Designed for Boards and Leadership Teams

Nasdaq Corporate Solutions’ MeetX and Directors Desk can help streamline meeting process, accelerate decision-making and strengthen governance. Used by public, private and non-profit organizations worldwide, including over half of the Fortune 500, MeetX and Directors Desk combine functionality with security, ease-of-use and mobility.

To learn more, visit: www.business.nasdaq.com/intel/BnL
Or contact us at: corporatesolutions@nasdaq.com
CONTENTS

WHO WE ARE ......................................................................................... 4
EXECUTIVE COMMITTEE ........................................................................ 7
REPORT OF THE PRESIDENT ..................................................................... 11
RAPPORT DU PRÉSIDENT ......................................................................... 14
HIGHLIGHTS .............................................................................................. 17
STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE ........... 21
  Officers and Statutory Information .......................................................... 21
  Corporate Governance ........................................................................... 22
MEMBERS STATISTICS ............................................................................ 27
FINANCIAL STATEMENTS ......................................................................... 71
  Report Of The Executive Committee ....................................................... 72
  Report Of The Executive Committee ....................................................... 73
  Statement Of The Executive Committee’s Responsibilities ..................... 74
  Report Of The Independent Auditors To The Members Of African Securities Exchanges Association ................................................................. 75
  Statement Of Profit Or Loss And Other Comprehensive Income For The Year Ended 30 June 2017 ................................................................. 78
  Statement Of Financial Position As At 30 June 2017 ................................ 79
  Statement Of Changes In Fund Balance ................................................... 80
  Statement Of Cash Flows ......................................................................... 81
  Notes To The Financial Statements ........................................................ 82

OTHER INFORMATION
  Notice And Agenda Of 21st Annual General Meeting Of The African Securities Exchange Association ............................................................... 101
  Nomination Form .................................................................................... 103

LIST OF TABLES
  Executive Committee Roles ..................................................................... 22
  Executive Committee Matrix .................................................................. 22
  Asea Executive Committees, Membership and Number of Meetings Held and Attended in the Year 2016-2017 .......................................................... 23
  Working Groups Composition .................................................................. 24
WHO WE ARE
AFRICAN SECURITIES EXCHANGES ASSOCIATION

The African Securities Exchanges Association ("ASEA" or "the Association") is the premier Association of exchanges in Africa, which was founded with the aim of developing Member Exchanges and providing a platform for networking. The Association has a full membership of 27 vibrant Exchanges – serving 32 economies in Africa.

Based in Nairobi at the Nairobi Securities Exchange (NSE), the Association boasts of a Full Membership of 27 Exchanges – serving 32 economies in Africa – 2 Observer Members and 3 Associate Members.

The Association was established in 1993, and works closely with its Members to unlock the potential of the African Capital Markets through the following ways:

1. Enhancing the visibility of ASEA members at the international level with a view to attract capital inflows to African capital markets
2. Providing an authoritative information portal on African public markets and provide aggregated statistics and information on African Exchange
3. Being a powerful lobbying and advocacy voice for Member Exchanges
4. Promoting market development among Member Exchanges
5. Promoting Capacity Building and Training for Member Exchanges
6. Initiating Strategic Alliances on behalf of Member Exchanges

**ASEA’s Vision**

To enable African Securities Exchanges to be key significant drivers of the economic and societal transformation of Africa by Year 2025

**ASEA’s Mission**

- To provide a forum for mutual communication, exchange of information, co-operation and technical assistance among its members
- To facilitate the process of financial integration within the region for the effective mobilization of capital to accelerate economic development of Africa

**ASEA 2015-2019 Strategic Objectives**

- Strengthening the Association’s governance, financial and reporting framework
- Promoting the sustainable development of African capital markets
- Facilitating an increase in market access at the regional level, and promoting linkages among African exchanges
- Benchmarking against global best practices
ASEA MEMBERS

Full Members:

Associate Members:

1. South Asian Federation of Exchanges (SAFE)
2. Chartered Institute for Securities and Investment (CISI)
3. Chartered Financial Analyst Institute (CFA)

Observer Members:

1. Society for Worldwide Interbank Financial Telecommunication (SWIFT)
2. African Development Bank (AfDB)
EXECUTIVE COMMITTEE

Mr. Oscar N. Onyema, OON – President of ASEA

Mr. Onyema has been Chief Executive Officer and member of the National Council of The Nigerian Stock Exchange since April 2011. In this role, he is responsible for superintending the general working of The Exchange.

Mr. Onyema is the President of African Securities Exchanges Association (ASEA); Chairman of Central Securities Clearing System PLC (CSCS), the clearing, settlement and depository for the Nigerian capital market; and Chairman of the subsidiaries of The Exchange.

Prior to relocating to Nigeria, he served as Senior Vice President and Chief Administrative Officer at American Stock Exchange (Amex). He holds the Nigerian National honor of Officer of the Order of the Niger (OON); is a Fellow of the Institute of Directors (IOD); and member of London Stock Exchange (LSEG) Africa Advisory Group.

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

Mr. Karim Hajji – Deputy President of ASEA

Mr. Karim Hajji is the Chief Executive Officer of the Casablanca Stock Exchange (CSE), one of the largest exchanges in Africa, and a member of the World Federation of Exchanges.

Prior to joining CSE in April 2009, he was Chairman and CEO of Atlas Capital Group, a well-respected, independent investment bank; he worked at Eli Lilly and Co for 8 years across the United States, Italy and Switzerland. In 1990, he worked at ONA Group, Morocco’s largest conglomerate as advisor to the Chairman, then General Manager of an affiliate in Monaco and finally Group CFO in 1994.
Geoffrey O. Odundo

Mr. Geoffrey Odundo is the Chief Executive of the Nairobi Securities Exchange. He is an accomplished Investment Banker with 22 years financial sector experience, 16 years of which have been in the Capital Markets in various senior roles in asset management, corporate finance and stock broking. He was instrumental in setting up Co-op Trust Investment Services, Co-op Consultancy Services limited and Kingdom Securities Limited. Prior to his appointment Mr. Odundo was the Managing Director and Chief Executive Officer of Kingdom Securities Limited and a Director and Secretary of the Kenya Association of Stock Brokers and Investment Banks (KASIB).

Ms. Zeona Jacobs

Ms. Zeona is the Director of Marketing and Corporate Affairs for the Johannesburg Stock Exchange (JSE). She is a senior executive with over 25 years of experience in corporate, governmental and communication organisations. Prior to the JSE, Ms. Zeona has worked as Head of Corporate Communications for Cell C; Executive Head of Corporate Communications at Telkom; Director for Communications at the Truth and Reconciliation Commission; joint Managing Director of a top South African advertising agency Lobedu Leo Burnett. Other organisations include; Multi-Links (Nigeria) and Herd-buoys McCann Advertising Agency. She is currently, Chairman of the Johannesburg Social Housing Company, the Committee of SADC Stock Exchanges (CoSSE) and an Executive Member of the African Securities Exchange Association. She also serves as an advisory Board Member at the University of the Witwatersrand Business School.
Dr. Edoh Kossi Amenounve

Before taking office as Chief Executive Officer (CEO) of the Bourse Régionale des Valeurs Mobilières (BRVM) and the Central Depository/Settlement Bank (DC/BR) in October 2012, Dr. Amenounve was the Secretary General of the Regional Council for Savings and Financial Markets (CREPMF), the financial market regulation authority of the West African Economic and Monetary Union (WAEMU) from 2003 to 2012. Dr. Amenounve worked as the CEO of SGI-TOGO, a Brokerage Company from Togo operating in the regional financial market; President of the Professional Association of Brokerage Houses of WAEMU (APSGI); He has also created OPTI ASSET Management, an Asset Management company of Collective Investment Schemes (CIS) and was instrumental in the installation of the BRVM and the Central Depository / Settlement Bank (DC / BR) as Assistant to the Chairman of the Board and Secretary of the Technical Monitoring Committee.

Mr. Thapelo Tsheole

Mr. Tsheole was appointed Chief Executive Officer (CEO) of the Botswana Stock Exchange (BSE) in January 2016 following a short stint as Deputy CEO at BSE since February 2014. He is a seasoned Financial Markets expert with a cumulative experience of 15 years having worked for Bank of Botswana and Botswana Stock Exchange. His career at BSE began in February 2007 when he was appointed Product Development Manager. Mr Tsheole is a firm believer in the development of the financial market in Botswana and Africa, as well as their importance to economic growth and stability. It is against this backdrop that he has led initiatives to increase activities in the financial market in Botswana. Mr Tsheole currently sits on the following Boards; Botswana Accountancy Oversight Authority, Medicines Regulatory Authority of Botswana, ACHAP Botswana and ACHAP International.
Mr. Pierre Ekoule Mouangue

Pierre Ekoule Mouangue has been leading of the Douala Stock Exchange (DSX) in Cameroon as the Managing Director since July 2005. From that time, he has been overseeing the evolution of the DSX. He made it operational and has successively supervised Public bonds issued by the states of Cameroon and Chad in view of financing their development projects. Before joining the DSX, Pierre Ekoule Mouangue was involved in the restructuring of the Cameroonian banking sector. Between 1992 and 2005, Mr. Ekoule worked as member of the Executive Committee of Standard Chartered Bank Cameroun SA, Head of Human Resources, Company Secretary and Executive Director and Deputy Managing Director responsible for retail banking. He participated in 2000 in the Collective Agreement for Banks and Credit Establishments following the new Labour Code of 1994 by negotiating with private and public partners.

Pierre Ekoule Mouangue is Knight of the National Order of Value and Officer of the National Order of Merit of Cameroon.

Mr. Mohamed Farid

Mr. Mohamed Farid, served as the Vice Chairman of the Egyptian Exchange for the years 2010-2011. He is also a Board member of the Insurance Holding Company, the Egyptian Investor Protection Fund, and formerly the CEO of an Economic Forecasting Consulting firm in Egypt. Mr. Farid was selected as an external advisor for venture capital and financial leasing activities at the World Bank in Egypt for the period from 2013 to 2016. Formerly, Mr. Farid served as Senior Financial Economist and Head of the Capital Market Unit at the Ministry of Investment, where he was responsible for following up with the Egyptian Exchange development plans, most importantly the SMEs market (Nilex), ETFs and bonds market. He served as an Economist at the Ministry of Economy and Foreign Trade. In addition, Mr. Farid was a part-time lecturer at the American University in Cairo and the Arab Academy for Science, Technology and Maritime Transport.
Greetings dear Members!

The year 2016 saw the global environment experience a number of historic happenings – from the United Kingdom’s exit from the European Union to the arguable United States’ Election. Leading economies appeared to be adopting an inward shift in their policies while the “rise” of China in the international scene continues to influence the global power dynamics. Despite these uncertain times, Africa as a continent still remains resilient and relevant.

According to the IMF, ten out of twenty countries with the highest projected annual growth rate from 2013 through to 2017 are found in Africa. Africa’s population is presently estimated to be 1.033 billion with more than half of the population less than 25 years of age, making it the youngest continent in the world. The continent’s geographic location gives it a strategic and competitive edge relative to other continents, not to mention that Africa is the world’s richest continent in terms of mineral resources, arable land and waterpower. The region’s wealth is further attested through the sudden “race” for Africa with the continent being seen now as the next frontier of global growth.

With these apparent changes in the world order, factors that have traditionally determined the direction of the global economy, such as population size and technology, have now been overtaken. The Global Economic Outlook Report by the Global Business Policy Council, states that there is a new set of determinants that if harnessed well could positively impact the economic environment, namely, political good will, sound policies, conducive regulatory frameworks and geopolitics. These factors will continue to be crucial in underpinning global growth today and in the coming years.

As the global operating environment becomes more and more volatile and unpredictable, our markets have not escaped the impact of these instabilities. In 2016, Africa’s growth slowed to 2.2% down from 3.4% in 2015. This anemic performance was caused by the persistent decline in global commodity prices and a sharp slowdown of some large economies such as Nigeria, Egypt and South Africa.

On the Capital Market front, 2016 was an equally challenging year for African equity markets for the same reasons that have affected the overall growth of the continent, coupled with the global political uncertainties brought about by the US elections cycle and the Brexit vote.

According to the 2016 PwC Capital Market Watch Report, the total value of Further Offers by Exchanges in Africa in 2016 depreciated by 65.87% to stand at USD 7,286 million and the number of
transactions dropping from 93 to 68. Similarly the value of Initial Public Offers (IPOs) raised dropped from USD 2,023 million to USD 1,522 million with a 66.66% drop in the volume of IPOs. This has been the lowest performance experienced so far since 2013.

Generally, the average market capitalization of African bourses plunged by 7.2% as denoted by the FTSE ASEA pan-African Index (ex-South Africa).

In the midst of these harsh operating environments, our Association too was impacted. Our total income for the year under review declined by 0.44% from Usd. 74,144 in 2015 to Usd. 73,820. The decline was mainly due to a 27.15% decline in Other Income such as the 2016 Conference Income and the FTSE ASEA Pan African Index subscription payments. Additionally, the Association did not register any revenue in interest income due to the receivership status of Chase Bank Limited (CBL), in which ASEA has invested its funds in Fixed Deposit.

Our administrative expenses significantly surged in 2016 by 27.32% making the Association record a deficit, caused by the full impairment provision of USD 59,874 being the Fixed Deposit at CBL. The Association also incurred a one-off cost for the development of a contemporary website which was nessecitated by the need to enhance our presence and engagement with our stakeholders and the general public.

Despite the challenging conditions in the reporting year, the Association and its Members kept their focus on fostering the development of Capital Markets so as to spur economic growth. This was realized by constant advocacy and innovation witnessed across the regions. ASEA pursued its objectives dutifully and this was seen through the strategic alliances which we entered into with renowned institutions such as the Chartered Financial Analyst (CFA) Institute and the Chartered Institute for Securities & Investment (CISI). These partnerships, will allow market players in the ASEA Community to enjoy international certification programs at a discounted price. This opportunity will go a long way towards raising the standards of professionalism within the ASEA Member jurisdictions.

The CFA Institute and CISI programs come to compliment the already existing educative program by ASEA, namely the Building African Financial Markets (BAFM) Seminar. The Seminar has continued to gain momentum and is enjoying good success in the hosting regions by attracting suitable participants and thought leaders. This year’s Seminar was hosted by the Casablanca Stock Exchange under the theme; “Global Best Practices to Enhance the African Capital Markets”.

We have signed another Memorandum of Understanding (MoU) with the Financial Sector Deepening (FSD) Africa. FSD Africa has provided ASEA with Technical Assistance to the tune of GBP 160,000 which will go towards supporting the organization of the Annual ASEA Conference and further enhancing the ASEA website into a richer information portal. FSD Africa will also support us in boosting the capacity of the ASEA Secretariat by facilitating a 3 year secondment program open to staff of the Member Exchanges. This will be a great opportunity not only for the Association, but also for secondees who will immensely benefit from the exposure.

The African Exchanges Linkage Project (AELP), the flagship project under our cooperation agreement with the African Development Bank (AfDB) is still on course. Representatives of the pilot Exchanges have been working tirelessly towards structuring and harmonizing the end to end processes of the AELP in anticipation for a launch date in 2018.

“I strongly believe that if Africa is to assume its pride of place, it behoves every African citizen to give meaning to these affirmations of the region...”
In the year under review, we have set in motion other programs under the ASEA-AfDB MoU such as establishment of a Small and Medium-sized Enterprises (SME) Facilitation Working Group to explore how the AfDB and ASEA can work jointly to enable SMEs raise capital. Additionally, the Case Study of the AfDB Local Bond Issuance on African Exchanges has been successfully completed and the study report will be launched at the 21st Annual ASEA Conference in Cairo.

As we approach the close of the calendar year, on behalf of the Egyptian Exchange the host of this year’s Annual ASEA Conference, I would like to invite you all to participate at this year’s flagship event. The theme of the Conference couldn’t be timelier – “Africa Mapping the Future”. It speaks to the aforementioned significance of the continent in shaping and driving global transformation. I strongly believe that if Africa is to assume its pride of place, it behoves every African citizen to give meaning to these affirmations of the region. I would therefore like to call on my fellow actors in the financial industry to continue exploring ways in which we can deepen the African Capital Market so as to play our part in driving the economic and societal transformation of Africa.

My sincere gratitude to the membership of ASEA, my fellow Executive Committee members, and the ASEA Secretariat for your support and active participation in improving the status of our Association.

OSCAR N. ONYEMA
PRESIDENT
Bonjour chers membres!

En 2016, l'environnement mondial a enregistré un certain nombre d'événements historiques – de la sortie du Royaume-Uni de l'Union européenne aux élections contestables organisées aux États-Unis d'Amérique. Les grandes économies du monde semblent adopter un repli sur elles-mêmes en matière de politique tandis que la « montée » de la Chine sur la scène internationale ne cesse d'influencer la dynamique contemporaine du pouvoir. En dépit de ces temps difficiles, l'Afrique en tant que continent demeure résiliente et utile.

Selon le FMI, dix (10) pays sur les vingt (20) qui ont les plus forts taux de croissance annuels prévus entre 2013 et 2017 se trouvent en Afrique. Actuellement, la population africaine est estimée à 1,033 milliard d'habitants dont plus de la moitié a moins de 25 ans d'âge, ce qui fait de l'Afrique le continent qui regorge de plus de jeunes au monde. L'emplacement géographique de l'Afrique lui confère un avantage stratégique et compétitif sur les autres continents, sans oublier le fait que l'Afrique est le continent le plus riche en termes de ressources minières, terres arables et énergie hydraulique. La richesse du continent est en outre attestée par la « course » soudaine pour l'Afrique qui est désormais considérée comme la prochaine frontière de la croissance mondiale.

Grâce à ces changements manifestes de l'ordre mondial, les facteurs qui traditionnellement définissent l'orientation de l'économie mondiale – densité de population et technologie - ne sont plus désormais d'actualité. Selon le Rapport sur les Perspectives économiques mondiales du Global Business Policy Council, il existe un nouvel ensemble de facteurs qui, bien exploités, pourraient influencer l'environnement économique de manière positive. Il s’agit en l’occurrence de la bonne volonté politique, des politiques rationnelles, des cadres réglementaires encourageants et de la géopolitique. Ces facteurs s’avéreront toujours nécessaires au renforcement de la croissance mondiale aussi bien de nos jours que dans les années à venir.

Au fur et à mesure que l'environnement opérationnel mondial devient de plus en plus instable et imprévisible, nos marchés ont fini par en subir les conséquences. En 2016, la croissance de l’Afrique s’est ralentie pour atteindre 2,2% à partir de 3,4% qu’elle était en 2015. Cette performance
anémique est due à la baisse constante des prix mondiaux des produits de base ainsi qu’à un fort ralentissement de certaines grandes économies comme le Nigéria, l’Egypte et l’Afrique du Sud.

Sur les marchés financiers, l’année 2016 a été tout aussi difficile pour les marchés boursiers africains pour les mêmes raisons qui ont affecté la croissance globale du continent, en plus des incertitudes politiques mondiales causées par les élections américaines et le vote du Brexit.

Selon le « Capital Market Watch Report » 2016 de PwC, la valeur totale des offres complémentaires des échanges en Afrique en 2016 a baissé de 65,87% pour atteindre 7,286 millions $EU tandis que le nombre de transactions est passé de 93 à 68. De même, la valeur des offres publiques initiales est passée de 2,023 millions $EU à 1,522 million $EU, soit une baisse de 66,66%. Cette performance constitue la plus faible enregistrée depuis 2013.

Dans l’ensemble, la capitalisation boursière moyenne des bourses africaines a chuté de 7,2% comme le démontre l’indice panafricain FTSE ASEA (ancienne bourse d’Afrique du Sud).

Notre association également a été impactée par cet environnement opérationnel difficile. Notre revenu total pour le compte de l’exercice sous revue est passé de 74.144 $EU en 2015 à 73.820 $EU, soit une baisse de 0,44%. Cette baisse est principalement due à une autre baisse de 27,15% enregistrée au niveau d’autres revenus comme les revenus perçus des conférences et les paiements de souscription à l’indice panafricain FTSE ASEA (ancienne bourse d’Afrique du Sud).

En 2016, nos dépenses administratives ont considérablement augmenté de 27,32%, occasionnant ainsi un déficit causé par une provision pour dépréciation d’un montant de 59.874 $EU qui constitue le dépôt fixe à CBL. L’association a également engagé des frais uniques pour la mise en place d’un site web contemporain rendue nécessaire par le besoin de renforcer notre présence et relation avec nos partenaires et le grand public.

Malgré les conditions pénibles expérimentées au cours de l’année de référence, l’Association des Bourses d’Afrique et ses Associations membres ont mis l’accent sur le développement des marchés boursiers afin de stimuler la croissance économique. Cette dernière a été possible grâce à des plaidoyers et innovations soutenus enregistrés sur le continent. ASEA a poursuivi ses objectifs de manière consciencieuse comme en témoignent les alliances stratégiques qu’elle a signées avec des institutions renommées comme Chartered Financial Analyst (CFA) Institute et Chartered Institute for Securities & Investment (CISI). Ces partenariats permettront aux acteurs du marché qui font partie d’ASEA de bénéficier de programmes de certification internationaux à un prix réduit. Cette opportunité contribuera grandement à rehausser les normes du professionnalisme au sein des Associations membres d’ASEA.

Les programmes CFA Institute et CISI viennent compléter les programmes éducatifs d’ASEA, notamment le Séminaire sur le développement des marchés financiers africains (BAFM). Le séminaire a continué de prendre de l’essor et, en attirant des participants et leaders d’opinion appropriés, ne fait qu’enregistrer un franc succès dans les régions qui l’accueillent. Le séminaire de cette année a été abrité par la Bourse de Casablanca et a eu pour thème « Meilleures pratiques mondiales visant à améliorer les marchés de capitaux africains ».

“Je crois fermement que si l’Afrique doit assumer sa place de choix dans le monde, il incombe à chacun de ses citoyens d’accorder de la valeur à cette affirmation...”
Nous avons signé un autre Mémorandum d’entente (MoU) avec Financial Sector Deepening (FSD) Africa. FSD Africa a fourni à ASEA une assistance technique à hauteur de 160,000 livres sterling. Ce montant permettra d’organiser la Conférence annuelle d’ASEA et d’améliorer le site Web de l’organisation en portail d’information diversifié. FSD Africa nous aidera également à renforcer la capacité du Secrétariat d’ASEA en organisant un programme de détachement de trois (3) ans à l’intention du personnel des Associations membres. Ce programme constitue une grande opportunité non seulement pour l’ association mais également pour les bénéficiaires qui en tireront beaucoup de leçons.


Au cours de l’année sous revue, et dans le cadre du MoU que nous avions signé avec la BAD, nous avons mis sur pied d’autres programmes tels que la création d’un Groupe de travail de facilitation des petites et moyennes entreprises (PME) qui vise à étudier la manière dont la BAD et ASEA pourraient œuvrer de concert pour permettre aux PME de mobiliser des capitaux. En outre, l’étude de cas des émissions d’obligations locales sur les bourses africaines vient d’être achevée avec succès et le rapport d’étude devra être lancé lors de notre 21è Conférence annuelle qui se tiendra au Caire.


Je voudrais enfin exprimer mes sincères remerciements aux Associations membres d’ASEA, à mes collègues membres du Comité exécutif ainsi qu’au Secrétariat d’ASEA pour leur soutien et rôle actif en faveur de l’amélioration du statut de notre association.

Oscar N. Onyema
Président
African Investors CEO Summit and Awards

The Ai CEO Institutional Investment Summit and Ai Capital Market Index Series Awards 2016 was held on September 19, 2016 in New York. The summit sought to examine ways in which Africa’s asset owners and capital markets can be a pervasive platform to convert Africa’s economic opportunity.

Nasdaq & ASEA at Nasdaq Opening Bell

The Nasdaq hosted a number of ASEA Member Exchanges’ CEOs for the Opening Bell at the Nasdaq Market Site in New York on the sideline of the 71st United Nations General Assembly on September 20, 2016.
20th Annual ASEA Conference

The 20th Annual ASEA Conference took place in Rwanda, Kigali on November 27-29, 2017 themed; “Road to 2030: Making the African Capital Market Relevant to the Real Economy”. The theme of the Conference focused on deepening of financial markets in Africa and the impact on African businesses and livelihood of the citizens of the continent.

Ai CEO Pension and Sovereign Wealth Fund Leader’s Summit

The Ai CEO Pension and Sovereign Wealth Fund Leader’s Summit took place in Durban, South Africa on May 2, 2017. ASEA was represented by its President Mr. Onyema, who participated on a panel dubbed “Leaders’ Roundtable on Successful Investments: Capital Markets and Private Equity”. During this session, capital market and private equity leaders showcased successful investment strategies pursued by domestic and international pension and long-term investors.
Pension Funds & Alternative Investments Africa Conference (PIAFRICA)

The 2nd Pension Funds & Alternative Investments Africa Conference (PIAFRICA) took place on March 15 – 16, 2017 at the Intercontinental Resort, Balaclava in Mauritius themed: “Pension funds - a powerful investment for the African Region”. ASEA was an endorsing partner of the event and was represented by Mr. Thapelo Tsheole, the CEO of Botswana Stock Exchange.

6th BAFM Seminar

The 6th BAFM Seminar was hosted by the Casablanca Stock Exchange (CSE) in Casablanca, Morocco on May 18-19, 2017. Under the theme “Best Practices to Enhance African Capital Markets”. The Seminar sought to discuss and propose procedures and practices that can enhance the effectiveness of financial markets on the continent.
Strategic Partnerships

In the year under review, the Association entered into collaborative agreements with like-minded institutions to aid in its objectives’ delivery in various respects such as capacity building and information sharing. These institutions include the Chartered Institute of Securities and Investment (CISI), the Chartered Financial Analyst (CFA) Institute and the Financial Sector Deepening (FSD) Africa.
STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE

OFFICERS AND STATUTORY INFORMATION

EXECUTIVE COMMITTEE

Mr Oscar N. Onyema, OON  President  Nigerian
Mr Karim Hajji  Deputy President  Moroccan
Dr Mohammed Omran  Member  Egyptian
Ms Zeona Jacobs  Member  South African
Mr Edoh Kossi Amenounve  Member  Ivorian
Mr Geoffrey Odundo  Member  Kenyan
Mr Thapelo Tsheole  Member  Botswanan (Appointed 27 November 2016)
Mr Pierre Ekuole Mougane  Member  Cameroonian (Appointed 27 November 2016)
Mr Brian Tembo  Member  Zambian (Resigned 27 November 2016)
Mr Alban Chirume  Member  Zimbabwean (Resigned 27 November 2016)

SECRETARY

Mr. John Maonga
Maonga Ndonye Associates
Jadala Place, 3rd Floor,
Ngong Lane, Ngong Road
PO Box 73248
00200 Nairobi, Kenya

SECRETARIAT

Mr. Kuira Waithaka and Ms. Furaha Karba
Nairobi Securities Exchanges
The Exchange Building
55 Westlands Road
Nairobi

AUDITORS

KPMG Kenya
ABC Towers, 8th Floor
ABC Place, Waiyaki Way
PO Box 40612
00100 Nairobi, Kenya

PRINCIPAL PLACE OF BUSINESS & REGISTERED OFFICE

The Exchange Building
55 Westlands Road
PO Box 43633
00100 Nairobi, Kenya

BANKERS

Barclays Bank of Kenya Limited
Queensway House Business Centre
PO Box 30011
00100 Nairobi, Kenya

Chase Bank Kenya Limited
Riverside Mews, Riverside Drive
PO Box 66015
00800 Nairobi, Kenya
# CORPORATE GOVERNANCE

## EXECUTIVE COMMITTEE ROLES

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Acronym</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Oscar N. Onyema, OON</td>
<td>President</td>
<td>OO</td>
</tr>
<tr>
<td>Mr. Karim Hajji</td>
<td>Deputy President</td>
<td>KH</td>
</tr>
<tr>
<td>Ms. Zeona A. Jacobs</td>
<td>Executive Committee Member</td>
<td>ZJ</td>
</tr>
<tr>
<td>Dr. Mohammed Omran</td>
<td>Executive Committee Member</td>
<td>MO</td>
</tr>
<tr>
<td>Mr. Geoffrey O. Odundo</td>
<td>Executive Committee Member</td>
<td>GO</td>
</tr>
<tr>
<td>Mr. Edoh Kossi Amenounve</td>
<td>Executive Committee Member</td>
<td>EKA</td>
</tr>
<tr>
<td>Mr. Thapelo Tsheole</td>
<td>Executive Committee Member</td>
<td>TT</td>
</tr>
<tr>
<td>Mr. Pierre Ekoule</td>
<td>Executive Committee Member</td>
<td>PE</td>
</tr>
</tbody>
</table>

## EXECUTIVE COMMITTEE MATRIX

<table>
<thead>
<tr>
<th>Standing Committees</th>
<th>Mandate</th>
<th>No. of Members</th>
<th>OO</th>
<th>KH</th>
<th>ZJ</th>
<th>MO</th>
<th>GO</th>
<th>EKA</th>
<th>TT</th>
<th>PE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Group</td>
<td>To assess and streamline ASEA’s operations and a projects in line with global standards and best practices.</td>
<td>5</td>
<td></td>
<td></td>
<td>√</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Committee</td>
<td></td>
<td></td>
<td>5</td>
<td></td>
<td>√</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit and Finance</td>
<td>To develop and implement financial and control policies and to review the efficiency and effectiveness of the economic operations of the Association.</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Committee</td>
<td></td>
<td></td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Total No.</td>
<td></td>
<td>0</td>
<td></td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

√* Committee Chair     √ Committee Member
<table>
<thead>
<tr>
<th>Name</th>
<th>39th ExCo meeting held on August 16, 2016, via conference call</th>
<th>40th ExCo meeting held on November 27, 2016 in Kigali</th>
<th>41st ExCo meeting held on March 15, 2017 via conference call</th>
<th>42nd ExCo meeting held on May 20, 2017 in Casablanca</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Oscar N. Onyema</td>
<td>**</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Mr. Karim Hajji</td>
<td>**</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Mr. Geoffrey O. Odundo</td>
<td>**</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Mr. Edoh Kossi Amenouyne</td>
<td>**</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Dr. Mohammed Omran</td>
<td>**</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Mrs. Zeona A. Jacobs</td>
<td>**</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Mr. Brian Tembo</td>
<td>**</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Mr. Alban Chirume</td>
<td>Represented by alternate</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Mr. Thapelo Tsheole</td>
<td>Resigned from the Committee on November 27, 2016</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Mr. Pierre Ekoule</td>
<td>Represented by alternate</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
</tbody>
</table>

** Resigned from the Committee on November 27, 2016
* Absent with apology
** Absent without apology

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE
## WORKING GROUPS COMPOSITION

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Exchange</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>SME Facilitation Working Group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Ms. Zeona A. Jacobs</td>
<td>Johannesburg Stock Exchange</td>
<td>Chair</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Mohammed Aliko Mohammed</td>
<td>Nigerian Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Fanon Mwenda</td>
<td>Nairobi Securities Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Birahim Diouf</td>
<td>Bourse Régionale des Valeurs Mobilières</td>
<td>Member</td>
</tr>
<tr>
<td>5</td>
<td>Mr. Badr Benyoussef</td>
<td>Casablanca Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>6</td>
<td>Ms. Palesa Shipalana</td>
<td>Johannesburg Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>7</td>
<td>Mr. Kopano Bolokwe</td>
<td>Botswana Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td></td>
<td><strong>Reporting Standard Working Group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Dr. Mohammed Omran</td>
<td>Egyptian Exchange</td>
<td>Chair</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Ibrahim Mshindo</td>
<td>Dar-Es-Salaam Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Rapelang Motang</td>
<td>Johannesburg Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Christian Aniedozie</td>
<td>Nigerian Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>5</td>
<td>Ms. Xolani Holomisa</td>
<td>Johannesburg Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>6</td>
<td>Mr. Segun Akintoye</td>
<td>FMDQ OTC Securities Exchange</td>
<td>Member</td>
</tr>
<tr>
<td></td>
<td><strong>Policy and Regulation Working Group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Mr. Edoh Kossi Amenounve</td>
<td>Bourse Régionale des Valeurs Mobilières</td>
<td>Chair</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Oluwatoypin Adnugba</td>
<td>Nigerian Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Paul Jerome Kingbo</td>
<td>Bourse Régionale des Valeurs Mobilières</td>
<td>Member</td>
</tr>
<tr>
<td>4</td>
<td>Ms. Anne Clayton</td>
<td>Johannesburg Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>5</td>
<td>Mr. Olamide Niyi-Afuye</td>
<td>FMDQ OTC Securities Exchange</td>
<td>Member</td>
</tr>
<tr>
<td></td>
<td><strong>Market Development Working Group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Mr. Thapelo Tsheole</td>
<td>Botswana Stock Exchange</td>
<td>Chair</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Tiaan Bazuin</td>
<td>Malawi Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>3</td>
<td>Ms. Joyce Dlamini</td>
<td>Swaziland Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>4</td>
<td>Ms. Palesa Shipalana</td>
<td>Johannesburg Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>5</td>
<td>Mr. Oluwafemi Onifade</td>
<td>Nigerian Stock Exchange</td>
<td>Member</td>
</tr>
<tr>
<td>6</td>
<td>Mr. Adebola Lawal</td>
<td>FMDQ OTC Securities Exchange</td>
<td>Member</td>
</tr>
</tbody>
</table>
COMMITTEE REPORTS

Working Committee

Market Development Working Group

The Market Development Working Group conducted a study on the successes of the African Development Bank (AfDB) local bond issuance on African Exchanges. The study provides insights into the successes, challenges, procedures and best practices related to the Bank’s debt investment in the African capital markets; as well as highlighting the developmental impact these bond issues have had in the continent.

The report on the case study is scheduled to be launched at the upcoming 21st Annual ASEA Conference in Cairo and the same will be made available on the ASEA and the AfDB websites.

SME Facilitation Working Group

The Small and Medium sized Enterprises (SME) Facilitation Working Group was formed under the ambit of the 5 year Memorandum of Understanding between ASEA and the AfDB. This Working Group is comprised of representatives across Member Exchanges as well as representation from the AfDB. The Working Group is working closely with the AfDB to position the Capital Markets as an avenue for capital raising for SMEs in Africa. The Group will additionally suggest ways in which the two institutions could aid in the growth of the SME sector amongst ASEA Member Exchanges.

Reporting Standards Working Group

The Reporting Standards Working Group conducted a study on the depth and width of data uploaded on the ASEA website and subsequently developed a new reporting methodology which has since been incorporated into the revamped ASEA website.

Through this initiative ASEA will become an authoritative source of information to the general public on the African Markets.

Audit and Finance Committee

Through the year under review, the Audit and Finance Committee have continued to explore avenues of increasing the Association’s revenue while aligning the available resources with the mandates of ASEA. Consequently, the Committee has re-evaluated terms of engagements with the ASEA professional service providers in a bid to optimize our objectives’ delivery. In the same vein, the Committee has been keenly following up on ASEA’s fixed deposit investment at Chase Bank Ltd (CBL) and analyzing the recoverability of the funds.

“The Executive Committee bring a wealth of experience and expertise to the Association’s leadership. The team is continuously working to ensure accountability, transparency and operating standards are in line with international standards for the development of the Association.”

AFRICA
Mapping the Future

Under the Auspices of
H.E. Eng. Sherif Ismael
Egypt’s Prime Minister

The conference aspires to provide member exchanges and market participants with unparalleled networking opportunities and access to Africa’s financial services via experts on African financial markets.

Our Partners

[Logos of various partners]

Media Partner

[Logos of media partners]

www.asea-egypt2017.com
Brief Overview of the BSE

The Botswana Stock Exchange (BSE) is Botswana’s national stock exchange and has been given the responsibility to operate and regulate the securities market in Botswana. The mandate of the BSE is to provide and operate a fair, transparent and efficient stock market for all stakeholders in order to optimise national economic empowerment.

Following the commencement of the BSE Transition Act on 1 December 2015, the BSE is in the process of demutualisation to become a public company limited by shares. The demutualization of the BSE is expected to conclude by the end of 2017.

The BSE has state of the art trading and clearing facilities, having implemented the Central Securities Depository (CSD) in 2008 and Automated Trading System (ATS) in 2012. At present the BSE’s product offering comprises of shares, bonds and Exchange Traded Funds (ETFs).

Currently, the BSE is a member of the African Securities Exchanges Association (ASEA) & Committee of SADC Stock Exchanges (CoSSE), an Affiliate of the World Federation of Exchanges (WFE) and is a Partner Exchange of the United Nations Sustainable Stock Exchanges (SSE) Initiative.
### Country Statistics

<table>
<thead>
<tr>
<th>Population</th>
<th>2.2 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita (USD Billion)</td>
<td>7,023.1 (BWP76,446.4)</td>
</tr>
<tr>
<td>Economic Growth (GDP, annual variation)</td>
<td>4.3%</td>
</tr>
<tr>
<td>Inflation Rate (CPI, annual variation)</td>
<td>3.0%</td>
</tr>
<tr>
<td>Trade Balance (USD Billion)</td>
<td>1.2 (BWP13.5 billion)</td>
</tr>
</tbody>
</table>

**Source:** Statistics Botswana

### 2016 Trading Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>Turnover (USD Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>44.4</td>
</tr>
<tr>
<td>ETFs</td>
<td>21.5</td>
</tr>
<tr>
<td>Equity</td>
<td>225.2</td>
</tr>
</tbody>
</table>

**Source:** Statistics Botswana
Bolsa de Valores de Cabo Verde

Brief Overview of the BVC

The Bolsa de Valores de Cabo Verde SA (BVC) is a Limited Liability Corporation of public capital endowed with financial autonomy as well as administrative, established under Law nº 51/V/98 of 1998. After a profound financial reform, which now, renders it more modern and effective and, is structured in accordance with international standards with the goal to transform Cape Verde, It became fully functional in 2005.

Its functional structure is based on the Quote Driven and Order Driven Systems. Trading System use modern platforms, such as, POS-Light, Sifox Deal and Sifox Back Office, which are also used in the leading Stock. The Stock Exchange has been yielding positive results, demonstrating a good capital market performance. The growth of the financial autonomy and profitability is visible, despite the macroeconomic mic current scenery. Currently, the BVC has 230 listed securities among Stocks, Corporate and Municipal Bonds and, Treasury Securities, from companies across different sectors.

“We aim, in medium - long term horizon, to become a credible stock exchange in lines with the best world practices, but adapted to the needs of the economy of Cabo Verde and others African countries, in particular ECOWAS Community and, to promote the Expansion of the Cape Verdean economy”

~ Mr. Manuel Lima
<table>
<thead>
<tr>
<th>Country Statistics</th>
<th>2016 Trading Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td><img src="image" alt="ISSUANCE BY TYPE OF SECURITIES" /></td>
</tr>
<tr>
<td><strong>539.560 million</strong></td>
<td></td>
</tr>
<tr>
<td>GDP per capita (USD Billion)</td>
<td></td>
</tr>
<tr>
<td><strong>2.997,75</strong></td>
<td></td>
</tr>
<tr>
<td>Market Capitalization / GDP</td>
<td></td>
</tr>
<tr>
<td><strong>42%</strong></td>
<td></td>
</tr>
<tr>
<td>Inflation Rate (CPI, annual variation)</td>
<td></td>
</tr>
<tr>
<td><strong>-0.40%</strong></td>
<td></td>
</tr>
</tbody>
</table>
Dar es Salaam Stock Exchange (PLC)

Brief Overview of the DSE

September 1996 marks the inception of the Dar-es-Salaam Stock Exchange as a private company limited by guarantee created as a non-profit making body to, among other things, facilitate the Government implementation of the economic reforms and in future to boost the wider share ownership of privatized and all the companies in Tanzania and facilitate raising of medium and long-term capital. The DSE became fully operational in April 1998 as the sole stock exchanges located within Dar-es-Salaam the largest commercial city in Tanzania. The principal activities include: providing a platform for trading, settlement and depository of listed securities while also facilitating local and multi-national companies to raise capital via issuance of shares and bonds.

In 2015, the DSE was demutualized and in 2016 conducted an Initial Public Offerings (IPO) and thereafter self-listed on its own Exchange to become a third stock exchange after Johannesburg and Nairobi Stock Exchanges. The DSE’s Initial Public Offering was oversubscribed by nearly five times. The IPO raised a total of TZS 35.77 billion Tanzanian Shillings ($16.4 million) from over 3000 subscribers which was 377% in excess of the initial target of 7.5 billion shillings ($3.44 million). The oversubscription was a testimony of investors’ confidence on the DSE prospects.

The DSE is a Member African Securities Exchanges Association (ASEA). An Affiliate of the World Federation of Exchanges (WFE) and is a Partner Exchange of the United Nations Sustainable Stock Exchanges Initiative (SSE).

INDICES CHART
Country Statistics

Population
55.57 million

GDP per capita (USD)
879.19

Economic Growth (GDP, annual variation)
7%

Inflation Rate (CPI, annual variation)
5.2%

Trade Balance (USD Million)
-2.9
Brief Overview of the DSX

The Douala Stock Exchange (DSX) was created on the 30th November 2001 and inaugurated on the 23rd April 2003. The DSX is operating under the terms and conditions of Law no. 99/015 of the 22nd December 1999 which regulates the creation and organisation of financial markets. The DSX is a Private Limited Company with a Board of Directors and share capital of 1,740,500,000 Francs CFA (3,183,950 USD) divided as follows: 62.9% by banks, 23.8% by public organisations and 13.3% by insurance companies. The Cameroonian financial market is operating under the authority of the Financial Markets Commission (CMF). There are currently 13 Investment services providers (PSI) which are Members of the DSX and 3 listed companies.

“The ambition of the Douala Stock Exchange is to establish the financial market as an attractive place for savers and to introduce the idea of Stock Market finance into the managerial culture of companies.”

~ Mr. Pierre Ekoule
**Country Statistics**

<table>
<thead>
<tr>
<th>Population</th>
<th>23.44 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita (USD)</td>
<td>1032.65</td>
</tr>
<tr>
<td>Economic Growth (GDP, annual variation)</td>
<td>4.5%</td>
</tr>
<tr>
<td>Inflation Rate (CPI, annual variation)</td>
<td>0.9%</td>
</tr>
<tr>
<td>Trade Balance (USD Million)</td>
<td>-1.1</td>
</tr>
</tbody>
</table>

**2016 Trading Statistics**

**TURNOVER**

- Equity: 0
- Bonds: 6,638
- OTZ: 106,228

USD MILLIONS

Sources: knoema.com/atlas/Cameroon, data.worldbank.org
Egyptian Exchange

Brief Overview of the EGX

The Egyptian Exchange (EGX) is one of the oldest and most open stock markets in the world. It traces its origin to 1883, when the Alexandria Stock Exchange was established, followed by Cairo Stock Exchange in 1903. Ever since, EGX serves the Egyptian capital market and advocates capital markets for MENA Region. The Egyptian Exchange is the one and only bourse in Egypt, serving the Egyptian economy and acting as a gateway to finance companies willing to expand and grow. Accordingly, EGX operates a fair, systematic and transparent market.

“Enhancing market depth -through attracting new solid companies and introducing new financial instruments, with a focus on improving shareholders rights’ protection- is the sole gateway to attract more investments to our emerging markets.”

~ Mr. Mohamed Farid
MEMBERS STATISTICS

Country Statistics

Population
91.1 million

GDP per capita (USD)
27460

Economic Growth (GDP, annual variation)
4.3%

Inflation Rate (CPI, annual variation)
23.3%

2016 Trading Statistics

% OF FOREIGN TOTAL TURNOVER TO TOTAL EQUITY MARKET

1 USD = 18.2665 EGP
FMDQ OTC Securities Exchange

Brief Overview of FMDQ OTC Securities Exchange

The global economic meltdown of 2008 stirred the need for market governance, pre- and post-trade transparency, clearing arrangements and straight-through-processing of trades in the global over-the-counter derivatives market and Nigeria saw the opportunity to extend the governance to the cash markets.

This, amongst other factors, facilitated the incorporation of FMDQ OTC Securities Exchange (FMDQ) in 2011 and its registration by the Securities and Exchange Commission, Nigeria, in 2012, as an OTC securities exchange, with a primary focus on organising and deepening the markets within its purview (fixed income, currency and derivatives); and a self-regulatory organisation responsible for regulating the activities of its Members in the markets under its governance, through effective collaboration with key financial market regulators. FMDQ's key services include registration, listings & quotations, memberships, market connectivity, post-trade, data & information and market regulation services.

FMDQ, Nigeria's foremost debt capital, derivatives and currency over-the-counter (OTC) securities exchange, with an average annual market turnover of circa $600 billion over the last three years, is strategically driven to transform the Nigerian financial markets through its “GOLD” (Global Competitiveness, Operational Excellence, Liquidity and Diversity) Agenda.

For more information, kindly visit: www.fmdqotc.com

“As an organisation structured to transform the Nigerian financial markets landscape, the impact of FMDQ has not gone unnoticed in Nigeria alone, but also in Africa. FMDQ has attracted diverse African financial market players who consider the concept of an OTC Exchange worthy of adoption in their own financial markets landscapes.”

~ Mr. Bola Onadele. Koko
Country Statistics

Population
184 million

GDP per capita (USD)
1,976

Economic Growth (GDP, annual variation)
-1.6%

Inflation Rate (CPI, annual variation)
15.7%

Trade Balance (USD Billion)
0.5

2016 Trading Statistics

OTC MARKET TURNOVER

% TURNOVER DISTRIBUTION BY PRODUCT

NOTE:
*Inclusive of Non-Federal Government of Nigeria Bonds & Eurobonds
**Inclusive of Commercial Papers
$/₦ 255.50
Brief Overview of the GSE

In February 1989, the issue of establishing a stock exchange moved a higher gear when a 10-member National Committee, under the Chairmanship of Dr. G.K. Agama, then Governor of the Bank of Ghana, was set up by the Government. The work of the committee was to consolidate all previous work connected to the Stock Exchange project and to fashion out modalities towards the actual establishment of the Exchange. As a result of the work of the committee, the Stock Exchange was established in July 1989 as a private company limited by guarantee under the Companies Code of 1963. It was given recognition as an authorized Stock Exchange under the Stock Exchange Act of 1971 (Act 384) in October 1990. The Council of the Exchange was inaugurated on November 12, 1990 and trading commenced on its floor the same day. The Exchange changed its status to a public company limited by guarantee in April 1994.

“The Ghana Stock Exchange in the short to medium term, seeks to deepen and significantly grow its fixed income securities market riding on the back of the country’s stable and improving macro-economic fundamentals as well as its attraction as a great investment destination in Africa.”

~ Mr. Kofi S. Yamoah
MEMBERS STATISTICS

Country Statistics

2016 Trading Statistics

Population
27.6 million

GDP per capita (USD)
1,539

Economic Growth (GDP, annual variation)
3.5%

Inflation Rate (CPI, annual variation)
17.5%

Trade Balance (USD Billion)
-1.8

TURNOVER

USD MILLIONS

Equity 57.64
Bonds 3,721.98
Johannesburg Stock Exchange

Brief Overview of the JSE

The Johannesburg Stock Exchange (JSE) is the premier stock exchange in Africa. Based in South Africa, we have operated as a market place for the trading of financial products for 130 years. As one of the top 20 exchanges in the world in terms of market capitalisation, we are an ideal listing destination for companies looking to raise capital by tapping into large pools of local, global and institutional investor capital.

“Our focus is on operating to global best practices to be amongst the most trusted, stable, robust and competitive market infrastructures in emerging markets.”

~ Ms Nicky Newton-King
Country Statistics

Population
55.91 million

GDP per capita (USD)
5,260.9

Economic Growth (GDP, annual variation)
0.28%

Annual Inflation Rate (NCPI, 2016)
6.34%

Trade Balance (USD Billion)
-9.62

2016 Trading Statistics

TURNOVER

% OF FOREIGN TOTAL TURNOVER TO TOTAL EQUITY MARKET
Lusaka Securities Exchange

Brief Overview of the LuSE

The Lusaka Securities Exchange was established in 1993 and started operations on 21 February, 1994. Currently there are 22 listed and 13 quoted companies on the LuSE covering various sectors in the economy. The establishment of the LuSE was part of government’s broader economic reforms aimed at stimulating a dynamic private sector to be the primary engine for economic growth in Zambia. It was also motivated by the need to deepen financial and capital markets in support of the emerging private sector. The 1972 Securities Act revised to facilitate the establishment of the Stock Exchange. The LuSE is the principal stock exchange in Zambia. The LuSE is a legally mandated company or corporate entity whose main activity is the operation of a securities exchange for dealing in shares, bonds, and other securities in accordance with the Securities Act No. 38 of 1993.

“The vision of the Lusaka Securities Exchange is to become the premier capital raising and investment mechanism of choice in Zambia.”
~ Mrs. Priscilla Sampa
Country Statistics

Population
16 million

GDP per capita (USD)
1,299

Inflation Rate (CPI, annual variation)
17.6%

Trade Balance (USD Billion)
-1.1

2016 Trading Statistics

TURNOVER

% OF FOREIGN TOTAL TURNOVER TO TOTAL EQUITY MARKET
Malawi Stock Exchange

Brief Overview of the Malawi Stock Exchange

The Malawi Stock Exchange (MSE) has been in existence since 1994, but began trading in November 1996 when the National Insurance Company Limited (NICO) was first listed. Prior to the listing of the first company, the main activities undertaken were the provision of a secondary market trading facility for Government of Malawi bonds, namely treasury bills and local registered shares.

MSE is licensed under the Financial Services Act 2010 and operates under the Securities Act 2010 and the Companies Act of 2013.

INDICES CHART
**Country Statistics**

- **Population**: 16.8 million
- **GDP per capita (USD)**: 378.5
- **Economic Growth (GDP, annual variation)**: 2.9%
- **Inflation Rate (CPI, annual variation)**: 2.0%

**2016 Trading Statistics**

<table>
<thead>
<tr>
<th>Turnover</th>
<th>USD Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>0</td>
</tr>
<tr>
<td>Equity</td>
<td>8</td>
</tr>
</tbody>
</table>

The chart shows the distribution of trading turnover between bonds and equity, with equity having significantly more turnover than bonds.
Brief Overview of the SEM

The Stock Exchange of Mauritius Ltd (SEM) started its operations in 1989 and has over the years emerged as one of the leading Exchanges in Africa. The SEM has in recent years witnessed a significant overhaul of its operational, regulatory and technological framework to reflect the ever-changing standards of the stock market environment worldwide. The SEM offers a unique multi-currency capital-raising and listing platform in USD, GBP, EURO and ZAR. For more information, visit:

www.stockexchangeofmauritius.com

“Our focus is to leverage on SEM’s unique multi-currency platform to position the Exchange as an attractive capital-raising, listing and trading platform for Local, African and niche international issuers.”

~ Mr. Sunil Benimadhu
Country Statistics

Population
1.3 million

GDP per capita (USD)
9,545

Economic Growth (GDP, annual variation)
3.6%

Inflation Rate (CPI, annual variation)
1%

Trade Balance (USD Billion)
-40.9

2016 Trading Statistics

TURNOVER

% OF FOREIGN TOTAL TURNOVER TO TOTAL EQUITY MARKET

USD MILLIONS
Mozambique Stock Exchange

Brief Overview of the BVM

In 1997, the Government of Mozambique created the “Installing Commission of the Mozambique Stock Exchange”, whose mission was to promote the organization of the capital market in Mozambique. As a result, in 1998, the Council of Ministers approved the legal instruments for the operation of the Exchange as a public institution endowed with administrative, financial and patrimonial autonomy, having started its operations in 1999, with the first admission of Government Bonds to listing. The Exchange is the entity responsible for managing the Central Securities Depository in Mozambique; moreover, it has been designated the National Securities Coding Agency by ANNA.

VOLUME OF TRADES BY LISTED SECURITIES

- Equity: 3.40%
- Commercial Paper: 0.04%
- Treasury Bonds: 22.69%
- Public Funds: 64.37%
- Corporate Bonds: 9.50%
MEMBERS STATISTICS

Country Statistics

Population

27.13 million

GDP per capita (USD/Person)

415.36

Economic Growth (GDP, annual variation)

4.5%

Inflation Rate (CPI, annual variation)

25.21%

Trade Balance (USD Million)

-1404.7

2016 Trading Statistics

### VALUE OF TRADES

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Bonds</td>
<td>10.12</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>4.22</td>
</tr>
<tr>
<td>Public Funds</td>
<td>28</td>
</tr>
<tr>
<td>Equity</td>
<td>1.5</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>0.02</td>
</tr>
</tbody>
</table>

### TURNOVER

- Jan: 5.00%
- Feb: 4.00%
- Mar: 3.00%
- Apr: 2.00%
- May: 1.00%
- Jun: 0.00%
- Jul: 0.00%
- Aug: 0.00%
- Sep: 0.00%
- Oct: 0.00%
- Nov: 0.00%
- Dec: 0.00%
Nairobi Securities Exchange

**Brief Overview of the NSE**

The Nairobi Securities Exchange (NSE) was established in 1954. Initially, it was referred to as the Nairobi Stock Exchange, based in Nairobi, Kenya. It was a voluntary association of stockbrokers in the European community registered under the Societies Act in British. In 1988, 20% of Shares were sold to KCB Bank and NSE was privatized. The automated trading systems of the Nairobi Stock Exchange was implemented in September 2006. The ATS of the NSE was implemented in November 2009. The Capital Markets Authority proved the listing of the NSE stock through an Initial Public Offer and subsequently self-list its shares on the Main Investment Market Segment on 27th June 2014. Currently, NSE Kenya boasts of having listed 66 companies across different sectors in Kenya.

“The number of private equity investors and investors talking to us who would like to cross-list their companies into our markets are increasing day by day. This presents a great opportunity for anybody thinking about investing in Africa”

~ Mr. Geoffrey O. Odundo
Country Statistics

Population
44.2 million

GDP per capita (USD)
1,427

Economic Growth (GDP, annual variation)
5.7%

Inflation Rate (CPI, annual variation)
6.6%

Trade Balance (USD billion)
-10.1

2016 Trading Statistics

<table>
<thead>
<tr>
<th>TURNOVER</th>
<th>USD MILLIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>REITS</td>
<td>500</td>
</tr>
<tr>
<td>Bonds</td>
<td>3,800</td>
</tr>
<tr>
<td>Equity</td>
<td>1,000</td>
</tr>
</tbody>
</table>

% OF FOREIGN TOTAL TURNOVER TO TOTAL EQUITY MARKET

[Graph showing monthly turnover and percentage]
Namibian Stock Exchange

Brief Overview of the NSX

The NSX is an association of members, formed in 1992 and licensed annually by the Namibia Financial Institutions Supervisory Authority (NAMFISA), in terms of the Stock Exchanges Control Act of 1985 and acts as a self-regulating organisation.

The Namibian Stock Exchange operates as a computerized marketplace for the secondary trading of financial securities, such as equities and bonds. It oversees and regulates the activities and trading of its member stockbrokers, sponsors, and listed companies, as well as publishes information about trading and general information about stock exchanges.

The organisation also oversees the brokers and sponsors in Namibia; establishes and develops the capital market; assists listed companies to raise capital; provides a trading platform in these shares after listing; and lists companies that want to raise money and make subsequent trading in their shares. Namibian Stock Exchange was founded in 1992 and is based in Windhoek, Namibia.

“2017 marks the 25th anniversary of the NSX and during that time we have made great strides in deepening and diversifying the Namibian capital Markets. We look forward to demutualizing and licensing our CSD in the next year.”

~ Mr. Tiaan Bazuin

<table>
<thead>
<tr>
<th>Turnover</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>95%</td>
</tr>
<tr>
<td>Secondary Bonds</td>
<td>4%</td>
</tr>
<tr>
<td>ETFs</td>
<td>1%</td>
</tr>
</tbody>
</table>
Country Statistics

Population

2.57 million

GDP per capita (USD)

6,020.90

Economic Growth (GDP, annual variation)

-2.7%

Annual Inflation Rate (NCPI, 2016)

7.3%

Trade Balance (NAD Million)

4,161

2016 Trading Statistics

NSX INDICES

NSX TRADES

<table>
<thead>
<tr>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>58.235</td>
<td>61.151</td>
<td>86.087</td>
<td>99.42</td>
<td>36.94</td>
<td>78.718</td>
<td>124.195</td>
<td>172.153</td>
<td>157.484</td>
<td>62.691</td>
<td>74.29</td>
<td>20.28</td>
</tr>
</tbody>
</table>
NASD OTC Securities Exchange

Brief Overview of NASD

NASD OTC Securities Exchange was launched in July 2013 as a Securities Exchange registered by the Securities and Exchange Commission ["SEC"] to operate a formal Over-The-Counter ["OTC"] market in Nigeria. We are owned by Capital Market Operators.

NASD provide a regulated trading platform for OTC transactions and an avenue for securities to be traded where the issuer is not listed and regulated by any other Securities Exchange in Nigeria – thereby allowing more transparency and liquidity to the shareholder and capital market in general.

“NASD continues to innovatively create liquidity and transparency for investors in organisations of all sizes. To this end we cover both public and private equity markets.”

~ Mr. Bola Ajomale

NASD USI AND MARKET CAPITALISATION FOR 2016
Country Statistics

Population
184 million

GDP per capita (USD) 1,976

Economic Growth (GDP, annual variation) -1.6%

Inflation Rate (CPI, annual variation) 15.7%

Trade Balance (USD Billion) -0.5

2016 Trading Statistics

TURNOVER

Equity

Bonds

1 USD = 304.5 Naira
Brief Overview of the Nigerian Stock Exchange

The Nigerian Stock Exchange (‘NSE’ or ‘The Exchange’) services the largest economy in Africa, and is championing the development of Africa’s financial markets. The Exchange offers listing and trading services, licensing services, market data solutions, ancillary technology services, and more. The Nigerian Stock Exchange continues to evolve to meet the needs of its valued customers, and to achieve the highest level of competitiveness. It is an open, professional and vibrant exchange, connecting Nigeria, Africa and the world.

“All share index (NSE ASI) performance”

“Corporate governance and sustainability remain key focus areas for the NSE. In 2016, the NSE Premium Board made solid returns despite the economic clime. This reflects the appeal of our listed ‘African Champions’ to global investors and reinvigorates our drive to catalyse Africa’s growth story through a strong, transparent and sustainable market.”

~ Mr. Oscar N. Onyema
Country Statistics ¹

- Population: 184 million
- GDP per capita (USD): 1,976
- Economic Growth (GDP, annual variation): -1.6%
- Inflation Rate (CPI, annual variation): 15.7%
- Trade Balance (USD Billion): -0.5

2016 Trading Statistics

TURNOVER

USD MILLIONS

% OF FOREIGN TOTAL TURNOVER TO TOTAL EQUITY MARKET

¹ Focus Economics; accessed August 24, 2017 http://www.focus-economics.com/countries/nigeria
² Market turnover is reported to ASEA monthly using the Central Bank of Nigeria (CBN) month end exchange rate
Rwanda Stock Exchange

Brief Overview of the Rwanda Stock Exchange

The Rwanda Stock Exchange Limited was incorporated on 7th October 2005 with the objective of carrying out stock market operations. The Stock Exchange was demutualized from the start as it was registered as a company limited by shares. The company was officially launched on 31st January 2011. Currently, RSE boasts of having 8 listed companies across different sectors in Rwanda and out of the country.

Mr. Celestin Rwabukumba

INDICES CHART

Source: RSE, 2017
Country Statistics

Population
11.8 million

GDP per capita (USD)
702.84

Economic Growth (GDP, annual variation)
6.2%

Inflation Rate (CPI, annual variation)
13.9%

Trade Balance (USD Million)
-100.5

Source: NSIR, 2017

2016 Trading Statistics

TURNOVER

Equity: 18.8 USD Million
Bonds: 2 USD Million
Seychelles Securities Exchange

Brief Overview of Trop-X

The Seychelles Securities Exchange ("Trop-X") was launched in August 2013 with the listing of the State Assurance Company of Seychelles (SACOS) to the Main Board of the Equities Market. Trop-X was the first securities exchange in Africa to bring a Real Time Gross Settlement, delivery versus payment, model. Trop-X has implemented a vertically integrated fully electronic securities exchange, clearing, settlement and registry platform. The exchange provides for the listing and trading of equities, debt, exchange traded products and derivatives. Trop-X wholly owned subsidiaries, AfriClear Limited and AfriDep Limited provide clearing agency and registry services respectively for listed securities on Trop-X.
<table>
<thead>
<tr>
<th>Country Statistics</th>
<th>2016 Trading Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>90,000</td>
</tr>
<tr>
<td>GDP per capita (USD)</td>
<td>15,488.72</td>
</tr>
<tr>
<td>Economic Growth (GDP, annual variation)</td>
<td>5.9%</td>
</tr>
<tr>
<td>Inflation Rate (CPI, annual variation)</td>
<td>0.2%</td>
</tr>
<tr>
<td>Trade Balance (USD Million)</td>
<td>-44.29</td>
</tr>
</tbody>
</table>

**MARKET CAPITALISATION**

![Graph showing market capitalisation with Equities at 104.135 USD millions]
Swaziland Stock Exchange

Brief Overview of the SSX

The Swaziland Stock Exchange (SSX) was established in 1990. During this time period, the exchange was owned by the Central Bank of Swaziland (CBS). As of 2013, the Financial Services Regulatory Authority (FSRA) assumed total ownership of the SSX in an effort to spearhead its development. The SSX is currently at an advanced stage in implementing its Automated Trading System (ATS), it is envisaged this will be complete by the end of the year. The (SSX) operates under the Securities Act of 2010 and the Companies Act 2013. The SSX has 7 locally listed companies operating in different sectors of the economy.

“"The SSX automation will promote financial inclusion of locals, both institutional and retail investors, as we adopt the use of mobile technology as a means of making the stock market and stock market trading easily accessible to local investors.”

~ Mr Sandile Dlamini

<table>
<thead>
<tr>
<th>TURNOVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
</tr>
<tr>
<td>Equity</td>
</tr>
</tbody>
</table>

USD MILLIONS
**Country Statistics**

**Population**

1.343 million

**GDP per capita (USD)**

2,775

**Economic Growth (GDP, annual variation)**

-0.60%

**Inflation Rate (CPI, annual variation)**

7.85%

**Trade Balance (USD billion)**

0.44

**2016 Trading Statistics**

SSX ALL SHARE INDEX 2016
Uganda Securities Exchange

Brief Overview of the USE

The Uganda Securities Exchange (USE) was established in 1997 as a company limited by guarantee, and was licensed in 1998 by the Capital Markets Authority to operate as an approved securities exchange. On 31st August 2017, USE received a formal approval from CMA to operate as a demutualised stock exchange; this makes it a new company limited by shares and paves way for it to self list in the near future. USE operates an Automated Trading System (ATS) that was implemented in July 2015. We operate three market segments i.e. Growth Enterprises Market Segment (GEMS), for the small and medium sized companies, Main Investment Market Segment (MIMS) for the well established companies and Fixed Income Securities Market Segment (FISMS) for the fixed income securities. Currently the Uganda Securities Exchange is home to 16 companies all listed on the Main Market Segment.

“As a demutualised entity that is profit-seeking, the USE will capitalize on new income opportunities by being innovative and creative while diversifying away from the traditional stocks and bonds into derivatives and EFT’s.”

~ Mr. Paul Bwiso

INDICES CHART
Country Statistics

Population
41.5 million

GDP per capita (USD Billion)
25.53

Economic Growth (GDP, annual variation)
3.9%

Inflation Rate (CPI, annual variation)
5.7%

Trade Balance (USD Billion)
37.5

2016 Trading Statistics

TURNOVER

% OF FOREIGN TOTAL TURNOVER TO TOTAL EQUITY MARKET
Zimbabwe Securities Exchange

Brief Overview of the ZSE

The first Stock Exchanges in the country were set up in 1894 in Salisbury and Bulawayo and later, two other exchanges emerged in Gwelo and Umtali around 1898. The present Stock Exchange became operational in 1946 in Bulawayo with the Harare floor being opened in 1951. In July 2015 the ZSE migrated to an Automated Trading System. As of 31 December 2016 the ZSE boasted of 62 listed companies across the diversified industry sectors in the country and 13 trading member firms.

“The ZSE continues to pursue its vision of being a premier African stock exchange, with a best of breed trading platform with a relevant suite of products.”

~ Mr. Martin Matanda
**Country Statistics**

**2016 Trading Statistics**

### NATIONAL ACCOUNTS (REAL SECTOR)

**Real GDP at market prices (million US$)**

12,398

**Nominal GDP at market prices (million US$)**

14,165

**REAL GDP GROWTH (%)**

0.6

**Inflation (Annual Average) %**

-1.5

---

### % OF FOREIGN TOTAL TURNOVER TO TOTAL EQUITY MARKET
REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2017

The Executive Committee has pleasure in submitting its report together with the audited financial statements for the year ended 30 June 2017 which disclose the state of affairs of the Association.

1. Primary objectives

The primary objectives of the Association as set out in the Articles and Memorandum of Association are as follows:

a) To establish an association for the systematic mutual cooperation, exchange of information, materials and persons, mutual assistance and joint programs between members;

b) To assist members in the establishment of stock exchanges, the development of financial instruments and the promotion of stock brokers and dealers;

c) To develop and establish standards of training and professionalism amongst stockbrokers and dealers and personnel associated with members;

d) To develop and establish standards of listing, maintenance of listing, issuing, trading and settlement of securities;

e) To assist members in the promotion and development of self-regulation to the greatest possible extent and assist members in representations to national and international bodies in this regard;

f) To assist members in the promotion and development of the range of services associated with capital markets;

g) To promote and develop the establishment of a data bank and information system for the mutual benefit of members;

h) To study, research and investigate matters of interest to members;

i) To disseminate information, produce materials in all media, hold conferences, seminars, exhibitions, and conduct other public education activities relevant to the interest of members;

j) To ensure that the views and interests of the Association are promoted in the appropriate worldwide forums; and

k) To do all other things, not inconsistent with the foregoing as shall promote the objects and powers.

2. Results

The results of operations of the Association for the year are set out on page 78.

3. Executive Committee

The Executive Committee members who served the Association since 1 July 2016 and up to the date of this report are set out on page 21.
REPORT OF THE EXECUTIVE COMMITTEE

FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

4. Business overview


The overall reported deficit for the year is attributed a 100% provision of US$ 59,874 on a fixed deposit receivable from Chase Bank (in receivership) and an increase in website upgrade cost that went up from US$ 20 in the year ended 30 June 2016 to US$ 9,281 in the current year. Other income declined from US$ 17,571 reported in 2016 to US$ 12,800 in the current year which was 27% reduction, which also contributed to reported deficit in 2017.

The Association intends to increase revenue through admission of new members to the Association, sale of market data and adjustment of the current fees structure.

The principal risks and uncertainties facing the Association as well as the risk management framework are outlined in Note 5 of the financial statements.

5. Relevant audit information

The Executive committee member in office at the date of this report confirm that:

- (i) There is no relevant audit information of which the Association's auditor is unaware; and
- (ii) Each Executive Committee member has taken all the steps that they ought to have taken as a member so as to be aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

6. Auditors

The auditors, KPMG Kenya, continue in the office until the end of financial year 2016/2017 in accordance with the Kenyan Companies Act, 2015.

7. Approval of financial statements

The financial statements were approved at a meeting of the Executive Committee held on August 16, 2017.

BY ORDER OF THE EXECUTIVE COMMITTEE

Secretary:

Date: August 16, 2017
STATEMENT OF THE EXECUTIVE COMMITTEE’S RESPONSIBILITIES

The Executive Committee is responsible for the preparation and presentation of the financial statements of African Securities Exchanges Association set out on pages 78 to 98 which comprise the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in fund balance and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

The Executive Committee’s responsibility includes: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances, preparation and presentation of financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Under the Kenyan Companies Act, 2015, the Executive Committee is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association as at the end of the financial year and of the operating results of the Association for that year. It also requires the said Executive Committee to ensure the Association keeps proper accounting records which disclose with reasonable accuracy the financial position of the Association.

The Executive Committee accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. The Executive Committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Association and of its operating results.

The Executive Committee further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Executive Committee has made an assessment of the Association’s ability to continue as a going concern and have no reason to believe the Association will not be a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements, as indicated above, were approved by the Executive Committee on August 16, 2017 and were signed on its behalf by:

Mr. Oscar N. Onyema, OON
President

Mr. Karim Hajji
Deputy President

Mr. John Maonga
Secretary

August 16, 2017
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AFRICAN SECURITIES EXCHANGES ASSOCIATION

(A Company limited by guarantee)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unqualified Opinion

We have audited the financial statements of African Securities Exchanges Association set out on pages 78 to 98 which comprise the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in fund balance and statement of cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of African Securities Exchanges Association as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015.

Basis for unqualified opinion

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

Other information

The Executive Committee is responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements but does not include the financial statements and our auditors’ report thereon.

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

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

As stated on page 74, the Executive Committee is responsible for the preparation of the Association’s financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015 and for such internal control as the Executive Committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee is responsible for assessing the Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.

- Conclude on the appropriateness of the Executive Committee’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are in adequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
Report on other matters prescribed by the Kenyan Companies Act, 2015

In our opinion the information given in the report of the Executive Committee on pages 72 to 73 is consistent with the financial statements.

The Engagement Partner responsible for the audit resulting in this independent auditors’ report is CPA Joseph Kariuki - P/2102.

Date: September 15, 2017
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 US$</th>
<th>2016 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions from members</td>
<td>7</td>
<td>61,020</td>
</tr>
<tr>
<td>Interest income</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>9</td>
<td>12,800</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td><strong>73,820</strong></td>
</tr>
<tr>
<td><strong>Administrative expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office expenses</td>
<td></td>
<td>969</td>
</tr>
<tr>
<td>Audit fees – current year</td>
<td></td>
<td>6,611</td>
</tr>
<tr>
<td>Audit fees – prior year under provision</td>
<td></td>
<td>440</td>
</tr>
<tr>
<td>Bank charges</td>
<td></td>
<td>580</td>
</tr>
<tr>
<td>Website costs</td>
<td></td>
<td>9,281</td>
</tr>
<tr>
<td>Professional fees</td>
<td></td>
<td>7,131</td>
</tr>
<tr>
<td>Legal fees</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Printing</td>
<td></td>
<td>383</td>
</tr>
<tr>
<td>Impairment loss – trade receivables</td>
<td>5(a)</td>
<td>6,840</td>
</tr>
<tr>
<td>Impairment loss – other receivables</td>
<td>12</td>
<td>59,874</td>
</tr>
<tr>
<td>Secretariat fees</td>
<td></td>
<td>15,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>11</td>
<td>113</td>
</tr>
<tr>
<td>Travelling and conference costs</td>
<td></td>
<td>11,157</td>
</tr>
<tr>
<td>Exchange loss/(gain)</td>
<td></td>
<td>106</td>
</tr>
<tr>
<td>Advertising and Promotion</td>
<td></td>
<td>1,272</td>
</tr>
<tr>
<td><strong>Total Administrative expenses</strong></td>
<td></td>
<td><strong>119,757</strong></td>
</tr>
<tr>
<td>(Deficit)/surplus from operations</td>
<td></td>
<td>(45,937)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>10(a)</td>
<td>-</td>
</tr>
<tr>
<td><strong>(Deficit)/surplus for the year</strong></td>
<td></td>
<td>(45,937)</td>
</tr>
</tbody>
</table>

The notes set out on pages 82 to 100 form an integral part of these financial statements.
## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 US$</th>
<th>2016 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ASSETS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non- current assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Computer equipment</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Current assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trade and other receivables</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Tax recoverable</td>
<td>10(b)</td>
</tr>
<tr>
<td></td>
<td>Bank balances</td>
<td>10(b)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL ASSETS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>FUND BALANCE AND LIABILITIES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fund balance (Page 10)</td>
<td>62,774</td>
</tr>
<tr>
<td></td>
<td>Current liabilities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trade and other payables</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>TOTAL FUND BALANCE AND LIABILITIES</td>
<td></td>
</tr>
</tbody>
</table>

The financial statements on pages 78 to 98 were approved by the Executive Committee on August 16, 2017 and were signed on its behalf by:

**Mr. Oscar N. Onyema, OON**  
President

**Mr. Karim Hajji**  
Deputy President

The notes set out on pages 82 to 100 form an integral part of these financial statements.
## STATEMENT OF CHANGES IN FUND BALANCE

**FOR THE YEAR ENDED 30 JUNE 2017**

<table>
<thead>
<tr>
<th>Description</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 30 June 2015</td>
<td>87,803</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>20,908</td>
</tr>
<tr>
<td>Balance as at 30 June 2016</td>
<td>108,711</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>(45,937)</td>
</tr>
<tr>
<td>Balance as at 30 June 2017</td>
<td>62,774</td>
</tr>
</tbody>
</table>

The notes set out on pages 82 to 100 form an integral part of these financial statements.
# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Operating (deficit)/surplus before tax</td>
<td>(45,937)</td>
<td>21,462</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>113</td>
<td>171</td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>(1,848)</td>
</tr>
<tr>
<td>Operating (deficit)/surplus before working capital changes</td>
<td>(45,824)</td>
<td>19,785</td>
</tr>
<tr>
<td>Working capital changes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Trade and other receivables</td>
<td>54,096</td>
<td>(71,419)</td>
</tr>
<tr>
<td>- Trade and other payables</td>
<td>(3,095)</td>
<td>9,757</td>
</tr>
<tr>
<td>Cash flow from/(used in) operating activities</td>
<td>5,177</td>
<td>(41,877)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>10(b)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash flow from/(used in) operating activities</td>
<td>5,177</td>
<td>(42,502)</td>
</tr>
<tr>
<td>Investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income received</td>
<td>-</td>
<td>1,714</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>-</td>
<td>1,714</td>
</tr>
<tr>
<td>Net movement in cash and bank balances</td>
<td>5,177</td>
<td>(40,788)</td>
</tr>
<tr>
<td>Cash and bank balances at beginning of the year</td>
<td>55,725</td>
<td>96,513</td>
</tr>
<tr>
<td>Cash and bank balances at end of year</td>
<td>60,902</td>
<td>55,725</td>
</tr>
</tbody>
</table>

The notes set out on pages 82 to 100 form an integral part of these financial statements.
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. REPORTING ENTITY

African Securities Exchanges Association (“ASEA”) is incorporated in Kenya under the Kenyan Companies Act, 2015 as a company limited by guarantee and is domiciled in Kenya. The address of its registered office is as follows:

The Exchange Building
55 Westlands Road
PO Box 43633
00100 Nairobi GPO

ASEA aims at providing a formal framework for the cooperation of stock exchanges in the African region. The membership of the association is open to any stock exchange in the African region. As at 30 June 2017 the association had 27 (2016 – 26) members.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Kenyan Companies Act, 2015.

For Kenyan Companies Act, 2015 reporting purpose in these financial statements, the balance sheet is represented by the statement of financial position and the profit or loss account is represented by the statement of profit or loss and other comprehensive income.

(b) Basis of measurement

The financial statements are prepared under the historical cost basis except where otherwise stated in the accounting policies below.

(c) Functional and presentation currency

The financial statements are presented in United States dollars (US$) which is the Association’s functional currency.

(d) Use of estimates and judgement

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Although the estimates and associated assumptions are based on the Executive Committee’s best knowledge of current events and actions, and historical experiences, actual results ultimately may differ from those estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular information about significant areas of estimation and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 4 to the financial statements.

3. **SIGNIFICANT ACCOUNTING POLICIES**

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

(a) **Revenue**

Revenue is accounted for on accrual basis.

Subscriptions represent annual subscriptions receivable from the various stock exchanges that are members of the Association.

(b) **Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise bank balances held with the bank.

(c) **Property and equipment**

i. **Recognition and measurement**

Items of property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

ii. **Subsequent cost**

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

iii. **Depreciation**

Depreciation is charged to the profit or loss on a straight line basis over the estimated useful lives of each item of property and equipment. The estimated useful lives are as follows:

*Computer equipment* 4 years

Depreciation method, useful life and residual values are reviewed and adjusted as appropriate at each reporting date.
(d) **Financial instruments**

Financial instruments include balances with banks, trade and other receivables and trade and other payables.

i. **Recognition**

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. The Association recognises loans and receivables on the date when they are originated. These assets are initially recognised at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

All other financial instruments are recognised on the trade date which is the date on which the Association becomes party to the contractual provisions of the instrument.

ii. **Classification and measurement**

The Association classifies its non-derivative financial assets into loans and receivables while non-derivative financial liabilities and classified into other financial liability category.

Management determines the appropriate classification of its financial instruments at the time of purchase and re-evaluates its portfolio on a regular basis to ensure that all financial assets are appropriately classified.

- **Loans and receivables**

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Association intends to sell in the short-term or that it has designated as at fair value through profit or loss or available for sale. Loans and receivables comprise trade and other receivables and cash and bank balances.

  These are measured at amortised cost using the effective interest method, less any impairment losses.

- **Other financial liabilities**

  Other financial liabilities are initially recognized at the fair value less any directly attributable transaction costs. Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. These include trade and other payables.

iii. **De-recognition**

A financial asset is derecognised when the Association loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished, cancelled or expires.

iv. **Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to set-off the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.
v. Fair value of financial assets and liabilities

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

(e) Impairment of assets

i. Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicate that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant assets are assessed collectively in groups that share similar credit risk characteristics.

Impairment losses are recognised in profit or loss and are reflected in an allowance account. When the Association considers that there is no realistic prospects of recovery of the asset the amounts are written off. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

ii. Non-financial assets

The carrying amounts of the Association’s non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets’ recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

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

(f) Taxation

Income tax expense comprises current tax. Current tax is the expected tax payable on the taxable income of the Association for the year using tax rates enacted at the reporting date, and any adjustments to tax payable in respect of the prior period. For tax purposes the Association’s gross income is deemed to be taxable income as per Income Tax Act section 21(1), which notes that, provided that where not less than three-quarters of the gross receipts, other than gross investment receipts, are received from the members of the association, the association shall not be deemed to be carrying on a business and no part of those gross receipts, other than gross investment receipts, shall be income subject to tax.
Investment income is however subject to taxation under the same Act unless the Association is granted exemption by the Kenyan Minister for Finance.

(g) Related party transactions

The Association discloses the nature, volume and amounts outstanding at the end of each financial year from transactions with related parties, which include transactions with the executive officers and/or related member exchanges. The related party transactions are at arm’s length.

(h) New standards, amendments and interpretations

i) New standards, amendments and interpretations effective for the year ended 30 June 2017

Several new and revised standards and interpretations became effective during the year. The directors have evaluated the impact of the new standards and interpretations and not of them had a significant impact on the Association’s financial statements.

ii) New standards, amendments and interpretations in issue but not yet effective for the year ended 30 June 2017

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 June 2017, and have not been applied in preparing these financial statements.

The Association does not plan to adopt these standards early. These are summarised below:

<table>
<thead>
<tr>
<th>New standard or amendments</th>
<th>Effective for annual periods beginning on or after</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure Initiative (Amendments to IAS 7)</td>
<td>1 January 2017</td>
</tr>
<tr>
<td>Recognition of Deferred Tax Assets for Unrealised losses (Amendments to IAS 12)</td>
<td>1 January 2017</td>
</tr>
<tr>
<td>IFRS 15 Revenue from Contracts with Customers</td>
<td>1 January 2018</td>
</tr>
<tr>
<td>Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)</td>
<td>1 January 2018</td>
</tr>
<tr>
<td>IFRS 9 Financial Instruments (2014)</td>
<td>1 January 2018</td>
</tr>
<tr>
<td>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)</td>
<td>1 January 2018</td>
</tr>
<tr>
<td>IFRIC interpretation 22 Foreign Currency Transactions and Advance Considerations</td>
<td>1 January 2018</td>
</tr>
<tr>
<td>IFRS 16 Leases</td>
<td>1 January 2019</td>
</tr>
<tr>
<td>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).</td>
<td>To be determined</td>
</tr>
<tr>
<td>IFRS 17 Insurance contracts</td>
<td>1 January 2021</td>
</tr>
</tbody>
</table>

Disclosure Initiative (Amendments to IAS 7)
The amendments in (Disclosure Initiative Amendments to IAS 7) come with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The International Accounting Standards Board (IASB) requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The IASB defines liabilities arising from financing activities as liabilities “for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities”. It also stresses that the new disclosure requirements also relate to changes in financial assets if they meet the same definition.

The amendments state that one way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

The amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Since the amendments are being issued less than one year before the effective date, entities need not provide comparative information when they first apply the amendments.

The adoption of these changes will not affect the amounts and disclosures of the Association’s financial statements.

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

The amendments in Recognition of Deferred Tax Assets for Unrealised Losses clarify the following aspects:

- Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. As transition relief, an entity may recognise the change in the opening equity of the earliest comparative period in opening retained earnings on initial application without allocating the change between opening retained earnings and other components of equity. The Board has not added additional transition relief for first-time adopters.

The adoption of these changes will not affect the amounts and disclosures of the Association’s financial statements.

IFRS 15 Revenue from Contracts with Customers
This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The standard specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures.

The standard provides a single, principles based five-step model to be applied to all contracts with customers in recognising revenue being: Identify the contract(s) with a customer; identify the performance obligations in the contract; determine the transaction price; Allocate the transaction price to the performance obligations in the contract; and recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Association is assessing the potential impact on its financial statements resulting from the application of IFRS 15.


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

This standard introduces changes in the measurement bases of the financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an “incurred loss” model from IAS 39 to an “expected credit loss” model.

The standard is effective for annual period beginning on or after 1 January 2018 with retrospective application, early adoption permitted.

The Association is assessing the potential impact on its financial statements resulting from the application of IFRS 9.

**Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)**

The following clarifications and amendments are contained in the pronouncement:

*Accounting for cash-settled share-based payment transactions that include a performance condition*

Up until this point, IFRS 2 contained no guidance on how vesting conditions affect the fair value of liabilities for cash-settled share-based payments. IASB has now added guidance that introduces accounting requirements for cash-settled share-based payments that follows the same approach as used for equity-settled share-based payments.
Classification of share-based payment transactions with net settlement features

IASB has introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

Accounting for modifications of share-based payment transactions from cash-settled to equity-settled

Accounting for modifications of share-based payment transactions from cash-settled to equity-settled

Up until this point, IFRS 2 did not specifically address situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions. The IASB has introduced the following clarifications:

- On such modifications, the original liability recognised in respect of the cash-settled share-based payment is derecognised and the equity-settled share-based payment is recognised at the modification date fair value to the extent services have been rendered up to the modification date.

- Any difference between the carrying amount of the liability as at the modification date and the amount recognised in equity at the same date would be recognised in profit and loss immediately.

The amendments are effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The amendments are to be applied prospectively. However, retrospective application if allowed if this is possible without the use of hindsight. If an entity applies the amendments retrospectively, it must do so for all of the amendments described above.

The adoption of these changes will not affect the amounts and disclosures of the Association's financial statements.

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

The amendments in Applying IFRS 9 ‘Financial Instruments’ with IFRS 4 ‘Insurance Contracts’ (Amendments to IFRS 4) provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;

- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

An entity applies the overlay approach retrospectively to qualifying financial assets when it first applies IFRS 9. Application of the overlay approach requires disclosure of sufficient information to enable users of financial statements to understand how the amount reclassified in the reporting period is calculated and the effect of that reclassification on the financial statements.
An entity applies the deferral approach for annual periods beginning on or after 1 January 2018. Predominance is assessed at the reporting entity level at the annual reporting date that immediately precedes 1 April 2016. Application of the deferral approach needs to be disclosed together with information that enables users of financial statements to understand how the insurer qualified for the temporary exemption and to compare insurers applying the temporary exemption with entities applying IFRS 9. The deferral can only be made use of for the three years following 1 January 2018. Predominance is only reassessed if there is a change in the entity’s activities.

The adoption of these changes will not affect the amounts and disclosures of the Association’s financial statements.

**IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration**

This Interpretation applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it).

This Interpretation stipulates that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

This Interpretation applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it).

This Interpretation stipulates that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

This Interpretation does not apply to income taxes, insurance contracts and circumstances when an entity measures the related asset, expense or income on initial recognition:

- a. at fair value; or
- b. at the fair value of the consideration paid or received at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability arising from advance consideration (for example, the measurement of goodwill applying IFRS 3 Business Combinations).

The amendments apply retrospectively for annual periods beginning on or after 1 January 2018, with early application permitted.

The adoption of these changes will not have a significant impact on the amounts and disclosures of the Association’s financial statements.

**IFRS 16: Leases**

On 13 January 2016 the IASB issued IFRS 16 Leases, completing the IASB’s project to improve the financial reporting of leases. IFRS 16 replaces the previous leases standard, IAS 17 Leases, and related interpretations.
IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’). The standard defines a lease as a contract that conveys to the customer (‘lessee’) the right to use an asset for a period of time in exchange for consideration.

A company assesses whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time.

The standard eliminates the classification of leases as either operating leases or finance leases for a lessee and introduces a single lessee accounting model. All leases are treated in a similar way to finance leases. Applying that model significantly affects the accounting and presentation of leases and consequently, the lessee is required to recognise:

(a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A company recognises the present value of the unavoidable lease payments and shows them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognises a financial liability representing its obligation to make future lease payments.

(b) depreciation of lease assets and interest on lease liabilities in profit or loss over the lease term; and

(c) separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (typically presented within either operating or financing activities) in the statement of cash flows

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, compared to IAS 17, IFRS 16 requires a lessor to disclose additional information about how it manages the risks related to its residual interest in assets subject to leases.

The standard does not require a company to recognise assets and liabilities for:

(a) short-term leases (i.e. leases of 12 months or less) and;

(b) leases of low-value assets

The new Standard is effective for annual periods beginning on or after 1 January 2019. Early application is permitted insofar as the recently issued revenue Standard, IFRS 15 Revenue from Contracts with Customers is also applied.

The Association is assessing the impact of adopting these changes on the amounts and disclosures of the Association's financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a Business’ under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.

The effective date for these changes has now been postponed until the completion of a broader review.
IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. An entity shall apply IFRS 17 Insurance Contracts to:

(a) insurance contracts, including reinsurance contracts, it issues;

(b) reinsurance contracts it holds; and

(c) investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts

IFRS 17 requires an entity that issues insurance contracts to report them on the statement of financial position as the total of:

(a) the fulfilment cash flows—the current estimates of amounts that the entity expects to collect from premiums and pay out for claims, benefits and expenses, including an adjustment for the timing and risk of those amounts; and

(b) the contractual service margin—the expected profit for providing insurance coverage. The expected profit for providing insurance coverage is recognised in profit or loss over time as the insurance coverage is provided.

IFRS 17 requires an entity to recognise profits as it delivers insurance services, rather than when it receives premiums, as well as to provide information about insurance contract profits that the company expects to recognise in the future. IFRS 17 requires an entity to distinguish between groups of contracts expected to be profit making and groups of contracts expected to be loss making. Any expected losses arising from loss-making, or onerous, contracts are accounted for in profit or loss as soon as the company determines that losses are expected. IFRS 17 requires the entity to update the fulfilment cash flows at each reporting date, using current estimates of the amount, timing and uncertainty of cash flows and of discount rates. The entity:

(a) accounts for changes to estimates of future cash flows from one reporting date to another either as an amount in profit or loss or as an adjustment to the expected profit for providing insurance coverage, depending on the type of change and the reason for it; and

(b) chooses where to present the effects of some changes in discount rates—either in profit or loss or in other comprehensive income.

IFRS 17 also requires disclosures to enable users of financial statements to understand the amounts recognised in the entity’s statement of financial position and statement of profit or loss and other comprehensive income, and to assess the risks the company faces from issuing insurance contracts.

IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 is effective for financial periods commencing on or after 1 January 2021. An entity shall apply the standard retrospectively unless impracticable. A company can choose to apply IFRS 17 before that date, but only if it also applies IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

The adoption of these standard will not have an impact on the financial statements since the Association does not issue insurance contracts.
4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the annual financial statements management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

(a) Trade receivables

The Association assesses its trade receivables for impairment at each financial reporting date. In determining whether an impairment loss should be recorded in the profit or loss, the Association make judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

(b) Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Association recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such determination is made.

The Association does not have any deferred income tax assets or liabilities giving rise to deferred tax in the year under review.

(c) Useful lives and residual values of property and equipment

Critical estimates are made by the committee members in determining depreciation rates for property, plant and equipment. The rates used are set out in Note 3(c) (iii) above.

5. FINANCIAL RISK MANAGEMENT

Overview

The Association has exposure to the following risks from its use of financial instruments:

i) Credit risk
ii) Liquidity risk
iii) Market risk
iv) Fair value

This note presents information about the Association's exposure to each of the above risks, the Association's objectives, policies and processes for measuring and managing risk, and the Association's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Executive Committee has overall responsibility for the establishment and oversight of the Association's risk management framework.
The Association’s risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association’s activities.

The Executive Committee is responsible for monitoring compliance with the Association’s risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Association.

(a) Credit risk

Credit risk is the risk of financial loss to the Association if a subscribed member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association’s receivables from members’ subscriptions and investment securities.

Trade and other receivables

The Association’s exposure to credit risk is influenced mainly by the individual characteristics of each member. The demographics of the Association’s members base, including the default risk of the country in which member operate. Geographically there is no concentration of credit risk.

Investments

The Association limits its exposure to credit risk by only investing in liquid securities.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<table>
<thead>
<tr>
<th>Carrying amount</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Trade receivables - net</td>
<td>3,854</td>
<td>5,994</td>
</tr>
<tr>
<td>Other receivables and interest income receivable</td>
<td>9,858</td>
<td>69,754</td>
</tr>
<tr>
<td>Accrued other income</td>
<td>7,940</td>
<td>-</td>
</tr>
<tr>
<td>Bank balances</td>
<td>60,902</td>
<td>55,725</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82,554</strong></td>
<td><strong>131,473</strong></td>
</tr>
</tbody>
</table>

The ageing of trade receivables at the reporting date was:

<table>
<thead>
<tr>
<th>Gross</th>
<th>Impairment</th>
<th>Net</th>
<th>Gross</th>
<th>Impairment</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>12,809</td>
<td>(8,955)</td>
<td>3,854</td>
<td>14,554</td>
<td>(10,998)</td>
</tr>
<tr>
<td>1 - 2 years</td>
<td>11,383</td>
<td>(11,383)</td>
<td>-</td>
<td>7,376</td>
<td>(4,938)</td>
</tr>
<tr>
<td>Over 2 years</td>
<td>10,438</td>
<td>(10,438)</td>
<td>-</td>
<td>8,000</td>
<td>(8,000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34,630</strong></td>
<td><strong>(30,776)</strong></td>
<td><strong>3,854</strong></td>
<td><strong>29,930</strong></td>
<td><strong>(23,936)</strong></td>
</tr>
</tbody>
</table>
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Balance at 1 July</td>
<td>23,936</td>
<td>12,938</td>
</tr>
<tr>
<td>Impairment loss recognised</td>
<td>6,840</td>
<td>10,988</td>
</tr>
<tr>
<td>Balance as at 30 June</td>
<td>30,776</td>
<td>23,936</td>
</tr>
</tbody>
</table>

During the year the Association did not renegotiate the terms of a trade debtor from any long-standing debtors.

In the opinion of the Executive Committee, the amount of trade receivable which are past due are recoverable.

The ageing of other receivables and accrued interest income at the reporting date was:

<table>
<thead>
<tr>
<th></th>
<th>Gross</th>
<th>Impairment</th>
<th>Net</th>
<th>Gross</th>
<th>Impairment</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>69,754</td>
<td>-</td>
<td>69,754</td>
</tr>
<tr>
<td>1 - 2 years</td>
<td>69,732</td>
<td>(59,874)</td>
<td>9,858</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Over 2 years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>69,732</td>
<td>(59,874)</td>
<td>9,858</td>
<td>69,754</td>
<td>-</td>
<td>69,754</td>
</tr>
</tbody>
</table>

The movement in the allowance for impairment in respect of other receivables and accrued interest income during the year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Balance at 1 July</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impairment loss recognised</td>
<td>59,874</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at 30 June</td>
<td>59,874</td>
<td>-</td>
</tr>
</tbody>
</table>

(b) Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association’s reputation.

The Association ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.
The Association has no credit facility arrangement with any institution as at 30 June 2017 and 2016.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

<table>
<thead>
<tr>
<th>30 June 2017</th>
<th>Carrying amount</th>
<th>1 year or less</th>
<th>1-2 years</th>
<th>2-3 years</th>
<th>Over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade and other payables</strong></td>
<td>20,784</td>
<td>20,784</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>30 June 2016</th>
<th>Carrying amount</th>
<th>1 year or less</th>
<th>1-2 years</th>
<th>2-3 years</th>
<th>Over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade and other payables</strong></td>
<td>23,879</td>
<td>23,879</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(c) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Association’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

**Currency risk**

The Association is exposed to currency risk on purchases that are denominated in a currency other than the US$ currency, primarily the Kenya Shilling. The Association does not have any significant currency risk exposures.

**Interest rate risk**

The Association’s operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest bearing liabilities mature or reprice at different times or in differing amounts. Risk management activities are aimed at optimizing net interest income, given market interest rates levels consistent with the Association’s business strategies. The Association does not have any significant interest rate risk exposures.

(d) **Fair value**

The fair value of financial assets and financial liabilities at the reporting date approximates the carrying amount due to their short term nature.

6. **STAFF COSTS**

<table>
<thead>
<tr>
<th>Staff costs during the year are as below:</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Secretariat fees</strong></td>
<td>15,000</td>
<td>15,000</td>
</tr>
</tbody>
</table>

7. **SUBSCRIPTIONS FROM MEMBERS**

<table>
<thead>
<tr>
<th>Subscriptions from:</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full members</strong></td>
<td>57,020</td>
<td>52,725</td>
</tr>
<tr>
<td><strong>Observer members</strong></td>
<td>4,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Total</td>
<td>61,020</td>
<td>54,725</td>
</tr>
</tbody>
</table>
The African Securities Exchanges Association (ASEA) is currently offering full and observer membership. Full member exchanges pay an annual subscription which is variable, computed based on the members’ markets conditions and sizes. A two year moving average (MA) of the value traded by each member exchange is used to compute the dues with the minimum payable by an exchange being US$ 1,000 (2016 – US$ 1,000).

Observer members are expected to pay a fixed fee of US$ 1,000 (2016 – US$ 1,000).

8. **INTEREST INCOME 2017  2016**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on fixed account deposit</td>
<td>-</td>
<td>1,848</td>
</tr>
</tbody>
</table>

9. **OTHER INCOME**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising income</td>
<td>2,260</td>
<td>1,543</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>1,000</td>
<td>78</td>
</tr>
<tr>
<td>Conference income</td>
<td>4,300</td>
<td>5,950</td>
</tr>
<tr>
<td>FTSE ASEA Pan Africa Index Series</td>
<td>5,240</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>12,800</td>
<td>17,571</td>
</tr>
</tbody>
</table>

10. **INCOME TAX EXPENSE**

(a) **Income tax expense**

For tax purposes the Association’s gross income is deemed to be taxable income as per Income Tax Act section 21(1). However, where more than 75% of the gross income, other than gross investment income, is earned from the members of the Association, then no part of the gross income, other than gross investment income is subject to tax. Investment income is however subject to taxation under the same Act unless the Association is granted exemption by the National Treasury.

Income received from members of the club as a percentage of total gross income during the year is as follows:
### Income from Members

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income received from members (subscriptions income)</td>
<td>61,020</td>
<td>54,725</td>
</tr>
<tr>
<td>Total gross income for the year</td>
<td>73,820</td>
<td>74,144</td>
</tr>
<tr>
<td>Less: Investment income for the year</td>
<td>-</td>
<td>( 1,848)</td>
</tr>
<tr>
<td>Total gross income other than investment income</td>
<td>73,820</td>
<td>72,296</td>
</tr>
</tbody>
</table>

Income received from members as a percentage of total gross income other than investment income: 83% in 2017, 75% in 2016.

### Income Tax Expense

Total income tax charged to the statement of profit and loss and other comprehensive income is as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>-</td>
</tr>
<tr>
<td>Current tax at 30%</td>
<td>-</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-</td>
</tr>
</tbody>
</table>

(b) **Tax recoverable**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 July</td>
<td>1,004</td>
<td>933</td>
</tr>
<tr>
<td>Charge for year</td>
<td>-</td>
<td>( 554)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>-</td>
<td>625</td>
</tr>
<tr>
<td>At 30 June</td>
<td>1,004</td>
<td>1,004</td>
</tr>
</tbody>
</table>

### 11. PROPERTY AND EQUIPMENT

The property and equipment is made up of computer equipment.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 July</td>
<td>683</td>
<td>683</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 July</td>
<td>570</td>
<td>399</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>113</td>
<td>171</td>
</tr>
<tr>
<td>At 30 June</td>
<td>683</td>
<td>570</td>
</tr>
<tr>
<td><strong>Carrying amount</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30 June</td>
<td>-</td>
<td>113</td>
</tr>
</tbody>
</table>
12. TRADE AND OTHER RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables – net</td>
<td>3,854</td>
<td>5,994</td>
</tr>
<tr>
<td>Other receivables*</td>
<td>9,858</td>
<td>69,113</td>
</tr>
<tr>
<td>Interest income receivable*</td>
<td>-</td>
<td>641</td>
</tr>
<tr>
<td>Accrued other income</td>
<td>7,940</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21,652</strong></td>
<td><strong>75,748</strong></td>
</tr>
</tbody>
</table>

*Other receivables and interest income receivable relate to short term deposits (90 days) placed in Chase Bank Kenya Limited before 7 April 2016 amounting to US$ 69,113 and related interest income accrual as at 30 June 2016 amounting to US$641.

Chase Bank (Kenya) Limited (in receivership) was put under receivership on 7 April 2016 by the Central Bank of Kenya and was re-opened on 27 April 2016 under a Receiver Manager (KCB Bank Limited).

During the receivership period, customers were restricted from withdrawing above the set limit of US$ 9,858 resulting into the above balance which is still available for withdrawal. Interest has not been accrued from 7 April 2016.

The Executive Committee has made a 100% impairment loss of on the remaining balance due to uncertainties on timing of recovery.

13. TRADE AND OTHER PAYABLES

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit fees</td>
<td>6,612</td>
<td>6,173</td>
</tr>
<tr>
<td>Other payables – Nairobi Securities Exchange</td>
<td>11,722</td>
<td>10,756</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>2,450</td>
<td>5,950</td>
</tr>
<tr>
<td>Unallocated receipt – Barclays bank account</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,784</strong></td>
<td><strong>23,879</strong></td>
</tr>
</tbody>
</table>

14. MEMBERS LIABILITY

The members’ liability is limited by guarantee at KShs 10,000 per member. The number of members as at 30 June 2017 was 27 full members and 4 associate members (2016 – 26 full members and 2 associate members).

15. CAPITAL COMMITMENTS

The Association did not have contracted capital commitments as at 30 June 2017 (2016 – Nil).
16. **CONTINGENT LIABILITIES**

There were no significant contingent liabilities at 30 June 2017 and 2016.

17. **EVENTS AFTER THE REPORTING DATE**

No material events or circumstances have arisen between the accounting date and the date of this report.
NOTICE IS HEREBY GIVEN THAT THE 21ST ANNUAL GENERAL MEETING OF THE AFRICAN SECURITIES EXCHANGE ASSOCIATION (ASEA) WILL BE HELD AT THE NILE RITZ CARLTON HOTEL, CAIRO, EGYPT ON SUNDAY, 19TH NOVEMBER 2017 AT 1.00 PM GMT (3 PM LOCAL TIME IN CAIRO)

AGENDA

1. QUORUM
   1.1 To confirm the presence of a quorum and to receive apologies, if any.

2. ADOPTION OF THE AGENDA
   2.1 To adopt the agenda of this meeting.

3. WELCOME TO CAIRO, EGYPT
   3.1 To receive welcome remarks from the Executive Chairman of the Egyptian Exchange (EGX).

4. OPENING OF THE 21ST ASEA ANNUAL GENERAL MEETING
   4.1 To receive an opening statement from Mr. Oscar N. Onyema, OON, the President of ASEA.

5. CONFIRMATION OF MINUTES OF THE 20TH ANNUAL GENERAL MEETING
   5.1 To approve the Minutes of the 20th Annual General Meeting of ASEA held at the Serena Hotel, Kigali, Rwanda, on 27 November 2016.

6. MATTERS ARISING FROM THE PREVIOUS MINUTES
   6.1 To discuss matters arising from the Minutes of 20th Annual General Meeting of ASEA.

7. THE PRESIDENT’S REPORT
   7.1 To receive and approve the President’s Report.

8. ASEA SECRETARIAT REPORT
   8.1 To receive the report by the ASEA Secretariat.

9. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
   9.1 To receive, consider and approve the audited Financial Statements for the year ended 30 June 2017 together with the reports of the Executive Committee and the Auditors thereon.

10. AUDITORS
    10.1 To appoint Messrs Mbaya & Associates as the auditors and tax consultants of ASEA for the financial year ending 30 June 2018 in place of Messrs KPMG Kenya who will retire at the conclusion of this meeting and to authorize the Executive Committee to fix the auditors’ remuneration.
11. ADMISSION OF NEW MEMBERS

11.1 To approve the admission of new members to ASEA, if any.

SPECIAL BUSINESS

12. ADOPTION OF AMENDED MEMORANDUM AND ARTICLES OF ASSOCIATION OF ASEA

12.1 To receive, consider and, if thought fit, to pass the following Special Resolution:-

“That the amended Memorandum and Articles of Association now submitted to this meeting and, for the purpose of identification, to be initialed by the President of the Association be approved and adopted as the Memorandum and Articles of Association of ASEA in substitution for and to the exclusion of all existing Memorandum and Articles of Association thereof.”

13. ANY OTHER BUSINESS

13.1 To discuss, with the permission of the President, any other business.

BY ORDER OF THE EXECUTIVE COMMITTEE

JOHN L G MAONGA
ASSOCIATION SECRETARY
Date: 27 October 2017

Distribution

• All members of ASEA
• KPMG Kenya - Auditors

NOTE:

1. Only a Member in good standing with the Association shall be allowed to attend or vote at the above meeting.
2. A Member entitled to attend and vote at the above meeting may nominate such person as they think fit to act as their representative at the said meeting by informing the Association Secretary in writing of their nominated representative. Such nomination should be sent to the Association Secretary email: jmaonga@maongandonye.com so as to arrive at least seven (7) days before the date of the meeting.
3. Such nominated person shall be required to produce evidence of his/her identity and of such nomination at the meeting.
NOTICE OF NOMINATING A REPRESENTATIVE TO THE 21ST ANNUAL GENERAL MEETING OF THE AFRICAN SECURITIES EXCHANGES ASSOCIATION

We ..............................................................of P. O. Box ........................................ being members of the African Securities Exchanges Association and duly qualified to attend and vote at the Association's Annual General Meeting to be held on the 19th day of November 2017, do hereby nominate ............................................................. of P.O. Box ........................................................ as our representative at the said meeting and at any adjournment thereof.

SIGNED this ........................................................ day of ......................................................... 2017.

SEALED WITH THE COMMON SEAL OF

In the presence of:

DIRECTOR

DIRECTOR/SECRETARY

NOTE:

1. A Member entitled to attend and vote at the above meeting may nominate such person as they think fit to act as their representative at the said meeting by informing the Association Secretary in writing of their nominated representative. Such nomination should be emailed to the Association Secretary on jmaonga@maongandonye.com so as to arrive before 12 November 2017 at 9.00 GMT.

2. Such nominated person shall be required to produce evidence of their identity and of such nomination at the meeting.
Choosing the right index partner has never been more important. FTSE Russell indexes are trusted by investors in every corner of the world to measure and benchmark markets across asset classes, styles or strategies.

The FTSE ASEA Pan Africa Index Series is a free float market capitalization weighted index series representing the performance of eligible securities listed on ASEA Member Exchanges. The index is designed for the creation of index tracking funds and as a performance benchmark.