FMDQ GROUP PLC

Annual Report and Accounts 2022

Building Resilient Financial Markets

Africa's First Vertically Integrated Financial Market Infrastructure Group

- EXCHANGE
- CENTRAL COUNTERPARTY
- DEPOSITORY
- PRIVATE MARKETS

Building a Thriving Exchange-Traded Derivatives Market in Nigeria

FMDQ EXCHANGE
Nigeria's Largest Exchange by Market Turnover

- *Engagement with Market Stakeholders*
- *SEC-Approved Derivatives Market Rules*
- *SEC-Registered Exchange-Traded Derivatives Products*
- *CBN No-Objection for Deposit Money Banks Participation*
- *Deployment of World-Class System: FMDQ Q-ex Trading System*
- *Onboarding of Derivatives Trading Members*
- *DMO No-Objection on Exchange-Traded Derivatives Products on Sovereign Debt Securities*

FMDQ CLEAR
Nigeria's Foremost Central Counterparty

- *SEC-Registered Central Counterparty*
- *SEC-Approved FMDQ Clearing Member Rules*
- *Onboarding of General Clearing Members & Direct Clearing Members*
- *Successfully Cleared $68bn Naira-Settled OTC FX Futures Contracts*
- *Deployment of World-Class System: FMDQ Q-ex Clearing System*
- *Robust Financial Resources*
  - *CCP Default Resolution Reserve: c. $20mm*
  - *Members' Contribution: c. $12mm*

Pioneer FMDQ Exchange-Traded Derivatives Products

FMDQ FGN Bond Futures

S.E.C. APPROVED

FMDQ USD-NGN Non-Deliverable FX Futures

To know more about the FMDQ Exchange-Traded Derivatives Market, kindly contact our Derivatives Business Group at dbg@fmdqgroup.com

Content

1 Introduction

5 Group Profile

10 Chairman's Statement

15 CEO's Review

33 Governance Structure

46 Organisation Design

60 Financial Reports

132 Corporate Information

Notice of the 11th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 11th **Annual General Meeting** ("**AGM**") of FMDQ Group PLC (the "**Company**") is scheduled to hold at Exchange Place, 35 Idowu Taylor Street, Victoria Island, Lagos, on Friday, July 28, 2023, at 11:00 AM prompt to transact the following:

ORDINARY BUSINESS

1. To lay before the members, the *Audited Annual Financial Statements and Other Information* for the year ended December 31, 2022, together with the reports of the Directors, Auditor, and Audit Committee thereon.
2. To appoint the Company's External Auditor and to authorise the Directors to fix the remuneration of the External Auditor.
3. To elect the members of the Audit Committee.
4. To disclose the remuneration of Managers of the Company.

SPECIAL BUSINESS

1. To ratify the appointment of a Director of the Company.
2. To fix the remuneration of the Directors of the Company.
3. To consider and, if thought fit, pass the following, as special resolutions of the Company:

   (1) "That the Memorandum and Articles of Association ("**MemArt**") of the Company be and is hereby altered and updated as set out in the updated MemArt annexed as Schedule 1 to the table of resolutions furnished to members."

   (2) "That for clarity, the special resolution passed at the 10th Annual General Meeting of the Company held on July 29, 2022, approving the issuance of bonus shares to the shareholders be amended and restated as follows:

      i. "that **₦6,532,672,670.00 (Six Billion, Five Hundred and Thirty-Two Million, Six Hundred and Seventy-Two Thousand, Six Hundred and Seventy Naira)** in the bonus share reserve be capitalised and made available for distribution to the members of the Company, in the form of ordinary shares, in the proportion of one (1) bonus share for every three (3) shares held by the members **with the balance thereof issued prorata amongst the members**; and

      ii. that the bonus shares so issued shall be allotted, and credited as fully paid to the members in the indicated proportions and such bonus shares shall rank pari passu in all respect with the existing ordinary shares of the Company."

   (3) "That the Board of Directors of the Company, the Company Secretary, and Management be authorised to take all steps required to give effect to these resolutions including, without limitation, the preparation, execution, and filing of all necessary documents, notifications, forms and agreements with, and as required by the Securities and Exchange Commission (SEC), Corporate Affairs Commission (CAC), or any other regulatory agency."

NOTES

1. Proxy

A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member. For the appointment to be valid, the duly completed and duly sealed proxy form must be deposited at the office of the Ag. Company Secretary, FMDQ Group PLC, Exchange Place, 35 Idowu Taylor Street, Victoria Island, Lagos, not less than forty-eight (48) hours before the time fixed for the meeting. Details of same can also be emailed to: GroupCS@fmdqgroup.com.

2. Virtual Attendance

A Zoom Cloud Meeting Link shall be provided via email, prior to the meeting, to enable members and stakeholders attend and effectively participate in proceedings.

3. Ratification of the Appointment of a Director

Mr. Oliver Alawuba was appointed as a Non-Executive Director of the Company by the Board on October 28, 2022. The appointment is being presented for shareholders' approval. The Director's profile is contained in the Annual Report for your reference.

4. Audit Committee

In accordance with section 404(6) of the Companies and Allied Matters Act 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Ag. Company Secretary at least twenty-one (21) days before the AGM. Details of same can also be emailed to: GroupCS@fmdqgroup.com.

Section 404(5) of the Companies and Allied Matters Act 2020 provides that all members of the Audit Committee shall be financially literate and at least one (1) member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. The Code of Corporate Governance issued by the Financial Reporting Council of Nigeria also provides that members of the Audit Committee should be financially literate and able to read and interpret financial statements. Consequently, a detailed curriculum vitae affirming the nominee's qualifications should be submitted with each nomination.

5. Clarification on Special Resolution passed at the 10th Annual General Meeting of the Company

At the 10th Annual General Meeting of the Company held on July 29, 2022, a special resolution was passed by the members of the Company approving that capitalisation of the sum of **₦6,532,702,000.00** (Six Billion, Five Hundred and Thirty-Two Million, Seven Hundred and Two Thousand Naira) in the bonus share reserve of the Company for distribution to the members of the Company as bonus shares ("**2022 Resolution**"). The above-referred sum was, however, a typographical error as the figure required to be capitalised was the sum of ₦6,532,672,670.00 (Six Billion, Five Hundred and Thirty-Two Million, Six Hundred and Seventy-Two Thousand, Six Hundred and Seventy Naira) and not ₦6,532,702,000.00 as included in the Notice of the 10th AGM of the Company and attendant resolutions. The proposed amended and restated excerpt of the resolution reflected in resolutions 3(2)(i) and (ii) of this Notice of Meeting seeks to correct this error. The addition and changes made to the 2022 Resolution appear in bold font for ease of identification.

Other than the identified changes, the resolution remains unaltered. All calculations, mechanisms and modalities for distribution and allotment of shares approved by the Board of Directors and shareholders in line with the 2022 Resolution were strictly adhered to in the allotment of the bonus shares issued in July 2022 to the members of the Company.

BY ORDER OF THE BOARD

Detola Bucknor -Taiwo
Ag. Company Secretary
FRC/2023/PRO/NBA/002/960155
FMDQ Group PLC
35 Idowu Taylor Street
Victoria Island
Lagos, Nigeria

July 7, 2023

About this Report

Board Responsibility for Annual Report

The Board of Directors of FMDQ Group PLC (hereinafter referred to as the "**Company**", "**FMDQ Group**", or "**the Group**") affirms that this Annual Report has been prepared in line with the Securities and Exchange Commission's Code of Corporate Governance and global best practices. The Board confirms responsibility for the integrity of the Annual Report and believes the Report addresses the material issues and fairly presents the performance of FMDQ Group. The Board is comfortable with the reliability and integrity of the information contained herein.

Disclaimer

Some of the statements in the Annual Report may contain progressive statements concerning the Company's strategy, performance, and growth. Readers are cautioned not to place undue reliance on progressive statements. Legislation in Nigeria governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Scope and Boundaries

This Annual Report presents the consolidated activities and Audited Financial Statements of FMDQ Group and its subsidiaries (all together referred to as "**FMDQ**") for the year ended December 31, 2022. It also describes the strategic path that has been taken over the past year and the way it fits into the Company's Strategy, the operating environment in which the Company operates, as well as its business and operational models.

FMDQ Financial Market Infrastructure Group Footprints

Circa
₦169.57trn
($544.73 billion)
Average Annual Market Turnover

332
Members
across the Nigerian financial markets

122
Bonds/Sukuk*
(excl. Eurobonds)
valued at over
₦3.04 trillion
($6.59 billion)

90
Registered Commercial Paper Programmes
valued at over
₦4.62 trillion
($10.01 billion)

448
Quoted Commercial Papers
valued at over
₦3.26 trillion
($7.06 billion)

Over
475
Listed/Quoted Federal Government of Nigeria Debt Securities valued at circa
₦94.40 trillion
($308.77 billion)

3 Global Standards Benchmarks

- Nigerian Autonomous Foreign Exchange Fixing (**NAFEX**)
- Nigerian Inter-bank Offered Rate (**NIBOR**)
- Nigerian Inter-bank Treasury Bills' True Yields Fixing (**NITTY**)

Over
$63.50billion
OTC FX Futures Traded
(circa **$59 billion** settled)

Global Brand Acceptance

- African Securities Exchanges Association (Full Member)
- World Federation of Exchanges (Full Member)
- International Organisation of Securities Commissions (Affiliate Member)
- International Capital Markets Association (Member)
- International Swaps and Derivatives Association (Associate Member)
- Futures Industry Association (Associate Member)
- The Global Association of Central Counterparties (Observer Member)

As at December 30, 2022, *Naira-Denominated Bonds/Sukuk (excluding Conventional Federal Government of Nigeria Bonds and Savings Bonds)

Group Profile

Overview

Corporate Statements

Value Proposition

GOLD Agenda

Group Profile

Overview

FMDQ Group is Africa's first vertically integrated financial market infrastructure (FMI) group, strategically positioned to provide registration, listing & quotation services; integrated trading, clearing & central counterparty, settlement, risk management for financial market transactions; and depository of securities; as well as data and information services, across the debt capital, foreign exchange, derivatives and equity markets, through its wholly owned subsidiaries – FMDQ Securities Exchange Limited (Nigeria's Largest Exchange by Market Turnover), FMDQ Clear Limited (Nigeria's Foremost Central Counterparty), FMDQ Depository Limited (Nigeria's Integrated Securities Depository), FMDQ Private Markets Limited (Nigeria's Private Capital Information Repository) and iQx Consult Limited (an Information Technology Services Company) – towards transforming the Nigerian financial markets to become "GOLD" (Globally Competitive, Operationally Excellent, Liquid and Diverse) in alignment with its global counterparts.

As a vertically integrated FMI group, FMDQ Group provides a robust and integrated platform, with straight-through-processing capabilities for the Nigerian financial market, through its Exchange, Central Counterparty, Depository and Private Markets subsidiaries.

FMDQ Securities Exchange Limited ("**FMDQ Exchange**" or "**the Exchange**"), registered by the Securities and Exchange Commission, Nigeria ("**SEC**" or "the **Commission**") as an over-the-counter Market (2012) and subsequently as a Securities Exchange (2019), is focused on organising the markets within its purview and creating an efficient platform for the registration, listing, quotation, trading, and reporting of financial market transactions.

FMDQ Clear Limited ("**FMDQ Clear**") is Nigeria's foremost Central Counterparty (CCP). Registered by the SEC, FMDQ Clear provides post-trade services to enhance the integrity of and eliminate the inherent counterparty risks in financial market transactions, whilst facilitating settlement finality, towards delivering capital and cost efficiencies, and de-risking the Nigerian financial markets.

FMDQ Depository Limited ("**FMDQ Depository**"), registered by the SEC, is positioned to provide a safe depository for financial market assets, as well as facilitate the settlement of capital market transactions. With innovation at the core of FMDQ Group's existence, the efficient and integrated linkages amongst FMDQ Exchange, FMDQ Clear and FMDQ Depository guarantee seamless market making for all securities held on FMDQ's platform.

To ensure that private companies also have access to capital, FMDQ Private Markets Limited ("**FMDQ Private Markets**") promotes the inclusion of private companies in the capital markets by providing the much-needed information in the market for private companies' securities via its Private Companies' Securities Portal (Restricted) and, ultimately, improving credibility in the market for private issuances.

> ***"As a sustainability-focused FMI group, FMDQ Group, through FMDQ Exchange, operates Africa's premier Green Exchange – FMDQ Green Exchange – positioned to lead the transition towards a sustainable future."***

FMDQ's Strategic Role in the Ecosystem

As an important financial market infrastructure provider, aspiring to transform the Nigerian financial markets, FMDQ Group continues to perform its key strategic roles in the financial markets, supported by its sustainability pillars, to foster sustained growth and development in the nation at large.

MARKET ORGANISER

- Integrating issuers, sell-side, buy-side, retail investors and all end-users
- Promoting transparency, liquidity, market efficiency and market conduct
- Minimising credit and operational risks
- Facilitating market education

ORGANISED MARKETS | POST-TRADE SERVICES

ADVISER TO GOVERNMENT AND REGULATORS

- Championing innovative measures and frameworks to enhance government revenue, access to capital and financial markets
- Advocating global best practices

ADVOCACY | ADVISORY

CATALYST FOR INFRASTRUCTURE CAPITAL

- Promoting innovative private sector-led solutions to the nation's housing challenge
- Projecting the debt capital market as the key source of finance for infrastructure development

HOUSING AND INFRASTRUCTURE CAPITAL | SUSTAINABLE FINANCE

FINANCIAL MARKETS DIPLOMAT

- Promoting Nigeria as the investment destination in Africa
- Disseminating unbiased financial markets information

INTEGRATION WITH EXTERNAL MARKETS | FOREIGN CAPITAL

Corporate Statements

GROUP VISION

To be the leading African builder of ecosystems of financial infrastructure and services for markets.

GROUP MISSION

We collaborate to empower markets for economic progress towards delivering prosperity.

Our Core Values

Teamwork and Collaboration

We work as a team and collaborate with our stakeholders to foster shared understanding and combined action.

Innovation

We nurture and deliver on forward-thinking ideas towards making our markets globally competitive.

Value Adding

We consistently seek opportunities to exceed our stakeholders' expectations.

Integrity

We are principled in our conduct and can be trusted to act responsibly and professionally in delivering our mandate.

Value Proposition

FMDQ Group, in line with its vision to be the leading African builder of ecosystems of financial infrastructure and services for markets, anchors its developmental agenda for the financial markets on product and market innovation and institutionalisation of a robust market architecture to support exceptional service delivery.

FMDQ Group continues to deliver value to its stakeholder groups in line with its proposition hinged on the pillars of Product Innovation, Market Governance & Development, Listings & Liquidity Enhancement, Price Formation & Transparency, and Economic Development Advocacy.

Product innovation
- Interest Rates & Currency Hedging Products
- Bonds & Exchange-Traded Funds
- Non-Interest Finance Products

Market Governance & Development
- Market Rules & Regulation
- Systems Integration
- Post-trade Services
- Standards & Benchmarks
- Securities Registration, Listings & Quotations
- Noting

Listings & Liquidity Enhancement
- Competitive Listings and Quotations Processes
- Network Effects (Markets Integration)
- Fixed Income Market Specialists
- Financial Market Volatility Management

Price Formation and Transparency
- Trading Systems
- Information Repository
- FMDQ Quotation Service

Economic Development Advocacy
- Government & Regulatory Collaborations
- Financial Market Support for Infrastructure & Housing Finance

The FMDQ "GOLD" Agenda

FMDQ Group is unwavering in its commitment to the transformation of the Nigerian financial markets through its "GOLD" (Global Competitiveness, Operational Excellence, Liquidity and Diversity) Agenda. These guiding principles serves as FMDQ Group's methodology for assessing the quality of, not only the markets under its purview, but the Nigerian financial markets at large. This Agenda also presents opportunities for reforms for the development of the Nigerian financial markets.

G — GLOBAL COMPETITIVENESS
- Governance
- Transparency
- Professionalism
- Technology Documentation
- Central Counterparty
- Payment & Settlement
- Trade Repository

O — OPERATIONAL EXCELLENCE
- Certification
- Standardisation
- Market Information
- Legal Support
- Clearing
- Delivery versus Payment/ Delivery versus Free
- Market Systems
- Straight-through-Processing

L — LIQUIDITY
- Network Effects
- Trade Volume
- Trading Intensity

D — DIVERSITY
- Product Diversification
- Market Diversification
- Market Players / Foreign Participation

Chairman's Statement

Dr. Kingsley Obiora, OFR

Group Chairman, FMDQ Group PLC

Dear Shareholders,

I am very delighted to welcome you to the 11th Annual General Meeting of your Company, and I am privileged to present to you the Annual Report and Accounts of FMDQ Group PLC for the financial year ended December 31, 2022.

The year 2022 saw some of the aftermath of the COVID-19 pandemic, and brought fundamental changes to the global markets, most notably driven by the higher-than-expected inflation in most economies, resulting in the famed "cost of living crisis", increase in interest rates, worse-than-anticipated slowdown in China, deeper negative spillbacks and spillovers from the devastating war in Ukraine, the energy crisis, as well as lingering impacts of the global pandemic which posed new challenges to the global financial markets. On the domestic front, 2022 was saddled with considerable challenges, from increased fiscal and regulatory risks to low FX liquidity, and dwindled fixed income market activity. However, FMDQ Group actively adapted to this challenging environment, and as a result, the Group continued to deliver on key Strategic Initiatives, to the benefit of shareholders, subsidiaries, and stakeholders.

FMDQ Group did not also relent in its continuous quest to deliver value to its varied stakeholder groups in recognition of its role as a critical FMI group in the Nigerian economy. The Group, together with its wholly owned subsidiaries – FMDQ Securities Exchange Limited, FMDQ Clear Limited, FMDQ Depository Limited and FMDQ Private Markets Limited – remained focused on championing innovative solutions in 2022, whilst providing efficient services, including registration, listing & quotation and noting services for the public and private markets, respectively; central counterparty (CCP), clearing and settlement services; securities depository services; data and information services, across the value chain of capital and financial markets.

Operating Environment

In 2022, the global economy was negatively impacted by a combination of factors, including the continuing war in Ukraine, worsening impact of climate change, China's commitment to a zero-COVID policy, the repercussions of the strong fiscal stimuli in previous years and structural macroeconomic challenges, including persistent inflation, rising interest rates, and debt vulnerabilities in diverse regions. According to the International Monetary Fund's (IMF) latest World Economic Outlook Report, global Gross Domestic Product (GDP) slowed from 6.00 per cent in 2021 to 3.20 per cent in 2022 and is projected to drop further to 2.80 per cent in 2023, before settling at 3.00 per cent in 2024. In Sub-Saharan Africa (SSA), the most challenging macroeconomic factors were the rapidly rising inflation and currency weakness in countries such as Ghana, Nigeria, South Africa, and Kenya. The combination of inflation and foreign exchange difficulties triggered significant monetary tightening by central banks in the SSA markets in 2022.

On the domestic front, data from the National Bureau of Statistics indicated that Real GDP declined from 3.40 per cent in 2021 to 3.10 per cent in 2022, largely due to dwindling oil production, macroeconomic shocks, and business environment issues, including insecurity and logistics challenges. Notably, the contribution of the oil sector to GDP dropped from 7.24 per cent in 2021 to 5.65 per cent in 2022, whilst the Information and Telecommunications sector continued to expand with a contribution to GDP of 9.76 per cent in 2022 from 6.55 per cent in 2021. Overall, the sustained inflationary pressure, rising cost of debt, burden of debt servicing, as well as deteriorating fiscal balances undermined the smooth path to a faster economic recovery.

Financial Performance

Despite the macroeconomic challenges experienced during the year, our Group delivered positive financial performance in 2022. Group Revenue increased by 10.51 per cent to ₦22.98 billion from ₦20.80 billion in 2021, with Company Revenue coming in at ₦12.59 billion, an increase of 17.95 per cent from ₦10.67 billion recorded in 2021. Group and Company Expenses increased from ₦8.69 billion and ₦4.14 billion in 2021, to ₦11.50 billion and ₦7.21 billion in 2022, respectively, while the Group Profit Before Tax came in at ₦11.48 billion, representing a 5.14 per cent decrease from the ₦12.10 billion recorded in 2021. Company Profit Before Tax decreased by 17.73 per cent from ₦6.53 billion in 2021 to ₦5.40 billion in 2022. Group Total Assets stood at ₦175.64 billion, while Company Total Assets amounted to ₦41.65 billion, an increase of 3.64 per cent and a decrease of 10.10 per cent from 2021, respectively.

The performance of the Group, despite the challenges experienced in the year 2022, are a testament to FMDQ Group's resilience, continued product and market enhancements and innovations, diversification of service offerings, as well as prudent cost management.

A detailed account of the Group's financial performance is set out in the Financial Reports section of the Annual Report.

Corporate Development

The year 2022 commenced with major developments for FMDQ Group. Among these, the admission of FMDQ Group as a full Member of the prestigious World Federation of Exchanges (WFE) after four (4) years of being an Affiliate, in February 2022, stands out as a significant milestone. The WFE is the global industry group for Exchanges and CCP/Clearing Houses, representing over 250 market infrastructures, and the achievement to become one of the circa seventy (70) full Members of WFE not only showcases the global acceptance of FMDQ's brand, but also indicates the recognition of quality and reliable services offered by FMDQ Group across its FMI value chain - Exchange, Central Counterparty, and Depository - as one of the criteria for WFE membership is that the FMI plays an active role in the development of their local economy.

Also, the change of name from FMDQ Holdings PLC to FMDQ Group PLC, effective February 2022, was undertaken to better position the Group to consolidate on its vision "To be the leading African builder of ecosystems of financial infrastructure and services for markets."

We also commemorated the first physical FMDQ GOLD Awards in a grand ceremony since the onset of the COVID-19 pandemic, on November 11, 2022, in Lagos. The very well-attended prestigious GOLD Awards brought together various stakeholders in the FMDQ markets and provided a platform to acknowledge and formally recognise the resilient contributions of market stakeholders towards sustaining the markets in a difficult and challenging year.

Business Development

Our Exchange franchise continued to thrive in 2022, with the Securities Admission business recording the unprecedented admission of one hundred and sixty-one (161) securities, amounting to 85 per cent increase from eighty-seven (87) securities in 2021, with a total value of ₦1.70 trillion, compared to a value of ₦1.03 trillion reported in 2021. We admitted securities across diverse sectors comprising twenty (20) listed Bonds, one hundred and thirty-four (134) quoted Commercial Papers (CPs), two (2) listed Sukuk and five (5) listed Funds. Under the sovereign category, the Exchange admitted four (4) Federal Government of Nigeria Eurobonds with a total face value of $5.25 billion. Additionally, the Exchange registered thirty-five (35) CP Programmes in 2022 valued at ₦1.29 trillion from fifteen (15) CP Programmes registered in 2021, valued at ₦470.00 billion. The Exchange also experienced growth in its membership base, as the year closed with a total of two hundred and ninety-seven (297) Members, resulting in a 6 per cent increase from the two hundred and eighty (280) Members recorded in 2021. The growth was driven mainly by a 16 per cent increase in the Registration Member category.

The Clearing franchise made assiduous efforts towards the activation of its CCP services during the year, which has reached an advanced stage. Significant progress was recorded in the registration of Clearing Members, as requisite approvals (Full Licence and Approval-in-Principle, as applicable) were granted to six (6) Deposit Money Banks (DMBs), with active engagements ongoing on the registration of additional DMBs, providing the bedrock for the provision of the CCP services. It is expected that the franchise would commence the provision of CCP services for the FMDQ Exchange-Traded Derivatives market in 2023, whilst putting in place structures for other clearable products.

The Depository franchise made significant strides towards the actualisation of its Strategic Objectives of deepening stakeholder engagement by deploying best-in-class sales and relationship management toolkit which positioned the organisation for sustainable growth in 2022 and beyond. Further, a total of one hundred and eighteen (118) securities were lodged, representing an impressive 281 per cent increase from thirty-one (31) securities lodged in 2021. The securities lodged in 2022 comprised of twenty-six (26) Private Companies' Bonds, ten (10) Corporate Bonds, eighty-one (81) CPs and one (1) Equity security - all valued at circa ₦20.47 trillion as at December 31, 2022. Furthermore, twenty-five (25) new Participants were onboarded on the Depository Platform, bringing the number of Depository Participants to one hundred and eleven (111), representing a 29 per cent growth from eighty-six (86) participants on the Platform as at 2021.

The Private Companies' Securities Noting business of the FMDQ Private Markets' franchise witnessed remarkable growth with a 33 per cent increase in the number of Private Companies' Securities noted and onboarded on the Private Companies' Securities Information and Distribution Portal (Restricted) across various sectors. A total of twelve (12) securities were noted in 2022, compared to nine (9) noted in the previous year of 2021, bringing the total number of noted securities to twenty-three (23). The cumulative value of noted securities as of December 2022 was ₦343.12 billion, surpassing the ₦266.87 billion noted by the end of December 2021 by 29 per cent. Further, the FMDQ Private Markets' Membership Service experienced significant growth, with a 75 per cent increase in its Membership base. In 2022, the number of Members grew to thirty-five (35), a notable rise from twenty (20) Members at the beginning of the year. Out of the fifteen (15) new Members, eight (8) were onboarded as Transaction Sponsors and seven (7) as Professional Party (Solicitors).

Sustainability and Corporate Responsibility

As a sustainability-focused FMI group, our commitment to advancing sustainable practices was evident throughout the year. We actively pursued the implementation of our comprehensive Sustainability Strategy, which encompasses our business, people, communities, and environment.

To facilitate a sustainability-driven market, FMDQ Group, in collaboration with Financial Sector Deepening (FSD) Africa, under the Nigerian Green Bond Market Development Programme (NGBMDP) executed a series of activities, including capacity building sessions for the Federal Ministry of Water Resources, Lagos State Government Departments and Agencies and the real estate industry, amongst others as well as the launch of the NGBMDP first Impact Report on the Nigerian Green Bond Market, which documented the activities of the NGBMDP since its inception in 2018 and provided insights into the challenges and opportunities in the Nigerian Green Bond Market.

As part of our efforts towards promoting sustainable housing in Nigeria, we completed the development of the National Housing Strategy Blueprint together with our partners, the Federal Ministry of Works and Housing and the Office of the Vice President of Nigeria. Further to this, in commemoration of the 2022 World Environment Day, we launched our Triple-R Initiative in a bid to actively manage our environmental impact, build a mindful culture amongst employees, and conduct our operations in an eco-friendly manner. We also commemorated the 2022 International Women's Day for the 8th year by participating in the "Ring the Bell for Gender Equality" Ceremony.

Our sustainability efforts did not go unnoticed as FMDQ Group was granted approval to become an Observer Member of the International Capital Market Association (ICMA) Green Bond Principles. As a Member of ICMA since 2015, the admission to ICMA's Green Bond Principles is particularly important to FMDQ's Green Exchange Initiative as it provides Issuers with the assurance of FMDQ Exchange's compliance with globally acceptable standards for raising green capital. Furthermore, FMDQ Group received the Sustainability, Enterprise, and Responsibility Awards (SERAS) 2022 Organised Private Sector in Water Sanitation and Hygiene (OPS-WASH) Recognition for "Best Company in Water and Sanitation" in recognition of FMDQ Group's commitment to sustainability practices. FMDQ Group also received the 'Gold Award' at the Lagos State 2022 EQUAL Summit, in recognition of its immense contribution and support towards the growth and development of education in Lagos State, through the donation of a cash sum for the procurement of 10,750 units of pre-loaded educational tablets to support e-Learning for public school students and teachers in Lagos State during and post-COVID era.

With the full resumption of physical activities in 2022, FMDQ Group, through its flagship corporate responsibility initiative, FMDQ Next Generation Financial Markets Empowerment Programme (FMDQ-Next) aimed at providing financial markets education and promoting financial literacy among the youths, successfully executed the 3rd edition of its FMDQ-Next Summer Camp Programme designed for Primary and Secondary school students in August 2022. The Programme positively impacted one hundred and thirty (130) participants between the ages of eight (8) and sixteen (16).

The details of our sustainability and corporate responsibility activities are set out in the Sustainability and Corporate Responsibility Agenda section of the Annual Report.

Governance

Effective January 1, 2022, Mrs. Egbichi Akinsanya joined the Board as an Independent Non-Executive director bringing decades of knowledge and experience to the Board. Mr. Kennedy Uzoka resigned from the Board effective September 30, 2022, following his exit as the Group Managing Director/Chief Executive Officer of United Bank for Africa PLC, after six (6) years of meritorious service to FMDQ Group. Subsequently, Mr. Oliver Alawuba was appointed to the Board as a Non-Executive Director, effective October 28, 2022. Mr. Alawuba brings to the Board over 25 years' experience as a seasoned financial services professional. On behalf of the Board, I would like to extend my sincere appreciation to Mr. Uzoka for his invaluable contributions to FMDQ Group, and welcome Mrs. Akinsanya and Mr. Alawuba to the FMDQ Group Board.

In line with our commitment to uphold and operate within rigorous governance and ethical standards, PricewaterhouseCoopers conducted the 2022 FMDQ Group Board Evaluation and Corporate Governance Evaluation, as required by the Securities and Exchange Commission Corporate Governance Guidelines, 2020, and the Nigerian Code of Corporate Governance, 2018. The reviews revealed that our Directors retained a high level of competence during the year, maintaining oversight of the Group's affairs and providing adequate guidance towards achieving the objectives of the Group, and that FMDQ complied significantly with the principles set forth in the Code. The Reports on the output of the two (2) evaluation reviews are set out in the Corporate Governance section of the Annual Report.

Outlook for 2023

Forecast by the IMF World Economic Outlook Report suggests that the global economy will continue to face major headwinds in 2023, with growth projected to fall from 3.40 per cent in 2022 to 2.80 per cent in 2023, before rebounding to 3.00 per cent in 2024. The outlook is dampened by downsides risks such as potential contagion effect of the emerging financial crisis in advanced economies and macroeconomic shocks, as well as environmental vulnerabilities in diverse regions.

The domestic economy has so far witnessed a mosaic of policy changes on fundamental economic and business environment factors, advanced by the new political administration, including the removal of subsidy on Petroleum Motor Spirit (PMS), the move towards the unification of all segments of the FX market, and the inauguration of the Dangote Oil Refinery. Consequently, the year 2023 presents a promising outlook for economic agents and the private sector. Accordingly, in line with FMDQ's five (5)-Year Strategic Plan, 2021 – 2025, the Group will activate proactive steps to harness and maximise emerging opportunities as the new political administration continues to roll-out its roadmap.

In addition to consolidating its leadership position in the fixed income markets, FMDQ will work assiduously towards the activation of its Exchange-Traded Derivatives (ETD) Market with an aim to go-live with at least two (2) products in 2023. CCP services will also be activated to support the clearing of the ETD products. The Group will also focus on launching the Repurchase Agreement (Repo) Market with Collateral Management as part of its market development plans for 2023, as well as implement its Principal Investment Framework towards the development of the FMDQ franchise.

2023 holds great significance for FMDQ Group as it marks a momentous milestone - the celebration of FMDQ Group's ten (10) years of impact in the Nigerian financial markets. Over the years, FMDQ Group has evolved from an OTC Market to a full-fledged Securities Exchange, to a budding FMI group, now structured as a Securities and Exchange Commission registered Capital Market Holding Company, warehousing five (5) wholly owned subsidiaries, including FMDQ Exchange (Nigeria's largest Exchange by Market Turnover – with an annual average of c. ₦169 trillion), FMDQ Clear (Nigeria's Foremost Central Counterparty – with over c. $63bn derivatives contracts cleared), FMDQ Depository (Nigeria's Integrated Securities Depository), FMDQ Private Markets (Nigeria's Private Capital Information Repository) and iQx Consult Limited (an Information Technology Services Company).

We remain focused on collaborating with stakeholders to achieve our audacious ambitions to deliver the most attractive Exchange in Africa, a globally accepted Central Counterparty, the Nigerian Depository of Choice and the largest private capital information repository in Nigeria, whilst positioning FMDQ Group as the leading African builder of ecosystems of financial infrastructure and services for markets.

Conclusion

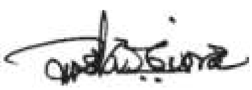
I have the distinct honour to serve as Chairman of FMDQ Group in the tenth (10th) year since FMDQ's launch onto the Nigerian financial markets landscape. This milestone provides us with an opportunity to reflect on FMDQ Group's many achievements over the years, while also encouraging us to relentlessly strive for new successes and triumphs.

I would like to extend my sincere gratitude to the Board of Directors, both at the Group and subsidiary entities, whose visionary guidance and support have over the years propelled the Group forward. I also congratulate the Management and staff for their sacrificial stewardship which has been instrumental to FMDQ Group's successes and performance since inception.

On behalf of the Board, I thank our shareholders, particularly the Central Bank of Nigeria and the Financial Markets Dealers Association; our regulator, the Securities and Exchange Commission, other financial services regulators; our esteemed Members and Participants across all our capital market platforms; and all other stakeholders, including market participants, for the constant support and collaboration with FMDQ Group, as these has been vital to the sustained growth of FMDQ and its markets.

We remain confident that, despite the challenging business environment, FMDQ will continue to work collaboratively with market stakeholders to deliver innovative solutions for the Nigerian financial markets.

We look forward to a rewarding and productive 2023.



Dr. Kingsley Obiora, OFR

Group Chairman

CEO's Review

Mr. Bola Onadele. Koko

Chief Executive Officer, FMDQ Group PLC

2022 was another challenging year in the global and domestic markets, with the uncertainties faced in the macroeconomic environment, such as increased inflation, rising interest rates, sustained illiquidity of the FX market, as well as the geopolitical turmoil, including the Russia-Ukraine war.

Undeterred by the current market conditions, FMDQ Group continued to work to address these challenges and sought ways to deepen the market over the past year. Our product and service offerings continued to align closely with our stakeholders' needs as we provided fit-for-purpose solutions across the financial markets value chain. The Group yet again displayed organisational and financial resilience as it successfully weathered the economic turbulence experienced during the year.

With the country on the brink of great change, we continue to seek ways to diversify our business, whilst working proactively and collaboratively with our stakeholders to deliver value-enhancing market initiatives.

On behalf of Management, I am pleased to present the key highlights of the Group's financial performance and key activities for the year ending December 31, 2022.

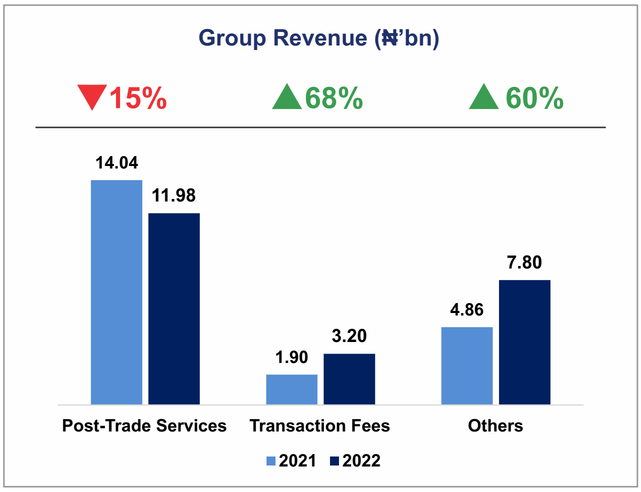
Performance Review – Group

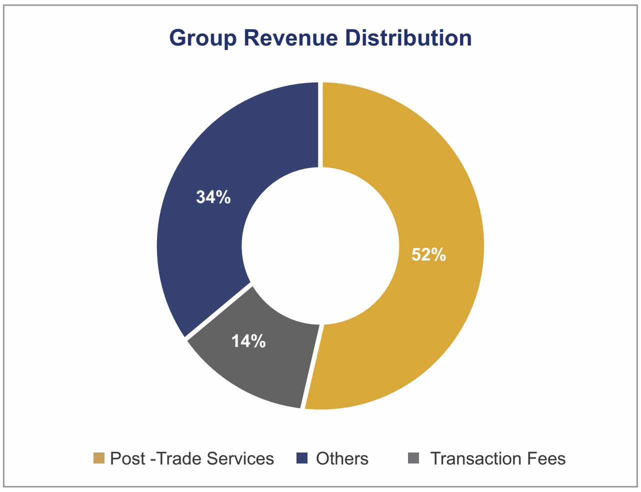
- **Consolidated Revenue**

FMDQ Group earned a total Revenue of ₦22.98 billion in 2022, an 11% increase from ₦20.80 billion earned in 2021. The increase in revenue was mainly driven by the Transaction Fees earned on secondary market fixed income trades by the Group's Exchange subsidiary, FMDQ Exchange, as well as interest income on the Group's proprietary investments.

FMDQ Group Total Revenue and Mix

TOTAL REVENUE
₦22.98bn ▲ 11%





Post-Trade Services earnings contributed 52% (₦11.98 billion) to the Group's overall Revenue, while Transactions Fees and Other Revenue (including interest income) contributed 14% (₦3.20 billion) and 34% (₦7.80 billion) respectively. The Group's core market participant categories receiving the gamut of services rendered were Clients (non-bank) contributing about 45% of the overall revenue earned, Dealing Members (Banks) and other transaction parties contributing 27%, and other sources contributing 28%.

- **Consolidated Expenses**

In line with the commitment to execute its Strategic Initiatives, pursue market development initiatives and develop its people to support the execution of corporate goals, the Group's Operating Expenses increased by c. 32%, from ₦8.69 billion to ₦11.50 billion in 2022. The major drivers for the growth in Operating Expenses were Information Technology Expenses, Personnel Expenses and Corporate Development Expenses aimed at developing the Franchises across the Group.

Highlights of 2022 Financial Performance

Year Ended December 31	2022 (₦'000)	2021 (₦'000)	Variance (%)
Revenue	22,982,524	20,797,190	10.51
Operating Expense	(11,501,824)	(8,693,877)	32.30
Profit Before Tax	11,480,700	12,103,313	(5.14)
Tax Expense	(3,061,783)	(3,338,262)	(8.28)
Other Comprehensive Income	(581,679)	(1,689,047)	(65.56)
Total Comprehensive Income	**7,837,238**	**7,076,004**	**10.76**

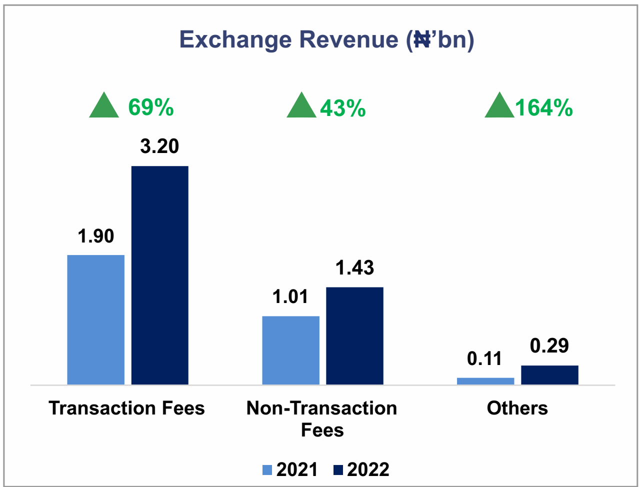
Performance Review – Subsidiaries

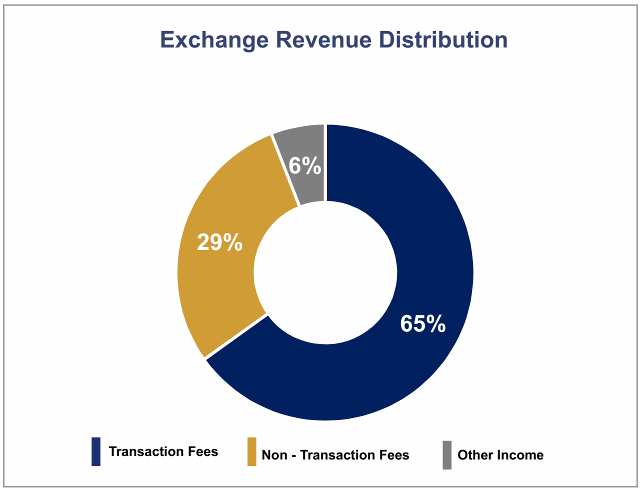
Exchange Business

Total Revenue earned by the Exchange increased by 63% to ₦4.92 billion in 2022 from ₦3.02 billion in 2021, on the back of growth across all the three (3) sub-categories of Revenue - Transaction Fees, Non-Transaction Fees, and Other Income. The major driver of the increased performance was Transaction Fees, which increased by 69%, from ₦1.90 billion in 2021 to ₦3.20 billion, as a result of an introduction of fees payable by Clients on secondary market transactions on bonds. Likewise, Non-Transaction Fees increased by 43% to ₦1.43 billion in 2022, driven mainly on the back of a 48% increase in securities admission fees, as debt capital primary market activity market increased significantly in 2022. Transaction Fees and Non-Transaction Fees contributed 65% and 29%, respectively to total Revenue of the Exchange in 2022, while Other Income comprising Interest Income, Penalties & Fines, etc., contributed 6% (₦290.43 million).

FMDQ Exchange Total Revenue and Mix

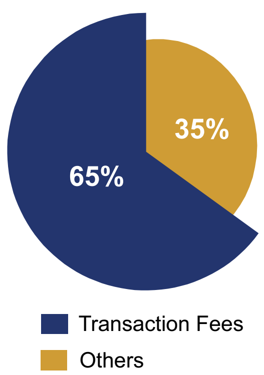
TOTAL REVENUE
₦4.92bn ▲ 63%



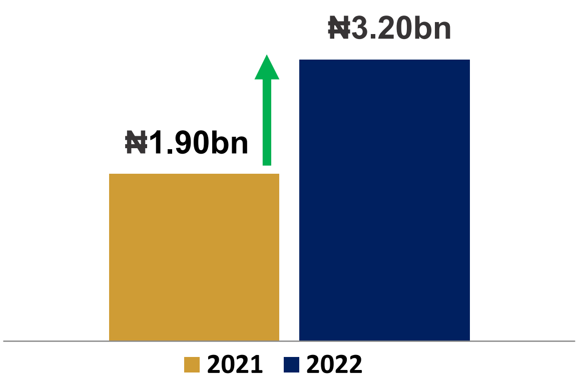


*TRANSACTION FEES

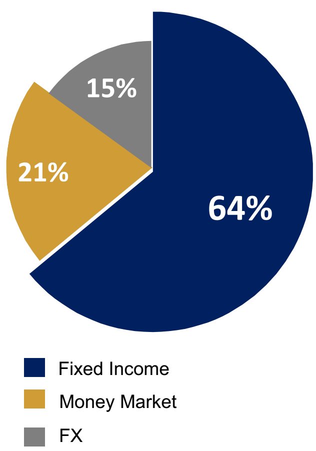
Contribution to Total Revenue



Year-on-Year Growth ▲ 69%



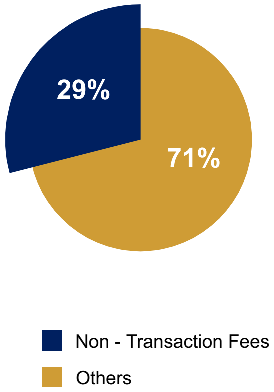
Transaction Fees Mix



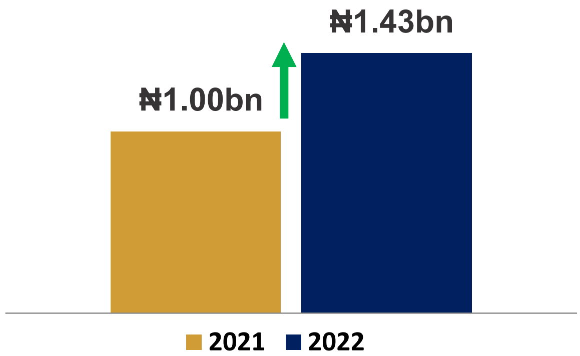
*Represents Net Transaction Fees
FX – Foreign Exchange Spot + Derivatives

NON-TRANSACTION FEES

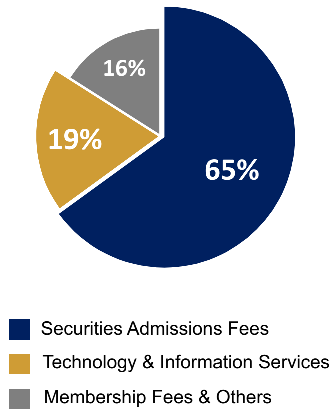
Contribution to Total Revenue



Year-on-Year Growth ▲ 43%

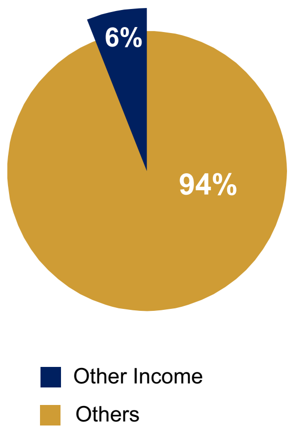


Non - Transaction Fees Revenue Mix

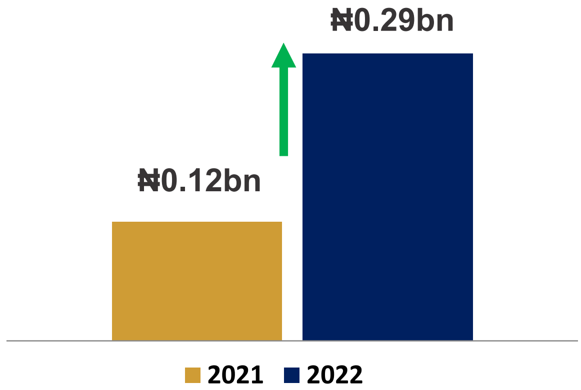


OTHER INCOME

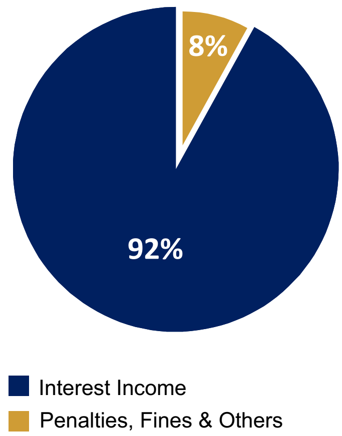
Contribution to Total Revenue



Year-on-Year Growth ▲ 133%



Other Income Mix



Market Turnover

Despite a significant increase in primary market activity, activity in the secondary market for products traded or reported on the Exchange increased marginally by 0.48% to ₦199.89 trillion in 2022 from ₦198.93 trillion reported in 2021. The marginal growth in secondary market activity was driven solely by Foreign Exchange (Spot FX and FX Derivatives), which collectively increased by 11%, thereby offsetting the 4% decrease in Fixed Income secondary market transactions. The most actively traded products on the Exchange were Bills (which include Nigerian Treasury Bills (NTBs); CBN Open Market Operations Bills (OMO Bills); and CBN Special Bills), Foreign Exchange (Spot FX and FX Derivatives) and Repurchase Agreements (Repos), as they accounted for 34%, 32% and 26% of the market turnover in 2022, respectively. Transactions in the Bonds market (which includes sovereign, subnational, supranational, and corporate bonds/sukuk and sovereign Promissory Notes) contributed 7% to the market turnover, compared to its 10% contribution in 2021.

Total Market Turnover

Total Market Turnover (₦'trn)

199.89

+0.48%

2021: ***198.93***

Average Daily Turnover (₦'bn)

805.99

+0.48%

2021: ***802.12***

Number of Trading Days

248

0.00%

2021: ***248***

Total Market Turnover ($'bn)

473.69

2021: ***484.70***

Average Daily Turnover ($'bn)

1.91

2021: ***1.95***

Average $/₦ rate

421.98

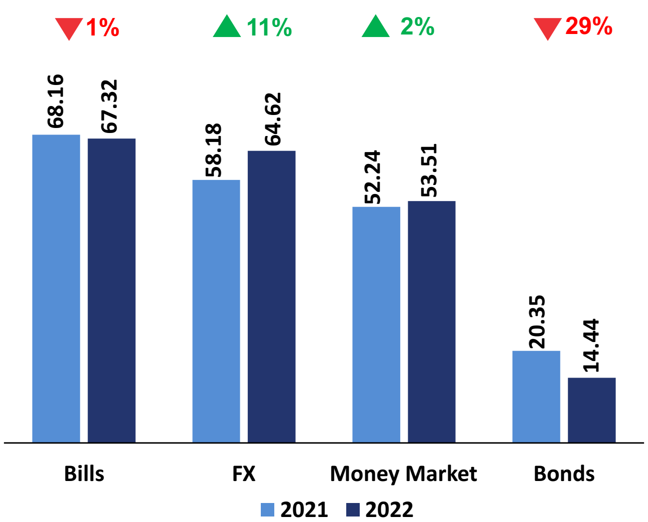
2021: ***410.41***

Total Market Turnover by Distribution and Product Category

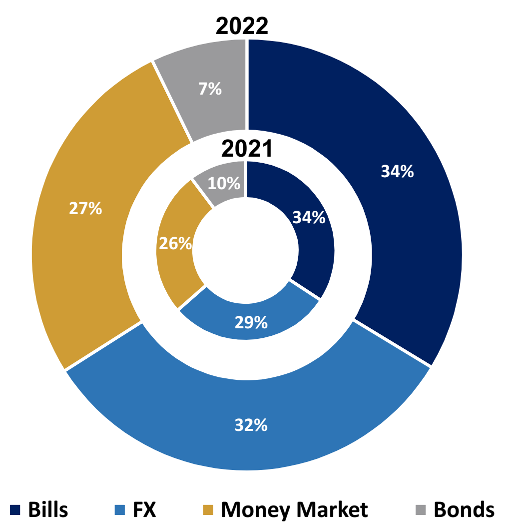
Total Market Turnover

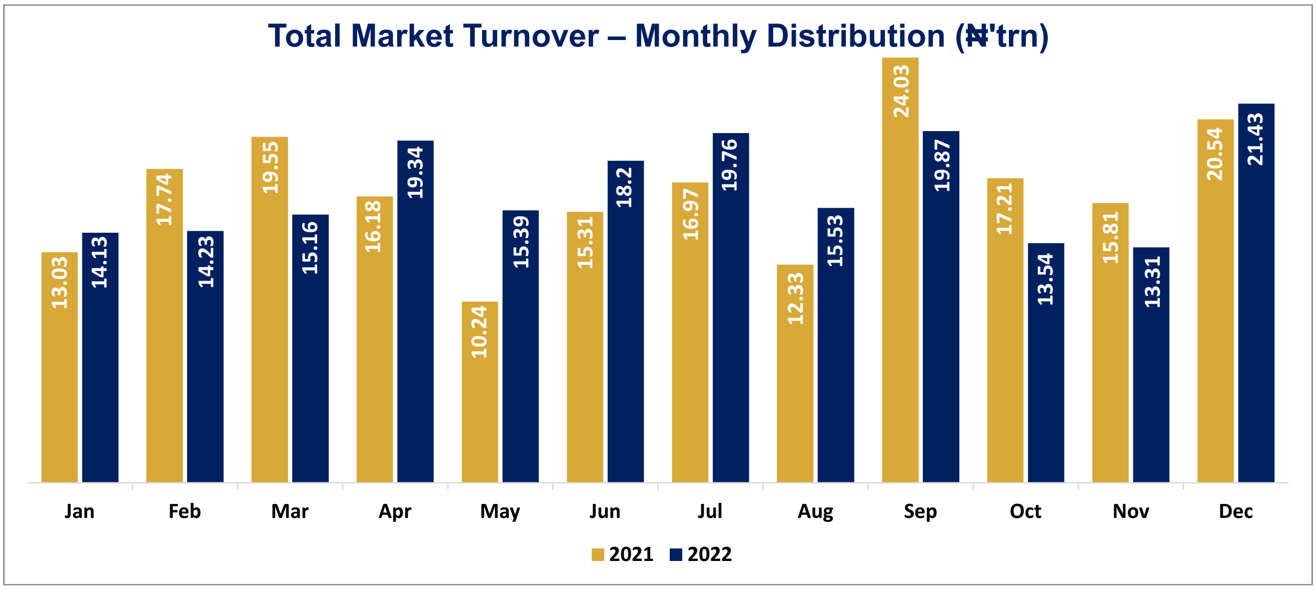
₦199.89trn 0.45%

Market Turnover By Product Category (₦'trn)



Market Turnover By Product Distribution





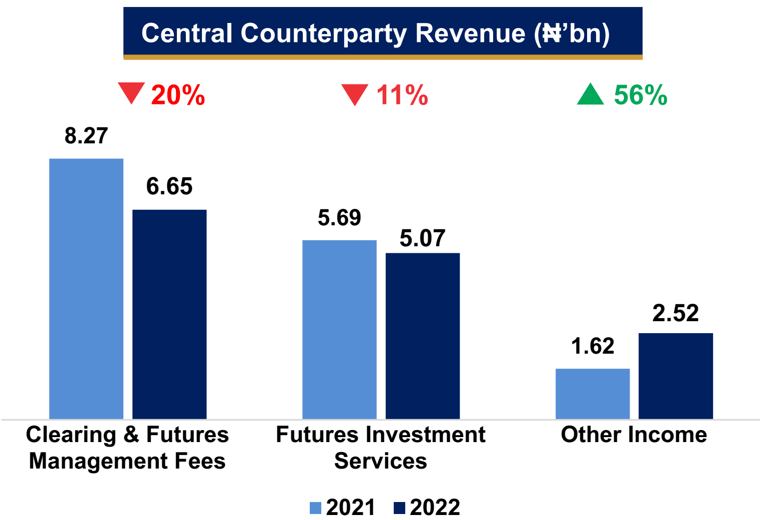
FMDQ Clear

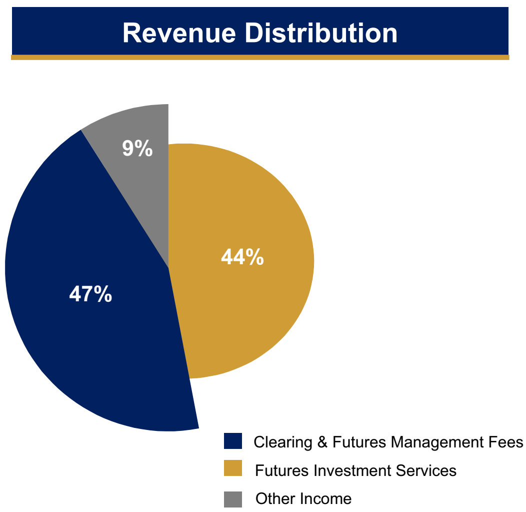
The total Revenue earned by FMDQ Clear was ₦14.24 billion, representing a 9% decline from ₦15.58 billion reported in 2021. The Clearing & Futures Management Fees earned from the Naira-Settled OTC FX Futures ("**OTC FX Futures**") product declined by 20% from 2021 to ₦6.65 billion, contributing 47% to the total Revenue earned by FMDQ Clear in 2022. Likewise, Futures Investment Services Fees earned from the margin and investment management services declined from 2021 to ₦5.07 billion in 2022, contributing 36% to the total Revenue for the reporting period. Other Income, which includes interest income, contributed 17% (₦2.52 billion).

The financial performance of the Clearing business was precipitated by the observed reduction in activity in the OTC FX Futures market due to the lingering illiquidity and uncertainty in the FX Spot market, as a total value of $4.34 billion worth of contracts were executed on FMDQ Exchange and cleared by the Central Counterparty in 2022, representing a decrease of c. 35% from $6.72 billion executed in 2021.

FMDQ Clear Total Revenue and Mix

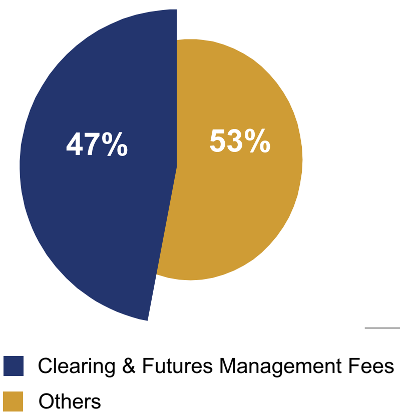
TOTAL REVENUE
₦14.24bn ▼9%



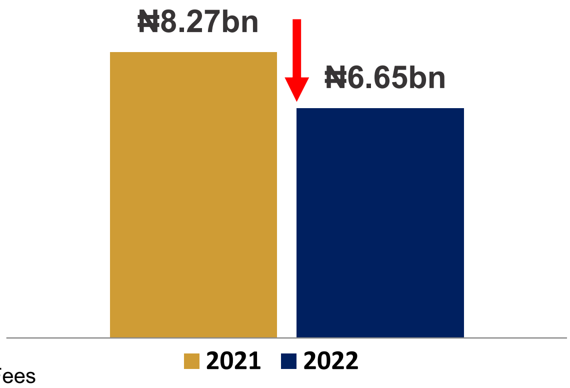


CLEARING AND FUTURES MANAGEMENT FEES

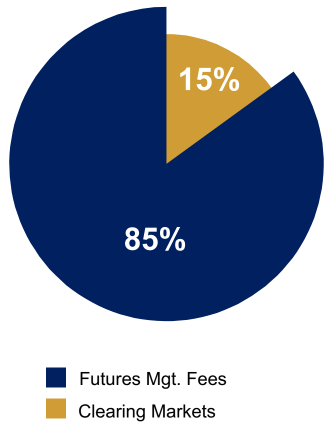
Contribution to Total Revenue



Year-on-Year Growth ▼ 20%

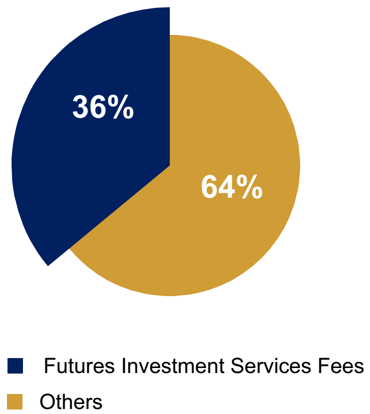


Clearing & Futures Mgt. Fees Mix

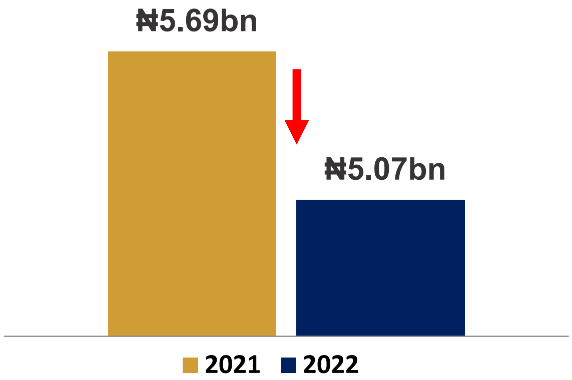


FUTURES INVESTMENT SERVICES FEES

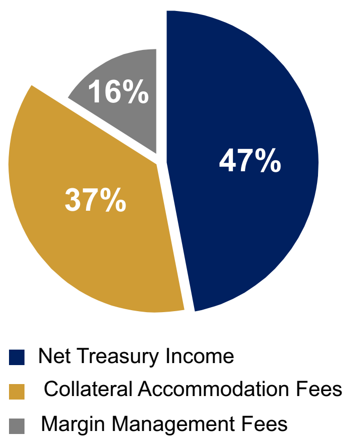
Contribution to Total Revenue



Year-on-Year Growth ▼ 11%

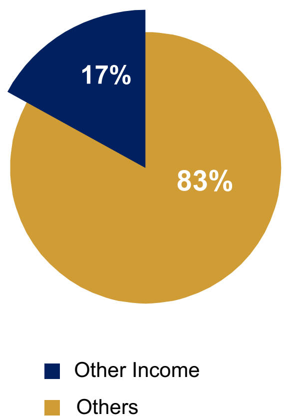


Non - Transaction Fees Revenue Mix

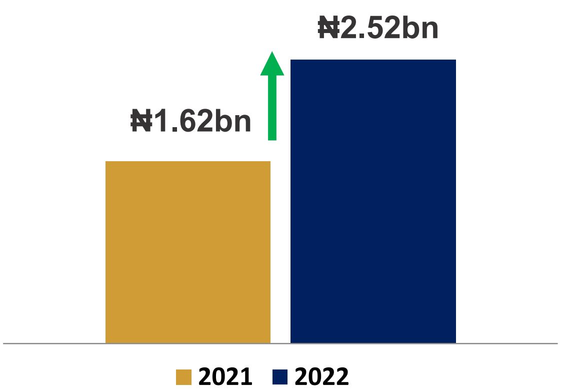


OTHER INCOME

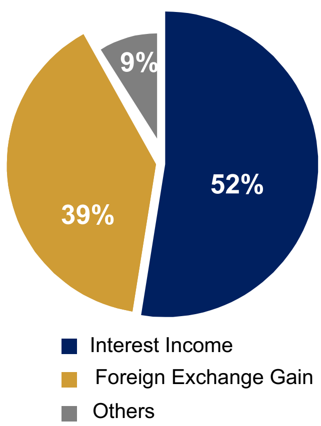
Contribution to Total Revenue



Year-on-Year Growth ▲ 56%



Other Income Mix



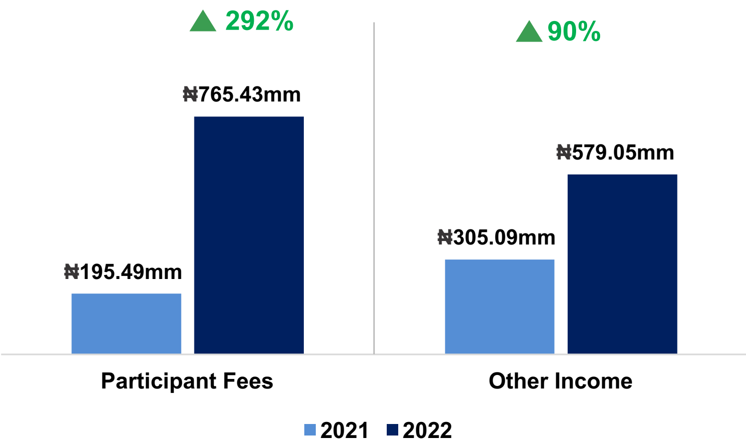
Depository Business

In 2022, FMDQ Depository delivered an overall Revenue growth of 296% from ₦500.58 million in 2021 to ₦1.34 billion in 2022. The largest contributor was interest income, which amounted to ₦566.50 million (42%) of the total Revenue, primarily driven by an increase in interest rates. Settlement Fees generated from trades on sovereign securities executed also showed a strong performance at ₦290.41 million, representing a growth rate of 146% (2021: ₦118.26 million) and a 22% contribution to total Revenue, while Depository and Eligibility Fees earned contributed 4% (₦48.30 million) and 1% (₦10.62 million), respectively. The newly activated Technology Services delivered an 18% accretion to the total Revenue at ₦242.00 million, whilst Transfer Agency Service Income generated ₦174.10 million, representing a growth rate and contribution to total Revenue of 498% and 13% respectively. Earnings from Integrated Noting Service provided to FMDQ Private Markets contributed 13% (₦174.10 million) to total Revenue in 2022.

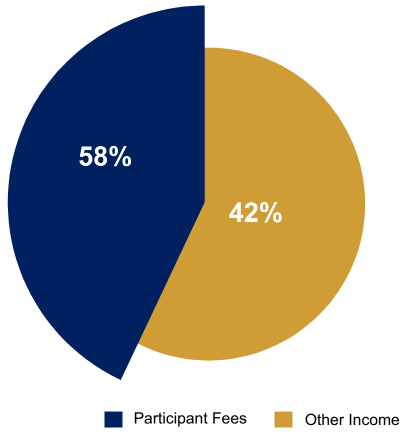
FMDQ Depository Total Revenue and Mix

TOTAL REVENUE
₦1.34bn ▲ 169%

Depository Revenue

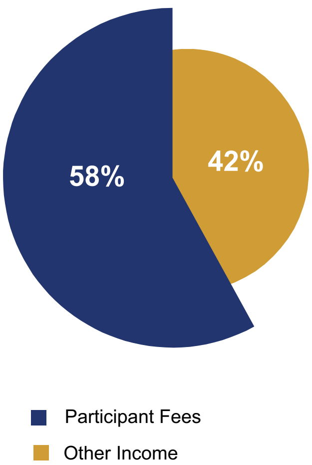


Revenue Distribution

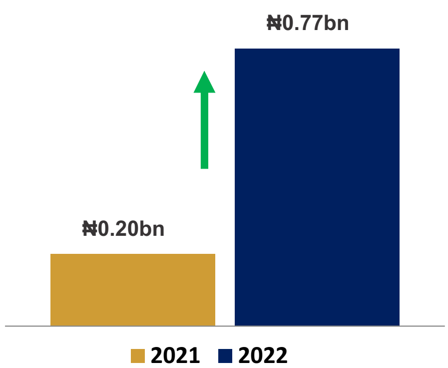


PARTICIPANT FEES

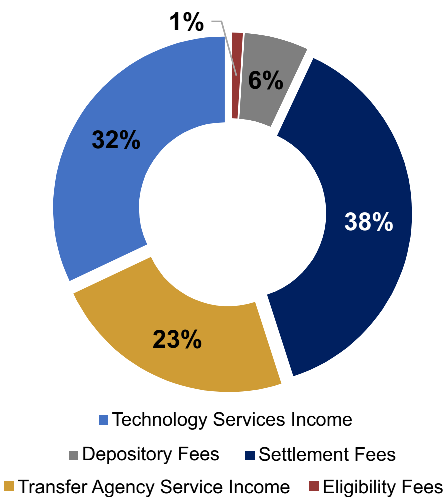
Contribution to Total Revenue



Year-on-Year Growth ▲ 292%

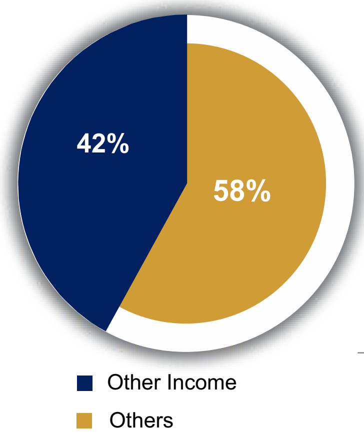


Participant Fees Mix

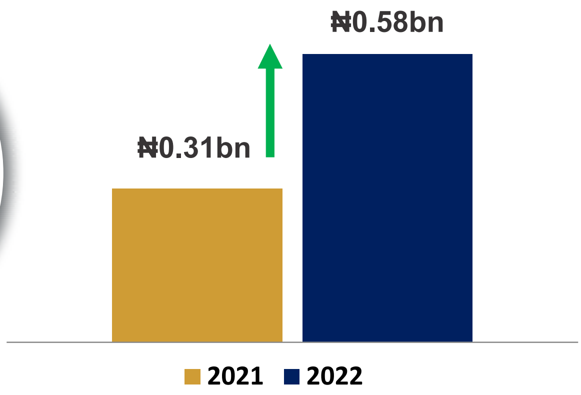


OTHER INCOME

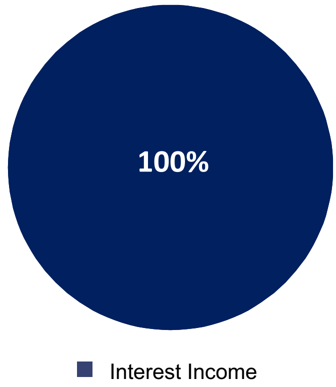
Contribution to Total Revenue



Year-on-Year Growth ▲ 90%



Other Income Mix



Private Markets Business

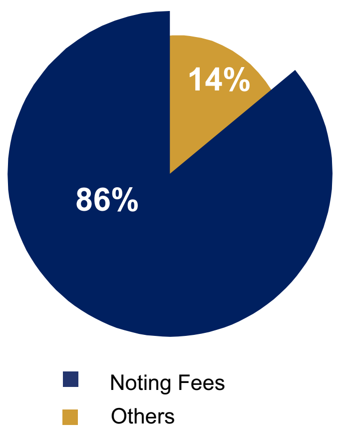
FMDQ Private Markets recorded significant growth in its financial performance in 2022, with a notable growth in total Revenue by 155% to ₦666.44 million from ₦261.23 million in 2021. This remarkable growth in total Revenue can be attributed to the substantial increase in two (2) primary Revenue streams: Noting Fees (Application Fees, Processing Fees, and Annual Fees) and Membership Fees (Sponsorship Eligibility Fee and Annual Dues) which experienced a growth of 175% to reach ₦574.90 million and 15% to reach ₦52.26 million, respectively. Noting Fees accounted for 86% of the total Revenue, and Membership Fees contributed 8%, while Other Income, which includes interest income, contributed 6% (₦39.28 million).

FMDQ Private Markets Total Revenue and Mix

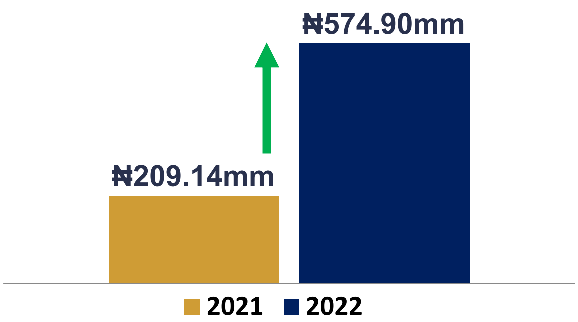
TOTAL REVENUE
₦666.44mm ▲ 155%

NOTING FEES

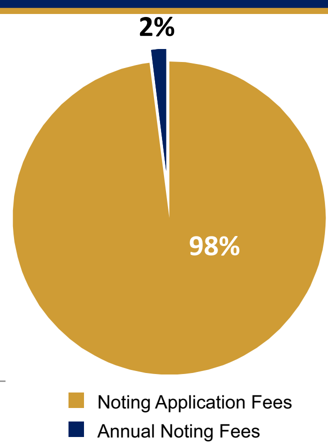
Contribution to Total Revenue



Year-on-Year Growth ▲ 175%

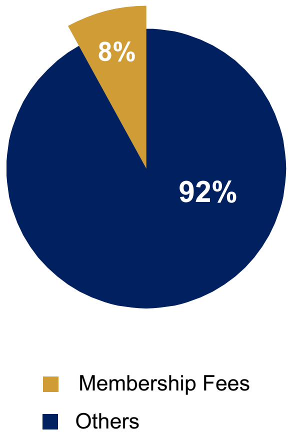


Noting Fees Mix

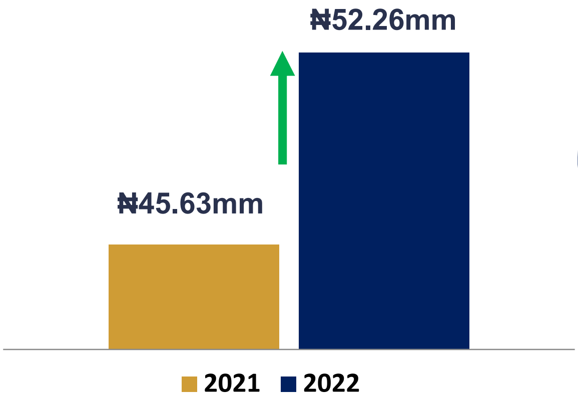


MEMBERSHIP FEES

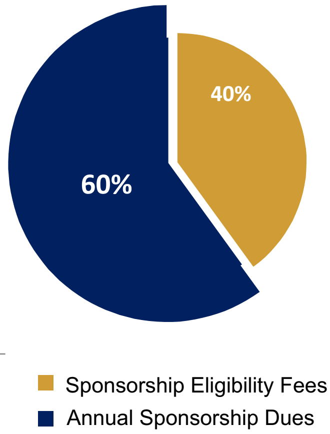
Contribution to Total Revenue



Year-on-Year Growth ▲156%

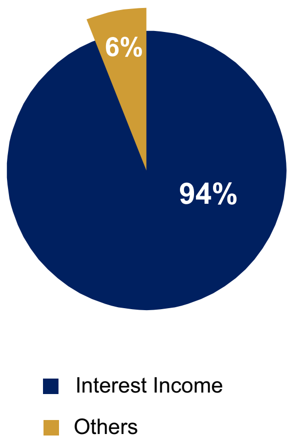


Membership Fees Mix

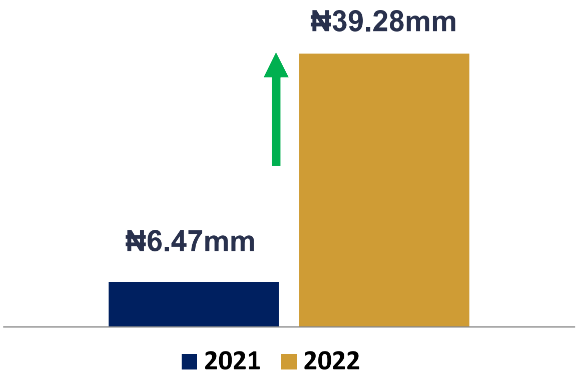


OTHER INCOME

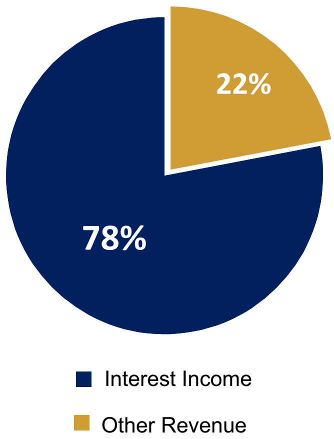
Contribution to Total Revenue



Year-on-Year Growth ▲507%



Other Income Mix



Business Development – Revenue Drive

In 2022, economic growth globally was curtailed by the impact of the Russia-Ukraine war and the lingering effects of the Coronavirus pandemic (particularly as China maintained COVID-19-related lockdowns until early December 2022), thereby sustaining supply chain disruptions globally and driving inflationary pressure across economies, as well as weakening macroeconomic indicators. This triggered monetary authorities around the world to raise interest rates in a bid to curtail inflation thereby raising cost of capital. Likewise, the same scenario played out in the domestic economy and financial markets, as the CBN commenced raising the monetary policy rate ("MPR") in May to curtail inflation which ranged between 17% - 18% during the year. Notwithstanding the challenges, FMDQ Group and its subsidiaries were able to leverage the inherent opportunities within the business environment to record a performance that further attests to the brand's resilience.

- **Transaction Fees**

  Revenue from the Transaction Fees grew by 69%, majorly driven by the introduction of fees on secondary market transactions on bonds payable by Clients, contributing 50% to the total Transaction Fees. Also, transactions in the Bills, Repo and FX markets contributed 22%, 22% and 17%, respectively to the Revenue earned on Transaction Fees. Earnings from Transaction Fees contributed 14% to the Group's total Revenue in 2022.

The Exchange focused on enhancing market development initiatives aimed at promoting market activities through upgrades to relevant market systems to promote price discovery, effective governance, and seamless trade execution, as well as active stakeholder engagements to drive product awareness and market activity through the execution of several sensitisation sessions targeted at market participants including corporate treasurers, securities dealers/brokers, regulators, fund/asset managers, etc.

- **Post-Trade Services**

In line with its mandate of de-risking the Nigerian financial markets, as well as enhancing the integrity of the financial market ecosystem, FMDQ Clear, continued to record major feats in the provision of its clearing services whilst gaining the required experience on the workings for centrally-cleared products for the activation of its CCP services for the soon-to-be-activated Exchange-Traded Derivatives ("ETD") Market.

Within the year, significant progress was recorded on the achievement of critical milestones towards the establishment of a viable ETD Market following the publication of the CCP Clearing Risk Management Policies, which provide guidance on the activation of CCP services, finalisation of the Clearing System configurations and testing, as well as the granting of requisite Clearing membership approval to six (6) Dealing Member (Banks) (full licence and Approval-in-Principle, as applicable).

In the Depository franchise, settlement activities for sovereign securities recorded a growth from ₦54.87 trillion to ₦87.99 trillion between 2021 and 2022, representing a 60% increase. However, volume of sovereign trades declined by 33% in 2022, while Corporate Bonds made the highest contribution to non-sovereign securities trades at ₦85.45 million, representing 69% of the total trades.

Earnings from Post-Trade Services contributed 51% to the Group's total Revenue in 2022

- **Securities Admission**

The Exchange's Securities Admission Franchise continues to remain a standard for fixed income securities in the Nigerian financial markets, characterised by a best-in-class admission services focused on facilitating efficient time-to-market, and unique listings/quotations services primed to ensure visibility for Issuers, as well as serving as the benchmark for valuation. In 2022, FMDQ Exchange admitted a total of one hundred and sixty-one (161) securities (*excluding the sovereign vanilla securities*), across a diverse range of products and issuers, representing an increase of 85% relative to 2021.

In 2022, the Exchange successfully admitted the following securities:

- One hundred and thirty-four (134) Commercial Papers valued at ₦726.01 billion
- Twenty (20) Corporate Bonds valued at ₦624.47 billion
- Two (2) Sukuk valued at ₦260.00 billion
- Five (5) Funds valued at ₦93.50 billion; and
- Four (4) FGN Eurobonds with a total face value of $5.25 billion

The increase in primary market activity in the fixed income market as a result of the capital needs of issuers, in anticipation of further spikes in cost of capital due to the macroeconomic environment and anticipated restrictive monetary policy (to curtail inflation), as well as the Exchange's competitive position, resulted in an increase of 48% in Securities Admission Fees to ₦928.81 million in 2022 (2021: ₦626.77 million). Earnings from Securities Admission Services contributed 4% to the Group's total Revenue in 2022.

- **Private Companies' Securities Noting**

  In 2022, FMDQ Private Markets achieved significant growth in its Noting Fees, which accounted for 86% of the total Revenue generated during the year. The total Revenue from Noting Fees reached ₦574.90 million, reflecting a substantial increase of 175% compared to ₦209.14 million recorded in the preceding year. A closer look at the components of Noting Fees reveals noteworthy trends, including the Revenue derived from Noting Application Fees which experienced a remarkable surge of 192%, reaching ₦561.07 million in 2022. Conversely, the Revenue generated from Annual Noting Fees experienced a decline of 17%, amounting to ₦13.83 million in 2022. Earnings from Noting Fees contributed 3% to the Group's total Revenue in 2022

  These figures highlight the robust growth and evolving dynamics in Noting Services under FMDQ Private Markets

- **Depository Services**

  FMDQ Depository's rejuvenated sales focus produced a 281% increase in securities lodgement service in 2022, comprising of eighty-one (81) Commercial Papers, twenty-six (26) Private Companies' Bonds, ten (10) Corporate Bonds, and one (1) Equity security, totalling one hundred and eighteen (118) securities valued at circa ₦20.47 trillion, compared to ₦689.38 billion securities admitted in 2021. Earnings from Depository Services contributed 5% to the Group's total Revenue in 2022

- **Data and Information Services**

  FMDQ Exchange since inception, has promoted transparency in the Nigerian financial markets by providing invaluable data and information on the Nigerian Fixed Income, Currencies and Derivatives markets to its Members and other market stakeholders via various channels, particularly its flagship market data and information repository – the FMDQ e-Markets Portal. In 2022, to improve and ensure the sustainability of its Data and Information service, the Exchange initiated and completed the disaggregation of its Membership services from its Data and Information service, in line with the trend across securities exchanges globally, and most importantly to support the Exchange's drive to deliver enhanced and unparalleled data and information for optimal decision-making by its stakeholders

  During the course of the year, international and local market participants (Members and Non-Members of the Exchange) including issuers, dealers, and investors who require timely, reliable, and accurate market data and information continued to show interest in, and consequently became and/or remained beneficiaries of this Service which led to the recording of a total of eighty-two (82) subscribers to the Exchange's Data and Information Services. These subscribers comprised of four (4) international data subscribers, seventy-eight (78) local data subscribers and three (3) data redistributors. Revenue from Data and Information Services increased by 133% to ₦134.21 million in 2022

- **Memberships**

  - **Exchange Business**

    The Membership franchise of FMDQ Exchange continues to grow in alignment with the continuous effort put in place to drive an integrated financial market, improve network effects, and promote market liquidity. The total number of Members in the four (4) membership categories - Dealing, Associate, Registration and Affiliate - increased by 6% to two hundred and ninety-seven (297) Members, up from two hundred and eighty (280) Members recorded in 2021. Total Membership Revenue increased by circa 28% to ₦224.83 million in 2022 from ₦175.74 million recorded in 2021. The growth in the Membership Franchise was driven mainly by the 16% increase in the Registration Member category, on the back of the increase in primary market activity thereby boosting deal origination mandates and interest in participation by eligible institutions in the Registration Member category. The Exchange remained dedicated to consistently providing long-term sustainable value to its various stakeholders through efficient market integration and promoting the alignment of domestic markets with international standards

FMDQ Exchange Membership Base

Dealing Members

- Banks - 34
- Specialists - 25

5%

Associate Members

- Inter-Dealer Brokers -17
- Brokers -16
- Clients - 39

0%

Registration Members

- Listings - 47
- Quotations - 53

16%

Affiliate Members

- Standard - 57
- FX Trading - 4
- Fixed Income - 4
- Regulator -1

0%

Central Counterparty Business

FMDQ Clear continued the registration and onboarding of Clearing Members, positioned to shoulder the responsibility for the financial performance of all transactions executed and cleared through them (on behalf of their Trading Members and/or Clients) with the CCP. This culminated in the approvals granted to six (6) Dealing Member Bank(s), whilst active engagements continued with other prospective Clearing Members, towards their full registration in the succeeding year

Depository Business

FMDQ Depository's sustained onboarding drive for new Participants (Direct Participants and Clients) resulted in twenty-five (25) new Direct Participants, thereby closing the year with one hundred and eleven (111) Direct Participants on its platform, representing a 29% growth from 2021. In addition, the number of Clients (institutional and private investors) increased from eight hundred and forty-six (846) in 2021 to one thousand, three hundred and fifty-six (1,356) in 2022, representing a 60% increase

Private Markets Business

FMDQ Private Markets recorded a 15% growth in Membership Fees in 2022, with revenue amounting to ₦52.26 million compared to ₦45.63 million in 2021 and contributed 8% to the total revenue generated by the company for the year. However, there was a 6% decrease in revenue from Eligibility Fees, which amounted to ₦21.15 million in 2022, but a notable 34% increase in Revenue from Annual Dues, with earnings reaching ₦31.11 million in 2022 compared to ₦23.18 million in 2021

- **Technology Services**

  The core of the Exchange's business strategy remains its Technology Services, as it continued to invest extensively to deploy suitable technology infrastructure in support of its mandate and achievement of corporate objectives. In 2022, the Exchange continued to optimise its proprietary market system offerings to provide seamless access to market venues (trading and execution), as well as relevant data and information. The ability to develop market-leading capabilities, and solutions had a direct impact on its technology service solutions, reputation, and ongoing sustainability, was made possible by the Exchange's reliable technology platform, on which the markets depend, and the efficiency of its operating processes. The Exchange will continue to ensure the robustness of its Technology Services to support its strategic goal of facilitating market development. Total Revenue from Technology Services remained constant at ₦138.00 million as the number of billable clients for the Exchange's Technology Services did not change

Stakeholder Focus

In cognisance of the significance of the active contributions of stakeholders to the success of any forward-looking organisation, FMDQ has continued to prioritise engagement with its varied stakeholder groups. Being a systematically important financial market infrastructure (FMI) group with a Strategic Objective of activating and leveraging partnerships and strategic alliances with local and international organisations, the Group, in 2022, was intentional in ensuring that it developed and sustained mutually beneficial relationships with stakeholders who share its long-term goal of delivering prosperity to Nigeria and Nigerians through its financial markets.

During the year, FMDQ held and participated in various events, local and international, and engaged stakeholders as part of its stakeholder engagement mandate. The notable activities included, but were not limited to, the following:

- Admittance of FMDQ Group as the 70th Member of the World Federation of Exchanges (WFE) after four (4) years of being an Affiliate. The achievement to become a Member of the WFE, a global industry group for exchanges and clearing houses, indicates the global recognition of quality and reliable services offered by FMDQ Group across its FMI value chain - Exchange, Central Counterparty and Depository, as well as global acceptance of the FMDQ brand

- Participation at the annual membership meetings and conferences of Associations to which FMDQ belongs, including the WFE, International Organisation of Securities Commissions (IOSCO), African Securities Exchanges Association (ASEA), International Capital Markets Association (ICMA), International Swaps and Derivatives Association (ISDA), Futures Industry Association (FIA), The Global Association of Central Counterparties (CCP12), and Nigerian Economic Summit Group (NESG), amongst others

- To develop the FMDQ markets and business, FMDQ Group, in collaboration with Financial Sector Deepening (FSD) Africa, under the Nigerian Green Bond Market Development Programme (NGBMDP) executed a series of activities, including a capacity building session for Departments and Agencies of the Lagos State Government ahead of the issuance of the State's proposed maiden Green and Blue Bonds; a capacity building session for the real estate industry on green buildings financing and the International Finance Corporation (IFC) EDGE (Excellence in Design for Greater Efficiencies) green building standards, and a workshop on the issuance of the Federal Government of Nigeria's maiden Blue Bond for the Federal Ministry of Water Resources, amongst others

- Furthermore, in its typical tradition to drive meaningful engagements and build stakeholders' capacities with the aim of promoting sustained growth and development in Nigerian financial markets, FMDQ hosted webinars, events, and sensitisation sessions including, but not limited to the FMDQ ETD Market focused sensitisation sessions for all FMDQ market stakeholder groups, through its fully sponsored market education platform, FMDQ Academy, to ensure market readiness for the activation of the FMDQ ETD Market

- Commemoration of the 5th edition of the Group's flagship FMDQ GOLD Awards as a grand ceremony, to acknowledge and formally recognise the contributions of participants whose activities directly impacted the development of the markets and positively contributed to making them GOLD – Globally Competitive, Operationally Excellent, Liquid and Diverse. The 5th Annual FMDQ GOLD Awards, the first physical ceremony since the onset of the COVID-19 pandemic held on November 11, 2022, acknowledged the valuable efforts of stakeholders through their participation in the FMDQ markets (Fixed Income, Currencies, and Derivatives) and across the FMI value chain of FMDQ's business – Exchange, Central Counterparty, Depository and Private Markets – as highlighted below:

Entity	2022 FMDQ GOLD Awards					
	Award Categories			Award Winners		
	Non-Voting	Voting	Total	Non-Voting	Voting	Total
FMDQ Group*	2	0	2	2	0	2
FMDQ Exchange	14	4	18	15	4	19
FMDQ Clear	2	0	2	2	0	2
FMDQ Depository	5	0	5	5	0	5
FMDQ Private Markets	2	0	2	2	0	2
Grand Total			29			30

**Leadership Awards*

- Hosting of a farewell Reception in honour of the Retired Group Chairman of FMDQ Group, Dr. Okwu Joseph Nnanna, as well as fourteen (14) other FMDQ Directors who retired between January 2018 and September 2022, for the roles they played in the growth and development of FMDQ and its markets

FMDQ remains committed to working in partnership with its market stakeholders to build, not only on these effective collaborations, but also activate new partnerships as this is fundamental for the successful delivery of the Group's mandate.

Risk Management

As a vertically integrated FMI group and in line with our overarching commitment to continuously create immense value to our stakeholders, FMDQ appreciates the importance of maintaining an agile and sustainable business operations. Our business operations are managed in line with the risk appetite and tolerances set by the Board.

FMDQ has continued to ensure the successful execution of our Corporate Strategy by deploying and implementing a robust Enterprise Risk Management Framework across the Group's business operations. The Framework is aligned with our Strategic Objectives and enables FMDQ to proactively identify, assess, treat, monitor, and report on risks that span across strategic, operational, compliance and financial reporting objectives of the Group.

Our commitment to protect our stakeholders' data and assets in line with global best practices, by validating our continued adherence to both the Global Data Protection Regulation (GDPR) and the Nigeria Data Protection Regulation (NDPR) 2019 Standards, was fulfilled in the review period. Furthermore, in response to emerging cyber threats in the financial sector and in the broader economy, the Group's Information Security Management System Franchise continuously assessed and monitored the resilience of FMDQ Group's information system and technology infrastructure, to ensure continued confidentiality, integrity, and availability of our information system.

Due to increasing reliance on information technology systems by business operations, information systems and associated business products and services have become more critical to the sustainability of organisations. Our Business Continuity Management Programme underpins the digitisation of our operations, which enables us to continuously render services across the FMI value chain to the Group's Members, clients, and other stakeholders without disruption.

The implementation of effective risk management policies and practices is complemented by a strong risk awareness culture across the Group, which requires all employees to understand and embrace their roles in managing risks.

Technology

iQx Consult, the technology services franchise of FMDQ Group focused on three (3) broad themes – efficient delivery of application systems; operation of highly available technology infrastructure and application platforms; and strengthening of information security practices. The thematic approach to the objectives and goals of iQx Consult enabled focus and direction of resources in a manner that assured successful execution.

The Application Engineering and Delivery functions adopted collaboration with required stakeholders and continuous improvement methods to drive faster delivery of quality and fit-for-purpose application systems for FMDQ Group's franchises to realise their business, operations, and compliance objectives. Technology infrastructure capacity was expanded and digitisation programme for service management was launched to assure excellence in operating the infrastructure and application franchise of the Group, in line with global best practices leading to the realisation of availability levels of 99.85%.

Furthermore, the posture of zero tolerance to any cybersecurity breach informed the development and implementation of requisite frameworks, policies, practices, and operational capabilities, including the deployment of necessary toolset to actualise this goal in 2022.

Key Highlights for 2022

2022 endured more than its share of difficulties both globally and on the home front, with the sustained impacts of COVID-19 still felt in various economies. In addition to the global ills, the heightened electioneering activities across the country in the build-up to the 2023 general elections escalated the lingering business environment challenges as most businesses decided to stay on the path of caution with attendant impact on economic activities.

Despite the macroeconomic headwinds, FMDQ did not relent in its continuous quest to deliver value to its varied stakeholder groups, in recognition of its role as a critical FMI group in the Nigerian financial markets. The Group, together with its wholly owned subsidiaries – FMDQ Exchange, FMDQ Clear, FMDQ Depository and FMDQ Private Markets, remained focused on championing innovative solutions whilst providing efficient services. Some of the milestones recorded across FMDQ Group and its subsidiaries are highlighted below:

- The year commenced with the transition of FMDQ Holdings PLC into FMDQ Group PLC. Over the years, FMDQ Group evolved from an OTC Market to a full-fledged Securities Exchange, to a budding FMI group, now structured as a Securities and Exchange Commission (SEC)-registered Capital Market Holding Company, warehousing five (5) wholly owned subsidiaries, including FMDQ Exchange (Nigeria's Largest Exchange by Market Turnover), FMDQ Clear (Nigeria's Foremost Central Counterparty), FMDQ Depository (Nigeria's Integrated Securities Depository), FMDQ Private Markets (Nigeria's Private Capital Information Repository) and iQx Consult Limited (an Information Technology Services Company)

- As a sustainability-focused FMI group with its strong commitment to the preservation of the environment firmly entrenched in its Sustainability Agenda, which has the 'Environment' as one of its four (4) Sustainability Pillars, and is hinged on the United Nations (UN) Sustainable Development Goal (SDG) 7 - Affordable and Clean Energy; Goal 12 - Responsible Consumption and Production; and Goal 13 - Climate Action, FMDQ Group launched its recycling initiative, called FMDQ Triple R Initiative (Reduce, Reuse, Recycle), in support of a circular economy

- The Implementing Partners of the Nigerian Green Bond Market Development Programme (NGBMDP), FMDQ Group and Financial Sector Deepening (FSD) Africa launched an Impact Report on the Nigerian Green Bond Market, which was hosted by the British Deputy High Commission. The Impact Report documents the activities of the NGBMDP since its inauguration in 2018 and provides insights into the challenges and opportunities in the Nigerian Green Bond Market

- The two (2) Entrepreneurial Programmes, birthed through the FMDQ Private Markets and Saïd Business School, Entrepreneurship Centre (the erstwhile Oxford Foundry) Partnership – the Young Entrepreneurial Leaders Programme and the Innovate Nigeria Programme (all together referred to as the FMDQ x Oxford Programmes) – were successfully concluded, having impacted twenty (20) individuals and five (5) businesses. The FMDQ x Oxford Programmes, which were delivered by the Saïd Business School, provided world-class entrepreneurship and leadership education to future Nigerian leaders, alongside the construction of a global Nigeria-focused investment

- FMDQ Group received the Sustainability, Enterprise, and Responsibility Awards (SERAS) 2022 Organised Private Sector in Water Sanitation and Hygiene (OPS-WASH) Recognition for "Best Company in Water & Sanitation" in recognition of FMDQ Group's commitment to sustainability practices. FMDQ Group also received the 'Gold Award' at the Lagos State 2022 EQUAL Summit, in recognition of its immense contribution and support towards the growth and development of education in Lagos State, through the donation of a cash sum for the procurement of 10,750 units of pre-loaded educational tablets to support e-Learning for public school students and teachers in Lagos State during and post-COVID era

A detailed account of the key highlights of 2022 for the Group is presented in the Strategic Report section of this Annual Report.

Strategic Outlook

With a focus on innovation, operational efficiency, and product/market development towards achieving its **GOLD** Agenda, FMDQ continued its post-pandemic recovery to build on the significant strides of 2021 by expanding its business across the value chain of the Nigerian financial markets whilst bringing the second year of its 5-Year Strategic Plan (2021 – 2025) to an end.

We look forward to the actualisation of the following initiatives in 2023, as we look to our third year of the Group's Strategic Horizon:

- FMDQ Exchange will continue to focus on its efforts to launch an active and viable ETD market in the Nigerian financial markets, with the introduction of its Fixed Income and Currency Futures products, following the receipt of the SEC's approval of same. Likewise, the Bilateral Repurchase Agreement (Repo) with Collateral Management Service Project is at the final stage of completion, and the Exchange will assiduously work towards the activation of this market

- Further to the regulatory approval received from the SEC, FMDQ Clear will continue to focus on the immediate activation of its CCP Services for financial market transactions in the Derivatives, Fixed Income Spot & Repo Markets. Similarly, to position itself for global recognition and relevance, FMDQ Clear will continue be an active player amongst the comity of world-class CCPs

- FMDQ Depository, in furtherance of the advancement of its business development agenda through strategic alignment with relevant international professional bodies, will seek admission as a member of the International Securities Services Association (ISSA). As a member, FMDQ Depository will have access to learning and education, best practices and principles in the global securities services industry, networking opportunities, support for service development, strategies for risk reduction, and frameworks for operational efficiencies. These will further help to position FMDQ Depository as a provider of cutting-edge solutions to clients

- FMDQ Private Markets will commence the development of its Private Companies' Participatory Debt Note and upgrade of its Private Companies' Securities Information and Distribution Portal (Restricted) to improve the functionalities and service offerings to its Members. Furthermore, FMDQ Private Markets will launch the Artis DealRoom (Artis), a digitised aggregation point of supply vendors and Qualified Institutional Investors (QIIs) for financing using trade instruments

- To build financial resilience as it implements its Corporate Strategy, FMDQ Group will continue to position as a fully integrated FMI group, while consolidating efforts on developing its capital market businesses, as well as seeking opportunities to provide strategic and financial returns to the Group, in line with its Principal Investment Framework. Similarly, in order to position FMDQ to harness the benefits of a fully digitised ecosystem, the Group will focus on the implementation of its Technology Transformation Project

Conclusion

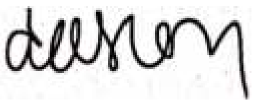
FMDQ has been on a remarkable journey over the last nine (9) years, and I am indeed proud of the progress we have made since the launch onto the Nigerian financial markets landscape, which could not have been possible without the unflinching support of our esteemed stakeholders.

The unalloyed support of the apex capital markets regulator, the SEC, and the apex bank – the CBN, has been invaluable and is extremely appreciated. Likewise, the collaborative efforts of the Debt Management Office, Nigeria, National Pension Commission, and other financial services regulators towards the introduction of various market development initiatives cannot be undermined, and we are indeed grateful.

The stellar stewardship of the Board Chairman and Members, across all our Entities, has been critical towards the achievements and progress made this year. To all our Directors, we thank you for your exemplary leadership, trust and fortitude, as they were nothing short of remarkable.

Finally, I would like to express my profound gratitude to the Staff and Management of FMDQ, who have worked tirelessly towards building an FMI group we are all proud of, with extraordinary efforts in ensuring that our markets remained 'GOLD' despite the challenges experienced during the year. I look forward to our journey in 2023 with unbridled enthusiasm and excitement as we forge into our 10th year in the Nigerian financial markets, with sustained vigour and commitment to the delivery of our mandate to transform the Nigerian financial markets to be globally competitive, operationally excellent, liquid and diverse, in line with our GOLD Agenda.

In conclusion, I would like to reiterate our commitment towards achieving our overarching Strategic Objectives and ensuring FMDQ continues to tow the right path as an Agent of Change, whilst making sustainable progress, under the leadership and guidance of the Board. Permit me to close with a quote from O.R.Melling – *"When you come to the edge of all that you know, you must believe one of two things: There will be ground to stand, or you will grow wings to fly!*



Mr. Bola Onadele. Koko

Chief Executive Officer

Governance Structure

Corporate Governance Report

FMDQ's Remuneration Policy

Governance Structure

Corporate Governance Report

a. FMDQ's Approach to Corporate Governance

FMDQ Group upholds high standards of corporate governance as the Company recognises the role of good corporate governance practices on the efficacy of the Board of Directors (the "**Board**"). The Board, is therefore, fully devoted to ensuring that the Company meets best practice corporate governance principles and adheres to high ethical standards, values and behaviours. To this end, the Board has put in place relevant structures, policies and processes to ensure adherence with the *Securities and Exchange Commission (SEC) Corporate Governance Guidelines, 2020*, the *Nigerian Code of Corporate Governance, 2018,* the relevant provisions of extant laws— such as, but not limited to the *Investments and Securities Act, 2007*, the *Companies and Allied Matters Act 2020,* etc.— and global best practices, to deliver sustainable value for the Company's shareholders, employees, communities, and other stakeholders. The responsibilities of the Board are detailed in the Board Charter. The Board's activities and proceedings are also governed by the Company's Memorandum and Articles of Association. Additionally, all Board Committees have charters which guide and govern their activities.

The Company's guiding corporate governance principles are documented in the *Corporate Governance Manual*. This document, along with all the other corporate governance documents (such as, but not limited to, Insider Dealing Policy, Whistleblowing Policy, Anti-money Laundering and Combating the Financing of Terrorism Policy, Corporate Communications Policy, etc.) which underpin the Company's governance architecture, are regularly updated from time to time.

The Company's approach to corporate governance is guided by the following core principles, which, as noted, are enshrined in the *Corporate Governance Manual*:

Principle	Description
Ethical Culture	Trust, integrity and good governance shall be hallmarks of the Board's governance approach. In setting the tone at the top, the Board shall nurture the strong corporate values that are well entrenched in the culture of the Company and reinforce the ethical principles on which FMDQ's reputation and success are founded. These values shall be extended into every segment of the Company's operations and business activities.
Stewardship	The members of the Board shall be the stewards of the Company, exercising independent judgment in supervising Management and safeguarding the interests of shareholders, and strengthening its focus as an FMI Group. In fulfilling its stewardship role, the Board shall seek to instil and foster a corporate environment founded on integrity and to provide Management with sound guidance in pursuit of long-term shareholder value, safeguarding the integrity of the Group.
Independence	Independence from Management is fundamental to its role, and, in order to ensure that this independence continues to inform the Board's decision-making process, the Board shall put effective mechanisms in place to safeguard this independence. Also, it will be ensured that Independent Non-Executive Directors sit on the Board in order to see to it that the Board does not itself become an echo-chamber.

Principle	Description
Oversight of Strategy	The members of the Board are the key advisors to Management, overseeing strategic direction and the formulation of plans, considering both the opportunities and risks of FMDQ's businesses. In carrying out this oversight role, the Board shall actively engage in setting the long-term strategic goals for the organisation, reviewing and approving business strategies, corporate financial objectives and financial and capital plans that are consistent with the strategic goals, and monitoring the Company's performance in executing strategies and meeting objectives.
Oversight of Risk	A key priority of the Board shall be embedding a strong risk management culture throughout the organisation and overseeing the frameworks, policies and processes adopted to identify principal risks to the business and systems implemented to manage those risks. The Board shall actively monitor the Company's risk profile relative to risk appetite and shall seek to ensure that Management's plans and activities provide an appropriate balance of return for the risks assumed and are prudently focused on generating shareholder value and safeguarding the integrity of the Group.
Accountability & Transparency	The Board shall carefully define the expectations and scope of duties of the Board, its Committees and Management and shall be accountable to FMDQ Group's shareholders as well as other stakeholders and the SEC. Transparency is fundamental to good governance, and the Board shall take seriously FMDQ Group's commitment to constructive stakeholder engagement, clear and comprehensive disclosure and financial reporting and its role as a public interest entity.
Continuous Improvement	The Board shall be committed to continuous improvement of FMDQ's corporate governance principles, policies, and practices, which are designed to align with the interests of the Board and Management with those of shareholders, to support the stewardship role of the Board, and to enhance the Board's ability to safeguard the interests of shareholders through independent supervision of Management. To ensure that these policies and practices meet or exceed evolving best practices and regulatory expectations, the Group's corporate governance system shall be subject to ongoing review by the Group Board Governance and Human Resources Committee.

b. Compliance with the Securities and Exchange Commission's Corporate Governance Guidelines 2020, the Nigerian Code of Corporate Governance 2018, and Required Assurances

Throughout the year ended December 31, 2022, the Company sought to comply with the provisions of the SEC's Corporate Governance Guidelines 2020 ("**SCGG**") and the Nigerian Code of Corporate Governance 2018 ("**NCCG**"). The Company, as such, applied the principles of the SCGG and the NCCG to its corporate governance structure and practices.

The Board assures stakeholders that an able internal audit function exists in the Company and that, similarly, the risk management control and compliance functions and mechanisms are operational and functional within the Company.

c. Shareholding

The Company is owned by the following:

- Central Bank of Nigeria
- Financial Market Dealers Association (FMDA)
- NSE Consult Limited (a fully owned subsidiary of the Nigerian Exchange Group)
- Eighteen (18) commercial banks, four (4) merchant banks and one (1) discount house

d. Cross-Shareholding

The Company does not hold shares or rights in any entity that is a shareholder of FMDQ; hence there is no cross-shareholding.

e. Board of Directors

The Board of FMDQ Group is accountable to its shareholders for the overall direction and control of the Company. It is committed to high standards of governance designed to protect the interests of its shareholders and all other stakeholders, while promoting the highest standards of integrity, transparency, and accountability. The profiles of the Company's Directors are set out on the Company's website: *https://www.fmdqgroup.com/about/board-of-directors/* and contained in the Organisation Design Chapter of this Report.

The Board is duly constituted to provide support for, and control of the activities of the Executive Committee—chaired by the Chief Executive Officer—to ensure effective day-to-day management of the Company. The Board is responsible for monitoring Management's implementation of the Company's strategic plans and initiatives for the long-term benefit of the Company and its shareholders. Directors act in a manner that will enhance the value of shareholders by exercising reasonable care, skills, diligence, and independent judgment, whilst taking into consideration the impact of the business on the community and the interest of stakeholders. The Board has adopted a formal schedule of matters specifically reserved to it. Key matters reserved to the Board are set out in the table which follows:

Power	Components
Strategy & Management	▪ Approval of the Company's Strategic Plan ▪ Review of delivery of the strategy and performance against Strategic Plan ▪ Approvals for recruitment and selection of Senior Vice President and above ▪ Promotion to levels of Senior Vice President and above
Structure and Capital	▪ Proposal of major changes to the Company's corporate structure, excluding internal reorganisations, which may be approved by the Chief Executive Officer ▪ Proposal of changes relating to the Company's capital structure or its status as a PLC ▪ Approval of Capital Plan, as may be applicable
Legal Requirements	▪ Approval of Financial Statements ▪ Approval of Annual Report and Accounts ▪ Approval of allotment of shares ▪ Approval of any significant change in accounting policies or practices

Power	Components
	▪ Proposal on appropriation of profits in line with the Company's Appropriation Policy ▪ Appointment (or removal) of the Company Secretary ▪ Authorisation for Directors' conflicts or possible conflicts of interest ▪ Recommendation to the shareholders of the appointment or removal of External Auditors
Financial Dealings	▪ Approval of annual budgets ▪ Approval of sale of assets in accordance with limits specified by the Board from time to time ▪ Approval of capital expenditure or investments in accordance with limits specified by the Board from time to time ▪ Approval of leases ▪ Approval of accounting and investment policy ▪ Approval of changes in major banking relationships and account mandates ▪ Approval of profit appropriation
Regulatory Requirements	▪ Approval of resolutions and corresponding documentation for shareholders at Annual General Meetings ▪ Approval of all shareholder circulars, prospectuses, and listing particulars ▪ Approval of press releases concerning matters decided by the Board
Board Membership and Board Committees	▪ Approval of FMDQ Board structure, size and composition, including appointments and removals ▪ Succession planning for the Board and Management ▪ Approval of FMDQ Group Board Committee membership
Expenses in the Ordinary Course of Business	▪ Approval of all expenses over ₦100.00 million in the ordinary course of business or as may be prescribed by the Board from time to time
Disposal of the Company's Fixed Assets	▪ Approval of the disposal of assets in accordance with limits specified by the Board from time to time

Power	Components
Remuneration	▪ Approval of the framework for remuneration packages of the Chief Executive Officer and Executive Directors ▪ Proposal of Chairman and Non-Executive Directors' remuneration ▪ Approval of the framework for remuneration packages of Executives in specialist roles ▪ Determination and authorisation of employee shares/compensation schemes
Corporate Governance	▪ Approval for process of the Board performance evaluation ▪ Determination of independence of Non-Executive Directors ▪ Approval of Corporate Governance Framework ▪ Appointment (or removal) of members of Executive Management
Delegation of Authority	▪ Approval of Board and Board Committee Charters

f. Board Balance and Independence

The Board remains satisfied that it has the appropriate balance of skills, experience, independence, and knowledge to enable it and its committees discharge their duties and responsibilities effectively, as required by the NCCG and SEC Corporate Governance Guidelines. In the same vein, the Board recognises that the independence of the Board from Management is extremely paramount and consequently, the Board and all Board Committees are chaired by Non-Executive Directors, while the Group Board Regulation and Risk Management Committee (GBRRMC) — which is the Board Committee responsible for overseeing the Company's self-regulatory organisation franchise — is chaired by an Independent Non-Executive Director (“**INED**”). All Directors have access to the advice and services of the Company Secretary and the Board solicits for external opinion and counsel as and when required.

The Directors have a broad range of skills and experience and, thus, bring independent judgement to bear on issues of strategy, performance, risk management, resources and standards of conduct which are integral to the success of the Company.

g. Board Structure

As at December 31, 2022, the Board comprised of nine (9) Directors which include: four (4) Non-Executive Directors, four (4) INEDs and one (1) Executive Director, who is the Chief Executive Officer. The Board is responsible for the governance of the Company and is committed to ensuring that effective corporate governance is put in place and adhered to.

As stipulated in the NCCG and the SCGG, the offices of Chairman and Chief Executive Officer are separate and distinct with a clear division of responsibilities. The Chairman provides leadership to the Board whilst ensuring effectiveness in discharging its supervisory duties. The Board delegates responsibility for the day-to-day management of the Company to the Chief Executive Officer but retains responsibility for the overall strategy and direction of the Company. The Chief Executive Officer is the head of the Management Team who then delegates authority to the appropriate Senior Executives for specific activities and transactions.

During the reporting period, members of the Board of Directors were as follows:

SN	Director	Role
1.	Dr. Kingsley Obiora, OFR *(Representing Central Bank of Nigeria)*	Group Chairman
2.	Mr. Jibril Aku *(Representing FMDA Board of Trustees)*	Group Vice Chairman
3.	Mr. Kennedy Uzoka* *(Representing Systemically Important Banks)*	Non-Executive Director
4.	Mr. Emeka Onwuka, OON *(Independent Non-Executive Director)*	Non-Executive Director
5.	Ms. Daisy Ekineh *(Independent Non-Executive Director)*	Non-Executive Director
6.	Dr. Ebenezer Onyeagwu *(Representing Systemically Important Banks)*	Non-Executive Director
7.	Mr. Sadiq Mohammed *(Independent Non-Executive Director)*	Non-Executive Director
8.	Mrs. Egbichi Akinsanya** *(Independent Non-Executive Director)*	Non-Executive Director
9.	Mr. Oliver Alawuba*** *(Representing Systemically Important Banks)*	Non-Executive Director
10.	Mr. Bola Onadele. Koko *(Chief Executive Officer)*	Executive Director

*- Resigned from the Board Effect August 1, 2022
** - Appointed and joined the Board effective January 1, 2022
*** - Appointed to the Board on October 28, 2022, to replace Mr. Kennedy Uzoka

h. Board Meeting Attendance in the Year Ended December 31, 2022

The attendance at Board meetings for the year ended December 31, 2022, is outlined as follows:

SN	Directors	Mar. 29 2022	Apr. 29 2022	Jul. 29 2022	Oct. 28 2022	Dec. 15 2022
1.	Mr. Kingsley Obiora, OFR (Chairman)	✓	✗	✓	✓	✓
2.	Mr. Jibril Aku (Vice Chair)	✓	✓	✓	✓	✓

SN	Directors	Mar. 29 2022	Apr. 29 2022	Jul. 29 2022	Oct. 28 2022	Dec. 15 2022
3.	Mr. Kennedy Uzoka*	✓	✓	✗	N/A	N/A
4.	Mr. Emeka Onwuka, OON	✓	✓	✓	✓	✓
5.	Ms. Daisy Ekineh	✓	✓	✓	✓	✓
6.	Dr. Ebenezer Onyeagwu	✓	✓	✓	✓	✓
7.	Mr. Sadiq Mohammed	✓	✓	✓	✓	✓
8.	Mrs. Egbichi Akinsanya**	✓	✓	✓	✓	✓
9.	Mr. Oliver Alawuba***	N/A	N/A	N/A	N/A	N/A
10.	Mr. Bola Onadele. Koko	✓	✓	✓	✓	✓

*- Resigned from the Board Effect August 1, 2022
** - Appointed and joined the Board effective January 1, 2022
*** – Appointed to the Board on October 28, 2022, and onboarded in February 2023
N/A – means that the Director was not a member of the Board at the time of the subject meeting

When meetings are arranged on short notice, every attempt is made to accommodate Directors' diaries; however, inevitably, not all Directors are able to attend all such meetings. When Directors have not been able to attend meetings due to conflicts in their schedule, they received and reviewed papers to be considered at the relevant meeting. Where they had comments or concerns on the matters to be discussed, they provided these to the Committee or Board in advance of the meeting, as relevant and clarification/guidance was provided in this regard.

i. Resignation of Directors

Mr. Kennedy Uzoka resigned from the Board during the reporting period.

j. Appointments to the Board and Directors' Appointment Policy

With the Company's Articles of Association providing that section 285(1) and (2) of the *Companies and Allied Matters Act, 2020* shall not apply, the Board has adopted a formal 'Directors' Appointment Policy', which outlines the policy to be observed when appointing Directors to the Board. It consists of: (i) a process flow; (ii) checklist; and (iii) the composition of the Board of Directors based on the Company's shareholding configuration from which Directors are to be selected.

The objectives of this Policy are:

(a) to ensure that the process of appointing a Director is undertaken in an objective, clear and transparent manner;

(b) to ensure that the appointments are made on the basis of an assessment of skills, knowledge, and experience, having regard to the nature of scope of the Company's objectives and activities; and

(c) to outline the Board's composition, drawn from and representative of its shareholding configuration.

A detailed appointment letter spelling out comprehensive terms as it relates to the role, duties and responsibilities, performance evaluation process, code of conduct and obligations on disclosures is issued to Directors upon joining the Board. Mrs. Egbichi Akinsanya and Mr. Oliver Alawuba were both appointed to the Board during the reporting period.

k. Compliance with Statutory Returns

The Board aimed to ensure all regulatory reports for 2022 were made to regulators promptly. No fine was levied against the Company in 2022.

l. Board Performance and Evaluation

As required by the SCGG and the NCCG, PricewaterhouseCoopers Nigeria ("PwC") was engaged to conduct the evaluation of the Company's Board and Corporate Governance practices for the year 2022. They met with relevant personnel and examined relevant documentation. They also conducted interviews with the Board Chairman and Chairs of the Board Committees and administered questionnaires to the Directors and Management Team.

m. Board Training and Development

Upon appointment to the Board, all Directors receive an onboarding pack, which helps to familiarise Directors with the Company's operations, and affairs, as well as the Company's strategy documents and the regulatory framework within which the Company operates. The onboarding is usually organised by the Company Secretary and the Company's strategy function.

As part of the induction process, new Directors meet with the Company's Executives to receive briefings on operational matters and strategic initiatives to help inform their understanding of the Company's business operations and other relevant areas. The Company is committed to ensuring that Directors attend trainings to continually update their skills and knowledge of the Company's business, relevant operating environment, and overall economic landscape to assist them in effectively discharging their duties.

n. Code of Business Conduct and Ethics for Directors and Conflict of Interest Policy

The Company has a robust Code of Business Conduct and Ethics for Directors, which sets out to ensure that Directors are making ethical decisions when performing their duties. This Code is intended to provide guidance to the Directors with respect to recognising and handling areas of ethical issues, information on how to report unethical conduct and to help foster a culture of openness and accountability.

The document applies to all Directors. Directors are encouraged to ask questions about circumstances that they require clarity as far as the provisions of the Code is concerned. Such questions should be directed to the attention of the Chairman of the Group Board Governance and Human Resources Committee who may consult with the Company Secretary, or external counsel, as appropriate.

In addition, the Board has adopted a Conflict of Interest Policy, which outlines guidelines and procedures in connection with the identification, disclosure, and management of any real, potential or perceived conflicts of interest on the Board of FMDQ Group. It provides a systematic mechanism for disclosing and evaluating potential and actual conflicts and procedures for the Board, or a committee with Board-delegated authority, in considering any transaction or arrangement where a conflict may exist.

The Policy is intended to supplement, not replace, applicable laws governing conflicts of interest, such as the *Companies and Allied Matters Act 2020*, the I*nvestments and Securities Act 2007* and any other relevant laws.

o. Audit Committee

The Statutory Audit Committee is established in accordance with the provisions of the *Companies and Allied Matters Act 2020*. The Committee is constituted of Non-Executive Directors and shareholders of the Company. The Non-Executive Directors who serve on the Committee are determined by the Board, while shareholders elect their representatives at the AGM of the Company. Any member may nominate a shareholder to the Committee by giving written notice of such nomination to the Company Secretary at least twenty-one (21) days before the AGM.

The composition and attendance chart of the Audit Committee for the period is set out as follows:

			MEETING DATES				
SN	**Members**	**Interest Represented**	**Mar. 28 2022**	**Apr. 26 2022**	**Jul. 27 2022**	**Oct. 26 2022**	**Dec. 15 2022**
1.	Mr. Banjo Adegbohungbe	Shareholders	✓	✓	✓	✓	✓
2.	Mrs. Nneka Onyeali-Ikpe		✓	✗	✗	✗	✓
3.	Mrs. Bukola Smith		✓	✓	✓	✓	✓
4.	Mr. Emeka Onwuka, OON	Board of Directors	✓	✓	✗	✓	✓
5.	Dr. Ebenezer Onyeagwu		✗	✓	✓	✓	✓

p. Whistleblowing Policy

The Company has a Board-approved Whistleblowing Policy which encourages both internal and external stakeholders to report perceived unethical or illegal conduct of Employees, Management, Directors, and other stakeholders across FMDQ Group through an anonymous and independently hoisted portal managed by KPMG Professional Services ("**KPMG**"), in a confidential manner without any fear of victimisation or reprisal. In line with the Policy, the Audit Committee receives quarterly reports which give a summary of cases reported and the result of the investigations. The Audit Committee also periodically reviews and approves updates to the Company's Whistleblowing Policy in line with good governance practices.

q. Reports of Board Committees

The Board has, as noted above, adopted a formal Board charter that details the Board's role, authority, responsibilities, membership and operations. The Charter sets out the matters specifically reserved for the Board and the powers delegated to its Committees. The Board has three (3) Board Committees. A summary of their activities during the reporting period is set out as follows

- **Group Board Regulatory and Risk Management Committee (GBRRMC)**

The Committee was created by the Board to advance the Company's regulatory and supervisory functions in addition to exercising oversight over the nature, extent and approach of the Company's operational risk management plan.

The attendance at GBRRMC meetings for the year ended December 31, 2022, is outlined as follows:

SN	Director	MEETING DATES Apr. 19 2022	Jul. 15 2022	Oct. 14 2022	Dec. 5 2022
1.	Ms. Daisy Ekineh (Chair)	✓	✓	✓	✓
2.	Dr. Ebenezer Onyeagwu (Vice Chair)	✗	✓	✓	✓
3.	Mr. Sadiq Mohammed	✓	✓	✓	✓
4.	Mrs. Egbichi Akinsanya*	✓	✓	✓	✓
5.	Mr. Bola Onadele. Koko	✓	✓	✓	✓

*- *Appointed to the Board with effect from January 1, 2022*

Activities for Period Under Review

During the period under review, GBRRMC sought to enhance the Company's risk management and control functions. The Committee, *inter alia*, considered the impact of the proposed Investment and Securities Bill on the FMDQ Franchise, and oversaw the Company's continued application of the CBN's Cybersecurity Framework Gaps Remediation.

- **Group Board Finance and Strategy Committee (GBFSTC)**

The Committee was created by the Board to oversee the Company's financial affairs, strategy, and operational structure/approach. The Committee supports and advises the Board in exercising this responsibility and exercises authority delegated to it by the Board in relation to matters set out as its mandate.

The attendance at GBFSTC meetings for the year ended December 31, 2022, is outlined as follows:

SN	Director	MEETING DATES Mar. 24 2022	Mar. 28 2022	Apr. 19 2022	Jun. 23 2022	Jul. 20 2022	Oct. 19 2022	Nov. 22 2022	Dec. 12 2022
1.	Mr. Jibril Aku (Chair)	✓	✓	✓	✓	✓	✓	✓	✓
2.	Mr. Emeka Onwuka, OON (Vice Chair)	✓	✗	✓	✓	✓	✓	✓	✓
3.	Ms. Daisy Ekineh	✓	✓	✓	✓	✓	✓	✓	✓
4.	Mr. Sadiq Mohammed	✓	✓	✓	✓	✓	✓	✓	✓
5.	Mr. Bola Onadele. Koko	✓	✓	✓	✓	✓	✓	✓	✓

Activities for Period Under Review

During the period under review, the Committee, amongst other things, reviewed, considered and recommended a phased implementation of FMDQ Group's Capital Raise Agenda over 2022 and 2023 to the Board and provided guidance to Management on investments in Central Securities Depository Business.

- **Group Board Governance and Human Resources Committee (GBGHRC)**

The Committee was created by the Board to oversee the Company's corporate governance and human capital structures.

The attendance at GBGHRC meetings for the year ended December 31, 2021, is outlined as follows:

SN	Director	MEETING DATES							
		Jan. 14 2022	Mar. 17 2022	Apr. 20 2022	Jun. 28 2022	Jul. 22 2022	Oct. 13 2022	Dec. 6 2022	Dec. 13 2022
1.	Mr. Kennedy Uzoka (Erstwhile Chairman) *	✓	✓	✓	✓	✓	N/A	N/A	N/A
2.	Dr. Ebenezer Onyeagwu (New Chairman) **	✓	✓	✓	✗	✓	✓	✓	✓
3.	Mr. Emeka Onwuka, OON (Vice Chair)	✓	✓	✗	✗	✓	✓	✓	✓
4.	Mr. Sadiq Mohammed	✓	✓	✓	✓	✓	✓	✓	✓
5.	Mrs. Egbichi Akinsanya***	N/A	✓	✓	✓	✓	✓	✓	✓

*- Resigned from the Board with effect from August 1, 2022
** - Assumed Chairmanship of the Committee from Q3 2022 Meeting held on October 13, 2022
*** - Joined the Committee in March 2022 and attended her first Committee Meeting on March 17, 2022
N/A - means member was not a member of the Board at the time of the subject meeting

Activities for Period Under Review

During the period under review, the Committee, amongst other things, considered and made its recommendations on the five (5) years Key Performance Indicators (KPIs) for two (2) members of the Executive Management and the associated and Board approved Cash-Settled Stock Option Scheme for Executive Management to the Board and upgraded the Company's corporate governance and administrative architecture by updating the existing Human Resources Policies and approving new ones.

Company's Remuneration Policy

At FMDQ Group, our approach to remuneration is guided by a transparent, equitable and performance driven culture that positions us to continually attract, retain and reward the best. It provides us with the opportunity to meet current market realities without sacrificing the long-term sustainability of the organisation. We implement a remuneration structure that rewards individuals based on the complexity of their roles, performance and overall value -add to the organisation.

Policy Statement

The purpose of this Policy is to provide stakeholders with an understanding of the remuneration philosophy and policy applied by the Group for employees, Management and Directors (Executive and Non-Executive). FMDQ believes in motivating performance using a transparent reward system and has established this as a continued practice in the organisation.

Remuneration Philosophy

The Group's Board of Directors and its Governance and Human Resources Committee set a remuneration philosophy which is tailored to specific circumstances of the organisation in order to enable FMDQ attract, motivate and retain highly skilled and performing staff and Management, including Executive Directors. The philosophy is reflective of market best practices and incentivises all employees and the Non-Executive Directors (NEDs) to pursue the short and long-term growth and successes of FMDQ within an appropriate control framework, to promote sustainable value creation for shareholders.

The Group's remuneration scheme, which is objective, transparent and in line with best practices, shall also be subject to the following:

a) Transparent Communication/Non-Discriminatory Practices

- All forms of discrimination are not acceptable, i.e. race, gender, pregnancy, marital status, family responsibility, ethnic or social origin, age, disability, religion, belief, political opinion, culture, language, etc.
- While remuneration in FMDQ shall be free of discriminatory distinction, objective distinction based on performance and demonstration of pre-defined competencies shall be applied
- All information required to take decisions regarding remuneration shall be communicated frankly and openly, while the confidentiality of the personal remuneration information of individuals shall be guarded
- The Group shall reward all staff fairly and consistently according to their roles and individual value-add to the organisation

b) Performance-driven Remuneration

- FMDQ strives to strengthen the link between performance and remuneration by establishing and operating a performance management system that makes it possible to differentiate performance of employees and therefore, a key consideration in remunerating employees

c) Affordability

- FMDQ sets limits in line with market and operational realities, to remuneration and other human resource costs, informed by its strategic plan, as well as consideration of the annual budgetary realities, peers' pay scales and inflation rate

d) Benchmarking

- FMDQ may participate in annual benchmarking compensation/remuneration survey to determine the competitiveness and fairness of its pay structure

Remuneration Structure for Employees

The Group shall adopt a remuneration structure which is mindful of the total cost of each employee to the Group and allocate a total value to an employee's role/job content and Grade & Level, as approved by the Board Governance and Human Resources Committee.

Remuneration for Non-Executive Directors

NEDs shall receive fixed annual fees for service rendered to the Board and Board Committees. The component of NEDs remuneration may include:

(i) Sitting allowance for each Board Committee and Board meetings attended during the year. Chairing a Committee shall attract a higher allowance

(ii) Annual vacation allowance for the NED and

(iii) Any other as may be approved by the Board and shareholders of the Group

Compliance

FMDQ complies with all applicable laws and codes

Review

The Board Governance and Human Resources Committee, in performance of its duties under the Board Charter, shall review the Group's Remuneration Policy. It shall put to the Board any proposal it deems timely with respect to the items included and the amount earmarked to them. This Policy will be reviewed at least every two (2) years from the effective date.

Organisation Design

Board of Directors

Audit Committee

Management Team

Organisation Structure

Corporate Communications Policy

Board of Directors

Dr. Kingsley Obiora, OFR

Group Chairman

Dr. Obiora is the Deputy Governor, Economic Policy Directorate, CBN. He is also the Chairman of the Africa Finance Corporation.

Prior to his appointment at the CBN, he served as an Alternate Executive Director at the International Monetary Fund (IMF) in Washington D.C., United States of America, where he was responsible for conducting the daily operations of the IMF and represented the interests of twenty-three (23) African countries including Nigeria. He also worked at the West African Monetary Institute and the Centre for Econometric and Allied Research at the University of Ibadan. He was also Special Adviser on Economic Matters to the Governor of the CBN, as well as Technical Adviser to Nigeria's National Economic Management Team. He represents the CBN on the Board of FMDQ Group.

Mr. Jibril Aku

Group Vice-Chairman

Mr. Aku is the Chairman of the Board of Directors of Marathon Asset and Funds Management Limited. He was formerly Group Head Strategy of Ecobank Transnational Incorporated and prior to that engagement, the Managing Director/CEO of Ecobank Nigeria Limited, Executive Director of Afribank PLC (now Polaris Bank Limited) and Treasurer of Citibank Nigeria Limited.

He is also Chairman of FMDQ NIBOR Committee and the erstwhile President of the Money Market Association of Nigeria (now FMDA). He is a member of and represents the FMDA Board of Trustees on the Board of FMDQ Group.

Dr. Ebenezer Onyeagwu

Non-Executive Director

Dr. Onyeagwu is the Group Managing Director/CEO of Zenith Bank PLC.

He has served Zenith Bank PLC in various capacities; as Executive Director in charge of Lagos and South-South Zones and was responsible for strategic groups/business units of the bank, including Financial Control & Strategic Planning, Treasury and Correspondent Groups, Human Resources Group, Oil and Gas Group, and Credit Risk Management Group. He represents Systemically Important Banks on the Board of FMDQ Group.

Mr. Oliver Alawuba

Non-Executive Director

Mr. Alawuba is the Group Managing Director/CEO of United Bank for Africa (UBA) PLC. He has served UBA in several capacities, most recently as Group Deputy Managing Director/CEO, UBA Africa, covering subsidiaries in nineteen (19) African countries, and formerly as Country CEO for UBA Ghana, and Regional CEO, UBA Anglophone Subsidiaries.

He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria, a Fellow of the Nigeria Institute of Management, and a Member of the Institute of Directors, Nigeria. Mr. Alawuba represents Systemically Important Banks on the Board of FMDQ Group.

Ms. Daisy Ekineh

Independent Non-Executive Director

Ms. Ekineh is the Technical Advisor to the Capital Market Master Plan Implementation Council. She was a one-time Chair of the African & Middle East Regional Committee of the International Organisation of Securities Commissions.

She previously served as the Chief Operating Officer of Global Mandate Consulting Limited, former Acting Director-General of the Securities and Exchange Commission, Nigeria, as well as Executive Commissioner (Operations), and Director, Securities, and Investment Services at the Commission. She serves as an Independent Non-Executive Director and was appointed to the Board of FMDQ Group pursuant to the Company's Articles. She is also the Chairman of FMDQ Depository Limited.

Mr. Emeka Onwuka, OON

Independent Non-Executive Director

Mr. Onwuka is the Chief Financial Officer and Executive Director of Seplat Petroleum Development Company PLC. Prior to this, he served as Group Managing Director, Diamond Bank PLC, and Chairman, Enterprise Bank Limited, among others. He also served on the inaugural Board of the erstwhile FMDQ OTC PLC from 2012 to 2014.

He serves on the Boards of Hello Pay, Airtel Networks Limited (Bharti Airtel), as well as the Board of FMDQ Group as an Independent Non-Executive Director. He is also the Chairman, FMDQ Securities Exchange Limited.

Mr. Sadiq Mohammed

Independent Non-Executive Director

Mr. Mohammed is the Deputy Group Chief Executive Officer of the Asset & Resource Management (ARM) Group, where he is responsible for providing strategic direction for the Group's business, as well as for other businesses within the ARM Group. He sits on the Board of SunTrust Bank Nigeria Limited.

He was previously on the Board of the erstwhile FMDQ OTC PLC from 2014 to 2016. He serves as an Independent Non-Executive Director on the Board of FMDQ Group. He is also the Chairman, FMDQ Clear Limited.

Mrs. Egbichi Akinsanya

Independent Non-Executive Director

Mrs. Akinsanya is an Independent Non-Executive Director of Learn Africa PLC. She was formerly the Managing Director of FBC Beverages Company Limited. Prior to that, she served as the Group Treasurer for British American Tobacco Nigeria Limited, which she joined after leaving Citibank Nigeria Limited as an Assistant General Manager. She also worked at the Securities and Exchange Commission, Nigeria.

She is a member of the Institute of Chartered Secretaries and Administrators, UK, and the Institute of Chartered Accountants of Nigeria. Mrs. Akinsanya serves as an Independent Non-Executive Director on the Board of FMDQ Group.

Mr. Bola Onadele. Koko

Chief Executive Officer

Mr. Bola Onadele. Koko is the Chief Executive Officer of FMDQ Group, a financial market infrastructure group with exchange, central counterparty, depository and private markets businesses.

Prior to this engagement, he was the President of FDHL, a financial markets and risk management consulting firm he founded in 2001, where he provided business leadership in the empowerment of the Nigerian financial markets.

Previously in the banking sector, Mr. Onadele's career spanned across several banks in Nigeria, with senior executive roles in Treasury and Corporate Banking, and culminated as Chief Executive Officer. As a widely regarded financial markets architect, he serves on the boards of various organisations, including as Chairman, Governance Board of Financial Centre for Sustainability (FC4S), Lagos and a Non-Executive Director and Founding Member of EnterpriseNGR Professional Advocacy Group. He is also a member of the Board of Trustees of FMDA. Mr. Onadele is an ardent advocate of gender equality, especially in the workplace, and girl-child education.

Audit Committee

Mr. Banjo Adegbohungbe

Committee Chair

Mr. Adegbohungbe is the Managing Director/CEO of Coronation Merchant Bank Limited. He has over twenty-six (26) years' banking experience in operations, technology and product management spanning international trade, foreign and local payments, foreign exchange, fixed income, money markets, and loans. He worked at Citibank Nigeria Limited (formerly Nigeria International Bank Limited) and Access Bank PLC prior to joining Coronation Merchant Bank Limited in July 2018.

Mrs. Nneka Onyeali-Ikpe

Member

Mrs. Onyeali-Ikpe is the Managing Director/CEO, Fidelity Bank PLC, where she was formerly the Executive Director, Lagos and Southwest, Nigeria. She has over thirty-one (31) years' experience in the banking sector, having worked at various banks including Standard Chartered Bank PLC, Zenith Bank PLC and Citizens International Bank Limited, where she held several management positions in Legal, Treasury, Investment Banking, Retail/Commercial Banking and Corporate Banking. She is also an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria.

Mrs. Bukola Smith

Member

Mrs. Smith is the Managing Director/CEO of FSDH Merchant Bank Limited. She has over thirty (30) years of work experience in the banking industry with a track record of strategic execution and leadership. Prior to this appointment, she was the Executive Director, Business Development at First City Monument Bank Limited (FCMB) and held several leadership positions since joining in 2006, including being responsible for FCMB's over two hundred (200) branches across the country, as well as its Public Sector, Business Banking, Agriculture and Transaction Banking Divisions.

FMDQ Audit Committee Members (Directors)

The FMDQ Board representation on the Audit Committee includes the following Directors:

- Dr. Ebenezer Onyeagwu
- Mr. Emeka Onwuka, OON

Management Team

Mr. Bola Onadele. Koko

Chief Executive Officer, FMDQ Group PLC

Mr. Bola Onadele. Koko is the Chief Executive Officer of FMDQ Group, a financial market infrastructure group with exchange, central counterparty, depository and private markets businesses.

Prior to this engagement, he was the President of FDHL, a financial markets and risk management consulting firm he founded in 2001, where he provided business leadership in the empowerment of the Nigerian financial markets.

Previously in the banking sector, Mr. Onadele's career spanned across several banks in Nigeria, with senior executive roles in Treasury and Corporate Banking, and culminated as Chief Executive Officer. As a widely regarded financial markets architect, he serves on the boards of various organisations, including as Chairman, Governance Board of Financial Centre for Sustainability (FC4S), Lagos and a Non-Executive Director and Founding Member of EnterpriseNGR Professional Advocacy Group. He is also a member of the Board of Trustees of FMDQ. Mr. Onadele is an ardent advocate of gender equality, especially in the workplace, and girl-child education.

Ms. Kaodi Ugoji

Group Chief Operating Officer, FMDQ Group PLC

Ms. Ugoji is the Group Chief Operating Officer of FMDQ Group. She also serves as a Non-Executive Director on the Board of all FMDQ Group PLC subsidiaries – FMDQ Securities Exchange Limited, FMDQ Clear Limited, FMDQ Depository Limited, FMDQ Private Markets Limited and iQx Consult Limited.

She holds a Master's degree in Finance and Management from Cranfield University, UK; a Bachelor's degree in Accountancy from the Rivers State University of Science and Technology, Nigeria; and a Professional Certificate in Strategic Management from Harvard University, USA. Kaodi has over twenty-two (22) years' experience in Treasury, Asset Management, Business Development, Marketing Communications, Finance, Project Management and Strategy functions of various organisations including Guaranty Trust Bank PLC, Hermes Investment Managers Limited, London, UK, Diamond Bank PLC and Guinness Nigeria PLC.

Ms. Tumi Sekoni

Managing Director, FMDQ Securities Exchange Limited

Ms. Sekoni is the Managing Director of FMDQ Exchange. She also serves as a Non-Executive Director on the Boards of FMDQ Clear Limited, FMDQ Depository Limited, FMDQ Private Markets Limited and iQx Consult Limited.

She holds an MBA from Durham Business School, UK; and a Bachelor's degree in Economics from the University of Lagos, Nigeria. Over the last twenty-two (22) years, Tumi has built her career across Trading, Operations, Business Analysis, Business Development, Products & Markets Development, Marketing and Project Management in various organisations including Guaranty Trust Bank PLC, Goldman Sachs International, UBS, London and Merrill Lynch.

Mr. Ayodele Onawunmi

Managing Director, FMDQ Clear Limited

Mr. Onawunmi is the Managing Director of FMDQ Clear. He also serves as a Non-Executive Director on the Boards of FMDQ Securities Exchange Limited, FMDQ Private Markets Limited and iQx Consult Limited. Prior to joining FMDQ Clear Limited, he was the Managing Partner of 213 Capital, an African-focused investment and risk advisory firm.

He holds a Master's degree in Finance from London Business School, UK; and a Bachelor's degree in Basic Medical Sciences from the University of Ibadan, Nigeria. Ayodele has over twenty-two (22) years of experience in Trading, Corporate & Investment Banking, Pension Fund Management and Financial Market Consulting in various organisations, including Access Bank PLC and Chapel Hill Denham Group.

Mr. Emmanuel Etaderhi

Head, Government & Regulatory Relations, FMDQ Group PLC

Mr. Etaderhi is the Head, Government & Regulatory Relations Division of FMDQ Group, comprising two (2) Groups – Government & Regulatory Relations Management Group and Government & Regulatory Relations Operations Group. He also serves as the Executive Secretary, FCAS Lagos. Prior to this, he was the Head, Economic Development of FMDQ Group. He holds a Master's degree in Management, a Master's degree in Economics, and a Bachelor's degree in Business Administration from the University of Lagos, Nigeria.

Emmanuel's work experience of over twenty-eight (28) years spans the Financial Services and Power & Energy Sectors, where he was Head of Financial Advisory & Economic Research at Financial Derivatives Company Limited, Head of Research at Keystone Bank Limited and Acting Head, Strategy/Chief Economist at Unity Bank PLC. Prior to joining FMDQ in 2014, he served the Delta State Government as a Special Assistant to the Finance Commissioner.

Dr. Vincent Nwani

Head, Research, FMDQ Group PLC

Dr. Nwani is the Head of Research Division, FMDQ Group. He holds a Doctor of Philosophy (Ph.D.) in Economics from Monarch Business School, Switzerland; a Master's degree in Economics from the University of Ibadan, Nigeria; and a Bachelor's degree in Economics from the University of Port Harcourt, Nigeria.

Vincent has over nineteen (19) years of experience in Economics, Research & Intelligence, Business Policy Advocacy and Business Advisory functions of various institutions including Kavind Limited, First Bank of Nigeria PLC, BGL Group PLC and Magnartis Finance & Investment Limited. Prior to joining FMDQ Group, he served as a Director at the Lagos Chamber of Commerce and Industry.

Mr. Oladayo Oniroko

Head, Internal Audit, FMDQ Group PLC

Mr. Oniroko is the Head of Internal Audit Division, FMDQ Group, comprising two (2) Groups – Operations Audit and IT Audit. He has a Master's degree in Finance from the University of Lagos, Lagos State, Nigeria; and a Bachelor's degree in Economics from Obafemi Awolowo University Ile-Ife, Osun State, Nigeria.

Oladayo has over fourteen (14) years of experience in Finance, External Audit, Internal Audit, Risk Management, and Governance from organisations such as Zenith Bank PLC, KPMG Professional Services, and Union Bank of Nigeria PLC, amongst others. Before joining FMDQ Group, he was the Head, Internal Control & Enterprise Risk Management at Renmoney Microfinance Bank Limited.

Ms. Jumoke Olaniyan

Head, Business Development, FMDQ Securities Exchange Limited

Ms. Olaniyan is the Head of Business Development Division, FMDQ Exchange, comprising seven (7) Groups – Debt Listings & Quotations, Equity Listings, Memberships & Subscriptions, Derivatives Business, Business Intelligence, Debt Markets Support and Academy. She is also a Non-Executive Director on the Board of FMDQ Private Markets Limited.

She holds a bachelor's degree in Accounting from the University of Jos, Nigeria; and is a Certified Treasury Dealer. As a Dealer and later a Research and Capacity Development Consultant, her over seventeen (17) years of work experience spans across Training, Consulting and Banking, within various organisations including IBFC Agusto Training Limited (now IBFC Alliance Limited), FDHL and Guaranty Trust Bank Limited. Jumoke has facilitated several financial markets training programs and authored the Financial Markets Diagnosis and Outlook Reports for the CBN and the SEC.

Mr. Dipo Omotoso

Head, Information Services, FMDQ Securities Exchange Limited

Mr. Omotoso is the Head of Information Services Division, FMDQ Exchange, comprising two (2) Groups – Market Data and Index Services.

He holds an MBA from the University of Calabar, Nigeria; and a bachelor's degree in Chemistry from Obafemi Awolowo University, Osun State, Nigeria. Dipo has over twenty-two (22) years of work experience in Securities Trading, Treasury Operations, Treasury Risk Management and Strategic Planning, Development and Management. His career spans across the Nigerian Stock Exchange (now the Nigerian Exchange Limited), BGL Securities Limited and Diamond Bank PLC (now Access Bank PLC). Prior to joining FMDQ Exchange, he served as the Head, Markets & Treasury Services at SunTrust Bank Limited.

Mr. Ebenezer Nwoji

Head, Market Oversight, FMDQ Securities Exchange Limited

Mr. Nwoji is the Head of Market Oversight Division, FMDQ Exchange, comprising five (5) Groups – Market Services, Members' Examination & Investigations, Market Surveillance & Enforcement, Listings & Quotations Compliance and Member Regulation.

He holds a Master of Science degree in Finance from the University of Lagos, Nigeria; and a bachelor's degree in Accountancy from the University of Nigeria Nsukka, Nigeria; and is a Certified Treasury Dealer. Ebenezer has over seventeen (17) years of work experience spanning across Investment Banking, Trading, Asset and Liability Management, Treasury Risk Management and Market Regulation within various organisations including Afribank International Limited (Merchant Bankers) and Mainstreet Bank Limited.

Mr. Oluwaseun Afolabi

Head, Market Architecture, FMDQ Securities Exchange Limited

Mr. Afolabi is the Head of Market Architecture Division, FMDQ Exchange, comprising five (5) Groups – Fixed Income & Currencies Markets, Equity Market, Derivatives Market, Rules & Regulation and Securities Registration & Listings. He holds a Bachelor's degree in Botany from the University of Lagos, Nigeria, and a Derivatives Professional Certificate from the New York Institute of Finance, USA.

Oluwaseun has over thirteen (13) years of work experience in the financial markets, providing both buy-side and sell-side advisory services on Financing, Investments, Hedging, and Mergers & Acquisitions, amongst others, to clients across the Banking, Insurance, Telecommunications, Aviation, Oil & Gas and Consumer Goods sectors. Prior to joining FMDQ Exchange, he worked at Stanbic IBTC Bank PLC in Corporate and Investment Banking.

Mr. Segun Akintoye

Head, Clearing Risk Management, FMDQ Clear Limited

Mr. Akintoye is the Head of Clearing Risk Management Division, FMDQ Clear, comprising two (2) Groups – Collateral Management and Member Management.

He holds a Bachelor's degree in Chemical Engineering from the Federal University of Technology Owerri, Nigeria. Over the last fourteen (14) years, Segun has built his career across, Asset Management, Consulting and Data Analysis within various organisations, including Diamond Securities Limited and FDHL Group.

Mr. James Daves

Head, Operations, FMDQ Clear Limited

Mr. Daves is the Head of Operations Division, FMDQ Clear, comprising three (3) Groups – Clearing and Settlement Operations, Treasury Operations and Risk Operations. He has a Master's degree in Economics from the University of Texas at Dallas, Texas, USA; and a Bachelor of Science degree in Analytical Chemistry from the University of Lagos, Lagos State, Nigeria.

James has garnered over fourteen (14) years of work experience spanning Risk Management, Operations, Compliance, Strategy and Human Resources, from various organisations such as Data Bridge Consultants LLC, Central Securities Clearing Systems PLC and Oceanic Bank International PLC (now Ecobank Nigeria Limited). Prior to joining FMDQ Clear, he was the Head, Risk Management, Strategy & Compliance at NG Clearing Limited.

Mr. Emmanuel Alao

Chief Operating Officer, FMDQ Depository Limited

Mr. Alao is the Chief Operating Officer of FMDQ Depository. Prior to joining FMDQ, he was the Chief Information Officer at Air Peace Nigeria Limited.

He holds a Master's degree in Business Administration from CASS Business School, City University, UK; and a Bachelor's degree in Electronics & Electrical Engineering from the University of Benin, Nigeria. Emmanuel's work experience of over thirty (30) years spans across Technology, Project Management and Consulting functions in various organisations including Citibank Nigeria, FCMB Limited, London International Financial Futures & Options Exchange, JPMorgan Chase, Santander UK, KPMG UK and Air Peace Nigeria Limited.

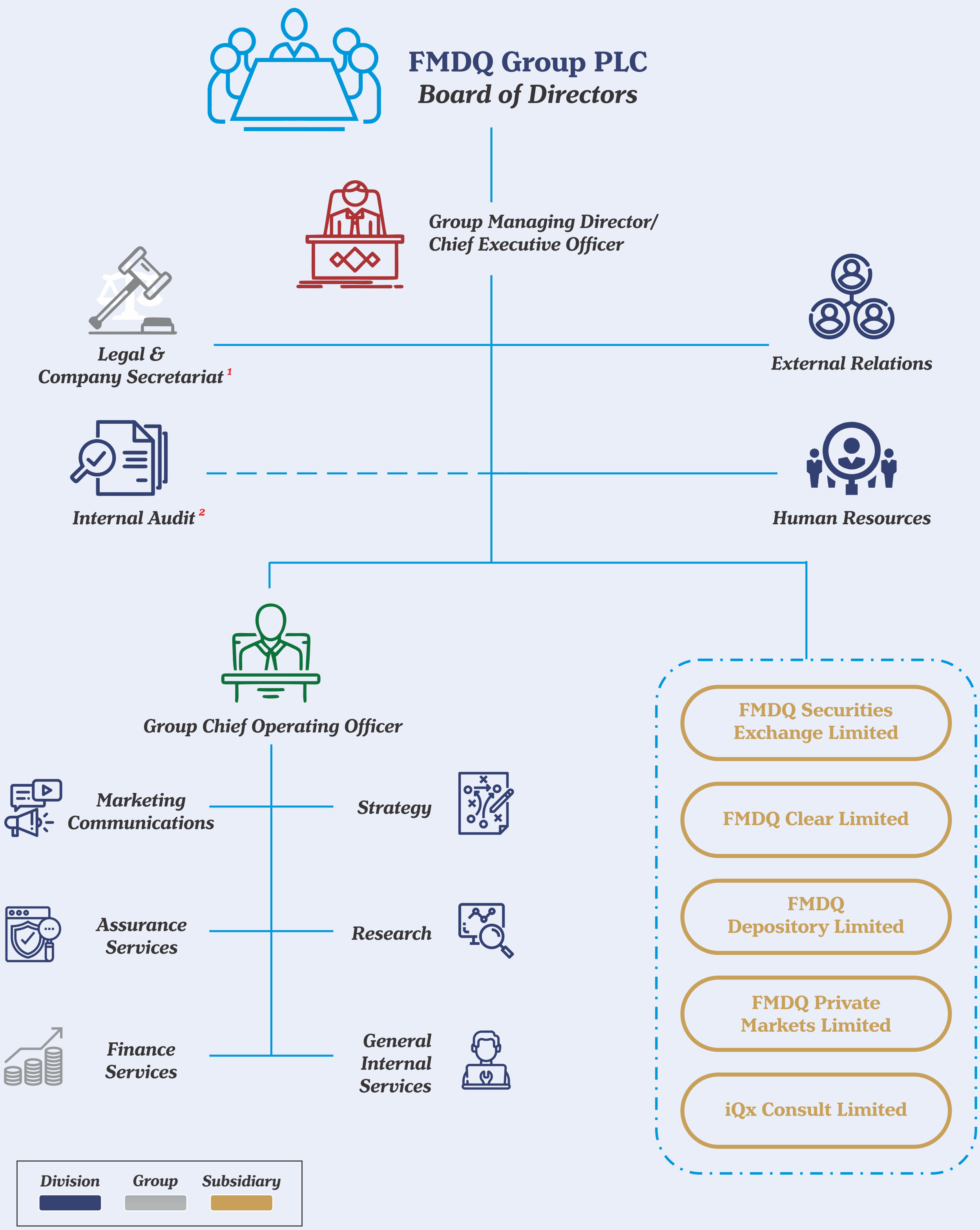
Ms. Ifeoma Bosah

Head, Depository Services, FMDQ Depository Limited

Ms. Bosah is the Head of Depository Services Division, FMDQ Depository, comprising two (2) Groups – Securities Lodgement and Record Management.

She has a Master in Business Administration degree in Finance from the University of Nottngham Business School, UK; and a Bachelor's degree in Insurance from the University of Lagos, Nigeria. For over twenty (20) years, Ifeoma has gained experience in Banking, Asset Management, Wealth Management and Business Development at organisations, such as Intercontinental Bank (now Access Bank PLC), Euromoney Institutional Investor, UK, Dow Jones & Company, UK, Stanbic IBTC Bank Limited, Stanbic IBTC Asset Management Limited, and Coronation Asset Management, amongst others. Prior to joining FMDQ Depository, she was the Head, Wealth Management and Institutional Sales at Coronation Asset Management Limited.

Organisation Structure



[1] Company Secretary Reports to the Board of Directors
[2] Internal Audit Reports to the Audit Committee

As at December 2022

Corporate Communications Policy

Policy Statement

FMDQ Group is committed to the dissemination of timely, accurate and quality information to its internal and external stakeholders. All internal and external communications should be aimed towards the achievement of FMDQ's vision and mission and should be in line with its approved Strategy. All external communication must be approved by Communications Group (CMG), through the Group Chief Operating Officer (GCOO). The Chief Executive Officer shall approve all communication with government representatives and FMDQ Group's regulators, as well as confidential or sensitive information. Exceptions may exist in situations where such communication is part of a Division/Group's functions; for example, Business Development Division's communication with its existing/potential Members and clients and Membership Regulation Group's communication with existing FMDQ Members, to mention a few.

All presentations/materials for external use must be reviewed by CMG prior to exposing these documents to the stakeholders to ensure brand compliance and accuracy of information related to the Company. This includes presentations to external stakeholders at meetings, seminars, conferences, etc. and materials to be uploaded to the website.

FMDQ Group's relationship with the press media, particularly business reporters, is at the heart of its success. The media, which serves as the medium through which the Group reaches its external stakeholders, is accorded high priority in FMDQ Group. As such, communication with media is to be handled with the highest levels of sensitivity and professionalism and must always be handled by CMG as this is the approved Group for communication and interface with the media. Only Authorised Persons shall be permitted to grant interviews of any sort (print, TV, online) and be quoted with respect to FMDQ Group's external communications.

Guidelines for Internal Communication

FMDQ Group's internal communication is targeted at all its internal stakeholders, towards the achievement of its overall objectives. Furthermore, internal communication is aimed at strengthening the organisational culture and feeling of commitment among the internal stakeholders, thereby increasing active participation and team spirit.

Internal communication shall be handled by the Divisions/Groups responsible for such correspondence, including Marketing Communications Division and Human Resources Division (for Staff members) and Legal & Company Secretariat Group (for the Board of Directors).

Communication between and amongst Staff members must always be professional. Staff members are to be addressed by either their first names or by their initials in all written communication, except letters which must bear the full name of the Staff member. The use of titles, nicknames or any other names is strictly prohibited in written communication.

Disclosure of Confidential Information

FMDQ Group is committed to providing timely, accurate, and complete disclosure of its basic company information in an appropriate manner. Disclosure of confidential information is however strictly prohibited as detailed in the FMDQ Confidentiality and Non-Disclosure Agreement which is signed by all Staff members upon assumption of duty. Violation of this Agreement may attract legal redress.

Public Statements of Personal Opinion

FMDQ employees are to refrain from making public statements of opinion regarding the Group, its markets and the Nigerian financial markets, and from presenting personal opinions regarding the Group as facts. Such public statements may include quotes given to media, contributions to blogs, published articles, etc. Any such public statements must be approved by the Chief Executive Officer (or his designate) before publication.

Financial Reports

Directors' Report
For the year ended 31 December 2022

The Directors present their annual report on the affairs of FMDQ Group PLC ("the Company") and its subsidiaries (together, "the Group"), together with the audited financial statements and auditor's report for the year ended 31 December 2022.

(a) Legal form

FMDQ Group PLC, was incorporated as FMDQ OTC PLC in Nigeria under the Companies and Allied Matters Act, 2004 on 6 January 2011 as a public liability company, and was registered by the Securities and Exchange Commission (SEC) on 6 November 2012 to perform its functions as a securities exchange and self-regulatory organisation. The Company commenced operations on 1 January 2013.

Effective 16 December 2019, the Company transferred its securities exchange license to its SEC-registered subsidiary company, FMDQ Securities Exchange Limited, and subsequently became a non-operating holding company in line with the Securities and Exchange Commission's requirements for holding companies operating in the capital markets.

(b) Principal Activities

Effective 1 January 2020, the Company became a non-operating holding company.

The Company has five (5) wholly owned subsidiary companies, FMDQ Securities Exchange Limited, FMDQ Clear Limited, FMDQ Depository Limited, FMDQ Private Markets Limited and iQx Consult Limited. The results of the subsidiary companies have been consolidated in these financial statements.

(c) Operating Results

Highlights of the Group's operating results for the year are as follows:

In thousands of naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Operating income	22,982,524	20,797,190	12,586,896	10,671,798
Profit before taxation	11,480,700	12,103,313	5,376,159	6,534,598
Taxation	(3,061,783)	(3,338,262)	(1,557,613)	(1,944,014)
Profit after tax	8,418,917	8,765,051	3,818,546	4,590,584

(d) Proposed dividend

No dividend was proposed by the Board of Directors in respect of the financial year ended 31 December 2022 (December 2021: Nil).

(e) Directors and their Interests

The Directors who held office during the year and to the date of this report were:

Name of Director	**Position**
Dr. Kingsley Obiora	Group Chairman
Mr. Jibril Aku	Group Vice Chairman
Mr. Bola Onadele. Koko	Group Managing Director/CEO
Mr. Kennedy Uzoka**	Director
Mr. Oliver Alawuba***	Director
Mr. Ebenezer Onyeagwu	Director
Ms. Daisy Ekineh	Director (Independent)
Mr. Emeka Onwuka	Director (Independent)
Mr. Sadiq Mohammed	Director (Independent)
Mrs. Egbichi Akinsanya*	Director (Independent)

* Appointed 1 January 2022
** Resigned 30 September 2022
***Appointed effective October 28, 2022

None of the Directors has an interest in the shareholding of the Company as required to be disclosed under section 301 of the Companies and Allied Matters Act, 2020 (CAMA), of Nigeria.

Directors' Report
For the year ended 31 December 2022

(f) Directors' interest in contracts

None of the Directors has notified the Company for the purpose of section 303 of the Companies and Allied Matters Act, 2020 (CAMA) of Nigeria of their direct or indirect interest in contracts or proposed contracts with the Company during the year.

(g) Major shareholding

According to the register of members, no shareholder other than the under-mentioned held more than 5% of the issued share capital of the Company as at 31 December 2022.

Name	2022 No of shares	2022 % Holding	2021 No of shares	2021 % Holding
Central Bank of Nigeria	4,006,713,334	15.41%	2,999,915,142	15.41%
Financial Markets Dealers Association (FMDA)	3,168,271,467	12.19%	2,373,067,202	12.19%
Access Bank PLC	1,803,021,001	6.93%	1,349,085,784	6.93%
NSE Consult Limited	1,669,463,903	6.42%	1,249,802,415	6.42%

The analysis of the distribution of the shares of the Company at the end of the financial year is as follows:

31 December 2022

Share range (Local shareholders)	No. of Shareholders	% Holding	No. of holdings
1 - 1,000,000,000	18	40.57%	10,544,474,294
1,000,000,001 and above	8	59.43%	15,455,525,706
	26	100.00%	26,000,000,000

31 December 2021

Share range (Local shareholders)	No. of Shareholders	% Holding	No. of holdings
1-250,000,000	18	40.57%	7,895,105,100
250,000,001 and above	8	59.43%	11,572,222,230
	26	100.00%	19,467,327,330

(h) Property and equipment

Information relating to changes in property and equipment is given in Note 25 to the financial statements.

(i) Charitable contributions and other donations

The Company made charitable donations to non - political organisations amounting to N1.4 million during the year (December 2021: N10 million).

In thousands of naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Donation to Living Fountain Orphanage	339	-	339	-
Donation to Modupe Cole Memorial Childcare and Treatment Home/School	339	-	339	-
Donation of Echoes of Mercy and Hope Foundation	339	-	339	-
Donation to Holy Family Home for the Elderly	339	-	339	-
Donation to Nigeria Solidarity Support Fund	-	2,000	-	2,000
Donation to Gold Lilies Global Service	-	3,000	-	3,000
Donation to Ike foundation of Autism	-	5,000	-	5,000
	1,356	10,000	1,356	10,000

(j) Employment of disabled persons

The Company had no disabled person in its employment as at 31 December 2022 (31 December 2021: Nil). The applications for employment by disabled persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort will be made to ensure that their employment with the Company continues and that the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as much as possible, be identical with that of other employees.

Directors' Report
For the year ended 31 December 2022

(k) Health, safety and welfare at work
The Company enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly. The Company retains top-class private hospitals where medical facilities are provided for staff and their immediate families at the Company's expense.

(l) Employee consultation and training
The Company places considerable value on the involvement of its employees and has a policy of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Company. The Company places emphasis on employee development and training. Members of staff embarked on different training programs in the course of the year.

(m) Transfer of Operations
FMDQ Group PLC obtained approval to transfer its securities exchange registration to FMDQ Securities Exchange Limited on 16 December 2019 and therefore discontinued operations as a securities exchange and became a non-operating Holding Company effective 1 January 2020.

(n) Events after the end of the reporting date
There were no events after the reporting date that could have had a material effect on the financial statements of the Group that have not been provided for or disclosed in these financial statements.

(o) Auditors
The external auditor, Messrs. KPMG Professional Services have completed the ten years required for mandatory audit rotation for the Company. In accordance with section 20.2 of the Financial Reporting Council of Nigeria (FRCN) Nigeria Code of Corporate Governance 2012, KPMG Professional Services will notbe eligible for reappointment as the Company's auditors in the next annual general meeting of the Company.

BY ORDER OF THE BOARD

Mrs. Detola Bukola-Taiwo
Ag. Company Secretary
FRC/2023/PRO/NBA/002/960155
31 March 2023

Statement of Directors' Responsibilities in Relation to the Financial Statements for the year ended 31 December 2022

The Directors accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020, and Financial Reporting Council of Nigeria Act, 2011.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria, 2020, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Dr. Kingsley Obiora	Mr. Bola Onadele. Koko
Group Chairman	Group Managing Director/CEO
FRC/2021/003/00000022557	FRC/2014/ICAN/00000008637
31 March 2023	31 March 2023

Statement of Corporate Responsibility for the Financial Statements for the Year Ended 31 December 2022

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Group Managing Director/CEO and Financial Controller, hereby certify the financial statements of FMDQ Group PLC for the year ended 31 December 2022 as follows:

a) That we have reviewed the audited consolidated and separate financial statements of the Company and the Company for the year ended 31 December 2022.

b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

c) That the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Compan y and the Company as of and for, the year ended 31 December 2022.

d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to us by other officers of the companies, particularly during the year ended 31 December 2022.

e) That we have evaluated the effectiveness of the Company and the Company's internal controls within 90 days prior to the date of the audited consolidated and separate financial statements, and certify that the Company and the Company's internal controls are effective as of that date.

f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.

g) That we have disclosed the following information to the Company and the Company's Auditors and Audit Committees:

(i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company and the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and

(ii) there is no fraud that involves Management or other employees who have a significant role in the Company and the Company's internal control.

Mr. Bola Onadele. Koko	Mr. Olumide Akinpelumi
Group Managing Director/CEO	Financial Controller
FRC/2014/ICAN/00000008637	FRC/2022/PRO/ICAN/007/00000023864
31 March 2023	31 March 2023

Audit Committee Report

For the year ended 31 December 2022

To the members of FMDQ Group PLC

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act of Nigeria, 2020, the members of the Audit Committee of FMDQ Group PLC hereby report on the financial statements for the year ended 31 December 2022 as follows:

(i) We have exercised our statutory functions under section 404(7) of the Companies and Allied Matters Act of Nigeria and acknowledge the cooperation of Management and staff in the conduct of these responsibilities.

(ii) We are of the opinion that the accounting and reporting policies of the Company are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2022 were satisfactory and reinforce the Company's internal control systems.

(iii) After due consideration, the Audit Committee accepted the report of the auditors that the financial statements were in accordance with ethical practices and generally accepted accounting principles and give a true and fair view of the state of the Company's financial affairs.

(iv) We have deliberated on the findings of the external auditors who have confirmed that necessary cooperation was received from Management in the course of their final audit and we are satisfied with Management's responses thereon and with the effectiveness of the Company's system of accounting and internal control.

Mr. Banjo Adegbohungbe

Chairman, Audit Committee

FRC/2019/CIBN/00000019814

31 March 2023

Members of the Audit Committee

1. Mr. Banjo Adegbohungbe	Shareholder representative	Chairman
2. Mrs. Bukola Smith	Shareholder representative	Member
3. Mrs. Nneka Onyeali-Ikpe	Shareholder representative	Member
4. Mr. Emeka Onwuka	Director	Member
5. Mr. Ebenezer Onyeagwu	Director	Member

KPMG

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Lagos

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Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of FMDQ Group PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of FMDQ Group PLC ("the Company") and its subsidiaries (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for 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 consolidated and separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report in this regard.

KPMG

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Statement of Directors' Responsibilities, Statement of Corporate Responsibility, Audit Committee Report, and Other National Disclosures which we obtained prior to the date of this auditors' report, but does not include the consolidated and separate financial statements and our auditor's report thereon. Other information also includes Notice of Annual General Meeting, Chairman's Statement, Chief Executive Officer's Review, Strategic Report, Report on Compliance, Risk and Control, Sustainability Agenda, Governance Structure, Report to the Directors on the outcome of the Board Evaluation, Report to the Directors on the outcome of the Corporate Governance Evaluation, and Organisation Design, together the "Outstanding reports", which are expected to be made available to us after that date.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact . We have nothing to report in this regard.

When we read the Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 and for such internal control as the directors 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 consolidated and separate financial statements, the directors are responsible for assessing the Group and Company'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 directors either intend to liquidate the Group (and Company) or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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

KPMG

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentio nal 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 Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' 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 Group and Company'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 consolidated and separate financial statements or, if such disclosures are inadequate, 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 Group (and Company) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit 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 Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. In our opinion, proper books of account have beenkept by the Company, so far as appears from our examination of those books.

iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Nneka

Nneka Eluma, FCA
FRC/2013/ICAN/00000000785
For: KPMG Professional Services
Chartered Accountants
01 April 2023
Lagos, Nigeria

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

In thousands of naira	*Notes*	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Treasury income	7	2,387,264	2,192,164	-	-
Treasury expense	8	(14,412)	(14,595)	-	-
Net treasury income		2,372,852	2,177,569	-	-
Transaction fees (net)	9	3,202,695	1,896,910	-	-
Clearing and futures management fees	10	6,653,632	8,266,544	-	-
Participant fees	11	1,150,585	450,248	-	-
Interest income calculated using the effective interest method	12	3,286,557	2,477,619	965,932	940,275
Other income	13	4,848,097	4,680,527	11,144,407	9,466,806
Gain on foreign exchange revaluation	14	1,468,106	847,773	476,557	264,717
Total Operating Income		22,982,524	20,797,190	12,586,896	10,671,798
Impairment (loss)/write-back on financial instruments	16	(88,717)	18,178	(62,731)	97,260
Personnel expenses	15	(5,919,219)	(4,035,639)	(4,176,651)	(2,251,402)
Other operating expenses	17	(4,802,125)	(4,008,369)	(2,464,966)	(1,509,393)
Depreciation	25	(666,462)	(653,011)	(506,389)	(473,665)
Amortisation	26	(25,301)	(15,036)	-	-
Total Operating Expense		(11,501,824)	(8,693,877)	(7,210,737)	(4,137,200)
Profit before taxation		11,480,700	12,103,313	5,376,159	6,534,598
Income tax expense	18(a)	(3,061,783)	(3,338,262)	(1,557,613)	(1,944,014)
Profit after taxation		8,418,917	8,765,051	3,818,546	4,590,584
Other comprehensive income					
Items that are or may be reclassified subsequently					
to profit or loss					
FVOCI debt instruments - net change in fair value	31(d)	(581,679)	(1,689,047)	(341,028)	(964,178)
Other comprehensive loss net of income tax		(581,679)	(1,689,047)	(341,028)	(964,178)
Total comprehensive income for the year		7,837,238	7,076,004	3,477,518	3,626,406

The accompanying notes form an integral part of these financial statements.

FMDQ Group PLC
Annual Report
31 December 2022

Consolidated and Separate Statements of Financial Position
As at 31 December 2022

In thousands of naira	***Notes***	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
ASSETS					
Cash and bank balances	19	28,356,800	21,275,584	6,886,242	1,613,775
Investment securities	20	18,827,360	26,927,068	5,850,875	9,898,515
Client resolution fund (CRF) asset	21	27,948,261	32,586,971	-	-
Margin fund assets	22	83,833,078	83,594,640	-	-
Other assets	23	13,659,726	3,015,744	15,394,340	21,882,224
Investment in subsidiaries	24	-	-	11,206,831	11,206,831
Property and equipment	25	1,694,019	1,430,972	1,429,458	1,258,913
Intangible assets	26	338,209	96,196	-	-
Deferred tax assets	18(d)	982,266	540,433	879,820	459,159
Total assets		**175,639,719**	**169,467,608**	**41,647,566**	**46,319,417**
LIABILITIES					
Client resolution fund (CRF) liability	28	27,948,261	32,586,971	-	-
Margin fund liabilities	29	83,833,078	83,594,640	-	-
Other liabilities	27	13,742,507	11,152,254	11,557,779	19,990,350
Provisions	30	325,906	600,353	325,906	348,575
Current tax liabilities	18(c)	3,506,973	3,087,634	1,983,097	1,677,226
Total liabilities		**129,356,725**	**131,021,852**	**13,866,782**	**22,016,151**
EQUITY					
Share capital	31(a)	26,000,000	19,467,328	26,000,000	19,467,328
Retained earnings	31(c)	5,682,187	2,879,407	1,843,787	-
Bonus share reserve	31(e)	-	4,557,913	-	4,557,913
Fair value reserve	31(d)	(144,532)	437,147	(63,003)	278,025
Other reserves	31(f)	14,745,339	11,103,961	-	-
Total equity		**46,282,994**	**38,445,756**	**27,780,784**	**24,303,266**
Total liabilities and equity		**175,639,719**	**169,467,608**	**41,647,566**	**46,319,417**

These financial statements were approved by the Board of Directors on 31 March 2023 and signed on its behalf by:

Dr. Kingsley Obiora
Group Chairman
FRC/2021/003/00000022557

Mr. Bola Onadele. Koko
Group Managing Director/CEO
FRC/2014/ICAN/00000008637

Additionally certified by:

Mr. Olumide Akinpelumi
Financial Controller
FRC/2022/PRO/ICAN/007/00000023864

The accompanying notes form an integral part of these financial statements.

Consolidated and Separate Statements of Changes in Equity
For the year ended 31 December 2022

Group

31 December 2022

In thousands of naira	Notes	Share capital	Share premium	Fair value reserve	Retained earnings	Bonus share reserve	Other reserves	Total equity
Balance as at 1 January 2022		19,467,328	-	437,147	2,879,407	4,557,913	11,103,961	38,445,756
Total comprehensive income for the year								
Profit for the year		-	-	-	8,418,917	-	-	8,418,917
Other comprehensive loss		-	-	(581,679)	-	-	-	(581,679)
Total comprehensive income		**-**	**-**	**(581,679)**	**8,418,917**	**-**	**-**	**7,837,238**
Transactions with owners, recorded directly in equity								
Appropriation of profit	31	-	-	-	(3,641,378)	-	3,641,378	-
Transfer from other reserve	31(e)	-	-	-	(1,974,759)	1,974,759	-	-
Issue of shares	31(a)	6,532,672	-	-	-	(6,532,672)	-	-
		6,532,672	**-**	**-**	**(5,616,137)**	**(4,557,913)**	**3,641,378**	**-**
Balance as at 31 December 2022		**26,000,000**	**-**	**(144,532)**	**5,682,187**	**-**	**14,745,339**	**46,282,994**

31 December 2021

In thousands of naira	Notes	Share capital	Share premium	Fair value reserve	Retained earnings	Bonus share reserve	Other reserves	Total equity
Balance as at 1 January 2021		9,733,664	137,328	2,126,194	3,540,921	2,175,336	13,656,309	31,369,752
Total comprehensive income for the year								
Profit for the year		-	-	-	8,765,051	-	-	8,765,051
Other comprehensive loss		-	-	(1,689,047)	-	-	-	(1,689,047)
Total Comprehensive income		**-**	**-**	**(1,689,047)**	**8,765,051**	**-**	**-**	**7,076,004**
Transactions with owners, recorded directly in equity								
Appropriation of profit	31	-	-	-	(3,554,166)	-	3,554,166	-
Transfer to other reserves	31	-	(137,328)	-	(5,872,399)	12,116,241	(6,106,514)	-
Issue of shares	31(a)	9,733,664	-	-	-	(9,733,664)	-	-
		9,733,664	**(137,328)**	**-**	**(9,426,565)**	**2,382,577**	**(2,552,348)**	**-**
Balance as at 31 December 2021		**19,467,328**	**-**	**437,147**	**2,879,407**	**4,557,913**	**11,103,961**	**38,445,756**

Company

31 December 2022

In thousands of naira	Notes	Share capital	Share premium	Fair value reserve	Retained earnings	Bonus share reserve	Other reserves	Total equity
Balance as at 1 January 2021		19,467,328	-	278,025	-	4,557,913	-	24,303,266
Total comprehensive income for the year								
Profit for the year		-	-	-	3,818,546	-	-	3,818,546
Other comprehensive loss		-	-	(341,028)	-	-	-	(341,028)
Total comprehensive income		**-**	**-**	**(341,028)**	**3,818,546**	**-**	**-**	**3,477,518**
Transactions with owners, recorded directly in equity								
Appropriation of profit	31	-	-	-	-	-	-	-
Transfer from other reserve	31(e)	-	-	-	(1,974,759)	1,974,759	-	-
Issue of shares	31(a)	6,532,672	-	-	-	(6,532,672)	-	-
		6,532,672	**-**	**-**	**(1,974,759)**	**(4,557,913)**	**-**	**-**
Balance as at 31 December 2022		**26,000,000**	**-**	**(63,003)**	**1,843,787**	**-**	**-**	**27,780,784**

31 December 2021

In thousands of naira	Notes	Share capital	Share premium	Fair value reserve	Retained earnings	Bonus share reserve	Other reserves	Total equity
Balance as at 31 December 2021		9,733,664	-	1,242,203	1,281,815	2,175,336	6,106,514	20,539,532
Total comprehensive income for the year								
Profit for the year		-	-	-	4,590,584	-	-	4,590,584
Other comprehensive loss		-	-	(964,178)	-	-	-	(964,178)
Total Comprehensive income		**-**	**-**	**(964,178)**	**4,590,584**	**-**	**-**	**3,626,406**
Transactions with owners, recorded directly in equity								
Appropriation of profit	31	-	-	-	-	-	-	-
		-	-	-	(5,872,399)	12,116,241	(6,106,514)	137,328
Transfer from retained earnings	31(c)	9,733,664	-	-	-	(9,733,664)	-	-
		9,733,664	**-**	**-**	**(5,872,399)**	**2,382,577**	**(6,106,514)**	**137,328**
Balance as at 31 December 2021		**19,467,328**	**-**	**278,025**	**-**	**4,557,913**	**-**	**24,303,266**

The accompanying notes form an integral part of these financial statements.

Consolidated and Separate Statements of Cash Flows

For the year ended

In thousands of naira	Notes	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Cash flows from operating activities					
Profit for the year		8,418,917	8,765,051	3,818,546	4,590,584
Income tax expense	18(a)	3,061,783	3,338,262	1,557,613	1,944,014
Profit before taxation		11,480,700	12,103,313	5,376,159	6,534,598
Adjustments for:					
Depreciation of property and equipment	25	666,462	653,011	506,389	473,665
Gain on disposal of property and equipment	39(ii)	(11,962)	(2,822)	(11,718)	(2,864)
Impairment charge/(write-back) on financial assets	16	137,120	(18,178)	62,731	(97,260)
Amortisation of intangible assets	26	25,301	15,036	-	-
Foreign exchange gain	39(vii)	(1,440,718)	(841,917)	(449,347)	(258,361)
Provisions	30	(274,447)	(26,063)	(22,669)	(26,063)
Cash-settled share-based payment (write-back)/ expense	15	1,280,638	(773,325)	1,280,638	(773,325)
Interest income	12	(2,003,894)	(1,862,495)	(678,836)	(841,538)
Interest expense	33(ii)	79,369	37,538	79,369	37,538
		9,938,569	**9,284,098**	**6,142,716**	**5,046,390**
Changes in:					
Other assets	37(vi)	(2,014,634)	(1,516,971)	15,969,119	(20,208,138)
Other liabilities	37(v)	3,949,121	575,321	(9,127,578)	13,916,199
Placement pledged as collateral	37(ix)	5,083,981	3,384	-	-
		16,957,037	**8,345,832**	**12,984,257**	**(1,245,549)**
Tax paid	18(c)	(1,305,486)	(3,569,242)	(637,853)	(1,618,379)
VAT paid	37(v)	(2,410,361)	(1,068,097)	(716,132)	(84,283)
Net Cash from/(used in) operating activities		**13,241,190**	**3,708,493**	**11,630,272**	**(2,948,211)**
Cash flow from investing activities					
Interest received	37(iv)	2,003,894	1,549,639	678,836	611,112
Acquisition of property and equipment	37(ii)	(938,821)	(383,334)	(685,730)	(286,223)
Acquisition of intangible assets	26	(267,314)	(62,186)	-	-
Proceeds from sale of property and equipment	37(ii)	21,274	16,874	20,514	16,238
Purchase of investment securities	37(i)	-	(10,512,034)	-	(937,298)
Mature investment	37(i)	8,674,485	-	4,198,264	-
Deposit for shares	23	(10,536,259)	-	(10,536,259)	-
Net Cash used in investing activities		**(1,042,741)**	**(9,391,041)**	**(6,324,375)**	**(596,171)**
Cash flow from financing activities					
Payment of lease liabilities	33(iii)	(60,640)	(92,430)	(60,640)	(92,430)
Net Cash used in financing activities		**(60,640)**	**(92,430)**	**(60,640)**	**(92,430)**
Net increase/(decrease) in cash and bank balances		**12,137,809**	**(5,774,978)**	**5,245,257**	**(3,636,812)**
Effect of exchange rate changes on cash and bank balances	37(vii)	27,388	14,718	27,210	15,172
Cash and bank balances at the beginning of the year		16,191,603	21,951,863	1,613,775	5,235,415
Cash and cash equivalents at end of the year	19	**28,356,800**	**16,191,603**	**6,886,242**	**1,613,775**

The accompanying notes form an integral part of these financial statements.

Notes to the Consolidated and Separate Financial Statements

FMDQ Group PLC was incorporated as FMDQ OTC PLC (the 'Company'), a public liability company, in Nigeria under the Companies and Allied Matters Act of Nigeria, 2020. The Company was incorporated on 6 January 2011 and commenced operations in January 2013. The address of its registered office is 35 Idowu Taylor Street, Victoria Island, Lagos.

In 2017, the Company invested in a new entity, FMDQ Clear Limited. In 2019, the Company invested in two (2) new entities, FMDQ Depository Limited and FMDQ Securities Exchange Limited. In 2020, the Company invested in two (2) additional entities; FMDQ Private Markets Limited and iQx Consult Limited. The five (5) entities are wholly owned subsidiaries of FMDQ Group PLC. As such, the consolidated and separate financial statements as at and for the year ended 31 December 2022 therefore comprise the Company and its subsidiaries (together referred to as 'the Group').

Prior to 16 December 2019, FMDQ Group PLC's principal activities was to function as a market organiser, with dual responsibilities of a securities exchange and self-regulatory organisation. It is regulated by the Securities and Exchange Commission. Effective 16 December 2019, the Securities and Exchange Commission granted the Company approval to transfer its securities exchange license to its newly incorporated subsidiary Company, FMDQ Securities Exchange Limited, and become a non-operating holding company in line with the Securities and Exchange Commission's requirements for holding companies operating in the capital markets.

1. Changes in accounting policies

Except as noted below, the Group has consistently applied the accounting policies as set out below to all periods presented in these consolidated and separate financial statements. The following amended standards and interpretations were effective during the year but are not expected to have a significant impact on the Group's financial statements.
— Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform - Phase 2.

Standards issued but not yet effective

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2023 and have not been applied in preparing these consolidated (or separate) financial statements. Those Standards, Amendments to Standards and Interpretations which may be relevant to the Group (or Company) are set out below.
The Group (and Company) do not plan to adopt these standards early. The standards will be adopted in the period that they become mandatory unless otherwise indicated:

S/N	Standard/Interpretation		Date issued by IASB 2	Effective date	Summary of the requirements and impact assessment
1	FRS 17 including amendments Initial application of IFRS 17 and IFRS 9 –Comparative Information	Insurance Contracts	May 2017, June 2020 and December 2021 for the amendments	1 January 2023	IFRS 17 supersedes IFRS 4 Insurance Contractsand aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model (“general model”) for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as: •Reinsurance contracts held; •Direct participating contracts; and •Investment contracts with discretionary participation features. Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI. The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity’s financial statements. The standard is effective for annual periods beginning on or after 1 January 2023.

Notes to the Consolidated and Separate Financial Statements

2	FRS 17 including amendments Initial application of IFRS 17 and IFRS 9 –Comparative Information	Insurance Contracts	May 2017, June 2020 and December 2021 for the amendments	1 January 2023	IFRS 17 supersedes IFRS 4 Insurance Contractsand aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as: •Reinsurance contracts held; •Direct participating contracts; and •Investment contracts with discretionary participation features. Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI. The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements. The standard is effective for annual periods beginning on or after 1 January 2023.
3	Amendments to IAS 8	Definition of Accounting Estimates	February 2021	1 January 2023	This amendment provides clarifications to companies on how to distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendment introduces a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarifies the following: •an entity develops an accounting estimate to achieve the objective set out by an accounting policy. •developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. •a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. •a change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods. The definition of accounting policies remains unchanged. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the
4	Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure Initiative: Accounting Policies	February 2021	1 January 2023	The amendments were issued to assist companies provide useful accounting policy disclosures. The key amendments to IAS 1 include: •requiring companies to disclose their material accounting policies rather than their significant accounting policies; •clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and •clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements; The amendments are consistent with the refined definition of material: "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purposefinancial statements make on the basis ofthose financial statements". The amendments are effective from 1 January 2023

Notes to the Consolidated and Separate Financial Statements

5	Amendment toIAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	May 2021	1 January 2023	The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition arising from these transactions. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on these transactions using the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability. The standard is effective for annual periods beginning on or after 1 January 2023.
6	Amendment to IFRS 16	Lease Liability in a Sale and Leaseback	September 2022	1 January 2024	Amendments to IFRS 16 Leases requires a seller-lessee impacts how a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment also requires the seller-lessee to include variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. The amendments confirm the following. •On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. •After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered intosince implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.
7	Amendments toIAS 1	Classification of Liabilities as Current or Non-current Liabilities with Covenants	January 2020	1 January 2024	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. In additiona company will classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. Such right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation The standard is effective for annual periods beginning on or after 1 January 2023.

Notes to the Consolidated and Separate Financial Statements

8	Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	September 2014	The effective date of this amendment has been deferred indefinitely by the IASB.	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. When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired. The IASB has decided to defer the effective date for these amendments indefinitely.

Significant accounting policies

Except for the changes explained in note 1, the Group has consistently applied the following accounting policies to all periods presented in these financial statements.

2 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and its interpretation committee effective and available as at 31 December 2016. These financial statements comply with the Companies and Allied Matters Act of Nigeria, 2020 and the Financial Reporting Council of Nigeria (FRC) Act, 2011.

The consolidated and separate financial statements were authorised for issue by the Directors on 31 March 2023.

3 Basis of preparation

(a) **Basis of measurement**

The consolidated and separate financial statements have been prepared on the historical cost basis except for:

- cash & cash equivalents, client resolution fund assets & margin Fund assets measured at amortized cost on each reporting date,
- financial assets at fair value through OCI measured at fair value on each reporting date,
- financial liabilities which are measured at amortized cost on each reporting date.

Notes to the Consolidated and Separate Financial Statements

(b) **Functional and presentational currency**
The consolidated and separate financial statements are presented in Naira, which is the Group's functional currency. Unless otherwise stated, financial information presented in Naira have been rounded to the nearest thousand.

(c) **Use of estimates and judgments**
In preparing these financial statements, Management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 5.

3.1 Basis of consolidation

(a) Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having control over an investee.

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). When the proportion of the equity held by non controlling interests (NCIs) changes, the carrying amounts of the controlling and NCIs are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Loss of Control
On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any related non-controlling interests and the other components of equity relating to a subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

(c) Business combination
The Group accounts for business combinations using the acquisition method when control is transferred to the Group.The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

3.2 Translation of foreign currencies

Translation and balances
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest, impairment and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Notes to the Consolidated and Separate Financial Statements

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI are recognised in OCI.

3.3 Cash and bank balances

Cash and bank balances are made up of cash, cash equivalents and placement pledged as collateral.

Cash comprises cash in hand and demand deposits. Cash equivalents are short term liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Cash equivalents comprise deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Placement pledged as collateral represents amounts which the Group has placed with its bank as collateral in order to facilitate lending to the Group's Dealing Member Specialist. This balance has also been included as part of cash and bank balances for the purpose of cash flow statements.

Cash and bank balances are carried at amortised cost in the statement of financial position.

3.4 Financial instruments

(a) Recognition and initial measurement

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(b) Classification and subsequent measurement

Financial assets

The Group classifies financial assets into the following categories: amortised cost and FVOCI.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows

Notes to the Consolidated and Separate Financial Statements

or realising cash flows through the sale of the assets;
– how the performance of the portfolio is evaluated and reported to the Group's Management;
– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Solely principal and interest (SPPI) assessment
In assessing whether the contractual cash flows are solely principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
- contingent events that would change the amount or timing of cash flows
- terms that may adjust the contractual coupon rate, including variable-rate features
- prepayment and extension features, and
- terms that limit the Group's claim to cash flows from the specified assets.

Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI for debt instruments are reclassified to profit or loss.

Financial liabilities
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, is a derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(c) Derecognition
Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all the risks and the rewards of the ownership and it does not retain control of the financial asset.
On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

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

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Notes to the Consolidated and Separate Financial Statements

(d) Modifications of financial assets and liabilities

Financial assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (c)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows: - fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and - other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(e) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

(f) Fair value measurement

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

Notes to the Consolidated and Separate Financial Statements

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. Market is regarded as active if transactions for the asset or liability takes place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximises the use of relevant technique incorporating all the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, the Group measures the assets and long positions at a bid price and liabilities and short positions at an ask price. Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to see a net long position (or paid to transfer a net short position) for a particular exposure.

3.5 Impairment of financial instruments

The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

Financial assets that are debt instruments; and
Trade and other receivables

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

Debt investment securities that are determined to have low credit risk at the reporting date; and
Other financial instruments on which credit risk has not increased significantly since their initial recognition

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

(i) Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted at the assets original effective interest rate.

IFRS 9 ECL Impairment model uses a three-stage approach based on the extent of credit deterioration since origination:
Stage 1 – 12-month ECL applies to all financial assets that have not experienced a Significant Increase in Credit Risk (SICR) since origination and are not credit impaired. The ECL will be computed using a 12-month probability of default (PD) that represents the probability of default occurring over the next 12 months. For those assets with a remaining maturity of less than 12 months, a PD is used that corresponds to remaining maturity.

Stage 2 – When a financial asset experiences a SICR subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset.

Notes to the Consolidated and Separate Financial Statements

Stage 3 – Financial assets that have an objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime expected credit losses. The impairment requirements of IFRS 9 are complex and require management judgments, estimates and assumptions, particularly in the areas of assessing whether the credit risk of an instrument has increased significantly since initial recognition and incorporating forwardlooking information into the measurement of ECLs.

Inputs into measurement of ECL
The key inputs into the measurement of ECL are the following variables:
- probability of default (PD);
- loss given default (LGD)
- exposure at default (EAD)

ECL for exposures in stage 1 (12-month ECL) is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

These parameters are generally derived externally from Standard and Poor's (S&P), Moody's, Fitch and they are adjusted to reflect forward-looking information as described above.

PD is an estimate of the likelihood of default over a given time horizon, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

LGD is the magnitude of the likely loss if there is a default. The Group plans to estimate LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, and counterparty industry. LGD estimates are recalibrated for different economic scenarios and, for lending, to reflect possible changes in the economies. They are calculated on a discounted cash flow basis using the effective interest rate as the discount.

EAD represents the expected exposure in the event of a default. The Group expects to derive the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.

Forward looking information (FLI)
The Group will incorporate forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on consideration of a variety of external actual and forecast information, the Group intends to formulate a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process would involve developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information may include economic data and forecasts published by governmental bodies and monetary authorities, supranational organisations and selected private-sector and academic forecasters.The base case is expected to represent a most-likely outcome and be aligned with information used by the Group for other purposes, such as strategic planning and budgeting. The other scenarios would represent more optimistic and more pessimistic outcomes.

Impairment on trade receivables - the simplified approach
Loss allowance on trade receivables or contract assets that result from transactions in the scope of IFRS 15 are measured using a simplified approach. The Group's trade receivables do not contain a significant financing components and have a short duration, typically less than 12 months which means that measuring the loss allowance as lifetime ECLs generally does not differ from measuring at 12-month ECLs. Trade receivables without a significant financing component are measured on initial recognition at the transaction price determined in accordance with IFRS 15 and do not have a contractual interest rate. This implies that the effective interest rate for these receivables is zero accordingly, the discounting of cash shortfalls to reflect the time value of money when measuring ECL is not generally required.

(ii) Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Notes to the Consolidated and Separate Financial Statements

Evidence that a financial asset is credit-impaired includes the following observable data:
– significant financial difficulty of the borrower or issuer;
– a breach of contract such as a default or being more than 90 days past due;
– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
– it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
– the disappearance of an active market for a security because of financial difficulties.

(iii) Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are charged to profit and loss and deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

3.6 Deposit for shares

Deposit for shares represents payment made by the Group in respect of share purchase, for which the documentation is yet to be concluded as at end of the year. The Group recognizes the paym ent as a receivable pending when the share transfer process and documentation are finalized

3.7 Revenue recognition

(i) Interest income and expense

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
– the gross carrying amount of the financial asset; or
– the amortised cost of the financial liability.
When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial lab ility is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference betw een that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financia l liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rate of interest.

However, for financial assets that have become credit-impa ired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

(ii) Other income

Other income comprises insurance claims, sponsorship income, bond listing fees, technology services, penalties and fines, membership dues, application fees, commercial paper quotation fees, margin management fee, processing fees, eligibility fees, depository fees, Q-ex maintenance fees, franchise development support and outsourcing (FDSO) income and any other income earned from non-core operations. Other income is recognised when the the performance obligations have been satisfied.

Notes to the Consolidated and Separate Financial Statements

(iii) Treasury income

Treasury income represents total interest income earned by the Group from investing the Client Resolution Fund (CRF) assets and Margin Funds. The Group invests the Funds in treasury bills and other money market instruments, through a Fund Manager- Stanbic IBTC Asset Management Limited (SIAML) and the Clearing Treasury Group. The income is recognised using effective interest rate.

(iv) Treasury expense

Treasury expense represents total interest expense to be paid to the FX futures clients on the outstanding CRF liabilities. The liabilities represent settlement amounts due on matured FX futures transactions, but which are yet to be claimed by the clients. The Group pays an agreed percentage of the outstanding amounts to the clients.

(v) Processing fees

Processing fee is computed as a third of the total interest earned by the clients on the CRF. The processing fee is earned when the client makes a claim on the FX futures settlement amount by purchasing spot FX for the underlying contract. The unearned portion of the processing fee is recognised as a liability, and unwinds to profit or loss as the client makes claim for the settlement amount sequel to purchase of spot FX.

(vi) Franchise development support and outsourcing (FDSO) income

FDSO income represents fees earned from FMDQ Clear Limited and FMDQ Securities Exchange Limited which are wholly owned subsidiaries, in respect of the franchise development support and outsourced services rendered by the parent Company. The fees are accrued in line with the executed agreement with the parent Company, which requires FMDQ Clear Limited and FMDQ Securities Exchange Limited to pay 62% and 20% (2020:60% and 20% from FMDQ Clear Limited and FMDQ Securities Exchange Limited respectively) of its realised revenue, excluding interest income on proprietary capital respectively.

(vii) Transaction fees

Transaction fees income comprises fees earned on the secondary market transactions carried on by FMDQ Exchange's Dealing Members and brokers, as well as the fees charged on the Bonds traded by Member-Clients in the secondary market**.** The Group charges a fee on the face value of the transactions executed.

(viii) Clearing and futures management fees

Clearing fee is earned by the Group on clearing services carried out on the FX futures transactions that were traded on the group's platform. The fee is a one-off payment and is computed as 0.05% of the face value of the FX futures contract. It is accrued as the income is earned.

Futures management fee is charged to transaction parties for the maintenance and valuation of open contracts and collateral margins.

(ix) Participant fee income

Participant fees include fees earned by FMDQ Depository Limited (eligibility, transfer agency and settlement fees) and FMDQ Private Markets Limited (noting and sponsorship fees).

3.8 Prepayments

Prepayments are essentially insurance paid in advance. Prepayments are carried at cost less amortisation expensed in profit or loss.

3.9 Contingent liabilities

Contingent liabilities are probable obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. However, they are recognised, if it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Contingent liabilities are disclosed in the financial statements when they arise.

3.10 Property and equipment

(i) Recognition amd measurement

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Notes to the Consolidated and Separate Financial Statements

(ii) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. The costs of the day-to-day repairs and maintenance of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis to write down the cost of items of property and equipment, to their residual values over the estimated useful lives. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives.

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

The estimated useful lives for the current and comparative periods of significant items of property and equipment are as follows:

Leasehold improvements	over the period of the lease
Motor vehicles	4 years
Office equipment	4 years
Computer equipment	3 years
Right of use assets	Lower of lease term or the useful life for the specified class item

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Depreciation is not recognised on items of property and equipment that are under construction.

(iv) Derecognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

3.11 Intangible assets

Computer software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development.

The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Derecognition

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

3.12 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent basis can be identified.

Notes to the Consolidated and Separate Financial Statements

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is higher of fair value less costs to sell and value in use. 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 time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation decrease.

3.13 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
— fixed payments, including in-substance fixed payments;
— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
— amounts expected to be payable under a residual value guarantee; and
— the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

Notes to the Consolidated and Separate Financial Statements

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

3.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.15 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due in respect of service rendered before the end of the reporting period. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value at the reporting date.

The Group operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act 2014, with contributions based on the sum of employees' basic salary, housing and transport allowance in the ratio 8% by the employee and 10% by the employer.

The Group's contribution to this scheme is charged to profit or loss in the period to which they relate. Contributions to the scheme are managed by other appointed pension managers on behalf of the beneficiary staff in line with the provisions of the Pension Reform Act.

The Group also operates a defined contribution plan called "Directors' Exit Pay" for its Executive and Non-Executive Directors. Under this plan, the Group contributes 50% of the Executive Director's annual gross salary and 50% of the Non-Executive Directors' annual Director's fees for every year of service. The Group's contributions are managed by a separate Fund Manager and the Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay the Directors upon exit.

(ii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(iii) Short-term benefits

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

Notes to the Consolidated and Separate Financial Statements

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Cash-settled share-based payment transactions
The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any change in the fair value of the liability is recognised in profit or loss.

3.16 Taxation
Income tax expense comprises current tax (company income tax, tertiary education tax, national information technology development agency levy and Nigeria police trust fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.
The Group had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under *IAS 37 Provisions, Contingent Liabilities and Contingent Assets*.

(i) Current tax
Current tax is the expected tax payable on taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial position date, and any adjustment to tax payable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:
- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum tax
Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

In line with the Finance Act 2020, minimum tax if applicable will be determined based on 0.25% of gross turnover, less franked investment income, provided the Company earned gross turnover up to N25 million in the relevant year of assessment.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

Finance Act 2021
The Finance Act was signed into law on 31 December 2021. It introduces changes to the Companies Income Tax Act, Value Added Tax Act, Personal Income Tax Act, Nigeria Police Trust Fund (Establishment) Act, Capital Gains Tax Act, Customs and Excise Tariff Etc. (Consolidation) Act, Tertiary Education Trust Fund (Establishment) Act (TETFEA), Stamp Duties Act, Insurance Act, Nat'l Agency for Science & Engineering Infrastructure Act ('NASENI'), Finance (Control & Management) Act and Fiscal Responsibility Act. Having now been passed by both arms of the National Assembly, and thereafter assented to by the President, it is expected that its provisions will come into force in 2022. The Finance Act is applicable to 2021 year end financial statements.

Notes to the Consolidated and Separate Financial Statements

Following the Finance Act, 2021, the reduction of minimum tax rate from 0.5% to 0.25% of turnover (less franked investment income) will apply to any two accounting periods between 1 Jan 2019 and 31 Dec 2021 as may be chosen by the taxpayer. In addition, the Tertia ry Education Tax (TET) rate has been increased from 2% to 2.5% of assessable profits.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:
– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficien t to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.17 Share capital and reserves

(i) Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(ii) Dividend on ordinary shares

Dividends on the Group's ordinary shares are recognised in equity in the year in which they are paid or, if earlier, approved by the Group's shareholders. Dividends for the year that were declared after the year end of the reporting period are dealt with in subsequent events note.

(iii) Fair value reserves

Fair value reserves represent the fair value gains or losses on valuation of financial assets measured at fair value through other comprehensive income.

(iv) Share scheme reserve

Share scheme reserve recognises the impact of revisions to estimates of share-based payment transactions. The movement in this reserve also incorporates share options exercised during a reporting period.

Notes to the Consolidated and Separate Financial Statements

(v) Bonus share reserve

Bonus share reserve represents appropriations from retained earnings. These funds are to be used for the issuance of bonus shares to existing shareholders. The amount transferred is based on approval by the Board of Directors.

(vi) Other reserves

Other reserves warehouse funds appropriated from the Group's retained earnings as asset sinking fund reserve and special reserves (Company), investor protection re serve and market development reserve (FMDQ Securities Exchange Limited), as well as the default resolution reserve (FMDQ Clear Limited). During the year, the Board of Directors approved a yearly appropriation of 25% of the Company’s profit after tax to an asset sinking fund reserves, to cater for the Group’s capital projects/asset acquisition needs and another 20% of the Company's profit after tax to a special reserve to ring fence a portion of the general reserves to facilitate achievement of the Company’s vision. Further to this, the Board of Directors of FMDQ Securities Exchange Limited approved the appropriation of 50% of annual profit after tax be transferred into the market development reserve on an annual basis. It was also agreed that 10% of annual profit after tax of FMDQ Securities Exchange Limited be transferred investor protection reserve. For FMDQ Clear Limited, the Board approved that the Company's profit after tax be appropriated into a default resolution reserve.

3.18 Client resolution fund (CRF) assets and liabilities

Client resolution fund represents funds held by the Group's clearing subsidiary, FMDQ Clear Limited, with respect to settlement amounts on matured FX futures transaction traded on FMDQ's platform, but which are yet to be claimed by the FX futures clients as at the end of the reporting period. The clients are entitled to a fixed interest percentage on the outstanding balance, pending when they claim the funds. The Group invests these funds in treasury bills and other money market instruments and earns interest on the investment. These funds are recognised in the books as assets, and corresponding liabilities (CRF liabilities). In line with the Group’s accounting policy, CRF assets and liability are classified and measured at amortised cost.

3.19 Margin assets and liabilities

Margin funds represent cash margins pledged to the Group's clearing subsidiary - FMDQ Clear Limited - by the Central Bank of Nigeria for its open OTC FX Futures contracts. Margin fund assets and liabilities are classified and measured at amortised cost.

Notes to the Consolidated and Separate Financial Statements

4 Financial Risk Management

(a) Introduction and overview

The Group's vision is to be the leading African builder of ecosystems of financial infrastructure and services for markets. Its mission is to collaborate to empower markets for economic progress towards delivering prosperity. In pursuing its vision, the Group has identified the need to focus on risk management. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has exposure to the following risks from financial operations:
(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents, receivables and investment in debt securities.

Investment securities

The Group limits its exposure to credit risk by investing mostly in highly liquid money and capital market instruments issued by the Federal Government of Nigeria.

Client resolution fund (CRF) assets at amortised cost

CRF assets represents unclaimed clients' funds which have been invested in government securities. The funds are under the custody of a fund manager, and the credit risk is directly linked on the underlying government securities, which are mostly treasury bills.

Margin assets at amortised cost

The funds are under the custody of a fund manager, and the credit is directly linked to the credit risk on the underlying government securities, which are mostly treasury bills.

Cash and cash equivalents

The Group held bank balances with local banks, assessed to have good credit ratings based on the Group's policy.

Exposure to credit risk

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

		Carrying amount			
In thousands of naira	Notes	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Cash and cash equivalents	19	28,356,800	21,275,584	6,886,242	1,613,775
Investment securities	20	18,827,360	26,927,068	5,850,875	9,898,515
Other assets (net)	23	1,643,417	1,548,750	3,715,737	20,757,640
Client resolution fund assets	21	27,948,261	32,586,971	-	-
Margin fund assets	22	83,833,078	83,594,640	-	-
		160,608,916	165,933,013	16,452,854	32,269,930

Notes to the Consolidated and Separate Financial Statements

The following table represents an analysis of the credit quality of financial assets at amortised cost and FVTOCI. It indicates whether assets measured at amortised cost or FVTOCI were subject to 12-month ECL or lifetime ECL allowance and in the latter case, whether they were credit-impaired.

GROUP	**2022**				**2021**			
	FVOCI	**Amortised cost**		**Total**	**FVOCI**	**Amortised cost**		**Total**
In thousands of naira	**12- month ECL**	**12- month ECL**	**Lifetime ECL**		**12- month ECL**	**12- month ECL**	**Lifetime ECL**	
BBB- to AAA	-	-	-		-	-	-	-
BB- to BB+	-	-	-		-	-	-	-
B- to B+	15,247,941	145,579,062	-	160,827,003	21,494,624	144,787,314	-	166,281,938
C to CCC+	-	-	-		-	-	-	-
D	-	-	-		-	-	-	-
Gross carrying amount	15,247,941	145,579,062	-	160,827,003	21,494,624	144,787,314	-	166,281,938
Loss allowance	-	(218,087)	-	(218,087)	-	(348,925)	-	(348,925)
Amortised cost	15,247,941	145,360,975	-	160,608,916	21,494,624	144,438,389	-	165,933,013
Carrying amount	15,247,941	145,360,975	-	160,608,916	21,494,624	144,438,389	-	165,933,013

COMPANY	**2022**				**2021**			
	FVOCI	**Amortised cost**		**Total**	**FVOCI**	**Amortised cost**		**Total**
In thousands of naira	**12- month ECL**	**12-month ECL**	**Lifetime ECL**		**12- month ECL**	**12- month ECL**	**Lifetime ECL**	
BBB- to AAA	-	-	-	-	-	-	-	-
BB- to BB+	-	-	-	-	-	-	-	-
B- to B+	5,850,875	10,601,979	-	16,452,854	9,898,515	22,374,165	-	32,272,680
C to CCC+	-	-	-	-	-	-	-	-
D	-	-	-	-	-	-	-	-
Gross carrying amount	5,850,875	10,601,979	-	16,452,854	9,898,515	22,374,165	-	32,272,680
Loss allowance	-	-	-	-	-	(2,750)	-	(2,750)
Amortised cost	-	(23,176)	-	(23,176)	7,894,617	22,374,165	-	32,269,930
Carrying amount	5,850,875	10,601,979	-	16,452,854	9,898,515	22,371,415	-	32,269,930

Notes to the Consolidated and Separate Financial Statements

Significant increase in credit risk

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range.

Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:
- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 90 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:
- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

Definition of default

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Group

In assessing whether a borrower is in default, the Group considers indicators that are:
- qualitative - e.g. breaches of covenant;
- quantitative - e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Collateral

The Group does not hold collateral.

Concentration risk

Concentration risk refers to any single exposure or group of exposures large enough to cause credit losses which threaten the Group's ability to maintain its core operations. It is the risk that common factors within a risk type or across risk types cause credit losses or an event occurs within a risk type which results to credit losses.

As at the reporting date, the Group's credit risk exposure were concentrated as follows:

in thousands of naira	**31-Dec-22**	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
Government	18,827,360	26,927,068	5,850,875	9,898,515
Banks/financial institutions	141,781,556	139,005,945	10,601,979	22,371,415
	160,608,916	**165,933,013**	**16,452,854**	**32,269,930**

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which is inherent to the Group's operations and investments.

The Group maintains adequate liquid assets and marketable securities sufficient to manage any liquidity stress situation.

Notes to the Consolidated and Separate Financial Statements

Maturity analysis for financial assets and financial liabilities

Group
31 December 2022

in thousands of naira	Notes	Carrying amount	Gross nominal inflow/(outflow)	3 Months	3 - 6 Months	6 - 12 Months	Over 1 Year
Cash and cash equivalents	19	28,356,800	28,589,950	28,589,950	-	-	-
Investment securities	20	18,827,360	20,807,925	192,120	4,380,633	558,319	15,676,853
Other financial assets (net)	23	1,643,417	1,839,684	1,839,684	-	-	-
CRF Assets	21	27,948,261	28,103,022	28,103,022	-	-	-
Margin and fixings variance settlement assets	22	83,833,078	84,832,757	84,832,757	-	-	-
		160,608,916	164,173,338	143,557,533	4,380,633	558,319	15,676,853
Other financial liabilities	27	(10,248,922)	(10,248,922)	(10,248,922)	-	-	-
CRF Liabilities	28	(27,948,261)	(34,463,315)	(34,463,315)	-	-	-
Margin and fixings variance settlement liabilities	29	(83,833,078)	(84,832,757)	(84,832,757)	-	-	-
		(122,030,261)	(129,544,994)	(129,544,994)	-	-	-
Gap (assets - liabilities)		38,578,655	34,628,344	14,012,539	4,380,633	558,319	15,676,853

31 December 2021

in thousands of naira	Notes	Carrying amount	Gross nominal inflow/(outflow)	3 Months	3 - 6 Months	6 - 12 Months	Over 1 Year
Cash and cash equivalents	19	21,275,584	22,824,356	17,824,356	-	-	5,000,000
Investment securities	20	26,927,068	30,195,897	9,035,495	391,936	914,005	19,854,461
Other financial assets (net)	23	1,548,750	1,882,137	1,882,137	-	-	-
CRF Assets	21	32,586,971	34,463,315	34,463,315	-	-	-
Margin and fixings variance settlement assets	22	83,594,640	91,972,530	90,772,530	-	-	1,200,000
		165,933,013	181,338,235	153,977,833	391,936	914,005	26,054,461
Other financial liabilities	27	(8,605,686)	(8,605,686)	(8,605,686)	-	-	-
CRF Liabilities	28	(32,586,971)	(34,463,315)	(34,463,315)	-	-	-
Margin and fixings variance settlement liabilities	29	(83,594,640)	(91,972,530)	(90,772,530)	-	-	(1,200,000)
		(124,787,297)	(135,041,531)	(133,841,531)	-	-	(1,200,000)
Gap (assets - liabilities)		41,145,716	46,296,704	20,136,302	391,936	914,005	24,854,461

Company
31 December 2022

in thousands of naira	Notes	Carrying amount	Gross nominal inflow/(outflow)	3 Months	3 - 6 Months	6 - 12 Months	Over 1 Year
Cash and cash equivalents	19	6,886,242	7,110,453	7,110,453	-	-	-
Investment securities	20	5,850,875	7,326,503	101,660	2,638,993	166,910	4,418,940
Other financial assets (net)	23	3,738,913	3,738,913	3,738,913	-	-	-
		16,476,030	18,175,869	10,951,026	2,638,993	166,910	4,418,940
Other financial liabilities	27	(10,679,025)	(10,679,025)	(10,679,025)	-	-	-
		(10,679,025)	(10,679,025)	(10,679,025)	-	-	-
Gap (assets - liabilities)		5,797,005	7,496,844	272,001	2,638,993	166,910	4,418,940

Notes to the Consolidated and Separate Financial Statements

31 December 2021

in thousands of naira	Notes	Carrying amount	Gross nominal inflow/(outflow)	3 Months	3 - 6 Months	6 - 12 Months	Over 1 Year
Cash and cash equivalents	19	1,613,775	2,544,051	2,544,051	-	-	-
Investment securities	20	9,898,515	11,494,439	4,250,830	204,268	305,298	6,734,043
Other financial assets (net)	23	20,757,640	20,760,390	20,760,390	-	-	-
		32,269,930	34,798,880	27,555,271	204,268	305,298	6,734,043
Other financial liabilities	27	(19,246,995)	(19,246,995)	(19,246,995)	-	-	-
		(19,246,995)	(19,246,995)	(19,246,995)	-	-	-
Gap (assets - liabilities)		13,022,935	15,551,885	8,308,276	204,268	305,298	6,734,043

As part of the management of its liquidity risk, the Group holds liquid assets comprising cash and cash equivalents and securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

(iii) Market risk

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

Exposure to interest rate risk

The Group is exposed to interest rate risk (i.e. the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates) because it invests in financial instruments like FGN bonds, Eurobonds, State bonds and Treasury bills measured at fair value through other comprehensive income. This implies that the changes in market interest rates can have material impacts on the carrying amounts of the financial instruments. The impact of rate changes could have an adverse impact on the Company's financial position if not properly managed.

The table below shows the sensitivity of the carrying amount of the financial instruments as at 31 December 2022. The analysis is based on the assumption that interest rates increased/decreased by 200bp and 500bp with all variables held constant.

Group

Scenario *in thousands of naira*	**200bps** **31-Dec-22**	**500bps** **31-Dec-22**
Investment securities measured at fair value- year end balance	15,247,941	15,247,941
Impact of increase in interest rate on carrying amount	304,959	762,397
Impact of decrease in interest rate on carrying amount	(304,959)	(762,397)

Group

Scenario *in thousands of naira*	**200bps** **31-Dec-21**	**500bps** **31-Dec-21**
Investment securities measured at fair value- year end balance	21,494,624	21,494,624
Impact of increase in interest rate on carrying amount	(429,892)	(1,074,731)
Impact of decrease in interest rate on carrying amount	429,892	1,074,731

Notes to the Consolidated and Separate Financial Statements

Company

Scenario *in thousands of naira*	**200bps 31-Dec-22**	**500bps 31-Dec-22**
Investment securities measured at fair value- year end balance	5,850,875	5,850,875
Impact of increase in interest rate on carrying amount	117,018	292,544
Impact of decrease in interest rate on carrying amount	(117,018)	(292,544)

Company

Scenario *in thousands of naira*	**200bps**	**500bps**
	31-Dec-21	**31-Dec-21**
Investment securities measured at fair value- year end balance	9,898,515	9,898,515
Impact of increase in interest rate on carrying amount	(187,035)	(467,589)
Impact of decrease in interest rate on carrying amount	187,035	467,589

Exposure to exchange rate risk

The Group is exposed to the financial risk related to the fluctuation of foreign exchange rates. This is so because the Group has invested in a Eurobond and has bank balances denominated in foreign currency. A significant change in the exchange rates between the Naira (functional and presentation currency) relative to the US dollar may have an effect on the Group's revenue and net assets.

The exchange rate as at 31 December 2022 was $/N750.00 (31 December 2021: $/N575).

Exposure to currency risk

Group *In thousands of naira/USD*	**USD 31-Dec-22**	**NGN 31-Dec-22**
Bank balance	220	165,023
Investment securities	7,648	5,736,329
	7,868	5,901,352

Company *In thousands of naira/USD*	**USD 31-Dec-22**	**NGN 31-Dec-22**
Bank balance	220	165,023
Investment securities	5,423	4,066,920
	5,643	4,231,943

Group *In thousands of naira/USD*	**USD 31-Dec-21**	**NGN 31-Dec-21**
Bank balance	304	174,800
Investment securities	8,101	4,658,075
	8,405	4,832,875

Company *In thousands of naira*	**USD 31-Dec-21**	**NGN 31-Dec-21**
Bank balance	303	174,225
Investment securities	2,486	1,429,450
	2,789	1,603,675

Notes to the Consolidated and Separate Financial Statements

Sensitivity analysis of exchange rates

Arising from exchange rate fluctuations, the Company is exposed to changes in exchange rates. The following shows the sensitivity of the Company's income to changes in exchange rate:

Group

Scenario level	Bank Balances	Investment Securities
31 December 2022	**200bps**	**200bps**
In thousands of naira		
Increase	4	153
Decrease	(4)	(153)
Scenario level	**500bps**	**500bps**
Increase	11	11
Decrease	(11)	(11)

Company

Scenario level	Bank Balances	Investment Securities
31 December 2022	**200bps**	**200bps**
~~*In thousands of naira*~~		
Increase	4	108
Decrease	(4)	(108)
Scenario level	**500bps**	**500bps**
Increase	11	382
Decrease	(11)	(382)

Group

Scenario level	Bank Balances	Investment Securities
31 December 2021	**200bps**	**200bps**
In thousands of naira		
Increase	(171)	(72,543)
Decrease	171	72,543
Scenario level	**500bps**	**500bps**
Increase	(428)	(181,359)
Decrease	428	181,359

Company

Scenario level	Bank Balances	Investment Securities
31 December 2021	**200bps**	**200bps**
In thousands of naira		
Increase	(166)	(21,744)
Decrease	166	21,744
Scenario level	**500bps**	**500bps**
Increase	(416)	(54,359)
Decrease	416	54,359

(iv) Risk prevention strategies

The Group has adopted the risk and control self-assessment model to aid the identification, assessment and control of risks to prevent it from crystallising. Using this methodology, every activity or process is believed to have inherent risk(s). The model involves upfront risk identification, assessment, quantification and mitigation. The Group's strategy for preventing risks is to identify the risk ahead and design preventive controls that reduces the impact of the risk when it occurs. In a situation where there is no preventive controls or it will be costly to put such a control the Group adopt a detective or corrective controls. The Group believes that even after controls are put in place there could be residual risks. The Group also evaluates the residual risks and then design a risk treatment plan for such risks with high residual risks.

Notes to the Consolidated and Separate Financial Statements

(b) Capital management

The strategy for assessing and managing the impact of business plans on present and future regulatory capital forms an integral part of the Group's strategic plan. Specifically, the Group considers how the present and future capital requirements will be managed and met against projected capital requirements. This is based on the Group's assessment taking account of the Group business strategy and value creation to all its stakeholders. The Securities and Exchange Commission ("SEC") sets and monitors capital requirements for the Group's subsidiaries as follows:

	Minimum capital	Total equity
In thousands of naira	**31-Dec-22**	**31-Dec-22**
FMDQ Clear Limited	5,000,000	18,307,374
FMDQ Depository Limited	5,000,000	6,292,141
FMDQ Securities Exchange Limited	500,000	2,708,988
FMDQ Private Markets Limited	-	420,600
iQx Consult Limited	-	2,133,817

FMDQ Private Markets Limited and iQx Consult Limited are not regulated by SEC, thereby they do not have minimum capital requirement imposed on them.

The Group's shareholders' funds at the end of the year was higher than the minimum requirement stipulated by SEC which is required to be the sum of the aggregate minimum capital of all its subsidiaries.

In thousands of naira	Note	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Paid up share capital	31	26,000,000	19,467,328	26,000,000	19,467,328
Shareholders' funds		46,282,994	38,445,756	27,780,784	24,303,266

5 Use of estimates and judgments

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2022 is included in the following notes.

(a) *Determining fair values*

The Group's policy on fair value measurements is discussed under note 3.4(f).

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

(i) Level 1 : Quoted market price (unadjusted) in an active market for an identical instrument.

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

(iii) Level 3: Valuation techniques using inputs that are not based on observable market data, i.e., unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data, and the unobservable inputs could have a significant effect on the instrument's valuation. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

Notes to the Consolidated and Separate Financial Statements

Financial instruments measured at fair value
The following tables set out the categorisation into levels of the fair value hierarchy of financial instruments measured at fair value.

Group
31 December 2022

In thousands of naira	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
FVOCI - debt instruments	20	15,247,941	-	-	15,247,941
		15,247,941	-	-	15,247,941

31 December 2021

In thousands of naira	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
FVOCI - debt instruments	20	21,494,624	-	-	21,494,624
		21,494,624	-	-	21,494,624

Company
31 December 2022

In thousands of naira	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
FVOCI - debt instruments	20	5,850,875	-	-	5,850,875
		5,850,875	-	-	5,850,875

31 December 2021

In thousands of naira	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
FVOCI - debt instruments	20	9,898,515	-	-	9,898,515
		9,898,515	-	-	9,898,515

(b) ***Valuation techniques and inputs used in fair value measurement***
The price used in determining the fair value of the FGN Bonds, Treasury bills and Eurobonds is the price of FGN Bonds, Treasury bills and Eurobonds with similar maturity and discount as quoted on the FMDQ. This is publicly available and represents the price at which the instruments would be transacted at the reporting date.

(c) ***Allowance for impairment losses***
Assets accounted for at amortised cost are evaluated for impairment on a basis described in Note 3.5.

The specific component of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based upon Management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, Management makes judgments about a debtor's financial situation and estimate of cash flows considered recoverable are independently approved by the financial control function.

(d) ***Income tax***
The Group 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 and deferred tax provisions in the period in which such determination is made.

Notes to the Consolidated and Separate Financial Statements

(e) *Recognition of deferred taxes*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:
– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

(f) *Share based payments*

The Group estimates cash-settled share-based payment transactions based on valuation using an option pricing model. The model considers the exercise price of the option, tenor of the option, current price of the underlying shares and expected future volatility in share prices and probability of meeting the terms upon which the options are to be exercised.

Notes to the Consolidated and Separate Financial Statements

6 Classification of financial assets and liabilities and fair value hierarchy

The table below set out the Group's classification of each class of financial assets and liabilities, and their fair values.

Group
31 December 2022

In thousands of naira	Notes	Fair value through OCI	Amortised cost	Fair value	Fair value hierarchy
Cash and cash equivalents	19	-	28,356,800	28,356,800	2
Investment securities	20	15,247,941	3,579,419	18,827,360	1
Other financial assets (net)	23	-	1,643,417	1,643,417	2
Client resolution fund assets	21	-	27,948,261	27,948,261	1
Margin and fixings variance settlement assets	22	-	83,833,078	83,821,100	1
		15,247,941	145,360,975	160,596,938	
Other financial liabilities	27	-	10,248,922	10,248,922	2
Client resolution fund liabilities	28	-	27,948,261	27,948,261	1
Margin and fixing variance settlement liabilities	29	-	83,833,078	83,821,100	1
		-	122,030,261	122,018,283	

31 December 2021

In thousands of naira	Notes	Fair value through OCI	Amortised cost	Fair value	Fair value hierarchy
Cash and cash equivalents	19	-	21,275,584	21,275,584	2
Investment securities	20	21,494,624	5,432,445	26,927,069	1
Other financial assets (net)	23	-	1,548,750	1,548,750	2
Client resolution fund assets	21	-	32,586,971	32,586,971	1
Margin and fixings variance settlement assets	22	-	83,594,640	83,821,100	1
		21,494,624	144,438,390	166,159,474	
Other financial liabilities	27	-	8,605,686	8,605,686	2
Client resolution fund liabilities	28	-	32,586,971	32,586,971	1
Margin and fixings variance settlement liabilities	29	-	83,594,640	83,821,100	1
		-	124,787,297	125,013,757	

Company
31 December 2022

In thousands of naira	Notes	Fair value through OCI	Amortised cost	Fair value	Fair value hierarchy
Cash and cash equivalents	19	-	6,886,242	6,886,242	2
Investment securities	20	5,850,875	-	5,850,875	1
Other financial assets (net)	23	-	3,738,913	3,738,913	2
		5,850,875	10,625,155	16,476,030	
Other financial liabilities	27	-	(10,679,025)	(10,679,025)	2
		-	(10,679,025)	(10,679,025)	

Notes to the Consolidated and Separate Financial Statements

31 December 2021

In thousands of naira	Notes	Fair value through OCI	Amortised cost	Fair value	Fair value hierarchy
Cash and cash equivalents	19	-	1,613,775	1,613,775	2
Investment securities	20	9,898,515	-	9,898,515	1
Other financial assets (net)	23	-	20,760,390	20,575,640	2
		9,898,515	22,374,165	32,087,930	
Other financial liabilities	27	-	(19,246,995)	(19,246,995)	2
		-	(19,246,995)	(19,246,995)	

7 Treasury income

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Treasury income (See note (a))	2,387,264	2,192,164	-	-
	2,387,264	2,192,164	-	-

(a) This amount represents interest income earned from investing the client resolution fund assets as a result of additional treasury activities carried out by the Group. The Group invests the funds in treasury bills and other government securities, through a Fund Manager- Stanbic IBTC Asset Management Limited (SIAML) and FMDQ Clear's Clearing Treasury Group.

8 Treasury expense

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Treasury expense	14,412	14,595	-	-
	14,412	14,595	-	-

9 Transaction fees (net)

Transaction fees income comprises fees earned on the secondary market transactions carried on by FMDQ Exchange's Dealing Members and brokers, as well as the fees charged on the Bonds traded by Member-Clients in the secondary market.:

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Transaction Fees- foreign currency trading	339,286	253,885	-	-
Transaction Fees- treasury bills trading	663,206	686,619	-	-
Transaction Fees- repo transactions	504,114	470,849	-	-
Transaction Fees- open buy back transactions	196,394	200,984	-	-
Transaction Fees- money market transactions	30,969	31,565	-	-
Transaction Fees - FX Derivatives	193,696	214,825	-	-
Transaction Fees - FGN Bonds	1,601,085	194,034	-	-
Transaction Fees - Eurobonds	-	-	-	-
IDB - All Products	11,570	8,690	-	-
	3,540,320	**2,061,451**	**-**	**-**
Transaction fees expense (See note (a) below)	(337,625)	(164,541)	-	-
Transaction fees income (See 32(d))	**3,202,695**	**1,896,910**	**-**	**-**

(a) The amount represents settlement fees incurred by Dealing Member (Banks) on executed fixed income transactions borne by FMDQ Exchange on behalf of the Dealing Members.

Notes to the Consolidated and Separate Financial Statements

10 Clearing and futures management fees

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Clearing fee	995,498	1,463,263	-	-
Futures management fee (See note (i) below)	5,658,134	6,803,281	-	-
	6,653,632	8,266,544	-	-

(i) Futures management fee is a monthly fee earned on the maintenance and valuation of outstanding FX futures contracts. The fee is determined monthly as 0.025% of the face value of outstanding FX futures contracts and is apportioned based on the number of days the transaction was outstanding for each month.

11 Participant fees

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Noting application and processing dues	574,901	209,137	-	-
Tranfer agency fees	174,098	29,110	-	-
Sponsorship eligibility fees	21,150	22,450	-	-
Eligibility fees	58,917	166,376	-	-
Annual sponsorship dues	31,108	23,175	-	-
Settlement fees	290,411	-	-	-
	1,150,585	450,248	-	-

Participant fees include fees earned by FMDQ Depository Limited (eligibility, transfer agency and settlement fees) and FMDQ Private Markets Limited (noting and sponsorship fees).

Performance obligations and revenue recognition policies

Clearing and futures management fees, sponsorship eligibility fees, annual sponsorship fees, noting application fees, eligibility fees and transaction fee income from contract s with clients are measured based on the consideration specified in a contract with a client. The Group recognises revenue when it transfers control over a service to a client.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of revenue	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Transaction fees	The Group provides a platform, through its securities exchange subsidiary, on which secondary market trade transactions are executed. Transaction fees are charged weekly. The Group sets the rates for each category of transaction and clients on an annual basis.	Revenue from trade transactions executed is recognised at the point in time when the trade takes place. The amounts to be collected from customers on 31 December 2022 are recognised as trade receivables.
Clearing and futures management fees	The Group's clearing subsidiary provides various futures transactions-related services, including clearing and futures management services. Fees for clearing services and futures management services are charged weekly and monthly respectively. The Group sets the rates on an annual basis.	Revenue from clearing services is recognised at a point in time, when the services are provided while revenue from futures management services is recognised over time (throughout the lifetime of a futures contract) as the services are provided. The amounts to be collected from customers on 31 December 2022 are recognised as trade receivables.

Notes to the Consolidated and Separate Financial Statements

Participant fees

The Group provides transactions related services, including debt and equity noting services through its private markets subsidiary. FMDQ Private Market Limited's transaction sponsors are charged sponsorship fees annually upon registration. A transaction sponsor must present an issuer (private company) of each security for the Company's noting services. Annual noting fees are charged on the completion of the noting process. The Company sets the rates on an annual basis.
The Group also provides transactions related services, including collateral caching and settlement services, through its depository subsidiary.

Revenue from sponsorship fees and application fees is recognised at a point in time, when the services are provided while revenue from annual noting fees is recognised over time (throughout the lifetime of a noting contract) as the services are provided. The amounts to be collected from customers on 31 December 2022 are recognised as accounts receivable.

The fees are charged based on the nature of the service provided. FMDQ Depository Limited sets the rates on an annual basis. Revenue from depository fees and settlement fees is recognised at a point in time, when the services are provided while revenue from eligibility and transfer agency fees are recognised over time (throughout the lifetime of the contract) as the services are provided. The amounts to be collected from customers on 31 December 2022 are recognised as accounts receivable.

12 Interest income calculated using the effective interest method

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Treasury bills	99,505	428,703	40,697	186,935
Fixed deposit	1,273,178	475,547	287,090	98,701
Call deposit	9,485	139,577	7	37
FGN bonds	1,511,526	1,133,392	536,346	573,469
Eurobond	380,149	300,020	101,792	81,133
State bonds	12,714	380	-	-
	3,286,557	**2,477,619**	**965,932**	**940,275**
Explained by:				
Interest income earned on investment securities (See note 37(iv))	2,003,894	1,862,495	678,836	841,538
Interest income on cash and cash equivalents	1,282,663	615,124	287,096	98,737
	3,286,557	**2,477,619**	**965,932**	**940,275**

13 Other income

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Membership application fees	29,438	33,625	-	-
Membership subscription dues	195,389	142,110	-	-
Bond listing fees	433,775	326,282	-	-
Penalties and fines (See note (a))	815	3,310	-	-
Commercial paper quotation fees	460,750	261,713	-	-
Technology services (See note (b))	514,214	195,510	-	-
Gain on sale of property and equipment	11,962	2,822	11,718	2,864
Franchise development support and outsourcing (FDSO) (See note (c))	-	-	10,957,023	9,325,221
Margin management fees (See note (d))	795,910	1,039,203	-	-
Processing fees	4,452	1,586,794	-	-
Q-ex Maintainance fee	22,419	16,137	-	-
Fund listings fee	34,290	38,773	-	-
Accruals no longer required	201,941	-	143,822	-
Collateral accomodation fee	1,863,458	820,399	-	-
Other revenue	279,284	213,849	31,844	138,721
	4,848,097	4,680,527	11,144,407	9,466,806

Notes to the Consolidated and Separate Financial Statements

(a) Penalties /fines - This relates to monies received as sanctions for infractions by FMDQ's Members. 50% of the penalties/fines received have been appropriated to the Investor Protection Fund of the Exchange.

(b) This income relates to system usage fees charged on all trades done on FMDQ Futures Trading & Reporting System (FFTRS) by its Dealing Members.

(c) FDSO income represents fees earned from FMDQ Clear Limited, FMDQ Securities Exchange Limited, FMDQ Depository Limited and FMDQ Private Market Limited, a wholly owned subsidiary, in respect of the franchise development support and outsourced services rendered by the parent Company. The fees are accrued in line with the executed agreement with the parent Company, which requires FMDQ Clear Limited, FMDQ Securities Exchange Limited, FMDQ Depository Limited and FMDQ Private Market Limited to pay 74%, 40%, 30% and 20% respectively (2021: 62% and 20% from FMDQ Clear Limited and FMDQ Securities Exchange Limited respectively) of its realised revenue, excluding interest income on proprietary capital respectively. This is recognised as income in the Company's books and as expense in the subsidiaries' books. Both transactions were eliminated upon consolidation.

(d) This income relates to 1% management fee charged to the CBN on the management of the margin funds. This includes 0.375% which is recognised as an expense with respect to 0.125% and 0.25% for settlement agency and investment management fees respectively.

14 Gain on foreign exchange revaluation

The unrealised gain is largely due to the foreign exchange differences arising from the Group's investment in Eurobond.

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gain on cash and bank balances	27,388	5,856	27,210	6,356
Gain on foreign exchange revaluation- Eurobond	1,440,718	841,917	449,347	258,361
	1,468,106	**847,773**	**476,557**	**264,717**

15 Personnel expenses

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Wages and salaries	2,109,116	2,210,673	963,337	1,019,833
Productivity bonus (See note (i))	2,241,701	2,304,754	1,797,089	1,864,534
Other staff costs	85,597	86,436	44,848	46,118
Pension costs	202,167	207,101	90,739	94,242
Cash-settled share-based payment (See notes (iv) and 27(iv))	1,280,638	(773,325)	1,280,638	(773,325)
	5,919,219	**4,035,639**	**4,176,651**	**2,251,402**

(i) This includes employees' high performance bonus as implemented by the Board of Directors.

(ii) Employees earning over N60,000 per annum, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments in the following ranges:

Categories (in numbers)	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Less than N2,000,000	-	1	-	1
N2,000,001 - N5,000,000	9	12	3	5
N5,000,001 - N8,000,000	14	9	5	2
N8,000,001 - N11,000,000	21	17	5	7
N11,000,001 - N14,000,000	9	17	2	5
N14,000,001 - N17,000,000	17	5	5	3
N17,000,001 - N20,000,000	4	2	2	1
Above N20,000,000	21	27	8	7
	95	90	30	31

Notes to the Consolidated and Separate Financial Statements

(iii) The average number of full time persons employed during the year by the Grop and Company was as follows:

Numbers	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Categories				
Management staff	17	13	5	4
Non-management staff	78	77	25	27
	95	90	30	31

(iv) Share appreciation rights (cash-settled)

(a) The Group granted share appreciation rights (SARs) to the Group Chief Executive Officer (GCEO), and senior management personnel who are foundation executives. The ri ghts entitle them to cash payments, to be determined based on the increase in the share price of FMDQ Group PLC between grant date and the time of exercise.

The terms and conditions of the grants are as follows:
For the GCEO

Grant date/employees entitled	Number of instruments in thousands	Vesting conditions	Contractual life of options
SARs granted to the GMD (5% of the Company's shareholding)	1,300,000	6.4 years' service and Key Performance Indicators (KPIs) as indicated in employment contract	6.4 years
Total SARs	1,300,000		6.4 years

For the Foundation Executives

Grant date/employees entitled	Number of instruments in thousands	Vesting conditions	Contractual life of options
SARs granted to the (4% of the Company's shareholding)	1,040,000	5 years' service and Key Performance Indicators (KPIs) as indicated in employment contract	5 years
Total SARs	1,040,000		5 years

(b) Description of share-based payment arrangements
Details of the liabilities arising from the SARs were as follows:

In thousands of naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Total carrying amount of liabilities for cash-settled arrangements	3,016,752	1,736,114	3,016,752	1,736,114
Total intrinsic value of liability for vested benefits	-	-	-	-

Notes to the Consolidated and Separate Financial Statements

(c) Measurement of fair values

The fair value of the SARs is determined using the binomial model adjusted for exit rate and vesting period. The inputs used in measuring the fair value at grant date and measurement date were as follows:

For the GCEO

	31-Dec-22	31-Dec-21
Fair value (naira)	2.88	3.35
Share price (naira) (See note (i) below)	3.57	3.92
Exercise price (naira)	0.37	0.50
Expected volatility (weighted average)	42%	43%
Expected life (weighted-average)	6.4 years	6.4 years
Expected dividends	-	-

For the Foundation Executives:

	31-Dec-22	31-Dec-21
Fair value (naira)	1.06	-
Share price (naira) (See note (i) below)	3.57	-
Exercise price (naira)	3.59	-
Expected volatility (weighted average)	42%	-
Expected life (weighted-average)	5 years	-
Expected dividends	-	-

(i) The 2021 share price was based on 19.47 billion issued shares, while the 2022 share price was based on 26 billion shares due to increase in bonus issued shares during the year. The 2022 share pr ice using the 26 billion issued shares is N3.57 per share (2021: N2.94 per share).

The expected volatility is based on the historical share price returns of comparable companies using 252 days as business days in the year.

The fair value of the liability is remeasured at each reporting date.

Notes to the Consolidated and Separate Financial Statements

(d) Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options are as follows.

For the GCEO

In thousands of options	Number of options 2022	Weighted average exercise price 2022 (naira)	Number of options 2021	Weighted average exercise price 2021 (naira)
Outstanding at 1 January	973,368	0.50	486,683	1.00
Increase due to bonus share issue	326,632	-	486,685	-
Outstanding at 31 December	1,300,000	0.37	973,368	0.50
Exercisable at 31 December	-	-	-	-

The options outstanding at 31 December 2022 had an exercise price of N0.37 (2021: N0.50) following the issue of bonus share during the year. The weighted-average contractual life of the option is 6.4 years. No options were exercised in 2022 (2021: Nil).

For the Foundation Executives

In thousands of options	Number of options 2022	Weighted average exercise price 2022 (naira)	Number of options 2021	Weighted average exercise price 2021 (naira)
Outstanding at 1 January	-	0	-	-
Granted during the period	1,040,000	3.59	-	-
Outstanding at 31 December	1,040,000	3.59	-	-
Exercisable at 31 December	-	-	-	-

The options outstanding a at 31 December 2022 had a exercise price of N3.59, and a weighted-average contractual life of 5 years.
No options were exercised in 2022.

16 Impairment charge/(write-back) on financial assets

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Impairment charge on financial assets	88,717	(18,178)	62,731	(97,260)
	88,717	(18,178)	62,731	(97,260)
Explained by:				
Impairment charge/(write-back) on securities at amortised cost (See note 20(a))	6,282	(11,218)	-	-
Impairment charge/(write-back) on investment securities at FVOCI (See note 31(d))	233,773	(167,084)	42,305	(100,010)
Impairment charge/(write-back) on investment securities	240,055	(178,302)	42,305	(100,010)
Impairment (write-back)/charge on other assets (See note 23(a))	(137,120)	122,100	20,426	2,750
Impairment (write-back)/charge on margin assets (See note 27(iv))	(14,218)	38,024	-	-
	88,717	(18,178)	5,394,866	(97,260)

Notes to the Consolidated and Separate Financial Statements

17 Other operating expenses

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Audit fees	66,048	58,500	31,500	29,000
Professional fees	420,614	431,781	382,331	303,912
Professional fees (legal)	188,791	39,341	175,272	25,038
Professional Fees (Finance)	92,744	36,233	92,744	-
Stationery and office expenses	10,995	916	10,995	916
Bank charges (See note 32(c))	8,014	7,696	7,711	6,320
Travel and lodging expense	3,797	8,214	3,797	8,214
Training and development expense	108,104	52,484	90,242	25,091
Information technology expense	769,768	535,573	259,553	171,726
Investor Protection Fund	-	1,000	-	-
Insurance expense	150,239	114,362	84,591	62,802
SEC regulatory expense (See (i))	362,193	534,486	-	-
Professional membership	70,195	72,046	70,195	50,591
General administrative expenses	611,060	506,362	573,842	359,876
Business development expense	3,771	33,460	-	-
Directors' allowances (See note (ii))	647,477	591,646	389,982	366,970
Donations	1,356	10,000	1,356	10,000
Bond listing /quotation events	2,415	5,770	-	-
Interest expense on capitalised lease liability (See note 33(ii))	79,369	37,538	79,369	37,538
Corporate development	209,461	52,724	209,123	49,224
Settlement agency fees, investment management fees and other investment expenses (see note (iii))	3,427	2,283	-	-
Franchise Development	83,697	79,499	-	-
VAT and WHT expense (see note (iv))	908,590	793,347	2,363	2,175
	4,802,125	**4,008,369**	**2,464,966**	**1,509,393**

(i) SEC charged 20% (2021: 20%) on net realised transactions fee income and 2.5% on listing fees income by the Group on secondary market trading on FMDQ's markets as SEC fees for the year.

(ii) Allowance paid to the Directors during the year:

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Sitting allowances	45,405	41,550	12,918	9,720
Retirement contributions (see note (v) below)	266,333	274,875	280,833	264,500
Other allowances	335,739	275,221	96,231	92,750
	647,477	591,646	389,982	366,970

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Board Chairman allowances	18,200	16,920	18,200	16,920

(iii) These are fees paid to the Settlement Agent, the Nigerian Inter-bank Settlement System (NIBSS) and the Fund Manager, Stanbic IBTC Asset Management Limited for management of a portion of the Margin and Client Resolution Funds and settlement activities.

(iv) Included in the Group's amount is N898 million (2021: N793 million) of the VAT expense on FDSO (Franchise Development Support and Outsourcing) fees paid by FMDQ Clear Limited, FMDQ Securities Exchange Limited, FMDQ Private Market Limited, FMDQ Depository Limited to the Company. See note 13(c).

Notes to the Consolidated and Separate Financial Statements

18 Income tax expense

(a) The tax charge for the year comprises:

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Income tax	3,104,346	2,723,539	1,765,632	1,472,959
Tertiary education tax	274,782	235,692	158,613	133,900
NITDA Levy	114,913	116,739	53,762	65,346
Police Trust Fund Levy	575	11,504	269	-
See note (c) below	3,494,616	3,087,474	1,978,276	1,672,205
Deferred tax (credit)/charge for the year (See note 18(d)(ii))	(432,833)	250,788	(420,663)	271,809
	3,061,783	3,338,262	1,557,613	1,944,014

(b) The effective tax reconciliation is as follows:

	Rate %	Group 31-Dec-22	Rate %	Group 31-Dec-21	Rate %	Company 31-Dec-22	Rate %	Company 31-Dec-21
Profit before income tax		11,480,700		12,103,313		5,376,159		(4,137,200)
NITDA Levy		-		(85,453)		(53,762)		(65,346)
		11,480,700		12,017,860		5,322,397		(4,202,546)
Tax using the domestic corporation tax	30	3,444,210	30	3,630,994	30	1,596,719	30	1,940,776
Non-taxable income	(9)	(1,055,069)	(8)	(976,675)	(8)	(371,059)	9	(359,854)
Non-allowable expenses	2	282,372	3	355,575	-	119,309	(4)	163,846
NITDA Levy	1	114,913	1	85,453	1	53,762	(2)	65,346
Tertiary education tax	2	274,782	2	242,447	3	158,613	(3)	133,900
Police Trust Fund Levy	-	575	-	468	-	269	-	-
Income tax charge	26	3,061,783	28	3,338,262	26	1,557,613	31	1,944,014

(c) Current tax liabilities

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year	3,087,634	5,524,027	1,677,226	3,229,769
Tax charge (See note 18(a))	3,494,616	3,087,474	1,978,276	1,672,205
Tax paid	(1,305,486)	(3,569,242)	(637,853)	(1,618,379)
Withholding Tax credit notes utilised	(1,769,791)	(1,954,625)	(1,034,552)	(1,606,369)
Balance, end of the year	3,506,973	3,087,634	1,983,097	1,677,226

(d) Deferred tax assets

(i) Deferred tax assets are attributable to the following:

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Property and equipment	(177,690)	(146,455)	(131,708)	(115,775)
Impairment allowances	179,512	122,649	31,084	10,697
Share-based payment liability	980,444	564,239	980,444	564,237
	982,266	540,433	879,820	459,159

(ii) Movement in temporary differences during the year:

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Opening balance	549,433	800,221	459,157	730,966
Deferred tax credit/(charge) (See note18(a))	432,833	(250,788)	420,663	(271,809)
Closing balance	982,266	549,433	879,820	459,157

Notes to the Consolidated and Separate Financial Statements

(iii) Unrecognised deferred tax assets

The Group had no unrecognised deferred tax asset as at 31 December 2022 (2021: Nil).

19 Cash and bank balances

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Cash at bank	5,872,537	2,480,521	1,330,275	708,280
Placement with Banks	22,484,263	13,711,082	5,555,967	905,495
Cash and bank balances for cash flow purposes	**28,356,800**	**16,191,603**	**6,886,242**	**1,613,775**
Placement pledged as collateral (See note (a))	-	5,083,981	-	-
Total cash and bank balances	**28,356,800**	**21,275,584**	**6,886,242**	**1,613,775**
Current	28,356,800	16,191,603	6,886,242	1,613,775
Non-current	-	5,083,981	-	-
	28,356,800	**21,275,584**	**6,886,242**	**1,613,775**

Included in cash and bank balances for the Group and Company respectively are balances with Guaranty Trust Bank Limited, UBA PLC, Access Bank PLC, Zenith Bank PLC and Stanbic IBTC Bank PLC, all of which are related entities to the Group. (See note 32(c)).

(a)This represents N5 billion placement with Stanbic IBTC Bank PLC ("the Bank") which acts as cash collateral for overdraft lines which the Bank provides Dealing Member (Specialists) of FMDQ Securities Exchange Limited. This balance was restricted as the Group was required to maintain it with the Bank as collateral in lieu of overdraft availed to Dealing Member (Specialists) of FMDQ Securities Exchange Limited. The placement earned interest at 0.1% for the year (2021: 0.1%), and FMDQ Clear Limited has an agreement with FMDQ Securities Exchange Limited for a refund of the excess of Nigerian Interbank Treasury Bills' True Yields Fixing ("NITTY") over the expected interest rate from Stanbic IBTC Bank PLC. The balance of this account was dissolved as the Dealing member (Specialist) market line of FMDQ Securities Exchange was discontinued in December 2021.

Notes to the Consolidated and Separate Financial Statements

20 Investment securities

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Debt securities (see note (i) below)	18,827,360	26,927,068	5,850,875	9,898,515
	18,827,360	**26,927,068**	**5,850,875**	**9,898,515**
Current	46,911	6,263,797	647,666	4,128,066
Non-current	18,780,449	20,663,271	5,203,209	5,770,449
	18,827,360	**26,927,068**	**5,850,875**	**9,898,515**

(i) The Group's debt securities can be analysed as follows:

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Treasury bills - FVOCI	-	6,215,001	-	3,480,400
FGN Bonds - FVOCI	9,464,701	10,397,885	4,181,466	4,960,443
Eurobonds- FVOCI	5,736,329	4,832,942	1,669,409	1,457,672
State Bonds- FVOCI	46,911	48,796	-	-
Investment securities at fair value	**15,247,941**	**21,494,624**	**5,850,875**	**9,898,515**
Treasury bills - amortised cost	-	1,779,070	-	-
FGN Bonds - amortised cost	3,551,053	3,618,722	-	-
State Bonds - amortised cost	50,186	50,190	-	-
Investment securities at amortised costs	**3,601,239**	**5,447,982**	**-**	**-**
	18,849,180	**26,942,606**	**5,850,875**	**9,898,515**
Allowance for ECL impairment on investment securities at amortised cost (See note (a) below)	(21,820)	(15,538)	-	-
	18,827,360	**26,927,068**	**5,850,875**	**9,898,515**

(a) The movement in impairment on investment securities at amortised cost during the year was as follows:

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year	(15,538)	(26,756)	-	-
Impairment loss/(write-back) during the year (See note 16)	(6,282)	11,218	-	-
Balance, end of the year	(21,820)	(15,538)	-	-

21 Client resolution fund asset

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Client resolution fund asset (See note (a) below)	27,948,261	32,586,971	-	-
	27,948,261	**32,586,971**	**-**	**-**
Current	27,948,261	32,586,971	-	-
Non-current	-	-	-	-
	27,948,261	**32,586,971**	**-**	**-**

(a) Client resolution fund asset represents funds held by the Group with respect to settlement amounts on matured FX futures transaction traded on FMDQ's platform, but which are yet to be claimed by the FX futures clients as at the end of the reporting period. The clients are entitled to a fixed interest percentage on the outstanding balance, pending when they claim the funds. The Group invests these funds in treasury bills and other money market instruments and earns interest on the investment. These funds are recognised in the books as assets, and corresponding liabilities (CRF liability). In line with the Group's accounting policy, CRF assets and liabilities are classified and measured at amortised cost. See note 28.

22 Margin fund assets

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Margin fund asset (See note (a) below)	83,833,078	83,594,640	-	-
	83,833,078	**83,594,640**	**-**	**-**
Current	83,833,078	83,594,640	-	-
Non-current	-	-	-	-
	83,833,078	**83,594,640**	**-**	**-**

(a) Margin funds represent cash margins pledged to FMDQ Clear Limited by the Central Bank of Nigeria for its open OTC FX Futures contracts. Margin fund assets and liabilities are classified and measured at amortised cost.

23 Other assets

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Account receivables (See note 32(c))	1,732,265	1,737,210	19,482	7,035
Staff advances	3,611	-	3,611	-
Custodian asset account (see note b)	22,677			
Intercompany receivables (See note 32(c))	-	-	3,715,820	20,753,355
Other receivables	81,131	144,927	-	-
Financial assets	1,839,684	1,882,137	3,738,913	20,760,390
Allowance for impairment on other assets (See note (a))	(196,267)	(333,387)	(23,176)	(2,750)
Net financial assets	1,643,417	1,548,750	3,715,737	20,757,640
Deposit for shares (see note c)	10,536,259	-	10,536,259	-
Prepayments	185,387	353,543	145,301	225,287
WHT receivables	1,294,663	1,113,451	997,043	899,297
	13,659,726	3,015,744	15,394,340	21,882,224
Current	13,659,726	3,015,744	15,394,340	21,882,224
Non-current	-	-	-	-
	13,659,726	3,015,744	15,394,340	21,882,224

(a) The movement in allowance for impairment during the year was as follows:

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year	333,387	211,287	2,750	-
Impairment (write-back)/loss during the year (See note 16)	(137,120)	122,100	20,426	2,750
Balance, end of the year	196,267	333,387	23,176	2,750

(b) Custodian accounts represents account balances warehousing proceeds and repayments on investment securities held with FMDQ Depository Limited until they are transfered to the investors.

(c) FMDQ Group Plc made deposit for 21.6% of CSCS shares and has filed an application for approval with Federal Competition and Consumer Protection Commission (FCCPC). The share issue process was yet to be finalised as at year end.

24 Investment in subsidiaries

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Investment in FMDQ Clear Limited	-	-	5,000,000	5,000,000
Investment in FMDQ Depository Limited	-	-	5,000,000	5,000,000
Investment in FMDQ Securities Exchange Limited	-	-	1,000,000	1,000,000
Investment in FMDQ Private Markets Limited	-	-	1,000	1,000
Investment in iQx Consult Limited	-	-	205,831	205,831
	-	-	11,206,831	11,206,831

Notes to the Consolidated and Separate Financial Statements

25 Property and equipment

Group

In thousands of naira	Leasehold improvements	Motor vehicles	Office Equipment	Right of use assets	Computer equipment	Work-in-progress	Total
Cost							
Balance as at 1 January 2022	612,800	967,917	659,801	404,147	362,242	9,998	3,016,905
Additions	11,187	317,552	51,674	305,317	253,091	-	938,821
Disposals	(8,796)	(117,600)	-	-	(825)	-	(127,221)
Balance as at 31 December 2022	615,191	1,167,869	711,475	709,464	614,508	9,998	3,828,505
Balance as at 1 January 2021	604,004	736,271	652,322	404,147	266,011	-	2,662,755
Additions	8,796	256,846	10,583	-	97,111	9,998	383,334
Disposals	-	(25,200)	(3,104)	-	(880)	-	(29,184)
Balance as at 31 December 2021	612,800	967,917	659,801	404,147	362,242	9,998	3,016,905
Accumulated Depreciation							
Balance as at 1 January 2022	243,995	462,327	535,350	154,078	190,183	-	1,585,933
Charge for the year	63,248	255,469	104,056	83,593	160,096	-	666,462
Disposals	-	(117,600)	-	-	(309)	-	(117,909)
Balance as at 31 December 2022	307,243	600,196	639,406	237,671	349,970	-	2,134,486
Balance as at 1 January 2021	171,267	272,314	392,418	101,016	11,039	-	948,054
Charge for the year	72,728	204,943	142,932	53,062	179,346	-	653,011
Disposals	-	(14,930)	-	-	(202)	-	(15,132)
Balance as at 31 December 2021	243,995	462,327	535,350	154,078	190,183	-	1,585,933
Carrying amounts							
As at 31 December 2022	307,948	567,673	72,069	471,793	264,538	9,998	1,694,019
As at 31 December 2021	368,805	505,590	124,451	250,069	172,059	9,998	1,430,972

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(a) There were no authorised or contracted capital commitments as at the end of the reporting period (31 December 2021: Nil)
(b) There were no capitalised borrowing costs related to the construction of property and equipment during the year (31 December 2021:Nil)
(c) The leased assets included in this property and equipment as at year end is the right of use assets (31 December 2021: Nil)
(d) There were no impairment losses on any class of property and equipment (31 December 2021: Nil)
(e) All classes of property and equipment are non-current.

Notes to the Consolidated and Separate Financial Statements

Company

In thousands of naira	Leasehold improvements	Motor vehicles	Office Equipment	Right of use assets	Computer equipment	Work-in-progress	Total
Cost							
Balance as at 1 January 2022	612,800	967,917	659,801	404,147	-	9,998	2,654,663
Additions	11,187	317,552	51,674	305,317	-	-	685,730
Disposals	(8,796)	(117,600)	-	-	-	-	(126,396)
Balance as at 31 December 2022	615,191	1,167,869	711,475	709,464	-	9,998	3,213,997
Balance as at 1 January 2021	604,004	736,271	652,322	404,147	-	-	2,396,744
Addition (see note 2a)	8,796	256,846	10,583	-	-	9,998	286,223
Disposal	-	(25,200)	(3,104)	-	-	-	(28,304)
Balance as at 31 December 2021	612,800	967,917	659,801	404,147	-	9,998	2,654,663
Accumulated Depreciation							
Balance as at 1 January 2022	243,995	462,327	535,350	154,078	-	-	1,395,750
Charge for the year	63,270	255,469	104,056	83,594	-	-	506,389
Disposals	-	(117,600)	-	-	-	-	(117,600)
Balance as at 31 December 2022	307,265	600,196	639,406	237,672	-	-	1,784,539
Balance as at 1 January 2021	171,267	272,314	392,418	101,016	-	-	937,015
Charge for the year	72,728	204,943	142,932	53,062	-	-	473,665
Disposals	-	(14,930)	-	-	-	-	(14,930)
Transfer to subsidiary	-	-	-	-	-	-	-
Balance as at 31 December 2021	243,995	462,327	535,350	154,078	-	-	1,395,750
Carrying amounts							
As at 31 December 2022	307,926	567,673	72,069	471,792	-	9,998	1,429,458
As at 31 December 2021	368,805	505,590	124,451	250,069	-	9,998	1,258,913

(a) There were no authorised or contracted capital commitments as at the end of the reporting period (31 December 2021: Nil)
(b) There were no capitalised borrowing costs related to the construction of property and equipment during the year (31 December 2021:Nil)
(c) The leased assets included in this property and equipment as at year end is the right of use assets (31 December 2021: Nil)
(d) There were no impairment losses on any class of property and equipment (31 December 2021: Nil)
(e) All classes of property and equipment are non-current.

Notes to the Consolidated and Separate

Notes to the Consolidated and Separate Financial Statements

26 Intangible assets

Group

In thousands of naira	Computer Software	Intangible assets	Work-in-progress	Total
Cost:				
Balance as at 1 January 2022	83,191	16,592	11,449	111,232
Additions	-	7,525	259,789	267,314
Transfer	-	7,525	(7,525)	-
Balance as at 31 December 2022	83,191	31,642	263,713	378,546
Balance as at 1 January 2021	40,534	-	8,512	49,046
Additions	42,657	16,592	2,937	62,186
Reclassification				
Balance as at 31 December 2021	83,191	16,592	11,449	111,232
Accumulated Amortisation				
Balance as at 1 January 2022	10,824	4,212	-	15,036
Amortisation during the year	18,430	6,871	-	25,301
Balance as at 31 December 2022	29,254	11,083	-	40,337
Balance as at 1 January 2021	-	-	-	-
Amortisation during the year	10,824	4,212	-	15,036
Balance as at 31 December 2021	10,824	4,212	-	15,036
Carrying amounts				
As at 31 December 2022	53,937	20,559	263,713	338,209
As at 31 December 2021	72,367	12,380	11,449	96,196

(a) There were no impairment losses on intangible assets (31 December 2021: Nil)
(b) The intangible assets are non-current assets.

Notes to the Consolidated and Separate Financial Statements

27 Other liabilities

Other liabilities balance comprises

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Account payables (See note (iii))	4,172,430	3,857,119	871,436	648,545
Accruals	3,037,063	3,012,453	2,142,507	2,180,808
Custodian account liability	22,677			
Intercompany payables	-	-	4,648,330	14,681,528
Cash-settled share-based payment liability (See note iv)	3,016,752	1,736,114	3,016,752	1,736,114
Financial liabilities	10,248,922	8,605,686	10,679,025	19,246,995
Regulatory fees (SEC)	-	24,544	-	24,544
Unearned fee income (See note (i))	523,752	430,508	23,494	23,494
Statutory payables (See note (ii))	2,946,027	2,053,492	855,260	695,317
Non-financial liabilities	3,469,779	2,508,544	878,754	743,355
Total	**13,718,701**	**11,114,230**	**11,557,779**	**19,990,350**
Allowance for impairment on margin assets (See note v)	23,806	38,024	-	-
	13,742,507	11,152,254	11,557,779	19,990,350
Current	10,725,755	9,416,140	8,541,027	18,254,236
Non-current	3,016,752	1,736,114	3,016,752	1,736,114
	13,742,507	11,152,254	11,557,779	19,990,350

(i) Amount relates to processing fee income for which the performance obligation is yet to be fulfilled. Processing fee is computed as one third of the total interest earned by the clients on the customer resolution fund, and is earned when the settlement amount is paid out to the customer after making a valid claim.

(ii) Statutory payables include payables in respect of Withholding Tax, Value Added Tax, PAYE (Pay As You Earn) and pension.

(iii)**Account payables**

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
CRF Interest payable to clients(See note (a))	3,135,259	3,126,163	-	-
Payables to other third parties(See note (b))	572,177	475,100	406,442	392,726
Lease liabilities	464,994	255,856	464,994	255,819
	4,172,430	**3,857,119**	**871,436**	**648,545**

(a) This amount represents interest payable to futures clients on the Client Resolution Fund (CRF) assets with the Group.
(b) Payables to other third parties include payables for consultancy and professional fees.

Notes to the Consolidated and Separate Financial Statements

(iv) **Movement in cash-settled share-based payment liability**

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year	1,736,114	2,509,438	1,736,114	2,509,438
Movement during the year (See note15)	1,280,638	(773,324)	1,280,638	(773,324)
Balance, end of the year	3,016,752	1,736,114	3,016,752	1,736,114

(v) **Movement in Allowance for impairment on margin assets**

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year	38,024	-	-	-
Movement during the year (See note16)	(14,218)	38,024	-	-
Balance, end of the year	23,806	38,024	-	-

28 Client resolution fund liability

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Client resolution fund liabilities (See note 21)	27,948,261	32,586,971	-	-
	27,948,261	**32,586,971**	**-**	**-**
Current	27,948,261	32,586,971	-	-
Non-current	-	-	-	-
	27,948,261	**32,586,971**	**-**	**-**

29 Margin fund liabilities

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Margin fund liabilities (See note 22)	83,833,078	83,594,640	-	-
	83,833,078	**83,594,640**	**-**	**-**
Current	83,833,078	83,594,640	-	-
Non-current	-	-	-	-
	83,833,078	**83,594,640**	**-**	**-**

30 Provisions

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance at the beginning	600,353	626,416	348,575	374,638
Additions	-	-	-	-
Payments	(274,447)	(26,063)	(22,669)	(26,063)
Balance at the end	325,906	600,353	325,906	348,575
Current	-	-	-	-
Non-current	325,906	600,353	325,906	348,575
	325,906	600,353	325,906	348,575

The provision balance relates to VAT and WHT tax liability resulting from a revised assessment carried out by FIRS on the Company's 2016 -2019 financial years.

31 Capital and Reserve

(a) Share Capital

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Authorised				
26,000,000,000 Ordinary shares of N1.00 each				
(31 December 2021:26,000,000,000 of N1.00 each	26,000,000	26,000,000	26,000,000	26,000,000
Issued and fully paid				
26,000,000,000 Ordinary shares of N1.00 each				
(31 December 2021 19,467,328,000 of N1.00 each	26,000,000	19,467,328	26,000,000	19,467,328

The Company issued bonus shares in order to bridge the gap between the Issued Share Capital and the Authorised Share Capital.

(b) Movement in share capital

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year	19,467,328	9,733,664	19,467,328	9,733,664
Bonus share issue (See note 31(e))	6,532,672	9,733,664	6,532,672	9,733,664
Balance, end of the year	26,000,000	19,467,328	26,000,000	19,467,328

During the year, the Company got the Board approval for the allotment of bonus share to its existing shareholders.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Company. All ordinary shares rank pari-passu with the same rights and benefits at meetings of the Company.

(c) Retained earnings

Retained earnings is the profit generated by the Group not yet distributed to shareholders as dividends. During the year, the Board of Directors suspended the implementation of the Group's Earnings Appropriation Policy for the 2021 Financial Year, appropriating the required amount for the 2022 Bonus Issuance Programme to the Bonus Issue Reserve, and thereafter allocating any balances to the other Reserves accordingly. The movement in retained earnings is as follows:

In thousands of naria	Note	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year		2,879,407	3,540,921	-	1,281,815
Profit for the year		8,418,917	8,765,051	3,818,546	4,590,584
Transfer to bonus share reserve	31(e)	(1,974,759)	(5,872,399)	(1,974,759)	(5,872,399)
Appropriation to market development reserve	31(g)	(594,969)	(149,664)	-	-
Appropriation to investor protection reserve	31(g)	(237,988)	(29,933)	-	-
Default resolution reserve appropriation	31(g)	(2,808,421)	(3,374,569)	-	-
Transfer to other reserves	31(g)	-	-	-	-
		(5,616,137)	**(9,426,565)**	**(1,974,759)**	**(5,872,399)**
Balance, end of the year		5,682,187	2,879,407	1,843,787	-

(d) Fair value reserve

The fair value reserve includes the net cumulative change in the fair value of investment securities at FVOCI until the investment is derecognised or impaired. The movement in fair value reserves is as follows:

In thousands of naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Balance, beginning of the year	437,147	2,126,194	278,025	1,242,203
Impairment loss/(write-back) on FVOCI investment securities (See note 16)	(233,773)	(167,084)	(42,305)	(100,010)
Fair value loss on investment securities at FVOCI	(347,906)	(1,521,963)	(298,723)	(864,168)
Financial assets at FVOCI - net changes in fair value (See note 37(i))	**(581,679)**	**(1,689,047)**	**(341,028)**	**(964,178)**
Balance, end of the year	(144,532)	437,147	(63,003)	278,025

There are no related taxes for fair value movements on investment securities at FVOCI as income from the underlying investments were not subject to tax during the year under review

(e) Bonus share reserve

The cumulative change is based on the amount approved by the Board of Directors for appropriation to the bonus share reserve. The movement in bonus share reserve is as follows:

In thousands of naira	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Balance, beginning of the year	4,557,913	2,175,336	4,557,913	2,175,336
Transfer from retained earnings (See note 33(d)))	1,974,759	5,872,399	1,974,759	5,872,399
Transfer from Share premium (See note 31)	-	137,328	-	137,328
Transfer from other reserves (See note 31(g))	-	6,106,514	-	6,106,514
Allotment of share capital (See note 31(a))	(6,532,672)	(9,733,664)	(6,532,672)	(9,733,664)
Balance, end of the year	-	4,557,913	-	4,557,913

(f) Other reserves

This relates to the asset sinking fund reserve and special reserves (Company), investor protection reserve and market development reserve (FMDQ Securities Exchange Limited), as well as the default resolution reserve (FMDQ Clear Limited). The Board of Directors approved an appropriation of 25% of the Company's profit after tax and another 20% of the Company's profit after tax to a special reserve to ring fence a portion of the general reserves to facilitate achievement of the Company's vision. Further to this, the Board of Directors of FMDQ Securities Exchange Limited approved the appropriation of 50% of annual profit after tax be transferred into the market development reserve on an annual basis. It was also agreed that 10% of annual profit after tax of FMDQ Securities Exchange Limited be transferred to investor protection reserve. For FMDQ Clear Limited, the Board approved that the Company's profit after tax be appropriated into a default resolution reserve. The movement in other reserves is as follows:

In thousands of naira		**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Balance, beginning of the year		11,103,961	13,656,309	-	6,106,514
Appropriation to market development reserve	31(c)	594,969	149,664	-	-
Appropriation to investor protection reserve	31(c)	237,988	29,933	-	-
Default resolution reserve appropriation	31(c)	2,808,421	3,374,569	-	-
Transfer from retained earnings	31(c)	-	-	-	-
Transfer to bonus share reserve	31(e)	-	(6,106,514)	-	(6,106,514)
Balance, end of the year		14,745,339	11,103,961	-	-

32 Group subsidiaries and related party transactions

(a) Parent and ultimate controlling party

FMDQ Group PLC is the ultimate Parent Company with five subsidiaries: FMDQ Clear Limited, FMDQ Depository Limited, FMDQ Private Markets Limited, iQx Consult Limited and FMDQ Securities Exchange Limited.

(b) Subsidiaries

The Group's investment in subsidiaries as at 31 December 2022 are shown below:

Entity	Year-end	Form of Holding	Effective holding	Nominal share capital held	Country of incorporation	Nature of Business
FMDQ Clear Limited	31 Dec	Direct	100%	5,000,000,000	Nigeria	Securities clearing and settlement
FMDQ Depository Limited	31 Dec	Direct	100%	5,000,000,001	Nigeria	Central securities depository
FMDQ Securities Exchange Limited	31 Dec	Direct	100%	1,000,000,000	Nigeria	Securities exchange
iQx Consult Limited	31 Dec	Direct	100%	204,831,415	Nigeria	Advisory and consultancy in information technology
FMDQ Private Markets Limited	31 Dec	Direct	100%	1,000,000	Nigeria	Private capital market services

(c) Related party transactions

Key Management is defined as members of the Board of Directors. Furthermore, the Group had transactions with some of its shareholders. The balances as at year end and the amounts during the year of these transactions are as disclosed below:

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Cash and bank balances (see (i) below & note 19)	28,356,800	21,275,584	6,886,242	1,613,775
Bank charges (see (ii) below & note 17)	8,014	7,696	7,711	6,320
Account receivables (see (iii) below & note 23)	1,732,265	1,737,210	19,482	7,035
Director's fees, emoluments and allowances (see (iv) below & 17 (ii)	647,477	591,646	389,982	366,970
Transaction fee income (net) (see (v) below & note 9)	3,202,695	1,896,910	-	-
FDSO income (See (vi) below & note 13)	-	-	10,957,023	9,325,221
Intercompany receivables (See note 23)	-	-	3,715,820	20,753,355

(i) Cash and bank balances is represented by bank balances held with Guaranty Trust Bank Limited, UBA PLC, Zenith Bank PLC, Stanbic Bank PLC and Access Bank PLC who are also shareholders in the Company.

(ii) Bank charges represent charges paid on the Company's bank balances held with Guaranty Trust Bank Limited, Zenith Bank PLC, Stanbic Bank PLC, UBA PLC and Access Bank PLC who are also shareholders in the Company.

(iii) Accounts receivable is represented by transaction fees receivable from trades executed on the platform by the Dealing Members of FMDQ during the financial year. These Dealing Members are also shareholders in the Company.

(iv) Directors' fees and allowances is represented by emoluments and allowances accrued during the year for the Board of Directors.

(v) Transaction fee income represents income earned on transaction fees charged to Dealing Members who are also shareholders in the Company.

(vi) The FDSO income represents fees earned from FMDQ Clear Limited and FMDQ Securities Exchange Limited, wholly owned subsidiaries, in respect of the franchise development and outsourced services rendered by the parent Company. The fees are accrued in line with the executed agreement with the parent Company, which requires FMDQ Clear Limited, FMDQ Securities Exchange Limited, FMDQ Depository and FMDQ Private Market Limited to pay 74%, 40%, 30%, and 20% (2021: 62% and 20% from FMDQ Clear Limited and FMDQ Securities Exchange Limited respectively) of its realised revenue, excluding interest income on proprietary capital respectively.

33 Leases

Leases as lessee

The Group leases its office and offsite premises. The office premises' lease runs for a period of 5 years, with an option to renew the lease after that date while the offsite premises' lease runs for a period of 2 years, also with an option to renew the lease after that date. Lease payments are renegotiated annually to reflect market rentals. Under the lease agreement, the Company is restricted from entering into any sub-lease agreements.

i Right-of-use assets

Right-of-use assets relate to leased branch and office premises that are presented within property and equipment (see Note 27).

In thousands of naira	Office premises 31-Dec-2022	Office premises 31-Dec-2021
Balance at 1 January	250,069	303,131
Additions	305,317	-
Depreciation charge for the year	(83,593)	(53,062)
Balance at 31 December	471,793	250,069

Notes to the Consolidated and Separate Financial Statements

See below for maturity analysis of lease liabilities as at 31 December 2022.

At 31 December 2022, the future minimum lease payments under non-cancellable operating leases were payable as follows.

In thousands of naira	Office premises 31-Dec-2022	Office premises 31-Dec-2021
Maturity analysis – Contractual undiscounted cash flows		
Less than one year	67,377	30,220
Between one and five years	442,737	272,878
More than five years	180,682	60,640
Total undiscounted lease liabilities at 31 December	690,796	363,738

ii Amounts recognised in profit or loss

In thousands of naira	31-Dec-2022	31-Dec-2021
2019 – Leases under IFRS 16		
Interest on lease liabilities	79,369	37,538
Depreciation on right of use assets	83,593	53,062

iii Amounts recognised in statement of cash flows

In thousands of naira	31-Dec-2022	31-Dec-2021
Total cash outflow for leases	60,640	60,640

iv Movement in lease liabilities

In thousands of naira	31-Dec-2022	31-Dec-2021
Balance at 1 January	255,856	310,748
Addition	197,146	-
Repayments	(67,377)	(92,430)
Interest on lease liabilities	79,369	37,538
Balance at 31 December	464,994	255,856

v Extension options

The lease of both the office and offsite premises contains extension options exercisable by the Group. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has determined that it would exercise the extension options and has therefore estimated and included the potential future lease payments in the lease liability recognised.

34 Contingent liabilities, litigations and claims

The Company in its ordinary course of business, is presently not involved in any case as a defendant or plaintiff (31 December 2021: Nil).

35 Events after reporting period

There was no events after the reporting date that could have had a material effect on the financial statements of the Group that have not been provided for or disclosed in these financial statements.

Notes to the Consolidated and Separate Financial Statements

36 Non Audit Services

During the year, the auditors Mssrs KPMG performed the following non audit services

Service provided	2022 Fee (N'm)	2021 Fee (N'm)
Whistle blowing portal	1	-
Independent assurance on statement of flows and usage	-	1
Long term incentive scheme survey	-	5
Total fees for non-audit services	**1**	**6**

37 Cashflow workings

(i) Investment Securities

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance at the beginning of the year	26,927,068	16,859,539	9,898,515	9,351,771
Interest income	2,003,894	1,862,495	678,836	841,538
Fair value (loss)/gain recognised in OCI (See note 31(d))	(581,679)	(1,689,047)	(341,028)	(964,178)
Gain on foreign exchange revaluation (See note 37 (vii))	1,440,718	753,384	449,347	243,188
Impairment (charge)/write-back on investment securities (See note 16)	240,055	178,302	(42,305)	100,010
Interest received	(2,003,894)	(1,549,639)	(678,836)	(611,112)
Matured investment	(8,674,485)	-	(4,198,264)	-
Balance at the end of the year (See note 20)	(18,827,360)	(26,927,068)	(5,850,875)	(9,898,515)
Purchase of investment securities	-	(10,512,034)	-	(937,298)

(ii) Property and equipment

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance at the beginning of the year	1,430,972	1,714,701	1,258,913	1,459,729
Balance at the end of the year (See note 25)	(1,694,019)	(1,430,972)	(1,429,458)	(1,258,913)
	(263,047)	**283,729**	**(170,545)**	**200,816**
Explained by:				
Acquisition of property and equipment (See note 25)	(938,821)	(383,334)	(685,730)	(286,223)
Gain on disposal of PPE (See note 13)	(11,962)	(2,822)	(11,718)	(2,864)
Proceeds on disposal	21,274	16,874	20,514	16,238
Depreciation	666,462	653,011	506,389	473,665
	(263,047)	**283,729**	**(170,545)**	**200,816**

(iii) Intangible assets

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance at the beginning of the year	96,196	49,046	-	-
Balance at the end of the year (See note 26)	(338,209)	(96,196)	-	-
	(242,013)	(47,150)	-	-

(iv) Interest received

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Interest income earned on investment securities (See note 12)	2,003,894	1,862,495	678,836	841,538
Interest receivable	-	(312,856)	-	(1,452,650)
Interest received	2,003,894	1,549,639	678,836	(611,112)

FMDQ Group PLC
Annual Report
31 December 2022

Notes to the Consolidated and Separate Financial Statements

(v) Other liabilities

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance at the beginning of the year	(11,152,254)	(12,511,271)	(19,990,350)	(6,986,651)
VAT paid	2,410,361	1,068,097	716,132	84,283
Interest expense	(79,369)	(37,538)	(79,369)	(37,538)
Payment of lease liabilities	60,640	92,430	60,640	92,430
Impairment charge on margin assets (See note 27)	-	-	-	-
Cash-settled share-based payment expense (See note 15)	(1,280,638)	773,325	(1,280,638)	773,325
Balance at the end of the year (See note 27)	13,742,507	11,152,254	11,557,779	19,990,350
Movement in other liabilities	3,949,121	537,297	(9,127,578)	13,916,199

(vi) Other assets

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company) 31-Dec-21
Balance at the beginning of the year	3,015,744	3,575,499	21,882,224	3,283,205
Impairment on other assets (See note 16)	(137,120)	(122,100)	(20,472)	(2,750)
Deposit for shares	10,536,259	-	10,536,259	-
WHT receivables utilised during the year (See note 20(c))	(1,769,791)	(1,954,625)	(1,034,552)	(1,606,369)
Balance at the end ot the year (See note 23)	(13,659,726)	(3,015,744)	(15,394,340)	(21,882,224)
Movement in other assets	(2,014,634)	(1,516,970)	15,969,119	(20,208,138)

(vii) Effect of exchange rate changes in cash and bank balances

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Unrealised exchange rate gain on foreign exchange revaluation on Eurobond	1,440,718	841,917	449,347	258,361
Realised exchange rate loss	-	(8,862)	-	(8,816)
	1,440,718	833,055	449,347	249,545
Foreign exchange gains on bank balances	27,388	14,718	27,210	15,172
Gain on foreign exchange revaluation (See note 14)	1,468,106	847,773	476,557	264,717

(viii) Investment in subsidiaries

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance at the beginning ot the year	-	-	11,206,831	11,206,831
Balance at the end ot the year (See note (viii))	-	-	(11,206,831)	(11,206,831)
Cash movement in investment in subsidiaries	-	-	-	-

(ix) Movement in placement pledged as collateral

In thousands of naira	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance at the beginning ot the year (See note 19)	(5,083,981)	(5,080,597)	-	-
Balance at the end ot the year (See note 19))	-	5,083,981	-	-
Movement in placement pledged as collateral	5,083,981	3,384	-	-

Other National Disclosures

Other National Disclosures

Value Added Statement
for the year ended 31 December 2022

In thousands of naira	Group 31-Dec-22	%	Group 31-Dec-21	%	Company 31-Dec-22	%	Company 31-Dec-21	%
Operating income	22,982,524		20,797,190		12,586,896		10,671,798	
Bought in goods and services - local	(4,890,842)		(3,990,191)		(2,342,323)		(1,217,751)	
Value added	18,091,682	100	16,806,999	100	10,244,573	100	9,454,047	100
Distribution of Value Added								
To Employees								
Employees as wages and salaries	5,919,219	33	4,035,639	24	4,176,651	41	2,251,402	23
To Government								
Government as tax	3,061,783	17	3,338,262	20	1,557,613	15	1,944,014	22
Retained in business								
- For replacement of property and equipments	666,462	4	653,011	4	666,462	7	653,011	6
- For replacement of intangible asset	25,301	-	15,036	-	25,301	1	15,036	-
- To augment reserves	8,418,917	46	8,765,051	52	3,818,546	36	4,590,584	49
Value added	18,091,682	100	16,806,999	100	10,244,573	100	9,454,047	100

Other National Disclosures

Financial Summary

Group

In thousands of naira	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
ASSETS					
Cash and bank balances	28,356,800	21,275,584	27,032,460	9,536,031	721,353
Investment securities	18,827,360	26,927,068	16,859,539	16,147,529	12,033,788
Client resolution fund (CRF) asset	27,948,261	32,586,971	59,552,180	30,044,416	2,665
Margin and fixings variance settlement assets	83,833,078	83,594,640	219,910,774	172,601,258	50,700
Other assets	13,659,726	3,015,744	3,575,499	3,419,506	2,053,907
Property and equipment	1,694,019	1,430,972	1,714,701	1,796,773	1,543,218
Intangible assets	338,209	96,196	49,046	33,446	15,675
Deferred tax assets	982,266	540,433	800,221	214,879	-
Total Assets	175,639,719	169,467,608	329,494,420	233,793,838	180,311,306
LIABILITIES					
Client resolution fund (CRF) liability	27,948,261	32,586,971	59,552,180	30,044,416	33,792,665
Margin and fixings variance settlement liabilities	83,833,078	83,594,640	219,910,774	172,601,258	130,150,700
Other liabilities	13,742,507	11,152,254	12,511,271	9,442,617	7,044,237
Provisions	325,906	600,353	626,416	44,100	22,745
Current tax liability	3,506,973	3,087,634	5,524,027	3,408,047	1,508,690
Deferred tax liabilities	-	-	-	-	181,841
Total Liabilities	129,356,725	131,021,852	298,124,668	215,540,438	172,700,887
EQUITY					
Share capital	26,000,000	19,467,328	9,733,664	640,741	640,741
Share premium	-	2,879,407	137,328	21,148	21,148
Retained earnings	5,682,187	2,879,407	3,540,921	363,779	4,695,328
Bonus share reserve	-	4,557,913	2,175,336	9,721,911	-
Fair value reserves	(144,532)	437,147	2,126,194	373,237	(32,866)
Other reserves	14,745,339	11,103,961	13,656,309	7,132,584	2,286,068
Total Equity	46,282,994	41,325,163	31,369,752	18,253,400	7,610,419
Total Equity and Liabilities	175,639,719	172,347,015	329,494,420	233,793,838	180,311,306

Group

In thousands of naira	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
Operating Income	22,982,524	20,797,190	31,002,806	21,457,264	13,203,865
Impairment charge on financial assets	(88,717)	18,178	(335,598)	(137,018)	(8,926)
Operating expenses	(11,413,107)	(8,712,055)	(14,509,029)	(8,100,661)	(5,986,123)
Profit before taxation	11,480,700	12,103,313	16,158,179	13,219,585	7,208,816
Taxation	(3,061,783)	(3,338,262)	(4,919,134)	(2,982,707)	(1,572,763)
Profit after taxation	8,418,917	8,765,051	11,239,045	10,236,878	5,636,053
Other comprehensive income	(581,679)	(1,689,047)	1,752,957	406,103	12,654
Total comprehensive income	7,837,238	7,076,004	12,992,002	10,642,981	5,648,706

Other National Disclosures

Financial Summary

Company

In thousands of naira	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
ASSETS					
Cash and bank balances	6,886,242	1,613,775	5,235,415	332,796	536,018
Investment securities	5,850,875	9,898,515	9,351,771	7,717,276	1,841,640
Other assets	15,394,340	21,882,224	3,283,205	6,204,888	6,078,281
Investment in subsidiary	11,206,831	11,206,831	11,206,831	11,000,000	500,000
Property and equipment	1,429,458	1,258,913	1,459,729	1,796,773	1,543,218
Intangible assets	-	-	-	33,446	15,675
Deferred tax assets	879,820	459,159	730,968	28,834	-
Total Assets	41,647,566	46,319,417	31,267,919	27,114,013	10,514,832
LIABILITIES					
Other liabilities	11,557,779	19,990,350	6,986,651	9,176,636	2,221,892
Provisions	325,906	348,575	374,638	44,100	22,754
Current tax liability	1,983,097	1,677,226	3,229,770	3,340,674	1,498,429
Deferred tax liabilities	-	-	-	-	181,841
Total Liabilities	13,866,782	22,016,151	10,591,059	12,561,410	3,924,916
EQUITY					
Share capital	26,000,000	19,467,328	9,733,664	640,741	640,741
Share premium	-	-	137,328	21,148	21,148
Retained earnings	1,843,787	-	1,281,815	-	3,669,193
Bonus share reserve	-	4,557,913	2,175,336	9,721,911	-
Fair value reserves	(63,003)	278,025	1,242,203	369,556	(27,234)
Other reserves	-	-	6,106,514	3,799,247	2,286,068
Total Equity	27,780,784	24,303,266	20,676,860	14,552,603	6,589,916
Total Equity and Liabilities	41,647,566	46,319,417	31,267,919	27,114,013	10,514,832

Company

In thousands of naira	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
Operating Income	12,586,896	10,671,798	17,061,174	17,708,739	13,250,430
Operating expenses	(7,210,737)	(4,137,200)	(9,425,830)	(7,041,459)	(7,077,623)
Profit before taxation	5,376,159	6,534,598	7,635,344	10,667,280	6,172,807
Taxation	(1,557,613)	(1,944,014)	(2,508,084)	(3,101,383)	(1,562,502)
Profit after taxation	3,818,546	4,590,584	5,127,260	7,565,897	4,610,305
Other comprehensive income	(341,028)	(964,178)	872,647	16,632	16,632
Total comprehensive income	3,477,518	3,626,406	5,999,907	7,582,529	4,626,937

Corporate Information

FMDQ Group PLC

Registered Office	**Exchange Place** 35 Idowu Taylor Street Victoria Island Lagos, Nigeria
RC NO	929657
Ag. Company Secretary	Mrs. Detola Bucknor-Taiwo Exchange Place 35 Idowu Taylor Street Victoria Island Lagos, Nigeria
Group Chairman	Dr. Kingsley Obiora, OFR
Group Vice Chairman	Mr. Jibril Aku
Directors	Ms. Daisy Ekineh Dr. Ebenezer Onyeagwu Mr. Oliver Alawuba Mr. Emeka Onwuka, OON Mr. Sadiq Mohammed Mrs. Egbichi Akinsanya
Chief Executive Officer	Mr. Bola Onadele. Koko
Subsidiaries	FMDQ Securities Exchange Limited (RC 1617162) FMDQ Clear Limited (RC 1382108) FMDQ Depository Limited (RC 1550384) FMDQ Private Markets Limited (RC 1655759) iQx Consult Limited (RC 1428322)
AuditorMessrs.	KPMG Professional Services KPMG Towers Bishop Aboyade Cole Street Victoria Island Lagos, Nigeria
Bankers	Access Bank PLC Guaranty Trust Bank Limited Stanbic IBTC Bank PLC Zenith Bank PLC

Africa's First Vertically Integrated Financial Market Infrastructure Group

FMDQ GROUP

FMDQ Exchange

Nigeria's Largest Exchange by Market Turnover

FMDQ Depository

Nigeria's Integrated Securities Depository

FMDQ Clear

Nigeria's Foremost Central Counterparty

FMDQ Private Markets

Nigeria's Private Capital Information Repository

Fixed Income | ***Currencies*** | ***Derivatives*** | ***Equities***

HOW WE SERVE

Registration | Listing | Quotation | Noting | Trading | Clearing

Central Counterparty | Settlement | Risk Management | Depository | Data and Information

STRATEGIC ROLE

Market Organiser

Adviser to Government and Regulators

Catalyst for Infrastructure Capital

Financial Markets Diplomat

EXCHANGE · CENTRAL COUNTERPARTY · DEPOSITORY · PRIVATE MARKETS

· **G**LOBAL COMPETITIVENESS · **O**PERATIONAL EXCELLENCE · **L**IQUIDITY · **D**IVERSITY

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