

Nigerian Exchange Group Plc
Consolidated and Separate Financial Statements
For the year ended 31 December 2023

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For the year ended 31 December 2023

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Corporate information

Directors

Dr. Umaru Kwairanga	Group Chairman (Non-Executive Director)
Mr. Oscar Nduka Onyema, OON	Group Managing Director/ GCEO
Dr. Okechukwu Itanyi	Independent Non-Executive Director
Mrs. Ojinika Olaghere	Independent Non-Executive Director
Mr. Sehinde Adenagbe*	Non-Executive Director
Mr. Ademola Babarinde*	Non-Executive Director
Mr. Mohammed Garuba	Non-Executive Director
Mr. Oluwole Adeosun**	Non-Executive Director
Mr. Nonso Okpala*	Non-Executive Director
Mr. Chidi Agbapu**	Non-Executive Director
Mr. Patrick Ajayi**	Non-Executive Director
Mrs. Fatimah Bello – Ismai*	Non-Executive Director
Mrs. Mosun Belo-Olusoga	Independent Non-Executive Director
Mrs. Fatima Wali-Abdurrahman	Independent Non-Executive Director

* - appointed 14 July 2023

** - Resigned 14 July 2023

Acting Company Secretary: Mr. Izuchukwu Emmanuel Akpa
 FRC/2020/002/00000021979

Registered Office: Nigerian Exchange House
 2/4, Customs Street
 Marina
 Lagos
 FRC/2013/0000000000621

Independent Auditor: Ernst & Young
 10th & 13th Floors, UBA House
 57 Marina
 Lagos
 Nigeria
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RC Number RC 2321

Tax Identification Number (TIN) 00884470-0001

Directors' Report

For the year ended 31 December 2023

The Board of Directors presents their report on the affairs of Nigerian Exchange Group Plc ("NGX Group Plc" or "the Company") and its subsidiaries (together "the Group" or "NGX Group"), together with the consolidated and separate financial statements and independent auditor's report for the year ended 31 December 2023.

a. Legal form

NGX Group Plc 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 Nigerian Stock 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 by shares, pursuant to the Demutualization Act, 2018.

NGX Group Plc, 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 Limited.

b. Principal activities and business review

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

NGX Group Plc 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 65% (2022: increase of 11%) and profit before tax recorded an increase of 621% (2022: 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 increased by 90% (2022: decreased by 42%) and the profit before tax increased by 656% (2022: increased by 76%). Highlights of the Group and the Company's operating results for

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Revenue and other income	11,803,903	7,499,603	6,425,296	3,568,089
Share of profit of equity accounted investee	4,855,936	2,150,844	-	-
Profit / (loss) before income tax expense	5,271,703	823,089	725,760	(249,253)
Income tax expense	(20,710)	(124,607)	-	(10,484)
Profit / (loss) after income tax	5,250,993	698,482	725,760	(259,737)
Appropriations:				
Other comprehensive (loss)/ income	(2,043,603)	1,994,493	11,515	(13,217)
Transfer to/(from) retained earnings	3,207,390	2,692,975	737,275	(272,954)

Directors' Report For the year ended 31 December 2023

d. The Board members' interests in contracts

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

e. Property and Equipment

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

f. Directors' interest as at 31 December 2023

S/N	Director's Name	Dec-23		Dec-22	
		Direct	indirect	Direct	Indirect
1	Dr. Umaru Kwairanga (Finmal Finance Company Limited)	3,053,924	1,420,640	3,053,924	1,420,640
2	Mr. Oscar Nduka Onyema, OON	NIL	NIL	NIL	NIL
3	Dr. Okechukwu Itanyi	NIL	NIL	NIL	NIL
4	Mrs. Ojinika Olaghere	NIL	NIL	NIL	NIL
5	Mr. Sehinde Adenagbe (Standard Union Securities Limited)	2,000	1,000,000	N/A	N/A
6	Mr. Ademola Babarinde (Reward Investment & Securities Limited)	NIL	869,881	N/A	N/A
7	Mr. Mohammed Garuba (CardinalStone Partners and CardinalStone Securities Limited)	10,000,000	103,755,866	N/A	N/A
8	Mr. Nonso Okpala (VFD Group)	NIL	106,832,501	N/A	N/A
9	Mrs. Mosun Belo-Olusoga	NIL	NIL	N/A	N/A
10	Mrs. Fatima Wali-Abdurrahman	NIL	NIL	N/A	N/A
11	Mr. Oluwale Adeosun (Chartwell Securities Limited) - as at 14 July 2023	NIL	5,632,830	NIL	5,632,830
12	Mr. Chidi Agbapu (Planet Capital Limited) - as at 14 July 2023	NIL	1,000,000	NIL	1,000,000
13	Mr. Patrick Ajayi (WCM Capital Limited) - as at 14 July 2023	NIL	2,000,000	NIL	3,000,000
14	Mrs. Fatimah Bintah Bello – Ismail as at 14 July 2023	NIL	NIL	NIL	NIL

g. Substantial Interest in Shareholding

As at 31 December 2023, the Company had 2,595 shareholders. In compliance with the Securities and Exchange Commission's Demutualisation Rules, none of the shareholders currently hold up to 5% of the shareholding of the Company. A total of 222,480,337 shares are being warehoused by Stanbic IBTC Trustees Limited for the Long Term Incentive Plan ("LTIP") (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.

Directors' Report
For the year ended 31 December 2023

h. Shareholding Analysis

Shareholding Analysis as at 31 December 2023					
Share Range		Number Of Shareholders	% of Shareholder	Number Of Holdings	% of Shareholding
1 -	10,000	1,538	59.27	3,538,256	0.16
10001 -	50,000	398	15.34	10,451,972	0.47
50001 -	100,000	150	5.78	12,106,593	0.55
100001 -	500,000	158	6.09	39,944,857	1.81
500001 -	1,000,000	53	2.04	42,375,241	1.92
1000001 -	5,000,000	201	7.75	498,462,152	22.61
5000001 -	10,000,000	76	2.93	470,336,974	21.33
10000001 -	50,000,000	12	0.46	280,368,975	12.72
50000001 -	100,000,000	8	0.31	624,554,550	28.33
100000001 -	500,000,000	1	0.04	222,480,337	10.09
TOTAL		2,595	100.00	2,204,619,907	100

Shareholding Analysis as at 31 December 2022					
Share Range		Number Of Shareholders	% of Shareholder	Number Of Holdings	% of 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

Directors' Report For the year ended 31 December 2023

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:

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

j. Human Resources

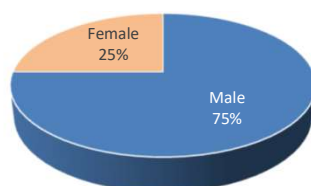
i. Report on Diversity in Employment

The Company operates a non-discriminatory policy (Work Force Diversity and Equal Opportunities Policy) in consideration of applications for employment. The Company's policy is that 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.

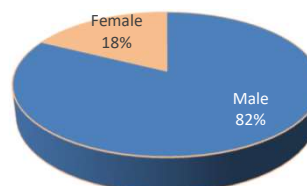
We believe diversity and inclusiveness are powerful drivers of competitive advantage in developing and understanding our customers' needs and creatively addressing them.

Gender Diversity Breakdown		
	Male	Female
Executive Management (CEOs-ED)	3	1
Management Team (PM-ED)	14	3
All other staff members (SM and below)	61	50
NGX Group board members	9	4

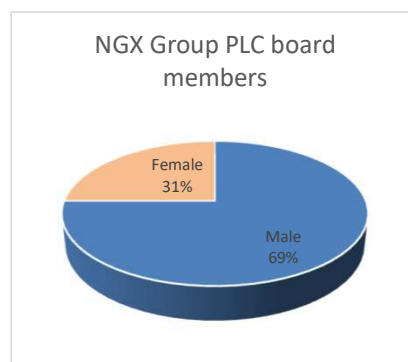
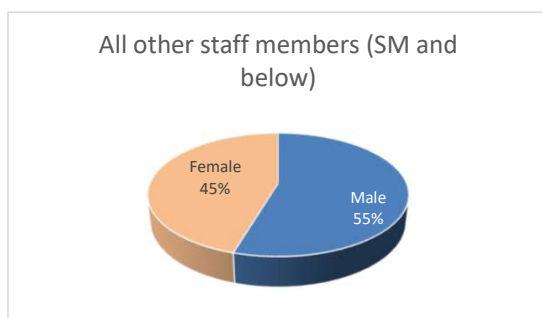
Executive Management
(CEO-ED)



Management Team
(PM-GM)



Directors' Report
For the year ended 31 December 2023



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 Maintenance 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.

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 continuous development, the NGX Group Plc. 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

Directors' Report

For the year ended 31 December 2023

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 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:

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 in arrears
Siting allowances	Allowances paid to Non-Executive Directors only, for attending Board and Board Committee Meetings.	Paid after each meeting

Directors' Report For the year ended 31 December 2023

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 Trustee for the LTIP. The LTIP is however yet to be effective as at reporting date.

n. Dividend

The Directors at its meeting held on 25 July 2023 recommended an interim dividend of 25k per ordinary share of 50k per share which was paid in August 2023. The Directors on 26 February 2024 recommended a final dividend payment of 75k per ordinary share for the year ended 31st December 2023 which is subject to approval of shareholders at the next Annual General Meeting.

This brings the total dividend for the 2023 financial year to N1 per ordinary share.

o. Donation

Being a good corporate citizen, the Group made a total donation of N79.5 million in 2023 geared towards the growth of the capital market. The list of the beneficiaries and the sums donated are listed below:

Beneficiary	Amount (N)
Chartered Institute of Stockbrokers (CIS)	21,000,000
Association of Securities Dealing Houses of Nigeria (ASHON)	20,000,000
6th African International Conference on Islamic Finance	10,000,000
West African Capital Market Conference (WACMAC)	10,000,000
Burial of late Chris Ogunbanjo	7,498,599
Burial of late Akintola Williams	5,000,000
Rotary foundation	2,000,000
Nigeria Higher Education Foundation	2,000,000
Lagos Motor Boat Club	2,000,000
	79,498,599

p. Auditor

Messrs. Ernst & Young, having satisfied the relevant corporate governance rules on their tenure in office, 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 (CAMA) 2020. Therefore, the auditor will be re-appointed at the next Annual General Meeting of the Company without any resolution being passed.

By Order of the Board



Mr. Izuchukwu Emmanuel Akpa
Acting Company Secretary
FRC/2020/PRO/NBA/002/00000021979
1 March 2024

Corporate governance report
For the year ended 31 December 2023

a. Introduction

The Board of Nigerian Exchange Group Plc (NGX Group) is pleased to present the Corporate Governance Report for the 2023 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's 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 Plc 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 2,595 shareholders/members as at 31 December 2023.

c. The Board

The Board of NGX Group ("the Board") is the governing body of the Company. The Board directs NGX Group Plc'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.

Corporate governance report - continued
For the year ended 31 December 2023

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 ten (10) Members; a Chairman, Group Managing Director/Chief Executive Officer (GMD/CEO), four (4) 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 2023 as highlighted in the table below:

S/N	Name	Comments
1	Mr. Oluwole Adeosun	Retired as an Non-Executive Director effective 14 July 2023 following the completion of the extended transition period.
2	Mr. Chidi Agbapu	Retired as an Non-Executive Director effective 14 July 2023 following the completion of the extended transition period.
3	Mr. Patrick Ajayi	Retired as an Non-Executive Director effective 14 July 2023 following the completion of the extended transition period.
4	Mrs. Fatimah Bello-Ismail	Retired as an Non-Executive Director effective 14 July 2023 following the completion of the extended transition period.
5	Mr. Oscar N. Onyema	Ahead of the end of the expiration of his contract with the Company on 31 March 2024, he has commenced his terminal leave effective 1 January 2024.

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

S/N	Name	Cummulative Years of Service as at January 2024
1	Dr. Umaru Kwairanga	2 Years, 10 months
2	Mr. Temi Popoola	1 month
3	Dr. Okechukwu Itanyi	2 Years, 10 months
4	Mrs. Ojinika Olaghere	2 Years, 10 months
5	Mr. Ademola Babarinde	7 months
6	Mr. Nonso Okpala	7 months
7	Mr. Mohammed Garuba	7 months
8	Mr. Schinde Adenagbe	7 months
9	Mrs. Mosun Belo- Olusoga	7 months
10	Mrs. Fatima Wali-Abdurrahman	7 months

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

Corporate governance report - continued
For the year ended 31 December 2023

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. Board 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 2023 is as follows:

- 1. Mrs. Ojinika Olaghere (Chartered Accountant, Banker) - Chairperson
- 2. Mr. Mohammed Garuba (Chartered Accountant, Stockbroker)
- 3. Mrs. Fatima Wali-Abdurrahman (Strategy and Management Expert)
- 4. Mr. Sehinde Adenagbe (Stockbroker, Financial Expert)

Corporate governance report - continued
For the year ended 31 December 2023

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 2023 is as follows:

1. Mr. Ademola Babarinde (Chartered Accountant, Stockbroker) - Chairman
2. Dr. Okechukwu Itanyi (Public Service Expert, Real Estate Consultant)
3. Mr. Mohammed Garuba (Chartered Accountant, Stockbroker)
4. Mrs. Mosun Belo-Olusoga (Chartered Accountant, Banker)

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 2023 is as follows:

1. Mr. Nonso Okpala (Chartered Accountant, Investment Expert) - Chairman
2. Mr. Oscar N. Onyema OON, (GMD/CEO, NGX Group)
3. Mrs. Mosun Belo-Olusoga (Chartered Accountant, Banker)
4. Mrs. Fatima Wali-Abdurrahman (Strategy and Management Expert)
5. Mr. Sehinde Adenagbe (Stockbroker, Financial Expert)

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 2023 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. Dr. Okechukwu Itanyi (Chartered Accountant, Stockbroker and Banker) – Board Director

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 2023

S/N	Committees	Number of Meetings held in 2023	Summary of Activities in 2023
1.	Board Governance and Remuneration Committee	8 meetings 100% attendance	• Oversaw the appointment of new Directors to the Board of the Company following the expiration of the extended tenure of the Transiting Directors on the Board (Former Council Members). • Made nominations to the Boards of the Company Subsidiaries in line with the Policy on Nomination to the Boards of Subsidiaries, Investee and Representative Companies • Oversaw the evaluation and performance review of the Group Managing Director/CEO (GCEO) for the 2022 Financial Year. • Setting of the 2023 Key Performance Indicators (KPIs) of the GCEO • Reviewed the Employee Share Purchase Plan (ESPP) and Employee Deferred Bonus Plan (EDBP) Schemes and recommended to the Board for approval. • Considered the 2022 Evaluation Report of the Board. • Oversaw the succession of the GCEO • Reviewed and recommended to the Board, the review of relevant governance policies such as the Board Evaluation and Onboarding Policies. • Reviewed its Terms of Reference and recommended to the Board for approval.
2	Board Risk and Audit Committee	4 meetings 100% attendance	• Provided oversight on Enterprise Risk Management, Regulatory Compliance, Internal Audit, Internal Control, Financial Reporting, and Sustainability. • 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 2022 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 quarterly Un-audited Financial Statements of NGX Group to NGX Regulation Limited and the Securities and Exchange Commission. • Considered and recommended the 2023 Risk-Based Audit Plan to the Board for approval. • Considered and recommended to the Board the 2023 External Audit Plan. • 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

Corporate governance report
For the year ended 31 December 2023

S/N	Committees	Number of Meetings held in 2023	Summary of Activities in 2023
3	Statutory Audit Committee	4 meetings 100% attendance	• Considered and approved the 2023 external audit plan >Considered and approved the 2023 Risk Based Audit Plan • Considered the quarterly Internal Audit Report. • Considered and recommended to the Board for approval the submission of the 2022 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 quarterly Un-audited Financial Statements of NGX Group to NGX Regulation Limited and the Securities and Exchange Commission, respectively.
4	Board Strategy, Finance and Investment Committee	5 meetings 100% attendance	• Deliberated on the proposed capital raise transaction of the Company. • Considered quarterly reports on Strategy implementation - Considered quarterly reports on Investments - 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. • Oversaw the process for the commencement of the 2024 -2028 strategy formulation • Reviewed its Terms of Reference and recommended to the Board for approval.

Corporate governance report - continued
For the year ended 31 December 2023

h. Record of the Board and Committee meetings held in 2023

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

S/N	Board Member	24-Feb-23	13-Apr-23	4-Jul-23	14-Jul-23	3-Oct-23	18-Oct-23	30-Nov-23	18-Dec-23
1.	Dr. Umaru Kwairanga	P	P	P	P	P	P	P	P
2.	Mr. Oscar N. Onyema, OON	P	P	P	P	P	P	P	P
3.	Dr. Okechukwu Itanyi	P	P	P	P	P	P	A	P
4.	Mrs. Ojinika Olaghere	P	P	P	P	P	P	P	P
5.	Mr. Oluwale Adeosun*	P	P	P	P	RS	RS	RS	RS
6.	Mr. Chidi Agbapu*	P	P	P	P	RS	RS	RS	RS
7.	Mr. Patrick Ajayi*	P	P	P	P	RS	RS	RS	RS
8.	Mrs. Fatimah Bintah Bello-Ismail*	P	P	P	P	RS	RS	RS	RS
9.	Mr. Nonso Okpala	NM	NM	NM	NM	P	P	P	P
10.	Mr. Ademola Babarinde	NM	NM	NM	NM	P	P	P	P
11.	Mr. Mohammed Garuba	NM	NM	NM	NM	P	P	P	P
12.	Mrs. Mosun Belo-Olusoga	NM	NM	NM	NM	P	P	P	P
13.	Mrs. Fatima Wali-Abdurrahman	NM	NM	NM	NM	P	P	P	P

* Resigned effective 14 July 2023

Board Risk and Audit Committee

S/N	Committee Member	22-Feb-23	25-Apr-23	29-Sep-23	25-Oct-23
1.	Mr. Patrick Ajayi	N/M	P	RS	RS
2.	Mr. Ademola Babarinde	N/M	N/M	P	P
3.	Dr. Okechukwu Itanyi	P	P	P	P
4.	Mrs. Ojinika Olaghere	P	NM	NM	NM
5.	Mr. Oluwale Adeosun	P	P	RS	RS
6.	Mrs. Fatimah Bintah Bello-Ismail	P	P	RS	RS
7.	Mrs. Mosun Belo-Olusoga	N/M	N/M	P	P
8.	Mr. Mohammed Garuba	N/M	N/M	P	P

Board Governance and Remuneration Committee

S/N	Committee Member	22-Mar-23	11-Apr-23	12-Jun-23	5-Sep-23	13-Oct-23	30-Oct-23	17-Nov-23	21-Dec-23
1.	Mrs. Ojinika Olaghere	P	P	P	P	P	P	P	P
2.	Mr. Chidi Agbapu	P	P	P	NM	RS	RS	RS	RS
3.	Mr. Patrick Ajayi	P	P	P	P	RS	RS	RS	RS
4.	Mrs. Fatimah Bello-Ismail	P	P	P	NM	RS	RS	RS	RS
5.	Mr. Mohammed Garuba	NM	NM	NM	P	P	P	P	P
6.	Mr. Sehinde Adenagbe	NM	NM	NM	P	P	P	P	P
7.	Mrs. Fatimah Wali-Abdurrahman	NM	NM	NM	P	P	P	P	P

Board Strategy, Finance and Investment Committee

S/N	Committee Member	20-Jan-23	7-Jun-23	12-Jun-23	22-Aug-23	11-Oct-23
1.	Mr. Oluwale Adeosun	P	P	P	RS	RS
2.	Mr. Nonso Okpala	NM	NM	NM	P	P
3.	Mr. Oscar N. Onyema, OON	P	P	P	P	P
4.	Mr. Patrick Ajayi	P	P	P	P	P
5.	Mr. Chidi Agbapu	NM	P	P	NM	NM
6.	Dr. Okechukwu Itanyi	NM	P	P	NM	NM
7.	Mr. Sehinde Adenagbe	NM	NM	NM	P	P
8.	Mrs. Fatima Wali-Abdurrahman	NM	NM	NM	P	P
9.	Mrs. Mosun Belo-Olusoga	NM	NM	NM	P	P

Corporate governance report - continued
For the year ended 31 December 2023

Statutory Audit Committee

S/N	Committee Member	22-Feb-23	25-Apr-23	25-Jul-23	25-Oct-23
1.	Mr. Oluwadare Adejumo, (Chairman)	P	P	P	P
2.	Mr. Peter Eyanuku	P	P	P	P
3.	Mr. Mike Itegbaje	P	P	P	P
4.	Mrs. Ojinika Olaghere	P	P	P	P
5.	Mr. Oluwale Adeosun	P	P	RS	RS
6.	Dr. Okechukwu Itanyi	NM	NM	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 Board Governance and Remuneration Committee (BGRC) is responsible for assessing and nominating potential candidates to the Board and its Committees. The BGRC 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 Board of NGX Group Plc was reconstituted following the Annual General Meeting held on 14 July 2023 after the resignation of the Transiting Directors (Former Council Members) and the appointment of new Directors.

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.

Corporate governance report - continued
For the year ended 31 December 2023

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
	· 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.

Corporate governance report - continued
For the year ended 31 December 2023

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 2023. 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 his office effectively.

Mr. Izuchukwu Akpa was appointed as the Acting Group Company Secretary effective 21 February 2024. , He holds several professional certifications with membership across diverse professional bodies and he amongst other things:

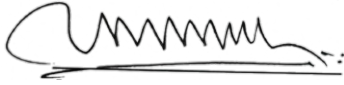
- (i) Provides the Board and its members with detailed guidance on their statutory and fiduciary duties, governance issues, and how their responsibilities should be properly discharged in NGX Group's interest;
- (ii) Manages Board communication and communication among Board inter se and between Board 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 charged and recorded in the year under review.

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

Nigerian Exchange Group Plc 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 Plc Shares. The Company has developed its Security Trading Policy to reflect its new status as a listed company in line with the requirement of Rule 17.15, 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
1 March, 2024



Mr. Izuchukwu Emmanuel Akpa
FRC/2020/002/00000021979
Acting Company Secretary
1 March, 2024

Statement of Directors' Responsibilities in Relation to the Preparation of the Consolidated and Separate Financial Statements for the year ended 31 December 2023

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 (Amendment) Act, 2023 and relevant securities and exchange commission 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 (Amendment) Act 2023.

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 2023. 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
1 March, 2024

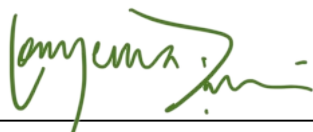


Mr. Oscar Nduka Onyema, OON
FRC/2013/IODN/0000001802
Group Managing Director/Chief Executive Officer
1 March, 2024

Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements for the year ended 31 December 2023

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 consolidated and separate financial statements of Nigerian Exchange Group Plc ("the NGX Group" and "the Company") for the year ended 31 December 2023 as follows:

- a) That we have reviewed the audited consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2023.
- b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and the Company as of and for the year ended 31 December 2023.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Group is made known to the officer by other officers of the companies, during the year end 31 December 2023.
- 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 Nduka Onyema, OON
FRC/2013/IODN/00000001802
Group Managing Director/Chief Executive Officer
1 March, 2024



Mr. Cyril Eigbobo
FRC/2013/ICAN/00000001736
Group Chief Financial Officer
1 March, 2024

Statutory Audit Committee Report for the year ended 31 December 2023

To: The Members Of The Nigerian Exchange Group Plc

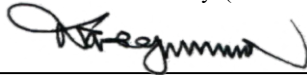
In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020, we the Members of the Statutory Audit Committee of Nigerian Exchange Group Plc ("the Company") having carried out our statutory functions under the Act, hereby report that:

- 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, 2023 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. 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. Dr. Okechukwu Itanyi (Chartered Accountant, Stockbroker and Banker) – Board Director



Mr. Samuel Adejumo
FRC/2014/CISN/00000008649
Chairman, Statutory Audit Committee
1, March, 2024

Certification of management's assessment on internal control over financial reporting for the year ended 31 December 2023

To comply with the provisions of Section 1.1 of SEC Guidance of implementation of Sections 60-63 of investments and Securities Act 2007 we hereby make the following statements regarding the Internal Controls of Nigeria Exchange Group Nigeria Plc for the year ended 31 December 2023.

I, Cyril Eigbobo, certify that:

a) I have reviewed this management assessment on Internal Control over financial reporting of Nigerian Exchange Group Plc.

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

d) The company's other certifying officer(s) and I:

- 1) are responsible for establishing and maintaining internal controls;
- 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- 4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

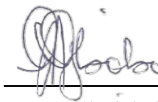
e) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

- 1) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
- 2) There were no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.

f) The company's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Mr. Oscar Nduka Onyema, OON
FRC/2013/IODN/00000001802
Group Managing Director/Chief Executive Officer
1 March, 2024



Mr. Cyril Eigbobo
FRC/2013/ICAN/00000001736
Group Chief Financial Officer
1 March, 2024

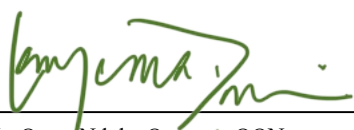
Management's Report on the Assessment of Internal Control Over Financial Reporting as at 31st December 2023

Management of Nigeria Exchange Group Nigeria Plc ("Nigeria Exchange Group" or the "Company") is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to management and the board of directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

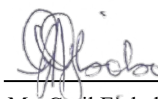
Nigeria Exchange Group's system of internal control over financial reporting is supported with written policies and procedures, contains self-monitoring mechanisms, and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and, therefore, can provide only reasonable assurance as to the reliability of financial statement preparation and such asset safeguarding.

Management has assessed the effectiveness of its internal control over financial reporting as of 31 December 2023. In making this assessment, management used the COSO 2013 "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management believes that, as of 31 December 2023, the Company's internal control over financial reporting is designed and operating effectively. Additionally, based upon management's assessment, the Company determined that there were no material weaknesses in its internal control over financial reporting as of 31 December 2023.

The effectiveness of the Company's internal control over financial reporting as of 31 December 2023, has been reviewed by Ernst and Young, an independent registered public accounting firm, as stated in their report which appears on page 27.



Mr. Oscar Nduka Onyema, OON
FRC/2013/IODN/00000001802
Group Managing Director/Chief Executive Officer
1 March, 2024



Mr. Cyril Eigbobo
FRC/2013/ICAN/00000001736
Group Chief Financial Officer
1 March, 2024

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the members of *Nigerian Exchange Group (NGX Plc)*

Scope

We have been engaged by **of Nigerian Exchange Group Plc** ('the Company') and its subsidiaries (together "the Group"), to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on Nigerian Exchange Group Plc Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in Nigerian Exchange Group Plc Management's Assessment on Internal Control over Financial Reporting as of 31 December 2023 (the "Report").

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Criteria applied by Nigerian Exchange Group Plc

In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), Nigerian Exchange Group Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting (Criteria). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

Nigerian Exchange Group Plc's responsibilities

Nigerian Exchange Group Plc's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Nigerian Exchange Group Plc's *management's assessment*

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting – Continued

Nigerian Exchange Group Plc's responsibilities- Continued

of the Internal Control over Financial reporting as of 31 December 2023 in accordance with the criteria.

Our responsibilities

Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.

Conclusion

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management is not adequate as of 31 December 2023, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting – continued

Other Matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of the Nigerian Exchange Group Plc for the year ended 31 December 2023, and we expressed an unmodified opinion in our report dated 1 March 2024. Our conclusion is not modified in respect of this matter.



Kanayo Echina

FRC/2012/PRO/ICAN/004/0000000159

For Ernst & Young

Lagos, Nigeria

1 March 2024



Independent Auditor's Report

To the Members of Nigerian Exchange Group (NGX Plc)

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of NGX Plc ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of 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 notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, 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.

Independent Auditor's Report

To the Members of Nigerian Exchange Group (NGX Plc)

Report on the Audit of the Consolidated and Separate Financial Statements - Continued

The Key Audit Matter applies 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 N21.3billion (2022: N17.6 billion) and N15.5billion (2022: N13.2 billion) representing 36% (2022: 31%) and 40% (2022: 35%) 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. 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'). 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 (Impairment) and 6(ii) (Credit Risk) to the consolidated and separate financial statements, respectively.	Our audit procedures with respect to the audit for the year ended 31 December 2023: ► 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 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. ► We involved our internal specialists 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.
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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, Audited Consolidated and Separate Financial Statements for the year ended 31 December 2023”, which includes the Corporate Information, Directors’ Report, Statement of Compliance with Nigerian Exchange Limited Listing Rules, Statement of Director’s Responsibilities in Relation to the Preparation of the Financial Statements, Statements of Corporate Responsibility for the Financial Statements, Audit Committee’s Report and Other National Disclosures. The 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, 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 International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group’s 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.

To the Members of Nigerian Exchange Group (NGX Plc)

Report on the Audit of the Consolidated and Separate Financial Statements - continued

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 to express an opinion on the consolidated financial statements.

To the Members of Nigerian Exchange Group (NGX Plc)

Report on the Audit of the Consolidated and Separate Financial Statements

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

- 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

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

To the Members of Nigerian Exchange Group (NGX Plc)

Report on the Audit of the Consolidated and Separate Financial Statements

Report on Other Legal and Regulatory Requirements - continued

- 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.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of December 31, 2023. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified opinion in our report dated 1 March 2024. That report is included on page 27 of the financial statements.



Kanayo Echina

FRC/2012/PRO/ICAN/004/0000000159

For Ernst & Young

Lagos, Nigeria

1 March 2024



Consolidated and separate statements of comprehensive income
For the year ended 31 December 2023

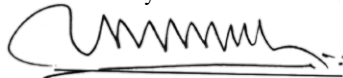
<i>In thousands of naira</i>	Note	Group 2023	Group 2022	Company 2023	Company 2022
Revenue	9	8,299,898	6,170,366	4,734,450	3,348,210
Other income	10	3,504,004	1,329,237	1,690,846	219,848
Total Income		11,803,903	7,499,603	6,425,296	3,568,088
Personnel expenses	12	(4,940,116)	(3,664,500)	(2,007,641)	(798,847)
Operating expenses	13	(3,276,961)	(2,508,190)	(944,636)	(944,848)
Interest expense on borrowings	25	(2,340,389)	(2,100,468)	(2,340,389)	(2,100,468)
Impairment (charge)/ reversal on financial assets	11	(419,187)	(110,522)	(334,466)	(73,889)
Depreciation of property and equipment	22	(355,181)	(467,133)	(48,620)	(48,840)
Amortization of intangible assets	23	(36,960)	(81,436)	(6,527)	(6,527)
Depreciation of ROU asset	27	(2,083)	(2,083)	-	-
Total expenses		(11,370,878)	(8,934,330)	(5,682,279)	(3,817,391)
Operating profit/(loss)		433,025	(1,434,728)	743,017	(249,253)
Share of profit of equity accounted investees	20(iii)	4,855,936	2,150,844	-	-
Profit / (loss) before minimum income tax		5,288,960	716,116	743,017	(249,253)
Minimum income tax	14	(17,257)	-	(17,257)	-
Profit/ (loss) before income tax expense		5,271,703	716,116	725,760	(249,253)
Income tax expense	14	(20,710)	(124,607)		(10,484)
Profit/ (loss) for the year		5,250,993	591,509	725,760	(259,737)
Other comprehensive income:					
Items that will never be reclassified to profit or loss					
Equity-accounted investee -share of OCI-fair value	31(d)	(55,451)	(68,035)	-	-
Remeasurement of defined benefit liabilities	28	33,125	41,250	11,515	(13,217)
Equity investment at FVOCI - net change in fair value	19(a)(iii)	(2,021,277)	2,021,278	-	-
Other comprehensive (loss)/income		(2,043,603)	1,994,493	11,515	(13,217)
Total comprehensive income / (loss) for the year		3,207,390	2,586,003	737,275	(272,954)
Earnings per share					
Basic and diluted (Naira)	36	2.43	0.35	-	-

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

Consolidated and separate statements of financial position
As at 31 December 2023

<i>In thousands of naira</i>	Note	Group 31-Dec-23	Group 31-Dec-22	Company 31-Dec-23	Company 31-Dec-22
ASSETS					
Cash and cash equivalents	15	6,577,579	4,749,694	2,314,139	1,560,373
Trade and other receivables	16	756,179	1,064,696	402,184	704,470
Intercompany receivables	17	-	-	840,237	926,009
Prepayments	18	320,931	592,461	7,805	95,745
Investment securities	19	433,020	621,570	433,020	648,871
Total current assets		8,087,709	7,028,421	3,997,385	3,935,468
Investment securities	19	16,348,443	16,330,112	12,712,083	10,998,256
Investment in associates	20	31,592,415	29,711,182	19,364,881	19,364,881
Investment in subsidiaries	21	-	-	2,856,928	2,856,928
Property and equipment	22	3,640,742	3,827,404	153,761	203,929
Intangible assets	23	98,603	90,444	18,308	24,834
Right-of-use asset	27	73,419	75,501	-	-
Total non-current assets		51,753,621	50,034,822	35,105,961	33,448,828
Total assets		59,841,330	57,063,243	39,103,346	37,384,296
LIABILITIES					
Other liabilities	24	3,922,446	5,039,123	2,235,094	1,176,146
Deferred income	24i	805,428	247,673	258,504	3,948
Term borrowings	25	14,301,024	14,078,952	14,301,024	14,078,952
Income tax payable	26	659,500	93,854	25,626	16,229
Lease liabilities	27	27,060	26,021	-	-
Retirement benefit obligation	28	-	-	-	1,416
Total current liabilities		19,715,458	19,485,623	16,820,248	15,276,691
Retirement benefit obligations	28	133,898	125,666	28,934	39,561
Provisions	29	405,744	405,744	402,743	402,743
Deferred tax liabilities	30	122,667	238,882	-	-
Total non current liabilities		662,309	770,292	431,677	442,304
Total liabilities		20,377,767	20,255,915	17,251,925	15,718,995
EQUITY					
Share capital	31(a)	1,102,310	1,102,310	1,102,310	1,102,310
Other reserves	31(d)	1,930,228	3,973,831	(49,515)	(61,030)
Retained earnings		36,431,025	31,731,187	20,798,626	20,624,021
Total equity		39,463,563	36,807,328	21,851,421	21,665,301
Total liabilities and equity		59,841,330	57,063,243	39,103,346	37,384,296

The consolidated and separate financial statements were approved by the Board of Directors on 1 March 2024 and signed on its behalf by:



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



Mr. Oscar Nduka 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 statements of changes in equity

For the year ended 31 December 2023

The Group		Share Capital	Other Reserves			Retained Earnings	Total equity
	Note		Claims review shares reserve	Fair value reserve	Actuarial valuation reserve		
<i>In thousands of naira</i>							
Balance at 1 January 2022		982,058	-	1,997,192	(8,842)	31,143,945	34,114,353
<i>Total comprehensive income for the year:</i>							
Profit for the year		-	-			698,482	698,482
<i>Other comprehensive income (net of income tax)</i>							
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	31(d)	-	-	-	-	-	-
Total comprehensive income for the year		-	-	1,953,243	41,250	698,482	2,692,975
<i>Transactions with equity holders</i>	31	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
Balance at 1 January 2023		1,102,310	(9,012)	3,950,435	32,408	31,731,187	36,807,328
<i>Total comprehensive income for the year:</i>							
Profit for the year		-	-	-	-	5,250,993	5,250,993
<i>Other comprehensive income (net of income tax)</i>							
Equity investment at FVOCI - net change in fair value	19(a)(iii)	-	-	(2,021,277)		-	(2,021,277)
Equity accounted investee - share of OCI	31(d)	-	-	(55,451)		-	(55,451)
Remeasurement of defined benefit liability	28	-	-		33,125	-	33,125
Total comprehensive income for the year		-	-	(2,076,728)	33,125	5,250,993	3,207,390
<i>Transaction with equity holders (Dividends declaration)</i>		-	-		-	(551,155)	(551,155)
Balance at 31 December 2023		1,102,310	(9,012)	1,873,706	65,533	36,431,025	39,463,562

Consolidated and separate statements of changes in equity

For the year ended 31 December 2023

The Company		Share Capital	Other reserves			Retained Earnings	Total equity
			Claims review shares reserve	Fair value reserve	Actuarial valuation reserve		
<i>In thousands of naira</i>							
Balance at 1 January 2022		982,058	-	-	(38,801)	20,994,998	21,938,255
<i>Total comprehensive income for the year:</i>							
Loss for the year			-	-	-	(259,737)	(259,737)
Other comprehensive income (net of income tax)							
Remeasurement of defined benefit liability	28	-	-	-	(13,217)	-	(13,217)
Total comprehensive income for the year		-	-	-	(13,217)	(259,737)	(272,954)
Transaction with equity holders	31	120,252	(9,012)	-	-	(111,240)	-
Balance as at 31 December 2022		1,102,310	(9,012)	-	(52,018)	20,624,021	21,665,301
Balance at 1 January 2023		1,102,310	(9,012)	-	(52,018)	20,624,021	21,665,301
<i>Total comprehensive income for the year:</i>							
Profit for the year		-	-	-	-	725,760	725,760
Other comprehensive income (net of income tax)							
Remeasurement of defined benefit liability	28	-	-	-	11,515		11,515
Transaction with equity holders (Dividends declaration)						(551,155)	(551,155)
Total comprehensive loss for the year		-	-	-	11,515	174,605	186,120
Balance at 31 December 2023		1,102,310	(9,012)	-	(40,503)	20,798,626	21,851,421

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

Consolidated and separate statements of cash flows

For the year ended 31 December 2023

		Group	Group	Company	Company
<i>In thousands of naira</i>	Note	2023	2022	2023	2022
Cash flows from operating activities:					
Profit/(loss) for the year		5,349,009	591,509	725,760	(249,253)
Adjustments for:					
Minimum tax	14	17,257	-	17,257	-
Income tax expense	14	20,710	124,607	-	-
Depreciation of property and equipment	22	355,181	417,161	48,620	48,840
Depreciation of right of use asset	27	(2,083)	2,083	-	-
Amortization of intangible assets	23	36,960	81,436	6,527	6,527
Gain on disposal of property and equipment	10	(1,809)	(18,668)	(583)	-
Net foreign exchange differences	35(x)	(2,483,831)	12,792	(1,117,850)	(719)
Impairment loss/(reversal) on investment securities	11	419,187	(68)	334,466	-
Impairment loss/(reversal) on cash and cash equivalent	11	-	(304)	-	-
Interest expense on borrowing	25	2,340,389	2,100,468	2,340,389	2,100,468
Impairment /writeback on trade and other receivables	11	-	(110,150)	-	(7,000)
Interest expense on lease liabilities	13	1,039	886	-	-
Share of profit of equity accounted investee	20(iii)	(4,855,936)	(2,150,844)	-	-
Provision for retirement benefit obligations	28	58,626	40,682	888	1,848
Interest income on treasury investments	9	(2,140,779)	(2,030,704)	(1,760,627)	(1,876,948)
Dividend income	9	-	-	(2,973,823)	(1,471,262)
		(46,179)	(832,141)	(2,378,976)	(1,371,935)
Changes in working capital					
Change in intercompany receivables	35(i)	-	-	85,772	70,000
Change in trade and other receivables	35(ii)	308,517	703,778	302,286	425,695
Change in prepayments	35(iii)	271,530	(131,884)	136,334	123,683
Change in term loan	25	222,072		222,072	
Change in liabilities and provisions	35(iv)	(558,923)	2,710,564	1,313,504	(1,067,063)
Change in Tax Liabilities	26	449,431		9,397	
Change in retirement benefit obligations	28	8,232	(180)	(12,043)	1,416
		663,636	2,450,137	(321,654)	(1,818,204)
Income tax paid	26	(122,300)	(255,477)	(10,484)	(19,151)
Retirement benefit obligation paid	28	(17,269)	(37,731)	-	-
Net cash flows from/(used in) operating activities		524,067	2,156,929	(332,138)	(1,837,355)
Cash flows from investing activities:					
Interest received	35(v)	1,667,961	1,918,348	1,287,809	1,764,592
Dividend received	35(vi)	2,974,703	1,471,262	2,973,823	1,471,262
Sale /(purchase) of investments - financial assets	35(vii)	(1,767,313)	(457,977)	(690,688)	785,694
Acquisition of property and equipment	22	(186,199)	(193,368)	(5,785)	(99,075)
Proceeds from the sale of property and equipment	35(viii)	100,132	176,765	30,864	-
Proceeds from disposal of investment in subsidiary		-	-	-	861,183
Additional investment in associates	35(ix)	(54,572)	(14,349,006)	-	(14,280,971)
Proceeds from the disposal of intangible asset		-	9,995	-	-
Acquisition of intangible assets	23	(55,113)	-	-	-
Net cash flows from/(used in) investing activities		2,679,601	(11,423,981)	3,596,023	(9,497,315)
Cash flows from financing activities:					
Lease payments	27	-	(197,488)	-	(230,284)
Proceeds from term loan	25	13,350,000	25,000,000	13,350,000	25,000,000
Repayment of borrowings- principal	27	(13,350,000)	(11,815,648)	(13,350,000)	(11,815,648)
Dividend Paid		-	-	(551,155)	-
Interest paid	25	(2,118,317)	(1,205,868)	(2,118,317)	(1,205,868)
Net cash flows (used in) /from financing activities		(2,118,317)	11,780,996	(2,669,472)	11,748,200
Net increase in cash and cash equivalents		1,085,351	2,513,944	594,413	413,529
Cash and cash equivalents at the beginning of the year		4,749,694	2,248,237	1,560,373	1,097,730
Effect of movements in exchange rates on cash held		742,534	(12,487)	157,556	719
Cash and cash equivalents at end of year	15	6,577,579	4,749,694	2,312,342	1,560,373

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

Notes to the consolidated and separate financial statements

For the year ended 31 December 2023

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 15 October 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 2023 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 (Amendment) Act, 2023.

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 :

- (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 26 February 2024. Details of the Group's and the Company's accounting policies are included in Note 5 to the consolidated and separate 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.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

3 Use of judgments and estimates- Continued

i Judgements

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

Note 27	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;
Note 23(a)	Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs;
Note 21	Investment in subsidiaries: Key assumptions underlying the recoverable amount;
Note 16	Measurement of ECL allowance for trade receivables and other financial assets : key assumptions in determining the weighted-average loss rate;
Note 28	Measurement of defined benefit obligations: key actuarial assumptions;
Note 30	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and
Note 32	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.

Notes to the consolidated and separate financial statements

For the year ended 31 December 2023

4 Changes in accounting policies

The Group and the Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group and the 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 2023 are:

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. 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 the Company.

*** 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 the Company are being impacted by this amendment. However, it is not material quantitatively to the users of the financial statements.

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 have an impact on the Group's and the Company's financial statements.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD’s BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The Group is not impacted by the pillar two tax reform because there is no foreign operation in low tax economy and the effective tax rate in Nigeria is higher than 15%.

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 the 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.

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.

*** 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 the company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

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

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the

definition of a ‘business’ under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors’ interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised. When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors’ interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

*** Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

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

*** 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 measuring the 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 the 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.

*** Lack of Exchangeability (Amendments to IAS 21)**

The amendments made by the International Accounting Standards Board (IASB) to IAS 21, which sets out the exchange rate that an entity uses when it reports foreign currency transactions in the functional currency or translates the results of a foreign operation in a different currency. The amendments aim to help entities determine whether a currency is exchangeable into another currency and what exchange rate to use when it is not. These new requirements will apply from 2025, with early application permitted.

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

The amendments include new requirements for assessing exchangeability between two currencies and determining the spot exchange rate when exchangeability is lacking.

5 Material Accounting Policy Information

The Group has consistently applied the following material 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

Notes to the consolidated and separate financial statements

For the year ended 31 December 2023

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.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

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.

Notes to the consolidated and separate financial statements
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Financial Assets- Continued

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A 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).

Notes to the consolidated and separate financial statements

For the year ended 31 December 2023

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, subsequent 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.

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(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.

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5.4 Impairment- Continued

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

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. The general approach has been used by the company.

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

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

IFRS 9 ECL Impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

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

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

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

Impairment on trade receivables - the simplified approach

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

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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.

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(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 recognised as an asset if and only if (i.) it is probable that future economic benefits associated with the item will flow to the entity and (ii.) the cost can be reliably measured. 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. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Leasehold land is initially measured at cost and subsequently at fair value less any subsequent accumulated impairment losses. The Group reviewed the useful life of its leasehold land assets and discontinued depreciation on the basis that the useful life has now been reassessed as unlimited.

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

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 losses 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
Leasehold land	Not depreciated
Leasehold 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 depreciation rates are reviewed and adjusted if appropriate, at the end of each reporting period.

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(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.

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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, housing and transport allowance. 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.

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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.

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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 leasehold land 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 2023 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.

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(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 an asset or liability in a transaction which:
 - (i) is not a business combination;
 - (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
 - (iii) at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

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.

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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.

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.

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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.

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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 counterparty 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.

<i>In thousands of naira</i>	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Impairment charge on trade receivables	11(a)	-	110,150	-	7,000
Impairment charge on debt securities at amortised cost	11(a)	419,187	68	334,466	-
Impairment charge on intercompany receivable	11(a)	-	-	-	66,889
Impairment reversal on cash & cash equivalents	11(a)	-	304	-	-
		419,187	110,522	334,466	73,889

As at 31 December 2023, the exposure to credit risk for trade and other receivables by type of counterparty was as follows:

<i>In thousands of naira</i>	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Trade Receivables	16	830,884	708,712	-	-
		830,884	708,712	-	-

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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.

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 2023

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 as at 31 December 2023 and 2022 respectively.

31 December 2023 In thousands of naira	Group			Company		
	Weighted- average loss rate	Gross carrying amount	ECL allowance	Weighted- average loss rate	Gross carrying amount	ECL allowance
Trade receivables	43.3%	1,606,363	695,669	0.0%	1,175,479	-
Other receivables	118.4%	839,611	994,126	472.5%	207,621	980,916
Intercompany receivables	-	-	-	28.1%	1,168,043	327,806
		2,445,974	1,689,795		2,551,143	1,308,722

Maturity Analysis- Group		Gross Carrying Amount				
In thousands of Naira	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2023 Total	Carrying amount
Financial assets						
Trade receivables	-	-	-	1,606,363	1,606,363	1,606,363
Other receivables	-	-	-	839,611	839,611	839,611
Intercompany receivables	-	-	-	-	-	-
Total	-	-	-	2,445,974	2,445,974	2,445,974

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Maturity Analysis- Company		Gross Carrying Amount				
In thousands of Naira	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2023 Total	Carrying amount
<i>Financial assets</i>						
Trade receivables	-	-	-	1,175,479	1,175,479	1,175,479
Other receivables	-	-	-	207,621	207,621	207,621
Intercompany receivables	-	-	-	1,168,043	1,168,043	1,168,043
Total	-	-	-	2,551,143	2,551,143	2,551,143

Maturity Analysis- Group		ECL				
In thousands of Naira	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2023 Total	Carrying amount
<i>Financial assets</i>						
Trade receivables	-	-	-	695,669	695,669	695,669
Other receivables	-	-	-	994,126	994,126	994,126
Intercompany receivables	-	-	-	-	-	-
Total	-	-	-	1,689,795	1,689,795	1,689,795

Maturity Analysis- Company		ECL				
In thousands of Naira	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2023 Total	Carrying amount
<i>Financial assets</i>						
Trade receivables	-	-	-	-	-	-
Other receivables	-	-	-	980,916	980,916	980,916
Intercompany receivables	-	-	-	327,806	327,806	327,806
Total	-	-	-	1,308,722	1,308,722	1,308,722

	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

Maturity Analysis- Group		Gross Carrying Amount				
In thousands of Naira	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2022 Total	Carrying amount
<i>Financial assets</i>						
Trade receivables	-	-	-	1,484,191	1,484,191	1,484,191
Other receivables	-	-	-	1,222,287	1,222,287	1,222,287
Intercompany receivables	-	-	-	-	-	-
Total	-	-	-	2,706,478	2,706,478	2,706,478

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Maturity Analysis- Company		Gross Carrying Amount				
<i>In thousands of Naira</i>	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2022 Total	Carrying amount
<i>Financial assets</i>						
Trade receivables	-	-	-	-	-	-
Other receivables	-	-	-	509,907	509,907	509,907
Intercompany receivables	-	-	-	1,253,815	1,253,815	1,253,815
Total	-	-	-	1,763,722	1,763,722	1,763,722

Maturity Analysis- Group		ECL				
<i>In thousands of Naira</i>	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2022 Total	Carrying amount
<i>Financial assets</i>						
Trade receivables	-	-	-	647,656	647,656	647,656
Other receivables	-	-	-	994,126	994,126	994,126
Intercompany receivables	-	-	-	-	-	-
Total	-	-	-	1,641,782	1,641,782	1,641,782

Maturity Analysis- Company		ECL				
<i>In thousands of Naira</i>	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2022 Total	Carrying amount
<i>Financial assets</i>						
Trade receivables	-	-	-	-	-	-
Other receivables	-	-	-	185,437	185,437	185,437
Intercompany receivables	-	-	-	327,806	327,806	327,806
Total	-	-	-	513,243	513,243	513,243

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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, commercial 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.

The Group makes use of the general approach. The debt securities are classified into different risk categories based on factors such as credit ratings, historical default rates, economic conditions, and other relevant indicators. Estimate the probability of default for each category, Determine the Loss Given Default, Calculate the Exposure at Default. 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

Credit Rating- 2023		Group	Company	
		ECL	Gross Carrying	ECL allowance
<i>In thousands of naira</i>		allowance	Amount	
Gross Carrying Amount				
Corporate Securities				
BBB-AAA	844,299	630	844,299	630
B+ - B-	336,653	103	336,653	103
Government securities				
B+ - B-	13,530,854	402,169	11,871,096	339,232
Total	14,711,806	402,902	13,052,048	339,965

Credit Rating- 2023		Group		
		FVOCI 12-	Stage	Lifetime ECL
<i>In thousands of naira</i>		Month ECL		
Gross Carrying Amount				
Corporate Securities				
BBB-AAA	844,299	630	1	-
B+ - B-	336,653	103	1	-
Government securities				
BBB-AAA	-	-	1	-
B+ - B-	13,530,854	402,169	1	-
Total	14,711,806	402,902		-

Credit Rating- 2023		Company		
		FVOCI 12-	Stage	Lifetime ECL
<i>In thousands of naira</i>		Month ECL		
Gross Carrying Amount				
Corporate Securities				
BBB-AAA	844,299	630	1	-
B+ - B-	336,653	103	1	-
Government securities				
BBB-AAA	-	-	1	-
B+ - B-	11,871,096	339,232	1	-
Total	13,052,048	339,965		-

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Credit Rating- 2022	Group	ECL	Company
<i>In thousands of naira</i>	Gross Carrying Amount	allowance	Gross Carrying Amount 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- 2022	Group		
<i>In thousands of naira</i>	Gross Carrying Amount	Month ECL	Stage Lifetime ECL
Corporate Securities			
BBB-AAA	-	-	1 -
B+ - B-	1,198,265	1,477	1 -
Government securities			
BBB-AAA	-	-	1 -
B+ - B-	11,049,814	12,421	1 -
Total	12,248,079	13,898	-

Credit Rating- 2022	Company		
<i>In thousands of naira</i>	Gross Carrying Amount	Month ECL	Stage Lifetime ECL
Corporate Securities			
BBB-AAA	-	-	1 -
B+ - B-	1,198,265	1,477	1 -
Government securities			
BBB-AAA	-	-	1 -
B+ - B-	9,185,540	12,421	1 -
Total	10,383,805	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 N6.57 billion and N2.3 billion respectively as at 31 December 2023 (2022: Group - N4.7 billion; Company- N1.6 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.

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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 2023 is Nil (2022: N304,000).

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

<i>In thousands of naira</i>	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Investment in debt securities	19	14,741,924	12,890,865	13,145,103	11,647,127
Trade and other receivables	16	756,179	1,064,696	402,184	704,470
Intercompany receivables	17	-	-	840,237	926,009
Cash and cash equivalents	15	6,577,579	4,749,694	2,314,139	1,560,373
		22,075,681	18,705,254	16,701,662	14,837,978

(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 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 2023

Maturity Analysis- Group	Contractual Cash Flows					
<i>In thousands of Naira</i>	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2023 Total	Carrying amount
<i>Financial liabilities</i>						
Other liabilities*	-	-	-	768,860	768,860	768,860
Term borrowings	-	-	-	14,301,024	14,301,024	14,301,024
Lease liabilities	-	-	-	27,060	27,060	27,060
Total	-	-	-	15,096,944	15,096,944	15,096,944

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

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Maturity Analysis- Company		Contractual Cash Flows				
<i>In thousands of Naira</i>	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2023 Total	Carrying amount
<i>Financial liabilities</i>						
Other liabilities*	-	-	-	331,962	331,962	331,962
Term borrowings	-	-	-	14,301,024	14,301,024	14,301,024
Lease liabilities	-	-	-	-	-	-
Total	-	-	-	14,632,986	14,632,986	14,632,986

* 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				
<i>In thousands of Naira</i>	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2022 Total	Carrying amount
<i>Financial liabilities</i>						
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	26,021
Total	-	-	-	18,981,435	18,981,435	18,981,435

Maturity Analysis- The Company		Contractual Cash Flows				
<i>In thousands of Naira</i>	30 days or Less	31 - 60 days	61- 90 days	91 days or more	2022 Total	Carrying amount
<i>Financial liabilities</i>						
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	-	-	-	15,155,380	15,155,380	15,155,380

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

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(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 2023, the Group was exposed to currency risk primarily as a result of its exposures which stood at \$20,554 in debt securities and bank balances and its other liabilities which stood at \$5,102.

The following significant exchange rates applied during the year

	Average Rate		Reporting Date Spot Rate		Amount	
	2023	2022	2023	2022	2023	2022
USD	638.70	423.40	903.93	448.55	21,289,385	7,624,487,293

Sensitivity analysis – Currency Risk

A reasonably possible strengthening (weakening) of the US Dollar against the Nigerian Naira as at 31 December 2023 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.

Effects in thousands of Naira	Operating Profit			
	2023		2022	
	Strengthenin	Weakening	Strengthening	Weakening
USD (5%)	1,064	(1,064)	381,224	(381,224)

(b) Equity Price Risk

This risk arises from equity price changes caused by equity investment securities. At 31 December 2023, the Group was exposed to equity investment risk as a result of its exposures which stood at N2.04 billion (2022: N4.06 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.

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(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 2023

In thousands of Naira

		Interest rate shock to Profit Before Tax			
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalents	6,577,579	65,776	131,552	(65,776)	(131,552)
Investment securities	14,741,924	147,419	294,838	(147,419)	(294,838)
		213,196	426,390	(213,195)	(426,390)

31 December 2022

In thousands of Naira

		Interest rate shock to Profit Before Tax			
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalents	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)

Company

31 December 2023

In thousands of Naira

		Interest rate shock to Profit Before Tax			
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalents	2,314,139	23,141	46,283	(23,141)	(46,283)
Investment securities	13,145,103	131,451	262,902	(131,451)	(262,902)
		154,593	309,185	(154,593)	(309,185)

31 December 2022

In thousands of Naira

		Interest rate shock to Profit Before Tax			
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalents	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)

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For the year ended 31 December 2023

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			
	Financial assets measured at FVOCI	Financial assets amortised cost	Financial liabilities measured at amortised cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
31 December 2023								
<i>In thousands of naira</i>								
Financial assets measured at fair value								
Investment in Equities	2,039,539	-	-	2,039,539	98,957	-	1,940,582	2,039,539
	2,039,539	-	-	2,039,539	98,957	-	1,940,582	2,039,539
Financial assets not measured at fair value								
Bonds	-	14,711,806	-	14,711,806	13,530,854	1,180,952	-	14,711,806
Mutual funds	-	433,020	-	433,020		433,020	-	433,020
Trade and other receivables	-	756,179	-	756,179			756,179	756,179
Cash and cash equivalents	-	6,577,579	-	6,577,579	6,577,579	-	-	6,577,579
	-	22,478,584	-	22,478,584	20,108,433	1,613,972	756,179	22,478,584
Financial liabilities not measured at fair value								
Other liabilities*	-	-	768,860	768,860		-	768,860	768,860
Term borrowings	-	-	14,301,024	14,301,024	-	14,301,024	-	14,301,024
Lease liabilities	-	-	27,060	27,060	-		27,060	27,060
	-	-	15,096,944	15,096,944	-	14,301,024	795,920	15,096,944

Notes to the consolidated and separate financial statements

For the year ended 31 December 2023

(ii) The Company	Fair value							
	Financial assets measured at FVOCI	Financial assets amortised cost	Financial liabilities measured at amortised cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
31 December 2023 <i>In thousands of naira</i>								
Financial assets not measured at fair value								
Bonds	-	13,052,048	-	13,052,048	11,871,096	1,180,952	-	13,052,048
Trade and other receivables	-	402,184	-	402,184			402,184	402,184
Cash and cash equivalent	-	2,314,139	-	2,314,139		-	2,314,139	2,314,139
Mutual fund		433,020	-	433,020		433,020	-	433,020
Intercompany receivable		840,237	-	840,237		-	840,237	840,237
	-	17,041,628	-	17,041,628	11,871,096	1,613,972	3,556,560	17,041,628
Financial liabilities not measured at fair value								
Other liabilities*	-	-	331,962	331,962		-	331,962	331,962
Term borrowings	-	-	14,301,024	14,301,024	-	14,301,024	-	14,301,024
	-	-	14,632,986	14,632,986	-	14,301,024	331,962	14,632,986

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

Notes to the consolidated and separate financial statements

For the year ended 31 December 2023

(iii) The Group	Fair value							
	Financial assets measured at FVOCI	Financial assets amortised cost	Financial liabilities measured at amortised cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
31 December 2022								
In thousands of naira								
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								
Bonds	-	12,248,079	-	12,248,079	11,049,814	1,198,265	-	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	15,799,508	1,847,136	1,064,696	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	26,021
	-	-	18,981,435	18,981,435	-	14,078,952	4,876,462	18,981,435

Notes to the consolidated and separate financial statements

For the year ended 31 December 2023

(iv) The Company	Fair value							
	Financial assets measured at FVOCI	Financial assets amortised cost	Financial liabilities measured at amortised cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
31 December 2022 In thousands of naira								
Financial assets not measured at fair value								
Bonds	-	11,003,751	-	11,003,751	9,185,540	1,198,265	-	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 funds		648,871	-	648,871		648,871	-	648,871
Intercompany receivable		926,009	-	926,009		-	926,009	926,009
	-	13,268,594	-	13,268,594	9,185,540	3,407,509	704,470	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
	-	-	15,155,380	15,155,380	-	14,078,952	1,076,428	15,155,380

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

(b) **Determination of fair value**

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.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

7 Financial instrument - Fair value measurement (cont'd)
Measurement of 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 N717,007,829 (2022: N88,080,434).

(iv) Unquoted equity investments

The Group has investment in FMDQ OTC Plc of which there is no available market price as at 31 December 2023. 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.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

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

<i>In thousands of Naira</i>	2023	2022
Opening balance	2,120,235	1,629,131
Additions	-	
Gain included in OCI		
Net change in fair value (unrealized)	(179,653)	491,104
Closing balance	1,940,582	2,120,235

Sensitivity analysis – Equity Price Risk (unquoted equity investment)

<i>In thousands of Naira</i>	2023		2022	
	Increase	Decrease	Increase	Decrease
Illiquidity discount (1% movement)	(19,406)	19,406	(21,202)	21,202
Control discount (1% movement)	(19,406)	19,406	(21,202)	21,202

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

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.

Information about reportable segments

	Capital Market & Post trade Services	Strategic investment	Property management	Elimination	Consolidated
<i>In thousands of Naira</i>	2023	2023	2023	2023	2023
External revenues	7,337,073	-	279,803	-	7,616,876
Inter-segment revenue	1,166,876	1,690,846	129,710	(1,336,253)	1,651,179
Segment revenue	8,503,950	1,690,846	409,513	(1,336,253)	9,268,056
Interest revenue	343,880	1,760,627	21,733		2,126,240
Dividend from Associate	-	2,973,823	-	(2,973,823)	-
Expenses					
Personnel expenses	(2,810,760)	(2,007,641)	(3,598)	-	(4,821,999)
Depreciation and amortization	(230,410)	(340,993)	(118,973)	-	(690,376)
Other expenses	(2,252,389)	(2,007,641)	(235,411)	-	(4,495,441)
Share of profit of equity accounted investee	-	-	-	4,855,936	4,855,936
	3,554,271	1,124,385	73,264	545,860	5,297,780
Segment Operating profit before tax	3,554,271	1,124,385	73,264	545,860	5,297,780
Income tax expense		-			(20,710)
Segment Operating profit after tax	3,554,271	1,124,385	73,264	545,860	5,277,069
Assets & Liabilities					
Reportable segment assets	7,505,283	39,715,604	2,887,392	5,281,567	55,389,846
Reportable segment liabilities	3,806,629	16,390,091	1,270,113	(1,209,692)	20,257,141

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

	Capital Market & Post trade Services	Strategic investment	Property management	Elimination	Consolidated
	2022	2022	2022	2022	2022
<i>In thousands of Naira</i>					
External revenues	5,241,240	84,094	162,610	48,221	5,536,165
Inter-segment revenue	1,048,577	135,803	267,517	(1,451,897)	-
Segment revenue	6,289,817	219,897	430,127	(1,403,676)	5,536,165
Interest revenue	75,820	1,876,979	10,639		1,963,438
Dividend from Associate	-	1,471,262	-	(1,471,262)	-
Expenses					
Personnel expenses	(2,865,652)	(798,847)	-		(3,664,499)
Depreciation and amortization	(380,833)	(55,367)	(114,452)		(550,652)
Other expenses	(1,994,740)	(3,045,316)	(315,655)	747,053	(4,608,658)
Share of profit of equity accounted investee				2,150,844	2,150,844
Impairment loss on non financial asset	(85,688)	82,139			(3,549)
	1,038,724	(249,253)	10,659	22,959	823,089
Segment Operating profit before tax	1,038,724	(249,253)	10,659	22,959	823,089
Income tax expense	(98,352)	(10,484)	(15,771)	-	(124,607)
Segment Operating profit after tax	940,372	(259,737)	(5,112)	22,959	698,482
Assets & Liabilities					
Reportable segment assets	7,686,679	37,384,296	2,903,262	9,089,006	57,063,243
Reportable segment liabilities	4,245,098	15,718,995	1,288,280	(996,458)	20,255,915

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.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

9 Revenue

		Group	Group	Company	Company
	<i>Revenue Recognition Timing</i>	2023	2022	2023	2022
<i>In thousands of naira</i>					
Treasury investment income (see note (a) below)	Over Time	2,140,779	2,030,704	1,760,627	1,876,948
Dividend income (see note (b) below)	At a point in time	-	-	2,973,823	1,471,262
Transaction fees	Over Time	4,817,538	3,156,721	-	-
Listing fees	At a point in time	1,101,485	774,709	-	-
Rental income (see note (27(b)))	Over Time	140,645	99,193	-	-
Other fees (see note (c) below)	At a point in time	99,451	109,039	-	-
		8,299,898	6,170,366	4,734,450	3,348,210

- (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) and from the subsidiary- Nigerian Exchange Limited (NGX).
- (c) Other fees represent rent of trading floor, annual charges from brokers, dealing license and membership fees earned by the Group.

10 Other income

	Group	Group	Company	Company
	2023	2022	2023	2022
<i>In thousands of naira</i>				
Other operating income (see note (a) below)	2,571,941	635,400	1,690,263	219,848
Technology income	92,428	93,727	-	-
Market data income (see note (b) below)	837,826	581,441	-	-
Net gain on disposal of property and equipment	1,809	18,668	583	-
	3,504,004	1,329,237	1,690,846	219,848

- (a) Other operating income is made up of other foreign exchange gains and penalty fees.
- (b) Market data income comes from selling trade data and other market related information.

11 Impairment (charge)/ reversal on financial assets

	Group	Group	Company	Company
	2023	2022	2023	2022
<i>In thousands of naira</i>				
Net impairment charge on trade and other receivables (see note 16(e))	-	(110,150)	-	(7,000)
Impairment charge on debt instruments at amortised cost (see note 19(a))	(419,187)	(68)	(334,466)	-
Net impairment charge on cash and cash equivalents (see note 15(a))	-	(304)	-	-
Net impairment charge on intercompany receivables (see note 17(i))	-	-	-	(66,889)
	(419,187)	(110,522)	(334,466)	(73,889)

Notes to the consolidated and separate financial statements
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12 Personnel expenses

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Salaries and allowances	4,718,567	3,442,174	1,969,387	758,797
Defined benefit cost (see note 28)	58,626	40,682	888	1,848
Contributions to defined contribution plans (see note (a) below)	162,924	181,643	37,366	38,202
	4,940,116	3,664,500	2,007,641	798,847

- (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, housing and transport allowance.

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

	Group 2023	Group 2022	Company 2023	Company 2022
Executive Directors	4	3	1	1
Management	17	23	6	6
Non-Management	111	113	16	14
	132	139	23	21

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

<i>In thousands of Naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Salaries and allowances	2,978,732	2,987,256	887,040	484,790
Defined contribution plans	133,000	155,041	24,361	27,044
	3,111,732	3,142,297	911,400	511,834

- (d) The remuneration paid to management staff (excluding pension and reimbursable allowances)

<i>In thousands of Naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Compensation to management staff	863,318	854,086	314,108	328,191
	863,318	854,086	314,108	328,191

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

<i>In thousands of Naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Sitting allowances	72,040	85,385	36,300	43,125
Non-Executive Director's fees	146,875	138,750	55,000	49,250
Executive compensation*	388,472	324,020	154,922	151,410
	607,387	548,155	246,222	243,785

*Executive compensation relates to compensation paid to Chief Executive Officer and Executive Directors other than Board members.

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Personnel expenses continued

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

	Group 2023	Group 2022	Company 2023	Company 2022
₦1,000,001 - ₦10,000,000	-	-	-	-
₦10,000,001 and above	4	3	1	1
	4	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 2023	Group 2022	Company 2023	Company 2022
₦2,000,001 - ₦3,500,000	18	24	4	4
₦3,500,001 - ₦5,000,000	9	9	2	1
₦5,000,001 - ₦6,500,000	29	28	5	3
₦6,500,001 - ₦8,000,000	12	10	2	1
₦8,000,001 - ₦9,500,000	2	-	-	-
₦9,500,001 and above	58	65	9	11
	128	136	22	20

13 Operating expenses

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Annual general meeting expenses	18,157	15,059	18,157	15,059
Audit fees	27,500	40,377	9,425	12,900
Bank charges	13,520	19,946	6,877	12,028
Brand management	4,563	18,891	444	-
Corporate social responsibilities and gifts	15,627	9,425	4,274	-
Diesel expenses	155,909	140,875	44,789	43,764
Director sitting allowances and expenses	330,130	298,056	149,325	123,867
Events, seminars & sponsorship expenses	62,393	57,705	26,181	-
General expenses (see note (b) below)	210,954	377,491	288,920	367,874
Government levies and rates	59,721	27,251	21,885	19,894
Insurance	32,867	26,858	7,704	6,268
Interest on lease liabilities	1,039	886	-	-
Legal expenses	156,806	96,494	52,623	55,644
NSITF Charge	15,371	19,987	4,248	4,363
Professional fees (see note (c) below)	392,837	330,776	114,551	108,959
Project expenses (see note (a) below)	44,118	97,889	-	44,508
Rent and rates	28,291	-	25,360	26,197
Repairs and maintenance	254,058	479,925	25,231	18,353
Security expenses	30,992	24,817	8,778	6,291
Software, internet and connectivity subscription	1,114,307	250,821	72,648	42,378
Stationery, library and factbook expenses	4,880	3,821	191	110
Subscriptions	99,323	83,613	14,489	17,787
Telephone, postages and periodicals	4,008	4,922	1,636	908
Travelling expenses	199,589	81,558	46,900	16,977
	3,276,961	2,508,189	944,636	944,848

Notes to the consolidated and separate financial statements
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- (a) Project expenses relate to investment projects, advocacy projects, and Digital assets projects.
- (b) General expenses includes advert and publications, cleaning materials, office provisions.
- (c) Professional expenses includes legal, tax, outsourced staff fees, migration of XDB, infosec consultancy, and VAPT exercise.

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 calculated by Pedabo Professional Services -FRC/2022/COY/861283 and FRC Number of Partner Mr. Folorunsho Albert Olaniyi -FRC/2013/ICAN/00000000908 who provides tax consultation services to the Company.

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
(i) Minimum tax				
Minimum tax, 0.5% of turnover less franked investment	17,257	-	17,257	-
	17,257	-	17,257	-
(i) Current tax				
Companies Income Tax	551,854	107,794	-	10,484
Nigeria Police Trust Fund Levy	208	9	70	-
Tertiary Education Tax @3%	77,065	15,064	-	-
Naseni Levy	-	-	-	-
Information Technology levy	41,562	1,740	13,940	-
Current income tax expense	670,689	124,607	14,010	10,484
(ii) Deferred tax				
Deferred tax	(649,979)	-	(673,807)	-
	20,710	124,607	(659,797)	10,484
Total income tax expense	37,967	124,607	(642,540)	10,484

(b) Reconciliation of effective tax rate

<i>In thousands of naira</i>	Group 2023	Group 2023	Group 2022	Group 2022
Profit before tax		5,939,955		823,089
Less: NIDTA levy (note 14(a))		(41,562)		(1,740)
Profit before income tax		5,898,393		821,349
Income tax using the domestic corporation tax rate	30%	1,769,518	30%	246,405
Non-deductible expenses	76%	4,487,600	48%	394,414
Tax exempt income	-72%	(4,265,634)	-28%	(232,444)
Police Trust Fund Levy	0%	208	0%	9
Effect of share of profit of equity accounted investee	-25%	(1,456,781)	-79%	(645,253)
Education tax	1.6%	94,215	1.8%	15,064
Information technology tax	0.7%	41,562	0.2%	1,740
Tax effect of losses for which no deferred tax has been recognised	0.0%		42.0%	344,673
Change in recognised deductible temporary difference	-11%	(649,979)	0%	-
Tax expense	0%	20,710	15%	124,607

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<i>In thousands of naira</i>	Company 2023	Company 2023	Company 2022	Company 2022
Profit before tax		1,394,009		
Less: NIDTA levy (note 14(a))		(13,940)		
Profit before income tax		1,380,069		(249,253)
Income tax using the domestic corporation tax rate	30%	414,021	30%	(74,776)
Non-deductible expenses	207%	2,852,502	-1%	1,506
Tax exempt income	-237%	(3,266,523)	-34%	83,754
Police Trust Fund Levy	0%	70	0%	-
Education tax	0%	-	0%	-
Information technology tax	1%	13,940	0%	-
Tax effect of losses for which no deferred tax has been recognised	0%	-	0%	-
Change in recognised deductible temporary difference	-49%	(673,807)	0%	-
Tax expense		(659,797)	-4%	10,484

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15 Cash and cash equivalents

	Group 2023	Group 2022	Company 2023	Company 2022
<i>In thousands of naira</i>				
Bank balances	1,132,238	3,360,191	206,025	598,459
Fixed deposits	5,445,341	1,389,807	2,108,114	961,914
Gross total	6,577,579	4,749,998	2,314,139	1,560,373
ECL allowance (see note (a) below)	-	(304)	-	-
Carrying amount	6,577,579	4,749,694	2,314,139	1,560,373

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

	Group 2023	Group 2022	Company 2023	Company 2022
<i>In thousands of naira</i>				
Opening balance	304	-	-	-
Movement during the year	(304)	304	-	-
Closing balance	-	304	-	-

16 Trade and other receivables

	Group 2023	Group 2022	Company 2023	Company 2022
<i>In thousands of naira</i>				
Trade receivables	830,884	708,712	-	-
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	510,500	510,500	510,500
Deposit for investment (see note (c) below)	-	-	400,000	400,000
Other receivables (see note (d) below)	839,611	1,222,287	207,621	509,907
Gross total	2,445,974	2,706,478	1,383,100	1,685,386
ECL Allowance (See note (e) below)	(1,689,795)	(1,641,782)	(980,916)	(980,916)
Carrying amount	756,179	1,064,696	402,184	704,470
Current	756,179	1,064,696	402,184	704,470
Carrying amount	756,179	1,064,696	402,184	704,470

- (a) The amount due from NSE/CSCS Multipurpose Co-operative Society relates to two payments of ₦150.0 million and ₦114.9 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 ₦2.09billion 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 ₦620.50million have been received from the ex-council members to date. The outstanding balance of ₦510.5million 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 Nigerian Exchange Limited for strategic investment.
- (d) Other receivables include investment in defunct Hallmark Bank, withholding tax receivables. These amounts have been fully impaired as at year end.

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(c) The analysis for impairment of trade and other receivables is shown below

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Trade debtors - listing fees	695,669	647,656	20,000	20,000
Trade debtors - market data	17,160	17,160	-	-
Sundry debtors - NSE/CSCS Cooperative	264,979	264,979	264,979	264,979
Deferred recovery of bonuses	510,500	510,500	510,500	510,500
Other receivables	201,487	201,487	185,437	185,437
	1,689,795	1,641,782	980,916	980,916

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

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	1,641,782	2,219,065	980,916	987,916
Net remeasurement of ECL allowance (see note 11)	-	(110,150)	-	(7,000)
Impairment derecognition	48,013	(467,133)	-	-
Closing balance	1,689,795	1,641,782	980,916	980,916

17 Intercompany receivables

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Intercompany receivables	-	-	1,168,043	1,253,815
ECL allowance	-	-	(327,806)	(327,806)
Carrying amount	-	-	840,237	926,009
Current asset	-	-	840,237	926,009

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

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	-	-	327,806	327,806
Transfer	-	-	-	66,989
Net remeasurement of ECL allowance (see note 11)	-	-	-	(66,989)
Closing balance	-	-	327,806	327,806

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For the year ended 31 December 2023

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

The Company

<i>In thousands of naira</i>	Gross 2023	ECL Impairment 2023	Carrying amount 2023	Gross 2022	ECL Impairment 2022	Carrying amount 2022
NSE Consult Limited	71,298	-	71,298	71,298	-	71,298
NGX Real Estate Limited	836,189	(327,806)	508,383	899,384	(327,806)	571,578
NSE Nominees Limited	(774)	-	(774)	-	-	-
NGX Regulation Limited	261,330	-	261,330	283,133	-	283,133
	1,168,043	(327,806)	840,237	1,253,815	(327,806)	926,009

18 Prepayments

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Prepayments (See note (a) below)	320,931	592,461	7,805	95,745
Gross total	320,931	592,461	7,805	95,745
Carrying amount	320,931	592,461	7,805	95,745
Current	296,252		5,084	
Non current	24,679	592,461	2,721	95,745
	320,931	592,461	7,805	95,745

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

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19 Investment Securities

	Group 2023	Group 2022	Company 2023	Company 2022
<i>In thousands of naira</i>				
At amortised cost				
Bonds	14,711,806	12,248,079	13,052,048	11,003,751
Mutual funds	433,020	648,871	433,020	648,871
	15,144,826	12,896,950	13,485,068	11,652,622
Impairment allowance (see note (a) below)	(402,902)	(6,085)	(339,965)	(5,495)
Sub total	14,741,924	12,890,865	13,145,103	11,647,127
Equity securities at Fair Value through OCI (see note (b) below)	2,039,539	4,060,817	-	-
Sub total	2,039,539	4,060,817	-	-
Carrying amount	16,781,463	16,951,682	13,145,103	11,647,127
	Group 2023	Group 2022	Company 2023	Company 2022
<i>In thousands of naira</i>				
Non-current	16,348,443	16,330,112	12,712,083	10,998,256
Current	433,020	621,570	433,020	648,871
Carrying amount	16,781,463	16,951,682	13,145,103	11,647,127

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

	Group 2023	Group 2022	Company 2023	Company 2022
<i>In thousands of naira</i>				
Opening balance	13,830	13,898	5,495	13,898
Impairment charge / (reversal) (see note 11)	389,072	(68)	334,470	(8,403)
	402,902	13,830	339,965	5,495

Analysis of equity securities

(i) Equity investments at FVOCI comprise the following:

	Group 2023	Group 2022
<i>In thousands of naira</i>		
Quoted investment		
National Association of Securities Dealers (NASD OTC PLC)	98,957	138,080
Sub total	98,957	138,080
Unquoted investment		
Financial Market Dealers Quotation (FMDQ OTC)	1,940,582	3,922,736
Sub total	1,940,582	3,922,736
Total	2,039,539	4,060,817

(ii) Movement in equity investment at FVOCI

	2023	2022
<i>In thousands of naira</i>		
Cost - FMDQ and NASD OTC	138,080	138,080
Fair value changes (see note (b) (iii) below)	1,901,459	3,922,736
	2,039,539	4,060,817

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(iii) Movement in fair value on equity securities

<i>In thousands of naira</i>	2023	2022
Opening balance	3,922,736	1,901,458
Fair value changes during the year (See note (b)(iv) below)	(2,021,277)	2,021,278
	1,901,459	3,922,736

(iv) Fair value changes on investment securities during the year

<i>In thousands of naira</i>	2023	2022
NASD PLC	-	-
FMDQ (OTC)	(2,021,277)	2,021,278
	(2,021,277)	2,021,278

(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% (2022: 10.87%) of NASD's shares and 6.42% (2022: 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 2023 and there were no transfers of any cumulative gain or loss within equity relating to these investments. The valuation techniques are explained in note 7.

20 Investment in associates

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Investment in Associate - CSCS ((see note (i) below)	29,760,655	27,961,789	17,628,194	17,628,194
Investment in Associate - NG Clearing ((see note (ii) below)	1,831,760	1,749,393	1,736,687	1,736,687
Carrying amount	31,592,415	29,711,182	19,364,881	19,364,881

(i) **Investment in Associate - CSCS**

The Group has a 44.18% ownership interest in Central Securities Clearing Systems (CSCS) Plc (2022: 44.18%). 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 2023 was N39,091,714,000 (2022: N34,900,546,001).

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Balance, beginning of the year	27,961,789	12,937,826	17,628,194	3,279,188
Additional Investment during the year	-	14,349,006	-	14,349,006
Share of profit	4,829,020	2,214,255	-	-
Share of OCI	(55,451)	(68,035)	-	-
Dividends paid	(2,974,703)	(1,471,262)	-	-
Total investment in associates	29,760,655	27,961,789	17,628,194	17,628,194
Carrying amount	29,760,655	27,961,789	17,628,194	17,628,194

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

<i>In thousands of naira</i>	2023	2022
Percentage ownership interest	44.18%	44.18%
Non-current assets	36,055,410	24,143,550
Current assets	16,651,267	20,930,437
Non-current liabilities	(373,528)	(171,786)
Current liabilities	(13,241,435)	(10,001,656)
Net assets (100%)	39,091,714	34,900,546
Group's share of net assets (44.18%) (2022: 44.18%)	17,239,446	15,391,141
Revenue	19,022,850	11,515,320
Profit from continuing operations	10,930,330	5,011,894
Other comprehensive income	(125,512)	(153,996)
Total comprehensive income	10,804,818	4,857,898
Group's share of profit and total comprehensive income	4,773,569	2,146,219
Group's interest in net assets of investee at the beginning of the year	27,961,790	12,937,826
Total comprehensive income attributable to the Group	4,829,020	2,214,255
Additional Investment during the year	-	14,349,006
Share of OCI	(55,451)	(68,035)
Dividend received during the year	(2,974,703)	(1,471,262)
Group's interest in the net assets of investee at the end of the year	29,760,655	27,961,790

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

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(ii) Investment in associate - NG Clearing Limited

NG Clearing Limited is an associate company which the NGX Group Plc has 27.7% ownership interest (2022: 27.7%). The Nigerian Exchange Group owns 44.18% ownership interest in CSCS who is also a major shareholder in NG Clearing with a percentage 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.

<i>In thousands of naira</i>	Cost			
	Group 2023	Group 2022	Company 2023	Company 2022
Balance, beginning of the year	1,749,393	1,812,804	1,736,687	1,736,687
Additional Investment during the year	-	-	-	-
Share of current year result (net of tax)	82,367	(63,411)	-	-
Total investment	1,831,760	1,749,393	1,736,687	1,736,687
Carrying amount	1,831,760	1,749,393	1,736,687	1,736,687

<i>In thousands of naira</i>	2023	2022
Percentage ownership interest	27.7%	27.7%
Non-current assets	6,496,099	5,944,469
Current assets	228,880	460,198
Current liabilities	(87,081)	(55,040)
Net assets (100%)	6,637,898	6,349,627

<i>In thousands of naira</i>	2023	2022
Group's share of net assets (27.7%)	1,838,698	1,758,847
Revenue	516,986	18,565
Profit/(Loss) from continuing operations	297,354	(228,920)
Total comprehensive income	297,354	(228,920)
Group's share of profit and total comprehensive loss	82,367	(63,411)
Group's interest in net assets of investee at the beginning of the year	1,749,393	1,812,804
Total comprehensive income attributable to the Group	82,367	(63,411)
Additional Investment during the year	-	-
Group's interest in the net assets of investee at the end of the year	1,831,760	1,749,393

(iii) Total amount recognised in profit or loss is as follows

<i>In thousands of naira</i>	2023	2022
Share of profit from associate company: CSCS	4,773,569	2,214,255
Share of profit/(loss) from associate company: NG Clearing	82,367	(63,411)
	4,855,936	2,150,844

Notes to the consolidated and separate financial statements
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21 Investment in subsidiaries

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
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	578,617
NGX Regulation Limited	-	-	643,432	643,432
Total investment in subsidiaries	-	-	2,930,428	2,930,428
Impairment allowance (See note 21 (vii) below)	-	-	(73,500)	(73,500)
Carrying amount	-	-	2,856,928	2,856,927

- (i) The NGX Group Plc has a 99.9% 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) The NGX Group Plc 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) The NGX Group Plc 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. The NGX Group Plc acquired 40% equity interest in NGX Real Estate Limited in February 1986. The company became a wholly owned subsidiary of the NGX Group Plc in 2005 when the NGX Group Plc 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) The NGX Group Plc 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) The NGX Group Plc 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.
- (vi) The NGX Group Plc 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.

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(vii) An analysis of allowance for impairment of investment in subsidiaries is shown below:

	Gross	ECL	Carrying	Gross	ECL	Carrying
<i>In thousands of naira</i>	2023	Impairment	amount	2022	Impairment	amount
		2023	2023		2022	2022
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)	73,750	(73,500)	250

Movement in impairment allowance

<i>In thousands of naira</i>	2023	2022
Opening balance	73,500	73,500
Charge for the year	-	-
Reversal	-	-
Closing balance	73,500	73,500

Notes to the consolidated and separate financial statements
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22 Property and equipment

Reconciliation of carrying amount

<i>In thousands of naira</i>	Note	Leasehold Building	Leasehold Improvement	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
(a) The Group								
Cost								
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		-	-	-	(115,180)	(4,711)	(18,932)	(138,823)
Write-offs		(239,527)	-	-	-	-	-	(239,527)
Balance at 31 December 2022		2,351,079	1,830,382	1,224,690	919,024	1,347,905	317,222	7,990,302
Balance at 1 January 2023		2,351,079	1,830,382	1,224,690	919,024	1,347,905	317,222	7,990,302
Additions		-	17,727	79,995	752	64,967	22,757	186,199
Disposals		-	-	(17,355)	(46,875)	(415)	(12,298)	(76,943)
Reclassification		-	-	-	(40,440)	-	-	(40,440)
Balance at 31 December 2023		2,351,079	1,848,109	1,287,330	832,462	1,412,458	327,681	8,059,118
Accumulated Depreciation and impairment								
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		-	-	-	(97,595)	(3,862)	(14,665)	(220,253)
Write-Offs		(104,131)	-	-	-	-	-	(104,131)
Balance as at 31 December 2022		693,127	437,306	1,090,867	482,570	1,253,006	294,200	4,058,767
Balance as at 1 January 2023		693,127	437,306	1,090,867	482,570	1,253,006	294,200	4,058,767
Depreciation for the year		47,022	36,840	77,440	122,953	55,538	15,388	355,181
Disposals		-	-	(34,691)	(39,542)	(5,213)	(18,877)	(98,323)
Write-Offs		(41,412)	(33,804)	-	-	-	-	(75,216)
Reclassification		-	-	-	(14,341)	-	-	(14,341)
Balance as at 31 December 2023		698,737	440,342	1,133,616	551,640	1,303,331	290,711	4,418,376
Carrying amounts								
At 31 December 2022		1,657,952	1,393,076	133,823	436,454	94,899	23,022	3,827,404
At 31 December 2023		1,652,342	1,407,767	153,714	280,822	109,127	36,970	3,640,742

- (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 (2022: 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 N4.7 billion (2022: N4.5 billion) which is accounted for as investment property in the separate financial statements of the subsidiary, NGX Real Estate Limited. It comprises of a commercial property that is leased to third parties and the parent company. 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

<i>in thousands of naira</i>	Note	Leasehold Building and Improvement	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
Cost							
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
Write-offs		(403,768)	-	-	-	-	(403,768)
Balance at 31 December 2022		213,530	19,946	264,993	5,207	25,736	529,412
Balance at 1 January 2023		213,530	19,946	264,993	5,207	25,736	529,412
Additions		2,795	335	-	2,655	-	5,785
Disposals			(6,600)	(32,180)	-	-	(38,780)
Balance as at 31 December 2023		216,325	13,680	232,813	7,862	25,736	496,417
Accumulated Depreciation							
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
Balance as at 1 January 2023		144,837	17,566	135,000	4,427	23,653	325,483
Depreciation for the year		1,390	905	44,990	830	505	48,620
Disposals			(6,600)	(24,847)	-	-	(31,447)
Balance as at 31 December 2023		146,227	11,871	155,143	5,257	24,158	342,656
Carrying amounts							
At 31 December 2022		68,693	2,380	129,993	780	2,083	203,929
At 31 December 2023		70,098	1,809	77,670	2,605	1,578	153,761

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23 Intangible assets

Reconciliation of carrying amount

(a) The Group

<i>In thousands of naira</i>	Goodwill	Purchased software	Total
Cost			
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
Balance as at 1 January 2023	61,784	2,996,744	3,058,528
Acquisitions	-	55,113	55,113
Balance at 31 December 2023	61,784	3,051,857	3,113,641
Accumulated Amortization and impairment			
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
Balance as at 1 January 2023	57,148	2,910,936	2,968,084
Amortization for the year	-	36,960	36,960
Adjustment	-	5,358	5,358
Write-Off	4,636	-	4,636
Balance at 31 December 2023	61,784	2,947,896	3,015,038
Carrying amounts			
At 31 December 2023	-	103,961	98,603
At 31 December 2022	4,636	85,808	90,444

- (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 (2022: nil).
- (iii) There were no liens or encumbrances on the assets.
- (iv) Goodwill relate to the acquisition of Naira Properties (NGX Real Estate) in 2011 by the legacy NSE. The goodwill above is not subject to amortisation but only for impairment losses. Goodwill is tested annually for impairment, or more frequently when there are indications that impairment may have occurred. There was an impairment identified in the year ended December 2023 N4.636m (2022: nil).

Notes to the consolidated and separate financial statements
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(b) The Company

<i>In thousands of naira</i>	Purchased software	Total
Cost		
Balance at 1 January 2022	32,634	32,634
Acquisitions	-	-
Balance as at 31 December 2022	32,634	32,634
Balance as at 1 January 2023	32,634	32,634
Acquisitions	-	-
Balance at 31 December 2023	32,634	32,634
Amortization and impairment losses		
Balance at 1 January 2022	1,273	1,273
Amortization for the year	6,527	6,527
Balance as at 31 December 2022	7,799	7,800
Balance as at 1 January 2023	7,799	7,799
Amortization for the year	6,527	6,527
Balance at 31 December 2023	14,326	14,326
Carrying amounts		
At 31 December 2023	18,308	18,308
At 31 December 2022	24,835	24,834

- (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 (2022: 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.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

24 Other liabilities

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
<i>Financial liabilities</i>				
Sundry creditors (see note (a) below)	233,343	3,057,612	18,370	144,149
Intercompany payable (see note (b) below)	-	-	13,347	219,233
Accrued expenses (see note (c) below)	2,949,469	1,410,153	1,770,160	397,654
Pledge payable (see note (d) below)	254,314	254,314	254,314	254,314
Others (see note (f) below)	281,203	97,657	45,931	13,690
	3,718,329	4,876,462	2,102,122	1,076,428
<i>Non-financial liabilities</i>				
Value Added Tax	63,889	61,757	7,450	8,040
Staff related liabilities (see note (e) below)	60,993	56,725	52,941	47,388
WHT payable	79,235	100,904	72,581	91,678
Deferred income (see note (24i) below)	805,428	247,673	258,504	3,948
	1,009,545	467,058	391,476	151,054
Total	4,727,874	5,343,521	2,493,598	1,227,482

i. Deferred Income

Set out below are the carrying amounts of deferred income and the movements during the year: (see Note 24 (i) g).

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Balance, beginning of the year	247,673	165,734	3,948	-
Additional Revenue Recognition	557,755	81,939	254,556	3,948
Balance, end of the year	805,428	247,673	258,504	3,948

- (a) Included in Sundry creditors are payments due to vendors and other obligations to third parties.
- (b) Amount represents payable due to NSE Consult Limited by the NGX Group in 2023 and amount payable to NSE Consult and NGX Limited in 2022.
- (c) Accrued expenses includes leave allowances, passage allowances, 13th month payment and long term incentives due to staff. It also includes the year end accruals for payments for implementation of ICFR review, ICFR attestation, supplementary listing of shares, advisory by various consultants etc
- (d) Pledge payable relates to the ex- council's pledge to donate proceeds of X-Alert subscriptions to the IPF upon the successful resolution of litigation
- (e) Staff related liabilities represents payable for PAYE to various state internal revenue services
- (f) Included in other liabilities are provisions for litigation claims, corporate challenge accrual, VAT on equity transaction, trade guaranty fund, tax provision etc.
- (g) Deferred income relates to advance payments made by capital market operators and income made from investment securities. This will be amortised over the payment period.

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25 Term Borrowings

<i>In thousands of naira</i>	2023	2022	2023	2022
Opening balance	14,078,952	-	14,078,952	-
Addition	13,350,000	25,000,000	13,350,000	25,000,000
Interest	2,340,389	2,100,468	2,340,389	2,100,468
Interest repayment	(2,118,317)	(1,205,868)	(2,118,317)	(1,205,868)
Principal Repayment	(13,350,000)	(11,815,648)	(13,350,000)	(11,815,648)
Total	14,301,024	14,078,952	14,301,024	14,078,952
Current	-	-	-	-
Non current	14,301,024	14,078,952	14,301,024	14,078,952
Carrying amount	14,301,024	14,078,952	14,301,024	14,078,952

- (a) Borrowings represent balance of loan principal (N13.50 billion) to finance strategic investment and accrued interest on the loan (N1.02 billion). The loan was taken on January 18, 2022 and the facility will run for a period of 60 months. The interest rate chargeable in respect of the Term Loan Facility shall be MPR - 1.5% per annum from the date of first drawdown. This rate is subject to upward or downward review in line with money market realities but not below a floor of 14% per annum and a cap of 28% per annum.

26 Current income tax liabilities

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Balance, beginning of the year	93,854	224,724	16,229	24,896
Minimum tax	17,257	43,947	17,257	10,484
Current year tax	670,689	80,660	14,010	-
Payments made during the year	(122,300)	(255,477)	(10,484)	(19,151)
Balance, end of the year	659,500	93,854	25,626	16,229

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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 utilised 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).

	Group 2023	Group 2022	Company 2023	Company 2022
<i>In thousands of naira</i>				
Opening balance	75,501	-	-	-
Depreciation charge for the year	(2,083)	(2,083)	-	-
Additions to right-of-use assets	1	77,584	-	-
Balance at 31 December	73,419	75,501	-	-

ii. Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period: (see Note 22).

	Group 2023	Group 2022	Company 2023	Company 2022
<i>In thousands of naira</i>				
Opening balance	26,021	222,623	-	142,422
Addition	-	-	-	142,422
	26,021	222,623	-	284,844
Accretion of interest	1,039	886	-	-
Lease Payment	-	(197,488)	-	(230,284)
Derecognition of lease liabilities	-	-	-	(54,560)
Balance at 31 December	27,060	26,021	-	-
Current	27,060	26,021	-	-
Non current	-	-	-	-
Carrying amount	27,060	26,021	-	-

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

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iii. Amounts recognised in statement of profit or loss

	Group	Group	Company	Company
<i>In thousands of naira</i>	2023	2022	2023	2022
2023 - Leases under IFRS 16				
Interest on lease liabilities	1,039	886	-	-
Depreciation charge for the year	2,083	2,083	-	-

iv. Amounts recognised in statement of cash flows

	Group	Group	Company	Company
<i>In thousands of naira</i>	2023	2022	2023	2022
Total cash outflow for leases	-	(197,488)	-	(230,284)

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.

Rental income recognised by the Group during 2023 was N140.6 million (2022: N99.1 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	Group
<i>In thousands of naira</i>	2023	2022
Less than one year	140,645	101,642
Total	140,645	101,642

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

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28 Retirement benefit obligations

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Recognised liability for defined contribution	134,818	(180)	29,856	1,416
Movement in cashflow statement	134,818	(180)	29,856	1,416
Recognised liability for defined benefit obligations (see note (a) below)	133,897	125,665	28,934	39,561
<i>Movement in defined benefit obligations</i>				
<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	125,665	163,964	39,561	24,496
Changes in Modelling	16,907	-	(9,401)	-
Current service charge & interest cost: Long service award	41,719	40,682	10,289	1,848
Net actuarial (gain)/loss	(33,125)	(41,250)	(11,515)	13,217
Payments made during the year	(17,269)	(37,731)	-	-
Closing balance	133,897	125,665	28,934	39,561
Movement in cashflow statement recognized in profit or loss (Note 12)	58,626	40,682	888	1,848

The Group's actuarial valuation was calculated by KMC Consulting actuaries (FRC Number -FRC/2012/NAS/000000032392) who provides actuarial services to the Group.

Notes to the consolidated and separate financial statements

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(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):

	2023	2022
Discount rate	15.6%	12.5%
Average 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.

<i>In thousands of naira</i>	31 December 2023		31 December 2022	
	Increase	Decrease	Increase	Decrease
Withdrawal rate (5% movement)	132,020	(135,770)	84,601	(186,608)
Mortality rate (20% movement)	133,092	(134,698)	123,636	(125,175)
Salary increase (10% movement)	146,883	(122,313)	142,571	(108,818)
Discount rate (3% movement)	120,238	(150,900)	104,958	(149,912)

Notes to the consolidated and separate financial statements

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(d) Expected maturity analysis of post-employment benefits:

<i>In thousands of naira</i>	Within 1 year	Between 2-5 years	Between 6-10 years	Over 10 years	2023 Total
Present value of the defined benefit obligations	20,156	72,703	30,594	10,443	133,897
	20,156	72,703	30,594	10,443	133,897
<i>In thousands of naira</i>	Within 1 year	Between 2-5 years	Between 6-10 years	Over 10 years	2022 Total
Present value of the defined benefit obligations	25,285	77,009	10,278	13,093	125,665
	25,285	77,009	10,278	13,093	125,665

29 Provisions

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Balance as at 1 January	405,744	405,744	402,743	402,743
Provision made during the year	-	-	-	-
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 crystallise in future.

30 Deferred tax

(a) Deferred tax liability comprises of:

<i>In thousands of naira</i>	Group 2023	Group 2022	Company 2023	Company 2022
Deferred tax liability				
Balance, beginning of the year	238,882	238,882	-	-
Deferred tax liability recognised by subsidiary	(14,900)	-	-	-
Deferred tax reversal	(101,315)	-	-	-
Balance, end of the year	122,667	238,882	-	-

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(i) Movements in temporary differences during the year

	Opening balance	Recognised in profit or loss	Recognised in equity	Closing balance
<i>In thousands of naira</i>				
For the year ended 31 December 2022				
Revaluation surplus	238,882	-	-	238,882
Total	238,882	-	-	238,882
	Opening balance	Recognised in profit or loss	Recognised in equity	Closing balance
<i>In thousands of naira</i>				
For the year ended 31 December 2023				
Revaluation surplus	238,882	-	-	238,882
Total	238,882	-	-	238,882

Notes to the consolidated and separate financial statements

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(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	31-Dec-2023		Group	31-Dec-2022		Company	31-Dec-2022	
<i>In thousands of naira</i>	Gross amount	Tax effect	Gross amount	Tax effect	Gross amount	Tax effect	Gross amount	Tax effect
Unrelieved tax losses	649,979	194,994	1,148,911	344,673	673,807	202,142	159,114	47,734
Balance, end of year	649,979	194,994	1,148,911	344,673	673,807	202,142	159,114	47,734

31 Capital and Reserves

	Group		Company	
<i>In thousands of naira</i>	2023	2022	2023	2022
(a) Share capital				
(i) Issued and fully paid				
<i>In thousands of shares</i>				
2,204,619,907 issued and allotted ordinary shares of N50k each (2022: 2,204,619,907)	1,102,310	1,102,310	1,102,310	1,102,310
Issued but not allotted (Claims review shares) (see (c) below)				
22,060,347 ordinary shares of N50k each	-	-	-	-

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.

Notes to the consolidated and separate financial statements

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(b) **Retained earnings:** Retained earnings represent undistributed profits, net of statutory appropriations attributable to the ordinary shareholders.

(c) **Claims review shares reserve:** The Reserve warehouses the balance of the Claim Review Shares of Nigerian Exchange Group Plc, which were set aside upon demutualization of The Nigerian Stock Exchange pursuant to the Scheme of Arrangement dated 20 January 2020, 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.

The Claims Review Shares had comprised 2% of the Issued Shares of Nigerian Exchange Group Plc as at demutualization being 40,083,999 (Forty Million, Eighty-Three Thousand, Nine Hundred and Ninety-Nine) shares of 50 kobo each. A total of 18,023,652 ordinary shares of 50 kobo each, has been allotted to parties who successfully proved their rights to the demutualisation shares of the Company. The balance of the Claims Review Shares being 22,060,347 (Twenty-Two Million, Sixty Thousand, Three Hundred and Forty-Seven) ordinary shares of 50 kobo each are the subject matter of the Reserve.

(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			
	Fair value reserve	Actuarial valuation reserve	Claims review shares reserve	Total	Fair value reserve	Actuarial valuation reserve	Claims review shares reserve	Total
<i>In thousands of naira</i>								
Balance at 1 January 2023	3,950,435	32,408	(9,012)	3,973,831	-	(52,018)	(9,012)	(61,030)
Fair value changes in investment securities (See note 19b(iii))	(2,021,277)	-	-	(2,021,277)	-	-	-	-
Share of OCI in Equity accounted Investee- CSCS (See note 20(i))	(55,451)	-	-	(55,451)	-	-	-	-
Share of OCI in Equity accounted Investee- CSCS (See note 20(i))	-	-	-	-	-	-	-	-
Movement in Actuarial gain/(loss)	-	33,125	-	33,125	-	11,515	-	11,515
Transaction with equity holders	-	-	-	-	-	-	-	-
Balance at 31 December 2023	1,873,706	65,533	(9,012)	1,930,228	-	(40,503)	(9,012)	(49,515)

Notes to the consolidated and separate financial statements

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	Group				Company			
<i>In thousands of naira</i>	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)	1,979,338	-	(38,801)	(9,012)	(47,813)
Fair value changes in investment securities (See note 19 b (iii))	2,021,278	-	-	2,021,278	-	-	-	-
Share of OCI in Equity accounted Investee - CSCS (See note 20(i))	(68,035)	41,250	-	(26,785)	-	-	-	-
Share of OCI in Equity accounted Investee- CSCS (See note 20(i))	-	-	-	-	-	-	-	-
Movement in Actuarial gain	-	-	-	-	-	(13,217)	-	(13,217)
Transaction with equity holders	-	-	-	-	-	-	-	-
Balance at 31 December 2022	3,950,434	(8,842)	(9,012)	3,973,831	-	(52,018)	(9,012)	(61,030)

- (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.

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32 Contingent liabilities and commitments

(a) Legal proceedings

The Company, in its ordinary course of business, is presently involved in 95 cases (2022: 80 cases). As at 31 December 2023, estimated contingent liabilities stood at N13,633,709,218 (2022: N13,633,709,218). 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 (2022: N405,744,000) for claims and litigations have been recognised in the financial statements. See note 29.

(b) Capital commitments

The Group had no capital commitments in respect of authorized and contracted capital projects as at 31 December 2023 (2022: Nil).

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

<i>In thousands of naira</i>	Note	2023	2022
NSE Consult Limited	17	71,298	71,298
NGX Real Estate Limited	17	508,383	571,578
NSE Nominees Limited	17	(774)	-
NGX Regulation Limited	17	261,330	283,133
		840,237	926,009

(ii) Intercompany payables

<i>In thousands of naira</i>		2023	2022
NSE Consult	24	13,347	219,233
		13,347	219,233

(b) Intercompany expenses

<i>In thousands of naira</i>	Note	2023	2022
Rent and service charge paid to NGX Real Estate Limited		191,128	191,128
		191,128	191,128

(c) Transactions with associate companies

<i>In thousands of naira</i>	Note	2023	2022
Investment in CSCS	20	17,628,194	17,628,194
Dividend received from CSCS	20	2,974,703	1,471,262
Investment in NG Clearing	20	1,736,687	1,736,687

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(e) Balance on the ECL impairment losses on the related party receivables are shown below:

Subsidiaries <i>In thousands of naira</i>	2023			2022		
	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	327,806	-	327,806
Coral Properties Limited (see note 17 (b) above)	-	72,000	72,000	-	72,000	72,000
NG Clearing Limited (see note 17 (a)(ii))	-	-	-	-	-	-
NSE Nominees Limited (see note 17 (a)(ii))	-	500	500	-	500	500
	327,806	73,500	401,306	327,806	73,500	401,306

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	99.9%	0.1%
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

<i>In thousands of naira</i>	Group		Company	
	2023	2022	2023	2022
(i) Changes in intercompany receivables				
Opening balance	-	-	926,009	909,120
Impairment (charges)/reversal	-	-	-	66,989
Closing balance	-	-	(840,237)	(926,009)
Adjustment for non cash item:				
Reclassification from intercompany receivables	-	-	-	19,900
Change during the year	-	-	85,772	70,000
(ii) Changes in trade and other receivables				
Opening balance	1,064,696	1,658,323	704,470	1,123,164
Impairment charges	-	110,150	-	7,000
Closing balance	(756,179)	(1,064,696)	(402,184)	(704,470)
Change during the year	308,517	703,778	302,286	425,695

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35 Cash flow workings - Continued <i>In thousands of naira</i>	Group		Company	
	2023	2022	2023	2022
(iii) Changes in prepayments				
Opening balance	592,461	474,258	144,139	281,503
Closing balance	(320,931)	(592,461)	(7,805)	(144,139)
Change during the year	271,530	(131,884)	136,334	123,683
(iv) Changes in other liabilities and provisions				
Opening balance	5,692,540	2,904,392	1,582,837	2,737,762
Movement in right of use asset and lease liabilities	1	77,584	-	(87,862)
Closing balance	(5,133,618)	(5,692,540)	(2,896,341)	(1,582,837)
Change during the year	558,923	(2,710,564)	(1,313,504)	1,067,063
(v) Interest received				
Interest income	2,140,779	2,030,704	1,760,627	1,876,948
Interest received on prior period highly liquid investment	18,225	16,961	18,225	16,961
Interest receivable on placements	(116,304)	(18,225)	(116,304)	(18,225)
Interest receivable on bonds	(374,739)	(111,092)	(374,739)	(111,092)
	1,667,961	1,918,348	1,287,809	1,764,592
(vi) Dividend received				
Dividend income	(2,974,703)	1,471,262	(2,973,823)	1,471,262
	(2,974,703)	1,471,262	(2,973,823)	1,471,262
(vii) Purchase of investments				
Opening balance of investments	16,951,682	14,360,003	11,647,127	12,320,465
Fair value changes	(2,021,277)	2,021,278	-	-
Interest income	2,140,779	2,030,704	1,760,627	1,876,948
Interest received	(1,667,961)	(1,918,348)	(1,287,809)	(1,764,592)
ECL impairment on treasury bills and bonds	(389,072)	68	334,470	-
Closing balance of total investments	(16,781,463)	(16,951,682)	(13,145,103)	(11,647,127)
Change during the year	(1,767,313)	(457,977)	(690,688)	785,694
(viii) Proceeds from the sale of property and equipment				
Gain on disposal of property and equipment	1,809	18,668	583	-
Accumulated depreciation eliminated on disposal	(98,323)	220,253	(31,447)	-
Proceeds from the sale of property and equipment	(100,132)	(176,765)	(30,864)	-
(ix) Additional investment in associates				
Opening balance	29,711,182	14,750,630	19,364,881	5,083,910
Closing balance	(31,592,415)	(29,711,182)	(19,364,881)	(19,364,881)
	(1,881,233)	(14,960,552)	-	(14,280,971)
Adjustment:				
Share of profit of associate	4,855,936	2,150,844	-	-
Dividend received	(2,973,823)	(1,471,262)	-	-
Share of OCI from Equity-accounted associate	(55,451)	(68,035)	-	-
Additional investment in associate	(54,572)	(14,349,005)	-	(14,280,971)

Notes to the consolidated and separate financial statements
For the year ended 31 December 2023

35 Cash flow workings - In thousands of naira	Group		Company	
	2023	2022	2023	2022
(x) Net foreign exchange differences				
Exchange gain	2,483,831	13,538	1,117,850	-
Exchange loss	-	(746)	-	(719)
Net foreign exchange differences	2,483,831	12,792	1,117,850	(719)
(ix) Term loan				
Inflow	13,350,000	25,000,000	13,350,000	25,000,000
Interest accrued	2,340,389	2,100,468	2,340,389	2,100,468
Capital repayment	(13,350,000)	(11,650,000)	(13,350,000)	(11,650,000)
Change during the year	2,340,389	15,450,468	2,340,389	15,450,468
(xii) Additions to investment property				
Opening balance	-	-	2,856,928	3,738,111
Closing balance	-	-	(2,856,928)	(2,856,928)
Disposal 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)	5,349,009	591,509	725,760	(259,737)
Number of shares in issue at end of the year (in thousands of shares)	2,204,619	2,204,619		
Weighted average number of ordinary shares in issue (in thousands of shares)	2,204,619	2,204,619		
Basic and diluted earnings per share (Naira)	2.43	0.27		

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 Board evaluation consultant to evaluate the performance of individual directors, Committees and Board, while also carrying out a corporate review exercise for the year ended 31 December 2023, at a fee of N4,500,000 (2022 N4,837,500). There was also an attestation of the Internal control over financial reporting at a fee of N5,000,000. The engagement of Ernst & Young for these non-audit services do not constitute a conflict of interest and do not pose a threat to their independence as Group and Company

Other National Disclosures

Other National disclosures
Value Added Statement

For the year ended 31 December 2023

<i>In thousands of naira</i>	Group 2023	%	Group 2022	%
Gross earnings	16,659,838		9,650,447	
Bought in materials and services - local	(3,276,961)		(2,508,190)	
Impairment	(419,187)		(3,549)	
Value added	12,963,689	100	7,138,708	100
DISTRIBUTION				
EMPLOYEES AND DIRECTORS				
Personnel expenses	4,940,116	38	3,664,500	51
GOVERNMENT				
Income tax expense	37,967	0	124,607	2
PROVIDERS OF CAPITAL				
Interest expense	2,340,389	18	2,100,468	29
RETAINED IN THE BUSINESS				
For depreciation and amortization	394,224	3	550,652	8
To augment reserves	5,250,993	41	698,482	10
	12,963,689	100	7,138,708	100

<i>In thousands of naira</i>	Company 2023	%	Company 2022	%
Gross earnings	6,425,296		3,568,138	
Bought in materials and services - local	(944,636)		(944,848)	
Impairment	(334,466)		82,139	
	5,146,194	100	2,705,429	100
DISTRIBUTION				
EMPLOYEES AND DIRECTORS				
Personnel expenses	2,007,641	39	798,847	30
GOVERNMENT				
Tax expense	17,257	0	10,484	-
PROVIDERS OF CAPITAL				
Interest expense	2,340,389	45	2,100,468	78
RETAINED IN THE BUSINESS				
For Depreciation and Amortization	55,147	1	55,367	2
To augment reserves	725,760	14	(259,737)	(10)
	5,146,194	100	2,705,429	100

Value added represents the additional wealth which the Company has been able to create by its own and employees efforts. This statement shows the allocation of that wealth among the employees, shareholders, government and that retained for the future creation of more wealth.

Other National disclosures
Five Year Financial Summary

FINANCIAL SUMMARY

For the year ended 31 December 2023

STATEMENT OF FINANCIAL POSITION

	Group 31 Dec 2023	Group 31 Dec 2022	Group 31 Dec 2021	Group 31 Dec 2020	Group 31 Dec 2019
<i>In thousands of naira</i>					
ASSETS					
Cash and cash equivalents	6,577,579	4,749,694	2,248,237	6,988,063	4,416,040
Trade and other receivables	756,179	1,064,696	1,658,323	862,045	229,550
Prepayments	320,931	592,461	460,577	152,032	301,827
Investment securities	433,020	621,570	3,986,512	2,768,959	7,133,863
Total current assets	8,087,709	7,028,421	8,353,649	10,771,099	12,081,280
Investment securities	16,348,443	16,330,112	10,373,491	7,414,186	4,761,505
Right-of-use asset	73,419	75,501	-	-	-
Investment in associates	31,592,415	29,711,182	14,750,630	12,425,595	10,689,986
Property and equipment	3,640,742	3,827,404	4,209,295	4,253,760	4,391,352
Intangible assets	98,603	90,444	181,875	241,932	257,155
Total non-current assets	51,753,622	50,034,822	29,515,290	24,335,473	20,099,998
Total assets	59,841,330	57,063,243	37,868,940	35,106,573	32,181,278
LIABILITIES					
Other liabilities	3,922,446	5,039,123	2,498,648	2,411,964	2,661,043
Deferred Income	805,428	247,673	-	-	-
Term loan	14,301,024	14,078,952	-	-	-
Income tax payable	659,500	93,854	224,725	89,095	46,286
Lease liabilities	27,060	26,021	222,623	133,780	-
Total current liabilities	19,715,458	2,237,133	2,945,996	2,673,323	2,707,329
Retirement benefit obligations	133,898	125,666	163,964	544,582	477,034
Provisions	405,744	405,744	405,744	373,543	357,276
Deferred tax liabilities	122,667	238,882	238,882	238,882	213,761
Total non current liabilities	662,309	770,292	808,590	1,157,006	1,048,071
Total liabilities	20,377,767	20,255,915	3,754,586	3,830,330	3,755,400
EQUITY					
Share capital	1,102,310	1,102,310	982,058	-	-
Other reserves	1,930,228	3,973,831	1,988,351	1,389,394	-
Retained earnings	36,431,025	31,731,187	31,143,945	29,886,849	28,425,878
Total equity	39,463,563	36,807,328	34,114,354	31,276,243	28,425,878
Total liabilities and equity	59,841,330	57,063,243	37,868,940	35,106,573	32,181,278

Other National disclosure
Five Year Financial Summary

FINANCIAL SUMMARY
For the year ended 31 December 2023

INCOME STATEMENT

	Group 2023	Group 2022	Group 2021	Group 2020	Group 2019
<i>In thousands of naira</i>					
Revenue	8,299,898	6,170,366	5,777,055	5,027,740	4,954,435
Other income	3,504,004	1,329,237	1,021,704	991,494	2,828,923
Operating expenses	(3,276,961)	(2,508,190)	(2,712,829)	(2,223,441)	(2,778,345)
Personnel Expenses	(4,940,116)	(3,664,500)	(3,239,711)	(3,240,384)	(3,694,465)
Interest expense on borrowings	(2,340,389)	(2,100,468)	-	-	-
Net operating expenses	(11,370,878)	(4,847,001)	(5,001,125)	(4,532,740)	(3,707,877)
Operating (loss)/profit	433,025	(1,327,755)	281,841	(93,956)	768,225
Share of profit of equity accounted investees					
(net of income tax)	4,855,936	2,150,844	2,119,361	2,003,217	1,531,589
Profit before income tax expense	5,288,960	823,089	2,394,221	1,909,261	2,299,814
Income tax expense	(37,967)	(124,607)	(146,055)	(70,266)	(41,766)
Profit for the year	5,249,196	698,482	2,248,166	1,838,995	2,258,048

**Other National disclosure
Five Year Financial Summary**

FINANCIAL SUMMARY

For the year ended 31 December 2023

STATEMENT OF FINANCIAL POSITION

<i>In thousands of naira</i>	Company 31 Dec 2023	Company 31 Dec 2022	Company 31 Dec 2021	Company 31 Dec 2020	Company 31 Dec 2019
ASSETS					
Cash and cash equivalents	2,314,139	1,560,373	1,097,730	5,562,994	4,307,178
Trade and other receivables	402,184	704,470	1,123,164	847,600	200,383
Intercompany receivables	840,237	926,009	909,120	728,434	868,671
Prepayments	7,805	95,745	267,822	149,495	301,802
Investment securities	433,020	648,871	1,946,974	2,768,959	6,943,867
Total current assets	3,997,385	3,935,468	5,344,810	10,057,482	12,621,901
Investment securities	12,712,083	10,931,832	10,373,491	5,938,801	4,305,438
Investment in associates	19,364,881	19,364,881	5,083,910	3,157,340	2,157,340
Investment in subsidiaries	2,856,928	2,856,928	3,738,111	4,015,893	945,950
Property and equipment	153,761	203,929	296,147	397,780	2,255,227
Intangible assets	18,308	24,834	31,362	-	252,520
Total non-current assets	35,105,961	33,448,828	19,523,022	13,509,814	9,916,475
Total assets	39,103,346	37,384,296	24,867,831	23,567,296	22,538,376
Other liabilities	2,493,598	1,176,146	2,335,019	2,370,941	2,722,988
Term loan	14,301,024	14,078,952	-	-	-
Income tax payable	25,626	16,229	-	-	-
Lease liabilities	-	-	142,422	191,823.00	-
Defined-contribution pension	-	-	-	38,483	-
Total current liabilities	16,820,248	14,738,751	2,477,441	2,601,247	2,722,988
LIABILITIES					
Retirement benefit obligations	28,934	39,561	24,496	544,582	477,034
Provisions	402,743	402,743	402,743	373,543	357,276
Total non current liabilities	431,677	442,304	427,239	918,125	834,310
Total liabilities	17,251,925	15,718,995	2,904,680	3,519,372	3,557,298
EQUITY					
Share capital	1,102,310	1,102,310	982,058	-	-
Other reserves	(49,515)	(61,030)	(29,789)	(48,342)	-
Retained earnings	20,798,626	20,624,021	20,985,986	20,096,266	18,981,079
Total equity	21,851,421	21,665,301	21,938,255	20,047,924	18,981,079
Total liabilities and equity	39,103,346	37,384,296	24,867,831	23,567,296	22,538,376

Other National disclosures
Five Year Financial Summary

FINANCIAL SUMMARY
For the year ended 31 December 2023

INCOME STATEMENT

<i>In thousands of naira</i>	Company 2023	Company 2022	Company 2021	Company 2020	Company 2019
Revenue	4,734,450	3,348,241	3,734,541	6,167,400	4,863,461
Other income	1,690,846	219,897	385,734	949,074	3,728,576
Impairment writeback/(loss) on assets	(334,466)	82,139	324,791	(34,443)	(82,821)
Interest expense on borrowings	(2,340,389)	(2,100,468)	-	-	-
Operating Expenses	(944,636)	(944,848)	(1,369,338)	(2,166,340)	(2,760,945)
Net operating expenses	(5,682,279)	(1,441,659)	(1,642,153)	(4,492,094)	(2,809,656)
Operating profit/(loss)	743,017	1,906,582	2,092,388	1,675,306	2,053,806
Profit before income tax expense	743,017	(249,253)	1,899,655	1,062,078	1,523,852
Income tax expense	(17,257)	(10,484)	(18,865)	-	-
Profit for the year	725,760	(259,737)	1,880,790	1,062,078	1,523,852