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**2000**  
ANNUAL REPORT  
&  
ACCOUNTS  
◆



**SECURITIES AND EXCHANGE COMMISSION**



## **SECURITIES AND EXCHANGE COMMISSION, NIGERIA**

### **REPORTS AND ACCOUNTS**

For the Year Ended 31<sup>st</sup> December, 2000

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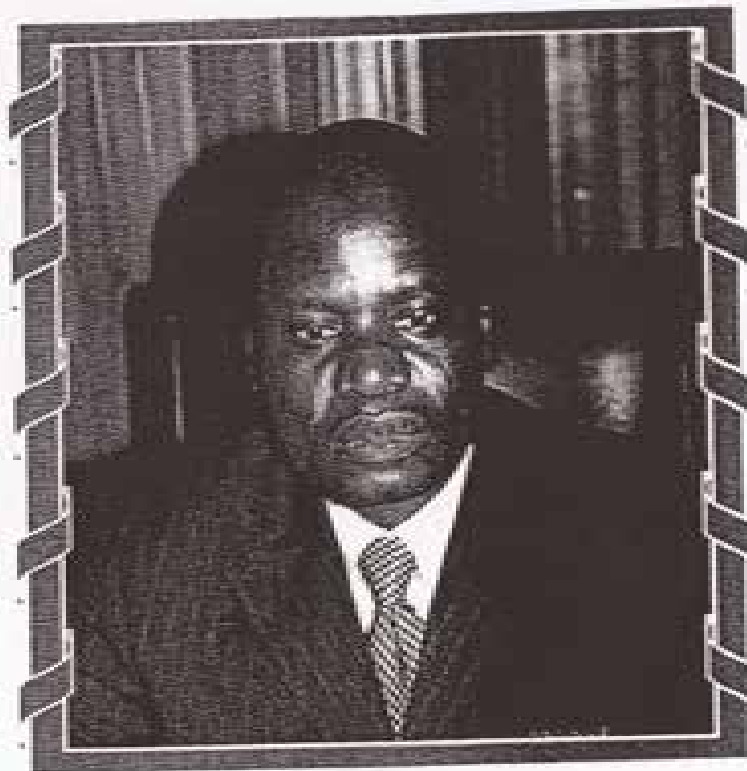
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*Director General/Chief Executive*



**Mr. E. S. O. Orwionoko**  
*Commissioner (Operations)*

## HEADS OF DEPARTMENT



**Mrs N. A. Orji**  
*Director, Enforcement & Compliance*



**Alh. U. S. Mohammed**  
*Director, Recognized Investment Exchanges*



**Miss S. D. Ekineh**  
*Director, Securities Investment Services*



**Chief (Mrs) A. O. Ogungbe**  
*Director, Finance & Accounts*



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**Mr. M. A. Ogunniran**  
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**Mr. P. T. Ouehade**



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**Mr. Rabiu S. Gamawa**

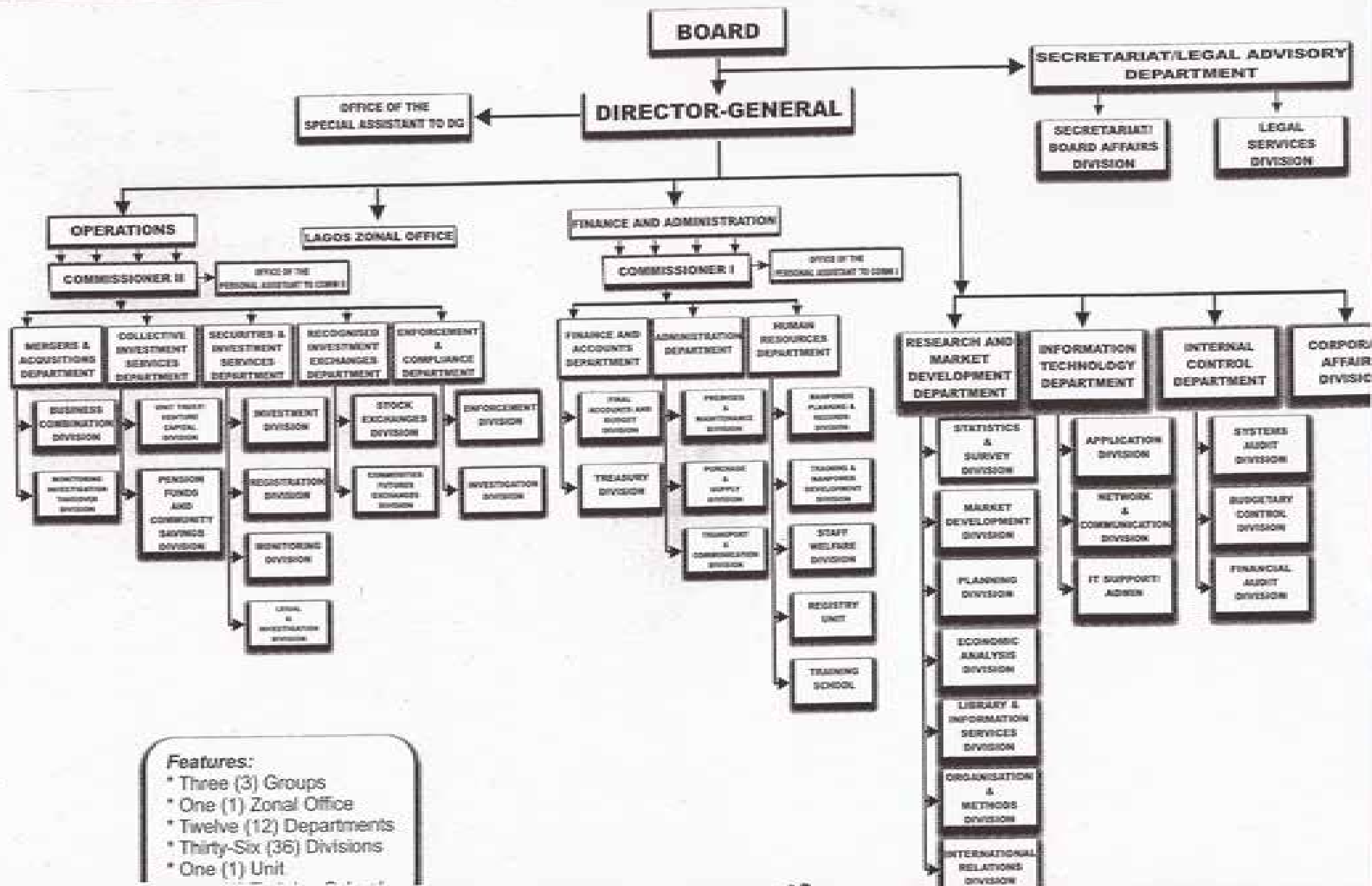


**Mallam Abubakar Tijani Abba**

*"Promoting the Nigerian  
Capital Market  
to respond to the  
socio-economic  
development needs  
of the nation."*

# SEC ORGANISATIONAL STRUCTURE

(As at March 1, 2001)



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# PARTICULARS

## DIRECTOR-GENERAL'S LETTER OF TRANSMITTAL

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June 13, 2001

The Honourable Minister of Finance  
Federal Ministry of Finance,  
Central Area,  
Abuja

My Dear Minister,

I have the pleasure, once again, to submit to you the Year 2000 Annual Report and Accounts of the Securities and Exchange Commission.

Year 2000 marked the 20<sup>th</sup> anniversary of the Commission and the second year of the implementation of the reform of the capital market. The Investments and Securities Act (ISA) which ushered in the reform was promulgated in May 1999. While the ISA was promulgated in 1999, implementation of the capital market reforms did not actually begin until 2000. In effect, therefore, the 2000 annual report offers an opportunity to review the first full year of implementation of the capital market reforms.

Twenty years of capital market regulation in Nigeria reveal that while much has been achieved, more ground still needs to be covered. An appraisal of the market showed that market capitalisation rose by 17,240.87%, and trading value by 163,030.23% during the period.

A total of N74.2 billion was raised through the Nigerian capital market during the period. There has also been considerable improvement in market infrastructure such that the clearing and settlement cycle of T+3, which is among the best in the world, has been attained.

### THE NEW ISSUES MARKET

During the year 2000, activities in the primary market showed an upward trend in terms of value of issues floated by 43.48 percent from N11,993.44 million in 1999 to N17,207.82 million. However, the number of issues as well as volume dropped by 27.59 percent and 27.24 percent respectively, when compared with the figures in 1999. Twenty one (21) issues were floated during the year compared with twenty nine (29) recorded in 1999. There was a renewed interest in Debt Securities during the year with two state governments (Edo and Delta) and a public company, Nigerian Breweries Plc

issuing three debt securities with a combined value of N11,500.00 million, representing 66.83 percent of the total value of new issues in 2000. Fourteen (14) issues representing 66.67% of total issues during the year were by way of Rights.

### THE SECONDARY MARKET

Activities on The Nigerian Stock Exchange improved tremendously during the year. The surge in activities was attributed to the presence of a democratic government which gave local and foreign investors more confidence to invest in the economy.

A total of 4,998.11 million shares/units of securities valued at N28,154.58 million were traded in the year 2000 compared with 3,922.95 million securities worth N14,027.41 million recorded in 1999. This represented 27.41 percent increase in trading activities and 100.71 percent in volume and value respectively. Equities recorded 99.83 percent of total transactions in respect of volume while bonds accounted for 0.17 percent. In terms of value, equities had 99.97 percent of total value traded while bonds had 0.03 percent.

### MARKET REGULATION

During the year, the Commission continued to use the traditional tools of regulation: registration, surveillance and investigations, enforcement and rule making. The new minimum capital requirement for operators in the market was enforced. In order to ensure compliance, independent auditors were commissioned to review submissions of operators in respect of the minimum capital requirements. Arising from developments in the ISA, there were new rules and regulations approved for the market, after extensive consultations with operators. The rules covered all aspects of operations including the new areas like Pension Funds, Capital Trade Points, Capital Market Consultants etc.

### CAPITAL MARKET DEVELOPMENT

In the light of the new developments in the market arising from the implementation of the market reforms, capital market development activities were intensified during the year. Enlightenment campaigns were done in two states Katsina and Adamawa, while a specialised workshop was held for legislators of the relevant Finance Committees of the National Assembly. The workshop with the theme "Legislating For The Capital Market In A Democratic Environment", was aimed at enlightening the relevant

## PARTICULARS

### DIRECTOR-GENERAL'S LETTER OF TRANSMITTAL(Cont'd)

7

committees of the National Assembly about the importance and role of the capital market and SEC in national economic development, to enable them make good legislative decisions.

An international workshop was also organised to mark the 20<sup>th</sup> anniversary of the Commission. The workshop offered an opportunity to review the state of the market and its contributions to economic development, to map out strategies for developing it, and to reposition it for better contributions to the economy. In pursuance of the Commission's mandate to develop the market to comparable international standards, three (3) committees were inaugurated to examine three key areas pivotal to the efficiency of the capital market with a view to coming up with recommendations to be passed on to government. These were the National Committee on Establishment of Unclaimed Dividends Trust Fund, Committee on Reactivating the Nigerian Bond Market, and the Committee on Review of Corporate Governance Practices in Nigeria.

On the international arena, the Commission has been liaising regularly with other securities commissions on useful market information and training opportunities, which has become expedient as the capital market is becoming borderless. The Commission was nominated as a member of IOSCO Advisory Board of the Emerging Market Committee.

#### INFORMATION TECHNOLOGY

During the year, the Commission embarked on a comprehensive programme of IT repositioning. The IT strategy for the Commission was put in place by Consultants (Deloitte and Touche) and implementation started with a "Quick Fix Project". A training programme for staff was embarked upon. Arrangements were also put in place to develop a website for the Commission.

Honourable Minister, in the first full year of the implementation of the ISA, the Commission had to be restructured along the lines prescribed by the Act and in response to the dynamic nature of the market. This resulted in considerable expansion for the Commission. Ironically, there were no additional sources of revenue for the project. The achievements during the year are, therefore, due to the professional competence and dedication of the Commission's staff and the support received from the Honourable Minister and the Ministry of Finance.

I thank you.

Yours sincerely,



Mallam Saleyman A. Ndanusa  
*Director-General/CEO*

The Nigerian Economy in year 2000 witnessed an admixture of both positive and negative developments as reflected by major economic indicators. Although short of the anticipated growth rate of 3.0 percent, GDP recorded a growth rate of 2.8 percent, an increase of 0.1 percentage point over the 2.7 percent in 1999. Inflation rate was estimated at 5 percent by November 2000 compared to 6.6% at the end of 1999. Aggregate capacity utilization was estimated at 34.8%, also representing a marginal increase from 34.6 percent in 1999. The rather unimpressive level of capacity utilization, in spite of the enhanced purchasing power through increased wages for public servants, could be attributed to erratic infrastructural base such as power and water supply as well as the influx of cheaper goods from foreign countries which depressed demand for locally produced goods.

Available data for the first half of year 2000 indicated favourable developments on the balance of payment positions with an overall surplus of N78,323.3m (US \$782.4m) compared to the huge deficit of N304,878.4m (US \$3,397.7m) recorded for the corresponding period in 1999. The surplus was as a result of N408,962.1 million (US \$3,205.6 million) recorded in the current account that off-set the deficit of N235,605.9 million (US \$ 2,353.5 million) in the Capital Account. The favourable balance on current account is largely due to Merchandise trade which rose from a deficit of N5,106.8 million (US \$ 57.0 million) to a surplus of N480,962.1 million (US \$4,804.4 million) during the year.

The increase in oil revenue added to government spending and as at the end of November, 2000 broad money (M2) grew by 38.3 percent to N967,486.6 million, compared with the growth target of 14.6 percent for the year 2000. Money supply M1 grew by 42.4 percent as against the 9.8 percent growth stipulated for the whole year.

Receipts from non-oil exports, however, continued to be insignificant at US \$148.1 million for the first half of the year, even though this represented an increase of 18

percent from the US \$125.5 million during the corresponding period in 1999. Similarly, the naira continued to perform below expectation at the IFEM as it depreciated from an average of N94.83 = US \$1.00 between January and November 1999 to N102.02 = US \$1.00 in the corresponding period of year 2000. This depreciation was attributable to high demand pressures.

Although banks' average deposit and lending rates reportedly witnessed marginal declines in year 2000, the spread between the rates remained wide at about 22.6 percent as average lending rate stood at 27.7 percent against the savings deposit rate of 5.1 percent. Aggregate bank credit to the domestic economy declined by N123,715.3 million or 79.6 percent as at November, 2000 in contrast to the 27.8 percent target growth stipulated for fiscal 2001.

Agriculture, Manufacturing, Mining, Oil and Gas, and Wholesale and Retail Trade, etc were estimated to grow at 4.0 percent in the year 2000. Available data however showed that the aggregate index of agricultural production increased by 3.3 percent during the first half of the year 2000. This was made possible by favourable weather, low incidence of pests and diseases as well as availability of fertilizer.

Industrial production fell by 0.8 percent from the level in the first half of 1999, reflecting among other things, declining activities in the mining sub-sector.

The performance of the economy was against the backdrop of various socio-political upheavals which impacted negatively on the economy. Such developments included the persistent fuel crisis, labour dispute and the face-off between the legislature and the executive which resulted in delay of the approval of the budget. Equally destabilizing

to the economy was the spate of ethnic violence which engulfed the nation during the year.

In its year 2000 budget, the government had stated its determination to inter-alia lower the inflation rate and lay a solid foundation for a private sector-led economic growth. Thus, the government during the year identified the following strategies among others:

- i. Sale of government investments in companies quoted on the Stock Exchange;
- ii. Preparation of manufacturing companies such as vehicle assembly plants, hotels etc with government holdings for privatisation;
- iii. Reduction of tariff in favour of imported raw materials and rehabilitation and resuscitation of infrastructural facilities to encourage capacity utilization; and
- iv. Budget deficit to be kept at not more than three percent of the GDP.

Consequently, the government in year 2000 commenced the process of privatising some of the companies in which it had shareholding interest. Among these were the West African Portland Cement Company Plc, Benue Cement Company Plc, Unipetrol Plc, Assurance Bank Plc, NAL Merchant Bank Plc etc. The slow pace of the exercise which had resulted in investors' funds being tied down for upwards of one year has, however, been criticized as capable of dampening investors interest in the exercise.

Determined to improve on the nation's debt profile, the Federal Government during the year established the Debt Management Office (DMO) with the aim of centralizing and

consolidating the management of the nations external and domestic debt. The government also during the year, decided to pay all debts owed on National Priority Projects through the implementing line ministries/agencies. While the sum of 1.5 billion US Dollars was paid as external debt service for the country's external debt stock of 28.5 billion US Dollars as at September 2000, about US \$23.4 billion debt owed by the country to the Paris Club was rescheduled, to be repaid over a period of 18 to 20 years starting from 2003.

Also during the year, the Executive Board of the International Monetary Fund (IMF) signed a Standby Arrangement (SBA) for the sum of one billion dollars for the country while the World Bank and the International Fund for Agricultural Development (IFAD) approved the sum of 113.4 million US Dollars for Education, Water Supply, Sanitation and the Economic Management Capacity Project (EMCAP) as well as the Second Fadama Agricultural Project for Nigeria.

The Poverty Alleviation Programme (PAP) of the Federal Government, which incorporates the Skill Acquisition Scheme, took off during the year. However, due to some hitches in its implementation, the Federal Government has indicated that it intends to replace the programme with a Youth Employment Scheme (YES).

Meanwhile, the World Bank and the African Development Bank (ADB) commenced support for the Poverty Alleviation programme with a facility of about 500 million US Dollars during the year under review.

TABLE 1 MARKET CAPITALISATION AND GDP (1986-2000)

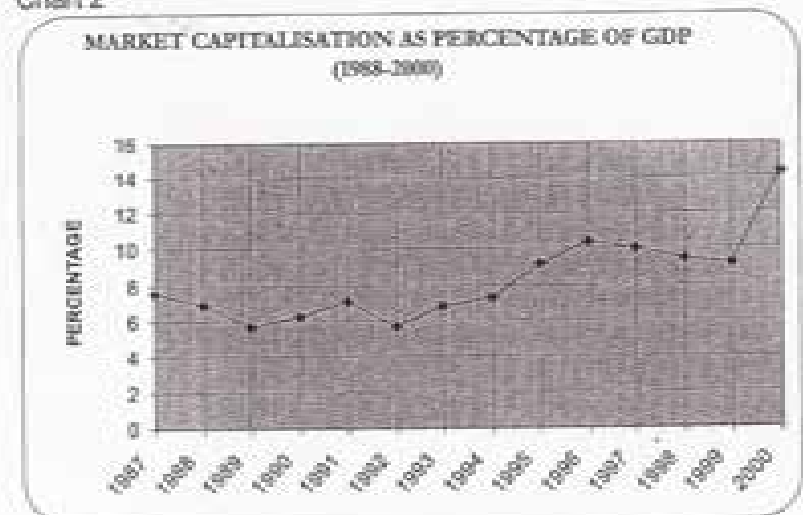
Year (1)	Market Capitalisation =N='BILLION (2)	GDP at Current* Market Prices =N='BILLION (3)	(2) as % of (3)
1986	6.79	73.06	9.29
1987	8.30	108.89	7.62
1988	10.02	145.24	6.90
1989	12.85	224.80	5.72
1990	16.36	260.64	6.28
1991	23.13	324.01	7.14
1992	31.27	549.81	5.69
1993	47.44	695.99	6.81
1994	66.37	911.07	7.3
1995	180.31	1,960.69	9.2
1996	285.82	2740.46	10.43
1997	281.96	2835.00	10.0
1998	262.52	2765.67*	9.5*
1999	300.04	3250.68**	9.2*
2000	472.9	3341.70**	14.3

Sources:- GDP Figures were obtained from FOS  
Market capitalisation figures are computed from figures supplied by The Nigerian Stock Exchange.

\* Revised

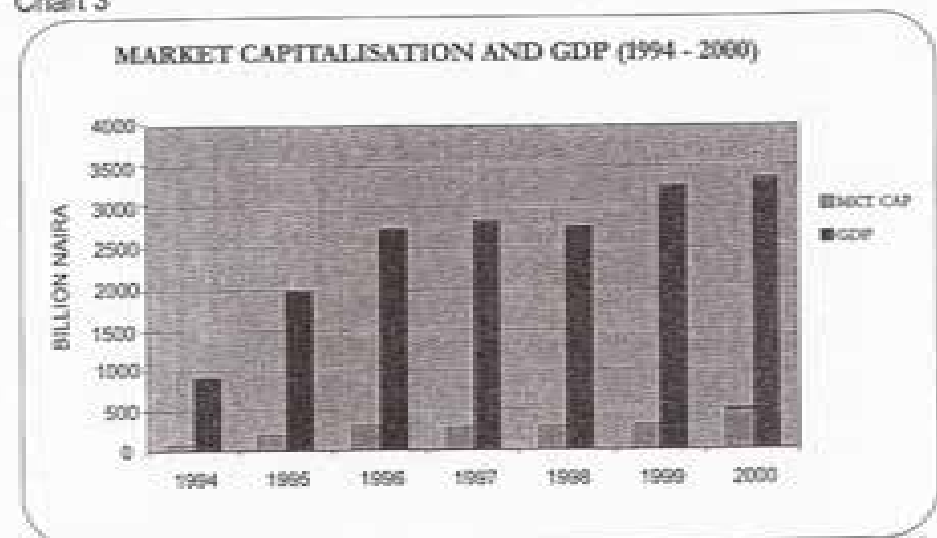
\*\* Provisional

Chart 2



Source: Compiled from data supplied by The NSE and FOS

Chart 3



Source: Compiled from data supplied by The NSE and FOS

## THE PRIMARY MARKET

### NEW ISSUES

The use of the capital market for financing developmental projects and projects in the Industrial sector, has continued to grow. There have also been increasing challenges and better consciousness of the importance of the market as a source of funds. Long-term fund needs from the capital market for project development by Corporate entities remained as vital as ever during the year 2000. The State Governments have, for example, showed increased interest in the market following the return of the country to democratic governance.

During the period under review, activities in the new issues segment showed an upward trend in terms of the value of issues floated from N11,993.44 million in 1999 to N17,207.82 million in the year 2000. This amounted to an increase of N5,214.38 million. While the value of issues rose by 43.48 per cent over the preceding period, the number of issues as well as volume issued dropped by 27.59 per cent and 27.24 per cent respectively, below the figures in 1999. Specifically, 21 issues were floated in the year 2000, against 29 recorded in 1999.

Issuers continued to take advantage of the low cost associated with rights issues as fourteen (14) issues representing 66.67 per cent of total issues during the year, were by way of rights. Only three (3) issues were floated through offers for subscription. There was a renewed interest in Debt Securities during the year with two state governments (Edo and Delta State) and a public company (Nigerian Breweries Plc) issuing three (3) debt securities with a combined value of N11,500.00 million, representing 66.83 per cent of the total value of new issues for the year 2000.

Quarterly analysis showed that the third quarter of the year 2000 was most active in terms of volume and value. The quarter recorded seven (7) issues valued at N11,268.92 million or 65.49 per cent of the aggregate value. The first quarter followed with 5 issues worth N2,244.38 million i.e. 13.04 per cent of the total value during the year, while the 4th quarter with seven (7) issues recorded the lowest value of N1,659.98 i.e. 9.6 per cent of the aggregate value.

Major issues during the year include the N7.0 billion Industrial Loan Stock (Debenture) of Nigerian Breweries Plc. and N2.01 billion rights issue of P.Z. Industries Plc. Other jumbo issues were the N3.5 billion and N1.0 billion Revenue Bonds of Delta State and Edo State Governments respectively.

Details of the new issues are as follows:-

### THE PRIMARY MARKET:

#### NEW ISSUES:

The detailed analysis of issues are given below:

- WEMA BANK PLC: The Bank offered by way of rights 519.24 million ordinary shares of 50 kobo each at N1.90 per share amounting to N986.56 million for the improvement of its computerization network and branch expansion.
- SMARTCARD NIGERIA PLC: The company issued by way of rights 15.62 million - ordinary shares of N1.00 each at N6.00 per share, valued at N93.72 million for the purpose of re-financing commercial paper (loan) and increasing working capital.
- NEWPAK PLC: The company issued a rights offer of 30 million ordinary shares of 50 kobo at N0.8 per share, amounting to N24 million to shore up the capital base of the company and enhance its capacity to meet the increasing demand of its services.
- PATERSON ZOCHONIS IND. PLC: The company offered by way of rights 335.09 - ordinary shares of 50 kobo each at N6.00 per share amounting to N2,010.54 - million. The issue was offered to upgrade/replace the company's plant and machinery as well as to enhance its working capital.
- AVON CROWNCAPS & CONTAINERS (NIG) PLC: The company offered by way of rights, 234.99 million ordinary shares of 50 kobo each at N1.50k per share, amounting to N427.49 million. The offer was raised to increase and broaden the company's capital base, undertake expansion programme, liquidate loans and finance its working capital.
- FIRST ALUMENUM NIG PLC: The company offered by way of rights, 91.48 million ordinary shares of 50 kobo each at N2.50 per share, amounting to N228.70 million. The offer was raised to fund the upgrading of the company's rolling mill plant facility.
- SONA BREWERIES PLC: The company floated a rights issue of 100.00

million - ordinary shares of 50 kobo each at N1.00 per share, valued at N100.00 million. The offer was raised to source additional capital to finance the refurbishment of the existing plant and machinery of the company as well as provide additional working capital.

**HEINEMAN EDUCATIONAL BOOKS PLC:** The company offered by way of rights, 6.26 million ordinary shares of 50 kobo each at 60 kobo per share, amounting to N3.76 million and also floated one (1) private placement of 14.95 million ordinary shares, worth N8.97 million. The offers were raised to meet additional working capital requirement of the company.

**UNIVERSITY PRESS PLC:** The company came to the market by way of rights issue of 52 million ordinary shares of 50 kobo each at N2.00 per share, amounting to N104 million. The offer was raised to finance expansion of zonal marketing offices and warehouses, upgrading communication technology, purchase of additional vehicles and enhancement of the company's working capital.

**SMURFIT PRINT PLC:** - The company floated a rights issue of 18 million ordinary shares of 50 kobo each at N0.90 per share, aggregated to N16.20 million. The offer was raised purposely to enhance working capital requirements.

**CORNERSTONE INS. PLC:** The company offered two (2) issues, comprising rights issues of 50 million ordinary shares of 50 kobo each at N1.65 per share and a public offer for subscription of N100 million ordinary shares of 50 kobo each at N1.65 per share. The aggregated value of the issues amounted to N247.5 million. The proceeds of the issue were to be used to finance the company's branch network expansion, diversification programme and computerization project.

**ENPEE INDUSTRIES PLC:** The company floated a rights issue of 222.75 million ordinary shares of 50 kobo each of N1.58 per share amounting to N351.95 million.

The proceeds of the issue were expected to be utilized in:

- i. Liquidating existing loans
- ii. Re-activating existing plant and machineries

iii. Financing working capital requirements

**GATEWAY BANK PLC:** The company came to the market by way of rights issues of 373.70 million ordinary shares of N1.00 each at N1.10 per share, amounting to N411.07 million. The issue was raised to finance the computerization process, branch expansion and working capital.

**SUN INSURANCE PLC:** The company simultaneously issued rights and a public offer for subscription. The issues have a combined volume of 169.76 million ordinary shares of 50 kobo each at 55 kobo per share amounting to N93.36 million. The breakdown is as follows:

- i. Rights issue of 60.48 million ordinary shares of 50 kobo each at 55 kobo per share totalling N33.26 million.
- ii. Offer for subscription of 109.28 million ordinary shares of 50 kobo per share at 55 kobo per share totalling N60.10 million.

**PRUDENT BANK PLC:** The bank offered for subscription 1,000 million ordinary shares of 50 kobo each at 60 kobo per share valued at N600 million. The fund was raised purposely to finance the bank's re-engineering process, which involved expansion of branch network, acquisition of information technology and enhancement of working capital.

**NIGERIAN BREWERIES PLC:** The company offered by way of rights N7 billion Unsecured Variable Rate Convertible Loan Stock. The offer was undertaken to raise finance in foreign currency for the off shore cost of the company's major investment programmes as well as the refurbishment, replacement, and expansion of the company's production facilities.

**DELTA STATE GOVERNMENT:** Delta State Government of Nigeria offered for subscription N3.5 billion (as the 1st tranche) of the N5 billion first Delta State Floating Rate Redeemable Revenue Bond 2003/2007. The 2nd tranche of N1.5 billion is expected to be issued on or before the end of the 1st quarter of 2001. The bond with a floating rate of 2.5 per cent (P/A) above MRR (which was 14% at the time of issue) subject to a guarantee minimum of 15 per cent and maximum of 22



per cent. The bond was floated purposely to finance the building improvement and completion of development projects/infrastructure such as Water supply, Education, Health and others.

**FIRST EDO STATE OF NIGERIA REVENUE BOND 2002/2006:**  
Edo State Government of Nigeria offered for subscription N1.0 billion first Edo State 21% Floating Rate Revenue Bond 2002/2006, with a Floating Rate of 2.5 per cent (P/A) above MRR, (which was 8.0% at the time of issue) subject to a guaranteed minimum of 21% and a maximum of 29 per cent. The Bond was floated purposely to finance Ogba River side Housing Estate (a housing project).

TABLE 2

## NEW ISSUES OF PUBLIC COMPANIES, 2000

COMPANY	Type of Issue	Nominal Value (=N=)	Offer Price (=N=)	Volume (million)	Value (=N='m)	Issuing House	Date Opened
<b>RIGHTS</b>							
Wema Bank Plc	Rights	0.50	1.90	519.24	986.56	IBTC & Intercontinental Sec. Ltd.	03/01/00
Smartcard Nig. Plc	Rights	1.00	6.00	15.62	93.72	FCMB & MBC Securities Ltd.	27/01/00
Newpak Plc	Rights	0.50	0.80	30.00	24.00	NAL	17/05/00
Paterzon Zochonis Ind. Plc	Rights	0.50	6.00	335.09	2,010.54	IBTC	31/05/00
Avon Crowncaps	Rights	0.50	1.50	284.99	427.49	NAL	11/09/00
First Aluminium Plc	Rights	0.50	2.50	91.48	228.70	IBTC	21/08/00
Heinemann Education	Rights	0.50	0.60	6.26	3.76	CTSL	28/08/00
Sona Breweries Plc	Rights	1.00	1.00	100.00	100.00	-	16/08/00
University Press Plc	Rights	0.50	2.00	52.00	104.00	Fountain Securities	11/01/00
Smurfit Print Plc	Rights	0.50	0.90	18.00	16.20	Lead Merchant Bank	18/01/00
Cornerstone Ins. Plc	Rights	0.50	1.65	50.00	82.50	Lead Merc. Bank & Resort Securities	23/10/00
Enpee Ind. Plc	Rights	0.50	1.58	222.75	351.95	Nig. American Merchant Bank Ltd.	28/11/00
Gateway Bank Plc	Rights	1.00	1.10	373.70	411.07	Intercontinental Securities Ltd.	04/12/00
Sun Insurance Plc	Rights	0.50	0.55	60.48	33.26	LMB Stockbrokers	06/12/00
Sub-Total	14			2,159.61	4,873.74		
<b>OFFER FOR SUBSCRIPTION</b>							
Cornerstone Ins. Plc	Subscription	0.50	1.65	100.00	165.00	Lead Merc. Bank & Resort Securities	23/10/00
Prudent Bank Plc	Subscription	0.50	0.60	1,000.00	600.00	African Int'l & Resort Sec. Ltd.	23/11/00
Sun Insurance Plc	Subscription	0.50	0.55	109.28	60.10	LMB Stockbrokers	16/12/00
Sub-Total	3			1,209.28	825.10		
<b>DEBENTURE</b>							
Nigerian Breweries Plc	Debenture	PAR	PAR	-	7,000.00	SECTRUST	03/07/00
Sub-Total	1						
<b>PRIVATE PLACEMENT</b>							
Heinemann Education	P. Placement	0.50	0.60	14.95	8.97	CTSL	28/08/00
Sub-Total	1			14.95	8.97		
<b>STATE/BOND</b>							
Delta State Govt.	Revenue Bond	PAR	PAR	-	3,500.00	BGL Sec. & ICON Stockbrokers	06/08/00
1st Edo State Govt.	Revenue Bond	PAR	PAR	-	1,000.00	Union Merc. Bank & Fidelity Finance	20/01/00
Sub-Total	2				4,500.00		
<b>TOTAL</b>	<b>21</b>			<b>3,383.84</b>	<b>17,207.82</b>		

Table 3

SUMMARY OF NEW ISSUES OF PUBLIC COMPANIES IN 2000

Mode of offer	No. of Issues	% of Total	Volume (million)	% of Total	Value (=N='m)	% of Total
Rights	14	66.67	2159.61	63.82	4,873.75	28.32
Subscription	3	14.29	1209.28	35.74	825.10	4.79
Debentures	1	4.76	-	-	7,000.00	40.68
Private Placement	1	4.76	14.95	0.44	8.97	0.05
Revenue Bond	2	9.52	-	-	4,500.00	26.15
<b>TOTAL</b>	<b>21</b>	<b>100</b>	<b>3,383.84</b>	<b>100.00</b>	<b>17,207.82</b>	<b>100.00</b>

Table 4

QUARTERLY SUMMARY OF PUBLIC NEW ISSUES IN 2000

Quarter	No. of Issues	% of Total	Volume (million)	% of Total	Value (=N='m)	% of Total
1st	5	23.81	604.86	17.87	2,200.48	12.79
2nd	2	9.52	365.09	10.79	2,034.54	11.82
3rd	7	33.33	497.68	14.71	11,268.92	65.49
4th	7	33.33	1915.21	56.63	1,703.88	9.90
<b>TOTAL</b>	<b>21</b>	<b>100.00</b>	<b>3383.84</b>	<b>100</b>	<b>17,207.82</b>	<b>100</b>

Table 5

SUMMARY OF NEW ISSUES OF PUBLIC COMPANIES, 1990 - 2000

Year	Offer for Sub: NTM	Rights NTM	Total Equities NTM	Int. Bearing Sec. NTM	All Sec. (Total) NTM
1990	139.51	370.01	509.52	645.00	1,154.52
1991	551.45	192.58	744.03	355.00	1,099.03
1992	684.73	524.64	1,209.37	515.00	1,724.37
1993	706.17	1,517.25	2,223.42	413.50	2,636.92
1994	826.12	605.56	1,431.68	730.00	2,161.68
1995	1,250.40	2,659.78	3,910.18	515.40	4,425.58
1996	4,211.34	1,631.84	5,843.18	15.00	5,858.18
1997	8,343.17	2,120.43	10,463.60	350.00	10,813.60
1998	13754.74*	893.32	893.32	370.00	1,263.32
1999	4,629.95	7,208.49	11,838.44	200.00	12,038.44
2000	834.07	4873.75	5707.82	11500.00	17,207.82

\* Includes investment notes issued during the year

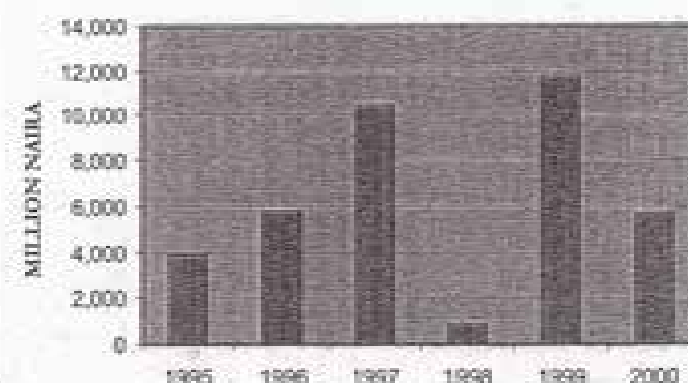
Chart 4

DISTRIBUTION OF NEW ISSUES OF PUBLIC COMPANIES IN 2000 BY VALUE



Chart 5

NEW ISSUES OF PUBLIC COMPANIES (1995-2000)



## SECONDARY MARKET

### TRADING ACTIVITIES ON THE NIGERIAN STOCK EXCHANGE IN YEAR 2000

Activities on The Nigerian Stock Exchange in terms of volume and value improved tremendously during the year under review. The development was not unconnected with the present democratic governance which has encouraged more local and foreign investors to invest in the Nigerian economy as confidence gradually returned to the country and trading activities firmed.

An aggregate of 4,998.11 million shares/units of securities valued at N28,154.58 million was traded during the reviewed year in contrast to 3,922.95 million securities worth N14,027.41 million recorded in 1999. In comparison therefore, trading activities surged by 27.41 percent and 100.71 per cent in volume and value respectively in 2000.

In line with patterns established in the past years, equities were supreme in terms of trading activities over the bond market during the year. While equities recorded 99.83 per cent of the total transactions in respect of volume, the bond market registered 0.17 percent. Similarly, in terms of value, the equities controlled 99.97 per cent of the total value traded leaving 0.03 per cent to the bond market. This has again called for concerted efforts to re-activate the bond market.

Quarterly analysis of trading showed that the third quarter was the most active quarter as it was in the preceding year. The quarter recorded a trading value of N11,628.98 million during the year under review. The fourth quarter was the second most active, registering N7,416.76 million in securities trading. At the third position was the first quarter with N4,622.09 million worth of securities while the second quarter was the least active with N4,486.80 million recorded in trading.

As experienced over the years, the Lagos trading floor controlled the bulk of activities on the exchanges, having recorded a trading value of N27,745.89 million or 98.55 per cent of the total value traded. The Onitsha trading floor was the least active of the six floors as witnessed in the previous year. The floor posted a N5.38 million worth of securities traded.

Table 6

VOLUME OF TRANSACTIONS ON THE NIGERIAN STOCK EXCHANGE (1999 - 2000)					
	1999 (Unit: million)	% OF TOTAL	2000 (Unit: million)	% OF TOTAL	% CHANGE (99/2000)
Government Stocks	9.39	0.24	8.66	0.17	-7.77
Industrial Loans/Pref. Shares	-	-	-	-	-
Equities	3,913.56	99.76	4,989.45	99.83	27.49
<b>TOTAL</b>	<b>3,922.95</b>	<b>100</b>	<b>4,998.11</b>	<b>100</b>	<b>27.41</b>

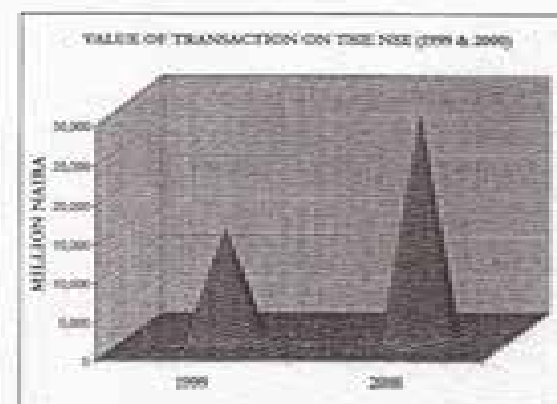
Source: Compiled from data supplied by the NSE

Table 7

VALUE OF TRANSACTIONS ON THE NIGERIAN STOCK EXCHANGE (1999 - 2000)					
	1999 (=N="m)	% OF TOTAL	2000 (=N="m)	% OF TOTAL	% CHANGE (99/2000)
Government Stocks	0.83	0.01	8.12	0.03	878.31
Industrial Loans/Pref. Shares	-	-	-	-	-
Equities	14,026.58	99.99	28,146.46	99.97	100.67
<b>TOTAL</b>	<b>14,027.41</b>	<b>100</b>	<b>28,154.58</b>	<b>100</b>	<b>100.71</b>

Source: Compiled from data supplied by the NSE

Chart 6



Source: Compiled from data supplied by the NSE

## MARKET CAPITALIZATION OF THE NIGERIAN STOCK EXCHANGE AS AT DECEMBER 31, 2000

Appreciating equity prices among other factors impacted positively on market capitalization of The Nigerian Stock Exchange (NSE) during the reporting year. The aggregate market value of all securities listed on the Exchange as at December 31, 2000 stood at N472,290.00 million as against N300,041.12 million registered during the preceding year, an increase of 57.41 percent.

Equities as witnessed over the years accounted for the bulk of the total market capitalization, having recorded N466,058.66 million or 98.68 per cent of the aggregate market value. Industrial loan and preference shares segment of the market on the other hand, recorded N4,100.04 million to contribute 1 per cent to the total market capitalization. The Federal Government development stocks accounted for 0.41 per cent of the aggregate market value with a market capitalization of N1,941.30 million. The state government bonds (N120.00 million) and local government bonds (N70.00 million) contributed 0.03 per cent and 0.01 per cent respectively.

The top twenty companies accounted for 73.89 per cent of the equity total market capitalization, recording a value of N344.4 billion. This contrasted with N202.82 billion or 68.88 per cent of total equity size recorded by the top twenty companies in 1999.

On the basis of individual companies, First Bank of Nigeria Plc was elevated from the third position it attained in the previous year to record the highest market capitalization of N38.7 billion. The company controlled 11.24 per cent of total equity market capitalization. Nigeria Breweries Plc emerged at the second position, having recorded a N37.4 billion market value or 10.86 per cent of the aggregate market capitalization. Union Bank of Nigeria Plc had N34.7 billion or 10.08 per cent of aggregate market capitalization. M-Net/Supersport which topped the list in the preceding year dropped to the fourth position during the reviewed year with a market value of N26.5 billion or 7.69 per cent of total market value.

## STOCK INDEX PERFORMANCE IN YEAR 2000

Equity prices remained firm throughout the year 2000 as evidenced in the movement of The Nigerian Stock Exchange (NSE) All Shares Index which witnessed a remarkable improvement during the year under review compared with the position in the preceding year. The index, which stood at 5,266.40 points at end of 1999, rose considerably to 8,111.01 points by end of 2000. This showed a 2,844.61 point or 54.0 per cent gain.

The impressive performance of the stock index is attributable to the gradual return of confidence in the nation's economic and enabling environment for investment created by the emergence of a democratic government in the country. The index witnessed a continuous upward trend, reaching 5,966.20 points at the end of the first quarter of the year from 5,752.90 points in January. It however dropped marginally by 1.23 percent to 5,892.79 points in April. By the end of the second quarter, the index had risen to 6,466.72 points. The stock index, which stood at 7,298.88 points as at end of the third quarter, finally peaked at 8,111.01 points to close the year.

TABLE 8

SUMMARY OF MARKET CAPITALISATION OF THE NIGERIAN STOCK EXCHANGE FOR THE YEAR ENDED 1999 & 2000

	1999 (=N='m)	% of Total	2000 (=N='m)	% of Total	% Change b/w. '99/'00
Equities	294,465.29	98.14	466,058.66	98.68	58.27
Federal Govt. Dev. Stocks	2,253.33	0.75	1,941.30	0.41	-13.85
State Govt. Bonds	120.00	0.04	120.00	0.03	-
Local Govt. Bonds	70.00	0.02	70.00	0.01	-
Industrial Loans/Pref Shares	3,132.50	0.05	4,100.04	0.87	30.89
Aggregate	300,041.12	100.00	472,290.00	100.00	57.41

Source: Compiled from data supplied by the NSE

# THE NIGERIAN CAPITAL MARKET (Cont'd)

Table 9

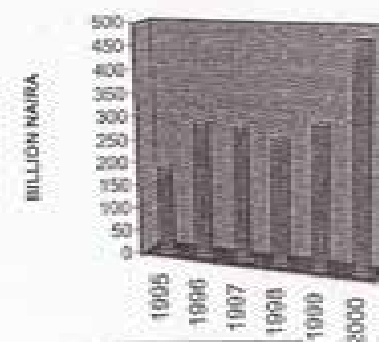
TOP 20 EQUITIES ON THE NIGERIAN STOCK EXH. BY MARKET CAPITALISATION AS AT 29<sup>th</sup> DEC., 2000

POSITION	EQUITIES	MKT. CAP N'BILLION	% OF TOP 20	% OF TOTAL
1	FIRST BANK OF NIG. PLC	38.7	11.24%	8.30%
2	NIGERIAN BREWERIES PLC	37.4	10.86%	8.02%
3	UNION BANK NIG. PLC	34.7	10.08%	7.44%
4	M-NET/SUPERSPORT	26.5	7.69%	5.69%
5	UBA PLC	23.5	6.82%	5.04%
6	GUINNESS NIG. PLC	21.6	6.27%	4.63%
7	LEVER BROTHERS NIG. PLC	19.8	5.75%	4.25%
8	NESTLE FOODS NIG. PLC	18.6	5.40%	3.99%
9	PZ INDUSTRIES PLC	15.2	4.41%	3.26%
10	TOTAL NIGERIA PLC	13.8	4.01%	2.96%
11	NIG. BOTTLING CO. PLC	11.9	3.46%	2.55%
12	W. A. PORTLAND CEM. CO. PLC	11.8	3.43%	2.53%
13	MOBIL OIL NIG. PLC	11.7	3.40%	2.51%
14	AFRIBANK PLC	11.3	3.28%	2.42%
15	CADBURY NIG. PLC	10.4	3.02%	2.23%
16	AGIP (NIGERIA) PLC	8.7	2.53%	1.87%
17	NATIONAL OIL CO. PLC	8.5	2.47%	1.82%
18	TEXACO NIG. PLC	7.9	2.29%	1.69%
19	JULIUS BERGER NIG. PLC	6.5	1.89%	1.39%
20	GUARANTY TRUST BANK PLC	5.9	1.71%	1.27%
	SUB-TOTAL	344.4	100.00%	73.89%
	OTHERS	121.7		26.11%
	GRAND-TOTAL	466.1		100.00%

Source: Compiled from data supplied by The Nigerian Stock Exchange

Chart 7

TOTAL MARKET CAPITALISATION ON THE NSE  
(1995-2000)

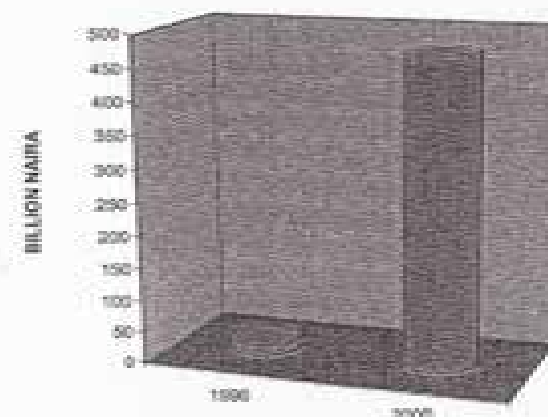


Note: Total refers to all Securities on the NSE (i.e. equities and debt instruments)

Source: Compiled from data supplied by the NSE

Chart 8

TOTAL MARKET CAPITALISATION OF THE  
NSE (1990 & 2000)



Source: Compiled from data supplied by the NSE

Chart 9

TOP 10 EQUITIES OF LISTED COMPANIES BY MKT. CAP. ON THE NSE  
AS AT 29TH DEC., 2000

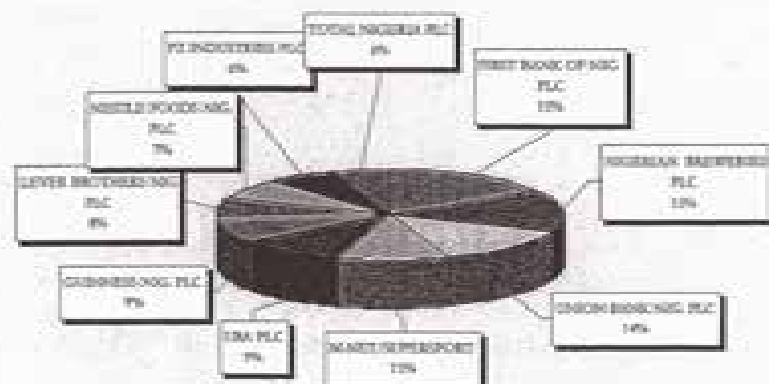
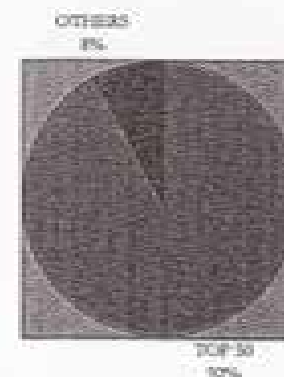


Chart 11

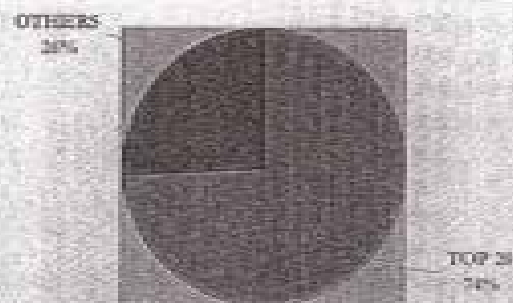
MARKET CONCENTRATION  
(% of Market Capitalization held by Top 50 Companies)



Source: Compiled from data supplied by the NSE

Chart 10

MARKET CAPITALISATION ON THE NSE AS AT 29TH DEC., 2000



Source: Compiled from data supplied by the NSE

# THE NIGERIAN CAPITAL MARKET(Cont'd)

20

Table 10

THE NIGERIAN STOCK EXCHANGE ALL-SHARES INDEX (1996 - 2000)

MONTH	1996	1997	1998	1999	2000
JANUARY	5,135.1	7,268.3	6,435.6	5,494.8	5,752.9
FEBRUARY	5,180.4	7,699.3	6,426.2	5,376.5	5,955.7
MARCH	5,266.2	8,561.4	6,298.5	5,456.2	5,966.2
APRIL	5,412.4	8,729.8	6,113.9	5,315.7	5,892.8
MAY	5,704.1	8,592.3	6,033.9	5,315.7	6,095.4
JUNE	5,798.7	8,459.3	5,892.1	5,977.9	6,466.7
JULY	5,919.4	8,148.8	5,817.0	4,964.4	6,900.7
AUGUST	6,141.0	7,682.0	5,795.7	4,946.2	7,394.1
SEPTEMBER	6,501.9	7,130.8	5,697.7	4,890.8	7,298.9
OCTOBER	6,634.8	6,554.8	5,671.0	5,032.5	7,415.3
NOVEMBER	6,775.6	6,395.8	5,688.2	5,133.2	7,164.4
DECEMBER	6,992.1	6,440.5	5,672.7	5,266.4	8,111.0

Source: Compiled from the NSE daily Official List

Table 11

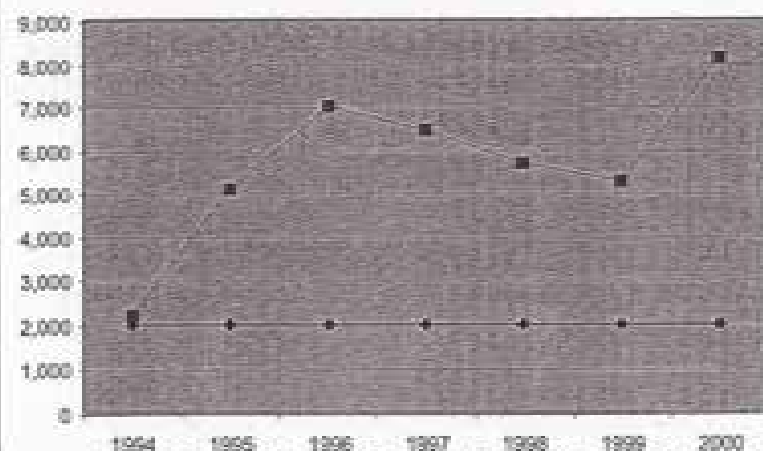
THE NSE ALL-SHARES INDEX PERCENTAGE CHANGE (1984-2000)

YEAR	INDEX	% CHANGE	CUM.CHANGE %
1984	100.0	-	-
1985	127.3	27.3	27.3
1986	163.8	28.7	56.0
1987	190.9	16.5	72.5
1988	233.6	22.4	94.9
1989	325.3	39.5	134.4
1990	513.8	57.9	192.3
1991	783.0	52.4	244.7
1992	1,107.6	41.5	286.2
1993	1,543.8	39.4	325.6
1994	2,205.0	42.8	368.4
1995	5,092.0	130.9	499.3
1996	6,992.0	37.3	536.6
1997	6,440.5	(7.9)	528.7
1998	5,672.7	(11.9)	516.8
1999	5,266.4	(7.2)	509.6
2000	8,111.0	54.0	563.6



Chart 12

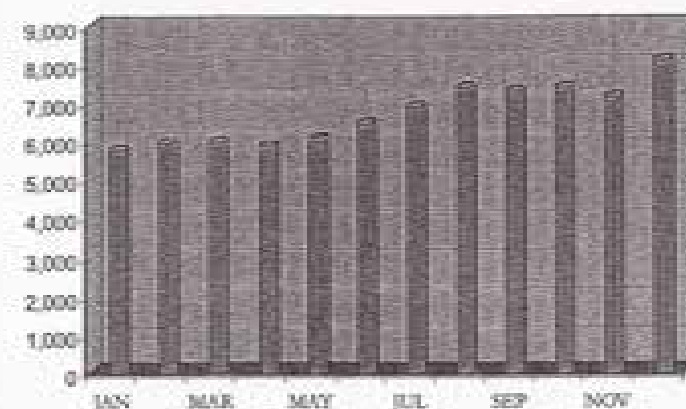
THE NSE ALL-SHARES INDEX MOVEMENT



Source: The NSE (Daily Official List)

Chart 13

THE NSE ALL-SHARES INDEX MOVEMENT (JAN. - DEC. 2000)



Source: The Nigerian Stock Exchange

## PROSPECTS OF THE OVER THE COUNTER MARKET IN THE NIGERIAN CAPITAL MARKET.

### Background

A millennium event, coming closely following the implementation of the Investments and Securities Act is about to be witnessed in the Nigerian capital market. The finalizing of arrangements for the debut of a recognized exchange for trading in securities of public unquoted companies in the Over-the-Counter (OTC) market is presently a priority of some capital market operators and the Securities and Exchange Commission (SEC).

The Capital Market Committee (CMC), which is chaired by SEC and has capital market operators as members in its last few meetings has focused considerably on the OTC. The operations of the OTC and the pending application for registration filed by the National Association of Securities Dealers (NASD), which is to operate the OTC market is being looked at by SEC with a view to granting registration very soon. The OTC market would operate under the supervision and guidelines of the NASD as a Self Regulatory Organisation.

An OTC market is a market for securities that are not listed and traded on a recognised stock exchange. Transactions in the market are conducted through a telephone and computer network connecting dealers in stocks and bonds, rather than on the floor of an exchange. The market is expected to transform the Nigerian capital market from its present level, and address the peculiar needs of distinct investors by providing them with easy access, better liquidity, quick settlements and transparency.

The need for establishing the OTC market is underscored by the realization that a wholesale illegal market may be flourishing on unregistered securities, to the detriment of the integrity of the market. The potential for eligible companies is verifiable from the number of listable securities, which unconfirmed reports put at several hundreds. The exact size of the OTC market is presently estimated at about 102 government and corporate securities.

### Essence of Registration/Regulation

Registration has always been made mandatory for securities transactions to be formalised in the Nigerian capital market.

A primary means of accomplishing the goals of investor protection is the disclosure of important financial information through the registration of securities. Dealing in unregistered securities constitutes a violation of Section 32(1) of the ISA, which states that no person shall transfer, issue or sell securities to the public unless such securities are registered with the SEC. Further, Section 29(1) of the Act compels the registration of anybody transacting securities business. The power to register, regulate and oversee market participants and SROs are drawn from the Act. Registration has the following goals:

- Registration ensures compliance with the SEC rules on orderly, fair and equitable dealings in securities;
- Through registration, investors are able to have a market-determined value of securities held by them.
- Registration subjects issuers to greater regulatory oversight by the SEC.
- It prevents fictitious or misleading quotations;
- Promotes orderly procedures for rendering allotments;
- Regulation will remove impediments to free and open market;
- Regulation will ensure that NASD rules are designed to prevent fraudulent and manipulative acts and practices;
- Registration compels issuers to disclose certain information on their financial statements and other businesses;
- Registration provides the gate way for entering the capital market;
- Registration enables wider coverage of the market for surveillance, monitoring, supervision and enforcement activities of the SEC.

The Commission is presently at the forefront of the evolution of better corporate governance of public companies. Many proprietary public companies joining the OTC market would be expected to shift emphasis from closely held ownership and control to shareholder oriented institutions, once they are registered. This would enable them enjoy the benefits that accrue to well governed public companies.

## The Registration Process

The NASD, in Nigeria has submitted an application for registration as a Self Regulatory Organisation to operate the OTC market. Authorisation to commence trading is contingent upon issuance of SEC registration certificate, for which the following are required.

- (i) Copy of the certificate of incorporation;
- (ii) Latest copy of audited accounts or statement of affairs;
- (iii) Copies of the Memorandum and Articles of Association;
- (iv) Copy of existing bye-laws or rules, code of conduct, code of dealings etc;
- (v) Information relating to market facilities including:
  - (a) Computerisation and telephone system;
  - (b) Quotation board;
  - (c) Information board.
- (vi) Information as to its organization including structure and profile of members of its council board as well as rules and prospectus;
- (vii) Detailed information about the trading system to be adopted;
- (viii) Inspection and instruction manual of members activities;
- (ix) Detailed information about the promoters and principals of the association;
- (x) Undertaking to enforce compliance by its members with the provision of the ISA Act and rules and regulations of SEC;
- (xi) Application for registration of at least three principal officers of NASD;
- (xii) Minimum paid-up capital of N300m.

The NASD has not fully complied with all the above requirements to enable SEC take a decision on the application for registration.

## THE OPERATION

The OTC market in Nigeria is expected to be fashioned after the USA's National

Association of Securities Dealers Automated Quotations (NASDAQ) system.

Trading in securities (equity and debt) of the vast number of unquoted public companies would be done through listing of such securities in the market. The market operates as an avenue for the efficient, simple and relatively cheap placing of initial issues of securities and the subsequent transfer of these among investors.

## Participants in the OTC market

- (i) The issuer
- (ii) The customer (investor)
- (iii) The broker
- (iv) The market maker
- (v) The NASD (SRO)

## Market Maker

The OTC market makers are NASD registered broker/dealers who openly compete for investors orders by entering prices at which they are willing to buy and sell securities over the network provided by NASD. Market makers are licensed by the NASD as its authorized representatives who must also have been registered with the SEC.

There may be more than one market maker in any one security, each maintaining certain minimum varying capital in the securities in which they trade. A market maker is allowed to determine his bid and offer prices based on his assessment of all the circumstances pertaining to that security but does not exceed the usual mark-up/mark-down stipulated by the NASD. A market maker is thus required to continually maintain a stipulated amount of net capital for each security in which he desires to make market.

A market maker is also required to regularly publish its own competitive bid and offer quotations; and furnish same to other brokers and dealers on request. The market maker introduces to the NASD the issuer whose securities are to be listed.

## National Association of Securities Dealers (NASD)

The OTC will be managed and regulated by National Association of Securities Dealers (NASD). The NASD is saddled with the responsibilities of issuing appropriate guidelines and procedures for the regulation of operations of the market. Also, trading facilities for the proposed OTC market would be provided by the NASD.

Like other SROs, the NASD is expected to issue periodic listing standards and exercise some direct oversight responsibility on the OTC. The NASD and the OTC market are to be subjected to the oversight of the Secretary.

## **Listing of Securities on the OTC**

The issuer of securities seeking quotation on the OTC will file application for registration of its securities with the SEC in accordance with existing procedures under the Rules and Regulations issued by the SEC. Similar application for listing will be made to NASD in accordance with NASD eligibility criteria. However, the listing requirements in the OTC market are not expected to be as elaborate as currently in force at the two stock exchanges.

Disclosure requirements on financial information, periodic reporting, allotment procedures, etc., are all issues that are expected to be cleared by the SEC.

## **Trading and Settlement**

Transactions are reported to the NASD through a tele-computer network of OTC members on daily basis.

Transactions between customer and a broker or as between broker and broker or broker and market maker or market maker and market maker are reported to the NASD. The NASD would then summarise, publish and distribute daily trading statistics and quotations for public information.

Transactions will be at prices stated by members for which they are under a duty to purchase or sell securities only at the bid and offer prices which they have indicated. Members are under obligation by NASD to disclose the capacities they are acting before the completion of the transactions to the counter party. Delivery and settlement of trades effected on the OTC are expected to be completed within 5 days.

Prices at which a market maker is ready to buy and sell a given security for which he has been authorized as a market maker will be determined by him. This will be based on his own assessment of the circumstances pertaining to that security and he will be obliged to dispose or sell-out any quantities of such securities that may be demanded of him by other market makers or brokers.

Charges for services rendered by any member who has not committed any of its own capital for the account of any customer, but has merely facilitated such sales or purchases in a non-risk bearing capacity will only be limited to brokerage commission on margins stipulated by the NASD and will be set as to be fair to the customer. This is outside the normal charges for risk taking, valuation and custody services.

## **IMPACT OF THE MARKET**

The hallmark of the OTC is its network of competing dealers, referred to as market makers. In the capital market, market makers represent those registered operators such as broker dealers, issuing houses, underwriters, investment advisers, investment bankers, jobbers, registrars etc. With the introduction of universal banking system, more financial institutions as retail banks, insurance companies, pension fund companies and other institutional investors are expected to directly or through their subsidiaries join the OTC as market makers. Most of these institutions already have wide channels of distribution which would facilitate wider participation in the market and enhance confidence. In addition, the OTC market is expected to make the following impact:

- (i) The aggregation of competent professionals knowledgeable in securities business would also assist both issuers and investors in making good decisions.  
  
Moreover, the operators are capable of channelling more funds to back up securities for which they are making market.
- (ii) Through the platform of OTC, issues would benefit from greater liquidity provided by multiple market makers who commit more capital with the capacity to absorb large increases in volume.
- (iii) Joining the OTC would ultimately increase the visibility for a hitherto hidden company providing avenues for accessing the markets variously financing options.
- (iv) The open competition for investor orders in the OTC produces efficient pricing. It also provides the market with the capacity to absorb large volumes of securities transactions.
- (v) The OTC would provide significant increase in the total capitalization of the market, in terms of share volume and market value.

- (vi) The new market expected from the NASD would also provide opportunity for greater portfolio diversification through an efficient entry and exit mechanism.
- (vii) With the deregulation of core sectors of the economy, OTC is expected to attract direct foreign investment as new growth companies spring up.
- (viii) Since operation in the market is going to be screen-based, members are expected to maintain sufficient investment in Information Technology thereby making the OTC attractive to cross-border listing. The OTC will offer the many features of standardized and formal trading in securities which are currently not available to this huge investor-base in the economy.

## Cross Country Comparison

The NASD OTC is referred to as the NASDAQ in USA, and it is today the world's fastest growing stock market.

The market as at March 2001 had 4587 listed companies and 4899 issues had been listed. Market value as at March 2001 totalled \$3.742 trillion. The NASDAQ market is an interdealer market represented by over 640 securities dealers.

The NASDAQ is building the world's first truly global stock market in Japan, Europe, Hong-Kong and Canada, thereby creating a broad pooled investors.

In Europe, its equivalent is the EASDAQ, located in Brussels which has been bought over by NASDAQ earlier this year 2001. In Germany, there is also the NEUER market.

In India, there is the Over The Counter Exchange of India, which has companies with issued capital between \$65,000,000 and \$5.5m listed on the OTCEI. Currently, more than 250 scrips are traded at OTCEI with a market capitalisation of over \$95m.

The exchange has more than 1,000 members and dealers, spread across the country. There are other regional OTC's in India, more in number than the 23 stock exchanges.

The development of an OTC market in Nigeria will no doubt address the perennial problem of the shallowness of the market as more securities will become available.

# THE COMMISSION AND ITS FUNCTIONS

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## REGISTRATION OF CAPITAL MARKET OPERATORS

A total of fifty-three (53) operators were registered during the review period to perform various functions in the Capital Market. The distribution shows that Solicitors and Reporting Accountants with twenty (20) and ten (10) respectively recorded the highest numbers of registrants. Eight (8) applicants were registered in the Broker/Dealer category. One (1) was registered as a Quantity Surveyor, four (4) as Investment Advisers and Portfolio Managers and one (1) as a Trustee. Others were three (3) Investment Advisers, one (1) combination of Trustee and Portfolio Managers, one (1) Portfolio Manager and one (1) Registrar.

As at December 2000, there were 233 registered Market Operators. (See appendix).

## CATEGORIES OF OPERATORS REGISTERED DURING THE REVIEW PERIOD

S/No	Function	No of Registrants
1.	Solicitors	20
2.	Reporting Accountant	10
3.	Broker dealer	8
4.	Investment Adviser & Portfolio manager	4
5.	Investment Adviser	3
6.	Reporting Accountant & Investment Adviser	3
7.	Trustee	1
8.	Portfolio Manager	1
9.	Trustees & Portfolio Manager	1
10.	Registrar	1
11.	Quantity Surveyor	1

## REVALIDATION OF CAPITAL MARKET LICENCE

Four (4) companies that had failed to meet the Commission's deadline on recapitalisation as at December 31, 1999 applied for and had their licenses revalidated after they had recapitalised.

## APPLICATION FOR ADDITIONAL FUNCTIONS

During the year, five (5) companies previously registered with the Commission applied for and were granted approval to perform additional functions.

## PRE-REGISTRATION INSPECTION OF PROSPECTIVE OPERATORS

The Commission embarked upon pre-registration inspection for all prospective capital market operators. This was to ensure that those who applied to operate in the capital market had the required facilities and were fit and proper to perform the functions for which they were to register.

## RENEWAL OF REGISTRATION

During the year under review, eighty-three (83) companies renewed their registration for various functions. The following table shows the number of renewals under each function.

## CATEGORY OF OPERATORS WHO RENEWED THEIR REGISTRATION DURING THE YEAR

S/No	Functions	No. of Companies
1.	Broker Dealer	38
2.	Issuing House	5
3.	Issuing House/Broker Dealer	16
4.	Broker Dealer, Issuing House & Registrar	1
5.	Registrar	8
6.	Investment Adviser, Portfolio Manager & Trustee	1
7.	Trustees	1
8.	Registrar & Broker Dealer	1
9.	Investment Adviser	1
10.	Issuing House & Portfolio Manager	1
11.	Registrar, Inv. Adviser, Portfolio Manager & Trustee	1
12.	Issuing House, Registrar	1
13.	Trustee	1
14.	Investment Adviser, Portfolio Manager	1
15.	Portfolio Manager	1
16.	Broker Dealer, Inv. Adv. & P/Manager	1
17.	Reporting Accounting & Inv. Adviser	1

In addition to the above, a number of requests for confidential reports from the CBN on market operators were received and replied during the year under review.

# THE COMMISSION AND ITS FUNCTIONS(Cont'd)

Table 12

## REGISTERED SECURITIES FOR THE YEAR 2000 RIGHTS ISSUE

S/N	ISSUER	Nominal Value (N)	Offer Price (N)	Volume (M)	Value (N'M)	Issuing House	Date Registered
1	Heinemann Educ. Books Plc	0.50	0.60	6.26	3.76	Counters Trust Securities Ltd.	03/07/2000
2	Wema Bank Plc	0.50	1.90	519.24	986.56	Int'l Sec. Ltd. & IBTC	03/02/2000
3	Smartcard Nig. Plc	1.00	6.00	15.62	93.72	FCMB & MBC Sec.	26/01/2000
4	Newpak Plc	0.50	0.80	30.00	24.00	NAL Merc. Bank	16/05/2000
5	Paterzon Zachonis Ind. Plc	0.50	6.00	335.09	2010.54	IBTC	30/05/2000
6	Sona Breweries Plc	1.00	1.00	100.00	100.00	Sona Breweries Plc	18/07/2000
7	First Aluminium Plc	0.50	2.50	91.48	228.70	IBTC	18/08/2000
8	Avon Crowcaps & Containers Plc	0.50	1.50	284.99	427.49	FBN (Merc. Bankers)	05/09/2000
9	University Press Plc	0.50	2.00	52.00	104.00	Fountain Sec.	10/10/2000
10	Smurfit Prints Nigeria Plc	0.50	0.90	18.00	16.20	Lead Merc. Bank	17/10/2000
11	Cornerstone Ins. Plc	0.50	1.65	50.00	82.50	Lead & Ressort Sec.	20/10/2000
12	Enpee Ind. Plc	0.50	1.58	222.75	351.95	Nig. American Mer. Bank	01/12/2000
13	Gateway Bank Plc	1.00	1.10	373.69	411.06	International Sec. Ltd.	04/12/2000
14	Sun Insurance Plc	0.50	0.55	60.48	33.26	LMB Stockbrokers	01/12/2000
	Sub-Total (14)			2,159.60	4,873.74		

## OFFER FOR SALES(PRIVATISATION)

	ISSUER	Nominal Value (N)	Offer Price (N)	Volume (N'M)	Value (N'M)	Issuing House	Date Registered
1	African Petroleum Plc	0.50	28.50	86.40	2,462.40	NAL & Capital Bancorp	06/04/2000
2	Ashaka Cement Plc	0.50	8.25	206.97	1,707.50	AfriBank Int'l & Hamilton Hammer	26/01/2000
3	Unipetrol Nig. Plc	0.50	29.00	62.50	1,812.50	FBN M/Bank & Nig.Amer.Mer.Bank	30/05/2000
4	NAL Merchant Bank Plc	0.50	2.75	419.43	1,153.43	Denham Mgt. & SECTRUST Ltd.	23/06/2000
5	IMS Plc	0.50	0.75	19.20	14.40	Denham Mgt. & SECTRUST Ltd.	23/06/2000
6	NOLCHEM Plc	0.50	25.00	274.40	6,860.00	IBTC / Union Merc. Bank	01/09/2000
7	Cement Co. of N. Nigeria Plc	0.50	2.50	177.29	443.23	Liberty Mer. Bank	11/09/2000
	Sub-total (7)			1,246.19	14,453.46		

## OFFER FOR SUBSCRIPTION

	ISSUER	Nominal Value (N)	Offer Price (N)	Volume (N'M)	Value (N'M)	Issuing House	Date Registered
1	Cornerstone Insurance Plc	0.50	1.65	100.00	165.00	Lead Mer. Bank & Ressort Sec.	23/10/2000
2	Prudent Bank Plc	0.50	0.60	1,000.00	600.00	AfriBank Int'l & Ressort Sec.	22/11/2000
3	Sun Insurance Plc	0.50	0.55	109.28	60.10	LMB Stockbrokers	07/12/2000
	Sub-total (3)			1,209.28	825.10		

# THE COMMISSION AND ITS FUNCTIONS(Cont'd)

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Table 12 cont'd.

## CONVERSION OF DEBENTURE TO EQUITY

S/N	ISSUER	No. of Shares (M)	Offer Price (N)	Value (N'M)	Issuing House	Date Reg.
1	Smartcard Nig. Plc	16.67	6.00	100.02	FCMB & MBC Sec	15/08/2000
2	Aiprint Nig. Plc	7.94	2.52	20.01	-	12/09/2000
3	Centre-Point Merc. Bank	167.48	1.00	167.48	Centre-Point Mer. Bank	20/11/2000
	Sub-total (3)	192.09		287.51		

## DEBENTURE

ISSUER	Nominal Value (N)	Offer Price (N)	Volume (M)	Value (N'M)	Issuing House	Date Reg.
1 Nigerian Breweries Plc	Par	Par	-	7,000.00	SECTRUST	04/07/2000
Sub-total (1)				7,000.00		

## REVENUE BOND

	ISSUER	Nominal Value (N)	Offer Price (N)	Volume (M)	Value (N'M)	Issuing House	Date Reg.
1	1st Edo State Govt. Revenue Bond (1st Tranche)	-	-	Par	500.00	Union Merchant Bank & Fidelity Finance Group	25/02/2000
2	1st Edo State Govt. Revenue Bond (2nd Tranche)	-	-	-	500.00	Union Mer. Bank & Fidelity Fin. Co.	11/10/2000
3	Delta State govt. Bond	Par	Par	-	5,000.00	BGL Sec. & ICON Stockbrokers	14/12/2000
	Sub-total (3)				6,000.00		

## PRIVATE PLACEMENT

ISSUER	Nominal Value (N)	Offer Price (N)	Volume (M)	Value (N'M)	Issuing House	Date Reg.
1 Heinemann Education Books Plc	0.50	0.60	14.95	8.97	Counters Trust Sec. Ltd.	10/10/2000
Sub-total (1)			14.95	8.97		

## OUTSTANDING SECURITIES

	ISSUER	Nominal Value (N)	Offer Price (N)	Volume (M)	Value (N'M)	Issuing House	Date Reg.
1	Magnum Trust Bank Plc	0.50	1.00	500.00	500.00	Magnum Trust Bank Plc	03/07/2000
	Sub-total (1)			500.00	500.00		
	GRAND TOTAL			5,322.11	33,948.78		



# THE COMMISSION AND ITS FUNCTIONS(Cont'd)

## REGISTRATION OF SECURITIES

A total of fifty-four (54) Securities involving 8.68 billion shares valued at N35.88 billion were registered in the year 2000. This included, three (3) offer for subscription involving 1.2 billion shares worth N0.83 billion. Fourteen (14) right issues worth N4.87 billion, Seven (7) offer for sale amounting to N14.45 billion, Twenty-two (22) bonus issues with a total value of N1.9 billion. Others were two (2) State Revenue Bonds valued at N6.0 billion, three (3) conversion from debt to equity. (N287.5 million), One (1) Debenture Stocks (N7.0 billion), One (1) outstanding shares (N500.0 million) and one (1) private placement of a public unquoted company (N8.9 million).

## REVIEW OF OFFER DOCUMENTS

A total number of 57 applications involving 11.45 billion shares worth N43.47 billion was reviewed in the year 2000, out of which 56 applications involving 10.35 billion ordinary shares worth N42.92 billion were cleared.

The breakdown of the issues cleared showed that there were 18 rights issues involving 2,919.70 million shares valued at N5,075.08 million, 9 offer for sales of 1,721.59 million shares amounting to N18,779.35 million, 4 offer for subscription valued at N3,425.10 million, 2 State Revenue Bonds amounting to N6.0 billion, 1 (One) Debenture stock valued at N7.00 billion, 1 (One) Outstanding share of 500.00 million ordinary shares worth N500.00 million and 1 (One) each of share Transfer of 1.92 ordinary shares worth N3.90 million and conversion of 16.67 million ordinary shares valued at N100.00 million.

Table 12 Cont'd.

## REGISTERED BONUS ISSUE 2000

S/N	Company	Nominal Value (N)	No. of Bonus Share Issues (M)	Amount Capitalised (N/M)	Date Registered
1	AllState Trust Bank Plc	1.00	62.62	62.62	26/01/2000
2	Nigerian Bottling Co. Plc	0.50	6.90	3.45	08/02/2000
3	ECOBANK Nig. Plc	1.00	445.00	445.00	20/03/2000
4	United Nigeria Textile Plc	0.50	131.60	65.80	20/03/2000
5	G. Cappa Plc	0.50	25.00	12.50	20/03/2000
6	Wema Bank Plc	0.50	695.17	347.14	18/04/2000
7	Avon Crowncaps & Containers Plc	0.50	95.00	47.50	23/05/2000
8	Vitalfoam Nig. Plc	0.50	145.60	72.80	19/07/2000
9	WAPIC Insurance Plc	0.50	12.00	6.00	26/09/2000
10	First Bank Nig. Plc	0.50	325.19	162.60	26/09/2000
11	Sun Insurance Plc	0.50	20.16	10.08	26/09/2000
12	Dunlop Nig. Plc	0.50	100.80	50.40	23/10/2000
13	Alprint Nig. Plc	0.50	108.32	54.16	31/10/2000
14	Morison Ind. Plc	0.50	24.35	12.18	01/11/2000
15	Cement Co. of N. Nigeria Plc	0.50	60.00	30.00	06/11/2000
16	Enpee Ind. Plc	0.50	49.50	24.75	13/11/2000
17	Prestige Assurance Plc	0.50	35.10	17.55	15/11/2000
18	USA Plc	0.50	700.00	350.00	15/11/2000
19	WAPIC Insurance Plc	0.50	20.00	10.00	23/11/2000
20	Omega Bank Nig. Plc	0.50	93.95	46.97	06/12/2000
21	LASACO Assurance Plc	0.50	20.82	10.41	07/12/2000
22	Nigerian Bottling Co. Plc	0.50	177.17	88.59	20/12/2000
	TOTAL (22)		3,354.25	1,930.50	

Chart 14

NUMBER OF SECURITIES REGISTERED BY THE COMMISSION IN 1999 & 2000

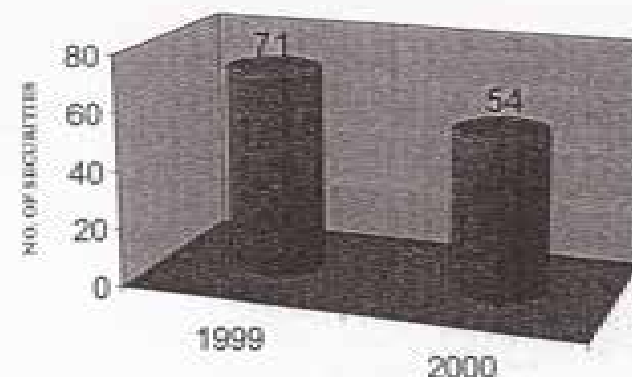


Chart 15

VALUE OF SECURITIES REGISTERED BY THE COMMISSION IN 1999 & 2000

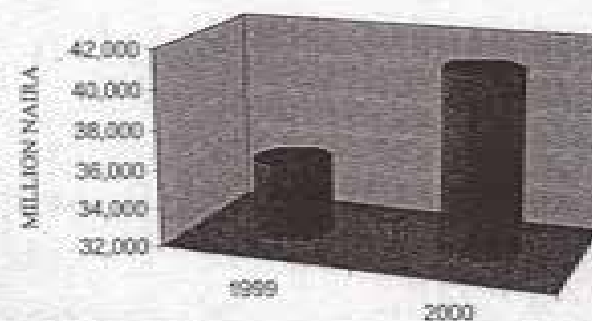
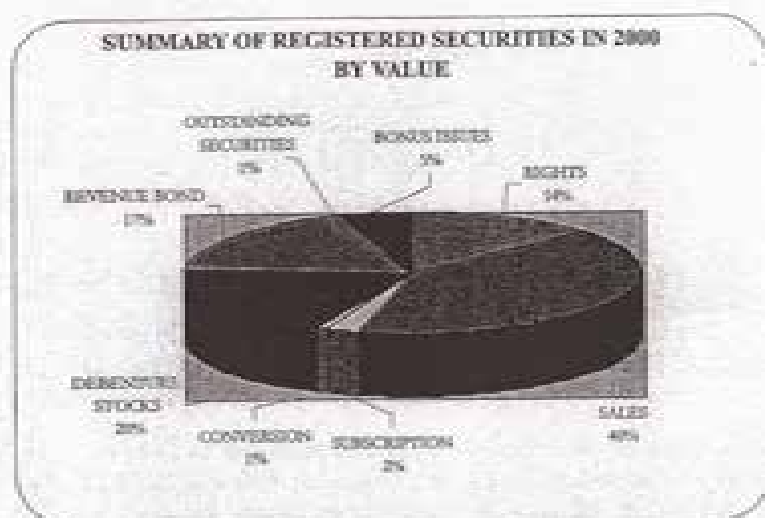


Table 13

SUMMARY OF REGISTERED SECURITIES FOR THE YEAR 2000

SN	MODE OF OFFER	No. of Issues	% of Total	Volume Million Shares	% of Total	Value ₦' Million	% of Total
1	RIGHTS	14	25.93	2,159.60	24.89	4,873.74	13.58
2	SALES	7	12.96	1,246.19	14.36	14,453.46	40.28
3	SUBSCRIPTION	3	5.56	1,209.28	13.94	825.10	2.30
4	CONVERSION	3	5.56	192.09	2.22	287.51	0.80
5	DEBENTURE STOCKS	1	1.85	-	-	7,000.00	19.52
6	STATE GOVT. REVENUE BONDS	2	3.70	-	-	6,000.00	16.72
7	OUTSTANDING SECURITIES	1	1.85	500.00	5.76	500.00	1.39
8	PRIVATE PLACEMENT	1	1.85	14.95	0.17	8.97	0.03
9	BONUS ISSUES	22	40.74	3,354.25	38.66	1,930.50	5.38
	<b>TOTAL</b>	<b>54</b>	<b>100.00</b>	<b>8,676.36</b>	<b>100.00</b>	<b>35,879.28</b>	<b>100.00</b>

Chart 16



### ALLOTMENT CLEARANCE

A total of nineteen (19) companies and a State Government (Revenue bond) involving 4.89 billion shares amounting to N18.92 billion was treated during the year.

Out of these proposals, twelve (12) issues were by way of rights, five (5) were in respect of offer for subscription, and one (1) each on offer for sale, Debt Conversion to equity respectively. A breakdown of the level of subscription showed that 12 issues were over subscribed, while two (2) issues were fully subscribed and five (5) issues were under subscribed.

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## PROCESSED OFFER DOCUMENTS IN 2000

N	COMPANY	ISSUING HOUSES	ISSUE TYPE	NOMINAL VALUE	OFFER PRICE (N - K)	VOLUME (M)	VALUE N	REMARK
1	Nigerian Bottling Company Plc		Bonus	0.50	0.50	6.89	3.45	Cleared
2	Cornerstone Insurance Plc		Bonus	0.50	0.50	60.00	30.00	Cleared
3	Allstates Trust Bank		Bonus	1.00	1.00	62.62	62.62	Cleared
4	United Nigerian Textiles Plc		Bonus	0.50	0.50	131.60	65.80	Cleared
5	G.Cappa Plc		Bonus	0.50	0.50	25.00	12.50	Cleared
6	Ecobank (Nig) Plc		Bonus	1.00	1.00	445.00	445.00	Cleared
7	Wema Bank Plc		Bonus	0.50	0.50	694.26	347.13	Cleared
8	Avon Crowncaps & Containers Plc		Bonus	0.50	0.50	94.99	47.50	Cleared
9	Vitafoam Nig. Plc		Bonus	0.50	0.50	145.60	72.80	Cleared
10	WAPIC Insurance Plc		Bonus	0.50	0.50	12.00	6.00	Cleared
11	SUN Insurance Plc		Bonus	0.50	0.50	20.16	10.08	Cleared
12	First Bank of Nigeria Plc		Bonus	0.50	0.50	325.19	162.60	Cleared
13	CCNN Plc	Liberty Mer. Bank & Profound Sec. Ltd.	Offer for Sale	0.50	2.50	177.29	443.23	Cleared
14	NOLCEM Plc	IBTC & Union Merchant Bank	Offer for Sale	0.50	25.00	274.40	6,860.00	Cleared
15	Omega Bank Nig. Plc		Bonus	0.50	0.50	93.95	46.98	Cleared
16	Sona Breweries Plc		Rights	0.50	1.00	100.00	100.00	Cleared
17	Nigerian Bottling Co. Plc		Bonus	0.50	0.50	177.17	88.59	Cleared
18	BAICO Insurance Plc		Rights	0.50	0.52	192.50	100.10	Cleared
19	Prudent Bank Plc	Afribank Int'l (Merc. Bank) & Resort Sec.)	Offer for Sub.	0.50	0.60	1,000.00	600.00	Cleared

# THE COMMISSION AND ITS FUNCTIONS(Cont'd)

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20	Golden Guinea Breweries Plc	Afribank Int'l Ltd.	Rights	0.50	1.20	136.08	163.30	Cleared
21	Gateway Bank Plc	Intercontinental Sec. Ltd	Rights	0.50	1.10	373.70	411.06	Cleared
22	Avon Crowncaps & Containers Plc	FBN Merchant Bankers Ltd.	Rights	0.50	1.50	285.00	427.50	Cleared
23	PZ Industries Plc	IBTC Ltd.	Rights	0.50	6.00	335.09	2,010.54	Cleared
24	Smartcard Nigeria Plc	FCMB Plc & MBC Sec Ltd.	Loan Stock to Ord. Shares	1.00	6.00	16.67	100.02	Cleared
25	Tourist Co. of Nig. Plc	NAL & Triumph Mer. Bank	Offer for Sub.	0.50	4.00	650.00	2,600.00	Cleared
26	Cornerstone Insurance Plc	Lead Merc. Bank & Resort Sec.	Offer for Sub.	0.50	1.65	100.00	165.00	Cleared
27	Cornerstone Insurance Plc	Lead Merc. Bank & Resort Sec.	Rights	0.50	1.65	50.00	82.50	Cleared
28	University Press Plc	Fountain Securities Ltd.	Rights	0.50	2.00	52.00	104.00	Cleared
29	BCN Plc		Rights	0.50	0.5	52.50	26.25	Cleared
30	Smurfit Prints Nig. Plc	Lead Merchant Bank Ltd.	Rights	0.50	0.9	18.00	16.20	Cleared
31	Inlaks Plc		Transfer	0.50	2.00	1.92	3.84	Cleared
32	FSB International Bank Plc	Fountain Trust & Metropolitan Mer. Bank	Offer for sale	0.50	4.20	380.60	1,598.52	Cleared
33	Ashaka Cement Plc	Afribank Int'l & Hamilton Hammer Ltd.	Offer for Sale	0.50	8.25	206.97	1,707.50	Cleared
34	WAPCO Plc	MBIC Nig. Ltd & IMB Plc	Offer for sale	0.50	27.50	94.81	2,607.28	Cleared
35	AP Plc	NAL & Capital Bancorp Ltd.	Offer for sale	0.50	28.50	86.40	2,462.40	Cleared
36	Unipetrol Nigeria Plc	FBN (Merchant Bankers) Ltd.	Offer for sale	0.50	29.00	62.50	1,812.50	Cleared
37	Int'l Merchant Bank Plc	Denham Mgt. Ltd. & SECTRUST	Offer for sale	0.50	7.00	19.19	134.33	Cleared
38	NAL Merchant Bank Plc	Denham Mgt. Ltd. & SECTRUST	Offer for Sale	0.50	2.75	419.43	1,153.43	Cleared
39	SUN Insurance Plc	LMB Stockbrokers Ltd.	Offer for Sub.	0.50	0.55	109.28	60.10	Cleared

# THE COMMISSION AND ITS FUNCTIONS(Cont'd)

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SUN Insurance Plc	LMB Stockbrokers Ltd.	Rights	0.50	0.55	60.48	33.26	Cleared
First Aluminium Nig. Plc	IBTC Ltd.	Rights	0.50	2.50	91.48	228.70	Cleared
ENPEE Industries Plc	NAMB Ltd.	Rights	0.50	1.58	222.75	351.95	Cleared
ENPEE Industries Plc		Bonus	0.50	-	49.50	24.75	Cleared
Prestige Assurance Plc		Bonus	0.50	-	35.10	17.55	Cleared
UBA Plc		Bonus	0.50	-	700.00	350.00	Cleared
HABIB Nig. Bank Plc		Bonus	1.00	-	230.92	230.92	Cleared
WAPIC Insurance Plc		Bonus	0.50	-	20.00	10.00	Cleared
A.G. Leventis Nig. Plc	Union Merc. Bank Ltd.	Rights	0.50	1.00	526.99	526.99	Cleared
Colodence Nig. Plc	LMB Stockbrokers Ltd.	Rights	0.50	1.00	371.25	371.25	Cleared
Newpak Plc	NAL Merchant Bank Plc	Rights	0.50	0.80	30.00	24.00	Cleared
NIGERIAN BREWERIES Plc	SECTRUST Ltd.	Debenture	0.50		PAR	7,000.00	Cleared
Coral Properties Plc	NAL Merchant Bank Plc	Offer for Sub.	0.50	0.50	1,100.00	550.00	Uncleared
Magnum Trust Bank Plc	Intercontinental Sec. Ltd	Initial Reg.	0.50	1.00	500.00	500.00	Cleared
Heinemann Educational Books Plc	CTSL	Rights	0.50	0.60	6.26	3.76	Cleared
EDO State Revenue Bond	Union Merc. Bank & Fidelity Fin. Co.	Revenue Bond	1.00	PAR	PAR	500.00	Cleared
DELTA State Revenue Bond	BGL Sec. Ltd. & ICON Stockbrokers	Revenue Bond	1.00	PAR	PAR	5,000.00	Cleared
Smartcard Nigeria Plc	FCMB Ltd. & MBC Sec. Ltd.	Rights	1.00	6.00	15.62	93.72	Cleared
<b>TOTAL</b>					<b>11,449.11</b>	<b>43,467.70</b>	

Table 15

## SUMMARY OF PROCESSED OFFER DOCUMENTS IN 2000

Type of Securities	Number of Issues		Volume (Million Shares)				Value (N'Million)		
	1999	2000	% change	1999	2000	% change	1999	2000	% change
Offer for Subscription	10	5	-50.00	3,564.13	2,959.23	-16.98	4,585.04	3,975.10	-13.30
Rights Issues	15	18	20.00	1,773.02	2,919.70	64.67	7,182.25	5,075.08	-29.34
Bonus Issues	35	19	-45.71	3,348.80	3,329.95	-0.56	1,790.13	2,034.27	13.64
Offer for Sales	2	9	350.00	475.41	1,721.59	262.13	4,205.80	18,779.35	346.51
Private Placement	1	-		6.24	-		49.89	-	
Introduction Issues	1	-		282.99	-		23,632.49	-	
Loan/Debeniture Stock	3	1	-66.67	350.00	-		350.00	7,000.00	1,900.00
Ratified Outstanding Shares	-	1	1.00	-	500.00		-	500.00	
Conversion	-	1	1.00	-	16.67		-	100.00	
Transfer	-	1	1.00	-	1.92		-	3.90	
State Bond	-	2	2.00	-	-		-	6,000.00	
<b>TOTAL</b>	<b>67</b>	<b>57</b>	<b>-14.92</b>	<b>9,800.59</b>	<b>11,449.11</b>	<b>16.82</b>	<b>41,795.60</b>	<b>43,467.70</b>	<b>4.00</b>

# THE COMMISSION AND ITS FUNCTIONS(Cont'd)

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## ALLOTMENT CLEARANCE (JANUARY - DECEMBER, 2000)

S/N	Company	Mode of Offer	Offer Price (N/M)	Volume (Million)	Value (N/M)	Level of Subscription	Date Approved	Issuing House
	<b>RIGHTS</b>							
1	Flour Mills of Nig. Plc	Rights	7.70	156.00	1,201.20	102.33	04/01/2000	FCMB Capital Market & IBTC
2	Wema Sec. & Fin. Plc	Rights	1.60	25.00	40.00	129.04	16/02/2000	Wema Sec. & Fin. Plc
3	BAICO Ins. Plc	Rights	0.52	192.50	100.10	102.00	16/02/2000	IMB & dynamic Portfolio Ltd.
4	Smartcard Nig. Plc	Rights	6.00	15.62	93.72	122.69	29/03/2000	FCMB Capital Market & MBC
5	Wema Bank Plc	Rights	1.90	519.24	986.56	100.00	10/04/2000	IBTC & Intercontinental Sec.
6	Newpak Plc	Rights	0.80	30.00	24.00	65.20	14/08/2000	NAL Merc. Bank Plc
7	Nig. Breweries Plc	Debtenture	1.00		7,000.00	108.16	15/08/2000	SECTRUST Ltd.
8	P.Z. Ind. Plc	Rights	6.00	335.09	2,010.54	103.26	04/09/2000	IBTC Ltd.
9	Golden Guinea Breweries Plc	Rights	1.20	136.08	163.30	74.00	19/09/2000	Afribank Int'l (Mer.Bankers)
10	Gateway Bank Plc	Rights	1.10	373.69	411.06	100.00	29/12/2000	Intercontinental Sec. Ltd.
11	Avon Crowncaps & Container Plc	Rights	1.50	284.99	427.49	100.23	19/12/2000	FBN (Merc. Bankers) Ltd.
12	First Aluminium Nig. Plc	Rights	2.50	91.48	228.70	100.65	24/11/2000	IBTC Ltd.
	<b>Sub-Total</b>	<b>12</b>		<b>2,159.69</b>	<b>12,686.66</b>			
	<b>SUBSCRIPTION</b>							
	Orient Bank of Nig. Plc	Sub.	0.60	1,100.00	660.00	76.24	21/02/2000	MMB & De-canon Inv. Ltd.
	Inland Bank Nig. Plc	Sub.	1.20	1,000.00	1,200.00	100.12	12/04/2000	NAL Merc. Bank Plc
	Edo State Revenue Bond (1st Tranche)	Sub.	Par	-	500.00	203.00	25/02/2000	Union Merc.Bank & Fidelity
	Edo State Revenue Bond (2nd Tranche)	Sub.	Par	-	500.00	103.00	16/10/2000	Fin. Group Ltd.
	Cornerstone Ins. Plc	Sub.	1.65	100.00	165.00	100.94	29/12/2000	Lead Mer. Bank & Resort Sec.
	Ikeja Hotel Plc	Sub.	1.20	420.00	504.00	100.87	08/03/2000	NAL Merc. Bank Plc & IMB Plc
	<b>Sub-Total</b>	<b>4</b>		<b>2,620.00</b>	<b>3,529.00</b>			
	<b>CONVERSION</b>							
	Smartcard Nig. Plc	Conversion	6.00	16.67	100.02	96.61	03/10/2000	FCMB/MBC
	<b>Sub-Total</b>	<b>1</b>		<b>16.67</b>	<b>100.02</b>	<b>96.61</b>		
	<b>SALES</b>							
	WAPCO Plc	1	27.50	94.814	2,607.39	89.71	12/12/2000	IMB / Merchant Banking Corp.
	<b>GRAND TOTAL</b>	<b>19</b>		<b>4,891.17</b>	<b>18,923.08</b>			



## MONITORING

During the year under review, the Commission inspected the books and facilities of various categories of market operators. This was to ascertain compliance with SEC rules and regulations and confirm the financial conditions of such operators, in order to intervene whenever there were indications or signs of problems. The twin tool of on and off-site inspections were employed to monitor the operators.

### Off-Site Inspection

A total of 18 quarterly returns from various market operators were analysed and reviewed i.e.

Broker/Dealer	-	14
Issuing House	-	3
Stock Exchange	-	1

Observations in respect of five (5) of the stockbrokers have been highlighted and communicated to the respective operators.

### On-Site Inspection

A total of thirteen (13) market operators were inspected during the year. The breakdown is as follows:

Portfolio /Fund Managers	2
Issuing House	2
Individual Investment Adviser	1
Registrars	6
Trustees	1
Broker Dealer (target inspection)	1

The inspections were largely routine with the exception of one target inspection.

The operators inspected during the year were

- Nigerian Life & Pensions Consultants Ltd.
- BGL Securities Ltd.
- Merchant Banking Corporation
- Arrol Portfolio Company

- Nigeria Breweries Ltd
- NIC Trustees Ltd
- Synergy Investment & Securities Ltd
- Flour Mills of Nig. Ltd.
- First Registrars
- UBA Registrars
- MacLaise Trust Ltd
- Union Bank Registrars
- CSL Securities

## HIGHLIGHTS OF SOME OF THE INSPECTIONS IN YEAR 2000

### 1. FIRST REGISTRARS LIMITED

A routine inspection was conducted on First Registrars Nigeria Limited. In the course of the inspection, it was discovered that the Commission had not been informed of the up-grading of the Registrars Department to a full-fledged company. The company was requested to formally communicate to the Commission the change in status and to speed-up its computerisation, to enhance the processing of CSCS diskettes.

### 2. UBA PLC

The Registrars Department of UBA Plc was also inspected, and advised to speed up its computerisation process to aid the processing of CSCS diskettes. This was to help in reducing undue delay in the share transfer process.

### 3. CSL STOCKBROKERS LIMITED

CSL Stockbrokers Limited (Registrars department) was inspected and advised to ensure that its Fidelity bond covered an insured sum of 10% of minimum paid-up capital.

### 4. MACLAIZE TRUST LIMITED (Target Inspection)

A target inspection was conducted on MacLaise Trust to ascertain its financial position and ability to continue as a capital market operator following a complaint by an aggrieved shareholder over non-remittance of sale of proceeds. The issue has been handed over for enforcement action.

## OTHER MATTERS

### COMPLIANCE WITH MINIMUM PAID-UP CAPITAL

The Commission embarked on a review of documents submitted by the various market operators, in compliance with the minimum paid-up capital stipulated for such functions.

The names of market operators that had satisfied the stipulated minimum paid-up capital on 31<sup>st</sup> December, 1999 was published in some National Dailies. The breakdown of those that had complied are as follows:-

1.	Stockbrokers	74
2.	Issuing House	28
3.	Issuing House, Broker Dealer	23
4.	Registrars	20
5.	In House Registrars	7
6.	Individual Investment Adviser	16
7.	Individual Investment Adviser & Portfolio Manager	5
8.	Corporate Investment Adviser	5
9.	Trustees	3
10.	Trustee, Registrars, Portfolio Managers	4
11.	Securities Exchanges	2
12.	Solicitors	2

### POST COMPLIANCE AUDIT INSPECTION OF MARKET OPERATORS

The Commission appointed consultants to conduct an audit inspection of Market Operators, as regards compliance with minimum paid-up capital. At the end of the review period, a report indicating some lapses was submitted. The report is being reviewed for necessary action.

### UNCLAIMED DIVIDENDS

The schedule of Unclaimed Dividends were updated up to the first half of the year. It was observed that a large number of Operators submitted returns late, which hampered effective and prompt compilation of Unclaimed Dividends.

Having regard to the impact of Unclaimed Dividends on Capital Market development which had an assumed and alarming size of N2.09 billion in the third quarter of 1999, the Commission decided to set up the National Committee on Establishment of Unclaimed Dividends Trust Fund. It hoped that the trust fund would deal with the unclaimed dividend problem as well as provide investors access to their dividends in perpetuity.

### INVESTIGATIONS

During the year, a total number of 563 (five hundred and sixty three) cases were investigated by the Commission. Out of this figure, 117 were new complaints received during the year while the remaining 446 (four hundred and forty six) were brought forward from the previous year.

### ANNUAL SUMMARY

Brought forward	-	446
New complaints	-	117
<b>Total cases reviewed</b>		<b>563</b>
Concluded cases		279
<b>Carried forward</b>		<b>284</b>

New complaints centred on the following areas:

- Non receipt of share certificates, dividend warrants and sales proceeds
- Purchase/transfer of stolen share certificates
- Non-purchase of shares by stockbroking firms and other miscellaneous matters.

The 117 complaints received in 2000 represented a decline of 29.5 percent compared to 166 complaints received in 1999. The decline in the complaints received by the commission in the last few years is an indication of a progressively transparent market.

The composition of the new complaints is as follows

Non-receipt of share certificates and dividends	-	60
Purchase/transfer of stolen share certificates	-	25
Non-purchase of shares by stockbroking firms	-	15
General/miscellaneous	-	17

The Commission concluded 279 cases representing an increase of 134.4 percent over 119 cases that were concluded in 1999. The increase in the number of cases concluded by the Commission is reflective of a more effective and efficient investigative machinery.

During the year, the Commission's earlier policy of referring cases involving any members of a Self Regulatory Organisation (SRO) to the SRO concerned was reversed and the commission now investigates such cases and copies the SRO concerned.

## Highlights of some of the Complaints

### 1. **Saidu Abdullahi Vs. (I) Eternal Oil & Gas Plc**

The Investor complained about non-receipt of his Eternal Oil & Gas Plc 1998 dividend warrant. On the Commission's intervention, the dividend was paid and the Investor acknowledged receipt thereof in December 2000. The case has been closed.

### 2. **Abiodun Balogun Vs. Century Securities Ltd**

A complaint was received from Abiodun Balogun wherein he stated that he bought 5416 units of FBN shares in November 1997 through CSL Stockbrokers and that only 1276 units were credited to his account. On the Commission's investigation, Century Securities Limited (CSL) held that it was a CSCS error in crediting the account and subsequently by a letter to the complainant (copied to the Commission) stated that the shortfall had been corrected. CSL also sent a cheque for the accrued dividends. The complainant has been requested to confirm the broker's claim.

### 3. **Kossam Investment Ltd Vs. Partnership Inv. Co. Ltd.**

The Investor brought a complaint against Partnership Investment for non-receipt of proceeds of sale of GTB and NAL Merchant Bank shares valued at N11m. The investor had, after a seminar on the opportunities in the capital market in 1999, decided to invest in the stock of GTB and NAL Merchant Bank. He employed the services of Partnership Investment Company as brokers and purchased stocks worth over N11m. In January 2000, the stocks appreciated following which he gave the stockbroker the mandate to sell them.

In the course of investigation by the Commission, Partnership Investment Co. wrote to say that a mutual understanding had been reached with the investor and attached evidence of recent part-payment to the complainant. The Commission is yet to receive confirmation of this development.

### 4. **Magnus Okoro Vs. Investors & Trust Co. Ltd.**

The Investor lodged a complaint against Investors & Trust Co. Limited on the issue of 1,082 units of FBN Plc shares which he had purchased, and on which the brokers opened a Central Securities Clearing System (CSCS) account in his name but did not credit the account. The Operator's response to the Commission stated that no transaction could have been effected on the CSCS account because they received no instruction from the complainant. The Commission has requested for evidence such as script receipt or cash receipt from the complainant to enable it conduct further investigation on the matter.

## COMMODITY EXCHANGE

Deriving powers from section 8(c) of the ISA Act 45 of 1999, the Commission has been mandated to register and regulate Commodity Exchanges. Section 9 of the Act empowers the Commission to set up specialised Departments for the purposes of regulating exchanges, which cover the Commodities Exchanges.

At inception, the Commission held series of meetings with the Federal Ministry of Commerce's Inter-Ministerial Technical Committee on the establishment of Comex, and with representatives from Federal Ministry of Finance, Nigerian Agricultural Cooperative Bank (NACB) Limited, National Planning Commission, Economic Affairs Office, the Federal Ministry of Commerce, Central Bank of Nigeria (CBN) and Federal Ministry of Agriculture. This became necessary in order to clarify the role of SEC and the Federal Ministry of Commerce in the regulation of Commodities and Futures Exchanges.

The decisions reached at the meeting include:

- SEC should be the regulator of Comex based on provisions in the Investment and Securities Act (ISA) 45 of 1999.
- The Federal Ministry of Commerce should assist in the establishment of Comex.
- The Federal Ministry of Commerce, in collaboration with SEC, should

organise public enlightenment seminars/workshops to sensitise the public on the latest developments in the Commodity Exchange project.

As at the end of the year, the committee was still working on the modalities for the proposed seminar.

## REQUIREMENTS FOR SETTING-UP COMMODITY EXCHANGE

During the period under review, the Commission came up with the following requirements for setting up a Commodity Exchange.

- Two copies of Memorandum and Articles of Association of the Commodities Exchange certified by the Corporate Affairs Commission;
- Up-to-date listing requirements;
- Rules and regulations of the Exchange currently in force;
- Instruction and inspection manual of members' activities;
- Code of conduct/ethics for members and staff;
- Audited accounts of the Exchange;
- Profile of the exchange including the organisational structure, members of the governing council and Principal/Executive Officers of the Exchange;
- Completed application forms for the registration of at least three (3) Principal/Executive Officers of the Exchange;
- Minimum capital requirement of N500,000,000.

was also resolved that the sub-committee on Nigerian Commodity Exchange (Nicomex) should study the draft decree on Commodity Exchanges and expunge relevant sections.

preparation for the Commodities Exchange, the Commission in conjunction with the Federal Ministry of Commerce, has worked out details for the proposed public enlightenment which is slated for various geographical zones in the country.

Furthermore, an article on "Basic Information on Commodity Exchange" has been prepared and published in the SEC quarterly magazine.

## Proposed Registration of Commodity Exchange

During the year under review, First African Commodity Exchange (Facomex) Limited made a submission for the establishment of a Commodity Exchange. The application

is still in process.

## MERGERS AND ACQUISITIONS

A total of thirteen (13) applications for mergers/acquisitions were processed during the year. Seven (7) of the applications were received during the year, while six (6) were brought forward from the previous year. Of the seven applications received in 2000, five (5) were merger cases while two (2) were acquisitions.

### MERGERS

One of the mergers was granted approval in principle by the commission during the year, while the second merger was granted approval in late December, 1999 and so was not previously reported.

#### 1. TOTAL NIGERIA PLC/ELF NIGERIA LTD.

The two companies merged to form TOTAL/ELF Nigeria Plc. The shareholders of Elf Nigeria Ltd are to surrender their shares for an appropriate number in Total Nigeria Plc. The merger was granted approval in principle.

#### 2. Westminster Dredging Nigeria Ltd (WDN)/Nigerian Dredging and Marine Ltd.

The mergers involved shareholders of Westminster Dredging Nigeria Ltd. and Nigerian Dredging and Marine Ltd. The shareholders surrendered their shares in the respective companies in exchange for shares of the Nigerian Westminster Dredging and Marine Ltd.

(The merger was concluded at the end of 1999).

MERGER PROPOSALS STILL IN PROCESS as at the end of the year include:

#### 1. BULK OIL TERMINAL CO. LTD./NIGERIA OIL MILLS LTD.

The two companies proposed to merge and maintain the name Bulk Oil Terminal Co. Ltd. Shareholders of both Bulk Oil Terminal Co. Ltd and Nigerian Oil Mills Ltd. would surrender shares in their respective companies in exchange for shares of Bulk Oil Terminal Ltd.

## THE COMMISSION AND ITS FUNCTIONS(Cont'd)

### 2. SHELTER INSURANCE COMPANY LTD/AFRICAN TRUST INSURANCE LTD/INTERNATIONAL INSURANCE COMPANY LTD

The three Insurance Companies were to merge to form Shelter Insurance Company Ltd. The proposal is still in process.

### 3. ALTIMATE INSURANCE COMPANY LTD/CITADEL ASSURANCE COMPANY LTD/SKYWAY INSURANCE CO. LTD

The three Insurance companies proposed to merge to form Altimate Trust Insurance Company Ltd. All Undertakings and Assets of Citadel Assurance Company Ltd and Skyway Insurance Company are to be transferred to Altimate Trust Insurance Company Ltd.

### 4. CHEVRON NIG. LTD (CNL)/CHEVRON OIL COMPANY (NIG) LTD (COCNL)

The two companies proposed to merge to form Chevron Nigeria Ltd. (CNL). Shareholders in COCNL are to be allotted shares in CNL. The entire Undertakings, assets and liabilities of Chevron Oil Company (Nig) Ltd would be transferred to Chevron Nigeria Ltd.

### 5. LEXINGTON INTERNATIONAL INSURANCE COMPANY LTD/EXPRESS INSURANCE COMPANY LTD/SAFEWAY INSURANCE COMPANY LTD.

The proposed merger involved the amalgamation of the three Insurance Companies to operate with the name Lexington International Insurance Company Ltd.

## NOTIFICATION

### 1. TEXACO NIGERIA PLC/CHEVRON NIGERIA U.S.A.

This is a formal notification to SEC of the overseas merger of the parent companies of Texaco and Chevron both of USA. In the said notification, it is confirmed that the overseas merger will have no effect on the local share structure of Texaco Nigeria Plc, but will rather strengthen its operations.

### 2. EXXON CORPORATION OF USA/MOBIL CORPORATION OF US

The Commission was informed about the merger of the two companies, both USA, to form EXXON MOBIL CORPORATION OF USA. M Corporation, now a wholly-owned subsidiary of Exxon Mobil Corporation the parent company of Mobil Producing Nig. Unlimited, Mobil Explor and Producing Co. Unlimited and Mobil Oil Nigeria Plc.

## AQUISITIONS

A total of three (3) acquisition proposals were cleared by the Commission during year. They include:

1. **AG LEVENTIS NIG. LTD:** Iddo Investment Ltd and Victoria Beach Plc. London Africa & Overseas Ltd (LAFRO) had to be dropped from restructuring, because of the fact that the mandatory 75% consent of shareholders could not be secured.
2. **STANBIC MERCHANT BANK NIG. LTD: FINANCIAL EQUITIES (FEL).** SMBN acquired 90% equity interest in Financial Equities Lim effected through debt equity swap totalling 75% and cash payment of 15%.
3. **BRITISH AMERICAN TOBACCO (NIG) LTD: NIGERIA TOBACCO CO. PLC.** The 400 million fully paid ordinary shares of 50k each in NTC a be submitted for cancellation and a price of N3.00 per share paid to shareholders.

Acquisition proposals still awaiting complete documentation include;

### INTERCONTI HOLDINGS S.A. OF LUXEMBOURG/MODAN INVESTMENT LTD.

Interconti Holdings S.A. of Luxembourg acquired 60% equity holdings in Modan Investments Ltd.

## TAKEOVERS

During the year, the following applications were received and finalised:

1. Takeover application from Blue Circle Industries (BCI) for purchase 281,070,221 ordinary shares of 50k at N32.50 representing 49.6% of Fe

Government of Nigeria divested shares in West African Portland Cement Co. Plc (WAPCO).

2. Takeover application from Blue Circle Industries (BCI) for the purchase of 146,250,000 ordinary shares of 50k at N10.75 representing 25% of Federal Government of Nigeria divested shares in Ashaka Cement Plc.
3. Takeover application from Ocean & Oil Services for the purchase of 46,875,000 ordinary shares of 50k at N34.00 representing 30% of Federal Government of Nigeria divested shares in Unipetrol Plc.

## REGULARIZATION/RATIFICATION

1. Regularisation of Cadbury Nigeria Plc's acquisition in Starmark Cocoa Processing Co. Ltd.
2. Registration of Société D' Assistance et Commerciale equity holding in Nigeria Breweries Plc.
3. Ratification of International Resources Associates (IRA) Ltd. Acquisition of 371.6 million warehoused shares at N1.30 in Savannah Bank of Nigeria Plc.

## APPLICATIONS UNDER PROCESSING

Takeover application from Dangote Industries Ltd for the purchase of 173,269,194 ordinary shares of 50k at N5.30 representing 35% of Federal Government of Nigeria divested shares in Benue Cement Company (BCC) Plc. The application is being kept in view pending the House of Representatives enquiry into the acquisition.

Application for transfer of 831,000 shares of Liberty Bank Plc to Amazon Global Holdings Ltd of United Kingdom.

Letter from African petroleum (AP) in respect of share certificates issued to Idiq Petroleum Ltd representing 30% of their total holding as core investor on 4th November, 2000.

Nominal transfer of 127,008,012 shares of Dunlop Nigeria Plc to Dunlop Investment limited representing 25.2% of the authorised share capital of Dunlop Nigeria Plc.

## INVESTIGATION

A committee was set-up to investigate the alleged illegal acquisition of shares in FSB International Bank Plc. The issue is receiving management's attention.

## MONITORING

The Commission continued to monitor holdings of 5% and above held in quoted companies. The registrars disclosed the necessary information on sellers and buyers/beneficiaries.

## COLLECTIVE INVESTMENT SCHEMES

Section 9 of the ISA 45 of 1999 empowers the Commission to set-up a specialised Department for the purpose of regulating all collective investment schemes. This includes Pension Funds, Unit Trusts, Real Estate Investment Trusts and Community Savings Schemes such as Esusu, Adashe, Osusu or Bam.

## PENSION FUNDS

The Commission commenced the regulation of pension fund schemes by inviting relevant organisations and pension fund managers to register all such schemes that were considered registerable.

The following is a summary of the regulatory activities relating to Pension Funds.

- a) Out of the forty organisations that came forward, paid and collected the pension fund registration forms, ten returned the forms.
- b) Rules and regulations for regulating pension schemes were drawn up and have since been adopted.
- c) The revised list of authorisation fees for pension funds was approved during the year, and have since been in operation.

To ensure effective regulation of pension fund schemes, procedural manuals have been prepared for staff use and the staff have also been sent on courses in pension fund administration and management.

In order to resolve the confusion in the interpretation of section 123(d) of the ISA, and other related issues such as authorisation, the role of the joint tax board etc, the Commission held meetings with the relevant bodies such as Nigerian Employers Consultative Association (NECA), Nigeria Insurance Association (NIA), National Insurance Commission (NAICOM) and Association of Pension Fund & Investment Managers (APFIM). The decisions reached at the meetings included that:

- i. the commission should be concerned with registration of pension funds managed by professional managers;
- ii. registration of In-house Pension Funds for the time being be optional;
- iii. that the Commission should register Pension Fund Managers;
- iv. that Insurance Companies who in their ordinary course of business insure pension funds of organisations and receive premium for covering the risk of non-payment of pension to retired staff of such organisations, should not be registered and regulated by SEC;
- v. that Ministries and Parastatals whose Pensioners are paid out of their recurrent expenditures i.e. pay-as-you-go or pension fund from yearly input, should not be registered and regulated by SEC;
- vi. that revised authorisation fees to be charged are to be based on Net Income and not Net Assets.

## OBSERVED CONSTRAINT

It was observed that there was:

- Lack of awareness of regulatory requirements on pension funds.

## COMMUNITY SAVINGS SCHEMES

The Commission had been given the mandate in the ISA to register community savings schemes for statistical purposes only. The objective is to enable the relevant authority ascertain the quantity of funds that are outside the formal sector, with the objective of eventually bringing them into the formal sector. To this end, appropriate forms have been designed for the registration of community savings schemes. So far, ten (10) operators have collected forms and submitted. Out of this number, four (4) fulfilled the requirements and have been registered, while the others are still being processed. A pamphlet on Community Savings Schemes was developed and is to be used as a tool of public enlightenment to encourage participation by Community Savings Schemes in the registration process.

## UNIT TRUST SCHEMES

As at December 31, 2000, out of twenty (20) Unit Trust Schemes approved by the Commission, only thirteen (13) were observed to be active while the remaining five (5) schemes were noted to be inactive (see appendix) while 2 were found to have folded up. The following schemes were noted to be in the process of liquidation/cancellation or being taken over by new managers.

- Abacus Unit Trust Scheme
- Gloria Mutual Trust Scheme
- MBA Mutual Trust Scheme
- Cash Link Student Investment Fund
- Gold Finger Unit Trust Scheme.

## Registration

During the year, the following applications were received by the Commission for registration of Unit Trust Schemes/Change of Fund Manager

- A. Global Asset Management
- B. IMB Energy Master Fund of N1 billion
- C. Fidelity Bank Plc

Out of the three (3), Global Asset Management and IMB Energy Master Fund were approved while Fidelity Bank Plc application is still under processing.

- A. Global Asset Management

Global Asset Management was granted approval to act as Fund Manager in place of Continental Merchant Bank (former Fund Manager).

- B. IMB Energy Master Fund of N1.0 billion

IMB Plc was granted approval for the N1.0 billion Energy Master Fund.

- C. Fidelity Bank Plc

The company applied for registration of its Unit Trust Scheme.

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# THE COMMISSION AND ITS FUNCTIONS(Cont'd)

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## MONITORING OF INVESTMENT/UNIT TRUST SCHEMES

The twin tool of on and off-site inspection, was employed to monitor the activities of the Unit Trust Schemes, to ensure that they were operating in compliance with the laid down rules and regulations of the Commission.

### ON SITE INSPECTION

The following Unit Trust Schemes were inspected during the year:

- i. Lead Unit Trust Scheme
- ii. IBTC Nigeria Equity Fund
- iii. Denham Management Millennium Fund
- iv. Nigeria International Debt Fund
- v. Centre Point Unit Trust Scheme
- vi. First Interstate Unit Trust
- vii. Rims Unit Trust Fund
- viii. Devcom Management Fund
- ix. Indo-Nigeria Unit Trust Scheme
- x. Consortium Resources Investment Fund

The Off-Site inspection was based on the monthly returns from Unit Trust operators. Out of twenty-seven (27) Unit Trust Schemes registered by the Commission, only eight (8) fund Managers sent in their statutory monthly returns.

## UNIT TRUST SCHEMES INVESTMENT POSITION AS AT 31<sup>ST</sup> DECEMBER 2000

S/No	Name of Scheme	Investment No. of Units on Issue	MMI M	% to TI	CMI M	% to TI
1.	Indo-Nigeria Unit Trust Scheme	2,538,155	818,600.00	0%	3,411,839.72	3.2%
2.	First Interstate Unit Fund	8,470,299	1,500,000	64%	2,718,328.04	1.29%
3.	Denham Management Millennium Fund	11,693,570	6,627,991.15	83%	6,564,524.27	8.22%
4.	IBTC	135,236,832	1.53	13.7%	1,584,125,643.33	11.06%
5.	Centre Point Unit Trust Scheme	16,497,567	-	-	10,632,173.60	-
6.	ICOM Unit Trust Scheme	19,616,138	8,438,971.29	48%	44,292,915.37	10.15%
7.	Nigerian International Debt Fund	1,041,613,603.96	-	-	847,177,834.63	100%
8.	Nigerian Global Investment Fund	523,120,944	1,025,624.58	-	-	-

### SOURCE

\*  
MMI  
CMI  
TI

### MONTHLY RETURNS FROM UNIT TRUST MANAGERS- JANUARY-DECEMBER 2000

Monthly return between January and November 2000  
Money Market Investment  
Capital Market Investment  
Total Investment

## ANNUAL GENERAL MEETING (AGM) OF UNIT TRUST COMPANIES

During the year under review, the following Annual General Meetings were monitored by the Commission.

They are as follows:

S/No	Name of Scheme	Year Ended	No. of AGM	Dividend Rate (K)	Net Asset Value Per Unit
1.	IBTC Unit Trust	31/12/2000	1	50.00	-
2.	Centre Point Unit Trust	31/12/2000	1	Nil	-
3.	ICON Unit Trust	31/12/2000	1	9.65	123k

As illustrated in the table above, IBTC Unit Trust scheme declared a dividend of fifty naira (N50.00), ICON Unit Trust had a dividend of nine naira sixty-five kobo (N9.65k) while Centre Point Unit Trust declared none.

## OBSERVATIONS ON INSPECTION OF UNIT TRUST SCHEMES

- It was observed that the management fees were paid from the Net Asset Value of the fund instead of the income generated.
- It was also observed that the records and accounts of the schemes were not computerised despite the degree of sophistication in the Industry and the awareness of its Fund Managers.
- Some scheme managers prepared their financial accounting report on seven month basis instead of the standard twelve (12) month period.
- The crash in value of equity in the stock market in 1996 was the major cause of the low returns on the scheme's investments.

## Suggestions for Improvement of the Scheme

In the course of inspection, the Fund Managers noted that for Unit Trusts to grow in Nigeria, the following areas need to be addressed:-

- Reduction in overhead costs.
- Need to encourage pension fund managers to invest in Unit Trust schemes.
- Need for public awareness of the existence of Unit Trusts.
- The Fund Managers need to make formal request to Nigerian Deposit Insurance Corporation (NDIC) for the recovery of trapped funds in distressed banks.

## ENFORCEMENT AND COMPLIANCE

With respect to enforcement, compliance and rule making, the year was eventful and challenging for the Commission. At the initial stage of restructuring of the Commission, the enforcement and compliance department handled some investigation cases.

## INVESTIGATIONS

A total of 1,128 complaints were received in the year 2000. The complaints related to:

- Non payment of dividends
- Fraudulent conversion of dividend warrants
- Fraudulent transfers and illegal sale of shares
- Unauthorized sale of or illegal/fraudulent transactions in shares of clients
- Late refund or non refund of money deposited for shares
- Failure of market operators to render comprehensive account on investors shareholdings and portfolio.

- F.O. Peter Vs. Centre-Point Investments Limited. - The complainant herein alleged that Centre-Point "manipulated" the sale of 15,000 (out of 19,016) units of his First Bank of Nigeria Plc shares which he gave the house to sell for him. He further alleged that Centre-Point made some profit out of the "manipulation" of the sale which they refused to disclose and hand over to him. The operator denied all these allegations. Investigations revealed that the parties were in serious disagreement with each other over a difference in the money allegedly owed the complainant. The complaint is about to be referred for enforcement action.
- The complaint lodged by I.M.B. Securities Plc against Securities and Exchange Commission (SEC) Pension fund in respect of 145,454 units of ordinary shares in Afprint Nig. Plc was investigated during the year. The matter is in respect of the units of shares transferred to SEC Pension Fund (in error) in the first conversion of Debenture Stock to ordinary shares in the above company.
- The complaint of Deji Sasegben & Co. (for and on behalf of Hussam El-Khalil in re: the unauthorised and illegal transfer of 7Up Plc shares belonging to Hussam and Mohammed El-Khalil). This complaint will soon be referred for enforcement action.
- The complaint of Yimusa Adewusi and Chinedu Mba (staff and shareholders of Royal Exchange Assurance Nigeria Plc). These two

# THE COMMISSION AND ITS FUNCTIONS(Cont'd)

## ADMINISTRATIVE PROCEEDINGS

Twenty administrative hearings were conducted by the Administrative Proceedings Committee. Some of them are:

1. APC/1/2000 Gregory I. Mbakwe Vs De-Canon Investment Ltd.
2. APC/2/2000 Oranyelu Vs De-Canon Investment Ltd.
3. APC/3/2000 Simeon Ikejiaku Vs De-Canon Investment Ltd.
4. APC/4/2000 Chinelo Anosike & Co.(on behalf of Stephen Abakwan) Vs De-Canon Investment Ltd.
5. APC/13/2000 Ikechukwu E. Okeke re Vs De-Canon Investment Ltd.
6. APC/16/2000 Emmanuel Origbo Vs De Canon Investment Ltd.
7. APC/17/2000 Shola Abidakan & Co Vs De-Canon Investment Ltd.
8. APC/18/2000 Obele Chuka & Co. (on behalf of Stephen Abakwan) Vs De-Canon Investment Ltd.

## COMPLAINTS REFERRED FROM OPERATIONAL AREAS

- i. Talabi Ogunsanya & Co Vs Nigbel Securities Ltd
- ii. James Adejoh Vs UIDC
- iii. Chief J.O. Abosi Vs McLaize Trust & Securities Ltd
- iv. Mr Adesina & NIDB Trustees Ltd Vs Abplast Product Plc
- v. Allan & Ogunkere & Co. (on behalf of Mrs M.L. Ologundudu) Vs IMB.

## 4. OTHER COMPLAINTS REFERRED FOR ADMINISTRATIVE HEARING

Twenty-seven cases were recommended for Administrative Hearing and these include:

- i. Iyabo M.B. Bakare Vs Prudential Securities Ltd.
- ii. J.O. Ighasanmi Vs Prudential Securities Ltd.
- iii. NIDB Trustees Ltd Vs Prudential Securities Ltd.
- iv. Modak Nigerian Enterprises Vs Prudential Securities Ltd.
- v. Rims Securities Ltd Vs Prudential Securities Ltd.
- vi. Wilson Ezenwa Vs Prudential Securities Ltd
- vii. Samuel K. Oyeniya Vs Prudential Securities Ltd
- viii. Chief Akintunde Asalu Vs Prudential Securities Ltd
- ix. Chief O.B. Nwosu Vs Prudential Securities Ltd
- x. Eze Okorie Vs Eagle Stockbrokers Ltd

## ENFORCEMENT ACTIONS

Ten (10) matters were referred for enforcement action during the year. Highlights of two of them are as follows:

- i. Alhaji Ibrahim Dasuki Vs Dantata Organisation: This matter was referred to FIIB which invited the Commission to shed more light on the matter.
- ii. Letter to BPE on warehoused Afribank shares of Landgold's Ltd.: BPE was advised to refund Landgold's shares.

## COMPLAINTS INHERITED FROM OLD SURVEILLANCE AND INVESTIGATIONS DEPARTMENT

About thirty-six complaints were inherited from the old S & I Department and some of them are:

- i. Charles Dina Vs ICON Stockbrokers Ltd.
- ii. SEC Vs ICON Stockbrokers Ltd.
- iii. SEC Vs Options Securities Ltd.
- iv. SEC Vs IMB Securities Ltd
- v. SEC Vs Lagos Island Local Government
- vi. SEC Vs Eagle Stockbrokers Ltd (in re: complaints by the following people)
  - a. Afolabi Adams
  - b. Alhaji Oyekan
  - c. E.U. Abamara
  - d. Great Nigerian Insurance Co. Ltd
  - e. Eze Okorie
  - f. Basil Tom Akpan

These are still pending.

## RESEARCH AND MARKET DEVELOPMENT

In furtherance of its developmental functions, the Commission organised a series of workshops and public enlightenment programmes to enlighten and educate the public on the capital market. The public enlightenment programmes organised during the year include:-

- Opportunities in the Nigerian Capital Market for Industrial Development Katsina State

- Opportunities in the Nigerian Capital Market for Industrial Development of Adamawa State.

Both workshops were aimed at enlightening the public on facilities available in the capital market for financing states and local government projects and small scale industries, to enhance the socio-economic development of the states.

Specialised workshops that were organised include:-

- **Legislating for the Capital Market in a Democratic Environment.** It was organised for relevant Senate and House of Representative Committee Members. The workshop was aimed at acquainting the relevant sub-committee members of the National Assembly about the importance and role of the Capital Market and SEC in National Economic Development, to enable them make good legislative decisions.

**Regulation of pension funds in Nigeria: Issues and Benefits.** The workshop was aimed at ensuring a comprehensive understanding of regulatory and operational issues in pension fund management and administration.

During the twentieth (20<sup>th</sup>) anniversary celebrations, an international workshop was organised to mark the occasion. It was titled "SEC AT 20, NEW ERA FOR THE NIGERIAN CAPITAL MARKET". This was to mark the completion of two decades of the Commission's efforts at regulating and developing a vital segment of the Financial Sector (Capital Market) as a vehicle for overall economic growth and development of the nation.

## PUBLICATIONS

The publications released during the year are:-

- 20 Years of Securities Market Regulation in Nigeria
- A Directory of Registered Capital Market Operators
- Public Offerings of Securities
- Financing the States and Local Governments through the Capital Market
- SEC Quarterly Vol. I-IV
- 1999 Annual Report and Accounts
- Rules and Regulations which comprise:-
- Comprehensive copy of the rules
- Compact disk on the rules

- (1) Booklet form of the rules and regulations of the various areas i.e. Regulation of broker/dealer, sub-broker and jobbers.
- (2) Trustees
- (3) Issuing Houses, Underwriters, Banker to an issue/receiving broker
- (4) Solicitation and use of proxies
- (5) Foreign Investment and Cross Border Securities Transactions
- (6) Securities Exchanges, Capital Trade Point and other SRO's
- (7) Distribution of Public Securities
- (8) Registrars and share Transfer Agents
- (9) Fund Portfolio Managers

## RESEARCH

A number of studies on issues affecting the capital market were carried out during the year. Papers on topical issues relating to the Capital Market were written and presented at external fora. Some of the titles include:

- Institutional framework for the Nigerian Capital Market
- The Nigerian Capital Market, Past, Present and Future
- The role of SEC in the 21<sup>st</sup> Century - Nigerian Capital Market
- The Nigerian Capital Market: An avenue for attracting foreign investments.

## PLANNING/INTERNATIONAL RELATIONS/ORGANISATION & METHODS

Three new divisions were created in the Research Department. The divisions are planning, international relations and organisation and methods. The last two came on stream towards the end of the year.

### PLANNING

The division was established to design effective and strategic plans for the Commission, co-ordinate planning activities and monitor activities to ensure that they are in line with stated objectives.

To ensure that the Commission achieves its goals, a planning policy was developed. To this end, a plan document for the Commission was designed, a data bank established, and a SWOT analysis embarked upon. This has led to a more comprehensive approach towards planning to meet the challenges posed by the new

## COMMISSION

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nts Association of Nigeria

ed to the public always, reports dia and where necessary, dealt pital market.

## INTERNAL CONTROL DIVISION

During the period under review, the internal control department performed the traditional role of reviewing the internal control procedures of the Commission, to ensure adherence to laid down policies and procedures. During the year the division carried out reviews of cashflow analysis for the previous year, review of retirement of fuel imprest, payment vouchers, retirement of advances on protocol and purchases, review of fuelling system, end of year stock taking and end of year cash count. These reviews led to various reports which drew the attention of management to specific issues that required urgent attention. In other cases, they formed the basis of management approval/rejection of certain proposals.

## ADMINISTRATION DEPARTMENT

The year was very active for the Administration Department. The department was pre-occupied with the functions of logistics, transport, telecommunications, purchases and supply, maintenance etc for the Commission.

### Transport

A total of 14 vehicles were purchased during the year, while a number of vehicles were refurbished. As an incentive to drivers not engaged in accidents during the year, non-accident bonus was paid.

### Communication

In recognition of the importance of communication to the smooth running of the Commission and the capital market, the Administration Department utilised the services of NITEL, MTEL, NIPOST, private courier companies and internal resources to ensure effective and efficient dispatch of letters and information.

### Premises/Maintenance

During the year, renovation/improvement work was successfully executed on the guest house, Executive, manager and junior staff quarters. In addition, the former "Abuja" office building was converted to a training school. Also some of the rented properties had their rents renewed, while new properties were rented to take care of senior staff. Some staff who opted for transit accommodation were also allocated places.

# THE COMMISSION AND ITS FUNCTIONS(Cont'd)

5

## HUMAN RESOURCES

### STAFF POSITION

In pursuance of the implementation of the provisions of the Investments and Securities Act 1999, the staff strength of the Commission swelled up during the year under review. This was as a result of further recruitment of new staff at almost all levels of the staff cadre to meet the new tasks facing the Commission.

A total of 120 members of staff were employed into the service of the Commission during the year. The number is made up of:

A)	Director	-	1
b)	Assistant Director	-	1
c)	Senior Managers	-	5
d)	Managers	-	6
e)	Senior Supervisors	-	50
f)	Confidential Secretaries	-	11
g)	Drivers	-	24
h)	Security Guards	-	2
i)	Messengers	-	18
j)	Cooks	-	2

By the end of December 2000 a total of 318 staff were employed in the service of the Commission, of which 148 were senior staff and 170 junior staff. A total of 114 staff of the workforce were in the operational arms during the review period.

### MANPOWER DEVELOPMENT

During the year under review, the Commission either organised or sent its staff on various training programmes to address the needs of staff, thereby building the required capacity for effective regulation and development of the market. The largest number of staff were trained in year 2000, since the inception of the Commission. A total of 132 staff attended various training programmes which include foreign, local, inplant training and induction courses for newly recruited staff. Some staff attended more than one programme, giving a total of 355 courses attended by staff during the year.

The breakdown of beneficiaries by staff cadre is as follows (Local Training only).

Directors	-	2
Deputy Directors	-	6

Assistant Directors	-	9
Senior Managers	-	19
Managers	-	7
Asst. Managers	-	10
Senior Supervisors	-	34
Supervisors	-	5
Senior Clerks	-	7
Clerks	-	10
Messengers	-	x
Drivers	-	4
Security Guards	-	3
Total Number	-	116

### Foreign Training Beneficiaries By Cadre

DG	-	1
Commissioners	-	2
Directors	-	2
Deputy Directors	-	2
Asst. Directors	-	2
Senior Managers	-	7
Managers	-	NIL
Total Number	-	16

### STAFF WELFARE

In recognition of the importance of the welfare of staff to achieve optimum productivity, the Commission provided various welfare services to staff. Some of such services include the medical scheme, loans and advances comprising (salary advance, settlement advance, vehicle/motorcycle loan, repair loan, housing/land loan and share purchase loan).

Other facilities provided for staff were health club registration.

### PROMOTIONS

During the period under review the Commission announced promotions for 1998 and 1999. The breakdown is as follows:

# THE COMMISSION AND ITS FUNCTIONS(Cont'd)

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Executive staff	-	7
Senior staff	-	26
Junior staff	-	42

Complaints and applications in respect of upgrade and conversion of 20 members of staff were also handled.

## REDEPLOYMENT

The Commission in its bid to ensure proper utilisation of staff and to expose staff to various assignments of the Commission, embarked on mass redeployment of staff during the year. This cut across Executive, Senior and Junior Staff categories.

## REVIEW OF POLICIES

In order to improve the working environment to meet the modern day challenges of the capital market, the Commission reviewed various policies which impacted on staff. These include:

- Staff Accommodation Policy;
- Medical Policy for the Commission's staff;
- Review of mode of dressing for the staff of the Commission;
- Review of Recruitment Policy;
- Review of Promotion Policy.

## IMPLICATIONS OF UNIVERSAL BANKING FOR THE NIGERIAN CAPITAL MARKET

### INTRODUCTION

The financial market is traditionally divided into two broad segments based on the tenor of funds raised in them. First, is the money market, which provides funds of up to one year tenor through such financial instruments as commercial papers, certificates of deposit etc. The capital market, on the other hand, is the market for long-term funds for long-term investment purposes. Funds are raised in this market through the issuance of long-term securities basically in the form of bonds and shares. Indeed, the distinction between the tenor of funds and the consequent need to appropriately match funds

represents a crucial element in financial management. Thus, the non-appreciation of this simple distinction has led to financial embarrassment for many otherwise viable enterprises and has contributed in no small way to the collapse of many financial institutions.

The aforementioned differences in the two segments of the financial market have also influenced the natural areas of activities of financial institutions. Thus, while the key players in the money market hitherto included commercial banks and discount houses among others, the capital market has traditionally been the playing turf of issuing houses (some of which were until recently, merchant banks), stock-broking firms, investment advisers, trustees etc. The (erstwhile) merchant banks operating in the capital market were involved in a variety of activities including equipment leasing, project-financing, loan syndication, underwriting, packaging of new issues, etc. The adoption of Universal Banking in Nigeria has however inevitably introduced some developments, which would impact on the operations of the capital market.

### GLASS-STEAGALL ACT AND THE CONCEPT OF UNIVERSAL BANKING

The traditional distinction between the two segments of the financial market and the institutions which operate in them, are not peculiar to the Nigerian market. In the United States for instance, the distinction between commercial and merchant banks can be traced to the Banking Act of 1933, otherwise known as the Glass-Steagall Act. The Act, which was partly informed by the series of bank failures witnessed between 1929 and 1933, inter-alia, prevented commercial banks from engaging in such activities as underwriting of issues and dealing in them. It also forbade them from having any affiliation with institutions 'engaged principally in the issue, flotation, underwriting, public sales or distribution of stocks, bonds, debenture notes or other securities'- an obvious reference to investment banks. Similarly, investment (merchant) banks were prohibited from commercial banking activities.

In Japan, a legislation known as Article 65, similar to the Glass-Steagall Act was introduced into the country's Securities and Exchange Act 1948. This resulted in investment banking activities being exclusively carried out by securities firms. Apparently influenced by developments in the US, Japan and other jurisdictions, the separation of investment and commercial banking activities has, over the years become part of the Nigerian financial culture. Thus, when a couple of years ago, the Securities and Exchange Commission registered some commercial banks to engage in issuing house business, some players within the financial system vigorously resisted the move.

## INTRODUCTION OF UNIVERSAL BANKING IN NIGERIA

The foregoing and other factors led to the agitation for the introduction of universal banking in Nigeria, which heightened in the 90s. Consequently, the then Minister of Finance, while elaborating on the 1998 budget, acknowledged universal banking as having become a global phenomenon. The government then was however reluctant to adopt the policy partly due to the distress then prevailing in the financial sector and the need to enhance regulatory capacity. The introduction of Universal banking in the country therefore had to wait until year 2001, when it was announced in the year's budget with the Central Bank of Nigeria subsequently issuing a guideline on the policy.

The guideline on Universal Banking, inter-alia defined banking as 'the business of receiving deposits on current, savings or other accounts; paying or collecting cheques drawn or paid in by customers; provision of finance consultancy and advisory services relating to corporate and investment matters, making or managing investment on behalf of any person and the provision of insurance marketing services and capital market business or such other services the Governor of the Central Bank of Nigeria may, by gazette designate as banking business'.

By this re-definition, banks can now, in addition to their conventional banking activities, engage in one or a combination of clearing house activities, capital market activities and insurance services. Banks are free to choose which activities they wish to undertake obviously based on their strengths and the niche they wish to carve for themselves.

## THE ROLE OF SEC UNDER UNIVERSAL BANKING

The position of the Securities and Exchange Commission as the apex regulatory body of the Nigerian capital market is clearly stated in Section 8a of its enabling law, the Investments and Securities Act No. 45 of 1999. Other functions and powers of the Commission are indicated in Section 8 of the Act.

These powers and functions of SEC remain unchanged. The introduction of universal banking has neither added nor subtracted anything from these functions. Indeed, Section 261 (1) of ISA states that "notwithstanding the provisions of this Decree, the relevant provisions of all existing enactments including The Insurance Decree 1997, The Central Bank of Nigeria Decree 1991, The Banks and other Financial Institutions Decree 1991 shall be read with such modification as to bring them into conformity with the provisions of this Decree, that is the ISA. Furthermore, Section 262 (2) provides that:

"If the provisions of any other law, including the enactments specified in subsection (1) of this section are inconsistent with the provision of this Decree (that is the ISA), the provisions of this Decree shall prevail and the provisions of that other law shall, to the extent of the inconsistency, be void".

Fortunately, the guidelines on universal banking clearly recognize this position. It therefore requires all banks embarking on underwriting/issuing house activities under the universal banking practice to meet the registration and all other regulatory requirements specified by the Securities and Exchange Commission. It is clear from the foregoing that the introduction of Universal Banking has not diminished the role of SEC in the regulation of all capital market functions and operations.

However, while the pre-universal banking regulatory role of the Securities and Exchange Commission remain essentially the same even under the new regime, the policy no doubt raises some specific issues. For instance, while the policy has in theory resulted in the collapse of the distinction between commercial and merchant banks, this does not mean that all banks can now operate in the capital market. This, and other related implications of the introduction of Universal banking on the capital market, are discussed below:

## REGISTRATION OF MARKET OPERATORS:

The introduction of Universal banking does not automatically confer the status of a capital market operator on any bank. For instance, the possession of a universal banking license is not sufficient for a bank to operate in the capital market either as an issuing house, registrar or a broker. Such a bank would need to register with the Commission for the specific capital market function that it may desire to engage in. The bank's memorandum and articles of association must also of course be amended, where necessary, to permit it to perform capital market-related activities. While each of the functions has varying requirements, a basic requirement is that all operators must meet the fit and proper test, while also possessing the requisite capital market experience.

It is also worth mentioning that various sections of SEC rules and regulations, including Section 28(1) on registration of capital market operators had actually restricted banks, which could operate in the capital market as issuing houses to merchant banks. However, the Securities and Exchange Commission has in the light of the present situation, recently published some amendments to certain sections of its rules, including the above-stated.



## MONITORING OF MARKET ACTIVITIES:

The new regime will no doubt pose a greater challenge to financial market regulators especially in the area of monitoring of operators activities. The Securities and Exchange Commission for instance, had hitherto carried out this function through various methods. These include the review of periodic returns from market operators as well as routine and target inspections of their books. The Commission had in the past successfully supervised banking institutions, which also operated in the capital market as issuing houses with its existing tools, including report formats. There is no doubt that with the new dispensation, each regulator would have more registrants to monitor and generally supervise. Besides, the increasing complexity of the financial institutions would definitely require more skill on the part of regulators.

## CAPACITY BUILDING:

Consequent upon the foregoing, there is an urgent need to strengthen the human capital of the regulatory agencies through recruitment and training. The reluctance of Government in introducing Universal Banking hitherto, which was partly due to unpleasant experience of distress that recently plagued the financial sector, including banks cannot be faulted. This is because the distress was not unconnected with the sudden proliferation of banks, which exerted pressure on the limited stock of qualified manpower then available in the sector. There is therefore an urgent need for accelerated manpower development in the face of the new dispensation. Fortunately, the Securities and Exchange Commission has finalized its arrangements for the take-off of a capital market institute, which is expected to significantly bridge the anticipated manpower gap.

## COORDINATION AND HARMONISATION OF REGULATORY OVERSIGHT:

The ensuing regulatory scenario will no doubt lead to a situation whereby an institution will have to report to more than one apex regulator. The Securities and Exchange Commission had in the past successfully regulated the erstwhile merchant banks, which also had the Central Bank as primary regulator. Besides, there exists at present, regulatory co-operation among the regulators of the financial sector through Financial Services Regulation Coordination Committee.

There is however an increased need to prevent conflict and duplication of efforts. A very important is the need to review and harmonise existing rules and

legislations. For instance, an area which required immediate attention in this regard was with respect to the rules on underwriting, where there was a conflict between the rules as given by SEC and the CBN. The Commission has since amended the rules to reflect the new dispensation.

## CONSOLIDATED REGULATION AND THE STATUS OF REGULATORS:

There had in recent times been reports, which suggest a misunderstanding of the roles of the various apex regulatory authorities in the financial sector under the new dispensation. It seems however that the concerns being expressed have been essentially a response to the use of the concept of 'lead regulator' in the guidelines released by the central Bank on the policy. However, while these concerns may be quite understandable, it needs to be stressed that there is nothing under the existing legal/regulatory environment that suggests any intention by the Government to subordinate any apex regulatory agency to another.

According to Barron's Dictionary of Finance and Investment Terms, the concept of a 'lead regulator' relates to the art of taking responsibility for investigation of a particular section of the law and all that pertain to it. The dictionary further observed that 'the New York Stock Exchange may take the lead in investigating certain kinds of fraud or suspicious market activity, while the American Stock Exchange may take the lead in investigating other areas'.

It follows therefore that in our current context, the Securities and Exchange Commission, and indeed any other apex regulator of any segment of the financial sector will be the lead regulator in respect of activities within their purview.

## CAPITAL ADEQUACY AND COMPETITIVENESS

The introduction of Universal Banking and subsequent entry into the market of more banks will no doubt pose more challenge to non bank capital market operators in terms of competitiveness. For one, the banks have a wider branch network. Besides, and perhaps more important, is the issue of the adequacy of the financial resources available to the institutions. It would be recalled that concerned with need for local capital market operators to be competitive in the face of globalisation, the Securities and Exchange Commission, not too long ago, raised the minimum capital requirements for the various classes of capital market operators. The new development has obviously vindicated the position of the Commission. Indeed, it seems reasonable to expect that non-bank financial institutions would now seek to increase their capital without any prompting from any regulator.

**ALPHABETICAL LIST OF OPERATORS WITH CURRENT  
REGISTRATION STATUS AS AT APRIL 30, 2001**

**KEY**

\* Denote the Companies with lapse registration

\*\* Denote the Companies that are on suspension

S/N	NAME OF COMPANY	FILE NO	FUNCTION(S)	EXPIRY DATE
1	AAA STOCKBROKER LTD	660	Bi/Dealer	24/6/2002
2	ABDULLAI TAIWO & CO	738	Solicitor	9/11/2002
3	ADEBOLA SOBANJO & CO	727	R/Accountant	5/10/2002
4	ADEJUMO EKISOLA & EZEANI	744	Solicitor	13/12/2002
*	AFAM ONUMONU & CO.	417	Individual Inv. Adviser	7/9/2000
5	AFRIBANK INT'L LTD (MERCHANT BANKERS)	123	Issuing House	6/2/2003
*	AFRIBANK NIGERIA PLC	384	Registrar	14/2/2001
6	AFRIBANK TRUST & INV.LTD	707	P/M & TRUSTEES	26/4/2002
*	AFRICAN PETROLEUM PLC	256	In-House Registrar	22/5/2000
7	AIL Securities Ltd	505	Bi/Dealer	20/5/2001
8	A. G. LEVENTIS NIGERIA PLC	235	Registrar	28/10/2002
9	AJUMOGOBIA & OKEKE	750	Solicitor	17/1/2003
10	AKINTOLA WILLIAMS, ADETONA, ISICHEI & CO		Reporting Accountant	5/10/2002
*	AKTORCH SECURITIES LIMITED	673	Broker Dealer	9/12/2000
11	ALABI, BAKOH, EKUNDARE & Co	716	Reporting Accountant	9/8/2002
12	ALIYU UMARU & PARTNERS	697	Solicitors	4/1/2002
13	ALLBOND INVESTMENT LTD	52	Broker Dealer	3/10/2002
14	ALLCROWN INVESTMENT SERVICES LTD	510	Registrar	9/1/2003
16	ALTRADE SECURITIES LTD	522	Bi/Dealer	14/6/2002
17	AMINU IBRAHIM & CO	758	R/Accountant	28/02/2003
8	AMYN INVESTMENTS LIMITED	689	Broker Dealer	2/8/2001
	ANCHORA INVESTMENT & SEC. LIMITED	533	Broker Dealer	30/11/2000

19	ARNOLD PORTFOLIO CO		ADV.	4/3/2002
20	ARTHUR ANDERSON	701	R/ACCT. & INV/ADVISER	17/4/2002
21	APEX SECURITIES LIMITED	246	Broker Dealer	09/6/2002
22	ASSET PLUS SECURITIES LTD	611	Bi/Dealer	29/6/2002
*	ASSET & RESOURCE MANAGEMENT LTD.	505	Inv. Adv. & Port./Manager	22/11/2000
23	AUSTIN NWANA & CO	733	Solicitor	6/11/2002
*	AYU MANAGEMENT CONSULT	570	Ind. Investment Adviser	11/11/2000
24	BANDELE A. AKU & CO	736	Solicitor	6/11/2002
25	BANWO & IGHODALO		Solicitor	5/10/2002
*	BANK OF THE NORTH TRUSTEES LTD	555	Trustees	18/7/2000
26	BAYO OJO & CO	754	Ind. Solicitor	19/01/2003
27	BDO FALEYE OKE & CO		R/Accountant	4/10/2002
*	BEACHGROVE SECURITIES & INVESTMENT CO. LIMITED	561	Broker Dealer	11/11/2000
*	BEAVER SECURITIES LTD.	576	Broker Dealer	11/11/2000
28	BERGER PAINTS NIGERIA PLC	26	In-House Registrar	3/10/2002
29	BENDU PETER SERVICES NIG. LTD	690	Investment Adviser	2/8/2001
30	BESTWORTH ASSETS & TRUST LTD	705	Bi/DEALER	17/4/2002
31	BGL LIMITED	519	Issuing House	14/6/2002
32	BGL SECURITIES LTD	520	Issuing House & Broker Dealer	4/10/2002
33	BIC SECURITIES LTD		Broker Dealer	9/11/2001
34	BONADE BADEJO & CO	760	Solicitor	28/02/2003
35	BSD SECURITIES LTD	651	Bi/Dealer	03/03/2002
*	BROAD EDGE SECURITIES LTD	624	Bi/Dealer	29/7/2000
*	CALYX SECURITIES LTD	446	Broker/Dealer	24/2/2001
36	CAPITAL ASSETS LIMITED	646	Broker/Dealer	4/3/2002
37	CAPITAL BANCORP LIMITED	82	Issuing House & Bi/ Dealer	3/10/2002
38	CAPITAL EXPRESS SEC. LTD	469	Broker Dealer	8/3/2002
*	CAPITAL LINK LIMITED	535	Registrar	30/11/2000
39	CAPITAL PARTNERS LIMITED	639	Inv. Adviser	2/10/2002
*	CAPITAL TRUST BROKERS	41	Broker /Dealer	24/02/2001

40	CASHCRAFT ASSET MANAGEMENT LTD.	516	Broker/Dealer	26/4/2002
*	CASHVILLE INVESTMENT & SECURITIES LTD.	662	Broker /Dealer	9/9/2000
*	CENTRAL SECURITIES CLEARING SYSTEM	597	Registrar	6/4/2001
41	CENTRE-POINT INVESTMENT	14	Broker/Dealer	9/12/2001
42	CENTRE-POINT SECURITIES	279	Registrar	18/03/2002
43	CENTRE-POINT MERCHANT BANK LTD.	17	Issuing House	3/10/2002
44	CENTURY SECURITIES LTD	285	Broker Dealer	4/1/2003

45	CHUMA ANOSIKE & CO	765	Solicitor	01/03/2003
46	CITY CODE INVESTMENT CO. LTD	190	Issuing House & B/Dealer	14/09/2002
47	CITY INVESTMENTS MANAGEMENT LTD	117	Broker/Dealer	13/12/2001
48	CITY SECURITIES LIMITED	8	Issuing House, Registrar & Trustees	3/10/2002
49	CLEARVIEW INV. CO LTD	545	Broker Dealer	3/2/2002
50	CO-LINK INV. MGT. CO	747	Investment Adv.	14/12/2002
51	COLVIA SEC. LTD	653	B/Dealer	3/3/2002
52	COMMERCIAL INVESTMENTS TRUST CO. LTD	313	Trustees; Inv. Adviser & P/Managers	12/6/2001
*	CONSOLIDATED INVESTMENT LTD.	418	Broker/Dealer	30/4/2001
53	COOPER FLEMING STOCKBROKERS LIMITED	634	Issuing House & Broker Dealer	2/10/2002
54	CORNERSTONE TRUSTEES LTD.	694	Trustees	28/10/2001
55	CORPORATE DIAMOND LTD	598	IA/Adviser, Registrars & P/Manager	6/4/2002
*	CORPORATE FINANCE GROUP LIMITED	676	Issuing House & Broker Dealer	17/3/2001
56	COUNTERS TRUST SECURITIES LTD	528	Issuing House & Broker Dealer	4/10/2002
57	CP Securities Ltd		Registrar	18/3/2002
58	CROSSWORLD	654	Broker Dealer	4/3/2002

*	CRUSADER TRUSTEES NIG. LTD	503	Trustees	29/6/2000
59	CSL STOCKBROKERS LTD	40	Issuing House & Broker Dealer	3/10/2002
60	CULTIX PLC	589	Registrar	20/02/2002
61	DBL SECURITIES LTD	618	IA, P/M, Trustee & Registrar	26/4/2002
62	DAWANDY FIN. & SEC.LTD	616	B/Dealer & I/House	29/6/2002
63	DAVID. M. MANDO	752	Ind. Solicitor	17/01/2003
*	DBSL SECURITIES LTD.	622	Broker Dealer	25/8/2000
64	DELE OLUFON & CO		R/Accountant	4/10/2002
65	DE-LORDS SECURITIES LTD.	556	Broker Dealer	18/7/2002
66	DENHAM MANAGEMENT LTD	506	Issuing House & Broker Dealer	30/5/2002
*	DECANON INVESTMENTS LTD.	110	Issuing House & Broker Dealer	19/12/2000
*	DEPENDABLE SECURITIES LTD.	575	Broker Dealer	23/12/2000
67	DINA FATIMILEHIN & CO	757	Estate Valuer	19/01/2003
68	D. O. DAFINONE & CO.	27	Inv. Adviser & R/Accounting	3/10/2002
*	DOLBIC FINANCE LIMITED	333	Broker Dealer	26/4/2002
69	DOMINION TRUST LIMITED	115	Issuing House & B/Dealer	11/01/2001
70	DYNAMIC PORTFOLIO LTD	515	Issuing House & B/Dealer	12/6/2001
**	EAGLE STOCKBROKERS LTD.	583	Broker Dealer	25/4/2002
71	EIB TRUSTEES LTD	471	Trustees	11/11/2000
*	EKO INTERNATIONAL BANK PLC	73	Registrars	29/6/2002
72	EMMANUEL ADEYEMO OGUNLOWO & CO	771	R/Accountant	29/8/2000
73	EMI CAPITAL RESOURCES LTD	601	Issuing House & Broker/Dealer	26/03/2003
74	EMPIRE SECURITIES LTD		Broker Dealer	4/6/2001
75	EPIC INVESTMENT TRUT LTD.	77	B/ Dealer	14/2/2002
76	EQUATOR FINANCE & SEC.LTD.	350	I/H & B/Dealer	30/8/2002
77	EQUIBOND SECURITIES	686	Investment	6/2/2002
				19/7/2001

78	EQUINOX ASSETS MANAGEMENT LTD.	693	Investment Adviser & P/Managers	5/10/2001
79	ESL SECURITIES LTD.	155	Registrar & B/Dealer	12/8/2002
80	EURO COMM SECURITIES LTD	748	B/Dealer	14/12/2002
81	EXCEL SECURITIES LTD	523	B/Dealer	15/7/2002
82	EXPRESS PORTFOLIO SERVICES LTD	578	Broker Dealer	11/11/2002
83	EZUGO ISIAINSO & PARTNERS	740	Quantity Surveyors	13/12/2002
84	FALCON SECURITIES LTD	492	Issuing House & B/Dealer	14/6/2002
*	FBN (MERCHANT BANKER) LTD.	101	Issuing House	30/12/2000
85	F & C SECURITIES LTD	538	Broker Dealer	30/11/2002
*	FIDELITY UNION SECURITIES LTD.	358	Broker/ Dealer	7/2/2001
86	FIDELITY FINANCE LTD	113	B/D & IH	30/12/2002
87	FINANCIAL DERIVATIVES LTD	679	Issuing House	28/10/2001
88	FINANCIAL EQUITIES LTD		B/Dealer	6/11/2002
89	FINANCIAL TRUST CO. LTD	419	I/H & B/Dealer	5/10/2001
*	FIRST ALLSTATES SECURITIES LTD.	450	Broker /Dealer	17/8/2000
*	FIRST ATLANTIC BANK	149	Issuing House	6/7/2000
90	FIRST ATLANTIC SECURITIES LTD.	326	Broker/Dealer	9/8/2001
*	FIRST REGISTRAR LTD	233	Registrar	26/01/2001
91	FIRST CITY MONUMENT BANK LTD	11	Issuing House FI/Portfolio Mgr R/Banker	26/5/2002 5/10/2002 02/03/2003
92	FIRST INTERSTATE MERCHANT BANK LTD.	63	Issuing House	9/8/2002
93	FIRST INTERSTATE SECURITIES	72	Issuing House & Broker Dealer	3/10/2001
94	FIRST SEC. DISCOUNT HOUSE	700	Inv. Adviser & P/Manager	17/4/2002
*	FIRST TRUSTEES LTD	248	Trustees	11/12/2000
95	FIS SECURITIES LTD		B/Dealer	25/2/2002
*	FITTCO SECURITIES LTD.	641	Registrar	28/10/2000
*	FLOUR MILLS OF NIG. PLC	156	In-House Registrar	8/7/2000

96	FORESIGHT SEC. & INV. LTD.	579	Broker Dealer	9/11/2002
97	FORTE ASSET MANAGEMENT LTD	644	Broker Dealer	18/12/2002
98	FORTHRIGHT SECURITIES & INVESTMENTS LTD	593	Broker/Dealer	25/08/2001
*	FOUNTAIN SEC. LTD.	175	Broker Dealer Issuing House	5/9/2000 6/11/2002
99	FUTURE VIEW SEC. LTD		B/Dealer & IH	17/8/2002
100	GELIAS & CO	721	Solicitor	4/10/2002
*	GENERAL SECURITIES LTD	16	Broker Dealer	2/10/2000
101	GEORGE ETOMI & PARTNER	699	Solicitor	17/4/2002
*	GIDAUNIYA INVESTMENT & SECURITIES LTD.	574	Broker Dealer	11/11/2000
102	GWA OSAGIE & CO	759	Solicitor	28/02/2003
103	GWA OSAGIE & CO	766	R/Accountant	01/03/2003
104	GLOBAL ASSETS MGT. LTD	434	B/Dealer	29/7/2002
105	GLOBAL INVESTMENT & SECURITIES LTD	367	B/Dealer	14/2/2002
106	GOODWIN RICARD & Co	712	Solicitor	9/8/2002
*	GOSORD SECURITIES LIMITED	571	Broker Dealer	11/11/2000
*	GOLDEN SECURITIES LIMITED	531	Broker Dealer	30/11/2000
*	GREAT AFRICA TRUST LTD	493	B/Dealer	15/1/2001
*	GREENLANE SECURITIES LTD	613	Broker Dealer	29/6/2000
*	GREENWICH TRUST LIMITED	674	Broker Dealer Issuing House	17/03/2001 01/03/2003
107	GTI CAPITAL LTD	709	B/Dealer	8/8/2002
108	HAMILTON HAMMER & CO. LTD	487	Broker Dealer Issuing House	7/7/2002
109	HASSAN NAKPODIA & CO	761	R/Accountant	28/02/2003
110	H.B. FABUNMI & CO	729	Solicitor	5/10/2002
111	HEAPS INVESTMENT		Ind. Adv.	4/10/2002
112	HEARTBEAT INVESTMENT LTD	627	Broker Dealer	25/8/2002
113	HERITAGE INV. & SEC. LTD	636	Broker Dealer	04/03/2002
*	HIDA FINANCE TRUST LTD.	56	Investment Adviser	3/10/2000
114	HNB TRUSTEES LIMITED	539	Trustees & Registrar	4/3/2002
115	HORIZON STOCKBROKERS LTD.	686	Broker Dealer	19/7/2001
*	IB FINANCE & SEC. LTD.	204	Broker Dealer	5/10/2000
116	IBRAHIM HARUNA & CO	696	Solicitor	13/12/2002

117	IBTC ASSET MANAGEMENT LTD	562	Broker Dealer, Inv. Adviser & P/Managers	11/11/2002
118	ICMG SECURITIES LTD	423	Issuing House; Broker Dealer	2/5/2002
119	IMS SECURITIES PLC	49	Issuing House & Broker Dealer	3/10/2002
120	IMPERIAL FINANCE & SEC. LTD.	339	Inv. Adviser & Portfolio Manager	5/11/2002
121	INDEPENDENT SECURITIES LTD.	548	Broker/Dealer	20/10/2002
*	INTEGRATED TRUST & INVESTMENTS LTD	239	Broker/Dealer	17/12/2000
*	INTERCONTINENTAL SECURITIES LIMITED	340	Issuing House; Broker Dealer	30/11/2000
122	INTERMEDIATE CAPITAL GROUP LTD	680	Broker Dealer	19/7/2001
*	INTERNATIONAL MERCHANT BANK PLC	126	Issuing House & Registrar	6/2/2001
123	INTERNATIONAL CAPITAL SECURITIES LTD	649	Broker Dealer	04/03/2002
124	INTERNATIONAL STANDARD SECURITIES LTD.	322	Issuing House & Broker Dealer	28/7/2002
125	Interstate Securities Ltd	72	Issuing House Broker/Dealer	3/10/2001
126	INVESTMENT BANKING & TRUST CO. LTD-(IBTC)	6	Issuing House	25/5/2002
127	INVESTORS & TRUST CO. LTD.	320	Broker Dealer	10/11/2002
128	ITLS SECURITIES LTD	737	Broker Dealer	6/11/2002
129	JACKSON ETTIT EDU	775	Solicitor	29/03/2003
130	JANVOL INVESTMENT LTD		Broker Dealer	24/6/2002
131	JENKINS INVESTMENTS LIMITED	663	Broker Dealer	14/5/2002
132	JUBILEE GLOBAL FUND PLC	702	FUND MANAGER	17/4/2002
133	KAKAWA DISCOUNT HOUSE	703	IN.ADV. & P/Manager	17/4/2002
134	KEHINDIE SIMPSON	720	Solicitor	4/10/2002
135	KENDALL SECURITIES LTD	774	Broker/Dealer	29/03/2003
*	KINLEY SECURITIES LIMITED	605	Broker/Dealer Issuing House	30/06/1999 30/06/2001

136	KOLE OLUWAJANA & CO	742	Solicitor	13/12/2002
137	KPMG AUDIT	714	Reporting accountant	9/6/2002
138	KUNDILA FINANCE SERVICES LTD	561	Broker Dealer	11/11/2002
139	KWARA INVESTMENTS CO. LTD.	667	B/Dealer	19/7/2001
*	LASACO ASSURANCE PLC	292	l/House Registrar	16/06/2000
140	LB SECURITIES LTD	708	B/Dealer	8/8/2002
*	LEAD INVESTMENTS LIMITED	219	Broker Dealer	13/10/2000
141	LEAD MERCHANT BANK LTD	142	Issuing House Receiving Banker	29/4/2002 01/03/2003
142	LEADWAY ASSURANCE CO. PLC	706	Inv. Adv. & P/Manager	17/4/2002
143	LEADWAY TRUSTEES LTD	745	Trustees	14/12/2002
*	LIBERTY MERCHANT BANK LTD	344	Issuing House	5/11/2000
144	LIGHTHOUSE ASSET MGT LTD	12	Broker Dealer Issuing House & Inv. Adv.	12/06/2002
145	LILIAN ESIRI & CO	768	Solicitor	23/03/2003
146	LMB STOCKBROKERS LTD	541	Broker Dealer Issuing House	4/3/2002 6/11/2002
147	LYNAC SECURITIES LIMITED	626	Broker Dealer	26/8/2002
*	MACLAIZE TRUST & SECURITIES CO LIMITED	628	Broker Dealer	4/10/2000
148	MAGNARTIS FIN. & INV. LTD.	542	Issuing House & B/Dealer	4/3/2002
149	MAINLAND TRUST LTD	347	Broker Dealer	5/11/2002
150	MANINVEST SECURITIES LTD.	691	Broker/Dealer & l/House	18/4/2002
151	MARINA INTL BANK LTD	266	l/House	05/11/2001
152	MARRIOT SEC. & INV. Co LTD		B/Dealer, l/House & Registrar	18/3/2002
153	MASHASHA INV. & COMMERCE COMPANY LTD	773	Inv. Adviser	28/03/2003
*	MAXIFUND INV. & SEC. LTD.	671	Broker Dealer	16/12/2000
*	MAYFIELD INVESTMENT LTD	602	Broker Dealer	16/5/2000
154	MBC SECURITIES LTD	652	Broker Dealer & Issuing House	4/3/2002

155	MERCHANT BANKING CORPORATION NIG. LTD	458	Issuing House	21/7/2002
*	METROPOLITAN MERCHANT BANK LTD	99	Issuing House	12/6/2000
*	M & F INVESTMENT LTD	568	Broker Dealer	10/11/2000
*	MIDAS MERCHANT BANK LTD	146	Issuing House	29/4/2000
*	MIDAS STOCKBROKERS LTD	272	Broker Dealer	18/1/2001
156	MIDLAND INV. & TRUST Co LTD	717	B/Dealer	9/8/2002
157	MISSION SECURITIES LTD	543	Issuing House & Broker Dealer	18/2/2002
158	MONUMENT FINANCE & SEC. LTD.	692	Broker/Dealer	5/10/2001
*	MOLTEN TRUST LTD	588	Broker Dealer	20/02/2000
*	MULTINATIONAL INV. & SEC. LTD	526	Broker Dealer	10/8/2000
159	MUTARI DAGANA & CO.	704	R/Accounting & Inv. Adviser	17/4/2002
*	MUTUAL ALLIANCE INV. & SECURITIES LIMITED	677	Broker Dealer	17/3/2001
*	NAL MERCHANT BANK LTD	166	Issuing House	29/10/2000
160	NAL TOWERS SECURITIES LTD.	665	Portfolio Managers	5/10/2001
*	NAL TRUSTEES LTD		Trustees Portfolio Mgr.	13/1/2001 8/8/2001
161	NEWDEVCO FIN. SERVICES CO. LTD.	234	Broker Dealer	13/2/2002
*	NETWORTH SECURITIES & FINANCE LIMITED	130	Broker Dealer	20/3/2001
162	NIC TRUSTEES LTD.	207	Trustees & Registrar	08/10/2002
*	NIOON TRUSTEES LTD	206	Trustees & Registrar	22/10/2000
163	N ID B TRUSTEES LTD	65	Trustees & Registrar	03/8/2001
164	NIG. AMERICA MERCHANT BANK LTD	13	ISSUING HOUSE	26/5/2002
165	NIGERIAN BREWERIES PLC	402	Registrars	30/11/2002
*	NIGERIAN INTERNATIONAL SECURITIES LTD.	106	Broker Dealer	21/01/2001
166	NIGERIAN LIFE & PENSION CONSULTANTS	645	Investment Adviser & Portfolio Managers	26/8/2002
167	NIGERIAN STOCKBROKERS LTD.	21	Broker Dealer	2/10/2002

168	NOMA FIN. & SEC. LTD		B/Dealer	15/5/2001
169	NWANKWO IKWUETO & CO	730	Solicitor	5/10/2002
170	OBI, ZIK, CHUKA & Co	713	Solicitor	9/8/2002
171	ODUJINRIN & ADEFULU & Co	711	Solicitor	8/8/2002
172	OKOMU OIL PALM CO. PLC	584	In-House Registrar	20/2/2002
173	OLADAPO SOKOYA & CO	753	Ind. Solicitor	17/01/2003
174	OLADIPO OPALEKE & CO	769	R/Accountant	23/03/2003
175	OLANIWUN AJAYI & CO	762	Solicitor	28/02/2003
*	OLAOPA OLAKUNLE ASAYOMI	668	Ind. Inv. Adviser	3/11/2000
176	OLUYOMI OLAWORE & CO	755	Solicitor	19/01/2003
*	OMAS INV. & TRUST LTD.	672	Broker Dealer	29/12/2000
177	OMF SECURITIES & FIN LTD	521	B/D	14/6/2002
178	OMNISOURCE INT'L LTD.	683	Broker Dealer	19/7/2001
179	OMOLAJA OGUN & CO	741	Ind. Solicitor	13/12/2002
*	OPTIONS SECURITIES LIMITED	114	Broker Dealer	19/11/2000
180	O.S. EPHRAIM OLUWANUGA & CO	718	Solicitor	4/10/2002
181	OSIDERO, ONI & LASEBIKAN	766	R/Accountant	01/03/2003
182	OTUNOLA ADEBAYO & CO	767	R/Accountant	23/03/2003
*	OWENA BANK PLC	472	Registrar	11/1/2001
183	OYELAMI SOETAN ADELEKE & CO	735	Reporting Acct	6/11/2002
184	PANELL AWOGO YUSUF & CO	746	Reporting Acct	14/12/2002
*	PAN SECURITIES LTD	335	Broker Dealer	2/5/2000
185	PARETO FUNDS & SECURITIES LTD.	681	Investment Adviser	2/8/2001
*	PARTNERSHIP INV. CO. LTD.	413	Issuing House & Broker Dealer	14/02/2001
*	PATERSON ZOCHONIS IND. PLC	39	In-House Registrar	3/10/2000
*	PEAK MERCHANT BANK LTD.	216	Issuing House	14/10/2000
*	PERFECTA INV. TRUST LTD	328	Broker Dealer	29/07/95
*	PETROLEUM INVESTMENT MGT LTD	587	Investment Adviser	16/5/2000
*	PILOT FINANCE LIMITED	170	Broker Dealer	15/7/2000
186	PIVOT FINANCE & INV. CO. LTD.	150	Broker/Dealer	11/7/2002
*	PREMIUM SECURITIES LTD.	382	Broker Dealer	7/2/2001 4/10/2002
*	PREXISE SECURITIES LTD	607	Broker Dealer	29/6/2000

187	PRICE SECURITIES & TRUST Co LTD		Broker Dealer	18/6/2002
188	PRICE-WATER HOUSE COOPER	698	R/Accountant s	18/4/2002
189	PRICE-WATER HOUSE COOPER CONSULTANT LTD	776	Inv. Adviser	29/03/2003
*	PROFESSIONAL STOCKBROKER LTD	551	Broker Dealer	10/5/2000
190	PROFUND SECURITIES LTD	504	Issuing House B/Dealer	29/8/2002 4/10/2002
*	PROMINENT SECURITIES LTD	368	Broker Dealer	14/2/2001
*	PRUDENTIAL SECURITIES LTD	536	Broker/Dealer	30/11/2000
*	REGENCY FINANCINGS LTD	296	Broker/Dealer	25/5/2000
191	RESANO SECURITIES LIMITED	617	Broker Dealer	3/7/2002
192	RESORT SEC. & TRUST LTD	502	Issuing House & Broker-Dealer	4/8/2002
193	REWARD INVESTMENTS & SEC. LTD	534	Broker-Dealer	30/11/2002
194	RICHMOND SECURITIES LTD.	546	Broker Dealer	3/3/2002
195	RIGGS SECURITIES	777	Investment Adviser	29/03/2003
196	RIMS TRUSTEE LTD	271	Registrar, Inv. Adv., Trustee & P/Mgr.	18/03/2002
197	RIV TRUST SECURITIES LTD	614	Broker/Dealer	25/6/2002
198	RONACHART INVESTMENT CO. LTD.	682	Investment Adviser	19/7/2001
199	ROYAL CREST FINANCE LTD		Broker/Dealer	2/1/2003
200	ROYAL EXCHANGE ASSURANCE (NIG.) LTD	209	Trustees	16/9/2002
201	SALAMI & SALAMI	751	Ind. Solicitor	17/01/2003
*	SAMBROS TRUST & SECURITIES LTD	670	Broker Dealer	27/10/2000
202	SAVANNAH BANK (NIG) PLC	84	Registrar	14/6/2002
*	SECURITIES SOLUTION LTD	658	Issuing House Broker/Dealer	18/12/99
203	SECURITIESWAPS LIMITED	485	B/Dealer & Registrar	19/7/2002
204	SECURITIES TRANSACTION & TRUST CO. LTD	527	Issuing House & Broker-Dealer	10/8/2002

205	SEKAT COMPANY	633	Individual Inv. Adviser	25/8/2002
206	SIGMA SECURITIES LTD	608	Broker Dealer Registrar	29/6/2002 4/10/2002
207	SIGNET INVESTMENT & SEC. LTD.	24	Broker Dealer	3/10/2002
*	SIKON SECURITIES & INV. TRUST LIMITED	666	Broker Dealer	27/10/2000
*	SILVER FINANCIAL SERVICES LIMITED	91	Broker Dealer	30/12/2000
208	SOLID-ROCK SEC. & INV. LTD.	619	Broker Dealer	16/7/2002
*	SOURCE FINANCE & TRUST CO. LTD.	655	Broker Dealer	17/3/2001
209	S.P.A. AJIBADE & CO	734	Solicitor	6/11/2002
210	SPIROPOULOS, ADIELE OKPARA & CO	723	R/Accountant	4/10/2002
211	SPRINGBOARD TRUST & INVESTMENT LTD	719	B/Dealer	4/10/2002
*	STANSIC MERCHANT BANK LTD	15	Issuing House	3/10/2000
212	STANDARD UNION SECURITIES LTD.	687	Broker Dealer	2/8/2001
*	STANWAL SECURITIES LTD	620	B/Dealer	25/6/2000
213	SULAIMON & CO	715	R/Accountant	4/10/2002
*	SUMMA GUARANTY CO. LTD	35	Issuing House & B/Dealer	3/10/2000
214	SUMMIT FINANCE COMPANY LTD	22	B/Dealer	3/10/2002
*	SUNNAHSON COMMERCIAL COMPANY	669	Ind. Inv. Adviser	3/11/2000
215	SUPO OJO & CO	770	Estate Valuer	28/03/2003
216	SURPORT SERVICES LTD	635	B/Dealer	1/10/2001
*	SYNERGY ASSETS & TRUST LTD	315	Broker Dealer	29/7/2000
217	SYNERGY INVESTMENT & SECURITIES LTD.	688	Trustees, Registrar, Inv. Adviser & P/Mgr.	2/8/2001
*	THE INVESTORS ADVISER LTD	308	Broker Dealer	18/6/2000
218	THOMAS KINGSLEY SEC. LTD	129	Broker Dealer	13/6/2002



# LISTED EQUITIES ON THE LAGOS STOCK EXCHANGE RANKED BY MARKET CAPITALISATION AS AT 29TH DECEMBER, 2000

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POSITION 2000	EQUITIES	OUTSTANDING NO. OF SHARES (MILLION)	MARKET CAP. 29th Dec. 2000 =N=₦M	MARKET PRICE =N=	NOMINAL VALUE =N=	EARNING PER SHARE =N=	P/E RATIO 29/12/2000 =N=	DIV. PER SHARE 2000 =N=	DIV. YIELD 29/12/2000 =N=
1	FIRST BANK OF NIG. PLC	1,625.9625	38,697.9075	23.80	0.50	2.87	8.2	1.25	5.25
2	NIGERIAN BREWERIES PLC	1,525.0000	37,377.7500	24.51	0.50	2.28	10.7	1.50	6.12
3	UNION BANK NIG. PLC	1,284.8239	34,677.3979	26.99	0.50	3.08	8.7	1.05	3.89
4	M-NET/SUPERSPORT	282.9900	26,453.9052	93.48	0.50	-	-	3.03	3.24
5	UBA PLC	1,700.0000	23,477.0000	13.81	0.50	2.57	5.3	0.85	6.15
6	GUINNESS NIG. PLC	707.9642	21,557.5114	30.45	0.50	4.37	6.9	2.40	7.88
7	LEVER BROTHERS NIG. PLC	1,210.6548	19,830.5256	16.38	0.50	0.42	39.0	0.35	2.14
8	NESTLE FOODS NIG. PLC	422.7500	18,558.7250	43.90	0.50	3.88	11.3	2.00	4.56
9	PZ INDUSTRIES PLC	1,452.0594	15,246.6237	10.50	0.50	0.83	12.6	0.40	3.81
10	TOTAL NIGERIA PLC	224.0000	13,758.0800	61.42	0.50	6.78	9.0	2.00	3.26
11	NIG. BOTTLING CO. PLC	878.9761	11,901.3364	13.54	0.50	0.71	19.0	0.85	6.28
12	W.A. PORTLAND CO. PLC	571.7333	11,771.9886	20.59	0.50	1.12	18.3	0.50	2.43
13	MOBIL OIL NIG. PLC	192.3175	11,731.3659	61.00	0.50	8.91	6.8	5.79	9.49
14	AFRIBANK NIGERIA PLC	1,104.1660	11,284.5765	10.22	0.50	0.78	13.1	0.10	0.98
15	CADBURY NIG. PLC	528.2837	10,407.1889	19.70	0.50	1.56	12.6	1.00	5.08
16	AGIP (NIGERIA) PLC	426.5050	8,743.3525	20.50	0.50	2.03	10.1	0.80	3.90
17	NATIONAL OIL CO. PLC	343.0000	8,506.4000	24.80	0.50	0.86	28.8	1.00	4.17
18	TEXACO (NIG) PLC	151.1840	7,861.5680	52.00	0.50	6.83	7.6	2.50	4.81
19	JULIUS BERGER NIG. PLC	225.0000	6,525.0000	29.00	0.50	1.79	16.2	0.36	13.38
20	GUARANTY TRUST BANK PLC	1,500.0000	5,970.0000	3.98	0.50	0.44	9.0	0.23	5.78
21	FLOUR MILLS NIG. PLC	546.0000	5,350.8000	9.80	0.50	1.10	8.9	0.60	6.12
22	UNIVERSAL TRUST BANK PLC	1,772.0606	4,713.6812	2.66	0.50	0.58	4.5	0.25	9.40
23	FSB INT'L. BANK PLC	1,220.3255	4,271.1393	3.50	0.50	0.74	4.7	0.18	5.14
24	CHARTERED BANK PLC	1,016.2420	4,237.7291	4.17	0.50	0.27	15.4	0.18	4.32
25	UNIPETROL NIGERIA PLC	156.2500	4,200.0000	26.88	0.50	4.16	6.4	1.50	5.58



26	AFRICAN PETROLEUM PLC	216.0000	4,177.4400	19.34	0.50	5.14	3.7	3.00	15.51
27	ASHAKA CEMENT PLC	585.0000	4,024.8000	6.88	0.50	1.35	5.1	0.30	4.36
28	LIBERTY MER. BANK PLC	1,600.0000	3,152.0000	1.97	0.50	0.27	7.3	0.10	5.08
29	BOC GASES PLC	404.0400	3,111.1080	7.70	0.50	0.89	8.6	0.65	8.44
30	UNION DICON SALT PLC	140.0000	3,108.0000	22.20	0.50	2.27	9.7	1.50	6.76
31	HALLMARK BANK PLC	1,400.0000	2,940.0000	2.10	0.50	0.49	4.2	0.10	4.76
32	INLAND BANK (NIGERIA) PLC	2,025.0000	2,835.0000	1.40	0.50	0.09	15.5	0.10	7.14
33	UACN PLC	908.6355	2,834.9428	3.12	0.50	0.00	0.0	0.60	19.23
34	SAVANNAH BANK PLC	2,012.4119	2,676.5078	1.33	0.50	0.40	3.3	0.10	7.52
35	SMITHKLINE BEECHAM NIG. PLC	797.2510	2,646.8733	3.32	0.50	0.11	30.2	0.10	3.01
36	WEMA BANK PLC	1,350.0304	2,538.0572	1.88	0.50	0.29	6.4	0.15	7.98
37	OMEGA BANK PLC	1,113.9498	2,428.4106	2.18	0.50	0.21	10.3	0.13	5.96
38	NIGENERGY SECTOR FUND	2.5000	2,409.5000	963.80	0.50	-	-	-	-
39	BENUE CEMENT COMPANY PLC	495.0000	2,371.0500	4.79	0.50	0.00	0.0	0.16	3.34
40	DUNLOP NIGERIA PLC	604.8000	2,364.7680	3.91	0.50	0.22	17.7	0.35	8.95
41	NAL MERCHANT BANK PLC	1,063.1260	2,232.5646	2.10	0.50	0.47	4.4	0.30	14.29
42	DELTA GLASS CO. PLC	413.2000	2,231.2800	5.40	0.50	0.00	0.0	0.12	2.22
43	MANNY BANK NIG. PLC	1,500.0000	2,175.0000	1.45	0.50	0.17	8.5	0.10	6.90
44	VITAFOAM NIG. PLC	436.8000	1,930.6560	4.42	0.50	0.33	13.3	0.30	6.79
45	TRANS INTL. BANK PLC	1,351.5000	1,919.1300	1.42	0.50	0.16	8.8	0.03	2.11
46	COOPERATIVE BANK PLC	1,400.0000	1,918.0000	1.37	0.50	0.19	7.2	0.10	7.30
47	ACCESS BANK NIG. PLC	1,200.0000	1,620.0000	1.35	0.50	0.15	9.0	0.05	3.70
48	UNTL PLC	542.8686	1,574.3189	2.90	0.50	0.81	3.5	0.35	12.07
49	UACN PROPERTIES DEV. PLC	1,000.0000	1,520.0000	1.52	0.50	-	-	0.14	9.21
50	7-UP BOTTLING COY. PLC	327.9820	1,397.2033	4.26	0.50	1.11	3.8	0.40	9.39
51	OKOMU OIL PALM PLC	105.9840	1,323.7402	12.49	0.50	2.40	5.2	1.00	8.01
52	NIGER INSURANCE PLC	200.0000	1,306.0000	6.53	0.50	0.18	36.0	0.18	2.76
53	NIG INTL. FUND PLC	0.1600	1,267.9296	7,924.56	0.50	-	-	325.44	4.11
54	AVON CROWNCAPS & CONTAINER PLC	569.9798	1,162.7588	2.04	0.50	0.33	6.1	0.05	2.45
55	IMB PLC	1,403.6867	1,136.9862	0.81	0.50	0.04	20.2	0.05	6.17

56	NIGERIAN-GERMAN CHEM. PLC	131.8160	1,053.2098	7.99	0.50	0.10	79.9	0.50	6.26
57	LEON BANK OF NIG PLC	1,000.0000	1,000.0000	1.00	0.50	0.25	4.0	0.08	8.00
58	CO-OPERATIVE DEV. BANK PLC	1,024.0000	993.2800	0.97	0.50	0.18	5.3	0.12	12.37
59	AFRICAN EXPRESS BANK PLC	1,500.0000	990.0000	0.66	0.50	0.06	11.0	-	-
60	REAN PLC	241.7180	966.8720	4.00	0.50	0.36	11.0	0.20	5.00
61	SCOA NIG PLC	398.4000	960.1440	2.41	0.50	0.22	10.9	0.10	4.15
62	TRADE BANK PLC	1,019.9993	917.9994	0.90	0.50	0.10	9.0	0.05	5.56
63	EKO INTERNATIONAL BANK PLC	1,142.7610	857.0708	0.75	0.50	0.09	8.3	0.05	6.67
64	GCAPPA PLC	125.0000	831.2500	6.65	0.50	0.00	0.0	0.40	6.02
65	CAPPA & D'ALBERTO PLC	98.4375	792.4219	8.05	0.50	1.20	6.7	0.40	4.97
66	AFPRENT NIGERIA PLC	515.6787	763.2045	1.48	0.50	0.00	0.0	0.15	10.14
67	CFAO NIG PLC	312.0000	745.6800	2.39	0.50	0.72	3.3	0.23	9.62
68	CEMENT CO. OF N NIG PLC	300.0000	696.0000	2.32	0.50	0.04	58.0	0.02	0.86
69	LONGMAN NIGERIA PLC	105.0000	672.0000	6.40	0.50	0.58	11.0	0.40	6.25
70	BERGER PAINTS PLC	219.6000	641.2320	2.92	0.50	0.13	22.4	0.30	10.27
71	ABCO INSURANCE PLC	200.0000	622.0000	3.11	0.50	0.61	5.0	0.20	6.43
72	GOLDEN GUINEA BREWERIES PLC	272.1600	612.3600	2.25	0.50	0.00	0.0	0.25	11.11
73	MAY & BAKER NIG PLC	135.7382	597.2481	4.40	0.50	1.12	3.9	0.35	7.95
74	N NIG FLOUR MILLS PLC	74.2500	542.0250	7.30	0.50	0.76	9.6	0.50	6.85
75	ADC PLC	200.0000	538.0000	2.69	0.50	0.59	4.5	0.25	9.29
76	PRESTIGE ASSURANCE CO. PLC	175.5000	531.7650	3.03	0.50	0.62	4.0	0.18	5.94
77	UNIC INSURANCE PLC	198.8000	524.8320	2.64	0.50	0.00	0.0	0.20	7.58
78	IMPRESIT BAKOLORI PLC	189.0000	508.4100	2.69	0.50	0.00	0.0	0.07	2.60
79	DUMEZ NIGERIA PLC	208.0000	495.0400	2.38	0.50	0.20	11.9	0.10	4.20
80	FIRST ALUM. NIG PLC	146.9399	473.1466	3.22	0.50	0.74	4.3	0.35	10.87
81	NTC	400.0000	472.0000	1.18	0.50	0.20	5.70	0.2	12.71
82	JOHN HOLT PLC	389.1514	447.5241	1.15	0.50	0.00	0.0	0.15	13.04
83	EKOCORP PLC	123.7500	421.9875	3.41	0.50	0.21	16.2	0.11	3.22
84	DN MEYER PLC	74.3540	420.1001	5.65	0.50	1.18	4.7	0.30	5.31
85	A.GLEVENTIS NIG PLC	351.3300	414.5694	1.18	0.50	0.00	0.0	0.10	8.47

86	CORNERSTONE INS. COY. PLC	200.0000	402.0000	2.01	0.50	0.35	5.2	0.15	7.46
87	CRUSADER INS. COY. PLC	181.3401	384.4410	2.12	0.50	0.08	26.0	0.08	3.77
88	ENPEE INDUSTRIES PLC	148.5000	362.3400	2.44	0.50	0.25	9.0	0.08	3.28
89	NEIMETH INT. PHARM. PLC	63.2820	344.2541	5.44	0.50	0.61	8.9	0.70	12.87
90	ASABA TEXTILE MILL PLC	77.6794	306.8336	3.95	0.50	0.00	0.0	0.20	5.06
91	NIG WIRE & CABLE PLC	168.0000	288.9600	1.72	0.50	0.31	5.5	0.10	5.81
92	TRIPPLE GEE AND CO. PLC	241.7920	280.4787	1.16	0.50	0.14	8.2	0.15	12.93
93	ALUMINIUM EXTRUSION IND. PLC	100.0000	280.0000	2.80	0.50	0.00	0.0	0.10	3.57
94	WTN PLC	81.0000	230.8500	2.85	0.50	0.25	11.4	0.10	3.51
95	LAW UNION & ROCK INS. PLC	200.0000	218.0000	1.09	0.50	0.12	9.0	0.08	7.34
96	VAN LEER CONTAINER (NIG) PLC	42.6400	206.3776	4.84	0.50	-	10.0	0.10	2.07
97	COSTAIN (W.A.) PLC	159.9200	204.6976	1.28	0.50	0.00	0.0	0.20	15.63
98	OLUWA GLASS COMPANY PLC	75.7238	203.6971	2.69	0.50	0.84	3.2	0.05	1.86
99	MORISON IND. PLC	56.8134	198.8469	3.50	0.50	0.10	35.0	0.20	5.71
100	ABA TEXTILE MILLS PLC	158.5435	198.1794	1.25	0.50	0.00	0.0	0.20	16.00
101	CMB PLC	214.0836	192.6752	0.90	0.50	1.61	3.3	0.30	33.33
102	UTC NIG PLC	280.3120	187.8090	0.67	0.50	0.00	0.0	0.14	20.90
103	ETERNA OIL & GAS PLC	200.0000	184.0000	0.92	0.50	0.06	15.3	0.08	8.70
104	W.A. PROV. INSURANCE PLC	176.5000	176.5000	1.00	0.50	0.08	12.5	0.05	5.00
105	C & I LEASING PLC	120.0000	176.4000	1.47	0.50	0.30	4.9	0.05	3.40
106	LASACO ASSURANCE PLC	180.0000	167.4000	0.93	0.50	0.25	3.0	0.07	7.53
107	EVANS MEDICAL PLC	118.5408	165.9571	1.40	0.50	0.48	2.9	0.25	17.86
108	CAP PLC	125.9959	151.1951	1.20	0.50	0.22	5.4	0.40	33.33
109	P S MANDRIDES & CO. PLC	20.0000	151.0000	7.55	0.50	0.52	14.5	0.20	2.65
110	R.T. BRISCOE PLC	120.0000	148.8000	1.24	0.50	0.43	2.8	0.18	14.52
111	POLY PRODUCTS (NIG) PLC	240.0000	148.8000	0.62	0.50	0.17	3.6	0.12	19.35
112	UNIVERSITY PRESS PLC	52.0000	140.4000	2.70	0.50	-	5.7	0.20	7.41
113	INCAR NIG PLC	133.7500	136.4250	1.02	0.50	0.00	0.0	0.05	4.90
114	TRANS-NATIONWIDE EXPRESS PLC	100.0000	133.0000	1.33	0.50	0.00	0.0	0.10	7.52
115	NCR (NIG) PLC	54.0000	129.6000	2.40	0.50	0.00	0.0	0.20	8.33
116	CUTIX OIL PLC	66.0496	123.5127	1.87	0.50	0.36	5.0	0.15	8.02

147	PREMIER BREW. PLC	126.0000	55.4400	0.44	0.50	0.00	0.0	0.06	13.64
148	CHELLARAMS PLC	80.3250	54.6210	0.68	0.50	0.32	2.1	0.10	14.71
149	PREMIER PAINTS PLC	62.5000	51.2500	0.82	0.50	0.08	10.2	0.10	12.20
150	GUINEA INSURANCE PLC	74.4568	44.6741	0.60	0.50	0.43	1.0	0.07	11.67
151	HALLMARK PAPER PRODUCTS PLC	50.0000	41.5000	0.83	0.50	0.00	0.0	0.05	6.02
152	ABOSELDEHYDE LABS. PLC	51.7000	40.8430	0.79	0.50	0.16	4.9	0.15	18.99
153	AFRICAN PAINTS (NIG) PLC	130.0000	40.3000	0.31	0.50	0.00	0.0	-	-
154	NIG WIRE IND. PLC	15.0000	38.2500	2.55	0.50	0.24	10.6	0.10	3.92
155	GROMMAC PLC	40.0000	38.0000	0.95	0.50	0.00	0.0	0.10	10.53
156	BAICO INSURANCE PLC	50.0000	35.5000	0.71	0.50	0.00	0.0	0.10	14.08
157	AFROIL PLC	107.2732	31.1092	0.29	0.50	-	-	0.02	6.90
158	CERAMIC MAN. NIG PLC	123.4040	30.8510	0.25	0.50	0.00	0.0	0.03	12.00
159	TOWERGATE INSURANCE PLC	31.5000	29.9250	0.95	0.50	0.06	15.8	-	-
160	ELLAH LAKES PLC	60.0000	28.8000	0.48	0.50	0.00	0.0	-	-
161	ABPLAST PRODUCTS PLC	25.0000	28.0000	1.12	0.50	0.10	11.2	0.08	7.14
162	NIG LAMPS INDUSTRIES PLC	100.0000	27.0000	0.27	0.50	-	-	-	-
163	FIRST CAP. INV. TRUST PLC	60.0000	27.0000	0.45	0.50	-	-	-	-
164	SMURFIT PRINT NIG PLC	18.0000	26.1000	1.45	0.50	0.00	0.0	0.08	5.52
165	LENNARDS (NIG) PLC	70.1640	25.2590	0.36	0.50	0.00	0.0	0.15	41.67
166	ROKANA IND. PLC	46.7881	23.3940	0.50	0.50	0.00	0.0	0.10	20.00
167	ROADS NIG PLC	20.0000	20.8000	1.04	0.50	0.38	2.7	0.15	14.42
168	SUN INSURANCE PLC	30.2400	19.6560	0.65	0.50	0.15	4.0	0.06	9.23
169	MAUREEN LABORATORIES PLC	68.0000	18.3600	0.27	0.50	0.19	1.4	-	-
170	INTRA MOTORS PLC	30.0000	17.1000	0.57	0.50	0.33	1.7	0.05	8.77
171	CAPITAL OIL PLC	54.5744	16.3723	0.30	0.50	0.05	6.0	0.03	10.00
172	ARBICO PLC	13.5000	16.3350	1.21	0.50	0.00	0.0	0.10	8.26
173	TATE IND. PLC	66.5610	13.9778	0.21	0.50	0.39	0.5	0.05	23.81
174	UNION VENTURES & PET. PLC	27.5500	13.7750	0.50	0.50	0.12	4.0	0.02	4.00
175	BCN PLC	21.0000	13.4400	0.64	0.50	0.02	32.0	0.11	17.19
176	AFRIK PHARMACEUTICALS PLC	24.8980	12.4490	0.50	0.50	0.09	5.0	0.02	4.00
177	CHRISTLIEB PLC	24.0000	12.0000	0.50	0.50	0.15	3.3	0.10	20.00

178	DAILY TIMES PLC	24.0000	12.0000	0.50	0.50	-	-	0.06	12.00
179	UDOFSON GARMENT FACT. NIG. PLC	20.0000	10.0000	0.50	0.50	-	-	-	-
180	FLEXIBLE PACKAGING PLC	17.0000	8.5000	0.50	0.50	0.03	14.0	-	-
181	LIZ-OLOFIN AND COY. PLC	50.0000	8.0000	0.16	0.50	0.08	2.6	0.05	31.25
182	BEWAC (NIG.) PLC	15.5000	7.9050	0.51	0.50	0.00	0.0	0.05	9.80
183	ONWUKA HI-TECH. IND. PLC	68.1724	6.8172	0.10	0.50	0.00	0.0	0.02	20.00
184	TROPICAL PET. PRODUCTS PLC	22.4420	6.7326	0.30	0.50	0.09	3.0	0.03	10.00
185	ANINO INT'L PLC	24.2000	5.3240	0.22	0.50	0.02	10.0	0.02	9.09
186	KRABO NIGERIA PLC	39.1875	5.0944	0.13	0.50	0.06	2.0	-	-
187	BEVERAGES (W.A.) PLC	6.0000	4.9200	0.82	0.50	0.53	1.5	1.00	121.95
188	RAK UNITY PET. CO. PLC	15.0000	4.5000	0.30	0.50	0.35	0.0	0.03	10.00
189	CHAMPION BREW. PLC	38.7755	3.8775	0.10	0.50	-	-	0.02	20.00
190	W.A. ALUM. PRODUCTS PLC	6.6500	3.3250	0.50	0.50	0.02	29.0	0.15	30.00
191	JULI PLC	5.0000	2.6000	0.52	0.50	0.14	3.0	0.07	13.46
192	ATLAS NIG. PLC	18.4140	2.3938	0.13	0.50	-	-	-	-
193	FOREMOST DIARIES NIG. PLC	4.4388	2.0862	0.47	0.50	-	-	0.20	42.55
194	NIG SEWING MACHINE MAN. CO. PLC	5.8800	0.8820	0.15	0.50	-	-	0.06	40.00
195	STOKVIS NIG. PLC	2.9180	0.4085	0.14	0.50	-	-	0.07	50.00
		66,595.0575	466,011.5105						

# AUDITED FINANCIAL STATEMENTS

*For the Year Ended*

31<sup>st</sup> December, 2000.

## SECURITIES AND EXCHANGE COMMISSION

EXECUTIVE COMMITTEE OF THE COMMISSION, PROFESSIONAL  
ADVISERS AND REGISTERED OFFICE.

## MEMBERS OF THE COMMITTEE

Director-General	Mallam Sulleyman A. Ndanusa
Commissioner I	Ajh. Abba Gwadabe
Commissioner II	Mr. E.S.O. Orwinoko
Auditors	Messrs. Ugochukwu Nwankwo & Co (Chartered Accountants) 1 Obalodu Street Ilupeju, Lagos.
Bankers	Zenith International Bank FSB International Bank Plc Citizens International Bank Ltd Equity Meridian Bank of Nig. Ltd. Universal Trust Bank of Nig. Plc
Registered Office	NSITF/LABOUR HOUSE (5 <sup>th</sup> , 9 <sup>th</sup> Floor) Central Business District P.M.B. 315 Garki Abuja

## SECURITIES AND EXCHANGE COMMISSION

REPORT OF THE COMMISSION'S MANAGEMENT  
FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER, 20001. ACCOUNTS

The Members of the Committee have pleasure in presenting the accounts for the year ended 31<sup>st</sup> December 2000

2. LEGAL FORM

The Commission was established under the Securities and Exchange Commission Act (No 71) of 1979 as re-enacted by Investment and Securities Act No. 45 of 1999

3. PRINCIPAL ACTIVITIES

The Commission is charged with the duty of:

- a) Regulating investments and Securities business in Nigeria;
- b) Registering and regulating Securities Exchanges, Capital Trade Points, Futures, Options and Derivatives Exchanges, Commodity Exchanges and any other recognised investment Exchanges;
- c) Registering securities to be offered for subscription or sale to the public;
- d) Preparing adequate guidelines and organising training programmes and disseminating information necessary for the establishment of Securities Exchanges and Capital Trade Points;
- e) Maintaining surveillance over the securities market to ensure orderly, fair and equitable dealings in securities;
- f) Registering and regulating corporate and individual Capital Market Operators and their agents with a view to maintaining proper standards of conduct and professionalism in the securities business;
- g) Protecting the integrity of the securities market against abuses arising from the practice of insider trading;
- h) Acting as regulatory apex organisation for the Nigerian Capital market including the promotion and registration of self-regulatory organisations and capital market trade associations to which it may delegate its powers;
- i) Reviewing, approving and regulating mergers, acquisition and all forms of business combinations;
- j) Promoting investors' education and the training of all categories of intermediaries in the securities industry;
- k) Undertaking such other activities as are necessary or expedient for giving full effect to the provisions of Investment and Securities Act No. 45 of 1999.

## BOARD OF DIRECTORS

As at 31<sup>st</sup> December 1999 the Commission had no Board sequel to the dissolution of the board of Parastatals by the Federal Government in 1994.

## RESULT

The operational result of the year is as follows:

	N
Income	565,014,563
Expenditure	664,206,906
Deficit transferred to accumulated Fund	(99,192,343)

## FIXED ASSETS

Movement in Fixed Assets during the year are shown in note 1 on page 11 of these accounts

## FINANCIAL COMMITMENTS

The Directors are of the opinion that all known liabilities and commitments have been taken into the consideration in the preparation of these accounts.

## AUDITORS

In accordance with Section 357 (2) of the Companies and Allied matters Act, 1990, the Auditors, Messers. Ugochukwu Nwankwo & Co. having indicated their willingness, will continue in office and Auditors of the Commission.

ABUJA, NIGERIA

BY ORDER OF THE COMMITTEE

25<sup>th</sup> JUNE, 2001

SECRETARY

## AUDITORS' RESPONSIBILITY STATEMENT

The auditors are responsible for forming an independent opinion on the financial statements presented by the directors, based on their audit for reporting their opinion to the members. They also have the responsibility under the Companies and Allied Matters Act, 1990 or any enabling Act to report to the members if particular requirements are not met.

These requirements are:

- that the Commission maintained proper books of accounts, and obtained proper returns from branches not visited by the auditors;
- that the financial statements are in agreement with the accounting records and give information required by the Act in the manner so required and give true and fair view, in the case of the balance sheet, of the state of the financial affairs of the commission as at the financial year ended, and in the case of the income and expenditure account of the surplus or deficit of the year;
- that the Commission's financial statements have been properly prepared in accordance with the provision of the Act so as to give a true and fair view of the state of affairs and surplus or deficit of the Commission; and
- that the auditors have obtained all the information and explanations which, to the best of their knowledge and belief, were necessary for the purpose of their audit.

The auditors' opinion does not encompass the Commission's report on pages 3 to 4 (together with matters included therein by reference). However, the auditors are to report to members if the matters contained in the Commission's report are inconsistent with the financial statements.



## REPORT OF THE AUDITORS TO THE MEMBERS OF SECURITIES AND EXCHANGE COMMISSION

We have audited the financial statements set out on pages 8 and 14 which have been prepared under the accounting policies set out on page 7.

### Respective responsibilities of directors and auditors

The Commission's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of Opinion

We conducted our audit in accordance with generally accepted standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements; and of whether the accounting policies are appropriate to the Commission's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give a reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud, other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

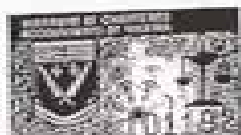
The financial statements are in agreement with the books of account which have been properly kept and we obtained the information and explanation we required.

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Commission as at 31<sup>st</sup> December, 1999 and on the deficit and statement of cash flow for the year ended on that date and have been properly prepared in accordance with the provisions of Investments and Securities Act No. 45 of 1999, Companies and Allied matters Act 1990 and the relevant statements of accounting standards issued by the Nigerian Accounting Standards Board.

*Chochu Kere Abdu Kari & Co*  
CHARTERED ACCOUNTANTS

Lagos, Nigeria  
25th June, 2001



## SECURITIES AND EXCHANGE COMMISSION

### SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies adopted by the Commission in the preparation of these financial statements.

- BASIS OF ACCOUNTING**  
The accounts are prepared under the historical cost convention.
- FIXED ASSETS**  
Fixed Assets (including Library books) are state at cost less accumulated depreciation.
- INCOME AND EXPENDITURE RECOGNITION**  
Income is taken into account only in the year of receipt. However, expenditure is treated on accrual basis.
- STOCK**  
The cost of all stock of publication is written off to the Income and Expenditure account in the year in which it was incurred.
- DEPRECIATION**  
Depreciation charged on Fixed Assets is calculated at the following annual rates to write off their costs on a straight line basis over the expected useful lives of the assets:
 

Land & Building	2.5%
Furniture & Equipment	25%
Motor Vehicles	33.3%
Library Books	10%
- REPAIRS AND RENEWALS**  
All repairs and renewals are written off in the year the expenses were incurred.
- RETIREMENT BENEFITS**  
The Commission provides a Pension Scheme for the benefit of its employees based on the employee's years of service and the final pensionable salary.

SECURITIES AND EXCHANGE COMMISSION  
BALANCE SHEET AS AT 31ST DECEMBER, 1999

	Notes	N	2000 N	N	1999 N
<b>Fixed Assets</b>					
Investment at Cost:	1		359,966,963		307,827,183
5% FRM 24 Dev.					
1			911,000		911,000
			360,877,963		308,738,183
<b>Current Assets:</b>					
Term Investments	2	25,000,000		73,000,000	
Prepayments	3	126,182,683		129,473,164	
in hand and at Bank	4	12,172,389		38,887,440	
		152,354,972		241,360,604	
<b>Current Liabilities</b>					
Provisions and Accruals	5	69,996,767		25,563,391	
Overdraft	6	18,436,375		5,362,961	
		88,433,142		30,946,372	
<b>Current Assets</b>			62,921,810		210,414,232
			423,799,473		519,152,415
<b>NCES By:</b>					
mutualised Fund	7		423,799,473		519,152,415
			423,799,473		519,152,415

SECURITIES AND EXCHANGE COMMISSION

INCOME AND EXPENDITURE ACCOUNT FOR THE  
YEAR ENDED 31ST DECEMBER, 2000

	Notes	N	2000 N	N	1999 N
<b>INCOME</b>					
	8		565,014,563		350,843,544
<b>LESS EXPENDITURE:</b>					
Staff Emoluments					
Management Meetings and Expenses	9	106,132,216		62,108,999	
Contribution to Pension Fund		5,133,549		2,072,349	
Staff Welfare and Development		45,727,888		45,300,995	
Rent and Rates	10	46,419,048		26,787,105	
Traveling Expenses		89,181,737		52,587,976	
Printing and Stationery		42,428,137		24,115,487	
Motor Running Expenses		28,925,031		8,778,353	
Communication		16,314,980		11,689,962	
Repairs & Renewals		13,234,797		7,661,633	
Electricity		50,549,983		22,968,689	
Newspapers & Periodicals		5,547,855		791,768	
Bank Charges		1,434,915		1,036,918	
Corporate Affairs /Publicity		2,018,186		3,786,890	
Insurance		22,065,328		14,004,740	
Professional Fees		8,052,858		5,572,737	
Subscription & Donations		20,041,634		2,281,475	
Audit Fees		2,342,689		2,247,164	
Capital Market Development		638,000		702,000	
Recruitment & Records		20,903,195		8,119,566	
Sundries		6,600		879,066	
Depreciation	11	46,667,135		18,794,904	
		90,411,135		63,919,812	
			(664,206,906)		(386,207,988)
(Deficit) Surplus for the year			(99,192,343)		(36,164,444)

STATEMENT OF CASH FLOW FOR THE YEAR  
ENDED 31ST DECEMBER, 2000

	2000 N	1999 N
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Deficit for the year	(99,192,343)	(36,164,444)
Adjustment for:		
Depreciation	90,441,134	63,919,813
Prior year adjustments	3,839,401	-684,395
	<u>(224,929)</u>	<u>(2,436,504)</u>
Profit on disposal of fixed assets		
Funds generated from operations before working capital changes	(5,136,737)	24,634,470
<b>WORKING CAPITAL CHANGES</b>		
Short Term Investments	53,000,000	55,148,065
Debtors & Prepayments	9,290,481	(67,165,105)
	<u>44,413,396</u>	<u>14,646,352</u>
Creditors & Accruals		
Cash generated from operations	101,567,140	27,263,782
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(143,395,357)	(108,469,716)
	<u>1,039,672</u>	<u>3,019,638</u>
Proceeds from sale of fixed assets		
Net Increase/(Decrease) in Cash	(40,788,545)	(78,186,296)
	<u>33,524,459</u>	<u>111,710,755</u>
Cash less Overdraft at 1st Jan.		
	<u>(7,264,086)</u>	<u>33,524,459</u>
Cash less Overdraft at 31st Dec.		

SECURITIES AND EXCHANGE COMMISSION  
SECURITIES AND EXCHANGE COMMISSION  
NOTES TO THE ACCOUNTS FOR THE YEAR  
ENDED 31ST DECEMBER, 2000

1. FIXED ASSETS

	TOTAL	BUILDING PROJECT	LAND & BUILDINGS	CAR PARK	OFFICE FURNITURE & EQUIP.	HOUSEHOLD FURNITURE & EQUIPMENT	MOTOR VEHICLES	BOOKS
Cost:	N	N	N	N	N	N	N	N
As at 01/01/2000	490,913,241	98,817,137	108,890,959	5,732,402	152,651,558	46,969,620	72,082,778	5,768,787
Additions	143,395,357	206,571	1,780,162	-	65,121,606	42,836,198	32,680,000	770,820
Disposals	(9,686,978)	-	-	-	(1,628,686)	(3,761,893)	(4,496,399)	-
As at 31/12/2000	<u>624,421,620</u>	<u>99,023,708</u>	<u>110,671,121</u>	<u>5,732,402</u>	<u>216,144,478</u>	<u>86,043,925</u>	<u>100,266,379</u>	<u>6,539,607</u>
Depreciation:								
As at 01/01/2000	183,086,058	-	7,987,618	5,709,051	86,466,033	26,253,246	55,029,281	1,640,829
Charges	90,441,134	-	2,529,336	11,950	44,414,082	20,561,688	22,273,944	650,134
Disposals	(9,072,235)	-	-	-	-	2,947,150)	(4,496,399)	-
As at 31/12/2000	<u>264,454,957</u>	<u>-</u>	<u>10,516,954</u>	<u>5,721,001</u>	<u>129,251,429</u>	<u>43,867,784</u>	<u>72,806,826</u>	<u>2,290,963</u>
Net Book Value:								
As at 31/12/2000	<u>359,966,663</u>	<u>99,023,708</u>	<u>100,154,167</u>	<u>11,401</u>	<u>86,893,049</u>	<u>42,176,141</u>	<u>27,459,553</u>	<u>4,248,644</u>
As at 31/12/1999	<u>307,827,183</u>	<u>98,817,137</u>	<u>100,903,341</u>	<u>23,351</u>	<u>66,185,525</u>	<u>20,716,374</u>	<u>17,053,497</u>	<u>4,127,958</u>

## NOTES TO THE ACCOUNTS (CONT'D)

## NOTES TO THE ACCOUNTS (CONT'D)

	2000 N	1999 N
2. SHORT TERM INVESTMENTS		
Treasury Bills	20,000,000	60,000,000
Bankers' Acceptances	-	13,000,000
	<u>20,000,000</u>	<u>73,000,000</u>
3. <u>DEBTORS &amp; PREPAYMENTS</u>		
Staff Debtors	44,503,014	35,444,026
Sundry Debtors	3,354,465	2,933,158
Prepayments	<u>72,325,204</u>	<u>91,095,980</u>
	<u>120,182,683</u>	<u>129,473,164</u>
4. <u>CASH IN HAND &amp; BANK</u>		
Petty Cash	935,960	1,010,490
Bank Balances	<u>11,236,329</u>	<u>37,876,950</u>
	<u>12,172,289</u>	<u>38,887,440</u>
5. <u>CREDITORS &amp; ACCRUALS</u>		
Vehicle Insurance Deposit	530,972	436,202
Accrued Audit Fees	319,000	502,000
Sundry Creditors	<u>12,396,357</u>	<u>8,118,488</u>
Charges Accrued Due	<u>56,750,458</u>	<u>16,526,701</u>

	2000 N	1999 N
6. <u>BANK OVERDRAFT</u>		
FSB International	1,791,010	5,362,981
Wema Bank	93,614	-
Zenith International Bank	<u>17,551,751</u>	<u>-</u>
	<u>19,436,375</u>	<u>5,362,981</u>
7. <u>ACCUMULATED FUNDS</u>		
Balance brought forwards	519,152,415	556,001,254
Prior year adjustments	3,839,401	(684,395)
(Deficit)/Surplus for the year	<u>(99,192,343)</u>	<u>(36,164,444)</u>
	<u>423,799,473</u>	<u>519,152,415</u>
8. <u>INCOME</u>		
Income from operators	541,467,379	325,649,060
Investment income	5,355,396	17,307,370
Other income	<u>18,191,788</u>	<u>7,087,114</u>
	<u>565,014,563</u>	<u>350,043,544</u>
9. <u>STAFF EMOLUMENTS</u>		
Salaries and Wages	44,147,556	20,950,212
Allowances	<u>61,984,660</u>	<u>41,158,787</u>
	<u>106,132,216</u>	<u>62,108,999</u>
10. <u>STAFF WELFARE &amp; DEVELOPMENT</u>		
Medical	17,356,688	18,086,415
Training	25,177,839	5,835,807
Entertainment	1,573,393	951,350
Uniform	1,910,418	1,309,253
Recreation Expenses	<u>400,710</u>	<u>604,280</u>
	<u>46,419,048</u>	<u>26,787,105</u>

## NOTES TO THE ACCOUNTS (CONT'D)

	2000 N	1999 N
<b>SUNDRIES</b>		
Contingency	9,303,400	1,236,460
Relocation Expenses	10,998,299	8,324,830
Data Communication Expenses	53,000	408,200
Special Expenditure	12,460,907	60,000
Computer Accessories & Statistics	1,575,320	1,799,610
Football Club Expenses (12)	2,004,286	-
Others	<u>10,271,923</u>	<u>6,985,804</u>
	<u>46,667,135</u>	<u>18,794,904</u>

The Commission floated a football club "SEC FC" during the year. The team was registered with FCT Football Association arm of the Nigeri Football Association to play in Division II of the Amateur League.

**APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by the executive committee of the Commission on 25th June 2001

SECURITIES AND EXCHANGE COMMISSION  
FIVE YEAR FINANCIAL SUMMARY

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	2000 N000	1999 N000	1998 N000	1997 N000	1996 N000
<b>CAPITAL EMPLOYED:</b>	359,966	307,827	263,860	257,242	216,335
Fixed Assets					
<b>INVESTMENTS:</b>	911	911	911	911	911
11.75% FRN 24 Dev. Stock	-	13,000	300	500	800
Others					
<b>CURRENT ASSETS:</b>	120,183	129,473	62,308	47,034	53,309
Debtors & Prepayments	20,000	60,000	127,848	211,789	198,808
Treasury Bills	11,236	37,877	110,743	6,708	6,945
Cash at Bank	<u>936</u>	<u>1,010</u>	<u>968</u>	<u>568</u>	<u>311</u>
Cash in Hand					
<b>LESS CURRENT LIABILITIES</b>					
Creditors and Accruals	(69,997)	(25,583)	(10,937)	(8,904)	(7,250)
Bank Overdraft	<u>(19,436)</u>	<u>(5,363)</u>	<u>-</u>	<u>(8,494)</u>	<u>(14,819)</u>
<b>Net Assets</b>	<u>423,799</u>	<u>519,152</u>	<u>556,001</u>	<u>507,354</u>	<u>455,350</u>
<b>FINANCED BY:</b>					
Capital Project/	-	-	-	317,951	315,162
Development Fund	423,799	519,152	556,001	151,408	110,193
Accumulated Fund	-	-	-	<u>37,995</u>	<u>29,995</u>
Other Funds	<u>423,799</u>	<u>519,152</u>	<u>556,001</u>	<u>507,354</u>	<u>455,350</u>
<b>INCOME AND EXPENDITURE A/C.</b>					
Income	565,015	350,044	314,795	3,202	5,305
Budgetary Allocation	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,272</u>	<u>183,000</u>
	565,015	350,044	314,795	253,474	188,305
Expenditure	<u>(664,207)</u>	<u>(386,208)</u>	<u>(261,437)</u>	<u>(212,768)</u>	<u>(161,497)</u>
<b>Surplus/(deficit) for the year</b>	<u>(99,192)</u>	<u>(36,164)</u>	<u>53,358</u>	<u>40,706</u>	<u>26,808</u>

# NOTES

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# NOTES