

THIS DOCUMENT SHOULD BE READ CAREFULLY. If you are in any doubt about the action to be taken, please consult your Stockbroker, Banker, Solicitor, Accountant or any other Professional Adviser for guidance immediately.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE RISK FACTORS ON PAGE 20



Rights Issue

of

111,051,098 ORDINARY SHARES of ₦1.00 EACH

AT

₦1.49 PER SHARE

ON THE BASIS OF 1 (ONE) NEW ORDINARY SHARE FOR EVERY 3 (THREE) ORDINARY SHARES OF ₦1.00 EACH HELD AS AT THE CLOSE OF BUSINESS ON MONDAY, AUGUST 1, 2016

Payable in full on Acceptance

ISSUING HOUSES

Lead Issuing House

Capital Bancorp Plc

(Member of The Nigerian Stock Exchange)

RC: 114135

Joint Issuing House



CapitalAssets

CAPITAL ASSETS LIMITED

(Member of The Nigerian Stock Exchange)

RC: 286096

Acceptance List Opens: March 20, 2017

Acceptance List Closes: April 28, 2017

This Rights Circular and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. It is a civil wrong and criminal offense under the Investments and Securities Acts No. 29, 2007 to issue a rights circular which contains false or misleading information. Clearance and registration of this Rights Circular and the Securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements contained herein or for any omission of any material fact.

This Rights Circular is dated March 2, 2017

**RIGHTS ISSUE OF 111,051,098 ORDINARY SHARES OF N1.00 EACH
AT ₦1.49 PER SHARE
PAYABLE IN FULL ON ACCEPTANCE
ACCEPTANCE LIST OPENS ON March 20, 2017 AND CLOSSES ON April 28, 2017**

This Rights Circular is issued in connection with the Rights Issue by NASD Plc of 111,051,098 Ordinary Shares of ₦1.00 each in the capital of the NASD at an issue price of ₦1.49 per share.

The Rights Circular and the Shares being offered have been cleared and registered with the Securities & Exchange Commission (SEC).

The Directors collectively and individually accept full responsibility for the information contained in this Rights Circular. To the best of the knowledge and belief of the Directors (having made all reasonable enquiries to ensure that such is the case), the information contained in this Rights Circular is in accordance with the facts and contains no omission likely to affect its import. Capital Bancorp Plc and Capital Assets Limited are duly registered with the SEC and are acting exclusively for the Company and no-one else in connection with the Rights Issue.

This Rights Circular relates to the Company's Rights Issue and has been prepared in accordance with the Investments and Securities Act (No. 29) 2007 and the Rules and Regulations of the SEC.

The Issuing Houses and any of their affiliates, acting as shareholders for their own accounts, may take up shares in the Issue and in that capacity may retain, purchase, sell, offer to sell or otherwise deal in such Shares for their own account and any other securities of the Company or related investments and may offer or sell such Shares or other investments other than in connection with the Issue.

No person has been authorised to give any information or make any representations other than those contained in this Rights Circular and if given or made, such information or representations must not be relied on as having been authorised by the Company and/or the Issuing Houses or any of their respective subsidiaries or affiliates.

The information contained in this Rights Circular has been provided by the Company and other sources duly identified herein. Except to the extent permitted by law, the Issuing Houses make no representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any information in this Rights Circular. Each Shareholder should read this Rights Circular in its entirety and determine by itself the relevance of the information contained herein and each Shareholder's acceptance of its Rights should be based upon such investigation as is deemed necessary. In making an investment decision, Shareholders must rely upon their own examination of the Company and the terms of this Rights Circular, including the risks involved.

The distribution of this Rights Circular and the Issue of the Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or the Issuing Houses that would permit a public offer of shares or possession, publication or distribution of this Rights Circular (or any other offer or publicity material or application form relating to the Issue) in any jurisdiction where action for the purpose is required, other than in Nigeria. Persons into whose possession this Rights Circular comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Rights Circular does not constitute an offer of, or an invitation to subscribe or purchase, any shares being offered in any jurisdiction in which such an offer would be unlawful.

1.	OUR LOCATION	5
2.	DEFINITIONS	6
3.	LETTER ON DECLARATION BY THE ISSUER.....	7
4.	INDICATIVE ABRIDGED TIMETABLE	8
5.	THE ISSUE	9
6.	SUMMARY OF THE ISSUE	10
7.	DIRECTORS, AUDIT COMMITTEE MEMBERS AND OTHER PROFESSIONAL PARTIES TO THE ISSUE	12
8.	THE CHAIRMAN'S LETTER	14
8.1	HISTORY AND BUSINESS	15
8.2	BOARD OF DIRECTORS	16
8.3	MANAGEMENT AND STAFF	19
8.4	PURPOSE OF THE ISSUE	19
8.5	WORKING CAPITAL	19
8.6	GOING CONCERN STATUS	20
8.7	PREMISES	20
8.8	CORPORATE GOVERNANCE STRUCTURE	20
8.9	UNCLAIMED/UNPAID DIVIDENDS.....	20
8.10	RISKS	20
8.11	COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE	21
8.12	FUTURE PLANS	21
8.13	CONCLUSION	22
9.	LETTER FROM THE DIRECTORS ON THE GOING CONCERN STATUS	23
10.	LETTER FROM THE AUDITORS ON THE GOING CONCERN STATUS	25
11.	FOUR-YEAR FINANCIAL INFORMATION	27
11.1	STATEMENT OF FINANCIAL POSITION	27
11.2	STATEMENT OF COMPREHENSIVE INCOME	28
11.3	STATEMENT OF CASH FLOWS	29
11.4	NOTES TO THE FINANCIAL STATEMENTS	30
11.5	UNAUDITED MANAGEMENT ACCOUNTS AS AT DECEMBER 31, 2016.....	40
12.	STATUTORY AND GENERAL INFORMATION	48
12.1	INCORPORATION AND SHARE CAPITAL HISTORY	48
12.2	SHAREHOLDING STRUCTURE.....	48
12.3	DIRECTORS' INTERESTS*	48
12.4	INDEBTEDNESS.....	49
12.5	SUBSIDIARIES AND ASSOCIATED COMPANIES.....	49
12.6	RELATIONSHIP BETWEEN THE ISSUER AND ITS PROFESSIONAL ADVISERS	49
12.7	EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION	49
12.8	CLAIMS, LITIGATION AND CONTINGENT LIABILITIES	50
12.9	ESTIMATED COST OF ISSUE AND EXPENSES.....	50
12.10	MATERIAL CONTRACTS.....	50
12.11	STATUS OF UNCLAIMED DIVIDENDS	50

12.12	OFF-BALANCE SHEET ITEMS.....	50
12.13	RELATED PARTY TRANSACTIONS.....	50
12.14	CONSENTS OF PARTIES	51
12.15	DOCUMENTS AVAILABLE FOR INSPECTION.....	51
13.	PROVISIONAL ALLOTMENT LETTER.....	52
14.	RECEIVING AGENTS	53
15.	ACCEPTANCE/RENUNCIATION FORM	54

1. OUR LOCATION

REGISTERED OFFICE

9th Floor, UBA House
57, Marina, Lagos
P.O.Box 4454, Lagos
Tel: 234 – 1-2808676, 234 -1-4605008
info@nasdng.com
www.nasdng.com

2. DEFINITIONS

BROKERAGE COMMISSION	Fees payable to Receiving Agents in respect of returns bearing their Stamps and duly allotted
NASD or THE COMPANY	NASD Plc
THE NSE or The Exchange	The Nigerian Stock Exchange
ISA	Investments and Securities Act No. 29 2007
ISSUING HOUSES	Capital Bancorp Plc and Capital Assets Limited
LFN	Laws of the Federation of Nigeria 2004
Naira or ₦	The Nigerian Naira, the official currency of Nigeria
OTC	Over-The-Counter
PARI PASSU	Equal in all respects
PARTIES TO THE ISSUE	Professional Advisers engaged by NASD Plc to ensure the success of the Issue
QUALIFICATION DATE	Date by which Subscribers/Investors name must be on the Register of members to qualify to take part in the Rights Issue
RECEIVING AGENTS	Financial Institutions authorized to receive Application Forms/monies from investors
RECEIVING BANK	Guaranty Trust Bank plc
SEC OR THE COMMISSION	The Securities & Exchange Commission
SHARES	111,051,098 new Ordinary Shares being offered in this Rights Issue
SHAREHOLDERS	Existing shareholders of the Company as at the Qualification Date (as defined in the Rights Circular)
THE ACT	Investments and Securities Act No. 29, 2007
THE ISSUE	Rights Issue of 111,051,098 ordinary share of ₦1.00 each at ₦1.49 per share
THE RIGHTS CIRCULAR	The legal document through which this Issue is being made to the existing shareholders
WORKING DAY	Any day apart from a Saturday, Sunday or Official Public Holiday in Nigeria

3. LETTER ON DECLARATION BY THE ISSUER

9th Floor, UBA House, 57 Marina, Lagos, Nigeria.
P.O.Box 4454 Tel: +234 1.2808676, +234.(1).4605008
info@nasdng.com, www.nasdng.com

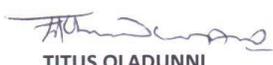


PROPOSED RIGHT ISSUE OF 111,051,098 ORDINARY SHARES OF ₦1.00 EACH AT ₦1.49 PER SHARE- DECLARATION BY THE ISSUER ON FULL DISCLOSURE

We the undersigned of NASD PLC, Nigerian Citizens of 9th Floor, UBA House, 57, Marina, Lagos State, the Issuer of the proposed Rights Issue of 111,051,098 Ordinary Shares of ₦1 each at ₦1.49 per share make oath and depose as follows:

1. That NASD PLC has fully disclosed all material facts in the offer document with respect to the Rights Issue.
2. That we swear to this affidavit conscientiously in good faith and in accordance with the oaths law 2013.


BOLA AJOMALE
CHIEF EXECUTIVE OFFICER


TITUS OLADUNNI
CHIEF FINANCIAL OFFICER

GIO NOMINEES LIMITED
GIO NOMINEES LIMITED
COMPANY SECRETARY
GIO NOMINEES LIMITED
864B, Bishop Aboyade Cole Str,
Victoria Island, Lagos

Sworn at the Lagos High Court Registry

This 25th day of April 2016

BEFORE ME


BALOGUN O.
COMMISSIONER FOR OATHS
HIGH COURT LAGOS

COMMISSIONER FOR OATHS



BOARD: Olutola Mobolurin (Chairman) • Chike Nwanze • Oladipo Aina • Victor Ogiemwonyi • Kayode Falowo • Ariyo Olushekun • Abubakar Lawal
• Ade Bajomo • Samuel Nwanze • Oby Ugboma • Bola Ajomale (Managing Director)

4. INDICATIVE ABRIDGED TIMETABLE

Date	ACTIVITY	RESPONSIBILITY
March 20, 2017	Rights Issue Opens	Issuing Houses
April 28, 2017	Rights Issue Closes	Issuing Houses
May 5, 2017	Receiving Agents Make Returns	Issuing Houses / Registrars /Receiving Agents
May 12, 2017	Forward allotment proposal and draft newspaper advertisement to SEC	Issuing Houses
May 24, 2017	Receive the SEC clearance of allotment	Issuing Houses
May 25, 2017	Remit Net Issue proceeds to NASD Plc	Issuing Houses /Receiving Bank
May 26, 2017	Return Excess/Rejected Application monies	Issuing Houses /Receiving Bank
May 26, 2017	Announce Result of Allotment	Issuing Houses
May 31, 2017	Credit CSCS accounts of Shareholders	Registrars
June 5, 2017	File Summary Report with the SEC	Issuing Houses

5. THE ISSUE

Copies of this Rights Circular, and the documents specified herein, have been delivered to the Securities & Exchange Commission for clearance and registration.

This Rights Circular is being offered in compliance with the provisions of the Investments and Securities Act No. 29, 2007, the Rules and Regulations of the Commission and contains particulars in compliance with the requirements of the Commission, for the purpose of giving information to the shareholders with regard to the Rights Issue of 111,051,098 Ordinary shares of ₦1.00 each at ₦1.49 per share by Capital Bancorp Plc and Capital Assets Limited on behalf of NASD Plc.

The Directors of NASD Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm (having made all reasonable enquiries) that to the best of their knowledge and belief, there are no material facts, the omission of which would make any statement herein misleading or untrue.

ISSUING HOUSES

Capital Bancorp Plc
(Member of The Nigerian Stock Exchange)
RC 114135


CapitalAssets
CAPITAL ASSETS LIMITED
(Member of The Nigerian Stock Exchange)
RC: 286096

ON BEHALF OF


NASD Plc
RC: 336267

ARE AUTHORISED TO RECEIVE ACCEPTANCES FOR THE
RIGHTS ISSUE

OF

111,051,098 ORDINARY SHARES OF ₦1.00 EACH

AT

₦1.49 PER SHARE

ON THE BASIS OF

**1 (ONE) NEW ORDINARY SHARE FOR EVERY 3 (THREE) ORDINARY SHARES OF ₦1.00 EACH
HELD AS AT MONDAY, AUGUST 1, 2016**

PAYABLE IN FULL ON ACCEPTANCE

The Acceptance List for the shares now being offered will open on March 20, 2017 and close on April 28, 2017

SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT DECEMBER 31, 2015

(Extract from the Annual Report of NASD Plc)

₦'000

AUTHORISED	500,000,000 Ordinary Shares of ₦1.00 each	500,000
ISSUED AND FULLY PAID	333,153,294 Ordinary Shares of ₦1.00 each	333,153
	Share Capital	333,153
	Share Premium	236,260
	Accumulated Losses	(73,308)
	Shareholders' Funds	496,105

6. SUMMARY OF THE ISSUE

The following information should be read in conjunction with the full text of this Rights Circular, from which it is derived:

- 1. Issuer:** NASD Plc
- 2. Issuing Houses:** Capital Bancorp Plc and Capital Assets Limited
- 3. Share Capital:**
 Authorised: ₦500,000,000 divided into 500,000,000 Ordinary Shares of ₦1.00 each.
 Issued and Fully Paid: ₦333,153,294 divided into 333,153,294 Ordinary Shares of ₦1.00 each.
- Now being offered:**
 Being Issued: 111,051,098 ordinary shares of ₦1.00 each at ₦1.49 per share
- 4. Purpose of the Issue:** The proceeds of this Issue will be used to shore up the capital base of the Company to meet up with the minimum capital of ₦500 million stipulated by the Securities & Exchange Commission and enables it to achieve its strategic objectives.
- 5. Utilization of Proceeds:** The estimated net Issue proceeds would amount to ₦160,782,108.23 after deducting the cost of the Issue, estimated at ₦4,684,027.79 (representing 2.83% of gross proceeds), will be applied as follows:
- | UTILIZATION | AMOUNT (N) | % | ESTIMATED COMPLETION PERIOD |
|----------------------------|-----------------------|------------|-----------------------------|
| New Trading Platform | 50,000,000.00 | 31.10 | 24months |
| Expansion of Product lines | 50,000,000.00 | 31.10 | 24months |
| Working capital | 60,782,108.23 | 37.80 | Immediate |
| TOTAL | 160,782,108.23 | 100 | |
- A more detailed breakdown of the use of proceeds is provided on pages 19
- 6. Method of Issue:** By way of Rights Issue to Shareholders.
- 7. Provisional Allotment:** 1 new Ordinary Share for every 3 Ordinary Shares of ₦1.00 each held as at the Qualification date
- 8. Issue Price:** ₦1.49 per share
- 9. Issue Size:** ₦165,466,136.02
- 10. Payment terms:** In full on Application.
- 11. Qualification:** Solely to members whose names appeared on the Company's register of members on the qualification date.
- 11. Qualification date:** Monday, August 1, 2016
- 12. Status** All the Shares to be issued shall rank pari-passu in all respects with the issued Ordinary Shares of the Company
- 13. Opening Date:** March 20, 2017
- 14. Closing Date:** April 28, 2017
- 15. Underwriting:** This Rights Issue is not underwritten at the instance of the Issuer.
- 16. Application for additional shares:** Shares that are not taken up by xxxx, 2017 will be allotted on a pro-rata (equal) basis to Shareholders who applied and paid for additional shares over and above their provisional allotment.

SUMMARY OF THE ISSUE

17. Financial Summary: (Extracted from the 2015 Audited Financial Statements)

The following is a summary of the audited accounts of the Company for the four years ended 31st December, 2015

Year Ending December 31	2015	2014	2013	2012
	₦'000	₦'000	₦'000	₦'000
Gross Earnings	311,780	71,439	88,053	66,260
Profit Before Tax	75,119	(76,641)	(36,297)	(35,018)
Profit After Tax	61,667	(43,546)	(33,794)	(35,018)
Total Assets	509,750	439,995	488,346	516,821
Net Assets	496,105	434,438	477,984	511,778
Earnings per share (Kobo)	18.51	(13.07)	(10.14)	(10.51)
Net Assets per share (Kobo)	148.91	130.40	143.47	153.62

Note: The earnings per share have been computed respectively for each year on the profit after taxation and number of ordinary shares in issue at the end of the year. The net assets per share are based on the number of issued ₦1.00 Ordinary shares at the end of the year.

18. Indebtedness:

As at the date of this Rights Circular, the Company had no outstanding debentures, mortgages, loans, charges or similar indebtedness or material contingent liabilities or other similar indebtedness, other than those incurred in the ordinary course of business.

19. Claims and Litigation:

The Company does not have any claims or litigation instituted by or against it.

20. E-Allotment of shares:

The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are thereby advised to indicate the names of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance Form.

DIRECTORS*

Mr. Olutola Mobolurin (Chairman)

9th Floor, UBA House
57, Marina
Lagos

Mr. Bola Ajomale (Managing Director/CEO)

9th Floor, UBA House
57, Marina
Lagos

Mr. Chike Nwanze - Non-Executive Director

9th Floor, UBA House
57, Marina
Lagos

Ms. Obiageli Ugboma - Non-Executive Director

9th Floor, UBA House
57, Marina
Lagos

Mr. Oladipo Aina - Non-Executive Director

9th Floor, UBA House
57, Marina
Lagos

Mr. Aigbovbioise Aig-Imoukhuede - Non-Executive Director

9th Floor, UBA House
57, Marina
Lagos

Mr. Ariyo Olushekun - Non-Executive Director

9th Floor, UBA House
57, Marina
Lagos

Mr. Kayode Falowo - Non-Executive Director

9th Floor, UBA House
57, Marina
Lagos

Mr. Abubakar Lawal - Non-Executive Director

9th Floor, UBA House
57, Marina
Lagos

Mr. Samuel Nwanze - Non-Executive Director

9th Floor, UBA House
57, Marina
Lagos

Mr. Adeolu Bajomo - Non-Executive Director

9th Floor, UBA House
57, Marina
Lagos

REGISTERED OFFICE

9th Floor, UBA House
57, Marina
Lagos

**The Issuing Houses were unable to obtain Mr. Victor Ogiemwonyi's consent to the Rights Issue. They have therefore removed his name from all documents associated with the Rights Issue.*

AUDIT COMMITTEE MEMBERS AS AT DECEMBER 31, 2015

Mr. Kashimu Garba Kurfi Chairman

Mr. Abubakar Lawal Member

Ms. Obiageli Ugboma Member

Mr. Jibola Odedina Member

Mrs. Ayodeji Oloye Member

Ms. Abiola Adekoya Member

PARTIES

LEAD ISSUING HOUSE

Capital Bancorp Plc
3rd Floor, UNTL House
1, Davies Street
Off Marina, Lagos

SOLICITORS TO THE ISSUE

Dama Afavor & Co
Suite B207 Fairtrade Business Complex
22 Kigoma Street
Wuse Zone 7
Abuja

SOLICITORS TO THE COMPANY

George Ikoli & Okagbue
864B, Bishop Aboyade Cole Street
Victoria Island
Lagos

COMPANY SECRETARY

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

JOINT ISSUING HOUSE

Capital Assets Limited
9th Floor, Bookshop House
50/52, Broad Street, Lagos Island
Lagos

AUDITORS

PricewaterhouseCoopers
Landmark Towers
5B Water Corporation Road
Victoria Island
Lagos

REGISTRARS

United Securities Limited
10, Amodu Ojikutu Street
Victoria Island
Lagos

RECEIVING BANK

Guaranty Trust Bank plc
635 Akin-Adesola Street
Victoria Island
Lagos

8. THE CHAIRMAN'S LETTER

The following is the text of a letter received by the Issuing Houses from the Chairman of NASD Plc.



RC: 336267

9th Floor, UBA House
57, Marina
Lagos.

September 22, 2016

TO ALL SHAREHOLDERS

Dear Shareholders,

RIGHTS ISSUE OF 111,051,098 ORDINARY SHARES OF ₦1.00 AT ₦1.49 PER SHARE

You would recall that at our Company's Extra-ordinary General Meeting which held on July 13 2016, you had authorised the Company amongst other things to raise additional capital through an offer by way of a Rights Issue in the ratio and terms, conditions and dates to be determined by the Directors, subject to obtaining regulatory approvals.

On behalf of the Board of Directors, I am pleased to inform you that the Board of Directors of NASD Plc (NASD) has resolved to issue by way of Rights, 111,051,098 Ordinary shares of ₦1.00 each to the Shareholders whose names appear on the Company's Register of Members as at Monday, August 1, 2016 on the basis of **one (1)** new ordinary share for every **three (3)** ordinary shares held.

All necessary arrangements regarding the Rights Issue have been made. The requisite approvals have been received from the Securities & Exchange Commission. It is important to note that the shares now being issued will rank pari passu in all respects with the existing issued ordinary shares of the Company and shall qualify for any dividend (or any other distribution) declared for the financial year ending 31 December, 2017, in so far as the qualification date for the dividend (or any other distribution) declared is after the allotment of the ordinary shares now being issued.

As you are aware, the economic environment since we started operation has been very weak especially in the first two years. Market conditions have remained difficult; the OTC stock market has witnessed low levels of activity in trading and participation from unlisted public companies. Investor appetite for equity investments has generally been very weak. Due to losses incurred by your Company in 2012, 2013 and 2014, shareholders' funds have been impacted negatively. As at December 31, 2015, Shareholders Funds stood at ₦496 million which is below the statutory minimum capital as prescribed by the SEC. It is as a result of this that you (shareholders) approved that the Board of Directors should take all necessary steps to strengthen the capital of the Company.

This Issue is being undertaken to increase capital of your Company and comply with regulatory requirements.

The following information will enrich your understanding of our Company and the macroeconomic environment in which we operate.

The NASD OTC Business Environment

NASD has created the structure for an organised market where erstwhile there was none. To achieve this we focused energy on engaging stakeholders (Regulator, Broker/Dealer Community, Companies, Analysts etc) and working closely with the apex regulator -the SEC. In April 2015, our engagement with the SEC yielded positive results when the regulator released the Rule on Trading in Unlisted Public Securities. The release of this Rule which effectively made it illegal to trade on public securities outside a SEC registered securities exchange has helped to boost investors' confidence in the Market and created an environment in which your Company can add value.

The Company has also received support from the SEC in the area of market enhancement and products development/diversification through the approval of OTC rule for Market Makers and Linked Note Operational Guidelines. Based on the aforementioned, the outlook for the market is bright.

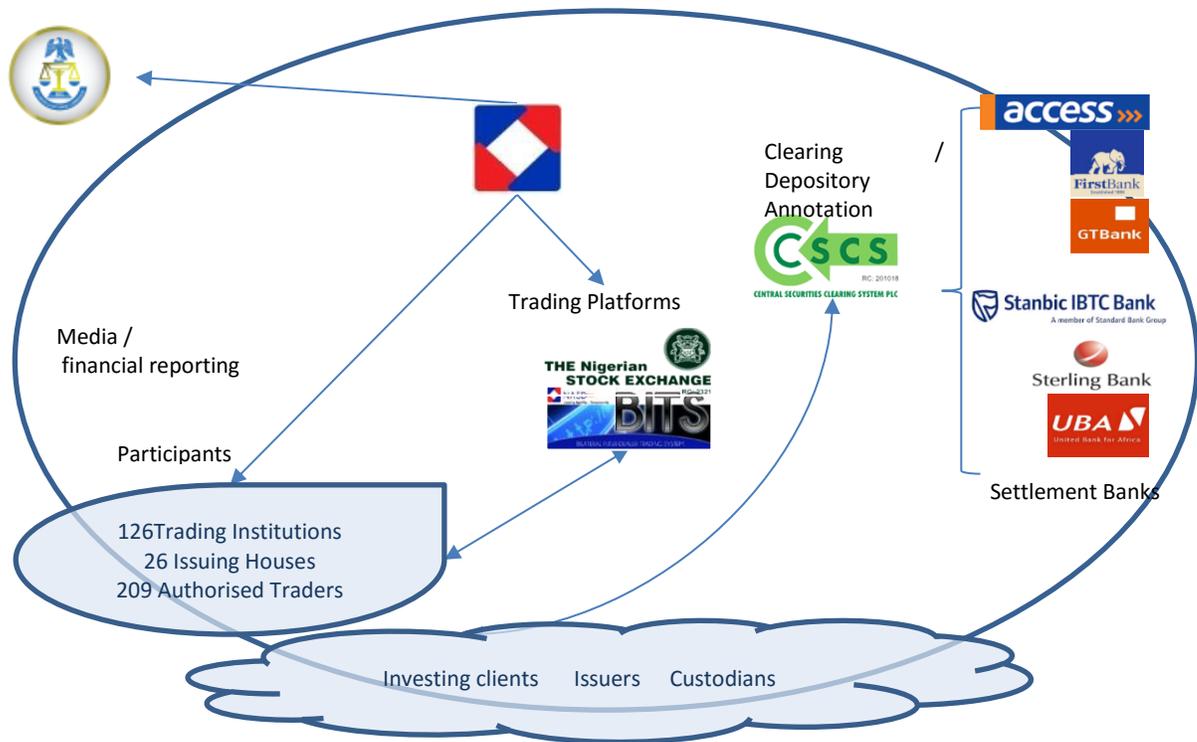
8.1 HISTORY AND BUSINESS

History

NASD Plc evolved from the National Association of Securities Dealers to a Private Limited Liability Company in June 1998. The Company's purpose was to establish an organised Over-the-Counter (OTC) platform that can facilitate trading in unlisted public equities, bonds and money market instruments. NASD converted to a Public Limited Company in April 2012 after successfully raising its paid-up share capital to ₦500 million in compliance with regulatory requirements. The OTC securities exchange officially opened in August 2012 and has since attracted 32 public unlisted securities to trade on the platform and a community of 102 Participating Institutions.

Business

The Company's eases liquidity in secondary market trading of unlisted public companies with a corollary of stimulating growth by easing the capital raising process. NASD brings together all stakeholders in unlisted public securities to a platform where interactions are safe, efficient, transparent and where price discovery is enabled. The diagram below highlights the NASD Securities Exchange ecosystem.



8.2 BOARD OF DIRECTORS

The Company's overall corporate policy is determined by a twelve-member Board of Directors which I currently chair. The Board takes decisions on policy matters aimed at meeting the Company's goals and objectives.

I am a 1975 graduate of the State University of New York, Binghamton where I obtained a degree in Accounting & Finance. I also hold a Masters' Degree in Business Administration from York University, Toronto, Canada (1977). My working career spanned Plateau Investment Company Limited (1977-1978), City Securities Limited (1978-1979) and the defunct Continental Merchant Bank Nigeria Plc, formerly Chase Merchant Bank Nigeria Limited (1979-1988), where I rose to the position of Deputy General Manager and Head of Corporate Finance, before leaving to assume the position of pioneer Chief Executive of Capital Bancorp Limited in 1988.

I was the Vice-Chairman and Group Chief Executive of Crusader Nigeria Plc till October 2012. I had served as the Chairman, Bonds Sub-Committee of the Securities & Exchange Commission's Capital Markets Committee and was the President of the Chartered Institute of Stockbrokers from 2001 to 2003. I also served as an assessor/part-time member of the Investment and Securities Tribunal, from 2003 - 2006.

I have over 30 years' experience of varied exposure and experience in the financial services industry and has been involved in pioneering many financing structures in the Nigerian Financial Market, including the first floating rate Capital Market issue of Preference Shares and bonds as well as the first syndicated Equipment Lease Transaction.

Currently I am a Non-Executive Director of the FCMB Group Plc and First City Monument Bank Limited, Literamed Publications Limited and a few others. I also chair the Capital Market Master Plan Implementation Council (CAMMIC) of the Securities & Exchange Commission

The other members of the Board* are:

Mr. Bola Ajomale (Managing Director/CEO)

Bola Ajomale is the Managing Director of NASD. He is a highly versatile investment and financial adviser with over 20 years' experience in the finance industry both locally and internationally. He trained as an accountant in Ernst & Young and as a stockbroker in City Securities Ltd where he headed Stockbroking operations.

He expanded his research and financial advisory skills at Agosto & Co between 1996 and 1998 where he was a Senior business consultant; he was Divisional Head, Corporate Finance and Syndications at MBC International Bank Plc between 1998 and 2004 and later joined Associated Asset Managers Limited in 2004 as the pioneer CEO. His international exposure includes various project and investment advisory work at Manulife Financial and the Canada Pension Plan Investment Board between 2007 and 2011.

He obtained a B.A. in Economics at the University of Leeds (UK) 1984, he is a Fellow of the Chartered Institute of Stockbrokers (2014) and an Associate of the Institute of Chartered Accountants of Nigeria (1993). He has participated in capital market courses conducted by Euromoney (UK), the Canadian Securities Institute, the CFA Institute and the Chartered Institute for Securities & Investment.

Mr. Chike Nwanze

Chike Nwanze is Vice Chairman of the Board and Chairman, Disciplinary Committee of NASD Plc. He holds a Bachelor Degree in Business Administration from Tennessee State University, Nashville, Tennessee, U.S.A. in 1969 and also an MBA in Financial Management from Texas Southern University, Houston, Texas, U. S. A. in 1972. He has had diverse work experience in the oil and gas, banking, and stockbroking sectors of the economy.

Prior to his current position, he worked in Shell, Houston Texas from 1969 to 1972 before returning to Nigeria to join Shell-BP Petroleum Development Company Nigeria. In 1975, he joined the Nigerian Bank for Commerce and Industry (now Bank of Industry) and ICON Limited (Merchant Bankers) as a General Manager.

He has participated in various workshops, seminars and executive programs at The Economic Development Institute of the World Bank; Industrial projects course and Amos Tuck school of Business Administration, USA (1988). He is a fellow of the Institute of Directors, Fellow of the Economic Development Institute (F.E.D.I) (1978) and a Fellow of the Chartered Institute of Stockbrokers (1998).

Ms. Obiageli Ugboma

Obiageli Ugboma joined Chapel Hill Denham Group in July 2011 as the Chief Risk Officer – Executive Director and leader of a team spread across Risk Management, Compliance and Internal audit. She also sits on the Board of Chapel Hill Denham Securities Limited.

Prior to her current position, she worked with J.P. Morgan, Investors, London from October 2007 to June 2011 as Executive Director and Head of EMEA FMP Risk Management and Vice-president, EMEA Compliance. She worked with HSBC Bank Plc, London in various positions: Sales and Relationship Manager, Corporate and Commercial; Manager, Credit & Risk and Branch Manager between 1999 and 2005. She also had a stint with Deloitte & Touche, London as Trainee Chartered Accountant within audit and financial services functions from August 1998 to August 1999

She holds a B.Sc. (Hons.) Biotechnology from the Imperial College of Science and Technology in 1998 and a B.Sc in Financial Services from the UMIT (UK) in 2002.

She is a Fellow of the Chartered Institute of Bankers of Nigeria and an Associate of the Institute of Financial services, UK.

Mr. Oladipo Aina

Mr. Oladipo Aina is the Managing Director & Chief Executive Officer of Signet Investment and Securities Limited. He is an accomplished Stockbroker with over 36 years' experience in the Money and Capital markets.

He served as President of the Chartered Institute of Stockbrokers from 2005 to 2007. He is a former Director of the Central Securities Clearing System Plc and a former Council Member of The Nigerian Stock Exchange.

Prior to establishing Signet Investment and Securities Limited, Mr. Aina worked at NAL Merchant Bank Limited (now Sterling Bank Plc) in 1980 and then transferred to Nigerian Stockbrokers Limited, a company managed by NAL as the Managing Director. He also worked with the Bank of the North Limited in Gusau, Zamfara State. He holds a BSc in Economics at the University of Ife (now Obafemi Awolowo University) in 1978 and an MSc in Banking and Finance from the University of Ibadan in 1992. He also holds a Master of Science Degree in Corporate Governance and Finance from Liverpool John Moores University, Liverpool UK in 2008.

He is a fellow of the Institute of Directors (1993), and a Fellow of the Chartered Institute of Stockbrokers (1993).

Mr. Kayode Falowo

Mr. Kayode Falowo is the Managing Director/CEO of Greenwich Trust Limited, one of the leading Investment Banking firms in Nigeria. He is a Chartered Stockbroker with over 25 years post graduate experience and practice in Finance, Commercial and Investment Banking. He holds a B.Sc. (Hons) in Agricultural Engineering from the University of Ife (now Obafemi Awolowo University) in 1982, an MBA from the University of Benin in 1988.

He has attended numerous workshops and seminars, which include the Chief Executive Programme at the Lagos Business School and Financial Analysis Training at the IESE Business School, Barcelona, Spain. He is an active member of numerous professional and industry associations. Kayode is a distinguished Fellow of the Chartered Institute of Stockbrokers (2010) and Association of Investment Advisers and Portfolio Managers (2005), Council Member of the Nigerian-British Chamber of Commerce and Council Member of the Nigerian Stock Exchange.

Kayode is also a Member of the Lagos Chamber of Commerce & Industry, Institute of Directors Nigeria, Institute of Management Consultants and Nigerian Institute of Management. He serves as a Member of the Central Organising Committee of the Nigerian Economic Summit Group (NESG), and Council Member of the Lagos Business School Alumni Association. He is the Chairman of DN Meyer Plc, Chairman of GTL Registrars and Director of Skye Trustees Limited.

He has in recent past, served as the Chairman, Association of Issuing Houses of Nigeria (AIHN), Member of National Bond Steering Committee, and Standard for Service and Disclosure Sub-Committee of the Capital Market Committee, Rules and Regulations Committee of the Nigerian Stock Exchange and the National Essay Committee of the Nigerian Capital Market.

Mr. Ariyo Olushekun

Mr. Ariyo Olushekun is a Fellow of the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Stockbrokers and the Institute of Directors. He is also an Associate of the Chartered Institute of Taxation and The Nigerian Institute of Management. He is an Authorised Dealing Clerk of The Nigerian Stock Exchange and is duly registered by the Securities & Exchange Commission. He holds MBA (Marketing) from the University of Lagos in 1998 as well as HND (Upper Credit) in Accountancy from Yaba College of Technology in 1987. He is also an Alumnus of the Advance Management Program (AMP) of IESE Business School, Barcelona, Spain (2013)

Mr. Olushekun has over 28 years' experience of active participation in various aspects of Investment Banking. He is currently the Vice-Chairman/CEO of Capital Assets Limited, a leading Investment Banking outfit in Nigeria.

Mr. Olushekun is a former President and Chairman of the Governing Council of the Chartered Institute of Stockbrokers from 2012 to 2014.

He has served on the National Council of The Nigerian Stock Exchange as well as on the Board of its subsidiary, NSE Consult Limited. He is currently serving on the Boards of Central Securities Clearing System Plc, Unity Registrars Limited, Co-Link Investment Management Limited and Applied Logic Limited, operators of BroadStreetLagos.com, a Stockmarket Research Portal. He was a member of the Business Support Group of The Nigerian Vision 20:2020 as well as the Federal Government Capital Market Resuscitation Committee. He recently served as the Chairman of Capital Market Literacy Master Plan Committee and is currently a member of the Capital Market Master Plan Implementation Council (CAMMIC) of the Securities & Exchange Commission. He has also served as the Director of Administration as well as the Chairman of the Technical Committee of the Association of Issuing Houses of Nigeria.

Mr. Abubakar Lawal

Abubakar Lawal is the Managing Director and Chief Executive Officer of GTI Capital Limited. His wealth of experience in Stockbroking & Investment banking business spans over twenty years having worked for various companies including City Code Trust Limited and ALtrade Securities Limited.

He joined the service of GTI Capital Limited in 1999 as the Managing Director and has been involved in packaging major ground breaking transactions in Capital Restructuring, Capital Raising, IPOs, New listings, Buyout, etc. in the capital markets. A fellow of the Chartered Institute of Stockbrokers, Abubakar is a retired Council member of the Nigerian Stock Exchange.

He is an Associate member of Certified Pension Practitioner and a member of the National Institute of Marketing of Nigeria (NIM). He currently serves on the board of Wema Bank Plc. He is also a Council member of the Chartered Institute of Stockbrokers of Nigeria and an active member of the Institute of Directors.

He holds MBA (Marketing) from Abubakar Tafawa Balewa University Bauchi in 1999 as well as HND (Upper Credit) in HND Banking & Finance from The Polytechnic Ibadan in 1988.

Mr. Adeolu Bajomo

Mr. Adeolu Bajomo currently supports The NSE Council and leadership team in the transformation of The Exchange, ensuring that appropriate world class technologies, market operations strategies and associated products and services are identified, adopted and implemented to support the growth opportunities and enhance the overall liquidity and transparency of the Exchange as it seeks to demutualise, increase market share and listings, diversify its income stream, launch new products and enhance its overall attractiveness to both local and foreign investors.

He holds a Bachelor of Science Degree in Civil Engineering from the University of Ife (now Obafemi Awolowo University) in 1987, M.Sc. (with distinction) in Information Systems Engineering from South Bank University London in 1989 and an MBA from City Business School London in 2002. With a wealth of experience and solid track record in the global financial services sector spanning banking, capital markets, asset management and insurance, Adeolu has led major transformation and service improvement programmes, participated in business growth initiatives and technology and operations integration of acquired entities in the sector.

Prior to joining The Exchange, he was a Director at Barclays Bank Plc., leading the Replatforming Transformation Programmes for Africa and Indian Ocean region, where he achieved significant business operations and technology efficiency benefits in the region. Adeolu has also held several director/leadership positions in the UK financial services sector, including Technology Director at Fortis Bank UK (1997-2006), Head of IT Systems and Strategy at Pearl Insurance UK (2006-2007) and senior management roles at Deutsche Bank and Morgan Grenfell Asset Management (1995-1997). Adeolu has over 25 years of professional experience. He is a chartered member of the British Computer Society (1997).

Mr. Samuel Nwanze

Mr. Samuel Nwanze is the Director of Finance and Investments at Heirs Holdings. Prior to joining Heirs Holdings, Samuel served as Group Treasurer with Bank PHB Plc, Lagos, Nigeria from 2009 to 2010. He was responsible for the overall management of Treasury for the Bank PHB Group (including five banks and several non-bank subsidiaries) which included the restructuring of the trading desk, dealing in financial markets' money markets, bonds, treasury bills, BAs/CPs, and currencies, as well as liquidity management and capital discipline.

Before taking the role at Bank PHB, he served as the head of Financial Performance Management and Budgets in UBA in 2005. Samuel's path to joining UBA's management was preceded by a period at Platinum Bank where he served as Financial Controller before joining Standard Trust Bank (STB) team. At STB, he served as head of Performance Management and worked jointly as a member of the Assets & Liabilities Management Committee, and as part of the core team responsible for the STB-UBA merger.

Samuel has also worked on a number of projects and start-ups which span Nigeria's first credit bureau, an Insurance company, group shared services model, and the acquisition and set-up of various banks in Africa, as well as other projects in the US, UK and India. In addition to graduating best in class with a Masters in Finance and Management from Cranfield School of Management in London in 2007, Samuel's other key distinctions include the prestigious annual award, bestowed by the Association of Corporate Treasurers (ACT) of the United Kingdom.

Mr. Aigbovbioise Aig-Imoukhuede

Mr. Aig-Imoukhuede has over 18 years' experience in the Financial Services Industry, spanning, Corporate Banking, Commercial Banking, Treasury and Private Banking. He joined Marina Securities Limited in 2007 as the Vice President, Wealth Management Group; he moved on to become the Director of Wealth Management and Business Development in 2011 and then Deputy Managing Director in 2014 in Coronation Securities Limited (formerly Marina Securities Stockbroking Services Limited). He is an Associate Member of the Institute of Directors (IoD) Nigeria.

He holds a Bachelor of Science Degree in Business Studies from the University of Buckingham, UK. (1996).

**The Issuing Houses were unable to obtain Mr. Victor Ogiemwonyi's consent to the Rights Issue. They have therefore removed his name from all documents associated with the Rights Issue.*

8.3 MANAGEMENT AND STAFF

The Management team is led by the Chief Executive Officer, who oversees the day-to-day activities of the Company and is responsible to the Board of Directors. As at December 31, 2015, the Company had a total of 12 employees comprising 1 executive director, 2 senior management staff, 3 senior staff and 6 junior staff.

The key principal officers are the Managing Director, the Chief Financial Officer and the Head of Operations.

Mr. Titus Oladunni (Chief Financial Officer)

Titus Ayodele Oladunni is the Head of Finance and Operations. He holds the Higher National Diploma of Federal Polytechnic Ado Ekiti (1987) and qualified as a Chartered Accountant in January 1990, with the following membership status of the Institute of Chartered Accountants of Nigeria, ACA (1991) and FCA (2002). He is also a Fellow of the Chartered Institute of Taxation Nigeria (2009) and holds an MBA from Ekiti State University in 2000.

He has over 26 years professional experience in Audit, Financial Planning, Financial Accounting and Treasury. He worked with Shell Petroleum Development Company Limited (SPDC) for about 14 years and performed various roles which included Head of Banking, Head of Corporate Assets and also Head of Treasury for its major subsidiary (Shell Nigeria Exploration Company Limited). He has also worked with First Securities Discount House Limited where he had controlling responsibility for Treasury, Operations and Compliance for the Stockbroking subsidiary (FSDH Securities Limited) between 2008 and 2012. Titus joined the services of NASD PLC in November 2012.

Gbubemi Iyomere (Head, Operations and Information Technology)

Gbubemi is an Information Technology specialist and certified in various vendor fields with over 10 years' experience. He had his first degree in Electrical and Computer Engineering from the Federal University of Technology, Minna (2006) and subsequently proceeded to the University of Lagos in 2010 to obtain a Masters in Information Technology. He started his working career in 2008 with Starcomms Plc as a Systems Administrator before joining Mantrac Nigeria Limited as a Network Administrator in 2009. He joined the Central Securities clearing system Plc in 2009 gathering diverse experience in Clearing and Settlement, fixed income, Project Management, Corporate finance, customer service delivery and Collateral Management.

8.4 PURPOSE OF THE ISSUE

The Rights Issue represents an important step for NASD as the Company will use the net proceeds of the Issue to take advantage of new business opportunities as it seeks to expand its range of tradable products, achieve its corporate objective of acquiring a platform with proprietary rights within the next two years, the Company currently does its trading activities on a rented platform, as well as shore up the capital of the Company to meet the statutory minimum capital of ₦500 million stipulated by the Securities & Exchange Commission

The estimated net Issue proceeds of ₦160,782,108.23 after deducting the cost of the Issue, estimated at ₦4,684,027.79 (representing 2.83% of gross proceeds) would be used as follows:

UTILISATION	AMOUNT (N)	%	ESTIMATED COMPLETION PERIOD
New Platform: NASD currently trades on a rented platform. The corporate objective is to acquire a platform with proprietary rights within the next 2 years.	50,000,000	31.10	24month
Expansion of product lines: Development of new products spanning Private Equity, Small and Medium Enterprises, and Co-operative societies. Funds will be required for product development, technology, capacity building and launch to market.	50,000,000	31.10	24month
Working capital: This will help in maintaining our shareholder funds above the required N500 minimum	60,782,108.23	37.80	Immediate
TOTAL	160,782,108.23	100	

8.5 WORKING CAPITAL

The Directors are of the opinion that the Company has adequate working capital to meet its requirements in the immediate and foreseeable future.

8.6 GOING CONCERN STATUS

Based on the Company's current operating position and the current steps being taken by the Board, the Directors are confident that the Company will continue in operation into the foreseeable future.

8.7 PREMISES

The registered office is located at 9th Floor, UBA House, 57 Marina, Lagos. The Company currently operates from its registered office.

8.8 CORPORATE GOVERNANCE STRUCTURE

NASD is committed to the principles of good corporate governance and the Code of Best Practices. We are committed to full disclosure and transparency in providing information to all stakeholders.

The Board of Directors is made up of twelve (12) members comprising one executive director and eleven (11) non-executive directors.

In Compliance with all the statutory requirements including the provisions of the Code of Best Practices in Corporate Governance, the Board of directors worked through six committees; Rules & Membership Committee, Finance & General Purpose Committee, Market Development Committee, Technical Committee, Disciplinary Committee and Ad-hoc Strategic Review Committee as well as the Statutory Audit Committee, which is headed by an independent shareholder, and consists of two (2) other independent shareholders and three (3) Non-Executive Director.

8.9 UNCLAIMED/UNPAID DIVIDENDS

As at December 31, 2015, the Company has no unclaimed dividends.

8.10 RISKS

Sector Risk

NASD also faces the challenges that affect the capital market in Nigeria given the nature of its services in the financial services industry. These challenges include low investor confidence, low financial literacy which affects investment in shares and relatively high guaranteed return in fixed income securities. The Company operates in a highly regulated environment and changes/pronouncements by the SEC may have a material adverse effect on the Company

Company Specific Risk

The Company as an OTC Securities Exchange derives its profits from fees and commission income; any adverse performance on fees and commission will adversely affect its performance and ability to meet its shareholders expectations. Therefore, its operating results could fluctuate in the future as a result of the following:

- i. Inability to achieve a trading volume that can sustain the OTC Platform;
- ii. Increased competition from other exchanges or other alternative trading system that might reduce market share;
and
- iii. Slow pace in getting new companies to trade or maintaining the existing ones

Regulatory Risk

The Company operates in a highly regulated environment and changes/pronouncements by the SEC will have a direct effect on the Company.

Political Risk

Any significant changes in the political climate in Nigeria, including changes affecting the stability of the Government or involving a rejection, reversal or significant modification of policies, favouring the privatisation of state-owned enterprises, reforms in the power, banking and oil and gas sectors or other reforms, may have negative effects on the economy, government revenues or foreign reserves and, as a result, have a material adverse effect on the Company's business and prospects.

Operational Risk

The profitability of the business of the Company may be undermined due to system or operational failures. The operations are critical to its existence; thus any disruption or interruption as a result of human error, natural disaster, power loss, sabotage computer viruses or intentional acts of vandalism would have severe consequences.

8. 11 COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company strives to comply with prevailing corporate governance guidelines in Nigeria. The Company adopts an open approach to the disclosure of information which contributes to the efficient working of the Company. The Board places premium on the concept of accountability and accepts responsibility for its decisions.

The Company has a unitary board structure, with separation of power between the Chairman and the Managing Director, in line with global best practices. The Non-Executive Directors are a blend of individuals with diverse skills, ensuring that independent thought is brought to bear on decisions of the Board.

The Board carries out its oversight function through its six (6) standing committees each of which has its terms of reference, composition structure, frequency of meetings, duties, tenure and reporting lines to the Board and the Statutory Audit Committee. The Chairman of the Board does not sit on any of the committees, in line with global best practice. The 6 standing committees are:

- (i) Rules & Membership Committee, which is responsible for reviewing the Rules of the NASD OTC Market, applications for membership and participation on the Market and admitting new companies;
- (ii) Finance & General Purposes Committee, set up to expedite the process for approval of certain actions which can only be carried out by the authority of the Board. It is authorised to determine on behalf of the Board, matters relating to staffing, finance, financial procedures and any other matter the Board may determine.
- (iii) Market Development Committee, assists the Board in fulfilling its responsibility relating to market awareness, business development, client retention and recommending policies that will encourage trading activities on the NASD OTC market.
- (iv) Technical Committee, assists the Board in its responsibility to choose a reliable trading platform, assess the viability and integrity of the trading network, product development and improving IT strategy.
- (v) Disciplinary Committee, set up to investigate any allegation of violation of the NASD OTC Rules and adjudicate all disputes involving Participating Institutions.
- (vi) Ad-hoc Strategic Review Committee, established primarily to review all factors impacting the revenue generating capacity of NASD and review major expense issues that may jeopardise the continued existence of NASD.

Audit Committee

The committee has overall responsibility to oversee the Company's internal and external audit processes, to receive and deliberate on the report of the external auditors, to review progress on recommendations made in both the internal and external audit reports, to review the adequacy of internal control systems and degree of business compliance with laid down internal policies, law code of business principles and any other relevant regulatory frame work

The committee, chaired by an independent shareholder, comprises of six (6) members, three of whom are members of the Board of Directors and two (2) other independent shareholders

8. 12. FUTURE PLANS

NASD has consolidated its presence as an over the counter market for unlisted securities. Our focus has essentially been on the equity side of the capital market. We intend to deepen our penetration into this end of the market in the following ways:

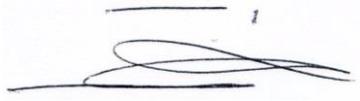
- Creating liquidity in the Private Equity and Venture Capital space
- Building new markets to accommodate Cooperatives and other non- equity instruments
- Working closely with small and medium enterprises to encourage corporate governance and structures that can accommodate external non-debt financing.
- Tapping into the large number of unlisted public companies who have not yet created a market for their shareholders
- Developing complementary and strategic relationships with other regulators both locally and internationally
- Continuous and meaningful interaction with the apex regulator to broaden the reach of the secondary market.
- Deployment of technology that will move the market closer to the investing community

Many of these initiatives are at various stages of fruition. Ultimately, NASD intends to migrate from an equity OTC to a full-fledged Alternative Investment market.

8.13 CONCLUSION

Finally, the Board of NASD is convinced that the Company's has a promising future with positive returns to its shareholders. I therefore strongly urge all shareholders to take up their Rights in full so that we can altogether enjoy the future benefits of our investments in the Company and as a confirmation of our confidence in its future prospects.

Thank you.

A handwritten signature in black ink, appearing to be 'Olutola Mobolurin', written over a horizontal line.

Olutola Mobolurin
Chairman

9. LETTER FROM THE DIRECTORS ON THE GOING CONCERN STATUS

9th Floor, UBA House, 57 Marina, Lagos, Nigeria.
P.O.Box 4454 Tel: +234 1.2808676, +234.(1).4605008
info@nasdng.com, www.nasdng.com



26 September 2016

The Directors
Capital Bancorp Plc
3rd Floor, UNTL Building
1, Davies Street, Marina
Lagos

The Directors
Capital Assets Limited
9th Floor, CSS Bookshop House
50/52, Broad Street
Lagos

Dear Sir,

CONFIRMATION OF THE GOING CONCERN STATUS OF NASD PLC

The Board of Directors of NASD Plc is accountable and responsible for the performance and affairs of the Company. Specifically, and in line with the provisions in the Companies and Allied Matters Act (CAMA) 1990, the Directors owe the Company the duty of care and loyalty and to act in the interest of the Company's employees and all other stakeholders.

The Board of Directors is also responsible for ensuring that its human, material and financial resources are effectively deployed towards the attainment of the set goals of the Company. The Directors are severally and jointly liable for the activities of the Company, and the Board is responsible for ensuring strict adherence to the Code of Conduct for the Directors of the Company.

The Directors are required to prepare financial statements at the end of each financial period which give a true and fair view of the state of affairs, and of the profit and loss of the Company. They are also responsible for maintaining proper accounting records and taking reasonable steps to prevent and detect fraud and other irregularities. The Directors are also responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable.

The applicable International Financial Reporting Standards have been followed and NASD's financial statements are prepared using accounting policies, which comply with the general accepted accounting standards in Nigeria, the Companies and Allied Matters Act, 2004 and the Financial Reporting Council Act, 2011.

BOARD: Olutola Mobolurin (Chairman) • Chike Nwanze • Oladipo Aina • Victor Ogiemwonyi • Kayode Falowo • Ariyo Olushekun • Abubakar Lawal
• Ade Bajomo • Samuel Nwanze • Oby Ugboma • Bola Ajomale (Managing Director)



The Directors of NASD, after making appropriate enquiries, reviewing budgets, projecting cash flows and other relevant information, consider that adequate resources will exist for the business in operational existence for the foreseeable future. The Directors, therefore, deem it appropriate to adopt the going concern basis in preparing the financial statements.

Yours faithfully,

BOLA AJOMALE
DIRECTOR

OLUTOLA MOBOLURIN
DIRECTOR



19 October 2016

The Directors

NASD Plc
9th Floor, UBA House
57 Marina
Lagos

and

The Directors

Capital Bancorp Plc
3rd Floor UNTL Building
1 Davies StreetOff Marina
Lagos

and

The Directors

Capital Assets Limited
9th Floor, Bookshop House
50/52 Broad Street
Lagos Island
Lagos.

Dear Sirs

NASD PLC –GOING CONCERN STATUS

We audited the financial statements of NASD Plc (“the Company”) for the year ended 31 December 2015, which were prepared by the directors of the Company using the going concern basis and in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers Chartered Accountants
Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria
T: +234 1 271 1700, www.pwc.com/ng

Partners: S Abu, W Adetokunbo-Ajayi, UN Akpata, O Alakhume, D Asapokhai, C Azobu, E Erhie, I Ezeuko, D McGraw, P Obianwa, T Ogundipe, P Omontuemhen, T Oputa, T Oyedele, AB Rahji, O Ubah



Based on our audit of the financial statements for the year ended 31 December 2015 on which we reported on 31 March 2016, nothing has come to our attention that causes us to believe the Company will not continue as going concern in the twelve months from the date of the financial statements.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Daniel Asapokhai", written in a cursive style.

Daniel Asapokhai
Engagement Partner

11. FOUR-YEAR FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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

The financial statements include the statement of comprehensive income, statement of financial position, statement of cash flows and explanatory notes. The financial statements were authorised for issue by the Board of Directors.

The financial statements are presented in Nigerian Naira (₦), which is the Company's presentation currency, and rounded to the nearest thousand (₦'000) unless otherwise indicated. Items in the statement of financial position have been presented in order of liquidity.

11.1 STATEMENT OF FINANCIAL POSITION

	For the year ended 31 December			
	2015	2014	2013	2012
	(₦ 000)			
Assets				
Cash and cash equivalents	239,260	147,681	458,655	495,361
Investment securities	211,318	228,569	38	-
Prepayments and receivables	26,597	15,251	8,967	4,700
Intangible assets	402	805	588	-
Property and equipment	9,020	12,092	17,596	16,760
Deferred tax asset	23,153	35,597	2,502	-
	509,750	439,995	488,346	516,821
Liabilities				
Accounts payable	12,637	5,557	10,362	5,043
Current income tax	1,008			
	13,645	5,557	10,362	5,043
Equity				
Share capital	333,153	333,153	333,153	333,153
Share premium	236,260	236,260	236,260	236,260
Accumulated losses	(73,308)	(134,975)	(91,429)	(57,635)
	509,750	439,995	488,346	516,821

11.2 STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 December			
	2015	2014	2013	2012
	(₦' 000)			
Gross earnings	311,780	71,439	88,053	66,260
Net operating income	311,780	71,439	88,053	66,260
Employee benefits and compensation cost	(71,783)	(67,059)	(67,071)	(24,219)
Other operating expenses	(164,878)	(81,021)	(57,278)	(77,059)
Profit/(Loss) before tax	75,119	(76,641)	(36,297)	(35,018)
Tax	(13,452)	33,095	2,502	-
Loss for the year	61,667	(43,546)	(33,794)	(35,018)
Basic loss per share (kobo)	(13)	(10)	(11)	(11)

11.3 STATEMENT OF CASH FLOWS

	For the year ended 31 December			
	2015	2014	2013	2012
Operating Activities	(₹' 000)			
Cash used in operations	25,404	(128,430)	(87,770)	(96,889)
Tax paid	-	-	-	-
Net cash (used in)/generated from operating activities	25,404	(128,430)	(87,770)	(96,889)
Investing Activities				
Purchase of FGN government bond	(60,852)	-	-	-
Purchase of property and equipment	(3,492)	(776)	(6,967)	(18,971)
Purchase of intangible assets	-	(620)	(629)	-
Interest received	51,677	47,383	58,697	66,260
Net cash (used in)/generated from investing activities	(12,667)	45,987	51,102	47,289
Financing Activities				
Proceeds from issue of shares	-	-	-	64,590
Net cash generated from financing activities	-	-	-	64,590
Increase/(Decrease) in Cash and Cash Equivalents	12,736	(82,443)	(36,668)	14,990
Cash and cash equivalents at start of year	376,250	458,693	495,361	480,371
Cash and cash equivalents at end of year	388,986	376,250	458,693	495,361
Increase/(Decrease) in Cash and Cash Equivalents	12,736	(82,443)	(36,668)	14,990

11.4 NOTES TO THE FINANCIAL STATEMENTS

The Company

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

Ownership

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

2.1 Significant accounting policies

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

2.2 Basis of preparation

I Statement of compliance

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

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

The financial statements are presented in Nigerian Naira (N), which is the Company's presentation currency, and rounded to the nearest thousand (N'000) unless otherwise indicated. Items in the statement of financial position have been presented in order of liquidity.

2.3 Basis of measurements

The financial statements have been prepared on a going concern basis using the historical cost convention.

2.4 Financial instruments

(a) Recognition and measurement

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Purchases and sales of financial instruments are measured on a trade-date basis.

Financial liabilities and equity instruments, issued by the Company, are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets are derecognised when and only when:

- The contractual rights to the cash flows from the financial assets expire; or
- The Company transfers the financial asset, including substantially all the risks and rewards of ownership of the asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Investments made by the Company which are classified as either held at fair value through profit or loss or available-for-sale are measured at the reporting dates at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(b) Fair value hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 'Financial Instruments: Disclosures':

— Level 1: quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.

— Level 2: valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.

— Level 3: valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable. The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

(c) Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss; loans and receivables, held to maturity financial assets and available-for-sale financial assets. Management determines the classification of financial assets at initial recognition; this classification depends on the nature and purpose of the financial asset. The Company has held to maturity treasury bills and loans and receivables in its records.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reductions for impairment of financial assets. The Company's loans and receivables include interbank placements and have been included as part of cash and cash equivalent because of their original maturity of less than 3 months. The carrying amount represents the fair value amount.

ii. Held to maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that an entity intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. Held-to-maturity investments are measured at amortised cost. If an entity sells a held-to-maturity investment other than in insignificant amounts or as a consequence of a non-recurring, isolated event beyond its control that could not be reasonably anticipated, all of its other held-to-maturity investments must be reclassified as available-for-sale for the current and next two financial reporting years.

(d) Financial liabilities

Financial liabilities are recognised initially at fair value, generally being their Issue proceeds net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost and interest is recognised over the period of the borrowing using the effective interest method.

(e) Gains and losses

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss. Interest income, calculated using the effective interest method, is recognised in profit or loss. Dividends on available-for-sale equity instruments are recognised in the profit or loss when the Company's right to receive payment is established.

(f) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(g) Impairment of financial assets

a) Assets carried at amortised cost

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

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it then includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

2.5 Intangible assets

Initial recognition

i. Internally generated intangible assets

An internally-generated intangible asset arising from the Company's computer software program development is recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their expected useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

ii. Purchased computer software

Intangible assets are measured initially at cost and are amortised on a straight-line basis over their expected useful lives.

Subsequent measurement/amortization

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation period, amortisation method and residual value is reviewed at each financial year end.

The estimated useful life of intangible assets is as follows:

- Computer Software 3 years.

The residual value of intangible assets is assumed to be zero.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.6 Property and equipment

Recognition and measurement

All categories of property and equipment are initially recorded at cost.

All items of property and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the income statement during the financial period in which they are incurred.

Depreciation

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values on a systematic basis over their estimated useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is de-recognised or classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued operations.

The estimated useful lives for the current and comparative periods are as follows:

- Computer equipment : 4 years
- Furniture and fittings : 5 years
- Office equipment : 5 years
- Motor vehicles : 4 years

Each part of an item of office equipment, furniture and fittings with a cost that is significant in relation to the total cost of the item is depreciated separately.

The asset's residual values, useful lives and depreciation method are reviewed on an annual basis, and are adjusted if appropriate.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the income statement under other operating expenses.

2.7 Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Company currently provides a trading platform for its members through a lease arrangement with The Nigerian Stock Exchange (NSE).

2.8 Share capital

i. Ordinary shares

Ordinary shares are classified as equity and are recorded at the proceeds received net of incremental external costs directly attributable to the Issue.

ii. Share premium

This represents the excess of share issuance price over the nominal price of the shares.

2.9 Employee benefits

Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the Company does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In accordance with the provisions of the Pensions Reform Act 2014, the Company operates a defined contributory pension scheme. The scheme is fully funded and is managed by licensed Pension Fund Administrators. Membership of the scheme is automatic upon commencement of employment at the Company. The employee and the Company contribute 8% and 10% respectively of the employee's annual basic salary as well as housing and transport allowances to the scheme. The Company's contributions to the scheme are charged to profit and loss account in the year to which they relate.

2.10 Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

2.11 Taxation

The tax expense represents the sum of the current tax and deferred tax charge

The current tax is based on taxable profit for the year. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax assets are recognised for taxable temporary differences arising on depreciation of property and equipment. Deferred tax assets arising from such deductible temporary differences are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is charged or credited to profit or loss for the period, except to the extent that the tax arises from (1) a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity or (2) a business combination. Deferred tax is charged or credited outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss.

2.12 Provisions

Provisions are liabilities of uncertain timing or amount, and are recognised when the company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' estimate of the expenditure required to settle that obligation at the end of each reporting period, and are discounted (at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability) to present value where the effect is material.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business net of VAT and other related sales taxes.

i. Fees and commission income

Commission income comprises transaction fees earned on trading activities and registration/ annual fees paid by registered participating institutions and their sponsored representatives.

ii. Interest income

Interest income comprises interest income on short term deposits, treasury bills and FGN bonds.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income is recognised when the right to receive payment is established.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and other short term, highly liquid, investments that are convertible to a known amount of cash which are subject to insignificant risk of changes in value, all of which are available for use by the Company unless otherwise stated. In the statement of financial position, bank overdrafts are included in current liabilities.

For cashflow purposes, cash and cash equivalents include cash in hand, demand deposits and other short time highly liquid investments with original maturity of three months or less including treasury bills with less than three months from original maturity.

2.15 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. The functional currency is the currency of the primary economic environment in which the entity operates, which is the Nigerian Naira.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.16 New standards and amendments effective from 1 July 2014

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on 1 July 2014. The applicable standards to the Company has been set out below:

Number	Effective date	Executive summary
IAS 19 Defined Benefit Plans: Employee Contributions — Amendments to IAS 19	1-Jul-14	The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. Examples of such contributions include those that are a fixed percentage of the employee's salary, a fixed amount of contributions throughout the service period, or contributions that depend on the employee's age.
IAS 24 Related Party Disclosures	1-Jul-14	The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

2.17 New standards and amendments effective after year end

A number of new standards and amendments to standards are effective for annual periods after 31 December 2015. These standards are set out below:

Number	Effective date	Executive summary
Amendment to IAS 19 regarding defined benefit plan.	1-Jan-16	The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. The amendment must be applied prospectively. These amendments are not expected to be relevant to the Company.
Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation.	1-Jan-16	In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. These amendments are not expected to be relevant to the Company.
Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation.	1-Jan-16	This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. These amendments are not expected to be relevant to the Company.

IFRS 15 – Revenue from contracts with customers.	1-Jan-17	The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer. These amendments are still being assessed for relevance to the Company.
Amendments to IFRS 9 – Financial Instruments (2011)	1-Jan-18	The IASB has published an amendment to IFRS 9, ‘Financial instruments’ that delays the effective date to annual periods beginning on or after 1 January 2018. The original effective date was for annual periods beginning on or after from 1 January 2013. This amendment is a result of the board extending its timeline for completing the remaining phases of its project to replace IAS 39 (for example, impairment and hedge accounting) beyond June 2011, as well as the delay in the insurance project. The amendment confirms the importance of allowing entities to apply the requirements of all the phases of the project to replace IAS 39 at the same time. The requirement to restate comparatives and the disclosures required on transition have also been modified. The impact of this amendment is still being assessed by the Company.
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1-Jan-18	Changes in methods of disposal Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. The amendment must be applied prospectively.

STATEMENT OF FINANCIAL POSITION

		31 December 2016 N'000	31 December 2015 N'000
Assets:			
Current Assets			
Cash and cash equivalents	11	51,144	239,260
Investment securities	12	296,111	211,318
Prepayments and receivables	13	27,138	26,597
Non-Current Assets			
Intangible assets	14	-	402
Property and equipment	15	4,284	9,020
Deferred tax asset	16	62,683	23,153
Total Assets		441,360	509,750
Liabilities:			
Accounts payable	17	11,891	12,637
Current income tax	18	2,031	1,008
		13,922	13,645
Equity:			
Share capital	19	333,153	333,153
Share premium		236,260	236,260
Accumulated losses		(141,975)	(73,308)
		427,438	496,105
Total liabilities and equity		441,360	509,750

STATEMENT OF COMPREHENSIVE INCOME

	Notes	31 December 2016 N'000	31 December 2015 N'000
Fees and commission income	5	65,757	259,363
Employee benefits and compensation costs	6	(67,942)	(71,783)
Other operating expenses	7	(146,319)	(164,878)
Operating profit/ (loss)		(148,503)	22,702
Interest income	8	42,098	52,417
Profit/(Loss) before tax		(106,405)	75,119
Tax (expense)/income	9	37,499	(13,452)
Profit/(Loss) for the year		(68,906)	61,667
Other comprehensive income:		-	-
Total comprehensive income/ (loss) for the year		(68,906)	61,667
Profit/ (Loss) per share (kobo) – basic	10	(20.68)	18.51

Notes to the Financial Statements*For the year ended 31 December 2016*

	31 December 2016	31 December 2015
5 Fees and commission income	N'000	N'000
Trading commission	32,232	242,782
Registration fees	32,951	16,137
Other income	575	444
	<u>65,757</u>	<u>259,363</u>
6 Employee benefits and compensation costs		
Salaries and wages	62,843	66,964
Pension cost	5,098	4,819
	<u>67,942</u>	<u>71,783</u>
7 Other operating expenses		
Trading costs	80,931	84,989
Marketing expenses	12,591	17,273
Consultancy fees	508	1,568
Rent	8,625	8,541
Service charge	6,000	6,000
Depreciation (note 15)	5,993	6,454
Amortisation (note 14)	402	403
Annual general meeting expense	2,142	1,573
Directors' allowances	-	12,750
General and administrative expenses	24,177	21,827
Auditor's remuneration	4,950	3,500
	<u>146,319</u>	<u>164,878</u>
8 Interest Income		
Treasury bills	19,731	31,551
Money market placements	9,996	20,126
Bonds	12,372	740
	<u>42,098</u>	<u>52,417</u>
9 Tax		
Deferred tax expense/(income) (Note 16)	(39,530)	12,444
Education /Minimum tax	2,031	1,008
	<u>(37,499)</u>	<u>12,444</u>
Reconciliation of Effective Tax Rate		
Profit before income tax	(106,405)	75,119
Non-deductible expenses	-	7,725
Tax exempt income	-	(32,292)
Taxable profit/(loss)	<u>(106,405)</u>	<u>50,553</u>
Education tax	-	1,008
Minimum tax	2,031	-
Current tax on income for the year	2,031	1,008
Deferred tax chargeable/(credit) to income statement	(39,530)	12,444
Tax charge/(credit) for the year	<u>(37,499)</u>	<u>13,452</u>
Effective tax rate	35%	18%

	31 December 2016 N'000	31 December 2015 N'000	
10 Profit/(Loss) Per Share			
Profit/(Loss) for the year attributable to shareholders (N'000)	(68,906)	61,667	
Weighted average number of ordinary shares in issue	333,153	333,153	
Basic earnings/(loss) per share (expressed in Kobo per share)	(20.68)	18.51	
11 Cash and Cash Equivalents			
Cash	147	40	
Balances with banks	11,424	13,037	
Money market placement	39,573	226,183	
	51,144	239,260	
12 Investment Securities			
Bonds	166,181	61,592	
Treasury bills	129,931	149,726	
	296,111	211,318	
Due within 12 months	129,931	149,726	
Due more than 12 months	166,181	61,592	
13 Prepayments and Receivables			
Fees	2,225	2,413	
Sundry debtors	-	21	
Prepaid lease rental of trading platform (note 25)	14,869	16,066	
Prepaid rent	4,875	4,875	
Prepaid insurance	3,605	2,906	
Other prepaid expenses	1,969	721	
	27,543	27,002	
Impairment provision	(405)	(405)	
	27,138	26,597	
Due within 12 months	27,138	26,597	
14 Intangible Assets			
	Computer software	Trading software	Total
Cost			
As at 1 Jan 2016	370	879	1,249
Addition	-	-	-
As at 31 Dec 2016	370	879	1,249
Accumulated amortisation			
As at 1 Jan 2016	261	586	847
Charge for the year	109	293	402
As at 31 Dec 2016	370	879	1,249
Net book value as at 31 Dec 2016	-	-	-

UNAUDITED MANAGEMENT ACCOUNTS AS AT DECEMBER 31, 2016

	N'000 Computer software	N'000 Trading software	N'000 Total
Cost			
As at 1 Jan 2015	370	879	1,249
Addition	-	-	-
As at 31 Dec 2015	370	879	1,249
Accumulated amortisation			
As at 1 Jan 2015	151	293	444
Charge for the year	110	293	403
As at 31 Dec 2015	261	586	847
Net book value as at 31 Dec 2015	109	293	402

15 Property and Equipment	Motor vehicles N'000	Office equipment N'000	Furniture and fittings N'000	Computer equipment N'000	Total N'000
Cost					
As at 1 Jan 2016	16,598	298	8,736	4,223	29,855
Addition	(1)	-	760	371	1,131
Disposal	-	-	-	-	-
As at 31 Dec 2016	16,598	298	9,496	4,594	30,986
Accumulated depreciation					
As at 1 Jan 2016	11,623	202	6,137	2,873	20,835
Charge for the year	3,163	59	1,678	969	5,868
Acc. Depr on disposed asset	-	-	-	-	-
As at 31 Dec 2016	14,786	261	7,815	3,842	26,703
Net book value					
As at 31 Dec 2016	1,812	37	1,681	752	4,284
Cost					
As at 1 Jan 2015	14,195	298	8,521	3,700	26,714
Addition	2,403	-	215	874	3,492
Disposal	-	-	-	(351)	(351)
As at 31 Dec 2015	16,598	298	8,736	4,223	29,855
Accumulated depreciation					
As at 1 Jan 2015	8,025	142	4,423	2,032	14,622
Charge for the year	3,598	60	1,714	1,082	6,454
Acc. Dep on disposed asset	-	-	-	(241)	(241)
As at 31 Dec 2015	11,623	202	6,137	2,873	20,835
Net book value					
As at 31 Dec 2015	4,975	96	2,599	1,350	9,020

16 Deferred Tax Asset	31 December 2016 N'000	31 December 2015 N'000
Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2016: 30%, 2015: 30%).		
At 1 January	(23,153)	(35,597)
Charge/ (credited) to profit and loss account	(39,530)	12,444
At 31 December	(62,683)	(23,153)

	31 December 2016 N'000	31 December 2015 N'000
17 Accounts Payable		
Withholding tax payable	3,873	6,954
Accrued expenses	4,202	3,500
Other payables	3,816	2,183
	<u>11,891</u>	<u>12,637</u>
Due within 12 months	<u>11,891</u>	<u>12,637</u>
18 Current Income Tax		
At start of year	1,008	-
Payments made during the year	(1,008)	-
Charge for the year	2,031	1,008
At end of year	<u>2,031</u>	<u>1,008</u>
19 Share Capital		
Authorised:		
Ordinary shares at N1 each	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:		
Ordinary shares at N1 each	<u>333,153</u>	<u>333,153</u>
20 Accumulated Losses		
Balance at beginning of year	(73,308)	(134,975)
Opening balance adjustment	239	-
Profit/(Loss) for the year	(68,906)	61,667
	<u>(141,975)</u>	<u>(73,308)</u>
21 Contingent Liabilities		
The company had no pending litigation or other contingent liabilities as at 31 December 2016 (31 December 2015: Nil).		
22 Cash Used in Operations		
Profit/(Loss) before income tax	(106,405)	75,119
Adjustments for		
- Depreciation (Note 7)	5,993	6,454
- Amortisation (Note 7)	402	403
- Interest income (Note 8)	(42,098)	(52,417)
- Loss in disposal of fixed asset	(13)	110
- Impairment provision	-	405
Changes in components of working capital		
- Increase in receivables and prepayments	(541)	(11,750)
- Increase/(Decrease) in payables	(746)	7,080
Cash used in operations	<u>(143,407)</u>	<u>25,404</u>

23 Related party transactions

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

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

Transactions	Type of relationship	Nature of transaction	2016 N'000	2015 N'000
Income:				
Registration fees	Shareholding companies	Fees from shareholding companies that are also dealers	1,885	1,855
Assets:				
Chapel Hill Denham Group	Shareholder	Money market placement	818	801

23.1 Key management compensation

Salaries and other short-term employee benefits	43,500	43,500
Defined contribution	3,373	3,373
	<u>46,873</u>	<u>46,873</u>

Key management comprise of the managing director, chief financial officer and operations manager.

24 Directors and employees

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

Executive director	1	1
Management	2	2
Non-management	9	9
	<u>12</u>	<u>12</u>

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

Salaries and other short term benefits	62,843	66,964
Post-employment benefits	5,098	4,819
	<u>67,942</u>	<u>71,783</u>

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

N100,000 - N500,000	-	-
N500,001 - N1,000,000	3	3
N1,000,000 - N4,000,000	4	5
Over N4,000,000	4	4
	<u>11</u>	<u>12</u>

In accordance with the provisions of the Pensions Reform Act 2014, the Company operates a defined contributory pension scheme. The scheme is fully funded and is managed by licensed Pension Fund Administrators. Membership of the scheme is automatic upon commencement of employment at the Company. The employee and the Company contribute 8% and 10% respectively of the employee's annual basic salary as well as housing and transport allowances to the scheme. The Company's contributions to the scheme are charged to profit and loss account in the year to which they relate. Employees' contributions are funded through deductions from their payroll.

25 Capital Commitments

There were no capital commitments to purchase any asset as at 31st December 2016 (31 December 2015: Nil).

26 Operating Leases - Trading Platform

The company's trading platform is leased from the Nigerian Stock Exchange (NSE). The future minimum lease payments under (non-cancellable) operating leases are as follows:

	2016	2015
	N'000	N'000
No later than one year	56,425	87,911
Later than 1 year but no more than 5 years	Nil	Nil
Later than 5 years	Nil	Nil
The movement schedule for the prepaid leased trading platform (note 13) is shown below:		
At 1 January 2016	16,301	6,888
Addition	74,725	93,082
Charge for the year	(74,894)	(83,904)
At 31 December 2016	<u>16,132</u>	<u>16,066</u>

12. STATUTORY AND GENERAL INFORMATION

12.1 INCORPORATION AND SHARE CAPITAL HISTORY

NASD Plc evolved from the National Association of Securities Dealers. It was incorporated as a Private Limited Liability Company on June 1, 1998 for the purpose of establishing a formal Over-the-Counter (OTC) securities exchange in Nigeria, to facilitate a structured trading arena for unlisted equities, bonds and money market instruments. It was converted to a Public Limited Company in April 2012. NASD PLC is an OTC securities exchange registered by the SEC to organize and manage OTC trading for unlisted public securities in Nigeria but with a focus on the West African region.

Its initial authorised share capital at incorporation was ₦25,000,000 divided into 25,000,000 units of ₦1.00 each. As at the date of this Rights Circular, the authorized share capital of the Company is ₦500 million comprising 500 Million ordinary shares of ₦1.00 each, of which 333,153,294 comprising 333,153,294 ordinary shares of ₦1.00 each have been issued and fully paid up. The following changes have taken place in the Company's authorised and issued share capital since incorporation:

YEAR	AUTHORISED		ISSUED & FULLY PAID		CONSIDERATION
	INCREASE	CUMULATIVE	INCREASE	CUMULATIVE	
	₦	₦	₦	₦	
1998	-	25,000,000	-	6,250,000	Cash
2010	25,000,000	50,000,000	26,999,965	33,249,965	Rights Issue
2011	-	50,000,000	3,333,328	36,583,293	Rights Issue
2012	450,000,000	500,000,000	296,570,001	333,153,294	Cash

12.2 SHAREHOLDING STRUCTURE

As at December 31, 2015, the shareholding structure of the Company was as follows:

S/No	Number of Holding	Number of Shareholders	Number of shares held	% Holding
1	1 - 1,000,000	12	4,999,992	2
2	1,000,000 - 10,000,000	35	103,726,158	31
3	Over 10,000,000	12	224,427,144	67
	Total	59	333,153,294	100.00

Shareholders with 5% or more as at December 31, 2015

S/No	Shareholder	Number of shares held	% Holding
1	Falcon Securities Limited	30,000,000	9.02
2	BGL Securities Limited	29,047,619	8.73
3	Heirs Holding Plc	28,570,000	8.59
4	GTI Capital Limited	22,857,143	6.87
5	NSE Consult Limited	22,857,143	6.87
6	Chapel Hill Advisory Partners Limited	17,250,004	5.18
7	Partnership Investment Company Plc	17,178,566	5.16
8	Greenwich Trust Limited	17,083,330	5.13

12.3 DIRECTORS' INTERESTS*

As at December 31, 2015, the beneficial shareholdings of the Directors in the Issued Share Capital of the Company was recorded in the Register of Members are as follows:

S/No	Director	Designation	Direct Holding	Indirect Holding
1	Mr Olutola Mobolurin	Chairman	-	15,249,994
2	Mr BolaAjomale	Managing Director	-	-
3	Mr Samuel Nwanze	Non-Executive	-	28,750,000
4	Mr Abubakar Lawal	Non-Executive	-	22,857,143
5	Mr Adeolu Bajomo	Non-Executive	-	22,857,143
6	Mr. Bolaji Balogun**	Non-Executive	-	17,250,004

7	Mr Kayode Falowo	Non-Executive	-	17,083,330
8	Mr Ariyo Olushekun	Non-Executive	-	16,500,000
9	Mr Oladipo Aina	Non-Executive	-	4,083,330
10	Mr Chike Nwanze	Non-Executive	-	2,083,330
11	Mr. Jibola Odedina**	Non-Executive	-	16,500,000
12	Mr. Albert Okumagba**	Non-Executive	-	29,047,619

**The Issuing Houses were unable to obtain Mr. Victor Ogiemwonyi's consent to the Rights Issue. They have therefore removed his name from all documents associated with the Rights Issue.*

***Resignations of Mr. Jibola Odedina, Mr. Bolaji Balogun and Mr. Albert Okumagba were accepted by the Board at the Board meetings held on 14 April 2016, 13 July 2016 and 12 October 2016, respectively.*

12.4 INDEBTEDNESS

Except as disclosed in this Rights Circular, the Company has no outstanding debts other than those incurred in the ordinary course of business.

12.5 SUBSIDIARIES AND ASSOCIATED COMPANIES

The Company does not have a subsidiary or associate company as at the date of this rights circular.

12.6 RELATIONSHIP BETWEEN THE ISSUER AND ITS PROFESSIONAL ADVISERS

NASD has the following relationships with its professional advisers:

Mr. O.O. Mobolurin, who is the Chairman of NASD Plc, is also the Chairman of Capital Bancorp Plc, the lead Issuing House to the Issue. Also, Mr. Ariyo Olushekun who is a non-executive director of NASD is also the Vice-Chairman/CEO of Capital Assets Limited, the Joint Issuing House to the Issue.

Also, Capital Bancorp Plc and Capital Assets Limited, the Joint Issuing Houses, are registered Participating Institutions on the Issuers OTC Market.

Apart from the above, there is no relationship between any of the professional advisers to the Issue, their directors, major shareholders, partners or principal officers and the Issuer, NASD Plc.

12.7 EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION

CLASSES OF SHARES

Art 2. The Company may from time to time issue classes of shares. It shall be the responsibility of the directors to determine the classes of shares to be issued. All the rights or restrictions attached to each particular class of shares shall be specified in the terms of issue but such rights may at any time be varied in accordance with the provisions of section 141 of the Act.

ALTERATION OF CAPITAL

Art 5. The Company may from time to time by ordinary resolution effect an alteration of its share capital in any of the ways set out in section 100 of the Act.

Art 6. Subject to the provisions of the Act on reduction of capital, the Company may, whenever it considers it expedient to do so, by special resolution reduce its share capital, any capital redemption fund or any share premium account.

MEETINGS

Art 7. The annual general meeting shall be held at such time and place as the directors shall appoint.

Art 8. The chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he is not present within thirty minutes after the time appointed for the holding of the meeting or is unwilling to act, the directors present shall elect one of their number to be chairman of the meeting.

Art 9. If at any meeting no director is willing to act as chairman or if no director is present within thirty minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be chairman of the meeting.

VOTING

Art 10. No member shall be entitled to vote at any general meeting unless all calls or other sums payable by him in respect of shares in the Company have been paid.

NOTICES

Art 12. A notice may be given by the Company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within Nigeria) to the address, if any, within Nigeria supplied by him to the Company for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected at the expiration of seven days after the letter containing the same is posted.

QUORUM

Art 13. No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business, and for the purpose hereof, 10 members of the Company present in person or by proxy shall constitute a quorum.

12.8 CLAIMS, LITIGATION AND CONTINGENT LIABILITIES

The Company is not involved in any claim or litigation matter.

12.9 ESTIMATED COST OF ISSUE AND EXPENSES

The costs and expenses of this Issue, (including fees payable to the Securities & Exchange Commission, the Issuing Houses and other Professional Parties, brokerage commissions, printing, publicity and advertisement and other miscellaneous expenses) estimated at ₦4,684,027.79 or 2.83% of the gross proceeds, are payable by the Company.

12.10 MATERIAL CONTRACTS

The following contracts have been entered into by the Company and may be considered material to this Issue:

- i) The Company has a contract with The Nigerian Stock Exchange to lease its trading platform for its trades. The Company has renewed a three year lease with The NSE which covers the period March 2016 to February 2019 at the rate of \$185,000 per annum.
- ii) A Vending Agreement dated March 2, 2017 between NASD Plc on the one hand and Capital Bancorp Plc and Capital Assets Limited ("the Issuing Houses") on the other, under which the Issuing Houses have agreed to offer the Rights Issue of 111,051,098 Ordinary Shares of ₦1.00 at ₦1.49 each on behalf of the Company.

12.11 STATUS OF UNCLAIMED DIVIDENDS

As at December 31, 2015, the Company did not have any unclaimed dividends.

12.12 OFF-BALANCE SHEET ITEMS

As at December 31, 2015, the date of the last audited accounts, NASD had no off-balance sheet items or transactions.

12.13 RELATED PARTY TRANSACTIONS

- (i) All non- executive directors are representatives of companies who are registered participating institutions on the NASD OTC market, and carry out trading activities on behalf of their clients in the ordinary course of business.
- (ii) The Company has lease agreement for its trading platform with The NSE, parent company of NSE Consult Limited, one of its shareholders.

12.14 CONSENTS OF PARTIES

The following parties have given and not withdrawn their written consent to the issue of this Rights Circular with their names and reports (where applicable) included in the form and context in which they appear:

Directors*:

Mr. Olutola Mobolurin (Chairman)
 Mr. Bola Ajomale (Managing Director/CEO)
 Mr. Chike Nwanze
 Ms. Obiageli Ugboma
 Mr. Oladipo Aina
 Mr. Kayode Falowo
 Mr. Ariyo Olushekun
 Mr. Abubakar Lawal
 Mr. Adeolu Bajomo
 Mr. Samuel Nwanze
 Mr. Aigbovbioise Aig-Imoukhuede

**The Issuing Houses were unable to obtain Mr. Victor Ogiemwonyi's consent to the Rights Issue. They have therefore removed his name from all documents associated with the Rights Issue.*

Company Secretary:	GIO Nominees Limited
Issuing Houses:	Capital Bancorp Plc Capital Assets Limited
Auditors:	PricewaterhouseCoopers
Solicitors to the Company:	George Ikoli & Okagbue
Solicitors to the Issue:	Dama Afabor & Co
Registrars to the Company:	United Securities Limited
Receiving Bank:	Guaranty Trust Bank plc

12.15 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at NASD Plc, 9th Floor, UBA House, 57 Marina, Lagos and the Issuing Houses (**Capital Bancorp Plc**, 3rd Floor, UNTL House, 1, Davies Street, Off Marina, Lagos, **Capital Assets Limited**, 9th Floor Bookshop House, 50/52 Broad Street, Lagos, during normal business hours on any weekday (except public holidays) while the Offer remains open.

- 1) The Certificate of Incorporation of the Company;
- 2) The Certificate of Increase in Share Capital;
- 3) The Memorandum and Articles of Association of the Company;
- 4) The Company's most recent Form CAC 07 (Particulars of Directors and any changes therein)
- 5) The Company's most recent Form CAC 02 (Statement of Share Capital and Returns of Allotment of Shares)
- 6) The Board and Shareholders' Resolutions authorising the Rights Issue;
- 7) The Audited Accounts of the Company for the four years ended December 31, 2015;
- 8) The Material Contracts referred to in (12.10) above;
- 9) The Consents of the Parties referred to above;
- 10) Letter of approval from the Securities & Exchange Commission with respect to the Issue;
- 11) The Rights Circular detailing the Issue;
- 12) The Vending Agreement;

13. PROVISIONAL ALLOTMENT LETTER

September 22, 2016

RE: RIGHTS ISSUE OF 111,051,098 ORDINARY SHARE OF ₦1.00 EACH AT ₦1.49 EACH PAYABLE ON ACCEPTANCE NOT LATER THAN APRIL 28, 2017

Dear Sir/Madam,

1. Provisional Allotment

The letter from the Chairman dated September 22, 2016, on pages 14 to 22 of this Rights Circular, contains the particulars of the Rights Issue of 111,051,098 Ordinary Shares of ₦1.00 each at ₦1.49 per share. The Directors of the company have provisionally allotted to you the number of new Ordinary Shares set out on the front page of the Acceptance/Renunciation Form in the proportion of 1 new Ordinary share for every 3 Ordinary Shares of ₦1.00 each registered in your name as at Monday, August 1, 2016.

2. Acceptance and Payment

a) Full Acceptance

If you wish to accept this provisional allotment in full, please complete box A of the enclosed Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form together with a cheque, draft or evidence of direct payment made to the account details on the form for the full amount payable submitted to any of the Receiving Agents listed on page 53 of this document not later than May 4, 2017. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "NASD RIGHTS" with your name, address and daytime telephone number written on the back of the cheque or draft. All cheques and drafts will be presented upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid will be rejected and returned through the post at the provisional allottee's risk.

b) Applying for Additional Shares

This may be done by completing item (ii) of box A of the Acceptance/Renunciation Form. Payment should be made in accordance with (a) above. Shareholders who apply for additional units of Shares using the Acceptance/Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional units of Shares applied for (please refer to item 3 below). The receipt of any payment with your Acceptance/Renunciation Form will constitute an acceptance of all or part of this allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and to the clearance of the SEC. If payment is not received by May 4, 2017, the provisional allotment will be deemed to have been declined and will be cancelled.

c) Partial Acceptance

To accept your provisional allotment partially, please complete item (i) of box B and submit your Acceptance/Renunciation Form to any of the Receiving Agents listed on page 53 of this document together with a cheque, draft or evidence of direct payment made to the account details on the form or the Receiving Agent for the full amount payable in respect of the number of units of Shares you have decided to accept.

3. Allotment of Additional Shares

All shares which are not taken up by April 28, 2017 will be allotted on a pro rata (equal basis) to the existing shareholders who have applied and paid for additional shares over and above their provisional allotment under the terms of the Issue and in accordance to the Rules and Regulations of the SEC.

4. Surplus Monies

If any subscription is not accepted or is accepted for fewer units of Shares than the number applied for, the full amount or balance (as the case may be) of the amount paid on acceptance will be returned by registered post within 5 (five) days of allotment.

5. E-Allotment

At the completion of the Issue, the rights issue will be registered and transferable in units of ₦1.00 each. The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are thereby advised to state the name of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance Form.

Yours faithfully,

Company Secretary
GIO Nominees Limited

14. RECEIVING AGENTS

A copy of the Rights Circular, incorporating the Acceptance/Renunciation Form, has been forwarded to each of the shareholders whose names appeared in the Company's Register of members as at close of business on August 1, 2016. Completed Acceptance Forms may be returned to any of the following Receiving Agents to whom brokerage will be paid at the rate of ₦0.50 per ₦100 worth of shares allotted in respect of Acceptance Forms bearing their official stamp.

The Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own independent enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House, cannot give rise to a liability on the part of the Issuing House under any circumstances.

BANK

Guaranty Trust Bank plc

STOCKBROKERS

Adonai Stockbrokers Ltd	Financial & Analytics Capital Limited	Network Capital Limited	TRW Stockbrokers Limited
African Alliance Stockbrokers Ltd	Financial Trust Co Nigeria Ltd	Networth Securities & Finance Limited	Tyndale Securities Ltd
Afrinvest (West Africa) Limited	Finmal Finance Company Limited	Newdevco Investments & Securities Co Ltd	UNEX Capital Limited
AMYN Investments Limited	First integrated capital Management Ltd	Nigerian Intl Sec Limited	Union Capital Markets Limited
Anchorage Sec & Finance Limited	First Stockbrokers Ltd	Nigerian Stockbrokers Limited	United Capital Securities Ltd
Anchoria Inv& Securities Limited	FIS Securities Limited	Nova Finance & Securities Limited	Valmon Securities Limited
Apel Asset Limited	Foresight Securities & Investment Ltd	PAC Securities Limited	Valueline Securities & Investments Ltd
APT Sec. & Funds Limited	Forte Financial Limited	Partnership Investment Company Ltd	Vetiva Securities Limited
ARM Securities Limited	Forthright Securities & Investments Ltd	Peace Capital Market Limited	Woodland Capital Market Plc
Arthur Steven Asset Management Ltd	Fortress Capital Ltd	Phronesis Sec Limited	WSTC Financial Services Limited
Associated Asset Managers Ltd	FSDH Securities Limited	Pilot Securities Limited	Zenith Securities Limited
Atlas Portfolios Ltd	Fund Matrix & Assets Mgt Limited	Pinefields Inv Servcs Limited	Zion Stock Brokers & Securities Ltd
Bauchi Investment Corporation Ltd	Fundvine Capital and Securities Ltd	PIPC Securities Limited	
Belfry Stockbrokers Limited	Future view Financial Services Limited	Pivot Trust and Investment Co Limited	
Bestworth Assets & Trust Limited	Future view Securities Limited	Portfolio Advisers Ltd	
Calyx Securities Limited	Gidauniya Inv. & Sec Limited	Primera Africa Securities	
Camry Securities Limited	Global Asset Management Cam. Ltd	Prime Wealth Capital Limited	
Capital Assets Limited	Globalview Capital Ltd	Profund Securities Limited	
Capital Bancorp Plc	Golden Securities Limited	Prominent Securities Limited	
Capital Express Securities Limited	Greenwich Securities Limited	PSI Securities Limited	
Capital Trust Brokers Limited	Gruene Capital Limited	Pyramid Securities Limited	
Cardinal Stone Securities Limited	GTI Securities Limited	Quantum Securities Limited,	
Cashcraft Asset Mgt. Limited	Harmony Securities Limited	Rainbow Securities & Investment Co. Ltd	
Cashville Inv& Sec. Limited	Heartbeat Investments Limited	Readings Investment Limited	
CDL Capital Markets Ltd	Hedge Sec. & Inv. Co. Limited	Regency Assets Mgt Limited	
Centre-Point Inv. Limited	Helix Securities Ltd	Rencap Securities (Nig.) Limited	
Century Securities Limited	Heritage Capital Mkt Limited	Reward Investments and Services Ltd	
Chapel Hill Denham Securities Ltd	Horizon Stockbrokers Limited	RMB Nigeria Stockbrokers Ltd	
Chartwell Securities Limited	ICMG Securities Limited	Rostrum Inv& Sec Limited	
Citi Investment Capital Limited	ICON Stockbroker Limited	Royal Guaranty and Trust Limited	
City-Code Trust & Inv Limited	Imperial Assets Mgt Limited	Royal Trust Securities Limited	
Clearview Inv Co. Limited	Independent Securities Limited	Santrust Securities Limited	
Compass Inv and Sec Limited	International Standard Sec Limited	Securities Africa Financial Limited	
Cordros Capital Limited	Interstate Securities Limited	Securities and Capital Mgt. Company Ltd	
Core Trust & Investment Limited	Investment One Funds Mgt Ltd	Security Swaps Ltd	
Coronation Securities Limited	Investment One Stockbrokers Int'l Ltd	SFC Securities Ltd	
Cowry Asset Mgt Limited	Investors & Trust Co Limited	Shelong Investment Limited	
Crossworld Securities Limited	Kapital Care Trust & Sec. Limited	Sigma Securities Limited	
Crown Capital Limited	Kedari Securities Limited	Signet Investments & Securities Limited	
CSL Stockbrokers Limited	Kinley Securities Limited	Skyview Capital Ltd	
De-Lords Securities Limited	Kofana Securities & Inv. Limited	SMADAC Securities Ltd	
Deep Trust Investment Limited	Kundila Finance Services Limited	Solid-Rock Securities & Investment Plc	
Diamond Securities Limited	Lambeth Trust & Inv. Co. Limited	Spring Trust & Securities Ltd	
Dominion Trust Limited	Lead Securities and Inv. Limited	Springboard Trust & Investment Ltd	
DSU Brokerage Services Limited	Lighthouse Asset Mgt Limited	Stanbic IBTC Stockbrokers Limited	
Dunbell Securities Limited	Long Term Global Capital Limited	Standard Alliance Capital & Asset Management Ltd	
Dunn Loren Merrifield Securities Limited	Magnartis Fin & Inv Limited	Standard Union Securities Limited	
Dynamic Portfolios Limited	Mainstreet Bank Securities Ltd	Supra Commercial Trust Limited	
ECL Asset Management Limited	Marimpex finance & investment Co.Ltd	TFS Securities & Investment Ltd	
EDC Securities Limited	Marriot Securities & Investment Co.Ltd	The Bridge Securities Limited	
Edgefield Capital Management Limited	Maven Asset Management Ltd	Tiddo Securities Limited	
EFCP Limited	Maxifund Investments and Securities Plc	Tomil Trust Limited	
El -Elyon Alliance & Securities Limited	MBC Securities Limited	Topmost Securities Limited	
Elixir Securities Limited	MBL Financial Services Limited	Tower Asset Management Ltd	
Enterprise Stockbroker Plc	Mega Equities Limited	Tower Securities & Investment Co. Ltd	
Equity Capital Solutions Limited	Meristem Securities Limited	Trade Link Securities Limited	
Eurocomm Securities Limited	Midas Stockbrokers Limited	Traders Trust & Investment Company Limited	
Express Discount Asset Mgt Ltd	Milestone Capital Management Ltd	TransAfrica Financial Services Ltd	
Express Portfolio Services Limited	Mission Securities Ltd	Transworld Investment & Securities Limited	
Falcon Securities Limited	Molten Trust Limited	Trust Yields Securities Limited	
FBN Securities Limited	Morgan Capital Sec Limited	Trustbanc Capital Management Ltd	
FCSL Asset Mgt Company Ltd	Mountain Investment & Securities Limited	Trust House Investments Ltd	
Fidelity Finance Company Ltd	Mutual Alliance Investments and Securities Limited		
Fidelity Securities Limited			

15. ACCEPTANCE/RENUNCIATION FORM

Acceptance List Opens
March 20, 2017



NASD Plc

RC: 336267

Acceptance List Closes
April 28, 2017

**RIGHTS ISSUE
Of
111,051,098 ORDINARY SHARES OF N1.00 EACH
AT
N1.49 PER SHARE
PAYABLE IN FULL ON APPLICATION**

ACCOUNT No:	ADDRESS:
NAME:	
RECORD DATE HOLDING:	
RIGHTS DUE:	
UNIT PRICE:	
AMOUNT: ₦	

INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE/RENUNCIATION FORM

1. Acceptance and/or renunciation must be made on the prescribed form. Photocopies of the Acceptance/Renunciation Form will be rejected.
2. Allottees should complete only ONE of the boxes marked A and B on the reverse of this form.
3. Shareholders accepting the provisional allotment in full should complete box A and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed on Page 50 of the Rights Circular, together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance or evidence of e-payment where the amount payable exceeds N10Million. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "NASD RIGHTS", with the name, address and daytime telephone number (if any) of the shareholder written on the back. If payment is not received by May 4, 2017, the provisional allotment will be deemed to have been declined. Units of Shares which are not taken up by April 28, 2017, will be allotted on a basis to be determined by the Directors of NASD and cleared by SEC, to existing shareholders who have applied and paid for additional number of Shares.

Bank:	Guaranty Trust Bank plc
Account Name:	NASD Plc Issue Proceeds Account
Account Number:	0111869629
Sort Code:	058-152052

4. Shareholders accepting their provisional allotment partially should complete box B and submit their Acceptance/Renunciation Form to any of the Receiving Agents listed on Page 50 of the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent. Where the amount payable exceeds N10million, payment should be made through e-payment mode.
5. If payment is not received by May 4, 2017, the provisional allotment will be deemed to have been declined. Number of Shares which are not taken up by April 28, 2017, will be allotted on a basis to be determined by the Directors of NASD and cleared by the SEC, to existing shareholders who have applied and paid for additional number of Shares.
6. Shareholders who wish to acquire additional number of Shares over and above their provisional allotment may purchase renounced rights, and/or apply for additional number of Shares by completing item (ii) of box A.
7. All cheques or bank drafts will be presented for payment on receipt and all acceptances in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Acceptance/Renunciation Form is lodged.
8. Joint allottees must sign on separate lines in the appropriate section of the Acceptance/Renunciation Form.
9. Acceptance/Renunciation Forms of corporate allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorized officials who should also state their designations.

FOR REGISTRAR'S USE ONLY

Control No.	Account No.
<input type="text"/>	<input type="text"/>
Number of Shares Accepted	Additional Shares Applied for
<input type="text"/>	<input type="text"/>
Value of shares applied for/Amount Paid	
₦ <input type="text"/>	<input type="text"/>

STAMP OF RECEIVING AGENT

ACCEPTANCE/RENUNCIATION FORM

Care should be taken to comply with the instructions set out on the front of this form. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Bank Manager, Solicitor, Accountant or any other professional adviser for guidance.

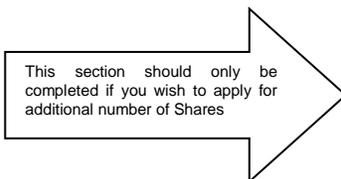
To: The Issuing Houses

Capital Bancorp Plc
3rd Floor, UNTL House
1, Davies Street,
Off Marina, Lagos

Capital Assets Limited
9th Floor, Bookshop House
50/52, Broad Street
Lagos Island, Lagos

A. FULL ACCEPTANCE/REQUEST FOR ADDITIONAL SHARES

i. I/We accept in full, the provisional allotment shown below.

	Number of Additional shares applied for	Additional amount payable at ₦1.49 per share
		₦

ii. I/We also apply for the following additional shares:

I/We agree to accept the same or smaller number of additional number of Shares in respect of which allotment may be made to me/us, in accordance with the Provisional Allotment Letter contained in the Rights Circular.

iii. I/We enclose my/our cheque/bank draft or evidence of credit to the account below, for ₦..... being the total of the amount payable as shown on the front of this form, and the additional amount payable as shown in item (ii) above.

Cheque Details: Name of Bank/Branch: Cheque number.....

Account No: BVN:

Name(s) of Shareholder (in block letters):

Next of Kin: Daytime Telephone No:

Email Address:

Signature:	2 nd Signature (joint only):
Name of Authorized Signatory (Corporate Only):	Name of Authorized Signatory (Corporate Only):
Designation (Corporate Only):	Designation (Corporate Only):

Incorporation number and official seal of Corporate Allottee

B. RENUNCIATION OR PARTIAL ACCEPTANCE

1	2	3
Number of ordinary Shares Accepted	Amount payable at ₦1.49 per share	Number of ordinary Shares Renounced

i. I/We accept only the number of Shares shown in Column 1 above and enclose my/our cheque/bank draft for the value shown in Column 2 above.

ii. I/We hereby renounce my/our rights to the number of Shares shown in Column 3, being the balance of the number of shares allotted to me/us.

Cheque Details: Name of Bank/Branch: Cheque Number.....

Account No: BVN:

Name(s) of Shareholder (in block letters):

Next of Kin:

Email Address: Daytime Telephone No

Signature:	2 nd Signature (joint only):
Name of Authorized Signatory (Corporate Only):	Name of Authorized Signatory (Corporate Only):
Designation (Corporate Only):	Designation (Corporate Only):

Incorporation number and official seal of Corporate Allottee