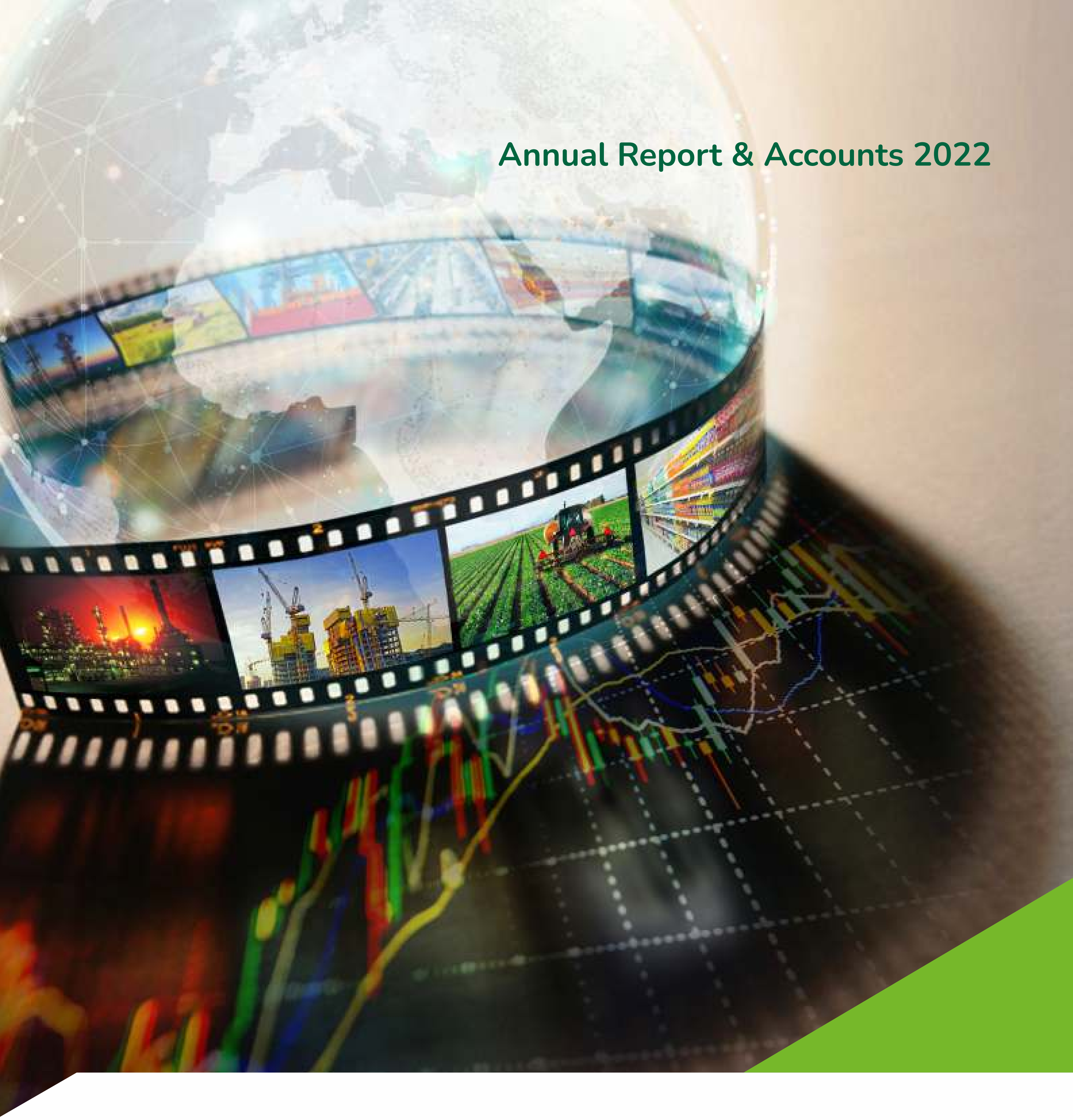

Annual Report & Accounts 2022

Championing the Development of African Market Infrastructure

www.ngxgroup.com

NGX
Nigerian Exchange Group

Championing the Development of African Market Infrastructure

All efforts at achieving market integration in the region via stock market literacy, generational inclusiveness, value creation, building market trust, vibrancy and stability are the stepping stones to preparing the continent for the global stage.

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OUR MISSION

To provide investors and businesses a reliable, efficient and adaptable exchange hub, to save and access capital

OUR VISION

To be Africa's preferred exchange hub

OUR CORE VALUES

* Ambitious * Inclusive * Fair

Notice Of The Sixty- Second Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixty-Second Annual General Meeting of Nigerian Exchange Group Plc will hold at the Event Centre, 20th floor, Nigerian Exchange Group House, 2/4 Customs Street Lagos, on Friday, 14 July 2023 at 11:00 a.m. prompt to transact the following businesses:

ORDINARY BUSINESS

1. To present the Audited Financial Statements of Nigerian Exchange Group Plc. for the year ended 31 December 2022, and the Reports of the Board and the Auditors thereon.

2. To re-elect the following Non-Executive directors that are retiring by rotation;

   a. Dr. Umaru Kwairanga;
   b. Dr. Okechukwu Itanyi; and
   c. Mrs. Ojinika Olaghere.

3. To authorise the Board to fix the remuneration of the external auditors.

4. Disclosure of the remuneration of Managers of Nigerian Exchange Group Plc.

5. To elect/re-elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

6. To approve the appointment of the following persons as Directors of Nigerian Exchange Group Plc:
   (i) Mr. Sehinde Adenagbe (Non-Executive Director).
   (ii) Mr. Ademola Babarinde (Non-Executive Director).
   (iii) Mrs. Mosun Belo - Olusoga (Independent Non-Executive Director).
   (iv) Mr. Mohammed Garuba (Non-Executive Director).
   (v) Mr. Nonso Okpala (Non-Executive Director).
   (vi) Mrs. Fatima Wali-Abdurrahman (Independent Non-Executive Director).

7. To consider and if thought fit, pass with or without any modifications as a special resolution, the amendment of Article 24 of the Company's Articles of Association to read that: *"The Board may increase the issued share capital of the Company and allot new shares of such amount as it considers expedient, provided that a prior approval to do so has been obtained from Shareholders at a General Meeting."*

NOTE:

1. PROXY

a) A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. A proxy need not be a shareholder.

b) A blank proxy form is attached to the Notice and may also be downloaded from Nigerian Exchange Group Plc (NGX Group)'s website at www.ngxgroup.com

c) All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at either the registered office of NGX Group's Registrars, DataMax Registrars, (2C Gbagada - Oworonshoki Expressway, Gbagada, Lagos) or via email to datamax@datamaxregistrars.com or contactcenter@ngxgroup.com at least 48 hours before the time of holding the meeting.

2. LIVE STREAMING OF AGM

The AGM will be streamed live to enable shareholders and other stakeholders who are unable to physically attend to follow the proceedings online. The link for live streaming will be made available on NGX Group's website at www.ngxgroup.com

3. STATUTORY AUDIT COMMITTEE

The Audit Committee consists of three (3) Shareholder representatives and two (2) Directors. In accordance with Section 404 of the Companies and Allied Matters Act, (CAMA) 2020, any shareholder may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. Further, CAMA 2020 provides that all members of the Audit Committee shall be financially literate, and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. Consequently, a detailed resume disclosing requisite qualifications should be submitted with each nomination.

4. BIOGRAPHICAL DETAILS OF DIRECTORS FOR RE-ELECTION AND APPOINTMENT

Biographical details of Directors submitted for re-election and appointment are contained in the Annual Report.

5. QUESTIONS FROM SHAREHOLDERS

Shareholders reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Annual Report and Accounts or on any matter. Please send questions, comments or observations to Investors Relations by e-mail to IR@ngxgroup.com not later than 7 July 2023. Questions and answers will be presented at the Annual General Meeting.

Dated this 21 day of June 2023

By Order of the Board

Obehi Ikhaghe
Ag. Company Secretary
Nigerian Exchange Group House
2/4, Customs Street
Lagos, Nigeria

Explanatory Notes to the Proposed Special Resolutions on the Agenda for the Annual General Meeting of Nigerian Exchange Group Plc Scheduled for Friday, July 14 2023

The Board of Directors considers that the proposed resolutions presented for Shareholders' consideration and voting are in the best interests of the Nigerian Exchange Group Plc (the Company), and its Shareholders. Therefore, the Board unanimously recommends that the Shareholders should vote in favour of the resolutions below.

Resolution 6 – Appointment of Directors

i. Please recall that at the Company's 61st Annual General Meeting (AGM) held on 30 September 2022, the Shareholders had approved the re-election of these Transiting Directors: (i) Mr. Oluwole Adeosun; (ii) Mr. Chidi Agbapu; (iii) Mr. Patrick Ajayi; and (iv) Mrs. Fatimah Bintah Bello-Ismail; until the re-composition of the Board or until the next AGM, whichever is earlier.

ii. Having completed their tenure, these Transiting Directors will retire at the Company's 62nd AGM, the Board commends them for their meritorious service and dedication to the affairs of the Company during their tenure as Board members.

iii. Ahead of the successful completion of the tenures of the Transiting Directors, the Company had commenced the post- transition Arrangements (re-composition of the Board) in earnest. In accordance with the Company's framework for the selection of new Directors, the Company received nominations from its Stakeholders and the nominations were passed through the selection process and approval by the governance structures of the Company.

iv. In view of the above, the Company seeks the Shareholders' approval to appoint the underlisted individuals as Directors on its Board:

(a)	Mr. Sehinde Adenagbe	–	Non-Executive Director
(b)	Mr. Ademola Babarinde	–	Non-Executive Director
(c)	Mrs. Mosun Belo – Olusoga	–	Independent Non-Executive Director
(d)	Mr. Nonso Okpala	–	Non-Executive Director
(e)	Mr. Mohammed Garuba	–	Non-Executive Director
(f)	Mrs. Fatima Wali-Abdurrahman	–	Independent Non-Executive Director

v. Pursuant to Rule 184(1) d of the Securities and Exchange Commission (SEC) Consolidated Rules, June 2013, the Company presented these individuals to the SEC for its approval prior to their presentation for election at the AGM. Following its assessment, the SEC approved the appointment of these individuals. Their detailed profiles are contained in the Annual Report.

Resolution 7 - Amendment of Articles of Association

The approval of the Shareholders is being sought to amend the provisions of the Company's Articles of Association as follows:

(i) Article 24 which currently reads “The Board may allot unissued shares of the Company on such terms and conditions as it deems fit” is sought to be deleted given that it is no longer applicable with the abolition of unissued share capital by the Companies and Allied Matters Act 2020.

(ii) This is being replaced with a new Article 24 which would read “ The Board may increase the issued share capital of the Company and allot new shares of such amount as it considers expedient, provided that a prior approval to do so has been obtained from Shareholders at a General Meeting”.

(iii) This would be in compliance with Paragraphs 3 and 5 of the Schedule to the Business Facilitation (Miscellaneous Provisions) Act 2023 (“the Act”), which amends Sections 127(1) and 149 respectively of the Companies and Allied Matters Act (“CAMA”) 2020.

(iv) Section 127 (1) of CAMA 2020 has been amended to read that “a company having a share capital may increase its issued share capital by the allotment of new shares of such amount, as it considers expedient — (a) in a general meeting ; or (b) by a resolution of the Board of Directors, subject to the condition or direction that may be imposed in the Articles or by the company in general meeting”.

(v) Section 143 of CAMA 2020 has been amended to read that “the powers to allot the shares of a company shall not be exercised by the directors of a company unless express authority to do so has been vested in the board of directors by the (a) company in a general meeting; or (b) company's articles”.

(vi) Resolution 7 being a special resolution must receive, at least three-quarters of the votes of Members present and voting (in person or by proxy) at the Annual General Meeting for its adoption/passing.

CHAIRMAN'S STATEMENT

Dear Shareholders,

As we convene for the Annual General Meeting today, I am profoundly honoured to address you in my role as Chairman, taking a moment to reflect on the slightly over six months that have passed since I took on this role. I extend my heartfelt gratitude to all shareholders and stakeholders for your unwavering commitment to our Company's growth. Your consistent engagement and support have been vital for our sustained value enhancement.

Dr. Umaru Kwairanga
Chairman of the Board
Nigerian Exchange Group Plc

Today, we will be discussing our Annual Report and Consolidated Financial Statements for the period ending December 31, 2022 and I eagerly anticipate sharing the details of our accomplishments, as well as our future endeavours.

Macro overview

Nigeria's economy demonstrated resilience in 2022, recording a growth of 3.1% year-on-year. This growth aligns with the 3.4% rate of 2021, notwithstanding the hardships of a strained macroeconomic climate. The nation grappled with shocks in the global commodity market, Naira depreciation, and soaring inflation, which collectively resulted in a reduced standard of living.

In 2022, the oil sector's GDP contribution averaged 5.8%, marking a significant 27.9% decrease from the 7.3% average of 2021. The spike in global oil prices could not be capitalized on, given the historic dip in oil production. In contrast, the non-oil sector exhibited a growth of 4.4% and accounted for a commendable 94.3% of the 2022 GDP, compared to 92.7% in the previous year. This growth was principally driven by the services, agriculture, and industry sectors, contributing 56.3%, 26.5%, and 17.3% to real GDP, respectively.

As we progress, our commitment to navigating the economic landscape with resilience, innovation, and a focus on sustainable growth remains unwavering. We aim to surmount challenges, capitalize on opportunities, and consistently deliver value to our shareholders and stakeholders.

Price instability posed a major concern for investors, domestic and foreign alike, as the Naira's purchasing power was under strain. Inflation escalated for 11 consecutive months, registering a marginal dip only in the last month of 2022. The average annual inflation rate stood at 18.8%, leading to an overall rise in inflation of 36.5%, reaching 21.34% in December 2022, compared to 15.63% in December 2021. As per a World Bank report, this rampant inflation drove an estimated additional five million Nigerians into poverty in 2022.

In response to the inflationary pressure, the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) adopted a contractionary stance in May 2022, hiking the monetary policy rate (MPR) from 11.5% to 13.0%. However, inflation continued to escalate due to disruptions in the global supply chain and exchange rate crises. By December 2022, the MPR was further raised to 16.5%. As a conscientious player in the capital market, we have persistently striven for sustainable growth and the delivery of innovative solutions.

The average exchange rate in 2022 rose to NGN423.72/$, up from NGN403.58/$ in 2021. This depreciation was influenced by various factors, including declining oil revenue, unfavorable trade terms, outflow of foreign investors, speculation, and regulatory arbitrage. We look forward to the new administration addressing these fundamental issues, and we anticipate a positive contribution from the Dangote refinery project to Nigeria's economy.

In 2022, the Nigerian population faced various challenges, including a fuel shortage that spiked the price of Premium Motor Spirit (PMS) to NGN600/liter in certain regions. This pricing discrepancy stemmed from inadequate subsidy payments to marketers, which rendered their operations unprofitable at the official rate of N185/liter. It is hoped that the new administration will address this issue through strategies such as reducing or eliminating the subsidy.

Moreover, we encountered an unfavorable capital market environment characterized by higher capital costs and a downgraded credit profile for Nigeria. Consequently, the Group witnessed increased interest expenses and a profit-before-tax decline. The capital market also saw reduced participation from foreign investors due to uncertainties in the foreign exchange market and policy ambiguity. The redesign of some Naira denominations in 2022 inadvertently led to a temporary cash shortage in various parts of the country, which hampered trade and caused inconvenience. Although mobile transfers were adopted as an alternative, it highlighted the necessity of establishing an effective and fully functional cashless system that adequately caters to businesses and individuals.

Simultaneously, operating costs were pushed up due to inflated PMS prices, currency devaluation, and an unfavorable labor market, resulting in escalated personnel costs. As we navigate the challenges of 2022, it is essential to recognize the resilience and determination of the Nigerian people. Despite these economic hurdles, our commitment to driving sustainable growth and making a positive impact on the capital market remains steadfast.

Looking forward, we expect a more stable economic environment, courtesy of the implementation of measures to address the issues faced in 2022. We anticipate the government's focus on resolving the multiple exchange rates issue and the expected benefits from the Dangote refinery project will boost the economy. We also see a need for comprehensive solutions to tackle the fuel scarcity and subsidy issues. We hope the new administration will explore strategies such as subsidy reduction or elimination to address these problems and promote a sustainable energy sector.

In the capital market, we understand the importance of restoring investor confidence. We aim to address the factors leading to higher capital costs, work towards enhancing Nigeria's credit profile, and create a favorable environment for both domestic and foreign investors.

As we progress, our commitment to navigating the economic landscape with resilience, innovation, and a focus on sustainable growth remains unwavering. We aim to surmount challenges, capitalize on opportunities, and consistently deliver value to our shareholders and stakeholders. We are deeply grateful for your continued support as we collaboratively work towards fostering a prosperous future for our company and the Nigerian economy at large.

A full year post listing

In 2022, we further solidified our business model's resilience, enabling us to perform robustly across various economic cycles. We made noteworthy strides in both equities and fixed income market listings, solidifying our standing as a leading innovator in the Nigerian Capital Market, even amidst economic challenges. We also witnessed encouraging growth in our mutual funds, derivatives, and exchange-traded funds markets. For 2023, we are anticipating an even stronger performance, particularly in listings and strategic partnerships, as we fast-track the international capital market's development.

Being a publicly listed company, we have continuously upheld our commitment to compliance, advancing our reporting procedures and reinforcing our investor relations functions. We remain steadfast in maintaining rigorous corporate governance, ensuring consistent, timely disclosure of information, and fostering active engagement with the investment community. In our quest to achieve our strategic objectives, we have focused on diversifying our shareholder base and broadening potential capital sources. Our investor relations strategy aims to attract the best mix of capital and nurture a long-term pipeline of supportive investors.

Conducting business responsibly

As the NGX Group's board, we remain ardently involved in and dedicated to our business, with an emphasis on executing our growth strategy and establishing structures and processes for lasting value creation. We remain committed to our mission of connecting Nigeria, Africa, and the world by forging strategic partnerships across public and private sectors. Our holistic strategy encompasses diversification across the capital markets value chain, capability expansion, scale achievement, consolidation, and capital structure reinforcement. We keep a keen eye on all our businesses' performance, ensuring the Group executes its strategy efficiently, with financial discipline and unwavering integrity.

In recognizing the burgeoning interest in Environmental, Social, And Governance (ESG) data, we acknowledge the advancement in reporting frameworks, codes, rules, and practices. We understand that these developments, while necessary responses to current challenges, present the task of discerning what ESG information to report, to whom, where, and how. In line with our commitment to transparency, we will continue to enhance our reporting practices and acknowledge the expanding stakeholder base.

As part of our commitment to promote ESG principles, we have introduced sustainability disclosure guidelines to systematically integrate sustainability into our operations. Adherence to these guidelines aims to foster transparency, strengthen stakeholder relations, and contribute to sustainable development in line with global best practices.

Governance and Board Changes

The responsibility for upholding good corporate governance lies with the Board of Directors, considered essential for a lasting and successful business. Our governance structures and policies follow principles of accountability, efficiency, effectiveness, fairness, responsibility, transparency, and independence. To ensure that managers at all levels are accountable and stakeholder perspectives are considered, these principles form the foundation for our governance structure.

The Board also takes prudent measures to manage risks while pursuing company objectives. Key responsibilities are delegated to various Committees, including the Board Governance and Remuneration Committee, Statutory Audit Committee, Board Strategy, Finance, and Investment Committee, and Board Risk and Audit Committee. Except for the Statutory Audit Committee, each Committee's Chairperson provides reports to the Board, ensuring effective communication and oversight, informed decision-making, and transparency within our governance structure.

During the year, we underwent some changes within the Board and bidded farewell to some Directors. The Board currently consists of eight individuals, four of whom were former National Council members (Transiting Directors) and who would be retiring at this meeting following the completion of their transition tenures. I would like to express my gratitude to Mr. Oluwole Adeosun, Mr. Patrick Ajayi, Mr. Chidi Agbapu, and Mrs. Fatimah Bello-Ismail for their dedication, significant contributions, and invaluable insights, which were instrumental in NGX Group's seamless and successful transition.

I would like to take a moment to recognize the exceptional leadership of our former Chairman, Otunba Abimbola Ogunbanjo. His role was pivotal in the transition of NGX Group from a mutual state to a non-operating holding company, culminating in our successful listing on NGX. This accomplishment underscores the visionary leadership that has paved the way for our strategic goals and forms an essential part of NGX Group's legacy.

Further to the conclusion of the tenures of the Transiting Directors, we are taking steps to evolve the composition of our Board. This is in line with established regulations, market standards, competitive dynamics, and our succession planning policies. Following approval from the Securities and Exchange Commission (SEC), we are presenting six individuals for the shareholders' approval to join the Board at this meeting: (i) Mr.

Sehinde Adenagbe, (ii) Mr. Ademola Babarinde, (iii) Mrs. Mosun Belo-Olusoga, (iv) Mr. Mohammed Garuba, (v) Mr. Nonso Okpala, and (vi) Mrs. Fatima Wali-Abdurrahman.

The Board and the Group Executive Committee (GEC) strive to cultivate a culture of collaboration throughout the Group. The GEC—comprising the CEOs of our subsidiaries and chaired by the Group CEO of NGX Group—meets monthly to discuss matters of collective significance, aiming to achieve synergy and a unified approach to policies and strategies across the Group. This collaborative method strengthens our ability to reach shared objectives and foster sustainable growth. Our Governance Framework is further detailed in the Board's Corporate Governance report.

People

Our leadership team during the review period remained the same, with

- Oscar N. Onyema, OON serving as the Group CEO of NGX Group Plc,
- Temi Popoola as CEO of Nigerian Exchange Limited,
- Tinuade Awe as CEO of NGX Regulation Limited, and
- Gabriel Igbeka acting as CEO of NGX Real Estate Limited on a consultancy basis.

These professionals, distinguished in various areas of the capital market, bring their rich experience and significant achievements to bear on our strategic objectives. Their drive, commitment, and expertise will surely foster long-term shareholder value.

Closing thoughts

Looking ahead, 2023 offers promising opportunities for our economy. We have already made considerable progress by establishing strategic partnerships with prominent institutions. Our goal is to expand the reach of the capital market, improve financial literacy, facilitate capital raising for entrepreneurs, and streamline the listing process in the Nigerian capital market. To ensure this, we are committed to attracting global talent and providing our team with the necessary support to enhance their skills and productivity. Given the increased risks in the global financial and geopolitical landscape, we have amplified our internal control processes to monitor, identify, and mitigate these risks, while focusing on long-term growth potential.

In the future, we will continue to fortify our corporate governance infrastructure for efficiency and effectiveness. As Chairman, one of my key priorities is to establish an effective succession plan that not only builds a robust board but also cultivates a talented pool of potential successors for CEO and executive management roles. Achieving an efficient capital mix and broadening our access to capital remain fundamental to our mission. The Board will continue supporting the Management team in addressing long-term risks, enhancing the global NGX brand, and evaluating progress in alignment with our ambitions to become Africa's preferred exchange hub.

I extend my sincere appreciation to my esteemed fellow Board members for their invaluable contributions, support, and guidance. I would also like to express my gratitude to our Group CEO, Mr. Oscar N. Onyema, OON, for his unwavering and exceptional leadership, as well as the entire Management team for setting a strong foundation for future growth. Our employees' dedication, professionalism, resilience, teamwork, collaboration, and innovation make them our most valuable asset, and the Board and I highly value their contributions. Lastly, I want to thank our loyal shareholders for their unwavering support. We remain fully committed to creating substantial value for all our stakeholders, and I eagerly look forward to sharing updates on our progress.

Thank you.

Dr. Umaru Kwairanga
Chairman of the Board
Nigerian Exchange Group Plc

GCEO's STATEMENT

Dear Shareholders,

let me start by expressing my profound gratitude to you for your trust and support over the years that I have spent at the helm of affairs of your company. This letter may be my last to you as GMD/ CEO, because I have advised the board of directors that I will not seek to renew my employment contract when it expires in March 2024. Between now and then, I intend to continue to serve you to the best of my ability, and to work with the board on succession arrangements.

Oscar N. Onyema, OON
Group Managing Director
/ Chief Executive Officer

In 2022, the NGX Group achieved a remarkable milestone as a publicly listed corporation and holding company with a diversified portfolio of subsidiaries, associates, and investee enterprises. Our multi-asset business platform is designed to generate multiple income streams for the parent company from our portfolio of investee companies.

At the core of our mission is creating value for our stakeholders, and we are proud to have achieved this substantially through our primary subsidiary, NGX Exchange (NGX). The Exchange leveraged various sources, including listing, licensing, and transaction fees to continue driving revenue growth and value creation. We are also pleased to have generated significant dividend payments from Central Securities Clearing System Plc (CSCS), one of our two Associate companies. We worked with relevant stakeholders to enhance dividend upstreaming to our non-operating holding company as well as maximize income from our treasury portfolio.

The NGX Group's commitment to driving growth and creating value for our stakeholders is further evidenced through our subsidiaries' performance. NGX Regulation Limited (NGX RegCo) offers regulatory services and consulting, while NGX Real Estate Limited (NGX RelCo) generates income from rent, service fees, and security services revenue. Our associate companies, CSCS and NG Clearing Limited, also contribute to our revenue streams by offering central securities depository, and central counterparty clearing services respectively.

Moreover, the NGX Group's minority investments in NASD and FMDQ Group have increased significantly in value since the group's initial investment. While these investments are not currently paying dividends, we believe their potential for capital appreciation remains high.

As a world-class organization, the NGX Group is well-positioned and remains committed to our long-term strategic objectives. We are continuously exploring new strategic opportunities driven by digitization and extension of presence in our value chain. We thank you for joining us on this exciting journey to transform the African capital markets and democratize wealth creation.

Financial Review

The NGX Group demonstrated remarkable resilience in 2022, achieving a 10.3% increase in gross earnings to ₦7.5 billion, despite a challenging economic environment. This performance reflects our commitment to driving growth in Nigeria and Africa's capital markets through a diversified portfolio of companies. We are proud to have generated multiple income streams that enabled us to overcome the economic headwinds of the year.

The NGX Group demonstrated remarkable resilience in 2022, achieving a 10.3% increase in gross earnings to ₦7.5 billion, despite a challenging economic environment. This performance reflects our commitment to driving growth in Nigeria and Africa's capital markets through a diversified portfolio of companies.

The Group's total revenue grew primarily due to a 6.8% increase in revenue to ₦6.2 billion, and 30.1% increase in other income to ₦1.3 billion. The growth in revenue was further bolstered by a 51.2% increase in treasury investment income and a 9.0% increase in transaction fees.

Total expenses rose by 35.5% to ₦8.8 billion, primarily due to interest costs on borrowed funds used for our strategic acquisitions. We continue to work on expense management and reduction of outstanding loans.

We remain focused on creating value for our stakeholders, as reflected in our EBITDA growth of an impressive 70.6% to ₦1.3 billion. Our share of profit from associate companies, particularly CSCS, increased by 1.5% to ₦2.2 billion. However, our profit for the year decreased by 68.9% to ₦688.5 million, leading to a significant decrease in profit after tax margin from 33.1% in FY 2021 to 9.3%. Despite this decrease, we remain committed to our long-term strategic objectives and confident in our ability to deliver value for our stakeholders.

The NGX Group's commitment to creating value for our stakeholders is also evident in our financial position. We reported a substantial growth of 50.7% in total assets to reach ₦57.1 billion, driven primarily by a significant increase of 101.4% in our investment in associates and 57.4% growth in long-term investment securities. Our total liabilities witnessed a 439.5% surge due to an additional borrowing of ₦14.1 billion, utilized to boost our investment in selected associates.

As we look ahead, the NGX Group remains committed to reducing expenses and safeguarding our financial position. We will implement stricter expense policies, optimize taxes, and maximize returns from our capital investments to mitigate the risks of economic downturn and high inflation in 2023. We are confident in our ability to drive growth and create value for our stakeholders, and we remain dedicated to transforming Nigeria and Africa's capital markets.

Subsidiaries Performance

The NGX Group's subsidiaries have demonstrated exceptional resilience and unwavering commitment to driving growth, despite the challenging economic environment in 2022.

NGX, our primary subsidiary, has witnessed a significant improvement in trading performance, fueled by the remarkable listing of equity offerings such as BUA Foods and GEREGU Power Plc. These listings contributed to a remarkable increase in equity capitalization by 25.20%, bringing the total to ₦27.92 trillion. Additionally, we listed the ₦25 billion Lagos Free Zone, which was the longest-dated corporate bond ever listed in the Nigerian capital market, alongside FGN Bond of ₦2.56 trillion and Dangote Group Bond of ₦303.58 billion. These listings led to a YoY rise in fixed income market capitalization of 17.58%, reaching ₦23.21 trillion in 2022, with a turnover of ₦3.80 billion.

Despite a significant drop in ETF trading value, our team launched a derivative product in April 2022, with transactions worth ₦3.6 billion by year-end. Our commitment to digital transformation is reflected in our collaboration with the Bank of Industry, which explores opportunities to list some of their funded businesses on our platform, as well as our partnership with NASDAQ Dubai, which promotes cross- and dual-listings to expand the Nigerian capital market. Additionally, we engaged AfreximBank to include capital market transactions in its cross-border commerce program, as part of our strategic plan.

NGX RegCo, our securities regulation subsidiary, has collaborated with the Ethiopian Capital Market Authority to support the creation of manuals for licensing and supervision, as well as the registration of Self-Regulatory Organizations (SROs). We also provided capacity building through our partnership with the U.S. SEC Institute for Securities Regulation, Supervision, and Enforcement for the African Region, and we supported the Investments and Securities Bill during a parliamentary retreat to improve regulations and provide clearer understanding. To enhance transparency, we published interpretative guidelines for NGX's Derivative Market rulebook.

NGX RelCo, our subsidiary, is committed to making the NGX Group property on Custom Street more attractive to potential tenants by improving the building's structure. We are in talks with Viathan/Eko Distribution Company to reduce power-related costs tenants in our 25-story building. We continued to evaluate our options to expand our activities in core real estate ventures.

Overall, the NGX Group's subsidiaries have demonstrated a strong commitment to driving growth and creating value for the Group. We remain dedicated to pursuing our long-term strategic objectives and contributing to the transformation of our capital markets.

Associates and Other Equity Investments

Our investments in associates and other equity holdings continue to drive our growth and diversification strategy. We are proud to hold a 44.18% equity stake in CSCS, Nigeria's leading Central Securities Depository, which is authorized to conduct the depository, clearing, and settlement of all transactions in the Nigerian Capital Market. CSCS is one of the best-rated financial services companies in Nigeria, boasting an "A+" CSD rating from Thomas Murray and is also one of the best-rated FMIs in Africa. Our investment in CSCS has not only provided us with exposure to a commodities exchange but has also given us the opportunity to develop ancillary businesses, such as document digitization, which supports innovation in the industry.

In addition to CSCS, we hold a 27.70% equity stake in NG Clearing, which operates as a Central Counterparty Clearing House (CCP) authorized by the Securities and Exchange Commission (SEC Nigeria). Our equity interests in NASD (10.9% stake) and FMDQ (6.42% stake) enable us to cover diversified products and maintain a strong presence in the Exchange vertical.

Our strategy is to focus on increasing our share in profitable existing businesses, as well as investing in strategic opportunities that meet our threshold rate. In the medium to long term, we aim to expand into other verticals of the capital market value chain, capitalizing on lucrative projects across the value chain while strengthening our capabilities. By leveraging our expertise and innovative mindset, we strive to be at the forefront of driving growth and development in the Nigerian and African capital markets, creating value for our stakeholders and contributing to the economic growth and development of the region.

Corporate Governance

Corporate governance is crucial for the success of any company, and NGX Group is fully committed to it. In its 2022 corporate governance report, NGX Group emphasized its unwavering dedication to transparency, accountability, and ethical conduct in all of its operations. One essential element of corporate governance is diversity and inclusion, and NGX Group is fully aware of the significance of fostering a diverse and inclusive work environment. As part of its commitment to diversity, NGX Group has implemented several initiatives that promote diversity and inclusion at all levels of the organization. These initiatives include recruiting from a wide range of backgrounds and offering training and development opportunities for all employees, regardless of their background or experience.

NGX Group regularly publishes diversity reports to monitor its progress towards diversity and inclusion, disclosing the demographic composition of its workforce and management team. Currently, the management team of NGX Group is made up of 76% men and 24% women, with a substantial number of individuals from diverse ethnic backgrounds. NGX Group's commitment to accountability and transparency is evident through its emphasis on these values, in addition to its focus on diversity and inclusion. The company has established several policies and procedures to ensure that all employees understand their responsibilities and are accountable for their actions. NGX Group's board of directors is also dedicated to transparency and frequently communicates with shareholders and other stakeholders to keep them informed about the company's activities.

In summary, NGX Group's commitment to corporate governance is a significant driver of its success. By prioritizing diversity, inclusion, accountability, and transparency, the company is able to cultivate trust with its stakeholders and sustain its position as a leader in the capital markets industry.

Outlook for 2023

Looking ahead to 2023, NGX Group is optimistic about the opportunities and challenges that lie ahead. We are committed to leveraging our strengths and expertise to drive growth and value creation in Nigeria and across Africa's capital markets.

One of our top priorities is to continue supporting our operating subsidiaries, associates, and investee companies to deliver sustainable value creation. We will look to enhance our performance by continuously striving to optimize operations, increase revenue streams and expand our market reach. We are confident that these measures will enable us to build on the positive momentum we have achieved in recent years and drive growth in 2023 and beyond.

Furthermore, we recognize the importance of remaining agile and responsive to changes in the business environment. As such, we are taking steps to streamline our debt and reduce interest expenses, as well as diversifying our revenue streams to mitigate risks and enhance profitability. We will also continue to invest in our digital capabilities to drive innovation and digitization in our operations and expand our reach to a wider audience.

In summary, NGX Group is well-positioned to navigate the challenges as well as capitalize on the opportunities in 2023 and beyond. We are confident in our ability to deliver sustainable value creation for our stakeholders, contribute to organic and inorganic growth in Nigeria and Africa's capital markets.

Conclusion

I extend my deepest gratitude and appreciation to all our stakeholders (shareholders, regulators, clients, vendors, policy makers, directors, etc) for believing in us and giving us the opportunity to express our passion in the work we do for you. I particularly recognize our incredibly talented and committed employees throughout the NGX Group, for your unwavering dedication and exceptional support in achieving reasonable results in 2022. Your contributions have been invaluable in positioning us as a leader in African capital markets, and your hard work and perseverance are truly inspiring.

As we move forward, we will continue to leverage our strengths and drive growth in our operating subsidiaries, associates, and investee companies, while also expanding into new businesses that align with our strategy along the capital market value chain. We remain committed to optimizing profitability, streamlining our debt, and diversifying our revenue streams, while exploring new strategic opportunities.

Our vision is to continue to build a world-class company that plays a pivotal role in driving economic growth and prosperity in Africa. With your unwavering support and dedication, I am confident that we can achieve our goals and make a lasting impact that will benefit generations to come.

OSCAR N. ONYEMA, OON
GROUP MANAGING DIRECTOR/
CHIEF EXECUTIVE OFFICER
20 June 2023

2022 STRATEGY REPORT

Transforming our business to deliver sustainable growth

NGX Group

AN ERA OF ENDLESS POSSIBILITIES

Nigerian Exchange Group is a leading integrated market infrastructure in the largest economy in Africa. The Group plays a major role in driving Africa's financial markets through its investment in business innovation and technology while adopting the highest levels of global best practices as its standard for operation. In 2021, the company became a demutualized exchange business making it a holding company of three subsidiary companies following approvals from the Securities and Exchanges Commission (SEC) and the Corporate Affairs Commission (CAC).

NGX Group has remained a leader in the financial market for contributing to the prosperity of the Nigerian economy from its inception till date while also building strategic partnerships with local and international organizations around listings, market data, and technology. With its investment so far in the financial infrastructure space, the Group's investment extends to NG Clearing, CSCS, OTC platforms, and Fin-Tech Companies while shaping the future of Africa's financial market

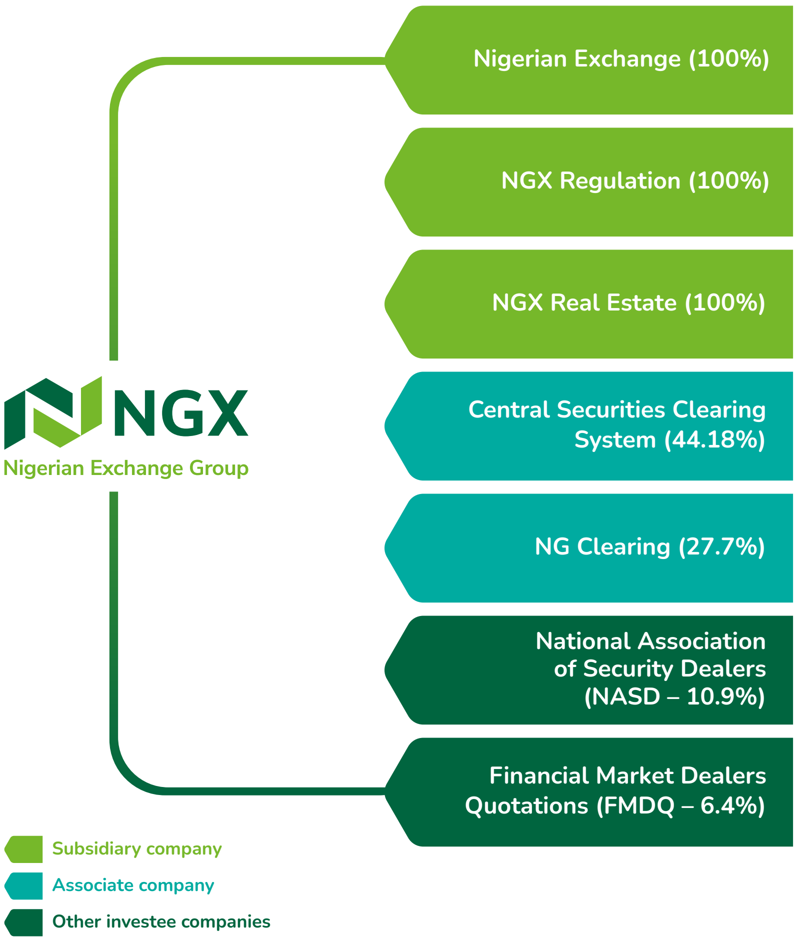
The Nigerian Exchange Group's vision, mission and core values remain at the heart of its operations, creating a more enabling work environment for its people, promoting sustained relevance in the economy while also seeking organic and inorganic growth opportunities for expansion of the business and increased global competitiveness

NGX
Nigerian Exchange Group

NGX Group's Company Structure

With over 60 years of being the leading exchange hub in Nigeria, The Nigerian Exchange Group Plc post-demutualization has maintained its leadership position in Africa's financial market through its wholly-owned subsidiaries – NGX, NGX REGCO, and NGX RELCO. NGX Group services are driven by technology, business innovation, and the inclusion of customer-centric solutions which covers listing and trading securities, licensing, market data solutions, ancillary technology, regulation,real estate, and more.

Asides from being a holding company, NGX Group also administers post-trade, clearing, unlisted stocks, money markets services, etc, through its other investee companies: NG Clearing, CSCS, OTC platforms (NASD, FMDQ), and Fin-Tech Companies. Today, the subsidiary companies have been the strong pillars of the Group; the Nigerian Exchange Ltd company being the highest contributor to the business in terms of revenue generated. However, the other two subsidiary companies still play critical roles in the overall Group's performance.



Nigerian Exchange Limited (NGX):

Deploys innovative capital market solutions that provide a globally competitive platform for Issuers to raise capital, and investors to meet their financial objectives across markets and geographies.

NGX Regulation Limited (NGX REGCO):

Provides regulatory services to Nigerian Exchange Limited under the terms of a Regulatory Services Agreement (RSA), and monitors activities in NGX's market.

NGX Real Estate Limited (NGX RELCO):

Aims at providing services in property management, real estate structuring, real estate investment, property development and real estate financing

The Nigerian Exchange Group continues to be a leading market infrastructure provider in Africa, driving (i) sectorial economic growth, (ii) technological innovation and (iii) sustainability.

NGX
PLATFORM FOR CREATING SUSTAINABLE WEALTH

NIGERIAN EXCHANGE

AFRICA'S ECONOMIC ENGINE

Nigerian Exchange Limited ("NGX") is a leading capital market infrastructure in Africa's largest economy. A licensed exchange hub under the Investments and Securities Act (ISA) and is also regulated by the Securities and Exchange Commission ("SEC") of Nigeria. In line with its 2021 – 2023 strategic plan, the Exchange has continued to broaden its market influence while focusing on the following:

I. Increasing its source of non-traditional income;
ii. Enhancing in technology capabilities; and
iii. Leveraging on global trends.

In 2022 being the post-demutualization year, the Exchange hit some of its key strategic milestones of becoming the leading exchange for technology companies in Africa. As of the end of this reporting year, the Securities and Exchange Commission (SEC) approved the Rules for listing on NGX technology Board; making NGX a specialized platform for technology-based companies to list and raise capital on the Exchange

AFRICA'S INNOVATIVE PLATFORM

NGX offers the best investor opportunities to African enterprises for listing and trading (equities, fixed income, exchange-traded funds (ETFs), real estate investment trusts (REITs), mutual funds, rights, and securities lending) in addition to proffering services in the pre-trade and post-trade spaces. NGX also provides licensing services, market data solutions, ancillary technology services, and more.

HIGHLIGHTS:

157 Equities Companies; REITs; Funds
62 Memorandum Listings, Collective Investment Schemes
161 Bonds Government, Corporate
12 Exchange Traded Funds Equity, Bond, Commodity

SERVICES:

Listing | Trading | Market Data
Technology | Training | Licensing

NGX 2022 Performance

In 2022, as most national economies relaxed and lifted Covid-19 restrictions, any momentum gained was hampered by global supply chain disruptions and the widespread energy-driven inflation crisis. However, NGX posted a high annual performance, realizing an 18.72% growth in total market capitalization and listing 22 more securities than the previous year. This has positioned NGX as a leading destination for capital among competitors.

We will continue to find new avenues to delight our stakeholders across the board in our quest to become Africa's Go-To Exchange business.

The summary below evidences our customer-centric strategy and has resulted in a successful year as we exceeded our objectives.

57th
Demutualized exchange in the world.[1]

N51.19Tn ($114.24bn)*
Total market capitalization

389
Listed securities

9.25%
Increase in fixed income market capitalization

7
Derivatives contract registered with the SEO

30.26%
Increase in the value of securities lent

20.69%
Increase in equity market capitalization

999
Participants trained by the X-Academy

4
Financial literacy seminars on retails investments

[1]Among the 70 members of the World Federation of Exchanges as at April 2021.
*Exchange rate at $1:448.08

NGX's Strategic Direction

NGX's strategic roadmap clarifies its ambition to deliver mission-critical goals for deepening the market, increasing means of raising sustainable capital by introducing new products, driving the digital era of the organization, and re-organizing the business for optimal efficiency as it keeps shaping the future of the financial markets for local & international investors.

With these Seven (7) Strategic objectives, the organization would continue seeking more creative ways of doing business to sustain its position as a LEADING force in the African financial markets with its strategic focus on transformation driven by technology, enhanced collaboration through strategic partnerships, and its customer-centric solutions that meet customer requirements across its business portfolios

L	E	A	D	I	N	G
Leverage technology to enhance our business acumen and market access	Enhance order flow and listings through advocacy and strategic partnerships	Accelerate the market via disruptive and innovative solutions	Drive our data portfolio via non-traditional avenues and product offerings	Increase customer centric solutions via an efficient market structure	New focus on sustainable operations and processes	Grow and drive high performance teams

Case Study On Excellence: NGX Tech Board

In 2022, the Securities and Exchange Commission (SEC) approved the launch of the NGX Technology Board, a specialized exchange providing technologically inclined firms with a platform for listing and raising capital. Through this initiative, NGX aims to encourage investments in technologically inclined companies on the continent by connecting them to more traditional sources of finance and subsequently deepen the Nigerian capital market. This will also augment NGX's position as a leading platform for raising capital.

To support our efforts and strengthen our ecosystem, NGX has initiated The 'Digital and Technology Products Advisory Panel'("The Panel") to;

* Drive its interactions across the capital markets and fintech community as well as maintain coordination and alignment of the interests of both sectors.

* Enlist industry pioneers, innovators and leaders, such as Iyin Aboyeji (founder of Andela & Flutterwave) and Richmond Bassey (founder of Bamboo) .

This is a landmark achievement that will position the Exchange as an attractive destination for capital formation by companies within the Technology Sector.

Temi Popoola
Chief Executive Officer

DIGITAL VISION

* Deepen the Nigerian capital market and enhance Africa's technology IQ.
* Integrate technology companies into the African Capital markets in a way that addresses their financial needs.
* Provide visibility of the ground-breaking technological innovations on the continent and give them the best chance to reach their potentials.

DIGITAL MANDATE

* Targeting companies aiming to strengthen the digital economy in Africa.
* Driving and encouraging investments in African technologically inclined companies.
* Fostering ground-breaking partnerships with leading digital and technology companies across Africa

DIGITAL ACCESS

* Technology board serves investors and companies.
* It gives technology-inclined companies greater access to the capital they need to keep on innovating and growing.
* It also gives investors a new and trustworthy destination for their capital.

NGX's Key Highlights

NGX showed commitment to achieving its strategic objectives and actualised steps towards enhancing its position as Africa's foremost destination during the year under review.

STRATEGIC PARTNERSHIP	* Forged new strategic partnerships with the signing of MoUs with Bank of Industry and Dubai Financial Market in 2022
DERIVATIVES LAUNCH	* Launched West Africa's first Exchange Traded Derivatives (ETD) market - Listed 10 NGX Index Futures Contracts (NGX30 and NGXPENSION)
ASEA EXECUTIVE MEMBERSHIP	* NGX CEO elected executive committee member of the African Securities Exchanges Association (ASEA)
TECHNOLOGY BOARD	* Securities and Exchange Commission (SEC) approved the rules for listing on NGX Technology Board
AELP LAUNCH	* Successfully coordinated the launch of the African Exchange Linkage Project (AELP)
MARKET MAKING	* NGX relaunched its Market Making Program to tackle liquidity constraints and ensure sustained flow of funds in the capital market.
CAPACITY BUILDING WEBINARS/ TRAINING	* NGX executed several physical and online capacity building programs (Derivatives , Securities Lending, and Islamic Finance webinars) to enhance the knowledge of key stakeholders and increase investor participation.
SECURITIES LENDING INITIATIVES	* NGX has been at the forefront of the promotion of the benefits that securities lending will bring to the domestic capital markets, improving liquidity and generating income for lenders.

NGX REGCO

BEDROCK OF INTEGRITY AND EQUITABLE PRINCIPLES

NGX REGULATION LIMITED

NGX Regulation Limited ("NGX RegCo") is a premier independent regulatory subsidiary of NGX Group. It is a Self-Regulatory Organization (SRO) registered by the Securities and Exchange Commission (SEC) of Nigeria. NGX RegCo's critical roles are carried out in the following way: Promoting just and equitable principles of trade, encouraging free and open markets, mitigating systemic risks, protecting investors and customers and providing value to stakeholders by facilitating robust, developed and well-regulated markets.

NGX Regulation

NGX RegCo's focus areas include:

1	2	3	4	5
Market Supervision and Regulation	Rule and Policy Making	Market Development	RegTech and SupTech	Sustainability

At NGX RegCo, strategy is key to our operations. In line with the approved three-year strategic plan for the Company, five (5) Strategic Objectives were identified to aid the business to achieve its strategic goals between 2021 and 2023.

Our strategic objectives are:

01. ATTRACT AND RETAIN KEY AND SPECIALIZED TALENT

02. ENGAGE AND PARTNER WITH KEY STAKEHOLDERS

03. ENHANCE MARKET INTEGRITY

04. ACHIEVE FINANCIAL STABILITY

05. BECOME AFRICA'S SRO OF CHOICE

NGX RegCo's key highlight:

NGX RegCo showed commitment to achieving its strategic objectives and actualised steps towards enhancing its position as Africa's premier Self-Regulatory Organization (SRO).

ETHIOPIAN CAPITAL MARKET AUTHORITY	* NGX RegCo provided regulatory consulting for Ethiopia's Capital Market Development. This involved drafting of Policy Frameworks, Directives and Manuals to be used by the Ethiopian Capital Market Authority (ECMA) for the licensing and supervision of Capital Market Service Providers; and recognition of Self- Regulatory Organizations (SROs). * The Project was executed jointly with PwC Nigeria and Tadesse Kiros Law Office, sponsored by the Financial Sector Deepening (FSD) Africa, and supervised by the National Bank of Ethiopia (NBE).
COMPLIANCE WITH CRITICAL RULES & REGULATION	* The advancement for regulating critical Issuers' and TLHs' Rules has progressed, and the calculation of compliance rate with critical rules has commenced.
STRENGTHEN INTERMEDIARIES AND INCREASE COMPLIANCE	* The Quarterly Compliance Officers Forum regularly occurred to express concerns of regulated entities. There has been regular assistance provided for the X- Academy Training on Regulatory Trends in the Capital Market.
GLOBAL PARTICIPATION	* Publications have occurred in the IOSCO-AMCC Quarterly digests on self-regulatory initiatives and financial market developments for Q1 - Q3 as well as continuing to receive invitations to participate as speakers, panelists and facilitators at various external events.
AN SRO WITH A VISION FOR AFRICA	* Support for Ghana Stock Exchange's acquisition of a Market Surveillance System as well as ongoing engagements with other entities across Africa to provide regulatory services.
ENHACING TALENTS	* Employees participated in the following programs: Two (2) week program organized by the U.S. SEC Institute for Securities Regulation on "Supervision and Enforcement for the African Region" (May 16-27); Intermarket Surveillance Group annual conference; Anti Money Laundering Training; and IOSCO Global Certificate Program (Phase 1).

NGX RELCO
LAYING THE FOUNDATION FOR GROWTH

NGX REAL ESTATE LIMITED

After the demutualization in 2021, NGX Real Estate Limited ("NGX RelCo") formerly Naira Properties Limited, was formed. It is a wholly owned subsidiary of NGX Group duly registered in the Federal Republic of Nigeria as a private limited company. NGX RelCo is in the business of acquiring, leasing, hiring, or part exchanging any property, whether real or personal.

NGX RelCo aims to diversify the income of the NGX Group, and looks to provide the following tailored service offerings:

Real Estate Structuring

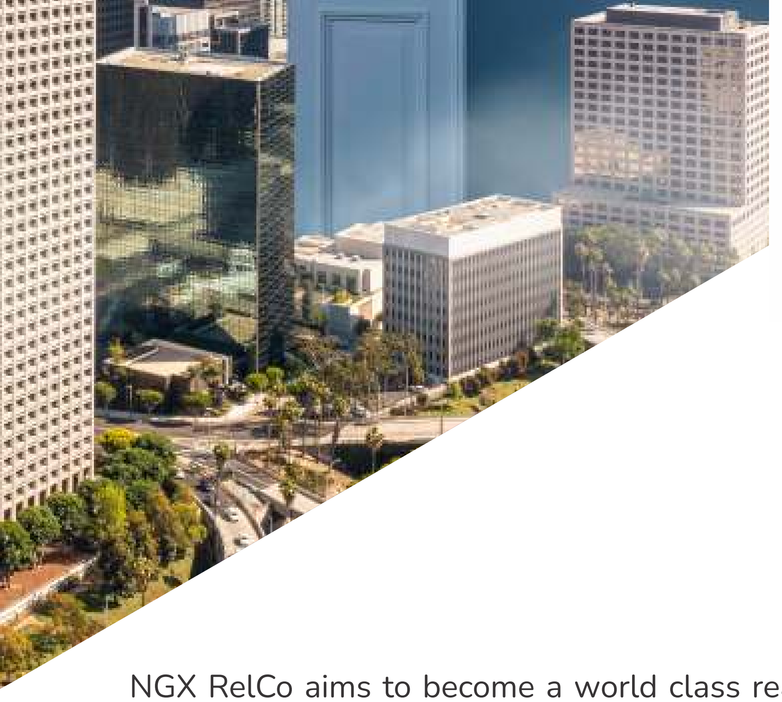
Property Management

Real Estate Investment

Real Estate Financing

Property Development

The Company currently manages the NGX Group House and plans to carry out an expansion strategy aimed at repositioning the business as a leading real estate entity. We tailor our management approach for each property because we recognize that we do not only manage a highly valuable asset, but also a very personal one.



NGX RELCO'S STRATEGIC DIRECTION

NGX RelCo aims to become a world class real estate company in Africa. We intend to use our expertise to our advantage to synergise financial and real estate sectors to generate bespoke products that grow our customer base and value offering.

In order to achieve our strategic objectives as we develop the business, we must focus on enhancing our core value proposition as well as strengthening the foundation to reach our overarching goals.

The following five strategic objectives are the focus for the company:

We will regularly assess the business environment to ensure that our strategic objectives align with the needs of our stakeholders and ecosystem.

2022 GROUP FINANCIAL HIGHLIGHTS

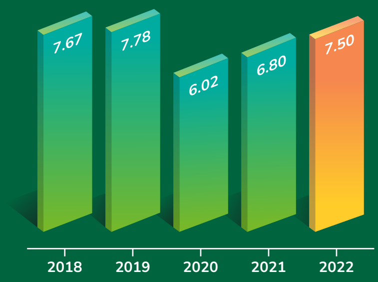
INCOME

7.50Bn

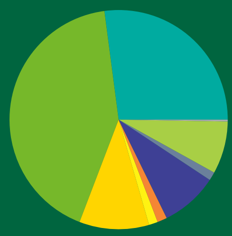
Y-O-Y

10% ↑

FIVE YEAR TREND



2022 INCOME MIX (%)



Treasury investment income	27.08%
Transaction fees	42.09%
Listing fees	10.33%
Rental Income	1.32%
Other fees	1.45%
Other operating Income	8.47%
Technology Income	1.25%
Market Data Income	7.75%
Net gain on disposal of property and equipment	0.25%

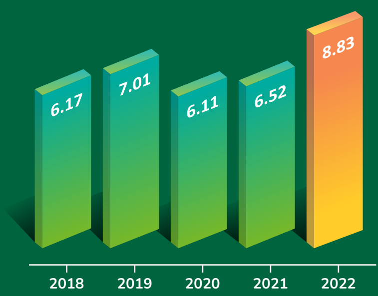
EXPENSES

8.83Bn

Y-O-Y

35% ↑

FIVE YEAR TREND



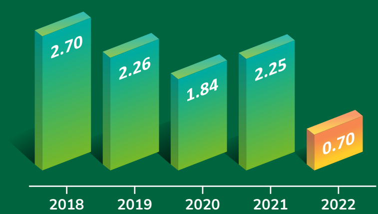
2022 EXPENSES AS A PERCENTAGE OF TOTAL

Interest expense on borrowing	23.79%
Impairment Charge/ reversal on assets	0.04%
Personnel expenses	41.51%
Depreciation of PPE	5.29%
Depreciation of ROU ass	0.02%
Amortization	0.92%
Operating expenses	28.41%

PROFIT AFTER TAX

0.70Bn

FIVE YEAR TREND



Y-O-Y Growth

69%

TOTAL ASSETS

57.06Bn

FIVE YEAR TREND

Y-O-Y Growth

51%

Note: Profit after tax of N0.70B includes N2B share of profit of equity accounted investees

2022 COMPANY FINANCIAL HIGHLIGHTS

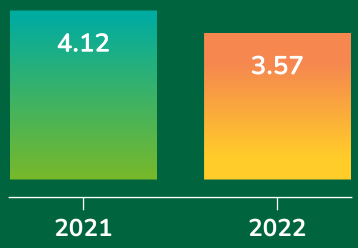
INCOME

3.57Bn

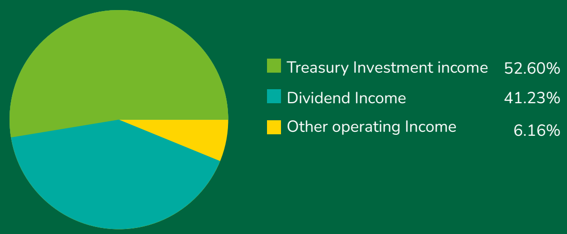
Y-O-Y

-13%

TWO YEAR TREND



2022 INCOME MIX (%)



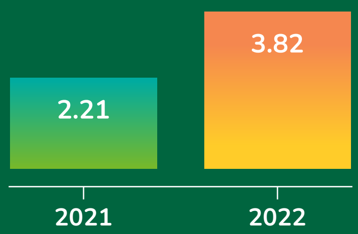
EXPENSES

3.82Bn

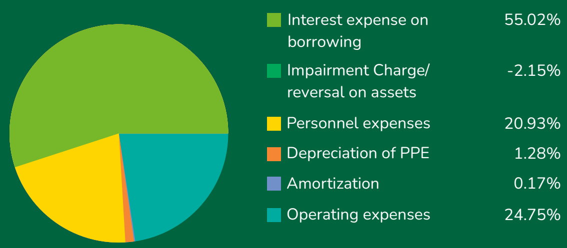
Y-O-Y

72%

TWO YEAR TREND



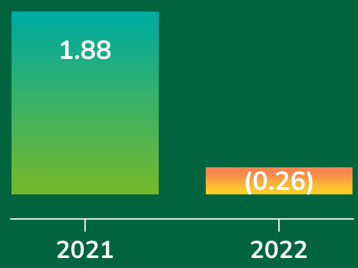
2022 EXPENSES AS A PERCENTAGE OF TOTAL



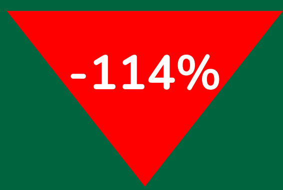
LOSS AFTER TAX

-0.26Bn

TWO YEAR TREND



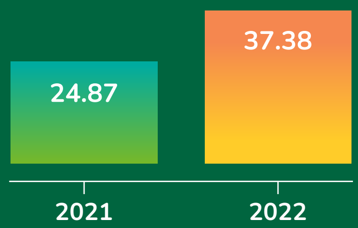
Y-O-Y Growth



TOTAL ASSETS

37.38Bn

TWO YEAR TREND



Y-O-Y Growth

Enterprise Risk Management At The Nigerian Exchange Group

To guarantee business sustainability, The Nigerian Exchange Group (NGX Group) has continued to embed the culture of risk management into its business processes, which are geared towards meeting our obligations to stakeholders and delivering long-term and sustainable increase in value to them. To achieve this goal, we have adopted the best practices in Enterprise Risk Management, which involves aligning our people, strategies, policies, processes, technology and business intelligence to evaluate, manage, and optimize the opportunities and threats that we are potentially exposed to in our efforts to maximize stakeholders' value. This integration of risk management practices has had a positive impact on our operations, leading to improvements in process uptime, value creation, enterprise resilience, and operational effectiveness and efficiency.

As part of our objectives to ensure the business is a going concern, NGX Group has integrated Enterprise Risk Management into its work ethics making it a prerogative at all levels of the organization to communicate any actionable risk information to the Management and Board at all times. Thus, risk management and project risk management have become a prerequisite in our decision making process, ensuring that we make informed choices that align with our business objectives.

In line with this, NGX Group's Enterprise Risk Management (ERM) framework is hinged on global standards like the ISO 31000:2018 as well as COSO ERM 2017 and Basel II. This provides a comprehensive, systematic, disciplined and proactive process that is implemented to identify, assess, manage and report on the strategic business risks, and all risks related to the achievement of NGX Group's strategic objectives and transformation agenda. To this end, the Risk Management function works with the risk owners across the business periodically to ensure on-going oversight/controls to mitigate the likelihood of these risks occurring.

Risk management has evolved beyond risk assessment and reporting and as such, we continue to empower ourselves to manage risks effectively in our market. Therefore, periodic risk awareness continues to be a major focus at NGX Group to heighten the risk sensitivity of employees and to entrench a culture of risk management into NGX Group's organizational culture. This is geared towards promoting a holistic risk culture, a step at a time ensuring a sustainable business for our stakeholders and by that, position NGX Group for global competitiveness.

Risk Appetite and Risk Tolerance

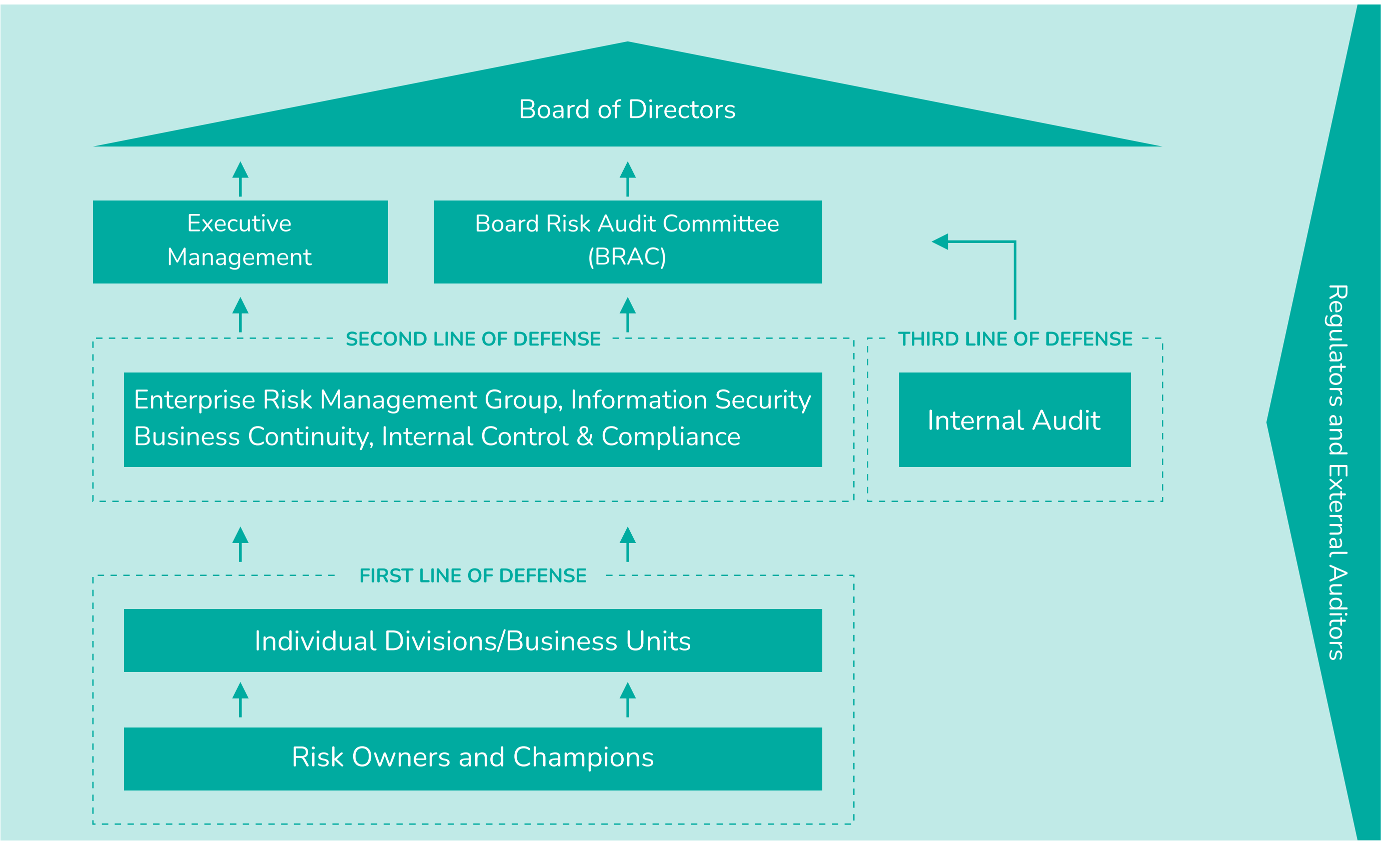
In pursuit of value for our shareholders, risks cannot be totally eliminated in our business. Therefore, mitigating controls are put in place to reduce them to a level deemed acceptable by the Management and Board based on the capacity of its people, processes, procedures and cost for further mitigation (following the As Low As Reasonably Possible "ALARP" principle). Our risk appetite sets a clear strategic direction that aligns NGX Group's risk tolerance with its business and objectives. Additionally, it outlines the aggregate level and types of risk on a broad-based level that NGX Group is willing to assume within its risk capacity to achieve its objectives and is defined by our Risk Appetite Statement.

Our risk tolerance specifies the acceptable level of variation relative to the set risk appetite or achievement of specific strategic objectives. Furthermore, it outlines the level of risk, which NGX Group is willing to tolerate without incurring significant financial losses.

Risk Governance

To ensure that the tone for risk is set correctly, risk governance at NGX Group takes into account; roles, responsibilities and accountabilities of the Board, Senior Executive Management, and the Risk Management function, to guide and direct the NGX Group risk program. Risk governance is therefore achieved through the collaborative effort of the Board through the Board Risk and Audit Committee (BRAC) to the Executive Management, Divisions/Business Units, Risk Management Department and Internal Audit for independent assurance.

The risk governance structure of NGX Group is as shown below:



To ensure the effectiveness of the ERM framework at NGX Group, the Board and Executive Management rely on line functions – including monitoring and assurance functions – within the organization. A model that dimensions the interrelationship between functional lines and provides the essence of their roles and responsibilities is the "Three Lines of Defense Model". NGX Group has adopted this model to articulate the line functions and integrate the organizational governance structure with the ERM framework in order to deliver a robust framework for the management of risk. The lines of defense model serve as a primary means to demonstrate and structure the roles, responsibilities, communication and accountabilities for decision-making and controls towards achieving effective governance risk management and assurance.

The first line of defense are the business units handling the day to day activities of the business, adopting strategies to identify departmental risks opportunities and implementing risk mitigation actions that align with NGX Group's risk appetite. They have the responsibility of front-line monitoring of these risks.

The second line of defense is made up of the Risk Management, Internal Control, Compliance, Information Security and Business Continuity functions, which own aspects of the risk management process and monitors the implementation of effective risk management practices. They provide oversight and integration guidance on risk assessment, quantification, measurement and controls, and supports Executive Management by bringing expertise and monitoring of the first line to ensure that risk and controls are properly managed. These functions provide second-line defense and plays a supporting role to the first-line defense functions. For effectiveness, they work with and collaborate with the business towards achieving the organization's objectives.

The third line of defense provides assurance to Executive Management and the Board that the first and second lines' efforts are consistent with expectations. This is an assurance function performed by Internal Audit to provide assurance on the effectiveness of governance, risk management, compliance and internal controls, including how the first and second lines of defense achieve risk management and control objectives.

Our governance model provides guidance for the implemented structure and the assigned roles and responsibilities of parties to increase the effective management of risk. Some of the roles of these stakeholders include:

Board of Directors: Oversees the establishment of a risk management framework that defines NGX Group's risk policy and related processes, risk appetite and risk tolerances, and is responsible for satisfying itself that the ERM framework and processes in place are sound and effective.

Board Risk and Audit Committee (BRAC): Responsible for assisting the Board in setting business risk strategy and policies in liaison with management and, in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.

Executive Committee: Provides a forum for peer review and challenges the key risks facing the organisation. They approve the ERM strategy and champion an ERM culture throughout the organisation, coordinating ERM priorities and decision-making.

Risk and Control Department: Responsible for developing, and continually improving the implementation of the ERM framework, supporting the integration of risk management into strategic planning and business processes, and developing the risk appetite.

Divisions/Business Units: Accountable for the identification, assessment, management of and reporting on the key risks in their divisions, and provide the necessary resources and ensure alignment with the ERM framework and process.

Risk Champions: Point of contact for the Risk Management team in various departments across NGX Group and responsible for the quarterly risk reporting to the department. Identifies and evaluates risks in their specific departments that may hinder the achievement of NGX Group's strategic objectives.

The Three Lines of Defense model articulates who does what and distinguishes among three groups (or lines) involved in the control of an effective enterprise risk management process and categorized thus;

	Heads of Departments	Governance Functions	Audit
RISK GOVERNANCE	1st Line {Process/Risk Owners} CEO's Office · Regulations · Listing Business Shared Services · Trading Business	2nd Line {Standard Setters} Enterprise Risk Management, Information Security, Business Continuity, Internal Control & Compliance	3rd Line (Assurance) Internal Audit · External Audit
RISK FRAMEWORK	* Day to day risk management and control, within the policies set by the 2nd line of defense. * HODs adopt strategies to identify departmental risks/opportunities and optimize return on capital.	* Established Risk Management, Internal Control, Compliance and Cyber security framework guideline and ensures Business Units have an effective risk management process that operates within the guidelines. * Ownership, development, review and deployment of corporate policies, including Enterprise Risk Management Framework. * Support interpretation of corporate policies within Business Units.	Independent assurance over the risk and control framework.
RISK IDENTIFICATION & MANAGEMENT	* HODs' own BU Function risk identification process: - Document process - Identify risks - Measure and prioritize risks and implement risk mitigation actions aligned with BU risk appetite	* Conduct periodic/ongoing reviews of risks, e.g. conduct risk assessments, info security reviews, ERM assessments and quality reviews. * Support senior management in strategy setting by providing relevant risk analysis. * Ensure that Bus assign appropriate accountability for risk management (prevention/detection or remediation).	Identify business risks for internal audit. Develop plan for IA/External audit testing.
MONITORING, TESTING & VERIFICATION	* Responsibility for self-assessment of risks/testing of controls and "frontline" monitoring.	* Conduct periodic review of ongoing BU monitoring program. * Disseminate results to respective risk and control groups. * Review progress on mitigation status of critical risks within the BU.	Conduct independent testing on design and operating effectiveness of controls.
RISK REPORTING	* Responsible for on-going departmental updates/reports of existing and potentials risks, management of risk register, ensuring effectiveness of controls.	* Management Committee Reports. * BRA Committee Reports. * Board level risk reports.	Assurance on controls and control framework elements.

Risk Profile

NGX Group in the course of its operations identifies and differentiates the following types of risks:

Risk	Risk Description	Mitigation Strategies
Strategic Risk	These are risks that arise as a result of the decision of Management and Board of Directors regarding the strategic vision of NGX Group and can affect the development and implementation of the organization's strategic objectives	* NGX Group continuously keep abreast of changes in the business environment, policies, regulations and technology. * Risk assessment of Enterprise's strategic objectives
Operational Risk	These are risks that can cause a failure of the organization's internal processes and a cessation of major business systems that can lead to a delay in service delivery	* Upgrade of all the technological systems * Quarterly review of Business Continuity, and Disaster Recovery Plans * Implementation of Information Security Management Systems and cyber security strategies
Compliance Risk	The risk of facing regulatory sanctions and legal penalties, which may also result in financial loss and reputational damage, as a result of breach of contractual agreement and failing to adhere or act in accordance to the rules and code of conduct as instituted by regulatory authorities	* Continuous engagement with the regulators * Monitoring changes in the regulatory and legal landscape * Regularly monitor the adherence to all the reporting deadlines and report findings to Management and Board of Directors
Business Risk	The risk that the competitive landscape may hinder NGX Group from meeting its financial goals.	* Survey of The organization's competitive landscape and review of its business processes * Risk assessment of NGX Group's projects
Financial Risk	The risk of financial loss that may be as a result of a revenue shortfall, expenses over-run or fines from regulators.	* Strategically invest NGX Group's surplus in predictable growing stream of income * Ensure strict adherence to budgetary provisions * Zero tolerance to regulatory infractions

Risk	Risk Description	Mitigation Strategies
External Risks	These are risks that affect NGX Group from its external environment and may be out of the control of Management and the Board. However, measures are put in place to prepare for them and cushion the impact if they occur. These risks include political risks, natural disasters, changes in industry fundamentals and the macro-economic environment.	* Functional Government Relations Department to increase government advocacy / engagement with policy makers * Conduct periodic business continuity and disaster recovery tests * Implementation of occupational health and safety practices
Reputational Risk	The potential for negative publicity, public perception or uncontrollable events that can have an adverse effect on NGX Group's reputation, thereby resulting in brand damage and financial loss	* Continuously manage the relationship with media to control the narrative around the information being published * Tracking positive and negative publications in the media for immediate response and action * Shape public perception by releasing information about NGX Group's activities * Carry out advocacies (e.g. closing gong) and Corporate Social Responsibilities to improve the perception of the brand both with our stakeholders and the society at large

Risk Monitoring

The Risk and Control Department continues to monitor all identified risks to ensure that they are actively managed, while controls in place are tested and verified periodically to confirm they are working effectively and that the organization's risk exposure across the enterprise is managed to an acceptable margin within the approved risk appetite. The effectiveness of these controls and the implementation of new controls are monitored through the real-time reporting and documentation of the risks in departmental risk registers by the Risk Champions in all Business Units/departments.

Furthermore, external and emerging risks are identified and assessed. Where feasible, mitigation strategies are proposed to reduce the probability and/ or the impact of these risks and to better position NGX Group to take advantage of these projected situations should they occur. The Risk and Control Department juxtaposes these risks with the risk appetite of the organization and reports on the significant risks through the Business and Risk Report to the Executive Management and Board Risk and Audit Committee of the Board quarterly. This provides a basis for the Committee to understand and assess the adequacy of decisions made by the Management on the key risks faced by NGX Group and on emerging risks arising from new products, services or strategic initiatives.

2022 in review

In the year under review, all efforts were geared towards achieving a better understanding of risk across multiple functions and departments as well as creating a link between Enterprise Risk Management and other departments within NGX Group to effectively manage and monitor risk. Hence, we continuously tracked the risk-taking activities of the organization and closely monitored them to be within the approved risk appetite. This was tracked through the departmental risk registers where all information on the risk management process was captured. In addition, we updated the loss events & near misses register for NGX Group which was done quarterly to keep the risk management team actively involved in the happenings of every department and to use the information contained therein as input in the identification of risks. Also, to effectively manage risks, Key Risk Indicators were leveraged to track, monitor and provide early signals of increasing or decreasing risk exposures in various areas of the enterprise.

As NGX Group assumes more risks in its business operations, risk identification techniques were enhanced to ensure that the risks faced across the entities within the NGX Group were effectively identified, monitored, managed and reported. NGX Group continued to adopt the three-lines of defense model where the primary responsibility for risk resides with the first line, which are the business units/departments. Moreover, Risk Champions continued to provide the needed support to the Risk Management team by ensuring that departmental risk registers (a tool in risk management that includes all information about each identified risk, such as the nature of that risk, level of risk, who owns it and what are the mitigation measures in place to respond to it) were used to document risks inherent in their individual business units and processes. These registers are a repository for all the risks inherent in the business units and they are updated quarterly. Also, the documented risks are reassessed periodically as risks are dynamic in nature, while the adequacy of controls are equally tested to ensure that there are no surprises.

The risk management team made significant impact in ensuring that all entities within the Group act proactively in the face of a changing work environment by instituting ad-hoc risk assessments into consideration for all projects and initiatives.

Moreover, in deepening the culture of Risk Management at NGX Group, the annual risk management training session was held across all the entities within the Group, with active employee participation recorded. The training focused on reiterating to staff, their responsibilities in risk management, the changes to the risk management process landscape and its impact on business operations. Also, to continually remind employees of their roles and commitments to effective risk management, risk tips shared via the intranet on a bi-weekly basis

Outlook for 2023

With the COVID-19 pandemic receding, the world had to deal with another emergency in 2022; the Russia-Ukraine war. This conflict had left devastating effects on the economy of most nations with Nigeria not being an exception. This has led to an increase in energy and food prices coupled with supply disruptions which have continually fueled inflation, as the two countries are major suppliers of energy and food commodities. With the high inflation and Central Banks across the world's efforts at taming it through increase in interest rates, the global economy is projected to grow at a slower rate in 2023 compared to 2022 and there are fears of a global recession if the inflationary trends continue its upward ticks according to the World Bank. The Nigerian economy has not been immune from this global economic crisis as inflation rate climbed to numbers not seen in over 20 years and this might not abate in year 2023.

As 2023 has been forecasted to be a challenging year economically, NGX Group will continue to strive to meet its strategic objectives and effectively manage and monitor the risks that can affect the achievement of these objectives Enterprise Risk Management will work closely with the business units across the enterprise handling the day to day activities of the business to proactively identify and manage risks to be within the approved risk appetite. Also, to effectively manage risks, Key Risk Indicators will be leveraged to track, monitor and provide early signals of increasing or decreasing risk exposures in various areas of the enterprise.
To further embed the culture of risk management across our business operations, the risk management team will deepen its engagements with the first line; the division/business units, by ensuring that all of the business processes, initiatives, projects, collaborations and review of the rulebook of the exchange were subjected to the risk management process. Also, we will reinvigorate our mitigation strategies in line with the TARA (Transfer, Avoid, Reduce and Accept) framework to ensure that all identified risks are effectively managed within the approved risk appetite.

Training and awareness is one of the cardinal focus of an effective ERM framework. Therefore, the Risk Management team will continue to place strong emphasis on this through the annual risk awareness programme, designed to continually educate members of staff on recent developments and findings in risk management with regards to its impact on NGX Group and our business landscape. Also, employees will be engaged on risk management issues through periodic issuance of risk tips/bulletins, to create enhanced employee awareness on risk issues. This we believe, will help maintain a robust culture of risk management across NGX Group.

2022 Report On NGX Group Internal Control System

1. The NGX Group Internal Control System

The Nigerian Exchange Group (NGX Group) recognizes the crucial role that its Internal Control System plays in ensuring the long-term success and delivery of value to its stakeholders. Our control system is embedded in the operating structure of the NGX Group of Companies, with a strong organizational culture that prioritizes sound internal control procedures and practices in all decision-making and management processes. This enhances the quality of strategic decisions and day-to-day conduct of business.

The Group Board has the oversight responsibility for the Internal Control System at NGX Group, proactively identifying, assessing, and managing all internal control risks associated with its business. The Board Risk and Audit Committee (BRAC) supports the Group Board in its oversight obligations. The BRAC of NGX Group and its subsidiaries are responsible for the oversight monitoring of internal control risks and internal control policies and procedures to ensure compliance with regulatory and financial reporting requirements. The Board, through the Committee, exercises oversight on the internal control activities of the Nigerian Exchange Group. Overall, the BRAC monitors the effectiveness and efficiency of the organisation's internal control system to safeguard its assets for shareholders

As part of its commitment to developing Africa's financial markets, the NGX Group applies a bespoke Internal Control Framework that identifies, assesses, monitors, and reports internal control risks associated with pursuing its strategic and operational objectives. The framework is based on the best practices of the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Internal Control-Integrated Framework, ensuring a structured quality system and processes that support the efficient achievement of NGX Group objectives. The application of a robust Control Framework ensures that procedures and activities are aligned with the achievement of the Nigerian Exchange Group's strategic and business objectives.

2. The NGX Group Internal Control Function

The Nigerian Exchange Group has a strong Internal Control function which sits under the Risk and Control department and provides support to all business units across the NGX Group of Companies. The department is led by the Head, Risk and Control. The Internal Control function is responsible for constantly monitoring internal control policies and procedures, identifying and quantifying significant control risks, and taking necessary actions to address them. This proactive approach ensures the early detection and correction of any material errors or inconsistencies in operations, financial reporting, and compliance with applicable laws and regulations. In 2022 we updated our policies and procedures to reflect changes resulting from our control environment, which is an evidence of the effectiveness of our Internal Control program.

The Internal Control function supports the Board in managing internal control risks through the implementation of the Board-approved Internal Control Framework. As an integral part of the organization's second line of defense, the Internal Control unit plays a critical role in ensuring that internal control risks are appropriately managed, and the organization's assets are safeguarded.

3 The NGX Group Financial Reporting Controls

At NGX Group, we have designed our internal control over financial reporting to provide reasonable assurance to our stakeholders about the reliability of our financial reporting and the preparation of our consolidated financial statements. Our annual Board-approved program includes internal control

4. The Operationalisation of NGX Group Internal Control Framework

At NGX Group, we have patterned the design and implementation of our policies, procedures, processes, and systems at all levels of the organization in support of our reporting, compliance, and operational objectives after the COSO model. This model consists of five (5) components, which are presented below.

Control Environment

The Nigerian Exchange Group demonstrates commitment to a sound control environment by the following actions:

* The NGX Group of Companies requires all employees to make annual disclosures on conflict of interest, outside business activities as well as attest to compliance with the Board approved code of conduct and employee handbook. This annual disclosure and certification process in 2022 gave all employees the opportunity to reaffirm their commitment to uphold the NGX's core values.
* The Board and Board Committees are independent of Executive Management and provide oversight on the design and operationalization of the Internal Control System
* The organizational structure of the NGX group supported by the IIA's three lines model shows clearly authority and responsibility levels.
* As an integral part of our objective to continuously strengthen our control environment, the internal control team in 2022 conducted mandatory awareness training for all employees and

Risk Assessment

Risk management is recognized as an important component of governance at NGX Group. In line with our framework, we adopt the following approach to risk management.

* The Board of the NGX Group of Companies and Executive Management clearly define the organisation's long, medium, and short term objectives, which supports the identification and assessment of potential risk exposures to the achievement of set objectives
* The Board Risk and Audit Committee, Group Board, and Executive Management meet regularly to assess the reporting, compliance and operational risk that the NGX is exposed to and also to consider whether new controls are required to keep risks within the organisation's risk limit.
* Business units across the organisation review and update their risk registers quarterly. The Risk and Control department of the organisation regularly undertakes a review and evaluation of the risk and controls documented in departmental risk registers and take requisite actions to strengthen control, where required

Control Activities

We outline below highlight of our control activities at NGX:

* Controls at the NGX Group of Companies are implemented through policies and procedure manuals. In 2022, we completed a check in review and update of our standard operating procedure manuals.
* To ensure that the NGX Group receives value for monetary disbursement and block wastages, all payment requests are independently checked by the internal control team prior to disbursement. In addition, all revenue lines of the organisation are reconciled to prevent and detect leakages
* Approval, Authorisation and Reviews: The NGX Group operates a manual of authority policy approved by the Board which contains transaction approval and authorization limits. A key principle in the manual of authority policy is the segregation of incompatible roles and user access reviews.
* Verification and Reconciliation: All general ledgers in the organisation's charts of account are proofed and reconciled monthly.
* Logical and Physical Access Controls: Access to NGX Group information assets is granted on need basis, which limits the risk of unauthorized access.

Information and Communication

Our approach at NGX Group to the Information and Communication of Internal Control include:

* The NGX Group of Companies communicate policies and procedure manuals to employees through its centralized policy repository (available 24/7 to employees), email, and brown bag sessions.
* The second (Internal Control, Risk, and Compliance) and third line (Internal Audit) functions of the NGX Group present quarterly reports to the Board Risk and Audit Committee and Executive Management on the status of internal control in the organisation.
* The NGX Group communicates externally with stakeholders on matters concerning the functioning of its internal control system through its corporate website, Annual General Meeting, and Financial Reports.

Monitoring Activities

At NGX Group, we continuously monitor our control system which ensures that it remains effective in addressing emerging risks. Extract of our control monitoring activities at NGX Group are outlined below:

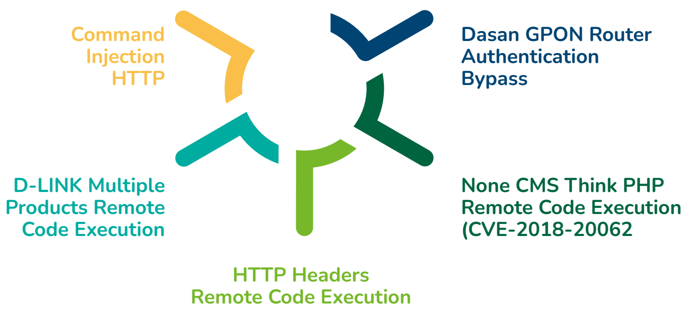
* The Risk and control function and Internal audit conduct ongoing and /or separate evaluation and reporting on the status of controls in NGX Group of Companies.
* The Board Risk and Audit Committee and Executive Management meet quarterly to consider the risk and control reports.
* The external auditors of the NGX Group provide reasonable assurance to external stakeholders and Executive Management regarding the functioning of controls in NGX Group.

5. A look ahead to 2023

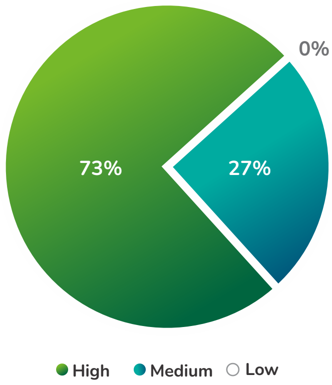
As we look ahead to an exciting 2023 financial year, we remain steadfastly committed to upholding and continuously improving on our robust internal control system across the NGX Group of Companies.

Information Security & Business Continuity

Intrusion Attacks Prevented

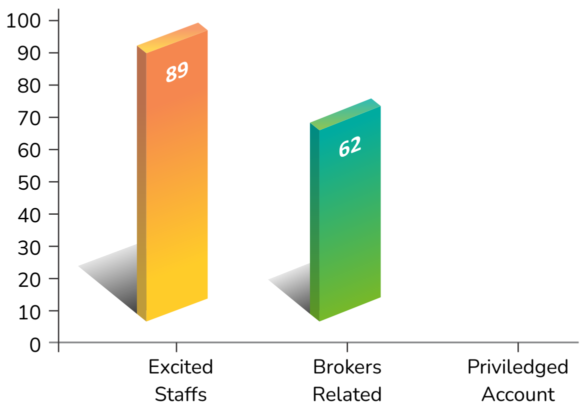


Criticality of DDOS Attacks Mitigated

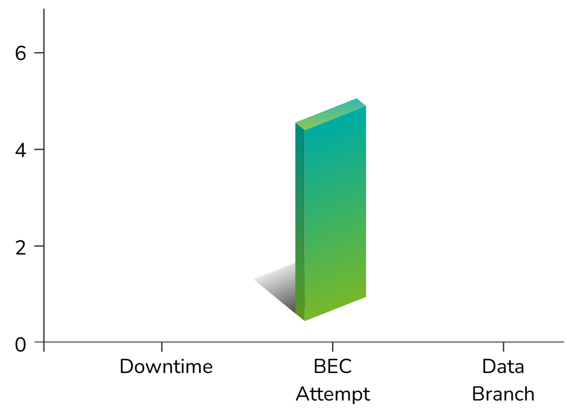


Business Continuity

Access Control (Q1 -Q4) 2022



Incidence Management



Business Email Compromise (BEC) are wire fraud attempts using compromised email accounts

2022 Information Security & Business Continuity Report

Description	Activities	Observations/Status	Response/Next Steps
Business Continuity	Developed and compiled Post-COVID-19 Resumption Protocol	Flexi-work mode implemented; guided by resumption protocol	Full resumption implemented in 2023
Business Continuity	H1 & H2 Business Continuity/Disaster Recovery Testing carried out with CSCS and NGClearing in scope	BC/DR Test carried out successfully with minor hitches.	Issues that arose from prior BC/DR tests were rectified
Business Continuity	Coordinated the activities of the BCSC in line with the global standard of Business Continuity and Organisational Resilience planning.	Bi-Weekly meetings held with the Committee	Reconstitution of the Committee to be completed upon onboarding of new BC personnel
ISO 27001:2013 Surveillance Audit	Execution of the ISO 27001:2013 Surveillance Audit with all entities in scope	Audit was completed and passed with no non-conformities	Implementation of audit recommendations.
ISMS	Reviewed ISO 27001:2013 policies and framework, including policies on privacy and NDPR comprising of 129 policies, procedures and standards.	All policies updated to reflect new organizational structure and carried out 2 bi-annual ISMS management meetings	Continued to update policies in accordance with ISMS guidelines
Threat Monitoring	Tuning of the Alienvault monitoring tool and Checkpoint Firewall.	Prompt renewal of licenses ensures better security as latest protection is applied at the internet edge.	Implemented a network tap to deepen network monitoring efforts in 2022.
Security Solutions	Health checks for IBM Guardium. The Checkpoint Firewall and MainOne Anti-DDoS solution have been effectively preventing attacks.	The solutions are working optimally.	The Team will continue to monitor the security solutions for effectiveness.
Access Control	Reviews of X-Gen User was done. .	62 inactive accounts were actioned on X-GEN from Q1 – Q4 2022.	Continue to monitor trends in user and privileged account management
Cybersecurity Awareness	Carried out multiple activities over a week during Cybersecurity Awareness month to engage staff on the importance of Cybersecurity & Business Continuity	Staff were duly engaged and participated in the activities	Continue efforts to provide engaging ways to keep staff up to date on Cybersecurity and BC best practices
Security Awareness	Staff education on information security best practices via email notices and KnowBe4 trainings	Information Security awareness going according to the information security awareness plan.	Continued staff education on information security best practices for cyber resiliency.
Security Posture	Vulnerability Assessment & Penetration Test (VAPT) conducted by EY. TLH VAPT Reports under review for NGX Reg	Assessment has been concluded. Recommendations have been implemented	Reviewed report and track remediation of noted gaps.

Planned Activities For 2023

JANUARY 2023

Group-wide Business Impact Analysis review and Reconstitution of the BCSC

JUNE/NOVEMBER 2023

BC/DR Failover Tests

JUNE 2023

Organization-wide Information Security X-Learn session

JULY 2023

ISO 27001:2013 Surveillance Audit

MARCH 2023

Review of Business Continuity Plan to reflect Post-Pandemic realities

SPECIAL FEATURE: ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

SPECIAL FEATURE: ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) IMPERATIVES AND NGX GROUP'S STRIDES

ESG (Environmental, Social, and Governance) has become a buzzword in the business world in recent years. It refers to the criteria that stakeholders including investors, customers, vendors, regulators and employees use to evaluate a company's sustainability and ethical practices, in addition to its financial performance. In essence, ESG takes into account a company's impact on the environment, its relationships with stakeholders, and the quality of its corporate governance.

The growing interest in ESG is driven by several factors. One of the most significant is the increasing awareness of the environmental and social challenges facing the world. Climate change, water scarcity, and inequality are just some of the issues that are now top of mind for many stakeholders. As a result, there is growing pressure on companies to take a more responsible approach to their operations.

Another factor driving the interest in ESG is the recognition that companies that operate sustainably and ethically are more likely to be successful in the long-run. By taking a long-term view and considering the impact of their actions on the environment and society, these companies can build strong relationships with customers, employees, investors and other stakeholders. This, in turn, can lead to greater financial performance and long-term value creation.

So, what does ESG look like in practice? A further breakdown of the components:

Environmental	Companies that are committed to environmental sustainability take steps to minimize their impact on the environment. This can include reducing their carbon footprint, using renewable energy sources, conserving water and other natural resources, and minimizing waste and pollution.
Social	Companies that prioritize social responsibility focus on their relationships with stakeholders, such as employees, customers, suppliers, and the communities in which they operate. This can include ensuring fair labour practices, promoting diversity and inclusion, supporting human rights, and contributing to the well-being of the communities they serve.
Governance	Governance: Companies that practice good governance are committed to transparency, accountability, and ethical behavior. This can include having an independent board of directors, ensuring executive compensation is aligned with long-term performance, and having strong internal controls to prevent fraud and corruption.

Sustainability In The Financial Services Ecosystem

The Financial Services Industry is playing a crucial role in driving ESG investing, hence enhancing the sustainability of capital markets. Investment managers are integrating ESG factors into their investment processes; Banks are offering green financing and sustainable investment products; and exchanges are innovating on sustainability-linked bonds, ETFs among others, driving increased demand for sustainability-linked bonds, which link the coupon payments of the bond to the achievement of pre-agreed sustainability targets. Green bonds, on the other hand, are used to fund projects that have a positive environmental impact.

The capital markets are evolving, with exchanges and regulators globally introducing new guidelines and initiatives to promote ESG integration and investing. For instance, stock exchanges are promoting ESG reporting and disclosures through the adoption of the United Nations Sustainable Stock Exchanges initiative (SSEI), which encourages companies to disclose ESG-related information.

In Nigeria, NGX Group is trailblazing ESG adoption, with a robust ESG framework built around four pillars: Marketplace, Workplace, Community, and Environment. As the financial market infrastructure group championing Africa's sustainable growth, the NGX Group recognizes the importance of ESG factors in driving long-term sustainable growth and have implemented a range of initiatives across these pillars.

Marketplace: NGX Group through its subsidiaries is building the capacity of stakeholders in sustainability disclosures. Nigerian Exchange Limited (NGX), the operating exchange subsidiary of NGX Group, and NGX Regulation Limited (NGX RegCo), the independent regulatory subsidiary continue to encourage Issuers on the reporting of their sustainability activities in line with the NGX Sustainability Disclosure Guidelines and other globally recognized standards like the Global Reporting Initiative (GRI) Standards.

NGX RegCo also hosts the Issuers' Engagement Forum to provide a platform for issuers to engage with other market participants on ESG-related matters, the most recent being on climate disclosures. Capital market operators, listed companies and potential issuers also had the opportunity to participate in a Green, Social and Sustainability bonds workshop by NGX and International Finance Corporation in November 2022.

Workplace: NGX Group is progressing on the EDGE (Economic Dividends of Gender Equality) certification in partnership with International Finance Corporation (IFC) to drive its gender diversity and inclusion agenda. EDGE is the leading global assessment methodology and business certification standard for gender and intersectional equity. The certification will further position NGX Group of Companies as workplaces fully committed to inclusion, diversity, and the promotion of equal opportunities.

Community: Centered on enacting positive change around gender equality in Nigeria's private sector, NGX Group through NGX continues to implement the Nigeria2Equal programme in partnership with IFC. This partnership has yielded many fruits, including the publishing of the Gender Equality in Nigeria's Private Sector report which was a gender gap assessment of the 30 most capitalized companies listed on the Exchange, and the launch of the Gender Based Violence and Harassment in Workplaces (GBVH) research which aims to uncover the business case for reducing GBVH in the private sector among other objectives.

NGX Group's financial literacy initiatives aim to improve the financial knowledge and skills of individuals and businesses, promoting responsible financial behavior and supporting the creation of wealth. This has led the Group to meet its core target market, young Nigerians otherwise referred to Millennials and Generation Z, where they are. A campaign via Twitter Spaces was launched in partnership with leading online media platform, Nairametrics themed **"Navigating Investing: Leveraging Investment Opportunities in the Capital Market."** The session educated listeners on structure of the capital market, available products and opportunities to key into, sustainable finance and investment diversification. Leveraging its various platforms, NGX Group was able to reach over 5,000 accounts and positioned itself as a brand committed to enhancing financial literacy.

Environment: In line with its climate leadership agenda in the capital market, NGX Group through NGX RegCo is developing the Climate Disclosure Guidelines for issuers to improve the quality and consistency of climate-related disclosures and promote transparency and accountability. The Guidelines have been created in consistency with the Task Force for Climate-Related Financial Disclosures (TCFD), thereby ensuring that potential issuers who will prepare their reports do so in line with global standards and best practices.

NGX Group recognizes the importance of climate change in driving long-term sustainable growth in the country and is therefore encouraging listed companies to take advantage of the Facts Behind the Sustainability Report platform of the Exchange to communicate their ESG activities to the capital market community.

These and much more are part of the Group's long term sustainability strategy. NGX Group continues to position itself as a leader in African ESG, galvanizing the capital markets ecosystem for sustainable growth.

2022 Annual Compliance And Ethics Report

The NGX Group's Compliance and Ethics Program

At the Nigerian Exchange Group Plc ("NGX Group" or "The Group"), our compliance philosophy is based on the fundamental principles of maintaining full compliance with all applicable regulatory and statutory obligations, operating with utmost integrity, adhering to high ethical, social, environmental, health and safety standards, best practices and adherence to internal policies in the management of our compliance obligations. Accordingly, we are committed at all levels to meeting our compliance obligations in a sustainable manner by ensuring that compliance requirements are embedded as a culture into our day-to-day operations and processes, thereby influencing employee behavior and attitude at all levels.

We recognize that compliance with regulatory requirements and upholding the highest levels of integrity, ethical values, social, environmental and health and safety standards are crucial in achieving our vision of being Africa's Preferred Exchange Hub. Hence, we have a zero-tolerance policy for any infractions of regulatory and statutory standards, and our compliance and ethical systems are specifically intended to meet this policy requirement.

Our culture prioritizes compliance, integrity, transparency, fairness and professionalism in all our processes and services to deliver value to our stakeholders and achieve long-term goals.

The Board of Directors sets the tone for the NGX Group's Compliance and Ethics Program by providing leadership and oversight to ensure that all compliance risks associated with the Group's business are proactively identified, assessed, and effectively managed. The Board Audit and Risk Management Committee (BRAC) aids the Board in carrying out this oversight responsibility by examining the company's compliance with applicable laws and regulatory requirements during its quarterly meetings.

The Compliance Function

NGX Group has a well-established compliance function that supports all business units across NGX Group and its Subsidiaries to ensure we continuously comply with all applicable regulatory and statutory requirements, codes of ethics, standards and internal policies, as well as operate at the highest social, ethical, environmental and health and safety standards. Each subsidiary, similarly has a Compliance Officer who reports to the Subsidiary Board as well as the Group Head of Compliance. Despite the challenges and the difficult operating environment in 2022, we successfully closed the fiscal year with no regulatory contraventions thereby recording no fines or penalties, indicating the effectiveness of the compliance monitoring program implemented.

Compliance Activities in 2022

We continued to implement our Compliance and Ethics programs in the fiscal year under review by engaging in various monitoring efforts to improve our compliance processes. Among the important compliance activities carried out during the fiscal year under review are the following:

* Engaged a Data Protection Compliance Organization (DPCO) to conduct an Annual Audit in compliance with Nigeria Data Protection Regulation (NDPR), and submitted the report of NGX Group to the Nigeria Data Protection Bureau (NDPB).
* Annual Compliance Training was conducted for all employees to inform them of our compliance processes, including those resulting from our demutualization and listing of the company, as well as other focus areas in the Code of Ethics, in order to build on the existing foundation and meet our goal of zero risk appetite for compliance breaches.
* Conducted an Annual Compliance Quiz competition as part of efforts to test employees understanding and to continuously deepen employees' knowledge of the compliance function within the NGX Group of companies.
* Monitored and ensured adherence to our regulatory and statutory reporting obligations. During the fiscal year under review, a total of 253 reports and remittances were made to the regulator and other government entities.
* Renewed our subscription to an independent external whistleblowing channel (KPMG Ethics Line) to ensure we continue to provide a multichannel reporting platform, for our stakeholders to report any concerns, complaints, or any wrongdoings.
* The Annual Conflict of Interest Disclosure and Attestation for all staff was used to monitor potential and actual conflicts of interest.
* Published bi-monthly compliance communication guidelines to deepen employees' knowledge of our Compliance Programs, Code of Ethics, and the management of Internal Policies within the NGX Group of companies.
* Monitored Compliance with the regulatory requirements on insider dealings and filed the appropriate report to the market as required by the Nigerian Exchange Rules.
* Designed a new Securities Trading Policy for the company to meet the requirement of our status as a listed company which is hosted on the company's website and can be accessed via this link. https://ngxgroup.com/ngx-download/ngx-group-plc-securities-trading-policy/
* Developed a Complaints Management Policy that outlines how complaints are managed within the organization. This is hosted on the company's website and can be accessed through this link. https://ngxgroup.com/ngx-download/ngx-group-complaint-management-procedure-2021/

Highlights of NGX Group's Social and Environmental Activities

Through its Corporate Sustainability and Responsibility (CSR) strategy, NGX Group maintains its focus on generating positive outcomes for stakeholders and sustainability in its operations and business activities. Despite greater socio and macroeconomic issues in the year under review, the Group remained committed to its initiatives, which are built on four pillars: community, marketplace, workplace, and environment, and are supported by partnerships. The following are some prominent highlights from our recent CSR initiatives:

* NGX Group is developing the NGX Climate Disclosure Guidelines and reviewing the NGX Sustainability Disclosure Guidelines through its independent regulatory subsidiary, NGX Regulation Limited (NGX RegCo). The NGX Group Sustainability Report was also published on the company's website and the Issuer's platform.
* Collaborated with industry-leading organizations to facilitate sustainability training sessions such as:
  - The launch of the NGX Climate Awareness Initiative in April 2022 which was earmarked with two training sessions. This event was held in collaboration with United Nations (UN), Sustainable Stock Exchange (SSE), International Finance Corporation (IFC) and Committee for Development Policy (CDP) to ensure the adoption of best practices on climate disclosure by quoted companies in accordance with the recommendations of the Financial Standards Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD).
  - Hosted a webinar on sustainability reporting with Principles for Responsible Investing (PRI) and Global Reporting Initiative (GRI). The webinar which was tagged 'Empowering Responsible Investing through Data Metrics and Environmental, Social and Governance (ESG) Integration explored

conversations on the role of ESG data in investment decisions. The session was also a platform to enlighten investors, companies, market regulators and practitioners on ESG metrics and data in order to make informed choices.

- NGX, the operating exchange, via X-Academy, its knowledge platform, and NGX RegCo hosted a 2-day training on a capacity building session in sustainability reporting and ESG disclosures for listed corporates in collaboration with GRI. The training was designed by the Exchange to build the capacities of stakeholders in the capital market on the business case for sustainability integration, reporting and ESG disclosures based on updates made to the NGX Sustainability Disclosure Guidelines and the revised GRI Sustainability Reporting Standards and global trends.
- In partnership with the Institute of Directors (IoD) Nigeria, we hosted a workshop for Boards and Management on sustainability, diversity, and inclusion.
- NGX hosted a 90-minute virtual stakeholder roundtable in collaboration with the International Finance Corporation (IFC) to discuss Nigeria2Equal's report on Childcare, Women, and Work in Nigeria's Private Sector and the Business Case for Family. The Nigeria2Equal project brings together prominent companies to make precise, measurable, and time-bound commitments to expand women's participation in the Nigerian private sector as leaders, employees, and entrepreneurs along the corporate value chain.
- Launched the NGX Climate Response Initiative with two fully certified climate disclosure training sessions in accordance with the Task Force on Climate-related Financial Disclosures recommendations.
- The webinar Leadership Conversations: Emerging Boardroom Trends was hosted by NGX and IFC to discuss how CEOs and Board members are addressing diversity-related issues.
- A Green Bag Session was held to educate staff on the Climate Change Act 2021.

* To strengthen corporate governance in Nigeria, we coordinated the development of the Corporate Governance Triangle in partnership with the Institute of Directors (IoD) and the Nigerian Bar Association Section on Business Law (NBA-SBL).
* Delivered gender-focused programmes with international partners which enjoyed the participation of 15 listed companies. The programmes include:
  - The celebration of International Women's Day which was led by two female ministers of the federal republic. In addition, in a remarkable Closing Gong Ceremonies held for the first time, two recently appointed female chairpersons were honoured.
  - NGX, through the IFC-led Nigeria2Equal program alongside Nigeria's Private Sector CEOs collaborated to Close Gender Gaps via the International Women's Day #BreaktheBias campaign.
  - As part of the Group's diversity, equity, and inclusion strategy, we have made progress on Excellence in Design for Greater Efficiencies (EDGE) certification. The EDGE Certification is the leading standard for Diversity, Equity, and Inclusion (DE&I), focusing on workplace gender and intersectional equity. EDGE Certification is an effective tool for sustainable progress based on objective, measurable evidence of an organization's current status and progress, with clear performance standards that create transparency and accountability for change in the workplace gender and intersectional equity.
  - Continued engagement with Nigeria2Equal Gender Champions with a stakeholder meeting at the end of the year. Developed a blueprint for Gender-Based Violence in Workplaces research.
* Hosted a Facts Behind the Sustainability Report (FBSR) event with Lafarge Africa Plc to disclose its sustainability performance to capital market stakeholders, as well as a first-of-its-kind Closing Gong Ceremony to honor listed firms that have used the FBSR platform.

Health and Safety

Occupational Safety

The Security Unit had zero occurrences regarding health and safety during the fiscal year under review due to the application of best practices for occupational safety, which were followed by employees and other building occupants. During the fiscal year under review, no workplace accidents or injuries occurred as a result of the proper implementation of safety and occupational health procedures and policies.

Access Control

A Visitor Management System (VMS) was installed to improve access control to the facility. The VMS installation improved access control at the facility, resulting in no unauthorized personnel getting entry to the facility during the review year.

COVID-19 Security

Despite approval from the Nigerian Center for Disease Control (NCDC) to relax COVID-19 safety regulations, the Security Unit has continued to conduct temperature checks on in-bound visitors and to administer sanitizers at entry points and strategic locations throughout the building as precaution.

Regulatory Change and Compliance

Staying current with changes in our regulatory and statutory universe is a critical component of our robust compliance program at the NGX Group. Notable modifications include the NGX Amendments to the Rule Book of the Exchange, 2015 (Issuer's Rules), Amendments to Rules Governing Transactions with Related Parties or Interested Persons and New Rules on Issuance, Offering Platforms and Custody of Digital Assets

The Securities and Exchange Commission (SEC) approved the Amended Form of General Undertaking for Listing on NGX (Issuer's Rules) on September 21, 2022. This modifies the listing agreement's terms as well as the rules/requirements.

The Amendments to Rules Governing Transactions with Related Parties or Interested Persons was approved by the Securities Exchange Commission (SEC)'s on September 21, 2022 and the amendments to Rule 20.5(A) on November 3, 2022. This Rule is to mitigate the risk of interested persons' influence on Issuers, its subsidiaries, or associated companies, in carrying out transactions with such interested persons which may adversely impact the interest of the Issuer or its securities holders.

The Securities and Exchange Commission (SEC) released new rules on the issuance, offering platforms, and custody of digital assets as securities on May 20, 2022, with the goal of formalizing the digital asset space.
The new rules were to set a standard for regulating, among others, digital currencies and virtual assets. The Rules establish a clear regulatory framework for the development of Nigeria's digital asset market. The new SEC guidelines, effective May 20, 2022, specify the maximum fundraising amount, investment limit, registration, filing/application fee, and qualifying assets that can be registered.

We would continue to monitor and keep abreast of changes in our regulatory and statutory universe, and take necessary actions to ensure compliance.

A Look Forward to 2023

We anticipate that the Investment and Securities Bill (ISB) will be passed by the National Assembly, providing the capital market with the vitality it requires to promote investor confidence. The bill creates a framework for regulating new products such as financial and commodity derivatives, as well as financial market infrastructure. These new features are expected to promote activity, develop the Nigerian capital market, and provide the apex regulator with necessary authority to protect the market and implement the bill's terms.

As we prepare for a new Government in 2023 with probable rejig of programs and policies around the economy, we remain consistent in our commitment to a zero-tolerance policy for regulatory and statutory breaches. We will continue to develop our Compliance function by expanding on the current framework and ensuring compliance with existing and new regulatory and statutory obligations. Moreover, we will continue to comply with internal regulations and operate at the highest ethical standards while promptly identifying and correcting any material errors or irregularities.

Report of External Consultants on the Board Performance Evaluation of NGX Group PLC

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

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

We have performed the evaluation of the Board of Nigeria Exchange Group Plc (NGX Group) for the year ended 31st December 2022, in accordance with the Securities Exchange Commission (SEC) Corporate Governance Guidelines (CGG). The Securities and Exchange Commission (SEC) Corporate Governance Guidelines mandates the Board of Companies to undergo an annual appraisal of its own performance, that of its Committees, the Chairman and individual Directors.

Our approach included the review of NGX Group's Corporate Governance framework, and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with the Directors and key personnel of the Company.

On the basis of our work, the Board of NGX Group has complied with the requirements of the Securities Exchange Commission (SEC) Corporate Governance Guidelines in Nigeria during the year ended 31st December 2022. 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 NGX Group.

For: Ernst & Young

Ben Afudego
Partner, Consulting Leader, West Africa
FRC/2019/ICAN00000019725

Report of External Consultants on the Corporate Governance Review of NGX Group PLC

Building a better working world

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

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

We have performed the Corporate Governance review for the year ended 31st December 2022, 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 NGX Group's Corporate Governance framework, and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with the Directors and key personnel of the Company.

On the basis of our work, the Board of NGX Group has complied with the requirements of the Nigerian Code of Corporate Governance (NCCG) 2018 during the year ended 31st December 2022. 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 NGX Group.

For: Ernst & Young

Ben Afudego
Partner, Consulting Leader, West Africa
FRC/2019/ICAN00000019725

Corporate Information

DIRECTORS	Otunba Abimbola Ogunbanjo	Chairman (NED)- Retired 30 September 2022
	Dr. Umaru Kwairanga	Chairman (NED)- Appointed 5 October 2022
	Mr. Oscar N. Onyema, OON	Group Managing Director/GCEO
	Dr. Okechukwu Itanyi	Independent Non-Executive Director
	Mrs. Ojinika Olaghere	Independent Non-Executive Director
	Mr. Oluwole Adeosun	Non-Executive Director
	Mr. Chidi Agbapu	Non-Executive Director
	Mr. Patrick Ajayi	Non-Executive Director
	Mrs. Fatimah Bintah Bello – Ismail	Non-Executive Director
	Mr. Apollos Ikpobe	Independent NED- Resigned 5 October 2022
	Professor Enase Okonedo	Independent NED- Resigned 1 October 2022
ACTING COMPANY SECRETARY:	Ms. Obehi Ikhaghe	
REGISTERED OFFICE:	Nigerian Exchange House 2/4, Customs Street Marina Lagos FRC/2013/0000000000621	
INDEPENDENT AUDITOR:	Ernst & Young 13th Floor UBA House 57 Marina, Lagos Nigeria www.ey.com	
RC NUMBER	RC 2321	
TAX IDENTIFICATION NUMBER (TIN)	00884470-0001	

DIRECTORS' REPORT

Directors' Report

For the year ended 31 December 2022

The Board of Directors presents their report on the affairs of Nigerian Exchange Group Plc ("NGX Group" or “The Company”) and its subsidiaries (together “the Group" or "NGX Group"), together with the financial statements and independent auditor's report for the year ended 31 December 2022.

a. Legal form

NGX Group was incorporated in Nigeria as a private Company limited by shares on 15 September 1960 as Lagos Stock Exchange and its name changed to the Nigerian Stock Exchange on 15 December 1977. The Exchange was re-registered as a Company Limited by Guarantee on 18 December 1990. On 11 January 2021, it was converted and re-registered as a Public Company Limited by shares, pursuant to the Demutualisation Act, 2018. On 10 March 2021, NGX Group obtained approval from the Securities and Exchange Commission to operate as a demutualized entity. Accordingly, it was converted and re-registered as a Public Limited Company.

NGX Group, however, retained the incorporation date of 15 September 1960 and registration certificate number RC 2321 of The Nigerian Stock Exchange (NSE) which is registered under the laws of the Federal Republic of Nigeria. The demutualization of the NSE resulted in the change of its operational structure from a mutual Company limited by guarantee to a Company limited by shares, and the breakup of the business activities of the mutualized NSE into various separate entities post demutualization. NGX Group being listed by introduction on 15 October 2021 now operates as a SEC registered capital market Holding Company (CMHC); with interests in Nigerian Exchange Limited, NGX Regulation Limited and NGX Real Estate.

b. Principal activities and business review

As a key player in the continent's financial markets, NGX Group is focused on taking an active role in shaping the future of the markets through its investment in business innovation and technology.

NGX Group has six (6) subsidiary companies namely; Nigerian Exchange Limited, NGX Regulation Limited, NGX Real Estate Limited (formerly Naira Properties Limited), Coral Properties Limited, NSE Consult Limited and NSE Nominees Limited. Some of them are in the process of being wound up being pre-demutualisation subsidiaries. NGX Group also has significant interests in Central Securities Clearing System Plc (CSCS) and NG Clearing Limited.

c. Operating results

Gross earnings of the Group recorded an increase of 10% (2021: increase of 11%) and profit before tax recorded a decrease of 65% (2021: increase of 26%). Gross earnings for the Group comprises revenue, other income and share of profit of equity accounted investees. For the Company, gross earnings decreased by 13% (2021: decreased by 42%) and the profit before tax decreased by 113% (2021: increased by 76%). Highlights of the Group and the Company's operating results for the year under review are as follows:

Directors' Report

For the year ended 31 December 2022

In thousands of naira	Group 2021	Group 2022	Company 2021	Company 2022
Revenue and other income	6,798,759	7,499,603	4,120,275	3,568,138
Share of profit of equity accounted investee	2,119,361	2,150,844	-	-
Profit before minimum tax and income tax expense	2,401,202	823,089	1,905,686	(249,253)
Minimum tax	(6,981)	-	(6,031)	-
Profit after minimum tax	2,394,221	823,089	1,899,655	(249,253)
Income tax expense	(146,055)	(124,607)	(18,865)	(10,484)
Profit after taxation	2,248,166	698,482	1,880,790	(259,737)
Appropriations:				
Other comprehensive income	589,944	1,994,493	9,541	(13,217)
Transfer to retained earnings	2,838,110	2,692,975	1,890,331	(272,954)

d. The Board members' interests in contracts

No Board member has notified NGX Group, for the purpose of section 303 of the Companies and Allied Matters Act (CAMA) 2020, of any interest in contracts with the NGX Group during the year.

e. Property and Equipment

Information relating to changes in property and equipment is given in Note 22 to the Financial Statements. In the Directors' opinion, the market value of the Group's properties is not significantly different from the value shown in the Financial Statements.

f. Directors' Interest as at 31 December 2022

S/N	Director's Name	Dec-22		Dec-21	
		Direct	Indirect	Direct	Indirect
1	Otunba Abimbola Ogunbanjo*	2,441,274	NIL	3,053,924	NIL
2	Dr. Umaru Kwairanga (Finmal Finance Company Limited)**	3,053,924	1,420,640	3,053,924	3,020,640
3	Mr. Oscar N. Onyema, OON	NIL	NIL	NIL	NIL
4	Mr. Apollos Ikpobe***	NIL	NIL	NIL	NIL
5	Professor Enase Okonedo****	NIL	NIL	NIL	NIL
6	Mrs. Ojinika Olaghere	NIL	NIL	NIL	NIL
7	Dr.Okechukwu Itanyi	NIL	NIL	NIL	NIL
8	Mr. Oluwole Adeosun (Chartwell Securities Limited)	NIL	5,632,830	NIL	5,632,830
9	Mr. Chidi Agbapu (Planet Capital Limited)	NIL	1,000,000	NIL	6,007,884
10	Mr. Patrick Ajayi (WCM Capital Limited)	NIL	3,000,000	NIL	6,007,884
11	Mrs. Fatimah Bintah Bello – Ismail	NIL	NIL	NIL	NIL

* Retired as Chairman and Non-executive Director effective 30 September 2022 following completion of the transition period and after he decided not to seek renewal of the transition period for a further term of one year.

** Appointed Chairman effective 5 October 2022

*** Resigned as an independent Non-executive Director effective 5 October 2022 to pursue personal endeavors.

**** Resigned as an independent Non-executive Director effective 1 October 2022 to pursue personal endeavors.

g. Substantial Interest in Shareholding

As at 31 December 2022, the Company had 2087 shareholders. The following shareholders held up to 5% shares during the year:

S/N	Director's Name	Dec-22		Dec-21	
		Number of shares held	% of shareholding	Number of shares held	% of shareholding
1	STANBIC IBTC NOMINEES LIMITED	140,657,364	7.1 (6.38 as at 21.02.2023)	NIL	NIL
2	VFD GROUP PLC	99,106,979	5 (4.49 as at 21.02.2023)	NIL	NIL
3	CARDINALSTONE PARTNERS LIMITED	112,205,795L	5.7 (5.1 as at 21.02.2023)	NIL	NIL

A total of 222,480,337 shares are being warehoused by Stanbic IBTC Trustees Limited for the Long Term Incentive Plan (200,419,990) for employees and as balance Claims Review Shares (22,060,347). The process of operationalising the LTIP and receiving the requisite regulatory approvals is still ongoing.

h. Shareholding Analysis

Shareholding Analysis as at 31 December 2022					
Share Range		Number Of Shareholders	% of Shareholders	Number Of Holdings	% Shareholding
1-	10,000	1,176	56.3488	2,845,708	0.1291
10001-	50,000	314	15.0455	7,942,157	0.3603
50001-	100,000	110	5.2707	8,747,906	0.3968
100001-	500,000	113	5.4145	28,655,760	1.2998
500001-	1,000,000	44	2.1083	34,845,139	1.5806
1000001-	5,000,000	222	10.6373	555,364,334	25.1909
5000001-	10,000,000	89	4.2645	542,179,090	24.5929
10000001-	50,000,000	12	0.5750	264,764,323	12.0095
50000001-	100,000,000	5	0.2396	396,137,789	17.9685
100000001-	500,000,000	2	0.0958	363,137,701	16.4717
Total		**2,087**	**100.0000**	**2,204,619,907**	**100.0000**

Shareholding Analysis as at 31 December 2021					
Share Range		Number Of Shareholders	% of Shareholders	Number Of Holdings	% Shareholding
1-	10,000	878	41.24	2,832,436	0.14
10001-	50,000	399	18.74	10,498,562	0.53
50001-	100,000	164	7.70	13,006,865	0.66
100001-	500,000	207	9.72	51,316,565	2.61
500001-	1,000,000	50	2.35	39,328,767	2.00
1000001-	5,000,000	261	12.26	659,293,995	33.57
5000001-	10,000,000	165	7.75	1,004,569,215	51.15
10000001-	50,000,000	3	0.14	55,752,103	2.84
50000001-	100,000,000	2	0.09	127,517,410	6.49
Total		**2,129**	**100.00**	**1,964,115,918**	**100.00**

Directors' Report

For the year ended 31 December 2022

I. **Board Members - Responsibilities**

The Board members are responsible for the preparation of financial statements which give a true and fair view of the state of affairs and comply with Companies and Allied Matters Act (CAMA) 2020. They are obliged to ensure that:

i. Proper accounting records are maintained;
ii. Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;
iii. Applicable accounting standards are followed;
iv. Judgments and estimates made are reasonable and prudent;
v. Suitable accounting policies are adopted and consistently applied; and
vi. The going concern basis is used, unless it is inappropriate to presume that the NGX Group will continue in business.

j. **Human Resources**

i. Report on Diversity in Employment

The Company operates a non-discriminatory policy (Work Force Diversity and Equal Opportunities Policy) in the consideration of applications for employment. The Company's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion, gender or physical condition.

We believe diversity and inclusiveness are powerful drivers of competitive advantage in developing and understanding our customers' needs and creatively addressing them.

Gender Diversity Breakdown		
	♂ Male	♀ Female
Executive Management (CEOs)	2	1
Management Team (PM-GM)	18	5
All other staff members (SM and below)	59	54
NGX Group board members	6	2

ii. Employment of Disabled Persons

The Company maintains a policy of giving full consideration to applications for employment from persons with a disability with due regard to their abilities and aptitude vis a vis requirements of the role . In event of a staff member becoming disabled, our policy is to provide continuing employment and training wherever possible.

iii. Health, Safety and Welfare at Work

The Company enforces strict health and safety rules and practices in the work environment, that are reviewed and tested regularly. in addition, the Company provides a top-class health insurance via Health Maintainance Organisations (HMOs) to employees.

Fire prevention and fire-fighting equipments are installed in strategic locations within the Company's premises. In line with its family-friendly focus and fitness, the Company also operates a crèche facility and Gym at its Head Office.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises. In line with its family-friendly focus and fitness, the Company also operates a crèche facility and Gym at its Head Office.

The Company operates both a Group Personal Accident Insurance and the Employees' Compensation Scheme for the benefit of its employees. We also comply with the extant Pension Reform Act.

iv. Employee Training and Development

In line with the Company's policy of continous development, the NGX Group continues to invest in a range of initiatives to enable staff members develop required competencies, perform in their current roles and prepare them for future roles.

v. Board Engagement with Employees

Engagement with our workforce includes formal and informal meetings, engagement surveys, and team bonding activities.

k. Operational Risk

Operational risk is the risk that the Group would suffer a loss as a result of inadequate or failed processes, people and systems (including information technology and infrastructure) or from external events. By definition, operational risk excludes business risks (strategic and management) and financial risks (market, credit, and liquidity) but include all potential events that may impact one or more operational objectives of the Group.

Operational risk can arise due to human oversight, fraudulent acts, and inappropriate behaviour of employees or system failure. These events could result in financial losses, including litigations and regulatory fines, as well as reputational damage to the Group and can manifest in any of the following forms: business process execution failures, damage to tangible and intangible assets, threat to workplace health and safety, fraud and theft, compliance failures, technology failures and damages.

The Group recognizes that operational risks are inherent within its current operations, and may emerge from implementing new business decisions or from other internal and external changes. Our approach to managing operational risk is through a comprehensive, systematic, disciplined and proactive process implemented to identify, assess, mitigate, monitor and report operational risk related to the achievement of our strategic objectives and is embodied within the Board approved Enterprise Risk Management Framework.

The Group has conducted an enterprise-wide assessment on all its activities, processes, its procedures and implemented global standard operational risk management methodologies intended to enhance our risk mitigating controls and proactive management of inherent operational risks.

Several programmes targeted at staff development have been developed/deployed such as: The Leadership Enhancement And Development (LEAD) Programme, designed to groom and expand the capacity of staff to take on higher responsibilities. Bespoke courses organised for employees based on job requirement. Local and international courses available to staff within the training budget. All these are complemented by continuous on-the-job training, through mentorship and coaching.

l. Director's Remuneration

The Company ensures that remuneration paid to its Directors complies with the provisions of the Codes of Corporate Governance issued by its regulators.

In compliance with Section 34(5) of the Code of Corporate Governance for Public Companies as issued by Securities and Exchange Commission, the Company makes disclosure of the remuneration paid to its directors as follows:

Directors' Report

For the year ended 31 December 2022

Type of package fixed	Description	Timing
Basic Salary	Part of gross salary package for Executive Directors only. Reflects a competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial period.
Other allowances	Part of gross salary package for Executive Directors only. Reflects a competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial period.
Performance Incentive	Paid to Executive Directors only and tied to performance of the line report. It is also a function of the extent to which the Company's objectives have been met for the financial year.	Paid annually in arrears
Director fees	Paid quarterly at the beginning of a new quarter to Non-Executive Directors only.	Paid quarterly/annually in arrears
Siting allowances	Allowances paid to Non-Executive Directors only, for attending Board and Board Committee Meetings.	Paid after each meeting

m. Share based payment scheme

Further to Members' approval at the Extra-Ordinary General Meeting of 3 March 2020 for the establishment of an Employee Share Ownership Plan for the benefit of qualifying employees of Nigerian Exchange Group Plc and its Subsidiaries and the approval at the Annual General Meeting held on 9 September 2021 that the Company be and is hereby authorised to issue and allot 200,419,990 ordinary shares of 50 kobo each out of the share capital of Nigerian Exchange Group Plc for the operation of a Long Term Incentive Plan consisting of a Deferred Bonus Plan (DBP) and an Employee Share Purchase Plan (ESPP), with effect from 1 January 2021, subject to obtaining requisite regulatory approvals, the quantum of shares has been warehoused with Stanbic Trustees, who will serve as the Trustees for the LTIP. The LTIP is however yet to be effective as at reporting date.

n. Dividend

No dividend was declared by the Directors during the year. (2021: Nil)

o. Donation

Being a good corporate citizen, the Group made a total donation of N5 million in 2022 to Central Securities Clearing System (CSCS) geared towards the growth of the capital market.

p. Auditor

Messrs. Ernst & Young were appointed auditor to the Company at the last AGM held on 30 September 2022 and have indicated their willingness to continue in office as auditors to the Company in accordance with section 401(2) of the Companies and Allied Matters Act, 2020. A resolution will be passed at the next AGM authorising the Directors to fix the remuneration of the auditors.

By Order of the Board

Obehi Ikhaghe
Acting Company Secretary
FRC/2023/PRO/NBA/070/705720
24 February, 2023

Board of Directors

Dr. Umaru Kwairanga
Chairman (Non-Executive Director)

Dr. Kwairanga has 30 years' cognate experience in the banking, pensions, investment, manufacturing, and commercial sectors. He has served previously as a Council member of the Nigerian Stock Exchange and is currently a Council member of the Institute of Directors of Nigeria; and is an active director on the boards of many quoted/listed and unquoted companies such as Jaiz Bank Plc, Tangerine Pensions Limited and Tangerine General Insurance Limited. He is currently the GMD/CEO of Finmal Finance Services Limited.

He is a Fellow of the Chartered Institute of Stockbrokers, Fellow of the Certified Pension Institute of Nigeria (2005) and Fellow of the Institute of Directors of Nigeria. He is the Chairman, Gombe State Investment and Property Development Company Limited.

Dr. Kwairanga has a B.Sc. (Hons) Business Administration (1991) from the University of Maiduguri, MBA (1995) from Ambrose Alli University, Ekpoma, Edo State and M.Sc. Finance & Governance from Liverpool J M University UK (2007).

Mr. Oscar N. Onyema, OON
Group Managing Director and Chief Executive Officer

Mr. Onyema is the Group Managing Director and Chief Executive Officer of Nigerian Exchange Group Plc. Prior to attaining this position, he was the CEO of The Nigerian Stock Exchange for 10 years. In his current role, he is the Chairman of the Group Executive Committee. He is also the Chairman of two affiliate companies: Central Securities Clearing System Plc (CSCS), the clearing, settlement and depository for the Nigerian capital market; and NG Clearing Limited, which is the premier Central Counter Party Clearing House (CCP) in Nigeria. He serves on several other boards domestically and internationally including Pension Commission of Nigeria (PENCOM), London Stock Exchange Group (LSEG) Africa Advisory Group (LAAG), and the World Federation of Exchanges.

He was the President of African Securities Exchanges Association (ASEA) between 2014 and 2018. He has served as a Council member of Chartered Institute of Stockbrokers (CIS); Global Agenda Council member of World Economic Forum (WEF); and Board member of FMDQ OTC Plc (now FMDQ Securities Exchange Plc). Prior to relocating to Nigeria, he served as Senior Vice President and Chief Administrative Officer at American Stock Exchange (Amex). He also ran the NYSE Amex equity business after the merger of NYSE Euronext and Amex in 2008.

Mr. Onyema is the proud awardee of the Nigerian national honour, Officer of the Order of the Niger (OON), Fellow of the Institute of Directors (IOD), Fellow of the Chartered Institute of Stockbrokers (CIS), Associate of Chartered Institute for Securities & Investment (CISI) in the UK, and Holder of FINRA Series 7, 24, and 63 in the USA. Forbes listed him as one of the ten most powerful men in Africa in 2015.

Mr. Onyema holds a B.Sc. (Computer Engineering) (1991) from Obafemi Awolowo University, MBA (Finance and Investments) (1998) from Baruch College, New York. He has also completed the Advanced Management Program (AMP) of Harvard Business School (2015).

Dr. Okechukwu Itanyi
(Independent Non-Executive Director)

Dr. Itanyi has over 35years experience in the public and private sectors. He presently directs two investment and property development companies: Valuehouse Limited and Wata Resources Limited. He is a former Executive Commissioner (Stakeholders Management) at Nigerian Communication Commission (NCC) (2010 to 2015). He was elected as the Deputy Governor of Enugu State for two consecutive terms (May 1999 to May 2007). Prior to being Deputy Governor, he represented Igbo-Etiti East Constituency in Enugu State House of Assembly (1997).

He worked for Catenation Incorporated, a financial consulting company in Green Bay, Wisconsin, USA, before returning to Nigeria in 1988. Between 1988 and 1995, he worked for International Merchant Bank, Diamond Bank and Commercial Trust Bank. He has extensive experience in Treasury and Corporate Banking. He is a member of Nigerian Institute of Management (Chartered) and Fellow of the Nigerian Institute of Public Relations.

He is a Fellow of the Nigerian Institute of Management (Chartered) and the Institute of Public Relations. Dr. Itanyi holds a Doctor of Philosophy (PhD) in Business Management (2013) and Higher Diploma in Animal Health (1982) from the University of Nigeria Nsukka. He also holds a B.Sc. in Agriculture (1984) and MBA (1987) from the Ohio State University.

Mrs. Ojinika Olaghere, FCA
(Independent Non-Executive Director)

Mrs. Olaghere is the Managing Consultant of Rickela Consulting Limited. She retired from Access Bank Nigeria Plc in June 2018 as Executive Director, Operations and Information Technology Division. Prior to her appointment as Executive Director, she served as General Manager, General Resource Management Group and General Manager, the Enterprise Support Group. Prior to joining Access Bank in 2007, Mrs. Olaghere worked with Ecobank Nigeria for 16 years, in the Operations and Consumer Banking Groups. She started her career as a translator at Tropical Farming Magazine and the Embassy of Guinea. In 1987, she joined Coopers & Lybrand (Chartered Accountants) now PriceWaterhouseCoopers (PwC).

Mrs. Olaghere currently sits as a Non-Executive Director on the Boards of Access Holdings Plc, Coronation Life Assurance Limited, First Ally Asset Management Limited, First Ally Properties Ltd and Coscharis Technologies Limited. She is a Fellow of the Institute of Chartered Accountants of Nigeria.

She holds a Diploma in French and Literature from Université de Grenoble III, FRANCE (1983; and a B.A.(French) from University of Nigeria, Nsukka (1984). She has also attended courses at Harvard Business School, INSEAD, Massachusetts Institute of Technology, London Business School and Lagos Business School.

Board of Directors

Mr. Oluwole Adeosun
Non-Executive Director

Mr. Adeosun is the Managing Director/Chief Executive Officer of Chartwell Securities Limited. He was the Chief Executive Officer of Intercontinental Securities Limited (2000 to 2007).

He served as a pioneer member of the Governing Council of the Government promoted Abuja Securities Exchange (Now National Commodity Exchange) (2005 to 2007). He is an active participant in the affairs of the Association of Securities Dealing Houses of Nigeria and serve on its Market Development & Technical Committees. He serves on the Boards of Chartwell Securities Limited, Chartwell Bureau De Change Limited, Chartwell BDC (UK) Limited, Chartwell Partners (Chartered Accountants), and Chartwell HUB (UK) Limited.

He holds a B.Sc. (Hons) (Business Administration) from the University of Ilorin (1986) and MBA (Finance & Banking) from University of Lagos (1993). He qualified as a Chartered Accountant in May 1991. He attended the US Capital Markets program of the New York Institute of Finance (1999) and the Lagos Business School's Chief Executives Program (2006).

Mr. Adeosun is a Fellow of the Institute of Chartered Accountants of Nigeria, Chartered Institute of Bankers of Nigeria, Chartered Institute of Stockbrokers, Chartered Institute of Taxation of Nigeria, and the Institute of Directors. He is also a member of the Society for Corporate Governance, Nigeria.

Mr. Adeosun is currently the President and Chairman of Governing Council of The Chartered Institute of Stockbrokers.

Mr. Chidi Agbapu
Non-Executive Director

Mr. Agbapu is the Managing Director of Planet Capital Limited. He was the former Managing Director of Emerging Capital Limited. He serves on the Board of General Cotton Mill Onitsha, MTI Plc and MTI Ltd (Ghana). He is a past director of Central Securities and Clearing System Plc (CSCS) and Bendel Feeds & Flour Mills Plc. He is the Chairman of the Shareholders Audit Committee of Fidelity Bank Plc.

He obtained a B.Sc. (Economics) from the University of Nigeria, Nsukka (1986) and a Masters in Banking & Finance from the University of Lagos. He completed the Advance Management Programme of the Lagos Business School.

Mr. Patrick Ajayi
Non-Executive Director

Mr. Ajayi is the Managing Director/CEO of WCM Capital Limited. He qualified as a Stock Broker in 2004 and worked with Support Services Limited (a stockbroking Firm) prior to joining Woodland Capital Markets Plc. in 2013. He serves on the Boards of Ned Phillips Capital Limited, Woodland Asset Management Company Limited, WCM Capital Limited, WCM3 Investments Limited and Letshego Microfinance Bank.

Mr. Ajayi holds a B.Sc. (Physics) from Obafemi Awolowo University (1995). He is a Fellow of the Chartered Institute of Stockbrokers and an Associate member of the Institute of Chartered Accountants of Nigeria, the Institute of Directors and the Commodities Brokers Association of Nigeria.

Mrs. Fatimah Bintah Bello–Ismail
Non-Executive Director

Mrs. Bello-Ismail is the Managing Partner of Universal Chambers, a firm of Barristers, Solicitors and Notary Public. She previously worked at Kehinde Sofola & Co and Continental Merchant Bank Plc. She was a former member of the Board of Directors of National Insurance Company of Nigeria. She is a Trustee of the Home of Hospitality Development Initiative (HOHDI).

She obtained her LLB from Ahmadu Bello University Zaria(1984) and was called to The Nigerian Bar in 1985. She is currently an Independent Non-Executive Director on the Board of Access Holdings Plc and also an Independent Non-Executive Director on the Board of VTT LNG.

Proposed Directors

Mr. Nonso Okpala
(Non-Executive Director)

Mr. Nonso Okpala is the current Group Managing Director/Chief Executive Officer of VFD Group Plc, an Industry agnostic proprietary investment company with interests in banking, entertainment, capital market, fintech, international remittance, real estate and hospitality. Mr. Okpala formerly served as the Chief Financial Officer (CFO) for Heirs Holdings Limited for five years and as a Senior Auditor for KPMG Professional Services for four years before joining VFD Group Plc.

He has a Bachelor of Science (Bsc.) in Marketing from the University of Nigeria, Enugu, where he graduated as the best graduating student in 2003. Mr. Nonso Okpala is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN).

Mr. Mohammed Garuba
(Non-Executive Director)

Mr. Garuba is an accomplished finance and investment professional with over 25 years of cutting-edge experience across asset management, capital raising, corporate finance, macro and equity research, sales and trading, pension fund management, fintech and principal investing. He is a Co-Founder of CardinalStone Partners Limited and the Managing Director of CardinalStone Real Assets Limited. He has also worked with Renaissance Capital, Zenith Bank, Investment Banking & Trust Company Limited (now Stanbic IBTC Holdings Plc) and Intercellular Nigeria Limited.

He is the Chairman of CardinalStone Securities Limited, and an active Director on the Board of several companies such as CardinalStone Partners Limited, CS Advance Finance Limited, Zapphire Events Limited, CardinalStone Trustees Limited, and Value Payment Solutions Limited. He has served previously as a Council Member of the Chartered Institute of Stockbrokers of Nigeria and a member of the ministerial committee set up to review the Investment and Securities Act (ISA) 2007 based on international best practices regarding statutes governing the operations of the capital market.

He holds a B.Sc. (Hons) in Insurance from the University of Lagos, Nigeria, and an MBA from the London Business School. He is a Fellow of both the Chartered Institute of Stockbrokers of Nigeria and the Institute of Chartered Accountants of Nigeria. He is also an Associate of the Chartered Institute for Securities & Investment, UK, and an alumnus of Yale University and Harvard Kennedy School.

Mr. Sehinde Adenagbe
(Non-Executive Director)

Mr. Adenagbe is currently the Managing Director/Chief Executive Officer of Standard Union Securities Limited. He is vastly experienced in Capital Market Analysis, Corporate Finance/Stockbroking, Clients Advisory Services and Management. He has worked with various Capital Market institutions including Midland Capital Markets Limited, Midas Stockbrokers Limited, and Negotiable Finance Limited.

He is the 1st Vice Chairman of Association of Securities Dealing Houses of Nigeria (ASHON), a position he holds till date. He is also a member of the Certified Pension Institute of Nigeria (CPIM), the Nigerian Institute of Management (NIM), and the Chartered Institute of Stockbrokers.

Mr. Adenagbe holds a Bachelor of Arts (BA) in English from Obafemi Awolowo University, Ife (1989) and Master of Business Administration (MBA) in Financial Management (2001) from Ladoke Akintola University of Technology, Ogbomosho.

Mr. Ademola Babarinde
(Non-Executive Director)

Mr. Babarinde is the Managing Director/Chief Executive Officer of Reward Investment & Services Limited, a position he has maintained from 2015 till date. He has over 34 years working experience as an accountant and Capital Market specialist. Prior to joining Reward Investment & Services Limited, he worked with International Standard Securities Limited as a Manager and Agip Nigeria Plc as a Senior Accounting Officer.

To further demonstrate his leadership skills and astute qualities, he currently serves as a Council member of the Chartered Institute of Stockbrokers, and a Council member of the Institute of Capital Market Registrars.

Mr. Babarinde holds a Higher National Diploma (HND) Certificate in Accountancy from the Polytechnic, Ibadan (1987) and an MBA in Banking and Finance from Enugu State University of Science and Technology (1999). He is a Fellow of the Chartered Institute of Stockbrokers, Fellow of the Institute of Chartered Accountants of Nigeria, and Fellow of the Chartered Institute of Taxation of Nigeria.

Mrs. Mosun Belo – Olusoga
(Independent Non-Executive Director)

Mrs. Belo-Olusoga is the Lead Consultant/Chief Executive Officer of The KRC (Knowledge and Resource Centre) Limited, a world-class services provider with specialty focus on Credit Training. She holds a B.Sc. degree in Economics from University of Ibadan, graduating with a Second-Class Upper Degree and is a Fellow of the Institute of Chartered Accountants of Nigeria and Honorary Member of the Chartered Institute of Bankers.

She began her career as a Trainee Accountant with the then Messrs Coopers and Lybrand (Chartered Accountants) in 1980. She qualified as a Chartered Accountant in 1983 winning the ICAN First Place and the Society of Women Accountants of Nigeria (SWAN) Awards in the qualifying professional examinations. She subsequently moved to the then Continental Merchant Bank Limited towards the end of 1986 in a bid to change her career to Banking. She joined Guaranty Trust Bank Plc as a pioneer staff in 1990 where she gained robust experience having headed the major core banking groups including Investment, Corporate and Commercial Banking, Transaction Services, Risk Management and Settlement (Domestic and International Operations) Groups. She retired as Executive Director/ Head of the Bank's Southwest Division responsible for all marketing operations within the region.

Mrs. Belo – Olusoga was the first female Executive Director of Guaranty Trust Bank, the first female Director of Access Bank, first female Director of Premium Pensions Limited, first African Director, Global Alliance for Women in Banking, first female Chairman of Access Bank and first female Pro-Chancellor and Chairman of Council of Olabisi Onabanjo University. She is the immediate past Co-Chair of the Nigerian Chapter, Women Corporate Directors (WCD) and was named one of 100 Most Reputable Africans in 2018, one of 100 Globally Inspiring Women for 2021 and one of 50 Nigerian Amazons in 2021. She is a product of some of the world's prestigious Business Schools including IMD, Harvard, Kellogg, Columbia, Chicago Booth, Wharton and INSEAD. She is a past Chairman of the Equipment and Leasing Association of Nigeria, Acting MD, Trust Bank of Africa and sits on the Board of several companies. She is also a recipient of two Honorary Doctorate degrees (Honoris Causa) in Finance and Accounting.

Mrs. Fatima Wali-Abdurrahman
(Independent Non-Executive Director)

Mrs. Wali – Abdurrahman is a Senior Adviser to the Group President, Strategic Relations and Special Projects at Dangote Industries Limited. She was the Founder/Chief Executive of Filmco Group from 1994 – 2014. She has over 30 years' experience in the Real Estate industry. She has worked with other big firms such as Alpha Properties International Limited, Cosmocorp Realty and Femi Majekodunmi & Associates.

She serves as a Director on the Board of several Companies including NASCON Plc, Nigeria Mortgage Refinance Co. and BBL Landmark Refinance Realty/Landmark 2007 Global Realty. She is the current Chairperson of FilmoRealty Ltd and a member of the Advisory Board, Women's Investment Fund (Chapel Hill Denham). Mrs. Wali-Abdurrahman is also a Director of Isa Wali Empowerment Initiative (IWEI) and a member of the Advisory Board, CoAmana. She is a member of the Institute of Directors (IOD), Institute of Management Consultant, Women in the Boardroom and Women Corporate Directors.

Mrs. Wali – Abdurrahman has a B.A, Arch and Urban Studies University of Minnesota, U.S.A (1983), and M.Sc. Architecture from the University of London, UK.

Corporate Governance Report

For the year ended 31 December 2022

a. Introduction

The Board of Nigerian Exchange Group Plc (NGX Group) is pleased to present the Corporate Governance Report for the 2022 Financial Year. The report provides insight into the operations of our governance framework and Board's key activities during the reporting period. NGX Group has in place an effective governance mechanism that not only ensures proper oversight of its business by the Board and other principal organs of the Company, but also carries on its business in a manner that engenders public trust and confidence whilst meeting the expectations of all stakeholders.
In pursuit of this objective, NGX Group' processes are consistently re-appraised to ensure that they operate on the global standard of corporate governance at all times. NGX Group gained full membership status of the World Federation of Exchanges (the "WFE") on 28 October 2014.

b. Shareholding

Since the demutualization of NGX Group from an entity limited by guarantee to a public entity limited by shares in 2021, the membership of the Company has evolved and is currently has 2087 shareholders/members as at 31 December 2022.

c. The Board

The Board of NGX Group ("the Board") is the governing body of the Company. The Board directs NGX Group's business and financial affairs, strategy, structures and policies; monitors the exercise of any delegated authority; and deals with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

d. The Role of the Board

In recognition of the importance of corporate governance as a key element in achieving its vision, NGX Group adopts best practices with respect to corporate governance and ensures these practices are infused into its activities to guarantee the highest level of business conduct in all its dealings with its stakeholders.

In light of this, the Board (which is responsible for NGX Group's performance and charged with governance at the highest level) regards corporate governance as fundamentally important to the accomplishment of NGX Group's vision and mission. Members of the Board are persons with the relevant qualification, experience in their various fields and they ensure that NGX Group is properly managed and oversee Management's performance. The Board is independent of Management and discharges its oversight functions in an objective and effective manner.

The Board retains full and effective control over NGX Group, and monitors Management's implementation of the strategic plans and financial objectives as defined by the Board. The Board also ensures that a comprehensive system of policies and procedures is in place and that appropriate governance structures exist to ensure the smooth, efficient and prudent stewardship of NGX Group.

The Board is governed by a Charter which outlines its principal roles, matters reserved for it, regulates the parameters within which it operates and ensures the application of the principles of good corporate governance across board.

The day-to-day management of NGX Group is vested in the hands of the Group Managing Director/Chief Executive Officer ("GMD/CEO"), who is assisted by the Management Committee. The Management Committee through the exercise of authority delegated by the Board, ensures that NGX Group discharges its obligations as a recognized non-operating holding company.

The Board has put in place an appropriate Risk Management Framework to mitigate financial, non-financial and regulatory risks. Where necessary, the Board engages the services of external consultants to advise it on risk and legal issues.

The Board also ensures that there is a succession planning policy for a smooth transition in key leadership positions at NGX Group.

In addition to the foregoing, members of the Board have executed and adhere to a Code of Conduct which guides their dealings and commits them to behaving ethically, with integrity and honesty, and working together to achieve the Company's objectives.

In line with good practice, the Board set up Committees to assist with certain areas of its functions. The Committees are governed by Terms of References approved by Board. The Board and its Committees endeavor to meet as frequently as required by their respective charters/terms of reference. The Board members hold an annual strategy session to review matters of strategic importance.

e. **Board Structure**
The Board is currently made up of eight (8) Members; a Chairman, Group Managing Director/Chief Executive Officer (GMD/CEO), two (2) Independent Non-Executive Directors (INEDs) and four (4) Non-Executive Directors (NEDs). The GMD/CEO is responsible for the day to day running of NGX Group, assisted by the Management Committee.

There were significant changes to the Board composition in 2022 as highlighted in the table below:

S/N	Name	Comments
1	Otunba Abimbola Ogunbanjo	Retired as Chairman and Non-executive Director effective 30 September 2022 following completion of the transition periodand after he decided not to seek renewal of the transition period for a further term of one year.
2	Dr. Umaru Kwairanga	Appointed Chairman effective 5th October 2022
3	Mr. Apollos Ikpobe	Resigned as an independent Non-executive Director effective 5 October 2022 to pursue personal endeavors.
4	Professor Enase Okonedo	Resigned as an independent Non-executive Director effective 1 October 2022 to pursue personal endeavors.

The Board members currently serving on the Board are as follows:

S/N	Name	Cummulative Years of Service as at January 2023
1	Dr. Umaru Kwairanga	1 Year, 10 months
2	Mr. Oscar N. Onyema, OON	11 Years, 10 months
3	Dr. Okechukwu Itanyi	1 Year, 10 months
4	Mrs. Ojinika Olaghere	1 Year, 10 months
5	Mr. Oluwole Adeosun*	5 Years, 4 months
6	Mr. Chidi Agbapu*	5 Years, 4 months
7	Mr. Patrick Ajayi*	5 Years, 4 months
8	Mrs. Fatimah Bintah Bello-Ismail*	5 Years, 4 months

The Board meets at least once every quarter and such other times as it is required to meet to address urgent matters.

"* These are transiting Council Members. In accordance with the Scheme of Arrangement between The Nigerian Stock Exchange and its Dealing and Ordinary Members dated 20 January 2020 (Scheme), the transition period was for a period of eighteen months from demutualization of The Exchange and expired 31 August 2022.

Shareholders at the Annual General Meeting of the Company held on 30 September 2022 approved the extension of the transition period until the next Annual General Meeting or conclusion of the post-transition arrangements, whichever is eariler.

f. **Responsibilities of the Board**
The Board is responsible for:
(i) Approving the NGX Group's strategy and financial objectives and monitoring the implementation of those strategies and objectives;

(ii) Reviewing and approving of annual budgets and business plans; setting performance objectives, monitoring implementation and corporate performance;

(iii) Overseeing major capital expenditures, acquisitions and divestitures;

(iv) Providing oversight of senior management;

(v) Establishment of the various committees of NGX Group including the terms of reference and review of reports of such committees to address key areas of NGX Group's business;

(vi) Ensuring the integrity of NGX Group's accounting and financial reporting systems, including the internal audit function and that appropriate systems of control and risk monitoring are in place;

(vii) Monitoring the effectiveness of the governance practices under which NGX Group operates and making appropriate changes as necessary; and

(viii) Oversees the establishment, implementation and monitoring of a Group-wide risk management framework to identify, assess and manage business risks facing the NGX Group. This includes, but is not limited to financial, operational, information technology, legal, strategic, reputation and compliance risks.

The Board established four (4) standing Committees to facilitate the effective discharge of its oversight responsibilities and efficient decision-making. These Committees are constituted with formal Terms of Reference, which set out each Committee's roles, duties, and authority as well as the requirements for its composition, meeting procedures, and ancillary matters. These Committees also present formal report of their activities and recommendations to the Board. These Committees are made up of individuals with relevant skills and competencies who devote sufficient time to the Committees' work.

g. Board Committees

The Committees of the Board were formed for the speedy and efficient functioning of the Board. The Committees are set up in line with statutory and regulatory requirements and consistent with global best practice.

The Committees have well defined Terms of Reference defining their scope of responsibilities in such a way as to avoid overlap of functions. Below is an overview of the remit of the Committees and their membership composition during the year under review:

i. Governance & Remuneration Committee

The Committee is charged with ensuring that NGX Group complies with good corporate governance policies and practices. The Committee also provides oversight functions over NGX Group's human resource policies.

The membership of the Committee as at 31 December 2022 is as follows:

1. Mrs. Ojinika Olaghere (Chartered Accountant, Banker) - Chairperson
2. Mr. Chidi Agbapu (Economist, Stockbroker)
3. Mr. Patrick Ajayi (Chartered Accountant, Stockbroker)
4. Mrs. Fatimah Bintah Bello–Ismail (Legal Practitioner)

ii. Board Risk and Audit Committee

The Committee provides supervision and advises the Board on its oversight functions in the following areas: (a) Enterprise Risk Management; (b) Regulatory Compliance; (c) Internal Audit; (d) Internal Control; (e) Financial Reporting; and (f) Sustainability. The Committee is also charged with providing reasonable assurance regarding the Board's oversight responsibilities with respect to NGX Group's financial statements, the effectiveness of its internal controls and the framework for risk identification, assessment and management.

The membership of the Committee as at 31 December 2022 is as follows:

1. Mr. Patrick Ajayi (Chartered Accountant, Stockbroker) - Chairperson
2. Dr. Okechukwu Itanyi (Public Service Expert, Real Estate Consultant)
3. Mr. Oluwole Adeosun (Chartered Accountant, Stockbroker and Banker)
4. Mrs. Fatimah Bintah Bello–Ismail (Legal Practitioner)

iii. Board Strategy, Finance and Investment Committee

The Committee is charged with providing oversight responsibilities in relation to: (a) Strategy Planning, Monitoring and Tracking; (b) Capital Planning, Allocation and Management; (c) Investment Planning and Management; (d) Budgetary and Performance Reporting; and (e) Finance.

The membership of the Committee as at 31 December 2022 is as follows:

1. Mr. Oluwole Adeosun (Chartered Accountant, Stockbroker and Banker) - Chairperson
2. Mr. Oscar N. Onyema OON, (GMD/CEO, NGX Group)
3. Mr. Chidi Agbapu (Economist, Stockbroker)
4. Dr. Okechukwu Itanyi (Public Service Expert, Real Estate Consultant)

iv. Statutory Audit Committee

The Statutory Audit Committee is established pursuant to the provisions of Section 404 (3) of CAMA 2020. It is composed of three (3) shareholder representatives and two (2) Directors.

The Committee is charged with providing oversight functions in the following areas: (a) External Audit; (b) Internal Audit; and (c) Financial Reporting.

The membership of the Committee as at 31 December 2022 is as follows:

1. Mr. Oluwadare Adejumo, (Chartered Accountant, Stockbroker) – Chairman/Shareholder's representative
2. Mr. Peter Eyanuku (Extensive Audit Committee Experience) - Shareholder's representative
3. Mr. Mike Iteboje* (Stockbroker) - Shareholder's representative
4. Mrs. Ojinika Olaghere (Chartered Accountant, Banker) – Board Director
5. Mr. Oluwole Adeosun (Chartered Accountant, Stockbroker and Banker) – Board Director

* Mr. Mike Iteboje was elected as a member of the Statutory Audit Committee at the last AGM of the Company held on 30 September 2022. He replaced Mr. Daniel Ugwuoke who was not re-elected at the AGM.

Tenure of the Statutory Audit Committee

The tenure of each Committee member is from the date of election at an AGM till the next AGM. The membership may, however, be renewed through re-election at the next AGM.

Corporate Governance Report

for the year ended 31 December 2022

S/N	Committees	Number of Meetings heldin 2022	Summary of Activities in 2022
1	Governance and Remuneration Committee	5 meetings 100% attendance	* Reviewed and recommended to the Board for approval the Policy on Appointment of Representatives to the Boards of Subsidiaries, Associate, Investee Companies and Representative Companies * Oversaw the evaluation and performance review of the Group Managing Director/CEO (GCEO) for the 2022 Financial Year. * Oversaw and recommended to the Board for approval the appointment of representives on the boards of the Group's investee companies. * Reviewed the recommendation on staff incentives and recommended to the Board for approval. * Considered the 2022 Evaluation Report of the Board. * Oversaw the process of appointment of the Board Evaluation and Governance Review Consultant (Ernst & Young) and recommended same to the Board for approval. * Reviewed and recommended to the Board, the approval of relevant policies such as the Communication and Dissemination Policy, Securities Trading Policy and the Framework for appointment of Directors to the Company's Board.
2	Board Risk and Audit Committee	5 meetings 100% attendance	* Provided oversight on Enterprise Risk Management, Regulatory Compliance, Internal Audit, Internal Control, Financial Reporting, and Sustainability. * Oversaw the appointment of a new external auditor (Ernst & Young) to replace the former external auditor of the Company, KPMG Professional Services who had served the Company for the maximum statutory period of ten (10) years. * Considered the Enterprise Risk Management Reports comprising: Business and Risk Management Report; Information Security and Business Continuity Report; Internal Control Status Report; and Investment Risk Report; * Considered the Internal Audit, Compliance and Legal Risk Reports. * Considered and recommended to the Board for approval the submission of the 2021 Audited Financial Statements of NGX Group to NGX Regulation Limited and the Securities and Exchange Commission, respectively. * Considered and recommended to the Board for approval the submission of the Consolidated Management Accounts of NGX Group to NGX Regulation Limited and the Securities and Exchange Commission, respectively. * Oversaw the recovery of debts from shareholders of NGX Group (indebted members entitled to demutualization shares). * Considered and recommended the 2022 Risk Based Audit Plan to the Board for approval. * Considered and recommended to the Board the 2022 External Audit Plan. * Considered and approved the Internal Audit Charter of NGX Group. * Reviewed its Terms of Reference and recommended to the Board for approval. * In line with its statutory obligations, held meetings with the Internal and External Auditors in the absence of Management
3	Board Strategy, Finance and Investment Committee	6 meetings 100% attendance	* Considered and approved the revised Investment Policy. * Deliberated on the proposed capital raise transaction of the Company. * Oversaw the intra-Group allocation of assets. * Considered and recommended to the Board for approval the updated signatories to the bank accounts of NGX Group. * Considered and recommended to the Board for approval the draft 2023 Consolidated Budget of the Group. * Reviewed and approved the Transfer Pricing Policy for the Group * Reviewed its Terms of Reference and recommended to the Board for approval.
4	Statutory Audit Committee	4 meetings 100% attendance	* Oversaw the appointment of a new external auditor (Ernst & Young) to replace the former external auditor of the Company, KPMG Professional Services who had served the Company for the maximum statutory period of ten (10) years. * Considered and approved the 2022 Risk Based Audit Plan * Considered the quarterly Internal Audit Report. * Considered and recommended to the Board for approval the submission of the 2021 Audited Financial Statements of NGX Group to NGX Regulation Limited and the Securities and Exchange Commission, respectively. * Considered and recommended to the Board for approval the submission of the Consolidated Management Accounts of NGX Group to NGX Regulation Limited and the Securities and Exchange Commission, respectively.

Corporate Governance Report

for the year ended 31 December 2022

h. Record of the Board and Committee meetings held in 2022

The table below shows the frequency of meetings of the Board, Board Committees and members' attendance at these meetings during the year under review.

Board Meetings*

S/N	Board Member	11-Jan-22	23-Feb-22	11-Jun-22	23-Jun-22	31-Aug-22	30-Sep-22	5-Oct-22	9-Nov-22	28-Nov-22
1.	Dr. Umaru Kwairanga	P	P	P	P	P	P	P	P	P
2.	Otunba Abimbola Ogunbanjo*	P	P	P	P	P	P	RS	RS	RS
3.	Mr. Oscar N. Onyema, OON	P	P	P	P	P	P	P	P	P
4.	Mr. Apollos Ikpobe**	P	P	P	P	P	P	P	RS	RS
5.	Dr. Okechukwu Itanyi	P	P	P	P	P	P	P	P	P
6.	Prof. Enase Okonedo***	P	P	P	P	P	P	RS	RS	RS
7.	Mrs. Ojinika Olaghere	P	P	P	P	P	P	P	P	P
8.	Mr. Oluwole Adeosun	P	P	P	P	P	P	P	P	P
9.	Mr. Chidi Agbapu	P	P	P	P	P	P	P	P	P
10.	Mr. Patrick Ajayi	P	P	P	P	P	P	P	P	P
11.	Mrs. Fatimah Bintah Bello-Ismail	P	P	P	P	P	P	P	P	P

* Resigned effective 30 September 2022
** Resigned effective 1 October 2022
*** Resigned effective 5 October 2022

Board Risk and Audit Committee

S/N	Committee Member	24-Jan-22	21-Feb-22	25-Apr-22	25-Jul-22	24-Oct-22
1.	Mr. Apollos Ikpobe	P	P	P	P	RS
2.	Dr. Okechukwu Itanyi	P	P	P	P	P
3.	Mrs. Ojinika Olaghere	P	P	P	P	P
4.	Mr. Oluwole Adeosun	P	P	P	P	P
5.	Mrs. Fatimah Bintah Bello-Ismail	A	P	P	P	P

Board Governance and Remuneration Committee

S/N	Committee Member	10-Mar-22	19-May-22	31-May-22	29-Aug-22	25-Nov-22
1.	Prof. Enase Okonedo	P	P	P	P	RS
2.	Dr. Okechukwu Itanyi	P	P	P	P	NM
3.	Mr. Chidi Agbapu	P	P	P	P	P
4.	Dr. Umaru Kwairanga	P	P	P	A	NM
5.	Mrs. Ojinika Olaghere	NM	NM	NM	NM	P
6.	Mr. Patrick Ajayi	NM	NM	NM	NM	P
7.	Mrs. Fatimah Bello-Ismail	NM	NM	NM	NM	P

Board Strategy, Finance and Investment Committee

S/N	Committee Member	20-Jan-22	4-Feb-22	18-Mar-22	25-Apr-22	22-Sep-22	29-Dec-22
1.	Dr. Umaru Kwairanga	P	P	P	P	P	NM
2.	Mr. Oscar. N. Onyema,OON	P	P	P	P	P	P
3.	Mr. Apollos Ikpobe	P	P	A	P	P	RS
4.	Mr. Patrick Ajayi	P	P	P	P	P	NM
5.	Mr. Oluwole Adeosun	NM	NM	NM	NM	NM	P
6.	Mr. Chidi Agbapu	NM	NM	NM	NM	NM	P
7.	Dr. Okechukwu Itanyi	NM	NM	NM	NM	NM	P

Statutory Audit Committee

S/N	Committee Member	21-Feb-22	25-Apr-22	25-Jul-22	24-Oct-22
1.	Mr. Oluwadare Adejumo, (Chairman)	P	P	P	P
2.	Mr. Daniel Ugwuoke	P	P	P	NM
3.	Mr. Peter Eyanuku	P	P	P	P
4.	Mr. Mike Itegboje	NM	NM	NM	P
5.	Mrs. Ojinika Olaghere	P	P	P	P
6.	Mr. Oluwole Adeosun	P	P	P	P

KEY

P *Present*
A *Absent*
NM *Not A Member*
RS *Resigned*

i. Relationship with Stakeholders
Nigerian Exchange Group maintains an effective communication with its stakeholders, which enables them understand its business, financial condition and operating performance and trends. Apart from the annual report and accounts, proxy statements, NGX Group maintains a rich website that provides information on a wide range of issues for all stakeholders.

j. Appointment of Board Members
NGX Group developed a comprehensive, clearly defined and transparent procedure for appointment to the Board. This procedure is documented in the NGX Group's Policy on Nomination/Appointment of Individuals/Institutions to the Board. The Policy:

(i) Provides a comprehensive, clearly defined and transparent procedure for the nomination and/ or appointment of Individuals/Institutions to the Board;
(ii) Ensures that NGX Group is managed and overseen by competent, capable and trustworthy individuals resulting in an effective Board; and
(iii) Ensures that the Board is structured in such a way that it has an understanding of NGX Group's current and emerging issues, as well as the requisite competence and ability to oversee Management, as it addresses these emerging issues.

The Governance and Remuneration Committee (GARC) is responsible for assessing and nominating potential candidates to the Board and its Committees. The GARC is also responsible for recommending these candidates to the Board for consideration to fill a casual vacancy and or for election at NGX Group's Annual General Meeting (AGM) . Once approved by the Board, the candidates for appointment to the Board are presented to the SEC for its approval prior to their presentation for election at NGX Group's Annual General Meeting. The appointment of the Directors were approved at the Extra-Ordinary General Meeting (EGM) held on 3 March 2020 ahead of the demutualization of The Nigerian Stock Exchange (now Nigerian Exchange Group Plc) which occurred in March 2021. The appointment became effective upon demutualization. Thereafter, the Board of NGX Group Plc was inaugurated in April 2021.

k. Induction and Training of Board Members
Newly appointed Board members are onboarded in order to ensure that they can promptly and efficiently discharge their duties. The onboarding process is to build a solid foundation for informed oversight of NGX Group. The onboarding process is set forth as follows:

* Provision of the Board Onboarding Packet;
* A Formal induction session for Board and for each Committee;
* Familiarization meeting with NGX Group's Management team; and
* Completion of the Self-assessment Form to determine training needs.

Board members are provided with the necessary support and resources during their tenure as Board Members and are trained annually based on identified training needs to ensure effective oversight in a dynamic and changing environment.

l. Conflict of Interest Policy
The Board maintains a Conflict of Interest Policy and all Board members are required to execute same stating that they would adhere to its provisions. The Conflict of Interest Policy ensures transparency and objectivity, protects the interests of NGX Group's shareholders, stakeholders and the general investing public in the course of the activities of the Board or any of its Committees. The policy ensures that conflicts of interest, whether real or perceived, that may arise within the Board are identified, disclosed and managed appropriately.

m. Whistle Blowing Policy
NGX Group is subscribed to the KPMG Ethics Line (an external whistleblowing program) in compliance with Principle 19 of the Nigerian Corporate Governance Code 2018 which requires Public Companies to establish a whistleblowing system for reporting unethical/unlawful activities. The KPMG Ethics Line is independent of NGX Group and therefore objective as it provides a higher level of assurance that the whistle-blower would remain anonymous and all disclosures would be treated in a confidential manner.

n. Remuneration Policy

Elements of NGX Group's Remuneration Policy

	Key Principles Underlying Remuneration
Board Members	* should not be at a level that can compromise their independence;
	* should match the levels paid to directors in comparable companies, whilst also taking into consideration Board members' required competencies, effort and the scope of the work and duties, and time commitments;
	* the remuneration paid will not include any performance related elements; and
	* there will be no pension for Board Members
Senior Management	* attract, motivate and retain required key talents.
	* competitive when benchmarked against comparable companies; and
	* In order to attract, motivate and retain the required talents, NGX Group's philosophy is to target its remuneration structure between the 25th and 50th percentile of comparable companies. The ability to meet this objective is dependent on sustainability of proposed remuneration levels, the business and the economic realities of the country.

o. Evaluation of the Board

The Board established a system to undertake a formal and rigorous annual evaluation of its performance, that of its committees, the Board Chairman and individual Board Members. The Board recognizes that Board evaluation is a critical structural tool for assessing Board effectiveness and efficiency. The process and modalities are clearly defined in the Evaluation Policy.

NGX Group engaged an external Consultant to evaluate the performance of its Board, Committees and individual board members for the year ended 31 December 2022. The assessment covers the Board's structure and composition, responsibilities, processes and relationships for the year.

p. Company Secretary

The Company Secretary possesses relevant skill, qualification and competence necessary to discharge the duties of her office effectively. Ms. Obehi Ikhaghe was appointed the Acting Company Secretary in January 2023 following the resignation of Mrs. Mojisola Adeola effective 31 December 2022. She is a lawyer with over 13 years of experience, and she amongst other things:

(I) Provides the Board and its members with detailed guidance on their statutory and fiduciary duties, governance issues, and how their responsibilities should be properly discharged in NGX Group's interest;
(ii) Manages Board communication and communication among Board inter se and between Board and Management;
(iii) Inducts new Board members to assist them transit quickly and effectively into their new roles as Board Members, particularly, to accelerate new members' integration and enable them to make quality contributions to Board discourse and decision making;
(iv) Renders ongoing support and assistance to the Board;
(v) Organizes relevant professional training as required by the Board.

q. Regulatory Compliance/Fines:

There were no fines recorded in the year under review.

NGX Group Free Float Computation

as at 31 December 2022

Shareholding Structure/Free Float Status

Description	31-Dec-22 Unit	Percentage
Issued Share Capital	2,204,619,907	100%
Substantial Shareholdings (5% and above)		
Stanbic IBTC Trustees	222,480,337	10.09%
Stanbic IBTC Nominees	141,157,364	6.40%
Cardinal Stone & (Michael Nzewi direct and indirect)	114,647,069	5.20%
Total Substantial Shareholdings	478,284,770	21.69%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests		
Dr. Umaru Kwairanga (Indirect - Finmal Finance Company Ltd)	1,420,640	0.06%
Dr. Umaru Kwairanga (Direct)	3,053,924	0.14%
Mr. Oluwole Adeosun (Indirect - Chartwell Securities Ltd)	5,632,830	0.26%
Mr. Patrick Ajayi (Indirect - WCM Capital Ltd)	3,000,000	0.14%
Mr. Chidi Agbapu - (Indirect - Planet Capital Ltd)	1,000,000	0.05%
Mrs. Fatimah Bintah Bello – Ismail (Indirect - Katsina State Investment & Property Development Company Limited)	1,441,274	0.07%
Total Directors' Shareholdings	14,128,028	0.64%
Other Influential Shareholdings		
Niger State Development Company Ltd	2,441,274	0.11%
Yobe Investment Company Ltd	2,441,274	0.11%
Bank of Industry Ltd	2,441,274	0.11%
New Nigeria Development Company Ltd	2,441,274	0.11%
Sokoto Investment Company Ltd	2,441,274	0.11%
Gongola Investment Company Ltd	2,441,274	0.51%
Kaduna Investment Company Ltd	2,441,274	0.11%
Nigerian Investment Trust Company Ltd	2,441,274	0.11%
Bauchi Investment Corporation Securities Limited	3,371,786	0.15%
Yobe Investment & Securities Limited	4,318,052	0.20%
Jigawa State, Invest & Prop Dev Co	2,486,274	0.11%
Adamawa Securities Limited	2,007,884	0.09%
Ondo State, Government	2,000,000	0.09%
Gombe Securities Limited	7,884	0.00%
Jigawa State, Invest & Prop Dev Co	252,400	0.01%
Northern Nigeria Investment Ltd	2,441,274	0.11%
Northern Resources Development Ltd	2,441,274	0.11%
Plateau Investment Company Ltd	2,000,000	0.09%
Kano State Invesment aand Properties Ltd	100,000	0.00%
Total Other Influential Shareholdings	40,957,020	2.26%
Free Float in Units and Percentage	1,671,250,089	75.81%
Free Float in Value	**₦ 38,438,752,047.00**	

Declaration:

(A) Nigerian Exchange Group Plc with a free float percentage of 75.81% as at 31 Dec 2022, is compliant with NGX's free float requirements for companies listed on the Main Board.

(B) Nigerian Exchange Group Plc with a free float value of N38,438,752,047.00 as at 31 Dec 2022, is compliant with NGX's free float requirements for companies listed on the Main Board.

Statement of Compliance with Nigerian Exchange Limited's Listing Rules on Security Trading

Nigerian Exchange Group has notified its Directors, Audit Committee members, employees and all individuals categorized as insiders to refrain from dealing in the Company's shares during the close period and also provided advisory to insiders on the regulatory requirements for trading in NGX Group Shares. The Company has developed its Security Trading Policy to reflect its new status as a listed company in line with the requirement of Rule17.15, Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) and the Policy has been published on its website and communicated to its stakeholders.

Dr. Umaru Kwairanga
FRC/2013/CISN/0000002357
Chairman
24 February, 2023

Obehi Ikhaghe
FRC/2023/PRO/NBA/070/705720
Acting Company Secretary
24 February, 2023

Statement of Directors' responsibilities in relation to the preparation of the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group at the end of the year and of its profit or loss and other comprehensive income. The responsibilities include ensuring that the Group:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and the Company in compliance with the requirements of the Companies and Allied Matters Act 2020, the Investments and Securities Act 2007, the Financial Reporting Council of Nigeria Act, No. 6, 2011 and relevant securities and exchange commision guidelines and circulars;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) prepares its consolidated and separate financial statements using appropriate accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards as issued by the International Accounting Standards Board, and the requirements of the Companies and Allied Matters Act, 2020, the Investments and Securities Act 2007 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

The Directors are of the opinion that the consolidated and separate financial statements present fairly, in all material respects, the financial position and financial performance of the Group and the Company as at year ended 31 December 2021. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the consolidated and separate financial statements, as well as adequate systems of internal financial control.
Nothing has come to the attention of the Directors to indicate that the Group and the Company will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Dr. Umaru Kwairanga
FRC/2013/CISN/0000002357
Chairman
24 February, 2023

Mr. Oscar N. Onyema, OON
FRC/2013/IODN/00000001802
Group Chief Executive Officer
24 February, 2023

Statement of Corporate Responsibilities for the Financial Statements

For the year ended 31 December 2022

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Chief Financial Officer, hereby certify the financial statements of Nigerian Exchange Group Plc ("The NGX Group" and "Company") for the year ended 31 December 2022 as follows:

a) That we have reviewed the audited consolidated and separate financial statements of the Group and Company for the year ended 31 December 2022.
b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
c) That the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for, the year ended 31 December 2022.
d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Group and Company and its subsidiaries is made known to the officer by other officers of the companies, during the year end 31 December 2022.
e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited consolidated and separate financial statements, and certify that 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'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'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's internal control.

Mr. Oscar N. Onyema, OON
FRC/2013/IODN/00000001802
Group Chief Executive Officer
24 February, 2023

Mr. Cyril Eigbobo
FRC/2013/ICAN/00000001736
Group Chief Financial Officer
24 February, 2023

Statutory Audit Committee's Report

For the year ended 31 December 2022

TO: THE MEMBERS OF NIGERIAN EXCHANGE GROUP PLC

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020, we the Members of the Statutory Audit Committee of Nigerian Exchange Group Plc ("the Company") having carried out our statutory functions under the Act, hereby report that:

a) the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
b) the scope and planning of both the external and internal audit for the year ended 31 December, 2022 are satisfactory;
c) the internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems; and
d) having deliberated with the Independent Auditor, who confirmed that necessary co-operation was received from Management in the course of their statutory audit and having reviewed the Independent Auditor's memorandum of recommendations on accounting procedures and internal control matters, we are satisfied with Management responses thereon.

Finally, we acknowledge the co-operation of Management and staff in the conduct of our duties.
Members of the Statutory Audit Committee are:

1. Mr. Samuel Adejumo (Shareholders' Representative) Chairman
2. Mr. Peter Eyanuku (Shareholders' Representative) Member
3. Mr. Michael Itegboje (Shareholders' Representative) Member
4. Mrs. Ojinka Olaghere (Directors' Representative) Member
5. Mr. Oluwole Adeosun (Directors' Representative) Member

The Company Secretary served as the Secretary to the Committee.

Dated 24 February 2023

Mr. Samuel Adejumo
Chairman, Statutory Audit Committee
FRC/2014/CISN/00000008649

Independent Auditor's Report
To The Members Of Nigerian Exchange Group Plc
Report on the Audit of the Consolidated and Separate Financial Statements

Building a better working world

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

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ey.com

Opinion

We have audited the consolidated and separate financial statements of Nigerian Exchange Group Plc ("the Company") and its subsidiaries (together "the Group" or "NGX Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and notes to the consolidated and separate financial statements.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2022 and their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The Key Audit Matter apply equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Expected Credit Loss (ECL) on Financial Assets Financial assets at amortised cost and bank balances, amount to N22.8 billion (2021: N18.3 billion) and N14.8 billion (2021: N15.5 billion) and represent 40% (2021: 48%) and 40% (2021: 62%) of total assets for the Group and the Company, respectively. The financial assets include term deposits, federal government bonds, state government bonds, corporate bonds, and other related financial assets. The financial assets are carried at amortised cost, less allowance for impairment. Impairment allowance is made on expected credit losses. It is a key area of judgment due to the level of subjectivity inherent in estimating the impact of key assumptions on the recoverable amount of the balances."	Our audit procedures with respect to the audit for the year ended 31 December 2022: * We reviewed the IFRS 9 ECL model and other documentation prepared by management for the computation of impairment on financial assets at amortised cost in line with the requirements of IFRS 9. * We evaluated the financial assets to determine whether all assets were included in the calculations, and whether they met the definition of a financial asset; * We obtained an understanding and tested the key data sources and assumptions used in the ECL models by the Group and the Company. We understood the process of choosing the data points and its relevance for the Group and the Company; * We reviewed the IFRS 9 ECL model and other documentation prepared by management for the computation of impairment on financial assets at amortised cost in line the requirements of IFRS 9.
There are several significant judgments which are required in measuring the ECL under IFRS 9, this includes: - The determination of criteria for Significant Increase in Credit Risk (SICR) for staging purpose. (At origination, financial asset is classified as stage 1, when there is significant increase in credit risk the financial asset is migrated to stage 2 and subsequently to stage 3 when there is a default); - Factoring in future economic assumptions; - Techniques used in determine the Probability of Default ('PD') and Loss Given Default ('LGD').	* We evaluated management assumptions used, as it relates to forward looking assumptions by using publicly available information; * We reviewed- the appropriateness of the Group's and the Company's determination of SICR in accordance with the standard and the resultant basis for classification of various exposures into various stages; * For a sample of exposures, we tested the accuracy of the Group's and the Company's staging; * For a sample of exposures, we checked the appropriateness of determining the Exposure at Default and the resulting arithmetical calculations; * We recomputed the calculation of the LGD used by the Group and the Company in the ECL calculations, including assessing the appropriateness of the use of collateral and the resulting arithmetical calculations.
Given the materiality of the financial assets and the level of complexity and judgement involved in the determination of the ECL, we considered the impairment of financial assets as a key audit matter. The Group's and the Company's accounting policy on impairment and related disclosures on credit risk are shown in Notes 5.4 and 6(ii) to the consolidated and separate financial statements, respectively.	* We involved our internal specialists to assist in the review of the models used and to perform an independent recalculation of the impairment provision for the selected portfolios. * We reviewed the qualitative and quantitative disclosures for reasonableness and to ensure conformity with IFRS 7 - Financial Instruments: Disclosures.

Other matter
The financial statements of Nigerian Exchange Group Plc for the year ended 31 December 2021 were audited by another auditor who expressed unmodified opinion on those financial statements on 28 February 2022.

Other Information
The Directors are responsible for the other information. The other information comprises the information included in the document titled "NIGERIAN EXCHANGE GROUP Plc Consolidated and Separate Financial Statements for the year ended 31 December 2022", which includes the Corporate Information, Statement of Corporate Responsibility, the Directors' Report, Corporate Governance Report, Statement of Compliance with Nigerian Exchange Limited Listing Rules, Statement of Directors' Responsibilities in relation to the Financial Statements, Audit Committee Report, and Other Natiaonal Disclosures as required by the Companies and Allied Matters Act, 2020, and in compliance with the Financial Reporting Council Act, No. 6, 2011, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements
The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, and in compliance with the Financial Reporting Council of Nigeria Act No.6, 2011, and for such internal controls as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements
In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatements, 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 the ISA 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 the ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The 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 and the Company's internal control.
* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
* Conclude on the appropriateness of the 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

* Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
* Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company 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 the Directors 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 the Directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year 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

In accordance with the requirements of the Fifth Schedule of the Companies and Allied Matters Act, 2020, 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 purpose of our audit;

ii) In our opinion, proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books;

iii) The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and

iv) In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

Oluwasayo Elumaro, FCA
FRC/2012/ICAN/00000000139

For: Ernst & Young
Lagos, Nigeria
1 March 2023

FINANCIAL STATEMENTS

Consolidated and Separate Statement of Comprehensive Income

For the year ended 31 December 2022

In thousands of naira	Note	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Revenue	9	6,170,366	5,777,055	3,348,241	3,734,541
Revenue		6,170,366	5,777,055	3,348,241	3,734,541
Other income	10	1,329,237	1,021,704	219,897	385,734
		7,499,603	6,798,759	3,568,138	4,120,275
Interest expense on borrowings	25	(2,100,468)	-	(2,100,468)	-
Impairment charge/ reversal on assets	11	(3,549)	(70,289)	82,139	324,791
Personnel expenses	12	(3,664,500)	(3,239,711)	(798,847)	(983,340)
Depreciation of PPE	22	(467,133)	(394,733)	(48,840)	(185,429)
Depreciation of ROU asset	27	(2,083)	-	-	-
Amortization	23	(81,436)	(99,356)	(6,527)	(1,273)
Operating expenses	13	(2,508,190)	(2,712,829)	(944,848)	(1,369,338)
Total expenses		(8,827,357)	(6,516,918)	(3,817,391)	(2,214,589)
Operating (loss)/profit		(1,327,755)	281,841	(249,253)	1,905,686
Share of profit of equity accounted investees	20(iii)	2,150,844	2,119,361	-	-
Profit / (loss) before minimum taxation		823,089	2,401,202	(249,253)	1,905,686
Minimum tax	14	-	(6,981)	-	(6,031)
Profit/ (loss) before income tax expense		823,089	2,394,221	(249,253)	1,899,655
Income tax expense	14	(124,607)	(146,055)	(10,484)	(18,865)
Profit/ (loss) for the year		698,482	2,248,166	(259,737)	1,880,790
Other comprehensive income:					
Items that will never be reclassified to profit or loss					
Equity-accounted investee -share of OCI-fair value	31(d)	(68,035)	(13,471)	-	-
Remeasurement of defined benefit liability	28	41,250	39,007	(13,217)	9,541
Equity investment at FVOCI - net change in fair value	19(a)(iii)	2,021,278	564,153	-	-
Equity-accounted investee - share of OCI remeasurement of defined benefit liability	31(d)	-	255	-	-
Other comprehensive income / (loss), net of tax		1,994,493	589,944	(13,217)	9,541
Total comprehensive income / (loss) for the year		2,692,975	2,838,110	(272,954)	1,890,331
Earnings per share					
Basic and diluted (Naira)	36	0.35	1.13	-	-

The accompanying notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Financial Position

As at 31 December 2022

In thousands of naira	Note	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
ASSETS					
Cash and cash equivalents	15	4,749,694	2,248,237	1,560,373	1,097,730
Trade and other receivables	16	1,064,696	1,658,324	704,470	1,123,165
Intercompany receivables	17	-	-	926,009	909,120
Prepayments	18	592,461	460,577	95,745	267,822
Investments securities	19	621,570	3,986,512	648,871	1,946,974
Total current assets		7,028,421	8,353,650	3,935,468	5,344,811
Investment securities	19	16,330,112	10,373,491	10,998,256	10,373,491
Investment in associates	20	29,711,182	14,750,629	19,364,881	5,083,910
Investment in subsidiaries	21	-	-	2,856,928	3,738,111
Property and equipment	22	3,827,404	4,209,294	203,929	296,147
Intangible assets	23	90,444	181,875	24,834	31,361
Right-of-use asset	27	75,501	-	-	-
Defined benefit plan asset	28	180	-	-	-
Total non-current assets		50,034,822	29,515,289	33,448,828	19,523,020
Total assets		57,063,243	37,868,939	37,384,296	24,867,831
LIABILITIES					
Other liabilities	24	5,286,796	2,498,648	1,180,094	2,335,019
Term borrowings	25	14,078,952	-	14,078,952	-
Income tax liabilities	26	93,854	224,724	16,229	24,896
Lease liabilities	27	26,021	222,623	-	142,422
Retirement benefit obligation	28	-	-	1,416	-
Total current liabilities		19,485,623	2,945,995	15,276,691	2,502,337
Retirement benefit obligation	28	125,666	163,964	39,561	24,496
Provisions	29	405,744	405,744	402,743	402,743
Deferred tax liability	30	238,882	238,882	-	-
Total non current liabilities		770,292	808,590	442,304	427,239
Total liabilities		20,255,915	3,754,585	15,718,995	2,929,576
EQUITY					
Share capital	31(a)	1,102,310	982,058	1,102,310	982,058
Other reserves	31(d)	3,973,831	1,988,351	(61,030)	(29,789)
Retained earnings		31,731,187	31,143,945	20,624,021	20,985,986
Total equity		36,807,328	34,114,354	21,665,301	21,938,255
Total liabilities and equity		57,063,243	37,868,939	37,384,296	24,867,831

The financial statements were approved by the Board on 24 February 2023 and signed on its behalf by:

Dr. Umaru Kwairanga
FRC/2013/CISN/0000002357
Chairman

Mr. Oscar N. Onyema, OON
FRC/2013/IODN/00000001802
Group Managing Director and CEO

Mr. Cyril Eigbobo
FRC/2013/ICAN/00000001736
Group Chief Financial Officer

The accompanying notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Changes In Equity

For the year ended 31 December 2022

The Group

			Other Reserves				
In thousands of naira	Note	Share Capital	Claims review shares reserve	Fair value reserve	Actuarial valuation reserve	Retained Earnings	Total equity
Balance at 1 January 2021		-	-	1,437,498	(48,103)	29,886,849	31,276,243
Total comprehensive income for the year:							
Profit for the year		-	-			2,248,166	2,248,166
Other comprehensive income (net of income tax)							
Equity investment at FVOCI - net change in fair value	19(a)(iii)	-	-	564,153	-	-	564,153
Equity accounted investee - share of OCI	31(d)	-	-	(13,471)	-	-	(13,471)
Remeasurement of defined benefit liability	28	-	-	-	39,007	-	39,007
Equity accounted investee - share of OCI- Remeasurement of defined benefit liability	31(d)	-	-	-	255	-	255
Total comprehensive income for the year		-	-	550,682	39,262	2,248,166	2,838,110
Transaction with equity holders	31	982,058	-	9,012	-	(991,070)	-
Balance at 31 December 2021		982,058	-	1,997,192	(8,842)	31,143,945	34,114,353
Balance at 1 January 2022		982,058	-	1,997,192	(8,842)	31,143,945	34,114,353
Total comprehensive income for the year:							
Profit for the year		-	-	-	-	698,482	698,482
Other comprehensive income (net of income tax)							
Equity investment at FVOCI - net change in fair value	19(a)(iii)	-	-	2,021,278		-	2,021,278
Equity accounted investee - share of OCI	31(d)	-	-	(68,035)		-	(68,035)
Remeasurement of defined benefit liability	28	-	-	-	41,250	-	41,250
Equity accounted investee - share of OCI- Remeasurement of defined benefit liability		-	-	-	-	-	-
Total comprehensive income for the year		-	-	1,953,243	41,250	698,482	2,692,975
Transaction with equity holders		120,252	(9,012)		-	(111,240)	-
Balance at 31 December 2022		1,102,310	(9,012)	3,950,435	32,408	31,731,187	36,807,328

The Company

			Other Reserves				
In thousands of naira		Share Capital	Claims review shares reserve	Fair value reserve	Actuarial valuation reserve	Retained Earnings	Total equity
Balance at 1 January 2021		-	-	-	(48,342)	20,096,266	20,047,924
Total comprehensive income for the year:							
Profit for the year	28		-	-	-	1,880,790	1,880,790
Other comprehensive income (net of income tax)							
Remeasurement of defined benefit liability		-	-	-	9,541	-	9,541
Total comprehensive income for the year		-	-	-	9,541	1,880,790	1,890,331
	0						
Transaction with equity holders	31						
			-	-	-	-	-
Transaction with equity holders		982,058	-	-	-	(982,058)	-
Balance as at 31 December 2021		982,058	-	-	(38,801)	20,994,998	21,938,255
Balance at 1 January 2022		982,058	-	-	(38,801)	20,994,998	21,938,255
Total comprehensive income for the year:							
Loss for the year		-	-	-	-	(259,737)	(259,737)
	28						
Other comprehensive income (net of income tax)							
Remeasurement of defined benefit liability		-	-	-	(13,217)	-	(13,217)
Transaction with equity holders		120,252	(9,012)			(111,240)	-
Total comprehensive loss for the year		120,252	(9,012)	-	(13,217)	(370,977)	(272,954)
Balance at 31 December 2022		1,102,310	(9,012)	-	(52,018)	20,624,021	21,665,301

The accompanying notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Cash Flows

For the year ended 31 December 2022

In thousands of naira	Note	Group 2022	Group 2021	Company 2022	Company 2021
Cash flows from operating activities:					
Profit/(loss) before tax		823,089	2,401,202	(249,253)	1,905,686
Adjustments for:					
Depreciation of property and equipment	22	417,161	394,733	48,840	185,429
Depreciation of investment property		-	-	-	-
Depreciation of right of use asset	27	2,083	-	-	-
Amortization of intangible assets	23	81,436	99,356	6,527	1,273
Gain on disposal of property and equipment	10	(18,668)	(1,246)	-	(623)
Write-off of property plant & equipment	22	-	-	142,453	-
Net foreign exchange differences	35(x)	12,792	45,143	(719)	29,201
Impairment loss on investment securities	11	(68)	12,649	-	12,649
Impairment loss/(reversal) on cash and cash equivalent	11	(304)	2,504	-	2,121
Impairment write back on intercompany receivables	11	-	-	(66,889)	(349,000)
Interest expense on borrowing	25	2,100,468	-	2,100,468	-
Impairment writeback on trade and other receivables	11	(110,150)	46,463	(7,000)	-
Interest expense on lease liabilities	13	886	31,871	-	29,727
Share of profit of equity accounted investee	20(iii)	(2,150,844)	(2,119,361)	-	-
Current service charge & interest cost: long service award	28	40,682	44,779	1,848	8,962
Interest income	9	(2,030,704)	(1,343,207)	(1,876,948)	(1,307,121)
Dividend income	9	-	-	(1,471,262)	(1,707,680)
		(832,141)	(385,113)	(1,371,935)	(1,189,376)
Change in intercompany receivables	35(i)	-	-	70,000	380,313
Change in trade and other receivables	35(ii)	703,778	(842,741)	425,695	(275,562)
Change in prepayments	35(iii)	(131,884)	(322,226)	172,077	(132,008)
Change in liabilities	35(iv)	2,710,564	72,319	(1,067,063)	44,175
Change in retirement benefit obligations	28	(180)	-	1,416	-
		2,450,137	(1,477,762)	(1,769,810)	(1,172,458)
Income tax paid	26	(255,477)	(17,404)	(19,151)	-
Retirement benefit obligation paid	28	(37,731)	(386,390)	-	(363,660)
Net cash from/(used in) operating activities		2,156,929	(1,881,556)	(1,788,961)	(1,536,118)
Cash flows from investing activities:					
Interest received	35(v)	1,918,348	1,218,989	1,764,592	1,182,903
Dividend received	35(vi)	1,471,262	1,707,680	1,471,262	1,707,680
(Purchase)/sale of investments - financial assets	35(vii)	(457,977)	(3,463,774)	785,694	(3,489,073)
Acquisition of property and equipment	22	(193,368)	(356,266)	(99,075)	(211,190)
Proceeds from the sale of property and equipment	35(viii)	176,765	(4,754)	-	623
Additions to investment property		-	-	-	-
Proceeds from disposal of investment in subsidiary		-	-	861,183	-
Additional investment in associates	35(ix)	(14,349,006)	(1,926,571)	(14,280,971)	(1,926,570)
Proceeds from the disposal of intangible assset		9,995	-	-	-
Acquisition of intangible assets	23	-	(39,299)	-	(32,634)
Net cash used in investing activities		(11,423,981)	(2,863,995)	(9,497,315)	(2,768,262)
Cash flows from financing activities:					
Lease payments	27	(197,488)	-	(230,284)	(166,990)
Proceeds from term loan	25	25,000,000	-	25,000,000	-
Repayment of borrowings- principal	25	(11,815,648)	-	(11,815,648)	-
Interets paid	25	(1,205,868)	-	(1,205,868)	-
Net cash from/(used in) financing activities		11,780,996	-	11,748,200	(166,990)
Net increase/(decrease) in cash and cash equivalents		2,513,944	(4,745,551)	461,923	(4,471,370)
Cash and cash equivalents at the beginning of the year		2,248,237	6,988,063	1,097,730	5,562,994
Effect of movements in exchange rates on cash held		(12,487)	5,725	719	6,107
Cash and cash equivalents at end of year	15	4,749,694	2,248,237	1,560,373	1,097,730

The accompanying notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

1 Reporting entity

NGX Group was incorporated in Nigeria as a private company limited by shares on 15 September 1960 as Lagos Stock Exchange and its name changed to the Nigerian Stock Exchange on 15 December 1977. The Exchange was re-registered as a Company Limited by Guarantee on 18 December 1990. On 10 March 2021, NGX Group was converted and re-registered as a public company limited by shares, pursuant to the Demutualization Act, 2018. NGX Group, however, retained the incorporation date of September 15, 1960 and registration certificate number RC 2321 of The Nigerian Stock Exchange (NSE) which is registered under the laws of the Federal Republic of Nigeria. In March 2021, it obtained its approval from the Securities and Exchange Commission to operate as a demutualized entity. The demutualization of the NSE resulted in its operational structure change from a Company limited by guarantee to a Company limited by shares. Part of the restructuring activities include the reallocation of the assets and liabilities of the NGX Group to the newly emerged entities, the Nigerian Exchange Limited and NGX Regulation Limited.

NGX Group provides a wide range of services including listing and trading securities, licensing, market data solutions, ancillary technology, regulation, real estate and more through its wholly owned subsidiaries.

The Company was listed by introduction on the floor of the Nigerian Exchange Ltd on October 15, 2021 and became a Public Listed Company. The Memorandum and Articles of Association of the re-registered Exchange was also amended to the new name, Nigerian Exchange Group. The address of the NGX Group's registered office is Nigerian Exchange House, 2/4 Customs Street, Lagos.

The consolidated and separate financial statements of the Company as at and for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" " NGX Group") and the Group's interest in equity accounted investees. The principal activity of NGX Group is to carry on business as a financial holding company, investing in and holding controlling shares in, as well as managing equity investments in capital market securities.

2 Basis of accounting

i. Statement of compliance

These 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), in the manner required by the Companies and Allied Matters Act of Nigeria (CAMA), 2020, and the Financial Reporting Council of Nigeria Act, 2011.

ii. Basis of preparation

These consolidated and separate financial statements have been prepared on an accrual basis and under historical cost convention except for the following items, which are measured on an alternative basis on each reporting date:

(a) Investments in debt instruments measured at amortised cost.
(b) Equity investments measured at fair value through other comprehensive income (FVOCI).
(c) The liability for defined benefit obligations recognised as the present value of the defined benefit obligation less the fair value of the plan assets.
(d) Trade and other receivables and other liabilities are measurement at amortised cost.

These consolidated and separate financial statements are presented in naira, which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. The consolidated and separate financial statements were authorised for issue by the Board of Directors on 24th February 2023. Details of the Group's and the Company's accounting policies are included in note 5 to the financial statements.

3 Use of judgments and estimates

In preparing these consolidated and separate financial statements, the Directors have made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgment refers to management's judgments applied to significant accounting policies that materially impact the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

i. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 26	Lease Term: whether the Group is reasonably certain to exercise extension options;
Note 20	Equity-accounted investees: whether the Group has significant influence over an investee; and
Note 21	Consolidation: whether the Group has de facto control over an investee.

ii. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 7(b)	FVOCI: Key assumptions underlying the determination of fair value of the investments;
Note23(a)	Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs;
Note21	Investment in subsidiaries: Key assumptions underlying the recoverable amount;
Note16	Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate;
Note28	Measurement of defined benefit obligations: key actuarial assumptions; and
Note30	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and
Note32	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

iii. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and report directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group's Board Risk and Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

i. Level 1 : Quoted market price (unadjusted) in an active market for an identical assets or liabilities.
ii. Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
iii. Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 7.

4 Changes in accounting policies

The Group and company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Group and company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards issued and effective as at 1 January 2022 are:
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time
The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. These amendments had no impact on the financial statements of the Group and company as there were no first-time subsidiaries that arose during the period.

*** Reference to the Conceptual Framework – Amendments to IFRS 3**
The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. These amendments had no impact on the financial statements of the Group and company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

*** Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**
The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. These amendments had no impact on the financial statements of the Group and company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

*** Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items in profit or loss. n accordance with the transitional provisions, the Bank applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Group and company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

*** IAS 41 Agriculture – Taxation in fair value measurements**
The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. These amendments had no impact on the financial statements of the Group and company as it did not have assets in scope of IAS 41 as at the reporting date

*** IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial

liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. These amendments had no impact on the financial statement of the Group and company during the period.

Standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group and company's financial statements are disclosed below. The Group and company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

*** IFRS 17 - Insurance Contract**
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e. life,non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

(i) A specific adaptation for contracts with direct participation features (the variable fee approach)
(ii) A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group and company."

*** Amendments to IAS 1: Classification of Liabilities as Current or Non-current**
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
(i) What is meant by a right to defer settlement
(ii) That a right to defer must exist at the end of the reporting period
(iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right
(iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group and company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

*** Definition of Accounting Estimates - Amendments to IAS 8**
In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group and company's financial statements"

*** Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted.

Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group and company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements. The amendment is not expected to have a material impact on the Group and company's financial statements.

*** Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12**
In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The Group and company is currently assessing the impact of the amendments.

*** Lease liability in a Sale and Leaseback-Amendments to IFRS 16**
In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendments are applicable from the beginning on or after 1 January 2024. The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuringmthe lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8. A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed.

A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

The Group and company is currently assessing the impact of the amendments.

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The amendments must be applied prospectively. Early application is permitted and must be disclosed.

*** Sale or Contribution of Assets between an investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28**
The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgmental and entities need to consider the definition carefully in such transactions. The Group and company is currently assessing the impact of the amendments.

5 Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated and separate financial statements except where otherwise stated.

5.1 Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has 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 consolidated and separate financial statements incorporates the assets, liabilities and performance results of: NSE Consult Limited, Coral Properties Limited, NGX Real Estate Limited, Nigerian Exchange Limited, NGX Regulation Limited and NSE Nominees Limited. The financial statements of subsidiaries are included in the consolidated and separate financial statements from the date that control commences until the date that control ceases.

In the separate financial statements, investment in subsidiaries are carried at cost less impairment losses.

iii. Loss of control

When the Group loses control over a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv. Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group accounts for Interests in associates using the equity method. They are initially recognised at cost, which include transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which the significant influence ceases.

In the separate financial statements of the Company, investment in associates are carried at cost.

v. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated and separate financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

vi. Non-controlling interest

Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interests in subsidiary that do not result in a loss of control are accounted for as equity transaction.

vii. Common Control Transactions

The Group accounts for common control transactions using the book value accounting methods when a common control transaction is effected through the acquisition of assets and liabilities constituting a business under IFRS 3 (from an entity under common control) rather than by acquiring shares in that business. A transaction is a 'common control transaction' if it is a transfer of net assets or an exchange of equity interest or between entities under the control of the same parent. In applying book value accounting, the transaction is recognized as a distribution or contribution from a transaction with shareholders. The relevant book value is the carrying amount of the investee in the separate financial statements of the transferor.

5.2 Foreign currency translations

Transactions in foreign currencies are translated into the functional currencies of the operations at the spot exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate as at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was 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 are generally recognised in statement of profit or loss and presented within operating expenses. However, foreign currency differences arising from the translation of the following item are recognised in OCI.

- an investment in equity security designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);

5.3 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) 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. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

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

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

- 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 debt investment 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

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 as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - 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 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.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial Assets-Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of 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 specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses:

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using effective interest rate 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 statement of profit or loss. Included in financial assets at amortised cost are investments in debt securities, cash and cash equivalents, intercompany receivables and trade and other receivables.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represent recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Classified as FVOCI are the investment in equity securities.
Debt investments at 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 are reclassified to profit or loss.

Financial liabilities - Classification, subsquent measurement and gains and losses
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, it is a derivative or it 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. The principle of amortised cost is disclosed in note 5.3 (v)(b).

iii. Derecognition of financial instruments

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.
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.

iv. 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.

v. The concept of fair value measurement and amortised cost

(a) 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 the date. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities (see Note 3 (iii))

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

If an asset or a liability measured at fair value has a bid price or an ask price, then the Group measures the assets at a bid price and liabilities at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on 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 for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on 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.

(b) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

5.4 Impairment

i. Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost and
- debt investments measured at FVOCI;

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due or if the obligor has been delisted from the Exchange's trading platform for trade receivables in the case of listed companies.

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 financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be between AAA and BBB per Fitch, Standard & Poor's, and Global Credit Rating.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured 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). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost 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 365 days past due;
- 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.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets grouped into cash-generating units (CGUs). A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.5 Property and equipment

i. Recognition and measurement

Items of property and equipment are initially recognised at cost, which includes capitalised borrowing costs, and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment and each component is depreciated separately. Changes to an existing item of property or equipment are added to or deducted from the cost of the related asset and depreciated prospectively over the remaining useful life of the asset.

Any gain or loss on disposal of an item of property and equipment is recognised in other income/other expenses in statement of profit or loss. Gains or loses on disposal are determined by comparing proceeds with the carrying amount of the asset.

ii. Subsequent costs

The Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

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 of items of property and equipment for the current and comparative year are as follows:

Leasehold improvements	Over the shorter of the useful life of item or lease period
Building	50 years
Computer equipment	5 years
Office equipment	5 years
Furniture, fixtures & fittings	5 years
Motor vehicles	5 years

The assets useful lives, residual values and depreciaton rates are reviewed and adjusted if appropriate, at the end of each reporting period.

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

5.6 Intangible assets

i. Goodwill
Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. In respect of equity-accounted investments, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

ii. Software
Purchased software is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the software can be measured reliably. Expenditure that forms part of the cost of software that meets the recognition criteria are capitalized as part of the software. The capitalized costs of internally developed software or separately acquired software include all costs directly attributable to developing and purchasing the software respectively and capitalized borrowing costs, and are amortised over its useful life.

Software is stated at capitalized cost less accumulated amortisation and impairment. Subsequent expenditure of software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

iii. Amortisation
Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that is available for use since this most reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years. The amortisation methods, useful lives and residual values of intangible assets are reviewed at each financial year-end and adjusted if appropriate.
An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

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

5.7 Provisions

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 the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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.

5.8 Prepayments

Prepayments are stated at cost less amortised amounts. Prepayments are amortised to the statement of profit or loss by the straight-line method or according to performance of the underlying transaction.

5.9 Employee Benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

ii. 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 has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as employee benefit expenses in profit or loss in the years in which the services are rendered by employees. 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 is due more than 12 months after the end of the year in which the employees render the service are discounted to their present value at the reporting date.

The Group operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act of 2014. The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary. Obligations in respect of the Group's contributions to the scheme are recognised as an expense in the profit or loss account on an annual basis.

iii. Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation (DMO). When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

With effect from 31 March 2011, the defined benefit scheme was terminated and final entitlements due to qualified staff was subsequently fully funded by the Group.

Effective 1 January 2015, long-term incentive scheme was established for certain eligible employees. The entitlement for the qualifying employee is based on the following threshold of their gross salary per annum or annual cash pay (Total Cash Compensation (TCC)) for every year of services, depending on the term completed.

* 15%-17.5% in the first five years of service (first term)
* 25%-35% in the next 5 years of services (second term)

On 1 August 2017, management established a long service recognition initiative which is designed to recognize, appreciate and celebrate the contributions of long tenured employees, at the attainment of milestone years during their work lifespan with the company. The policy became effective in 2018.
Table below presents the cash benefit attached to each milestone year.

Milestone Years	Computation of cash benefit
5 years	5% of annual gross salary
10 years	9% of annual gross salary
15 years	13% of annual gross salary
20 years	17% of annual gross salary
25 years	21% of annual gross salary
30 years	25% of annual gross salary
35 years	30% of annual gross salary

iv. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

5.10 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group Executive Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. Information relating to segment reporting is presented in Note 8 to the financial statements.

5.11 Contingencies

i. Contingent asset

Contingent asset is a possible asset that arises 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 entity.

A contingent asset is disclosed when an inflow of economic benefit is probable. When the realization of income is virtually certain, then the related asset is not a contingent and its recognition is appropriate.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statement.

ii. Contingent liability

Contingent liability is a possible obligation that arises 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 entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. A provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable is recognised, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent liabilities are assessed continually to determine whether an outflow of economic benefit has become probable.

5.12 Revenue and other income

i. Revenue

Revenue comprises treasury investment income or interest income and dividend income.

(a) Interest Income

Interest income is recognised in the statement of profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. The effective interest rate is established on initial recognition of the financial asset and is not revised subsequently.
The calculation of the effective interest rate includes contractual fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income presented in the statement of profit or loss includes interest on financial assets at amortised cost on an effective interest basis. Interest income and expenses on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

(b) Dividend income

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Dividends are presented in net trading income or net income from other financial instruments at fair value through profit or loss based on the underlying classification of the equity investment. Dividend income from equity accounted investee is recognised as a component of other operating income.

ii. Other income

Other income from fees and levies are recognised as the related services are performed. Included in other income are listing fees, entrance fees, transaction fees and trading levies, market data income, rental income etc.

Any upfront fees or payment for services that are rendered over a period of time are treated as unearned income and recognised over the required period. These are warehoused in deferred income account.

Rental Income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

5.13 Income Tax

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 Company 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.

The Finance Act 2021 became effective on 1 January 2022 and introduced significant changes to some sections of the Companies Income Tax Act (CIT). The Company has applied the CIT related provisions of the Finance Act in these financial statements.

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.

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.

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

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.

The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Minimum tax is determined based on 0.25% of the Company's gross turnover less franked investment income.

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.

(b) Deferred Tax
Deferred tax is recognized on 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 recognized for the following temporary differences:

- The initial recognition of goodwill;
- 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.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. 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 realized. Such reductions are reversed when the probability of future taxable profits improves.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

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

5.14 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.

i. The Group as a lessee

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.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of 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, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leased office space for its branch operations. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group as a lessor

At inception 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 their relative standalone prices. The Group also determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

Generally, the Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as the 'rental income' (see Note 10).

5.15 Share capital and reserves

i. Share issue costs
Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

ii. Retained earnings
Retained earnings comprise the undistributed profits from previous periods which have not been reclassified to any specified reserves

iii. Dividends on ordinary shares
Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Group's shareholders. Dividends for the year that are declared after the date of the consolidated statement of financial position are dealt with in the subsequent events note. Dividends proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Companies and Allied Matters Act of Nigeria, (CAMA,2020)

iv. Other reserves
Other reserves comprises of fair value gain or loss on investments carried at FVOCI, actuarial gains or loss on retirement benefit obligation and claims review shares reserve.

Claims review shares reserve
Reserve warehouses 2% of the issued shares of Nigerian Exchange Group, which was set aside for allotment to parties who are adjudged as being entitled to shares in the demutualized Exchange, pursuant to the provisions of the Demutualization Act 2018 ("Claims Review Shares"). The apportionment of 2% as the Claims Review Shares is based on an analysis of the probable quantum of shares that would be required to settle each claim. In the event the Claims Review Shares are insufficient to satisfy successful claims, additional shares will be allotted from the demutualized Exchange's authorised share capital.

v. Earnings per share
The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

vi. Dividends on ordinary shares
Dividends on ordinary shares are recognised in equity in the period in which they are approved by the shareholders. Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note. Dividends proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act, (CAMA, 2020).

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

6 Financial risk management

The Group is exposed to the following risks arising from financial instruments:

* Credit risk - (see 6 (ii) below)
* Liquidity risk - (see 6 (iii) below)
* Market risk - (see 6 (iv) below)

i. Risk management framework

Fundamental to the business activities and growth of NGX Group is a strong risk management practice which is at the core of achieving the Group's Strategic Objectives. The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to develop a disciplined and risk informed environment in which all employees have a good understanding of inherent risk specific to their department.

The Group's Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee is assisted in its oversight role by the Internal Audit Department, which undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Management Committee.

ii. 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 receivables from customers.

The Group takes on credit risk mainly through trading (fixed income, foreign currency trading etc.) activities - the Group engages in trading activities where exchange of monetary value and transfer of ownership of purchased assets is not simultaneous. There is a counter party risk, which creates a bilateral risk of loss.

Impairment losses on financial assets and contract assets recognised in statement of comprehensive income are as follows.

In thousands of naira	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Impairment loss on trade receivables	11(a)	110,150	46,463	(7,000)	-
Impairment loss on other receivables	11(a)	-	-	-	-
Impairment loss on debt securities at amortised cost	11(a)	(68)	12,649	-	12,649
Impairment loss on intercompany receivable	11(a)	-	-	(66,789)	(349,000)
Impairment (reversal)/writeback on cash & cash equivalents	11(a)	304	(2,504)	-	(2,121)
		110,386	56,608	(73,789)	(338,472)

As at 31 December 2022, the exposure to credit risk for trade and other receivables by type of counterparty was as follows:

In thousands of naira	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Listed Entities	16	-	509,599	-	-
Brokers	16	-	107,976	-	-
Others	16	708,712	134,497	-	-
		708,712	752,072	-	-

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information and industry information.

The Group limits its exposure to credit risk from trade receivables by establishing immediate payment on all contracts with customers. In addition, the Risk Management Committee reviews the memorandum of debts owed to Group by shareholders for possible recovery actions. The Group, having carefully considered the creditworthiness of its customers, had no reason to grant credit terms as a direct result of the pandemic. However, the Group is monitoring the economic environment in response to recovery from the COVID-19 pandemic and its impact on its customers.

The Group does not require collateral in respect of trade and other receivables. The group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for customers as at 31 December 2022

The Group applies the simplified approach in calculating ECLs which recognises a loss allowance based on lifetime ECLs at each reporting date. The Group uses a provision matrix to calculate ECLs for trade and other receivables. The historical loss rates are based on actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The assessment of the correlation between historical observed default rates and economic conditions is a significant estimate to determine the economic variables that affect the ability of the customers to settle the receivables. A regression model was built to explain and predict the impact of macro-economic indicators on loss rates. The model regressed historical loss rate on a list of candidate macro-economic indicators. These indicators are central bank base rates, inflation rates, exchange rates and foreign reserves. The most predictive variables that were selected in the regression model (the most predictive indicators) were determined. The best-estimate, optimistic and downturn scalars of predicted target variables were determined. In order to account for differences in economic conditions in the data, the scalar denominator was adjusted to incorporate forward looking information. This process results in a forward-looking best-estimate, optimistic and downturn loss rate used to estimate the ECL.

The following tables provides information about the Group and Company's exposure to credit risk and ECLs for trade and other receivables and contract assets from individual customers as at 31 December 2022 and 2021 respectively.

		Group			Company	
31 December 2022 In thousands of naira	Weighted-average loss rate	Gross carrying amount	ECL allowance	Weighted-average loss rate	Gross carrying amount	ECL allowance
Trade receivables	43.6%	1,484,191	647,656	0.0%	-	-
Other receivables	81.3%	1,222,287	994,126	36.4%	509,907	185,437
Intercompany receivables	-	-	-	26.1%	1,253,815	327,806
		2,706,478	1,641,782		1,763,722	513,243

		Group			Company	
31 December 2021 In thousands of naira	Weighted-average loss rate	Gross carrying amount	ECL allowance	Weighted-average loss rate	Gross carrying amount	ECL allowance
Trade receivables	95.1%	752,072	714,954	0.0%	-	-
Other receivables	48.1%	3,125,317	1,504,111	46.8%	2,111,081	987,916
Intercompany receivables	-	-	-	31.3%	1,323,815	414,695
		3,877,389	2,219,065		3,434,896	1,402,611

Debt securities
The Group limits its exposure to credit risk by investing in liquid debt securities with strong ratings. The Group principally invest in bonds issued by the Federal Government of Nigeria (FGN), treasury bills, commercila paper, investment grade corporate bonds, fixed deposit with banks, and mutual funds.

The Group monitors changes in credit risk by tracking published credit ratings agencies (Augusto, GCR and S&P). To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields and, where available, together with available press and regulatory information about issuers.

12-month probabilities of default are based on historical data supplied by S&P for each credit rating. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 95%. The following table presents the credit quality of the Group's exposure to credit risk for debt securities measured at amortised cost at the reporting date.

Credit Rating	**Group**		**Company**	
In thousands of naira	**2022**	**ECL allowance**	**2022**	**ECL allowance**
Corporate Securities				
BBB-AAA	-	-	-	-
B+ - B-	1,198,265	1,477	1,198,265	1,477
Government securities				
BBB-AAA	-	-	-	-
B+ - B-	11,049,814	12,421	9,185,540	12,421
Total	12,248,079	13,898	10,383,805	13,898

Credit Rating	**Group**		**Company**	
In thousands of naira	**2021**	**ECL allowance**	**2021**	**ECL allowance**
Corporate Securities				
BBB-AAA	-	-	-	-
B+ - B-	2,964,242	1,477	2,964,242	1,477
Government securities				
BBB-AAA				
B+ - B-	8,721,250	12,421	8,721,250	12,421
Total	11,685,492	13,898	11,685,492	13,898

The Government securities rated B relates to bonds issued by the Federal Government of Nigeria in foreign currency which currently has a foreign long term issuer credit rating of B (S&P). The ECL on assets are 12-month ECL. The Group has no collateral in respect of these investments.

Cash and cash equivalents
The Group and Company held cash and cash equivalents of N4.7 billion and N1.6 billion respectively as at 31 December 2022 (2021: Group - N2.25 billion; Company- N1.10 billion). The cash and cash equivalents are held with local banks which are rated between AAA and BBB per Fitch, Standard & Poor's, and Global Credit Rating.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.
The amount of impairment allowance at 31 December 2022 is N304,000 (2021: Nil).

The following table shows the net exposure to credit risk as at year end.

In thousands of naira	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Investment in debt securities	19	12,890,865	12,320,465	11,647,127	12,320,465
Trade and other receivables	16	1,064,696	1,658,324	704,470	1,123,165
Intercompany receivables	17	-	-	926,009	909,120
Cash and cash equivalents	15	4,749,694	2,248,237	1,560,373	1,097,729
		18,705,254	16,227,025	14,837,978	15,450,478

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. The Group also prepares weekly cash flow reports, analysing its liquidity position. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities and commitments.

The group has taken the following mitigating actions to respond to possible future liquidity constraints arising from the COVID-19 pandemic,

- reducing non-essential capital expenditure and deferring or cancelling discretionary spend; and
- freezing non-essential recruitment;

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. The following are the remaining contractual maturities of financial assets and liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and excludes the impact of any netting agreement.

31 December 2022

Maturity Analysis- Group			**Contractual Cash Flows**			
In thousands of Naira	**30 days or Less**	**31 - 60 days**	**61- 90 days**	**91 days or more**	**2022 Total**	**Carrying amount**
Financial liabilities						
Other liabilities*	-	-	-	4,876,462	4,876,462	4,876,462
Term borrowings	-	-	-	14,078,952	14,078,952	14,078,952
Lease liabilities	-	-	-	26,021	26,021	93,854
Total	-	-	-	4,876,462	4,876,462	4,876,462

** Excluded from other liabilities are accrued expenses, deferred income and statutory deduction such as VAT and WHT payable.*

Maturity Analysis- Company			**Contractual Cash Flows**			
In thousands of Naira	**30 days or Less**	**31 - 60 days**	**61- 90 days**	**91 days or more**	**2022 Total**	**Carrying amount**
Financial liabilities						
Other liabilities*	-	-	-	1,076,428	1,076,428	1,076,428
Term borrowings	-	-	-	14,078,952	14,078,952	14,078,952
Lease liabilities	-	-	-	-	-	-
Total	-	-	-	1,076,428	1,076,428	1,076,428

** Excluded from other liabilities are accrued expenses, deferred income and statutory deduction such as VAT and WHT payable.*

31 December 2022

Maturity Analysis- Group			Contractual Cash Flows			
In thousands of Naira	**30 days or Less**	**31 - 60 days**	**61- 90 days**	**91 days or more**	**2022 Total**	**Carrying amount**
Financial liabilities						
Other liabilities	-	-	-	2,252,008	2,252,008	2,252,008
Lease liabilities	-	-	-	222,623	222,623	222,623
Total	-	-	-	2,252,008	2,252,008	2,252,008

Maturity Analysis- Company			Contractual Cash Flows			
In thousands of Naira	**30 days or Less**	**31 - 60 days**	**61- 90 days**	**91 days or more**	**2022 Total**	**Carrying amount**
Financial liabilities						
Other liabilities*	-	-	-	2,293,660	2,293,660	2,293,660
Lease liabilities	-	-	-	142,422	142,422	142,422
Total	-	-	-	2,293,660	2,293,660	2,293,660

** Excluded from other liabilities are accrued expenses, deferred income and statutory deduction such as VAT and WHT payable.*

iv. 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, while optimizing the return. The Group uses a range of tools such as sensitivity analysis, to manage its exposure to market risk.

(a) Currency Risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the Group's functional currency. The functional currency of the Group is Nigerian Naira and the currency in which these transactions is primarily denominated is US Dollars.

At 31 December 2022, the Group was exposed to currency risk primarily as a result of its exposures which stood at $2,120,692.56 in debt securities and bank balances and its other liabilities which stood at $159,520.69.

The following significant exchange rates applied during the year

	Average Rate		Reporting Date Spot Rate		Amount	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
USD	423.40	409.49	448.55	424.11	7,624,487,293	899,406,923

Sensitivity analysis – Currency Risk

A reasonably possible strengthening (weakening) of the US Dollar against the Nigerian Naira as at 31 December 2022 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumed that all other variables remain constant and ignore any impact of forecast sales and purchases.

	Operating Profit			
	2022		**2021**	
Effects in thousands of Naira	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD (5%)	381,224	(381,224)	44,970	(44,970)

(b) Equity Price Risk

This risk arises from equity price changes caused by equity investment securities. At 31 December 2022, the Group was exposed to equity investment risk as a result of its exposures which stood at N4.06 billion (2021: N2.03 billion) in financial asset at fair value through other comprehensive income (FVOCI). The Group's equity investments include both quoted and unquoted securities. Please refer to Note 7 for the fair value and sensitivity analysis for equity price risk.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations. The Group manages its interest rate risk by adopting a policy of ensuring that significant percentage of investable funds are invested into fixed rate financial assets (treasury bills and federal government bonds) in line with its investment policy. Other areas the Group could be exposed to interest risk is the opportunity cost of market movement.

Sensitivity analysis – Interest rate risk

Group

31 December 2022
In thousands of Naira

		Interest rate shock to Profit Before Tax			
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalent	4,749,694	47,497	94,994	(47,497)	(94,994)
Investment securities	12,890,865	128,909	257,817	(128,909)	(257,817)
		176,407	352,811	(176,406)	(352,811)

31 December 2021
In thousands of Naira

	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalent	2,248,237	22,482	44,965	(22,482)	(44,965)
Investment securities	12,320,465	123,205	246,409	(123,205)	(246,409)
		145,688	291,374	(145,687)	(291,374)

Company

31 December 2022
In thousands of Naira

		Interest rate shock to Profit Before Tax			
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalent	1,560,373	15,604	31,207	(15,604)	(31,207)
Investment securities	11,647,127	116,471	232,943	(116,471)	(232,943)
		132,076	264,150	(132,076)	(264,150)

31 December 2021
In thousands of Naira

	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalent	1,097,729	10,977	21,955	(10,977)	(21,955)
Investment securities	12,320,465	123,205	246,409	(123,205)	(246,409)
		134,183	268,364	(134,183)	(268,364)

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For the year ended 31 December 2022

7 Financial instrument - Fair value measurement

(a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) The Group

					Fair value			
31 December 2022 *In thousands of naira*	**Financial assets measured at FVOCI**	**Financial assets measured at amortised cost**	**Financial liabilities measured at amortised cost**	**Total Carrying Amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value								
Investment in Equities	4,060,817	-	-	4,060,817	1,940,582	-	2,120,235	4,060,817
	4,060,817	-	-	4,060,817	1,940,582	-	2,120,235	4,060,817
Financial assets not measured at fair value								
Treasury bills	-	-	-	-	-	-	-	-
Bonds	-	12,248,079	-	12,248,079	-	12,248,079	-	12,248,079
Mutual funds	-	648,871	-	648,871	-	648,871	-	648,871
Trade and other receivables	-	1,064,696	-	1,064,696	-	-	1,064,696	1,064,696
Cash and cash equivalent	-	4,749,694	-	4,749,694	-	-	4,749,694	4,749,694
	-	**18,711,340**	**-**	**18,711,340**	**-**	**12,896,950**	**5,814,390**	**18,711,340**
Financial liabilities not measured at fair value								
Other liabilities*	-	-	4,876,462	4,876,462	-	-	4,876,462	4,876,462
Term borrowings	-	-	14,078,952	14,078,952	-	-	14,078,952	14,078,952
Lease liabilities	-	-	26,021	26,021	-	-	26,021	14,104,973
	-	**-**	**4,876,462**	**4,876,462**	**-**	**4,876,462**	**4,876,462**	**4,876,462**

(ii) The Company

					Fair value			
31 December 2022 *In thousands of naira*	**Financial assets measured at FVOCI**	**Financial assets measured at amortised cost**	**Financial liabilities measured at amortised cost**	**Total Carrying Amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value								
Treasury bills	-	-	-	-	-	-	-	-
Bonds	-	11,003,751	-	11,003,751	-	11,003,751	-	11,003,751
Trade and other receivables	-	704,470	-	704,470	-	-	704,470	704,470
Cash and cash equivalent	-	1,560,373	-	1,560,373	-	-	1,560,373	1,560,373
Mutual fund		648,871	-	648,871	-	648,871	-	648,871
Intercompany receivable		926,009	-	926,009	-	-	926,009	926,009
	-	**13,268,594**	**-**	**13,268,594**	**-**	**11,652,622**	**2,264,843**	**13,268,594**
Financial liabilities not measured at fair value								
Other liabilities*	-	-	1,076,428	1,076,428	-	-	1,076,428	1,076,428
Term borrowings	-	-	14,078,952	14,078,952	-	-	14,078,952	14,078,952
	-	**-**	**1,076,428**	**1,076,428**	**-**	**-**	**1,076,428**	**1,076,428**

** Excluded from other liabilities are accrued expenses, deferred income and statutory deduction such as VAT and WHT payable.*

(iii) The Group

31 December 2022 *In thousands of naira*	**Financial assets measured at FVOCI**	**Financial assets measured at amortised cost**	**Financial liabilities measured at amortised cost**	**Total Carrying Amount**	**Fair value** **Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value								
Investment in Equities	2,039,538	-	-	2,039,538	98,956	-	1,940,582	2,039,538
	2,039,538	**-**	**-**	**2,039,538**	**98,956**	**-**	**1,940,582**	**2,039,538**
Financial assets not measured at fair value								
Treasury bills	-	670,362	-	670,362		670,362	-	670,362
Bonds	-	8,996,158	-	8,996,158		8,996,158	-	8,996,158
Mutual Paper		1,276,612		1,276,612		1,276,612	-	1,276,612
Commercial Paper	-	1,391,231	-	1,391,231		1,391,231	-	1,391,231
Trade and other receivables	-	1,658,323	-	1,658,323		-	1,658,323	1,658,323
Cash and cash equivalent	-	2,248,237	-	2,248,237		-	2,248,237	2,248,237
	-	**16,240,923**	**-**	**16,240,923**	**-**	**12,334,363**	**3,906,560**	**16,240,923**
Financial liabilities not measured at fair value								
Other liabilities*	-	-	2,252,008	2,252,008	-	-	2,252,008	2,252,008
Lease liabilities			222,623	222,623	-	-	222,623	222,623
	-	**-**	**2,252,008**	**2,252,008**	**-**	**-**	**2,252,008**	**2,252,008**

(iv) The Company

31 December 2021 *In thousands of naira*	**Financial assets measured at FVOCI**	**Financial assets measured at amortised cost**	**Financial liabilities measured at amortised cost**	**Total Carrying Amount**	**Fair value** **Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value								
Treasury bills	-	670,362		670,362		670,362	-	670,362
Bonds	-	8,996,158	-	8,996,158		8,996,158	-	8,996,158
Commercial Paper	-	1,391,231	-	1,391,231		1,391,231	-	1,391,231
Trade and other receivables	-	1,123,164	-	1,123,164		-	1,123,164	1,123,164
Cash and cash equivalent		1,097,730	-	1,097,730		-	1,097,730	1,097,730
Mutual funds		1,276,612	-	1,276,612		1,276,612	-	1,276,612
Intercompany receivable		909,120	-	909,120		-	909,120	909,120
	-	**15,464,377**	**-**	**15,464,377**	**-**	**12,334,363**	**3,130,014**	**15,464,377**
Financial liabilities not measured at fair value								
Other liabilities*	-	-	2,293,660	2,293,660	-	-	2,293,660	2,293,660
Lease liabilities	-	-	142,422	142,422	-	-	142,422	142,422
	-	**-**	**2,293,660**	**2,293,660**	**-**	**-**	**2,293,660**	**2,293,660**

** Excluded from other liabilities are deferred income and statutory deduction such as VAT and WHT payable.*

(b) The determination of fair value for each class of financial instrument was based on the particular characteristics of the instruments. The method and assumptions applied enumerated below.

i. Cash and cash equivalents

The estimated fair value of fixed interest placement with banks is based on the discounted cashflow technique using prevailing money market interest rate.

ii. Trade, other receivables and other liabilities

The estimated fair value of receivables and other liabilities with no stated maturity is the amount repayable or received on demand.

The carrying amount of other liabilities and other receivables do not attract interest rate and are repayable within six months, hence the impact of discounting is insignificant. Thus the amount payable or receivable on demand is a reasonable approximation of their fair values.

iii. Bonds, Treasury bills and other investments

The Group has investments in government and corporate debt securities. FGN Bonds and Treasury bills represent debt securities of the Federal Government of Nigeria issued by the Debt Management Office (DMO) and Central Bank of Nigeria (CBN) respectively.The estimated fair value of treasury bills, commercial papers and bonds carried at amortized cost is determined with reference to quoted prices (unadjusted) in active markets for identical assets.

iv. Quoted equity investments

The fair values of quoted equity securities are determined by reference to quoted prices (unadjusted) in active market for identical instruments. The company has quoted equity investment in NASD Plc valued at N88,080,434.39 (2021: N98,956,308.15).

v. Unquoted equity investments

The Group has investment in FMDQ OTC Plc of which there is no available market price as at 31 December 2022. In accordance with IFRS 13 fair value measurement, which outlines three approaches for valuing unquoted equity instruments; market approach, the income approach and the cost approach. The Group estimated the fair value of its investment in FMDQ at the end of the financial year using the market approach.

Level 3 fair values of investments have been generally derived using the adjusted fair value comparison approach. Quoted price per earning or price per book value, enterprise value to EBITDA ratios of comparable entities in a similar industry were obtained and adjusted for key factors to reflect estimated ratios of the investment being valued. Adjusting factors used are the Illiquidity Discount which assumes a reduced earning on a private entity in comparison to a publicly quoted entity and the Haircut adjustment which assumes a reduced earning for an entity located in Nigeria contributed by lower transaction levels in comparison to an entity in a developed or emerging market.

The steps involved in estimating the fair value of the Group's investment in FMDQ are as follows:

Step 1: Identify quoted companies with similar line of business, structure and size.

Step 2: Obtain the EV/EBITDA or the P/B or P/E ratios of these quoted companies identified from Bloomberg or Reuters.

Step 3: Derive the average or median of EV/EBITDA or the P/B or P/E ratios of these identified quoted companies.

Step 4: Apply the lower of average (mean) or median of the identified quoted companies ratios on the Book Value or Earnings of the investment company to get the value of the investment company.

Step 5: Discount the derived value of the investment company by applying an Illiquidity and control discount to obtain the Adjusted Equity Value.

Step 6: Compare the Adjusted Equity value with the carrying value of the investment company to arrive at a net gain or loss.

The significant unobservable inputs in the valuation method include:

- Illiquidity discount
- Control discount

Generally, a change in any of the unobservable input as listed above will impact on the estimated fair values for these instruments.

Valuation Assumptions
Illiquidity discount and Control discount has been estimated at 20% and 15% respectively.

Reconciliation of Level 3 fair value
The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Investment in equity

In thousands of Naira	2022	2021
Opening balance	1,629,131	1,306,394
Additions	-	
Gain included in OCI		
Net change in fair value (unrealized)	491,104	322,737
Closing balance	2,120,235	1,629,131

Sensitivity analysis – Equity Price Risk (unquoted equity investment)

	2022		2021	
In thousands of Naira	Increase	Decrease	Increase	Decrease
Illiquidity discount (1% movement)	(21,202)	21,202	(16,291)	16,291
Control discount (1% movement)	(21,202)	21,202	(16,291)	16,291

8 Operating segments

(a) Information about reportable segments

The Group has three (3) reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services which is the basis for identifying the Group's reportable segments, and are managed separately. The following summary describes the operations in each of the Group's reportable segments:

- Capital Market & Post trade Services - Regulating the activities of all stock broking firms in Nigeria while providing them with the facilities for the purchase and sale of bonds, stocks and shares of any kind. This also includes the clearing and settlement of trades on the Stock Exchange.
- Strategic Investment - A vehicle for executing strategic investments on behalf of the Company and its directors.
- Property management - Providing property letting and property management services to the members of the public.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Management Committee at least quarterly i.e. the Chief Decision Maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

In thousands of Naira	Capital Market & Post trade Services 2022	Strategic investment 2022	Property management 2022	Elimination 2022	Consolidated 2022
External revenues	5,218,296	-	250,603	-	5,468,899
Inter-segment revenue	1,046,263	238,539	189,593	(1,474,395)	-
Segment revenue	6,264,559	238,539	440,196	(1,474,395)	5,468,899
Interest revenue	148,327	1,876,948	5,429		2,030,704
Dividend from Associate	-	1,471,262	-	(1,471,262)	-
Expenses					
Personnel expenses	(2,718,964)	(798,847)	(13,917)	-	(3,531,728)
Depreciation and amortization	(330,859)	(55,367)	(114,453)	-	(500,679)
Other expenses	(1,415,987)	(3,045,316)	(283,676)	-	(4,744,978)
Share of profit of equity accounted investee	-	-	-	2,150,844	2,150,844
Impairment (loss)/writeback on assets	-	82,139	-	(85,688)	(3,549)
	1,947,076	(230,642)	33,579	(880,501)	869,513
Segment Operating profit before tax	1,947,076	(230,642)	33,579	(880,501)	869,513
Minimum tax	-	-	-	-	-
Income tax expense	-	-	-	-	-
Segment Operating profit after tax	1,947,076	(230,642)	33,579	(880,501)	869,513
Assets & Liabilities					
Reportable segment assets	5,501,867	39,545,663	2,926,708	9,089,006	57,063,244
Reportable segment liabilities	3,831,940	15,979,691	1,266,164	(996,458)	20,081,337

In thousands of Naira	Capital Market & Post trade Services 2021	Strategic investment 2021	Property management 2021	Elimination 2021	Consolidated 2021
External revenues	3,758,072	1,069,740	376,740	48,221	5,252,773
Inter-segment revenue	1,335,469	385,734	-	(1,075,367)	645,836
Segment revenue	5,093,541	1,455,474	376,740	(1,027,146)	5,898,609
Interest revenue	32,883	1,307,121	3,202	(1,075,367)	267,839
Dividend from Associate	-	1,707,680	-	(1,075,368)	632,312
				-	
Expenses					
Personnel expenses	(2,256,920)	(983,340)	-	549	(3,239,711)
Depreciation and amortization	(416,517)	(186,702)	(114,234)	225,941	(491,512)
Other expenses	(2,036,056)	(1,370,476)	(262,226)	(1,166,010)	(4,834,768)
Share of profit of equity accounted investee	-	-	-	2,119,361	2,119,361
Impairment loss on non financial asset	-	324,791	-	(395,080)	(70,289)
	416,931	2,254,548	3,482	(2,393,120)	281,840
Segment Operating profit before tax	416,931	2,254,548	3,482	(2,393,120)	281,840
				-	
Minimum tax	-	(5,082)	(950)	-	(6,031)
Income tax expense	(112,614)	(18,865)	(14,576)	-	(146,054)
				-	
Segment Operating profit after tax	304,317	2,230,602	(12,044)	(2,393,120)	129,755
Assets & Liabilities					
Reportable segment assets	3,745,950	26,956,944	2,991,664	4,174,381	37,868,940
Reportable segment liabilities	1,185,517	3,362,033	1,477,529	(2,270,493)	3,754,586

Geographical segment

Nigeria is the Company's primary geographical segment as all the Company's income is derived in Nigeria. Accordingly, no further geographical segments information is reported.

9 Revenue

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Treasury investment income (see note (a) below)	2,030,704	1,343,207	1,876,948	1,307,121
Dividend income (see note (b) below)	-	-	1,471,262	1,707,680
Transaction fees	3,156,721	2,896,238	-	584,115
Listing fees	774,709	764,883	-	105,767
Rental income (see note (26(b))	99,193	82,812	-	-
Other fees (see note (c) below)	109,039	689,915	-	29,858
	6,170,366	5,777,055	3,348,210	3,734,541

(a) Treasury investment income includes income from Bonds, Treasury bills and fixed deposits. The Group and Company earn interest income from investment in treasury bills, fixed deposits with commercial banks and bonds. The interest income is recognised using the effective interest method.
(b) Dividend income represents dividend income received from the associate company - Central Securities Clearing System Plc. (CSCS).
(c) Other fees represent rent of trading floor, annual charges from brokers, dealing license and membership fees earned by the Group.

10 Other income

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Other operating income (see note (a) below)	635,400	625,477	219,848	343,409
Technology income	93,727	-	-	-
Market data income	581,441	394,981	-	41,702
Net gain on disposal of property and equipment	18,668	1,246	-	623
	1,329,237	1,021,704	219,848	385,734

(a) Other operating income is made up of other sub-lease income and penalty fees.

11 Impairment charge/ reversal on assets

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
(a) Financial assets				
Net impairment reversal/(charge) on trade and other receivables (see note 16(e))	(110,150)	(46,463)	7,000	-
Impairment (charge) on debt instruments at amortised cost (see note 19(a))	68	(12,649)	-	(12,649)
Net impairment (charge) on cash and cash equivalents (see note 15(a))	(304)	2,504	-	2,121
Net impairment writeback on intercompany receivables (see note 17(i))	-	-	66,889	349,000
	(110,386)	(56,608)	73,889	338,472

(b) Non-financial assets	Group 2022	Group 2021	Company 2022	Company 2021
Impairment charge on other non-financial assets (see note 18)	106,837	(13,681)	-	(13,681)
	106,837	(13,681)	-	(13,681)
	(3,549)	(70,289)	73,889	324,791

12 Personnel expenses

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Salaries and allowances	3,442,174	3,032,155	758,797	918,692
Defined benefit cost (see note 28)	40,682	13,801	1,848	2,762
Contributions to defined contribution plans (see note (a) below)	181,643	193,755	38,202	61,886
	3,664,500	3,239,711	798,847	983,340

(a) The Group operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act of 2014 (amended). The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary.

(b) The average number of persons employed during the year was as follows:

	Group 2022	Group 2021	Company 2022	Company 2021
Executive Directors	3	3	1	1
Management	23	26	6	4
Non-Management	113	176	14	17
	139	205	21	22

(c) Compensation for the above persons (excluding executive directors):

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Salaries and allowances	2,987,256	2,673,890	484,790	745,031
Contributions to defined contribution plans	155,041	181,556	27,044	51,921
	3,142,297	2,855,446	511,834	796,952

(d)The remuneration paid to the Board members (excluding pension and reimbursable allowances):

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Sitting allowances	85,385	58,180	43,125	37,000
Non-Executive Director's fees	138,750	117,292	49,250	44,167
Executive compensation*	324,020	323,938	151,410	160,019
	548,155	499,410	243,785	241,186

*Executive compensation relates to compensation paid to Chief Executive Officer and Executive Directors.

(e) The number of executive directors* who received fees and other emoluments (excluding pension contributions and reimbursable expenses) in the following ranges was:

	Group 2022	Group 2021	Company 2022	Company 2021
N1,000,001 - N10,000,000	-	-	-	-
N10,000,001 and above	3	3	1	1
	3	3	1	1

**Executive directors include the Chief Executive Officer and Directors who are not Board members.*

(g) The number of employees of the Group, other than executive directors, who received emoluments in the following ranges (excluding pension contributions and other benefits) were:

	Group 2022	Group 2021	Company 2022	Company 2021
N2,000,001 - N3,500,000	24	62	4	5
N3,500,001 - N5,000,000	9	8	1	-
N5,000,001 - N6,500,000	28	29	3	3
N6,500,001 - N8,000,000	10	20	1	3
N8,000,001 - N9,500,000	-	4	-	-
N9,500,001 and above	65	79	11	10
	136	202	20	21

13 Operating expenses

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Anniversary expenses	-	151,143	-	151,143
Annual general meeting expenses	15,059	30,495	15,059	29,742
Audit fees	40,377	42,808	12,900	15,333
Bank charges	19,946	30,191	12,028	16,861
Brand management	18,891	25,240	-	288
Corporate social responsibilities and gifts	9,425	516	-	516
Diesel expenses	140,875	56,884	43,764	8,305
Director sitting allowances and expenses	298,056	240,283	123,867	81,167
Enterprise Innovation Hub Expense	-	5,933	-	1,350
Events, seminars & sponsorship expenses	41,604	62,923	-	2,457
Exchange loss (unrealised)	746	53,371	719	37,429
General expenses (see note (c) below)	377,491	67,347	367,874	113,779
Government levies and rates	27,251	124,149	19,894	81,553
Insurance	26,858	-	6,268	-
Interest on lease liabilities (see note (b) below)	886	31,871	-	29,727
Legal expenses	96,494	129,321	55,644	129,321
NSITF Charge	19,987	28,271	4,363	6,766
Professional fees	330,776	241,653	108,959	95,032
Project expenses (see note (a) below)	97,889	332,658	44,508	290,602
Rent and rates	-	-	26,197	-
Repairs and maintenance	479,925	533,674	18,353	167,933
Security Expenses	24,817	19,380	6,291	5,018
Software, internet and connectivity subscription	250,821	396,363	42,378	79,286
Stationery, library and factbook expenses	3,821	3,556	110	530
Subscriptions	83,613	16,311	17,787	1,154
Telephone, postages and periodicals	4,922	38,573	908	3,546
Travelling expenses	81,558	32,838	16,977	19,510
X-Academy Expense	16,101	17,077	-	990
	2,508,190	2,712,829	944,848	1,369,338

(a) Project expenses relate to investment projects.

(b) Interest on lease liabilities relate to the implicit cost to the (right of use) of leased offices occupied by branches of the NGX Group in various states in the country. The interest expense is computed using the incremental borrowing rate of 17%.

(c) General expenses includes insurance, advert and publications, cleaning materials, office provisions and N114 Million paid to NSE Consult Limited as a local partner of NASDAQ per agreement and in compliance with NOTAP Guidelines.

14 Taxation

(a) Income tax expense

Income tax expense refers to current year tax charged to the profit or loss by using the tax rate enacted or substantively at the reporting date. The Group and Company's tax assessment was computed by Pedabo Professional Services (FRC Number -FRC/2013/ICAN/00000000908) who provides tax consultation services to the Company.

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
i. Minimum tax				
Minimum tax	-	6,981	-	6,031
ii. Current tax				
Companies Income Tax	107,794	98,251	10,484	-
Nigeria Police Trust Fund Levy	9	116	-	94
Tertiary Education Tax	15,064	24,540	-	-
Information Technology levy	1,740	23,148	-	18,771
Current Income tax expense	124,607	146,055	10,484	18,865
iii. Deferred tax				
Deferred tax	-	-	-	-
	124,607	146,055	10,484	18,865
Total income tax expense	124,607	153,036	10,484	24,896

(b) Reconciliation of effective tax rate

In thousands of naira	Group 2022	Group 2021	Group 2022	Group 2021
Profit before tax		823,089		2,401,202
Less: NIDTA levy (note 14(a))		(1,740)		(23,148)
Profit before income tax		821,349		2,378,054
Income tax using the domestic corporation tax rate	30%	246,405	30%	713,416
Non-deductible expenses	48%	394,414	2%	29,219
Tax exempt income	-28%	(232,444)	0%	1,598
Police Trust Fund Levy	0%	9	0%	6
Effect of share of profit of equity accounted investee	-79%	(645,253)	-31%	(600,695)
Education tax	1.8%	15,064	0.3%	4,960
Information technology tax	0.2%	1,740	1%	23,148
Tax effect of losses for which no deferred tax has been recognised	42.0%	344,673	0%	-
Change in recognised deductible temporary difference	0%	-	3%	62,670
Tax expense	15%	124,607	5%	146,055

In thousands of naira	Company 2022	Company 2021	Company 2022	Company 2021
Profit before tax				(249,253)
Less: NIDTA levy (note 14(a))				-
Profit before income tax		(249,253)		(249,253)
Income tax using the domestic corporation tax rate	30%	(74,776)	30%	(74,776)
Non-deductible expenses	-1%	1,506	-179%	445,824
Tax exempt income	-34%	83,754	387%	(964,165)
Police Trust Fund Levy	0%	-	0%	-
Education tax	0%	-	0.0%	-
Information technology tax	0%	-	0.0%	-
Tax effect of losses for which no deferred tax has been recognised	0%	-	19.2%	(47,734)
Change in recognised deductible temporary difference	0%	-	0%	-
Tax expense		10,484	-8%	18,865

15 Cash and cash equivalents

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Bank balances	3,360,191	951,527	598,459	822,492
Fixed deposits	1,389,807	1,296,710	961,914	275,238
Gross total	4,749,998	2,248,237	1,560,373	1,097,730
ECL allowance (see note (a) below)	(304)	-	-	-
Carrying amount	4,749,694	2,248,237	1,560,373	1,097,729

(a) Movement in allowance for impairment of cash and cash equivalents

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Opening balance	-	2,504	-	2,121
Movement during the year (see note 11)	304	(2,504)	-	(2,121)
Closing balance	304	-	-	-

16 Trade and other receivables

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Trade receivables	708,712	752,072	-	-
Due from NSE/CSCS Multipurpose Cooperative Society (see note (a) below)	264,979	264,979	264,979	264,979
Deferred recovery of bonuses (see note (b) below)	510,500	517,500	510,500	517,500
Deposit for investment (see note (c) below)	-	973,433	400,000	973,432
Other receivables (see note (d) below)	1,222,287	1,369,405	509,907	355,170
Gross total	2,706,478.00	3,877,389	1,685,386	2,111,081
ECL Allowance (See note (e) below)	(1,641,782)	(2,219,065)	(980,916)	(987,916)
Carrying amount	1,064,696	1,658,324	704,470	1,123,165
Non current	-	-	-	-
Current	1,064,696	1,658,324	704,470	1,123,165
Carrying amount	1,064,696	1,658,324	704,470	1,123,165

(a) The amount due from NSE/CSCS Multipurpose Co-operative Society relates to two payments of N150.0 million and N114.9 million made in connection with the purchase of shares on behalf of the NSE/CSCS Multipurpose Cooperative Society. Efforts are being made by management to recover these disputed amounts and the matter is currently a subject of litigation. The Company has fully impaired the amount subject to recovery of the receivable in a future year.

(b) Deferred recovery of bonuses represents N2.09billion distributed to certain ex-council members as share of surplus between 2006 and 2008. This payment was contrary to section 26(3) of the Companies and Allied Matters Act (CAMA), and the Securities and Exchange Commission directed the Company to recover the money from the ex-council Members involved. Refunds amounting to N620.50million have been received from the ex-council members to date. The outstanding balance of N510.5million continues to be subject of a litigation on account of a dispute over the basis of payment. The Company has fully impaired the amount subject to recovery of the receivable in future years.

(c) The amount represents deposit with Greenwich Securities Ltd for strategic investments.

(d) Other receivables include investment in defunct Hallmark Bank, withholding tax receivables. These amounts have been fully impaired as at year end.

(e) Movement in allowance for impairment of trade and other receivables is shown below

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Trade debtors - listing fees	647,656	714,954	20,000	20,000
Trade debtors - annual charges	-	517,363	-	-
Trade debtors - market data	17,160	2,782	-	-
Sundry debtors - NSE/CSCS Cooperative	264,979	264,979	264,979	264,979
Deferred recovery of bonuses	510,500	517,500	510,500	517,500
Other receivables	201,487	201,487	185,437	185,437
	1,641,782	2,219,065	980,916	987,916

(f) Movement in allowance for impairment of trade and other receivables is shown below

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Opening balance	2,219,065	2,172,602	987,916	1,620,805
Net remeasurement of ECL allowance (see note 11)	(110,150)	46,463	(7,000)	-
Impairment derecognition	(467,133)	-	-	(632,889)
Closing balance	1,641,782	2,219,065	980,916	987,916

17 Intercompany receivables

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Intercompany receivables	-	-	1,253,815	1,323,815
ECL allowance	-	-	(327,806)	(414,695)
Carrying amount	-	-	926,009	909,120
Current asset	-	-	926,009	909,120
Non current asset			-	-

Intercompany receivables have been classified as current asset as the Company expects the subsidiaries to fulfil their obligation within 12 months.

i. Movement in ECL allowance on intercompany receivables is shown below

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Opening balance	-	-	414,695	414,695
IFRS 9 transition adjustment (see note (i) below)	-	-		
Transfer	-	-	(19,900)	349,000
Net remeasurement of ECL allowance (see note 11)	-	-	-	-
Reversal			(66,989)	(349,000)
Closing balance	-	-	327,806	414,695

ii) Intercompany receivables represent amounts receivable from the Company's subsidiaries. An analysis of intercompany receivables is shown below:

The Company

In thousands of naira	Gross 2022	ECL Impairment 2022	Carrying amount 2022	Gross 2021	ECL Impairment 2021	Carrying amount 2021
NSE Consult Limited	71,298	-	71,298	171,298	-	171,298
NGX Real Estate Limited	899,384	(327,806)	571,578	905,986	(394,795)	511,191
Coral Properties Limited	-	-	-	21,096	(19,900)	1,196
NSE Nominees Limited	-	-	-	110	-	110
NGX Regulation Limited	283,133	-	283,133	225,325	-	225,325
	1,253,815	(327,806)	926,009	1,323,815	(414,695)	909,120

18 Prepayment

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Prepayments (See note (a) below)	592,461	277,953	95,745	125,907
Prepayments for IT platform	-	182,624	-	141,915
Advance payments to third parties (See note (b) below)	-	13,681	-	13,681
Gross total	592,461	474,258	95,745	281,503
Impairment allowance (see note (c) below)	-	(13,681)	-	(13,681)
Carrying amount	592,461	460,577	95,745	267,822
Current		104,629		50,309
Non current	592,461	369,628	95,745	231,194
	592,461	474,258	95,745	281,503

(a) These prepayments represents Group life insurance expenses, Medical and Staff related expenses paid in advance.

(b) Advanced payments to third party represent part payments made to contractors for ongoing services and projects rendered to the Company during the year .

(c) Movement in impairment allowance on non financial assets is as shown below:

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Opening balance	13,681	-	13,681	-
IFRS 9 transition adjustment (see note (i) below)	-	-		
Write off during the year	(13,681)	-	(13,681)	-
Imapairment charge for the year	-	13,681	-	13,681
Closing balance	-	13,681	-	13,681

19 Investment Securities

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
At amortised cost				
Bonds	12,248,079	8,996,158	11,003,751	8,996,158
Commercial Papers	-	1,391,231	-	1,391,231
Treasury bills	-	670,362	-	670,362
Mutual funds	648,871	1,276,612	648,871	1,276,612
	12,896,950	12,334,363	11,652,622	12,334,363
Impairment allowance (see note (a) below)	(6,085)	(13,898)	(5,495)	(13,898)
Sub total	12,890,865	12,320,465	11,647,127	12,320,465
Equity securities at Fair Value through OCI (see note (b) below)	4,060,817	2,039,538	-	-
Sub total	4,060,817	2,039,538	-	-
Carrying amount	16,951,682	14,360,003	11,647,127	12,320,465

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Non-current	16,330,112	10,373,491	10,998,256	10,373,491
Current	621,570	3,986,512	648,871	1,946,974
Carrying amount	16,951,682	14,360,003	11,647,127	12,320,465

(a) Movement in allowance for impairment of investment securities is shown below

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Opening balance	13,898	1,249	13,898	1,249
Remeasurement of ECL allowance (see note 11)	(68)	12,649	-	12,649
	6,085	13,898	5,495	13,898

(b) Analysis of equity securities

i. Equity investments at FVOCI comprise the following:

In thousands of naira	Group 2022	Group 2021
Quoted investment		
National Association of Securities Dealers (NASD OTC PLC)	138,080	98,956
Sub total	138,080	98,956
Unquoted investment		
Financial Market Dealers Quotation (FMDQ OTC)	3,922,736	1,940,582
Sub total	3,922,736	1,940,582
Total carrying amount	4,060,817	2,039,538

ii. Movement in equity investment at FVOCI

In thousands of naira	2022	2021
Cost - FMDQ and NASD OTC	138,080	98,956
Additional investment	-	-
Fair value changes (see note (b) (iii) below)	3,922,736	1,940,582
Impairment charges	-	-
	4,060,817	2,039,538

iii. Movement in fair value on equity securities

In thousands of naira	Group 2022	Group 2021
Opening balance	1,901,458	1,337,305
Fair value changes during the year (See note (b)(iv)below)	2,021,278	564,153
	3,922,736	1,901,458

iv. Fair value changes on investment securities during the year

In thousands of naira	2022	2021
NASD PLC	-	322,328
FMDQ (OTC)	2,021,278	241,825
	2,021,278	564,153

(b) The financial assets which are held at FVOCI, are equity investments in National Association of Securities Dealers (NASD OTC) amounting to N88,080,433, investments in Financial Market Dealers Quotation (FMDQ OTC) amounting to N50,000,000. The Group holds 10.87% (2021: 10.87%) of NASD' shares and 6.42% (2021: 6.42%) of FMDQ's shares.The Group designated these investments at FVOCI because these equity investments represent investments that the group intends to hold for long term strategic purposes. None of these strategic investments were disposed of during 2022 and there were no transfers of any cummulative gain or loss within equity relating to these investments. The valuation techniques are explained in note 7.

* As part of its initiative in championing development in Africa's financial market, the Company invested a total of N5m in three start-up FinTech companies in the year 2021. However, both the boards of NGX Group and NSE Consult have approved the exit of the FinTech investments and the process has already began.

20 Investment in associates

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Investment in Associate - CSCS ((see note (i) below)	27,961,789	12,937,827	17,628,194	3,347,223
Investment in Associate - NG Clearing ((see note (ii) below)	1,749,393	1,812,803	1,736,687	1,736,687
Carrying amount	29,711,182	14,750,629	19,364,881	5,083,910

i. Investment in Associate - CSCS

The Group has a 44.18% ownership interest in Central Securities Clearing Systems (CSCS) Plc (2021: 31.14%). The principal activity of the Company is to act as a depository, clearing and settlement agency for all quoted and trade securities in the Nigerian capital market. CSCS is domiciled in Nigeria. The net assets of the Company as at 31 December 2022 was N34,900,546,001 (2021: N35,489,683,000).

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Balance, beginning of the year	12,937,826	10,574,670	3,347,223	1,420,653
Additional Investment during the year	14,349,006	1,926,570	14,349,006	1,926,570
Share of profit	2,214,255	2,157,484	-	-
Share of OCI	(68,035)	(13,216)	-	-
Dividends paid	(1,471,262)	(1,707,681)	-	-
Total investment in associates	27,961,789	12,937,826	17,696,229	3,347,223
Carrying amount	27,961,789	12,937,826	17,696,229	3,347,223

Summary financial information for the equity accounted investee, not adjusted for the percentage ownership held by the Group is as follows:

In thousands of naira	2022	2021
Percentage ownership interest	44.10%	31.14%
Non-current assets	24,143,550	23,061,533
Current assets	20,930,437	18,358,499
Non-current liabilities	(171,786)	(189,036)
Current liabilities	(10,001,656)	(5,741,313)
Net assets (100%)	34,900,546	35,489,683
Group's share of net assets (44.18%) (2021: 31.14%)	**15,391,141**	**11,051,487**
Revenue	11,515,320	12,087,177
Profit from continuing operations	5,011,894	6,928,335
Other comprehensive income	(153,996)	(42,441)
Total comprehensive income	4,857,898	6,885,894
Group's share of profit and total comprehensive income	2,146,219	2,144,267
Group's interest in net assets of investee at the beginning of the year	12,937,826	10,574,670
Total comprehensive income attributable to the Group	2,214,255	2,157,484
Additional Investment during the year	14,349,006	1,926,570
Share of OCI	(68,035)	(13,216)
Dividend received during the year	(1,471,262)	(1,707,681)
Group's interest in the net assets of investee at the end of the year	27,961,790	12,937,826

Investment in associates is currently carried at cost plus the share of the group percentage holding in net assets of the associate.

ii. Investment in associate - NG Clearing Limited

NG Clearing Limited is an associate company which the NGX Group has 27.7% ownership interest (2021: 27.7%). The Nigerian Exchange Group owns 44.18% ownership interest in CSCS who is also a major shareholder in NG Clearing with a percentange holding of 24.7%. It is principally established to operate clearing house(s) for the clearance and settlement of transactions in financial securities and derivatives contracts. The company commenced operations on April 14, 2022.

ii. Intercompany receivables represent amounts receivable from the Company's subsidiaries. An analysis of intercompany receivables is shown below:

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Balance, beginning of the year	1,812,804	1,850,926	1,736,687	1,736,687
Additional Investment during the year	-	-	-	-
Share of current year result (net of tax)	(63,411)	(38,122)	-	-
Total investment	1,749,393	1,812,804	1,736,687	1,736,687
Carrying amount	1,749,393	1,812,804	1,736,687	1,736,687

In thousands of naira	2022	2021
Percentage ownership interest	27.7%	27.7%
Non-current assets	5,944,469	514,520
Current assets	460,198	6,117,017
Current liabilities	(55,040)	(153,961)
Net assets (100%)	6,349,627	6,477,576

In thousands of naira	2022	2021
Group's share of net assets (27.7%)	1,758,847	**1,794,289**
Revenue	18,565	509,053
Loss from continuing operations	(228,920)	(137,626)
Total comprehensive income	(228,920)	(137,626)
Group's share of profit and total comprehensive loss	(63,411)	(38,122)
Group's interest in net assets of investee at the beginning of the year	1,812,804	1,850,926
Total comprehensive income attributable to the Group	(63,411)	(38,122)
Additional Investment during the year	-	-
Group's interest in the net assets of investee at the end of the year	1,749,393	1,812,803

Total amount recognised in profit or loss is as follows

In thousands of naira	2022	2021
Share of profit from associate company: CSCS	2,214,255	2,157,484
Share of loss from associate company: NG Clearing	(63,411)	(38,122)
	2,150,844	2,119,361

21 Investment in subsidiaries

In thousands of naira	Group 2022	Group 2021	Group 2021	Company 2021
NSE Consult Limited	-	-	1,250	1,250
Coral Properties Limited	-	-	72,000	72,000
NGX Real Estate Limited	-	-	1,634,629	1,634,629
NSE Nominees Limited	-	-	500	500
Nigerian Exchange Limited	-	-	578,617	1,459,800
NGX Regulation Limited	-	-	643,432	643,432
Total investment in subsidiaries	-	-	2,930,429	3,811,611
Impairment (See note 21 (vii) below)	-	-	(73,500)	(73,500)
Carrying amount	-	-	2,856,929	3,738,111

i. NGX Group has a 99.8% holding in NSE Consult Limited. NSE Consult Limited was incorporated in Nigeria on 19 May 2004 and commenced business on 15 April 2005. Its principal objective is to carry on business as consultants, financial advisers and analysts, and to carry on business as the strategic investment arm/subsidiary of the Nigerian Stock Exchange. The principal place of business of the Company is Nigeria.

ii. NGX Group has a 100% holding in Coral Properties Limited. Coral Properties Limited was incorporated in Nigeria as a private limited liability company on 20 May 1993 and became a public Company on 29 August 1995. The principal activity of the Company is real estate development and sales. The Company's place of incorporation is also the Company's place of principal place of business.

iii. NGX Group has a 100% holding in NGX Real Estate Limited. NGX Real Estate Limited was incorporated as a limited liability Company on 29 June 1974 as Naira Properties Limited and its name was changed to NGX Real Estate Limited on 13 October 2019 . The company's main activities are property letting and investment. NGX Group acquired 40% equity interest in NGX Real Estate Limited in February 1986. The company became a wholly owned subsidiary of NGX Group in 2005 when NGX Group acquired the balance of 60% equity interest in the company, previously held by the Daily Times Nigeria. The Company's place of incorporation is also the Company's place of principal place of business.

iv. NGX Group has a 83.3% holding in NSE Nominees Limited. NSE Nominees Limited was incorporated on 22 May 2007 with the principal objective of opening and operating a nominee account for the purpose of buying back shares for the benefit of investors who suffered losses through an unauthorized sale of their shares within the Nigerian Capital Market.

v. NGX Group has a 99.9% holding in Nigerian Exchange Limited. Nigerian Exchange Limited is a Company domiciled and incorporated in Nigeria. The Company was incorporated as a limited liability Company on 22 July 2019. The principal activities are to provide facilities to the public for the purchase and sale of securities, a platform for the listing of securities and sale of securities to the public, market data and indices for sale to the public. The reduction in of NGX Group's investment is due to the set-off of intercompany balances.

vi. NGX Group has a 99.9% holding in NGX Regulation Limited. NGX Regulation Limited is a Company domiciled and incorporated in Nigeria. The Company was incorporated as a limited liability Company on 22 July 2019. The company will focus on carrying out the regulatory functions as agreed with Nigerian Exchange Limited. NGX Regulation earns a 5.5% mark-up on its expenses.

vii. An analysis of allowance for impairment of investment in subsidiaries is shown below:

In thousands of naira	Gross 2022	ECL Impairment 2022	Carrying amount 2022	Gross 2021	ECL Impairment 2021	Carrying amount 2021
NSE Consult Limited	1,250	(1,000)	250	1,250	(1,000)	250
Coral Properties Limited	72,000	(72,000)	-	72,000	(72,000)	-
NSE Nominees	500	(500)	-	500	(500)	-
	73,750	(73,500)	250	73,750	(73,500)	250

Movement in impairment allowance

In thousands of naira	2022	2021
Opening balance	73,500	73,500
Charge for the year	-	-
Reversal	-	-
Closing balance	73,500	73,500

viii. Condensed results of consolidated entities

Condensed results of the consolidated entities as at 31 December 2022, are as follows:

In thousands of naira	Group balance	Elimination entries	NGX Group Plc. The Company	Nigerian Exchange Limited	NGX Regulation Limited	NSE Consult Limited	Coral Properties Limited	NGX Real Estate Limited	NSE Nominees Limited
Revenue	7,499,602	(2,898,522)	3,568,138	4,984,503	1,292,335	102,737	-	450,411	-
Expenses	(8,773,837)	1,741,056	(3,899,530)	(4,942,838)	(1,262,545)	-	-	(409,962)	(18)
ECL Allowance	(3,549)	(85,688)	82,139	-	-	-	-	-	-
Operating profit before tax	(1,277,783)	(1,243,153)	(249,253)	41,665	29,790	102,737	-	40,449	(18)
Share of profit of equity accounted investees	2,150,844	2,150,844	-	-	-	-	-	-	-
Minimum tax	-	-	-	-	-	-	-	-	-
Tax expense	-	-	-	-	-	-	-	-	-
Operating profit/(loss) after tax	873,061	907,691	(249,253)	41,665	29,790	102,737	-	40,449	(18)
Other comprehensive income	1,994,493	2,037,176	(13,217)	(10,123)	(19,343)	-	-	-	-
Total comprehensive income for the year	2,867,553	2,944,866	(262,470)	31,542	10,447	102,737	-	40,449	(18)

Condensed financial position

In thousands of naira	Group balance	Elimination entries	NGX Group Plc. The Company	Nigerian Exchange Limited	NGX Regulation Limited	NSE Consult Limited	Coral Properties Limited	NGX Real Estate Limited	NSE Nominees Limited
Total non-current assets	50,034,823	8,682,369	33,448,828	1,078,877	2,143,876	2,039,539	-	2,641,334	-
Total current assets	7,028,421	406,637	3,935,468	2,215,343	49,084	121,828	-	285,374	14,687
Total assets	57,063,244	9,089,006	37,384,296	3,294,220	2,192,960	2,161,367	-	2,926,708	14,687
Total equity	36,981,907	10,085,464	21,675,785	802,949	855,988	1,890,187		1,660,544	10,990
Total non current liabilities	770,292	105,916	442,304	46,063.00	38,442	-	-	137,567	-
Total current liabilities	19,311,045	(1,102,374)	15,266,207	2,445,208	1,298,530	271,180	-	1,128,597	3,697
Total liabilities	20,081,337	(996,458)	15,708,511	2,491,271	1,336,972	271,180	-	1,266,164	3,697
Total liabilities and equity	57,063,244	9,089,006	37,384,296	3,294,220	2,192,960	2,161,367	-	2,926,708	14,687

Condensed results of the consolidated entities as at 31 December 2021, are as follows:

In thousands of naira	Group balance	Elimination entries	NGX Group Plc. The Company	Nigerian Exchange Limited	NGX Regulation Limited	NSE Consult Limited	Coral Properties Limited	NGX Real Estate Limited	NSE Nominees Limited
Revenue	6,798,759	(3,177,881)	4,120,275	4,143,397	983,026	350,000	-	379,941	1
Expenses	(6,446,629)	1,179,842	(2,539,380)	(3,705,665)	(1,003,279)	(1,138)	-	(376,459)	(550)
ECL Allowance	(70,289)	(395,080)	324,791	-	-	-	-	-	-
Operating profit before tax	281,841	(2,393,119)	1,905,685	437,732	(20,253)	348,862	-	3,482	(549)
Share of profit of equity accounted investees	2,119,361	2,119,361	-	-	-	-	-	-	-
Minimum Tax	(6,981)	-	(6,031)	-	-	-	-	(950)	-
Tax expense	(146,055)	(1)	(18,865)	(104,438)	(8,176.35)	-	-	(14,576)	-
Operating profit/(loss) after tax	2,248,166	(273,757)	1,880,789	333,295	(28,429)	348,862	-	(12,044)	(549)
Other comprehensive income	589,944	609,869	9,541	(10,123)	(19,343.00)	-	-	-	-
Total comprehensive income for the year	2,838,110	336,111	1,890,330	323,172	(47,772)	348,862	-	(12,044)	(549)

Condensed financial position

In thousands of naira	Group balance	Elimination entries	NGX Group Plc. The Company	Nigerian Exchange Limited	NGX Regulation Limited	NSE Consult Limited	Coral Properties Limited	NGX Real Estate Limited	NSE Nominees Limited
Total non-current assets	29,515,290	3,877,516	19,523,021	886,975	454,673	2,028,662	-	2,744,443	-
Total current assets	8,353,649	845,945	5,344,810	1,458,545	382,149	60,451	-	247,221	14,528
Total assets	37,868,940	4,174,381	24,867,831	2,894,600	836,822	2,089,113	-	2,991,664	14,528
Total equity	34,114,354	6,444,170	21,938,255	1,907,655	642,522	1,656,656	(21,144)	1,535,280	10,960
Total non current liabilities	808,590	(69,631)	427,239	-	190,982	-	21,118	238,882	-
Total current liabilities	2,945,996	(2,200,158)	2,502,337	986,944	3,318	432,457	26	1,217,503	4,273
Total liabilities	3,754,586	(2,269,789)	2,929,576	986,944	194,300	432,457	21,144	1,456,385	4,273
Total equity and liabilities	37,868,940	4,174,381	24,867,831	2,894,600	836,822	2,089,113	-	2,991,664	15,233

22 Property and equipment

Reconciliation of carrying amount

In thousands of naira	Note	Buildings	Leasehold land and building	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
The Group								
Cost								
Balance at 1 January 2021		2,590,606	1,675,957	1,185,458	743,057	1,352,616	329,273	7,876,967
Additions		-	10,790	19,204	320,837	-	5,436	356,267
Disposals		-	-	-	(57,950)	-	-	(57,950)
Balance at 31 December 2021		2,590,606	1,686,747	1,204,662	1,005,944	1,352,616	334,709	8,175,284
Balance at 1 January 2022		2,590,606	1,686,747	1,204,662	1,005,944	1,352,616	334,709	8,175,284
			-	-	-	-	-	-
Additions		-	143,635	20,028	28,260	-	1,445	193,368
Disposals/write-offs		(239,527)	-	-	(115,180)	(4,711)	(18,932)	(378,350)
Balance at 31 December 2022		2,351,079	1,830,382	1,224,690	919,024	1,347,905	317,222	7,990,302
Depreciation and impairment losses								
Balance as at 1 January 2021		654,978	334,718	850,711	364,066	1,147,668	271,065	3,623,206
Depreciation for the year		60,330	12,438	130,207	117,068	55,358	19,333	394,734
Reclassification		-	88,178	-	-	-	-	
Disposals		-	-	-	(51,950)	-	-	(51,950)
Balance as at 31 December 2021		715,308	435,334	980,918	429,184	1,203,026	290,398	3,965,990
Balance as at 1 January 2022		715,308	435,334	980,918	429,184	1,203,026	290,398	3,965,990
Depreciation for the year		81,950	1,972	109,949	150,981	53,842	18,467	417,161
Disposals		(104,131)	-	-	(97,595)	(3,862)	(14,665)	(220,253)
Balance as at 31 December 2022		693,127	437,306	1,090,867	482,570	1,253,006	294,200	4,162,898
Carrying amounts								
At 31 December 2021		1,875,298	1,251,413	223,744	576,760	149,590	44,311	4,209,294
At 31 December 2022		1,657,952	1,393,076	133,823	436,454	94,899	23,022	3,827,404

i. There were no capitalized borrowing costs related to the acquisition of property and equipment during the year.

ii. There were no capital commitment relating to property and equipment as at reporting data (2021: nil).

iii. There were no impairment loss on any of the class of property and equipment.

iv. Included in property and equipment is property valued at N4.5 billion (2021: N4.4 billion) which is accounted for as investment property in the separate financial statements of the subsidiary, NGX Real Estate Limited. The property was valued by Diya Fatmileyin and Co., a valuation expert duly registered with Financial Reporting Council (FRC), FRC/2013/NIESV/00000002773, and the Nigerian Institute of Estate Surveyors and Valuers (NIESV).

v. There were no liens or encumbrances on the assets.

(b) The Company

In thousands of naira	Note	Buildings	Leasehold land and building	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
Cost								
Balance at 1 January 2021		518,690	-	19,028	296,082	65,659	50,964	950,423
Additions		142,422	-	541	66,933	-	1,294	211,190
Disposals		-	-	-	(29,400)	-	-	(29,400)
Write-offs		(113,082)	-	-	(96,882)	(60,451)	(27,692)	(298,107)
Balance at 31 December 2021		548,030	-	19,569	236,733	5,208	24,566	834,106
Balance at 1 January 2022		548,030	-	19,569	236,733	5,208	24,566	834,106
Additions		69,268	-	377	28,260	-	1,170	99,075
Transfers/write-offs		(403,768)	-	-	-	-	-	(403,768)
Balance as at 31 December 2022		213,530	-	19,946	264,993	5,207	25,736	529,412
Depreciation and impairment losses								
Balance as at 1 January 2021		313,682	-	13,975	155,359	35,032	34,489	552,537
Depreciation for the year		150,416	-	2,063	31,975	764	211	185,429
Disposals		-	-	-	(29,400)	-	-	(29,400)
Write-offs		(58,522)	-	-	(68,594)	(32,036)	(11,455)	(170,607)
Balance as at 31 December 2021		405,576	-	16,038	89,340	3,760	23,245	537,959
Balance as at 1 January 2022		405,576	-	16,038	89,340	3,760	23,245	537,959
Depreciation for the year		577	-	1,528	45,660	667	408	48,840
Write-offs		(261,316)	-	-	-	-	-	(261,316)
Balance as at 31 December 2022		144,837	-	17,566	135,000	4,427	23,653	325,483
Carrying amounts								
At 31 December 2021		142,454	-	3,531	147,393	1,448	1,321	296,147
At 31 December 2022		68,693	-	2,380	129,993	780	2,083	203,929

23 Intangible assets

Reconciliation of carrying amount

(a) The Group

In thousands of naira	**Goodwill**	**Purchased software**	**Total**
Cost			
Balance as at 1 January 2021	61,784	2,967,440	3,029,224
Acquisitions	-	39,299	39,299
Balance at 31 December 2021	61,784	3,006,739	3,068,523
Balance as at 1 January 2022	61,784	3,006,739	3,068,523
Acquisitions	-	-	-
Disposal	-	(9,995)	(9,995)
Balance at 31 December 2022	61,784	2,996,744	3,058,528
Amortization and impairment losses			
Balance as at 1 January 2021	57,148	2,730,144	2,787,292
Amortization for the year	-	99,356	99,356
Balance at 31 December 2021	57,148	2,829,500	2,886,648
Balance as at 1 January 2022	57,148	2,829,500	2,886,648
Amortization for the year	-	81,436	81,436
Balance at 31 December 2022	57,148	2,910,936	2,968,084
Carrying amounts			
At 31 December 2022	4,636	85,808	90,444
At 31 December 2021	4,636	177,239	181,875

i. There were no capitalized borrowing costs related to the acquisition of intangible assets during the year.

ii. There were no capital commitment relating to intangible assets as at reporting data (2021: nil).

iii. There were no impairment loss on any of the class of intangible assets.

iv. There were no liens or encumbrances on the assets.

v. Goodwill relate to the acquisition of Naira Properties (NGX Real Estate) in 2011 by the legacy NSE. Goodwill is tested annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in the year ended December 2022 (2021: nil).

(b) The Company

In thousands of naira	Purchased software	Total
Cost		
Balance at 1 January 2021	-	-
Acquisitions	32,634.00	32,634.00
Balance as at 31 December 2021	32,634.00	32,634.00
Balance as at 1 January 2022	32,634.00	32,634.00
Acquisitions	-	-
Balance at 31 December 2022	32,634.00	32,634.00
Amortization and impairment losses		
Balance at 1 January 2021	-	-
Amortization for the year	1,273.00	1,273.00
Balance as at 31 December 2021	1,273.00	1,273.00
Balance as at 1 January 2022	1,273.00	1,273.00
Amortization for the year	6,527.00	6,527.00
Balance at 31 December 2022	7,799.00	7,800.00
Carrying amounts		
At 31 December 2022	24,835.00	24,834.00
At 31 December 2021	31,361.00	31,361.00

i. There were no capitalized borrowing costs related to the acquisition of intangible assets during the year.

ii. There were no capital commitment relating to intangible assets as at reporting data (2021: nil).

iii. There were no impairment loss on any of the class of intangible assets.

iv. There were no liens or encumbrances on the assets.

v. Goodwill is tested annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in the year ended December 2022 (2021: nil).

24 Other liabilities

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Financial liabilities				
Sundry creditors (see note (a) below)	3,057,612	329,639	144,149	262,475
Intercompany payable (see note (b) below)	-	-	219,233	895,918
Accrued expenses (see note (c) below)	1,410,153	1,275,133	397,654	693,777
Donations payable	254,314	254,314	254,314	254,314
Staff related liabilities	56,725	60,278	47,388	56,056
Others (see note (d) below)	97,657	332,644	13,690	131,120
	4,876,462	2,252,008	1,076,428	2,293,660
Non-financial liabilities				
Value Added Tax	61,757	(10,153)	8,040	(42,936)
WHT payable	100,904	91,059	91,678	84,295
Deferred income	247,673	165,734	3,948	-
	410,334	246,640	103,666	41,359
Total	5,286,796	2,498,648	1,180,094	2,335,019

(a) Included in Sundry creditors are payments due to vendors.

(b) Amount represents payable due to NGX Exchange Limited by the NGX Group.

(c) Accrued expenses includes leave allowances, passage allowances and 13th month payment due to staff.

(d) Included in Other liabilities are VAT on Equity transactions, Investors protection funds etc.

(e) Deferred income relates to advance payments made by capital market operators. This will be amortised over the payment period.

25 Term Borrowings

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Opening balance	-	-	-	-
Addition	25,000,000	-	25,000,000	-
Interest	2,100,468	-	2,100,468	-
Interest repayment	(1,205,868)		(1,205,868)	
Repayment	(11,815,648)	-	(11,815,648)	-
Total	14,078,952	-	14,078,952	-

(a) Borrowings represent balance of loan principal (N13.2 b) to finance strategic investment and accrued interest on the loan (N0.92b). The facility will run for a period of 18 months at an interest rate of 12.5% per annum for 12 months only from the date of the first drawdown. This rate will however be reviewed after 12 months in line with money market realities.

26 Current tax liabilities

In thousands of naira	Group 2022	Group 2021	Group 2021	Company 2021
Balance, beginning of the year	224,724	89,092	24,896	-
Prior year under/(over) provision	-	-	-	-
Minimum tax	43,947	6,981	10,484	6,031
Current year tax	80,660	146,055	-	18,865
Payment made during the year	(255,477)	(17,404)	(19,151)	-
Balance, end of the year	93,854	224,724	16,229	24,896

27 Leases

A. Leases as lessee (IFRS 16)

The Group as a lessee, leases office space and Land. The leases for the office space typically run for a period of 1 year, with an option to renew the lease after that date. The Lease for the land runs for a period of 90 years with an untilised lease period of 45 years as at the reporting date.

Information about leases for which the Group is a lessee is presented below.

i. Right-of-use assets

The Right-of-use assets are all leased properties that do not meet the definition of investment property. The Leased properties are presented as property and equipment (see Note 22).

In thousands of naira	Group 2022	Group 2021	Group 2021	Company 2021
Opening balance	-	142,251	-	205,007
Depreciation charge for the year	(2,083)	-	-	-
Additions to right-of-use assets	77,584	-	-	(150,447)
Derecognition of right-of-use assets	-	(142,251)	-	(54,560)
Balance at 31 December	75,501	-	-	-

ii. Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period: (see Note 22).

In thousands of naira	Group 2022	Group 2021	Group 2021	Company 2021
Opening balance	222,623	133,780	142,422	191,823
Addition	-	56,971	142,422	142,422
	222,623	190,752	284,844	334,245
Accretion of interest	886	31,871	-	29,727
Lease Payment	(197,488)	-	(230,284)	(166,990)
Derecognition of lease liabilities	-	-	(54,560)	(54,560)
Balance at 31 December	26,021	222,623	-	142,422

iii. Amounts recognised in statement of income statement

In thousands of naira	Group 2022	Group 2021	Group 2021	Company 2021
2021 - Leases under IFRS 16				
Interest on lease liabilities	886	31,871	-	29,727
Depreciation charge for the year	2,083	-	-	150,416

iv. Amounts recognised in statement of cash flows

In thousands of naira	Group 2022	Group 2021	Group 2021	Company 2021
Total cash outflow for leases	(197,488)	-	(230,284)	(166,990)

B. Leases as lessor

The Group leases out its property consisting of its owned commercial properties (see Note 22). All leases are classified as operating leases from a lessor perspective.

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 16 sets out information about the operating leases of its property.

Rental income recognised by the Group during 2022 was N101.6 million (2021: N82.8 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

In thousands of naira	Group 2021	Company 2021
Less than one year	101,642	92,732
Total	101,642	92,732

28 Retirement benefit obligation

In thousands of naira	Group 2022	Group 2021	Group 2021	Company 2021
Recognised liability for defined contribution	(180)	-	1,416	-
Movement in cashflow statement	(180)	-	1,416	-
Recognised liability for defined benefit obligations (see note (a) below)	125,665	163,964	39,561	24,496

Movement in defined benefit obligations

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Opening balance	163,964	544,582	24,496	544,582
Transfers	-	-	-	(155,847)
Discontinued*	-			-
Adjusted opening balance	163,964	544,582	24,496	388,735
Current service charge & interest cost: Long term incentive	-	30,978	-	6,200
Current service charge & interest cost: Long service award	40,682	13,801	1,848	2,762
Net actuarial (gain)/loss	(41,250)	(39,007)	13,217	(9,541)
Payment made during the year	(37,731)	(386,390)	-	(363,660)
Closing balance	125,665	163,964	39,561	24,496
Movement in cashflow statement	40,6823	44,779	1,848	8,962

* Payment made in 2021 comprises of N349.7m relating to Directors' Gratuity (Long Term Incentive) that was discontinued during the year 2021 and the benefit was paid out.

(a) Defined benefit obligations

The Company operated a non-contributory, unfunded defined benefit scheme for its staff gratuity scheme until 16 March 2011 when the Council of the Nigerian Stock Exchange resolved to terminate the staff gratuity scheme with effect from 31 March 2011. Final entitlements due to members of staff that had spent a minimum of five years by 31 March, 2011 was determined and payments was supervised by Gratuity Committee. However, a revised long-term incentive scheme was re-opened in 2015 for certain eligible employees. The entitlement for the qualifying employee ranges from 15% -17% of their annual total emolument in the first 5-year of service and a maximum of 25%-35% for 10-years of service.

On 1 August 2017, management established another long service recognition initiative which is designed to recognise, appreciate and celebrate the contributions of long tenured employees, at the attainment of milestone years during their work lifespan with the company. The policy became effective in 2018. See note 5.10 (iii).

(b) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2022	2021
Discount rate	12.5%	12.50%
Salary increase rate	8.00%	8.00%

The rate of mortality assumed for members in the Scheme are based on A67/70 Ultimate table published by the Institute of Actuaries of United Kingdom.
For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

In thousands of naira	31 December 2022 Increase	31 December 2022 Decrease	31 December 2021 Increase	31 December 2021 Decrease
Withdrawal rate (5% movement)	84,601	186,608	99,666	201,673
Mortality rate (20% movement)	123,636	125,175	138,701	140,240
Salary increase (10% movement)	142,571	108,818	157,636	123,883
Discount rate (3% movement)	104,958	149,912	120,023	164,977

(d) Expected maturity analysis of post-employment benefits:

In thousands of naira	Between 1-2 years	Between 2-5 years	Over 5 years	2022 Total
Present value of the defined benefit obligation	77,009	1,277	47,379	125,665
	77,009	1,277	7,379	125,665

In thousands of naira	Between 1-2 years	Between 2-5 years	Over 5 years	2022 Total
Present value of the defined benefit obligation	100,479	1,666	61,819	163,964
	100,479	1,666	61,819	163,964

29 Provisions

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Balance as at 1 January	405,744	373,543	402,743	373,543
Provision made during the year	-	32,201	-	29,200
Balance as at 31 December	405,744	405,744	402,743	402,743

This provision is with respect to possible claims and litigations against the Group and Company, in the event that the claims crystalise in future.

30 Deffered tax

(a) Deferred tax liability comprises of:

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Deferred tax liability				
Balance, beginning of the year	238,882	238,882	-	-
Balance, end of the year	238,882	238,882	-	-

i. Movements in temporary differences during the year

In thousands of naira	Opening balance	Recognised in profit or loss	Recognised in equity	Closing balance
For the year ended 31 December 2021				
Revaluation surplus	238,882	-	-	238,882
Total	238,882	-	-	238,882

In thousands of naira	Opening balance	Recognised in profit or loss	Recognised in equity	Closing balance
For the year ended 31 December 2022				
Revaluation surplus	238,882	-	-	238,882
Total	238,882	-	-	238,882

ii. Recognised deferred tax liability is attributable to the following:

Group

In thousands of naira	Liabilities
For the year ended 31 December 2021	
Revaluation surplus on Investment Property	238,882
Net deferred tax liability	238,882
For the year ended 31 December 2022	
Revaluation surplus on Investment Property	-
Net deferred tax liability	-

(b) Unrecognised deferred tax assets

i. Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	Group				Company			
In thousands of naira	31-Dec-2022		31-Dec-2021		31-Dec-2022		31-Dec-2021	
	Gross amount	Tax effect	Gross amount	Tax effect	Gross amount	Tax effect	Gross amount	Tax effect
Unrelieved tax losses	1,148,911	344,673	1,148,911	344,673	159,114	47,734	159,114	47,734
Balance, end of year	1,148,911	344,673	1,148,911	344,673	159,114	47,734	159,114	47,734

31 Capital and Reserves

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
(a) Share capital				
i. Issued and fully paid *In thousands of shares*				
2,204,619,907 issued and allotted ordinary shares of N50k each (2021: 1,964,115,918)	1,102,310	982,058	1,102,310	982,058
Issued but not allotted (Claims review shares) (see (c) below) 22,060,347 ordinary shares of N50k each	-	9,012	-	9,012

Of the total issued and paid up share capital, 222,480,337 ordinary shares of 50kobo each, is warehoused with Stanbic IBTC Trustees Limited for claim review shares and long term incentive plan, which is yet to be effective.

(b) **Retained earnings:** Retained earnings represent undistributed profits, net of statutory appropriations attributable to the ordinary shareholders.

(c) **Claims review shares reserve:** Reserve warehouses 2% of the issued shares of Nigerian Exchange Group, was set aside for allotment to parties who are adjudged as being entitled to shares in the demutualized Exchange, pursuant to the provisions of the Demutualization Act 2018 ("Claims Review Shares"). The apportionment of 2% as the Claims Review Shares is based on an analysis of the probable quantum of shares that would be required to settle each claim. In the event the Claims Review Shares are insufficient to satisfy successful claims, additional shares will be allotted from the demutualized Exchange's authorised share capital.

(d) **Other reserves**

Other reserves represent fair value gain recognised on investment at FVOCI, Equity accounted investee- share of OCI on investment at FVOCI and actuarial gains/loss on defined benefit obligations.

	Group				Company			
In thousands of naira	Fair value reserve	Actuarial valuation reserve	Claims review shares reserve	Total	Fair value reserve	Actuarial valuation reserve	Claims review shares reserve	Total
Balance at 1 January 2022	1,997,192	(8,842)	9,012	1,997,362	-	(38,801)	9,012	(29,789)
Fair value changes in investment securities (See note 19b(iii))	2,021,278	-	-	2,021,278	-	-	-	-
Share of OCI in Equity accounted Investee- CSCS (See note 20(i))	(68,035)	-	-	(68,035)	-	-	-	-
Share of OCI in Equity accounted Investee- CSCS (See note 20(i))	-	-	-	-		-	-	-
Movement in Actuarial gain/(loss)	-	-	-	-	-	(13,217)	-	(13,217)
Transaction with equity holders		-	-	-	-	-		-
Balance at 31 December 2022	3,950,434	(8,842)	9,012	3,950,606	-	(52,018)	9,012	(43,006)

	Group				Company			
In thousands of naira	Fair value reserve	Actuarial valuation reserve	Claims review shares reserve	Total	Fair value reserve	Actuarial valuation reserve	Claims review shares reserve	Total
Balance at 1 January 2021	1,437,498	(48,103)	-	1,389,395	-	(48,342)	-	(48,342)
Fair value changes in investment securities (See note 19 b (iii))	564,153	-	-	564,153	-	-	-	-
Share of OCI in Equity accounted Investee - CSCS (See note 20(i))	(13,471)	-	-	(13,471)	-	-	-	-
Share of OCI in Equity accounted Investee- CSCS (See note 20(i))	-	255	-	255		-	-	-
Movement in Actuarial gain	-	39,007	-	39,007	-	9,541	-	9,541
Transaction with equity holders	-	-	9,012	9,012	-	-	9,012	9,012
Balance at 31 December 2021	1,988,180	(8,840)	9,012	1,988,351	-	(38,801)	9,012	(29,789)

(e) Non-controlling interest: This is the component of shareholders equity as reported on the consolidated statement of financial position which represents the ownership interest of shareholders other than the parent of the subsidiary. The Group does not have any subsidiary that has material non-controlling interest.

32 Contingent liabilities and commitments

(a) Legal proceedings

The Company, in its ordinary course of business, is presently involved in 80 cases (2021: 8 cases as plantiff ; 68 cases as a defendany). As at 31 December 2022, estimated contingent liabilities stood at N13,633,709,218 (2021: N13,630,708,802). Based on legal advice, management expects some of the outcome of the litigations to have minimal effect on the Group's financial position, hence a provision of N405,744,000 (2021: N402,743,584) for claims and litigations have been recognised in the financial statements.

(b) Capital commitments

The Group had no capital commitments in respect of authorized and contracted capital projects as at 31 December 2022.

33 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. From the Company's perspective, this definition includes key management personnel and associates. As at the reporting date, the Company had a number of transactions with related parties in the normal course of business. These include rent paid to NGX Real Estate Limited on the property occupied by the Company and payment of other expenses on behalf of the subsidiaries.
A summary of related party transactions during the year is shown below:

(a) (i) Intercompany receivables

In thousands of naira	Note	2022	2021
NSE Consult Limited	17	71,298	171,298
NGX Real Estate Limited	17	571,578	511,191
Coral Properties Limited	17	-	1,196
NSE Nominees Limited	17	-	110
NGX Regulation Limited	17	283,133	225,325
		926,009	909,120

(ii) Intercompany payables

In thousands of naira		2022	2021
NGX Exchange Limited	24	237,350	895,918
		237,350	895,918

(b) Intercompany expenses

In thousands of naira	Note	2022	2021
Rent and service charge paid to NGX Real Estate Limited		191,128	252,473
		191,128	252,473

(c) Transactions with associate companies

In thousands of naira	Note	2022	2021
Investment in CSCS	20	17,628,194	3,347,223
Dividend received from CSCS	20	1,471,262	1,707,681
Investment in NG Clearing	20	1,736,687	1,736,687

(e) Balance on the ECL impairment losses on the related party receivables are shown below:

Subsidiaries	**2022**			**2021**		
In thousands of naira	**ECL Impairment on Receivable**	**Impairment on investment**	**Total**	**Impairment on Receivable**	**Impairment on investment**	**Total**
NSE Consult Limited (see note 17 (a)(ii))	-	1,000	1,000	-	1,000	1,000
NGX Real Estate Limited (see note 17 (a)(ii))	327,806	-	327,806	394,795	-	394,795
Coral Properties Limited (see note 17 (a)(ii))	-	72,000	72,000	19,900	72,000	91,900
NG Clearing Limited (see note 17 (b) above)	-	-	-	-	-	-
NSE Nominees Limited (see note 17 (a)(ii))	-	500	500	-	500	500
	327,806	73,500	401,306	414,695	73,500	488,195

34 Group entities

Significant subsidiaries	Country of incorporation	Nature of business	Ownership Interest	Non Controlling Interest
NGX Real Estate Limited	Nigeria	Property letting and investment	99.9%	0.1%
Coral Properties Limited	Nigeria	Real estate development	99.9%	0.1%
NSE Consult Limited	Nigeria	Financial advisers & consultants	99.8%	0.2%
NSE Nominees Limited	Nigeria	Acts as a nominee	83.3%	16.7%
Nigerian Exchange Limited	Nigeria	Capital Market Infrastructure services	99.9%	0.1%
NGX Regulation Limited	Nigeria	Regulatory services	99.9%	0.1%

35 Cash flow workings

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
i. Changes in intercompany receivables				
Opening balance	-	-	909,120	728,434
Impairment (charges)/reversal	-	-	66,989	349,000
Closing balance	-	-	(926,009)	(909,120)
	-	-	50,100	168,314
Adjustment for non cash item:				
Reclassification from intercompany receivables	-	-	19,900	211,999
Change during the year	-	-	70,000	380,313
ii. Changes in trade and other receivables				
Opening balance	1,658,323	862,045	1,123,164	214,713
Impairment charges	110,150	(46,463)	7,000	-
Non cash adjustment	-	-	-	632,889
Closing balance	(1,064,696)	(1,658,323)	(704,470)	(1,123,164)
Change during the year	703,777	(842,741)	425,694	(275,562)
iii. Changes in prepayments				
Opening balance	474,258	152,032	281,503	149,495
Closing balance	(592,461)	(474,258)	(95,745)	(281,503)
Movement in ECL allowance	(13,681)	-	(13,681)	-
Change during the year	(131,884)	(322,226)	172,077	(132,008)
iv. Changes in other liabilities and provisions				
Opening balance	2,904,392	(3,022,495)	2,737,762	(2,806,809)
Provision made during the year	-	(32,201)	-	(29,200)
Movement in right of use asset and lease liabilities	77,584	-	(87,862)	-
Closing balance	(5,692,540)	3,127,015	(1,582,837)	2,880,184
Change during the year	(2,710,564)	72,319	1,067,063	44,175
v. Interest received				
Interest income	2,030,704	1,343,207	1,876,948	1,307,121
Interest received on prior period highly liquid investment	16,961	3,835	16,961	3,835
Interest receivable on placements	(18,225)	(16,961)	(18,225)	(16,961)
Interest receivable on bonds	(111,092)	(111,092)	(111,092)	(111,092)
	1,918,348	1,218,989	1,764,592	1,182,903
vi. Dividend received				
Dividend income	1,471,262	1,707,680	1,471,262	1,707,680
	1,471,262	1,707,680	1,471,262	1,707,680
vii. Purchase of investments				
Opening balance of investments	14,360,003	10,183,146	12,320,465	8,707,760
Fair value changes	2,021,278	564,153	-	-
Interest income	2,030,704	128,053	1,876,948	128,053
Interest received	(1,918,348)	-	(1,764,592)	-
Non cash adjustment	-	8,228	-	8,228
ECL impairment on treasury bills and bonds	68	12,649	-	(12,649)
Closing balance of total investments	(16,951,682)	(14,360,003)	(11,647,127)	(12,320,465)
Change during the year	(457,977)	(3,463,774)	785,694	(3,489,073)

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
viii. Proceeds from the sale of property and equipment				
Gain on disposal of property and equipment	18,668	1,246	-	623
Cost eliminated on disposal	(378,350)	(57,950)	-	29,400
Accumulated depreciation eliminated on disposal	220,253	51,950	-	(29,400)
Proceeds from the sale of property and equipment	(176,765)	(4,754)	-	623
ix. Additional investment in associates				
Opening balance	14,750,630	12,425,595	5,083,910	3,157,340
Closing balance	(29,711,182)	(14,750,630)	(19,364,881)	(5,083,910)
	(14,960,552)	(2,325,035)	(14,280,971)	(1,926,570)
Adjustment:				
Share of profit of associate	2,150,844	2,119,361	-	-
Dividend received	(1,471,262)	(1,707,680)	-	-
Share of OCI from Equity-accounted associate	(68,035)	(13,216)	-	-
Additional investment in associate	(14,349,005)	(1,926,571)	(14,280,971)	(1,926,570)
x. Net foreign exchange differences				
Exchange gain	13,538	8,228	-	8,228
Exchange loss	(746)	(53,371)	(719)	(37,429)
Net foreign exchange differences	12,792	(45,143)	(719)	(29,201)
ix. Term loan				
Inflow	25,000,000	-	25,000,000	-
Interest accrued	2,100,468		2,100,468	
Capital repayment	(11,650,000)	-	(11,650,000)	-
Change during the year	15,450,468		15,450,468	
xii. Proceeds from disposal of investment in subsidiary				
Opening balance	-	-	3,738,111	-
Closing balance	-	-	(2,856,928)	-
Dirposal of investment in subsidiary	-	-	881,183	-

36 Earnings per share

Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. Where a stock split or bonus share issue has occurred, the number of shares in issue in the prior year is adjusted to achieve comparability.

Profit / (loss) attributable to the shareholders of NGX Group\ (N'000)	698,482	2,248,166	(259,737)	1,880,790
Number of shares in issue at end of the year (in thousands of shares)	1,982,140	1,982,140		
Weighted average number of ordinary shares in issue (in thousands of shares)	1,982,140	1,982,140		
Basic and diluted earnings per share (Naira)	0.35	1.19		

Basic and diluted earnings per share are the same, as NGX Group has no potentially dilutive ordinary shares

37 Events after the reporting date

There were no other events after reporting date requiring adjustment of, or disclosure in, these consolidated and separate financial statements.

38 Non Audit fees

The NGX Group engaged the services of Ernst & Young as consultant to evaluate the performance of individual directors, committees and Board for the year ended 31 December 2022, at a fee of N4,837,500 (2021 N4,837,500). The engagement of Ernst & Young for this non-audit service does not constitute a conflict of interest and does not pose a threat to their independence as Group auditor.

OTHER NATIONAL DISCLOSURES

Other National disclosures

VALUE ADDED STATEMENT
For the year ended 31 December 2022

In thousands of naira	Group 2022	%	Group 2021	%
Gross earnings	9,650,447		8,918,121	
Bought in materials and services - local	(2,508,190)		(2,712,829)	
Impairment	(3,549)		(70,289)	
Value added	7,138,708	100	6,135,003	100
DISTRIBUTION				
EMPLOYEES AND DIRECTORS				
Personnel expenses	3,664,500	51	3,239,711	53
GOVERNMENT				
Income tax expense	124,607	2	153,036	2
PROVIDERS OF CAPITAL				
Interest expense	2,100,468	29		
RETAINED IN THE BUSINESS				
For depreciation and amortization	550,652	8	494,090	8
To augment reserves	698,482	10	2,248,166	37
	7,138,708	100	6,135,004	100

In thousands of naira	Company 2022	%	Company 2021	%
Gross earnings	3,568,138		4,120,274	
Bought in materials and services - local	(944,848)		(1,369,338)	
Impairment	82,139		324,791	
	2,705,429	100	3,075,728	100
DISTRIBUTION				
EMPLOYEES AND DIRECTORS				
Personnel expenses	798,847	30	983,340	32
GOVERNMENT				
Tax expense	10,484	-	24,896	1
PROVIDERS OF CAPITAL				
Interest expense	2,100,468	78		-
RETAINED IN THE BUSINESS				
For Depreciation and Amortization	55,367	2	186,702	6
To augment reserves	(259,737)	(10)	1,880,790	61
	2,705,429	100	3,075,728	100

Other National disclosures

FIVE YEAR FINANCIAL SUMMARY

For the year ended 31 December 2022

STATEMENT OF FINANCIAL POSITION

In thousands of naira	Group 31 Dec 2022	Group 31 Dec 2021	Group 31 Dec 2020	Group 31 Dec 2019	Group 31 Dec 2018
ASSETS					
Cash and cash equivalents	4,749,694	2,248,237	6,988,063	4,416,040	2,810,873
Trade and other receivables	1,064,696	1,658,323	862,045	229,550	1,282,058
Prepayments	592,461	460,577	152,032	301,827	291,787
Investments securities	621,570	3,986,512	2,768,959	7,133,863	7,688,773
Total current assets	7,028,421	8,353,649	10,771,099	12,081,280	12,073,491
Investment securities	16,330,112	10,373,491	7,414,186	4,761,505	2,604,247
Defined benefit plan asset	180	-	-	-	-
construction	75,501	-	-	-	1,144,400
Investment in associates	29,711,182	14,750,630	12,425,595	10,689,986	9,024,856
Property and equipment	3,827,404	4,209,295	4,253,760	4,391,352	3,914,072
Intangible assets	90,444	181,875	241,932	257,155	309,030
Total non-current assets	50,034,822	29,515,290	24,335,473	20,099,998	16,996,605
Total assets	57,063,243	37,868,940	35,106,573	32,181,278	29,070,096
LIABILITIES					
Other liabilities	5,286,796	2,498,648	2,411,964	2,661,043	2,063,366
Term loan	14,078,952	-	-	-	-
Income tax liabilities	93,854	224,725	89,095	46,286	171,225
Lease liabilities	26,021	222,623	133,780	-	-
Defined-contribution pension	-	-	38,484	-	-
Total current liabilities	19,485,623	2,945,996	2,673,323	2,707,329	2,234,591
Retirement benefit obligation	125,666	163,964	544,582	477,034	368,344
Provisions	405,744	405,744	373,543	357,276	357,276
Deferred tax liabilities	238,882	238,882	238,882	213,761	192,332
Total non current liabilities	770,292	808,590	1,157,006	1,048,071	917,952
Total liabilities	20,255,915	3,754,586	3,830,330	3,755,400	3,152,543
EQUITY					
Share capital	1,102,310	982,058	-	-	-
Other reserves	3,973,831	1,988,351	1,389,394	-	-
Retained earnings	31,731,187	31,143,945	29,886,849	28,425,878	25,917,553
Total equity	36,807,328	34,114,354	31,276,243	28,425,878	25,917,553
Total liabilities and equity	57,063,243	37,868,940	35,106,573	32,181,278	29,070,096

Other National disclosures

FIVE YEAR FINANCIAL SUMMARY
For the year ended 31 December 2022

INCOME STATEMENT

In thousands of naira	Group 31 Dec 2022	Group 31 Dec 2021	Group 31 Dec 2020	Group 31 Dec 2019	Group 31 Dec 2018
Revenue	6,170,366	5,777,055	5,027,740	4,954,435	4,822,617
Revenue	6,170,366	5,777,055	5,027,740	4,954,435	4,822,617
Other income	1,329,237	1,021,704	991,494	2,828,923	2,848,871
Impairment charge/ reversal on assets	(3,549)	(70,289)	(60,409)	(63,990)	(50,364)
Personnel expenses	(3,664,500)	(3,239,711)	(3,240,384)	(3,694,465)	(3,066,896)
Operating expenses	(2,508,190)	(2,712,829)	(2,223,441)	(2,778,345)	(2,471,201)
Net operating expenses	(4,847,001)	(5,001,125)	(4,532,740)	(3,707,877)	(2,739,591)
Operating (loss)/profit	(1,327,755)	281,841	(93,956)	768,225	1,502,424
Share of profit of equity accounted investees (net of income tax)	2,150,844	2,119,361	2,003,217	1,531,589	1,302,603
Profit before minimum tax	823,089	2,401,202	1,909,261	2,299,814	2,805,027
Minimum tax	-	(6,981)	-	-	-
Profit before income tax expense	823,089	2,394,221	1,909,261	2,299,814	2,805,027
Income tax expense	(124,607)	(146,055)	(70,266)	(41,766)	(101,583)
Profit for the year	698,482	2,248,166	1,838,995	2,258,048	2,703,444

Other National disclosures

FIVE YEAR FINANCIAL SUMMARY
For the year ended 31 December 2022

STATEMENT OF FINANCIAL POSITION

In thousands of naira	Company 31 Dec 2022	Company 31 Dec 2021	Company 31 Dec 2020	Company 31 Dec 2019	Company 31 Dec 2018
ASSETS					
Cash and cash equivalents	1,560,373	1,097,730	5,562,994	4,307,178	2,606,461
Trade and other receivables	704,470	1,123,164	847,600	200,383	1,172,910
Intercompany receivables	926,009	909,120	728,434	868,671	2,052,107
Prepayments	95,745	267,822	149,495	301,802	218,637
Investments securities	648,871	1,946,974	2,768,959	6,943,867	7,688,734
Total current assets	3,935,468	5,344,810	10,057,482	12,621,901	13,738,849
Investment securities	10,998,256	10,373,491	5,938,801	4,305,438	2,340,632
Investment in associates	19,364,881	5,083,910	3,157,340	2,157,340	1,058,304
Investment in subsidiaries	2,856,928	3,738,111	4,015,893	945,950	945,950
Property and equipment	203,929	296,147	397,780	2,255,227	1,836,427
Intangible assets	24,834	31,362	-	252,520	304,394
Total non-current assets	33,448,828	19,523,022	13,509,814	9,916,475	6,485,707
Total assets	37,384,296	24,867,831	23,567,296	22,538,376	20,224,556
Other liabilities	1,180,094	2,335,019	2,370,941	2,722,988	2,051,419
Term loan	14,078,952				
Income tax liabilities	16,229	-	-	-	-
Lease liabilities	-	142,422	191,823.00	-	-
Defined-contribution pension	-	-	38,483	-	-
Total current liabilities	15,275,275	2,477,441	2,601,247	2,722,988	2,051,419
LIABILITIES					
Retirement benefit obligation	39,561	24,496	544,582	477,034	368,344
Provisions	402,743	402,743	373,543	357,276	357,276
Total non current liabilities	442,304	427,239	918,125	834,310	725,620
Total liabilities	15,717,579	2,904,680	3,519,372	3,557,298	2,777,038
EQUITY					
Share capital	1,102,310	982,058	-	-	-
Other reserves	(61,030)	(29,789)	(48,342)	-	-
Retained earnings	20,624,021	20,985,986	20,096,266	18,981,079	17,447,517
Total equity	21,665,301	21,938,255	20,047,924	18,981,079	17,447,517
Total liabilities and equity	37,384,296	24,867,831	23,567,296	22,538,376	20,224,556

Other National disclosures

FIVE YEAR FINANCIAL SUMMARY
For the year ended 31 December 2022

INCOME STATEMENT

In thousands of naira	**Company 31 Dec 2022**	**Company 31 Dec 2021**	**Company 31 Dec 2020**	**Company 31 Dec 2019**	**Company 31 Dec 2018**
Revenue	3,348,241	3,734,541	6,167,400	4,863,461	4,700,579
Revenue	3,348,241	3,734,541	6,167,400	4,863,461	4,700,579
Other income	219,897	385,734	949,074	3,728,576	3,575,043
Impairment writeback/(loss) on assets	82,139	324,791	(34,443)	(82,821)	(52,840)
Personnel expenses	(798,847)	(983,340)	(3,240,384)	(3,694,465)	(3,066,895)
Operating expenses	(944,848)	(1,369,338)	(2,166,340)	(2,760,945)	(2,431,748)
Net operating expenses	(1,441,659)	(1,642,153)	(4,492,094)	(2,809,656)	(1,976,441)
Operating (loss)/profit	1,906,582	2,092,388	1,675,306	2,053,806	2,724,138
(Loss)/profit before income tax expense	(249,253)	1,905,686	1,062,078	1,523,852	2,196,884
Minimum tax	-	(6,031)	-	-	-
(Loss)/profit before income tax expense	(249,253)	1,899,655	1,062,078	1,523,852	2,196,884
Income tax expense	(10,484)	(18,865)	-	-	-
(Loss)/profit for the year	(259,737)	1,880,790	1,062,078	1,523,852	2,196,884

MOMENTS

MOMENTS

L – R shows Mr. Temi Popoola, Chief Executive Officer, Nigerian Exchange Limited (NGX) Mr. Bola Koko, Chief Executive Officer, FMDQ; Mr. Lamido Yuguda, Director General, Securities and Exchange Commission (SEC); Mr. Oscar N. Onyema, OON, Group Chief Executive Officer, Nigerian Exchange Group Plc and Mr. Chuka Eseka, Chief Executive Officer, Vetiva Group, during a stakeholders Retreat on the Investments and Securities Bill 2021 in Lagos

L – R shows, Mr. Oscar N. Onyema, OON, Group Chief Executive Officer, Nigerian Exchange Group Plc; Mr. Ade Ayeyemi, Immediate past Chief Executive Officer, Ecobank; His Excellence, Dr. Mahamudu Bawumia, Vice President of the Republic of Ghana; Rep Illan Abdullahi Omar, Member of the United States House of Representatives; Mr. Ebenezer Onyeagwu, Group Managing Director/CEO, Zenith Bank Plc; Adjoa Adjes Twum, Chief Executive Officer and Founder, EBII Group and H.E Wamkele Mene, Secretary General, African Continental Free Trade Area (AFCTA) Secretariat, during the Africa Investments, Risk and Compliance Summit organized to provide investment solutions to risks associated with the African continent 5 July 2022 in London

L – R shows Mr. Oscar N. Onyema, OON, Group Chief Executive Officer, Nigerian Exchange Group Plc; Mrs. Irene Ubah, Institute of Director (IoD); Dr. Muda Yusuf, Chief Executive Officer, The Centre for the Promotion of Private Enterprise (CPPE); Dr. Mrs. Ije Jidenma, President and Chairman Governing Council, IOD; Mr. Ike Chioke, Group Managing Director, Afrinvest; Engr. Mansur Ahmed, President, Manufacturer Association of Nigeria (MAN) and Mr. Samalia Zubairu, President and Chief Executive Officer, Africa Finance Corporation (AFC) during Infrastructure Stakeholders Forum held on Thursday, 14 July 2022 at Civic Centre, Victoria Island, Lagos

L – R shows Mr. Temi Popoola, Chief Executive Officer, Nigerian Exchange Limited (NGX); Mr. Oscar N. Onyema, OON, Group Chief Executive Officer, Nigerian Exchange Group Plc; Mr. Oluwole Adeosun, President, Chartered Institute of Stockbroker (CIS); Otunba Abimbola Ogunbanjo, Immediate Past Group Chairman, NGX Group; Mr. Haruna Jalo-Waziri, Managing Director/CEO, Central Securities Clearing System Plc (CSCS) and Mrs. Fiona Ahmed Ahimie, 1st Vice President, CIS during the investiture of CIS 12th President and Chairman of Governing Board, Mr Oluwole Adeosun at the Muson Centre, Onikan Lagos on Thursday, July 28, 2022

L – R shows Oscar N. Onyema, OON, Group Chief Executive Officer, Nigerian Exchange Group; Immediate Past Group Chairman, NGX Group Plc and Mojisola Adeola, former Group Company Secretary, Nigerian Exchange Group Plc during the 61st Annual General Meeting, Nigerian Exchange Group in Lagos

L – R Shows Mr. Oscar N. Onyema, OON, Group Managing Director/Chief Executive Officer, Nigerian Exchange Group Plc; Mr. Kayode Akinkugbe, Managing Director/CEO, FBNQuest Merchant Bank Limited; Gbenga Oyebode, MFR, Of Counsel, Aluko & Oyebode; Mr. Aigboje Aig-Imoukhuede, CON, Chairman, Enterprise NGR; Obi Ibekwe, Chief Executive Officer, EnterpriseNGR; Mr. Banjo Adegbohungbe, Managing Director/CEO, Coronation Merchant Bank Limited at the EnterpriseNGR state of enterprise report launch in Lagos

L – R shows Mr. Cyril Eigbobo, Group Chief Financial Officer, Nigerian Exchange Group (NGX Group); Mr. Oscar N. Onyema, OON, Group Chief Executive Officer, NGX Group; Mrs. Mayowa Obilade, Economic Specialist, U.S. Consulate General, Lagos; Mary Anne Onwuchekwa, Protocol Assistant, U.S. Consulate General, Lagos; Mr. Will Stevens, United States Consul General, Lagos and Mr. Paul Okunaiya, Group Chief Investment Officer, NGX Group during a courtesy visit of the U.S. Consulate General to NGX

L - R Air Cmdr. O.F. Akinboyewa, Representing the Commandant, National Defence College, Abuja; Mr. Temi Popoola, Chief Executive Officer, Nigerian Exchange Limited (NGX); Major General Samad Akesode, representing the National Security Adviser; Mr. Oscar N. Onyema, OON, Chairman Board of Directors, Central Securities Clearing System (CSCS) Plc; Mr. Haruna Jalo-Waziri, MD/CEO, CSCS Plc; Mr. Dayo Obisan, Executive Commissioner, Operations, Securities and Exchange Commission (SEC); Major General Abubakar Adamu, Commandant, Nigerian Army Cyberwarfare Command, Abuja and Mr. Adeyinka Shonekan, Executive Director, CSCS Plc, during the CSCS Cybersecurity Conference, Abuja, Thursday, 27 October 2022

MOMENTS

L – R Charles Kié, Chief Executive Officer of Genesis Holdings; Oscar N Onyema, OON, Group Chief Executive Officer, Nigerian Exchange Group Plc; Florizelle Liser, Chief Executive Officer of Corporate Council on Africa of the U.S; Simon Tiemtoré, Vista Bank Chief Executive Officer; Aubrey Hruby, principal researcher at the Atlantic Council and founder of Tofino Capital and Vincent Le Guennou, Chief Executive Officer of Africa50 Infrastructure Acceleration Fund during Africa Investment Forum.

L – R shows Mr. Ayuli Jemide, Chairman, Nigerian Bar Association Section on Business Law (NBA-SBL); Dr. (Mrs.) Ije Jidenma F.IoD, President, Institute of Directors (IoD) Nigeria; Mr. Jude Chiemeka, Divisional Head, Capital Markets, Nigerian Exchange Limited; George Etomi, Partner, George Etomi & Partners and Pioneer Chairman, NBA-SBL; Dr. Seni Adio, Managing Partner, Copley Partners and former Chair, NBA-SBL and Tinuade Awe, Chief Executive Officer, NGX Regulation Limited during the launched of Corporate Governance Triangle at Southern Sun Hotel, Ikoyi on Tuesday, March 22, 2022

L – R shows Mr. Tayo Orekoya, President/CEO, The PEARL Awards Nigeria and Chairman, CITC Group; Dr. Umaru Kwaranga, Group Chairman, Nigerian Exchange Group Plc; His Excellency, Mr. Babajide Olusola Sanwo-Olu, Executive Governor, Lagos State; Mr. Temi Popoola, Chief Executive Officer, Nigerian Exchange Limited (NGX) and Chief (Dr) Faruk Umar, President, Association for Advancement of Right of Nigerian Shareholders and Board Member, NGX, at the 2022 PEARL Awards Nite theme "Sustaining Excellence through Tenacity" at Eko Hotel & Suites, Victoria Island, Lagos

L – R shows Temi Popoola, Chief Executive Officer, Nigerian Exchange Limited; Mr. Ashish Khemka, Chief Finance Officer, Lagos Free Zone; Mr. Oscar N. Onyema, OON, Group Chief Executive Officer, Nigerian Exchange Group during the 2022 NGX Made Of Africa, Award Ceremony in Lagos

Group Executive Committee & Management Committee

GROUP EXECUTIVE COMMITTEE

Oscar N. Onyema OON
GMD/CEO, Nigerian Exchange Group Plc.

Temi Popoola CFA
CEO, Nigerian Exchange Limited

Tinuade Awe
CEO, NGX Regulation Limited

Gabriel Igbeka
CEO,
NGX Real Estate Limited

MANAGEMENT COMMITTEE

Oscar N. Onyema OON
GMD/CEO, Nigerian Exchange Group Plc.

Cyril Eigbobo
Group Chief Financial Officer

Tony Idugboe
Group Chief Investment Officer

Bernard Ahanaonu
Group Internal Auditor

Kolade Adebayo
Compliance Manager

Obehi Ikhaghe
Group Company Secretary

Proxy Form

For The 62nd Annual General Meeting

The Sixty-Second Annual General Meeting of Nigerian Exchange Group Plc (NGX Group) will hold at the Event Centre, 20th Floor, Nigerian Exchange Group House, 2/4 Customs Street, Lagos, on Friday, 14 July 2023 at 11:00 a.m.

Affix Passport of Proxy

Name of Shareholder: ....

Address: ....

hereby appoint ....

as my proxy to act and vote on my behalf at the Annual General Meeting of Nigerian Exchange Group Plc. scheduled for Friday, 14 July 2023 at 11:00 a.m.

Dated this 21 day of June 2023

....

Member's Signature/Seal Member's Name

S/N	AGENDA	FOR	AGAINST	ABSTAIN
i)	**ORDINARY BUSINESS** 1. To present the Audited Financial Statements of the Nigerian Exchange Group Plc. for the year ended 31 December 2022, and the Reports of the Board and the Auditors thereon.			
	2. To re-elect the following Non-Executive directors that are retiring by rotation; a. Dr. Umaru Kwairanga; b. Dr. Okechukwu Itanyi; and c. Mrs. Ojinika Olaghere.			
	3. To authorize the Board to fix the remuneration of the external auditors.			
	4. To disclose the remuneration of Managers of Nigerian Exchange Group Plc.			
	5. To elect/re-elect members of the Statutory Audit Committee.			
ii)	SPECIAL BUSINESSES: 6. To approve the appointment of the following persons as Directors of Nigerian Exchange Group Plc: I. Mr. Sehinde Adenagbe (Non-Executive Director). II. Mr. Ademola Babarinde (Non-Executive Director). III. Mrs. Mosun Belo – Olusoga (Independent Non-Executive Director). IV. Mr. Mohammed Garuba (Non-Executive Director). V. Mr. Nonso Okpala (Non-Executive Director). VI. Mrs. Fatima Wali-Abdurrahman (Independent Non-Executive Director).			

Proxy Form

For The 62nd Annual General Meeting

S/N	AGENDA	FOR	AGAINST	ABSTAIN
	7. To consider and if thought fit, pass with or without any modifications as a special resolution, the amendment of Article 24 of the Company's Articles of Association to read that: "The Board may increase the issued share capital of the Company and allot new shares of such amount as it considers expedient, provided that a prior approval to do so has been obtained from Shareholders at a General Meeting.			

NOTE:

1. **PROXY**
   a) A shareholder entitled to attend and vote at the Annual-General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. A Proxy need not be a shareholder.

   b) A blank proxy form is attached to the Notice and may also be downloaded from Nigerian Exchange Group Plc (NGX Group)'s website at www.ngxgroup.com

   c) All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at either the registered office of NGX Group's Registrars, DataMax Registrars, (2C Gbagada - Oworonshoki Expressway, Gbagada, Lagos) or via email to datamax@datamaxregistrars.com or contactcenter@ngxgroup.com at least 48 hours before the time of holding the meeting.

2. **LIVE STREAMING OF AGM**
   The AGM will be streamed live to enable shareholders and other stakeholders who are unable to physically attend to follow the proceedings online. The link for live streaming will be made available on the NGX Group's website at www.ngxgroup.com

3. **STATUTORY AUDIT COMMITTEE**
   The Audit Committee consists of three (3) Shareholder representatives and two (2) Directors. In accordance with Section 404 of the Companies and Allied Matters Act, (CAMA) 2020, any shareholder may nominate another shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. Further, CAMA 2020 provides that all members of the Audit Committee shall be financially literate, and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. Consequently, a detailed resume disclosing requisite qualification should be submitted with each nomination.

4. **BIOGRAPHICAL DETAILS OF DIRECTORS FOR RE-ELECTION AND APPOINTMENT**
   Biographical details of Directors submitted for re-election and appointment are contained in the Annual Report.

5. **QUESTIONS FROM SHAREHOLDERS**
   Shareholders reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Annual Report and Accounts or on any matter. Please send questions, comments, or observations to Investors Relations by e-mail to IR@ngxgroup.com not later than 7 July 2023. Questions and answers will be presented at the Annual General Meeting.

Dated this 21 day of June 2023

By Order of the Board

Obehi Ikhaghe
Ag. Company Secretary
Nigerian Exchange Group House
2/4, Customs Street
Lagos, Nigeria

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ADMISSION CARD

The 62nd (Sixty-Second) Annual General Meeting of Nigerian Exchange Group Plc will hold at the Event Centre, 20th Floor, Nigerian Exchange Group House, 2/4 Customs Street, Lagos on **Friday, 14 July 2023 at 11:00 a.m.**

NAME OF SHAREHOLDER:..

ADDRESS: ....

NGX
Nigerian Exchange Group

2/4 Customs Street Marina, Lagos
Tel: +234 1 4638333-5
Email: contactcenter@ngxgroup.com

www.ngxgroup.com