



**SEC NIGERIA**  
SECURITIES AND EXCHANGE COMMISSION, NIGERIA



# 4<sup>th</sup> Quarter 2013

SEC NIGERIA Quarterly Report



Market  
Development  
Division

# Mission

To develop and regulate a capital market that is dynamic, fair, transparent and efficient to contribute to the nations

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## **PRIMARY AND SECONDARY MARKETS**

### **INTRODUCTION:**

The global economy recorded a new phase of recovery in the last half of the year 2013 when compared to the slowdown in the last three years. Global activities and world trade improved during this period leading to a stronger global growth. The main drivers behind the improved activities were the expansion in final demand in advanced economies and export rebound in emerging markets. Financial conditions in advanced economies eased in the Fourth Quarter of 2013 with little change since the announcement by the U.S. Federal Reserve on its quantitative easing measures by January 2014.

In emerging market economies, however, financial conditions remained tighter despite fairly robust capital flows. Equity prices still not fully recovered, while many sovereign bond yields edged up, and some currencies were under pressure. The euro area showed signs of improvement as the economy's recovery picked up pace in the last quarter of 2013. GDP rose by 0.3% in the fourth quarter when compared to the third quarter and by 0.5% when compared with the corresponding quarter in 2012.

On the domestic front, the liquidity condition in the interbank funds market showed a slight improvement during the quarter under review. There was a downward movement in the interbank rate from 16.88% in the previous quarter to 11.08% at the start of the fourth quarter 2013. However, the rate increased to 11.15% by the middle of the quarter.

Data available showed a decrease in banks' deposit and lending rates. The maximum lending rate decreased from 25.12% recorded in the third quarter, to 24.90% in the beginning of the fourth quarter, and finally settled at 25.00% by the middle of the fourth quarter. This development was as a result of the Monetary Policy Committee decision of November 2013 to retain the Central Bank's restrictive monetary policy stance. Key financial indicators therefore remained at their current levels with MPR and CRR at 12.0% and 50.0% respectively.

Headline inflation fell from 8.0 percent in the third quarter to 7.9% by the end of November 2013 and went back to 8.0% by the end of the quarter. Average naira exchange rate versus the US dollar moved from N157.32/US\$ recorded in the third quarter to N157.27/US\$ by the end of December 2013, while gross external reserves continued a downward movement from \$45.62 billion in the last quarter to US\$43.41 billion. The decrease in external reserve was as a result of the fall in receipts from crude oil and gas exports.

## PRIMARY MARKET

### NEW ISSUES

In the last quarter of 2013, a total of five (5) issuers patronized the primary equity market. This showed a lower figure when compared with the previous quarter, although the inclusion of an Initial Public Offering (IPO) in this figure is a positive sign. The five (5) issues worth N34.85 billion comprised of one (1) rights placement, three (3) private placements, and one (1) initial public offering as against six (6) issues worth N22.27 billion in the previous quarter.

In the debt market, a total of ten (10) securities were issued with three (3) of these being corporate bonds, one (1) a sub-national bond, and six (6) federal government bonds. The ten (10) bonds were valued at N309.50 billion as against the eleven (11) issued in the previous quarter, valued at N204.71 billion. No corporate bonds were issued in this period.

As indicated in Table 1 below, the stock market recorded sixteen (16) new issues worth N344.35 billion as against sixteen (16) new issues valued at N226.98 billion issued in the third quarter. These figures indicate a 51.7% increase in the value of new shares and no change in the number of new issues in the fourth quarter of 2013.

**TABLE 1: NEW ISSUES**

Mode of Offer	No. of Issues		Value of Shares(N' m)	
	Q3, 2013	Q4, 2013	Q3, 2013	Q4, 2013
Rights	4	1	2,240.87	1,800.00
Placements	2	3	20,025.00	31,395.49
IPO	0	1	0.00	1,650.00
<b>Total Equities</b>	<b>6</b>	<b>5</b>	<b>22,265.87</b>	<b>34,845.49</b>
Corporate Bond	3	0	10,580.00	0.00
Sub-national Bond	1	5	11,400.00	114,500.00

FGN Bonds	6	6	182,730.00	195,000.00
<b>Total Debt Securities</b>	<b>10</b>	<b>11</b>	<b>204,710.00</b>	<b>309,500.00</b>
<b>Overall</b>	<b>16</b>	<b>16</b>	<b>226,975.87</b>	<b>344,345.49</b>

Source: SEC, DMO

**TABLE 2: Equities Issued In The Period Under Review.**

Issuer	Issue Type	Offer Price	Volume	Value	Offer Opening Date
<b>UBA Capital Plc</b>	Rights	0.90	2,000,000,000	1,800,000,000	14/10/13
<b>The Infrastructure Bank</b>	Placement	1.00	500,000,000	500,000,000	21/11/13
<b>Food Concepts Plc</b>	Placement	2.25	86,660,000	194,990,000	12/12/13
<b>Oando Plc</b>	Placement	15.00	2,046,700,000	30,700,000,000	19/12/13
<b>Omoluabi savings &amp; Loans Plc</b>	IPO	0.55	3,000,000,000	1,650,000,000	30/12/13
Total			<b>7,633,360,000</b>	<b>34,844,990,000</b>	

Source: SEC

### **FGN Bonds**

In the last quarter of 2013, six (6) categories of FGN bonds which were tranches of previously issued bonds were auctioned by The Debt Management Office (DMO) on behalf of the Federal Government of Nigeria. The bonds which were oversubscribed in all three months of the quarter were fully allotted in each period. A total of N195 billion worth of FGN bonds were allotted in the fourth quarter of 2013 from an aggregate of N195 billion in six (6) issuances compared to N182.73 billion worth of FGN bonds allotted in the third quarter from an issuance size of N195 billion in six (6) issues.

**TABLE 3: AUCTION SUMMARY OF FGN BOND FOR THE FOURTH QUARTER OF 2013**

<b>Issue</b>	<b>Tenor</b>	<b>Amount Auctioned (N'Bn)</b>	<b>Subscriptions (N'Bn)</b>	<b>Level of Subscription</b>	<b>Amount Allotted (N'Bn)</b>	<b>Marginal Rate (%) Applied</b>	<b>Date Auctioned</b>
August 16, 2016(3rd Issue)	3	25.00	82.82	331.28	25.0000	13.0459	18/10/13
July 23,2030(13th Issue)	20	30.00	81.07	270.23	30.0000	13.2600	18/10/13
August 16, 2016(4th Issue)	3	35.00	74.89	213.98	35.0000	12.5500	13/11/13
July 23,2030(14th Issue)	20	30.00	64.90	216.34	30.0000	12.9890	13/11/13
August 16, 2016(5th Issue)	3	40.00	80.66	201.65	40.0000	12.9000	31/12/13
July 23,2030(15th Issue)	20	35.00	52.73	150.66	35.0000	13.2000	13/12/13
<b>Total</b>		<b>195.00</b>	<b>437.07</b>		<b>195.00</b>		

Source: DMO

**REGISTRATION OF OTHER SECURITIES**

**Bonus Issues:** The Commission registered three (3) bonus issues summing up to 201.95 million units at nominal value of N388.21 million while in the previous quarter, 1.56 billion units at nominal value of No.78 billion were registered. See Table 4 below:

**TABLE 4: LIST OF COMPANIES THAT REGISTERED FOR BONUS ISSUES**

S/N	Company	Volume (Unit)	Nominal Value (Naira)	Bonus Ratio	Date Registered
1.	<b>Chemical &amp; Allied Product Plc</b>	140,000,000	70,000,000	1 for 4	20/11/13
2.	<b>Niger Delta Exploration and Production</b>	30,234,742	302,347,420	1 for 5	11/12/13
3.	<b>International Breweries</b>	31,722,850	15,861,425	1 for 85	19/12/13
	<b>Total</b>	<b>201,957,592</b>	<b>388,208,845</b>		

Source: SEC

**Existing Securities:** The Commission registered existing securities of Omoluabi Savings & Loans Plc during the quarter. See Table 5 below:

**TABLE 5: REGISTERED EXISTING SECURITIES OF OMOLUABI SAVINGS & LOANS PLC**

S/N	Issuer	Nominal Price (N)	Volume	Nominal Value (N)	Date Registered
1	Omoluabi Savings & Loans Plc	0.50	2,000,000,000	1,000,000,000	10/12/13
	<b>Total</b>		<b>2,000,000,000</b>	<b>1,000,000,000</b>	

Source: SEC

### **Allotment Clearance**

The Commission cleared eight (8) allotments proposals made up of three (3) bond issues, four (4) rights issues, and one (1) private placement. All the proposals cleared in the last quarter of 2013 were either fully subscribed or oversubscribed. Find details of the allotment on Table 6 below:



**TABLE 6: ALLOTMENTS PROPOSALS**

<b>Issuer by Offer Type</b>	<b>Volume of Securities</b>	<b>Offer Price (N)</b>	<b>Value (Naira)</b>	<b>Level of Subs.</b>	<b>Amount Capitalized (Naira)</b>	<b>Approval Date</b>
Bonds:						
Osun Sukuk Company Plc	11,400,000	1000	11,400,000,000	100	11,400,000,000	02/12/13
The La Casera Company Plc	3,000,000	1000	3,000,000,000	100	3,000,000,000	17/12/13
FSDH Funding SPV Plc	5,530,000	1000	5,530,000,000	100	5,530,000,000	23/12/13
Rights:						
Nexans Kebelmetal Nigeria Plc	209,066,664	2.20	459,946,660	111.58	459,946,660	03/12/13
Property Gate Development & Investment Plc	37,500,000	1.00	37,500,000	100	37,500,000	06/12/13
Sterling Bank Plc	5,888,949,162	2.12	12,484,572,223	100	12,484,572,223	24/12/13
African Prudential Registrars Plc	1,000,000,000	1.20	1,200,000,000	245	1,200,000,000	30/12/13
Placement:						
Property Gate Development & Investment Plc	12,500,000	1.00	12,500,000	100	12,500,000	06/12/13
<b>Total</b>			<b>34,124,518,883</b>		<b>34,124,518,883</b>	

Source: SEC

## Secondary Market

The outlook of the Nigerian Stock Market in the fourth quarter showed volatility with the broad index level recording a marginal appreciation of 12.97% as against the appreciation of 1.16% in the previous quarter.

### Trading Activities on the Nigerian Stock Exchange (NSE)

The number of deals, volume, and value of securities traded on the stock exchange in the fourth quarter of 2014 were 291,159 deals, 26,363,657,278 units, and N254,997,356,105.04 billion respectively. When compared with the values in the previous quarter, these figures represent a decrease of 10.66%, and an increases of 20.74% and 29.49% respectively. In all, 26.36 billion units of securities worth N255 billion exchanged hands in 291,159 deals as against 21.84 billion units of securities worth N196.92 billion which trade in 325,891 deals in the third quarter.

Among the securities traded in the fourth quarter were 52,977 units of FGN bonds worth N56.14million and 8,999 units of NewGold ETF worth N18.35million. See table 7 below.

**TABLE 7: TRANSACTIONS FOR 3<sup>RD</sup> AND 4<sup>TH</sup> QUARTER, 2013.**

SECURITIES	THIRD QUARTER 2013			FOURTH QUARTER 2013		
	Deals	Volume (Unit)	Value (Naira)	Deals	Volume (Unit)	Value (Naira)
Federal Government Bond	111	81,450	75,210,025.79	46	52,977	56,138,840.88
State Government Bond	0	0	0.00	0	0	0.00
Exchange Traded Fund (ETF)	42	7,603	16,287,272.00	40	8,999	18,348,950.00
Equities	325,742	21,835,216,558	196,832,196,346.84	291,073	26,363,595,302	254,922,868,314.16

<b>TOTAL</b>	<b>325,895</b>	<b>21,835,305,611</b>	<b>196,923,693,644.63</b>	<b>291,159</b>	<b>26,363,657,278</b>	<b>254,997,356,105.04</b>
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Source: Compiled from reports supplied by The NSE

## Transaction by Sectors:

The bulk of transactions in the fourth quarter were recorded by the **Financial Services** sector. The sector which traded about 17.59 billion shares worth N118.96 billion in 149,000 deals, accounted for 51.19%, 66.74% and 46.65% of the total deals, volume and value of transactions in the quarter.

This was followed by the **Conglomerates** sector which recorded a significant number of trades as 4.48 billion shares worth N18.26 billion were traded in 24,692 deals. This accounted for 8.48%, 16.98%, and 7.16% in deals, volume and value of transactions in the quarter.

The third sector with considerable level of activities was the **Oil and gas** sector which transacted 1.21 billion units of shares amounting to N16.80 billion in 31,179 deals. The table below indicates trading statistics by sector for the fourth quarter of 2013.

**TABLE 8: TRANSACTIONS STATISTICS BY SECTOR FOR 2013**

Sector	Deals	Volume (Units)	Value (Naira)
<b>Equities</b>			
AGRICULTURE	6,085	158,845,995	2,167,330,362.08
CONGLOMERATES	24,692	4,476,279,750	18,261,557,680.49
CONSTRUCTION/REAL ESTATE	3,985	184,379,826	6,724,807,232.13
CONSUMER GOODS	47,968	823,779,753	45,657,253,086.43
FINANCIAL SERVICES	149,000	17,593,810,894	118,959,738,365.81
HEALTHCARE	5,272	206,064,863	1,357,465,976.64

ICT	1,736	974,842,425	2,457,712,569.97
INDUSTRIAL GOODS	12,940	372,429,567	41,813,930,161.43
NATURAL RESOURCES	211	51,974,871	31,025,989.87
OIL AND GAS	31,179	1,206,037,455	16,796,837,299.09
SERVICES	8,005	315,149,903	695,209,590.22
<b>Equities (Total)</b>	<b>291,073</b>	<b>26,363,595,302</b>	<b>254,922,868,314.16</b>
<b>Exchange Traded Fund (ETF)</b>			
NEWGOLD ETF	40	8,999	18,348,950.00
<b>Bonds</b>			
FGN Bonds	46	52,977	56,138,840.88
<b>Overall</b>	<b>291,159</b>	<b>26,363,657,278</b>	<b>254,997,356,105.04</b>

Source: Compiled from reports supplied by the NSE

### **Top Ten (10) Active Stocks by Volume:**

A total of One Hundred and Eighty Two (182) equities were traded on the Exchange in the fourth quarter of 2014 and the top ten active stocks by volume controlled 62.47% of the total equities traded within the quarter.

As shown on Table 9 below, Transnational Corporation of Nigeria Plc emerged as the most traded equity in the quarter as it accounted for 16.78% of the total volume of equities traded during the quarter.

The Banking equities which were prominent among the top ten active stocks, accounted for 32.71% of the total volume of equities transacted for the quarter.

**TABLE 9: TOP 10 MOST TRADED EQUITIES FOR 3<sup>RD</sup> QUARTER, 2013.**

S/N	Equity	Volume (units)	% of Total	Value (Naira)	% of Total
1	Transnational Corporation of Nigeria Plc	4,423,251,625	16.78	15,596,022,662.76	6.12
2	Unity Bank Plc	2,990,632,550	11.34	1,577,848,233.74	0.62
3	Wapic Insurance Plc	1,737,435,992	6.59	1,614,666,371.60	0.63
4	Zenith International Bank Plc	1,444,521,418	5.48	30,943,938,606.94	12.14
5	FCMB Group Plc	1,196,453,724	4.54	3,993,877,689.38	1.57
6	Guaranty Trust Bank Plc	1,022,571,628	3.88	26,670,221,102.61	10.46
7	Access Bank Plc	1,014,439,932	3.85	9,957,105,237.58	3.91
8	United Bank for Africa Plc	955,236,125	3.62	7,424,970,003.89	2.91
9	Ecobank Transnational Incorporated	850,107,765	3.22	12,089,222,632.03	4.74
10	Oando Plc	835,849,608	3.17	12,504,478,307.21	4.91
	<b>Top 10 total</b>	<b>16,470,500,367</b>	<b>62.47</b>	<b>122,372,350,847.74</b>	<b>48.00</b>
	Other Companies	9,893,094,935	37.53	132,550,517,466.42	52.00
	<b>Grand Total (Equities)</b>	<b>26,363,595,302</b>	<b>100.00</b>	<b>254,922,868,314.16</b>	<b>100.00</b>

Source: Compiled from reports supplied by the NSE

### Listings

During the quarter, two new listings occurred with Computer Warehouse Group Plc on November 15 and Infinity Trust Mortgage Bank Plc on December 11, 2013. Computer Warehouse Group listed 2.52 billion shares at N5.48 per share while Infinity Trust Bank Plc listed 4.17 billion shares at N1.50 per share. Table 10 below indicates the breakdown:

**TABLE 10: NEW LISTINGS**

S/N	Issuer	Shares Listed Bn	Price Listed N	Sector/Subsector	Date Listed
1	Computer Warehouse Group Plc	2.52	5.48	ICT/ IT Services	15/11/13
2	Infinity Trust Bank Plc	4.17	1.50	Financial Sector/ Banking	11/12/13

**Supplementary Listing:** The NSE recorded 32.36 billion units of shares of four (4) companies as supplementary listings in the fourth quarter. In the third quarter, five (5) supplementary listings of 22.18 billion shares were recorded. Find the list in the table below:

**TABLE 11:**

S/N	Issuer	Additional Shares Listed	Outstanding Shares	Resultant	Date Listed
1.	ASO Savings and Loans Plc	6,062,585,126	8,679,148,676	Rights issue	11/10/13
2.	Wema Bank Plc	26,667,123,333	12,821,249,880	Placement	21/10/13
3.	Cadbury Nigeria Plc	1,186,079	3,129,188,160	Merger	10/12/13
4.	Berger Paints Plc	72,455,862	217,365,585	Rights issue	13/12/13
	<b>Total</b>	<b>32,363,350,400</b>			

Source: Compiled from NSE Reports

### Price Indices

With a marginal appreciation of 12.97% in the All Share index in the fourth quarter, the price levels of equities showed greater positive appreciation than exhibited in the third quarter. With seventy two (72) gainers recorded in this quarter, the positive trend was further emphasized when compared to the forty (40) gainers in the third quarter. The losers decreased from seventy three (73) to thirty six (36) in the same quarter, while equities with static prices stood at eighty-eight (88), as against eighty four (84) recorded in the previous quarter. Two equities: Computer Warehouse Group and

Berger Paints Nigeria Plc were listed in November and December respectively, while Poly products Plc voluntarily delisted from the exchange in the fourth quarter, bringing the total number of listed equities to 198 as at December 2013.

### Gainers

In the last quarter of 2013, Transnational Corporation of Nigeria Plc led the gainers with a 170.19% gain in the price of its shares. Notable was the appreciation of the share price of Forte Oil Plc which recorded a 161.43% gain in price translating to N60.36, the highest absolute gain for the quarter. General price levels of equities in the fourth quarter were more favorable than they were in the previous quarter. The least percentage price gain on the top twenty gainers table for the quarter was 22.73% recorded by WAPIC Insurance Plc. while the least price gain in the third quarter was 15.79% recorded by Julius Berger Nig. Plc. Table 12 below consist of the top 20 percentage price gainers in the fourth quarter of 2013.

**TABLE 12: The Top 20 Percentage Price Gainers In The Fourth Quarter Of 2013**

S/N	Equity	Price on 30/09/13 (Naira)	Price on 31/12/13 (Naira)	Absolute Gain (Naira)	(%) Gain
1	Transnational Corporation of Nigeria Plc	1.61	4.35	2.74	170.19
2	Forte Oil Plc.	37.39	97.75	60.36	161.43
3	Union Dicon Salt Plc.	4.22	10.45	6.23	147.63
4	Conoil Plc	28.80	67.93	39.13	135.87
5	Oando Plc	10.35	24.25	13.90	134.30
6	Africa Prudential Registrars Plc	1.87	3.32	1.45	77.54
7	Eterna Plc.	2.80	4.51	1.71	61.07
8	International Breweries Plc.	19.05	28.70	9.65	50.66
9	MRS Oil Nigeria Plc.	36.14	54.44	18.30	50.64
10	Fidson Healthcare Plc	1.94	2.79	0.85	43.81

<b>11</b>	UBA Capital Plc	1.45	2.07	0.62	42.76
<b>12</b>	Academy Press Plc.	1.80	2.55	0.75	41.67
<b>13</b>	Custodian And Allied Insurance Plc	1.50	2.08	0.58	38.67
<b>14</b>	Zenith Bank Plc	19.99	27.40	7.41	37.07
<b>15</b>	Cap Plc	37.00	48.45	11.45	30.95
<b>16</b>	Cadbury Nigeria Plc.	45.50	59.01	13.51	29.69
<b>17</b>	Cement Co. Of North.Nig. Plc	9.09	11.75	2.66	29.26
<b>18</b>	National Salt Co. Nig. Plc	12.21	14.99	2.78	22.77
<b>19</b>	Honeywell Flour Mill Plc	2.99	3.67	0.68	22.74
<b>20</b>	WAPIC Insurance Plc	0.88	1.08	0.20	22.73

Source: Compiled from NSE Reports

### Losers

A different list of companies featured on the losers list for the fourth quarter of 2013. FCMB Group Plc had featured on the losers list for the preceding quarter but all other companies on the list featured anew. The percentage loss in fourth quarter was lower when compared with the previous quarter as the largest loss in the quarter was 7.25% while that of the third quarter was 49%. IHS Plc moved from the 9<sup>th</sup> position on the top twenty gainers table in the previous quarter to the 14<sup>th</sup> position on the losers table for the quarter while Julius Berger Plc moved from the 20<sup>th</sup> position on the table of the top twenty gainers in the third quarter to occupy the 3<sup>rd</sup> position amongst the losers for the quarter.

**TABLE 13: The Top 20 Percentage Price Losers In The Fourth Quarter Of 2013**

<b>S/N</b>	<b>Equity</b>	<b>Price on 30.09/13 (Naira)</b>	<b>Price on 31/12/13 (Naira)</b>	<b>Absolute Loss (Naira)</b>	<b>(%) Loss</b>
<b>1</b>	Access Bank Plc.	10.35	9.60	0.75	7.25
<b>2</b>	Cutix Plc.	1.90	1.78	0.12	6.32



<b>3</b>	Julius Berger Nig. Plc.	76.99	72.29	4.70	6.10
<b>4</b>	Union Bank Nig.Plc.	10.25	9.63	0.62	6.05
<b>5</b>	Fortis Microfinance Bank Plc	6.60	6.27	0.33	5.00
<b>6</b>	Morison Industries Plc.	2.01	1.91	0.10	4.98
<b>7</b>	Nigerian Ropes Plc	7.85	7.46	0.39	4.97
<b>8</b>	African Paints (Nigeria) Plc.	2.86	2.72	0.14	4.90
<b>9</b>	Lennards (Nig) Plc.	3.48	3.31	0.17	4.89
<b>10</b>	Chellarams Plc.	4.36	4.15	0.21	4.82
<b>11</b>	UPDC Real Estate Investment Trust	10.50	10.00	0.50	4.76
<b>12</b>	Okomu Oil Palm Plc.	46.00	44.00	2.00	4.35
<b>13</b>	Secure Electronic Technology Plc	0.69	0.66	0.03	4.35
<b>14</b>	IHS Plc	2.80	2.70	0.10	3.57
<b>15</b>	FCMB Group Plc.	3.80	3.69	0.11	2.89
<b>16</b>	P Z Cussons Nigeria Plc.	38.00	37.00	1.00	2.63
<b>17</b>	Portland Paints & Products Nigeria Plc	5.60	5.50	0.10	1.79
<b>18</b>	Glaxo Smithkline Consumer Nig. Plc.	69.00	68.00	1.00	1.45
<b>19</b>	FBN Holdings Plc	16.40	16.30	0.10	0.61
<b>20</b>	Champion Brew. Plc.	16.99	16.91	0.08	0.47

Source: Compiled from NSE Reports

## THE ALL-SHARE INDEX

The All-Share Index closed at 41,329.19 points in the final quarter of 2013 with an appreciation of 14.28% from 33,536.25 points in the preceding quarter. This position was an improvement from the appreciation of 7.84% recorded in the third quarter.

As depicted on the chart below, the index level showed sustained upward trend throughout the quarter, with a sharper rise in the second half of December 2013. The growth of the index on monthly basis indicated that it appreciated by 2.16% in October, 3.06% in November and ended with a marginal gain of 5.85% in December 2013.

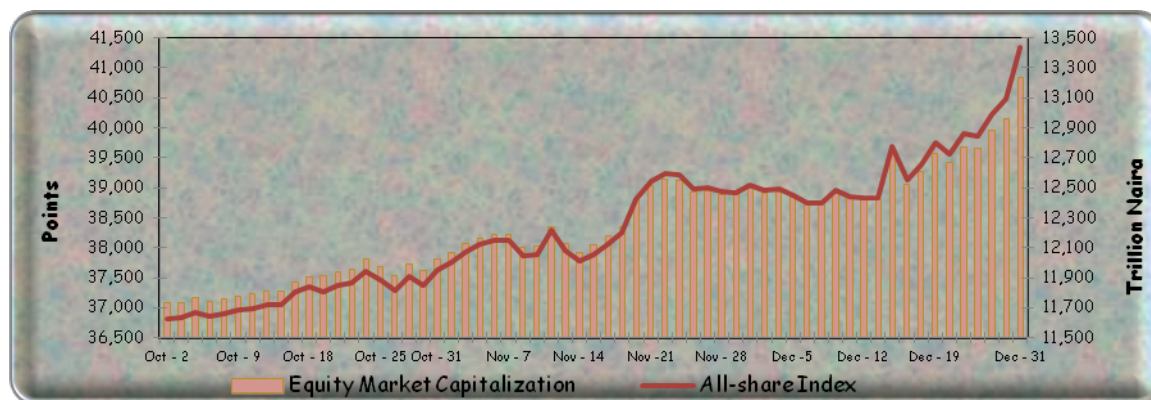
Table 14 below indicates the starting, peak, low and end points of the index between October and December 2013. At the end of the fourth quarter, the broad index appreciated by 47.19% on a year-to-date basis.

**TABLE 14:**

Date	Index (Points)	YTD%	Remarks
9/30/2013	36,585.08	30.29	End Point of Q3,2013
10/2/2013	36,826.34	31.15	Opening and lowest point of October, 2013
10/31/2013	37,622.74	33.99	<b>Peak and Closing point of October, 2013</b>
11/1/2013	37,765.82	34.50	Opening and lowest point of November, 2013
11/22/2013	39,246.05	39.77	<b>Peak point of November, 2013</b>
11/29/2013	38,920.85	38.61	Closing point of November, 2013
12/2/2013	39,045.07	39.06	Opening point of December, 2013
12/6/2013	38,738.15	37.96	lowest point of December, 2013
12/31/2013	41,329.19	47.19	<b>Peak and Closing point of December, 2013</b>

Source: Compiled from The NSE reports

### Chart 1: All-Share Index and Equity Market Capitalization (October - December, 2013)



Note: Equity Market Capitalization for Main board and AseM

## MARKET CAPITALIZATION

The total Market Capitalization of listed securities (equities and fixed income securities) stood at about N19.08 trillion at the close of the fourth quarter. This represented an increase of 7.16% over the position in the third quarter, when the total Market Capitalization closed at about N17.80 trillion.

As indicated in Table 15 below, Equity Market Capitalization recorded a marginal increase of 13.50% to close at N13.23 trillion. The capitalization of Corporate and FGN bonds in the quarter showed declines of 0.24% and 6.93% respectively while those of Sub-National and Supra-National Bonds remained unchanged. Further decline of 10.07 in the capitalization of ETF was also recorded in the same period under review. Also, table 16 below showed market capitalisation by sector as at December 31, 2013.

**TABLE 15: Equity Market Capitalization**

Type	3 <sup>rd</sup> Quarter 2013	4 <sup>th</sup> Quarter 2013	% Change
<b>Equities</b>	11,656,880,023,421.40	13,230,250,879,829.01	13.50
<b>Corporate Bonds</b>	1,397,400,491,969.30	1,393,998,185,969.30	-0.24
<b>FGN Bonds</b>	4,265,516,908,605.00	3,969,889,070,664.63	-6.93
<b>Sub-national Bonds</b>	471,000,000,000.00	471,000,000,000.00	0.00

<b>Supra-national Bonds</b>	12,000,000,000.00	12,000,000,000.00	0.00
<b>Exchange Traded Funds</b>	311,400,000.00	280,050,000.00	-10.07
<b>Total</b>	<b>17,803,108,823,995.70</b>	<b>19,077,418,186,462.94</b>	<b>7.16</b>

Source: Compiled from reports supplied by The NSE

**TABLE 16: Market Capitalisation By Sector**

<b>Sector</b>	<b>Listed Securities</b>	<b>Market Capitalization (Naira)</b>	<b>% Of Total Capitalization</b>
<b>ASeM</b>			
Construction/Real Estate	1	57,600,000.00	0.0003%
Consumer Goods	2	332,828,002.50	0.0017%
Healthcare	1	12,449,425.00	0.0001%
Industrial Goods	1	203,758,557.50	0.0011%
Oil & Gas	4	3,013,527,716.83	0.0158%
Services	1	385,816,657.72	0.0020%
Sub-total	10	4,005,980,359.55	0.0210%
<b>MAIN BOARD</b>			
Agriculture	5	90,683,237,497.40	0.4753%
Conglomerates	6	308,527,707,115.49	1.6172%
Construction/Real Estate	11	210,268,356,505.12	1.1022%
Consumer Goods	27	3,758,912,594,852.10	19.7035%

Financial Services	58	3,992,616,108,921.66	20.9285%
Healthcare	10	80,495,363,670.50	0.4219%
ICT	13	77,250,803,848.13	0.4049%
Industrial Goods	23	4,198,484,130,295.88	22.0076%
Natural Resources	5	7,990,028,464.71	0.0419%
Oil & Gas	10	446,213,032,083.05	2.3390%
Services	20	54,803,536,215.42	0.2873%
Sub-total	188	13,226,244,899,469.46	69.3293%
<b>EQUITY (TOTAL)</b>	<b>198</b>	<b>13,230,250,879,829.01</b>	<b>69.3503%</b>
<b>ETFs</b>			
NewGold ETF	1	280,050,000.00	0.0015%
<b>ETF (Total)</b>	<b>1</b>	<b>280,050,000.00</b>	<b>0.0015%</b>
<b>DEBT SECURITIES</b>			
Federal Government Bonds	17	3,969,889,070,664.63	20.8094%
Sub-National Bonds	18	471,000,000,000.00	2.4689%
Corporate Bonds/Debentures	17	1,393,998,185,969.30	7.3071%
Supra-national Bond	1	12,000,000,000.00	0.0629%
<b>DEBT (TOTAL)</b>	<b>53</b>	<b>5,846,887,256,633.93</b>	<b>30.6482%</b>

<b>OVERALL</b>	<b>252</b>	<b>19,077,418,186,462.94</b>	<b>100.0000%</b>
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Source: Compiled from NSE Reports

### **Top twenty (20) companies by Market Capitalization**

With the exception of Transnational Corporation of Nigeria and Oando Plc, all the other equities on the table of top twenty equities by Market Capitalization remained the same for the fourth quarter. Though there were some swaps in position, most equities maintained the same positions they occupied in the previous quarter.

The top five equities on the table controlled 57.51% of the Equities Market Capitalization. Dangote Cement Plc alone controlled 28.21% of the Equities Market Capitalization followed by Nigerian Breweries which controlled 9.60%.

The total capitalization for the top twenty equities amounted to N11.21 trillion at the end of the quarter in review. When compared with the value of N9.99 trillion attained at the end of the third quarter, the figure showed 12.13% increase. Table 17 below comprised of Equity Market Capitalization. The remaining 178 equities accounted for 15.30% of the total Equities Market Capitalization in the reviewed period.

**TABLE 17: Top Equity Market Capitalization**

<b>Rank</b>		<b>Equity</b>	<b>Market Capitalization (Naira)</b>	<b>% of Equity Market Capitalization</b>
<b>Q3 2013</b>	<b>Q4 2013</b>			
<b>1</b>	<b>1</b>	Dangote Cement Plc	3,731,700,716,620.95	28.21
<b>2</b>	<b>2</b>	Nigerian Brew. Plc.	1,269,778,074,132.80	9.60
<b>3</b>	<b>3</b>	Nestle Nigeria Plc.	951,187,502,400.00	7.19

<b>5</b>	<b>4</b>	Zenith International Bank Plc	860,263,929,736.40	6.50
<b>4</b>	<b>5</b>	Guaranty Trust Bank Plc.	795,230,462,632.48	6.01
<b>6</b>	<b>6</b>	FBN Holdings Plc	531,902,975,002.80	4.02
<b>7</b>	<b>7</b>	Guinness Nig Plc	355,389,612,368.00	2.69
<b>9</b>	<b>8</b>	Lafarge Wapco Plc.	345,184,000,460.00	2.61
<b>8</b>	<b>9</b>	United Bank For Africa Plc	293,534,349,337.40	2.22
<b>12</b>	<b>10</b>	Ecobank Transnational	258,433,809,076.80	1.95
<b>10</b>	<b>11</b>	Access Bank Plc.	219,676,021,516.80	1.66
<b>14</b>	<b>12</b>	Stanbic IBTC Holdings Plc	213,500,000,000.00	1.61
<b>13</b>	<b>13</b>	Flour Mills Nig. Plc.	207,553,304,790.00	1.57
<b>11</b>	<b>14</b>	Unilever Nigeria Plc.	203,541,338,250.00	1.54
<b>17</b>	<b>15</b>	Cadbury Nigeria Plc.	184,723,383,843.39	1.40
<b>26</b>	<b>16</b>	Transnational Corporation Of Nigeria	168,436,338,798.75	1.27
<b>24</b>	<b>17</b>	Oando Plc	165,442,094,539.50	1.25
<b>15</b>	<b>18</b>	Union Bank Nig.Plc.	163,091,816,315.73	1.23
<b>16</b>	<b>19</b>	P Z Cussons Nigeria Plc.	146,907,650,665.00	1.11
<b>18</b>	<b>20</b>	Dangote Sugar Refinery Plc	140,400,000,000.00	1.06
		<b>Top 20 Market Capitalization</b>	<b>11,205,877,380,486.80</b>	<b>84.70</b>

		<b><i>Other 178 Equities</i></b>	<b><i>2.024,373,499,342.21</i></b>	<b><i>15.30</i></b>
		<b><i>Equity Market Capitalization</i></b>	<b><i>13,230,250,879,829.00</i></b>	<b><i>100.00%</i></b>

Source: Compiled from NSE Reports



# MONITORING

## Off-Site Inspection

A total of Five Hundred and Forty-Nine (549) returns were received from various Capital Market Operators (CMOs) during the quarter under review. Find the list of returns below, as specified by functions:

**Table 18: Breakdown of Fourth Quarter 2013 Returns Received**

Capital Market functions	No. of Returns received
Broker/Dealers	231
Funds/Portfolio Managers	86
Issuing Houses	72
Registrars	20
Trustees	23
Underwriters	15
Rating Agencies	3
Investment Advisers	52
Utilization of Issue Proceeds	42
Receiving Banks	2
Custodians	3

Total Submissions	<b>549</b>
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*Source: Compiled by Monitoring Department*

### **Broker/Dealers Returns Analysis**

The Commission extracted a total of 231 returns of Broker/Dealers during the reviewed period. Find analyses of the key indices highlighted below:

**Table 19: Analysis of Broker/Dealers' Second and Third Quarter 2013 Returns**

<b>INDICATORS</b>	<b>Q3' 2013 (₦Bn)</b>	<b>Q2' 2013 (₦Bn)</b>	<b>CHANGE (₦Bn)</b>	<b>% CHANGE</b>
<b>Turnover</b>	8.58	10.55	(1.97)	(18.67)
<b>Level of Profitability</b>	2.02	4.12	(2.10)	(50.97)
<b>SHF</b>	102.90	102.69	0.21	0.20
<b>Indebtedness to banks</b>	13.83	16.43	(2.60)	(15.82)
<b>Third Party Funds</b>	40.56	38.40	2.16	5.63
<b>Total Liabilities</b>	94.17	95.84	(1.67)	(1.74)
<b>Cash and Short T/Funds (Own)</b>	27.68	31.83	(4.15)	(13.04)
<b>Cash and Short T/Funds (Clients')</b>	9.11	8.28	0.83	10.02
<b>Fixed Assets</b>	23.68	24.35	(0.67)	(2.75)
<b>Other Assets</b>	17.72	15.93	1.79	11.24

<b>Debtors, Prepayments, Mandatory Deposits Deffered Expenses,Deffered Tax, E.t.c</b>	23.24	21.84	1.40	6.41
<b>Value of inv in Quoted Securities.</b>	59.55	61.56	(2.01)	(3.27)
<b>Value of inv in unquoted securities</b>	27.52	26.87	0.65	2.42
<b>Loans to capital market clients/Margin loans</b>	6.90	7.06	(0.16)	(2.27)
<b>Total Assets</b>	195.54	197.73	(2.19)	(1.11)

*Source: Reviewed by Monitoring Department*

**Shareholders' Funds:** The overall shareholders' funds as at the end of the third quarter 2013 stood at ₦102.90 billion, a marginal increase of 0.20% over the ₦102.69 billion recorded in the previous quarter.

In spite of the foregoing, seventeen (17) firms, representing 7.39% of the total number of firms analyzed were observed to be operating below the statutory prescribed capital of ₦70million. Out of the seventeen (17) firms, four (4) had their shareholders funds completely eroded while 13 were operating with shareholders funds below ₦70million.

**Indebtedness to Banks:** A total of 70 operators reported indebtedness to banks/AMCON with an aggregate value of ₦13.83 billion, which showed a decrease of 15.82% from the previous quarter level of ₦16.43 billion. Twenty (20) of these operators owe the banks a total of about ₦11.07 billion, which represents 80% of the aggregate level of indebtedness.

**Total Assets:** Total assets decreased marginally from ₦197.73 billion in the third quarter to ₦195.54 billion in the second quarter, representing a decline of 1.11%.

**Investment in Quoted Securities:** Investment in quoted securities declined in the third quarter by 3.27% from ₦61.56 billion in the previous quarter to ₦59.55 billion.

**Turnover/Profitability:** The turnover and level of profitability of Brokers/Dealers in the third quarter showed decline of 18.67% and 50.97% respectively. While the turnover stood at N8.58 billion as against N10.55 billion in the second quarter, the aggregate level of profitability amounted to N2.02 billion as against N4.12 billion.

**Asset Mix Ratio :** The cash/asset mix ratio for core operators in the market, as stipulated by SEC Rule 22 (4), would be 60% liquid assets and 40% fixed and other assets, while non-core operators cash/assets mix ratio would be 30% cash and 70% fixed and other assets”. A total of 151 operators out of the 231 (about 65.65%), whose returns were analyzed were found to be in breach of this rule.

**Fund/Portfolio Managers:**

A total of 86 quarterly returns of Fund/Portfolio Managers were filed and reviewed in third quarter. Out of which 46 were actively managing funds and 40 others filing zero returns. Find review of the activities summarized below:

**Table 20: Analysis of Fund/Portfolio Managers’ Second and Third Quarter 2013 Returns**

<b>QUARTER</b>	<b>2<sup>ND</sup>,2013</b>	<b>3<sup>RD</sup>,2013</b>	<b>Qtr % Δ</b>
	<b>(N'Bn)</b>	<b>(N'Bn)</b>	
<b>Total shareholders’ funds</b>	<b>124.1</b>	<b>100.7</b>	<b>(18.9)</b>
<b>Total fund under management</b>	<b>189.8</b>	<b>211.3</b>	<b>11.3</b>
<b>Investment in the capital market</b>	<b>50.4</b>	<b>109.6</b>	<b>117.5</b>
<b>Investment in other asset classes</b>	<b>138.6</b>	<b>98.5</b>	<b>(28.9)</b>
<b>Uninvested funds</b>	<b>0.81</b>	<b>3.1</b>	<b>282.7</b>
<b>% of Investment in the capital market to Total fund under management</b>	<b>26.6%</b>	<b>51.9%</b>	

<b>% of Investment in other asset classes to Total fund under management</b>	<b>73%</b>	<b>46.6%</b>
<b>% of Uninvested funds to Total fund under management</b>	<b>0.4%</b>	<b>1.5%</b>

*Source: Reviewed by Monitoring Department*

The aggregate shareholders funds of registered Fund/Portfolio Managers (from the returns analysed) dropped by 18.9%.

Total Portfolio under management increased from N189.8 billion in the 2<sup>nd</sup> quarter to N211.3 billion in the 3<sup>rd</sup> quarter 2013, showing an increase of 11.3%. About 51.9% of these funds were invested in the capital market while 46.6% and 1.5% were investment in other markets and clients balances respectively.

### Registrars

Twenty (20) returns were received from Registrars. Analysis of the returns revealed that the quantum of unclaimed dividends had decreased by **3.2%** from **₦77.28bn** as at 2<sup>nd</sup> quarter 2013 to **₦74.79bn** as at 3<sup>rd</sup> quarter, 2013 respectively. Surplus/return monies stood at **₦1.40bn** showing an increase of **6.9%** as against **₦1.31bn** in 2<sup>nd</sup> quarter 2013, while unclaimed certificates from Registrars reduced to **604,737** certificates as against **818,749** certificates. Find the performance of Registrars as shown in the following table below:

**Table 21: Status of Registrars as at Second and Third Quarter 2013.**

		<b>3<sup>rd</sup> Qtr 2013</b>	<b>2<sup>nd</sup> Qtr 2012</b>	<b>% Change</b>
Unclaimed Dividend*	<b>₦'B</b>	<b>74.79</b>	<b>77.28</b>	<b>(3.2%)</b>
Surplus/Returned Monies	<b>₦'B</b>	<b>1.40</b>	<b>1.31</b>	<b>6.9%</b>

Certificates	Unclaimed Share	<b>604,737</b>	<b>818,749</b>	<b>(26.1)%</b>
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*Source: Reviewed by Monitoring Department*

## **ON-SITE REVIEW**

Find below the breakdown of the on-site inspections conducted in 2013:

### **Target Inspection**

Target Inspections were carried out on three CMOs that were found to have fallen short of regulatory disclosure requirements, they include: Deep Capital Trust Limited, Adamawa Securities Limited and Cash Craft Asset Management Limited

### **Post Offering Supervision**

Inspections were conducted on the Utilization of the proceeds of First Bank of Nigeria Plc's hybrid offer of ₦250 Billion offered in 2007, Unity Bank Plc's 2010 Rights Issue of 23,928,142,026 ordinary shares of 50k each at ₦1 per share, Wema Bank Plc's 2010 special placing of 3,096,186,286 ordinary shares of 50k each at ₦3 per share, Food Concept Plc's 2011 special placing of 780,000,000 ordinary shares of 50k each at ₦2.50 per share and Gombe State Government's ₦20 billion 15.5% fixed rate Bond.

## **ANTI-MONEY LAUNDERING/COUNTER FINANCING OF TERRORISM AML/CFT REGIME**

Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) compliance was taken to the next level in the Nigerian Capital Market with the successful adoption of AML/CFT Risk-based approach to supervision. Consequently, the compliance status of CMOs improved. The AML/CFT activities in which the Commission was actively involved include:

1. Amendments of Anti-Money Laundering/Combating Financing of Terrorism (AML/CFT) Compliance Manual for Capital Market Operators 2010, the Commission amended, and gazette "AML/CFT REGULATION FOR CAPITAL MARKET OPERATORS 2013" to conform with the amendments made by the National Assembly to the principal Acts (MONEY LAUNDERING (PROHIBITION) ACT 2011(as amended); AND TERRORISM (PREVENTION) ACT 2011, as amended).

2. The Commission made significant progress in improving AML/CFT regime in the Nigerian Capital Market through enhanced supervision of Capital Market Operators, establishment of legal and regulatory framework; as well as participating actively in the Anti-Money Laundering and Counter Financing of Terrorism Compliance review Sessions by the Regional review Group for Africa and the middle East which led to Nigeria's removal from the list of high-risk Jurisdiction by the Financial Action Task Force(FATF).
3. The Commission participated actively and made submissions (reports) on progress made on AML/CFT Compliance Supervision at the GIABA Plenary meetings in Benin Republic and Ghana.

## SECURITIES AND INVESTMENT SERVICES

### INVESTMENT DIVISION

During the period under review, the following applications were processed, approved and/or cleared:

- Six (6) Equities comprising of special placement, IPO, registration of existing securities and rights issues of **9, 633 372,991** Ordinary shares valued at **N35,845,594,859**
- Five (5) Bond Issuances worth **N114,500,000,000**
- Three(3) Bonus Issues
- Eight (8) Allotment proposals worth **N32,464,472,223**
- Two (2) Offers were aborted.

### Approved Applications

**Table 22: Equity: Reviewed and Approved Equity Transactions**

S/N	ISSUER	OFFER TYPE	OFFER PRICE	VOLUME	VALUE (N)	ISSUING HOUSE	Purpose	Date Approved
1	Omoluabi Savings & Loans Plc	Registration of Existing Securities	No.50	2,000,000,000	1,000,000,000	Morgan Capital Securities Limited	NIL	10/12/13
2	Omoluabi Savings & Loans Plc	IPO	No.55	3,000,000,000	1,650,000,000	Morgan Capital Securities Limited	To meet CBN recapitalization, to finance mortgages, branch network, expansion, upgrade IT, operational software upgrade and working capital	Approved on 10/12/13. It opened & closed on 30/12/13
3	Oando Plc	Special placement	N15.00	2,046,706,324	30,700,594,860	Vetiva Capital Mgt Limited	For the execution of its strategic objectives through the acquisition of upstream and mid-stream assets. To part-financing and	Approved on 12/12/13. It opened & closed on 19/12/13



							working capital	
4	Food Concept Plc	Special placement	N2.25	86,666,667	194,999,998.5	Dunn Merrifield Limited	Anti-dilution shares to IFC in connection with special placing of 780,000 Ordinary Shares of 50kobo each	Approved on 12/12/13
5	(Trust Bond Mortgage Bank Plc) infrastructure Bank Plc	Special Placing	N1:00	500,000,000	500,000,000	Capital Asset Limited	To recapitalized the Bank in line with CBN directives, to increase Shareholders Fund and to improve IT	Approved on 20/11/13. It opened 21/11/13 and closed 04/12/13
6	UBA Capital Plc	Rights Issue	No.90	2,000,000,000	1,800,000,000	BGL Plc	Regional Business expansion across Africa, Seed funding for an African Equity Fund, Investment Centre in Abuja and PortHarcourt, IT infrastructure/upgrade and working capital	Approved on 04/10/13. It opened 14/10/13 and closed 20/11/13

**Table 23: BOND ISSUE (SUBNATIONAL BOND)**

S/N	ISSUER	OFFER TYPE	PRICE (N:K)	VOLUME	VALUE (N)	ISSUING HOUSE	Purpose	Remark
1.	Nasarawa State Govt.	Proposed N5Billion fixed rate bond due 2020 under the N20Billion MTN Programme	1000	5,000,000	5,000,000,000	Dunn Merrifield Limited	Various developmental and Infrastructural projects of the State-Education Project ( Hostel expansion ) and Market	It was approved on 30/12/13 to commence book-building

							Development Project (Complete Construction)	
2.	Kogi State Govt.	Proposed ₦5Billion fixed rate bond due 2020 under the N20 Debt Issuance Programme	1000	5,000,000	5,000,000,000	Afrinvest (WA) Ltd	To finance infrastructure projects i.e. water works, housing units, multi-lane carriage way, construction of hospitals, development of Kogi House in F.C.T, development of modern motor parks. e.t.c	It was approved on 30/12/13 to commence book-building
3.	Ekiti State Govt.	Proposed ₦5Billion fixed rate bond due 2020 under the N25 billion Debt Issuance Programme	1000	5,000,000	5,000,000,000	Greenwich Trust Plc	For the Construction of Roads Bridge, rehabilitation of Ire Burnt Bricks Limited and the construction of Ekiti-Kete Pavillion	It was approved on 24/12/13 to commence book-building
4.	Niger State Govt.	Offer for Subscription of ₦12Billion fixed rate bond due 2018 under the N21 MTN programme	1000	12,000,000	12,000,000,000	Planet Capital Limited	For the Construction of Roads, completion of Shiroro Bridge, development of the Garam site & services Scheme, construction of an international market and the completion of Three Arms Zone	It was approved on 21/11/13 to commence book-building.
5.	Lagos State Government	Bond – Series 2 under the 167.5Billion Debt Issuance Programme	1000	87,500,000	87,500,000,000	Chapel Hill Advisory Partners	Infrastructure Developments (Roads, Rail, Buildings and Bridges etc), Health Facilities, Construction of Adiyin Water Project	It was approved on 31/10/13 to commence book-building.

							Phase II and Shoreline Protection Works	
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**Table 24: Bonus Issue**

S/N	Issuer	Nominal Price	Volume	Value (N)	Bonus Ratio	Issuing House	Date Approved
1	Niger Delta Exploration and Production	N10.00	30,234,742	302,347,420	1:5	Filed by the Issuer	11/12/13
2	International Breweries Plc	50kobo	31,722,850	15,861,425	1:85	Filed by Issuer	19/12/13
3	Chemical & Allied Product Plc	50k	140,000,000	70,000,000	1:4	Filed by the Issuer	20/11/13

**Table 25: ALLOTMENT CLEARED**

S/N	Issuer	Issue type	Issuing house	Price N:K	Volume	Value(N)	Date Approved
1	FSDH Funding SPV Plc	Bond	FBN Capital Limited	1000.00	5,530,000	5,530,000,000	23/12/13
2	The LA Casera Company Plc	Bond	Stanbic IBTC Capital	1000.00	3,000,000	3,000,000,000	17/12/13
3	Osun Sukuk Company Plc	<b>Bond</b>	Lotus Capital Limited	1000.00	11,400,000	11,400,000,000	02/12/13
4	African Prudential Registrars Plc	Rights issue	UBA Capital Plc	1.20	1,000,000,000	1,200,000,000,	30/12/13
5	Sterling Bank Plc	Rights issue	Sterling Capital Limited	N2.12	5,888,949,162	12,484,472,223	24/12/13

	Property gate Development & Investment Plc	Rights Issue	Meristem Securities Limited	1.00	37,500,000	37,500,000	6-12-13
7	Property gate Development & Investment Plc	Private Placement	Meristem Securities Limited	1.00	12,500,000	12,500,000	6-12-13
8	Nexans Kebelmetal Nigeria Plc	Rights issue	Lead Capital Plc	2:20	209,066,664	459,946,660	3/12/13

**Note:** Resort Savings and Loans Plc Rights Issue of 3,776,577,468 ordinary shares of 50 kobo and IPO of 3,160,218,169 ordinary shares of 50 kobo at 50 kobo and 51 kobo respectively were aborted on December 24, 2013 due to low level of Subscriptions.

**Table 26: APPLICATIONS UNDER PROCESSING**

S/N	Issuer	Issuing House	Issue Type
<b>BONDS</b>			
1	Seplat Petroleum Development Company Plc	Stanbic IBTC Capital & Renaissance Securities Nigeria Limited	Proposed Global Offering
2	Dana Group of Company Plc	Dunn Merrifield Limited	Proposed offer for subscription of ₦4.5B secured fixed rate bonds due 2020.
3	AMCON	Chapel Hill	Notification to Redemption of Series I Bond and early Redemption of Series II,III,&IV Bonds.
4	ADB	Stanbic IBTC	N160B MTN Programme and ₦15 B Series 1 Issue
<b>EQUITIES</b>			
5	Nigeria Mortgage Finance Company	Chapel Hill Advisory	Private Placement of 6,000,000 ordinary shares of N1.00 each.
6	Evans Medical Plc	Meristem Securities Limited	Rights issue of 486,472,800 ordinary shares of

			50kobo each at N2:50 per share.
7	MCNichols Consolidated Plc	MorganCapital Securities Ltd	IPO of 230,000,000 Ordinary Shares of 50kobo each at N1:50 per share.
8	International Breweries Plc	<i>Filed by the Issuer</i>	Registration of bonus issue at ratio 1:85
9	Pharma Deko Plc	Integrated Trust & Investment Ltd	Rights issue of 149,277,000 ordinary shares of 50kobo each at N1:80 per share.
10	Niger Delta Exploration and Production	Chapel Hill Advisory Partners Limited	Rights issue of 18,789,007 ordinary shares of N10 each at N160 per share.
11	Funman Agricultural Product Plc	Pan Africa Capital Ltd	Registration of its existing shares of 1,200,000,000 ordinary shares of 50 kobo each.
12	C&I Leasing Plc	C&I Leasing Plc	Application for the conversion of loans to ordinary shares.
13	Union Bank of Nigeria Plc	Chapel Hill Advisory	Proposed scheme for the reorganization of capital between Union Bank Plc and the holders of its fully paid up ordinary shares.
14	Fortis Microfinance Bank Plc	Stanbic IBTC	Offer for subscription of 500,000,000 ordinary shares of 50 kobo each at N4.00 per share.
15	Intercontinental Homes Savings and Loans Plc	Capital Assets Limited and Equity Capital Solutions Limited	Special Placement of 500,000,000 Ordinary Share of N1.00 at N1.00 per Share
16	Spring Mortgage Plc	Pan African Capital Plc	Registration of Existing Securities 7,138,199,210 ordinary shares 50 kobo each.
17	Lagos Building Investment Company Plc	Skye Financial Services Ltd	Registration of its existing shares of 3,000,000,000 ordinary shares of 50 kobo each.
18	PHCN Distribution Company (DISCO)	Filed by BPE	Registration of equities/securities of PHCN and Divestment of FGN equity Shares

19	Resourcery Plc	Sterling Capital Markets Limited	Special Placement of 812,500,000 ordinary shares of 50 kobo each at 80 kobo per share and N700,000,000 4 Year 18.5% Unsecured Redeemable Convertible Debenture Stock
20	Union Dicon Salt Plc	Cordros Capital Limited	Special Placement of 41,000,000,000 ordinary shares of 50 kobo at 50 kobo per share
21	Nigeria Mortgage Refinancing Company (NMRC)Plc	Dunn Loren Merrifield	Special Placement of 6,000,000,000 ordinary shares of N1.00 at N1.00 per share
22	Dana Group Plc	Dunn Loren Merrifield	Rights Issue of 54,000,000 ordinary shares of N1,00 each at N1.00

**Table 27: ALLOTMENTS UNDER PROCESSING**

S/N	Issuer	Issuing House	Issue Type
1	UBA Capital Plc	BGL Plc/Greenwich	Right Issue of 2,000,000,000 ordinary shares of 50 kobo each at 90 kobo per share
2	Trust Bond Mortgage Plc (Intercontinental Savings and Loans Plc)	Capital Assets Limited and Equity Capital Solutions Limited	Special Placement of 500,000,000 ordinary shares of N1.00 each at N1.00 per share
3	AG Homes Plc	Deap Capital Mgt. Ltd	Special Placement of 2,100,000,000 ordinary Shares of 50k each at 60k per Share.
4	Nig. Aviation Handling Co. (NAHCO)Plc	Chapel Hill Advisory Partners	2,050,000,000 Series II Bond Issuance under the N5,000,000,000 Bond Issuance Programme

## **MERGER AND TAKEOVER DIVISION**

### **MERGER**

- Application received 1
- Pending applications 3
- Application approved 1

### **ACQUISITION**

- Application received 3
- Pending applications 11
- Application approved 4

### **TAKEOVERS**

- Application received 0
- Pending applications 2
- Applications approved 0

### **RESTRUCTURING**

- Application received 2
- Pending applications 0
- Applications approved 2

## **MERGER**

*New Application in the 3<sup>rd</sup> Quarter*

*Outstanding Merger Application*

- 1. Proposed Merger between Suntrust Savings & Loans Limited and Dala Building Society Plc**
- 2 Merger Notification on The Proposed Merger Of Planet Capital Limited Emerging Capital Limited And Strategy And Arbitrage Limited.**

## **ACQUISITION**

### *New Acquisitions*

- 1 Proposed acquisition of 83.73% Shareholding in Fleet Technologies by Afriprice Investment**
- 2 Proposed Acquisition of Enterprise Bank Limited's Shareholding In Spring Mortgage Plc By United Mortgage Limited**

### *Outstanding Acquisition Transaction*

- 1 Proposed Acquisition of Enterprise Bank Limited's Shareholding In Spring Mortgage Plc By United Mortgage Limited**
- 2 Acquisition of 96.11% Equity Shareholding in FIN Insurance by Capital Alliance Private Equity III Limited**
- 3 Acquisition of 100% Equity shareholding in FINBANK Insurance Brokers Limited by Oriental Capital Asset Management Limited**
- 4 Proposed Acquisition of FinBank Securities and Asset Management Limited by Quad Capital Ltd.**
- 5 Proposed Acquisition of FinBank Capital by Quad Capital Ltd**
- 6 Proposed Divestment Exercise of Wema Assets Management**
- 7 Proposed Acquisition of ACEN Insurance Company Plc by Sovereign Trust Insurance Plc**
- 8 Acquisition of Philips Oil Company Nigeria Ltd, Conoco Exploration & Production Nigeria Ltd and Philips Deepwater Exploration Nigeria Ltd by Oando Energy Resources**
- 9 Proposed Acquisition of Independent Securities Ltd by Butterpot Capital Limited.**
- 10 Application for the Acquisition Of Diamond Capital and Financial Market Limited and Diamond Securities Limited by Kaizen Partners Nigeria Limited.**



## **11 Acquisition of FUG Pension by Unity Kapital**

### **APPROVED ACQUISITION TRANSACTIONS**

- 1 Investment of 99.2% Equity in Oceanic Homes Savings & Loans Ltd by Suntrust Savings & Loans Ltd.**
- 2 Acquisition of 71.2% equity interest in Oasis Insurance Plc by FBN Life Assurance Ltd from majority shareholders in the company.**
- 3 Acquisition of 57% Equity Stake in Champion Breweries Plc (Champion Breweries) by the Raysun Nigeria Limited (Raysun).**
- 4. Acquisition of Enterprise Bank Limited's Shareholding In Spring Mortgage Plc By United Mortgage Limited.**

### **TAKEOVER**

#### ***Outstanding Takeover Transactions***

- 1 Takeover Bid by Asset & Resource Management Company Limited for up to 115,713,456 Ordinary Shares of 50 kobo each in Crystallife Assurance Plc.**
- 2. Takeover of up To 332,500,000 Ordinary Shares of 50k each representing 6.6% Stake in Dangote Flour Mill by Tiger Brand Ltd.**

### **RESTRUCTURING**

#### ***New Restructuring Transactions***

- 1 Proposed External Restructuring of Marina Securities Limited.**
- 2 Proposed Restructuring of Japaul Oil Maritime Services Plc**

#### ***APPROVED TRANSACTION***

- 1 Capital reorganization between Forte Oil Plc and Holders of its fully paid Ordinary Shares of 50 Kobo Each**

**2 Scheme of arrangement between IHS Nigeria Plc and the holders of its fully paid ordinary shares of 50K each.**

# **FINANCIAL STANDARDS AND CORPORATE GOVERNANCE**

## **HALF YEARLY RETURNS**

The Commission received Twenty Five (25) half yearly returns on Corporate Governance from the Public quoted companies, and 49 were reviewed with the following observations which were communicated to the companies concerned.

1. Late submission of returns which contravened section 65 of the ISA 2007.
2. Incomplete half yearly returns forms.
3. High number of director related credit.
4. Large number of staff disciplined during the period.
5. Non disclosure of net working capital on return forms.
6. Inadequate disclosure on highest paid director
7. Inadequate Audit committee / Board Committees
8. Internal Control breaches
9. Non-certification of half yearly return forms

## **UNCLAIMED DIVIDEND**

The Commission received two (2) returns on unclaimed dividends from public companies Vitafoam Plc and IHS Plc during the quarter ended 31<sup>st</sup> December 2013.

## **MANDATORY SIGNING OF CODE OF CORPORATE GOVERNANCE/NON SUBMISSION OF COMPLIANCE OFFICERS NAMES**

The Commission did not receive any letter from public companies in response to SEC's letter on the Mandatory Signing of the Code of Corporate Governance during the quarter under review. The total responses from Public companies stood at One Hundred and Fifty five (155).

## **QUARTERLY FINANCIAL STATEMENTS**

One Hundred and Eight (108) quarterly returns were received and reviewed in the quarter and observations communicated to the Companies concerned.

## **QUARTERLY EARNINGS FORECAST**

Forty Nine (49) quarterly earnings forecast were received from companies.

**ANNUAL FINANCIAL REPORT**

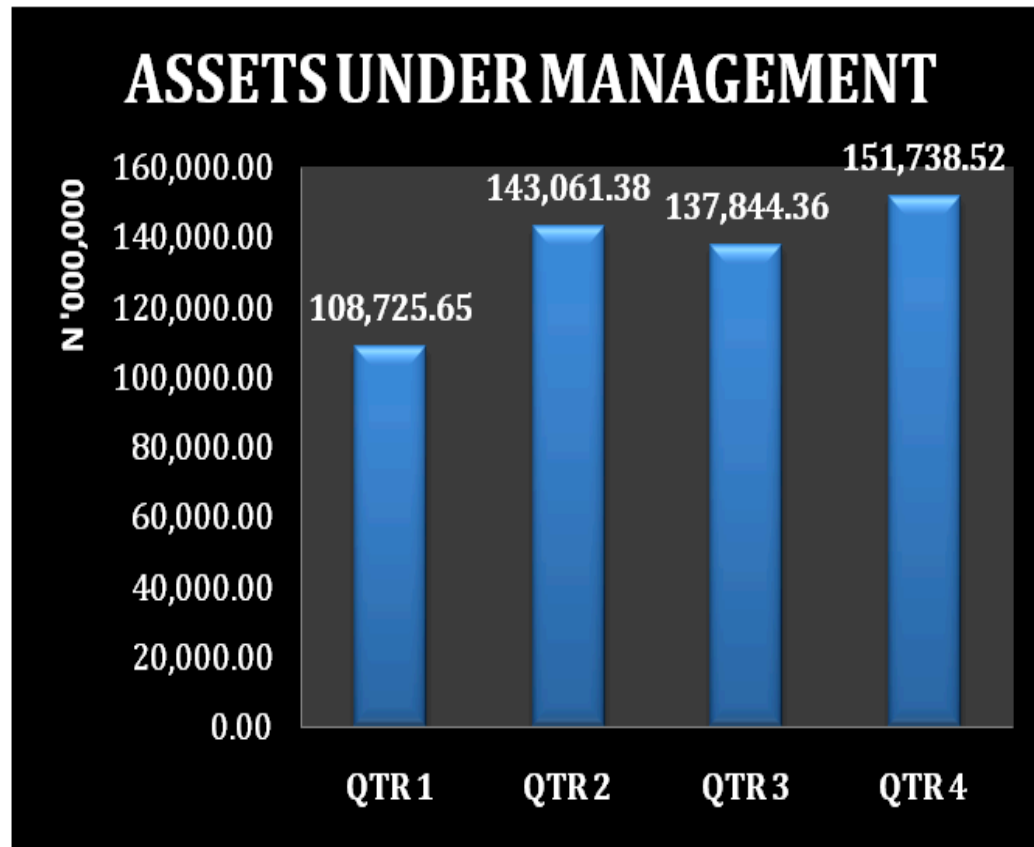
Thirty Four (34) annual accounts and reports were received during the quarter and were reviewed while observations were communicated to the affected companies.

## COLLECTIVE INVESTMENTS SCHEMES

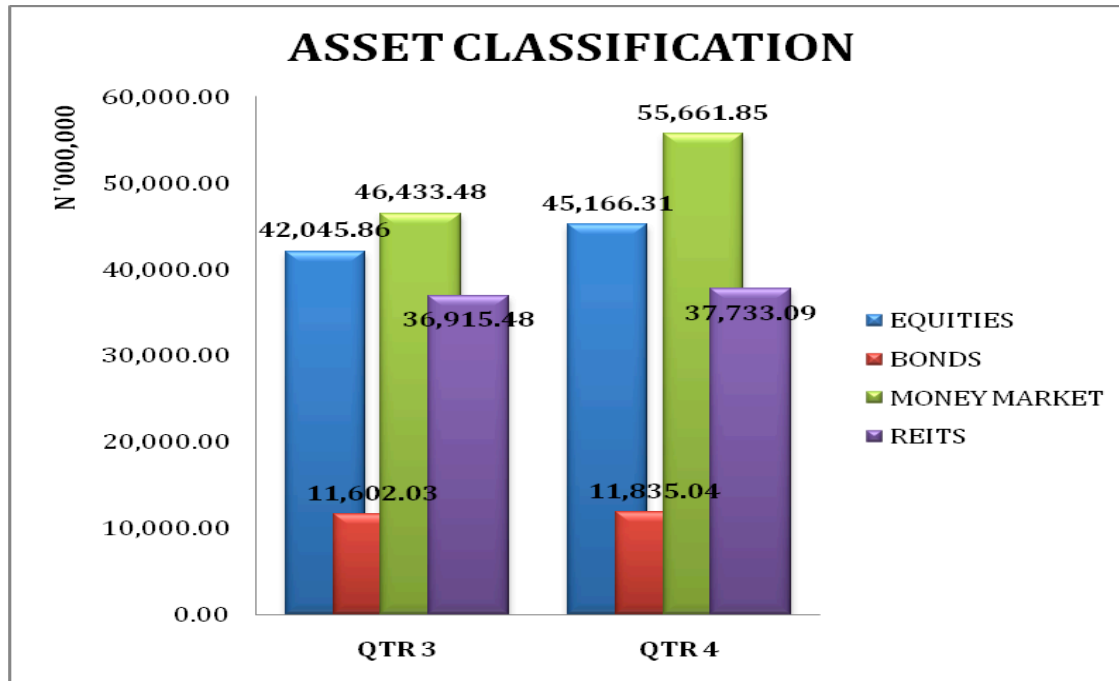
### PORTFOLIO MANAGEMENT ACTIVITIES OF UNIT TRUST FOR THE FOURTH QUARTER OF 2013

Analysis of the portfolio Management under Unit Trust Schemes as indicated in the table below showed a significant increase in level of assets being managed. Total investment under management rose by **10.07%** from **N138 Billion** in the third quarter to **N152 Billion** in the fourth quarter of 2013.

**Table 28: ASSETS UNDER MANAGEMENT**



The Table 29 below indicates the various classes of assets under management in the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2013.



**Equities:** Investment in equities under the trust scheme rose from **N42,045,856,104.10** in the 3<sup>rd</sup> quarter compared to **N45,166,312,078** in the 4<sup>th</sup> quarter translating into **7.4%** increase. The increase attributed to recent recovery in the equities market as well as additional creation of units and the fund manager’s subsequent investment in the market. The Nigerian Stock Exchange (NSE) closed green to mark the end of 2013, as the performance indicators increased significantly. The All-Share Index increased by **2.12%** (212 basis points) to close at **41,329.19** points, while market capitalization closed at **₦13.23 trillion**. Similarly, the volume of deals grew by **32.76%** and the value of deals surged by **1.57** percent.

- I. **Money Market** : The money market segment (Mutual Funds) also witnessed an increment of **19.9%** from **N46,433,479,869.56** in 3<sup>rd</sup> quarter to **N55,661,851,178.91** in the fourth quarter of 2013. The increase attributed to the less volatility compared to equities market as well as new creation of units and additional investments by the funds as in the case of equities in addition, MPR rate was stable at 12% for most part of 2013.
- II. **Bonds**: The bond market segment witnessed a marginal increase of **2%** from **N11,602,031,340.16** in 3<sup>rd</sup> quarter to **N11,835,043,463.99** in the 4<sup>th</sup> quarter of 2013. Fixed income market a contributing factor remained flat for most of the debt instruments, as the average yield on **3yr FGN Bonds** stood at **13.10%**, the average yield on **10yr FGN Bonds** closed at **13.12%** and the average yield on **20yr FGN Bonds** stood at **13.22%**, while the average yield on **5yr FGN Bonds** surged to **11.14%** from **11.13%**.
- III. **REITS**: The REITS segment also increased by **2.2%** only from **N36,915,483,025.30** in the 3<sup>rd</sup> quarter to **N37,733,090,845.95** in the fourth quarter.

**Table 30.**

QUARTERLY RETURNS INVESTMENT TABLE AS AT 30TH DECEMBER 2013													
S/N	NAME OF FUND	FUND MANAGER	ASSETS					TOTAL EXPENSES	EXPENSES/NAV %	NET ASSET VALUE	NO. OF UNIT HOLDERS		
			EQUITIES	MONEY MARKET	BONDS	REAL ESTATE	OTHERS						
			N	N	N	N	N						
<b>EQUITY BASED FUNDS</b>													
1	Stanbic IBTC Nigerian Equity Fund	Stanbic IBTC Asset Mgt. Limited	14,701,021,757.15	842,899,657.54				-	15,543,921,414.69	207,361,880.58	1.36%	15,265,821,620.89	12,331
2	Denham Mgt. Millennium Fund	Chapel Hill Denham Mgt. Ltd	20,656,198.86	8,425,616.81					29,081,815.67	210,818.68	0.67%	31,483,480.78	5,592
3	Paramount Equity Fund	Chapel Hill Denham Mgt. Ltd	235,210,563.97	10,000,000.00	10,423,835.62				255,634,399.59	1,481,954.64	0.57%	259,979,631.03	8,723
4	Frontier Fund	Sterling Capital Market Limited	118,489,043.70	67,210,053.67					185,699,097.37	1,419,474.72	0.81%	175,643,670.10	789
5	Zenith Equity Fund	Zenith Bank Plc	4,531,993,057.25	149,671,232.88					4,681,664,290.13	306,891,254.72	6.98%	4,393,715,523.06	8,195
6	ARM Discovery Fund	Asset & Resources Mgt. Co. Ltd	3,866,047,907.60	1,307,931,509.60	481,350,944.59	275,000,000.00			5,930,330,361.79	130,415,757.62	2.16%	6,044,367,401.00	25,263
7	ARM Aggressive Growth Fund	Asset & Resources Mgt. Co. Ltd	3,841,516,777.11	307,559,707.40	72,323,358.94				4,221,399,843.45	142,389,418.84	3.30%	4,310,016,735.00	7,763
8	Coral Growth Fund	FSDH Asset Management Ltd	2,206,135,435.85	1,410,451,403.45	710,536,913.97				4,327,123,753.27	44,088,659.44	1.03%	4,299,747,155.59	1,010
9	Afrinvest Equity Fund	Afrinvest West Africa Limited	426,086,783.56	132,119,382.27		0	0.00		558,206,165.83	2,440,899.38	0.44%	555,110,253.69	1,749
10	Anchor Fund	Cashcraft Asset Mgt. Limited									0.00%		
11	Bedrock Fund	Cashcraft Asset Mgt. Limited									0.00%		
12	Nigeria International Growth Fund	Investment One FS Ltd.	617,747,529.00	517,703,290.00	29,193,110.00	735,840,000.00			1,900,483,929.00	9,993,269.56	0.50%	2,008,645,265.83	2,067
13	FBN Heritage Fund	FBN Capital Limited	1,817,806,014.00	1,806,006,546.79	1,229,409,152.51				4,853,221,713.30	21,599,203.23	0.45%	4,809,986,906.69	5,871
14	ACAP Canary Growth Fund	Alternative Capital Partners Limited	619,878,338.97	223,287,954.42	43,480,409.98	341,076,816.98	644,696.34		1,228,368,216.69	7,340,005.03	0.53%	1,371,965,601.13	10,877
15	IMB Energy Master Fund	Finbank Plc	239,769,688.13	305,831,174.60					545,600,862.73		0.00%	595,248,377.74	711
16	Legacy Fund	CSL Stockbrokers Limited	796,777,087.46	61,119,440.48					857,896,527.94	5,641,360.21	0.64%	886,115,224.98	3,892
17	UBA Equity Fund	UBA Asset Management Limited	1,169,322,821.92	671,653,534.00					1,840,976,355.92	7,795,300.00	0.44%	1,783,678,994.52	2,906
18	BGL Nubian Funds	BGL Asset Management	146,661,616.26	49,242,170.02					195,903,786.28	2,508,349.62	1.02%	246,120,128.69	757
19	SIM Capital Alliance Value Fund	SIM Capital Alliance Limited	1,293,268,136.40	1,491,008,035.89	320,277,754.99		868,159,515.00		3,972,713,442.28	16,648,706.75	0.37%	4,457,471,791.37	13
<b>MONEY MARKET FUNDS</b>													
20	UBA Money Market Fund	UBA Asset Management Limited		186,227,382.00					186,227,382.00	1,088,626.00	0.59%	183,438,861.31	903
21	FBN Money Market Fund	FBN Capital Limited		4,723,490,920.18					4,723,490,920.18	8,765,343.14	0.19%	4,611,903,400.00	2,377
22	ARM Money Market Fund	Asset & Resources Mgt. Co. Ltd		1,105,836,072.00					1,105,836,072.00	15,437,384.60	0.58%	2,683,828,636.00	2,377
23	Stanbic IBTC Money market Fund	Stanbic IBTC Asset Mgt. Limited		19,291,636,213.50					19,291,636,213.50	83,790,500.89	0.43%	19,307,698,476.17	2,852
<b>BOND FUNDS</b>													
24	Stanbic IBTC Bond Fund	Stanbic IBTC Asset Mgt. Limited	0	355,113,999.98	692,452,297.55				1,047,566,297.53	9,590,596.39	0.91%	1,053,154,178.17	445
25	UBA Bond Fund	UBA Asset Management Limited		116,387,577.00	249,012,568.45				365,400,145.45	1,719,119.00	0.45%	378,551,157.02	873
26	Zenith Income Fund	Zenith Bank Plc	99,990,870.00	564,402,630.13					664,393,500.13	7,492,663.00	1.09%	686,141,516.17	1374
27	Nigeria International Debt Fund	Afrinvest West Africa Limited	497,777,671.24	1,494,805,781.72					1,992,583,452.96	6,281,844.99	0.30%	2,117,887,342.65	61
28	Stanbic IBTC Guaranteed Invest. Fund	Stanbic IBTC Asset Mgt. Limited	263,253,292.11	1,938,247,641.10					2,201,500,933.21	14,033,382.22	0.64%	2,191,218,443.84	2835
29	Kakawa Guaranteed Income Fund	Kakawa Asset Mgt. Co. Limited	574,782,927.68	3,832,640,854.20					4,407,423,781.88	148,490,368.09	3.51%	4,226,679,145.48	2716
30	FBN Fixed Income Fund	FBN Capital Limited		1,000,958,234.62	2,416,809,571.00				3,417,767,805.62	10,407,978.41	0.30%	3,503,156,423.58	550
31	Coral Income Fund	FSDH Asset Management Ltd		565,168,376.96	194,890,788.54				760,059,165.50	6,626,846.68	0.88%	756,834,392.50	355
32	BGL Sapphire Funds	BGL Asset Management		494,266,266.70					494,266,266.70	3,085,809.26	0.54%	568,014,763.92	1607
<b>REAL ESTATE FUNDS</b>													
33	Skye Shelter Fund	SFS Capital Nigeria Ltd		574,756,641.67		1,724,090,000.00			2,298,846,641.67	17,443,983.37	0.77%	2,262,397,632.81	2676
34	UPDC REITS	FSDH Asset Management Ltd		4,392,216,950.75	2,390,197,346.47	21,861,110,250.00			28,643,524,547.22	58,388,795.36	0.21%	27,282,842,221.28	839
35	Union Homes REITS	Union Homes Saving & Loans Plc		2,676,375,591.61		11,603,571,832.19			14,279,947,423.80	23,127,735.49	0.17%	13,863,388,098.23	5167
<b>ETHICAL FUNDS</b>													
36	Stanbic IBTC Ethical Fund	Stanbic IBTC Asset Mgt. Limited	3,513,957,342.81	248,405,684.94					3,762,363,027.75	53,831,049.73	1.45%	3,702,174,474.12	11217
37	Zenith Ethical Fund	Zenith Bank Plc	600,367,519.43	296,656,438.36					897,023,957.79	55,391,024.25	6.27%	883,185,976.24	1987
38	ARM Ethical Fund	ARM Investment Managers	127,915,353.67			37,640,000.00			165,555,353.67	2,731,294.80	0.90%	302,663,855.00	1195
39	Stanbic IBTC Iman Fund	Stanbic IBTC Asset Mgt. Limited	92,339,300.00				13,666,025.78		106,005,325.78	584,706.78	0.45%	129,387,875.47	10
40	Lotus Halal Investment Fund	Lotus Capital Limited	612,944,590.88		206,581,989.00	1,100,048,145.78	225,987,993.07		2,145,562,718.73	51,516,439.79	2.51%	2,050,920,995.37	16457
<b>BALANCED FUNDS</b>													
41	UBA Balanced Fund	UBA Asset Management Limited	338,888,660.44	580,229,635.00	222,908,400.00				1,142,026,695.44	4,933,150.00	0.43%	1,152,784,815.34	1391
42	Women Investment Fund	Chapel Hill Denham Mgt. Ltd	82,807,168.72	55,379,869.02	15,327,671.23				153,514,708.97	1,118,763.99	0.73%	153,336,753.55	794
43	Union Trustees Mixed Fund	CDL Asset Management Limited	625,843,896.00	849,814,231.00	269,600,000.00	54,713,801.00			1,799,971,928.00	7,947,577.00	0.45%	1,772,786,928.00	2985
44	Nigeria Global Investment Fund	Chapel Hill Denham Mgt. Ltd	92,924,449.73	15,000,000.00	9,528,383.56				117,452,833.29	887,187.10	0.69%	129,112,148.88	32
45	Nigeria energy sector fund	Sterling Capital Market Limited	149,006,645.95	902,710,471.86					1,051,717,117.81	5,276,387.46	0.51%	1,038,823,918.89	830
46	Indo Nigeria Unit Trust Fund	Sterling Capital Market Limited	16,206,780.63	28,450,863.01					44,657,643.64	149,554.95	0.31%	48,119,046.43	1690
47	Stanbic IBTC Umbrella Funds	Stanbic IBTC Asset Mgt. Limited											
i	Absolute IBTC Umbrella Fund	Stanbic IBTC Asset Mgt. Limited		897,991,409.36	81,848,000.00			4,718,689.42	984,558,098.78	4,806,652.68	0.36%	1,329,990,873.44	81
ii	Aggressive IBTC Umbrella Fund	Stanbic IBTC Asset Mgt. Limited	583,790,450.00					37,466,685.41	621,257,135.41	2,955,730.67	0.47%	622,580,058.82	34
iii	Conservative IBTC Umbrella Fund	Stanbic IBTC Asset Mgt. Limited	197,957,623.28	161,481,410.96	169,515,878.07			147,770,093.22	676,725,005.53	3,404,153.60	0.50%	685,170,699.31	29
48	Stanbic IBTC Balanced Fund	Stanbic IBTC Asset Mgt. Limited	544,946,449.48	442,373,698.64	30,303,041.10		43,805,658.05		1,061,428,847.27	5,541,273.83	0.51%	1,081,539,410.30	305
<b>SPECIALIZED BASED FUNDS</b>													
49	DVCF Oil & Gas Fund	DVCF Oil & Gas Plc											
	<b>TOTAL</b>		<b>45,166,312,078.00</b>	<b>55,661,851,178.91</b>	<b>11,835,043,463.99</b>	<b>37,733,090,845.95</b>	<b>1,342,219,356.29</b>	<b>151,738,516,923.14</b>	<b>1,525,072,236.54</b>		<b>1.00%</b>	<b>152,254,830,280.38</b>	<b>4,573</b>



# LEGAL

## LEGAL OPINIONS

During the reviewed period, the Legal Department treated the following opinions:

1. **REGISTRATION OF SECURITIES LENDING AGENTS**

The Legal Department received a memo dated 22<sup>nd</sup> October 2013 from the Registration and Recognized Investment Exchange (RRIE) Department of SEC as a follow up to an earlier opinion to the effect that a custodian in the capital market cannot delegate its duties to another person or entity except such person/entity is registered with the Commission as a nominee company. This opinion was given in line with Rule 125 of the Commission's Rules and Regulations. The RRIE Department suggested that a "mid-way" solution could be adopted which would neither jeopardize the Commission's regulatory powers nor hinder the growth of the Securities Lending practice in the Nigerian Capital Market. In this regard, the RRIE Department proposed the registration of Chief Executive Officers (CEO) of nominee companies as against registering the nominee companies themselves until a more viable solution which conforms to Global best practices is implemented or until such a time when the Commission's Rules were amended accordingly.

The Legal Department reviewed the RRIE's suggestion and reiterated the fact that the Commission's Rules did not contemplate a scenario where a nominee-custodian would be permitted to perform the functions of a custodian without prior registration with the Commission. It was noted that although the RRIE's suggestion appeared logical, its implementation was impracticable as it had no legal backing under the Rules. The Department observed that while it was expedient for the Commission to develop the capital market through the introduction and encouragement of new trends such as Securities Lending, it was of greater importance that the legal regimes governing the capital market be safeguarded.

Consequently, the Department opined that the Commission should insist on compliance with Rule 125 of its Rules and Regulations while the RRIE could make a proposal to the Rules Committee for the amendment of the Commission's Rules on Registration of securities lending Agents/custodians.

2. **ALLAN GRAY PROPOSED EQUITY FUND- LEGAL OPINION ON REDEMPTION**

The Legal Department received a memo dated 30<sup>th</sup> September 2013 from the CIS Department that the Fund Manager of Allan Gray Equity Fund, an equity fund registered in South Africa, had filed an application for the

registration of the Fund in Nigeria. The Fund Manager had however sought to include redemption fees as part of the fees chargeable by the fund.

The CIS Department having reviewed the matter internally requested for the opinion of the Legal Department

The Legal Department examined the provisions of Rule 451 of the Commission's Rules and Regulations which stipulated the "allowable fees and expenses" a scheme could impose on investors. It was noted that redemption fees was excluded from the list of fees contained in Rule 451. It was further observed that Rule 451 appeared to contain an omnibus clause which stated that a scheme could impose **such other reasonable and justifiable expenses incurred in the ordinary course of management of the scheme.**

The matter critically and opined that the omnibus clause outlined above did not cover charge such as redemption fees as redemption fees cannot be said to be incurred "**in the ordinary course of management of a scheme**". It also opined that the capital market should be seen with integrity and having a level playing ground for all market operators/participants as such, if domestic fund managers were precluded from imposing redemption fees on investors, foreign fund managers would not be allowed to impose this fees.

The Department therefore opined that the Commission should direct Allan Gray Equity Fund to comply strictly with Rule 451 and that the fund should not impose redemption fees on prospective investors in Nigeria.

### 3. **ISLAMIC CAPITAL MARKET RULES AND REGULATION OF NIGERIA- REQUEST BY THOMSON REUTERS**

The Commission received a request from Thomson Reuters (TR), an organization which held itself out as the world's leading source of intelligent information for businesses and professionals including the Islamic Finance Industry. Thomson Reuters stated that it was undertaking a project which involved the collection and aggregation of all Rules and Regulations around the world governing Islamic banks and financial institutions as a measure to drastically reduce the time and effort usually spent sourcing for such information. After a review of its request, Management approved that the Commission's Rules and Regulations on Islamic Finance be sent to Thomson Reuters on the basis that these Rules were already on the Commission's website for public enlightenment.

However, by another correspondence dated October 8, 2013, Thomson Reuters requested for approval to upload the SEC Rules 2013 on its website. The Organization also attached an agreement for possible execution between it and the Commission which would create a legal platform for the use of **SEC content/information** on Thomson Reuters' Terminal.

The Department reviewed the Agreement and opined that its terms were not favourable to the Commission as it sought to give Thomson Reuters a perpetual license to incorporate the Commission's information in its database in any manner it deemed fit, to redistribute the information received from the Commission by any means and in any format and to permit its subscribers to use and redistribute the information gotten from the Commission. The Agreement further stated that the Commission would be required to indemnify Thomson Reuters against any form of loss, damage, cost or expenses arising out of any claims or proceedings against the organization or any member of the Thomson Reuters Group by a third party as a result of the information supplied by the Commission.

The Department consequently opined that the Commission should only forward its Rules and Regulations on Sukuk issuance to Thomson Reuters with a clear instruction that these Rules should be used only for the organization's services and activities and that any arrangement to redistribute the Rules must receive the prior and express approval of the Commission.

# ENFORCEMENT

## WITHDRAWAL OF LICENCE

### **APC Matter**

The Commission's Administrative Proceedings Committee (APC) in the last quarter of 2013 withdrew the licenses of two (2) Capital Market Operators, i.e **Vicad Securities** and **Sterling Registrars Limited**. The Operators and clients were notified of the decision of the APC to withdraw their licenses and same was published in two daily Nigerian Newspapers as well as on the Commission's website.

## SUSPENSION FROM THE CAPITAL MARKET

### **Summa Guarantee & Trust Plc**

Summa Guarantee & Trust Plc was suspended from all Capital Market activities in November 2013 by SEC, as a result for failure to address issues of filing of false/misleading returns, non-payment of penalty for late submission of year 2010/2011 returns.

## SEAL-UP OF ILLEGAL OPERATORS IN THE CAPITAL MARKET

Five illegal operators were sealed up in the last quarter of 2013 as detailed below:

### **New Nation/Women in Oil Limited**

The Commission in collaboration with the Nigerian Police sealed up the offices of New Nations, an illegal operator, in PortHarcourt and Sokoto on November 7<sup>th</sup> and 8<sup>th</sup>, 2013. New Nation/Women in Oil Ltd was not only registered by the Commission to operate in Nigeria Capital Market but was carrying on illegal activities by advertising and soliciting members of the public to invest into an illegal oil investment product, '**Women in Oil**'.

### **Royal Benchmark Limited**

The Commission sealed up the office of Royal Benchmark Limited for operating in the Capital market illegally. During the seal up exercise, documents that showed the company was carrying on Capital market activities were obtained and the matter was referred to the Nigerian Police for further investigation and prosecution.

Furthermore, the offices of three illegal operators that were operating within Onitsha in Anambra were sealed within the period under review for operating illegally in the Market. These include:

- **Obichi Investment & Management Consultancy Nig. Ltd;**
- **Futuretrust & Integrated Services Ltd.; and**
- **Fidex Shares Resources limited)**

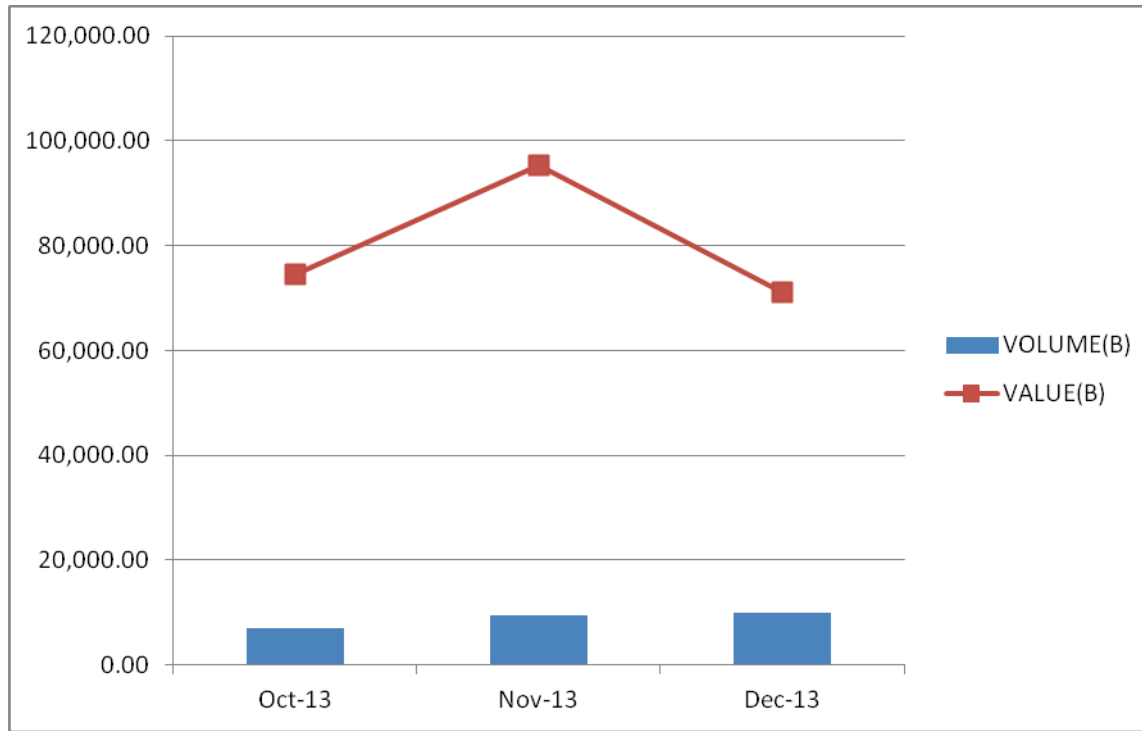
## REGISTRATION AND RECOGNISED INVESTMENTS SERVICES

The Nigerian Stock Exchange opened the fourth quarter at 37,622.74 points and closed at 41,329.19 points, the Market Capitalization also opened at 12.02 and closed at 13.22 trillion.

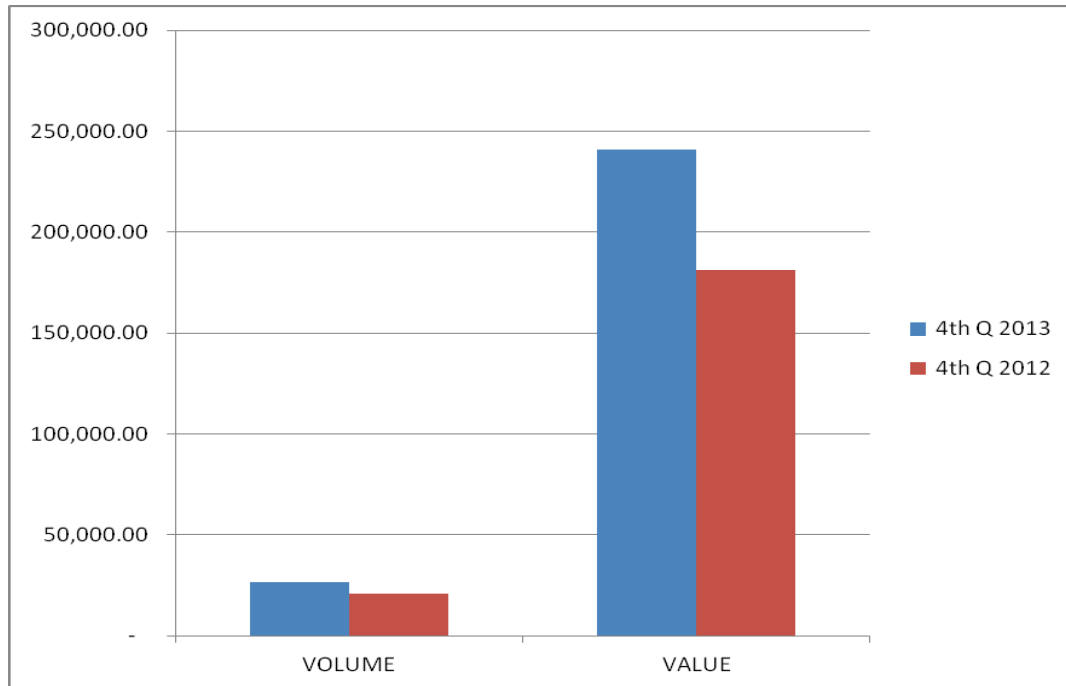
**Table 31: TRADING STATISTICS FOR THE FOURTH QUARTER OCTOBER - DECEMBER, 2013**

MONTH	VOLUME(B)	VALUE(B)	NSE-INDEX POINT	MARKET CAP(TRILLION)
OCT	7,009.25	74,607.42	37,622.74	12.02
NOV	9,513.09	95,405.04	38,920.85	12.44
DEC	10,022.70	71,121.33	41,329.19	13.22
<b>TOTAL FOR 4th Q 2013</b>	<b>26,545.04</b>	<b>241,133.79</b>	<b>41,329.19</b>	<b>13.22</b>
<b>TOTAL FOR 3rd Q 2013</b>	21,166.92	187,334.91	36,585.08	11.65
% CHANGE	25.41%	28.72%	12.97%	13.48%

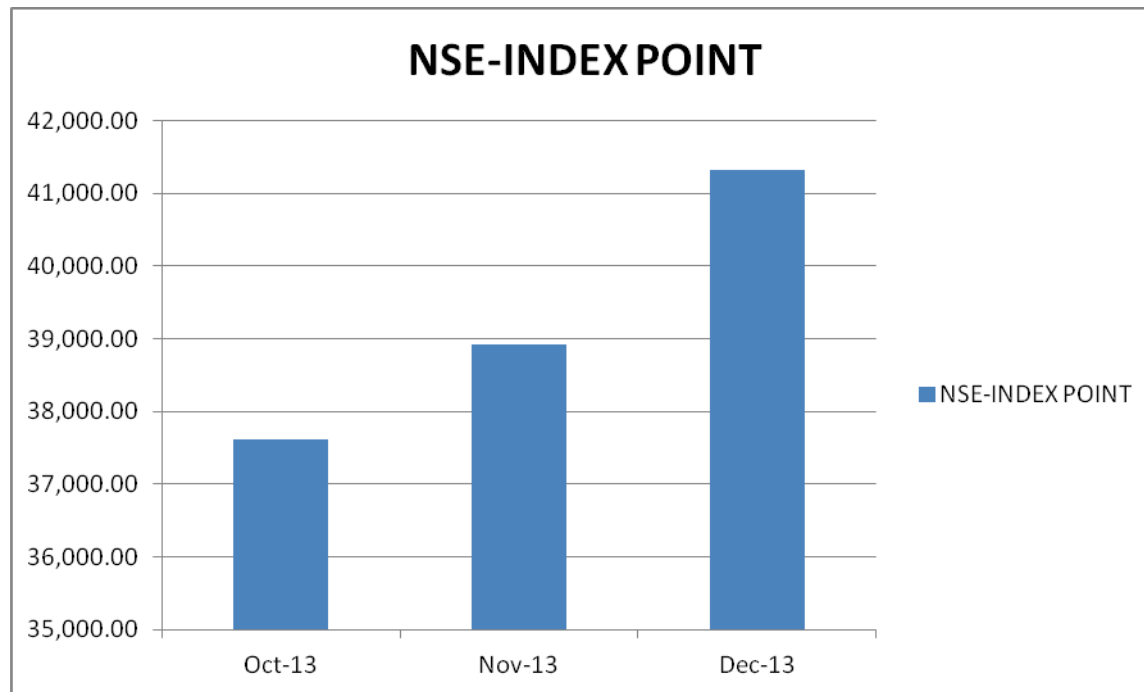
**TRADING VOLUME AND VALUE FOR THE FOURTH QUARTER OCT –DECEMBER, 2013**



**COMPARISON OF VOLUME AND VALUE FOR FOURTH QUARTER OCT–DECEMBER, 2013 AND 2012**







### PRICE ADJUSTMENT

The prices of two (2) equities were adjusted for dividend payments as directed by their Board of Directors:

COMPANY	DIVIDEND PER SHARE
Avoncrown Caps Plc	No.05
Mansard Insurance Plc	No.04

### NEW LISTING

- A total quantity of 2, 524, 826, 359 ordinary shares of 50 kobo each at N5.48 per share of Computer Warehouse Group Plc was admitted to trade at the Exchange on 15<sup>th</sup> November, 2013.

- A total of 4,170,455, 720 ordinary shares of 50 kobo each at N1.50 per share of Infinity Trust Bank Plc was admitted to trade at the Exchange on December 11, 2013.

## CORPORATE ACTIONS

COMPANY	CLOSURE DATE	DIVIDEND	BONUS	PAYMENT DATE	AGM DATE	EX-DIV PRICE
Academy Press	5/11/2013	No.08	Nil	10/12/2012	19/11/2013	Nil
Custodian & Allied Ins. Plc	13/11/2013	No.05	Nil	28/11/2013	N/A	Nil
Royal Exchange Plc	15/11/2013	No.04	Nil	2/12/2013	27/11/2013	Nil
Tripple Gee Plc	20/11/2013	No.02	Nil	12/12/2013	25/11/2013	Nil
Nestle Nigeria Plc	25/11/2013	N1.50	Nil	09/12/2013	N/A	N1198.50
Sim Capital Alliance Value Fund	06/12/2013	N8.24	Nil	31/12/2013	17/12/2013	Nil
Nigerian Enamel Ware Plc	4-6/12/2013	45k	Nil	19/12/2013	19/12/2013	Nil
Total Nigeria Plc	2/12/2013	N2.00	Nil	16/12/2013	Nil	Nil
C & I Leasing Plc	12/12/2013	No.02	Nil	17/12/2013	18/12/2013	Nil
Niger Insurance Co. Plc	24/12/2013	No.03	Nil	16/01/2014	14/01/2014	No.50

## OTHER MARKET NEWS

- **DANGOTE CEMENT PLC: APPOINTMENT OF REGISTRARS** - Dangote Cement Plc notified the Exchange that its Board of Directors had approved the appointment of United Securities Limited as the Company's new

Registrars to replace Mainstreet Bank Registrars Limited. Mainstreet Bank Registrars would however continue to act as the Registrars until December 31<sup>st</sup>, 2013 when they would finally hand over to United Securities Limited.

- **CONSOLIDATED HALLMARK INSURANCE PLC: Changes in the Board of the Company-** Consolidated Hallmark Insurance Plc notified The Nigerian Stock Exchange of the resignation of one of its Non-Executive Directors, Mr. Pat Azurunwa.
- **ECOBANK TRANSNATIONAL INCORPORATED (ETI): Press Release** – The Board of Ecobank Transnational Incorporated (ETI) notified The Exchange of its decision that Mr. Kolapo Lawson should stand aside as its Chairman. He would retire from the Board on 31 December 2013 and hand over to André Siaka as interim Chairman with immediate effect. The ‘stand aside’ decision of Mr. Lawson was connected with the series of allegations made to the Nigerian SEC on issues of corporate governance against him. The Board of ETI had appointed independent parties to investigate these allegations and review the company’s corporate governance structure. The Board took a decision to allow for total credibility and free investigation without the interference of Mr. Kolapo Lawson, the leading person in this process.
- **TOTAL NIGERIA PLC: APPOINTMENT OF DIRECTOR-** Total Nigeria Plc notified The Exchange of the appointment of Mr. Mathieu Soulas as a Director of the Company effective October 24, 2013. Mr. Mathieu Soulas is a graduate of Engineering from the France Ecole Polytechnique, Paris and holds a Masters’ Degree in Engineering specializing in the Petroleum Industry from the French Petroleum Institute (IFP)
- **AFROMEDIA PLC: NOTIFICATION OF RESIGNATION OF A NON-EXECUTIVE DIRECTOR-** Afromedia Plc notified The Nigerian Stock Exchange of the resignation of Alhaji Mohammed Gobir, a Non-Executive Director. The Company’s Board of Directors passed the resolution on Thursday, 10th October 2013 while the resignation was effective 29th July, 2013.
- **SECURE ELECTRONIC TECHNOLOGY PLC: Appointment of Company Secretary-** Secure Electronic Technology Plc notified The Exchange of the appointment of Miss Immaculata Amaka Mbaso as its new Company Secretary.

- **TRANSNATIONAL CORPORATION OF NIGERIA PLC: Resignation and Appointment of Directors-** Transnational Corporation of Nigeria Plc (Transcorp) notified The Nigerian Stock Exchange of the resignation of Ms Angela Aneke from the Board of the Company and the appointment of Mr. Emmanuel Nnorom to its Board.
- **BOC GASES NIGERIA PLC: Notice of Retirement from the Company-** BOC Gases Nigeria Plc notified The Nigerian Stock Exchange that effective June 2014, the Managing Director of the Company, Mr. Johnson A. Idowu, would be retiring from the services of the company.
- **NIGERIAN AVIATION HANDLING COMPANY PLC: Appointment of Executive Director-** Nigerian Aviation Handling Company Plc notified The Nigerian Stock Exchange of the appointment of Mr. Norbert Bielderman as an Executive Director in the company with effect from 9th December 2013.
- **DANGOTE FLOUR MILLS PLC: Proposed Takeover Bid By Tiger Brands Limited of up to 332,500,000 Ordinary Shares of 50 Kobo each to the Minority Shareholders of Dangote Flour Mills Plc at N9.50 Per Share – Closure of Register-** Dangote Flour Mills Plc notified The Nigerian Stock Exchange that further to the resolution of the Directors of the company, the Register of shareholders of Dangote Flour Mills Plc with respect to the Transaction above would close on Tuesday, 31st December 2013. So, the qualification date would be Monday, 30th December 2013.
- **AIRLINE SERVICES & LOGISTICS PLC: Expansion of Business -** Airline Services & Logistics Plc notified The Nigerian Stock Exchange that it had decided to expand its business into Oil & Gas and provision of in-flight catering in Rwanda, East Africa
- **GUARANTY TRUST BANK PLC: Acquisition of Fina Bank Limited by Guaranty Trust Bank Plc -** Guaranty Trust Bank Plc (GTbank) notified The Nigerian Stock Exchange that with reference to their letter dated July 16, 2013 informing The Exchange of the acquisition of 70% stake in Fina Bank Limited, Kenya with subsidiaries in Uganda and Rwanda, GTbank and shareholders of Fina Bank have executed the Share Sale and Purchase Agreement in respect of the acquisition thereby concluding the transaction. It confirmed that all

necessary regulatory approvals were obtained for the acquisition. Consequently, Fina Bank Limited, Kenya, Fina Bank Limited, Uganda and Fina Bank Limited Rwanda would now be renamed and rebranded as subsidiaries of GTbank.

## **FRESH REGISTRATION**

### **A. Fresh Registration**

A total of Twenty (20) new applications were received from companies intending to register as Capital Market Operators (CMOs) for the quarter ending December 2013: The functions were:

**Table 31: Functions of New Applications Received from Companies.**

<b>S/N</b>	<b>APPLIED FUNCTIONS</b>	<b>NO OF APPLICANTS</b>	<b>% OF TOTAL</b>
1	Solicitors	5	25
2	Capital Trade Point	1	5
3	Fund/Portfolio Managers	5	25
4	Investment Advisers	3	15
5	Broker/Dealer	1	5
6	Reporting Accountants	2	10
7	Sub-Broker	1	5
8	Issuing House	1	5
9	Underwriter	1	5
	Total	20	100

### **B. Post Registration Documentation of Capital Market Operators**

The RRIS Department is determined to meet its Year 2013 Key Performance Indicators and as part of the Commission's effort in ensuring that only fit and proper persons are allowed to function in the Nigerian Capital

Market. The Commission wrote to forty four (44) Capital Market Operators registered in 2012 to forward among others the following post registration information:

- Updates on their activities since registration by the Commission
- Names of registered sponsored individuals still in their employment
- Operational facilities (contact information, computer facilities, research and data bank, storage facilities etc)
- Current paid up capital/shareholders fund
- Latest Audited Accounts

### **C. Amendment of Rule**

Proposed and defended the amendments to Schedule IX on Code of Conduct for the following functions before the Commission's Rules Committee and was accepted by the Committee:

- Rating Agencies
- Trustees
- Underwriters

### **D. Others**

- Proposed Rules for the Registration of Nominee Company in the Nigerian Capital Market.
- Finalised the updating of all the Commission's Registration Forms and Requirements together with the Information Technology Department on the Commission's website
- Forwarded a proposal for the possibility of reviewing upward the current registration fees charged capital market operators
- Working on a proposed Form SEC 2D (Form for fit and proper persons-Sponsored Individuals, Directors/Partners) for registration under the Investments and Securities Act 2007

# ACTIVITIES OF THE ZONAL OFFICES

## IBADAN

### INVESTIGATION AND ENFORCEMENT

The zone received Eight (8) new complaints during the quarter under review. Find the list below:

#### Complaints on fraudulent/unauthorized sales of shares

1. Amure Peter Oluwadamilare vs. First Alstate Securities Limited
2. Ojediran Adegoke Ojediran vs. Integrated Trust & Investment Limited
3. Famakinwa Olabisi Benjamin vs. Topmost Securities Ltd/City Securities Registrars Ltd

#### Complaint on non-receipt of outstanding dividend warrant/bonus

4. Ajao Solomon Olujide vs. Veritas Registrars Limited
5. Stephen I. Udezue vs. City-Code Trust & Investment Company Limited
6. Rimfat Ventures Financial Consultant vs. First Registrars Limited
7. Deborah Doyinsola Adegbite/  
Bethel Institute of Theology &  
Biblical Research vs. EDC Registrars Ltd/Cashcraft Asset Management Ltd
8. Adediji Oladunni Adunni vs. United Securities Limited

## KANO

### **Investors' Complaints**

The Zonal Office received a total of 142 complaints during the period under review. The complaints were mostly on non-receipt of share certificates/or dividend warrants, unauthorized sale of shares, non- receipt of return monies and non-verification of share certificates.

### **Resolved Complaints**

The Zonal Office was able to resolve 175 cases during the reviewed period and also recovered **117,999** units from 21 certificates from different Registrars belonging to various investors. It also recovered **N760, 710.38** which embodied unclaimed dividend, revalidations, pay-off warrants and proceeds from stock disposal, while trading activities on the floor of the Nigerian Stock Exchange were monitored with no abnormality observed.

## **PORT HARCOURT**

### **INVESTIGATION AND ENFORCEMENT**

Sixty-five (65) new complaints were received during the reviewed period, while thirty-seven (37) existing complaints from shareholders/investors during the previous quarter were pending. As result of that, a total number of One Hundred and



Two (102) complaints were due for consideration during the period, out of which Twenty-Four (24) were resolved while Seventy-Eight (78) are undergoing further investigation. Find the resolved cases listed below:

**Table 32: REVIEWED AND RESOLVED CASES OF 4<sup>TH</sup> QUARTER, 2013**

S/NO.	Description	No. of resolved cases
1.	Non-Receipt of Share Certificates	5
2.	Non-Receipt of Dividend and Return Money Warrants	7
3.	Non-Receipt of Bonus Certificates	4
4.	Non-Verification of Share Certificates	2
5.	Miscellaneous Issues (Change of Postal Address, Unauthorised sale of shares, Failure to remit sale proceeds, etc).	6
<b>TOTAL</b>		<b>24</b>

**SURVEILLANCE INSPECTION ON ILLEGAL CAPITAL MARKET OPERATORS:**

Following Management’s approval, Surveillance inspections were carried out on TMA Consulting Group Owerri, Imo State and Solid Investments & Securities Company Limited, Aba, Abia State. However, the Case files against **BGL Securities Limited, Gosord Securities Limited** and **Lion Stockbrokers Limited** were referred to the Head Office for enforcement action.

**Returns from Companies and Operators:**

The PHZO received and forwarded quarterly and weekly reports/returns from the following companies to the respective Departments:

1. Ellah Lakes Plc
2. Allbond Investments Limited

3. Cradle Trust Finance and Securities Limited
4. Kofana Securities & Investments Limited
5. Pareto Funds and Securities Limited
6. West African Glass Industry Plc

### **WEEKLY MONEY LAUNDERING AND TRADING REPORTS**

During the period under review, PHZO received weekly money laundering and trading reports from the following operators and were forwarded to the Head Office for further action:

- (1) Cradle Trust Finance and Securities Limited.
- (2) Kofana Securities & Investments Limited.
- (3) Allbond Investments Limited

### **All-Parties meetings:**

The PHZO convened the following All-Parties meetings during the period under review:

1. Obielo Bonaventure C. Vs Mega Equities Limited held on Tuesday, November 19, 2013.
2. Oji Eni Vs Trade Link Securities Limited held on Thursday, November 21, 2013.
3. Chief P. O. Ugochukwu Vs Stanbic IBTC Asset Management Limited held on Thursday, December 19, 2013.

## **ONITSHA**

### **OPERATIONAL ACTIVITIES COMPLAINTS**

During the period under review, the Onitsha Zonal Office received a total of Seventy Nine (79) complaints from investors, out of which Fifty Nine (59) were Registrar related Eighteen (18) were Stockbroker related and Two (2) were illegal Capital Market Operators related. The zonal office investigated and handled the matter appropriately.

However, a total of seventy one (71) complaints were resolved and closed. Fifty-One (51) were Registrar Related while Twenty (20) were Stockbroker related. Find below:

## **LAGOS**

### **OPERATIONAL ACTIVITIES**

#### **Statutory meetings (AGM)/EGM/COM/CBM) for the quarter:**

Various meetings (AGM/EGM/Completion board/Court Ordered Meetings) were attended by the zone.

**Table 35: Annual General Meetings**

<b>S/NO</b>	<b>NAME OF COMPANY</b>	<b>DATE OF MEETING</b>	<b>REMARKS</b>
1.	Avon Crowncaps Containers Nigeria Plc	8/10/13	
2.	SevenUp Bottling Plc	8/10/13	
3.	Portland Paints & Products	10/0/13	
4.	Cappa & Alberto Plc	23/10/13	
5.	Lotus Capital Halal Investment Fund	24/10/13	
6.	Paramount Equity Fund Chapel hill Denham Millennium Fund	6/11/13	
7.	Custodian & Allied Insurance Plc	7/11/13	
8.	Sovereign Trust	15/11/13	
9.	Kakawa Guaranteed Income Fund (KGIF)	20/11/13	
10.	Acorn Petroleum Plc	29/11/13	
11.	Nigeria International Growth Fund (Nigeria Fund)	20/11/13	“
12.	Regency Alliance Insurance	28/11/13	“
13.	Secure Electronic Technology	28/11/13	“
14.	Royal Exchange	27/22/13	“
15.	Capital Oil Plc	28/11/13	“
16.	Academy Press Plc	19/11/13	“
17.	Tripple Gee & Company	25/11/13	“

18.	Legacy Equity Fund	12/12/13	“
19.	Union Dicon Salt Plc	10/12/13	“
20.	The FIBN Heritage Fund	10/12/13	“
21.	Lagos Junior League Plc	11/12/13	“
22.	Law Union & Rick Insurance Plc	17/12/13	“
23.	C & L Leasing Plc	17/12/13	“
24.	Prestige Assurance Plc	17/12/13	“
25.	Cornerstone Insurance Plc	16/12/13	“
26.	Equity Assurance Plc	30/12/13	“
27.	UBA Mutual Fun	19/12/13	“

**Table 36: Completion Board Meeting (CBMS) attended**

S/NO	NAME OF COMPANY	DATE OF MEETING	REMARKS
1	Oando Plc	16/12/13	Proceedings were well conducted
2	Lagos State Land (series 2) 2013 to 2020	27/11/13	”
3	Trust Bond Mortgage Bank	21/10/13	“
4	Vetiva Griffin 30 Exchange Traded Fund	17/12/13	“

**Table 37: Extra General Meeting Attended**

S/NO	NAME OF COMPANY	DATE OF MEETING	REMARKS
1	Evans Medical Plc	28/11/13	Proceedings were well conducted

2	Cadbury Nigeria Plc	19/12/13	“
3	Unity Bank Plc	23/12/13	“
4	Government of Ekiti State N5,000,000,000, 14.50% fixed rate bond due 2020	31/12/13	“

**Table 38: Court Ordered Meeting**

S/NO	NAME OF COMPANY	DATE OF MEETING	REMARKS
1	Afriland Properties Plc	20/12/13	Proceedings were well conducted
2	Food Concept Plc	19/12/13	“

### **Pre- Registration Inspection**

A total of two (2) pre-registration inspections were carried out during the period under review:

- 1) Trust and Securities Ltd - 7/10/13
- 2) Opone Johnson & Co. - 25/10/13

### **LEGAL AND INVESTIGATION DIVISION’S THIRD QUARTER REPORT FOR YEAR 2013**

During the reporting period, the Legal and Investigation units handled 173 files where Twelve (12) of the matters were resolved. Also two all parties’ meeting were held.