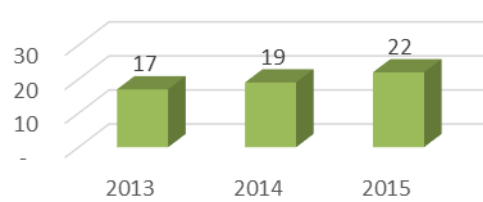
Corporate Bonds/Debenture



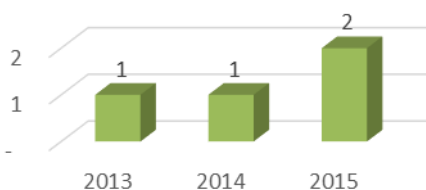
Federal Government Bonds



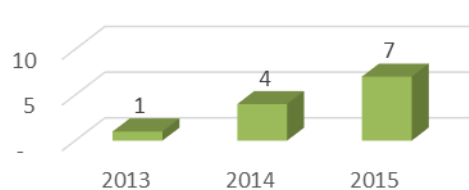
State/Local Government Bonds



Supranational Bonds



ETFs





BUSINESS REVIEW 2015

BUSINESS PHILOSOPHY

The Exchange is a people-focused, result-oriented organization. Our work environment is high performance and intellectually challenging. We are driven by our core values and seek to streamline our processes to enable us embrace change, innovation and growth.

The Exchange's core values are

Transparency, Teamwork, Integrity, and Professionalism (**TTIP**), and these core values form the foundation upon which we perform our work, conduct ourselves and make decisions on a daily basis.

Transparency: Transparency and trust are the cornerstones of our business, our service, our relationships and the quality of the information we provide to our stakeholders.

Teamwork: The Exchange recognizes and rewards the joint contributions of individual employees to its corporate achievements.

Integrity: Adherence to moral and ethical principles; soundness of moral character; and honesty are necessary parts of our dealings, particularly, in the performance of their duties, and our daily interaction with beneficiaries of our services.

Professionalism: Providing timely quality service to our customers, and efficiently and effectively achieving the best solutions at all times, driven by competence, excellence, and dedication to perform our duties to the high global standards.

MARKET OPERATIONS AND TECHNOLOGY DIVISION

Department and Profile	Activities	Strategic Development	Value Created
<p>The Transformation & Change Department, is a department within the Market Operations & Technology Division, with Exchange-wide strategic objectives. The department was set up to drive the projects and programs that support the strategic initiatives of The Nigerian Stock Exchange.</p> <p>The department has external responsibilities to develop and leverage relationships with stakeholders within the Capital Market to implement Market-related initiative successfully.</p>	<p>Project Management Office</p> <p>Since 2012, the department, through the PMO has overseen and supported the implementation of a number of both strategic and operational projects such as the Enhancement of Regulatory Programs, ASeM Re-launch, Market Segmentation, Whistle Blowing, Market Making, Retail Bonds, Secured Lending, Enhanced NSE Web Site, X-BOSS, ERP HRIS, Procurement & Finance, the Renovation of the NSE Building, Implementation of the Investor Protection Fund, Information Security ISO 27001:2013 Certification, ETFs and the NSE Activity Centre, which hosts the Gymnasium, Crèche and the Staff Canteen</p>	<p>The Department will continue to develop tools and templates that will be used to strengthen the NSE's project delivery approach, supported by a robust and consistent methodology.</p> <p>Facilitate the development and documentation of Standard Operating Processes to enforce control and risk management discipline across the Exchange</p> <p>By developing the SOPs for the organisation, the department ensured that operational processes are of global standards and documented for to enable operational efficiency.</p> <p>Strengthen our project delivery capability to ensure quality,</p>	<p>These tools provide strategic oversight to project, processes and enterprise-wide initiatives, by ensuring compliance with the highest standards of governance, risk and stakeholder management for running and reporting on projects.</p> <p>These projects, including those currently being implemented in 2016, such as the Demutualization Project, Surveillance, CRM Applications, Introduction of the Minimum Operating Standards, Branch Empowerment program and the Introduction of new products like the Derivatives Implementation have resulted in improved Market Regulations, Investor Protection, Internal Operational Efficiency, Diversified the Income Stream for the Exchange and</p>



BUSINESS REVIEW 2015

MARKET OPERATIONS AND TECHNOLOGY DIVISION (cont'd)

Department and Profile	Activities	Strategic Development	Value Created
	<p>X-NET Connectivity Service</p> <p>The department provides sales and operational support for the remote trading & connectivity platform to the Broker Dealercommunity.</p> <p>The architecture provides Broker/Dealers with a completely dedicated and fully redundant, point to point solution with no single point of failure or potential for message bottlenecks. At a bandwidth of 1Mbps. The network is future proof, scalable and well positioned to deal with increased levels of traffic and use of other message-intensive, time sensitive trading strategies</p>	<p>By collaborating with our Telco Partners and the Exchange provides a reliable, proven extranet for mission-critical trade routing and data services built on a fully resilient infrastructure that provides adequate redundancy at both network and Telco levels, that ensures high availability and optimal performance to the Broker DealerCommunity</p> <p>The Knowledge and expertise of how the Automated Trading system (ATS) integrates with X-NET that that our dedicated team of technical professionals continue to build enables us investigate and resolve trading and technical issues quickly by working closely with all parties concerned</p>	<p>This is a fully managed network to provide real-time, low-latency electronic connectivity service to over 130 Broker Dealerfirms.</p> <p>X - NET provides our broker/dealer community with the flexibility to trade from their offices or indeed anywhere without the need to be on the floor of the Exchange.</p> <p>It also adds over N80 Million to the revenue of the Exchange.</p> <p>The network is a fully supported and comprehensive solution that includes connectivity management, testing and certification with each destination, backed up by high SLA levels</p> <p>The service provides full support to Broker/Dealers and eliminates the need for in house technical expertise</p>
	<p>Contact Centre</p> <p>The Contact Centre is the focal point for client interaction at the Nigerian Stock Exchange, where Market-related enquiries, requests, complaints and observations from the stakeholder community (Investors, Brokers, Students, etc.) are managed and resolved.</p> <p>Clients interact with the Contact Centre through channels such as the phone, emails, and social media in the main Nigerian languages (Yoruba, Igbo and Hausa) as well as in English. The Contact Centre supports the XNET, Market Data, XGEN Services and other departments within The Exchange.</p>	<p>By collaborating with our Telco Partners and the Exchange provides a reliable, proven extranet for mission-critical trade routing and data services built on a fully resilient infrastructure that provides adequate redundancy at both network and Telco levels, that ensures high availability and optimal performance to the Broker DealerCommunity</p> <p>The Knowledge and expertise of how the Automated Trading system (ATS) integrates with X-NET that that our dedicated team of technical professionals continue to build enables us investigate and resolve trading and technical issues quickly by working closely with all parties concerned</p>	<p>In 2015, the Contact Centre staff handled 4,200 client cases.</p> <p>The Contact Centre is key to the Transformation and Growth objectives of The Exchange as its activities help to enhance the experience of doing business in the Nigerian Capital Market and boosting investor confidence by promoting transparency within the Nigerian Capital Market.</p>



BUSINESS REVIEW 2015

MARKET OPERATIONS AND TECHNOLOGY DIVISION (cont'd)

Department and Profile	Activities	Strategic Development	Value Created
<p>Market Services</p> <p>The Department is responsible for the timely, accurate and reliable distribution of quality market data to both Local and International clientele. It ensures the Exchange maintains its intellectual property rights on the sale of its market data.</p> <p>It is responsible for initiating and managing all Trading related projects and is also responsible for maintaining the Trading platform and all its related applications and services. Our value added Services incorporates our co-location and hosting service which we launched in October 2013.</p> <p>Since 2012, the department has grown beyond Market data and now consists of four key arms that contribute to the maintenance and service offering derived from the Exchange Trading Engine.</p> <p>Income Generated from this department has grown from N20.16million in 2012 to N236.88million in 2015.</p>	<p>Market Data</p>	<p>Our ongoing efforts are tailored to promote greater accessibility to the market and further ways for Market Participants to receive data which is imperative for making trading decisions.</p>	<p>Fully managed the development and sale of thirteen new Market Data Products.</p> <p>Successfully launched the TradeSmart campaign to build the awareness of the investing public to the importance and ease of using their Mobile Phone in Trading.</p> <p>It also contributed over N156 million to the revenue of the Exchange.</p> <p>The network is a fully supported and comprehensive solution that includes connectivity management, testing and certification with each destination, backed up by high SLA levels.</p> <p>The service provides full support to Broker/Dealers and eliminates the need for in-house technical expertise.</p>
	<p>Hosting Services</p>	<p>Further efforts to engage and host other exchanges have been planned for 2016</p>	<p>The department offers hosting services to other Exchanges (NASD); providing White labelling capabilities whilst managing the backend infrastructure.</p> <p>This has fostered greater transparency for OTC trades.</p> <p>It also contributed approximately N80 million to the revenue of the Exchange.</p>
	<p>Trading Application</p>	<p>We plan to execute further trading engine enhancements which will ensure a more seamless experience for stakeholders that interface with the Nigerian Stock Exchange Trading Engine Platform. These are Scheduled to take place in the third and fourth quarter of 2016.</p>	<p>The department offers hosting services to other Exchanges (NASD); providing White labelling capabilities whilst managing the backend infrastructure.</p> <p>This has fostered greater transparency for OTC trades.</p> <p>It also contributed approximately N80 million to the revenue of the Exchange.</p>



BUSINESS REVIEW 2015

MARKET OPERATIONS AND TECHNOLOGY DIVISION (*cont'd*)

Department and Profile	Activities	Strategic Development	Value Created
	Enterprise Architecture	Plans are also underway to release a series of reports in response to client demands. The department will ensure that the reports required by both internal and external stakeholders of the Exchange are seamlessly disseminated and customization is achievable when requested.	Fully managed the Exchange Trading Engine Master database infrastructure (XDB) where all data is aggregated and from which all data reports are built and deployed. Automated the End of Day Reports to give greater level of customer service to subscribers.

CAPITAL MARKETS DIVISION

Department and Profile	Activities	Strategic Development	Value Created
Branch Network is a department within the Capital Market Division that serves as a one-stop shop for all branch office related activities. It functions to ensure the effective coordination of all branch office activities and intermediate in the relationship with the various Departments at the Head office	In 2015, the department sustained the implementation of the Branch Empowerment Programme designed to modernize and empower the branch offices across the country. By year end, we have completed the relocation of the Ibadan branch office to a befitting business environment. Also, we delivered financial education with particular emphasis on encouraging more domestic investors into the market. Our listing visits to target companies across the country was re-energized with positive results realized.	Our cost-control initiative remained critical in our departmental pursuit such that we achieved an operating cost reduction of about 30% when compared with the preceding year. During the year, we had 172 Financial Literacy programmes across the network that was attended by 15,946 participants. The relocation of the Ibadan office to business district enabled us to create synergy with the business community in Oyo State. Also, we were very efficient in the use of resources and the execution of assignments.	In 2016, we will reinvigorate the implementation of the Branch Empowerment Agenda to include such areas as the relocation of our Port Harcourt office and renovation of Kano office including but not limited to staff empowerment. Also, we will participate in disseminating knowledge on the new product offerings of the Exchange. Consequently, the Department will continue to give the Exchange the required visibility across the country. Our listing drive will be pursued with renewed vigour while we also implement our advocacy programme across the country.



BUSINESS REVIEW 2015

LEGAL AND REGULATION DIVISION

Department and Profile	Activities	Strategic Development	Value Created
<p>The Rules and Interpretation Department (RID) is responsible for:</p> <ul style="list-style-type: none"> • drafting new Rules and Regulations for The Exchange, • making amendments to the Rules where necessary, in consultation with Rule owners, and • providing leadership for the implementation of the Rules. <p>The RID also:</p> <ul style="list-style-type: none"> • supports and attends all meetings of the Rules and Adjudication Committee (RAC), • supports the National Council of The Exchange, in achieving its rulemaking objectives, • submits approved draft Rules to, and follows up with the Securities and Exchange Commission (SEC) to obtain approval • writes and puts out notices to stakeholders, • interprets Rules and Regulations, • writes comment letters on SEC Rules, or proposed Rules and policies that may affect The Exchange, • engages with stakeholders by exposing proposed Rules to them, and the general public for comments, • liaises between The Exchange and its stakeholders, by reviewing and providing responses to their comments, • maintains The Exchange's Rule Book, • represented The Exchange on the Rules and Compliance Sub-Committee of the SEC's Capital Market Committee. 	<ul style="list-style-type: none"> • Prepared and published the Electronic Rulebook of The Exchange, 2015, on the website. Thereby issuing all Dealing Members and Issuers' Rules, and consolidated Index, as one document, for the first time in the recent history of The Exchange • Reported on The Exchange's compliance with the 38 IOSCO Principles, and participated in the IOSCO AMCC Training Seminar in that regard. • Issued an Interpretative Guidance on the Obvious Error Rule, and continued working on issuing more guidance on other identified Rules of The Exchange. • Obtained the SEC's approval on the following Rules: <ul style="list-style-type: none"> • Premium Board Rules. • Rules for Listing of Nigerian Depositary Receipts. • Rules and Regulations Governing Dealing Members – Amendments and Additions Parts IV, V, VI, VII and VIII. • Guidelines for the Establishment and Maintenance of Representative Offices. • Guidelines for Dealing with Sub-Brokers. • Amendments to the Guidelines for Designated Advisers for Companies Listed on ASeM. • Provided detailed clarifications on the Rules Governing Transactions with Related Parties and Interested Persons to external stakeholders. • Prepared and reviewed the following new draft Rules and existing Rules: <ul style="list-style-type: none"> • Draft Rules on Filing of Accounts and Treatment of Default Filing. • Draft Code of Conduct for Approved Persons. • Draft Rules Governing the Inclusion of Retail Participants in Securities Lending Transactions. • Draft Rules Governing the Listing of Sukuk and Debt Securities. • Draft Rules Regarding Delisting from the Daily Official List of The Exchange. • Draft Rules Governing Compliance with Free Float Requirements. • Rules Governing Dealing Members, Amendments/Additions Parts VII, VIII, IX. • Draft Amendments to the Rules for Registration as a Dealing Member. • Draft Amendments to the Securities Lending Guidelines and GMSLA. 	<p>Provided significant support as part of The Exchange's project teams for the launch of Nigerian Depositary Receipts, and the Premium Board of The Exchange.</p> <ul style="list-style-type: none"> • Contributed to the review of the legal framework, leading to the development and submission of the following Rules to the SEC for approval: <ul style="list-style-type: none"> • Rules for Listing of Nigerian Depositary Receipts, and • Rules for Listing on the Premium Board of The Exchange. • Obtained the SEC's approval on the Guidelines for Dealing with Sub-Brokers; and Guidelines for the Establishment and Maintenance of Representative Offices. • Faculty member of the following training initiatives of The Exchange: Graduate Trainee Programme, and Automated Trading System (ATS) Mandatory Training for Trainee Clerks. • Submitted detailed comments on the Financial Reporting Council of Nigeria's draft Code of Corporate Governance for the Private Sector. • Provided regulatory support to both internal and external stakeholders. • Contributed regularly to Frequently Asked Questions, for general investor education. • Closely monitored the Market and legal developments, and reported to ExCo, HODs and affected staff. 	<ul style="list-style-type: none"> • Developed rules and regulations to enhance the competitiveness of The Exchange and the market. • Championed the development of enabling laws and policies to drive capital market development, by staying informed on developments, and providing comments on draft laws and regulations. • Enhanced The Exchange's image and competitiveness among its peers by reviewing and confirming its compliance status with international capital market benchmarks for best practices, such as the 38 IOSCO Principles. • Contributed to The Exchange's initiatives for increasing the number of its new listings, by preparing required regulation and assisting with reviewing the required legal framework. • Contributed to the transparency of the market with a focus on strong investor protection, by providing clarifications on Rules and regulations where required.



BUSINESS REVIEW 2015

LEGAL AND REGULATION DIVISION (cont'd)

Department and Profile	Activities	Strategic Development	Value Created
<p>Broker Dealer Regulation</p> <p>The Broker Dealer Regulation Department is responsible for the regulation and supervision of Dealing Members of The Exchange.</p> <p>The operations of the Department are run out of four (4) units, Tips and Complaints Management; Inspections and Examinations; Licensing and Relationship Management; and Monitoring and Enforcement.</p> <p>The Tips and Complaints Management Unit manages investor complaints and disputes that arise between Dealing Members as well as between Dealing Members and their clients. It is also involved with Investor Protection initiatives to ensure that investors are treated fairly.</p> <p>The Inspections and Examinations Unit inspects the books and records of Dealing Members. It conducts Off-site and On-site examinations of the activities of Dealing Members. It also conducts Special examinations and Thematic reviews based on developments and trends in the Market.</p> <p>The Licensing and Relationship Management Unit is involved with issuing Licenses to Dealing Members and managing the sale and transfer process of Dealing licenses. It also develops Rules and Regulations on the standards of conduct for Dealing Members that align with The Exchange's strategic objectives. It is also responsible for creating awareness on compliance and regulatory issues for the Broker Dealer community and for capacity building and development.</p> <p>The Monitoring and</p>	<p>Actively participated in the Inter-Agency Committee established by the Securities and Exchange Commission (SEC) to drive the implementation of the new minimum capital requirements for Capital Market Operators (CMOs).</p> <p>Developed and launched the Broker Oversight & Supervision System (X-BOSS) to automate and enhance the operations of the department and decrease the operational and regulatory burden of compliance on Dealing Members.</p> <p>The Department's approach to compliance involved collaboration and enlightenment of Dealing Members as well as maintaining an open door policy to provide clarification on regulatory enquiries and to improve compliance.</p> <p>Implemented the capital market complaints management framework to protect investors and to increase investors' confidence. The complaints management process was streamlined to ensure that complaints and disputes are resolved promptly. About 73 per cent of new complaints received in 2015 were resolved within an average of 20 days.</p> <p>Commenced the settlement of claims referred to the Investors' Protection Fund (IPF). A total of N24,843,852.00 (Twenty four million, Eight Hundred and Forty Three Thousand, Eight Hundred and Fifty two Naira) was paid to 103 claimants in 2015.</p> <p>Expedited the disciplinary process against inactive Dealing Members and firms with inactivated licenses which led to the expulsion of twenty eight (28) Dealing Member Firms.</p> <p>The Department was also involved in a number of capacity building and development initiatives for Dealing Members. It developed and organised a comprehensive four (4) module training program for Compliance Officers with an average attendance of one hundred and eighty (180) participants. It also facilitated two (2) regulatory workshops for Authorized Clerks with an average of two hundred (200)</p>	<p>The Department commenced the implementation of the Minimum Operating Standards (MOS) for Dealing Members to ensure that they operate in line with global best practices.</p> <p>The MOS is based on five broad areas:</p> <ol style="list-style-type: none"> (1) Manpower and equipment; (2) Organizational structure and governance; (3) Effective processes; (4) Global competitiveness; and (5) Technology. <p>The standards are designed to ensure that Dealing Members are globally competitive by focusing on the key operational and governance areas. These key operational and governance improvements will enhance the protection of investors and support The Exchange's effort towards rebuilding investors' confidence and ultimately enhance the sustainability of the Market.</p> <p>Commenced the implementation of the framework for Sub-Brokers to operate in the capital market and for Dealing Member 'Representative Offices'. The objective is to enhance financial inclusion in the Nigerian capital market through the promotion of grass root intermediaries and rural expansion into remote areas.</p> <p>The launch of X-BOSS was the first of its kind in the West African capital market and is designed to automate the regulatory and oversight functions of the exchange over its Dealing Members and to simplify the regulatory experience.</p>	<p>The two pronged approach of implementing the MOS and the new minimum capital requirements will transform The Exchange's Dealing Members to globally competitive players that will drive the development and sustainability of the Nigerian and indeed the West African capital markets.</p> <p>The Representative office and Sub-Broker framework will enhance the financial inclusion of investors, particularly those based in remote, rural or semi-urban areas where investors' are likely to be less sophisticated and may not have access to modern technology infrastructure.</p> <p>The framework will also discourage illegal CMOs from taking undue advantage of investors in the capital market. It will also create an enabling environment for micro-operators to participate in the capital market in a regulated manner which will lead to the creation of jobs and ultimately economic growth and development.</p> <p>The transformation of Dealing Members, the enhanced complaints management framework, and the activities of the IPF have significantly improved investors' protection which would enhance the reputation of The Exchange and ultimately improve investors' confidence and the sustainability of the capital market.</p> <p>X-BOSS has redefined the compliance and regulation experience between The Exchange and its Dealing Members. The system enables the secure and electronic dissemination of Dealing Member's information in a</p>



BUSINESS REVIEW 2015

CORPORATE SERVICES DIVISION

Department and Profile	Activities	Strategic Development	Value Created
Enforcement Unit is involved with monitoring the activities of Dealing Members to ensure that they operate in compliance with the Rules and Regulations of The Exchange. It also enforces the Rules when incidents of non-compliance occur. The Unit also reviews financial and regulatory reports of Dealing Members to assess their financial state of affairs on an ongoing basis.	participants. The department also organized one (1) workshop for about one hundred and fifty (150) Directors of Dealing Members on "Governance, Risk and Compliance (GRC)".	Simply put, the system is a fusion between cutting edge, twenty first century technology and robust, comprehensive regulation, both of which are essential elements of a thriving capital market.	structured and sustainable manner which reduces the burden and inconvenience of a manual system. It also reduces the financial and operational burden of complying with regulatory requirements. Furthermore, the system provides a secure central repository for information about Dealing Members which is critical from a regulatory perspective.

CORPORATE SERVICES DIVISION

Department and Profile	Activities	Strategic Development	Value Created
<p>The Corporate Communications Department provides innovative communications services and solutions aligned with NSE values of transparency, teamwork, integrity and professionalism.</p> <p>The Department is responsible for planning, development and implementation of all of the organization's brand and marketing strategies. It builds robust brand equity that aligns with its positioning as the sustainable stock exchange championing Africa's growth through sound brand building principles, robust media relations, impactful and sustainable corporate citizenship, digital marketing, internal communications, employee engagement and</p>	<p>The Corporate Communications Department comprises several teams specialising in various fields of brand and communication. All team members were carefully recruited and are proven professionals with in-depth specialist knowledge and years of professional experience.</p> <p>A synopsis of the Department's activities include:</p> <p>Brand Management and Internal Communications: With the quest to build a globally competitive brand, this unit ensures that brand related initiatives align with strategy and significantly increases equity. It collaborates with internal and external stakeholders to execute game changing programmes whilst managing the visual identity across multiple touch points to project the bourse as ambitious, inclusive and fair.</p> <p>Media Relations: The Unit is responsible for charting the NSE's media strategy that includes the development of key messages, recommended channels of communication</p>	<p>Enhanced Digital Media Presence: In the year under review, we designed and implemented thematic and tactical campaigns on social media that significantly improved our online presence. The NSE Corporate Challenge and Premium Board launch social media campaigns recorded over 27 million impressions on twitter and were number one trended topics. Our followers and fans grew by 66% and 146% on Facebook and Twitter respectively. We leveraged social media to amplify the NSE Investors Clinic for Youth and over 490,000 youth participated on Twitter which recorded over 4 million impressions.</p> <p>The Department, in conjunction with the Market Services department also executed a Trade Smart campaign on social media to create awareness for online retail trading possibilities powered by X-GEN. The campaign generated over 17 million impressions on Twitter and had over 40,000 video views on Facebook.</p> <p>Audience connections and interactions across these</p>	<p>*Front-end awareness creation for Sustainability and Responsible Business Practice: Taking a leadership role in promoting sustainability among listed companies and the wider business community through stakeholder engagement sessions and innovative initiatives.</p> <p>*Strategic Brand Positioning: Development of the first NSE brand strategy, new brand values and proposition.</p> <p>*Increased Media Interaction: Strengthened relationship with the media via more face to face consultations such as monthly visits to media houses and C-level engagement with senior media practitioners.</p> <p>*Enhanced User Engagement: This was achieved through strategic campaigns and continuous engagement all year round.</p>



BUSINESS REVIEW 2015

CORPORATE SERVICES DIVISION (cont'd)

Department and Profile	Activities	Strategic Development	Value Created
	<p>and media management. The unit works closely with the media to address queries, and manages access to various subject matter experts within the exchange to provide a better understanding of topical issues.</p> <p>Digital Marketing: The Unit is responsible for managing the bourse's website and social media platforms. It ensures that accurate information are available to stakeholder via multiple online channels and execute bespoke campaigns through platforms such as blogs, internet banner ads, online video content, email marketing and social media marketing (Facebook, Twitter, LinkedIn, etc.)</p> <p>Event Management: This team is vast at creating differentiated and memorable experience at a wide range of events from high profile conferences, closing gong ceremonies, fact behind the figures, courtesy visits, formal receptions as well as international events.</p> <p>Corporate Social Responsibility: This unit drives the corporate citizenship of the Exchange through a multi-channel collaboration on programmes anchored on its four pillars of marketplace, workplace, community and environment. It constantly executes initiatives that allows NSE to make positive contributions towards a sustainable future.</p>	<p>platforms have been unprecedented, achieving millions of impressions for key activities of the Exchange. Today, thousands of people are able to participate in NSE events via live tweeting. We executed Search Engine Optimization (SEO) tactical plan that saw traffic to our website improved by 21% from 3,151,412 in 2014 to 3,842,208 in 2015.</p> <p>NSE Adopt-A-School programmes: This was launched in 2015 with a pilot project at Oke-Odo Junior High school where the Exchange trained 52 teachers on soft skills, ICT and financial intelligence; hosted 250 students to a career workshop; and donated a modern Learning and Development Centre kitted with modern classroom furniture, books and equipment to provide conducive learning for our future leaders.</p> <p>CSR Champions and Volunteering Programme: In 2015, the Department unveiled its Employee Volunteering scheme to build connectedness between employees and our operating environment. For the flagship project, Pacelli School for the Blind and Partially Sighted Children was selected as beneficiary. Projects implemented included bi-weekly reading programmes, mentoring, upgrade the school library and refurbish medical center. In all, 130 of physically challenged students were reached.</p> <p>Fight against Cancer Campaign: The Department implemented the second edition of our 5 Kilometer Corporate Challenge Race against Cancer. Over 500 participants from over 70 companies participated in the race thereby enabling The Exchange to raise over N36 Million towards the purchase of Mobile Cancer Centres.</p> <p>News Management: Despite the dynamic economic trends and</p>	



BUSINESS REVIEW 2015

CORPORATE SERVICES DIVISION (cont'd)

Department and Profile	Activities	Strategic Development	Value Created
		<p>peculiarities of the Nigerian Capital Market, The department achieved about 95% positive news mentions and over 85% publicity for NSE initiatives.</p> <p>Support for Global Best Practice: To support the NSE commitment to adopt global best in-class principles and drive sustainability performance and disclosure in the Nigerian Capital Market, the Department championed the sign-on to the United Nations Global Compact and Global Reporting Initiative (GRI). It went a step further to implement the maiden Nigerian Capital Sustainability Conference where it engaged with various C-Level executives and other stakeholders to develop Disclosure Guidelines for the Nigerian capital market</p> <p>Strategic Brand Development: To achieve The Nigerian Stock Exchange's (NSE) vision to become the leading securities exchange in Africa by 2019, The Exchange appointed a globally acclaimed brand communication firm to develop a brand strategy which highlights definitive structure to the following key aspects of the NSE brand:</p> <ul style="list-style-type: none"> -Brand Definition Model -Brand Proposition -Brand Positioning -Brand Values -Brand Architecture -Strategic Messaging Framework -Employee value proposition <p>Events Management: The Department achieved strategic brand positioning of the NSE through the successful management and execution of over 81 events locally and internationally while also identifying and leveraging the opportunities to showcase The Exchange value proposition.</p> <p>Awards: The Department led the entry submissions for awards and in the year under review, the exchange received four awards from local and international bodies namely:</p> <p>*"Best Corporate Social Responsibility"- 2015 African Business Awards</p>	



CORPORATE SERVICES DIVISION (cont'd)

Department and Profile	Activities	Strategic Development	Value Created
<p>Human Resources</p> <p>The Human Resource Department is a strategic business partner whose responsibility is to manage the Human Resource base of the organization and thus the enabler for The Exchange to achieve its desire to become "The Employer of Choice".</p> <p>The HR function provides a framework for attracting, rewarding and retaining the best talents within and outside the industry, who are focused and equipped to drive and achieve set business objectives.</p> <p>The philosophy of the HR function is to be the ultimate enabler of the business.</p>	<p>Activities of the Human Resources Department are managed along 4 functional areas:</p> <ul style="list-style-type: none"> • Compensation & Benefits (C&B): • Learning & Development • Organizational Development/HRIS • Talent Management 	<p>*"Award for Promoting Best Practice Reporting and Corporate Disclosure" - LCCI Commerce and Industry Awards 2015</p> <p>*"African Regulator of the Year" – 2015 African Business Leadership Awards</p> <p>*"Financial Institution of the Year" – The Oil and Gas Year Nigeria 2015</p> <p>Capital Market Talent Pool Development:</p> <p>The Graduate Trainee Programme is a human capacity Initiative geared towards promoting a sustainable Exchange by building a talent pool as well as addressing skills gaps in the Capital Market and the Nigerian economy at large.</p> <p>Employee Development:</p> <ul style="list-style-type: none"> • Initiatives geared towards promoting a Knowledge Centre and a learning culture within The Exchange via the Training and Library Facility <p>Employee Welfare:</p> <ul style="list-style-type: none"> • Initiatives geared towards promoting healthy living and work/life balance among employees via the Activity Centre. • Initiatives geared towards enabling The Exchange to be competitive, attractive and retain its talent pool. <p>Business Solutions & Process Improvement:</p> <p>Initiatives geared towards enhancing business efficiency, streamline HR business processes.</p>	<p>Value Created Completed the first cycle of the NSE Graduate Trainee Programme, hence reducing unemployment and contributing towards human capacity development.</p> <p>Enhanced leadership capabilities via strategic investment in capacity building and training initiatives for the Management Team.</p> <p>Nomination of The Exchange by The Chartered Institute of Personnel Management (CIPM) among the top 3 organizations for the award category "Best People Resourcing Initiative".</p> <p>Recorded 23% reduction in employee turnover during the year.</p> <p>Implemented an enhanced employee reward framework based on outcomes from KPMG benchmark survey of similar companies, taking into consideration business sustainability.</p>



CORPORATE SERVICES DIVISION (cont'd)

Department and Profile	Activities	Strategic Development	Value Created
<p>Security Department.</p> <p>Support business through Provision of Safe and Secure Workplace.</p>	<p>Installation of metal-detecting security doors and baggage scanner at building main entrance.</p> <p>Expansion of building video surveillance system.</p> <p>Introduction of handheld explosives detector at building car park entrance.</p>	<p>Enhanced Physical Security of The Exchange building.</p> <p>Staff and Business Stakeholders morale boosted with improved sense of Security and Safety.</p>	<p>Drive initiatives to improve security liaison with community law enforcement, emergency services and top hierarchy of Police and other security agencies.</p> <p>Initiatives geared towards delivery of cost-effective security services and departmental cost-efficiency.</p>



ACTIVE DEALING MEMBERS

31 DECEMBER 2015

S/N	FIRM	STATUS
A	ACTIVE DEALING MEMBER FIRMS	
1	Adamawa Securities Limited	Active
2	Adonai Stockbrokers Limited	Active
3	African Alliance Stockbrokers Limited	Active
4	Afrinvest Securities Limited	Active
5	Alangrange Securities Limited	Active
6	Amyr Investment Limited	Active
7	Anchoria Investment & Securities Limited	Active
8	Apel Asset Limited	Active
9	Apt Securities & Funds Limited	Active
10	Arian Capital Management Limited	Active
11	ARM Securities Limited	Active
12	Arthur Stevens Asset Management Limited	Active
13	Associated Asset Managers Limited	Active
14	Atlass Portfolio Limited	Active
15	Belfry Investment & Securities Limited	Active
16	Bestlink Investment Limited	Active
17	Bestworth Assets & Trust Limited	Active
18	Calyx Securities Limited	Active
19	Camry Securities Limited	Active
20	Capital Asset Limited	Active
21	Capital Bancorp Plc	Active
22	Capital Express Securities Limited	Active
23	Capital Trust Brokers Limited	Active
24	Cardinal Stone Securities Ltd	Active
25	Cashcraft Securities Limited	Active
26	Cashville Investment & Securities Limited	Active
27	CDL Capital Markets Limited	Active
28	Centre Point Investment Limited	Active
29	Century Securities Limited	Active
30	Chapel Hill Denham Securities Limited	Active
31	Chartwell Securities Limited	Active
32	Citi Investment Capital Limited	Active
33	City Code Trust & Investment Company Limited	Active
34	Clearview Investments Company Limited	Active
35	Compass Investment & Securities Limited	Active
36	Cordros Capital Limited	Active



Active Dealing Members as of 31 December 2015

37	Core Trust & Investment Limited	Active
38	Coronation Securities Limited	Active
39	Covenant Securities & Asset Management Limited	Active
40	Cowry Securities Limited	Active
41	Cradle Trust Finance & Securities Limited	Active
42	Crane Securities Limited	Active
43	Crossworld Securities Limited	Active
44	Crown Capital Limited	Active
45	CSL Stockbrokers Limited	Active
46	Deep Trust & Investment Limited	Active
47	Delords Securities Limited	Active
48	Dependable Securities Limited	Active
49	Diamond Securities Limited	Active
50	Dominion Trust Limited	Active
51	DSU Brokerage Services Limited	Active
52	Dunbell Securities Limited	Active
53	Dunn Loren Merrifield Securities Limited	Active
54	Dynamic Portfolio Limited	Active
55	ECL Asset Management Limited	Active
56	EDC Securities Limited	Active
57	Edgefield Capital Management Limited	Active
58	EFCP Limited	Active
59	Elixir Securities Limited	Active
60	Enterprise Stockbrokers Limited	Active
61	Equity Capital Solutions Limited	Active
62	Eurocomm Securities Limited	Active
63	Excel Securities Limited	Active
64	Express Discount Asset Management Limited	Active
65	Express Portfolio Services Limited	Active
66	FBC Trust & Securities Limited	Active
67	FBN Securities Limited	Active
68	FCSL Asset Management Company Limited	Active
69	Fidelity Finance Company Limited	Active
70	Fidelity Securities Limited	Active
71	Financial & Analytics Capital Limited	Active
72	Financial Trust Company Limited	Active
73	Finbank Securities & Assets Management Limited	Active
74	Finmal Finance Services Limited	Active
75	First Integrated Capital Management Limited	Active
76	First Stockbrokers Limited	Active

**Active Dealing Members as of 31 December 2015**

77	FIS Securities Limited	Active
78	Foresight Securities & Investment Limited	Active
79	Forte Financial Limited	Active
80	Forthright Securities & Investments Limited	Active
81	Fortress Capital Limited	Active
82	FSDH Securities Limited	Active
83	Funds Matrix & Assets Mgt Limited	Active
84	Futureview Securities Limited	Active
85	Gem Assets Management Limited	Active
86	Gidauniya Investment & Securities Limited	Active
87	Global Asset Management (Nig) Limited	Active
88	Global View Consult & Investment Limited	Active
89	Golden Securities Limited	Active
90	Greenwich Securities Limited	Active
91	Gruene Capital Limited	Active
92	GTI Securities Limited	Active
93	Harmony Securities Limited	Active
94	Heartbeat Investment Limited	Active
95	Hedge Securities & Investment Limited	Active
96	Heritage Capital Markets Limited	Active
97	Horizon Stockbrokers Limited	Active
98	ICMG securities Limited	Active
99	Icon Stockbrokers Limited	Active
100	Imperial Assets Managers Limited	Active
101	Independent Securities Limited	Active
102	Integrated Trust & Investment Limited	Active
103	Interstate Securities Limited	Active
104	Investment Centre Limited	Active
105	Investment One Stockbrokers International Limited	Active
106	Investment Shark & Asset Mgt Ltd	Active
107	Investors & Trust Company Limited	Active
108	Kapital Care Trust & Securities Limited	Active
109	Kedari Capital Limited	Active
110	Kinley Securities Limited	Active
111	Kofana Securities & Investment Limited	Active
112	Kundila Finance Services Limited	Active
113	Lambeth Trust & Investment Company Limited	Active
114	Lead Securities & Investment Limited	Active
115	Lighthouse Asset Management Limited	Active
116	Long Term Global Capital Limited	Active
117	Magnartis Finance & Investment Limited	Active
118	Mainland Trust Limited	Active



Active Dealing Members as of 31 December 2015

119	Mainstreet Bank Securities Limited	Active
120	Marimpex Finance & Investment Company Limited	Active
121	Marriot Securities & Investment Co. Limited	Active
122	Maven Asset Management Limited	Active
123	Maxifund Investment & Securities Plc	Active
124	Mayfield Investment Limited	Active
125	MBC Securities Limited	Active
126	Mega Equities Limited	Active
127	Mercov Securities Limited	Active
128	Meristem Stockbrokers Limited	Active
129	Midas Stockbrokers Limited	Active
130	Milestone Capital Management Limited	Active
131	Mission Securities Limited	Active
132	Molten Trust Limited	Active
133	Morgan Capital Securities Limited	Active
134	Mountain Investment & Securities Limited	Active
135	Mutual Alliance Investment & Securities Limited	Active
136	Network Capital Limited	Active
137	Networth Securities & Finance Limited	Active
138	Newdevco Investments & Securities Limited	Active
139	Nigerian International Securities Ltd	Active
140	Nigerian Stockbrokers Limited	Active
141	Nova Finance & Securities Limited	Active
142	Options Securities Limited	Active
143	PAC Securities Limited	Active
144	Partnership Securities Limited	Active
145	Peace Capital Markets Ltd	Active
146	Perfecta Investment & Trust Limited	Active
147	Phronesis Securities Limited	Active
148	Pilot Securities Limited	Active
149	Pinefields Investment Services Limited	Active
150	PIPC Securities Limited	Active
151	Pivot Capital Limited	Active
152	Planet Capital Limited	Active
153	Portfolio Advisers Limited	Active
154	Primera Africa Securities Limited	Active
155	Primewealth Capital Limited	Active
156	Prominent Securities Limited	Active
157	PSI Securities Limited	Active
158	Pyramid Securities Limited	Active
159	Quantum Securities Limited	Active
160	Rainbow Securities Limited	Active
161	Readings Investment Limited	Active

**Active Dealing Members as of 31 December 2015**

162	Redasel Investments Limited	Active
163	Regency Asset Management Limited	Active
164	Rencap Securities (Nig) Limited	Active
165	Resano Securities Limited	Active
166	Resort Securities Limited	Active
167	Reward Investment & Service Limited	Active
168	Rostrum Investment & Sec Limited	Active
169	Rowet Capital Mgt Limited	Active
170	Royal Crest Finance Limited	Active
171	Royal Guaranty & Trust Limited	Active
172	Royal Trust Securities Limited	Active
173	Santrust Securities Limited	Active
174	Securities Africa Financial Limited	Active
175	Securities and Capital Management Company Limited	Active
176	Security Swaps Limited	Active
177	SFC Securities Limited	Active
178	Shalom Investment & Financial Services Limited	Active
179	Shelong Investments Limited	Active
180	Sigma Securities Limited	Active
181	Signet Investment & Securities Limited	Active
182	Skyview Capital Ltd	Active
183	Smadac Securities Limited	Active
184	Solid Rock Securities & Investment Plc	Active
185	Spring Trust & Securities Limited	Active
186	Springboard Trust & Investment Limited	Active
187	Stanbic IBTC Stockbrokers Limited	Active
188	Standard Alliance Capital Asset Mgt Limited	Active
189	Standard Union Securities Limited	Active
190	Stanwal Securities Limited	Active
191	Summa Guaranty & Trust Company Limited	Active
192	TFS Securities & Investment Company Limited	Active
193	The Bridge Securities Limited	Active
194	Tiddo Securities Limited	Active
195	Tomil Trust Limited	Active
196	Topmost Securities Limited	Active
197	Tower Asset Management Limited	Active
198	Tower Securities & Investment Company Limited	Active
199	Trade Link Securities Limited	Active
200	Traders Trust & Investment Co. Limited	Active
201	Transafrica Financial Services Limited	Active



Active Dealing Members as of 31 December 2015

202	Transworld Investment Limited	Active
203	Trust Yield Securities Limited	Active
204	TrustBanc Capital Management Limited	Active
205	Trusthouse Investment Limited	Active
206	TRW Stockbrokers Limited	Active
207	Tyndale Securities Limited	Active
208	UIDC Securities Limited	Active
209	Unex Capital Limited	Active
210	Union Capital Markets Limited	Active
211	United Capital Securities Limited	Active
212	Valmon Securities Limited	Active
213	Valueline Securities & Investment Limited	Active
214	Vetiva Securities Limited	Active
215	Woodland Capital Markets Plc	Active
216	WSTC Financial Services Limited	Active
217	Yobe Investment & Securities Limited	Active
218	Yuderb Investment & Securities Limited	Active
219	Zenith Securities Limited	Active
220	Zion Stockbrokers & Securities Limited	Active



THE MANAGEMENT TEAM



OSCAR ONYEMA, OON
Chief Executive Officer



ADEOLU BAJOMO
Executive Director & Head,
Market Operations & Technology



OLUMIDE LALA
Transformation And Change



TUNJI KAZEEM
Risk



CYRIL EIGBO
Finance



JOSEPHINE IGBINOSUN
Listings Regulation



ADE EWUOSHO
Market Services



ADEYEMI OSOBA
Branch Network



OLUFEMI SHOBANJO
Broker Dealer Regulation



FAVOUR FEMI-OYEWOLE
Information Security



GABRIEL IGBEKA
Administration



**IRENE
ROBINSON-AYANWALE**
Legal Department



KENNETH NWAFOR
Market Operations



HARUNA JALO-WAZIRI
Executive Director & Head,
Capital Markets



TINUADE AWE
General Manager & Head,
Legal & Regulation



BOLA ADEEKO
General Manager & Head,
Corporate Services



DIPO OMOTOSHO
Product Management



YETUNDE OJO
Technology Services



PAI GAMDE
Human Resources



RASAQ OZEME
Internal Audit



ABIMBOLA BABALOLA
Market Surveillance



OLUMIDE OROJIMI
Corporate Communications



MOJISOLA ADEOLA
Council Secretariat



TONY IBEZIAKO
Acting head, Listing Sales
and Retention



ADEMOLA OYERINDE
Security



OKON ONUNTUEI
Acting Head, Strategy



FLASH OF OUR EVENTS



L – R shows Mr. Dipo Omotoso, Head, Product Management, The Nigerian Stock Exchange (NSE); Mrs. Favour Femil-Oyewole, Head, Information Security, NSE; Mr. Ade Bajomo, Executive Director, Market Operations and Technology, NSE; Omotola Ekeinde, Nigerian Actress, Singer & Philanthropist; Mr. Bola Adeeko, Head, Corporate Services Division, NSE, and Mrs. Yetunde Ojo, Head, Technology, NSE at the 2015 Year End Closing Gong Ceremony at the Exchange, 31/12/2015.



L – R shows Gergana Urdarevska, Country Director, The Oil & Gas Year and Tony Ibeziako, Head, Listings Sales and Retention, The Nigerian Stock Exchange (NSE), receiving the Financial Institution of The Year Award on behalf of the Chief Executive Officer of The NSE, Mr. Oscar N. Onyema, OON at The Oil & Gas Year Nigeria Awards 2015 which took place on August 04, 2015 in Lagos. NSE won the award in recognition of completing the Seplat \$500million IPO, its first dual listing on London Stock Exchange



L – R shows Ade Bajomo, Executive Director (ED), Market Operations and Technology, The Nigerian Stock Exchange; Haruna Jalo-Waziri, ED, Business Development, NSE; Victor Banjo, Director General/CEO, Institute of Directors, Nigeria; Tinu Awe, Head, Legal & Regulation Division, NSE; Ben Afudego, Partner, Risk Advisory, Ernst & Young and Bola Adeeko, Head, Corporate Services Division, NSE at the inaugural Nigerian Capital Market Sustainability Conference organized by The NSE, in partnership with Ernst & Young and Global Reporting Initiative on 13th November, 2015 in Lagos



L – R shows Mr. Bola Adeeko, Head, Corporate Services Division of The Nigerian Stock Exchange (NSE); Mr. Amaju Melvin Pinnick, President Nigeria Football Federation (NFF); Mr. Oscar N. Onyema OON, Chief Executive Officer, NSE; Mr. Sunday Oliseh, Chief Coach of the Nigeria Super Eagles and Mr. Ade Bajomo, Executive Director, Market Operations and Technology, NSE at the Closing Gong Ceremony during a courtesy visit to The Exchange 19/08/2015.



L – R shows: Ini Onuk, Lead Consultant/Chief Executive Officer, ThistlePraxis Consulting Limited (TPC); Mr. Ade Bajomo, Executive Director, Market Operations and Technology Division, The Nigerian Stock Exchange (NSE); Mr. Mervyn King, Chairman, The International Integrated Reporting Council (IIRC); Mr. Bola Adeeko, Head, Corporate Service Division, NSE; Emilia Asim-Ita, Senior Consultant, Strategy & External Relations, ThistlePraxis Consulting Limited at the Closing gong ceremony held on Wednesday, November 18, 2015 at the Nigerian Stock Exchange.



L – R show Saxophonist, Mr. Yemi Sax; Jazz Ambassadors, Mr. Bobby Ricketts; Executive Director, Business Development, The Nigerian Stock Exchange (NSE), Mr. Haruna Jalo-Waziri; Executive Director, Market Operations and Technology, NSE, Mr. Ade Bajomo; Co-Chairman, Satchmo's Jazz Festival Committee, Mr. Akin Ogunbiyi; Satchmo's Jazz Festival Director, Mr. Dolapo Ajayi and Head, Corporate Services Division, NSE, Mr. Bola Adeeko at the Closing Gong Ceremony in commemoration of International Jazz Day at The NSE in Lagos 30/04/2015



FLASH OF OUR EVENTS



L – R shows Mr. Bukar Kyari, Member, Board of Trustees, Investors' Protection Fund (IPF); Mr. Oscar N. Onyema OON, Chief Executive Officer and Member IPF Board of Trustees; Mr. Lawrence Fubara Anga, Vice Chairperson, IPF Board of Trustees and Mr. Umaru H. Modibbo, Member IPF Board of Trustees at the Investors' Protection Fund Press Briefing in Lagos 17/08/2015.



L – R shows Member of Chocolate City Recording Artists, Ice Prince; Executive Director, Market Operations and Technology, NSE, Mr. Ade Bajomo; Member of Chocolate City Recording Artists, M.I. and Head, Corporate Services Division, The Nigerian Stock Exchange (NSE), Mr. Bola Adeeko; and at the Closing Gong Ceremony at the NSE 13/05/2015.



L – R shows Head, Corporate Services Division, The Nigerian Stock Exchange (NSE), Mr. Bola Adeeko; Popular Nigerian musician, Mr. Banky Wellington; Chairman of the Committee Encouraging Corporate Philanthropy (CECP) #GivingTide, Prof. Pat Utomi; Convener of CECP Mrs. M.R.A. Adeleke, FIOD, FNIM, FICSA, OON; and Group Managing Director /CEO, United Capital Plc, Mrs. Oluwatoyin Sanni at the Closing Gong Ceremony to commemorate the National Cancer Week at the Exchange 12/06/2015.



L – R shows Alhaji Aliko Dangote, GCON, Chairman Dangote Group; Dr Oba Otudeko, CFR, Group Chairman, FBN Holding Plc; Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); and Mr. Jim Ovia, MFR, Chairman, Zenith Bank Plc at The NSE premium board launch in Lagos 25/08/2015.



L – R shows Mr. Sean Klimczak, Senior Managing Director, Blackstone; Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Mr. Steve Schwarzman, Chairman/CEO and Co-Founder, Blackstone; Mr. Aigboje Aig-Inoukhuade, CON, President of Council, NSE; and Mimi Alemayehou, Chair, Blackstone Africa Infrastructure LP and Managing Director Black Rhino at Closing Gong Ceremony at The Exchange 8/27/2015



L – R shows Oscar N. Onyema, OON, CEO, The Nigerian Stock Exchange (NSE), Chiamaka Loretta Nwajaku, Winner, the 2015 NSE Essay Competition and Ope Wemi-Jones, Group Head, Inclusive Banking, Access Bank Nigeria at the award ceremony of the 2015 NSE Essay Competition 24/11/2015.



FLASH OF OUR EVENTS



L – R shows Oscar N. Onyema, OON, CEO, The Nigerian Stock Exchange (NSE); Kindness Jehu, Second Runner Up; Chiamaka Loretta Nwajaku, Winner; Vivian Aneke, First Runner Up, the 2015 NSE Essay Competition and Ope Wemi-Jones, Group Head, Inclusive Banking, Access Bank Nigeria at the award ceremony of the 2015 NSE Essay Competition 24/11/2015



L – R shows Mr. Haruna Jalo-Waziri, Executive Director, Business Development, The Nigerian Stock Exchange (NSE) and Mr. A.J Ojo, Representing the Permanent Secretary, Education District 1, Lagos at the Commissioning of NSE Learning and Development Centre, Oke Odo Junior College, Abule Egba, Lagos – 14/12/2015



L – R shows Mr. L. O. Ajiteru, Principal, Oke Odo Junior College, Abule Egba, Lagos; Mr. Haruna Jalo-Waziri, Executive Director, Business Development, The Nigerian Stock Exchange (NSE); Mr. A.J Ojo, Representing the Permanent Secretary, Education District 1, Lagos and Mr. Asimi TG Director of Facilities, Education District 1, Lagos at the Commissioning of NSE Learning and Development Centre, Oke Odo Junior College, Abule Egba, Lagos – 14/12/2015.



L – R shows Mr. Bola Adeeko, Head, Corporate Services Division of The Nigerian Stock Exchange (NSE); His Excellency, Chief Willie Obiano, Governor, Anambra State; Mr. Oscar N. Onyema, OON, Chief Executive Officer, NSE and Mr. Ade Bajomo, Executive Director, Market Operations and Technology, NSE during a courtesy visit by the Governor to the NSE – 14/08/2015.



L – R shows Mr. Bola Adeeko, Head, Corporate Services Division of The Nigerian Stock Exchange (NSE); His Excellency, Chief Willie Obiano, Governor, Anambra State; Mr. Oscar N. Onyema, OON, Chief Executive Officer, NSE and Mr. Ade Bajomo, Executive Director, Market Operations and Technology, NSE during a courtesy visit by the Governor to the NSE – 14/08/2015.



Participants at the NSE 2015 Corporate Challenge - 15/05/2015



FLASH OF OUR EVENTS



L – R shows Head, Legal and Regulation Division, The Nigerian Stock Exchange (NSE), Ms Tinuade Awe; Group Managing Director/CEO, Diamond Bank Plc, Mr. Uzoma Dozie; Winner, 2015 NSE Corporate Challenge, Esther Obiekwe of Diamond Bank Plc; Head, Corporate Services Division, NSE, Mr. Bola Adeeko; Executive Director, Market Operations and Technology, NSE, Mr. Ade Bajomo and Executive Director, Business Development, NSE, Mr. Haruna Jalo-Waziri at the 2015 NSE Corporate Challenge in a 5 kilometres walk, run or jog race through the busy business district of Lagos in the fight against cancer – 16/05/2015



L – R shows Former, Minister of Industry, Trade & Investment, Dr. Olusegun Agaga; Chief Executive Officer, The Nigerian Stock Exchange (NSE), Mr. Oscar N. Onyema, OON; His Excellency, Former President Goodluck Ebele Jonathan, GCFR and the President of Council, NSE, Mr. Aigboje Aig-Imoukhuede, CON at the Commissioning of the NSE X-Gen Trading Platform at the Exchange 3/12/2015



L – R shows Abimbola Ogunbanjo, 1st Vice President, NSE National Council; Oscar N. Onyema, OON, CEO, The Nigerian Stock Exchange; Godwin Emöle, Governor of the Central Bank of Nigeria; Mr. Aigboje Aig-Imoukhuede, CON, NSE National Council President; Mrs Yemisi Ayeni; Former NSE Council Member and Sarah Alade at the NSE Closing Gong Ceremony in Lagos, 12/02/2015



L – R show members of The Nigerian Stock Exchange Graduate Trainee Class of 2015, Mr Joel Nyatse; Miss Onyinye Oyeoka; Miss Fatima Adeniyi; Chief Executive Officer, NSE, Mr Oscar N. Onyema, OON; Mr. Enita Odogun; Miss Tolulope Obajemu; Head, Corporate Services Division, NSE, Mr. Bola Adeeko and Miss Nkechinyere Ogueri-Onyeukwu at the Closing Gong Ceremony in commemoration of the Graduation of the NSE Charter Set of Graduate Trainees 2015 at the Exchange – 10/06/2015



L – R shows Mr Olumide Orojimi, Head, Corporate Communications, The Nigerian Stock Exchange (NSE); Mrs. Irene Robinson-Ayanwale, Head, Legal Department, NSE; Ms Tinuade Awe, General Manager, Head, Legal and Regulation Division, NSE, and Mrs. Cima Sholotan, Lead, CSR, NSE at the LCCI 2015 Commerce and Industry Awards where NSE received the Award for Promoting Best Practice Reporting and Corporate Disclosure. The event was held at the MUSON Centre, Lagos - 08/08/2015



L – R shows Chief Executive Officer, The Nigerian Stock Exchange (NSE), Mr. Oscar N. Onyema, OON; Council President, Mr. Aigboje Aig-Imoukhuede, CON and Secretary to Council, NSE, Ms Tinuade Awe at the Nigerian Stock Exchange (NSE) 2015 Annual General Meeting (AGM) at the NSE 18/06/2015



FLASH OF OUR EVENTS



L – R shows Member of the National Council, The Nigerian Stock Exchange (NSE), Professor Herbert Onye Orji, OON; Chief Executive Officer, NSE, Mr. Oscar N. Onyema, OON; President, NSE, Mr. Aigboje Aig-Imoukhuede, CON; Secretary to Council, NSE, Ms Tinuade Awe and First Vice President, NSE, Mr. Abimbola Ogunbanjo at the Nigerian Stock Exchange (NSE) 2015 Annual General Meeting (AGM) at the NSE 18/06/2015



L – R shows Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE) with Ms. Olajobi Makinwa, Chief, Anti-Corruption & Transparency and Africa, United Nations Global Compact (UNGC) while receiving the Best Corporate Social Responsibility (CSR) Company Award at 2015 African Business Awards held in New York, USA 29/09/2015



L – R shows Ms. Caroline Abel, Governor of the Central Bank of Seychelles and Mr. Olumide Orojimi, Head, Corporate Communications, The Nigerian Stock Exchange (NSE), receiving the Regulator of the Year Award on behalf of the CEO of The NSE, Oscar N. Onyema, OON at the 6th African Business Leadership Forum & Awards which took place on July 25, 2015 in London, United Kingdom (UK).



L – R shows Mr. Bola Adeeko, Head, Corporate Service Division, The Nigerian Stock Exchange (NSE); Patience Oniha, Director, Market Development Department, Debt Management office (DMO); Mr. Oscar N. Onyema, OON, Chief Executive Officer, (NSE); Dr. Abraham Nwankwo, Director-General, (DMO); Oladipo Afolabi, Head, Portfolio Management Department, (DMO); and Monday Usiade, Assistant Director, Market Development Department (DMO) at the Closing gong ceremony held at the Nigerian Stock Exchange 23/11/2015.



L – R shows Mr. Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Mr. Aigboje Aig-Imoukhuede, CON, President, NSE and Mrs. Mojisola Ruth Adeola, Council Secretary at The Nigerian Stock Exchange Port-Harcourt/Onitsha Zonal Branch Council Annual General Meeting held 02/11/2015



L – R Oscar N. Onyema, OON, Chief Executive Officer, NSE; Haruna Jalo-Waziri, Executive Director, Capital Market Division, NSE; Olumide Lala, Head, Transformation and Change, NSE and Tinuade Awe, General Counsel and Head, Regulation, NSE at the NSE End of the Year Party, in Lagos 18/12/2015.

PRESIDENTS OF THE EXCHANGE



AIGBOJE AIG-IMOUKHUEDE, CON
President



ALHAJI ALIKO DANGOTE, GCON
2012 - 2014



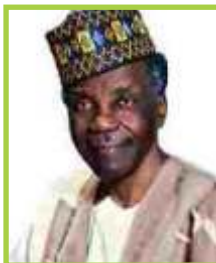
MALLAM BALLAMA MANU
Interim Head of Council
2010 - 2012



DR. OBA OTUDEKO OFR
2006-2009



DR. RAYMOND C. OBIERI
2003-2006



ALHAJI ABDUL RASAQ SAN, OFR
2000-2003



MR. GOODIE IBRU, OON
1997-2000



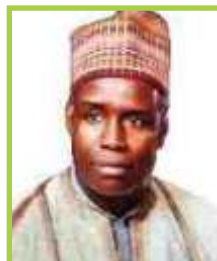
MR. PASCAL G. DOZIE, OON
1994-1997



AARE M.K.O. ABIOLA
1991-1994



CHIEF BAYO KUKU, CON
1987-1991



ALHAJI ALIKO M. MOHAMMED, OFR
1984-1987



CHIEF J.O. UDOJI, OFR
1981-1984



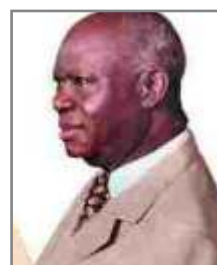
CHIEF S.O. ASABIA,
1975-1981



CHIEF ADEOLA ODUTOLA, CON
1972-1975



CHIEF SILAS BAMIDELE DANIYAN, OFR
1970-1972



SIR MOBOLAJI BANK-ANTHONY, CON, MBE
1966-1970



SIR ODUMEGWU OJUKWU, OBE
1963-1966



MR. R.I. POWELL
1961-1966



MR. E.C.W. HOWARD, OBE
1960-1961



PROXY FORM

The Nigerian Stock Exchange's 55th Annual General Meeting to be held at the NSE Event Centre, 20th floor, Stock Exchange House, 2/4 Customs Street Lagos, on Thursday, 23 June 2016 at 11:00 a.m.

I/We

.....

of

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Being a member/members of The Nigerian Stock Exchange ("The Exchange") hereby, appoint

.....

as my/our proxy to act and vote on my/our behalf at the Annual General Meeting of the company to be held on Thursday, 23 June 2016.

Dated this 31st day of May 2016.

.....
Member's Signature

.....
Member's Signature

S/N	AGENDA	FOR	AGAINST	ABSTAIN
1.	ORDINARY BUSINESS To re-elect the following as Members of the National Council: i) Mr. Aigboje Aig-Imoukhuede, CON; ii) Engr. Muhammad Daggash; iii) Mr. Oluwole Abegunde (Representing Meristem Securities Limited); and iv) Mr. Oladipo Aina (Representing Signet Investment & Securities Ltd.)			
2.	To authorize members of the National Council to fix the remuneration of Auditors.			
3.	SPECIAL BUSINESS 1. To consider and if thought fit to pass as a Special Resolution: I. "That the National Council and Management be and are hereby authorised to commence the process leading up to the Demutualisation of The Exchange. II. "That the National Council and Management be and are hereby authorized to do all such things and exercise all such powers as may be necessary or incidental for achieving the objective specified in I above, subject to applicable laws and regulations and obtaining the approvals of members and the relevant regulatory authorities".			

Note:

1. A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of himself.
2. No person shall be appointed a proxy who is not already a member of Company or the accredited representative of a member, save that a corporation being a member of the Company may appoint as its proxy one of its Directors or other authorized representative who is not a member of the Company.
3. Instruments of proxy shall be deposited at the office of the Company at least 48 hours before the time of holding the meeting.

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ADMISSION CARD

Fifty-Fifth Annual General Meeting of The Nigerian Stock Exchange to be held at the NSE Event Centre, 20th Floor Stock Exchange House, 2/4 Customs Street, Lagos, on Thursday, 23 June 2016 at 11:00a.m.

Name of Member (in BLOCK CAPITALS):

.....

ADDRESS:

.....

NOTE: A MEMBER OR HIS/HER PROXY MUST PRODUCE THIS ADMISSION CARD IN OTHER TO BE ADMITTED AT THE MEETING.



Corporate Information

REGISTERED OFFICE:

Stock Exchange House,
2/4 Customs Street, Lagos

AUDITORS:

KPMG Professional Services
(Chartered Accountants)

BANKERS:

Access Bank Plc.
First Bank of Nigeria Plc.
GT Bank Plc.
Zenith Bank Plc