

**FMDQ GROUP PLC**  
Annual Report  
and Accounts **2023**



***Born Local...Going Global***

***Africa's First Vertically Integrated Financial Market Infrastructure Group***

- EXCHANGE
- CENTRAL COUNTERPARTY
- DEPOSITORY
- PRIVATE MARKETS



## Africa's First Vertically Integrated Financial Market Infrastructure 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 | Market Connectivity

Clearing | Central Counterparty | Settlement | Depository | Data and Information

### STRATEGIC ROLE



Market Organiser



Adviser to Government  
and Regulators



Catalyst for  
Infrastructure Capital



Financial  
Markets Diplomat

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# Notice of the 12<sup>th</sup> Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 12<sup>th</sup> Annual General Meeting (“AGM”) of FMDQ Group PLC (the “Company”) is scheduled to hold at Exchange Place, 35 Idowu Taylor Street, Victoria Island, Lagos State, on Friday, October 25, 2024, 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, 2023, together with the reports of the Directors, Auditor, and Audit Committee thereon.
2. To re-appoint *Messrs. PricewaterhouseCoopers Chartered Accountants* as 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 Directors of the Company.
2. To fix the remuneration of the Directors of the Company.

## 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](mailto: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 Directors

Ms. Kaodi Ugoji was appointed as an Executive Director of the Company by the Board with effect from January 1, 2024, while Mr. Roosevelt Ogbonna was appointed as a Non-Executive Director by the Board on October 1, 2024. Their appointments are being presented for shareholders' approval. The profiles of the Directors are 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](mailto:GroupCS@fmdqgroup.com).



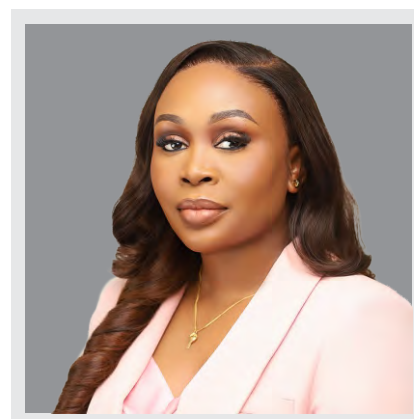
Section 404(5) of the Companies and Allied Matters Act, 2020, provides that all members of the Audit Committee shall be financially literate and at least one (1) member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. The Code of Corporate Governance, 2018 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.

#### BY ORDER OF THE BOARD



**Tobi Kadiri**  
Ag. Company Secretary  
FRC/2021/002/00000022666  
FMDQ Group PLC  
Exchange Place  
35 Idowu Taylor Street  
Victoria Island  
Lagos, Nigeria

October 4, 2024



# 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, 2023. It also describes the strategic path taken over the past year, how it aligns with the Group's overall strategy, the operating environment, and its business and operational models.

# FMDQ Financial Market Infrastructure Group Footprints



**₦177.49 trillion**  
(\$529.30 billion)  
Average Annual Market Turnover

**287**  
**Members**  
across the Nigerian  
financial markets



**146**  
Bonds\*  
(excl. Eurobonds)  
valued at over  
**₦4.27 trillion**  
(\$4.70 billion)

**117**  
Registered Commercial  
Paper Programmes  
valued at over  
**₦5.77 trillion**  
(\$6.36 billion)

**708**  
Quoted Commercial  
Papers  
valued at over  
**₦4.95 trillion**  
(\$5.46 billion)

Over  
**473**  
Listed/Quoted Federal Government of  
Nigeria Debt Securities valued at about  
**₦139.24 trillion**  
(\$376.51 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  
**\$67.00 billion**  
Cleared USD/NGN NDFs  
Traded  
(circa \$65 billion settled)

Circa **₦0.73 billion**  
FGN Bond Futures Traded

Circa **\$1.20 million**  
Exchange-Traded FX Futures  
Traded

**Global Brand Acceptance**

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

\*Naira-Denominated Listed and Noted Bonds (excluding Federal Government of Nigeria Savings Bonds)  
NDFs – Non-Deliverable Forwards  
Figures as of December 31, 2023

# Group Profile

Overview

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Corporate Statements

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Value Proposition

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GOLD Agenda





# Group Profile

## Overview

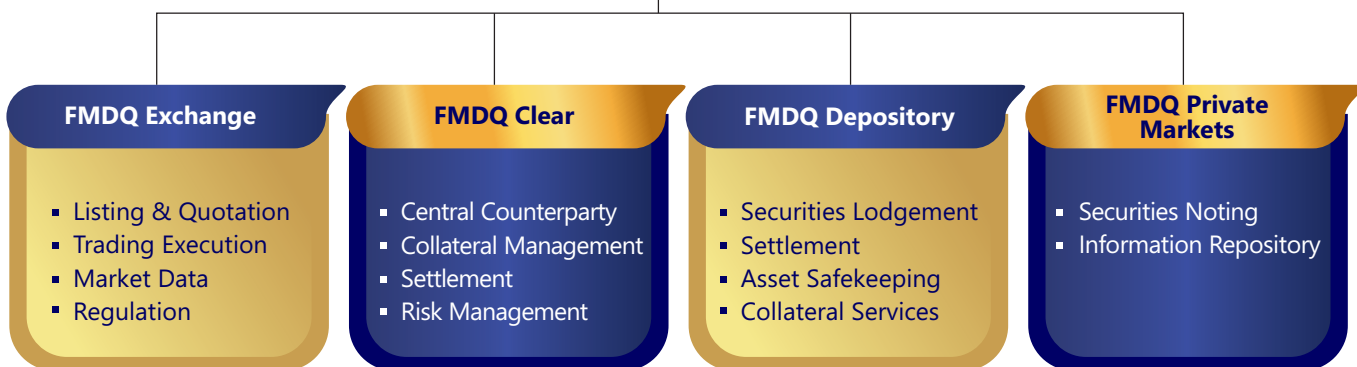
FMDQ Group is Africa's first vertically integrated financial market infrastructure (FMI) group, strategically positioned to provide registration, listing, quotation and noting services; integrated trading platform, clearing & central counterparty, and settlement services for financial market transactions; 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 markets, through its Exchange, Central Counterparty, Depository and Private Markets subsidiaries.



## FMDQ GROUP

One-stop financial market infrastructure group for the execution, clearing, central counterparty, settlement and recording of securities transactions



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 as a Clearing and Settlement Company (2018) and as a CCP (2021), 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 ultimately, de-risking the Nigerian financial markets.

FMDQ Depository Limited (“**FMDQ Depository**”), registered by the SEC as a central securities depository (2018), 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 enable private companies have seamless access to capital, FMDQ Private Markets Limited (“**FMDQ Private Markets**”), as an information repository, 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), 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 a pivotal financial market infrastructure provider committed to transforming the Nigerian financial markets, FMDQ Group continues to fulfill its key strategic roles, guided by its sustainability pillars, to foster sustained growth and development nationwide.



# 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.



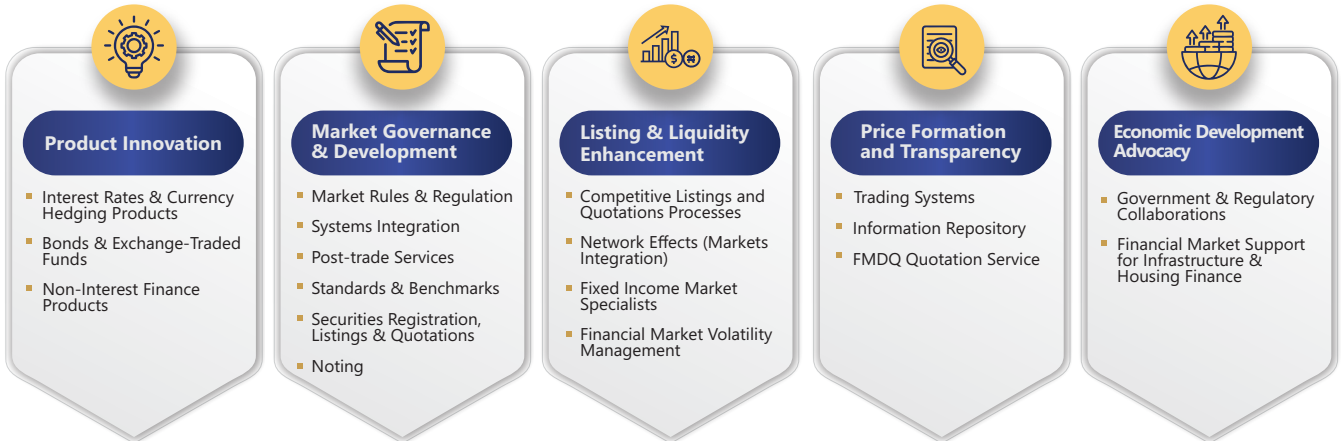
### Integrity

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 the institutionalisation of a robust market architecture to support exceptional service delivery.

The Group continues to deliver value to its stakeholders through its proposition, which is hinged on the pillars of Product Innovation, Market Governance & Development, Listing & Liquidity Enhancement, Price Formation & Transparency, and Economic Development Advocacy.



## The FMDQ “GOLD” Agenda

FMDQ Group is unwavering in its commitment to transforming the Nigerian financial markets through its "GOLD" (Global Competitiveness, Operational Excellence, Liquidity, and Diversity) Agenda. These guiding principles serve as FMDQ Group's methodology for assessing the quality of the markets under its purview and the Nigerian financial markets at large. This Agenda also presents opportunities for reforms and development within the Nigerian financial markets.





# Chairman's Statement



**Dr. Jibril Aku**  
Group Chairman, FMDQ Group PLC

“

*Dear Shareholders,*

*It gives me great pleasure to welcome you to the 12<sup>th</sup> Annual General Meeting of your Company, and I am privileged to present to you my maiden Report as the Chairman of your Company, being the Annual Report and Accounts of FMDQ Group PLC for the financial year ended December 31, 2023.*

*The year 2023 saw the world continue to battle inflation as monetary policymakers across the globe adopted restrictive measures and global financial tightening to curb inflation, leading to currency shocks and debt distress in many sub-Saharan countries, including Nigeria. In the domestic economic landscape, changes in the monetary policies and significant fluctuations in exchange rates led to challenging macroeconomic conditions, including increased inflation and weak output growth.*

*Despite these challenges, FMDQ Group persisted in its efforts, successfully navigating the difficult environment, and continuing to execute its Strategy. The Group also remained committed to delivering value to its diverse stakeholder groups, in recognition of its pivotal role as a crucial financial market infrastructure group within the Nigerian economy, and together with its wholly owned subsidiaries – FMDQ Securities Exchange Limited, FMDQ Clear Limited, FMDQ Depository Limited and FMDQ Private Markets Limited, the Group remained dedicated to promoting innovative solutions and delivering efficient services across the value chain of capital and financial markets.*

”

## Operating Environment

The long-term consequences of the COVID-19 pandemic and the Russia-Ukraine standoff continued to weigh on global economic growth in 2023. Specifically, global financial market conditions were tight due to the United States Federal Reserve's monetary policy stance to rein in inflation and reduce the fiscal deficit amid high debt levels. Additionally, the China property sector crisis deepened, with global spillovers. The International Monetary Fund (IMF) estimated a global growth slowdown to 3.10% in 2023, down from 3.50% in 2022. In Sub-Saharan Africa, the IMF estimated economic growth at 3.30% in 2023, lower than the 4.00% growth in 2022. Furthermore, the African Development Bank estimated Africa's economic growth in 2023 at 3.10%, also lower than the 4.00% in 2022. Weather shocks, domestic supply issues, and the spillover of the global economic slowdown were major challenges experienced in Sub-Saharan Africa in 2023.

In the domestic economy, the transition into a new political administration shaped economic activities during the period. The new administration announced fuel subsidy removal, given the constraints on fiscal balances. This announcement led to a sharp rise in fuel pump prices across the country. The combined impact of the Naira redesign policy early in the year, fuel subsidy removal, and exchange rate harmonisation exerted upward pressure on costs, resulting in further inflationary pressures.

Nigeria's headline inflation rose significantly from the opening rate of 21.34% in January 2023 to a closing rate of 28.93% in December 2023. Core inflation rose to 23.07% in December 2023 from an 18.49% opening rate in January 2023, while food inflation rose to 33.93% in December 2023 from a 23.75% opening rate in January 2023. In terms of economic growth, Real Gross Domestic Product grew by 2.74% in 2023, relative to 3.10% growth in 2022. The oil sector declined by 2.22% in 2023, while the non-oil sector grew by 3.04% in 2023. Overall, businesses faced headwinds due to heightened production costs, increased inflationary pressures, and currency depreciation.

## Financial Performance

Our Group's performance in 2023 was remarkable, despite the challenges experienced during the year. Group Revenue increased by 49.21% to ₦34.29 billion from ₦22.98 billion in 2022, with Company Revenue coming in at ₦17.18 billion, an increase of 36.46% from ₦12.59 billion recorded in 2022. Group and Company Expenses increased from ₦11.50 billion and ₦7.21 billion in 2022, to ₦22.43 billion and ₦14.96 billion in 2023, respectively, driven mainly by increases in staff and Directors expenses, provisions made for Long-Term Incentives, and inflation-induced increases in the operating expenses of the Group. The Group Profit Before Tax came in at ₦14.03 billion, representing a 22.21% increase from the ₦11.48 billion recorded in 2022, while Company Profit Before Tax decreased by 18.22% from ₦5.38 billion in 2022 to ₦4.40 billion in 2023. Group Total Assets stood at ₦1.70 trillion in 2023, up from ₦175.64 in 2022, due to the increased value of margin collateral warehoused with the CCP franchise on the outstanding derivatives contracts, while Company Total Assets amounted to ₦51.34 billion, an increase of 23.27% from ₦41.65 billion in 2022.

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 2023 brought significant developments for FMDQ Group. At the start of the year, FMDQ Group joined the South Africa-Nigeria Business Chamber, a privately funded, not-for-profit and membership-driven enterprise based in Johannesburg. Formed in 2005, the Chamber serves as a resource for bilateral trade and investment, facilitating business between Africa's two (2) biggest economies.

In July 2023, the Nigerian financial markets marked yet another significant milestone as FMDQ Exchange and FMDQ Clear, with the support of the Securities and Exchange Commission, the Central Bank of Nigeria, and the Debt Management Office, Nigeria, launched the dynamic FMDQ Exchange-Traded Derivatives (ETD) market, enabling market stakeholders – corporates, foreign & domestic investors and pension fund administrators – to hedge inherent financial market risks in their operational and investment activities. By providing an opportunity to convert risk to financial security, the ETD market is positioned to attract capital flows, reduce cost of capital, promote market liquidity, and ultimately deepen the Nigerian

financial markets. The ETD market commenced with two (2) pioneer products - the FGN Bond Futures and Naira-Settled Exchange-Traded FX Futures - which are traded and cleared on world-class FMDQ ETD systems, the FMDQ Q-ex Trading System and FMDQ Q-ex Clearing System, respectively.

We continued our corporate tradition of recognising the invaluable contributions of market participants in fostering growth in Nigeria's Fixed Income, Currencies, and Derivatives markets, by declaring the winners of the 2023 FMDQ GOLD Awards (via Publication) across all traditional and online media channels on Friday, November 3, 2023.

FMDQ Group celebrated a decade of pioneering innovation in the Nigerian financial markets on November 7, 2023, and marked this illustrious journey with a grand 10<sup>th</sup> Anniversary event held in Lagos on November 10, 2023. This landmark occasion brought together key stakeholders, industry leaders, and esteemed guests from domestic and international markets, to commemorate FMDQ's decade-long commitment to excellence, its contributions to the Nigerian financial markets through effective collaborations with market stakeholders and the Group's pivotal role in the growth and development of Nigeria's financial landscape.

## Business Development

Our Exchange franchise continued to thrive in 2023, with the Securities Admission business recording the unprecedented admission of two hundred and seventy-four (274) securities, a 70.19% increase from one hundred and sixty-one (161) securities admitted in 2022. The total value of the securities was ₦2.49 trillion, compared to a value of ₦1.70 trillion reported in 2022 (excluding *four (4) Federal Government of Nigeria Eurobonds with a total face value of \$5.25 billion [₦5.00 trillion<sup>1</sup>]*). The franchise admitted securities across diverse sectors comprising eleven (11) listed Bonds, two hundred and sixty (260) quoted Commercial Papers (CPs) and three (3) listed Sukuk. Additionally, the Exchange registered twenty-seven (27) CP Programmes in 2023 valued at ₦824.50 billion. The Exchange also experienced growth in its membership base, closing the year with a total of three hundred and thirty-six (336) Members, resulting in a 13% increase from the two hundred and ninety-seven (297) Members recorded in 2022. The growth was driven mainly by a 16% increase in the Registration Member category.

The Clearing franchise successfully activated its Central Counterparty (CCP) services for the novel FMDQ ETD market (FGN Bond Futures & FX Futures products) launched during the year, with its three (3) pioneer General Clearing Members – Access Bank PLC, Stanbic IBTC Bank Limited, and Zenith Bank PLC. Additionally, Approvals-in-Principle were granted to four (4) Deposit Money Banks in the course of the year.

The Depository franchise achieved significant strides towards the realisation of its operational excellence objective by deploying its world-class Central Securities Depository (CSD) system - Q-ex Depository - which positioned the franchise for future growth and efficiency of post-trade services. Additionally, the franchise expanded its footprint by lodging one hundred and eighty-two (182) securities, comprising eight (8) Private Companies' Bonds, nine (9) Corporate Bonds, and one hundred and sixty-five (165) CPs, all valued at circa ₦1.25 trillion as at December 31, 2023, achieving a 154% year-on-year increase from one hundred and eighteen (118) securities lodged in 2022. Additionally, the Depository Participants database of the franchise experienced a 16% growth from one hundred and fourteen (114) Participants as at 2022, to one hundred and thirty-two (132) in 2023.

The Private Companies' Securities Noting business of the FMDQ Private Markets' franchise witnessed a 29% decrease in the number of Private Companies' Securities noted on its Private Companies' Securities Information and Distribution Portal (Restricted) across various sectors. In 2023, a total of ten (10) securities were noted, compared to the fourteen (14) noted in 2022. However, as at the end of 2023, the total value of securities noted stood at ₦780.96 billion, surpassing the ₦345.16 billion noted as at the end of 2022 by a remarkable 126%. In addition, FMDQ Private Markets' Membership Service experienced a 23% growth from the total of thirty-five (35) Members onboarded as of 2022 to forty-three (43) Members as at 2023.

<sup>1</sup>Using the Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate of \$/₦951.79 as at December 31, 2023

## Sustainability and Corporate Responsibility

FMDQ Group continued to take the lead in championing sustainable finance initiatives in Nigeria in 2023. During the year, the Group's efforts to advance sustainable development were actioned through the implementation of its comprehensive Sustainability Strategy focusing on the Group's business, people, communities, and environment.

To further develop the markets and our business, FMDQ Group, in collaboration with Financial Sector Deepening (FSD) Africa, under the Nigerian Green Bond Market Development Programme, executed a series of impactful activities, including the organisation of a two (2)-day Gender Bond awareness event aimed at introducing gender bonds to key market players within the Nigerian sustainable finance space; execution of a capacity building workshop for Ministries, Departments, and Agencies within the Lagos State Government (LASG) to facilitate the issuance of the maiden LASG Green Bond towards achieving the Sustainable Development Goals (SDGs) in Lagos State; and the documentation of a Blue Bond Framework and execution of a capacity building workshop to support the Federal Government of Nigeria in issuing a Blue Bond geared towards projects aimed at eliminating open defecation and improve access to clean water and sanitation services, in alignment with SDGs three (3) (Good Health & Well-being) and six (6) (Clean Water & Sanitation).

As part of our efforts towards promoting sustainable housing in Nigeria, FMDQ Group launched the ten (10)-year National Housing Strategy Blueprint, in collaboration with the Office of the Vice President of Nigeria, the Federal Ministry of Works and Housing, PricewaterhouseCoopers Nigeria, and other key housing stakeholders, aimed at delivering quality housing for all Nigerians and fostering economic development. 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

Dr. Kingsley Obiora, OFR retired as Group Chairman, effective September 22, 2023, following his retirement as Deputy Governor, Economic Policy of Central Bank of Nigeria, after three (3) years of meritorious service to FMDQ Group. Additionally, Dr. Ebenezer Onyeagwu retired effective September 30, 2024, further to his exit as the Group Managing Director/Chief Executive Officer of Zenith Bank PLC, after five (5) years of invaluable service to FMDQ Group as a Non-Executive Director and Chair of the Group Board Governance and Human Resources Committee.

Subsequently, Mr. Roosevelt Ogbonna was appointed to the Board as a Non-Executive Director, representing the systemically important banks category, effective October 1, 2024. Mr. Ogbonna brings to the Board, over twenty (20) years' experience as a seasoned professional in banking, cutting across Treasury, Commercial and Corporate Banking. In addition, the Board appointed Ms. Kaodi Ugoji, the Group Chief Operating Officer, as an Executive Director on the Group Board, effective January 1, 2024. Having spent over (10) years in FMDQ Group, Ms. Ugoji has played a key role in driving the successful execution of FMDQ Group's Strategic Objectives, which have been crucial to the growth and development of the FMDQ Group franchise.

On behalf of the Board, I would like to extend my sincere appreciation to Dr. Obiora and Dr. Onyeagwu for their invaluable contributions to FMDQ Group, and welcome Mr. Ogbonna and Ms. Ugoji to the Board.

In line with our commitment to uphold and operate within rigorous governance and ethical standards, Ernest & Young conducted the 2023 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 Reports on the two (2) Evaluation reviews are set out in the Corporate Governance section of the Annual Report.

## Outlook for 2024

Forecast by the IMF World Economic Outlook Report projects global economic growth to remain steady at 3.10% in 2024. Key growth drivers include stronger-than-expected resilience in the United States and several major emerging markets and developing economies, along with fiscal support in China.



On the domestic front, the year 2024 had presented a promising outlook driven by the anticipated full implementation of ongoing economic reforms, particularly those aimed at stabilising the foreign exchange market and enhancing fiscal conditions. However, weakened economic fundamentals led the Country's inflation to reach a 28-year high of 34.19% in June 2024.

However, in line with FMDQ's five (5)-Year (2021 – 2025) Strategic Plan, FMDQ will continue to take proactive steps to harness and maximise emerging opportunities for the implementation of its initiatives. Thus, the Group will work assiduously towards the implementation of key market development initiatives in 2024, including the expansion of FMDQ ETD product bouquet and the activation of Bi-lateral Repurchase (Repo) Agreement with Collateral Management Product through the Exchange franchise; development of CCP services for other clearable products through the CCP franchise; the upgrade of the CSD to enhance operational excellence and service delivery through the Depository franchise; and the development of ARTIS DealRoom Platform, a digital platform positioned to provide small and medium-sized enterprises with financing to optimise their supply chain activities, through the Private Markets franchise. The Group will continue to explore and support value-adding solutions for deployment to the market through its subsidiaries, whilst focusing on both organic and inorganic growth opportunities for FMDQ.

As the year 2024 marks the beginning of the next decade of FMDQ Group's presence in the Nigerian financial markets, the Group's vision and objectives remain as bold and ambitious as ever. Through unwavering determination and collaborative efforts with stakeholders, we aim to capitalise on the opportunities within our business environment, striving for a performance that further demonstrates the resilience of our brand and the Nigerian financial markets at large.

## Conclusion

The achievements of FMDQ Group thus far would not have been possible without the visionary guidance and support of the Board of Directors, both at the Group and Subsidiary levels, and the commitment and excellent execution by Management and Staff, all of which have been crucial to the Group's success over the years.

On behalf of the Board, I thank all our stakeholders - our shareholders, particularly the Central Bank of Nigeria and the Financial Markets Dealers Association; our regulator, the Securities and Exchange Commission, and other financial services regulators. We also thank our esteemed Members and Participants across all our capital market subsidiaries and all other stakeholders who have continued to collaborate with FMDQ in various capacities. Your cooperation, constant support and quest for the continued development of the Nigeria financial markets have been crucial to the sustained growth of FMDQ and its markets.

With your continued collaboration and support, we remain steadfast in our commitment to continue to deliver innovative solutions to shape the future and advance our markets, as FMDQ positions for its next decade agenda – Born Local...Going Global!

Thank you for your attention.



**Dr. Jibril Aku**

Group Chairman

# CEO's Review



“

**Mr. Bola Onadele. Koko**  
Chief Executive Officer, FMDQ Group PLC

***Dear Shareholders,***

*The year 2023 was characterised by a complex global and domestic landscape, and marked by significant challenges as well as opportunities. The global economy faced persistent turbulence from elevated inflation, geopolitical instability, weakened trade flows, and the impact of high interest rates, amongst others. Nevertheless, with a Gross Domestic Product (GDP) growth rate of 3.10%, as estimated by the Organisation for Economic Co-operation and Development (OECD), the global economy displayed remarkable resilience, underscoring the robustness of global markets despite these adversities.*

*On the domestic front, Nigeria's markets were characterised by unfavourable macroeconomic conditions, increased fiscal and regulatory monitoring, and prolonged illiquidity in the foreign exchange market, underscored by the transition to a new government administration. The regulatory and policy shifts that accompanied this transition have had far-reaching effects on market dynamics, presenting new challenges for businesses operating in this environment, especially in the near-term.*

*Despite these daunting challenges, FMDQ Group, and its wholly owned subsidiaries - FMDQ Exchange, FMDQ Clear, FMDQ Depository and FMDQ Private Markets - rose to the occasion, demonstrating exceptional resilience, flexibility, and agility, enabling the Group to adapt swiftly to the evolving market conditions. Through the strategic oversight of our Board of Directors, the dedication of our employees, and collaborative partnerships with key stakeholders, we successfully navigated the year's turbulence, delivering substantial value across the markets we serve.*

*We also achieved significant milestones in our Strategic Objectives, particularly in diversifying our business operations, launching new markets, and exploring new avenues for growth. These efforts reinforced our unwavering commitment to creating lasting value for our stakeholders. As we reflect on the year's performance, I am pleased to present the highlights of FMDQ Group's financial and operational activities for the year ended December 31, 2023.*

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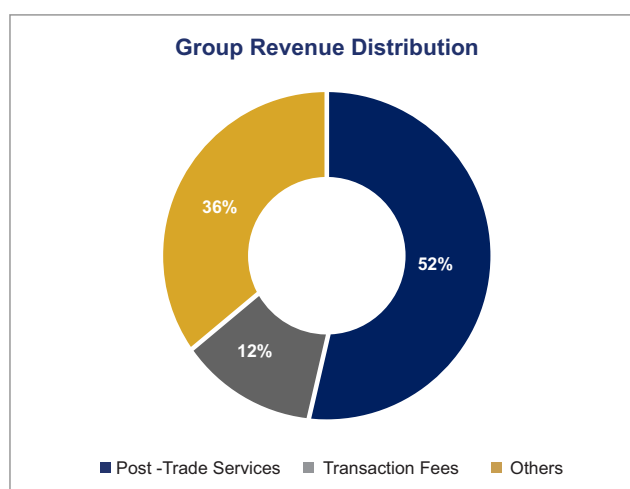
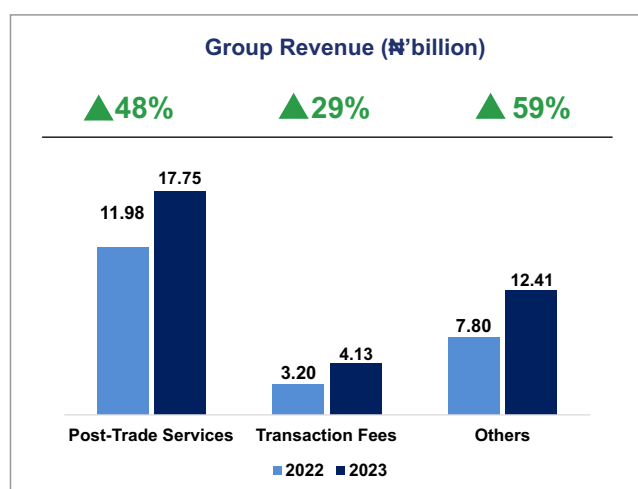
## Performance Review – Group

### Consolidated Revenue

FMDQ Group earned a total Revenue of ₦34.29 billion in 2023, a 49% increase from ₦22.98 billion earned in 2022. The increase in Revenue was mainly driven by the Post-Trade Services provided by the Group's Clearing Subsidiary, FMDQ Clear, as well as Interest Income on the Group's proprietary investment portfolio.

### FMDQ Group Total Revenue and Mix

**TOTAL REVENUE**  
**₦34.29bn** ▲ 49%



Earnings from Post-Trade Services contributed 52% (₦17.75 billion) to the Group's overall Revenue, while Transactions Fees and Other Revenue (Incl. Interest Income) contributed 12% (₦4.13 billion) and 36% (₦12.41 billion), respectively.

### Consolidated Expenses

The period saw an increase in the Group's Operating Expenses by circa 99%, from ₦11.50 billion to ₦22.43 billion. Personnel Expenses increased in 2023 due to the provisions for long-term incentives, as well as adjustments to employee compensation following the marked increase in the cost of living in the country during the year, with headcount closing the year with one hundred and six (106) staff, a 12% increase from ninety-five (95) staff in 2022. Directors Emoluments also increased during the year following the Group's alignment with the competitive landscape. Other Operating Expenses also increased significantly in the period to ₦10.57 billion from ₦4.80 billion in 2022, driven by professional consultancy fees, corporate development expenses, information technology expenses, Strategic Initiatives expenses, and other expenses aimed at sustaining the Group's operations.

### Highlights of 2023 Financial Performance

Year Ended December 31	2023 (N'000)	2022 (N'000)	Variance (%)
Revenue	34,286,967	22,982,524	49.19
Operating Expense	(22,433,465)	(11,501,824)	95.04
Operating Profit	11,853,502	11,480,700	3.25
Share of Profit from Associates	2,178,607	-	-
Profit Before Tax	14,032,109	11,480,700	22.22
Tax Expense	(4,683,027)	(3,061,783)	52.95
Other Comprehensive Income	(416,380)	(581,679)	(28.42)
<b>Total Comprehensive Income</b>	<b>8,932,702</b>	<b>7,837,238</b>	<b>13.98</b>

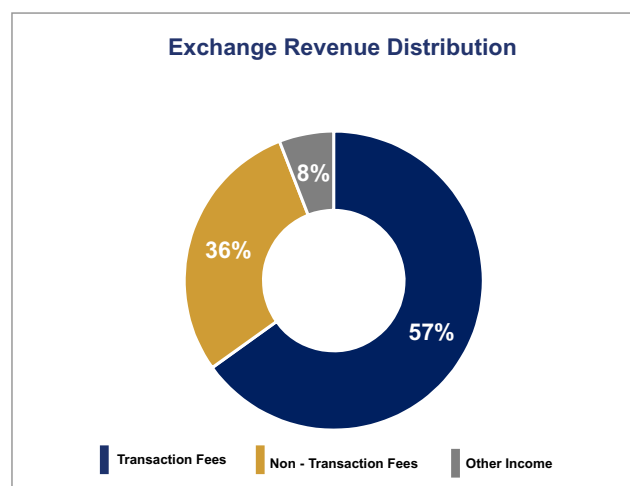
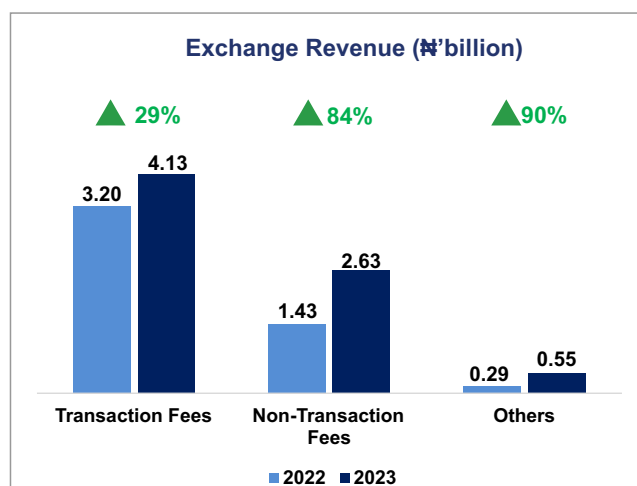
## Performance Review – Subsidiaries

### Exchange Business

Total Revenue earned by FMDQ Exchange increased by 49% to ₦7.31 billion in 2023 from ₦4.92 billion in 2022, with substantial growth recorded across all the three (3) sub-categories of Revenue - Transaction Fees, Non-Transaction Fees, and Other Income. Transaction Fees increased by 29% from ₦3.20 billion in 2022 to ₦4.13 billion, primarily due to higher fee rates on secondary market bond transactions by clients. Similarly, Non-Transaction Fees rose by 84% to ₦2.63 billion in 2023, with securities admission fees accounting for 77% of this category. Transaction Fees and Non-Transaction Fees contributed 57% and 36%, respectively, to the total Revenue of the Exchange in 2023, while Other Income comprising Interest Income, Penalties & Fines, etc., contributed 8% (₦551.03 million).

### FMDQ Exchange Total Revenue and Mix

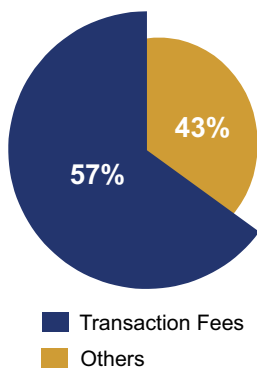
**TOTAL REVENUE**  
**₦7.31bn** ▲49%



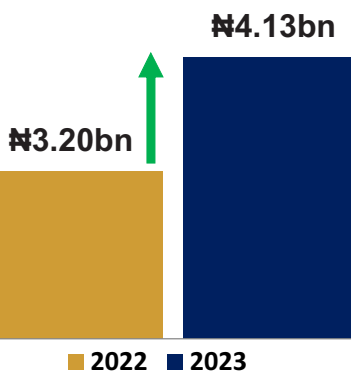


### \*TRANSACTION FEES

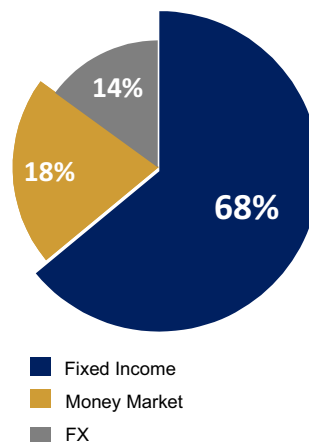
Contribution to Total Revenue



Year-on-Year Growth ▲ 29%

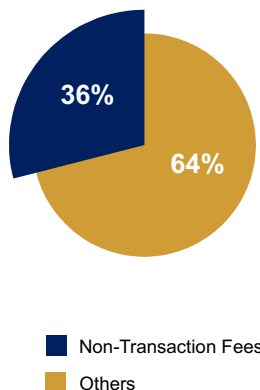


Transaction Fees Mix

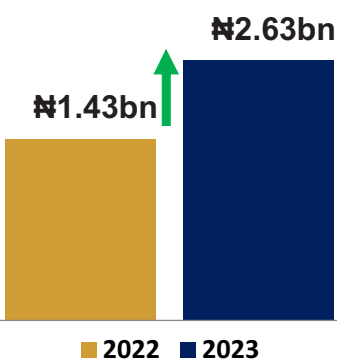


### NON-TRANSACTION FEES

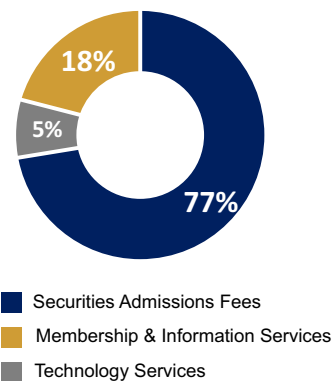
Contribution to Total Revenue



Year-on-Year Growth ▲ 84%

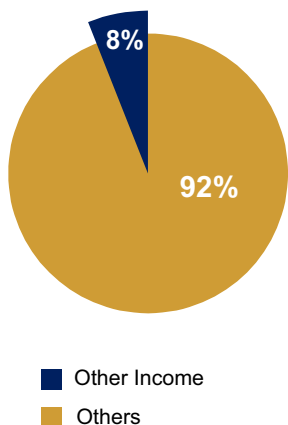


Non-Transaction Fees Revenue Mix

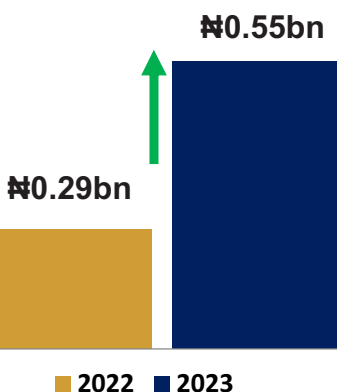


### OTHER INCOME

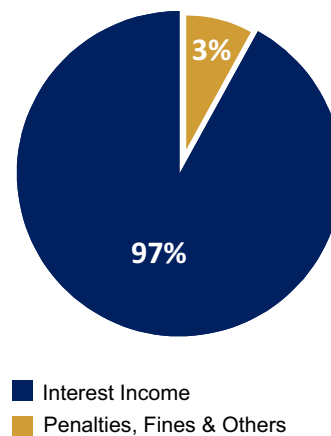
Contribution to Total Revenue



Year-on-Year Growth ▲ 90%



Other Income Mix

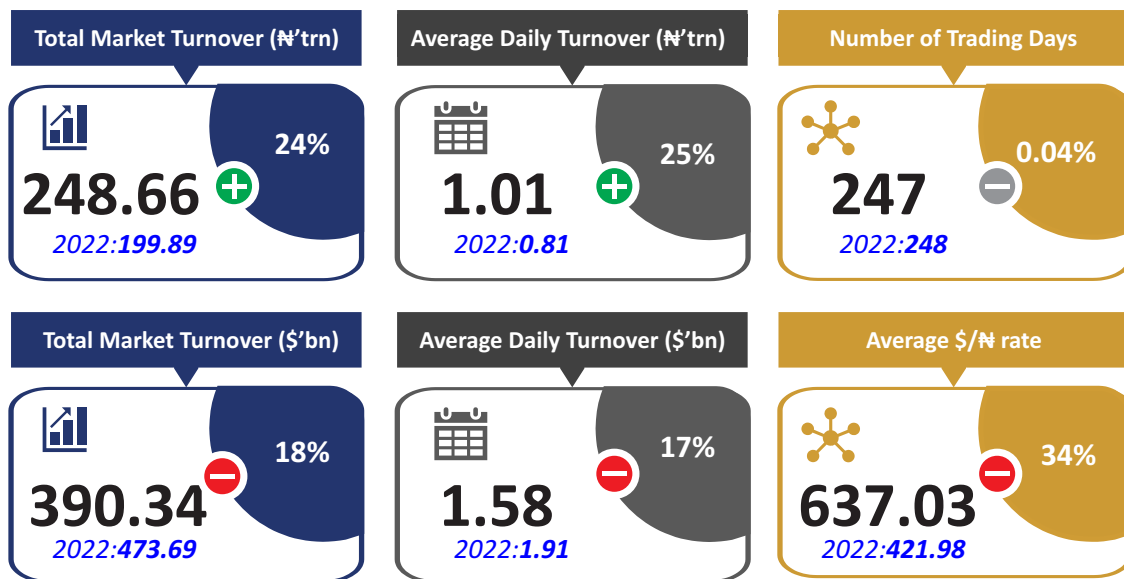


Transaction Fees represents Net Transaction Fees  
 FX – Foreign Exchange Spot + Foreign Exchange Derivatives + FMDQ Exchange Traded FX Futures  
 Fixed Income – includes FMDQ FGN Bond Futures

## Market Turnover

Secondary market activity for products traded or reported on the Exchange rose by 24% in 2023, reaching ₦248.66 trillion, compared to ₦199.89 trillion in 2022. This growth was primarily driven by the Bills segment (comprising Nigerian Treasury Bills, CBN Open Market Operations Bills or OMO Bills) and CBN Special Bills, which accounted for 33% of the total market turnover and experienced a 21% YoY growth. The top three (3) traded products on the Exchange were Bills, Foreign Exchange (including Spot FX and FX Derivatives), and Money Market instruments, contributing 33%, 30%, and 25%, respectively, to the total market turnover in 2023. Together, these top three (3) products represented 88% of the total market turnover, down from 93% in 2022. Transactions in the Bonds market contributed 12% to total market turnover in 2023, an increase from their 7% contribution in 2022.

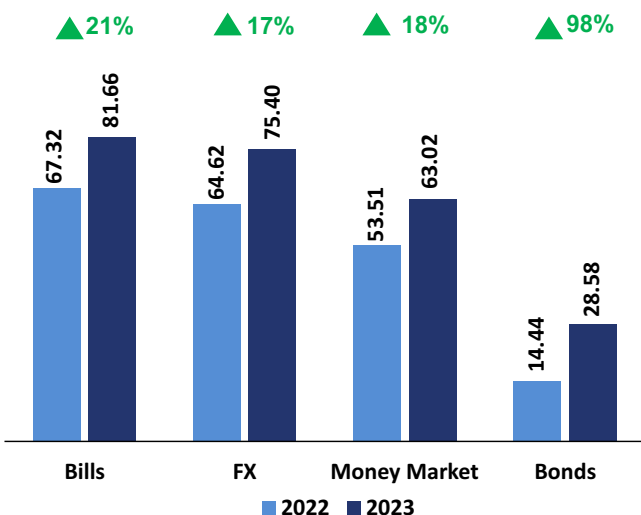
### Total Market Turnover



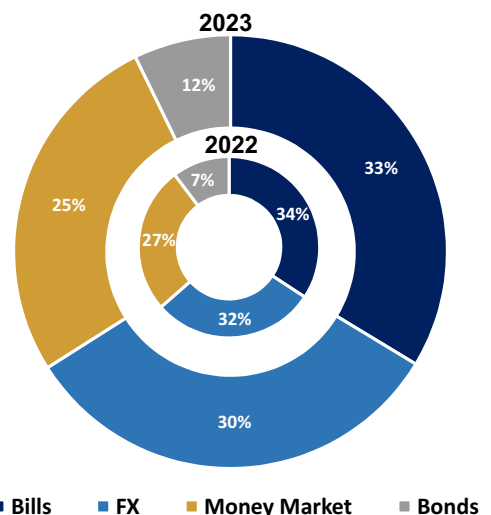
### Total Market Turnover Distribution by Product Category

**Total Market Turnover**  
**₦248.66trn** ▲ 24%

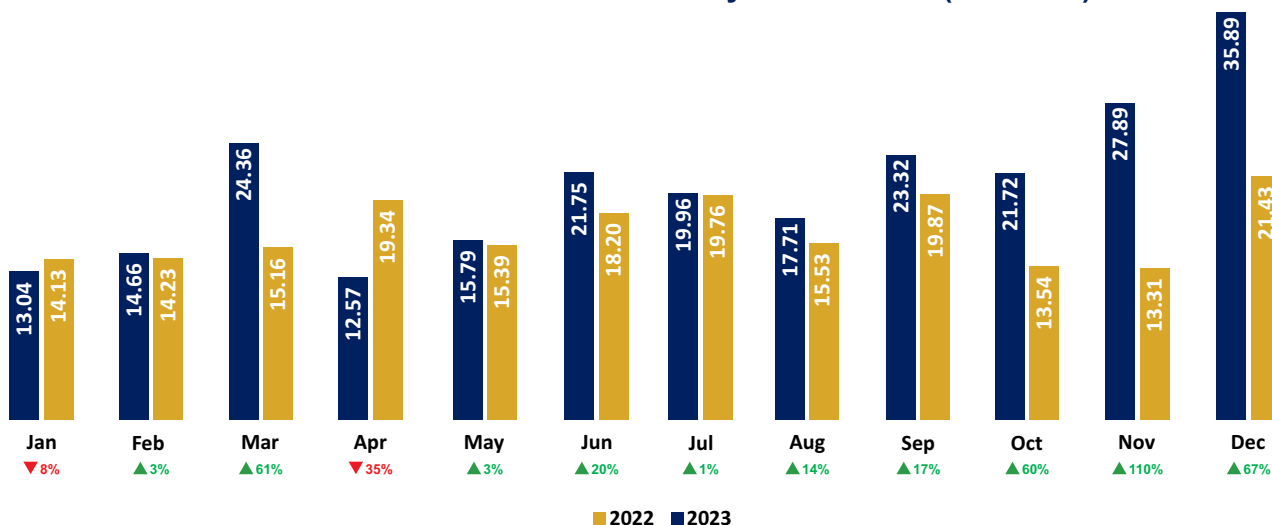
#### Market Turnover By Product Category (₦'trn)



#### Market Turnover By Product Distribution



### Total Market Turnover – Monthly Distribution (₦trillion)



Bills; includes Nigerian Treasury Bills or NTBs; CBN Open Market Operations Bills or OMO Bills; and CBN Special Bills. Bonds; includes sovereign, subnational, supranational, and corporate bonds/sukuk and sovereign Promissory Notes. Money Market; Repurchase Agreements or Repos; Commercial Papers; Unsecured Placements/Takings; and Money Market Derivatives

### Central Counterparty Business

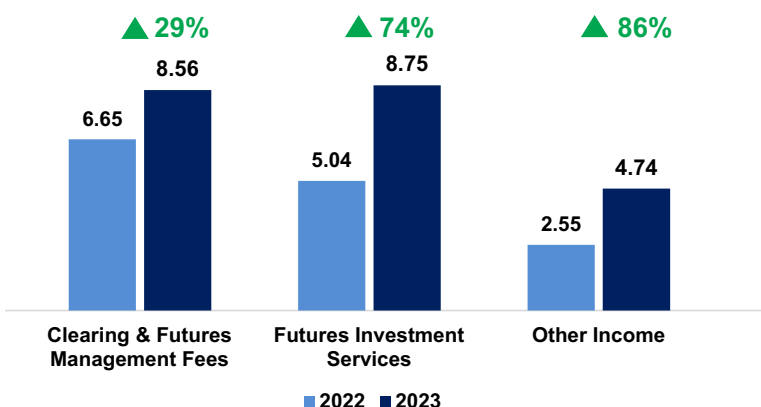
The total Revenue earned by FMDQ Clear was ₦22.06 billion, representing a 55% increase from ₦14.24 billion reported in 2022. The Clearing & Futures Management Fees earned from the Cleared Naira-Settled Non-Deliverable Forwards (“Cleared USD/NGN NDFs”) market and the recently launched FMDQ Exchange-Traded Derivatives (“ETD”) market increased by 29% to ₦8.56 billion, representing 39% of the total Revenue earned in 2023. Similarly, Futures Investment Services Fees earned from the margin administration and investment management services increased to ₦8.75 billion in 2023, representing 40% of the total Revenue for the reporting period. Other Income, which includes interest income, contributed 21% at ₦4.74 billion.

The CCP business showed a strong performance despite the observed reduction in activity in the Cleared USD/NGN NDFs market due to the lingering illiquidity and uncertainty in the FX Spot market, as well as the muted activities in the recently launched ETD market.

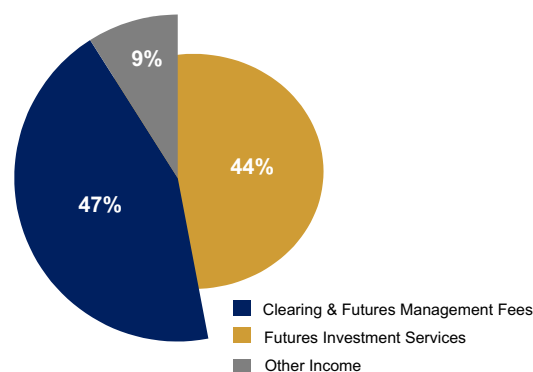
### FMDQ Clear Total Revenue and Mix

**TOTAL REVENUE**  
**₦22.06bn ▲ 55%**

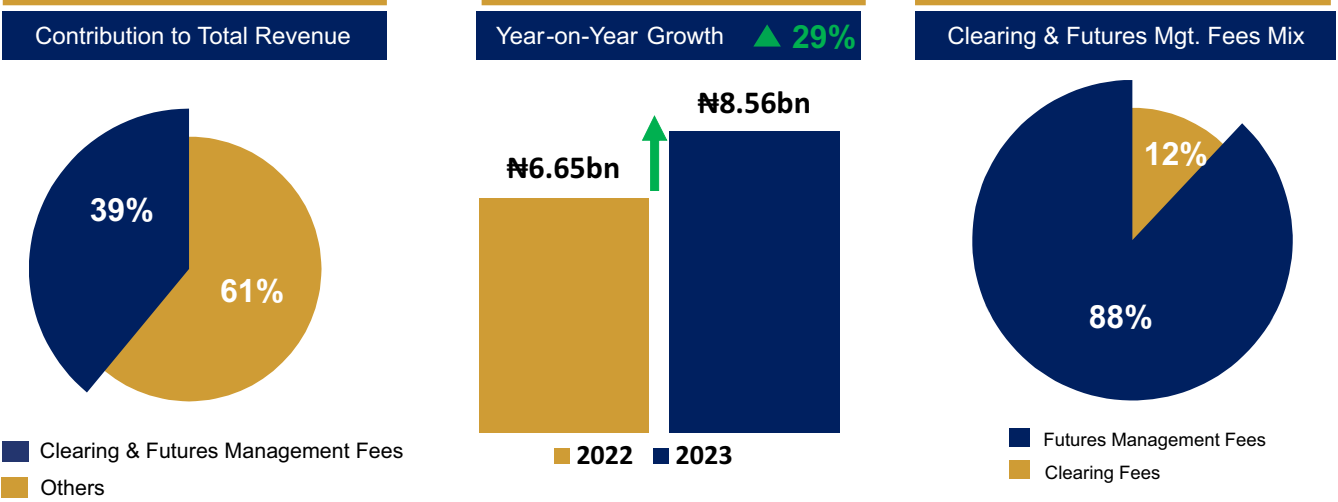
#### Central Counterparty Revenue (₦'bn)



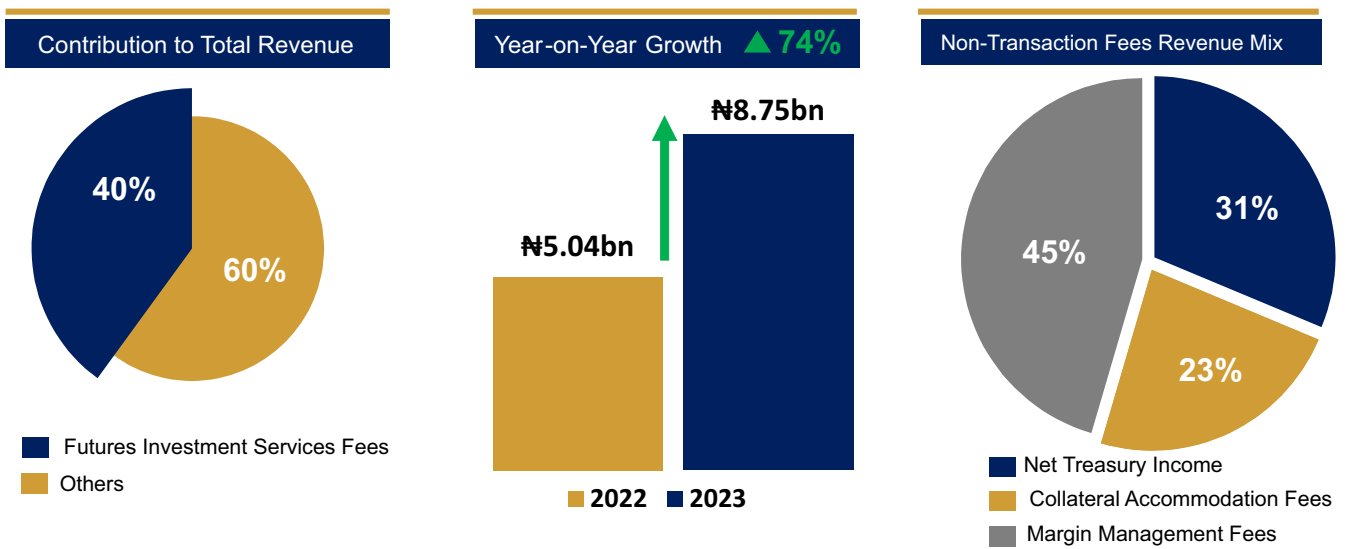
#### Revenue Distribution



### CLEARING AND FUTURES MANAGEMENT FEES



### FUTURES INVESTMENT SERVICES FEES



### OTHER INCOME





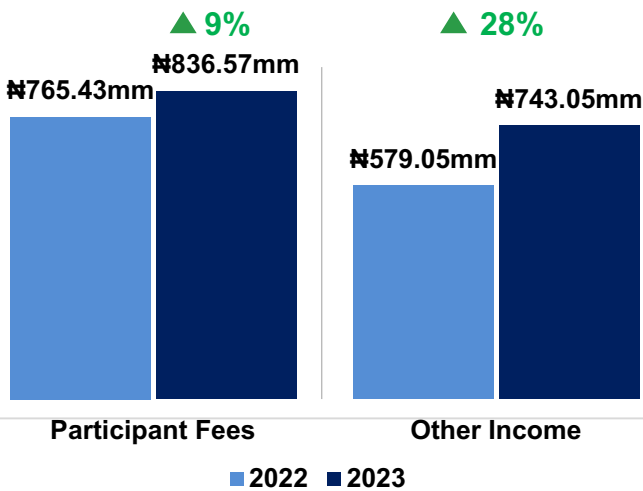
## Depository Business

In 2023, FMDQ Depository achieved an overall Revenue growth of 17%, rising from ₦1.34 billion in 2022 to ₦1.58 billion. The largest contributor was Interest Income, amounting to ₦742.12 million (47% of total Revenue), due to the high interest rate regime experienced during the year. Settlement Fees generated from trades executed also showed a strong performance at ₦433.55 million, representing a growth rate of 49% (2022: ₦290.41 million) and a 27% contribution to total Revenue. Depository and Eligibility Fees accounted for only 4% (₦63.68 million) and 1% (₦9.59 million) of total Revenue, respectively. The newly activated Technology Services Income line delivered a 15% accretion to the total Revenue at ₦241.20 million, while Transfer Agency Service Income generated ₦88.55 million, representing a contribution to total Revenue of 6%. Additionally, earnings from Integrated Noting Service provided to FMDQ Private Markets contributed 6% (₦88.55 million) to total Revenue in 2023.

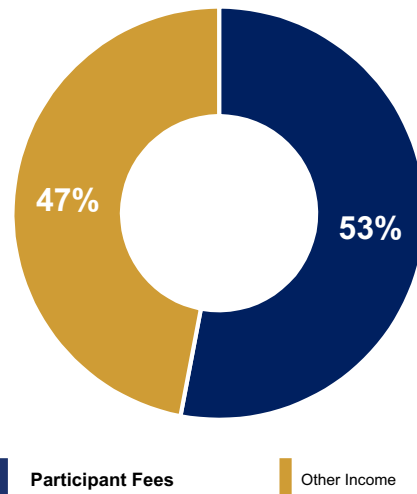
### FMDQ Depository Total Revenue and Mix

**TOTAL REVENUE**  
**₦1.58bn** ▲ 17%

#### Depository Revenue

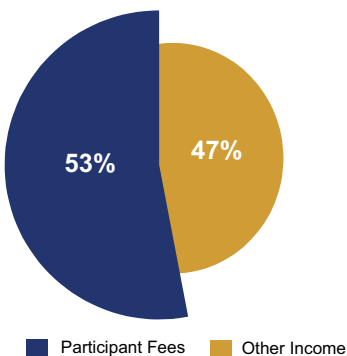


#### Revenue Distribution

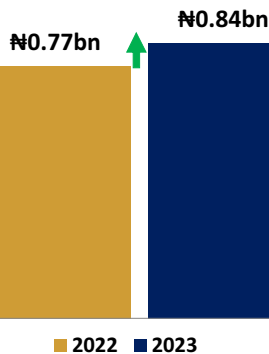


#### PARTICIPANT FEES

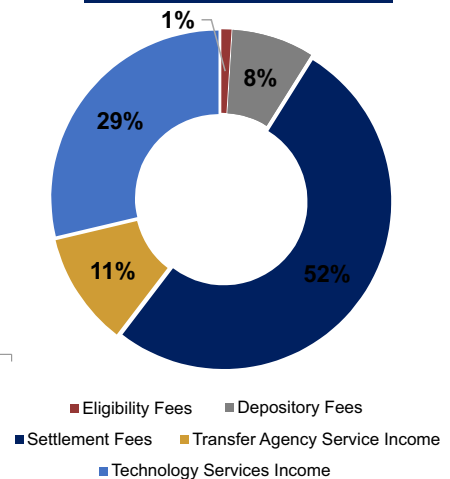
Contribution to Total Revenue



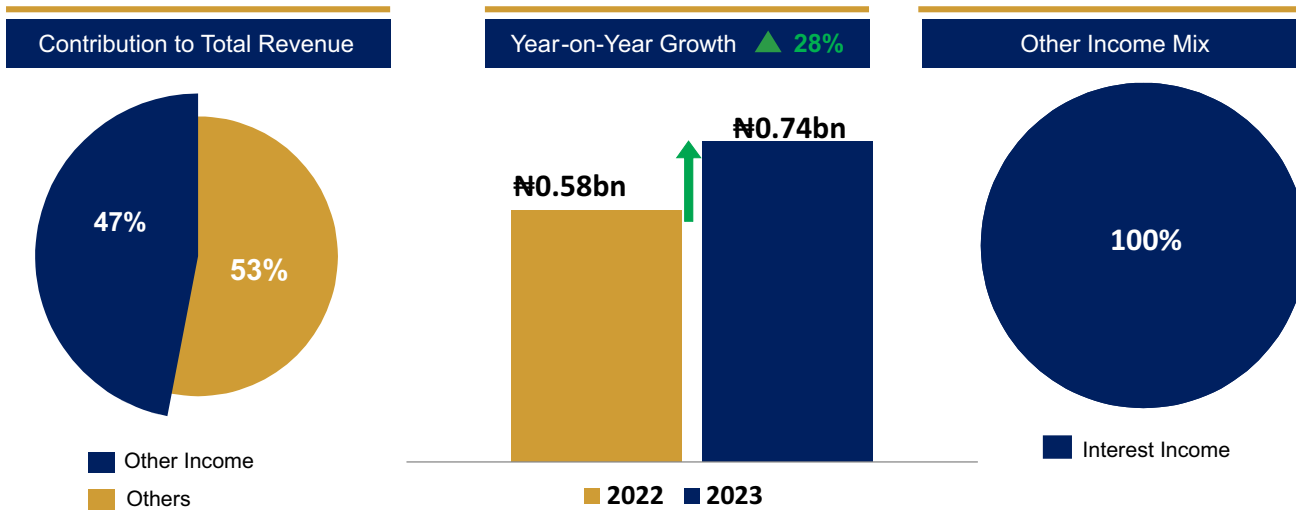
Year-on-Year Growth ▲ 9%



Participant Fees Mix



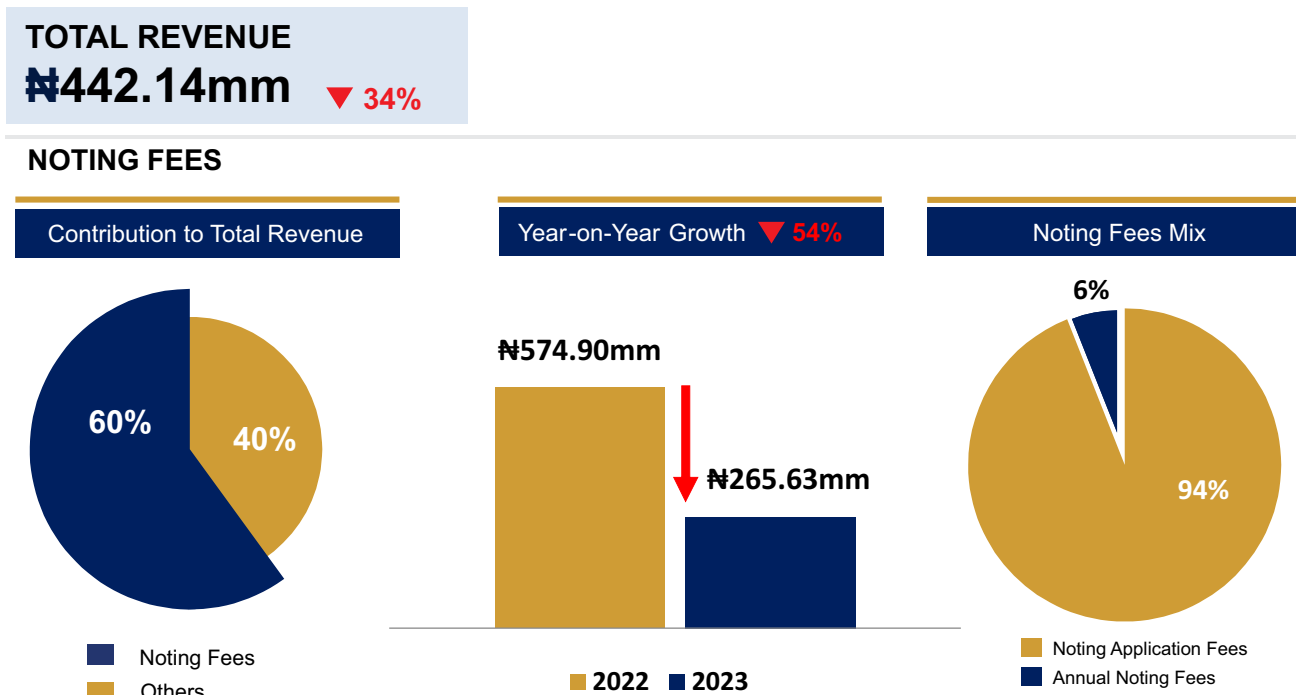
### OTHER INCOME



### Private Markets Business

In 2023, FMDQ Private Markets saw a 34% decrease in Revenue, totalling ₦442.14 million, from ₦666.44 million in 2022. This decline was primarily driven by a 55% reduction in Noting Fees, amounting to ₦265.63 million, and a 2% decrease in Membership Fees, totalling ₦51.30 million. Noting Fees made up 60% of the total Revenue, with Membership Fees and Interest Income contributing 12% and 28%, respectively.

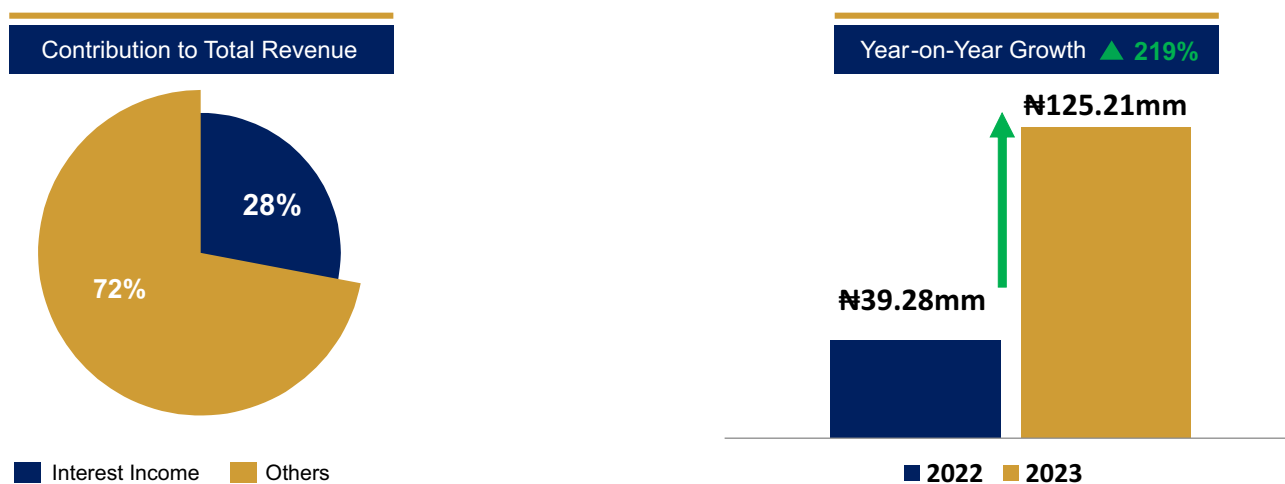
### FMDQ Private Markets Total Revenue and Mix



### MEMBERSHIP FEES



### OTHER INCOME



### Business Development – Revenue Drive

The Nigerian government's fiscal strategies and regulatory changes, aimed at controlling inflation and fostering growth, yielded mixed results, reflecting broader uncertainties in the economic landscape. The liquidity in the foreign exchange market remained a pivotal concern, with the CBN's efforts to stabilise the Naira encountering substantial hurdles. Additionally, activity in the fixed income market fluctuated due to both global and local influences. Despite these challenges, the Group reported a positive performance, underscoring the resilience of the FMDQ brand and its markets.

#### Transaction Fees

In 2023, the Exchange achieved a significant milestone in the Nigerian financial markets with the launch of the FMDQ Exchange-Traded Derivatives (ETD) market. This development positions market participants—including corporates, foreign and domestic investors, and pension fund administrators, among others—to effectively hedge against inherent financial market risks in their operations and investment activities, and is expected to attract capital flows, reduce the cost of capital, enhance market liquidity, and ultimately deepen the Nigerian financial markets.

FMDQ Exchange also prioritised market development initiatives aimed at boosting market activity through active stakeholder engagement efforts to increase product awareness and participation. These efforts included conducting several sensitisation sessions targeted at market participants.

In 2023, Transaction Fees contributed 12% to the Group's total Revenue.

### ■ **Post-Trade Services**

FMDQ Clear continued to achieve significant milestones in the provision of its clearing and CCP services, in line with its mandate of de-risking the Nigerian financial markets, as well as enhancing the integrity of the financial market ecosystem.

During the year, FMDQ Clear recorded major feats towards the establishment of the novel ETD market by activating CCP services with its three (3) pioneer General Clearing Members – Access Bank PLC, Stanbic IBTC Bank Limited, and Zenith Bank PLC – whilst granting requisite clearing membership approval to an additional Clearing Member, bringing the total number of Clearing Members (with full licence and Approval-in-Principle, as applicable) to seven (7) Dealing Member (Banks).

These milestones, along with other financial market developments, will provide the desired tailwinds for the successful activation of CCP services for additional clearable products in the near-term.

In 2023, earnings from Post-Trade Services contributed 52% to the Group's total Revenue.

### ■ **Securities Admission**

FMDQ, through its Exchange, continued to set the benchmark for fixed-income securities in the Nigerian financial markets. Renowned for its premier admission services, the Exchange's Securities Admission franchise focuses on efficient time-to-market and exceptional listing and quotation services. These services are designed to enhance issuer visibility, establish valuation standards, and protect investors. In 2023, two hundred and sixty (260) Commercial Paper issuances valued at ₦1.69 trillion, nine (9) Corporate Bond issuances valued at ₦370.92 billion, three (3) Sukuk issuances valued at ₦169.82 billion and two (2) Supranational Bonds issuances valued at ₦252.33 billion, totalling two hundred and seventy-four (274) securities (excluding sovereign vanilla securities) across a diverse range of debt securities and issuers, and marking a 66% year-on-year increase compared to 2022.

This surge in primary market activity, along with the Exchange's competitive positioning, resulted in a 120% year-on-year increase in Securities Admission fees, rising to ₦2.04 billion in 2023 from ₦928.81 million in 2022. This growth was driven by issuers seeking to meet their capital requirements at the short end of the yield curve, in anticipation of further increases in the cost of capital, amid a challenging macroeconomic environment and expected restrictive monetary policies intended to curb inflation.

In 2023, earnings from the Securities Admission Service contributed 6% to the Group's total Revenue.

### ■ **Private Companies' Securities Noting**

The decline in total Revenue of the Private Markets franchise impacted the revenue contribution mix, with Noting Fees — comprising Processing Fees, Application Fees, and Annual Noting Fees—accounting for 60% of the total Revenue, down from 86% in 2022. Despite the significant drop in revenue from Noting Fees, the value of noted securities saw a substantial increase, rising from ₦342.53 billion in 2022 to ₦780.96 billion in 2023, representing a 228% growth in the market.

The Securities Noting Service contributed less than 1% to the Group's total Revenue in 2023.

### ■ **Depository Services**

FMDQ Depository's business saw growth, evidenced by the lodgement of one hundred and eighty-two (182) securities, comprising eight (8) Private Companies' Bonds, nine (9) Corporate Bonds, and one hundred and sixty-five (165) Commercial Papers, all valued at circa ₦1.25 trillion as of December 31, 2023, and marking a 54% increase from the one hundred and eighteen (118) securities lodged in 2022.

In the review period, Depository Services contributed 0.3% to the Group's total Revenue.



▪ **Data and Information Services**

FMDQ Exchange's commitment to market transparency was evident through its ongoing provision of essential market data and information on the Nigerian fixed income, currencies, and derivatives markets to its Members and other market stakeholders. This was primarily achieved via the FMDQ e-Markets Portal, the Exchange's flagship market data and information repository. The Portal ensures comprehensive, accurate, and timely market information is readily accessible to stakeholders, reinforcing FMDQ Exchange's reputation as a trusted authority in the Nigerian financial market.

Throughout the year, both international and local market participants—including issuers, Dealing Members, and investors—who require timely and reliable market data have continued to show significant interest in and benefit from this service. Consequently, the Exchange recorded a total of one hundred and thirty-six (136) subscribers to its Data and Information Services, up from eighty-two (82) subscribers in 2022. These subscribers include eight (8) international data subscribers, one hundred and twenty-five (125) local data subscribers, and three (3) data redistributors, with Revenue from the Service increasing by 45% to ₦194.47 million in 2023.

The Data and Information Services contributed 0.6% to the Group's total Revenue in the review period.

▪ **Memberships**

— **Exchange Business**

FMDQ Exchange's Membership franchise continues to expand, driven by efforts to foster an integrated financial market, enhance network effects, and boost market liquidity. The total number of Members across the four (4) membership categories—Dealing, Associate, Registration, and Affiliate—increased by 13%, reaching three hundred and thirty-six (336) Members, up from two hundred and ninety-seven (297) in 2022. Membership Revenue increased by 17% to ₦263.01 million in 2023, compared to ₦224.83 million in 2022, primarily driven by a 17% increase in the Registration Member category, spurred by increased primary market activity, deal origination mandates and interest from eligible institutions.

**FMDQ Exchange Membership Base**



— **Central Counterparty Business**

FMDQ Clear continued the registration and onboarding of Clearing Members, positioned to assume 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 approval granted to an additional DMB, further to the initial three (3) DMBS who were approved as Clearing Members, 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 resulted in the addition of eighteen (18) new Direct Participants, closing the year with one hundred and thirty-two (132) Participants on its platform, representing a 16% growth from one hundred and fourteen (114) Participants as of 2022. Additionally, the number of Clients (institutional and private investors) increased from one thousand, three hundred and fifty-six (1,356) in 2022 to one thousand, four hundred and eighty-eight (1,488) in 2023, representing a 10% increase.

— **Private Markets Business**

FMDQ Private Markets' membership base experienced a 23% growth from the total of thirty-five (35) Members onboarded as of 2022 to forty-three (43) Members as at 2023. Despite the growth, two (2) categories of memberships - Transaction Sponsor and Professional Parties (Solicitors) - experienced decline in new Members from 2022, to five (5) and four (4), respectively, in 2023.

▪ **Technology Services**

As a central driver of the operations of the FMDQ platforms, the Group focused on continuous investment in technology infrastructure to support its market organiser mandate and business objectives. By optimising our proprietary market systems, the Group facilitated seamless access to trading, clearing and settlement venues, as well as relevant data and information. This technological foundation is essential for developing market-leading capabilities and solutions that enhance our service offerings, bolster our reputation, and ensure long-term sustainability of the business.

The Group remains committed to maintaining the robustness of its technology services to support our strategic goal of facilitating market development and efficient service delivery. In 2023, total Revenue from Technology Services increased by 3%, reaching ₦141.50 million, and contributed 0.4% to the Group's total Revenue.

**Stakeholder Focus**

Recognising the importance of active stakeholder contributions to the success of any organisation, FMDQ Group has consistently prioritised engagement with its diverse stakeholder groups. As a systemically important financial markets infrastructure group, FMDQ aims to activate and leverage partnerships and strategic alliances with both domestic and international organisations. In 2023, FMDQ intentionally focused on developing and sustaining 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 local and international events, engaging stakeholders as part of its stakeholder engagement mandate. Notable activities included, but were not limited to, the following:

- Admittance of FMDQ Group to the South Africa-Nigeria Business Chamber, a network of companies with specific expertise and experience in the South Africa-Nigeria business axis, which positions FMDQ Group to advocate on issues affecting the bilateral relationship the two (2) nations, amongst many others. In the same vein, FMDQ Depository was admitted as a Member of the International Securities Services Association, gaining access to learning and education, best practices and principles in the global securities services industry, networking opportunities, and support for service development, risk reduction strategies and operational efficiencies. This membership positions FMDQ Depository to provide cutting-edge solutions to clients and engage optimally with stakeholders
- FMDQ Group, in collaboration with the Federal Ministry of Works and Housing and the Office of the Vice President of Nigeria, launched the highly anticipated 10-Year National Housing Strategy Blueprint for Nigeria. This collaborative effort, which included PricewaterhouseCoopers and other key housing stakeholders, was aimed at addressing Nigeria's housing deficit and creating a vibrant housing market
- FMDQ Group participated in the annual membership meetings and conferences of various Associations to which it belongs, including the World Federation of Exchanges, International Organisation of Securities Commissions, African Securities Exchanges Association, Futures Industry Association, the Global Association of Central Counterparties (CCP12), and the Nigerian Economic Summit Group, amongst others
- In line with the Group's tradition, various webinars, events, and sensitisation sessions were held to build stakeholder capacities and promote the growth of the Nigerian financial markets. A few key initiatives are outlined below:
  - a. FMDQ ETD market-focused sensitisation sessions and webinars for all FMDQ market stakeholder groups were organised, through its fully sponsored market education platform, FMDQ Academy, to foster meaningful engagement and capacity building opportunities
  - b. The Implementing Partners of the Nigerian Green Bond Market Development Programme - FMDQ Group and Financial Sector Deepening (FSD) Africa - executed capacity building workshops to introduce gender bond to key market players within the Nigeria financial markets, as well as an Excellence in Design for Greater Efficiencies Training for the Association of Professional Women Engineers of Nigeria, Lagos Chapter
  - c. FMDQ Private Markets also organised a workshop to educate and sensitise its registered Transaction Sponsors on the Integrated Noting Service Framework. The session offered participants an opportunity to engage, ask questions, and share concerns about the services provided by FMDQ Private Markets
- Commemoration of the 6th edition of the Group's flagship FMDQ GOLD Awards 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 2023 FMDQ GOLD Awards Winners, which was announced 'via Publication' across traditional and online media platforms on November 3, 2023, 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	2023 FMDQ GOLD Awards					
	Award Categories			Award Winners		
	Non-Voting	Voting	Total	Non-Voting	Voting	Total
FMDQ Exchange	15	3	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
<b>Total</b>			<b>27</b>			<b>28</b>

FMDQ Group remains committed to collaborating with its market stakeholders to strengthen existing partnerships while activating new ones, as this is essential for successfully delivering the Group's mandate.

## Risk Management

As a vertically integrated FMI group, FMDQ recognises the significance of maintaining an agile and sustainable business operation in line with our overarching commitment to continuously create value for our stakeholders. Our business operations are governed by a defined risk appetite and tolerance framework, as set by the Board.

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

In 2023, we reinforced our commitment to protecting stakeholders' data and assets by maintaining compliance with global best practices, including adherence to the Global Data Protection Regulation and the Nigeria Data Protection Act, 2023 standards. In response to emerging cyber threats in the financial sector and in the broader economy, the Group's Information Security Management Systems franchise continuously assesses and monitors the resilience of FMDQ Group's information system and technology infrastructure, to ensure continued confidentiality, integrity, and availability of our data and information.

Given the increasing reliance on information technology systems in business operations, the robustness of our information systems and associated services have become more critical to our sustainability. Consequently, our Business Continuity Management Programme underpins the digitisation of our operations, ensuring adequate backup and recovery mechanisms. This enables uninterrupted service delivery across the FMI value chain to FMDQ's Members, clients, and stakeholders, while continually strengthening our information security architecture.

The effectiveness of our risk management policies is bolstered by a strong risk-aware culture throughout the Group. Every employee is actively engaged in understanding and embracing their role in managing and mitigating risks, ensuring that FMDQ remains resilient and adaptable in an evolving business environment.

## Technology

The strides made by FMDQ Group's technology subsidiary, iQx Consult, in fulfilling its role as the technology services provisioning franchise of the Group were realised through commitment to innovation, quality service delivery and continuous improvements. These were actualised by development of strategic capabilities, delivery of enterprise-grade technology solutions that satisfy the needs of all stakeholders and adoption of globally accepted standards. In addition, the structure and mandates of the franchise were sharpened to enhance its inherent capabilities and complemented by a hiring drive to ensure adequate capacity was secured for delivery of both service and automation objectives. Furthermore, investments were made in upgrading the FMDQ Private Cloud infrastructure to increase capacity, strengthen resilience and further facilitate zero tolerance to cyber security risks.

The combination of these activities drove value creation both internally within FMDQ Group and externally, for all stakeholders. This transformation and technology solution delivery objectives will continue to be progressed in subsequent periods.

## Key Highlights for 2023

FMDQ achieved significant milestones that underscored our commitment to driving innovation, resilience, and growth in Nigeria's financial markets. The year was marked by strategic advancements, robust stakeholder engagements, and the successful launch of new initiatives, all aimed at strengthening our market infrastructure and enhancing value for our stakeholders. As we reflect on these accomplishments, we remain dedicated to fostering a dynamic and inclusive financial ecosystem that supports sustainable economic development and prosperity for Nigeria.

Some of the milestones recorded across FMDQ Group and its subsidiaries are highlighted below:

- FMDQ Exchange, with support from the SEC, CBN, FMDQ Clear, and key market participants, introduced its dynamic FMDQ ETD market with two (2) pioneer products - Federal Government of Nigeria Bond Futures and Naira-Settled Exchange-Traded FX Futures. As part of its market sensitisation effort for the FMDQ ETD market, FMDQ Exchange launched the well-received FMDQ Derivatives Podcast - Q-Dialogue, a pioneering initiative designed to foster insightful conversations and knowledge sharing within the financial markets. This podcast series features in-depth discussions with industry experts and thought leaders, providing valuable perspectives on derivatives, market trends, and regulatory developments
- The highly sought after annual Summer Camp Programme of the FMDQ Next Generation Financial Markets Empowerment Programme (FMDQ-Next) was organised in 2023, impacting a total of one hundred and thirty (130) participants from diverse backgrounds from both Primary and Secondary School segments
- FMDQ Group marked a decade of innovation in Nigeria's financial markets on November 7, 2023. This milestone is a testament to the Group's unwavering dedication, relentless pursuit of excellence, and was grandly celebrated with attendance by key stakeholders, industry leaders, and esteemed guests, to acknowledge the numerous stakeholders whose indelible support has been instrumental to the Group's illustrious decade-long journey

A detailed account of the key highlights of 2023 for the Group is presented in the Strategic Report section of this Annual Report.

## Strategic Outlook

As we reach the conclusion of the third year of our 5-Year (2021 - 2025) Strategic Plan, I am pleased to reflect on the significant strides FMDQ Group has made. Throughout the year, we have remained unwavering in our commitment to expanding our business across the financial market value chain, with a clear focus on innovation, operational efficiency, and product/market development.

Despite the unprecedented challenges, including the global and domestic economic uncertainties, FMDQ Group and the markets under its purview have demonstrated remarkable resilience and adaptability. We have achieved significant milestones and continued to drive innovation in the Nigerian financial market, building on the strong foundation established in previous years.

Looking ahead, our outlook remains firmly rooted in our guiding principles and strategic goals, and in the fourth year of our Strategic Horizon, we look forward to the following:

- Following the successful activation of the FMDQ ETD Market in 2023, FMDQ Exchange will diligently pursue the expansion of its product offerings in 2024. Market sensitisation efforts will be intensified through podcasts, webinars, thought leadership articles, among others. Additionally, the Exchange will prioritise the activation of the Bilateral Repurchase Agreement (“Repo”) Market with collateral management service
- FMDQ Clear remains steadfast in its core function of provision of clearing and CCP services for FMDQ's ETD market products, Fixed Income Spot & Repo transactions, Spot FX trades, and any new clearable products that may be developed in the short- to medium-term. Beyond ensuring efficient domestic clearing and CCP services, FMDQ Clear will continue to strategically position itself for recognition and relevance as a leading CCP on the global stage
- FMDQ Depository is committed to positioning itself as a world-class central securities depository. In preparation for its franchise accreditation, projected for completion by 2025, FMDQ Depository will seek admission to join the Africa & Middle East Depositories Association in 2024. This strategic move will enhance its regional presence and foster valuable partnerships. Additionally, in 2024, FMDQ Depository plans to expand its services to include new products and asset classes, while introducing advanced features to its recently launched Central Securities Depository application, positioning itself to deliver more value-driven solutions and efficient service delivery to its stakeholders



- Building on the success of its Private Companies' Participatory Debt Note Guidelines and the enhancement of its Private Companies' Securities Information and Distribution Portal (Restricted), FMDQ Private Markets is ramping up efforts to promote understanding and compliance with these guidelines. The private markets subsidiary is also working assiduously on the delivery of its structured solution platform, Artis DealRoom, a cutting-edge digital platform designed to facilitate activities in the supply chain market
- FMDQ Group will continue to position itself as a fully integrated FMI group, focusing on consolidating and developing its capital market businesses. In line with its Principal Investment Framework, the Group will continue to seek investments with strategic and financial benefits. Furthermore, the Group will make significant efforts to progress on its capital raise agenda to further enhance the Group's sustainability and resilience, while implementing its Corporate Strategy and leveraging technology to harness the benefits of fully digitised ecosystems

## Conclusion

As we close the chapter on 2023, we also mark a significant milestone in FMDQ Group's journey – our 10th year anniversary. Since our launch in November 2013, we have embarked on a deliberate agenda to transform Nigeria's financial markets. The progress we have made over the past decade has been remarkable, and we attribute much of our success to the unwavering support of our stakeholders.

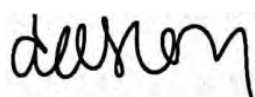
We extend our heartfelt appreciation to our regulator, the Securities and Exchange Commission, as well as the Central Bank of Nigeria, the Debt Management Office, the National Pension Commission, and other key financial services regulators. Their support and collaborative efforts have been indispensable in fostering a more resilient, liquid, and globally competitive market. We deeply appreciate their trust in and commitment to FMDQ's position as a market organiser and self-regulatory organisation, which have enabled us to drive progress amid complex market dynamics.

I must also extend my sincere gratitude to our Board Chairman and Directors across all the FMDQ Entities. Your insightful leadership and strategic vision were critical in a year that demanded adaptability and resilience. Your confidence, guidance, and unwavering determination have formed the foundation of our success over the past ten (10) years.

To the dedicated and diligent Management and staff of FMDQ, your relentless efforts continue to build a leading financial markets infrastructure group that is committed to innovation and excellence. As we embark on our second decade, I eagerly anticipate the incredible possibilities that lie ahead, as I am confident that the next ten (10) years will bring even greater strides toward achieving our agenda of globally competitive, operationally excellent, liquid and diverse financial markets.

Looking ahead, we recognise that the macroeconomic environment remains challenging, with significant fiscal and regulatory factors influencing the landscape. However, these evolving conditions present both risks and opportunities. As we step into 2024, we are acutely aware of the work that lies ahead, and are well positioned to deliver on our audacious visions—especially as we lead the charge in reigniting market development initiatives.

In the words of Seth Godin, “*Change is not a threat; it's an opportunity. Survival is not the goal; transformative success is.*” We remain optimistic, as Helen Keller rightly said, “*Optimism is the faith that leads to achievement.*” Guided by our dream in motion, “Born Local...Going Global”, FMDQ will continue to approach each challenge with unwavering determination, courage, and diligence, as we strive toward the GOLD standard that has been set for the markets we serve.



Mr. Bola Onadele. Koko

Chief Executive Officer

# Strategic Report

Strategic Journey

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Corporate Scorecard

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Strategic Positioning

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Stakeholder Engagement

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Value Created for Stakeholders

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Exchange Business

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Clearing Business

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Depository Business

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Private Markets Business

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External Governance



# Strategic Report

## Strategic Journey

The year 2023 marked the third year of FMDQ Group's second lustrum 5-Year Strategic Plan (2021 - 2025). The Group remained steadfast in its commitment to realising its ambitious strategic goals towards establishing a diversified, integrated, and highly profitable FMI group, propelling significant market development, and ensuring operational excellence and resilience, all while leveraging world-class technology to deliver value-adding solutions for the markets under its purview.

Despite numerous challenges in 2023, such as shifts in Nigeria's political landscape, illiquidity in the foreign exchange market, and rising inflation, FMDQ and its markets remained resilient and stable. Over the past decade, our strategic journey has been marked by consistent growth, market leadership, and driving innovation within the Nigerian financial markets, whilst building financial resources to support growth and development initiatives.

Aligned with the Group's vision, "To be the leading African builder of ecosystems of financial infrastructure and services for markets," and its mission, "We collaborate to empower markets for economic progress towards delivering prosperity", FMDQ Group continues to foster the growth and development of the Nigerian financial markets, in collaboration with market stakeholders, towards delivering prosperity to Nigerians.



## Corporate Scorecard

With a focus on its ambitious 5-Year (2021 - 2025) Strategic Plan, FMDQ Group achieved significant milestones in 2023, showcasing the resilience of the Nigerian financial markets. Despite economic challenges, the implementation of the Group's Strategic Initiatives, its stakeholder engagement, and partnerships and collaborations across product and market development initiatives led to notable successes at both the Group and subsidiary levels. Key milestones during the period include:

- **Strategic Acquisition of Central Securities Clearing Systems PLC Shares**

FMDQ Group successfully acquired a strategic stake in Central Securities Clearing Systems PLC (“CSCS”), following regulatory approval, and in line with FMDQ's Principal Investment Philosophy to continually enhance FMDQ's integrated FMI pedigree and its financial returns via diversification

- **Launch of the 10-Year National Housing Strategy Blueprint**

FMDQ Group played a pivotal role in the development and launch of the 10-Year National Housing Strategy Blueprint (“NHSB”), in collaboration with the Office of the Vice President of Nigeria, the Federal Ministry of Works and Housing, PricewaterhouseCoopers Nigeria, and other key housing stakeholders. The NHSB presents a comprehensive approach to tackling Nigeria's housing deficit and outlines strategic objectives to facilitate the provision of quality housing for all Nigerians and fostering home ownership. By promoting a culture of building credible credit histories and consistent contributions toward home ownership, the strategy aims to shift the current trend of home acquisition from individuals aged over fifty (50) years to about thirty (30) years

The NHSB, which was launched on May 23, 2023, has set ambitious goals to bridge the housing deficit, streamline land administration, reduce construction costs, and improve housing quality nationwide. It also proposed innovative models to address social housing needs, expand access to housing finance, and offer flexible payment options, ultimately fostering sustainable development and enhancing living standards across the country

- **Activation of the FMDQ Exchange-Traded Derivatives (“ETD”) Market**

In July 2023, FMDQ Group successfully activated its ETD market as part of the FMDQ Derivatives Market Development Project. The activation introduced two (2) pioneer products: the Federal Government of Nigeria (FGN) Bond Futures and the Naira-Settled Exchange-Traded FX Futures

To support the development of an active derivatives market, FMDQ introduced *Q-Dialogue*, Nigeria's first derivatives-focused podcast, designed to offer accurate and insightful information on the ETD market. In addition, FMDQ produced a series of educational animated videos, known as the FMDQ ETD Market Explainer Videos, aimed at simplifying complex derivatives market concepts. Further reinforcing the derivatives market infrastructure, FMDQ Clear operationalised its Central Counterparty (CCP) services, with Access Bank PLC, Stanbic IBTC Bank PLC, and Zenith Bank PLC becoming the first General Clearing Members (GCM) of the CCP

- **Strategic Alliances**

As part of its ongoing business development efforts through strategic alignment with relevant international professional bodies, FMDQ Depository was admitted as a member of the International Securities Services Association (“ISSA”). This membership grants FMDQ Depository access to learning and education, best practices and principles in the global securities services industry, networking opportunities, support in developing services, risk reduction strategies, and operational efficiency frameworks

Furthermore, FMDQ Group's affiliation with the South Africa-Nigeria Business Chamber, a private, not-for-profit, membership--based organisation in Johannesburg, South Africa highlights the Group's vision to be the leading African builder of financial infrastructure and services ecosystems. This membership aims to enhance the Group's visibility, foster valuable connections with corporations in Africa's largest financial market, and provide a platform in bilateral business engagements between the continent's two (2) most significant markets and economies



#### ▪ **Market Education**

FMDQ Academy (the “**Academy**”) obtained certification as an accredited Learning Provider from the Learning and Performance Institute (“**LPI**”), an independent and non-profit organisation specialising in providing professional training and development services. In addition, the Academy developed additional proprietary e-learning courses for the FMDQ Learning Management System (the “**LMS**”). The latest course, 'Introduction to Capital Markets', is undergoing CPD accreditation by CPD Certification Service Limited (“**CPD UK**”). Notably, the LMS recorded over one thousand (1,000) course enrolments in the year, a clear testament to the strong demand for the Academy's offering. Furthermore, the LMS activity showed a substantial increase in user registrations, with three hundred and forty-two (342) new users (c. 9.41%), from three thousand, five hundred and forty-nine (3,549) in January 2023 to three thousand, eight hundred and eighty-three (3,883) as of December 31, 2023

#### ▪ **FMDQ 10<sup>th</sup> Anniversary Celebration**

FMDQ Group marked a decade of innovation in the Nigerian financial markets on November 7, 2023. The 10<sup>th</sup> Anniversary commemoration event held in Lagos, Nigeria, was a prestigious gathering of key stakeholders, industry leaders, and esteemed guests from local and international jurisdictions to honour FMDQ's unwavering decade of service. The grand ceremony was an evening of reflection, entertainment, and recognition, highlighting FMDQ's steadfast commitment to excellence and its pivotal role in driving the growth and development of Nigeria's financial landscape

#### ▪ **6<sup>th</sup> FMDQ GOLD Awards**

FMDQ GOLD Awards, which is held annually to recognise the resilience and agility of the market participants whose activities in the FMDQ markets – Fixed Income, Currencies, and Derivatives – play a key role in fostering the growth and development of the Nigerian financial markets, was held via Publication, on Friday, November 3, 2023. The FMDQ GOLD Awards, underscored by the tenets of FMDQ's GOLD Agenda, is a corporate tradition that celebrates the valuable contributions of stakeholders, whose participation in the FMDQ markets and across the FMI value chain of FMDQ's business – Exchange, Central Counterparty, Depository – as well as Private Markets, have played a key role in fostering the growth of the Nigerian financial markets and have positively impacted the development of the Nigerian economy.

## **Strategic Positioning**

As the Group progresses with the execution of its second Lustrum (2021 – 2025) Strategic Plan, FMDQ Group remains committed to dedicating substantial resources to achieving its objectives within the projected timeframes. Through its subsidiaries, FMDQ Group will continue to deliver key market development initiatives for the Nigerian financial markets.

Following the successful launch of the FMDQ ETD market, FMDQ Exchange is set to broaden its product offerings in 2024. This expansion will include a comprehensive market sensitisation campaign and the launch of the Bilateral Repurchase Agreement (“**Repo**”) Market with collateral management services.

FMDQ Clear remains dedicated to its core clearing operations, providing CCP services for FMDQ ETD market products and financial market transactions in the Fixed Income Spot & Repo and Spot FX markets. FMDQ Clear's commitment to becoming a globally recognised CCP includes active engagement with international standards bodies and strict compliance with the Committee on Payments and Market Infrastructures (“**CPMI**”) of the Bank for International Settlements (“**BIS**”) and the IOSCO-PFMI guidelines. In addition, FMDQ Clear has put in structures to enable it pursue the Third-Country Central Counterparty (“**TC-CCP**”) recognition under the European Market Infrastructure Regulation (“**EMIR**”), further enhancing its standard as a world-class CCP and strengthening stakeholder confidence.

In line with its business development agenda, FMDQ Depository will promote market expansion through a strategic service enhancement plan. This will introduce new products and asset classes tailored to meet the diverse needs of FMDQ Group's market-facing entities, highlighting its commitment to innovation, operational excellence, and service delivery.

Following the development of its Private Companies' Participatory Debt Note Guidelines and the upgrade of its Private Companies' Securities Information and Distribution Portal (Restricted), FMDQ Private Markets will continue efforts to raise

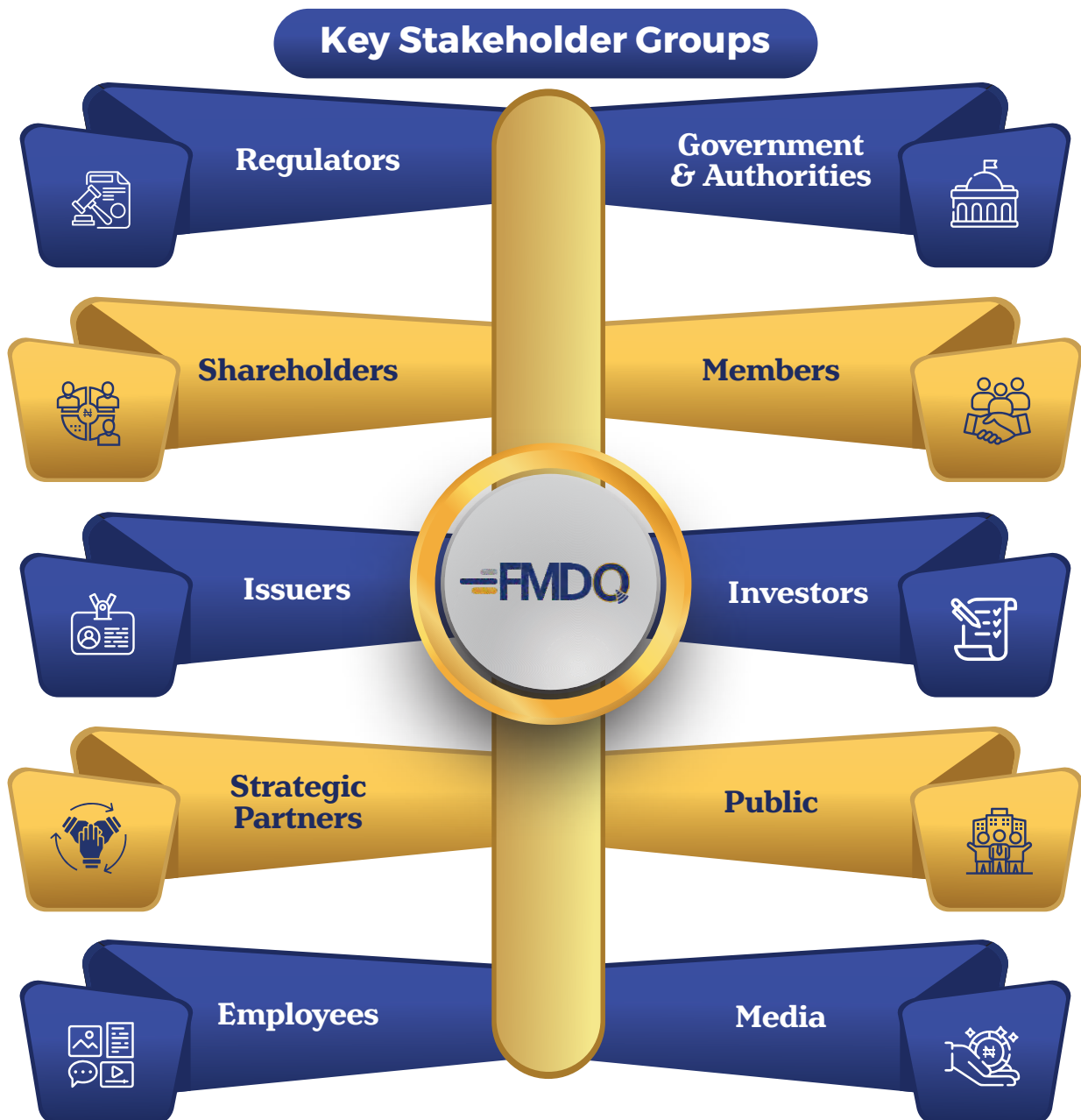


awareness and promote compliance with these Guidelines. In 2024, FMDQ Private Markets will position to deliver on an initiative aimed at bridging the funding gap for small-to medium-sized businesses and unlock new investment opportunities for investors.

From the Group's perspective, FMDQ Group remains committed to driving impactful market development initiatives in 2024. Through its subsidiaries across the FMI value chain – Exchange, Central Counterparty, Depository, and Private Markets - FMDQ will continue to deliver robust financial market services and infrastructure, laying a strong foundation for future growth.

### Stakeholder Engagement

To achieve its financial market development goals for the Nigerian economy, FMDQ Group relies on the collective input of its diverse stakeholders, fostering a participatory and collaborative relationship.



The table below sets out how FMDQ Group has engaged with and sought to understand the views of our key stakeholders in 2023:

Stakeholder	Engagement Method	Frequency	Engagement Focus
<b>Financial Market Regulators, Government &amp; Authorities</b>	Letters/emails, reports, trainings/seminars, presentations, meetings, compliance filing and FMDQ websites	Monthly, Quarterly, and as required	<ul style="list-style-type: none"> <li>Regulatory issues, products and markets development, market surveillance, market rules and interventions, compliance, tax, financial performance, and corporate governance</li> </ul>
<b>Shareholders</b>	AGM, Annual Report and Accounts, periodic reports, meetings, press releases and FMDQ websites	Yearly and as required	<ul style="list-style-type: none"> <li>Financial performance, growth areas, company sustainability new products, services and initiatives</li> </ul>
<b>Members</b>	Letters/emails, reports, trainings, events, conferences, advertisements, press releases, reports, Members' meetings, social media and FMDQ websites	Monthly, Quarterly, and as required	<ul style="list-style-type: none"> <li>Market development &amp; governance activities, new products, services, and initiatives</li> </ul>
<b>Issuers</b>	Presentations, road shows, listing and quotation ceremonies, meetings, conferences, reports, advertisements, press releases/articles, social media and FMDQ websites	As required	<ul style="list-style-type: none"> <li>Registration, listing, quotation and noting requirements, current and historical information of issues, etc.</li> </ul>
<b>Investors</b>	Reports, AGM, investors relations forum, presentations, road shows, conferences, advertisements, press releases/articles, Podcasts, social media and FMDQ websites	Quarterly, and as required	<ul style="list-style-type: none"> <li>FMDQ markets, products, and investor education</li> </ul>
<b>Public</b>	Press releases/articles, interest groups' communications, workshops, seminars, conferences, reports, advertisements, Podcasts, social media and FMDQ websites	As required	<ul style="list-style-type: none"> <li>FMDQ markets, products, and new initiatives</li> </ul>

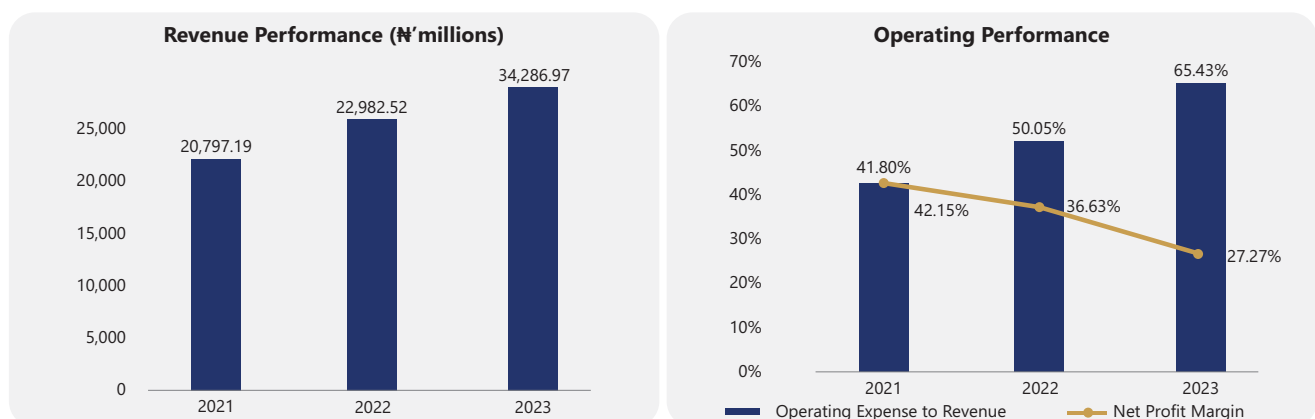
Stakeholder	Engagement Channels	Frequency	Engagement Focus
<b>Media</b>	Press releases/articles, media parley, reports, conferences, media interviews, advertisements, newsletters, meetings, seasonal messages, product information, corporate events and FMDQ websites	As required	<ul style="list-style-type: none"> <li>Initiatives and trends in the markets, products, services, and value-adding initiatives</li> </ul>
<b>Strategic Partners</b>	Letters, meetings, reports, workshops, other forums	As required	<ul style="list-style-type: none"> <li>Strategic partnerships</li> </ul>
<b>Employees</b>	Performance reviews, acculturation sessions, emails, meetings, team building sessions, focus group discussions, training/seminars, corporate events, FMDQ Staff Club, GOLD Hive and FMDQ websites	Monthly, Quarterly, and as required	<ul style="list-style-type: none"> <li>Career growth and development, compensation and benefits, corporate goals, strategic initiatives, employee volunteerism, health, safety and well-being, company financial performance and code of conduct &amp; ethics</li> </ul>

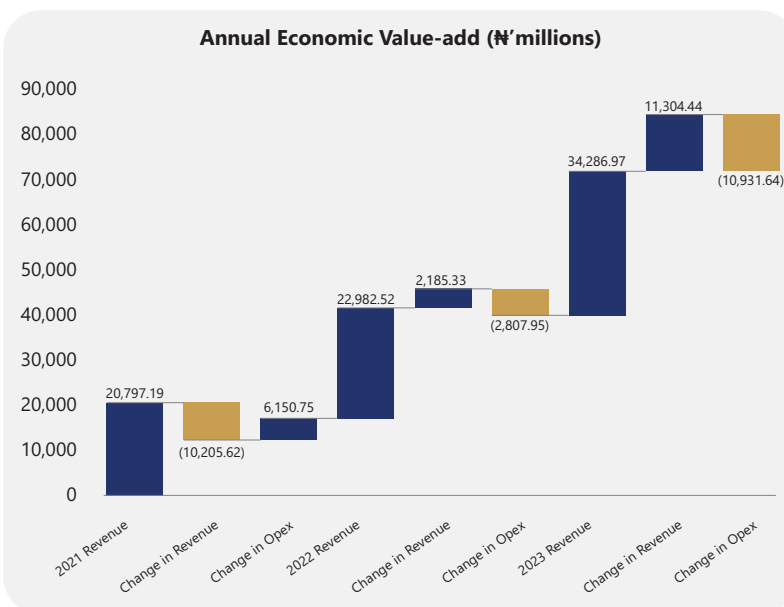
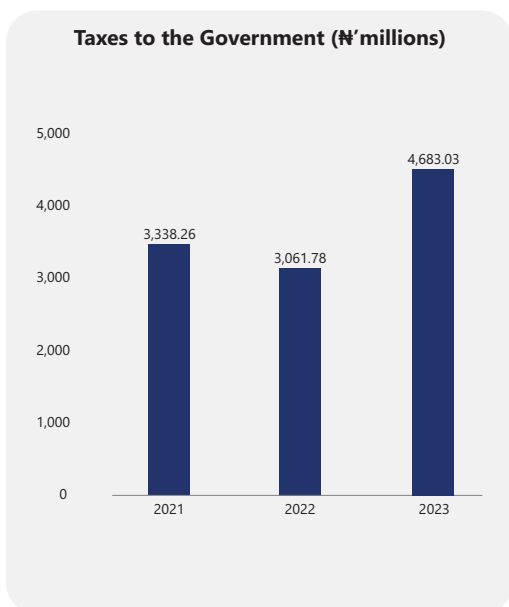
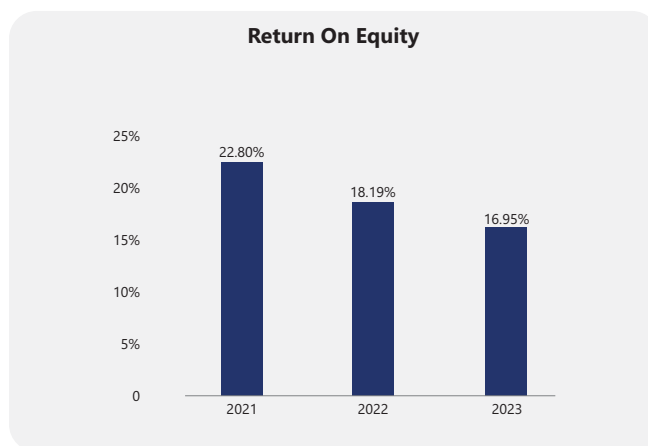
### Value Created for Stakeholders

FMDQ Group is committed to exploring innovative avenues to create and deliver both economic and non-economic value to its diverse stakeholders across its Exchange, Clearing, Depository, and Private Markets businesses. This value is expected to drive the growth of a robust financial market, ultimately contributing to the economic prosperity of Nigeria and its people.

The economic and non-economic value delivered by FMDQ Group to its stakeholders in 2023, are outlined below.

### Economic Value





## Non-Economic Value

In its commitment to delivering value-adding services through collaboration with key market stakeholders, FMDQ recorded laudable accomplishments across its business and market development initiatives.

### A. Listings & Quotations

- Admission of the Federal Government of Nigeria Roads Sukuk Company 1 PLC ₦130.00 billion Sukuk
- Listing of the Lagos State Government ₦137.33 billion Series 4 Fixed Rate Bond under its ₦500.00 billion Debt Issuance Programme
- Listing of the MTN Nigeria Communications PLC ₦10.09 billion Series 1 Tranche A and ₦104.91 billion Series 1 Tranche B Fixed Rate Bonds under its ₦200.00 billion Bond Issuance Programme
- Admission of the pioneer Development Bank of Nigeria ₦23.00 billion Series 1 Fixed Rate Bond under its ₦100.00 billion Medium-Term Note Programme

- Quotation of the Nigerian Breweries PLC ₦67.25 billion Series 1 - 3 Commercial Papers under its ₦100.00 billion Commercial Paper Issuance Programme

*More information on these Admissions can be found in the below-referenced section of this Report.  
[Strategic Report](#) >> [Exchange Business](#) >> [Securities Admissions](#)*

## **B. Market Development**

- Activation of the FMDQ ETD market

*More information on the FMDQ ETD market can be found in the below-referenced section of this Report.  
[Strategic Report](#) >> [Exchange Business](#) >> [Product and Market Development](#)*

- FMDQ Depository becomes a Member of International Securities Services Association

*More information on FMDQ Group strategic alliances can be found in the below-referenced section of this Report.  
[Strategic Report](#) >> [Strategic Journey](#) >> [Corporate Scorecard](#)*

- FMDQ Group joins the South Africa-Nigeria Business Chamber

*More information on FMDQ Group's strategic alliances can be found in the below-referenced section of this Report.  
[Strategic Report](#) >> [Strategic Journey](#) >> [Corporate Scorecard](#)*

## **C. Stakeholder Engagement**

- FMDQ Group proactively engaged various stakeholders to advocate for initiatives to strengthen the Nigerian financial markets. This involved knowledge-sharing sessions with key government institutions and regulatory bodies, including the Securities and Exchange Commission, Nigeria, Ministry of Finance, and the National Pension Commission
- As part of the Nigerian Green Bond Market Development Programme, FMDQ Group, in collaboration with Financial Sector Deepening (“FSD”) Africa, organised two (2) impactful capacity-building events in 2023:
  - A two-day Gender Bond Awareness event introducing gender bonds to key players in the Nigerian sustainable finance sector. This event highlighted the financial markets' role in enhancing gender financing in Nigeria and showcased opportunities for issuers and investors to adopt gender-sensitive approaches to bridge the gender finance gap in Nigeria
  - A training session for the Lagos Chapter of the Association of Professional Women Engineers of Nigeria (“APWEN”), focusing on the International Finance Corporation's Excellence in Design for Greater Efficiencies (“IFC-EDGE”) Programme

*More information on Stakeholder Engagement can be found in the below-referenced section of this Report.  
[Strategic Report](#) >> [External Governance](#)*



# FMDQ Exchange



## 2023 in Focus – Exchange Business

In a year marked by global conflicts and economic uncertainties, FMDQ Exchange remained firmly committed to its pivotal role of efficiently supporting the mobilisation and allocation of capital essential for economic growth and prosperity. In 2023, the Exchange advanced its corporate objectives by collaborating with regulators and stakeholders to navigate a complex macroeconomic landscape, exacerbated by a steeply depreciating Naira and rising inflation.

The Exchange's resilience and strategic efforts during the year underscored its commitment to maintaining a fair, orderly, and transparent market that inspires global confidence. This commitment was demonstrated through several key initiatives and achievements, including:

### A. Product and Market Development

S/N	Category	Description
1.	Revision of the Nigerian Autonomous Foreign Exchange Rate Fixing (NAFEX) Fixing and Nigerian Autonomous Foreign Exchange Market (“NAFEM”) Spot Rates Methodologies	<p>As a Benchmark Administrator, FMDQ Exchange revised the computation methodologies for the NAFEX and the Investors' and Exporters' (I&amp;E) FX Window Spot Rates, transitioning from a contributions-based model to a transactions-based model in line with global best practices.</p> <p><i>(The Market Notice can be viewed via: <a href="https://www.fmdqgroup.com/exchange/wp-content/uploads/2023/07/MN-39-Revisions-to-the-NAFEX-and-IE-FX-Window-Spot-Rates-Methodologies.pdf">https://www.fmdqgroup.com/exchange/wp-content/uploads/2023/07/MN-39-Revisions-to-the-NAFEX-and-IE-FX-Window-Spot-Rates-Methodologies.pdf</a>).</i></p> <p>Furthermore, in response to the FX market reforms initiated by the Central Bank of Nigeria ("CBN"), which included the abolition of segmentation in the Nigerian official FX market, FMDQ Exchange updated all references to the I&amp;E FX Window to the NAFEM, aligning with the provisions of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act.</p> <p><i>(The Market Notice can be viewed via: <a href="https://www.fmdqgroup.com/exchange/wp-content/uploads/2023/10/sMN-42-Change-of-all-References-to-IE-FX-Window-to-NAFEM-1.pdf">https://www.fmdqgroup.com/exchange/wp-content/uploads/2023/10/sMN-42-Change-of-all-References-to-IE-FX-Window-to-NAFEM-1.pdf</a>).</i></p>

S/N	Category	Description
2.	Launch of the FMDQ ETD Market	<p>To support its objective of launching a vibrant market for centralised trading of derivatives, FMDQ Exchange activated the FMDQ ETD Market in July 2023. This included the introduction of two (2) pioneer ETD products: FGN Bond Futures and Naira-Settled Exchange-Traded FX Futures (NSEFF). These products aim to facilitate effective risk and portfolio management for participants while encouraging capital inflows into the Nigerian financial markets.</p> <p><i>(The Market Notice can be viewed via:</i>  <a href="https://fmdqgroup.com/exchange/wp-content/uploads/2023/07/MN-38-Activation-of-the-FMDQ-Exchange-Traded-Derivatives-Market.pdf">https://fmdqgroup.com/exchange/wp-content/uploads/2023/07/MN-38-Activation-of-the-FMDQ-Exchange-Traded-Derivatives-Market.pdf</a><i>).</i></p>
3.	Change of All References to Naira-Settled OTC FX Futures to Cleared Naira-Settled Non-Deliverable Forwards	<p>To comply with international standards in the derivatives markets and enhance product clarity by aligning the product's nomenclature with its inherent features, FMDQ Exchange revised the name and updated all references to the Naira-Settled OTC FX Futures product to Cleared Naira-Settled Non-Deliverable Forwards (“<b>Cleared USD/NGN NDFs</b>”).</p> <p>This name change was essential for ensuring a clear distinction from the recently launched NSEFF, which represents standard FX Futures.</p> <p><i>(The Market Notice can be viewed via:</i>  <a href="https://fmdqgroup.com/exchange/wp-content/uploads/2023/10/MN-43-Change-of-all-References-to-Naira-Settled-OTC-FX-Futures-to-Cleared-Naira-Settled-Non-Deliverable-Forwards.pdf">https://fmdqgroup.com/exchange/wp-content/uploads/2023/10/MN-43-Change-of-all-References-to-Naira-Settled-OTC-FX-Futures-to-Cleared-Naira-Settled-Non-Deliverable-Forwards.pdf</a><i>).</i></p>
4.	Revision of the Reference Rate for Daily Valuation (Mark-to-Market) of Cleared USD/NGN NDFs	<p>In response to the prolonged unavailability of offer quotes in the Cleared USD/NGN NDFs Market, FMDQ Exchange revised the reference rate for mark-to-market valuation to enhance effective risk management. The NAFEX rate currently serves as the reference rate for the mark-to-market valuation of all open Cleared USD/NGN NDFs contracts, regardless of their term-to-maturity.</p> <p><i>(The Market Notice can be viewed via:</i>  <a href="https://fmdqgroup.com/exchange/wp-content/uploads/2023/06/MN-36-Revision-of-the-Reference-Rate-for-Daily-Mark-to-Market-Valuation-for-NSOFF-Contracts.pdf">https://fmdqgroup.com/exchange/wp-content/uploads/2023/06/MN-36-Revision-of-the-Reference-Rate-for-Daily-Mark-to-Market-Valuation-for-NSOFF-Contracts.pdf</a><i>).</i></p>

## B. Self-Regulatory Organisation Report

As a self-regulatory organisation (SRO), FMDQ Exchange upholds market integrity, enhances credibility, and fosters investor confidence across its markets. The Exchange diligently supervises its Members and markets to ensure compliance with all its Rules and Regulations, as well as other applicable standards. Additionally, the Exchange offers its regulatory expertise to subsidiaries within the Group, providing outsourced services such as rules development and amendment, compliance monitoring, due diligence, regulatory advisory, examination, and enforcement. The following regulatory activities were conducted during the year:

S/N	Category	Description
1.	Market Governance	<p><b><u>FMDQ Exchange Regulatory Developments</u></b></p> <p><b>Revision of the FMDQ Exchange Commercial Paper (CP) Registration and Quotation Rules and Associated CP Registration and Quotation Infractions &amp; Penalties Guide (“CP Infractions &amp; Penalties Guide”) and CP Registration and Quotation Forms and Templates (“CP Templates Guide”)</b></p> <p>To continuously enhance governance requirements and ensure the securities admission process aligns with market practices, FMDQ Exchange conducted an extensive review and update of the existing Commercial Paper (CP) Rules, the associated CP Infractions &amp; Penalties Guide, and the CP Templates Guide. The revised regulations were finalised and published on the Exchange's website in October 2023.</p> <p><b>Revision of the FMDQ Exchange Members' Compliance Infractions &amp; Penalties</b></p> <p>FMDQ Exchange also conducted a comprehensive review and update of the FMDQ Exchange Members' Compliance Infractions &amp; Penalties Guide (the "Members' Guide"), which outlines key infractions and corresponding penalties related to the ongoing obligations and conduct of its Members. The revised Members' Guide was finalised and published on the Exchange's website in October 2023, with relevant stakeholders duly notified. These measures underscore the Exchange's commitment to maintaining a fair and compliant marketplace.</p>
2.	Market Surveillance	<p><b>Members Supervision and Examination</b></p> <p>As part of its annual plan, the Exchange activated the examination of Dealing Members (Banks) (DMBs), focusing on DMBs' risk management practices, trade reporting, and activities in the fixed income market. In addition to its specific focus areas for each examination year, the Exchange thoroughly reviewed Members' staffing, staff competencies, and relevant policies, among other factors, demonstrating its commitment to ensuring robust and transparent operations within the financial industry.</p> <p><b>Induction Programme for Members' Authorised Representatives</b></p> <p>In line with the Exchange's strategic objective to empower its Members and their Authorised Representatives to effectively perform their responsibilities within its markets and remain conversant with the Exchange's rules, market governing standards, and guidelines, FMDQ Exchange conducted the 3<sup>rd</sup> Induction Programme for its DMBs' Authorised Representatives in August 2023. A total of eighty-nine (89) participants were inducted during the programme.</p>

### C. Services

#### ▪ Memberships

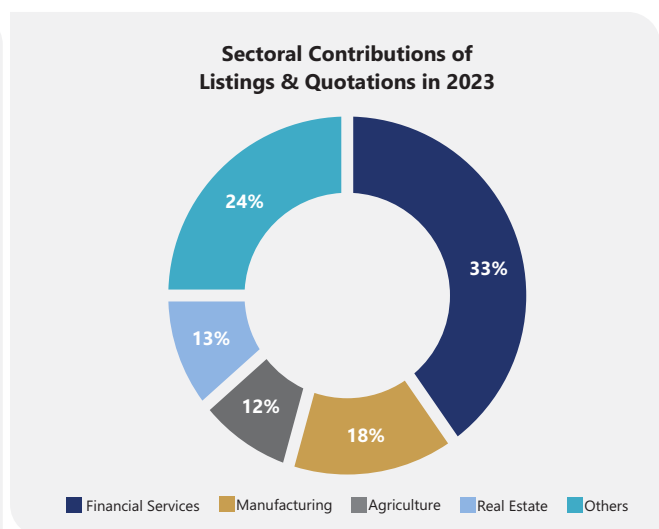
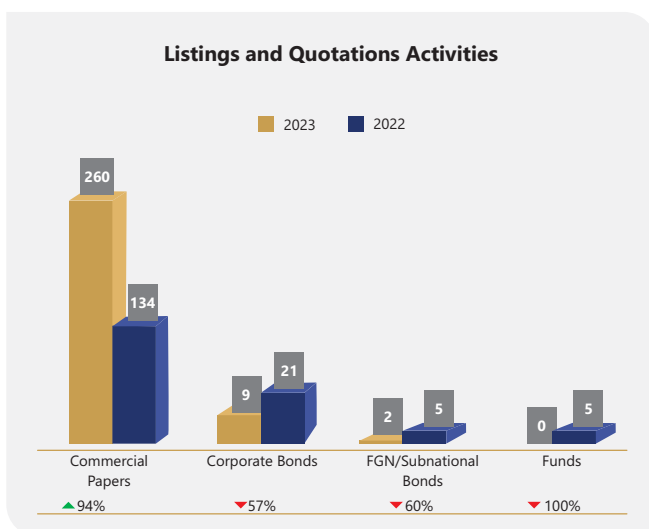
As a market organiser, FMDQ Exchange's membership framework is designed to integrate various sectors and interest groups while offering significant benefits to a wide range of stakeholders and market participants. Through our Membership Service, the Exchange provides a structured and effective platform that actively engages financial market participants across both primary and secondary markets. By adopting a stakeholder-centric and inclusive approach, the Exchange's membership base has steadily grown, aligning with its objectives to integrate the Nigerian financial markets, enhance network effects, and promote market liquidity. In 2023, FMDQ Exchange onboarded twenty-two (22) new Members, expanding its total membership to three hundred and thirty-six (336), reflecting a 13.00% increase from the two hundred and ninety-seven (297) Members recorded in the previous year

#### ▪ Securities Admission

The FMDQ Exchange's Securities Admission Franchise, encompassing Registration, Listing, and Quotation, plays a crucial role in developing and stabilising the financial markets by enhancing market credibility, ensuring continuous information disclosure, and facilitating effective price formation for issuers and investors. The Franchise provides a regulated, transparent, and efficient platform for the admission of debt securities such as Bonds, Sukuk, Funds, and CPs

In 2023, the Exchange registered thirty-five (35) CP Programmes, and a total of two hundred and seventy-four (274) securities were listed and quoted on the platform, including eleven (11) Bonds, three (3) Sukuk, and two hundred and sixty (260) CPs. The issuers of these securities span various sectors, including sovereign/supranational entities and corporate firms from financial services, oil & gas, manufacturing, real estate, healthcare, pharmaceuticals, agriculture, transportation, telecommunications, education, chemical supply, oilfield services, and technology. This diverse representation underscores the Exchange's commitment to fostering a robust and inclusive financial market

By providing a reliable and dynamic platform, the Exchange enhances market liquidity and transparency, builds investor confidence, and ensures the long-term sustainability of the Nigerian financial markets



## Securities Admission List (2023)

### Bonds

- Aradel Holdings PLC Series 1 ₦10.32bn
- Federal Government of Nigeria Roads Sukuk Company 1 PLC ₦130.00bn
- Dangote Industries Funding PLC Series 2 ₦112.42bn
- Development Bank of Nigeria PLC Series 1 ₦23.00bn
- Family Homes Sukuk Issuance Program PLC Series 2 ₦20.00bn
- FCMB Group PLC Series 1 & 2 ₦46.69bn
- Flour Mills of Nigeria PLC Series 1 ₦46.00bn
- Lagos State Government of Nigeria Series 1 & 4 ₦252.33bn
- Lagos State Infrastructure Sukuk SPV PLC Series 2 ₦19.82bn
- LFZC Funding SPV PLC Series 3 ₦17.50bn
- MTN Nigeria Communications PLC Series 1 Tranche A and B ₦115.00bn

### Commercial Papers

- African Foundries Limited Series 1 & 2 ₦20.00bn
- African Nonferrous Industries Limited Series 1 & 2 ₦7.32bn
- AOS Orwell Limited Series 1 ₦4.12bn
- AZ Petroleum Products Manufacturing & Marketing Limited Series 2 & 3 ₦5.00bn
- Bigoz Logistics Limited Series 2 Tranches A, B and C ₦1.16bn
- C & I Leasing PLC Series 2 & 3 ₦12.41bn
- CapitalSage Technology Limited Series 2-6 ₦7.79bn
- CardinalStone Partners Limited Series 1-4 ₦20.00bn
- Chrisland Schools Limited Series 2 & 3 ₦1.00bn
- Coleman Technical Industries Limited Series 7-10 ₦26.67bn
- Credit Direct Limited Series 2 & 3 ₦6.87bn
- Dangote Cement PLC Series 4-11 ₦281.28bn
- Daraju Industries Limited Series 3-15 ₦16.50bn
- DLM Capital Group Limited Series 10-13 ₦7.44bn
- Dufl Prima Foods Limited Series 1-3 ₦47.19bn
- Emerging Africa Capital Limited Series 3-6 ₦8.40bn
- Eunisell Limited Series 3 & 4 ₦3.31bn
- Fast Credit Limited Series 1-3 ₦3.07bn
- FBNQuest Merchant Bank Limited Series 11-26 ₦68.27bn
- Fidson Healthcare PLC Series 4-6 ₦10.00bn
- Flourmills of Nigeria PLC Series 1-4 ₦150.97bn
- FSDH Merchant Bank Limited Series 11-19 ₦46.09bn
- Godmade Homes Limited Series 1 ₦0.39bn
- Greenwich Merchant Bank Limited Series 1 & 2 ₦12.20bn
- GZ Industries Limited Series 1 & 2 ₦20.00bn
- Hartleys Supermarket & Stores Limited Series 1-6 ₦2.13bn
- HillCrest Agro-Allied Industries Limited Series 1 & 2 ₦2.87bn
- Infinity Microfinance Bank Limited Series 2 ₦0.57bn
- Jilnas Nigeria Limited Series 2 Tranches A and B ₦0.53bn
- Johnvents Industries Limited Series 2-5 ₦6.27bn
- Julius Berger Nigeria PLC Series 1 & 2 ₦30.00bn
- Lagos Free Zone Company Series 3 & 4 ₦7.78bn
- Magnificent Multiservices Limited Series 3 Tranches A and B & 4 ₦4.67bn
- MeCure Industries Limited Series 5-9 ₦11.96bn
- Mixta Real Estate PLC Series 12-37 ₦38.78bn
- MTN Nigeria Communications PLC Series 4-10 ₦374.99bn
- MyCredit Investments Limited Series 1 ₦2.50bn
- Neveah Limited Series 6-15 ₦11.12bn
- Nigerian Breweries PLC Series 1-6 ₦65.73bn
- Nosak Distilleries Limited Series 2 (A & B) and 3 (A,B,C&D) ₦14.07bn
- O3 Capital Nigeria Limited Series 1 & 2 ₦0.85bn
- Prima Corporation Limited Series 4 & 5 ₦8.98bn
- Rand Merchant Bank Nigeria Limited Series 5-7 ₦53.13bn
- Robust International Commodities Limited Series 3-12 ₦23.10bn
- SaroAfrica Funding SPV PLC Series 1 & 2 ₦10.45bn
- SKLD Integrated Services Limited Series 2-5 ₦1.53bn
- Skymark Partners Limited Series 7-19 ₦11.89bn
- Stanbic IBTC Bank Limited Series 6 & 7 ₦37.11bn
- Sterling Bank PLC Series 3 & 4 ₦47.87bn
- TrustBanc Holdings Limited Series 13-18 ₦7.35bn
- UAC of Nigeria PLC Series 3-6 ₦6.01bn
- United Capital PLC Series 1-6 ₦36.07bn
- Valency Agro Nigeria Limited Series 14-25 ₦22.67bn
- Veritasi Homes & Properties Limited Series 4 (A & B) and 5 (A) ₦4.16bn
- VFD Group PLC Series 2 ₦5.90bn
- Zederest Capital Limited Series 1 ₦5.00bn
- Zylus Homes and Property Limited Series 1 ₦0.52bn

### ▪ **Data & Information Services**

The Exchange offers a comprehensive range of market data services, providing real-time, delayed, and historical data feeds through its innovative and efficient e-Markets Portal. Recognising the importance of data in informed decision-making, the Exchange delivers unparalleled services that consolidate trade, clearing, and depository transactions across the Nigerian fixed income, currencies, and derivatives markets. As of December 2023, the Exchange boasts a total of one hundred thirty-six (136) information services subscriptions, which include eight (8) international data subscribers, one hundred and twenty-five (125) local data subscribers, and three (3) data redistributors. This represents a 66.00% increase from the eighty-two (82) subscriptions recorded in 2022. This remarkable growth reflects the Exchange's commitment to modernising and enhancing its data and information architecture, while expanding its range of service offerings to meet the evolving needs of market participants

The Exchange remains dedicated to continually upgrading its data offerings to ensure accuracy, reliability, and timeliness. By providing comprehensive market insights, the Exchange empowers investors, traders, and financial institutions to make well-informed decisions, thereby supporting the development of the Nigerian financial markets

### ▪ **Market Connectivity**

The Exchange is consistently upgrading its technology solutions to meet the dynamic needs of the market and introducing new solutions to address existing requirements. Our objective is to optimise, facilitate, and enhance trading and connectivity for market participants. By concentrating on these key areas, we ensure that FMDQ Exchange remains at the forefront of market connectivity, offering a seamless and dynamic trading environment that promotes growth, liquidity, and extensive market access

## **2024 Outlook / Focus**

### **A. Product & Market Development**

#### ▪ **Centralised Bilateral Repurchase Agreement Market with Collateral Management**

The Bilateral Repurchase Agreement with Collateral Management Project ("Repo Project") was initiated to create a centralised platform for on-system trading, reporting, risk, and collateral management of Repos. In prior years, significant progress has been made in advancing stakeholder engagements and internal readiness deliverables, including system deployment and market documentation for the Repo market, primarily focusing on finalising stakeholder engagements in 2023. The Exchange will continue these efforts to ensure the successful launch of the Repo market

#### ▪ **FMDQ Securities Trading System for Dealing Member Specialists and Brokers**

This initiative seeks to enhance market access, facilitate price discovery, and ensure optimal execution in the Nigerian fixed income secondary markets by re-launching the FMDQ Dealing Member (Specialists) Market and integrating brokerage institutions. In 2023, the Exchange focused on upgrading the relevant market structure and developing the necessary technology infrastructure. Looking ahead to 2024, the goal will be to engage relevant stakeholders and advance these efforts, with a view to facilitating the launch of the FMDQ Securities Trading System and the associated market venue in the near future

#### ▪ **FMDQ Non-interest Finance Market**

The FMDQ Non-Interest Finance ("NIF") market initiative aims to facilitate the launch of a centralised on-system platform for the origination, transfer, clearing, and settlement of short-term non-interest financial instruments, enhancing product diversity, liquidity, and depth in the Nigerian financial markets. While the Exchange focused on completing relevant market documentation and deploying necessary technology infrastructure and stakeholder engagements in the prior year, the focus for 2024 is to intensify these efforts in preparation for the successful launch of the FMDQ NIF market



- **FMDQ ETD Market**

Following the successful activation of the FMDQ ETD Market in 2023, the Exchange is now focusing on increasing diversity and boosting liquidity in the market by introducing additional ETD products and engaging with different stakeholder groups

- **FMDQ Academy**

In 2024, FMDQ Academy aims to revolutionise its training offerings and solidify its industry presence. Building on the successful achievement of LPI certification and CPD accreditation, the Academy is focused on launching accredited courses on its proprietary Learning Management System (LMS) and deploying a cutting-edge Trading Simulation System that replicates the diverse markets in which the Exchange operates, providing an immersive training experience for stakeholders. The FMDQ Academy will also actively pursue incorporation as a standalone entity, underscoring its commitment to broadening and deepening education and professional development within the financial sector

## **B. Service Improvement**

- **Launch of the FMDQ Exchange Financial Markets Value Chain Competency Framework**

Following the conclusion of all stakeholder engagement on the development of the FMDQ Exchange Financial Markets Value Chain Competency Framework (the “Framework”), the Exchange will focus on the launch and implementation of the Framework across its Membership categories and Members' Authorised Representatives (MARs) roles. This will ensure that MARs are suitably certified and possess the requisite skills, certifications, training, and experience to perform corresponding functions

- **Data and Information Services**

The Exchange will prioritise enhancing its current market data offerings by augmenting the data infrastructure and developing a diverse portfolio of versatile data analytics, customised data, and index solutions. This initiative aims to expand the scope of data sources and introduce innovative tools for analysing FMDQ data, delivering enhanced value to Members and clients. The development process will consider the specific needs of end-user clients, optimising data usage for their benefit

# FMDQ Clear



## 2023 in Focus – Clearing Business

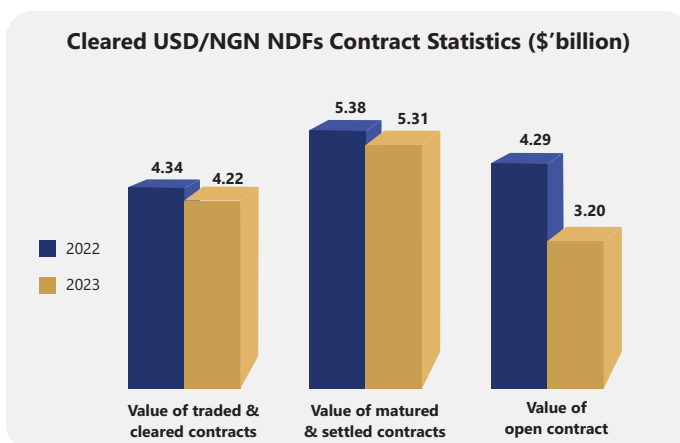
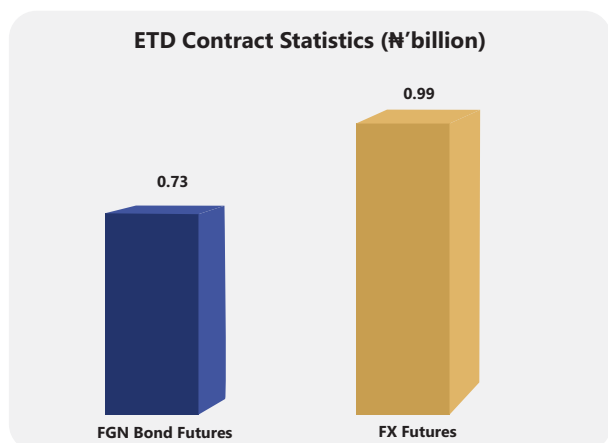
FMDQ Clear, in its role as the Clearing Agent for the Cleared USD/NGN NDFs market and the CCP for the FMDQ ETD market, consistently delivered on its mandate to mitigate the inherent risks associated with the Nigerian financial markets transactions, while maintaining its reliable service delivery. Despite global uncertainties, FMDQ Clear undertook the following key activities:

### A. Clearing Activities

As a SEC-registered CCP, FMDQ Clear oversees all post-trade activities, including margin processing (collection of initial and variation margins) on open contracts, settlement of matured contracts, and the investment of product funds for all cleared markets i.e., the Cleared USD/NGN NDFs market and recently launched FMDQ ETD market.

- **Clearing & Settlement**

In 2023, a total of two hundred and eighty-six (286) Cleared USD/NGN NDFs contracts with a nominal value of \$4.22 billion were executed and processed for clearing on the FMDQ (Cleared Naira-Settled Non-Deliverable) Forwards Trading & Reporting System, representing 4.00% and 3.00% decreases respectively, compared to the previous year. In addition, while a total contract value of \$5.31 billion matured during the year, the value of open contracts as of December 31, 2023, stood at \$3.20 billion, a 25.00% decline relative to 2022, which is reflective of the reduced contract execution levels precipitated by the cessation of offer rate quotations by the CBN

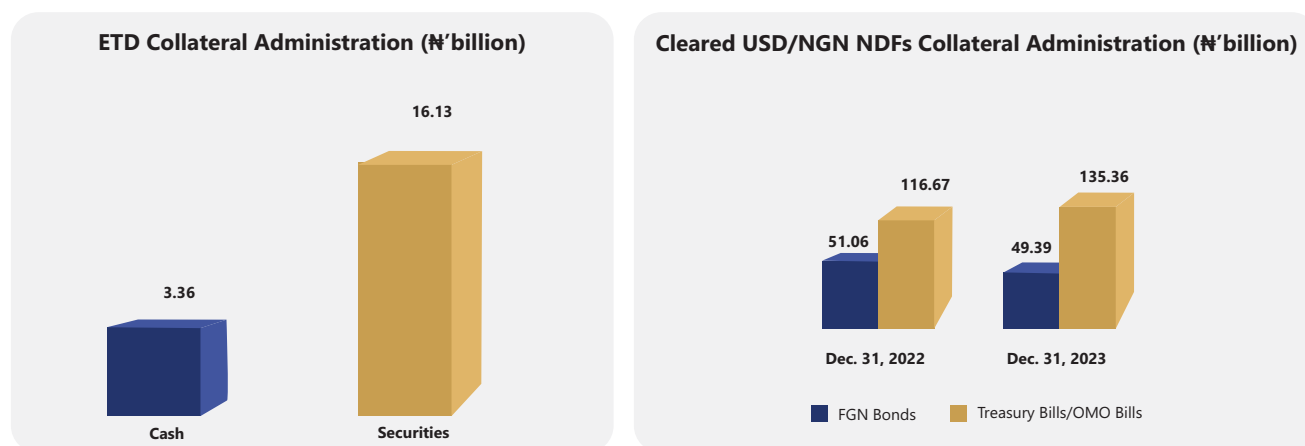


On the other hand, in the ETD market, a total of twenty-three (23) contracts (thirteen (13) FGN Bond Futures and ten (10) FX Futures) with a total value of ₦1.72 billion were executed. The low market activity can be attributed to the nascent nature of the ETD market, as well as the prolonged illiquidity and uncertainty in the FX Spot market

▪ **Collateral Administration**

FMDQ Clear continued to process the collection of financial resources, including margins and default funds, in cash and eligible securities, from counterparties (i.e., CBN and DMBs) to mitigate the counterparty default risk inherent in the cleared products, which may arise from future adverse movement of prices of open contracts or traded securities. With increased margin requirements during the year, the total value of eligible securities pledged as collateral by the Futures Banks in the Cleared USD/NGN NDFs market increased by 10.00% compared to 2022

In the ETD market, FMDQ Clear processed ₦19.49 billion in pledged collaterals (Prefunded Initial Margin and Default Fund) from Clearing Members, split across cash and securities



▪ **Cleared Products Funds Investment Management and Collateral Accommodation**

As part of its ongoing commitment to creating value for stakeholders, FMDQ Clear has maintained its role in facilitating the investment of cleared product funds (i.e., cash margins in the Margin Fund, unreleased settlement amounts in the Clients' Resolution Fund, and the Default Fund) in eligible securities (FGN Bonds, Treasury Bills, and FGN Promissory Notes) and fixed deposit placements, in adherence to predefined guidelines. The income generated from these funds is distributed to the beneficiaries according to the pre-agreed terms

FMDQ Clear continued to manage collaterals pledged by Futures Banks and Clearing Members in the Cleared USD/NGN NDFs and ETD markets

**B. Product and Market Development**

As a CCP, FMDQ Clear remains committed to delivering efficient post-trade services, ensuring settlement finality, and mitigating counterparty risk to bolster the stability of the Nigerian financial markets. In line with this mandate, the following product and market development activities gained momentum during the year:

▪ **CCP Services for the Exchange-Traded Derivatives Market**

In collaboration with market stakeholders, FMDQ Clear continued implementing the necessary frameworks through workshop sessions, webinars, system tests, and demo sessions for the operationalisation of CCP services for the FMDQ ETD market. This led to the successful onboarding of three (3) General Clearing Members — Access Bank PLC, Stanbic IBTC Bank PLC, and Zenith Bank PLC — marking the pioneer Clearing Members for the CCP services activated for the FMDQ ETD market which was launched in July 2023

- **CCP Services for the Fixed Income Spot & Repo Markets**

Throughout 2023, FMDQ Clear advanced efforts to establish the requirements and structures needed for implementing CCP services for the Fixed Income Spot & Repo Markets, while actively engaging with key stakeholders

- **CCP Services for the FX Spot Market**

Following the CBN's revision of operational guidelines mandating the clearing of all FX transactions through a CCP, FMDQ Clear initiated proactive steps to establish the necessary structures for CCP services in the FX Spot Market. A robust clearing system to facilitate these services is currently being developed, and active engagement with stakeholders is ongoing

- **Risk Management as a Service**

Risk management is central to CCP operations, as such FMDQ Clear initiated the development of a technology-enabled risk management solution for market participants, which is now at an advanced stage of completion

- **Regulatory Approval for Complaint Management Framework**

During the review period, the Company successfully secured the SEC's approval for its Complaint Management Framework

- **Default Resolution Reserve**

In line with its mandate to de-risk the Nigerian financial markets, FMDQ Clear has continued to deploy its earnings to a robust Default Resolution Reserve, with an ambition to grow the CCPs financial resources to approximately ₦20.00 billion in the new term, positioning FMDQ Clear to efficiently clear transactions in the Spot and Derivatives markets, thereby reinforcing the Group's aspiration of building financial markets that reflect Nigeria's economy and attract significant transaction flows

## Outlook for 2024

Building on its success in clearing and settlement services for the Cleared USD/NGN NDFs market and the recent activation of CCP services for the FMDQ ETD market, FMDQ Clear's priorities for 2024 include:

- **Activation of CCP Services – Fixed Income Spot and Repo Markets**

To unlock the potential transformation of the Nigerian financial markets and enhance the much-needed liquidity in the Fixed Income Spot & Repo markets, FMDQ Clear is committed to continuing active engagements with relevant stakeholders and undertaking key internal readiness activities to ensure the successful activation of CCP services for these markets

- **Activation of CCP Services – FX Spot Market**

FMDQ Clear will focus on finalising the internal and external readiness processes required for activating CCP services for the Spot FX market in 2024

- **Global Recognition & Relevance**

In line with its vision of “*becoming a globally accepted CCP by 2025*”, FMDQ Clear will continue to work towards achieving local and international recognitions. This includes obtaining SEC designation as a Qualified CCP, full compliance with the CPMI-IOSCO PFMI, and upgrading to Primary Member status in the Global Association of Central Counterparties (“CCP Global”)

- **Activation of Risk Management as a Service**

FMDQ Clear is on track to complete the development of its risk management solution in 2024, while exploring additional technology-enabled solutions to help users assess, monitor, and manage risk seamlessly

# FMDQ Depository



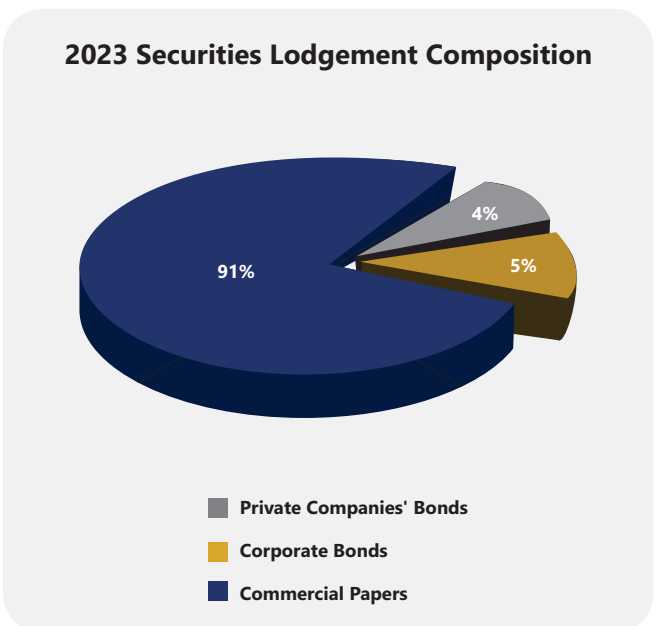
## 2023 in Focus – Depository Business

In 2023, FMDQ Depository reinforced its commitment to operational excellence by successfully launching its world-class Central Securities Depository System. This achievement laid a strong foundation for future growth, enhancing the efficiency, security, and risk management of post-trade services. Furthermore, FMDQ Depository became a member of the International Securities Services Association (“ISSA”), demonstrating its dedication to collaborating with similar financial market infrastructures to foster best practices and innovation within the industry.

## Depository Services

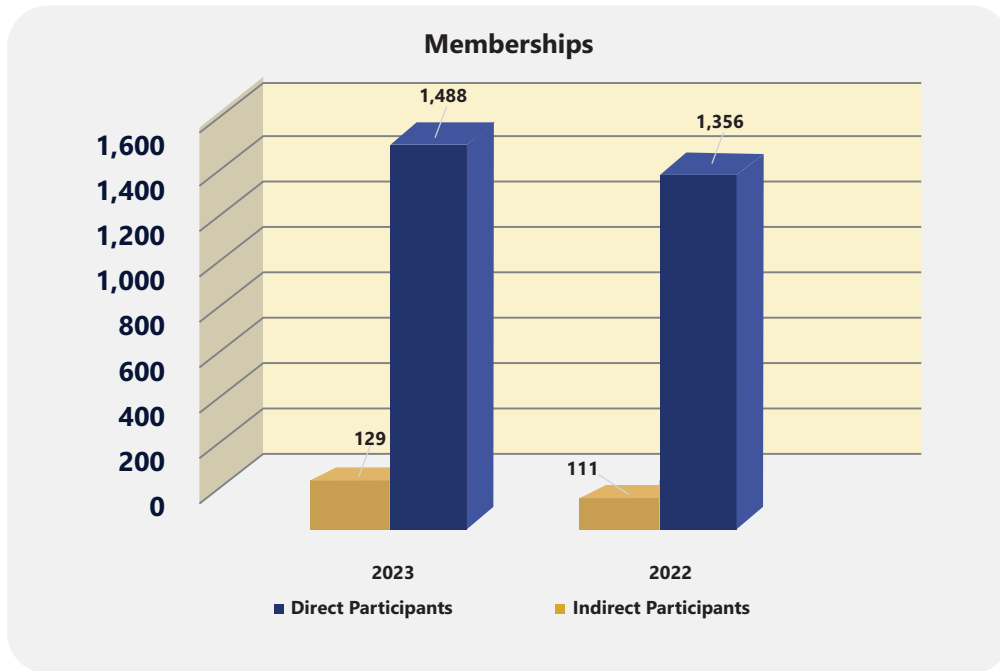
### Securities Lodgement

FMDQ Depository expanded its footprint by lodging one hundred and eighty-two (182) securities, comprising eight (8) private companies’ bonds, nine (9) corporate bonds, and one hundred and sixty-five (165) CPs, all valued at approximately ₦1.25 trillion as of December 31, 2023. This represents a 154.00% year-on-year increase from one hundred and eighteen (118) securities lodged in 2022.



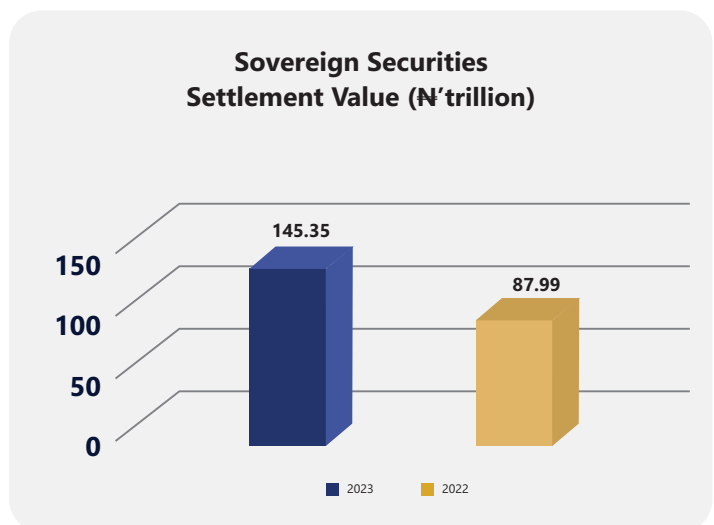
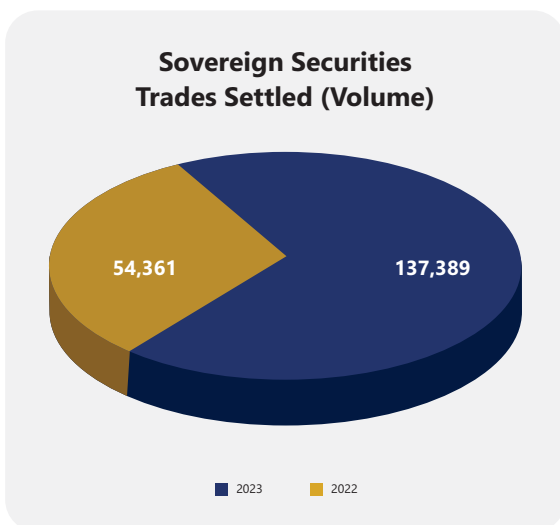
## Memberships

Through its sustained onboarding drive, FMDQ Depository added eighteen (18) new Direct Participants, closing the year with one hundred and thirty-two (132) Participants on its platform, representing a 16.00% growth from 2022. Additionally, the number of Institutional and Private Clients increased by 10.00%, from one thousand, three hundred and fifty-six (1,356) in 2022, to one thousand, four hundred and eighty-eight (1,488) in 2023.

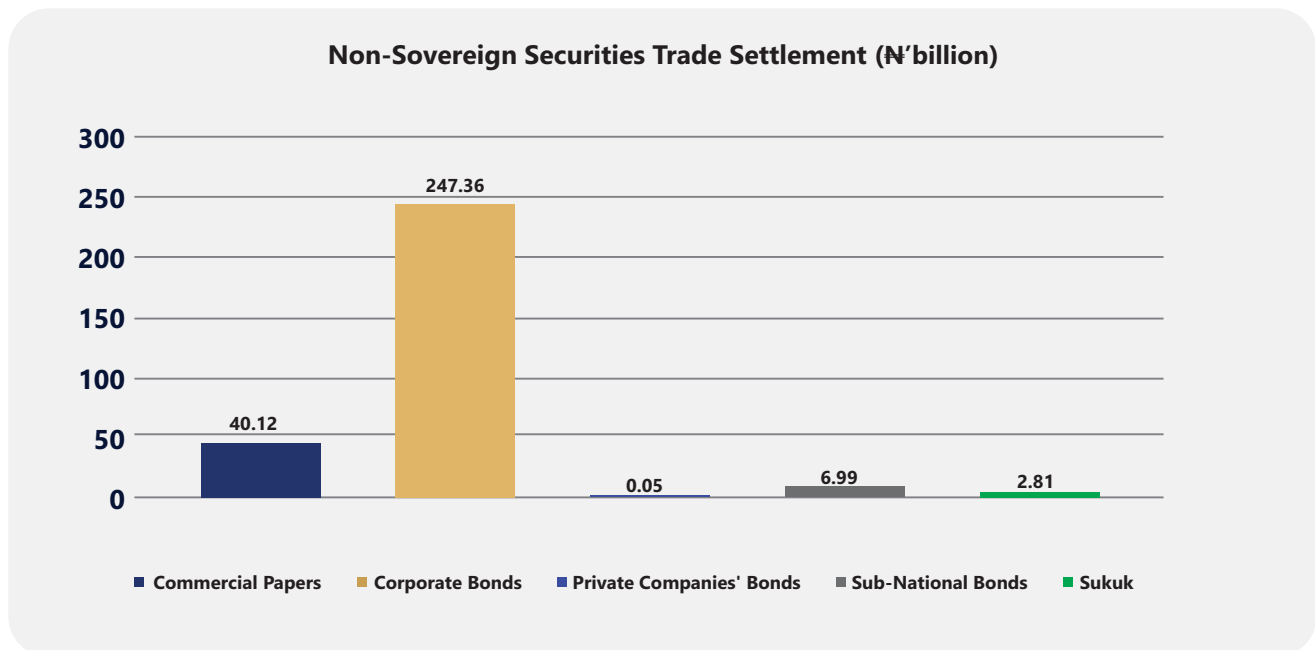


## Settlement Services

FMDQ Depository's settlement activities for sovereign securities recorded a growth from ₦87.99 trillion to ₦145.35 trillion between 2022 and 2023, representing a 65.19% increase. However, the volume of non-sovereign trades decreased by 30.74%, from ₦124.24 billion to ₦86.05 billion in 2023. On the other hand, corporate bonds contributed the most to non-sovereign securities trades at ₦63.46 billion, representing 73.75% of total trades.







## Regulatory Oversight

- **Development of Complaint Management Framework**

During the review period, the Company developed its Complaint Management Framework and submitted it to the SEC for regulatory approval

## Outlook for 2024

FMDQ Depository is positioned to join the Africa & Middle East Depositories Association (AMEDA) in 2024, further enhancing its regional presence and partnerships. In line with its commitment to establish itself as a world-class Central Securities Depository, FMDQ Depository is actively working towards securing franchise accreditation in the medium-term.

Remaining steadfast in its commitment to value delivery and operational excellence, FMDQ Depository will continue to enhance its Central Securities Depository Application and expand its offerings by introducing new products and asset classes, specifically tailored to meet the evolving needs of FMDQ 's market-facing entities. These initiatives reflect FMDQ Depository's dedication to innovation, robust risk management, and exceptional service delivery.

# FMDQ Private Markets

## Vision

To be the largest, most diverse organiser of markets for private capital in Nigeria by 2025



### 2023 in Focus – Private Markets Business

FMDQ Private Markets, as an information repository, remains steadfast in its mandate to promote the inclusion of private companies seeking to raise capital and to foster the development of the Nigerian private capital markets. In 2023, the company continued to enhance the market by offering a diverse range of products and services for private companies and engaging an ecosystem of relevant stakeholders and market participants. To achieve its objectives, FMDQ Private Markets prioritised the development of new initiatives that upgrade its services and effectively serve the Nigerian private markets.

#### A. Product and Market Development

S/N	Category	Description
1.	Update and Expansion of Product and Service Offerings	In line with its agenda to support market development and provide private companies with a diverse range of product options for private issuances, FMDQ Private Markets introduced a new product, the Participatory Debt Notes, along with its corresponding Guidelines. Additionally, it conducted a comprehensive review and update of the Guidelines for Private Companies' Bonds, Sukuk, Green Debt Securities, and Notes Noting, all in a bid to better address current market dynamics and enhance the overall quality of its product offerings.
2.		To enhance its service offerings and ensure they remain seamless and value-adding, FMDQ Private Markets initiated the upgrade of its online information repository—the Private Companies' Securities Information and Distribution Portal (“PCS Portal”) (Restricted).
3.	Update of Membership Service	In its ongoing efforts to provide a credible and well-organised information repository for its participants, FMDQ Private Markets commenced the development of the Members Compliance Infractions and Penalties Guide. This guide, which aligns with the Private Companies' Securities Noting Guide, is designed to ensure Members meet their obligations and is scheduled for implementation in 2024.

S/N	Category	Description
4.	<b>Update on the Launch of the ARTIS DealRoom</b>	The development of the inaugural product under the Structured Solutions business—the ARTIS DealRoom Platform (the “Platform”), a Supply Chain Finance solution — has made significant progress in advancing operational readiness activities.
5.	<b>Development of Private Companies' Securities (PCS) Noting Guidelines</b>	An extensive review of the existing Private Markets Noting Guidelines was conducted and a draft guideline for the noting of Participatory Debt Notes was developed. These guidelines were then consolidated into a single document titled the Private Markets PCS Guidelines.

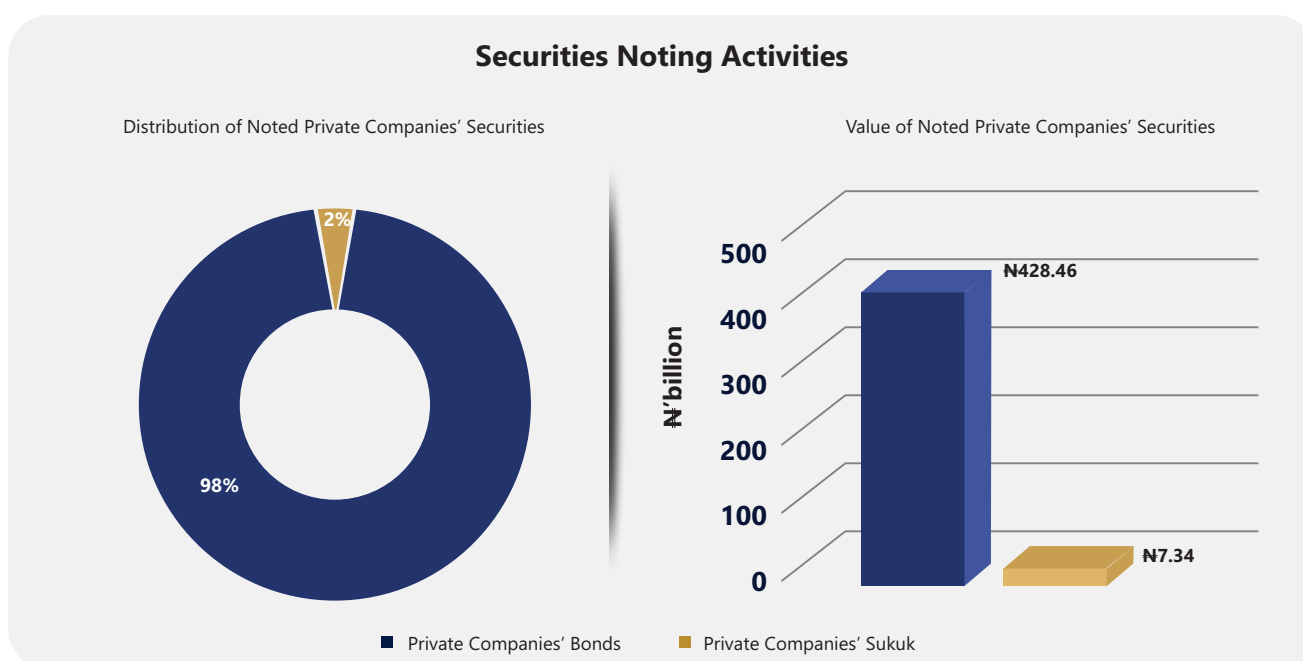
## B. Services

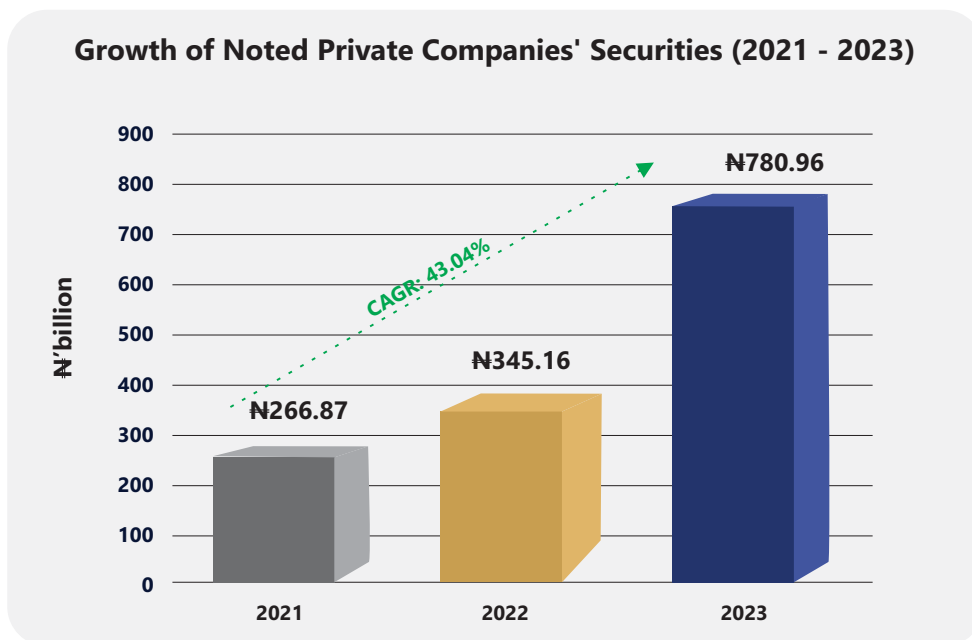
### i. Membership

In 2023, FMDQ Private Markets saw a 23.00% growth in its membership base, increasing from thirty-five (35) to forty-three (43) Members. However, on a YoY basis, the number of new Members decreased by 40.00%, with only nine (9) Members onboarded in 2023, compared to fifteen (15) in 2022. The Transaction Sponsor category also experienced a 38.00% decline in new Members, from eight (8) in 2022 to five (5) in 2023. Additionally, four (4) Professional Parties (Solicitors) were onboarded during the year, representing a 43.00% decrease compared to the previous year.

### ii. Securities Noting

In 2023, FMDQ Private Markets noted a total of ten (10) private companies' securities on its PCS Portal (Restricted). There were eight (8) Private Companies' Bonds and two (2) Private Companies' Sukuk noted, originating from private companies in the infrastructure, investment, and real-estate sectors. At the end of 2023, the total value of securities noted from inception in 2020 stood at approximately ₦780.96 billion.





## Outlook for 2024

Despite the growth in market size and the continuous delivery of securities solutions to private companies, FMDQ Private Markets is committed to fulfilling its mandate in 2024 by diversifying its product and service offerings, resulting in revenue diversification. With the Noting Service well established, the strategic focus for the year will include launching new and enhanced products and platforms and exploring new sectors for private companies' securities issuances.

Consequently, 2024 will see FMDQ Private Markets focus on the full activation of the Structured Solutions Service, with the prioritisation of the following key initiatives:

- **Upgraded PCS Portal (Restricted):** FMDQ Private Markets will launch an upgraded PCS portal featuring expanded functionalities to streamline end-to-end processing of Membership and Noting applications. This upgrade will also improve the portal's information repository capabilities
- **ARTIS DealRoom Platform:** The much-anticipated system, designed to address the supply chain financing gap, will provide supply vendors and corporate buyers with access to affordable and flexible financing options. This platform, driven by innovation and technology, will promote an efficient and robust ecosystem for Nigeria's supply chain finance market
- **Structured Products in the Real Estate and Automotive Financing Sectors:** To diversify its portfolio, FMDQ Private Markets will conduct a comprehensive feasibility study to evaluate the viability of bespoke structured products tailored specifically for these industries. These innovative products will address the unique financing needs of these industries, supporting their growth and development, as well as contribute to the achievement of FMDQ Private Markets' revenue diversification objective

## External Governance

In 2023, FMDQ Group successfully navigated the transition between two (2) distinct government administrations and to effectively manage and maintain a productive relationship with both the outgoing and incoming administrations, the Group, through its Government Affairs Division, engaged in continuous interactions, including dialogues, physical and virtual meetings, and other forms of engagement. These efforts aimed to foster initiatives that promote prosperity and sustainable development in Nigeria.

The table below outlines FMDQ Group's interactions with government and regulatory stakeholders during the period under review:

### Highlights of Government/Regulatory Stakeholder Engagements

S/N	Government/Regulatory Stakeholder	Engagement Focus
1.	<b>Presidency/Office of the Vice President</b>	<p>As a strategic adviser to the Government, FMDQ Group engaged with the outgoing administration, through the Office of the Vice President, on critical issues related to FMDQ's business and markets during the first half of the year. These engagements covered the passage of key bills and legislations and saw the launch of the National Housing Strategy Blueprint (NHSB) following a review by the Minister of Works and Housing, among others.</p> <p>Additionally, FMDQ Group established connections with key representatives of the Presidency under the new administration. This involved engagement with the Presidential Media Team, the Energy Transition Office, and the Special Adviser to the President on Economic Matters.</p>
2.	<b>National Assembly</b>	<p>FMDQ Group proactively engaged with members of the Tenth Assembly to maintain firm relationships with the legislative arm of government, addressing pending issues from the outgoing Ninth Assembly.</p> <p>In line with its dedication to proactive participation, FMDQ Group made active efforts to establish a briefing timeline to update the incoming legislators on areas of potential collaboration to advance Nigeria's business environment and financial markets.</p>
3.	<b>Federal Ministry of Works and Housing (FMWH)</b>	<p>FMDQ Group achieved a significant milestone with the successful launch of the NHSB by the Honourable Minister of Works and Housing. Upon assumption of office, the new Minister of Housing and Urban Development, in collaboration with FMDQ Group, convened a meeting to discuss the content of the NHSB and explore collaborative strategies for effective implementation of the NHSB, with participation from key stakeholders such as the Federal Mortgage Bank of Nigeria and the Federal Housing Authority.</p>

S/N	Government/Regulatory Stakeholder	Engagement Focus
4.	<b>Ministry of Finance Incorporated (MoFI)</b>	FMDQ Group engaged with the MoFI to explore collaborative opportunities within the Nigerian financial markets on developing initiatives aimed at fostering economic prosperity and financial markets development.
5.	<b>Nigeria Governors' Forum</b>	FMDQ Group led collaborative engagements with the Director-General and Management of the Nigeria Governors' Forum on enhancing the economies of Nigeria's thirty-six (36) State Governments and the Federal Capital Territory.
6.	<b>Lagos State Government</b>	FMDQ Group engaged the Lagos State Government on various initiatives toward leveraging the capital markets to support infrastructure development and other strategic priorities within the State.
7.	<b>Anambra State Government</b>	Building on prior engagements with the Anambra State Government, FMDQ Group participated in the 2023 Anambra State Investment Summit (the "Summit"), engaging the Governor of Anambra State and conducted a preliminary meeting with the Anambra State Investment Promotion and Protection Agency (ANSIPPA).
8.	<b>Enugu State Government</b>	Engagements with the Enugu State Government featured FMDQ Group participating in the Enugu State Investment Roundtable, with the aim of establishing strategic relationships with key State Officials to facilitate further engagements on capital mobilisation strategies. These strategies include the issuance of blue, green, and transition bonds to fund the State's projects.
9.	<b>National Council on Climate Change (NCCC)</b>	FMDQ Group engaged with NCCC officials to explore opportunities for climate financing and the development of a National Emissions Trading Framework, leveraging the capital market to support the Council's goals.
10.	<b>Securities and Exchange Commission</b>	FMDQ Group maintained strategic engagements with the SEC to foster a vibrant and positive capital market.  The Group also participated in Capital Market Committee Meetings geared towards providing updates on key market developments and collaborating on the implementation of the Revised Capital Market Master Plan.



S/N	Government/Regulatory Stakeholder	Engagement Focus
11.	<b>National Pension Commission (PenCom)</b>	FMDQ Group maintained strategic engagements with PenCom aimed at enhancing the overall growth and effectiveness of Nigeria's pension ecosystem. In line with this objective, FMDQ Group conducted knowledge sharing sessions with PenCom representatives on key areas, including securities lending transactions and the FMDQ Exchange-Traded Derivatives Market.
12.	<b>Debt Management Office, Nigeria (DMO)</b>	FMDQ Group collaborated with the DMO to develop and enhance the debt capital market, thereby contributing to the overall growth and stability of Nigeria's financial ecosystem.
13.	<b>Federal Ministry of Environment</b>	FMDQ Group initiated discussions with the Federal Ministry of Environment on developing Nigeria's Emission Trading Scheme Framework through strategic collaboration.

FMDQ Group remains committed to fostering impactful relationships with government and regulatory stakeholders, advocating for progressive market policies and regulations, and leveraging its expertise to drive innovation and development within the Nigerian financial markets. Through continuous engagements and partnerships, we aim to contribute to the transformation and resilience of Nigeria's financial ecosystem, accelerating the country's socio-economic development and positioning Nigeria as a leading player in Africa and the global financial markets community.

## Highlights of the Debt Capital Markets Development Project

Owing to FMDQ Group's strategic role as a Market Organiser, Adviser to Government and Regulators, Catalyst for Infrastructure Capital, and Financial Markets Diplomat, the Group continues to champion the development of the Nigerian debt capital markets (DCM) through the Debt Capital Markets Development Project (“**DCMD Project**”). The DCMD Project is a market-driven initiative launched in 2015, following resolutions from a Nigerian DCM Workshop organised by FMDQ Group in collaboration with International Finance Corporation and supported by the SEC, to proffer recommendations and articulate solutions to issues in the Nigerian DCM with the aim of promoting the achievement of the overarching desire of fostering a highly liquid, deep, efficient, and dynamic DCM that supports Nigeria's sustainable economic development.

To ensure the effective implementation of its mandates, the DCMD Project operates through a Steering Committee with an oversight function, a Transformation Committee, and six (6) Sub-Committees formed in line with the key transformation levers: Regulation Consolidation, Market Liquidity & Enhancement, Investors, Issuers & Intermediaries Engagement/Education, Housing Finance, Infrastructure Finance and Sustainable Finance. These Committees and Sub-Committees include representatives from regulatory and government institutions, development finance institutions, as well as other key financial markets stakeholders.

S/N	Sub-Committee	Highlights
1.	<b>Regulation Consolidation (“RC”)</b>	<p>In line with its mandate to liaise with regulatory and market stakeholders, the Sub-Committee has been dedicated to harmonising the regulatory framework, amending restrictive and conflicting policies, and advocating for new policies and guidelines to stimulate the growth and development of the DCM through a cohesive regulatory environment. In 2023, the Sub-Committee focused on the following initiatives:</p> <ul style="list-style-type: none"> <li>▪ <b>Equalisation of Tax Treatment in the Nigerian DCM</b> <p>Following the expiration of the Companies Income Tax (Exemption on Bonds and Short-Term Government Securities) Order, 2011, which exempted (i) Short-Term FGN securities, such as Treasury Bills and Promissory Notes; (ii) Bonds issued by Federal, State, and Local Governments and their Agencies; (iii) Bonds issued by corporate bodies including supra-nationals; and (iv) Interest earned by holders of the aforementioned securities from (i) – (iii); from tax imposed under the Companies Income Tax Act for a period of ten (10) years (i.e. up to January 2, 2022), the Sub-Committee intensified its engagement with the following government and regulatory agencies on the extension of the tax incentive to all categories of debt asset classes, irrespective of the issuer, to entrench the sustainable development of the Nigerian DCM</p> </li> <li>▪ <b>Removal of Restrictive Investment Guidelines in the Insurance Sector</b> <p>To encourage greater participation of insurance and reinsurance companies in the non-sovereign DCM, the Sub-Committee engaged regulatory agencies, including the National Insurance Commission (NAICOM) and the Nigerian Insurers Association, through position papers, letters, and meetings. These efforts were aimed at implementing the DCMD Project's recommendations for the removal of restrictive regulations in NAICOM's Prudential Guidelines</p> </li> </ul>

S/N	Sub-Committee	Highlights
		<p>The Sub-Committee is committed to amplifying its advocacy efforts in 2024 to ensure the successful implementation of its comprehensive market development initiatives, whilst prioritising these critical agendas.</p>
2.	<p><b>Investors, Issuers &amp; Intermediaries Engagement/ Education (“IIIEE”)</b></p>	<p>Since its inception, the IIIEE Sub-Committee has consistently led initiatives to embed financial literacy in the Nigerian DCM, fostering a culture of well-informed and financially savvy participants.</p> <p>The Sub-Committee has actively engaged key market stakeholders through various sensitisation sessions aimed at increasing awareness and participation in the FMDQ markets. These sessions provide comprehensive insights into capital-raising options, investment opportunities, market fundamentals, cycles, benefits, and ways to access the Nigerian DCM. In 2023, the Sub-Committee hosted a webinar titled “Investment Options in the Nigerian Debt Markets – Bonds,” aimed at educating retail investors on the workings of the Nigerian Bonds market and highlighting the avenues and benefits of investing in this asset class.</p> <p>The IIIEE Sub-Committee remains committed to expanding the investor base in the Nigerian DCM through continued advocacy and educational efforts, delivered via campaign programmes and sensitisation sessions across diverse market products.</p>
3.	<p><b>Market Liquidity Enhancement (“MLE”)</b></p>	<p>The MLE Sub-Committee has consistently been an innovative leader, spearheading comprehensive reforms for FMDQ Exchange's market development initiatives. It plays a critical role in advocacy, engaging market stakeholders, and advancing key initiatives aimed at enhancing market functionality. Through in-depth research, the MLE Sub-Committee identifies best practices from highly liquid international markets and offers recommendations for their adoption in the Nigerian DCM to boost liquidity and global competitiveness</p> <p>The Sub-Committee will continue to intensify efforts to promote product diversification and market development within the Nigerian DCM, thereby driving innovation and growth.</p>
4.	<p><b>Housing Finance (“HF”)</b></p>	<p>To promote the delivery of affordable housing through the Nigerian DCM, the HF Sub-Committee has worked diligently with key stakeholders in Nigeria's housing sector to promote the delivery of affordable housing through the Nigerian DCM. The Sub-Committee developed strategies and conceptualised ideas based on best practices from developed countries, with a focus on replicating these models in the Nigerian DCM.</p> <p>The HF Sub-Committee supported advocacy efforts, including the launch of Nigeria's 10-year National Housing Sector Bond (NHSB). The NHSB aims</p>

S/N	Sub-Committee	Highlights
		<p>to provide quality housing for Nigerians and foster economic growth by potentially unlocking an estimated \$300.00 billion in dead capital (about 60% of Nigeria's GDP). Key initiatives include improving land administration and titling, reducing housing construction costs, harmonising existing housing programmes, and deepening capital market activities.</p> <p>In 2024, the HF Sub-Committee plans to publish a Model Mortgage Foreclosure Law Toolkit and drive sensitisation across states that have yet to adopt the Law. The goal is to provide modern provisions for establishing, registering, and enforcing mortgages, as well as solutions like foreclosure, allowing lenders to sell mortgaged properties to recover debt owed on defaulted loans.</p>
5.	<p><b>Infrastructure Finance (“IF”)</b></p>	<p>The IF Sub-Committee focuses on developing strategies to support the growth of Nigeria's critical infrastructure sectors—transport, power, and rail—through the DCM.</p> <p>The IF Sub-Committee implemented various advocacy efforts to support Public-Private Partnerships as a means of financing infrastructure development in Nigeria, engaging key government offices to explore the use of DCM to fund these projects.</p> <p>In 2024, the Sub-Committee will continue to engage stakeholders through rigorous research on successful infrastructure financing models from developed countries and explore their adaptation within the Nigerian DCM.</p>
6.	<p><b>Sustainable Finance (“SF”)</b></p>	<p>Sustainable finance continues to serve as a transformative tool that can be used in shaping the Nigerian economy for impactful development. This has influenced the SF Sub-Committee's commitment towards developing principles that ensure the long-term financing takes into consideration environmental and social issues such as climate change, gender equality, youth empowerment, inequality, employment.</p> <p>In collaboration with the Nigerian Green Bond Market Development Programme, the SF Sub-Committee has consistently promoted capacity building around sustainable finance in Nigeria. It has also provided recommendations for aligning Nigeria's sustainable financing agenda with the global Sustainable Development Goals (SDGs).</p> <p>The SF Sub-Committee is poised to strengthen collaborations with relevant stakeholders to advance sustainable development instruments within the Nigerian DCM through issuances, capacity building initiatives, and regulatory alignment.</p>

## Highlights of the Nigerian Green Bond Market Development Programme

The Nigerian Green Bond Market Development Programme (“NGBMDP”) is an initiative launched in 2018 to raise awareness and build market capacity around green finance. It is the primary platform for driving initiatives aimed at accelerating the development of Nigeria's green bond market and supporting broader debt reforms that impact green bonds. At inception, the NGBMDP was led by its pioneer implementing partners: FMDQ Group, FSD Africa, and the Climate Bonds Initiative.

In 2022, the NGBMDP was renewed through a Cooperation Agreement between FMDQ Group and FSD Africa to further its original objectives, established in 2018, through three (3) key workstreams:

- Supporting green bond issuances and developing a pipeline of green investments
- Fostering international collaboration
- Building institutional capacity for FMDQ Group

Key highlights of the NGBMDP's 2023 activities include:

- **Launched an Impact Report on the Nigerian Green Bond Market:** This Report documents the NGBMDP's activities since its inception and provides insights into both the challenges and opportunities within the Nigerian green bond market
- **Organised a two-day Gender Bond Awareness event:** This event introduced gender bonds to key market players in Nigeria's sustainable finance space. It highlighted the financial market's role in strengthening gender financing and explored opportunities for issuers and investors to use gender-sensitive approaches to bridge the gender finance gap. The event featured a breakfast session with knowledgeable finance and market development experts, as well as significant representation from banks. The second day was a technical session, providing potential issuers with insights from Tanzania's experience in issuing gender bonds, covering pre- and post-issuance requirements
- **Executed a capacity-building workshop for Ministries, Departments, and Agencies (MDAs) within the Lagos State Government (LASG):** This workshop was designed to facilitate the issuance of LASG's inaugural Green Bond, aligned with efforts to achieve the SDGs in Lagos State
- **Developed a Blue Bond Framework:** A workshop was held to support the FGN in issuing a blue bond aimed at funding projects focused on ending open defecation and improving access to clean water and sanitation services, in line with SDG 3 and SDG 6
- **Conducted two (2) capacity-building workshops for the real estate sector titled “Green Financing for Buildings”:** The first workshop explored green financing options for real estate projects, while the second trained and sponsored around forty (40) participants to achieve "Excellence in Design for Greater Efficiencies (EDGE)" expert certification
- **Executed a capacity-building workshop for the Federal Ministry of Agriculture & Rural Development (FMARD):** This workshop emphasised the importance of sustainability in Nigeria's agricultural outlook and supported the justification for issuing green bonds to help the Ministry achieve its mandate of ensuring food security across crop production, livestock, and fisheries sectors
- **Engaged the SEC:** Discussions were held on creating guidelines for new sustainable instruments in Nigeria, such as gender bonds, social bonds, and transition bonds, to further expand the DCM



# Special Report on FMDQ 10<sup>th</sup> Anniversary



Over ten (10) years ago, amid Nigeria's dynamic financial landscape, FMDQ Group, on November 7, 2013, emerged as a beacon of innovation, sparking a revolution in the Nigerian financial markets. Born in a nation rich with potential and economic vigour and driven by an unwavering mandate to transform the Nigerian financial markets, FMDQ Group challenged conventions and broke barriers, becoming Africa's first vertically integrated financial market infrastructure group about seven (7) years after, in 2020 – firmly embedded in the history of Nigerian financial markets.

On November 7, 2023, FMDQ Group celebrated a decade of innovation in Nigeria's financial markets. This milestone is a testament to our unwavering dedication, relentless pursuit of excellence, and the incredible journey we have embarked upon. The milestone was grandly celebrated with two (2) events, one (1) to recognise FMDQ's most valued assets – our Staff – and the other to acknowledge the numerous stakeholders whose indelible support has been instrumental to our illustrious decade-long journey.

In recognition of their dedication, hard work, and commitment to our shared goals over the years, FMDQ Staff were hosted to an exclusive 10<sup>th</sup> Anniversary Event on November 7, 2023. The Staff-only celebration was a day of fun, relaxation, camaraderie, and reflection, as we reminisced about our journey together, celebrated our achievements, and looked ahead with renewed enthusiasm for the future.





# Celebrating

## a Decade of Innovation in the Nigerian Financial Markets

Still marking its illustrious journey, FMDQ Group hosted its 10th Anniversary Event on November 10, 2023, a prestigious evening that brought together key stakeholders, industry leaders, and esteemed guests from both domestic and international jurisdictions. This celebration showcased a decade of FMDQ's dedicated service to the Nigerian financial markets, marking a significant milestone in the evolution of the nation's financial landscape. The evening was filled with reflection, entertainment, and recognition, underscoring FMDQ's unwavering commitment to excellence and its pivotal role in fostering the growth and development of Nigeria's financial markets. It was also a momentous occasion to launch the agenda for FMDQ's next decade: **"Born Local...Going Global."**



The **"Born Local...Going Global"** agenda represents the next phase of FMDQ Group's strategic horizon. Having established a solid foundation within Nigeria, FMDQ has consistently led innovative market reforms, embedded global best practices, and introduced products that have transformed the financial ecosystem. Now, the Group is poised to extend its reach beyond Nigeria's borders, fostering greater collaboration with international financial markets and institutions.

As FMDQ Group continues its growth trajectory, "Born Local...Going Global" emphasises the Group's commitment to leveraging its local success to scale global heights, championing Nigerian expertise, facilitating cross-border market opportunities, and contributing to sustainable global economic development, ensuring FMDQ Group's lasting impact both within Nigeria and across the global financial markets.

#10<sup>th</sup> Anniversary #FMDQ@10 #November72023

**2013**

- Launch of FMDQ
- Introduction of FMDQ Exchange's Flagship Daily Quotations List

**2014**

- Launch of FMDQ Bloomberg E-Bond Trading and Surveillance System
- Securities and Exchange Commission's Approval of FMDQ Bond Listing & Quotation Rules
- Rejuvenation of the Commercial Paper (CP) Market through the Introduction of CP Quotation Rules & Processes
- Licencing of Pioneer Dealing Member (Banks)

**2015**

- Listing of Pioneer Corporate & Sovereign Bonds
- Launch of FMDQ Data & Information Repository: e-Markets Portal
- Admission as a Full Member of the African Securities Exchange Association
- Hosting of Pioneer Debt Capital Markets Workshop

**2016**

- Launch of the FMDQ Naira-Settled OTC FX Futures Product
- Partnership with National Pension Commission Towards Improved Governance
- Launch of Debt Capital Markets Development Project
- Launch of FMDQ Academy

**2017**

- Securities and Exchange Commission's Approval of FMDQ Sukuk Listing Rules
- Listing of Pioneer Sovereign Sukuk and Eurobonds
- Listing of Pioneer Infrastructure Debt Fund
- Launch of Private Companies' Bonds Noting Service
- Launch of FMDQ Clear

**2018**

- Launch of FMDQ Proprietary Market System, Q-ex, and Integration with Central Bank of Nigeria's S4
- Activation of FMDQ Derivatives Market Project
- Launch of Nigerian Green Bond Market Development Programme
- Launch of FMDQ New Building - Exchange Place
- Launch of FMDQ-Next, FMDQ's Flagship Corporate Responsibility Programme
- Hosting of Former British Prime Minister, Ms. Theresa May, with Nigerian Business Leaders at Exchange Place

**2019**

- Listing of Pioneer Corporate Green Bond
- Launch of FMDQ Depository
- Launch of Financial Centre for Sustainability, Lagos
- Securities and Exchange Commission's Approval of Equity Listing Rules

**2020**

- Reorganisation of FMDQ into a Capital Market Holding Company Structure - FMDQ Holdings PLC & Five (5) Subsidiaries
- Launch of FMDQ Private Markets
- Publication of Statement of Compliance to IOSCO's Principles for Financial Benchmarks
- Introduction of Long-Dated OTC FX Futures Contracts for up to 5 Years by the Central Bank of Nigeria and FMDQ

**2021**

- Securities and Exchange Commission's Approval of FMDQ Derivatives Market Rules and Clearing Member Rules
- Launch of FMDQ Green Exchange
- Execution of Listing Agent and Cooperation Agreement between FMDQ Exchange and Luxembourg Stock Exchange
- Activation of Global Partnership between FMDQ Private Markets and Oxford Foundry (Saïd Business School)

**2022**

- Admission as a Full Member of World Federation of Exchanges
- Launch of FMDQ Recycle Initiative
- Launch of the Nigerian Green Bond Market Development Programme Impact Report
- Launch of Pioneer FMDQ Graduate Development Programme
- Completion of the FMDQ Private Markets and Oxford Foundry Entrepreneurial Leadership Programmes
- Receipt of Gold Award at the Lagos State 2022 EQUAL Summit
- Receipt of SERAS 2022 OPS-WASH Recognition for Best Company in Water & Sanitation

**2023**

- Strategic Acquisition of Stake in Central Securities Clearing System PLC
- Activation of FMDQ Exchange-Traded Derivatives Market with Two (2) Pioneer Products - FGN Bond Futures and Naira-Settled Exchange-Traded FX Futures
- Launch of 10-Year National Housing Strategy Blueprint in Collaboration with the Office of the Vice President
- Admission of FMDQ Depository as a Member of the International Securities Services Association

*Celebrating a Decade of Innovation in the Nigerian Financial Markets*





# Sustainability Agenda

Sustainability Policy

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Sustainability Report

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Corporate Responsibility Report

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Financial Centre for Sustainability, Lagos



# Sustainability Agenda

## Sustainability Policy

### Introduction

FMDQ recognises the imperative role it plays in the Nigerian financial markets and the opportunities its business presents in promoting sustainable development. The Company is committed to taking a leading approach on sustainability which is aligned with its vision: “**To be the leading African builder of ecosystems of financial infrastructure and services for markets**”. Given FMDQ Group's position as a vertically integrated financial market infrastructure, the Group aims to be a strategic enabler of sustainable growth. Thus, our Sustainability Policy guides the Group in:

- Providing a frame for integrating sustainability in our business activities and operations
- Developing a sustainable value system and a principled approach to doing business
- Intentionally creating a positive impact in our relationships with all our stakeholders
- Dealing with business opportunities and risks through the lens of direct and indirect sustainability impacts

Our Sustainability Policy is applicable to our business activities (including the provision of financial markets services across the exchange, central counterparty, depository, private markets businesses) and business operations (covering day-to-day operations of the business such as human resources, finance, strategy, research, marketing, business development, information technology, etc.).

### Strategic Approach

FMDQ's Sustainability Strategy is guided by four (4) main Sustainability Pillars:

1. **Business** – To ensure sustainability practices are embedded in and guide our business operations and activities.
2. **People** – To create a work environment that attracts, fosters engagement and retains talented employees from diverse backgrounds, enabling them to fulfil their potential.
3. **Community** – To champion capital market education for the next generation and empower the communities in which we operate, to advance socio-economic development in our nation.
4. **Environment** – To actively manage our environmental impacts arising from the Company's operations.

## Our Sustainability Commitment

### Environment

FMDQ recognises that the economic activities involved in running its business can have impacts on the environment. As such, we are committed to adopting an environmentally responsible approach. Our environmental footprint includes areas such as energy consumption, water usage, emissions from generators and transportation, materials usage (e.g., paper), waste management, and environmental compliance. We are dedicated to managing, measuring, monitoring, and reporting these impacts in accordance with the International Organisation for Standardisation (ISO) 14001:2015 Environmental Management System Standards.

### Anti-Corruption

FMDQ is committed to applying high standards of honesty and integrity consistently across its operations and in all its business dealings. We operate according to our core values and are committed to preventing corruption and bribery in all its

forms and do not tolerate it in our business or in those with whom we do business. We align our anti-corruption practices in line with the United Nations Global Compact (UNGC) Principles.

### **Human Rights and Labour Standards**

As a socially responsible organisation, FMDQ strives to respect and promote human rights in all its business activities and operations in adherence with the United Nations Guiding Principles on Business and Human Rights, alongside Labour Standards as described in the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work and International Finance Corporation (IFC) Performance Standard (PS) 2 on Labour and Working Conditions. This is in line with our commitment to reduce as much as possible any potential negative impacts on society. FMDQ therefore commits to:

- promote fair treatment, non-discrimination, and equal opportunity for all employees
- ensure compliance with national employment and labour laws
- protect and respect the human rights of FMDQ employees, third-party workers, customers, and the public
- promote safe and healthy working conditions and safeguard workers' health
- avoid the use of child and forced labour

### **Occupational Health and Safety**

FMDQ considers its employees to be its most valuable asset and therefore provides and maintains a work environment that minimises risks that might jeopardise the health and safety of its employees, as well as its visitors and stakeholders its operations impact in line with ISO 45001:2018 Occupational Health and Safety (OHS) Management System. We are also committed to ensuring a consistent and equitable approach regarding the prevention of communicable and serious diseases, such as HIV/AIDS, malaria, among employees and their families, and the management of the consequences of same, including the care and support of employees living with the diseases. We ensure that employees or potential employees with communicable and serious diseases (“CSD”) are protected against discrimination, victimisation, or harassment. We are committed to complying with all regulatory requirements related to CSD, protecting the privacy of affected person(s), preventing accidental transmission within the workplace, and providing appropriate awareness and education programmes.

### **Diversity and Inclusion**

We are committed to fostering an inclusive workplace culture that promotes diversity and equal opportunity, ensuring every employee is treated with respect and empowered to reach their full potential. At FMDQ, we value and leverage the unique perspectives, experiences, and creative potential of individuals from diverse backgrounds. This diversity helps us develop innovative solutions, better understand the needs of our varied stakeholders, and tailor our products and services, accordingly, ultimately building a high-performing and innovative organisation.

We celebrate the rich dimensions of diversity in every individual and are committed to eliminating discrimination on all grounds. Our commitment to diversity and inclusion extends to all areas of business, including but not limited to recruitment and selection, Board and Management appointments, promotion and career progression, performance management and remuneration, training and development, procurement (vendor selection), talent management and succession planning, as well as redeployment and redundancy.

### **Grievance Mechanism**

FMDQ provides a grievance mechanism for employees to raise workplace concerns. This mechanism is communicated to employees during recruitment and is made easily accessible throughout their employment. It involves an appropriate level of management, ensuring that concerns are addressed promptly through a clear and transparent process that provides timely feedback without fear of retribution. The mechanism also allows for anonymous complaints to be raised and resolved. Additionally, it does not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures.

## Corporate Social Responsibility

As a responsible organisation that understands the significant role it can play in helping solve some of our societal problems, FMDQ has identified the ways in which it can support its host communities by championing financial markets education for the next generation and through the empowerment of the communities in which it operates, to advance socio-economic development in our nation, by engaging in the following key initiatives:

- **FMDQ Next Generation Financial Markets Empowerment Programme** – a learning and development initiative aimed at promoting financial market awareness, development, and literacy among students across all levels (primary, secondary and tertiary), as well as fresh graduates, within the country. FMDQ Group aims to make financial market education accessible to both disadvantaged and privileged students
- **FMDQ Staff Corporate Social Responsibility (CSR) Initiative** – an initiative championed by FMDQ Staff, from honorariums, funds raised through auctions carried out on gifts received, and contributions from staff, which are donated to select charity organisations. The Initiative focuses on four (4) main categories, namely, Orphanages, Centres for Youth Rehabilitation, Homes for the Elderly and Special Needs Centres

## Climate Change


Climate change represents one of the greatest systemic risks towards achieving sustainable development. Mitigating its effects will primarily be driven by reducing GHG emissions. FMDQ plays a key role in providing the financial market infrastructure necessary to facilitate a just transition to climate-resilient and low-carbon economies. We have identified climate change as a systemic risk to our business activities and operations and ensured leadership at the Board level is dedicated to managing this risk. Furthermore, we endeavour to align our business activities and operations with the relevant United Nations Sustainable Development Goals (UNSDGs): 7 (Affordable and Clean Energy) and 13 (Climate Action).

## Sustainability Reporting








FMDQ shall develop and publish annual sustainability reports that cover our material social, environmental, economic, and governance issues for the reporting year, covering January 1 to December 31. These reports will adhere to the Global Reporting Initiatives (“GRI”) Standards, the Securities and Exchange Commission Guidelines on Sustainable Financial Principles for the Nigerian Capital Market, and other local and international standards. The Report shall give our stakeholders an insight into our performance on key material topics, as well as the efforts and structures we are putting in place to continually improve. It will also highlight our contributions to the World Federation of Exchanges (“WFE”) Sustainability Principles and the Sustainable Stock Exchange Initiative (“SSEI”) Priority SDGs.




## Other Reference Policies

The table below provides a summary of other reference FMDQ Policies and Guidelines that support our Sustainability commitments.

Policy/Guideline	Summary
 <p><b>Code of Conduct (Corporate Governance Manual and Employee Code of Conduct)</b></p>	<p>This Guideline outlines the principles governing our business activities and operations, ensuring that we conduct our business in accordance with the highest standards of business ethics and compliance. The Guideline covers, Corporate Governance Principles and Structure, Compliance with Laws, Rules and Regulations, Code of Conduct for Directors and Management, Corporate Opportunities, Confidentiality, Protection and Proper use of Company Assets, Fair Dealing, Record Keeping, etc.</p>



Policy/Guideline	Summary
 <p><b>Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT)</b></p>	<p>The Policy sets out the guidelines for FMDQ's compliance with AML/ CFT obligations under the law, as well as regulatory directives, and actively prevents any transaction that facilitates criminal activities.</p>
 <p><b>Risk Management</b></p>	<p>This Policy defines the approach adopted by FMDQ in identifying and assessing the risks associated with its business, ensuring that they are adequately managed.</p>
 <p><b>Conflict of Interest (FMDQ Staff Handbook)</b></p>	<p>This Guideline sets out FMDQ's approach to identifying potential conflicts of interests, ensuring they are effectively managed and prevented from materialising, to mitigate against reputational, regulatory or financial impact to FMDQ.</p>
 <p><b>Whistleblowing</b></p>	<p>This Policy outlines the whistleblowing provisions in place to report any concerns regarding malpractice or misconduct within FMDQ. Through this Policy, FMDQ aims to promote and encourage ethical behaviour and decision making that underpins and supports FMDQ's values in an open, fair and transparent manner and at the same time avoiding the occurrence of unethical behaviour. It also provides an avenue for stakeholders to raise concerns and receive assurance that they will be protected from reprisals or victimisation for whistle blowing.</p>
 <p><b>Corporate Communications</b></p>	<p>The Policy defines and provides guidelines on the extent, quality, and output of communication with FMDQ external stakeholders and on the adherence to and quality of internal communications in line with FMDQ-approved standards.</p>
 <p><b>Business Continuity Management</b></p>	<p>The Policy is designed to guide FMDQ Staff in minimising the impact to the market or stakeholders in the event of a disruption to normal business activity or operation.</p>
 <p><b>Brand Management</b></p>	<p>This Policy sets out the guidelines for the management, enhancement, and preservation of the corporate brand identity of the FMDQ Group.</p>

Policy/Guideline	Summary
 <p><b>Remuneration Policy</b></p>	<p>This Policy describes the basic principles of FMDQ's remuneration for Directors (Executive and Non-Executive), Management and Staff. It provides an objective, adaptable, and competitive remuneration structure tailored to specific needs of the organisation, in order to attract, motivate and retain highly skilled and performing staff and Management, including Executive Directors. It takes into account job content, teams and individual performance, and aligns with best market practices and incentives.</p>
 <p><b>Promotion Policy</b></p>	<p>This Policy provides an overview of the promotion guidelines for FMDQ and is aimed at enabling Executive Management to determine and award promotions within the organisation.</p>
 <p><b>Gifts &amp; Honorariums (Corporate Governance Manual and FMDQ Employee Code of Conduct)</b></p>	<p>This provides guidance on how to account for any gifts or honorariums received. This Policy is used alongside the Anti-Corruption and AML/CFT Policies.</p>


### Enforcement

Disciplinary action will be taken against any employee found to be in breach of this Policy. Allegations of discrimination made in bad faith will also be treated as a disciplinary matter. Failure by relevant stakeholders (e.g., consultants, vendors, and clients) to comply with this Policy may result in their contracts being terminated.

# Sustainability Report

FMDQ Group continues to play a crucial role in the Nigerian financial markets by driving economic development and promoting sustainable growth. The Group has made significant strides in integrating sustainability as a core component of its organisational culture and business strategy. As a financial market infrastructure (FMI) provider, FMDQ Group recognises its unique responsibility in addressing critical global challenges. In line with this, the Group remains committed to creating not only economic value but also delivering positive social and environmental impact.

## 2023 SUSTAINABILITY HIGHLIGHTS

 <p><b>₦7.25</b> Million donated to the Community</p>	<p>Held the Inaugural <b>“Ring the Bell for Climate”</b> Initiative for Climate Change Awareness and Mitigation</p>
 <p>Held the Annual <b>“Ring the Bell for Gender Equality”</b> for Women Empowerment</p>	<p>Held the <b>“Ring the Bell for Financial Literacy”</b> to Promote Financial Education</p> 
 <p><b>50%</b> Women Executive Management</p> <p><b>67%</b> Women Managing Director Grade</p> <p><b>54%</b> Women Employees</p>	<p>Established <b>GHG</b> Emissions Baseline</p>
 <p><b>160</b> Participants Impacted by Financial Literacy Programme</p>	<p><b>1,100</b>  Employee Volunteer Hours</p>

# Sustainability Strategy

Our approach to Sustainability is guided by our overarching business strategy and is rooted in the role we are positioned to play in positively impacting both the markets and society. In shaping our initiatives, we also adhere to various global sustainability frameworks, including the United Nations Global Compact (UNGC), the United Nations (UN) SDGs, the WFE Sustainability Principles, and the UN Sustainable Stock Exchange Initiative. Our efforts particularly align with six (6) priority SDGs: gender equality (Goal 5), decent work and economic growth (Goal 8), reduced inequalities (Goal 10), responsible consumption and production (Goal 12), climate action (Goal 13), and partnerships for the goals (Goal 17).

FMDQ Group's Sustainability Strategy is structured around twelve (12) Strategic Areas and ten (10) Initiatives, all in alignment with these six (6) priority SDGs.



# FMDQ's Sustainability Report

The FMDQ Sustainability Report (the "Report") aligns with the Global Reporting Initiative (GRI) Standards and International Financial Reporting Standards (IFRS) S1 and S2, addressing our key economic, environmental, social, and governance (ESG) issues for the reporting year, which runs from January 1 to December 31, 2023. Covering activities at our business complex in Lagos, Nigeria, the Report provides stakeholders with insights into our ESG performance, as well as the strategies and processes we are implementing to drive further progress. The Report complements and supports our 2023 Annual Report, which details our financial and economic performance, contributing to our integrated and balanced scorecard reporting approach.

As part of the reporting process, FMDQ Group conducted a materiality assessment to identify core issues relevant to our business and key stakeholders. This involved a comprehensive review of regulations, disclosure frameworks, peer benchmarking, and consultations with stakeholders, including employees, customers, shareholders, policy influencers, and media representatives. The results of this assessment identified the following material topics in order of importance:

1. Sustainable Products and Services
2. Transparent Capital Market
3. Corporate Governance and Business Ethics
4. Information Security and Data Privacy
5. Talent Attraction and Retention
6. Labour and Working Conditions
7. Economic Performance and Business Continuity
8. Community Engagement
9. Diversity and Inclusion
10. Environmental Management (Operational)

Following the launch of the SEC's Sustainable Finance Guidelines (SEC-SFG) for the Nigerian Capital Market, this Report adheres to the principles outlined in the SEC-SFG and fully meets compliance requirements, with all indicators thoroughly documented. Furthermore, the Report outlines FMDQ Group's contributions to the UN-SDGs, with a focus on the SSEI six (6) priority SDGs: Goals 4 (Quality Education), 5 (Gender Equality), 8 (Decent Work & Economic Growth), 10 (Reduced Inequalities), 12 (Responsible Consumption & Production), and 13 (Climate Action).

The Report is benchmarked against the SEC Code of Corporate Governance and the Financial Reporting Council of Nigeria's Code of Corporate Governance (NCCG). Data for the Report was gathered in reference to the 2021 GRI Sustainability Reporting Standards.



**BUSINESS****Strategic Agenda**

To ensure sustainability practices are embedded and guide our business operations and activities.

**SDG Impact Area**

## Governance and Business Integrity

### Corporate Governance

In order to continuously generate value for our stakeholders, FMDQ Group is committed to adhering to the corporate governance guidelines outlined in the SEC's Code of Corporate Governance for Public Companies (2011) and the Financial Reporting Council of Nigeria's Code of Corporate Governance (2018). We uphold the highest corporate governance standards, aligning with global best practices as detailed in the International Finance Corporation's Corporate Governance Methodology (2019). Our core values—Teamwork and Collaboration, Integrity, Innovation, and Value-Adding—guide our approach to executing our business strategy and ensuring the highest standards of corporate conduct. More information about our corporate governance framework can be found in the Corporate Governance Report section of the Annual Report.

### Sustainability Governance

The FMDQ Group Board Finance and Strategy Committee is responsible for setting the direction and ensuring the applicability and effectiveness of the FMDQ Sustainability Strategy. This Committee oversees the development and execution of FMDQ's sustainability strategies, policies, and projects. Additionally, with guidance and support from FMDQ Group Management, we have dedicated Sustainability and Corporate Responsibility Groups focused on the execution, communication and reporting of Group-wide sustainability and corporate responsibility initiatives, respectively.

### Business Integrity

FMDQ Group is dedicated to upholding business integrity and has implemented measures to ensure that all stakeholders adhere to the highest ethical standards. Our Whistleblowing Policy provides a secure and independent channel, outsourced to KPMG Advisory Services, for stakeholders to report any unethical behavior by Members, employees, regulators, investors, industry participants, and other stakeholders. Our commitment to sustainability also reflects our dedication to business integrity, as it recognises that maintaining a positive impact on the environment and society is essential for the longevity of our business.

Our Code of Conduct governs the behavior of our employees and other stakeholders, ensuring that we conduct our business based on principles of fairness, honesty, openness, decency, integrity, and respect. For more information on our Policies covering Anti-Bribery and Corruption, Anti-Money Laundering, Conflicts of Interest, Whistleblowing, and others, please visit our website at [www.fmdqgroup.com](http://www.fmdqgroup.com).

### Sustainable Financial Products and Services

As Africa's first vertically integrated FMI group, FMDQ Group continues to lead the charge in promoting sustainable development within the Nigerian financial markets. Our approach involves creating a robust sustainable finance ecosystem, advancing sustainable finance initiatives, forming strategic ESG partnerships and collaborations, and educating and developing stakeholders across the financial markets.

## The Nigerian Green Bond Market Development Programme

The NGBMDP, established in 2018, was a collaborative initiative involving FMDQ Group, the Climate Bonds Initiative, and FSD Africa, however, upon its renewal, the Programme now operates with FMDQ Group and FSD Africa as partners. Its primary objective is to raise awareness and drive the education necessary for integrating the principles of green financing into the Nigerian DCM. The NGBMDP serves as the key vehicle for exploring and implementing initiatives designed to accelerate the development of the Nigerian Green Bond Market (NGBM).

*More update on the Nigerian Green Bond Market Development Programme and its activities in 2023 can be found in the External Governance Section of this Annual Report.*

*[Strategic Report](#) >> [External Governance](#) >> [The Nigerian Green Bond Market Development Programme Update](#)*

## Financial Centre for Sustainability, Lagos

The Financial Centre for Sustainability (FC4S), Lagos, an initiative inspired by FMDQ Group and supported by the Lagos State Government and other partner organisations, engaged in several impact-driven initiatives in 2023, aligning with its commitment to accelerate the expansion of sustainable finance in Nigeria and supporting the country's efforts to implement its nationally determined contributions. During the year, FC4S, with the support of FMDQ Group, executed key initiatives which related directly to FMDQ Group's Sustainability Strategy.

*More information can be found in the Update Report of Financial Centre for Sustainability, Lagos Section.*

*[Update Report of Financial Centre for Sustainability, Lagos](#)*

## Partnerships

Towards the advancement of sustainable markets and performance in relation to ESG, FMDQ Group has partnered and actively participates with various local and international organisations and initiatives:

- United Nations Global Compact – Participating Member
- World Federation of Exchanges – Full Member
- United Nations Sustainable Stock Exchange Initiative – Observer Status
- African Securities Exchange Association – Full Member
- Ring the Bell for Gender Equality - in collaboration with WFE, UNGC, United Nations Women, SSEI, and International Finance Corporation
- Ring the Bell for Financial Literacy – in collaboration with International Organisation of Securities Commissions (IOSCO) and WFE
- Ring the Bell for Climate – in collaboration with WFE and United Nations Climate Change

To integrate sustainability throughout corporate operations and markets, FMDQ Group actively participates in Working Groups that analyse and evaluate topics related to sustainable finance, ESG practices, and transitions for the DCM for adoption by FMIs.

PEOPLE

Strategic Agenda

To create a work environment that attracts, fosters, engages, and retains diverse talent.

SDG Impact Area



# Inclusive Culture

## Employee Attraction

At FMDQ, our employees are our most valued asset. Our approach to nurturing talent centers on a compelling value proposition that emphasises attraction, engagement, development, and retention. We attribute our sustained success in delivering our mandate and strategy to the culture of Teamwork & Collaboration, Innovation, Integrity, and Value-Adding fostered among our employees.

FMDQ Group maintains a work environment focused on diversity, excellence, growth, and meaningful work, enabling employees to reach their full potential while delivering value to stakeholders. To attract and retain talent, we offer a competitive, performance-driven remuneration strategy that recognises excellence and fosters a culture of sustained high performance. Continuous learning and development are integral to our people strategy. Our robust programmes are designed to build both technical expertise and essential soft skills, ensuring our employees are well-rounded, adaptable, and equipped to meet the ever-evolving demands of our business.

Our DNA is ingrained in the tenets of Passion & Vision, Career Mindedness & Long-Term Focus, Courage & Diligence, and Doggedness & Resilience. Our culture ensures that every employee feels respected, valued, and empowered to bring their authenticity to work.

To ensure optimal business performance and meet our manpower needs for 2023, forty (40) employees were recruited across the Group. This includes all twelve (12) participants of the 2022 FMDQ Graduate Development Programme (Q-GDP), who completed the rigorous Bootcamp and Rotation Programmes and were assigned to various Divisions as permanent employees. However, the Group also experienced the exit of thirty-two (32) staff members across various Grades, mostly due to relocation and new career opportunities.

At FMDQ Group, we are committed to identifying individuals with potential and investing significant resources in nurturing, grooming, and developing them to meet the specialised talent needs of our business.

*Read about our staff experiences in the section of this Report referenced below.*  
[2023 Highlights >> Staff Testimonials](#)

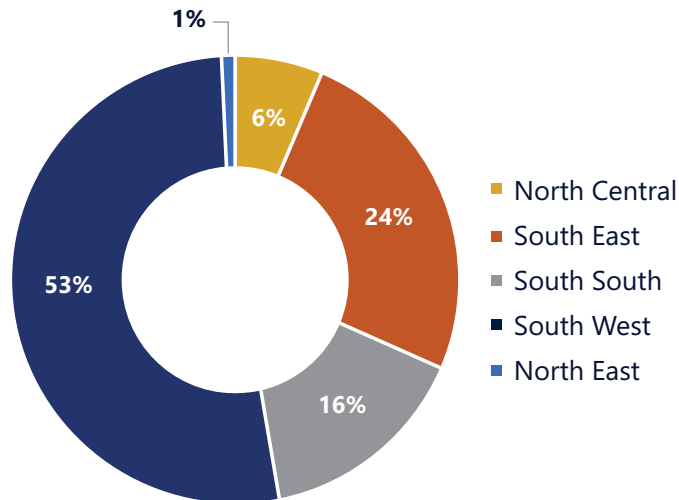
## Diversity and Inclusion

FMDQ Group embraces diversity among our staff, regardless of gender, age, disability, or other socio-cultural differences. We recognise that diversity and inclusion extend beyond headcounts, policies, and programmes; they encompass respecting and accommodating our employees' unique needs, perspectives, and potential. We value how diversity broadens our collective skills and perspectives, leading to increased innovation within our organisation.

We are committed to consistently creating an environment where every staff member is equally involved and receives the necessary support in all areas of work. Our goal is to foster a workplace where individuals feel safe to express their uniqueness without fear of discrimination based on gender, age, physical appearance or disability, marital status, national origin, religion, socioeconomic background, or personality traits. We acknowledge the critical role diversity plays in enhancing performance, which has been essential in widening our talent pool and increasing our ability to attract and retain the best talent.

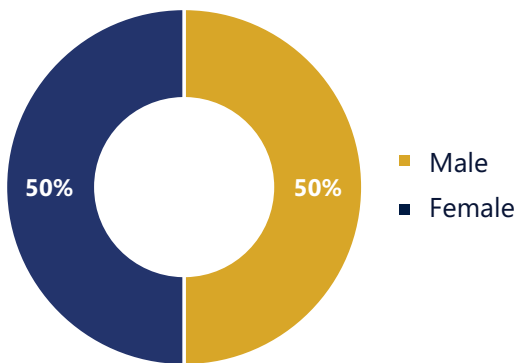
As at December 31, 2023, FMDQ Group had a total staff strength of one hundred and six (106) permanent employees. Based on the gender distribution across all grade levels and the representation of different ethnicities, it is evident that the Group is committed to maintaining a diverse and inclusive organisation.

**Ethnic Diversity**

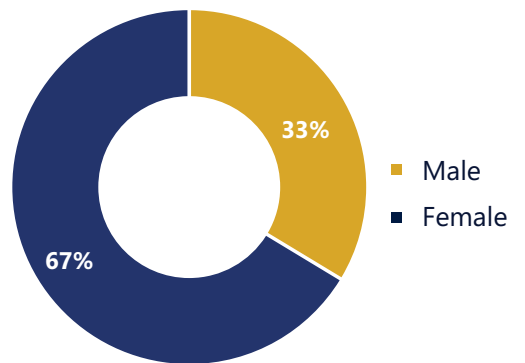


**Gender Representation as at December 31, 2023**

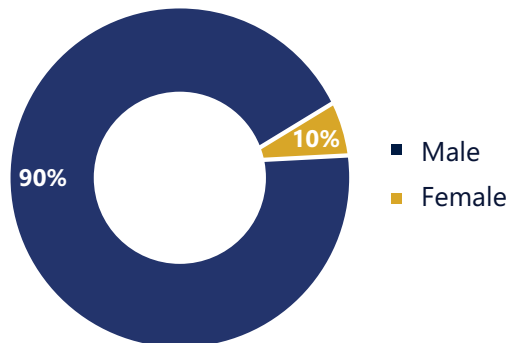
**Executive Committee**



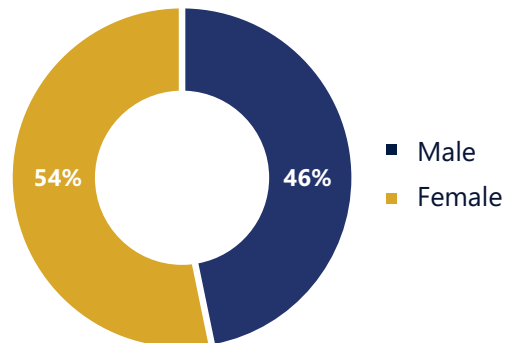
**Managing Directors**



**Business Executives**



**All Staff**



## Family-Friendly Initiatives

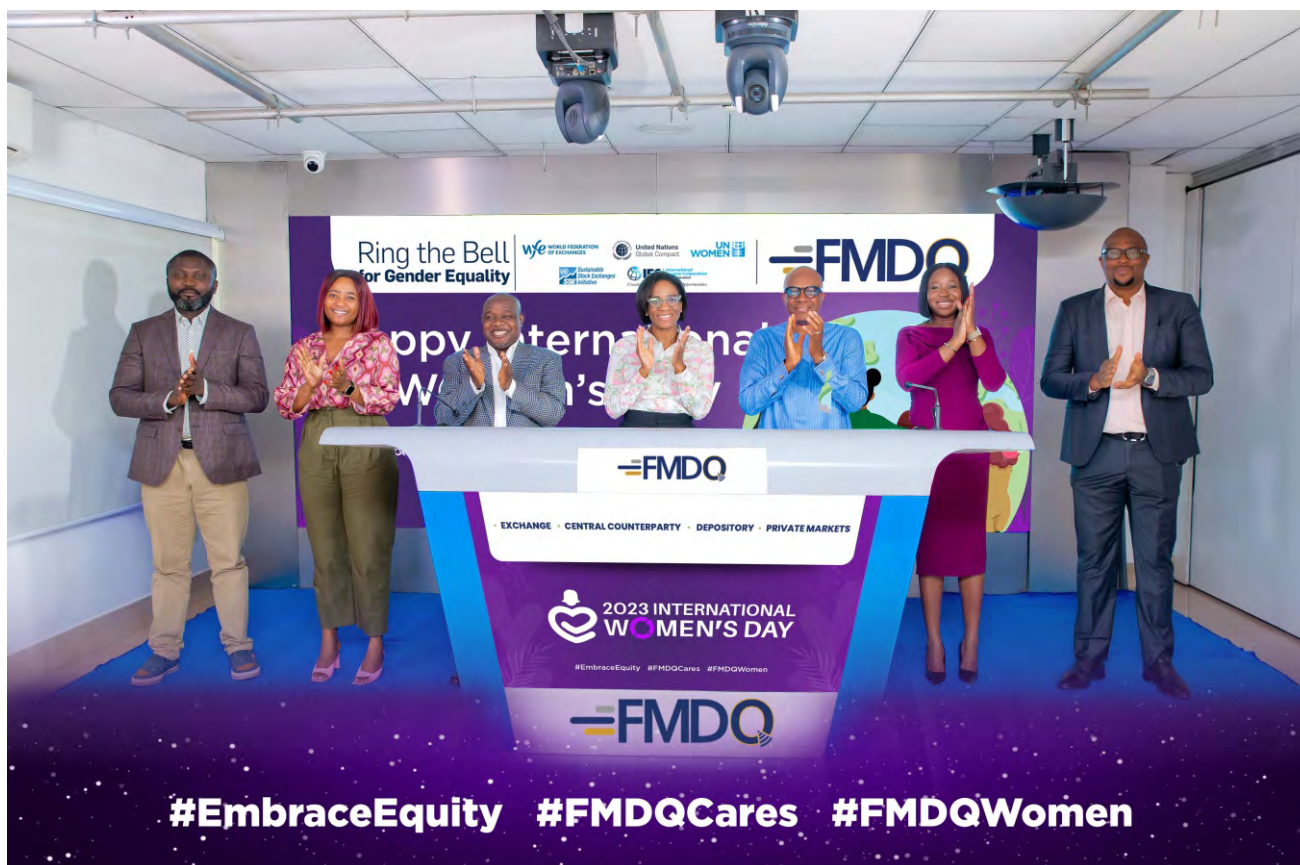
As part of FMDQ Group's commitment to staff welfare, we commenced the establishment of a world-class **crèche** facility, named **Q-Kiddies**, at Exchange Place in September 2023. This initiative underscores our dedication to supporting employees by providing a convenient and safe environment for their children. Q-Kiddies is designed to offer high-quality childcare services, enabling our employees to focus on their professional responsibilities with peace of mind. This investment in our workforce reflects our belief that a supportive work environment is essential for the overall success and well-being of our organisation. The Crèche will be officially launched for use in Q1 2024.

Furthermore, FMDQ Group has maintained its hybrid work approach, allowing employees to work from the comfort of their homes, thereby reducing the commute to the office, and enabling a more inclusive work-life balance for employees.

## Ring the Bell for Gender Equality

In support of the UN's SDG Goal 5, which focuses on achieving gender equality through the empowerment of women and girls, FMDQ Group commemorated the 2023 International Women's Day (IWD), by joining the WFE, UNGC, UN Women, SSEI, the International Finance Corporation, and over one hundred and twelve (112) exchanges and central counterparty clearinghouses (CCPs) around the world, to participate, for the 8<sup>th</sup> year, in the “**Ring the Bell for Gender Equality**” Ceremony. The bell-ringing Ceremony aimed to raise awareness about the importance of women's economic empowerment and the opportunities for the private sector to advance gender equality and sustainable development.

Additionally, FMDQ Group commemorated the 2023 IWD through targeted social media campaigns that showcased our contributions to fostering a gender-equal world, free of bias, stereotypes, and discrimination.





## Health and Safety

FMDQ Group has structured its work environment to eliminate threats and hazards to the general health and well-being of all employees. Staff well-being is a crucial component of a healthy organisation, and as such, the Group prioritises enhancing applicable welfare policies while promoting wellness in the workplace to demonstrate our dedication to the FMDQ People. We focus not only on the physical health of employees but also on their emotional and mental well-being, resulting in increased productivity, engagement, and improved work ethics and habits.

We collaborated with our health insurance service providers to enhance the services offered and encouraged staff members to utilise the annual comprehensive health check service provided to all. Furthermore, we continued to raise awareness and educate all staff on healthy lifestyle choices through Quarterly Health Talks covering the following topics:

- We Don't Talk Enough About Hepatitis: Hepatitis 101
- Coping Mechanisms for Today's Professionals
- Birth Control & Fertility

As part of our commitment to safety, FMDQ Group obtained its annual Fire Safety Certificate from the Federal Fire Service in July 2023.

## Upskilling - Talent Development

FMDQ prioritises investing in learning and development, which is essential to fostering a culture of continuous talent growth. As a result, we are consistently investing in a comprehensive talent strategy aimed at enhancing our internal capabilities and broadening our talent pool. We actively promote a culture of lifelong learning and have implemented programmes to continually upgrade skills. Leadership development is a key focus, and we partner with leading training providers to strengthen the competencies of our supervisory and managerial staff.

Additionally, as part of our efforts to enhance cybersecurity awareness across the organisation, we partnered with the world's leading New-School Security Awareness Training Provider, KnowBe4, to continually train all staff, ensuring compliance and control.

With the deployment of SeamlessHR, our Human Resource Management System (HRMS), all staff members have access to the Learning Management System (LMS) – Go1, an affiliate module that offers the largest curated e-learning library from top training providers, providing access to over sixty-eight thousand (68,000) courses.

As a result, all staff members attended training sessions throughout the year in various areas, including but not limited to:

- Technical trainings focused on financial markets, governance strategy, financial reporting, and information technology
- Soft skills trainings focused on business skills, mindfulness-based emotional intelligence and leadership, amongst others
- Fire management training

Additionally, our employees received refresher training on workplace effectiveness and information security-related topics.



COMMUNITY

Strategic Agenda

To champion financial markets education and inclusion and empower communities for sustainable development.

SDG Impact Area



Corporate Philanthropy

As a responsible corporate entity that takes pride in caring for the most vulnerable in society, FMDQ Group extended support to its four (4) partner charities - Echoes of Mercy and Hope Foundation, Holy Family Home for the Elderly, Living Fountain Orphanage, and Modupe Cole Memorial Childcare and Treatment Home/School - through the FMDQ Staff CSR Initiative. Funds raised from auctions of gifts and honorariums received by FMDQ employees were donated to these charity organisations. During the year, employees participated in a digital auction where all gifts received from our generous stakeholders were auctioned to the highest bidder.

In line with the Group's Corporate Matching Gift Policy, funds raised by employees from the auction were matched by FMDQ Group, increasing the total amount raised to ₦7.25 million. Additionally, donations of food and household items were made to the partner charities to show consistent support for their welfare and development.



## Corporate Social investment

As a passionate advocate for youth education and empowerment, the FMDQ Next Generation Financial Markets Empowerment Programme (FMDQ-Next) has, since its launch in 2018, been dedicated to promoting financial literacy and market awareness among youth and this initiative targets students at all educational levels—primary, secondary, and tertiary—as well as fresh graduates. Throughout the year, FMDQ-Next has continued to invest in nurturing financially astute individuals, equipping the next generation with the knowledge and skills necessary to contribute to Nigeria's socio-economic development and build a sustainable financial future.

*More information on our Corporate Social Investment activities is captured in the Corporate Responsibility Report section of this Annual Report.*

## Employee Volunteering

FMDQ employees have remained dedicated to giving back to their communities by sharing their time, knowledge, and expertise through virtual engagements via the FMDQ-Next Initiative. Through this initiative, they educate students on practical financial markets concepts, making sound financial decisions, different investment vehicles, and the roles of various market participants. Additionally, they offer practical steps for starting an investment journey, key attitudes for wealth creation, and career advice. In 2023, FMDQ employees contributed over one thousand and hundred (1,100) volunteer hours educating and equipping the next generation with the knowledge and skills required to navigate and succeed in the future.

## Ring the Bell for Financial Literacy

For the fourth consecutive year, FMDQ Group joined the global financial markets community to commemorate the seventh edition of the World Investor Week (WIW), held in October 2023. The themes of the 2023 WIW resonated closely FMDQ Group's commitment to financial literacy, investor education, and the protection of investor interests. This dedication drives FMDQ to develop innovative and sustainable initiatives within the Nigerian financial landscape. FMDQ is committed to creating globally competitive markets that prioritise investor protection.

FMDQ Group celebrated the 2023 WIW through targeted social media campaigns showcasing its contributions to investor education and financial literacy. Additionally, a virtual “Ring the Bell for Financial Literacy” Ceremony was held to raise awareness on the importance of investor protection and promote financial literacy.





## ENVIRONMENT

### Strategic Agenda

To promote development of the green economy and actively manage the environmental impacts of our operations.

### SDG Impact Area



**Impact Assessment and Reduction** - Our environmental footprints encompass energy consumption, water usage, emissions from generator use and transport (both air and land), material usage (such as paper), waste management, and environmental compliance. We have successfully aligned our environmental footprint with the International Organisation for Standardisation (ISO) 14001:2015 Environmental Management System Standards. As reported in the previous year, we established baseline data for energy consumption and emissions in 2023.

**Energy** - We are committed to energy conservation practices through various initiatives, including conservation awareness within the FMDQ building, a consumption measurement and monitoring programme, and strategies such as switching off lights and appliances when not in use, utilising sensor lights, adopting energy-saving lighting throughout the office, decreasing the continuous use of diesel-powered generators (e.g., establishing generator cut-off times), supporting remote work initiatives, and transitioning to energy-efficient appliances and equipment (including refrigerators, air conditioners, television screens, computers, and water dispensers). In 2023, we measured, recorded, and monitored our baseline energy consumption, which totaled approximately 874.13 MWh. Of this, 75.50% (659.64 MWh) was sourced from diesel-powered generators, while 24.50% (214.50 MWh) came from the national grid.

**Emissions** - We are dedicated to climate change mitigation through carbon emissions reduction initiatives, including the energy conservation measures outlined above and the use of energy storage devices (inverters and batteries). In 2023, we measured, recorded, and monitored our Scope 1 emissions (emissions from diesel generators and pool cars) and Scope 2 emissions (indirect emissions from energy purchased from the national grid). Our total Scope 1 emissions amounted to 863.55 tCO<sub>2</sub>e, with diesel generators contributing 97.10% (838.40 tCO<sub>2</sub>e) and pool cars accounting for 2.90% (25.15 tCO<sub>2</sub>e). Scope 2 emissions were recorded at 108.42 tCO<sub>2</sub>e, representing 11.20% of our total emissions of 971.97 tCO<sub>2</sub>e (Scope 1 + Scope 2).

**FMDQ Triple R** - We have continued to collect data on our recyclables to measure our efforts toward reducing pollution associated with poor waste management and disposal through our FMDQ Group recycling initiative – the FMDQ Triple R Initiative. From January to December 2023, we successfully collected a total of 144.80 kg of recyclables.

## Environmental Awareness

**2023 World Environment Day** - FMDQ Group joined the global community in commemorating the 2023 World Environment Day, an annual event championed by the United Nations Environment Programme. This year's campaign, under the theme #BeatPlasticPollution, involved raising external awareness through social media creatives and internal initiatives aimed at re-educating employees on the importance of properly sorting plastic waste for recycling.

**Participation in 2023 Climate Change Conference** - FMDQ participated in the 2023 UN Climate Change Conference (“COP28”) by convening with other Exchanges and CCPs globally at the WFE COP28 Event on December 5, 2023—the Just Transition Day at COP28. Discussions centered on green transition and the role of exchanges in achieving a just transition, particularly in developing countries like Nigeria.

**Inaugural Ring the Bell for Climate** - The WFE organised the first Ring the Bell for Climate Initiative, aimed at promoting sustainable and climate-friendly business practices within the global financial sector. This initiative aligns with FMDQ's commitment to environmental awareness and climate finance. In support of the WFE initiative, FMDQ held its inaugural 'Ring the Bell for Climate' Ceremony on December 11, 2023.



# Corporate Responsibility Report

As a socially responsible organisation that recognises the crucial role financial markets education plays in both economic and social development, FMDQ Group is a passionate advocate for youth education and the empowerment of future generations. By leveraging its core competencies, FMDQ Group continually seeks ways to support its host communities. This commitment is exemplified through its flagship corporate responsibility programme, FMDQ Next Generation Financial Markets Empowerment Programme (FMDQ-Next), a learning and development initiative aimed at promoting financial market awareness and literacy among students across all levels, primary, secondary, and tertiary, as well as fresh graduates.

## FMDQ-Next

*FMDQ-Next is FMDQ Group's flagship corporate responsibility programme, a learning and development initiative aimed at promoting financial market awareness and education among students across all levels, as well as university graduates within the country.*

- Introduce participants to the world of finance and investments, exposing them to a wide range of skills which position them for personal growth and innovative thinking for the future**
- Teach participants principles to create and manage wealth**
- Provide opportunities for students to interact with financial market participants, gaining practical knowledge about key financial markets concepts**
- Demystify the workings of financial markets for the participants, empowering them to be financially astute from an early age**
- Enhance the professional marketability of the youth, thereby developing Nigeria's local technical capital**

*The FMDQ-Next Initiative has developed several exciting programmes, which include:*



### Teach-a-Class Sessions

Fun, educational, and interactive exercises focused on financial markets



### Excursions and Tours

Exclusive visits to FMDQ Group and other local and international financial markets institutions



### Trading Simulation Exercises

Hands-on experience in trading financial securities through managing virtual portfolios in simulated environments



### Summer Camp Programme

A conducive and fun learning environment offering comprehensive financial markets education during the summer holidays



## 2023 FMDQ-Next Summer Camp Programme

As part of its commitment to fostering financial literacy in the younger generation, FMDQ Group, through FMDQ-Next successfully organised the 4<sup>th</sup> edition of its Summer Camp Programme ("the Programme") at its business complex, Exchange Place, in Lagos.

The highly successful and robust 2023 Summer Camp Programme, which impacted a total of one hundred and thirty (130) participants from diverse backgrounds, was designed for Primary School (ages 8 – 10) and Secondary School (ages 11–16) students, and delivered in two (2) Streams, between August 2 – 25, 2023, this fully funded FMDQ-Next initiative provided participants with crucial knowledge and skills to understand the concepts of financial markets. The Secondary School Streams were given the opportunity to understand the concept of savings and investment, while introducing them to various investment vehicles, and the roles of different financial markets participants, through educational and interactive activities. Participants, strictly selected on a first-come, first-served basis, were given a tour of Exchange Place and the FMDQ world-class Archives. They also had the unique opportunity to interact with the Chief Executive Officer of FMDQ Group and other senior executives, among other enriching experiences.

The Secondary School participants of the Programme were granted an additional opportunity to immerse themselves in the world of currency trading within a simulated environment in FMDQ Q-Hub, a state-of-the-art Trading Simulation Room. This cutting-edge platform, powered by the FMDQ-Next bespoke trading system, empowered participants to gain practical experience in trading, identifying potential risks, and effectively managing virtual portfolios with the ultimate goal of making profits. The top three (3) finalists of this competition were rewarded with remarkable prizes, including laptops, tablets, as well as future internship positions at FMDQ Group



Acknowledging excellence beyond the Secondary School level, the Primary School participants were not left out of the prize giving as the top three (3) finalists in each Stream were also awarded impressive prizes. In addition to fostering financial markets education, the Programme served as a platform for participants to showcase their artistic talents in music, drama, and arts, with Talent Shows that enabled participants to demonstrate their flair in creative arts, amongst others.





Additionally, a select group of participants from the 2023 FMDQ-Next Summer Camp Programme (primary school stream) were invited to perform a playlet at the FMDQ 10<sup>th</sup> Anniversary event. Through their performance, the participants were able to showcase their learning experience from the Summer Camp Programme, impressing the audience with their knowledge on the financial markets - from the fundamental concepts, through the roles of various financial market participants, to common investment vehicles, and more.



Since FMDQ-Next launched in July 2018, over one thousand and twenty-two (1,022) participants, from primary students, through to fresh graduates, have been positively impacted through four (4) Summer Camps; six (6) Corporate Excursions; eight (8) Virtual Financial Literacy Sessions; fourteen (14) Trading Challenges; and ten (10) Internships with FMDQ Group. The FMDQ-Next initiative is an expression of FMDQ Group's ongoing commitment to continually implement innovative initiatives that ensure a sustainable financial future for the next generation.







## Report on Financial Centre for Sustainability, Lagos

The Financial Centre for Sustainability (“FC4S”), Lagos was established in April 2019 by key financial market stakeholders, including FMDQ Group, with the support of the United Nations Environment Programme. Its primary aim is to accelerate the expansion of green and sustainable finance in Nigeria and promote the adoption of the UN 2030 SDGs. On May 29, 2019, the FC4S Lagos was admitted as the 23rd member of the International Network of Financial Centres for Sustainability (“FC4S Network”) headquartered in Geneva, Switzerland, and was formally launched on October 4, 2019, by Mr. Babajide Sanwo-Ōlu, the Executive Governor of Lagos State. The FC4S Network is a collective of forty (44) international financial centres under the aegis of the UNDP with over \$80 trillion in market capitalisation, working together to achieve the Paris Climate Agreement Nationally Determined Contributions (NDCs) and SDGs.

The FC4S, Lagos remains steadfast in its commitment to advancing sustainable finance in Nigeria and contributing to the achievement of the country's Nationally Determined Contributions and the UN's 2030 SDGs. During the review period, several key programmatic activities were executed, including:

- **SDGs Fintech Hackathon:** FC4S Lagos, in collaboration with the Nigeria Climate Innovation Centre, successfully executed the third edition of the Naija SDGs Fintech Hackathon. Sponsored by FMDQ Group, Microsoft, and Meta (Facebook), the event awarded cash prizes of ₦1.00 million each to three (3) winners. Additional support came from partners such as the Office of the Vice President of the Federal Republic of Nigeria, Impact Hub, and the Lagos State Office of the SDGs. The event also hosted dignitaries, including representatives from the Consulate General of Switzerland, the United States Consulate, the Consulate General of Denmark, and UNDP Nigeria
- **Water Sanitation & Hygiene Innovation Fair/Challenge:** FC4S Lagos held the second edition of the Water Sanitation & Hygiene (WASH) Innovation Fair/Challenge, aiming to tackle Nigeria's challenges in accessing clean potable water and improving sanitation and hygiene services. A key highlight was the exhibition of innovative water, sanitation, and hygiene technologies developed by talented young Nigerians, aimed at bridging the WASH gap in the country
- **Building Bridges Summit:** Following the Call for Entry for the 2022 Growth Stage Impact Ventures Scheme, FC4S Lagos partnered with UNDP Nigeria to execute the SDG Investment Brokering for Small and Medium-Scale Enterprises (SMEs) Project. Seventeen (17) finalists were selected from a pool of one hundred and forty (140) applicants. Two (2) leading finalists, Sosai Renewable Energies (Goal 7 – Affordable & Clean Energy) and Bankly (Goal 1 – No Poverty), had the opportunity to pitch their businesses to potential impact investors at the 2023 Building Bridges Summit in Geneva. To date, three (3) of the seventeen (17) finalists have secured a total of \$15.00 million in funding from impact investors to scale their operations. The funded ventures include EHA Clinics (Healthcare) (SDG 3 – Good Health and Wellbeing), Vittas International (SDG 3 – Good Health and Wellbeing), and Agriarche (Agri-Tech) (SDG 2 – Zero Hunger; SDG 8 – Decent Work and Economic Growth)

- **SEC/FC4S Lagos/ESS, Senegal ESG Workshop:** In partnership with the Securities and Exchange Commission (SEC) and the Environmental and Social Sustainability (ESS), Senegal, FC4S Lagos conducted a workshop focused on the adoption of ESG practices by corporate organisations within the Nigerian financial markets. The Workshop featured insights from both domestic and international experts, including representatives from Lagos Business School, ESS Senegal, Growing Business Foundation, and the International Sustainability Standards Board. Attendees included key stakeholders from the SEC, Access Bank PLC, the Nigeria Sovereign Investment Authority, the Nigerian Exchange Group, Investment One, and the Fund Managers Association of Nigeria

# Governance Structure

Corporate Governance Report

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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 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 *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*, *SEC Rules on Capital Market Holding Companies, 2019*, 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
<b>Ethical Culture</b>	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.
<b>Stewardship</b>	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.
<b>Independence</b>	Independence from Management is fundamental to its role, and 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 ensure that Independent Non-Executive Directors sit on the Board to see to it that the Board does not itself become an echo-chamber.



Principle	Description
<b>Oversight of Strategy</b>	<p>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.</p>
<b>Oversight of Communications</b>	<p>FMDQ recognises that active communication with its various stakeholders is an integral part of its mandate as a financial market infrastructure group. Therefore, the Group is committed to engaging with its stakeholders in a manner that is open and transparent, whilst facilitating the dissemination of timely, accurate and quality information to its internal and external stakeholders.</p>
<b>Oversight of Risk</b>	<p>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.</p>
<b>Accountability &amp; Transparency</b>	<p>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.</p> <p>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.</p>
<b>Continuous Improvement</b>	<p>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.</p> <p>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.</p>

**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, 2023, 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 Group; 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 section of this Annual 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 judgement, 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
<b>Strategy &amp; Management</b>	<ul style="list-style-type: none"> <li>▪ Approval of the Company's Strategic Plan</li> <li>▪ Review of delivery of the strategy and performance against Strategic Plan</li> <li>▪ Approvals for recruitment and selection of Senior Vice President position and above</li> </ul>

Power	Components
<b>Structure and Capital</b>	<ul style="list-style-type: none"> <li>▪ Proposal of major changes to the Company's corporate structure, excluding internal reorganisations, which may be approved by the Chief Executive Officer</li> <li>▪ Proposal of changes relating to the Company's capital structure or its status as a PLC</li> <li>▪ Approval of Capital Plan, as may be applicable</li> </ul>
<b>Legal Requirements</b>	<ul style="list-style-type: none"> <li>▪ Approval of Financial Statements</li> <li>▪ Approval of Annual Report and Accounts</li> <li>▪ Approval of any significant change in accounting policies or practices</li> <li>▪ Proposal on appropriation of profits in line with the Company's Appropriation Policy</li> <li>▪ Appointment (or removal) of the Company Secretary</li> <li>▪ Authorisation for Directors' conflicts or possible conflicts of interest</li> <li>▪ Recommendation to the shareholders of the appointment or removal of External Auditors</li> <li>▪ Approval of allotment of shares</li> </ul>
<b>Financial Dealings</b>	<ul style="list-style-type: none"> <li>▪ Approval of annual budgets</li> <li>▪ Approval of sale of assets in accordance with limits specified by the Board from time to time</li> <li>▪ Approval of capital expenditure or investments in accordance with limits specified by the Board from time to time</li> <li>▪ Approval of leases</li> <li>▪ Approval of accounting and investment policy</li> <li>▪ Approval of changes in major banking relationships and account mandates</li> <li>▪ Approval of profit appropriation</li> </ul>
<b>Regulatory Requirements</b>	<ul style="list-style-type: none"> <li>▪ Approval of resolutions and corresponding documentation for shareholders at Annual General Meetings</li> <li>▪ Approval of all shareholder circulars, prospectuses, and listing particulars</li> <li>▪ Approval of press releases concerning matters decided by the Board</li> </ul>
<b>Board Membership and Board Committees</b>	<ul style="list-style-type: none"> <li>▪ Approval of FMDQ Board structure, size, and composition, including appointments and removals</li> <li>▪ Succession planning for the Board and Management</li> <li>▪ Approval of FMDQ Group Board Committee membership</li> </ul>

Power	Components
Expenses in the Ordinary Course of Business	<ul style="list-style-type: none"> <li>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</li> </ul>
Disposal of the Company's Fixed Assets	<ul style="list-style-type: none"> <li>Approval of the disposal of assets in accordance with limits specified by the Board from time to time</li> </ul>
Remuneration	<ul style="list-style-type: none"> <li>Approval of the framework for remuneration packages of the Chief Executive Officer and Executive Directors</li> <li>Proposal of Chairman and Non-Executive Directors' remuneration</li> <li>Approval of the framework for remuneration packages of Executives in specialist roles</li> <li>Determination and authorisation of employee shares/compensation schemes</li> </ul>
Corporate Governance	<ul style="list-style-type: none"> <li>Approval for process of the Board performance evaluation</li> <li>Determination of independence of Non-Executive Directors</li> <li>Approval of Corporate Governance Framework</li> <li>Appointment (or removal) of members of Executive Management</li> </ul>
Delegation of Authority	<ul style="list-style-type: none"> <li>Approval of Board and Board Committee Charters</li> </ul>

## 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 (“NEDs”), 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, 2023, the Board comprised eight (8) Directors including: three (3) NEDs, 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:

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

\*- Retired from the Board effective September 22, 2023



## h. Board Meeting Attendance in the Year Ended December 31, 2023

The attendance at Board meetings for the year ended December 31, 2023, is outlined as follows:

S/N	Directors	Mar. 31, 2023	Apr. 28, 2023	Jul. 28, 2023	Oct. 27, 2023	Dec. 15, 2023
1.	Dr. Kingsley Obiora, OFR (Group Chairman)*	✓	✗	✓	N/A	N/A
2.	Dr. Jibril Aku (Group Vice Chairman)	✓	✓	✓	✓	✓
3.	Dr. Ebenezer Onyeagwu	✓	✓	✗	✓	✓
4.	Mr. Oliver Alawuba	✓	✓	✓	✓	✓
5.	Mr. Emeka Onwuka, OON	✓	✓	✗	✓	✓
6.	Ms. Daisy Ekineh	✓	✓	✓	✓	✓
7.	Mr. Sadiq Mohammed	✓	✓	✓	✓	✓
8.	Mrs. Egbichi Akinsanya	✓	✓	✓	✓	✓
9.	Mr. Bola Onadele. Koko	✓	✓	✓	✓	✓

\*- Retired from the Board effective September 22, 2023

N/A (Not Applicable) – 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

Dr. Kingsley Obiora, OFR 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
- d. 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.

## k. Compliance with Statutory Returns

The Board aimed to ensure all regulatory reports for 2023 were made to regulators promptly.

## l. Board Performance and Evaluation

As required by the SCGG and the NCCG, evaluations of the Company's Board and Corporate Governance practices for the year 2023 was conducted by Ernest & Young ("EY"). Extracts in relation to the outputs of the evaluations, which were transmitted to the Board by EY, are set out below.



Ernst & Young  
UBA House, 10th Floor  
57 Marina, Lagos

Tel: (234 -1) 4630479, 4630480  
Fax: (234 -1) 4630481  
E-mail: services@ng.ey.com

### Report of External Consultants on the Board Performance Evaluation of FMDQ Group PLC.

We have performed the evaluation of the Board of FMDQ Group PLC for the year ended 31<sup>st</sup> December 2023, in accordance with the guidelines of Section 15.1 of the Securities Exchange Commission (SEC) Code of Corporate Governance (CCG) 2011 for Public Companies in Nigeria. The Securities and Exchange Commission (SEC) Code of Corporate Governance 2011 mandates the Board of Public Companies to undergo an annual appraisal of its own performance, that of its Committees, the Chairman and individual Directors. Subsection 15.2 of the Code requires the appraisal system to "include the criteria and key performance indicators and targets for the Board, its Committees, the Chairman and each individual Board member" while subsection 15.6 states that the services of external consultants may be engaged to facilitate the appraisal process.

Our approach included the review of the FMDQ Group PLC Corporate Governance framework, and all relevant policies and procedures.

On the basis of our work, the Board of FMDQ Group PLC has complied with the requirements of the Securities Exchange Commission Code of Corporate Governance (SEC CCG) 2011 for Public Companies in Nigeria during the year ended 31<sup>st</sup> December 2023. The outcome of the review and our recommendations have been articulated and included in our detailed report to the Board. This report should be read in conjunction with the Corporate Governance section of the Annual Report of FMDQ Group PLC.

For: Ernst & Young

**Abiodun Ogunoiki**  
Partner and Financial Services Risk Management Lead, West Africa  
FRC/2022/PRO/DIR/003/119476



Ernst & Young  
UBA House, 10th Floor  
57 Marina, Lagos

Tel: (234 -1) 4630479, 4630480  
Fax: (234 -1) 4630481  
E-mail: services@ng.ey.com

#### Report of External Consultants on the Corporate Governance Review of FMDQ Group PLC.

We have performed the Corporate Governance review of FMDQ Group PLC for the year ended 31<sup>st</sup> December 2023, in accordance with the guidelines of Section 15.1 of the Nigerian Code of Corporate Governance (NCCG) 2018. The Nigerian Code of Corporate Governance (NCCG) 2018 mandates registered Companies to undergo an annual evaluation of their corporate governance practices to ensure their governance standards, practices, and processes are adequate and effective. Subsection 15.1 of the Code requires that the evaluation should be facilitated by an independent external consultant at least once in three (3) years, while subsection 15.2 states that the summary of the report of this evaluation should be included in the Company's annual report and on the investors' portal of the Company.

Our approach included the review of the FMDQ Group PLC Corporate Governance framework, and all relevant policies and procedures.

On the basis of our work, the Board of FMDQ Group PLC has complied with the requirements of the Nigerian Code of Corporate Governance (NCCG) 2018 during the year ended 31<sup>st</sup> December 2023. The outcome of the review and our recommendations have been articulated and included in our detailed report to the Board. This report should be read in conjunction with the Corporate Governance section of the Annual Report of FMDQ Group PLC.

For: Ernst & Young

**Abiodun Ogunoiki**  
Partner and Financial Services Risk Management Lead, West Africa  
FRC/2022/PRO/DIR/003/119476

### m. Board Training and Development

Upon appointment to the Board, all Directors receive an onboarding pack and undergo an onboarding session, 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 and delivered by the Company's Executives.

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 *Investments and Securities Act, 2007*, and any other relevant laws.

## o. Audit Committee

The Statutory Audit Committee (the “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:

S/N	Members	Interest Represented	MEETING DATES			
			Mar. 31, 2023	May 4, 2023	Jul. 21, 2023	Dec. 12, 2023
1.	Mr. Banjo Adegbohunge	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 Advisory Services, 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

The Group Board Regulatory and Risk Management Committee (“GBRRMC” or 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, compliance, and internal audit function.

The attendance at GBRRMC meetings for the year-ended December 31, 2023, is outlined as follows:

S/N	Directors	MEETING DATES			
		Apr. 19, 2023	Jul. 13, 2023	Oct. 13, 2023	Dec. 4, 2023
1.	Ms. Daisy Ekineh (Chair)	✓	✓	✓	✓
2.	Dr. Ebenezer Onyeagwu (Vice Chair)	✓	✗	✓	✓
3.	Mr. Oliver Alawuba	✓	✓	✓	✓
4.	Mrs. Egbichi Akinsanya	✓	✓	✓	✓
5.	Mr. Bola Onadele. Koko	✓	✓	✓	✓

### 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 oversight of the Company's continued application of the CBN's Cybersecurity Framework Gaps Remediation, as well as the implementation of the 2023 Internal Audit Plan.

#### ▪ Group Board Finance and Strategy Committee

The Group Board Finance and Strategy Committee (“GBFSTC” or 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, 2023, is outlined as follows:

S/N	Directors	MEETING DATES						
		Mar. 22, 2023	Mar. 31, 2023	Apr. 14, 2023	Jun. 14, 2023	Jul. 26, 2023	Oct. 13, 2023	Dec. 8, 2023
1.	Dr. 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, provided guidance to Management on the implementation of FMDQ Group's Capital Raise Agenda, investment in Central Securities Depository Business, as well as the implementation of the Venture Capital Implementation Plan.

#### ▪ Group Board Governance and Human Resources Committee

The Group Board Governance and Human Resources Committee (“GBGHRC” or 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, 2023, is outlined as follows:

SN	Directors	MEETING DATES					
		Apr. 12, 2023	Jul. 12, 2023	Jul. 25, 2023	Oct. 12, 2023	Nov. 30, 2023	Dec. 14, 2023
1.	Dr. Ebenezer Onyeagwu (Chair)	✓	✓	✓	✓	✓	✓
2.	Mr. Emeka Onwuka, OON (Vice Chair)	✓	✓	✗	✓	✓	✓
3.	Mr. Oliver Alawuba	✓	✓	✓	✓	✓	✓
4.	Mr. Sadiq Mohammed	✓	✓	✓	✓	✓	✓
5.	Mrs. Egbichi Akinsanya	✓	✓	✓	✓	✓	✓

### Activities for Period Under Review

During the period under review, the Committee, amongst other things, upgraded the Company's corporate governance architecture by approving a revised Board Composition Framework for FMDQ Group and subsidiaries, as well as revised Governance Policies.

# 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

- Discrimination of any form is unacceptable, including but not limited to race, gender, pregnancy, marital status, family responsibilities, ethnic or social origin, age, disability, religion, belief, political opinion, culture, language, etc.
- While FMDQ's remuneration will be free of discriminatory distinctions, it will include objective distinctions based on performance and the demonstration of pre-defined competencies
- All information necessary for making remuneration decisions will be communicated frankly and openly, while maintaining the confidentiality of individuals' personal remuneration information
- The Group will reward all staff fairly and consistently based on their roles and individual contributions to the organisation

### b) Performance-driven Remuneration

FMDQ aims to strengthen the link between performance and remuneration by implementing a performance management system that allows for the differentiation of employee performance. This system is a key consideration in determining employee remuneration.

### c) Affordability

FMDQ sets remuneration and other human resource cost limits in line with market and operational realities. These limits are informed by the strategic plan, annual budgetary realities, peers' pay scales, and the inflation rate.

### d) Benchmarking

FMDQ may participate in annual benchmarking compensation/remuneration surveys to assess the competitiveness and fairness of its pay structure.

### **Remuneration Structure for Employees**

The Group will adopt a remuneration structure that considers the total cost of each employee to the Group. This structure will 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 will receive fixed annual fees for their service to the Board and Board Committees. The components of NEDs' remuneration may include:

- i. Sitting allowance for each Board Committee and Board meeting attended during the year, with a higher allowance for Chairing a Committee
- ii. Annual vacation allowance for the NED
- iii. Any other remuneration 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 accordance with its duties under the Board Charter, will review the Group's Remuneration Policy. It will present any timely proposals to the Board regarding the items included and their allocated amounts. This policy will be reviewed at least every two (2) years from the effective date.

# Compliance, Risk & Control

Governance, Risk & Compliance Structure

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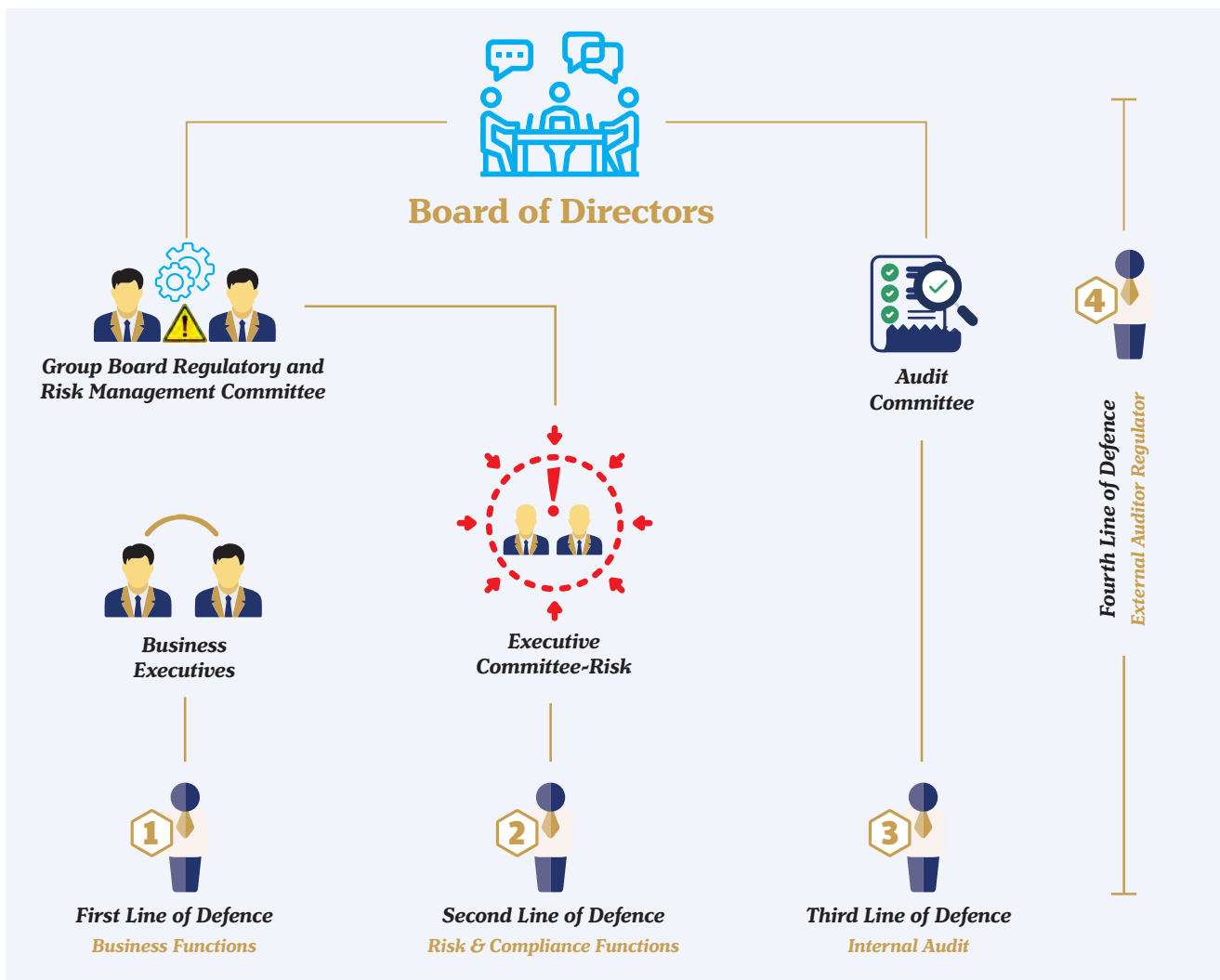
Risk and Control Reports



# Compliance, Risk & Control

## Governance, Risk & Compliance Structure

The FMDQ Group Governance, Risk, and Compliance (GRC) Framework guides governance, risk management, and compliance activities across the Group. The framework is adapted to global best standards - the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control-Integrated Framework 2013, the ISO 31000 Risk Management, and the International Organisation of Securities Commissions (IOSCO) principles and guidelines.



The GRC Framework defines responsibilities to guide the identification, assessment, management, and reporting of risks across the Group. These functions are managed by a robust governance structure led by the Board through the “Four (4) Lines of Defence” Model, with oversight from the Board Regulatory and Risk Management Committee, Executive Committee (Risk) and Management (Business Executives).

The Board has the ultimate responsibility for the oversight of the Group's enterprise risk management programme; sets and approves the Group strategy, risk management framework and risk appetite, GRC model, and delegates suitable responsibilities on the management of enterprise risk to the Board Regulatory and Risk Management Committee. The Board Committee supports the Board through the monitoring of compliance with risk policies, adequacy of internal controls, the risk profile of FMDQ Group against Board-approved risk appetite and reporting of risk management matters to the Board.



The Audit Committee oversees and reviews the activities of Internal Audit as well as the Group's GRC Framework regularly. The Committee also ensures that the internal audit function has the necessary resources and access to relevant information to independently perform its assurance and consultancy roles.

The Executive Committee (Risk) (ExCo-Risk) is responsible for the application of a consistent and effective methodology to manage the risks associated with the business and operations of FMDQ Group. The ExCo-Risk also ensures full implementation of appropriate risk management processes and methodologies, and champions risk management initiatives across the Group.

Management is responsible for the day-to-day administration and monitoring of risks and acts as risk champions - catalysts for enterprise-wide risk management initiatives, promoting awareness of the Group's risk policies and ensuring a strong risk awareness culture amongst all FMDQ employees.

In addition to the GRC structure, the execution of risk management policies and procedures across the Group is well coordinated via the “Four (4) Lines of Defence” Model, which consists of Business Units, Risk, and Compliance functions, Internal Audit franchise, and External Auditor/Regulator

Business Units	Risk & Compliance	Internal Audit	External Auditor/Regulator
(First Line)	(Second Line)	(Third Line)	(Fourth Line)
<ul style="list-style-type: none"> <li>Adhere to defined processes and complies with limits</li> <li>Execute tasks adhering to policies</li> <li>Provide feedback on the controls and policies in place</li> <li>Develop business processes, controls and policies aligned with the risk appetite</li> <li>Provide input for risk reporting</li> <li>Implement reporting framework</li> <li>Review the impact of regulatory requirements to processes, policies, and controls</li> </ul>	<ul style="list-style-type: none"> <li>Monitors compliance with statutory and regulatory requirements</li> <li>Supports the business in the development of risk appetite &amp; strategy</li> <li>Provides inputs to the business to develop and maintain policies</li> <li>Develops and enforces risk governance model</li> <li>Defines risk controls &amp; processes</li> <li>Monitors effectiveness of controls and residual risk</li> <li>Monitors data accuracy, risk reporting trends and issues</li> <li>Identifies and assesses relevant regulatory changes</li> </ul>	<ul style="list-style-type: none"> <li>Monitors articulation of risk appetite and organisational compliance with limits framework</li> <li>Assesses compliance with policies, regulations, and applicable standards, in alignment with global best practices</li> <li>Reviews appropriateness of and compliance with controls and processes</li> <li>Monitors the risk reporting framework</li> <li>Tests implementation of process, policy, and controls</li> </ul>	<ul style="list-style-type: none"> <li>Monitors the business operations of the Group in an independent manner by constantly conducting assessments of risk management framework, internal control, and compliance</li> <li>Evaluates the effectiveness and adequacy of the internal control and audit programmes</li> </ul>

## Risk Management Report

The risk management process of FMDQ Group aligns with ISO 31000 Risk Management and COSO (the guiding standards for the development of the Group's GRC Framework). Our Enterprise-wide Risk Management ("ERM") Policy relies on the establishment of a group-wide risk oversight, monitoring, and reporting that promotes risk integration. The ERM policy provides a structured approach for the Group to identify, analyse, manage, monitor, and report the risks inherent in its business operations in a structured and cyclical manner, thus enabling our objective of providing maximum value to our shareholders and clients.

FMDQ Group constantly assesses the risk exposures arising from its business operations and operating environment, keeping with the defined broad risk categories approved by the Board. The illustration below depicts the elements of the risk management process in FMDQ Group.

### Risk Management Process

S/N	Key Processes	Description
1.	Context Establishment	Definition of the Group's strategic objectives, scope of risk assessment process, and risk evaluation criteria
2.	Risk Identification	Identification of risk events that could potentially impact the Group's strategic objectives and key business processes of relevant Business Units
3.	Risk Assessment	Evaluation of the severity of identified risk events via likelihood of occurrence and impact based on pre-defined assessment parameters
4.	Risk Treatment	Evaluation of effectiveness of extant controls and recommendation of new mitigation plans to address residual risks
5.	Risk Reporting & Monitoring	Monitoring of the implementation of risk treatment plans and residual risk exposure for periodic reporting to the Board

### Risk Profile

Effective risk management is pivotal to the achievement of FMDQ Group's corporate goals, as the FMI Group, is exposed to multi-faceted risks due to the nature of its business operations. The profiling of risks inherent in the Group's business operations guides the enterprise-wide risk assessment process that is performed continuously. To ensure a consistent approach to management and reporting of risks, FMDQ Group has classified its inherent risks under ten (10) broad risk categories. The broad risk categories are effectively treated through the following mitigation measures:

Broad Risk Category	Description	Mitigation Strategy
Strategic Risk	The uncertainties in the Group's strategic intent and in the achievement of its strategic goals and objectives	<ul style="list-style-type: none"> <li>Strategic risk assessment</li> <li>Periodic evaluation of operating environment, as well as macroeconomic conditions</li> <li>Scenario analysis and impact assessment</li> </ul>

Broad Risk Category	Description	Mitigation Strategy
<b>Business Risk</b>	The possibility that the Group's operations or competitive environment will cause it to generate financial results that are worse than expected	<ul style="list-style-type: none"> <li>▪ Proactive monitoring of FMI industry trends, competitors and evolving digital landscape</li> <li>▪ Product and service diversification</li> <li>▪ Stakeholders' engagement and relationship management</li> </ul>
<b>Regulatory Risk</b>	The potential impact of a change in laws, rules and regulations that affect the business and any other activities of the Group	<ul style="list-style-type: none"> <li>▪ Active engagement with regulators and policy makers</li> <li>▪ Continuous monitoring of changes in both local and global regulatory landscape, standards, and requirements</li> </ul>
<b>Operational Risk</b>	The probability of a loss resulting from failed or inadequate processes, people, systems, and external events. These risks include legal risks but exclude strategic and reputational risks	<ul style="list-style-type: none"> <li>▪ Application of a robust operational risk management framework, and internal control processes</li> <li>▪ Business Continuity Management Plan</li> <li>▪ Independent assessment of the Group's IT infrastructure by an external party</li> <li>▪ Legal review of contracts</li> </ul>
<b>Hazard Risk</b>	A major exogenous or endogenous factor which affects the environment in which the Group operates. Many of these factors, however, cannot be controlled	<ul style="list-style-type: none"> <li>▪ Occupational, Health &amp; Safety procedures</li> <li>▪ Business Continuity Management Plan</li> <li>▪ Physical security measures and enhancements</li> <li>▪ Routine fire drills and trainings</li> </ul>
<b>Financial Risk</b>	The risk that movements in prices of financial assets will lead to a loss (Market Risk) and the risk that a company or bank may be unable to meet short-term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process of fulfilling financial obligations (Liquidity Risk)	<ul style="list-style-type: none"> <li>▪ Establishment of investment limits and asset quality via Board-approved Investment Policy</li> <li>▪ Liquidity Gap analysis</li> <li>▪ Stress testing and Sensitivity analysis</li> <li>▪ Mark-to-Market analysis</li> </ul>

Broad Risk Category	Description	Mitigation Strategy
<b>Credit Risk</b>	The risk of an economic loss from the failure of a counterparty to fulfil its contractual obligations, or from the increased risk of default during the term of the transaction	<ul style="list-style-type: none"> <li>▪ Establishment of investment limit</li> <li>▪ Credit rating guiding eligibility of investible securities</li> <li>▪ Collateral management and margin collections</li> <li>▪ Margin Coverage Sufficiency to determine adequacy of collected margins</li> <li>▪ Stress Testing to determine impact of stress scenarios on margin adequacy</li> <li>▪ Default management and recovery procedures in place</li> </ul>
<b>Financial Accounting Risk</b>	The risk of unreliability of information reported in the Group's financial statements	<ul style="list-style-type: none"> <li>▪ Internal control review of Group's accounting system and financial reports</li> <li>▪ Independent audit of Group's Financial Statements</li> </ul>
<b>Compliance Risk</b>	The potential impact of exposure to regulatory or legal penalties, financial forfeiture, and material loss arising from failure to act in accordance with statutory laws, rules and regulations, internal policies, and code of conduct, or prescribed best practices. These may expose the Group to the risk of fines, penalties, and litigation	<ul style="list-style-type: none"> <li>▪ Compliance monitoring programme and periodic update of Compliance Register and Calendar</li> <li>▪ Periodic scanning of regulatory environment</li> <li>▪ Review and interpretation of rules and regulations by legal functions (both in-house and external)</li> <li>▪ Periodic training and awareness programmes</li> </ul>
<b>Cyber Risk</b>	Any potential for technology failures to disrupt the Group's businesses, such as information security incidents or service outages	<ul style="list-style-type: none"> <li>▪ Business Continuity Management Plan</li> <li>▪ Back-up and disaster recovery process</li> <li>▪ Periodic Vulnerability Assessment and Penetration Testing (VAPT)</li> <li>▪ Continuous staff sensitisation</li> </ul>

## Information Security Report

As technology evolves, the financial sector and the global economy have seen a rise in significant cyber events, with the increasing frequency and complexity of attacks reflecting both the determination and sophistication of malicious actors. Although FMDQ Group continues to implement cutting-edge security measures, the rapidly advancing technological landscape presents ongoing exposure to cyber risks.

Driven by its commitment to building efficient and stable financial markets supported by robust technology infrastructure, FMDQ Group strengthened its Information Security Management System (ISMS) by implementing global best information security practices in protecting the confidentiality, integrity, and availability of its IT assets. The Group has a multi-layered security system (firewall) which leverages Artificial Intelligence (AI) driven security algorithms that prevents, detects, isolates and blocks cyberattacks, including unauthorised access to its website and targeted emails. The Group's antivirus software safeguards FMDQ's computer systems, networks, and devices from malware, viruses, and other cyber threats by blocking the download of malicious files. FMDQ Group remains resilient to cyberattacks through its robust security system, which continuously scans and generates alerts when vulnerabilities in applications, devices, servers, or user activity are detected.

FMDQ Group engaged an external Consultant to conduct quarterly VAPT exercises, to regularly evaluate the exposure of the Group's IT applications and network infrastructure to threats and vulnerabilities that can be exploited by unauthorised parties. The Group closely monitors the execution of established recommended actions to remediate identified vulnerabilities as part of its commitment to keeping up with emerging trends and global best practices. In addition, the Cybersecurity Team conducts periodic phishing simulation exercises to evaluate employees' capability to identify, avoid, and report potential phishing threats that could compromise critical business data and systems. FMDQ Group also ensures compliance with the Nigeria Data Protection Act (NDPA) and General Data Protection Regulation (GDPR), assuring the continued protection of the personally identifiable information of data subjects.

FMDQ Group continues to build resilience in its IT network and systems, and the Group continually enhances its ISMS governance, policies, procedures, and practices in line with its roadmap to attain ISO 27001 certification. The attainment of this certification will further enhance the adequacy and effectiveness of the extant ISMS and provide assurance to the stakeholders of the Group. The Group maintains a system to keep track of the latest trends in cyber-security-based threats by subscribing to a leading global cyber intelligence sharing community. This has enabled the Group to develop the knowledge required to anticipate, mitigate, and respond to cyber threats.

The Group also complements the use of in-house IT security assessment tools with periodic information security awareness for employees through the publication of newsletters, facilitation of workshops, e-learning courses, administration of questionnaires, amongst others, to strengthen its weakest link.

FMDQ Group recognises that the prevention of cyber-attacks may not always be possible, and therefore galvanises efforts towards remaining resilient to withstand cyber-attacks with minimal disruption to our business. We will remain vigilant, conduct regular checks of our security measures, and reinforce them whenever necessary.

## SEC Supervisory Report

As a SEC-registered Capital Market Holding Company, FMDQ Group, by law, must comply with the provisions of the Investment and Securities Act (ISA), 2007, and the SEC Rules and Regulations, 2013. Empowered by the ISA in conducting its general and specific rule-making authority, the Commission adopts a consultative approach by obtaining inputs from Capital Market Operators (CMOs) and participants before its final adoption.

In its supervisory role, the SEC periodically conducts routine inspections, audits, and inquiries into the activities of CMOs and Self-Regulatory Organisations (SROs) to ensure adequate compliance with its Rules and Regulations. In the period under review, FMDQ Group complied with all relevant SEC Rules and Regulations, as well as relevant recommendations from the SEC in its quest to develop the Nigerian financial markets.



## Anti-Fraud Policy

FMDQ Group maintains a zero-tolerance approach to all forms of fraud, bribery, and corruption; and upholds all applicable laws relevant in addressing and investigating such activities across its businesses and operations.

The FMDQ Anti-Fraud Policy (AF Policy) expresses the Group's commitment to the fight against bribery and corruption. FMDQ Group believes that the effective implementation of its AF Policy will strengthen its reputation, build the respect of employees, raise credibility with key stakeholders, maximise shareholders' value, and ultimately support global economic growth. The Group's Policy applies to all transactions, operations, projects, bid processes, procurements, negotiations, arrangements, documentation processes, applications, agreements, contracts, awards, decisions, practices, and other business dealings of FMDQ Group.

FMDQ Group is committed to:

- Developing an anti-fraud culture across the Group
- Minimising the opportunities for fraud, bribery, and corruption
- Implementing effective systems, processes, procedures, and controls in place to enable the prevention and detection of fraud, bribery, and corruption
- Educating employees on the risks of fraud, bribery, and corruption and their obligations to report any actual or suspected incidents of fraud, bribery, and corruption through the appropriate channel
- Acknowledging all reports of fraud, bribery, and corruption, and investigating them proportionately and appropriately
- Reporting any incident of fraud, bribery, and corruption to appropriate external authorities
- Enforcing its policy on fraud

The mitigation of the assessed risks drives the implementation of internal control processes, policies, and procedures to adequately address the likelihood of fraud within FMDQ Group. FMDQ Group is committed to maintaining high standards of ethics, honesty, and integrity consistently across its operations and in all its business dealings. The Group operates according to its core values and is committed to preventing all forms of corruption and bribery in its business and dealings with stakeholders.

## Internal Control Report

FMDQ Group's internal control framework is aligned with the COSO Framework, which defines internal control as a process effected by an entity's Board of Directors, Management, and other personnel, to provide reasonable assurance regarding the achievement of objectives in three (3) categories - *effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations*. The scope of internal control at FMDQ Group, therefore, extends to policies, plans, procedures, processes, systems, activities, functions, projects, initiatives, and endeavours of all types and at all levels of the Group.

The COSO model, which consists of five (5) components as shown below, is implemented in FMDQ Group's operations and business processes.

## 1

## Control Environment

This sets the tone for internal control. The Group's Management committees are responsible for implementing risk management policies set out by the Board. They are also responsible for setting internal control policies and monitoring the effectiveness of the internal control systems. Furthermore, the Group has developed a formal Code of Ethics that is communicated to all staff (including new hires). We have adopted a Whistleblowing Policy, under which whistle-blowers can raise concerns via dedicated channels to our independent whistleblowing Consultants (KPMG Advisory Services). Our overall aim is to build risk awareness and control responsibility into our culture, which are the foundations of our internal control system. Through our strong tradition of good corporate governance and a corporate culture based on sound business ethics and accountability, the actions of Management and its commitment to effective governance are transparent to all.

## 2

## Risk Assessment

We continue to improve our risk management process and the quality of information generated, whilst maintaining a simple and practical approach. We have embedded risk management into our operations and functional areas; through a bottom-up and top-down approach, the Group conducts periodic group-wide risk assessments to identify and evaluate risk inherent in our business operations. With the support of a strong risk culture, Business Units are risk conscious and open to disclosing risk and loss events, through relevant risk monitoring tools developed by Management, for tracking and resolution. On an annual basis, Business Units review and update their risk registers, providing assurance that controls are embedded into all processes and operate effectively.

## 3

## Control Activities

Control activities are an integral part of the Group's day-to-day operations, as embedded into our standardised business processes. Control activities have traditionally been built on top-level reviews, approval and authorisation limits, segregation of duties, and physical controls. These control policies are formalised as written policies and procedures, with defined limits of delegated authority and segregated duties and controls. We leverage automation as much as possible to improve the effectiveness of controls. As a proactive institution, the embedded controls across business processes are continuously being reviewed for adequacy and effectiveness, with a primary objective to minimise identified risks.

## 4

**Information and communication**

The Group's Management understands the need for timely, reliable, and accurate information flow for effective governance. Management reports to the Group Board Regulation and Risk Management Committee on a quarterly basis on the state of internal controls in the Group. Key policies such as the Whistleblowing Policy, Employee Code of Conduct, Disciplinary Policy, etc., are duly communicated to all staff and posted on the Group's intranet. Furthermore, the Internal Audit function reviews the state of controls in the Group and provides an independent report to the Audit Committee on a quarterly basis. The Annual General Meeting is organised and attended by external parties such as shareholders who actively participate in proceedings. FMDQ Group's Annual Reports are published on the Group's corporate website, making available information on the financial performance of FMDQ Group to external stakeholders.

## 5

**Monitoring**

The Group Board Regulation and Risk Management Committee oversees the group-wide control framework – policies and processes. Management provides reports to the Group Board Regulation and Risk Management Committee on major risks, adequacy and effectiveness of extant controls and appropriate mitigating measures. Furthermore, the Internal Audit franchise independently assesses the control environment and reports on control deficiencies to the Audit committee to ensure deployment of adequate resources to mitigate risks perceived to be of high impact, which could threaten the achievement of the Group's Strategic Objectives. Management actively monitors corrective actions on the identified deficiencies and provides status report to the Group Board Regulation and Risk Management Committee on a quarterly basis.

**Internal Control Over Financial Reporting (ICFR)**

The SEC issued the "Guidance for the Implementation of Sections 60-63 of the Investment Securities Act," providing directives for Directors to implement relevant Internal Control over Financial Reporting (ICFR) and for auditors to review and issue reports on the effectiveness of these controls. Public companies were required to comply with these guidelines in their annual reports starting from December 2023.

The Guidelines require a public company's annual report to include a certification by management that contains:

- a statement of management's responsibility
- a statement identifying the framework used
- management's assessment and conclusion on the effectiveness of the internal control over financial reporting as of a date within 90 days to the report
- a statement that the external auditors had audited the financial statements and issued an assurance report that attests to management's assessment of the ICFR

FMDQ Group adhered to this directive, with Management reinforcing internal controls over the financial reporting process, which were assessed as effective by the External Auditors.

# Organisation Design

Board of Directors

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Audit Committee

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Management Team

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Organisation Structure

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Corporate Communications Policy



## Board of Directors



### Dr. Jibril Aku

*Group Chairman*

Dr. Aku is the Chairman of the Board of Directors at Marathon Asset and Funds Management Limited. He previously served as the Group Head of Strategy at Ecobank Transnational Incorporated and was formerly the Managing Director/CEO of Ecobank Nigeria Limited. His earlier roles include Executive Director at Afribank PLC (now Skye Bank PLC) and Treasurer at Citibank Nigeria Limited. Dr. Aku also served as the Inaugural Group Vice Chairman of the Board of FMDQ Group.

He is the erstwhile President of the Money Market Association of Nigeria (now Financial Markets Dealers Association of Nigeria (FMDA)). He is a member of and represents the FMDA Board of Trustees on the Board of FMDQ Group.

### Mr. Oliver Alawuba

*Non-Executive Director*

Mr. Alawuba is the Group Managing Director/Chief Executive Officer (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



### Mr. Roosevelt Ogbonna

*Non-Executive Director*

Mr. Ogbonna is the Managing Director/Chief Executive Officer of Access Bank PLC and has served the bank in various capacities, including Executive Director of the Commercial Banking Division and Group Deputy Managing Director.

He is also a Non-Executive Director on the Board of Access Holdings PLC, a Chartered Financial Analyst, Fellow of the Institute of Chartered Accountants of Nigeria, and Member of the Chartered Institute of Bankers of Nigeria. Mr. Ogbonna 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 was also the Chairman of FMDQ Depository Limited. She serves as an Independent Non-Executive Director and was appointed to the Board of FMDQ Group pursuant to the Company's Articles.

## Mr. Emeka Onwuka, OON

*Independent Non-Executive Director*

Mr. Onwuka was 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 and has been in that role from 2015 till date. In that role he is responsible for the strategic direction of 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 and served as the Chairman, FMDQ Clear Limited. He serves as an Independent Non-Executive Director on the Board of FMDQ Group.



## 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. Onadele is the Pioneer Chief Executive Officer of FMDQ Group. He serves as a Non-Executive Director on the Board of FMDQ Securities Exchange Limited and as Chairman of FMDQ Clear Limited, FMDQ Depository Limited, FMDQ Private Markets Limited, and iQx Consult Limited.

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 Financial Markets Dealers Association. Mr. Onadele is an ardent advocate of gender equality, especially in the workplace, and girl-child education.





## Ms. Kaodi Ugoji

*Group Chief Operating Officer*

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

Ms. Ugoji has extensive experience in Treasury, Asset Management, Business Development, Marketing Communications, Finance, Project Management and Strategy functions of various organisations including Guaranty Trust Bank Limited, Hermes Investment Managers Limited, United Kingdom, Diamond Bank PLC, and Guinness Nigeria PLC.

## Audit Committee



### Mr. Banjo Adegbohunge

*Committee Chair*

Mr. Adegbohunge was the Managing Director/CEO of Coronation Merchant Bank Limited. He has over twenty-seven (27) 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-two (32) years' experience in the banking sector, having worked at various banks including Standard Chartered Bank Nigeria Limited, 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-one (31) 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:

- Mr. Oliver Alawuba
- Mr. Emeka Onwuka, OON

## Management Team



### Mr. Bola Onadele. Koko

*Chief Executive Officer, FMDQ Group PLC*

Mr. Onadele is the Chief Executive Officer of FMDQ Group. He serves as a Non-Executive Director on the Board of FMDQ Securities Exchange Limited and as Chairman of FMDQ Clear Limited, FMDQ Depository Limited, FMDQ Private Markets Limited, and iQx Consult Limited.

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 Financial Markets Dealers Association. 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 PLC. She serves as an Executive Director on the Board of FMDQ Group PLC and as a Non-Executive Director on the Boards of 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. Ms. Ugoji has over twenty-three (23) 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, United Kingdom, 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-three (23) years, Ms. Sekoni 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 Depository Limited, FMDQ Private Markets Limited, and iQx Consult Limited. Prior to joining FMDQ Clear, he was the Managing Partner of 213 Capital, an African-focused investment and risk advisory firm.

Mr. Onawunmi holds a Master's degree in Finance from London Business School, United Kingdom, and a Bachelor's degree in Basic Medical Sciences from the University of Ibadan, Nigeria. He has over twenty-three (23) 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 Affairs, FMDQ Group PLC*

Mr. Etaderhi is the Head, Government Affairs Division of FMDQ Group, comprising two (2) Groups – Government Relations and Regulatory Relations. He also serves as the Executive Secretary, Financial Centre for Sustainability, 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. Mr. Etaderhi's work experience of over twenty-nine (29) 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.





## Mr. Oladayo Oniroko

*Head, Internal Audit, FMDQ Group PLC*

Mr. Oniroko is the Head, Internal Audit Division of 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. Mr. Oniroko has over fifteen (15) 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.

## Mr. Victor Adebayo

*Head, Human Resources, FMDQ Group PLC*

Mr. Adebayo is the Head, Human Resources Division of FMDQ Group, comprising three (3) Groups – Recruitment & HR Operations, Talent Management, and Culture & People Engagement. Prior to joining FMDQ Group, he served as the Chief Operations Officer, African Business at Choice International Group Limited.

He holds a Master's degree and Bachelor's degree from Obafemi Awolowo University, Ile-Ife, Osun State, Nigeria. Additionally, he completed his Executive Education at Harvard Law School and the London School of Economics & Political Science. He is a certified management consultant with several professional certifications in Human Resources Management. Mr. Adebayo has over twenty (20) years of work experience spanning across Human Resources, Sales & Manufacturing Administration, Security, Safety, Health & Environment, Distribution Operations, and Administration, within various organisations including Zenith Bank PLC, Procter & Gamble Nigeria Limited, General Electric Oil & Gas Nigeria Limited, FBNQuest Merchant Bank Limited, and Airtel Networks Limited.





## Ms. Jumoke Olaniyan

*Head, Business Development, FMDQ Securities Exchange Limited*

Ms. Olaniyan is the Head, Business Development Division of FMDQ Securities Exchange Limited, comprising six (6) Groups – Debt Listings & Quotations, Equity Listings, Memberships & Subscriptions, Derivatives Business, Business Intelligence, 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 eighteen (18) years of work experience spans across Training, Consulting and Banking, within various organisations including IBFC Agosto Training Limited (now IBFC Alliance Limited), FDHL and Guaranty Trust Bank Limited.

## Mr. Dipo Omotoso

*Head, Information Services, FMDQ Securities Exchange Limited*

Mr. Omotoso is the Head, Information Services Division of 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, Nigeria. Mr. Omotoso has over twenty-three (23) 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 Sun Trust Bank Limited.





## Mr. Ebenezer Nwoji

*Head, Market Oversight, FMDQ Securities Exchange Limited*

Mr. Nwoji is the Head, Market Oversight Division of 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. Mr. Nwoji has over eighteen (18) 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, Market Architecture Division of FMDQ Exchange, comprising four (4) Groups – Fixed Income & Currencies Markets, Equities & Derivatives Markets, 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. Mr. Afolabi has over fourteen (14) 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, he worked at Stanbic IBTC Bank PLC in Corporate and Investment Banking.



## Mr. Segun Akintoye

*Head, Operations, FMDQ Clear Limited*

Mr. Akintoye is the Head, Operations Division of FMDQ Clear, comprising three (3) Groups – Clearing & Settlement Operations, Treasury Operations, and Risk Operations.

He holds a Bachelor's degree in Chemical Engineering from the Federal University of Technology Owerri, Nigeria. Over the last fifteen (15) years, Mr. Akintoye 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, Clearing Risk Management, FMDQ Clear Limited*

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

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. Mr. Daves has garnered over fifteen (15) 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*

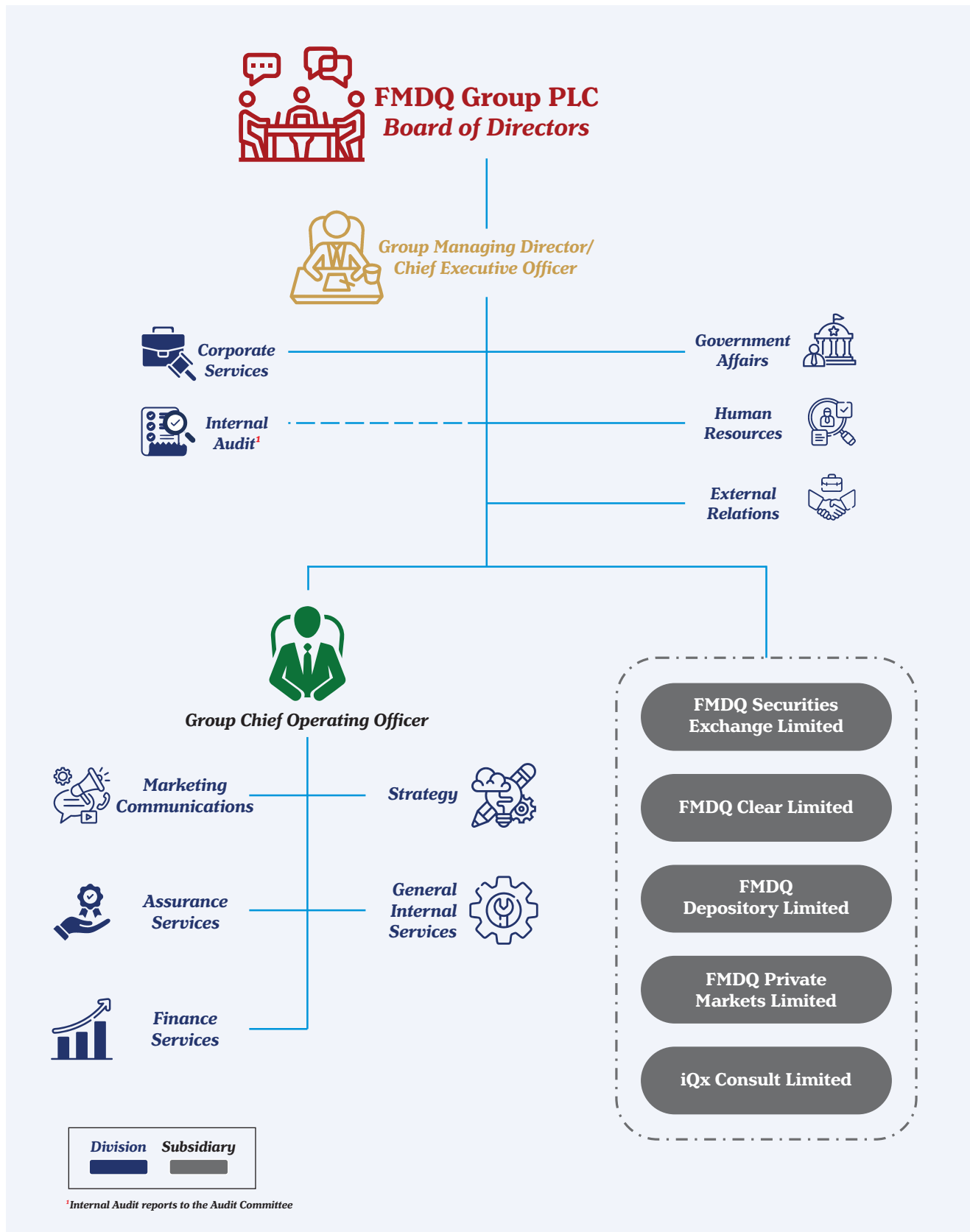
Mr. Alao is the Chief Operating Officer of FMDQ Depository. Prior to joining FMDQ, he was the Chief Information Officer at Air Peace Nigeria Limited.

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. Mr. Alao's work experience of over thirty-one (31) 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.





# Organisation Structure



# 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 Group's broad vision and mission and should be in line with its approved Strategy.

## Guidelines for External Communication

All external communication must be approved by the Group Chief Operating Officer (GCOO) or an approved designate. The Group Managing Director/CEO 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 Group/Division's functions; for example, Business Development Division's communication with existing/potential Members and clients of FMDQ Exchange and FMDQ Clear's communication with FMDQ Members, to mention a few.

All presentations/materials for external use must be sent to Communications Group (CMG) for post-mortem review to ensure brand compliance. This includes presentations to external stakeholders at meetings, seminars, conferences, etc. and materials to be uploaded to the corporate 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 the media is to be handled with the highest levels of sensitivity and professionalism and must always be handled by CMG or Marketing Group as these are the approved Groups 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 Groups/Divisions responsible for such correspondence, including Communications Group, General Internal Services Division, Human Resources Division, etc. (for Staff members), and Legal & Company Secretariat Group (for Board of Directors).

Communication between and amongst Staff members must be professional at all times. 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 Group Staff members should refrain from making public statements of personal opinion regarding the Group, its markets, and the Nigerian financial markets as a whole, and from presenting personal opinions regarding the Group and its

subsidiaries as facts. Such public statements may include quotes given to media, contributions to blogs, published articles, social media posts, etc. Any such public statements must be approved by the GCOO and/or Group Managing Director/CEO (where necessary) before publication.

### **Guidelines for FMDQ Social Media Handles**

FMDQ Group Social media handles are official platforms for the communication of approved messages about FMDQ Group's franchise, markets, and subsidiaries. Staff mandated to operate these handles shall not post any message (text or image) without the prior approval of the GCOO or an approved designate. Staff shall not engage in any form of banter with the public through the Company's social media handles. Any member of the public with a grievance/inquiry shall be politely advised to channel them to the appropriate provided email address.

# Financial Report



**Directors' Report**

For the year ended December 31, 2023

**FMDQ Group PLC  
Annual Report  
December 31, 2023**

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 December 31, 2023.

**(a) Legal form**

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

Effective December 16, 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 January 1, 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:

<i>In thousands of naira</i>	<b>Group 31-Dec-23</b>	<b>Group 31-Dec-22</b>	<b>Company 31-Dec-23</b>	<b>Company 31-Dec-22</b>
Operating income	34,286,967	22,982,524	17,178,159	12,586,896
Profit before taxation	14,032,109	11,480,700	4,396,740	5,376,159
Taxation	(4,683,027)	(3,061,783)	(1,932,940)	(1,557,613)
Profit after tax	9,349,082	8,418,917	2,463,800	3,818,546

**(d) Proposed dividend**

No dividend was proposed by the Board of Directors in respect of the financial year ended December 31, 2023 (December 2022: Nil).

**(e) Directors and their Interests**

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

<b>Name of Director</b>	<b>Position</b>
Dr. Kingsley Obiora*	Group Chairman
Mr. Jibril Aku	Ag. Group Chairman
Mr. Bola Onadele. Koko	Group Managing Director/CEO
Dr. Ebenezer Onyeagwu	Director
Mr. Oliver Alawuba	Director
Ms. Daisy Ekineh	Director (Independent)
Mr. Emeka Onwuka, OON	Director (Independent)
Mr. Sadiq Mohammed	Director (Independent)
Mrs. Egbichi Akinsanya	Director (Independent)
Ms. Kaodi Ugoji**	Director (Executive)

\* Resigned September 22, 2023

\*\*Appointed January 1, 2024

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 cont'd

For the year ended December 31, 2023

FMDQ Group PLC  
Annual Report  
December 31, 2023

### (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 December 31, 2023.

Name	2023	2023	2022	2022
	No of shares	% Holding	No of shares	% Holding
Central Bank of Nigeria	4,006,713,334	15.41%	4,006,713,334	15.41%
Financial Markets Dealers Association (FMDA)	3,168,271,467	12.19%	3,168,271,467	12.19%
Access Bank PLC	1,803,021,001	6.93%	1,803,021,001	6.93%
NSE Consult Limited	1,669,463,903	6.42%	1,669,463,903	6.42%

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

#### December 31, 2023

Share range (Local shareholders)	No. of	% Holding	No. of holdings
	Shareholders		
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

#### December 31, 2022

Share range (Local shareholders)	No. of	% Holding	No. of holdings
	Shareholders		
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

### (h) Property and equipment

Information relating to changes in property and equipment is given in Note 29 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 2022: N1.4 million).

In thousands of naira	Group	Group	Company	Company
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Donation to Living Fountain Orphanage	347	339	347	339
Donation to Modupe Cole Memorial Childcare and Treatment Home/School	347	339	347	339
Donation of Echoes of Mercy and Hope Foundation	347	339	347	339
Donation to Holy Family Home for the Elderly	347	339	347	339
	1,388	1,356	1,388	1,356

### (j) Employment of disabled persons

The Company had no disabled person in its employment as at December 31, 2023 (December 31, 2022: 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.

### (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.

**Directors' Report cont'd**  
For the year ended December 31, 2023

**FMDQ Group PLC**  
**Annual Report**  
**December 31, 2023**

**(m) Transfer of Operations**

FMDQ Group PLC obtained approval to transfer its securities exchange registration to FMDQ Securities Exchange Limited on December 16, 2019 and therefore discontinued operations as a securities exchange and became a non-operating Holding Company effective January 1, 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 auditors, Messrs PricewaterhouseCoopers ("PwC"), having satisfied the relevant Corporate governance rules, have been appointed upon the expiration of the tenure in office of Messrs KPMG Professional services, have indicated interest to continue as auditors to the Company. In accordance with section 401 of the Companies & Allied Matters Act of Nigeria (CAMA) 2020, the auditors will be reappointed at the next annual general meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD



Ms. Tobi Kadiri  
Ag. Company Secretary  
FRC/2021/002/00000022666  
March 27, 2024

**FMDQ Group PLC  
Annual Report  
December 31, 2023**

**Statement of Directors' Responsibilities in Relation to the Financial Statements for the year ended December 31, 2023**

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:



Mr. Jibril Aku  
Ag. Group Chairman  
FRC/2013/CIBN/00000001879  
March 27, 2024



Mr. Bola Onadele. Koko  
Group Managing Director/CEO  
FRC/2014/ICAN/00000008637  
March 27, 2024

**FMDQ Group PLC  
Annual Report  
December 31, 2023**

**Statement of Corporate Responsibility for the Financial Statements for the Year Ended December 31, 2023**

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 December 31, 2023 as follows:

a) That we have reviewed the audited consolidated and separate financial statements of the Company and the Company for the year ended December 31, 2023.

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 Company and the Company as of and for, the year ended December 31, 2023.

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 December 31, 2023.

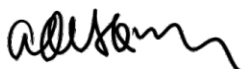
e) That we have evaluated the effectiveness of the Company and the Company's internal controls within 90 days prior to the date of the audited consolidated and separate financial statements, and certify that the Company and the Company's internal controls are effective as of that date.

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 Committee:

(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  
Group Managing Director/CEO  
FRC/2014/ICAN/0000008637  
March 27, 2024



Mr. Olumide Akinpelumi  
Financial Controller  
FRC/2022/PRO/ICAN/007/0000023864  
March 27, 2024

**FMDQ Group PLC**  
**Annual Report**  
**December 31, 2023**

## Audit Committee Report

### For the year ended December 31, 2023

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 December 31, 2023 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 December 31, 2023 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.



27/3/24

**Mr. Banjo Adegbohunge**  
 Chairman, Audit Committee  
 FRC/2019/CIBN/00000019814  
 March 27, 2024

#### Members of the Audit Committee

1. Mr. Banjo Adegbohunge	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





## *Independent auditor's report*

To the Members of FMDQ Group PLC

### *Report on the audit of the consolidated and separate financial statements*

#### *Our opinion*

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of FMDQ Group PLC ("the company") and its subsidiaries (together "the group") as at 31 December 2023, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### **What we have audited**

FMDQ Group PLC's consolidated and separate financial statements comprise:

- the consolidated and separate statements of comprehensive income for the year ended December 31, 2023;
- the consolidated and separate statements of financial position as at December 31 2023;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of material accounting policies.

#### *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

#### *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 consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

*PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria*



Key audit matter	How our audit addressed the key audit matter
<p><b>Information Technology (IT) systems and controls over financial reporting</b></p> <p>The IT systems of the Group form a critical component of the Group’s financial reporting activities and impact all account balances. IT controls in respect of our financial statement audit relate to access, security and change control. The purpose is to prevent inappropriate changes being made to IT systems in relation to application functionality, transaction processing and direct changes to underlying data.</p> <p>The Group has documented and approved policies. The policy documents detail the Group’s policies for key IT areas such as Access Control &amp; Operations Security, Passwords, Change Control &amp; Management Security, Software Development &amp; Support, Backups, Retention and Destruction.</p> <p>Management has defined and documented the roles and responsibilities of each IT personnel to ensure proper coordination of activities within the group. Management has also set-up an internal IT audit team to regularly review automated business process controls and general controls within the IT environment.</p> <p>We have identified IT systems and controls as a Key Audit Matter as the Group relies significantly on technology and the functionality of these IT controls are crucial as they have a direct impact on its financial reporting process. The review of these controls allows us obtain assurance on the integrity and completeness of data processed through IT applications which are used in the preparation of financial statements.</p>	<p>We used our internal IT specialists to perform audit procedures to assess IT systems and controls over financial reporting, which included the following: IT general controls wide consideration including segregation of duties and governance of IT processes, interfaces between financially significant systems, automated processing of revenue and other system general balances, access to programs and data, program change, program development and computer operations.</p> <p>We identified and documented the IT risks for each IT system and automated business process based on our understanding of the flow of transactions and the IT environment.</p> <p>We determined whether each IT general control, individually or in combination with other controls, is appropriately designed to address the associated IT risk.</p> <p>We planned our response to the IT risks including testing operating effectiveness and substantive procedures which included testing the reliability of information used for the purposes of our audit. Further, we substantively tested IT dependencies to confirm appropriateness over associated risks.</p>

**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, Value Added Statement and Five-year financial summary, but does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or 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, 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.





### *Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements*

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate 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'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 or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### *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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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'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 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 and separate 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### *Report on other legal and regulatory requirements*

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those;
- iii) the company's statement of financial position and statement of comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of FMDQ Group Plc's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unmodified opinion in our report dated 29 March 2024.

*Obioma Ubah*



For: **PricewaterhouseCoopers**  
Chartered Accountants  
Lagos, Nigeria

29 March, 2024

Engagement Partner: Obioma Ubah  
FRC/2013/PRO/ICAN/004/0000002002





## *Independent practitioner's report*

To the Members of FMDQ Group PLC

### *Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting*

#### *Our opinion*

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of FMDQ Group PLC ("the company's") are not adequate as of 29 March 2024, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

#### **What we have performed**

We have performed an assurance engagement on FMDQ Group PLC's internal control over financial reporting as of December 31, 2023, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Company's Annual Assessment of, and Report on Internal Control over Financial Reporting, Certification by the Chief Executive Officer and Chief Financial Officer on Internal control over financial reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

#### *Basis for opinion*

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the Company's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

#### *Definition and Limitations of Internal Control over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that

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controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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### *Other matter*

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of FMDQ Group PLC and our report dated 29 March 2024.

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*Obioma Ubah*



For: **PricewaterhouseCoopers**  
Chartered Accountants  
Lagos, Nigeria

29 March 2024

Engagement Partner: Obioma Ubah  
FRC/2013/PRO/ICAN/004/00000002002

**FMDQ Group PLC**  
**Annual Report**  
**December 31, 2023**

**Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income**  
**For the year ended December 31, 2023**

<i>In thousands of naira</i>	<i>Note</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<i>s</i>	<b>31-Dec-23</b>	<b>31-Dec-22</b>	<b>31-Dec-23</b>	<b>31-Dec-22</b>
Treasury income	7	3,275,610	2,387,264	-	-
Treasury expense	8	(545,044)	(14,412)	-	-
Net treasury income		2,730,566	2,372,852	-	-
Transaction fees (net)	9	4,133,121	3,202,695	-	-
Clearing and futures management fees	10	8,560,786	6,653,632	-	-
Participant fees	12	912,302	1,150,585	-	-
Collateral accommodation fees	11	2,001,461	1,863,458	-	-
Interest income calculated using the effective interest method	13	4,460,550	3,286,557	950,229	965,932
Other income	14	7,422,689	2,984,639	14,914,238	11,144,407
Gain on foreign exchange revaluation	15	4,065,492	1,468,106	1,313,692	476,557
<b>Total Operating Income</b>		<b>34,286,967</b>	<b>22,982,524</b>	<b>17,178,159</b>	<b>12,586,896</b>
Impairment (loss)/write-back on financial instruments	17	229,175	(88,717)	44,271	(62,731)
Personnel expenses	16	(11,315,638)	(5,919,219)	(8,373,023)	(4,176,651)
Other operating expenses	18	(10,566,300)	(4,802,125)	(6,110,685)	(2,464,966)
Depreciation	29	(683,496)	(666,462)	(520,587)	(506,389)
Amortisation	30	(97,206)	(25,301)	-	-
<b>Total Operating Expense</b>		<b>(22,433,465)</b>	<b>(11,501,824)</b>	<b>(14,960,025)</b>	<b>(7,210,737)</b>
<b>Operating Profit</b>		<b>11,853,502</b>	<b>11,480,700</b>	<b>2,218,133</b>	<b>5,376,159</b>
Share of profit of Equity Accounted Investees	27	2,178,607	-	2,178,607	-
<b>Profit before taxation</b>		<b>14,032,109</b>	<b>11,480,700</b>	<b>4,396,740</b>	<b>5,376,159</b>
Income tax expense	19(a)	(4,683,027)	(3,061,783)	(1,932,940)	(1,557,613)
<b>Profit after taxation</b>		<b>9,349,082</b>	<b>8,418,917</b>	<b>2,463,800</b>	<b>3,818,546</b>
<b>Other comprehensive income</b>					
Items that are or may be reclassified subsequently to profit or loss					
FVOCI debt instruments - net change in fair value	37(d)	(416,380)	(581,679)	(34,870)	(341,028)
<b>Other comprehensive loss net of income tax</b>		<b>(416,380)</b>	<b>(581,679)</b>	<b>(34,870)</b>	<b>(341,028)</b>
<b>Total comprehensive income for the year</b>		<b>8,932,702</b>	<b>7,837,238</b>	<b>2,428,929</b>	<b>3,477,518</b>

**Consolidated and Separate Statements of Financial Position**  
As at December 31, 2023


**FMDQ Group PLC**  
**Annual Report**  
**December 31, 2023**

<i>In thousands of naira</i>	<i>Notes</i>	<b>Group 31-Dec-23</b>	<b>Group 31-Dec-22</b>	<b>Company 31-Dec-23</b>	<b>Company 31-Dec-22</b>
<b>ASSETS</b>					
Cash and bank balances	20	23,907,422	28,356,800	1,572,834	6,886,242
Investment securities	21	25,772,144	18,827,360	6,171,920	5,850,876
Client resolution fund assets	22	91,387,695	27,948,261	-	-
Margin fund assets	23	1,523,717,522	83,833,078	-	-
Exchange-traded derivatives assets	24	2,797,283	-	-	-
Custodian account assets	26	1,086,817	22,677	-	-
Other assets	25	8,720,017	13,637,049	8,447,517	15,394,340
Investment in subsidiaries	28	-	-	11,205,831	11,206,831
Investment in associates	27	22,483,758	-	22,483,758	-
Property and equipment	29	2,347,285	1,694,019	1,461,486	1,429,458
Intangible assets	30	601,405	338,209	-	-
Deferred tax assets	19(d)	-	982,266	-	879,820
<b>Total assets</b>		<b>1,702,821,347</b>	<b>175,639,719</b>	<b>51,343,346</b>	<b>41,647,566</b>
<b>LIABILITIES</b>					
Client resolution fund liabilities	33	91,387,695	27,948,261	-	-
Margin fund liabilities	34	1,523,717,522	83,833,078	-	-
Exchange-traded derivatives liabilities	35	2,797,283	-	-	-
Custodian account liabilities	32	1,086,817	22,677	-	-
Other liabilities	31	24,182,836	13,719,830	19,436,765	11,557,779
Provisions	36	184,680	325,906	134,680	325,906
Deferred tax liabilities	19(d)	1,079,092	-	144,149	-
Current tax liabilities	19(c)	3,219,726	3,506,973	1,418,038	1,983,097
<b>Total liabilities</b>		<b>1,647,655,651</b>	<b>129,356,725</b>	<b>21,133,632</b>	<b>13,866,782</b>
<b>EQUITY</b>					
Share capital	37(a)	26,000,000	26,000,000	26,000,000	26,000,000
Retained earnings	37(c)	9,676,047	5,682,187	4,307,587	1,843,787
Fair value reserve	37(d)	(560,912)	(144,532)	(97,873)	(63,003)
Other reserves	37(f)	20,050,561	14,745,339	-	-
<b>Total equity</b>		<b>55,165,696</b>	<b>46,282,994</b>	<b>30,209,714</b>	<b>27,780,784</b>
<b>Total liabilities and equity</b>		<b>1,702,821,347</b>	<b>175,639,719</b>	<b>51,343,346</b>	<b>41,647,566</b>

These financial statements were approved by the Board of Directors on March 27, 2024 and signed on its behalf by:



Mr. Jibril Aku  
Ag. Group Chairman  
FRC/2013/CIBN/0000001879



Mr. Bola Onadele. Koko  
Group Managing Director/CEO  
FRC/2014/ICAN/0000008637

Additionally certified by:



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

**FMDQ Group PLC**  
**Annual Report**  
**December 31, 2023**

**Consolidated and Separate Statements of Changes in Equity**

For the year ended December 31, 2023

Group  
31-Dec-23

	Notes	Share capital	Share Premium	Fair value reserve	Retained earnings	Bonus share reserve	Other Reserves	Total equity
Balance as at January 1, 2023		26,000,000	-	(144,532)	5,682,187	-	14,745,339	46,282,994
<b>Total comprehensive income for the year</b>								
Profit for the year		-	-	-	9,349,082	-	-	9,349,082
Other comprehensive loss	37(d)	-	-	(416,380)	-	-	-	(416,380)
<b>Total comprehensive income</b>		-	-	<b>(416,380)</b>	<b>9,349,082</b>	-	-	<b>8,932,702</b>
<b>Transactions with owners, recorded directly in equity</b>								
Appropriation of profit	37 (c)	-	-	-	(5,355,222)	-	5,355,222	-
Transfer from other reserve	37(f)	-	-	-	-	-	(50,000)	(50,000)
Issue of shares	37(a)	-	-	-	-	-	-	-
		-	-	-	<b>(5,355,222)</b>	-	<b>5,305,222</b>	<b>(50,000)</b>
<b>Balance as at December 31, 2023</b>		<b>26,000,000</b>	-	<b>(560,912)</b>	<b>9,676,047</b>	-	<b>20,050,561</b>	<b>55,165,696</b>

31-Dec-2022

<i>In thousands of naira</i>		Share capital	Share Premium	Fair value reserve	Retained earnings	Bonus share reserve	Other Reserves	Total equity
Balance as at January 1, 2022		19,467,328	-	437,147	2,879,407	4,557,913	11,103,961	38,445,756
<b>Total comprehensive income for the year</b>								
Profit for the year	37(c)	-	-	-	8,418,917	-	-	8,418,917
Other comprehensive loss	37(d)	-	-	(581,679)	-	-	-	(581,679)
Issue of shares	37(a)	-	-	-	-	-	-	-
<b>Total Comprehensive income</b>		-	-	<b>(581,679)</b>	<b>8,418,917</b>	-	-	<b>7,837,238</b>
<b>Transactions with owners, recorded directly in equity</b>								
Appropriation of profit	37	-	-	-	(3,641,378)	-	3,641,378	-
Transfer to other reserves	37(e)	-	-	-	(1,974,759)	1,974,759	-	-
Issue of shares	37(a)	6,532,672	-	-	-	(6,532,672)	-	-
		<b>6,532,672</b>	-	-	<b>(5,616,137)</b>	<b>(4,557,913)</b>	<b>3,641,378</b>	-
<b>Balance as at December 31, 2022</b>		<b>26,000,000</b>	-	<b>(144,532)</b>	<b>5,682,187</b>	-	<b>14,745,339</b>	<b>46,282,994</b>

**FMDQ Group PLC**  
**Annual Report**  
**December 31, 2023**

<b>Company</b>								
<b>December 31, 2023</b>								
<i>In thousands of naira</i>	Notes	Share capital	Share premium	Fair value reserve	Retained earnings	Bonus share reserve	Other reserves	Total equity
Balance as at January 1, 2023		26,000,000	-	(63,003)	1,843,787	-	-	27,780,784
<b>Total comprehensive income for the year</b>								
Profit for the year		-	-	-	2,463,800	-	-	2,463,800
Other comprehensive loss	37(d)	-	-	(34,870)	-	-	-	(34,870)
<b>Total comprehensive income</b>		-	-	<b>(34,870)</b>	<b>2,463,800</b>	-	-	<b>2,428,930</b>
<b>Transactions with owners, recorded directly in equity</b>								
Appropriation of profit	37(c)	-	-	-	-	-	-	-
Transfer from other reserve	37(f)	-	-	-	-	-	-	-
Issue of shares	37(a)	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
<b>Balance as at December 31, 2023</b>		<b>26,000,000</b>	-	<b>(97,873)</b>	<b>4,307,586</b>	-	-	<b>30,209,714</b>
<b>31 December 2022</b>								
<i>In thousands of naira</i>	Notes	Share capital	Share premium	Fair value reserve	Retained earnings	Bonus share reserve	Other reserves	Total equity
Balance as at January 1, 2022		19,467,328	-	278,025	-	4,557,913	-	24,303,266
<b>Total comprehensive income for the year</b>								
Profit for the year		-	-	-	3,818,546	-	-	3,818,546
Other comprehensive loss		-	-	(341,028)	-	-	-	(341,028)
<b>Total Comprehensive income</b>		-	-	<b>(341,028)</b>	<b>3,818,546</b>	-	-	<b>3,477,518</b>
<b>Transactions with owners, recorded directly in equity</b>								
Appropriation of profit	37(c)	-	-	-	-	-	-	-
Transfer from other reserve	37(e)	-	-	-	(1,974,759)	1,974,759	-	-
Issue of shares	37(a)	6,532,672	-	-	-	(6,532,672)	-	-
		<b>6,532,672</b>	-	-	<b>(1,974,759)</b>	<b>(4,557,913)</b>	-	-
<b>Balance as at December 31, 2022</b>		<b>26,000,000</b>	-	<b>(63,003)</b>	<b>1,843,787</b>	-	-	<b>27,780,784</b>



**FMDQ Group PLC**  
**Annual Report**  
**December 31, 2023**

**Consolidated and Separate Statements of Cash Flows**  
**For the year ended**

<i>In thousands of naira</i>	Notes	Group 31-Dec-2023	Group 31-Dec-2022	Company 31-Dec-2023	Company 31-Dec-2022
<b>Cash flows from operating activities</b>					
Profit for the year		9,349,082	8,418,917	2,463,800	3,818,547
Income tax expense	19(a)	4,683,027	3,061,783	1,932,940	1,557,613
Profit before taxation		14,032,109	11,480,700	4,396,740	5,376,160
<b>Adjustments for:</b>					
Depreciation of property and equipment	29	683,496	666,462	520,587	506,389
Gain on disposal of property and equipment	43(ii)	(27,607)	(11,962)	(27,910)	(11,718)
Impairment charge/(write-back) on financial assets	17	(229,175)	137,120	(44,271)	62,731
Amortisation of intangible assets	30	97,206	25,301	-	-
Foreign exchange gain	43(vii)	(4,065,492)	(1,440,718)	(1,313,692)	(449,347)
Provisions	36	(191,226)	(274,447)	(191,226)	(22,669)
Cash-settled share-based payment (write-back)/ expense	16	4,129,895	1,280,638	4,129,895	1,280,638
Interest income	13	(2,235,624)	(2,003,894)	(554,089)	(678,836)
Share of Profit	28	(2,178,607)	-	(2,178,607)	-
Interest expense	18	62,036	79,369	62,036	79,369
		<b>10,077,010</b>	<b>9,938,569</b>	<b>4,799,462</b>	<b>6,142,716</b>
<b>Changes in:</b>					
Other assets	43(vi)	(7,077,401)	(2,014,634)	(4,887,135)	15,969,119
Other liabilities	43(v)	9,852,195	3,949,121	4,631,950	(9,127,578)
Placement pledged as collateral	43(ix)	-	5,083,981	-	-
		<b>12,851,805</b>	<b>16,957,037</b>	<b>4,544,278</b>	<b>12,984,257</b>
Tax paid	19(c)	(1,375,780)	(1,305,486)	(174,241)	(637,853)
VAT paid	43(v)	(3,490,155)	(2,410,361)	(855,059)	(716,132)
<b>Net Cash from/(used in) operating activities</b>		<b>7,985,871</b>	<b>13,241,190</b>	<b>3,514,978</b>	<b>11,630,272</b>
<b>Cash flow from investing activities</b>					
Interest received	43(iv)	2,395,516	2,003,894	630,877	678,836
Acquisition of property and equipment	43(ii)	(1,337,895)	(938,821)	(552,616)	(685,730)
Acquisition of intangible assets	43(iii)	(360,402)	(267,314)	-	-
Proceeds from sale of property and equipment	43(ii)	28,741	21,274	27,910	20,514
Purchase of investment securities	43(i)	(7,828,597)	-	(1,596,369)	-
Mature investment	43(i)	4,419,500	8,674,485	2,419,500	4,198,264
Investment in Associate	27	(21,072,517)	-	(21,072,517)	-
Investment in Subsidiaries	28	-	-	1,000	-
Dividend Received	27	740,240	-	740,240	-
Deposit for shares	25	10,536,259	(10,536,259)	10,536,259	(10,536,259)
<b>Net Cash used in investing activities</b>		<b>(12,479,156)</b>	<b>(1,042,741)</b>	<b>(8,865,716)</b>	<b>(6,324,375)</b>
<b>Cash flow from financing activities</b>					
Payment of lease liabilities	43(v)	(89,836)	(60,640)	(89,836)	(60,640)
<b>Net Cash used in financing activities</b>		<b>(89,836)</b>	<b>(60,640)</b>	<b>(89,836)</b>	<b>(60,640)</b>
<b>Net increase/(decrease) in cash and bank balances</b>					
		<b>(4,583,122)</b>	<b>12,137,809</b>	<b>(5,440,575)</b>	<b>5,245,257</b>
Effect of exchange rate changes on cash and bank balances	43(vii)	133,743	27,388	127,167	27,210
Cash and bank balances at the beginning of the year		28,356,800	16,191,603	6,886,242	1,613,775
<b>Cash and cash equivalents at end of the year</b>	20	<b>23,907,422</b>	<b>28,356,800</b>	<b>1,572,834</b>	<b>6,886,242</b>

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

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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 January 6, 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 December 31, 2023 therefore comprise the Company and its subsidiaries (together referred to as 'the Group').

Prior to December 16, 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 December 16, 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.

#### a) New standards and amendments - applicable January 1, 2023

A number of new standards are effective for the period beginning after January 1, 2023 and earlier application is permitted.

S/N	Standard/Interpretation		Date issued by IASB 2	Effective date	Summary of the requirements and impact assessment
1	IFRS 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	January 1, 2023	<p>IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting year.</p> <p>The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.</p> <p>An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.</p>
2	Amendments to IAS 8	Definition of Accounting Estimates	February 2021	January 1, 2023	<p>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.</p> <p>The effect, if any, on future periods is recognised as income or expense in those future periods. The definition of accounting policies remains unchanged.</p> <p>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 first annual reporting period in which the company applies the amendments.</p>

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3	Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure Initiative: Accounting Policies	February 2021	January 1, 2023	<p>The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is material accounting policy information and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.</p> <p>To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p>
4	Amendment to IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	May 2021	January 1, 2023	<p>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.</p> <p>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 January 1, 2023.</p>

**b) New standards and amendments - applicable January 1, 2024**

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after January 1, 2024 and have not been applied in preparing these financial statements. Those Standards, Amendments to Standards and Interpretations which may be relevant to the Company are set out below.

The Company does 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	Effective date	Summary of the requirements and impact assessment
1	Amendment to IFRS 16 Lease Liability in a Sale and Leaseback	September 2022	January 1, 2024	<p>The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.</p> <p>The amendment will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined.</p>
2	Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangement	May 2022	January 1, 2024	<p>In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:</p> <p>The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.</p> <p>The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted, but will need to be disclosed.</p>

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3	Amendments to IAS 1	Classification of Liabilities as Current or Non-current Liabilities with Covenants	January 2020	January 1, 2024	This standard seek to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.  The amendment will be applied retrospectively and is not expected to have a material impact on the company.
4	Introduction to IFRS S1	General requirements for disclosure of sustainability-related financial information	June 2023	January 1, 2024	IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity.  Opportunities may influence an entity's cash flows, access to finance or cost of capital over the short, medium or long term through current and anticipated effects.  IFRS S1 provides guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities
5	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 address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.  The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.  The amendments will be applied prospectively and are not expected to have a material impact on the company's financial statements.

**Material 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 December 31, 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 March 27, 2024.

**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.

**(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.

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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.

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.



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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

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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.

#### (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.

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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.

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.

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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.

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.

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.

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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 payment 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 liability 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 between 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 financial 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-impaired 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 performance obligations have been satisfied.

#### (iii) Treasury income

Treasury income represents the total interest income earned by the Company from investing the Client Resolution Fund (CRF), Exchange-Traded Derivates (ETD) Margin Fund, and ETD Default Fund assets. The Company invests the funds in fixed deposit placements, and other money market instruments, through its Treasury Management Group and a Fund Manager – Stanbic IBTC Asset Management Limited (SIAML). The income is recognised using effective interest rate.

#### (iv) Treasury expense

Treasury expense represents the total interest expense to be paid to the Cleared USD/NGN Non-deliverable Forwards (NDF) clients and ETD Clearing Members ("CMs") – jointly referred to as Contract holders – on the outstanding liabilities. The liabilities represent the following:

1. Settlement Amounts due on matured FX futures transactions, but which are yet to be claimed by the clients
2. Cash margins (pre-funded and funded) pledged by CMs for their ETD contracts
3. Default fund contributions made by CMs for their participation in the ETD (FGN Bond Futures & FX Futures) market

The Company pays an agreed percentage of the outstanding amounts to the customers.

#### (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 Securities Exchange Limited, FMDQ Clear Limited, FMDQ Depository Limited and FMDQ Private Markets 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 Securities Exchange Limited, FMDQ Clear Limited, FMDQ Depository Limited and FMDQ Private Markets Limited to pay 30%, 70%, 30% and 20% (2022: 40%, 74%, 30% and 20% from FMDQ Securities Exchange Limited, FMDQ Clear Limited, FMDQ Depository Limited and FMDQ Private Markets Limited respectively) of its realised revenue, excluding interest income on proprietary capital respectively.



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#### (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 and 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.

#### (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 derecognition 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.

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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 derecognition 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.

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.

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.

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#### 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.

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 comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

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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 2023, minimum tax if applicable will be determined as 0.25% of gross turnover of the Company, less franked income.

A company is exempted from minimum tax if it meets any of the following conditions:

- It is within its first four calendar years of business.
- It has annual gross turnover of less than N25 million in the relevant year of assessment.
- It carries on primary agricultural trade or business.

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 2023**

The Finance Act was signed into law on May 28, 2023. It introduces changes to the Capital Gains Tax (CGT) Act, Companies Income Tax (CIT) Act, Personal Income Tax (PIT) Act, Value Added Tax (VAT) Act, Petroleum Profits Tax (PPT) Act, Stamp Duties Act (SDA) and Tertiary Education Trust Fund (Establishment) 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 September 1, 2023. The Finance Act is applicable to financial statements for the year ending December 31, 2023.

Following the Finance Act, 2023, the tertiary education tax rate has been amended from 2.5% to 3% of assessable profits and Companies appointed to withhold VAT at source are to remit such VAT to the FIRS on or before the 14th day of the following month.

#### *(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 insufficient 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.

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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.

#### (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 reserve 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 asset represents settlement amounts due to clients on maturity of the non-deliverable FX futures that were traded on the platform of FMDQ Securities Exchange Limited, but which are yet to be claimed as at the reporting period. The client receives an interest margin on the outstanding balance, pending when they claim the funds. The Company invests these funds in treasury bills and other government securities and earns returns on the investment. The balances are recognised in the books as assets, and corresponding liabilities (CRF liabilities). In line with the Company's accounting policy, CRF assets and liabilities are classified and measured at amortised cost.

#### 3.19 Margin assets and liabilities

Margin fund represents cash margins pledged by the Central Bank of Nigeria (CBN) for its open Cleared NDF contracts. Margin fund assets and liabilities are classified and measured at amortised cost.

The Company invests this fund in treasury bills and other government securities and all returns on the investment are fully paid to the CBN. The balance is recognised in the books as an asset and corresponding liability.

### 3.19 ETD Margin Fund Assets & Liabilities

ETD Margin Fund asset represents cash margins (pre-funded and funded) pledged by Clearing Members ("CMs") for their ETD contracts to guarantee the performance of their obligations over the life of the contracts. FMDQ Clear invests these funds in fixed deposit placements and/or other money market instruments and earns returns on the investments. The balances are recognised in the books as assets and corresponding liabilities (ETD Margin Fund liabilities).

### 3.20 ETD Default Fund Assets & Liabilities

ETD Default Fund asset represents default fund contributions made by CMs as part of their mutualised default management structure of the Central Counterparty (CCP). This is part of the requirements for the participation of the CM in the FMDQ ETD (FGN Bond Futures & FX Futures) market. The Company invests these funds in fixed deposit placements and/or other money market instruments and earns returns on the investment. The CMs receive an interest income on the outstanding principal balance, pending when the funds are released. The balances are recognised in the books as assets and corresponding liabilities (ETD Default Fund liabilities).



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#### 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 settlement amounts due to clients on maturity of the non-deliverable FX futures that were traded on the platform of FMDQ Securities Exchange Limited, but which are yet to be claimed as at the reporting period, the funds are invested in government securities and the credit risk is directly linked to the underlying government securities, which are mostly treasury bills.

##### Margin assets at amortised cost

The funds are invested in government securities and the credit is directly linked to the credit risk on the underlying government securities, which are mostly treasury bills.

##### Exchange-traded derivatives assets

The funds are in fixed deposit placements and/or other money market instruments.

##### Custodian Accounts assets

The funds represent account balances warehousing proceeds and repayments on investment securities held with FMDQ Depository Limited until they are transferred to the investors.

##### 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

<i>In thousands of naira</i>	Notes	Group 31-Dec-2023	Group 31-Dec-2022	Company 31-Dec-2023	Company 31-Dec-2022
Cash and cash equivalents	20	23,907,422	28,356,800	1,572,834	6,886,242
Investment securities	21	25,772,144	18,827,360	6,171,920	5,850,876
Other assets (net)	25	6,755,836	1,620,741	7,097,538	3,715,737
Client resolution fund assets	22	91,387,695	27,948,261	-	-
Margin fund assets	23	1,523,717,522	83,833,078	-	-
Exchange-traded derivatives assets	24	2,797,283	-	-	-
Custodian account assets	26	1,086,817	-	-	-
		1,674,337,902	160,586,240	14,842,292	16,452,854

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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	2023				2022			
	FVOCI 12- month ECL	Amortised cost 12- month ECL	Lifetime ECL	Total	FVOCI 12- month ECL	Amortised cost 12- month ECL	Lifetime ECL	Total
<i>In thousands of naira</i>								
BBB- to AAA	-	-	-	-	-	-	-	-
BB- to BB+	-	-	-	-	-	-	-	-
B- to B+	21,967,379	1,652,525,829	-	1,674,493,208	15,247,941	145,579,062	-	160,827,003
C to CCC+	-	-	-	-	-	-	-	-
D	-	-	-	-	-	-	-	-
Gross carrying amount	21,967,379	1,652,525,829	-	1,674,493,208	15,247,941	145,579,062	-	160,827,003
Loss allowance	-	(155,305)	-	(155,305)	-	(218,087)	-	(218,087)
<b>Carrying amount</b>	<b>21,967,379</b>	<b>1,652,370,524</b>	<b>-</b>	<b>1,674,337,902</b>	<b>15,247,941</b>	<b>21,967,379</b>	<b>-</b>	<b>160,608,916</b>
<b>COMPANY</b>								
	2023				2022			
<i>In thousands of naira</i>	FVOCI 12- month ECL	Amortised cost 12- month ECL	Lifetime ECL	Total	FVOCI 12- month ECL	Amortised cost 12- month ECL	Lifetime ECL	Total
BBB- to AAA	-	-	-	-	-	-	-	-
BB- to BB+	-	-	-	-	-	-	-	-
B- to B+	6,171,920	8,691,459	-	14,863,379	5,850,875	10,601,979	-	16,452,854
C to CCC+	-	-	-	-	-	-	-	-
D	-	-	-	-	-	-	-	-
Gross carrying amount	6,171,920	8,691,459	-	14,863,379	5,850,875	10,601,979	-	16,452,854
Loss allowance	-	(21,087)	-	(21,087)	-	-	-	-
<b>Carrying amount</b>	<b>6,171,920</b>	<b>8,670,372</b>	<b>-</b>	<b>14,842,292</b>	<b>5,850,875</b>	<b>10,601,979</b>	<b>-</b>	<b>16,452,854</b>

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#### **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:

<i>in thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Government	25,772,144	18,827,360	6,171,920	5,850,876
Banks/financial institutions	1,648,565,758	141,758,879	8,670,372	10,601,979
	<b>1,674,337,902</b>	<b>160,586,239</b>	<b>14,842,292</b>	<b>16,452,855</b>

#### **(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.

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*Maturity analysis for financial assets and financial liabilities*

**Group**

**31-Dec-2023**

<i>in thousands of naira</i>	Notes	Carrying amount	Gross nominal inflow/(outflow)	3 Months	3 - 6 Months	6 -12 Months	Over 1 Year
Cash and cash equivalents	20	23,907,422	23,907,422	23,907,422	-	-	-
Investment securities	21	25,772,144	29,620,143	-	-	-	29,620,143
Other financial assets (net)	25	6,755,836	6,755,836	6,755,836	-	-	-
CRF assets	22	91,387,695	91,387,695	91,387,695	-	-	-
Margin fund assets	23	1,523,717,522	1,523,717,522	1,523,717,522	-	-	-
Exchange-traded derivatives assets	24	2,797,283	2,797,283	2,797,283	-	-	-
Custodian account assets	26	1,086,817	1,086,817	1,086,817	-	-	-
		1,675,424,719	1,679,272,718	1,649,652,575	-	-	29,620,143
Other financial liabilities	31	(18,034,716)	(18,034,716)	(18,034,716)	-	-	-
CRF liabilities	33	(91,387,695)	(91,387,695)	(91,387,695)	-	-	-
Margin fund liabilities	34	(1,523,717,522)	(1,523,717,522)	(1,523,717,522)	-	-	-
Exchange-traded derivatives liabilities	35	(2,797,283)	(2,797,283)	(2,797,283)	-	-	-
Custodian account liabilities	32	(1,086,817)	(1,086,817)	(1,086,817)	-	-	-
		(1,637,024,033)	(1,637,024,033)	(1,637,024,033)	-	-	-
Gap (assets - liabilities)		38,400,686	42,248,685	12,628,542	-	-	29,620,143

**31-Dec-2022**

<i>in thousands of naira</i>	Notes	Carrying amount	Gross nominal inflow/(outflow)	3 Months	3 - 6 Months	6 - 12 Months	Over 1 Year
Cash and cash equivalents	20	28,356,801	28,589,950	28,589,950	-	-	-
Investment securities	21	18,827,360	29,920,143	192,120	4,380,633	558,319	15,676,853
Other financial assets (net)	25	1,643,418	1,839,684	1,839,684	-	-	-
CRF assets	22	27,948,261	28,103,022	28,103,022	-	-	-
Margin fund assets	23	83,833,078	84,832,757	84,832,757	-	-	-
		160,608,918	173,285,556	143,557,533	4,380,633	558,319	15,676,853
Other financial liabilities	31	(10,248,922)	(10,248,922)	(10,248,922)	-	-	-
CRF liabilities	33	(27,948,261)	(34,463,315)	(34,463,315)	-	-	-
Margin fund liabilities	34	(83,833,078)	(84,832,757)	(84,832,757)	-	-	-
		(122,030,261)	(129,544,994)	(129,544,994)	-	-	-
Gap (assets - liabilities)		38,578,656	43,740,562	14,012,539	4,380,633	558,319	15,676,853

**Company**

**31-Dec-2023**

<i>in thousands of naira</i>	Notes	Carrying amount	Gross nominal inflow/(outflow)	3 Months	3 - 6 Months	6 - 12 Months	Over 1 Year
Cash and cash equivalents	20	1,572,834	1,572,834	1,572,834	-	-	-
Investment securities	21	6,171,920	6,116,003	-	-	-	6,116,003
Other financial assets (net)	25	7,097,538	7,097,538	7,097,538	-	-	-
		14,842,292	14,786,375	8,670,372	-	-	6,116,003
Other financial liabilities	31	(18,310,615)	(10,679,025)	(10,679,025)	-	-	-
		(18,310,615)	(10,679,025)	(10,679,025)	-	-	-
Gap (assets - liabilities)		(3,468,323)	4,107,350	(2,008,653)	-	-	6,116,003

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**31-Dec-2022**

<i>in thousands of naira</i>	Notes	Carrying amount	Gross nominal inflow/(outflow)	3 Months	3 - 6 Months	6 - 12 Months	Over 1 Year
Cash and cash equivalents	20	6,886,242	7,110,453	7,110,453	-	-	-
Investment securities		5,850,875	7,326,503	101,660	2,638,993	166,910	4,418,940
Other financial assets (net)	21	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	31	(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

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 December 31, 2023. The analysis is based on the assumption that interest rates increased/decreased by 200bp and 500bp with all variables held constant.

**31-Dec-2023**

**Group Scenario**

<i>in thousands of naira</i>	200bps 31-Dec-2023	500bps 31-Dec-2023
Investment securities measured at fair value- year end balance	21,967,379	21,967,379
Impact of increase in interest rate on carrying amount	439,348	1,098,369
Impact of decrease in interest rate on carrying amount	(439,348)	(1,098,369)

**31-Dec-2022**

**Group Scenario**

<i>in thousands of naira</i>	200bps 31-Dec-2022	500bps 31-Dec-2022
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)



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**31-Dec-2023**

**Company Scenario**

*in thousands of naira*

Investment securities measured at fair value- year end balance  
Impact of increase in interest rate on carrying amount  
Impact of decrease in interest rate on carrying amount

	<b>200bps</b>	<b>500bps</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2023</b>
	6,171,920	6,171,920
	123,438	308,596
	(123,438)	(308,596)

**31-Dec-2022**

**Company Scenario**

*in thousands of naira*

Investment securities measured at fair value- year end balance  
Impact of increase in interest rate on carrying amount  
Impact of decrease in interest rate on carrying amount

	<b>200bps</b>	<b>500bps</b>
	<b>31-Dec-2022</b>	<b>31-Dec-2022</b>
	5,850,875	5,850,875
	117,018	292,544
	(117,018)	(292,544)

**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 December 31, 2023 was \$/N1,230.00 (December 31,2022: \$/N750).

**Exposure to currency risk**

**Group**

*In thousands of naira/USD*

Bank balance  
Investment securities

	<b>USD</b>	<b>NGN</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2023</b>
	452	555,615
	7,788	9,579,012
	8,240	10,134,627

**Company**

*In thousands of naira/USD*

Bank balance  
Investment securities

	<b>USD</b>	<b>NGN</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2023</b>
	451	165,023
	2,412	2,967,131
	2,863	3,132,154

**Group**

*In thousands of naira/USD*

Bank balance  
Investment securities

	<b>USD</b>	<b>NGN</b>
	<b>31-Dec-2022</b>	<b>31-Dec-2022</b>
	220	165,023
	7,648	5,736,329
	7,868	5,901,352

**Company**

*In thousands of naira*

Bank balance  
Investment securities

	<b>USD</b>	<b>NGN</b>
	<b>31-Dec-2022</b>	<b>31-Dec-2022</b>
	220	165,023
	5,423	4,066,920
	5,643	4,231,943

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**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:

<b>Group</b>	<b>Bank Balances</b>	<b>Investment Securities</b>
<b>Scenario level</b>		
<b>31-Dec-2023</b>	<b>200bps</b>	<b>200bps</b>
<i>In thousands of naira</i>		
Increase	9	156
Decrease	(9)	(156)
<b>Scenario level</b>	<b>500bps</b>	<b>500bps</b>
Increase	23	234
Decrease	(23)	(234)
<b>Company Scenario level</b>	<b>Bank Balances</b>	<b>Investment Securities</b>
<b>31-Dec-2023</b>	<b>200bps</b>	<b>200bps</b>
<i>In thousands of naira</i>		
Increase	9	48
Decrease	(9)	(48)
<b>Scenario level</b>	<b>500bps</b>	<b>500bps</b>
Increase	23	121
Decrease	(23)	(121)
<b>Group Scenario level</b>	<b>Bank Balances</b>	<b>Investment Securities</b>
<b>31-Dec-2022</b>	<b>200bps</b>	<b>200bps</b>
<i>In thousands of naira</i>		
Increase	4	153
Decrease	(4)	(153)
<b>Scenario level</b>	<b>500bps</b>	<b>500bps</b>
Increase	11	11
Decrease	(11)	(11)
<b>Company Scenario level</b>	<b>Bank Balances</b>	<b>Investment Securities</b>
<b>31-Dec-2022</b>	<b>200bps</b>	<b>200bps</b>
<i>In thousands of naira</i>		
Increase	4	108
Decrease	(4)	(108)
<b>Scenario level</b>	<b>500bps</b>	<b>500bps</b>
Increase	11	382
Decrease	(11)	(382)

**(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.

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**(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:

<i>In thousands of naira</i>	<b>Minimum capital</b>	<b>Total equity</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2023</b>
FMDQ Clear Limited	5,000,000	22,520,673
FMDQ Depository Limited	5,000,000	6,949,920
FMDQ Securities Exchange Limited	500,000	3,838,759
FMDQ Private Markets Limited	-	452,421
iQx Consult Limited	-	2,400,101

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.

<i>In thousands of naira</i>	Notes	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
		<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Paid up share capital	37	26,000,000	26,000,000	26,000,000	26,000,000
Shareholders' funds		55,165,696	46,282,994	30,209,714	27,780,784

**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 2023 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.

**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, 2023**

<i>In thousands of naira</i>	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
FVOCI - debt instruments	21	21,967,379	-	-	21,967,379
		21,967,379	-	-	21,967,379

**31 December, 2022**

<i>In thousands of naira</i>	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
FVOCI - debt instruments	21	15,247,941	-	-	15,247,941
		15,247,941	-	-	15,247,941

**Company**

**31 December 2023**

<i>In thousands of naira</i>	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
FVOCI - debt instruments	21	6,171,920	-	-	6,171,920
		6,171,920	-	-	6,171,920

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**31 December 2022**

<i>In thousands of naira</i>	Notes	Level 1	Level 2	Level 3	Total
<i>Financial Assets</i>					
FVOCI - debt instruments	21	5,850,875	-	-	5,850,875
		<u>5,850,875</u>	<u>-</u>	<u>-</u>	<u>5,850,875</u>

**(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 daily quotation list. 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.

**(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.

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**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-Dec-2023**

<i>In thousands of naira</i>	Notes	Fair value through OCI	Amortised cost	Fair value	Fair value hierarchy
Cash and cash equivalents	20	-	23,907,422	23,907,422	2
Investment securities	21	21,967,379	3,804,765	25,772,144	1
Other financial assets (net)	25	-	6,755,836	6,755,836	2
Client resolution fund assets	22	-	91,387,695	91,387,695	1
Margin fund assets	23	-	1,523,717,522	1,523,717,522	1
Exchange-traded derivatives assets	24	-	2,797,283	2,797,283	1
		21,967,379	1,652,370,524	1,674,337,902	
Other financial liabilities	31	-	18,034,716	18,034,716	2
Client resolution fund liabilities	33	-	91,387,695	91,387,695	1
Margin fund liabilities	34	-	1,523,717,522	1,523,717,522	1
Exchange-traded derivatives liabilities	35	-	2,797,283	2,797,283	1
		-	1,635,937,216	1,635,937,216	

**31-Dec-2022**

<i>In thousands of naira</i>	Notes	Fair value through OCI	Amortised cost	Fair value	Fair value hierarchy
Cash and cash equivalents	20	-	28,356,801	28,356,801	2
Investment securities	21	15,247,941	3,579,419	18,827,360	1
Other financial assets (net)	25	-	1,643,418	1,643,418	2
Client resolution fund assets	22	-	27,948,261	27,948,261	1
Margin fund assets	23	-	83,833,078	83,833,078	1
		15,247,941	145,360,977	160,608,918	
Other financial liabilities	31	-	10,248,922	10,248,922	2
Client resolution fund liabilities	33	-	27,948,261	27,948,261	1
Margin fund liabilities	34	-	83,833,078	83,833,078	1
		-	122,030,261	122,030,261	

**Company**

**31-Dec-2023**

<i>In thousands of naira</i>	Notes	Fair value through OCI	Amortised cost	Fair value	Fair value hierarchy
Cash and cash equivalents	20	-	1,572,834	1,572,834	2
Investment securities	21	6,171,920	-	6,171,920	1
Other financial assets (net)	25	-	7,097,538	7,097,538	2
		6,171,920	8,670,372	14,842,292	
Other financial liabilities	31	-	18,034,716	18,034,716	2
		-	18,034,716	18,034,716	



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**31-Dec-2022**

In thousands of naira	Notes	Fair value through OCI	Amortised cost	Fair Value	Fair value hierarchy
Cash and cash equivalents	20	-	6,886,242	6,886,242	2
Investment securities	21	5,850,876	-	5,850,876	1
Other financial assets (net)	25	-	3,738,913	3,738,913	2
		5,850,876	10,625,155	16,476,030	
Other financial liabilities	31	-	(10,679,025)	(10,679,025)	2
		-	(19,246,995)	(19,246,995)	

7. Treasury income	Group	Group	Company	Company
In thousands of naira	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Treasury income (See note (a))	3,275,610	2,387,264	-	-
	3,275,610	2,387,264	-	-

(a) This amount represents interest income earned from investing the client resolution fund assets, and exchange-traded derivatives assets 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	Group	Group	Company	Company
In thousands of naira	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Treasury expense	545,044	14,412	-	-
	545,044	14,412	-	-

(a) Treasury expense represents the total interest expense to be paid to the Cleared USD/NGN NDF clients and ETD Clearing Members ("CMs") – jointly referred to as Contract holders – on Settlement Amounts due on matured FX futures transactions, but which are yet to be claimed by the clients; Cash margins pledged by CMs for their ETD contracts; and Default fund contributions made by CMs for their participation in the ETD market

**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	Group	Company	Company
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Transaction Fees- foreign currency trading	415,191	339,286	-	-
Transaction Fees- treasury bills trading	812,225	663,206	-	-
Transaction Fees- repo transactions	539,356	504,114	-	-
Transaction Fees- open buy back transactions	295,058	196,394	-	-
Transaction Fees- money market transactions	38,417	30,969	-	-
Transaction Fees - FX derivatives	217,261	193,696	-	-
Transaction Fees - FGN bonds (See note (a) below)	2,289,205	1,601,085	-	-
Transaction Fees - eurobonds	-	-	-	-
IDB - All Products	9,774	11,570	-	-
Transaction Fees- exchange-traded derivatives	293	-	-	-
	<b>4,616,780</b>	<b>3,540,320</b>	-	-
Transaction fees expense (See note (b) below)	(483,659)	(337,625)	-	-
<b>Net Transaction Fees</b>	<b>4,133,121</b>	<b>3,202,695</b>	-	-

(a) The composition of the transaction fees earned on FGN bonds is summarised below:

In thousands of naira	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Inter-member Trades	291,063	120,788	-	-
Member-CBN Trades	679	397	-	-
Member-Client Trades	1,997,463	1,479,900	-	-
	2,289,205	1,601,085	-	-

(i) The portion of Member-Client Trades attributed to only Clients.

	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Weekly Payment of Bonds Transactions Fees	1,523,948	1,350,896	-	-
Unreported Member-Client Transaction Fees	416,598	95,882	-	-
	1,940,546	1,446,778	-	-

(b) 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.

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<b>10 Clearing and Futures Management fees</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
In thousands of naira	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Clearing fee	1,045,155	995,498	-	-
Futures management fee (See note (i) below)	7,515,631	5,658,133	-	-
	8,560,786	6,653,632	-	-

(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.

<b>11 Collateral accommodation fees</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
In thousands of naira	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Collateral accommodation fees	1,930,384	1,863,458	-	-
ETD Collateral accommodation fees	71,077	-	-	-
	2,001,461	1,863,458	-	-

(i) Collateral accommodation fee is a fixed percentage (1%) charged on collateral balances prorated daily.

<b>12 Participant fees</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
In thousands of naira	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Noting application and processing dues	265,633	574,901	-	-
Transfer agency fees	88,554	174,188	-	-
Sponsorship eligibility fees	12,850	21,150	-	-
Eligibility fees	73,262	58,917	-	-
Annual sponsorship dues	38,450	31,108	-	-
Settlement fees	433,553	290,321	-	-
	912,302	1,150,585	-	-

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 contracts 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.

<b>Type of revenue</b>	<b>Nature and timing of satisfaction of performance obligations, including significant payment terms</b>	<b>Revenue recognition under IFRS 15</b>
<b>Transaction fees</b>	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 2023 are recognised as trade receivables.
<b>Clearing and futures management fees</b>	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 December 31, 2023 are recognised as trade receivables.

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**Participant fees**

The Group provides 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 2023 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 2023 are recognised as accounts receivable.

**13 Interest income calculated using the effective interest method**

<i>In thousands of naira</i>	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Treasury bills	-	99,505	-	40,697
Fixed deposit	2,184,760	1,273,178	396,075	287,090
Call deposit	41,208	9,485	64	7
FGN bonds	1,672,533	1,511,526	408,718	536,346
Eurobond	518,465	380,149	137,421	101,792
State bonds	43,584	12,714	7,950	-
	<b>4,460,550</b>	<b>3,286,557</b>	<b>950,229</b>	<b>965,932</b>

**Explained by:**

Interest income earned on investment securities (See note 43(iv))	2,234,582	2,003,895	554,089	678,836
Interest income on cash and cash equivalents	2,225,968	1,282,662	396,140	287,097
	<b>4,460,550</b>	<b>3,286,557</b>	<b>950,229</b>	<b>965,932</b>

**14 Other income**

<i>In thousands of naira</i>	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Membership application fees	90,775	29,438	-	-
Membership subscription dues	201,472	195,389	-	-
Bond listing fees	493,091	433,775	-	-
Penalties and fines (See note (a))	7,635	815	-	-
Commercial paper quotation fees	1,531,107	460,750	-	-
Technology services (See note (b))	577,167	514,214	-	-
Gain on sale of property and equipment	27,607	11,962	27,910	11,718
Franchise development support and outsourcing (FDSO) (See note (c))	-	-	14,558,625	10,957,023
Margin management fees (See note (d))	3,976,468	795,910	-	-
Processing fees	45,043	4,452	-	-
Q-ex Maintenance fee	31,251	22,419	-	-
Fund listings fee	19,767	34,290	-	-
Accruals no longer required	76,238	201,941	30,328	143,822
Other income	345,068	279,285	297,376	31,844
	<b>7,422,689</b>	<b>2,984,639</b>	<b>14,914,238</b>	<b>11,144,407</b>

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(a) Penalties /fines - This relates to monies received as sanctions for infractions by FMDQ's Members.

(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 Securities Exchange Limited, FMDQ Clear Limited, FMDQ Depository Limited and FMDQ Private Markets 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 Securities Exchange Limited, FMDQ Clear Limited, FMDQ Depository Limited and FMDQ Private Markets Limited to pay 30%, 70%, 30% and 20% (2022: 40%, 74%, 30% and 20% from FMDQ Securities Exchange Limited, FMDQ Clear Limited, FMDQ Depository Limited and FMDQ Private Markets Limited respectively) of its realised revenue, excluding interest income on proprietary capital respectively.

(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.

**15 Gain on foreign exchange revaluation**

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

<b>Gain on foreign exchange revaluation</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Gain on cash and bank balances	133,743	27,388	127,167	27,210
Gain on foreign exchange revaluation- Eurobond	3,931,749	1,440,718	1,186,525	449,347
	<b>4,065,492</b>	<b>1,468,106</b>	<b>1,313,692</b>	<b>476,557</b>

<b>16 Personnel expenses</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Wages and salaries	3,347,921	2,109,116	1,499,713	963,336
Productivity bonus (See note (i))	3,425,464	2,241,701	2,550,749	1,797,089
Other staff costs	129,437	85,597	74,462	44,848
Pension costs	282,922	202,167	118,204	90,739
27(iv))	4,129,895	1,280,638	4,129,895	1,280,638
	<b>11,315,638</b>	<b>5,919,219</b>	<b>8,373,023</b>	<b>4,176,651</b>

(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:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
<i>Categories (in numbers)</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Less than N3,000,000	-	-	-	-
N3,000,001 - N5,000,000	2	9	1	3
N5,000,001 - N8,000,000	31	14	8	5
N8,000,001 - N11,000,000	12	21	6	5
N11,000,001 - N14,000,000	13	9	6	2
N14,000,001 - N17,000,000	7	17	2	5
N17,000,001 - N20,000,000	8	4	1	2
Above N20,000,000	33	21	11	8
	<b>106</b>	<b>95</b>	<b>35</b>	<b>30</b>

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

Numbers	Group	Group	Company	Company
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
<i>Categories</i>				
Management staff	14	17	5	5
Non-management staff	92	78	30	25
	106	95	35	30

(iv) Share appreciation rights (cash-settled)

(a) The Group granted share appreciation rights (SARs) to the Chief Executive Officer (CEO), and Senior Management personnel who are Foundation Executives. The rights 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 CEO

Grant date/employees entitled	Number of instruments in thousands	Vesting conditions	Contractual life of options
SARs granted to the CEO (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 Foundation Executives (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	Group	Company	Company
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Total carrying amount of liabilities for cash settled arrangements	7,146,647	3,016,752	7,146,647	3,016,752
Total intrinsic value of liability for vested benefits	-	-	-	-



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(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 CEO

	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Fair value (naira)	5.13	2.88
Share price (naira) (See note (i) below)	5.56	3.57
Exercise price (naira)	0.37	0.37
Expected volatility (weighted average)	42%	42%
Expected life (weighted-average)	6.4 years	6.4 years
Expected dividends	-	-

For the Foundation Executives

	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Fair value (naira)	2.43	1.06
Share price (naira) (See note (i) below)	5.56	3.57
Exercise price (naira)	3.59	3.59
Expected volatility (weighted average)	42%	42%
Expected life (weighted-average)	5 years	5 years
Expected dividends	-	-

(i) The share price for 2023 and 2022 was based on 26 billion issued shares. The 2023 share price using the 26 billion issued shares is N5.56 per share (2022: N3.57 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.

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(d) Reconciliation of outstanding share options

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

For the CEO <i>In thousands of options</i>	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	2023	2023 (naira)	2022	2022 (naira)
Outstanding at 1 January	1,300,000	0.37	973,368	0.50
Increase due to bonus share issue	-	-	326,632	-
Outstanding at 31 December	1,300,000	0.37	1,300,000	0.37
Exercisable at 31 December	-	-	-	-

The options outstanding as at December 31, 2023 had an exercise price of No.37 (2022: No.37) 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 2023 (2022: Nil).

For the Foundation Executives <i>In thousands of options</i>	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	2023	2023 (naira)	2022	2022 (naira)
Outstanding at 1 January	1,040,000	3.59	-	-
Granted during the period	-	-	1,040,000	3.59
Outstanding at 31 December	1,040,000	3.59	1,040,000	3.59
Exercisable at 31 December	-	-	-	-

The options outstanding as at December 31, 2023 had a exercise price of N3.59 (2022: N3.59), and a weighted-average contractual life of 5 years. No options were exercised in 2023.

**17 Impairment charge/(write-back) on financial assets**

<i>In thousands of naira</i>	Group 31-Dec-2023	Group 31-Dec-2022	Company 31-Dec-2023	Company 31-Dec-2022
Impairment charge on financial assets	(229,175)	88,717	(44,271)	62,731
Explained by:				
Impairment charge/(write-back) on securities at amortised cost (See note 20(a))	(10,496)	-	-	-
Impairment charge/(write-back) on investment securities at FVOCI (See note 31(d))	(166,393)	233,773	(42,182)	42,305
Impairment charge/(write-back) on investment securities	(176,889)	233,773	(42,182)	42,305
Impairment (write-back)/charge on other assets (See note 23(a))	(52,286)	(137,120)	(2,089)	20,426
Impairment (write-back)/charge on margin assets (See note 27(iv))	-	(14,218)	-	-
	(229,175)	82,435	(44,271)	62,731

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<b>18 Other operating expenses</b> <i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Audit fees	80,778	66,048	46,416	31,500
Professional fees	939,504	420,614	841,603	382,331
Professional fees (legal)	85,485	188,791	69,565	175,272
Professional fees (finance)	49,579	92,744	49,579	92,744
Stationery and office expenses	3,491	10,995	3,491	10,995
Bank charges (See note 38(c))	14,801	8,014	13,910	7,711
Travel and lodging expense	26,918	3,797	26,918	3,797
Training and development expense	304,656	108,104	153,377	90,242
Information technology expense	1,156,587	769,768	359,888	259,553
Insurance expense	187,893	150,239	102,062	84,591
Regulatory expense (See (i))	502,917	362,193	595	-
Professional membership	61,512	70,195	61,412	70,195
General administrative expenses	1,680,430	611,060	1,586,708	573,842
Business development expense	154,933	3,771	-	-
Directors' allowances (See note (ii))	2,824,553	647,477	1,728,722	389,982
Donations	1,386	1,356	1,386	1,356
Bond listing /quotation events	-	2,415	-	-
Interest expense on capitalised lease liability (See note 39(ii))	62,036	79,369	62,036	79,369
Corporate development	1,019,997.62	209,461	1,003,018	209,123
Settlement agency fees, investment management fees and other investment expenses (see note (iii))	7,478	3,427	-	-
Franchise Development	188,139	83,695	-	-
VAT and WHT expense (see note (iv))	1,213,226	908,590	-	2,363
	<b>10,566,300</b>	<b>4,802,125</b>	<b>6,110,685</b>	<b>2,464,966</b>

(i) SEC charged 20% (2022: 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 regulatory fees for the year.

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

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Sitting allowances	61,275	45,405	20,775	12,918
Retirement contributions (see note (v) below)	1,338,596	266,333	1,241,502	280,833
Annual Directors' fees	378,250	335,739	119,250	96,231
Other Board expenses	1,046,432	-	347,195	-
	<b>2,824,553</b>	<b>647,477</b>	<b>1,728,722</b>	<b>389,982</b>

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Board Chairman allowances	14,000	18,200	14,000	18,200

(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 and settlement activities.

(iv) Included in the Group's amount is N1.23 billion (2022: N898 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 14(c).

(v) The retirement contributions refers to Directors Long Term Incentives (LTI)

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**19 Income tax expense**

**(a) The tax charge for the year comprises:**

*In thousands of naira*

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Income tax	2,234,572	3,104,346	777,680	1,765,632
Tertiary education tax	246,074	274,782	87,104	158,613
NITDA Levy	140,321	114,913	43,967	53,762
Police Trust Fund Levy	702	575	220	268,80813
See note (c) below	2,621,669	3,494,616	908,971	1,978,276
Deferred tax (credit)/charge for the year (See note 19(d)(ii))	2,061,358	(432,833)	1,023,969	(420,663)
	<b>4,683,027</b>	<b>3,061,783</b>	<b>1,932,940</b>	<b>1,557,613</b>

**(b) The effective tax reconciliation is as follows:**

	<b>Rate</b>	<b>Group</b>	<b>Rate</b>	<b>Group</b>	<b>Rate</b>	<b>Company</b>	<b>Rate</b>	<b>Company</b>
	<b>%</b>	<b>31-Dec-2023</b>	<b>%</b>	<b>31-Dec-2022</b>	<b>%</b>	<b>31-Dec-2023</b>	<b>%</b>	<b>31-Dec-2022</b>
Profit before income tax		14,032,109		11,480,700		4,396,740		5,376,159
NITDA Levy		-		-		-		(53,762)
		<b>14,032,109</b>		<b>11,480,700</b>		<b>4,396,740</b>		<b>5,322,397</b>
Tax using the domestic corporation tax	30	4,209,633	30	3,444,210	30	1,319,022	30	1,596,719
Non-taxable income	(5)	(701,054)	(9)	(1,055,069)	1	34,424	(8)	(371,059)
Non-allowable expenses	6	787,352	2	282,372	10	448,203	-	119,309
NITDA Levy	1	140,321	1	114,913	1	43,967	1	53,762
Tertiary education tax	2	246,074	2	274,782	2	87,104	3	158,613
Police Trust Fund Levy	-	702	-	575	-	220	-	269
<b>Income tax charge</b>	<b>33</b>	<b>4,683,027</b>	<b>26</b>	<b>3,061,783</b>	<b>44</b>	<b>1,932,940</b>	<b>26</b>	<b>1,557,613</b>

**(c) Current tax liabilities**

*In thousands of naira*

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Balance, beginning of the year	3,506,973	3,087,634	1,983,097	1,677,226
Tax charge (See note 19(a))	2,621,669	3,494,616	908,971	1,978,276
Tax paid	(1,375,780)	(1,305,486)	(174,241)	(637,853)
Withholding Tax credit notes utilised	(1,533,136)	(1,769,791)	(1,299,788)	(1,034,552)
Balance, end of the year	<b>3,219,726</b>	<b>3,506,973</b>	<b>1,418,038</b>	<b>1,983,097</b>

**(d) Deferred tax assets/(Liabilities)**

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

*In thousands of naira*

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Property and equipment	(207,615)	(177,690)	(102,084)	(131,708)
Other Assets	(871,477)	179,512	(42,065)	31,084
Share-based payment liability	-	980,444	-	980,444
	<b>(1,079,092)</b>	<b>982,266</b>	<b>(144,149)</b>	<b>879,820</b>

(ii) Movement in temporary differences during the year:

*In thousands of naira*

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Opening balance	982,266	549,433	879,820	459,157
Deferred tax credit/(charge) (See note 19(a))	(2,061,358)	432,833	(1,023,969)	420,663
Closing balance	<b>(1,079,092)</b>	<b>982,266</b>	<b>(144,149)</b>	<b>879,820</b>

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(iii) Unrecognised deferred tax assets

The Group had no unrecognised deferred tax asset as at December 31, 2023 (2022: Nil).

<b>20 Cash and bank balances</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Cash at bank	6,182,139	5,872,537	1,257,238	1,330,275
Placement with Banks	17,725,283	22,484,263	315,596	5,555,967
<b>Cash and bank balances for cash flow purposes</b>	<b>23,907,422</b>	<b>28,356,800</b>	<b>1,572,834</b>	<b>6,886,242</b>
<b>Total cash and bank balances</b>	<b>23,907,422</b>	<b>28,356,800</b>	<b>1,572,834</b>	<b>6,886,242</b>
Current	23,907,422	28,356,800	1,572,834	6,886,242
Non-current	-	-	-	-
	<b>23,907,422</b>	<b>28,356,800</b>	<b>1,572,834</b>	<b>6,886,242</b>

Included in cash and bank balances for the Group and Company respectively are balances with Guaranty Trust Bank Limited, United Bank of Africa PLC, Access Bank PLC, Zenith Bank PLC and Stanbic IBTC Bank PLC, all of which are related entities to the Group. (See note 38(c)).



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<b>21 Investment securities</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Debt securities (see note (i) below)	25,772,144	18,827,360	6,171,920	5,850,876
	<b>25,772,144</b>	<b>18,827,360</b>	<b>6,171,920</b>	<b>5,850,876</b>
Current	-	-	-	-
Non-current	25,772,144	18,827,360	6,171,920	5,850,876
	<b>25,772,144</b>	<b>18,827,360</b>	<b>6,171,920</b>	<b>5,850,876</b>

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

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Treasury bills - FVOCI	-	-	-	-
FGN Bonds - FVOCI	12,019,113	9,464,701	3,112,894	4,181,466
Eurobonds- FVOCI	9,579,012	5,736,329	2,967,131	1,669,409
State Bonds- FVOCI	369,254	46,911	91,895	-
Investment securities at fair value	<b>21,967,379</b>	<b>15,247,941</b>	<b>6,171,920</b>	<b>5,850,876</b>
Treasury bills - amortised cost	-	-	-	-
FGN Bonds - amortised cost	3,717,818.06	3,551,053.00	-	-
State Bonds - amortised cost	98,271.13	50,186.00	-	-
Investment securities at amortised costs	<b>3,816,089.19</b>	<b>3,601,239.00</b>	-	-
	<b>25,783,467.86</b>	<b>18,849,180.00</b>	<b>6,171,919.65</b>	<b>5,850,875.59</b>
Allowance for ECL impairment on investment securities at amortised cost (See note (a) below)	(11,324)	(21,820)	-	-
	<b>25,772,144</b>	<b>18,827,360</b>	<b>6,171,920</b>	<b>5,850,876</b>

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

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Balance, beginning of the year	(21,820)	(15,538)	-	-
Impairment loss/(write-back) during the year (See note 17)	10,496	(6,282)	-	-
Balance, end of the year	(11,324)	(21,820)	-	-

**22 Client resolution fund asset**

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Client resolution fund asset (See note (a) below)	91,387,695	27,948,261	-	-
	<b>91,387,695</b>	<b>27,948,261</b>	-	-
Current	91,387,695	27,948,261	-	-
Non-current	-	-	-	-
	<b>91,387,695</b>	<b>27,948,261</b>	-	-

(a) Client resolution fund asset represents funds held by the Group with respect to settlement amounts on maturity of the non-deliverable FX futures traded on the platform of FMDQ, but which are yet to be claimed 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 (CRF assets), and corresponding liabilities (CRF liabilities). In line with the Group's accounting policy, CRF assets and liabilities are classified and measured at amortised cost. See note 33.

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<b>23 Margin fund assets</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Margin fund asset (See note (a) below)	1,523,717,522	83,833,078	-	-
	<b>1,523,717,522</b>	<b>83,833,078</b>	-	-
Current	1,523,717,522	83,833,078	-	-
Non-current	-	-	-	-
	<b>1,523,717,522</b>	<b>83,833,078</b>	-	-

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

**24 Exchange-traded derivatives assets**

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Exchange-traded derivatives assets	2,797,283	-	-	-
	<b>2,797,283</b>	-	-	-
Current	2,797,283	-	-	-
Non-current	-	-	-	-
	<b>2,797,283</b>	-	-	-

(b) ETD assets represent cash margins (pre-funded and funded) pledged by Clearing Members ("CMs") for their ETD contracts to guarantee the performance of their obligations over the life of the contracts; as well as default fund contributions made by CMs as part of their mutualised default management structure of the CCP. This is part of the requirements for the participation of the CM in the FMDQ ETD (FGN Bond Futures & FX Futures) market. FMDQ Clear Limited invests these funds in fixed deposit placements and/or other money market instruments and earns returns on the investment.

<b>25 Other assets</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Account receivables (See note 38(c))	6,637,054	1,732,265	21,087	19,482
Staff advances	6,225	3,611	4,718	3,611
Intercompany receivables (See note 38(b))	-	-	6,993,105	3,715,820
Other receivables	256,539	81,131	99,715	-
Financial assets	6,899,818	1,817,008	7,118,625	3,738,913
Allowance for impairment on other assets (See note (a))	(143,981)	(196,267)	(21,087)	(23,176)
Net financial assets	6,755,836	1,620,741	7,097,538	3,715,737
Deposit for shares (see note c)	-	10,536,259	-	10,536,259
Prepayments	124,159	185,387	71,206	145,301
WHT receivables	1,840,022	1,294,663	1,278,773	997,043
	<b>8,720,017</b>	<b>13,637,049</b>	<b>8,447,517</b>	<b>15,394,340</b>
Current	8,720,017	13,637,049	8,447,517	15,394,340
Non-current	-	-	-	-
	<b>8,720,017</b>	<b>13,637,049</b>	<b>8,447,517</b>	<b>15,394,340</b>

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

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Balance, beginning of the year	196,267	333,387	23,176	2,750
Impairment (write-back)/loss during the year (See note 16)	(52,286)	(137,120)	(2,089)	20,426
Balance, end of the year	143,981	196,267	21,087	23,176

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**26 Custodian account assets**

<i>In thousands of naira</i>	Group	Group	Company	Company
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Custodian account asset	1,086,817	22,677	-	-
	<b>1,086,817</b>	<b>22,677</b>	-	-
Current	1,086,817	22,677	-	-
Non-current	-	-	-	-
	<b>1,086,817</b>	<b>22,677</b>	-	-

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

**27 Investment in associates**

<i>In thousands of naira</i>	Group	Group	Company	Company
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Investment in CSCS	22,483,758	-	22,483,758	-
Carrying Amount	22,483,758	-	22,483,758	-

FMDQ Group PLC in 2023 completed the acquisition of 21.6% of CSCS shares

<i>In thousands of naira</i>	Group	Group	Company	Company
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Balance at the beginning of the year	-	-	-	-
Additional Investment during the year	21,072,517	-	21,072,517	-
Share of Profit	2,178,607	-	2,178,607	-
Share of OCI	(27,126)	-	(27,126)	-
Dividends Paid	(740,240)	-	(740,240)	-
<b>Total Investment in Associates</b>	<b>22,483,758</b>	-	<b>22,483,758</b>	-
Carrying Amount	22,483,758	-	22,483,758	-

**28 Investment in subsidiaries**

<i>In thousands of naira</i>	Group	Group	Company	Company
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
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	-	-	204,831	205,831
	-	-	<b>11,205,831</b>	<b>11,206,831</b>

(i) In October 2023, the Group Board requested a call back of the outstanding portion of the investment in iQx amounting to ₦1 million; and this was approved by the Board of iQx Consult Limited in October 2023.

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**29 Property and equipment**  
**Group**

<i>In thousands of naira</i>	Leasehold improvements	Motor vehicles	Office Equipment	Right of use assets	Computer equipment	Work-in-progress	Total
<b>Cost</b>							
Balance as at January 1, 2023	615,191	1,167,869	711,475	709,464	614,508	9,998	3,828,505
Additions	226,675	116,909	11,822	197,210	135,941	649,339	1,337,895
Disposals	-	(303,075)	(10,760)	-	(5,394)	-	(319,230)
<b>Balance as at December 31, 2023</b>	<b>841,866</b>	<b>981,703</b>	<b>712,536</b>	<b>906,674</b>	<b>745,054</b>	<b>659,337</b>	<b>4,847,171</b>
Balance as at January 1, 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)
<b>Balance as at December 31, 2022</b>	<b>615,191</b>	<b>1,167,869</b>	<b>711,475</b>	<b>709,464</b>	<b>614,508</b>	<b>9,998</b>	<b>3,828,505</b>
<b>Accumulated Depreciation</b>							
Balance as at January 1, 2023	307,243	600,196	639,406	237,671	349,970	-	2,134,486
Charge for the year	78,290	295,107	35,002	112,190	162,907	-	683,496
Disposals	-	(303,075)	(10,760)	-	(4,260)	-	(318,096)
<b>Balance as at December 31, 2023</b>	<b>385,533</b>	<b>592,228</b>	<b>663,647</b>	<b>349,861</b>	<b>508,617</b>	<b>-</b>	<b>2,499,886</b>
Balance as at January 1, 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)
<b>Balance as at December 31, 2022</b>	<b>307,243</b>	<b>600,196</b>	<b>639,406</b>	<b>237,671</b>	<b>349,970</b>	<b>-</b>	<b>2,134,486</b>
<b>Carrying amounts</b>							
<b>As at December 31, 2023</b>	<b>456,333</b>	<b>389,475</b>	<b>48,889</b>	<b>556,813</b>	<b>236,437</b>	<b>659,337</b>	<b>2,347,285</b>
<b>As at December 31, 2022</b>	<b>307,948</b>	<b>567,673</b>	<b>72,069</b>	<b>471,793</b>	<b>264,538</b>	<b>9,998</b>	<b>1,694,019</b>

- (a) There were no authorised or contracted capital commitments as at the end of the reporting period (December 31, 2022: Nil)  
 (b) There were no capitalised borrowing costs related to the construction of property and equipment during the year (December 31, 2022: Nil)  
 (c) The leased assets included in this property and equipment as at year end is the right of use assets (December 31, 2022: Nil)  
 (d) There were no impairment losses on any class of property and equipment (December 31, 2022: Nil)  
 (e) All classes of property and equipment are non-current.

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<b>Company</b> <i>In thousands of naira</i>	<b>Leasehold improvements</b>	<b>Motor vehicles</b>	<b>Office Equipment</b>	<b>Right of use assets</b>	<b>Work-in-progress</b>	<b>Total</b>
<b>Cost</b>						
Balance as at January 1, 2023	615,191	1,167,869	711,475	709,464	9,998	3,213,997
Additions	226,675	116,909	11,822	197,210	-	552,616
Disposals	-	(303,075)	(10,760)	-	-	(313,835)
<b>2023</b>	<b>841,866</b>	<b>981,703</b>	<b>712,536</b>	<b>906,674</b>	<b>9,998</b>	<b>3,452,777</b>
Balance as at January 1, 2022	612,800	967,917	659,801	404,147	9,998	2,654,663
Addition (see note 2a)	11,187	317,552	51,674	305,317	-	685,730
Disposal	(8,796)	(117,600)	-	-	-	(126,396)
<b>Balance as at December 31, 2022</b>	<b>615,191</b>	<b>1,167,869</b>	<b>711,475</b>	<b>709,464</b>	<b>9,998</b>	<b>3,213,997</b>
<b>Accumulated Depreciation</b>						
Balance as at January 1, 2023	307,265	600,196	639,406	237,672	-	1,784,539
Charge for the year	78,290	295,107	35,002	112,189	-	520,587
Disposals	-	(303,075)	(10,760)	-	-	(313,835)
<b>Balance as at December 31, 2023</b>	<b>385,555</b>	<b>592,228</b>	<b>663,647</b>	<b>349,861</b>	<b>-</b>	<b>1,991,291</b>
Balance as at January 1, 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)
Transfer to subsidiary	-	-	-	-	-	-
<b>Balance as at December 31, 2022</b>	<b>307,265</b>	<b>600,196</b>	<b>639,406</b>	<b>237,672</b>	<b>-</b>	<b>1,784,539</b>
<b>Carrying amounts</b>						
<b>As at December 31, 2023</b>	<b>456,311</b>	<b>389,476</b>	<b>48,889</b>	<b>556,813</b>	<b>9,998</b>	<b>1,461,486</b>
<b>As at December 31, 2022</b>	<b>307,926</b>	<b>567,673</b>	<b>72,069</b>	<b>471,792</b>	<b>9,998</b>	<b>1,429,458</b>

- (a) There were no authorised or contracted capital commitments as at the end of the reporting period (December 31, 2022: Nil)
- (b) There were no capitalised borrowing costs related to the construction of property and equipment during the year (December 31, 2022: Nil)
- (c) The leased assets included in this property and equipment as at year end is the right of use assets (December 31, 2022: Nil)
- (d) There were no impairment losses on any class of property and equipment (December 31, 2022: Nil)
- (e) All classes of property and equipment are non-current.



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<b>30 Intangible assets Group</b> <i>In thousands of naira</i>	<b>Computer Software</b>	<b>Intangible assets</b>	<b>Work-in-progress</b>	<b>Total</b>
<b>Cost</b>				
Balance as at January 1, 2023	83,191	31,642	263,713	378,546
Additions	565,641	-	332,739	898,380
Transfer	-	-	(537,978)	(537,978)
<b>Balance as at December 31, 2023</b>	<b>648,832</b>	<b>31,642</b>	<b>58,474</b>	<b>738,948</b>
Balance as at January 1, 2022	83,191	16,592	11,449	111,232
Additions	-	7,525	259,789	267,314
Reclassification	-	7,525	(7,525)	-
<b>Balance as at December 31, 2022</b>	<b>83,191</b>	<b>31,642</b>	<b>263,713</b>	<b>378,546</b>
<b>Accumulated Amortisation</b>				
Balance as at January 1, 2023	29,254	11,083	-	40,337
Amortisation during the year	90,770	6,436	-	97,206
<b>Balance as at December 31, 2023</b>	<b>120,024</b>	<b>17,519</b>	<b>-</b>	<b>137,543</b>
Balance as at January 1, 2022	10,824	4,212	-	15,036
Amortisation during the year	18,430	6,871	-	25,301
<b>Balance as at December 31, 2022</b>	<b>29,254</b>	<b>11,083</b>	<b>-</b>	<b>40,337</b>
<b>Carrying amounts</b>				
<b>As at December 31, 2023</b>	<b>528,808</b>	<b>14,123</b>	<b>58,474</b>	<b>601,405</b>
<b>As at December 31, 2022</b>	<b>53,937</b>	<b>20,559</b>	<b>263,713</b>	<b>338,209</b>

(a) There were no impairment losses on intangible assets (December 31, 2022: Nil)

(b) The intangible assets are non-current assets.

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**31 Other liabilities**

Other liabilities balance comprises

*In thousands of naira*

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Account payables (See note (iii))	4,223,117	4,172,430	941,706	871,436
Accruals	6,664,952	3,037,063	4,011,322	2,142,507
Intercompany payables	-	-	6,210,940	4,648,330
Cash-settled share-based payment liability (See note iv)	7,146,647	3,016,752	7,146,647	3,016,752
<b>Financial liabilities</b>	<b>18,034,716</b>	<b>10,226,245</b>	<b>18,310,615</b>	<b>10,679,026</b>
Unearned fee income (See note (i))	2,295,577	523,752	35,724	23,494
Statutory payables (See note (ii))	3,852,543	2,946,027	1,090,425	855,260
Non-financial liabilities	6,148,120	3,469,779	1,126,150	878,754
<b>Total</b>	<b>24,182,836</b>	<b>13,696,024</b>	<b>19,436,765</b>	<b>11,557,779</b>
Allowance for impairment on margin assets (See note v)	-	23,806	-	-
	<b>24,182,836</b>	<b>13,719,830</b>	<b>19,436,765</b>	<b>11,557,779</b>
Current	17,036,189	10,703,078	12,290,118	8,541,027
Non-current	7,146,647	3,016,752	7,146,647	3,016,752
	24,182,836	13,719,830	19,436,765	11,557,779

(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 clients resolution fund, and is earned when the settlement amount is paid out to the customer after making a valid claim.

Allowance for impairment on margin assets- reclassified to other reserves.

(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*

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
CRF Interest payable to clients(See note (a))	3,134,478	3,135,259	-	-
Payables to other third parties(See note (b))	535,323	572,176	388,389	406,442
Lease liabilities	553,316	464,994	553,316	464,994
	<b>4,223,117</b>	<b>4,172,430</b>	<b>941,706</b>	<b>871,436</b>

(a) This amount represents interest payable to futures clients on the Clients Resolution Fund (CRF) assets with the Group.

(b) Payables to other third parties include payables for consultancy and professional fees.

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

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Balance, beginning of the year	3,016,752	1,736,114	3,016,752	1,736,114
Movement during the year (See note 16)	4,129,895	1,280,638	4,129,895	1,280,638
Balance, end of the year	7,146,647	3,016,752	7,146,647	3,016,752

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

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Balance, beginning of the year	23,806	38,024	-	-
Movement during the year (See note 17)	-	(14,218)	-	-
Balance, end of the year	23,806	23,806	-	-

**32 Custodian account liabilities**

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Custodian account liabilities (See note 26)	1,086,817	22,677	-	-
	<b>1,086,817</b>	<b>22,677</b>	-	-
Current	1,086,817	22,677	-	-
Non-current	-	-	-	-
	<b>1,086,817</b>	<b>22,677</b>	-	-

**33 Client resolution fund liabilities**

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Client resolution fund liabilities (See note 22)	91,387,695	27,948,261	-	-
	<b>91,387,695</b>	<b>27,948,261</b>	-	-
Current	91,387,695	27,948,261	-	-
Non-current	-	-	-	-
	<b>91,387,695</b>	<b>27,948,261</b>	-	-

**34 Margin fund liabilities**

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Margin fund liabilities (See note 23)	1,523,717,522	83,833,078	-	-
	<b>1,523,717,522</b>	<b>83,833,078</b>	-	-
Current	1,523,717,522	83,833,078	-	-
Non-current	-	-	-	-
	<b>1,523,717,522</b>	<b>83,833,078</b>	-	-

**35 Exchange-traded derivatives liabilities**

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Exchange-traded derivatives liabilities (See note 24)	2,797,283	-	-	-
	<b>2,797,283</b>	-	-	-
Current	2,797,283	-	-	-
Non-current	-	-	-	-
	<b>2,797,283</b>	-	-	-

**36 Provisions**

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Balance at the beginning	325,906	600,353	325,906	348,575
Additions	50,000	-	-	-
Payments	(191,226)	(274,447)	(191,226)	(22,669)
Balance at the end	184,680	325,906	134,680	325,906
Current	-	-	-	-
Non-current	184,680	325,906	134,680	325,906
	<b>184,680</b>	<b>325,906</b>	<b>134,680</b>	<b>325,906</b>

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**37 Capital and Reserve**

*(a) Share Capital*

*In thousands of naira*

Authorised

26,000,000,000 Ordinary shares of N1.00 each

(31 December 2022: 26,000,000,000 of N1.00 each)

Issued and fully paid

26,000,000,000 Ordinary shares of N1.00 each

(31 December 2022: 26,000,000,000 of N1.00 each)

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
	26,000,000	26,000,000	26,000,000	26,000,000
	26,000,000	26,000,000	26,000,000	26,000,000

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*

Balance, beginning of the year

Bonus share issue (See note 31(e))

Balance, end of the year

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
	26,000,000	19,467,328	26,000,000	19,467,328
	-	6,532,672	-	6,532,672
	26,000,000	26,000,000	26,000,000	26,000,000

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.

		<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>Note</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
<i>In thousands of naira</i>					
Balance, beginning of the year		5,682,187	2,879,407	1,843,787	-
Profit for the year		9,349,082	8,418,917	2,463,800	3,818,546
Transfer to other reserves		-	-	-	-
Transfer to bonus share reserve	37(e)	-	(1,974,759)	-	(1,974,759)
Appropriation to market development reserve	37(f)	(588,194)	(594,969)	-	-
Appropriation to investor protection reserve	37(f)	(235,277)	(237,988)	-	-
Appropriation to default resolution reserve	37(f)	(4,531,751)	(2,808,421)	-	-
		<b>(5,355,222)</b>	<b>(5,616,137)</b>	<b>-</b>	<b>(1,974,759)</b>
Balance, end of the year		9,676,047	5,682,187	4,307,587	1,843,787

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*(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:

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Balance, beginning of the year	(144,532)	437,147	(63,003)	278,025
Impairment loss/(write-back) on FVOCI investment securities (See note 17)	(163,592)	(233,773)	(42,182)	(42,305)
Equity-accounted investee -share of OCI-fair value	(27,127)	-	(27,127)	-
Fair value loss on investment securities at FVOCI	(225,661)	(347,906)	34,438	(298,723)
<b>Financial assets at FVOCI - net changes in fair value</b> (See note 43(i))	<b>(416,380)</b>	<b>(581,679)</b>	<b>(34,870)</b>	<b>(341,028)</b>
Balance, end of the year	(560,912)	(144,532)	(97,873)	(63,003)

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:

<i>In thousands of naira</i>		<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
		<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Balance, beginning of the year		-	4,557,913	-	4,557,913
Transfer from retained earnings	(See note 37(c))	-	1,974,759	-	1,974,759
Transfer from Share premium		-	-	-	-
Transfer from other reserves		-	-	-	-
Allotment of share capital	(See note 37(a))	-	(6,532,672)	-	(6,532,672)
Balance, end of the year		-	-	-	-

*(f) Other reserves*

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 20% 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:

<i>In thousands of naira</i>		<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
		<b>31-Dec-23</b>	<b>31-Dec-22</b>	<b>31-Dec-23</b>	<b>31-Dec-22</b>
Balance, beginning of the year		14,745,339	11,103,961	-	-
Appropriation to market development reserve	37(c)	588,194	594,969	-	-
Appropriation to investor protection reserve	37(c)	235,277	237,988	-	-
Appropriation to default resolution reserve	37(c)	4,531,751	2,808,421	-	-
Transfer to Provisions	36	(50,000)	-	-	-
Balance, end of the year		20,050,561	14,745,339	-	-

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**38 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 December 31, 2023 are shown below:

<b>Entity</b>	<b>Year-end</b>	<b>Form of Holding</b>	<b>Effective holding</b>	<b>Nominal share capital held</b>	<b>Country of incorporation</b>	<b>Nature of Business</b>
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	Information technology
FMDQ Private Markets Limited	31 Dec	Direct	100%	1,000,000	Nigeria	Private capital market services



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*(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:

<i>In thousands of naira</i>	<b>Group 31-Dec-2023</b>	<b>Group 31-Dec-2022</b>	<b>Company 31-Dec-2023</b>	<b>Company 31-Dec-2022</b>
Cash and bank balances (see (i) below & note 20)	6,182,139	28,356,800	1,257,238	6,886,242
Bank charges (see (ii) below & note 18)	14,801	8,014	13,910	7,711
Account receivables (see (iii) below & note 25 )	6,637,054	1,732,265	21,087	19,482
Director's fees, emoluments and allowances (see (iv) below & 18 (ii))	2,824,553	647,477	1,728,722	389,982
Transaction fee income (net) (see (v) below & note 9)	4,133,121	3,202,695	-	-
FDSO income (See (vi) below & note 14)	-	-	14,558,625	10,957,023
Intercompany receivables (See note 25)	-	-	6,993,105	3,715,820

(i) Cash and bank balances is represented by bank balances held with Guaranty Trust Bank Limited, United Bank of Africa 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, United Bank of Africa 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 70%, 30%, 30%, and 20% (2022: 74% and 40% from FMDQ Clear Limited and FMDQ Securities Exchange Limited respectively) of its realised revenue, excluding interest income on proprietary capital respectively.

### 39 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 29).

<i>In thousands of naira</i>	<b>Office premises 31-Dec-2023</b>	<b>Office premises 31-Dec-2022</b>
Balance at 1 January	471,793	250,069
Additions	32,383	305,317
Modification	164,827	-
Depreciation charge for the year	(112,190)	(83,593)
Balance at 31 December	556,813	471,793

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See below for maturity analysis of lease liabilities as at December 31, 2023.

At December 31, 2023, the future minimum lease payments under non-cancellable operating leases were payable as follows.

<i>In thousands of naira</i>	Office premises <b>31-Dec-2023</b>	Office premises <b>31-Dec-2022</b>
Maturity analysis – Contractual undiscounted cash flows		
Less than one year	127,552	67,377
Between one and five years	508,703	442,737
More than five years	90,341	180,682
<b>Total undiscounted lease liabilities at December 31, 2023</b>	<b>726,596</b>	<b>690,796</b>

**ii Amounts recognised in profit or loss**

<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Interest on lease liabilities	62,036	79,369
Depreciation on right of use assets	112,190	83,593

**iii Amounts recognised in statement of cash flows**

<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Total cash outflow for leases	89,836	60,640

**iv Movement in lease liabilities**

<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Balance at January 1, 2023	464,994	255,856
Addition	10,249	197,146
Modification	123,343	-
Repayments	(89,836)	(67,377)
Interest on lease liabilities	44,566	79,369
<b>Balance at December 31, 2023</b>	<b>553,316</b>	<b>464,994</b>

**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.

**40 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 (December 31, 2022: Nil).

**41 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.

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**42 Non Audit Services**

During the year, the external auditors performed the following non audit services

Service provided	2023 Fee (N'm)	2022 Fee (N'm)
Whistle blowing portal	-	1
Board and Corporate Governance Evaluation	21	-
<b>Total fees for non-audit services</b>	<b>21</b>	<b>1</b>

**43 Cashflow workings**

**(i) Investment Securities**

*In thousands of naira*

	Group 31-Dec-2023	Group 31-Dec-2022	Company 31-Dec-2023	Company 31-Dec-2022
Balance at the beginning of the year	18,827,360	26,927,068	5,850,875	9,898,515
Interest income	2,235,624	2,003,894	554,089	678,836
Fair value (loss)/gain recognised in OCI (See note 37(d))	(389,253)	(581,679)	(7,744)	(341,028)
Gain on foreign exchange revaluation (See note 43 (vii))	3,931,749	1,440,718	1,186,525	449,347
Impairment (charge)/write-back on investment securities (See note 17)	174,088	240,055	42,182	(42,305)
Interest received	(2,395,516)	(2,003,894)	(630,877)	(678,836)
Matured investment	(4,419,500)	(8,674,485)	(2,419,500)	(4,198,264)
Balance at the end of the year (See note 20)	(25,772,144)	(18,827,360)	(6,171,920)	(5,850,875)
Purchase of investment securities	7,828,597	-	1,596,369	-

**(ii) Property and equipment**

*In thousands of naira*

	Group 31-Dec-2023	Group 31-Dec-2022	Company 31-Dec-2023	Company 31-Dec-2022
Balance at the beginning of the year	1,694,019	1,430,972	1,429,458	1,258,913
Balance at the end of the year (See note 29)	(2,347,285)	(1,694,019)	(1,461,486)	(1,429,458)
	<b>(653,266)</b>	<b>(263,047)</b>	<b>(32,028)</b>	<b>(170,545)</b>
<i>Explained by:</i>				
Acquisition of property and equipment (See note 29)	(1,337,895)	(938,821)	(552,616)	(685,730)
Gain on disposal of PPE (See note 14)	(27,607)	(11,962)	(27,910)	(11,718)
Proceeds on disposal	28,741	21,274	27,910	20,514
Depreciation	683,496	666,462	520,587	506,389
	<b>(653,266)</b>	<b>(263,047)</b>	<b>(32,028)</b>	<b>(170,545)</b>

**(iii) Intangible assets**

*In thousands of naira*

	Group 31-Dec-2023	Group 31-Dec-2022	Company 31-Dec-2023	Company 31-Dec-2022
Balance at the beginning of the year	338,209	96,196	-	-
Balance at the end of the year (See note 30)	(601,405)	(338,209)	-	-
	<b>(263,196)</b>	<b>(242,013)</b>	<b>-</b>	<b>-</b>

**(iv) Interest received**

*In thousands of naira*

	Group 31-Dec-2023	Group 31-Dec-2022	Company 31-Dec-2023	Company 31-Dec-2022
Interest income earned on investment securities (See note 13)	2,234,582	2,003,894	554,089	678,836
Interest receivable	-	-	-	-
Interest received	2,234,582	2,003,894	554,089	678,836

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<b>(v) Other liabilities</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Balance at the beginning of the year	(13,742,507)	(11,152,254)	(11,557,779)	(19,990,350)
VAT paid	3,490,155	2,410,361	855,059	716,132
Interest expense	(62,036)	(79,369)	(62,036)	(79,369)
Payment of lease liabilities	89,836	60,640	89,836	60,640
Impairment charge on margin assets (See note 31)	23,806	-	-	-
Cash-settled share-based payment expense (See note 15)	(4,129,895)	(1,280,638)	(4,129,895)	(1,280,638)
Balance at the end of the year (See note 31)	24,182,836	13,742,507	19,436,765	11,557,779
Movement in other liabilities	9,852,195	3,949,121	4,631,950	(9,127,578)

<b>(vi) Other assets</b>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Balance at the beginning of the year	13,659,726	3,015,744	15,394,340	21,882,224
Impairment on other assets (See note 17)	52,286	(137,120)	2,089	(20,472)
Deposit for shares	(10,536,259)	10,536,259	(10,536,259)	10,536,259
WHT receivables utilised during the year (See note 20)c	(1,533,136)	(1,769,791)	(1,299,788)	(1,034,552)
Balance at the end of the year (See note 25)	(8,720,017)	(13,659,726)	(8,447,517)	(15,394,340)
Movement in other assets	(7,077,401)	(2,014,634)	(4,887,135)	15,969,119

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

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-2023</b>	<b>31-Dec-22</b>	<b>31-Dec-2023</b>	<b>31-Dec-22</b>
Unrealised exchange rate gain on foreign exchange revaluation on Eurobond	3,931,749	1,440,718	1,186,525	449,347
Realised exchange rate loss	-	-	-	-
	3,931,749	1,440,718	1,186,525	449,347
Foreign exchange gains on bank balances	133,743	27,388	127,167	27,210
Gain on foreign exchange revaluation (See note 15)	4,065,492	1,468,106	1,313,692	476,557

**(viii) Investment in subsidiaries**

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-23</b>	<b>31-Dec-22</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Balance at the beginning of the year	-	-	11,206,831	11,206,831
Balance at the end of the year (See note 25)	-	-	(11,205,831)	(11,206,831)
Cash movement in investment in subsidiaries	-	-	999,58	-

**(ix) Movement in placement pledged as collateral**

<i>In thousands of naira</i>	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31-Dec-23</b>	<b>31-Dec-22</b>	<b>31-Dec-23</b>	<b>31-Dec-22</b>
Balance at the beginning of the year (See note 20)	-	5,083,981	-	-
Balance at the end of the year (See note 20))	-	-	-	-
Movement in placement pledged as collateral	-	5,083,981	-	-

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## Other National Disclosures

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**Value Added Statement**  
**For the year ended December 31, 2023**

<i>In thousands of naira</i>	Group		Group		Company		Company	
	31-Dec-23	%	31-Dec-22	%	31-Dec-23	%	31-Dec-22	%
Operating income	36,465,573	140	34,981,979	193	19,356,765	146	12,586,896	125
Bought in goods and services - local	(10,337,125)	(40)	(16,889,990)	(93)	(6,066,414)	(46)	(2,527,696)	(25)
Value added	26,128,449	100	18,091,989	100	13,290,351	100	10,059,200	100

**Distribution of Value Added**

**To Employees**

Employees as wages and salaries	11,315,638	43	5,919,693	24	8,373,023	63	4,176,651	23
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**To Government**

Government as tax	4,683,027	18	3,061,783	20	1,932,940	14	1,557,613	22
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**Retained in business**

- For replacement of property and equipments	683,496	3	531,647	4	520,587	4	506,389	6
- For replacement of intangible asset	97,206	0	159,949	0	-	-	-	-
- To augment reserves	9,349,082	36	8,418,918	52	2,463,800	19	3,818,547	49
Value added	26,128,449	100	18,091,989	100	13,290,351	100	10,059,200	100



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**Five-Year Financial Summary**  
**Group**

<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>	<b>31-Dec-2020</b>	<b>31-Dec-2019</b>
<b>ASSETS</b>					
Cash and bank balances	23,907,422	28,356,801	21,275,584	27,032,460	9,536,031
Investment securities	25,772,144	18,827,360	26,927,068	16,859,539	16,147,529
Client resolution fund (CRF) assets	91,387,695	27,948,261	32,586,971	59,552,180	30,044,416
Margin and fixings variance settlement assets	1,523,717,522	83,833,078	83,594,640	219,910,774	172,601,258
Exchange-traded derivatives assets	2,797,283	-	-	-	-
Custodian account assets	1,086,817	22,677	-	-	-
Other assets	8,720,017	13,637,049	3,015,744	3,575,499	3,419,506
Investment in Associates	22,483,758	-	-	-	-
Property and equipment	2,347,285	1,694,019	1,430,972	1,714,701	1,796,773
Intangible assets	601,405	338,209	96,196	49,046	33,446
Deferred tax assets	-	982,266	540,433	800,221	214,879
<b>Total Assets</b>	<b>1,702,821,347</b>	<b>175,639,720</b>	<b>169,467,608</b>	<b>329,494,420</b>	<b>233,793,838</b>
<b>LIABILITIES</b>					
Client resolution fund (CRF) liability	91,387,695	27,948,261	32,586,971	59,552,180	30,044,416
Margin and fixings variance settlement liabilities	1,523,717,522	83,833,078	83,594,640	219,910,774	172,601,258
Exchange-traded derivatives liabilities	2,797,283	-	-	-	-
Custodian account liabilities	1,086,817	22,677	-	-	-
Other liabilities	24,182,836	13,719,830	11,152,254	12,511,271	9,442,617
Provisions	184,680	325,906	600,353	626,416	44,100
Current tax liabilities	3,219,726	3,506,973	3,087,634	5,524,027	3,408,047
Deferred tax liabilities	1,079,092	-	-	-	-
<b>Total Liabilities</b>	<b>1,647,655,651</b>	<b>129,356,725</b>	<b>131,021,852</b>	<b>298,124,668</b>	<b>215,540,438</b>
<b>EQUITY</b>					
Share capital	26,000,000	26,000,000	19,467,328	9,733,664	640,741
Share premium	-	-	2,879,407	137,328	21,148
Retained earnings	9,676,047	5,682,188	2,879,407	3,540,921	363,779
Bonus share reserve	-	-	4,557,913	2,175,336	9,721,911
Fair value reserves	(560,912)	(144,532)	437,147	2,126,194	373,237
Other reserves	20,050,561	14,745,339	11,103,961	13,656,309	7,132,584
<b>Total Equity</b>	<b>55,165,696</b>	<b>46,282,995</b>	<b>41,325,163</b>	<b>31,369,752</b>	<b>18,253,400</b>
<b>Total Equity and Liabilities</b>	<b>1,702,821,346</b>	<b>175,639,720</b>	<b>172,347,015</b>	<b>329,494,420</b>	<b>233,793,838</b>
<b>Group</b>					
<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>	<b>31-Dec-2020</b>	<b>31-Dec-2019</b>
Operating Income	34,286,967	22,982,524	20,797,190	31,002,806	21,457,264
Impairment charge on financial assets	229,175	(88,717)	18,178	(335,598)	(137,018)
Share of profit of Equity Accounted Investees	2,178,607	-	-	-	-
Operating expenses	(22,662,640)	(11,413,107)	(8,712,055)	(14,509,029)	(8,100,661)
Profit before taxation	14,032,108	11,480,700	12,103,313	16,158,179	13,219,585
Taxation	(4,683,027)	(3,061,783)	(3,338,262)	(4,919,134)	(2,982,707)
<b>Profit after taxation</b>	<b>9,349,081</b>	<b>8,418,917</b>	<b>8,765,051</b>	<b>11,239,045</b>	<b>10,236,878</b>
Other comprehensive income	(416,380)	(581,679)	(1,689,047)	1,752,957	406,103
<b>Total comprehensive income</b>	<b>8,932,701</b>	<b>7,837,238</b>	<b>7,076,004</b>	<b>12,992,002</b>	<b>10,642,981</b>

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<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>	<b>31-Dec-2020</b>	<b>31-Dec-2019</b>
<b>ASSETS</b>					
Cash and bank balances	1,572,834	6,886,242	1,613,775	5,235,415	332,796
Investment securities	6,171,920	5,850,876	9,898,515	9,351,771	7,717,276
Other assets	8,447,516	15,394,340	21,882,224	3,283,205	6,204,888
Investment in subsidiary	11,205,831	11,206,831	11,206,831	11,206,831	11,000,000
Property and equipment	1,461,486	1,429,458	1,258,913	1,459,729	1,796,773
Investment in Associate	22,483,758	-	-	-	-
Intangible assets	-	-	-	-	33,446
Deferred tax assets	-	879,820	459,159	730,968	28,834
<b>Total Assets</b>	<b>51,343,345</b>	<b>41,647,566</b>	<b>46,319,417</b>	<b>31,267,919</b>	<b>27,114,013</b>
<b>LIABILITIES</b>					
Other liabilities	19,436,765	11,557,779	19,990,350	6,986,651	9,176,636
Provisions	134,680	325,906	348,575	374,638	44,100
Current tax liability	1,418,038	1,983,097	1,677,226	3,229,770	3,340,674
Deferred tax liabilities	144,149	-	-	-	-
<b>Total Liabilities</b>	<b>21,133,632</b>	<b>13,866,782</b>	<b>22,016,151</b>	<b>10,591,059</b>	<b>12,561,410</b>
<b>EQUITY</b>					
Share capital	26,000,000	26,000,000	19,467,328	9,733,664	640,741
Share premium	-	-	-	137,328	21,148
Retained earnings	4,307,587	1,843,788	-	1,281,815	-
Bonus share reserve	-	-	4,557,913	2,175,336	9,721,911
Fair value reserves	(97,873)	(63,003)	278,025	1,242,203	369,556
Other reserves	-	-	-	6,106,514	3,799,247
<b>Total Equity</b>	<b>30,209,714</b>	<b>27,780,785</b>	<b>24,303,266</b>	<b>20,676,860</b>	<b>14,552,603</b>
<b>Total Equity and Liabilities</b>	<b>51,343,347</b>	<b>41,647,566</b>	<b>46,319,417</b>	<b>31,267,919</b>	<b>27,114,013</b>

**Company**

<i>In thousands of naira</i>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>	<b>31-Dec-2020</b>	<b>31-Dec-2019</b>
Operating Income	17,178,159	12,586,896	10,671,798	17,061,174	17,708,739
Share of profit of Equity Accounted Investees	2,178,607	-	-	-	-
Operating expenses	(14,960,025)	(7,210,737)	(4,137,200)	(9,425,830)	(7,041,459)
Profit before taxation	4,396,740	5,376,160	6,534,598	7,635,344	10,667,280
Taxation	(1,932,940)	(1,557,613)	(1,944,014)	(2,508,084)	(3,101,383)
<b>Profit after taxation</b>	<b>2,463,800</b>	<b>3,818,547</b>	<b>4,590,584</b>	<b>5,127,260</b>	<b>7,565,897</b>
Other comprehensive income	(34,870)	(341,028)	(964,178)	872,647	16,632
<b>Total comprehensive income</b>	<b>2,428,930</b>	<b>3,477,519</b>	<b>3,626,406</b>	<b>5,999,907</b>	<b>7,582,529</b>

## 2023 Highlights: Notable Dates

### JANUARY

- Mixta Real Estate PLC ₦0.60bn Series 12 and ₦2.21bn Series 13 CPs quoted on FMDQ Exchange
- Valency Agro Nigeria Limited ₦0.16bn Series 14 and ₦0.70bn Series 15 CPs quoted on FMDQ Exchange
- Veritasi Homes and Properties Limited ₦0.70bn Series 4 Tranche A and ₦2.77bn Series 4 Tranche B CPs quoted on FMDQ Exchange
- Family Homes Sukuk Issuance Programme PLC ₦20.00bn Series 2 Ijara Lease Sukuk listed on FMDQ Exchange
- Zedcrest Capital Limited ₦15.00bn CP Programme registered on FMDQ Exchange
- CapitalSage Technology Limited ₦1.02bn Series 2 CP quoted on FMDQ Exchange
- Skymark Partners Limited ₦1.41bn Series 7 CP quoted on FMDQ Exchange
- MeCure Industries PLC ₦2.21bn Series 5 CP quoted on FMDQ Exchange
- C&I Leasing PLC ₦2.41bn Series 2 CP quoted on FMDQ Exchange

### FEBRUARY

- FMDQ Group joins the South Africa-Nigeria Business Chamber
- FMDQ Depository becomes a Member of the International Securities Services Association
- FMDQ Group hosts senior representatives from the Capital Markets Authority, Bank of Uganda and the Ministry of Finance, Planning & Economic Development on a four-day study tour at Exchange Place

- Nigerian Breweries PLC ₦16.49bn Series 1, ₦5.03bn Series 2 and ₦45.74bn Series 3 CPs quoted on FMDQ Exchange
- Mixta Real Estate PLC ₦9.59bn Series 14 - 19 CPs quoted on FMDQ Exchange
- O3 Capital Limited ₦5.00bn CP Programme registered on FMDQ Exchange
- African Nonferrous Industries Limited ₦10.00bn CP Programme registered on FMDQ Exchange
- Hartleys Supermarket & Stores Limited ₦5.00bn CP Programme registered on FMDQ Exchange
- FSDH Merchant Bank Limited ₦2.45bn Series 11, ₦1.48bn Series 12 and ₦11.52bn Series 13 CPs quoted on FMDQ Exchange
- Flour Mills of Nigeria PLC ₦200.00bn CP Programme registered on FMDQ Exchange
- Skymark Partners Limited ₦0.50bn Series 8 CP quoted on FMDQ Exchange
- MTN Nigeria Communications PLC ₦10.09bn Series 1 Tranche A and ₦104.91bn Series 1 Tranche B Fixed Rate Bonds listed on FMDQ Exchange
- Godmade Homes Limited ₦0.39bn Series 1 Tranche A CP quoted on FMDQ Exchange
- Julius Berger Nigeria PLC ₦10.00bn Series 1 and ₦20.00bn Series 2 CPs quoted on FMDQ Exchange
- DLM Capital Group Limited ₦1.10bn Series 10 and ₦4.21bn Series 11 CPs quoted on FMDQ Exchange
- FBNQuest Merchant Bank Limited ₦35.22bn Series 11 - 17 CPs quoted on FMDQ Exchange
- Greenwich Merchant Bank Limited ₦100.00bn CP Programme registered on FMDQ Exchange

## 2023 Highlights: Notable Dates Cont'd

### MARCH

- FMDQ Group commemorates 2023 International Women's Day
- Daraju Industries Limited ₦1.11bn Series 3, ₦1.22bn Series 4 and ₦3.04bn Series 5 CPs quoted on FMDQ Exchange
- Dangote Cement PLC ₦44.00bn Series 4 and ₦46.00bn Series 5 CPs quoted on FMDQ Exchange
- Dangote Industries Funding PLC ₦112.42bn Series 2 Bond listed on FMDQ Exchange
- Coceptive Services Limited ₦5.00bn CP Programme registered on FMDQ Exchange
- Neveah Limited ₦0.16bn Series 6 and ₦0.26bn Series 7 CPs quoted on FMDQ Exchange
- Mixta Real Estate PLC ₦1.86bn Series 20 and ₦3.63bn Series 21 CPs quoted on FMDQ Exchange
- Trustbanc Holdings Limited ₦1.16bn Series 13 CP quoted on FMDQ Exchange
- Flour Mills of Nigeria PLC ₦13.33bn Series 1 and ₦51.64bn Series 2 CPs quoted on FMDQ Exchange
- Coleman Technical Industries Limited ₦4.76bn Series 7 and ₦7.74bn Series 8 CPs quoted on FMDQ Exchange
- Zedcrest Capital Limited ₦5.00bn Series 1 CP quoted on FMDQ Exchange
- MTN Nigeria Communications PLC ₦52.90bn Series 4 and ₦72.10bn Series 5 CPs quoted on FMDQ Exchange
- African Foundries Limited ₦7.55bn Series 1 and ₦12.45bn Series 2 CPs quoted on FMDQ Exchange
- Nosak Distilleries Limited ₦3.73bn Series 2 Tranche A and ₦1.27bn Series 2 Tranche B CPs quoted on FMDQ Exchange
- Valency Agro Nigeria Limited ₦3.63bn Series 16 and ₦1.42bn Series 17 CPs quoted on FMDQ Exchange
- Hartleys Supermarket & Stores Limited ₦0.62bn Series 1 CP quoted on FMDQ Exchange
- Greenwich Merchant Bank Limited ₦7.39bn Series 1 and ₦4.81bn Series 2 CPs quoted on FMDQ Exchange
- Robust International Commodities Limited ₦2.13bn Series 3 and ₦4.64bn Series 4 CPs quoted on FMDQ Exchange

## 2023 Highlights: Notable Dates Cont'd

### APRIL

- FMDQ Group and FSD Africa host a two (2)-day Gender Bond Awareness Event
- FMDQ Exchange organises two (2) webinars for end-users on FMDQ Exchange-Traded Derivatives Market
- FMDQ Exchange organises DCMD Retail Webinar Session on Investment Options in the Nigerian Debt Markets
- FMDQ Group hosts senior representatives from the East Africa Bond Exchange PLC to a two (2)-day study tour at Exchange Place
- Sterling Bank PLC ₦14.04bn Series 3 and ₦33.82bn Series 4 CPs quoted on FMDQ Exchange
- Fidson Healthcare PLC ₦5.00bn Series 4 CP quoted on FMDQ Exchange
- Magnificent Multiservices Limited ₦2.75bn Series 3 Tranche A and ₦1.00bn Series 3 Tranche B CPs quoted on FMDQ Exchange
- Landwey Investments Limited ₦20.00bn CP Programme registered on FMDQ Exchange
- United Capital PLC ₦100.00bn CP Programme registered on FMDQ Exchange
- Dangote Cement PLC ₦7.69bn Series 6 and ₦40.31bn Series 7 CPs quoted on FMDQ Exchange
- African Nonferrous Industries Limited ₦3.01bn Series 1 and ₦4.31bn Series 2 CPs quoted on FMDQ Exchange
- SKLD Integrated Services Limited ₦0.13bn Series 2 and ₦0.59bn Series 3 CPs quoted on FMDQ Exchange
- O3 Capital Nigeria Limited ₦0.10bn Series 1 CP quoted on FMDQ Exchange
- Abuja Steel Mills Limited ₦10.00bn CP Programme registered on FMDQ Exchange
- CardinalStone Partners Limited ₦20.00bn CP Programme registered on FMDQ Exchange
- CapitalSage Technology Limited ₦1.13bn Series 3 and ₦0.56bn Series 4 CPs quoted on FMDQ Exchange

## 2023 Highlights: Notable Dates Cont'd

### MAY

- FMDQ Group in collaboration with the Federal Ministry of Works and Housing, launch a 10-Year National Housing Strategy Blueprint
- FMDQ-Next commemorates 2023 Children's Day, holds excursion for secondary schools at Exchange Place
- FMDQ Exchange launches maiden edition of its Derivatives Market Podcast Series, Q-Dialogue
- FMDQ Group hosts senior representatives from the Bank of Central African States, Cameroon, and other top-tier banks in Cameroon to a study tour at Exchange Place
- Daraju Industries Limited ₦0.76bn Series 6 CP quoted on FMDQ Exchange
- FBNQuest Merchant Bank Limited ₦4.36bn Series 18 and ₦3.63bn Series 19 CPs quoted on FMDQ Exchange
- FCMB Group PLC ₦20.69bn Series 1 Fixed Rate Resettable NC5.25 Additional Tier 1 Subordinated Bond listed on FMDQ Exchange
- Robust International Commodities Limited ₦0.95bn Series 5 and ₦1.88bn Series 6 CPs quoted on FMDQ Exchange
- Mixta Real Estate PLC ₦1.43bn Series 22, ₦2.15bn Series 23 and ₦2.64bn Series 24 CPs quoted on FMDQ Exchange
- MyCredit Investments Limited ₦2.50bn CP Programme registered on FMDQ Exchange
- MeCure Industries PLC ₦0.25bn Series 6, ₦0.25bn Series 7 and ₦4.50bn Series 8 CPs quoted on FMDQ Exchange
- Stanbic IBTC Bank PLC ₦5.00bn Series 6 and ₦32.11bn Series 7 CPs quoted on FMDQ Exchange
- FSDH Merchant Bank Limited ₦6.92bn Series 14, ₦1.10bn Series 15 and ₦6.63bn Series 16 CPs quoted on FMDQ Exchange
- Fast Credit Limited ₦5.00bn CP Programme registered on FMDQ Exchange
- Skymark Partners Limited ₦0.27bn Series 9, ₦2.31bn Series 10 and ₦0.63bn Series 11 CPs quoted on FMDQ Exchange
- UAC of Nigeria PLC ₦2.80bn Series 3 CP quoted on FMDQ Exchange
- SKLD Integrated Services Limited ₦0.25bn Series 4 and ₦0.56bn Series 5 CPs quoted on FMDQ Exchange
- United Capital PLC ₦2.26bn Series 1 and ₦7.83bn Series 2 CPs quoted on FMDQ Exchange
- TrustBanc Holdings Limited ₦0.53bn Series 14 and ₦0.65bn Series 15 CPs quoted on FMDQ Exchange
- Niger Delta Exploration & Production PLC ₦10.32bn Series 1 Fixed Rate Bond listed on FMDQ Exchange
- Rand Merchant Bank Nigeria Limited ₦22.08bn Series 5 and ₦6.05bn Series 6 CPs quoted on FMDQ Exchange
- HillCrest Agro Nigeria Limited ₦5.00bn CP Programme registered on FMDQ Exchange
- United Capital PLC ₦3.00bn Series 3 CP quoted on FMDQ Exchange
- Valency Agro Nigeria Limited ₦3.19bn Series 18 and ₦3.61bn Series 19 CPs quoted on FMDQ Exchange
- FBNQuest Merchant Bank Limited ₦1.87bn Series 20 and ₦7.96bn Series 21 CPs quoted on FMDQ Exchange
- Nigerian Breweries PLC ₦21.66bn Series 4, ₦0.44bn Series 5 and ₦27.13bn Series 6 CPs quoted on FMDQ Exchange
- Robust International Commodities Limited ₦1.25bn Series 7 and ₦1.01bn Series 8 CPs quoted on FMDQ Exchange
- African Steel Mills (Nigeria) Limited ₦10.00bn CP Programme registered on FMDQ Exchange



## 2023 Highlights: Notable Dates Cont'd

### JUNE

- FMDQ Exchange set to go live with its Exchange-Traded Derivatives Market
- Dufil Prima Foods PLC ₦1.15bn Series 1 and ₦28.85bn Series 2 CPs quoted on FMDQ Exchange
- United Capital PLC ₦10.82bn Series 4 CP quoted on FMDQ Exchange
- Mixta Real Estate PLC ₦0.87bn Series 25 and ₦0.42bn Series 26 CPs quoted on FMDQ Exchange
- CardinalStone Partners Limited ₦2.10bn Series 1 and ₦3.90bn Series 2 CPs quoted on FMDQ Exchange
- Neveah Limited ₦0.16bn Series 8 and ₦1.49bn Series 9 CPs quoted on FMDQ Exchange
- FBNQuest Merchant Bank Limited ₦15.23bn Series 22 - 26 CPs quoted on FMDQ Exchange
- LFZC Funding SPV PLC ₦17.50bn Series 3 Fixed Rate Guaranteed Infrastructure Bond listed on FMDQ Exchange
- Prima Corporation Limited ₦5.01bn Series 4 CP quoted on FMDQ Exchange
- Johnvents Industries Limited ₦1.35bn Series 2 and ₦3.68bn Series 3 CPs quoted on FMDQ Exchange
- Daraju Industries Limited ₦1.12bn Series 7 and ₦0.40bn Series 8 CPs quoted on FMDQ Exchange
- Fast Credit Limited ₦0.74bn Series 1, ₦1.05bn Series 2 and ₦1.28bn Series 3 CPs quoted on FMDQ Exchange
- MyCredit Investments Limited ₦2.50bn Series 1 CP quoted on FMDQ Exchange

### JULY

- FMDQ Exchange-Traded Derivatives Market goes live
- FMDQ Group Holds 11<sup>th</sup> Annual General Meeting
- FMDQ Group and FSD Africa holds Excellence in Design for Greater Efficiencies (EDGE) Training for the Association of Professional Women Engineers of Nigeria (APWEN), Lagos Chapter
- FMDQ Group Acquires 21.60% Equity in CSCS PLC
- AOS Orwell Limited ₦8.00bn CP Programme registered on FMDQ Exchange
- Coleman Technical Industries Limited ₦5.10bn Series 9 and ₦9.09bn Series 10 CPs quoted on FMDQ Exchange
- Veritasi Homes and Properties Limited ₦0.69bn Series 5 Tranche A CP quoted on FMDQ Exchange
- Eunisell Limited ₦1.41bn Series 3 and ₦1.90bn Series 4 CPs quoted on FMDQ Exchange
- Lagos State Government of Nigeria ₦137.33bn Series 4 Fixed Rate Bond listed on FMDQ Exchange
- Jilnas Nigeria Limited ₦0.25bn Series 2 Tranche A and ₦0.29bn Series 2 Tranche B CPs quoted on FMDQ Exchange
- UAC of Nigeria PLC ₦1.04bn Series 4, ₦1.61bn Series 5 and ₦0.56bn Series 6 CPs quoted on FMDQ Exchange
- Neveah Limited ₦1.10bn Series 10 CP quoted on FMDQ Exchange
- Mixta Real Estate PLC ₦1.06bn Series 27 and ₦0.44bn Series 28 CPs quoted on FMDQ Exchange
- Skymark Partners Limited ₦0.92bn Series 12 and ₦0.87bn Series 13 CPs quoted on FMDQ Exchange

## 2023 Highlights: Notable Dates Cont'd

- TrustBanc Holdings Limited ₦0.69bn Series 16, ₦0.12bn Series 17 and ₦1.11bn Series 18 CPs quoted on FMDQ Exchange
- Flour Mills of Nigeria PLC ₦55.00bn Series 3 and ₦31.00bn Series 4 CPs quoted on FMDQ Exchange

- CardinalStone Partners Limited ₦4.35bn Series 3 and ₦9.65bn Series 4 CPs quoted on FMDQ Exchange
- HillCrest Agro Allied Industries Limited ₦1.10bn Series 1 and ₦1.23bn Series 2 CPs quoted on FMDQ Exchange
- Zylus Homes and Property Limited ₦10.00bn CP Programme registered on FMDQ Exchange
- Dangote Cement PLC ₦32.95bn Series 8 and ₦50.33bn Series 9 CPs quoted on FMDQ Exchange
- A-Z Petroleum Products Manufacturing & Marketing Limited ₦2.82bn Series 2 and ₦2.18bn Series 3 CPs quoted on FMDQ Exchange
- AOS Orwell Limited ₦4.12bn Series 1 CP quoted on FMDQ Exchange
- Lagos State Infrastructure Sukuk SPV PLC ₦19.82bn Series 2 Forward Ijarah Lease Sukuk listed on FMDQ Exchange
- Neveah Limited ₦2.50bn Series 11, ₦1.03bn Series 12 and ₦2.04bn Series 13 CPs quoted on FMDQ Exchange
- Lionseal Industries Limited ₦10.00bn CP Programme registered on FMDQ Exchange
- Mixta Real Estate PLC ₦0.92bn Series 29, ₦0.96bn Series 30 and ₦2.17bn Series 31 CPs quoted on FMDQ Exchange
- Valency Agro Nigeria Limited ₦3.14bn Series 20 and ₦3.04bn Series 21 CPs quoted on FMDQ Exchange
- Bigoz Logistics Limited ₦0.91bn Series 2 Tranche A and ₦0.10bn Series 2 Tranche B CPs quoted on FMDQ Exchange
- Golden Oil Funding SPV PLC ₦15.00bn Asset-Backed CP Programme registered on FMDQ Exchange

## AUGUST

- FMDQ Group holds the 2023 FMDQ-Next Summer Camp Programme
- FMDQ Private Markets holds workshop on the Integrated Noting Service Framework and Post-Noting Requirements and Obligations
- Sarofrafrica Funding SPV PLC ₦25.00bn CP Programme registered on FMDQ Exchange
- Flour Mills of Nigeria PLC ₦46.00bn Series 1 Bond listed on FMDQ Exchange
- Federal Government of Nigeria Roads Sukuk Company 1 PLC ₦130.00bn Ijarah Sukuk listed on FMDQ Exchange
- O3 Capital Nigeria Limited ₦0.75bn Series 2 CP quoted on FMDQ Exchange
- Emerging Africa Capital Limited ₦1.66bn Series 3 and ₦1.46bn Series 4 CPs quoted on FMDQ Exchange
- Hartleys Supermarket and Stores Limited ₦0.36bn Series 2, ₦0.35bn Series 3 and ₦0.10bn Series 4 CPs quoted on FMDQ Exchange
- Daraju Industries Limited ₦0.74bn Series 9, ₦2.70bn Series 10 and ₦2.94bn Series 11 CPs quoted on FMDQ Exchange

## 2023 Highlights: Notable Dates Cont'd

### SEPTEMBER

- FMDQ Exchange Holds Naira-Settled Exchange-Traded FX Futures Webinar Session for End-Users
- Robust International Commodities Limited ₦7.56bn Series 9 and ₦0.58bn Series 10 CPs quoted on FMDQ Exchange
- Lagos Free Zone Company ₦4.00bn Series 3 and ₦3.78bn Series 4 CPs quoted on FMDQ Exchange
- AB Microfinance Bank Limited ₦9.00bn CP Programme registered on FMDQ Exchange
- VFD Group PLC ₦5.90bn Series 2 CP quoted on FMDQ Exchange
- Chrisland Schools Limited ₦0.12bn Series 2 and ₦0.88bn Series 3 CPs quoted on FMDQ Exchange
- Lagos State Government ₦115.00bn Series 1 Fixed Rate Bond listed on FMDQ Exchange
- Johnvents Industries Limited ₦0.79bn Series 4 and ₦0.47bn Series 5 CPs quoted on FMDQ Exchange
- Emerging Africa Capital Limited ₦3.25bn Series 5 and ₦2.04bn Series 6 CPs quoted on FMDQ Exchange

### OCTOBER

- FMDQ Group joins the global financial markets community to commemorate the 2023 World Investor Week
- FMDQ Group hosts a delegation of Master of Business Administration (MBA) Students from Saïd Business School, Oxford University on a study tour at Exchange Place
- Credit Direct Limited ₦10.00bn CP Programme registered on FMDQ Exchange
- Pivot Integrated Energy Services Limited ₦10.00bn CP Programme registered on FMDQ Exchange
- MTN Nigeria Communications PLC ₦52.61bn Series 6 and ₦72.39bn Series 7 CPs quoted on FMDQ Exchange
- Valency Agro Nigeria Limited ₦0.58bn Series 22 and ₦1.27bn Series 23 CPs quoted on FMDQ Exchange
- MeCure Industries PLC ₦5.20bn Series 9 CP quoted on FMDQ Exchange
- Prima Corporation Limited ₦3.97bn Series 5 CP quoted on FMDQ Exchange
- Nosak Distilleries Limited ₦5.00bn Series 3 Tranche A, ₦1.98bn Series 3 Tranche B and ₦1.56bn Series 3 Tranche C CPs quoted on FMDQ Exchange
- Development Bank of Nigeria ₦23.00bn Series 1 Fixed Rate Bond listed on FMDQ Exchange
- Abbey Mortgage Bank PLC ₦15.00bn CP Programme registered on FMDQ Exchange
- United Capital PLC ₦4.68bn Series 5 and ₦7.48bn Series 6 CPs quoted on FMDQ Exchange
- Skymark Partners Limited ₦0.30bn Series 14, ₦0.90bn Series 15 and ₦2.18bn Series 16 CPs quoted on FMDQ Exchange
- Daraju Industries Limited ₦0.77bn Series 12 CP quoted on FMDQ Exchange
- Magnificent Multiservices Limited ₦1.09bn Series 4 CP quoted on FMDQ Exchange

## 2023 Highlights: Notable Dates Cont'd

### NOVEMBER

- FMDQ Group Celebrates 10<sup>th</sup> Year Anniversary
- FMDQ Group Unveils Winners of its 6<sup>th</sup> Annual FMDQ GOLD Awards
- GZ Industries Limited ₦50.00bn CP Programme registered on FMDQ Exchange
- Infinity Microfinance Bank Limited ₦0.59bn Series 2 CP quoted on FMDQ Exchange
- CapitalSage Technology Limited ₦2.53bn Series 5 and ₦2.55bn Series 6 CPs quoted on FMDQ Exchange
- FSDH Merchant Bank Limited ₦5.60bn Series 17, ₦1.69bn Series 18 and ₦8.69bn Series 19 CPs quoted on FMDQ Exchange
- Robust International Commodities Limited ₦2.75bn Series 11 and ₦0.35bn Series 12 CPs quoted on FMDQ Exchange
- CC Receivables SPV Limited ₦50.00bn Guaranteed CP Programme registered on FMDQ Exchange
- DLM Capital Group Limited ₦0.73bn Series 12 and ₦1.40bn Series 13 CPs quoted on FMDQ Exchange
- Nosak Distilleries Limited ₦0.52bn Series 3 Tranche D CP quoted on FMDQ Exchange
- Dufil Prima Foods Limited ₦17.19bn Series 3 CP quoted on FMDQ Exchange
- Valency Agro Nigeria Limited ₦0.67bn Series 24 and ₦1.26bn Series 25 CPs quoted on FMDQ Exchange
- Fidson Healthcare PLC ₦1.05bn Series 5 and ₦3.95bn Series 6 CPs quoted on FMDQ Exchange
- Mixta Real Estate PLC ₦5.34bn Series 32-35 CPs quoted on FMDQ Exchange
- FCMB Group PLC ₦26.00bn Series 2 Fixed Rate Resettable NC5.25 Additional Tier 1 Subordinated Bond listed on FMDQ Exchange

- GZ Industries Limited ₦1.62bn Series 1 and ₦18.38bn Series 2 CPs quoted on FMDQ Exchange
- Zylus Homes and Property Limited ₦0.52bn Series 1 Tranche A CP quoted on FMDQ Exchange

### DECEMBER

- FMDQ Group Commemorates Inaugural 'Ring the Bell' for Climate Change
- MTN Nigeria Communications PLC ₦2.93bn Series 8, ₦49.97bn Series 9 and ₦72.10bn Series 10 CPs quoted on FMDQ Exchange
- Credit Direct Limited ₦2.00bn Series 1 and ₦4.87bn Series 2 CPs quoted on FMDQ Exchange
- Mixta Real Estate PLC ₦1.43bn Series 36 and ₦1.08bn Series 37 CPs quoted on FMDQ Exchange
- Neveah Limited ₦0.48bn Series 14 and ₦1.90bn Series 15 CPs quoted on FMDQ Exchange
- Daraju Industries Limited ₦0.43bn Series 13, ₦0.24bn Series 14 and ₦1.02bn Series 15 CPs quoted on FMDQ Exchange
- Stanbic IBTC Bank Limited ₦100.00bn Multicurrency CP Programme registered on FMDQ Exchange
- C & I Leasing PLC ₦10.00bn Series 3 CP quoted on FMDQ Exchange
- Saroafrica Funding SPV PLC ₦0.64bn Series 1 and ₦9.81bn Series 2 CPs quoted on FMDQ Exchange
- Hartleys Supermarket & Stores Limited ₦0.28bn Series 5 and ₦0.40bn Series 6 CPs quoted on FMDQ Exchange
- Skymark Partners Limited ₦0.94bn Series 17, ₦0.47bn Series 18 and ₦0.18bn Series 19 CPs quoted on FMDQ Exchange



# 2023 Highlights: FMDQ in the News



FMDQ Group, in Collaboration with the Office of the Vice President and the Ministry of Works and Housing, Launch a 10-Year National Housing Strategy Blueprint



FMDQ Group Acquires Strategic Equity Stake in CSCS PLC

## FMDQ exchange-traded derivatives market goes live

TODAY marks yet another significant milestone in the Nigerian financial markets as FMDQ Securities Exchange Limited and FMDQ Clear Limited, wholly owned subsidiaries of FMDQ Group PLC, with the support of the Securities and Exchange Commission, the Central Bank of Nigeria, and the Debt Management Office, Nigeria, go live with the introduction of the dynamic FMDQ Exchange-Traded Derivatives (ETD) Market, making it possible for market stakeholders – corporates, foreign & domestic investors and pension fund administrators – to hedge inherent financial market risks in their operational and investment activities, providing an opportunity to convert risk to financial security, which in turn will help attract capital flows, reduce cost of capital, promote market liquidity, and ultimately deepen the Nigerian financial markets.



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FMDQ Exchange-Traded Derivatives Market Goes Live



FMDQ Group Celebrates 10<sup>th</sup> Year Anniversary



FMDQ Group Organises the 4<sup>th</sup> Edition of its FMDQ-Next Summer Camp Programme



# 2023 Highlights: FMDQ-Next Summer Camp Programme





# 2023 Highlights: FMDQ GOLD Awards Winners



## Congratulations to the

# 2023 FMDQ GOLD AWARDS WINNERS!

Recognising Excellence in the Fixed Income,  
Currencies & Derivatives Markets

### PRIMARY MARKET AWARDS



<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #FFD700;"> <p><b>PRIMARY MARKET CHAMPION AWARD</b></p> <p><b>FMDQ Capital Markets Securities Origination</b></p>  <p><b>CHAPEL HILL DENHAM</b></p> <p><i>Chapel Hill Denham Advisory Limited</i></p> </div>	<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>Largest Corporate Bond Listing on FMDQ</b></p>  <p><b>DANGOTE</b></p> <p><i>Dangote Industries Funding PLC</i></p> </div>	<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>Largest Corporate Bond Lodgement on FMDQ</b></p>  <p><b>DANGOTE CEMENT</b></p> <p><i>Dangote Cement PLC</i></p> </div>	<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>Largest Sub-National Bond Lodgement on FMDQ</b></p>  <p><b>Lagos State Government of Nigeria</b></p> </div>
<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>Largest Commercial Paper Quotation on FMDQ</b></p>  <p><b>DANGOTE CEMENT</b></p> <p><i>Dangote Cement PLC</i></p> </div>	<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>Largest Commercial Paper Lodgement on FMDQ</b></p>  <p><b>MTN</b></p> <p><i>MTN Nigeria Communications PLC</i></p> </div>	<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>Largest Private Companies' Securities Noting on FMDQ</b></p> <p><b>CONSOLIDATED RECEIPTS MANAGEMENT LIMITED</b></p> <p><i>Consolidated Receipts Management Limited</i></p> </div>	<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>Most Diverse Issuer on FMDQ</b></p>  <p><b>LOTUS CAPITAL</b></p> <p><i>Lotus Financial Services Limited</i></p> </div>
<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>Largest Fund Manager on FMDQ</b></p>  <p><b>CHAPEL HILL DENHAM</b></p> <p><i>Chapel Hill Denham Management Limited</i></p> </div>	<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>Single Largest Corporate Debt Issue on FMDQ</b></p>  <p><b>DANGOTE</b></p> <p><i>Dangote Industries Funding PLC</i></p> </div>	<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>FMDQ Registration Member (Listings)</b></p>  <p><b>CHAPEL HILL DENHAM</b></p> <p><i>Chapel Hill Denham Advisory Limited</i></p> </div>	<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>FMDQ Registration Member (Quotations)</b></p>  <p><b>FBNQuest</b></p> <p><i>FBNQuest Merchant Bank Limited</i></p> </div>
<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>Most Active Securities Lodgement Sponsor on FMDQ</b></p>  <p><b>Stanbic IBTC Capital</b></p> <p><i>Stanbic IBTC Capital Limited</i></p> </div>	<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>Most Active Transaction Sponsor on FMDQ</b></p>  <p><b>CHAPEL HILL DENHAM</b></p> <p><i>Chapel Hill Denham Advisory Limited</i></p> </div>	<div style="border: 2px solid #FFC000; border-radius: 15px; padding: 10px; background-color: #003366; color: white;"> <p><b>Debt Capital Markets Solicitors</b></p>  <p><b>OLANIWUN AJAYI</b></p> <p><i>Olaniwun Ajayi LP</i></p> </div>	

#FMDQGOLDAwards  
#2023GOLDAwards  
#FMDQ@10

View the full list of finalists and description of the Awards on

[www.fmdqgroup.com/goldawards](http://www.fmdqgroup.com/goldawards)

**AWARDS VERIFIER**



Building a better working world

# 2023 Highlights: FMDQ GOLD Awards Winners Cont'd



*Congratulations to the*

**2023 FMDQ GOLD AWARDS WINNERS!**

*Recognising Excellence in the Fixed Income, Currencies & Derivatives Markets*

**SECONDARY MARKET AWARDS**



SECONDARY MARKET CHAMPION AWARD

**FMDQ Dealing Member of the Year**



**United Bank for Africa PLC**

FMDQ Fixed Income Market Liquidity Provider



**Access Bank PLC**

FMDQ Money Market Liquidity Provider



**United Bank for Africa PLC**

FMDQ FX Market Liquidity Provider



**United Bank for Africa PLC**

FMDQ OTC FX Futures Bank



**Stanbic IBTC Bank Limited**

FMDQ Exchange-Traded Derivatives Trading Member



**Sterling Bank Limited**

Most Active Corporate (Domestic) in the FX Futures Market



**International Breweries PLC**

Most Active Corporate (Foreign) in the FX Futures Market



**Citigroup Global Markets Limited**

FMDQ Member Compliance



**Rand Merchant Bank Nigeria Limited**

#FMDQGOLDAwards  
 #2023GOLDAwards  
 #FMDQ@10

*View the full list of finalists and description of the Awards on*

[www.fmdqgroup.com/goldawards](http://www.fmdqgroup.com/goldawards)






## 2023 Highlights: FMDQ GOLD Awards Winners Cont'd



*Congratulations to the*

**2023 FMDQ GOLD AWARDS WINNERS!**

*Recognising Excellence in the Fixed Income, Currencies & Derivatives Markets*

**MEMBERS' & CLIENTS' CHOICE AWARDS**



**Most Active Buy-Side Participant in the Fixed Income Market**



**ARM Pension Managers Limited**

**Most Active Foreign Portfolio Investor in the Fixed Income and Currencies Markets**



**First Abu Dhabi Bank**

**Most Active Corporate in the Foreign Exchange Market**

JOINT WINNERS



**DANGOTE Group**



**MTN Nigeria Communications PLC**

#FMDQGOLDAwards  
 #2023GOLDAwards  
 #FMDQ@10

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**AWARDS VERIFIER**





# 2023 Highlights: FMDQ 10<sup>th</sup> Anniversary Celebration





## 2023 Highlights: Stakeholder Engagements & Visits



FMDQ Group Hosts Senior Representatives from Capital Markets Authority, Bank of Uganda & Ministry of Finance



FMDQ Group and FSD Africa Hold a Two (2)-Day Gender Bond Awareness Event



FMDQ Group Hosts Senior Representatives from the East Africa Bond Exchange PLC



FMDQ Group Hosts a Delegation of Senior Representatives from the Bank of Central African States, Cameroon, and other top-tier banks in Cameroon



FMDQ Group holds Training Session for the Association of Professional Women Engineers of Nigeria



FMDQ Private Markets holds workshop on the Integrated Noting Service Framework and Post-Noting Requirements and Obligations



FMDQ Group hosts a delegation of Master of Business Administration Students from Saïd Business School, Oxford University



FMDQ Group at the 2023 Capital Markets Correspondents Association of Nigeria Annual Workshop



## 2023 Highlights: Listing and Quotation Ceremonies



Listing Ceremony for the Dangote Industries Funding PLC Bond



Quotation Ceremony for Greenwich Merchant Bank Limited Commercial Paper



Quotation Ceremony for Zedcrest Capital Limited Commercial Paper



# FMDQ Exchange – Registered, Listed & Quoted Securities

Commercial Paper Programmes

**27**

₦824.50bn  
\$0.91bn

Commercial Papers

**260**

₦1,694.80bn  
\$1.87bn

Sovereign Bond

**1**

₦130.00bn  
\$0.14bn

Corporate Bonds/Sukuk

**10**

₦390.92bn  
\$0.43bn

Supranational Bonds

**2**

₦272.14bn  
\$0.30bn

## Listed Bonds



## Registered Commercial Paper Programmes



January - December 2023

# FMDQ Exchange – Registered, Listed & Quoted Securities

## Quoted Commercial Papers



January - December 2023

# FMDQ Depository – Admitted Securities

Corporate Bonds

**9**

N261.57bn  
\$0.27bn

Commercial Papers

**165**

N810.69bn  
\$0.85bn

Private Company Bonds

**8**

N182.20bn  
\$0.19bn

## Admitted Bonds



## Admitted Commercial Papers



## FMDQ Depository – Admitted Securities Cont'd

### Admitted Private Company Bonds



## FMDQ Private Markets – Noted Securities

Private Companies' Bonds

8

N428.46bn  
\$0.47bn

Private Companies' Sukuks

2

N7.34bn  
\$0.08bn

### Private Companies' Bonds



### Private Companies' Sukuks



January - December 2023



## FMDQ People: Executive Committee





## FMDQ People: Business Leadership Committee



## FMDQ People: Long Service Awardees

*The Long Service Award is presented to employees in recognition of their outstanding service upon reaching a significant milestone. It celebrates their dedication to the organisation and encourages continued loyalty and commitment to the organisation's objectives.*



Ms. Jumoke Olaniyan receiving the Long Service Award (2013-2023) from the CEO, FMDQ Group, Mr. Bola Onadele. Koko



Mr. Segun Akintoye receiving the Long Service Award (2013-2023) from the CEO, FMDQ Group, Mr. Bola Onadele. Koko



## FMDQ People: Highly Exceptional Employees



## FMDQ People: Staff Testimonials



### Oluwaseun Afolabi

*Divisional Head, Market Architecture  
FMDQ Securities Exchange Limited*

The experience in my various job roles have been interesting and enlightening to date albeit also strenuous. Additionally, the evolution and growing importance of FMDQ in the Nigerian financial markets has been inspiring. A funny moment for me was walking to a place called “Dealing Room” expecting to see actual dealers with dealing/trading screens, only to find people eating (dealing) jollof rice, sweet potatoes and all sorts...lol savage!

### Segun Akintoye

*Divisional Head, Operations  
FMDQ Clear Limited*

It has been a once-in-a-lifetime opportunity to participate in defining the development of the Nigerian financial markets. It has indeed been a journey of setting up groundbreaking landmarks in our markets and I am privileged to be part of the journey. In a nutshell, it has been challenging, exciting and rewarding. A memorable moment for me was the dancing at the 2019 End of Year Party.



### Uju Iwuamadi

*Group Head, Debt Listings & Quotations  
FMDQ Securities Exchange Limited*

Embarking on my career journey at FMDQ as a curious and eager intern has been quite the adventure. From initially feeling clueless to now confidently navigating tasks and projects, my growth has been remarkable. Every milestone at FMDQ presents a chance to absorb new knowledge, delve into fresh ideas, and view things from different angles, making each day endlessly captivating. One standout memory was the maiden edition of our sports event – FMDQ Olympics (Q-lympics). The event was a thrilling blend of fun and adrenaline, though it left us all with some serious muscle soreness afterwards. Mission accomplished, lol!

## FMDQ People: Staff Testimonials Cont'd



### Abiodun Agboola

*Group Head, Derivatives Market  
FMDQ Securities Exchange Limited*

I have worked at FMDQ for over two (2) years and the first word that comes to mind is “fast-paced”. I know about the innovation, rigour, and all; but I am sticking with fast-paced. A memorable moment for me was when I was voted as “The Most Supportive Staff”.



### Simi Abudu

*Group Head, Listings & Quotations Compliance  
FMDQ Securities Exchange Limited*

At FMDQ, growth and innovation happen at a fast pace, leaving room for divergent thinking, deep work, and collaboration. I have thoroughly enjoyed working with and learning from the diverse and brilliant people at FMDQ whose capacity for excellence is only closely rivalled by their capacity for fun. Christmas parties at FMDQ are memorable and always a great way to end each year!



### Olatayo Adeoye

*Group Head, Applications Development  
iQx Consult Limited*

Working in FMDQ has been a blessing to me in so many ways. I have been exposed to things in the financial services sector I hitherto was oblivious to. Working in FMDQ has also increased my desire for excellence. A memorable moment for me was when I got a commendation from the GMD/CEO for work done on a project.



### Korede Oladipo

*Group Head, Applications Management  
iQx Consult Limited*

It’s been great! FMDQ is a company that recognises and rewards performance. A memorable moment for me was the 2019 End of Year Party, I let my hair down and danced, virtually everyone was astonished.



## FMDQ People: Staff Testimonials Cont'd



### Omolayo Aiyeola

*Derivatives Market Officer  
FMDQ Securities Exchange Limited*

My experience working at FMDQ has been remarkable. It has given me the opportunity to make an impact in the Nigerian financial markets by contributing to some of the brilliant and innovative initiatives that have been introduced by FMDQ. Working at FMDQ has also taught me to be nimble, dogged, diligent, and resilient. Overall, I am deeply appreciative of the opportunity to add value. A memorable moment for me was the 2019 GOLD Awards. It was nice to see my colleagues (peers and supervisors) come out of their shells and groove in the moment.



### Bukola Reis

*Collateral Management Officer  
FMDQ Clear Limited*

My FMDQ journey has been enriching and filled with invaluable lessons and remarkable experiences. Each day presents opportunities for learning and growth, which has shaped me into a more resilient and resourceful professional. I've learnt the importance of adaptability, strategic thinking, and teamwork, largely attributed to my exposure to the organisation's people, core values, and culture. Memorable moments, amongst many, includes playing a critical role in the successful activation of Central Counterparty services for the novel FMDQ Exchange-Traded Derivatives Market and participating in the premiere FMDQ Q-lympics event. I'm proud to be part of such a dynamic and innovative workplace.



### Chetachukwu Azuh

*Collateral Management Officer  
FMDQ Clear Limited*

Working at FMDQ has been a remarkable journey. I have honed my skills in the identification, monitoring, measuring and management of risk, learning the intricacies of market risks, counterparty & credit risks, and quantitative analysis of risk exposure and mitigation mechanisms. Memorable moments include the successful launch of FMDQ Clear Limited as the premiere Central Counterparty in Nigeria and the activation of the Exchange-Traded Derivatives Market for the growth and development of the Nigerian financial markets. Grateful for the opportunities and growth.

## FMDQ People: Staff Testimonials Cont'd



### Frank Godwin

*Market Services Officer  
FMDQ Securities Exchange Limited*

In nearly two (2) years at FMDQ, I have been immersed in a culture of high performance and continual growth. As a Market Services Officer, I've adapted to the fast-paced environment, learning from exceptional colleagues who inspire my drive to excel. I have gained invaluable knowledge, from mastering financial market intricacies to honing skills in system management and automation. Some of my memorable moments include assuming duty on my birthday, interacting with luminaries like Sanusi Lamido Sanusi, and celebrating successes in talent shows and the FMDQ Q-lympics. I am grateful for the enriching journey at FMDQ.

### Sharon Oyakhamoh

*Market Services Officer  
FMDQ Exchange Limited*

Working at FMDQ has been an exhilarating journey filled with opportunities for growth and impactful contributions. From day one, I have been embraced by a team that values collaboration and integrity. "There is no I in TEAM" is not just a saying here; it's a way of life that has taught me invaluable personal and professional lessons. A highlight of my time here was the successful launch of the Exchange-Traded Derivatives Market, a testament to our unwavering resilience. FMDQ's commitment to its core values is inspiring, and I take great pride in being a part of this dynamic organisation.



## Corporate Information

### FMDQ Group PLC

Registered Office	<b>Exchange Place</b> 35 Idowu Taylor Street Victoria Island Lagos, Nigeria
RC No.	RC 929657
Ag. Company Secretary	Ms. Tobi Kadiri Exchange Place 35 Idowu Taylor Street Victoria Island Lagos, Nigeria
Group Chairman	Dr. Jibril Aku
Directors	Mr. Oliver Alawuba Mr. Roosevelt Ogbonna Ms. Daisy Ekineh Mr. Emeka Onwuka, OON Mr. Sadiq Mohammed Mrs. Egbichi Akinsanya Ms. Kaodi Ugoji
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)
Auditor Messrs.	PricewaterhouseCoopers 5B Water Corporation Road Landmark Towers Victoria Island Lagos, Nigeria
Bankers	Access Bank PLC Guaranty Trust Bank Limited Stanbic IBTC Bank PLC Zenith Bank PLC

# Building a Thriving Exchange-Traded Derivatives Market in Nigeria



## Pioneer FMDQ Exchange-Traded Derivatives Products



To know more about the FMDQ Exchange-Traded Derivatives Market, kindly contact our Derivatives Business Group at [dbg@fmdqgroup.com](mailto:dbg@fmdqgroup.com)

· GLOBAL COMPETITIVENESS · OPERATIONAL EXCELLENCE · LIQUIDITY · DIVERSITY

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