

2023 ANNUAL REPORTS & FINANCIAL STATEMENTS



AGILITY



BUSINESS DAY

**BANKS & OTHER FINANCIAL
INSTITUTIONS (BAFI)
AWARDS 2023**

**DIGITAL TRANSFORMATION
AND CYBERSECURITY
ADVOCATE OF THE YEAR**

Presented to

**CENTRAL SECURITIES CLEARING
SYSTEMS (CSCS) PLC.**



VISION

To be the globally respected and leading central securities depository in Africa.



MISSION

We create value by providing securities depository, clearing, settlement and other services, driven by innovative technology and a highly skilled workforce.

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DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

Board of Directors:

Mr. Temi Popoola ¹	-	Chairman
Mr. Oscar N. Onyema OON ²	-	Chairman (Rtd.)
Mr. Haruna Jalo-Waziri	-	Managing Director/CEO
Mr. Eric Idiahi ³	-	Non-Executive Director
Mr. Roosevelt Ogbonna	-	Non-Executive Director
Ms. Tinuade Awe ⁴	-	Non-Executive Director
Mrs. Chinelo Anohu	-	Independent Non-Executive Director
Mr. Ibrahim Dikko	-	Independent Non-Executive Director
Mr. Oluseyi Owoturo ⁵	-	Non-Executive Director
Mrs. Tairat Tijani ⁶	-	Non-Executive Director
Mr. Adeyinka Shonekan	-	Executive Director
Mr. Nonso Okpala ⁷	-	Non-Executive Director
Mr. Samuel Onukwe ⁸	-	Non-Executive Director

1. Mr. Temi Popoola was appointed by a resolution of the Board on 6 February 2024 to take effect on 1 April 2024.

2. Mr. Oscar N. Onyema OON resigned from the Board with effect from 31 March 2024.

3. Mr. Eric Idiahi resigned from the Board with effect from 13 July 2023.

4. Ms. Tinuade Awe resigned from the Board with effect from 31 March 2024.

5. Mr. Oluseyi Owoturo resigned from the Board with effect from 31 March 2024.

6. Mrs. Tairat Tijani resigned from the Board with effect from 31 March 2024.

7. Mr Nonso Okpala was appointed by a resolution of the Board on 6 February 2024 to take effect on 1 April 2024.

8. Mr Samuel Onukwe was appointed by a resolution of the Board on 6 February 2024 to take effect on 1 April 2024.

Registered Office:

Central Securities Clearing System Plc
1st Floor, The Nigerian Exchange
Group House
2/4, Customs Street
Marina, Lagos

Company's RC Number:

201018

Tax Identification Number:

00101729-0001

Company Secretary:

Charles I. Ojo

Independent Auditor:

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo Lagos

Bankers:

Access Bank Plc
Citibank Nigeria Limited
Coronation Merchant Bank Limited
Ecobank Nigeria Limited
Fidelity Bank Plc
First Bank of Nigeria Limited
FSDH Merchant Bank Limited
First City Monument Bank Plc
Guaranty Trust Bank Limited
Greenwich Merchant Bank Limited
Globus Bank Limited
Keystone Bank Limited
Nova Merchant Bank Limited
Polaris Bank Limited
Providus Bank Limited
Rand Merchant Bank
Stanbic IBTC Bank Plc
Sterling Bank Plc
SunTrust Bank Nigeria Limited
Titan Trust Bank
Union Bank of Nigeria Plc

United Bank for Africa Plc
Wema Bank Plc
Zenith Bank Plc

Registrar: Africa Prudential Plc

220B Ikorodu Road Palmgrove Lagos

Actuary:

O. & A. Hedge Actuarial Consulting
FRC/2019/00000012909)
(Actuaries & Chartered Insurers)
Suite 28, Motorways Centre,
1 Motorways Avenue Alausa Ikeja,
Lagos - Nigeria

Layemo B. Abraham
(FRC/2016/NAS/00000015764)

2023 RESULT AT A GLANCE

65.2%

GROSS EARNINGS (₹' BILLION)



PROFIT BEFORE TAX (₹' BILLION)



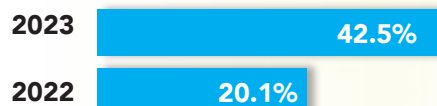
84.2%

249.3%

REVENUE FROM NON-CORE BUSINESS (₹' BILLION)



REVENUE CONTRIBUTION FROM NON-CORE BUSINESS (%)



17.3%

TOTAL ASSETS





BUSINESS DAY

**BANKS & OTHER FINANCIAL
INSTITUTIONS (BAFI)
AWARDS 2021**

**DEPOSITORY & CUSTODY COMPANY
OF THE YEAR**

Presented to

**CENTRAL SECURITIES CLEARING
SYSTEM (CSCS) PLC.**

OVERVIEW

Central Securities Clearing System Plc [CSCS] is Nigeria's Central Securities Depository (CSD) licensed to carry on depository, clearing and settlement of all transactions in the Nigerian Capital Market. As the country's premier Financial Market Infrastructure (FMI), CSCS processes securities in electronic book-entry form, ensuring safe and efficient transaction processing within the ecosystem whilst also pioneering innovative solutions to deepen and enhance the efficient functioning of the market. We provide an effective single access point for all post-trade services in the Nigerian financial market, covering all forms of capital and money market securities including: equities, treasury bills, bonds, commodities, mutual funds, exchange traded funds and cash. With an "A+" CSD rating from Thomas

Murray, CSCS ranks amongst the best rated financial services firms in Nigeria and one of the best rated FMIs in Africa.

For three decades, CSCS has continuously partnered with other stakeholders to redefine the structure and operations of the Nigerian Capital Market, leveraging new technologies to extract efficiencies across the transaction life cycle whilst providing assurance in post-trade execution. With the support of the Securities and Exchange Commission (SEC), other financial market regulators and collaboration with market participants, CSCS actualized the full dematerialization of share certificates in the Nigerian equity market, thus facilitating the full transition of the Nigerian equity market to the automated trading system. CSCS serves as the post trade agent for transactions on Securities Exchanges in the Nigerian Capital Market.





NOTICE OF THE 30TH ANNUAL GENERAL MEETING OF CENTRAL SECURITIES CLEARING SYSTEM PLC

NOTICE IS HEREBY GIVEN that the 30th Annual General Meeting of the **CENTRAL SECURITIES CLEARING SYSTEM PLC ('CSCS')** will hold at The Civic Centre, Ozumba Mbadiwe Road, Opposite 1004, Victoria Island 100001, Lagos on Friday 24 May 2024 at 10.00 am to transact the following business:

A. ORDINARY BUSINESS

1. To receive and consider the company's audited financial statements for the year ended December 31, 2023, and the Reports of the Directors, Auditors and Statutory Audit Committee.
2. To declare a final dividend.
3. To elect Mr. Temi Popoola as Non-Executive Director.
4. To elect Mr. Nonso Okpala as Non-Executive Director.
5. To elect Mr. Samuel Onukwue as Non-Executive Director.
6. To re-elect Mrs. Chinelo Anohu as Independent Non-Executive Director.
7. To re-elect Mr. Ibrahim Dikko as Independent Non-Executive Director.
8. To authorize the Directors to fix the remuneration of the Auditors.
9. To elect members of the Statutory Audit Committee.
10. To disclose the remuneration of the managers of the Company in line with the provisions of the Companies and Allied Matters Act, 2020.

B. SPECIAL BUSINESS/ORDINARY RESOLUTION

11. That the Directors' fees for the financial year ending December 31, 2024, and for succeeding years until reviewed by the Annual General Meeting be and is hereby fixed at N13,500,000.00 (Thirteen Million, Five Hundred Thousand Naira Only) for the Board Chairman and N11,407,500.00 (Eleven Million, Four Hundred and Seven Thousand, Five Hundred Naira Only) for each Non-Executive Director, respectively.

C. PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member of the company. To validate the appointment of a proxy, a duly completed Proxy Form must be sent to the Company Secretary, Mr. Charles I. Ojo by e-mail at cojo@cscs.ng or the Company's Registrars, Africa Prudential Registrars at cxc@africaprudential.com, not less than 48 hours before the time fixed for the meeting. A proxy form is contained in the Annual Report and shall also be made available on the Company's website at <https://www.cscs.ng>.

Dated this 3rd day of May 2024

BY ORDER OF THE BOARD

of Central Securities Clearing System Plc:

CHARLES I. OJO
Company Secretary

FRC/2014/NBA/00000006051

Overview

NOTES

1. Dividend

A total dividend of N7,500,000,000.00 (Seven Billion, Five Hundred Million Naira) amounting to 150 Kobo per share has been recommended by the Board for approval. If approved by Shareholders at the Annual General Meeting, Shareholders whose names are on the Register as of Thursday 16 May 2024 and who have completed the e-dividend registration and mandate forms shall qualify to receive direct credit of the approved dividend into their bank accounts on the date of the Annual General Meeting, which is Friday 24 May 2024.

2. E-Dividend Mandate

Shareholders are kindly requested to update their records, complete the e-dividend mandate forms and advise the Company, Central Securities Clearing System Plc of their updated records and relevant bank account details for payment of dividend. Detachable forms in respect of mandate for e-dividend payment, unclaimed dividend/stale warrants and shareholder's data update are attached to the Annual Report. The forms can also be downloaded from the CSCS website at <https://www.cscs.ng>. The duly completed forms should be returned to the Company Secretary, Central Securities Clearing System Plc, 1st Floor, Nigerian Exchange Group House, 2/4 Customs Street, P.O. Box 3168 Marina, Lagos, Nigeria, not less than 48 hours.

3. E-Annual Report

The electronic version of the Annual report is available at <https://www.cscs.ng>. Shareholders

who wish to receive the electronic version of the Annual Report should provide their email addresses to the Company Secretary, Mr. Charles I. Ojo via e-mail to cojo@cscs.ng.

4. Statutory Audit Committee

The Audit Committee consists of 3 (three) shareholders and 2 (two) Non-Executive Directors. In accordance with Section 404 of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election of the Audit Committee by giving notice in writing of nomination to the Company Secretary at least 21 (twenty-one) days before the Annual General Meeting. The Securities and Exchange Commission in its Code of Corporate Governance for Public Companies requires at least 1 (one) member of the Audit Committee to have basic financial literacy and to be knowledgeable in accounting and financial management. Consequently, a detailed resume disclosing requisite qualifications should be submitted with each nomination.

5. Closure Of Register

The Register of Members will be closed on Wednesday 15 May 2024 to enable the Registrar to prepare for the payment of dividend.

6. Profiles of Directors for election/Approval

The profiles of Directors submitted for election/approval are contained in the Company's Annual Report and on the Company's website at <https://www.cscs.ng>.



7. Appointment/ Re-appointment of Auditors

In accordance with S. 401(2) of the Companies and Allied Matters Act, 2020, at any annual general meeting a retiring auditor, however appointed shall be re-appointed without a resolution being passed unless he is not qualified for re-appointment. There is no change to the Company Auditors, Messrs. KPMG who are being presented to shareholders at the 30th Annual General Meeting of the Company.

8. Website

A copy of this Notice and other information relating to the meeting can be found at <https://www.cscs.ng>.

9. Live Streaming Link

The Annual General Meeting which will be live streamed and shall be available on the Company's website at www.cscs.ng and other social media platforms for the benefit of Shareholders.

10. Questions From Shareholders

Shareholders and other holders of the Company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Annual Report and Accounts. Please send questions, comments or observations to the Company Secretary, Central Securities Clearing System Plc, 1st Floor, Nigerian Exchange Group House, 2/4 Customs Street, P.O. Box 3168 Marina, Lagos, Nigeria, or by e-mail to cojo@cscs.ng not later than Wednesday 22 May 2024. Questions and answers will be presented during the Annual General Meeting.



**ABOUT THE
COMPANY**



CHAIRMAN'S STATEMENT

Dear esteemed shareholders, respected Board members and valued stakeholders, I welcome you to our 30th Annual General Meeting. It is with great pleasure that I address you today as the newly appointed Chairman of the Board of Central Securities Clearing System Plc (CSCS).

Allow me to begin by expressing sincere gratitude to the dedicated members of the Board and the exceptional Management team. Their steadfast commitment, expertise, and collaborative spirit have been instrumental in steering CSCS towards continued success. I also extend my appreciation to my predecessor, Mr. Oscar N. Onyema, OON, for his distinguished leadership, that has significantly contributed to the growth of CSCS and solidified its position as a reputable market infrastructure in Nigeria and West Africa.

Temí Popoola
Chairman, Board of Directors

GLOBAL ECONOMIC LANDSCAPE

As the world approaches the four-year mark since the unprecedented shocks of the COVID-19 pandemic, coupled with geopolitical tensions from Ukraine-Russia war and the pervasive cost-of-living crisis, the global economic landscape reflects varying growth trajectories across nations. While initial post-pandemic recovery was strong, it has since moderated, resulting in gradual progress, albeit at an uneven pace.

China emerges as a stronghold of economic resilience with its steadfast reopening efforts, contrasting with the global economy's overall convalescent state rather than a robust resurgence. Supply chain disruptions have eased, but inflation persists, prompting central banks to raise interest rates, hindering economic activity. Economic activity in 2023 fell short of projections as full rebound remains elusive, especially for emerging markets.

In 2023, advanced economies, like the U.S., implemented fiscal easing, while emerging markets largely maintained neutral fiscal stances. The U.S. demonstrated resilience through robust consumption and investment, contrasting with the Eurozone's downward revision. Several emerging market economies defied expectations, except China, impacted by its real estate crisis and waning confidence.

Private consumption recovery is faster in advanced economies due to factors like vaccine availability, safety nets, and policy stimulus. The U.S. leads in consumption recovery, while China faces persistent shortfalls from pandemic mobility restrictions. Despite some easing of global growth impediments, challenges persist, including inflation eroding household purchasing power and high debt costs hindering recovery efforts, especially in poorer nations.

In the wake of unparalleled shocks to the global economy, achieving a lasting worldwide recovery demands sophisticated policy approaches, concerted international cooperation, and efforts to bridge disparities among nations.

In the wake of unparalleled shocks to the global economy, achieving a lasting worldwide recovery demands sophisticated policy approaches, concerted international cooperation, and efforts to bridge disparities among nations. Resilience and adaptability are crucial amidst evolving economic conditions.



NIGERIA'S BUSINESS LANDSCAPE IN 2023

The year 2023 presented an extraordinary set of challenges for businesses operating within the Nigerian landscape. As an election year, the pervasive uncertainties surrounding political outcomes and prospective policy directions necessitated a cautious approach from investors, significantly impacting long-term investment decisions. This climate set the stage for a challenging year that tested the resilience of our organization and the broader business community.

We began the year grappling with the effects of artificial cash scarcity compounded by a poorly executed currency note redesign, which initially stifled consumer spending and economic activity. The second quarter witnessed an economic resurgence, albeit one marred by the removal of fuel subsidies and the unification of the foreign exchange market. These policy shifts, while aimed at economic restructuring, triggered soaring inflation and a substantial depreciation of the naira. The resultant liquidity crisis severely impacted productive activities across various sectors, leading to contractions, and crippling effect on the informal economy. Notably, these macroeconomic shocks, coupled with insecurity concerns, precipitated the departure of several companies from the country in 2023, a development



CHAIRMAN’S STATEMENT

that underscored the urgency for economic reforms and policy stability.

Amidst these headwinds, the new administration, led by President Bola Ahmed Tinubu, adopted pro-market policies which aimed at mitigating exchange rate risks and easing fiscal constraints as well as to provide stability. However, socio-cultural tensions persisted, adding complexity to the economic landscape.



In December 2023, headline inflation surged to 28.92%, a 7.58% increase from December 2022, despite policy changes. According to the National Bureau of Statistics (NBS), Nigeria’s Gross Domestic Product (GDP) grew by 3.46% in Q4 2023, with the

The Nigerian capital market achieved remarkable milestones in 2023, with the All-Share Index (ASI) surging past 74,000 basis points (bps) for the first time since the inception of Nigerian Exchange Limited (NGX).

Services sector contributing 56.55%. On an annual basis, GDP grew by 2.74%, a marginal decline from the previous year. Total trade in Q3 2023 reached N18.80 trillion, with exports at N10.35 trillion and imports at N8.46 trillion. Total capital importation in Q4 2023 was US\$1.09 billion, dominated by other Investment at 54.64%, followed by Portfolio

Investment at 28.46%, and Foreign Direct Investment (FDI) at 16.90%. Nigeria’s external reserves dropped by \$77.23 million in December 2023. Despite economic challenges, crude oil production increased by 100 thousand barrels per day in December 2023, the highest among the 12 (twelve) OPEC members. Nigeria’s business environment in 2023 faced multifaceted challenges, with economic indicators reflecting a delicate balance between resilience and the need for strategic interventions to foster sustained stability and growth.

REVIEW OF THE NIGERIAN CAPITAL MARKET IN 2023

The Nigerian capital market achieved remarkable milestones in 2023, with the All-Share Index (ASI) surging past 74,000 basis points (bps) for the first time since the inception of Nigerian Exchange Limited (NGX). This remarkable achievement underscored the resilience and dynamism of the market. The equities market outperformed its West African counterparts, driven by positive investor reactions to key policy changes implemented by the new regime, with a resultant positive rally that propelled the total capitalization of NGX beyond the significant NGN40 trillion thresholds.

Sector performance was robust, led by the oil and gas sector’s 125.54% increase from 462.48 bps at the beginning of 2023 to 1,043.06 bps by the year-end. Following closely, the banking sector demonstrated robust growth, rising by 114.90% to 897.2 bps from 417.5 bps. Other noteworthy sectoral increments included the consumer goods sector (90.39% increase



Overview

to 1,121.29 bps from 588.93 bps), the insurance sector (84.48% increase to 321.66 bps from 174.36 bps), and the industrial sector (12.86% increase to 2,712.27 bps from 2,403.24 bps).

Issuers within the market explored alternative capital instruments like Commercial Papers (CP) and Collective Investment Scheme (CIS), resulting in total CP issuances reaching an impressive NGN1 trillion by October 2023. Investors displayed a steadfast commitment to utilizing CIS to minimize risk and diversify investments across critical sectors of the economy.

The market witnessed a continuous influx of corporate institutions seeking to leverage its benefits. Notable listings included VFD Group Plc, which introduced 190 million units of shares valued at NGN46.53 billion, Guinea Insurance Plc issuing 1.8 billion units of ordinary shares through private placement, and Fidelity Bank's private placement of 3,037,414,308 units of ordinary shares. The Nigeria Infrastructure Debt Fund (NIDF) marked its presence on the Main Board of NGX with 853,817,592 units, and FTN Cocoa Processors Plc listed an additional 1.7 billion units of ordinary shares arising from debt conversion.

The stellar performance of the Nigerian capital market in 2023 reflected its resilience, adaptability, and attractiveness to both issuers and investors. The exploration of innovative capital instruments, coupled with a surge in corporate listings, reaffirmed the market's pivotal role in fostering economic growth and diversification.

FINANCIAL SUMMARY

Despite a very challenging business environment, our company achieved impressive financial results in 2023. Gross earnings stood at N19.0 billion, a 151.25% performance against budget and a 65.2% year-on-year increase (FY 2022: 11.5billion). This was driven by strong growth in non-core revenue 249.3%, Transaction fees (88.3%) and Depository fees (21.3%). Electronic Document Management Services (EDMS) grew year-on-year by 34.7% to N985.8 million, Investment Income's budget performance stood at 96.8% and was down 15.2% year-on-year.



Non-core business' contribution to our Company's total revenue grew to N8.1 billion and accounted for 42.5% of total revenue in 2023. Overall, our Company posted Profit Before Tax (PBT) and Profit After Tax (PAT) of N11.1 billion and N10.0 billion, representing 172.4% and 201.4% of budget performance, respectively. Resultantly, return on equity grew to 27.3% (vs FY 2022: 15.1%) as both profitability metrics achieved year-on-year improvement of 84.2% and 96.2%, respectively.

Considering our exceptional financial performance and our unwavering commitment to creating value for our shareholders, the Board has proposed a dividend of 150 kobo per share, subject to your approval at this Annual General Meeting. This results in a total dividend payout of N7.5 billion, subject to the necessary withholding tax.

BOARD OF DIRECTORS

It is with great enthusiasm that I joined the esteemed and diverse Board of CSCS, a body that has consistently exhibited effective and efficient leadership over the years. The Board's unwavering commitment to steering the strategic direction of our company and providing diligent oversight to Management has been pivotal in achieving our organizational goals.

I am particularly proud to note the Board's role in challenging the Management team, which has undoubtedly contributed to our company's



CHAIRMAN'S STATEMENT



stellar performance in 2023. Despite navigating a challenging business environment and socio-economic challenges in Nigeria, the Board and Management's collective efforts have yielded commendable results.

As we find ourselves in the concluding phase of our company's five-year strategic plan (2021 to 2025), the Board remains resolute in ensuring the successful execution of our strategic goals and objectives outlined in our strategy playbook. Our commitment towards realizing these objectives has never been stronger and we are confident that this will be accomplished by the conclusion of the schedule.

I am pleased to highlight the accomplishments of our 2023FY Strategic Initiative Priorities, meticulously

Despite the IMF's lowered 3% growth prediction for Nigeria in 2024, we remain confident in our future. Our main goals are to expand into new markets in West Africa by forging strategic alliances, deepening non-core operations, and fortifying our relationships with other exchanges and CSDs.

organized into twelve (11) Strategic Levers:

- EDMS Business Growth & Efficiency
- Expand Lien & Collateral Management Business
- New Assets Repository
- ERM Transformation
- Strengthen Cyber/Data Security
- Process Design & Re-engineering
- Extend Self-service Channels
- Enabling Environment & Practices
- Improve Data Quality & Confidentiality
- Accelerated Settlement Offering
- Private Markets Solution Offerings

These achievements signify not only the Board's strategic acumen but also our dedication to fostering sustainable growth and success.

There have been some board changes since our last meeting in accordance with terms of appointment. In this regard, I would like to report the retirements of Mr. Eric Idiahi, Ms. Tinuade Awe, Mr. Oluseyi Owoturo and Mrs. Tairat Tijani as directors of CSCS Plc. These individuals were integral members of our Board, contributing their expertise, insights, and unwavering dedication to the success of CSCS Plc. Their collective wisdom and guidance played a significant role in shaping the strategic direction and accomplishments of our company.

On behalf of the Board and Management of our company, I express our sincere gratitude to Mr. Idiahi, Ms. Awe, Mrs. Tijani, and Mr. Owoturo for their years of dedicated service and unwavering support. We extend our heartfelt best wishes to them as they embark on new chapters in their lives and careers.

Recognizing the importance of robust governance, the Board has committed substantial time and resources to fortify governance structures. In this pursuit, the Memorandum and Articles of Association of our Company underwent a comprehensive review. The composition of the Board was also meticulously assessed to align with statutory requirements and adhere to global best governance practices.

Our overarching goal was to position CSCS among leading brands distinguished by robust and objective governance principles. We are dedicated to fostering a governance ethos that not only meets

Overview

Corporate governance remains a top priority, and we will continue assessing our processes, ensuring alignment with applicable regulations and global best practices.

statutory standards but also reflects our commitment to excellence and integrity in all facets of our operations.

OUTLOOK FOR 2024



Despite the IMF's lowered 3% growth prediction for Nigeria in 2024, we remain confident in our future. Our main goals are to expand into new markets in West Africa by forging strategic alliances, deepening non-core operations, and fortifying our relationships with other exchanges and CSDs.

Recognizing the paramount importance of technology in the dynamic business landscape, we will continue to invest in technology infrastructure, cybersecurity, and data protection.

A few years ago, we embarked on a phased office retrofit project to ensure that employees had a safe and conducive place to work. As we enter the

final phase of the project, we believe that these improvements, along with 2023 upward review of staff compensation, will boost employee productivity and retention.

Corporate governance remains a top priority, and we will continue assessing our processes, ensuring alignment with applicable regulations and global best practices. This commitment serves as the bedrock for supporting Management in steering our business towards consistent outstanding results for shareholders and adding value for all stakeholders. Despite external economic challenges, our company is poised for growth, innovation, and resilience in 2024, guided by our strategic vision, robust governance, technological advancement, and nurturing work environment.

CONCLUSION

I extend my sincere gratitude to all our stakeholders - shareholders, regulatory bodies, consumers, and dedicated employees - whose trust, support, loyalty, and hard work have been instrumental in our success. As we progress, we remain steadfast in our pursuit of excellence, innovation, responsible corporate citizenship, and creating value for all stakeholders. Driven by our shared vision, we eagerly embrace opportunities, foster growth, and strive for a positive societal impact, building upon the achievements of the past year. Together, we look forward to a future marked by prosperity and meaningful contributions.

Thank you.

Yours sincerely,

Temí Popoola
Chairman, Board of Directors
FRC/2013/PRO/DIR/003/0000005400
10 May 2024



CEO'S LETTER TO STAKEHOLDERS

At a social hangout with few colleagues, someone asked what needs to be done to increase liquidity in the capital market and I responded that CSCS must collaborate effectively with all stakeholders to innovate offerings that can stimulate investor appetite and reinforce confidence in the market. Since the conversation, the gentle lady has continued to sound me out on market-wide initiatives, including those focused on attracting youths and women.

Haruna Jalo-Waziri

Managing Director/Chief Executive Officer

CEO'S LETTER TO SHAREHOLDERS

At a social hangout with few colleagues, someone asked what needs to be done to increase liquidity in the capital market and I responded that CSCS must collaborate effectively with all stakeholders to innovate offerings that can stimulate investor appetite and reinforce confidence in the market. Since the conversation, the gentle lady has continued to sound me out on market-wide initiatives, including those focused on attracting youths and women.

It pleases me that my colleagues are aware of the critical role we must play in developing the market and I do hope that all our stakeholders are aligned on this course. As a financial market infrastructure, we are unlike any other business solely seeking profit. Our vision is much more than just profit, we are a unique entity, seeking to drive market development for the mutual prosperity of all stakeholders, even as we uphold our commitment to delivering superior returns to shareholders.

Our role as an enabler to the market has never been more more critical as it is today, given the fast-paced shifts in the financial market landscape, volatile macroeconomic factors and evolving technological changes, all of which may serve as opportunities or threats to the sustainability of the capital market ecosystem. Recognizing the pertinence of our responsibility in developing the market exhales energy, stimulates creativity and reinforces our enterprise and culture of shared success.

On this note, esteemed Shareholders, Board of Directors and Capital Market Stakeholders, it is my pleasure to welcome you to the 30th Annual General Meeting of our company, Central Securities Clearing System Plc (CSCS). It is a feat that is worth celebrating; three solid decades of pioneering market transformative initiatives and value creation for investors. Over the years, we have grown to become a respected financial market infrastructure in Africa, as we lead with innovation and collaborate with peers across the continent to foster regional development. Through the boom and troughs

of the economic and market cycles, we have consistently proven the resilience of our business and operational model, underscoring our agility and capability to deliver value to all stakeholders irrespective of the challenges of the business environment. With continued positive leadership of the Board, my colleagues and I continue to uphold

our dedication to creating sustainable value for all stakeholders.

Permit me to present the report of our stewardship of this great institution for the 2023 financial year, starting with an overview of the macroeconomic and business environment as a background to our performance. I will highlight some of our strategic initiatives aimed at consolidating our progress and ensuring sustainability, especially as we are optimistic on our role as a growth catalyst for the Nigerian financial market.

ECONOMY AND BUSINESS ENVIRONMENT – A VOLATILE TRANSITORY YEAR

The year 2023 was a tipping point in the global market, with concerns about a possible global recession looming large as inflationary pressures ravaged productivity and output. While interest rates have peaked in most developed markets and there are calls for accommodative policy measures, monetary authorities are worried about the delicate balance between stimulating economic growth and controlling inflation. In Nigeria, the economy faced its own set of challenges, exacerbated by factors such as fluctuating oil prices, security concerns, and political uncertainties. These challenges led to a volatile and transitory business environment, with businesses grappling to adapt to rapidly changing conditions. As the country navigated through these turbulent times, resilience and agility became



paramount for businesses to survive and thrive in the face of uncertainty.

In the domestic market, it was an election year, characterized with lots of uncertainties. The economy grew barely 2.7% in the year, trailing the 3.1% growth in gross domestic product recorded in 2022. The relatively weak output growth could be attributed to the tight monetary and fiscal policies measures, foreign currency scarcity and limited circulation of the new currency notes (Naira), in addition to the structural effect of the high inflationary environment. The liberalization of the foreign currency market and deregulation of the downstream oil & gas sector by the new government exacerbated the inflationary pressure. Notably, Naira depreciated 56% from N467/USD at the Investors and Exporters window in May 2023 to N1,035/USD by the 31 December 2023, as the CBN seeks to clear pent-up demand through the interbank market. Consequently, the Naira has been volatile, trading as low as N1,900/USD in the

The Sovereign yield curve has risen significantly, as the CBN hopes to attract foreign currency in to the market, mainly through the debt market – use of Sovereign treasuries.

first quarter of 2024. Whilst the Central Bank of Nigeria has implemented several measures to stem the weakness of the local currency, including clearing of outstanding genuine FX demand and resuming sales of foreign currency to accredited Bureau De Change to meet demand at the retail segment of the market, the Naira remains under pressure. Notably, President Tinubu's administration remains optimistic on the fundamentals of the Naira, with expectation that the local currency would find a stable equilibrium below N1,000/USD by December 2025.

Inflationary pressure remains elevated, with the headline inflation printing at 28.92% in December 2023, following consistent rise from 21.8% at the beginning of the year. Given the pass-through effect of Naira depreciation, higher prices of petrol

and increased electricity tariffs, headline inflation quickened to 33.2% in March 2024, the highest level in three decades. As part of the measures to stem the obstinate inflation and stabilize the Naira, the monetary policy committee (MPC) turned hawkish, increasing the monetary policy rate by a cumulative 125bps during the year to 18.75% by December 2023. Nonetheless, the MPC has adopted a tighter policy stance, raising the benchmark interest rate by cumulative 600bps in the first quarter of the year to 24.75%. Consequently, lending rates has risen to new highs, undermining credit growth outlook and raising concern about possible asset quality deterioration in the banking industry. The Sovereign yield curve has risen significantly, as the CBN hopes to attract foreign currency in to the market, mainly through the debt market – use of Sovereign treasuries. The CBN recently released new guidelines for banking sector recapitalization, spurring a new round of capital raising and potential mergers and acquisition within the banking sector, especially as the tier-2 and tier-3 banks may struggle to meet new capital requirements. Whilst the budget is expansionary, the fiscal deficit remains considerably modest, as the increased spending is expected to be financed through higher revenue generation, including the impact of Naira depreciation on the fiscal revenue of the government. The new administration is adopting a market-led approach, with expectation that full liberalization of critical sectors, including power and oil & gas sectors, would catalyze foreign direct investments, competition and efficiency gains.



Paradoxically, the capital market recorded one of the best years ever in 2023, especially the equity market which rallied significantly in the second half of 2023. Precisely, secondary market activity on the Nigerian

Overview

Exchange Limited (NGX) was unprecedented; a total of N2.1trillion or some 55% growth in liquidity, compared to the 2022 financial year. Similarly, the NGX All Share Index surged 45% during the year, reinforcing the renewed investor sentiment for equities. That said, foreign investors continued to sit on the sideline, accounting for less than 15% of market activity, as foreign investors stay on the sidelines, on concerns of Naira volatility.

FINANCIAL PERFORMANCE – DELIVERING RESULTS WELL AHEAD OF TIMELINE

I am excited to report that we achieved a 65.2% year-on-year growth in revenue to an unprecedented N19.0billion, hitting our bull-eye 2025FY target modelled in our medium-term strategy plan. This feat reflects the ingenuity of our team in diversifying the business and building a solid foundation for growth. We recorded compelling growth across all income lines – core and non-core earnings. The renewed investor appetite for equities spurred secondary market activity, supporting the 88.3% surge of trading fees. More importantly, we grew non-core earnings by 249.3% to N8.1billion, representing 42.5% of our total revenue. The strong growth in earnings reflects efficiency gains from both asset utilization and service enhancement. We recognize the risk to earnings arising from competition, especially in our traditional business lines, albeit our philosophy of thinking of competition from the standpoint of deepening the market continues to pay-off, as it drives our ingenuity at unlocking new opportunities and growing the size of the market. Looking back, we have grown both top and bottom lines by 20%

The renewed investor appetite for equities spurred secondary market activity, supporting the 88.3% surge of trading fees.

More importantly, we grew non-core earnings by 249.3% to N8.1billion, representing 42.5% of our total revenue.

CAGR over the past half-decade, beating the average inflation over the period and strengthening our confidence in the growth potentials of this great institution.



Notwithstanding the impact of Naira depreciation on our foreign-currency denominated cost and broad inflationary pressure, we maintained cost-to-income ratio at 41.1%, compared to 47.2% in the previous year. Beyond the general rise in operating cost, implementation of the second phase of our people strategy resulted in higher payroll, as we continue to invest in our most valuable asset - "People". As a service-oriented organization, we are conscious of the welfare of our employees, which we believe is positively correlated to their productivity. Overall, we grew profit before tax and profit after tax by 84.2% and 96.2% to N11.2billion and N10.1billion, respectively.



This performance translates to 27.3% post-tax return on average equity, one of the highest in the Nigerian financial services sector. We closed the year with an equity base of N38.2billion, almost 8x



CEO'S LETTER TO SHAREHOLDERS

minimum regulatory requirement for our business, despite dividend payment during the year. The total asset, composed mainly of liquid assets, grew 17.3% to N52.8billion. This set of results, demonstrate the strong fundamentals of our business, positive leadership of the Management team and exceptional governance.

STRATEGY AND OUTLOOK – INNOVATION, AGILITY AND ENTERPRISE

Since the establishment of this institution, it has been a pivot for navigating complex changes in the market. More importantly, over the past five years, we have demonstrated our capacity to lead and deliver on transformative changes. We are committed to working with other stakeholders in advancing critical changes to market structure and other initiatives for deepening financial markets. Over the past five years, we have invested in transforming our operations from being not just an agile market utility but also a strategic support for the industry. As a financial market infrastructure, we will continue to play our role as a steward for financial market progress and more than ever, we are laser-focused on supporting investors' capability to extract value from ensuing market volatility, which presents opportunities and risks. We would work with market intermediaries to cut through the chase of market complexities, lower costs and mitigate risks for investors.

The benefits of delivering on our strategic initiatives are evident; two years ahead of 2025 plan, we have delivered on our revenue and sustainable return on average equity targets of N19billion and >25%, respectively. Our performance in the 2023FY reinforces conviction on the strong prospect of delivering superior returns to all stakeholders over the long term, as we diligently seek innovative ways of strengthening our core whilst diversifying the business in scope and scale.

Our cardinal strategy is to strengthen our core and sustain our drive for service enhancements, as we increase the depth and scope of innovative offerings. This strategic focus would help sustain our incredible organic growth; an exceptional 20% CAGR in profit

over the past 5(five) years, despite protracted impact of the COVID-19 pandemic. As we deepen penetration of our services in addressable markets, we will keep our eyes and minds open to selective M&A opportunities that align with our medium to long term vision, with prospect for value creation.

Our strategic priorities place strong emphasis on clients' needs across the financial market ecosystem, as we seek to lubricate the flow of capital to the real sector of the economy. We are keen to unlock idle repositories of capital in Nigeria, as we leverage new technologies and innovative offerings to stimulate liquidity in the financial market. We see tremendous opportunity to deepen public market liquidity by partnering with relevant stakeholders in delivering market-transforming initiatives.



Notably, investors want to optimize their capital utilization and one way to support that objective is to shorten settlement cycle. We have come a long way from T+5 settlement cycle to T+3, albeit advancements in the local payment system and overall financial market landscape afford us the opportunity to transit to a shorter settlement window. We want to attract more youths and women to the market through digital offerings and we hope to leverage renewed appetite of local asset managers in driving investor awareness/education on collateral management and other ancillary asset servicing offerings that can create value for investors.

Overview

TOGETHER, WE CAN GO FASTER AND FARTHER

Esteemed stakeholders, I recognize that we have come this far because you gave us the opportunity. My team and I are immensely grateful for your support – you are our source of energy and knowing that you are there keeps us going. I like to specially thank distinguished shareholders for believing in my colleagues and I. Entrusting this important institution to us is a rare privilege that we do not take for granted. As always, we are dedicated to delivering on the vision results and more importantly creating long term sustainable value for all shareholders. I appreciate the positive leadership of the Board and would continue to count on your support, as we take on challenges of sustaining our incredible growth trajectory, notwithstanding the odds of the business environment. I like to express a special appreciation to our clients for choosing CSCS, always.

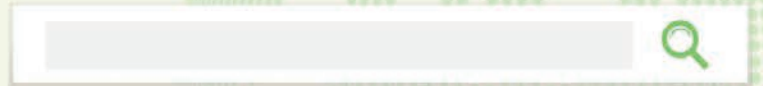
We are committed to our pledge of creating value for you, through exceptional service and innovative offerings. We congratulate the new leadership of the Securities and Exchange Commission (SEC), our apex regulator. We would continue to uphold the integrity of the market, as we support the SEC's initiatives towards deepening the Nigerian capital market.

My colleagues and I are very grateful to our esteemed participants, especially the dealing members of the NGX, Registrars, Custodians, asset managers and pension fund managers; we appreciate your unwavering support. Fellow colleagues, you are the most valuable assets of this great company, and I am always proud to lead such a dedicated and ambitious team. We have come a long way, albeit the marathon has just begun. We must sustain our growth momentum, as we remain focused on creating sustainable value for our stakeholders.

Thank you.



Haruna Jalo-Waziri
Managing Director/Chief Executive Officer
FRC/2017/IODN/00000017488



GLOBAL

SEARCH SERVICE

The **Global Search** service allows investors to search for their investments in listed equities, bonds and other assets within CSCS depository, irrespective of the time the investment was made and/or the capital market operator that served as the brokerage agent.

Hence, the **Global Search** provides investors the opportunity to have a consolidated statement of all their investments in the capital market, subject to being in CSCS depository.

Who is this for?

All investors, corporate and individual investors, who at one time or the other invested in publicly quoted equities, Federal Government of Nigeria (FGN) Bonds, Bonds issued by State Governments and Corporate entities and any other financial asset within CSCS depository.

Benefits of Global Search

- It can be used by investors to trace investments made through either an existing or moribund capital market operators.
- It provides full details of investors' holdings in different financial assets held through different capital market operators, some of which the investor may have forgotten or may not be aware of.
- The service provides up-to-date information about the capital market and more importantly, assets owned by the investor, thereby helping investors to keep abreast of their investments.

How can I access Global Search?

Contact us directly through any of our channels below or through your stockbroker:

✉ contact@cscs.ng 📞 0700 2255 2727



**STRATEGY
& BUSINESS
REVIEW**

A hand in a dark suit jacket is shown in the center, pointing towards a stack of wooden blocks on the right. The background is a blurred office setting. Overlaid on the image are various white and blue icons representing business and finance: a bar chart, a line graph, a house, a bank building, a piggy bank, a briefcase, a percentage sign, and a network diagram. The text 'ENTERPRISE RISK MANAGEMENT REPORT' is written in white on a green background on the left side of the image.

ENTERPRISE RISK MANAGEMENT REPORT

1.0 Introduction

Risks are an integral part of all CSCS activities. To manage these risks, CSCS has embraced an Enterprise Risk Management philosophy focused on establishing a financially sound, secure, and stable institution through effective risk management. The Enterprise Risk Management & Resilience team has implemented approved policies, procedures, and guidelines to identify, measure, manage, and control these risks.

The primary objective of risk management within the organization is to swiftly identify all business and operational risks and address them with adequate control measures. This function employs a proactive approach to risk management aiming to safeguard value for all stakeholders and create opportunities that enhance overall stakeholder value.

CSCS has a comprehensive risk management framework in place to ensure that risk management processes and procedures are embedded into various business units through designated risk champions. By effectively communicating risk management policies and procedures, the organization ensures that risk-related factors are taken into account during decision-making process.

Strategy and Business Review

2.0 Enterprise Risk Management Framework/Governance

Effective Risk Management governance ensures that risks are understood, managed, and communicated in an appropriate manner. The CSCS Board of Directors, advised by the Board and Management Risk Committees, encourages a strong risk governance culture which shapes the company's attitude to risk. The governance framework supporting our risk management cycle is designed to provide timely and pertinent information to appropriate stakeholders.

Our Board and Management Risk Committee play a critical role in providing oversight of risk management and ensuring that our risk appetite,



risk culture and risk profile are consistent with and support our strategy to deliver long-term and sustainable growth. Our policies and processes are aligned with our risk management strategy and established risk appetite.

Risks are identified and documented through the company's risk map process which sets out the company's risk profile in relation to key risk categories in its component business units. Identified risks are regularly assessed through the company's risk appetite framework, stress testing process and in terms of emerging risks.

The company's Risk Management framework is set up on a distinct organizational structure and established policies to guide in the process of identifying, analysing, managing, and monitoring

the various risks inherent in the business as well as setting appropriate risk limits and controls to align the risks with the company's strategic objectives.

The management of risk is evolving and necessitates regular review of the effectiveness of each enterprise risk management component. It is in light of this that the company's ERM framework is subject to continuous review to ensure effective risk management. The review is done in the following ways:

- Through continuous self-evaluation and monitoring by the risk management and compliance functions in conjunction with internal audit.
- Through independent evaluation by external auditors, examiners, and consultants.
- Through regular reviews of the effectiveness of the company's overall risk management strategy at the enterprise level.

3.0 Enterprise Risk Management Transformation Exercise

In our commitment to ongoing enhancement, we enlisted the services of Ernst & Young (E&Y) to assess and enhance our enterprise risk management function. E&Y analyzed and crafted recommendations to transform CSCS' ERM and Resilience Framework, Policies, Tools & Practices, with the aim of bolstering our ERM practices. This initiative spurred a comprehensive review and refinement of policies, procedures, templates, and tools to enhance performance in risk assessments and reporting. Furthermore, training sessions were conducted for senior management, risk champions, and the Enterprise Risk & Resilience team, enhancing our risk management strategies.

4.0 Enterprise Risk Management Philosophy

CSCS adopts a holistic and integrated approach to risk management and therefore, brings all risks



ENTERPRISE RISK MANAGEMENT REPORT

together under one or a limited number of oversight functions. Risk Management is governed by well-defined policies which are communicated across the organisation. Risk-related issues are taken into consideration in all business decisions. Risk policies and standards are created to ensure strategies are designed and implemented consistently. The company's entities are primarily responsible for the risks they undertake through a three-pronged line of defense risk management model.

The first line of defense – Strategic Business Functions

This consists of business units and functions with primary responsibilities for risk management. The first line of defense includes business owners who execute transactions with the following risk management responsibilities:

- Identify emerging risks at the transaction/business unit level and conduct material risk assessments, at least annually.
- Imbibe risk culture to align risk management with business objectives; and
- Implement controls to reduce the likelihood and impact of risks.

The second line of defense – Independent Risk and Control Oversight

This consists of functions responsible for providing independent oversight over key risks like operational, cybersecurity, credit, market, liquidity, and reputational risk and facilitating the implementation of risk controls to ensure that the business and process owners operate within the defined risk appetite and align with approved policies and procedures. They formulate risk management policies, processes, and controls, provide guidance and coordination of activities of all other monitoring functions, and identify enterprise trends, synergies, and opportunities for change.

The third line of defense – Independent Assurance

This consists of all functions with primary responsibilities for evaluating and providing independent assurance on the adequacy, appropriateness and effectiveness of the risk management process and policy. This function is performed by internal and external audit teams.

Ultimately, the purpose of the company's Enterprise Risk Management functions is to identify, measure, evaluate, monitor, report and control all material risks on a timely basis and to assess the adequacy of our capital and liquidity in relation to our risk profile and market/macro-economic conditions.

5.0 Risk Appetite

At CSCS, we embrace a low-risk appetite, whilst delivering strategic objectives. CSCS considers sound risk management practice to be the foundation of a long-lasting institution whilst delivering strategic objectives.

CSCS' risk appetite describes the level of risk the company is willing to accept in pursuit of its business objectives. This definition guides CSCS in aligning its overall corporate strategy, capital allocation, and risk management practices.

CSCS sets tolerance limits for identified key risk



Strategy and Business Review

indicators (“KRIs”), which serve as proxies for the risk appetite for each risk area and business/support unit. Tolerance levels for KRIs are jointly defined, agreed upon by the business/support units and subject to annual reviews.

6.0 Internal Control Activities

The internal control activities are adopted at all levels of the organisation with the participation of the CSCS Board of Directors, Executive Management, and all levels of staff. The process is a continuous process and not a one-time activity. To ensure the above, CSCS maintains a strong internal control system. An ongoing internal control program is a critical component of the control environment, as deficiencies are identified, steps are taken to address them.

We carefully select and train our employees, develop, and disseminate written policies and procedures, provide appropriate communication channels, and promote an environment that supports the efficient operation of controls to ensure the effective functioning of internal controls.

7.0 Business Continuity Management

CSCS has a robust documented Business Continuity Plan. The primary objective of this plan is to protect the company in the event of an undesired event or any other form of disaster. This plan ensures that the company recovers from disasters resulting in the partial or total loss of IT infrastructure and applications to normal business operations, in a timely, effective, and efficient manner. The business continuity test is conducted at least once every quarter.

Market wide test, involving various market participants and stakeholders are conducted twice a year. Four internal tests and two market wide disaster recovery tests were successfully conducted in 2023.

8.0 Information Security/Cybersecurity Risk Management

Cybersecurity risk is a top concern for many organisations as there have been an increase in cybersecurity threats to businesses globally. In response to this CSCS has engaged the services of a Managed Security Service Provider (MSSP) to deploy a 24/7 monitoring and external intelligence for the company’s information security and technology assets, through the implementation of a Security Operations Centre (SOC).

9.0 Whistleblowing

CSCS has a whistle-blowing procedure that ensures anonymity for whistle-blowers. There is a direct link on the CSCS website, provided for the purpose of whistleblowing.

The policy applies to both external and internal stakeholders, which include employees, customers, and vendors for dissemination of information, to enable members of staff report all identified breaches of CSCS Code of Corporate Governance.

10.0 Conclusion

The Risk Management function will remain a key support for CSCS, enabling business operations and delivering CSCS value-added services to the Nigerian Capital Market.

At CSCS, Enterprise Risk Management is strategically positioned to help us achieve our objectives including serving our clients, achieving operational excellence and enhancing thought leadership. The Enterprise Risk Management function is dedicated to promoting the business and adding value to the Nigerian Capital Market as a whole.



CORPORATE SOCIAL RESPONSIBILITY REPORT



This Corporate Social Responsibility (CSR) report outlines the core pillars of People, Community and Environment – that have driven the social impact we had in the reporting period of 2023.

At Central Securities Clearing System Plc, we recognize our responsibility to contribute positively to society and the environment in which we operate. In 2023, we continued to prioritize People, Environment, and Community as the core pillars of our Corporate Social Responsibility (CSR) initiatives.

PEOPLE

Our commitment to people encompasses the well-being, diversity, and development of our employees. Throughout 2023, we invested significantly in initiatives aimed at enhancing the lives of our workforce. Our comprehensive employee well-being programs prioritized annual medical checkups, mental health support services, fitness activities, and flexible work arrangements, ensuring that our employees could thrive both personally and professionally.

Fostering a diverse and inclusive workplace culture remains a key focus area. Through our Diversity, Equity, and Inclusion symposiums, we promoted understanding and respect among employees from different backgrounds, genders, and abilities, fostering an environment where everyone feels valued and empowered. Furthermore, our dedication to employee growth

was evident through various training and development initiatives. From leadership development workshops and technical training sessions, we provided opportunities for skills enhancement and career advancement, empowering our employees to reach their full potential.

COMMUNITY

At CSCS, we are deeply committed to supporting the communities in which we operate. In 2023, we continued to invest in social impact programs aimed at addressing pressing societal challenges and improving the quality of life for individuals and families in need.

- **Partnership with the Special Olympics Nigeria** – We have collaborated with the Special Olympics Nigeria to sustain their inclusivity revolution, providing people with intellectual disabilities opportunities to compete in sports, feel accepted, and valued amongst their peers and society. We believe in their mission that through sports, people with intellectual disabilities can fulfill their potential and break the cultural barriers that exclude them from society.
- **Collaboration with the Lagos Polo Club** – We collaborated with the Lagos Polo Club and joined the global



Strategy and Business Review



campaign to raise awareness of breast cancer through their Cancer Bowl Cup tournament. The financial support through this initiative was for meaningful action in the fight against breast cancer which remains the second biggest killer of Nigerian women after maternal mortality.

- **Munachi Mbonu Media Parley** – We sponsored the Upfront with Munachi Mbonu, a Media Parley event, on the launch of the author’s online book. Our participation at the event aligns perfectly with our initiative to provide a platform for promoting a reading culture among the youth and enhancing their literacy skills, thus contributing to sustainable educational development in our nation.

Our collaboration with the apex regulator of the Nigerian capital market and other esteemed stakeholders underscores our collective recognition of the growing prominence of ESG considerations in fostering sustainable and responsible investment practices. Through this workshop, industry experts, thought leaders, and professionals engaged in meaningful dialogue on current trends, challenges, and opportunities in ESG investing.

At CSCS, we recognize the ongoing evolution of our CSR initiatives and the zeal for improvement. Therefore, we are committed to strengthening our sustainability efforts, empowering our stakeholders, fostering collaboration with partners, deepening our understanding of societal needs, upholding our corporate responsibility, and pursuing excellence in all facets of our operations.

ENVIRONMENT

Central Securities Clearing System Plc remains unwavering in its dedication to environmental sustainability, recognizing the critical importance of managing environmental challenges and supporting initiatives that promote the long-term well-being of our environment.

In line with this commitment, we sponsored the **ESG and Sustainable Finance – the Future of Investments workshop** organized by the Securities and Exchange Commission (SEC). This workshop served as a pivotal platform for highlighting the significance of Environmental, Social, and Governance (ESG) factors in investment decision-making processes. By facilitating discussions on sustainable finance, the aim is to drive transformative change in investment practices towards a more environmentally conscious future.



Aligned with our core values, **S.E.C.U.R.E.** we pledge to continue our journey toward making a positive impact on society and the environment.



COLLATERAL MANAGEMENT SERVICE

CSCS offers Collateral Management - Lien Service for the validation and holding of investors' assets, following a collateral transaction involving money lending from a credit provider, to mitigate the lender's credit risk.

As a value-add, our Collateral Management Service is optimized by a **COLLATERAL MANAGEMENT SYSTEM** which grants credit providers online access to initiate, manage, and monitor their portfolio.

FEATURES



A self-service portal



Collateral reporting and monitoring



Analytics on assets



Margin calls to credit provider and borrower



Real-time notifications and update on account activities

PRODUCT BENEFITS

- Convenience in executing lien transactions and receiving update.
- Business intelligence on active liens and entire portfolio
- Gain traction in your loaning facility due to improved efficiency
- Mitigate loss through real-time margin call when an active lien falls below an established threshold
- Full visibility of your portfolio and individual lien performance
- Improve your customers' experience through process automation

CONTACT



productsales@cscs.ng



0700 2255 2727



GOVERNANCE



THE BOARD



Mr. Temi Popoola
Chairman (Date of Appointment - 01/04/ 2024)

Mr. Temi Popoola is the Chairman of Central Securities Clearing System Plc (CSCS), the clearing house for the Nigerian capital market. He is currently the Group Managing Director/Chief Executive Officer of Nigerian Exchange Group Plc (NGX Group). Prior to this, he served as the Chief Executive Officer of Nigerian Exchange Limited, the operating exchange subsidiary of NGX Group, guiding it through several strategic milestones and achievements. He is a successful C-suite leader whose unique blend of business acumen, financial expertise, global market growth performance, and operational insight has earned him a reputation built on verifiable career achievements.

A Wall Street trained investment banker, Mr. Popoola launched his career in London, working as an asset manager where he gained extensive experience researching and assessing investment opportunities across Africa's energy sector. He

further expanded his expertise as an Equity Derivatives Trader with Bank of America Securities in New York, USA.

Mr. Popoola joined UBA as Head of Structured Products and Investments for global markets. He subsequently led the Sales & Trading business at CSL Stockbrokers, a wholly owned subsidiary of FCMB. In both roles, he facilitated the flow of capital from global investors into Nigeria, particularly those from South Africa, the UK, the US, and Nigeria.

Leveraging his expert knowledge of the Nigerian financial services industry, he became recognized as a leader in the industry and was subsequently recruited by Renaissance Capital in 2015, where he rapidly progressed into the CEO role, assuming responsibility for the West Africa operations of the firm. During his six-year tenure at Renaissance Capital, Mr. Popoola provided strategic market insight and leadership. He diversified the company's revenue streams by adding fixed income, derivatives, structured products, financing, and wealth management. He oversaw a global workforce, expanded foreign investor capital opportunities into the Nigerian market, and introduced new processes, programs, and strategies to exceed corporate and client expectations.

Mr. Popoola's influence extends beyond his executive roles. His contributions to the World Federation of Exchanges and the African Securities Exchanges Association, as a Board and Executive Committee member respectively, underscore his commitment to shaping the future of global financial community. Additionally, his position as the Chairman of NG Clearing Limited highlights his dedication to enhancing market infrastructure and fostering transparency within the Nigerian financial ecosystem.

In addition to his professional accomplishments, Mr. Popoola is deeply committed to fostering collaborative team environments and leveraging his expertise to mentor and guide others towards surpassing organizational goals. His passion for finance and investment banking is complemented by his dedication to empowering teams and driving impactful change within the industry.

Mr. Popoola graduated with a B.Sc. (First-Class Honors) in Chemical Engineering from the University of Lagos, Nigeria and holds an M.Sc. from Massachusetts Institute of Technology (MIT), USA. Additionally, he is a Chartered Financial Analyst (CFA) charter holder and has obtained FINRA's Series 7 and 63 licensures.

Governance



Mr. Haruna Jalo -Waziri

MD/CEO (Date of Appointment as CEO - 01/11/2017)
(Appointed as NED- 11/12/2013).

Mr. Haruna Jalo-Waziri is the Managing Director/ Chief Executive Officer of Central Securities Clearing System (CSCS) Plc, a position he assumed in November 2017. He has overall responsibility for delivering on the company's vision and mission. Since taking over at CSCS, he has driven a number of strategic initiatives, leading to notable efficiency gains and repositioning the company for sustainable growth.

Mr. Jalo-Waziri has three decades hands-on experience across multiple financial disciplines, with a career spanning Investment Banking, Securities Trading, Pension Funds Administration and conventional Asset Management, Business Development and Regulation. He is an award-winning Executive, with reputable track record in leading successful start-ups and business transformations.

Prior to being appointed Managing Director/ Chief Executive Officer of CSCS Plc, he was Executive Director, Capital Markets at the Nigerian Stock Exchange (now Nigerian Exchange Limited), with primary responsibility for deepening the market through products, market structure innovation and new listings, as well as generating order flow across all asset classes. Under his stewardship, the partnership between the Nigerian Stock Exchange (NSE) and the London Stock Exchange was established, an alliance which has birthed a number of dual listings on these bourses. He led the launch of the Premium Board on the NSE, distinguishing value companies with strong governance practices and creating enhanced liquidity flow for the counters. He also led the introduction of the Nigerian Sovereign Green Bond as well as the Federal Government Retail Savings Bonds.

Mr. Jalo-Waziri previously served as Managing Director/Chief Executive at both UBA Stockbrokers Limited and UBA Asset Management Limited, transforming the businesses to becoming top-5 in their respective segments. He also pioneered the asset management business of Kakawa Discount House Limited (now FBN Merchant Bank) and previously worked at the Securities and Exchange Commission.

Mr. Jalo-Waziri is a Director on the Board of NG Clearing Limited and the Board of Special Olympics Nigeria. He is on the Advisory Board of BusinessDay and currently serves as Vice President of the AIFA Reading Society, an NGO, which focuses on promotion of a reading culture and sustainable development of the educational system in Africa. He has served on the Boards of several companies, including FSDH Merchant Bank Limited, Nigeria-German Chemicals Plc, Protea Oakwood Hotel Limited, Coral Properties Limited, UBA Stockbrokers Limited and UBA Asset Management Limited to mention a few. He is a life member of the Institute of Directors.

Mr. Jalo-Waziri is an economist, and an alumnus of reputable institutions, including the Lagos Business School and Venture Capital Institute of America. He holds a first degree and MBA from the University of Maiduguri and the Abubakar Tafawa Balewa University, respectively.



Mr. Roosevelt Michael Ogbonna
Non-Executive Director
(Date of Appointment - 12/ 07/ 2017)

Administration from Cheung Kong Graduate School of Business; and a Bachelor's degree in Banking and Finance from University of Nigeria, Nsukka. In 2015, he was selected as one of the Institute of International Finance (IIF) Future Global Leaders. Mr. Ogbonna has attended several Executive Management Development Programmes on diverse areas of banking and management in world leading institutions.

Mr. Roosevelt M. Ogbonna was appointed as Access Bank's Managing Director/Chief Executive Officer effective May 2022. Prior to this, he was appointed as the Bank's Deputy Managing Director in 2017 and Executive Director in 2013. He is a through-bred and consummate professional with over two (2) decades of banking experience having joined Access Bank in 2002 from Guaranty Trust Bank.

Mr. Ogbonna has a very rich professional cum academic background. He is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA), an Honorary Member of the Chartered Institute of Bankers (HCIB), a graduate of the Harvard Kennedy School of Government's Senior Executive Fellow programme, an alumnus of Harvard Business School and a CFA charter holder. He holds a Master's degree in Business Administration from IMD Business School, Switzerland; a Master's degree (LL.M) in International Corporate & Commercial Law from King's College, London; an Executive Master's degree in Business



Mrs. Chinelo Anohu
Independent Non-Executive Director
(Date of Appointment - 03/10/2019)

International Advisory (IAB) University of Edinburgh Business School Edinburgh, Scotland December 2018 - Date. Her interests include active participation in charitable programmes and she enjoys reading novels and travelling.

Mrs. Chinelo Anohu is an Independent Non-Executive Director in CSCS Plc. She graduated with an LL.M in Computer and Communications Law Studies from the London School of Economics, England after obtaining and an LL.B from the University of Nigeria, Enugu Campus, Nigeria. She was called to the Nigeria Bar in 1997.

Prior to her current position, Mrs. Anohu was the Director General, National Pension Commission, Abuja, Nigeria from October 2014 to April 2017 after Acting as the Director General from December 2012 to October 2014 and Secretary/Legal Adviser from December 2004 to December 2012, National Pension Commission, Abuja. She was also the Legal Adviser, Telecommunications Sector Reform, BPE and Legal Adviser/Marketing Executive, AS Financial Services Wembley, UK from March 2001 to June 2002. She is a member of the Chartered Institute of Arbitrators, London; London Stock Exchange Africa Advisory Group (LAAG), London, United Kingdom; and the

Governance



Mr. Ibrahim Dikko
Independent Non-Executive Director
(Date of Appointment - 03/10/2019)

Mr. Ibrahim Dikko is an Independent Non-Executive Director in CSCS Plc. He graduated with an LL.M [Corporate & Commercial Law] degree from Queen Mary & Westfield College, University of London, England after obtaining his LL.B from the University of Buckingham, England. He was called to the Nigeria Bar in 1990. Mr. Dikko has worked in a variety of roles in banking, information technology and telecommunications. He worked on the team responsible for setting up the first Discount House in Nigeria and later rose to become Chairman of the Discount House from 2002 to 2012. He was a partner and director at Resourcery Plc where he led business development.

Mr. Dikko was also a pioneer member of the team that set up EMTS Limited (trading as Etisalat Nigeria) in 2007 and was Vice President for Regulatory and Corporate Affairs until he left in 2017. He has a keen interest in competition regulation as well as the interplay between technology and regulation

in the fast-changing Fintech/Regtech space. His interests also cover Corporate Governance and he is an Independent Director on the Boards of Custodian Investments Plc, Baker Hughes Company Limited and The Society for Corporate Governance Nigeria.



Mr. Adeyinka Shonekan
Executive Director
(Date of Appointment – 9/11/2022)

Mr. Adeyinka Shonekan is an accomplished Administrator and Financial Services professional with experience in General Management, Relationship Management, Investment and Portfolio Management, Credit Appraisal, Loan Management, Risk Assessment, Treasury Management, Performance Management, Business Development and Project Management.

As an Influential Interpersonal Communicator and Negotiator, Mr. Shonekan is skilled at developing personal and strategic relationships with key stakeholders across broad levels and dimensions. He has a track record of building and leading effective cross functional teams, driving change initiatives and implementing strategy.

Prior to joining CSCS, Mr. Shonekan was an Executive Director at Volker Securities and Investments Company Limited; the Chief Operating Officer at

Unic Insurance Plc; Group Head, Corporate Banking, Telecoms and Special Projects at Bond Bank Limited and a member of the Corporate Banking team at Guaranty Trust Bank, respectively.

Mr. Shonekan is a Senior Member of the Chartered Insurance Institute of Nigeria. He has a B.A. Economics from the University of Leicester, an MBA International Management from the University of Exeter and a Diploma in Marketing from the Chartered Institute of Marketing, England.



Mr. Nonso Okpala
Non-Executive Director
(Date of Appointment - 01/04/2024)

With previous roles at Heirs Holdings, UBA, and KPMG, Mr. Okpala brings a wealth of expertise having led audit and financial advisory services. Seating as Non-Executive Director on the Boards of VFD Ghana, Herel Nigeria and the Nigerian Exchange Group Plc, he is fully committed to diversifying investment opportunities on the capital market.

Mr. Okpala blends investment and philanthropic ideals seamlessly as his personal investment in Education is driven through the Chude and Ego Foundation, where he pushes for free, high-quality education in Nigeria's underserved regions.

Mr. Nonso Okpala is a Serial Investor and Philanthropist, with over 19 years in capital markets, greenfield expansion, ecosystem orchestration, and creative industry investment in Africa's largest economy.

Currently the Group Managing Director of VFD Group Plc, a proprietary investment company with a substantial N240 billion asset base with significant investments within and outside Nigeria. Mr. Okpala spearheads strategic acquisitions across various sectors, achieving remarkable growth exceeding a 30% Return on Equity (ROE) implementing flawless corporate governance as a strategy.

He has over the years led on ensuring the convergence of technology, and finance to allow for the democratizing of asset ownership through digital platforms, with the goal of increasing and improving financial inclusion to people of all backgrounds.



Mr. Samuel Onukwue
Non-Executive Director
(Date of Appointment - 01/04/2024)

an MBA from the University of Lagos and an M.Sc. from Leeds Metropolitan University, UK. He is a member of the Institute of Directors Nigeria.

Mr. Samuel O. Onukwue has extensive banking and capital market experience gained over 30 (thirty) years with the Central Bank of Nigeria, Merchant and Commercial Banks, as well as Multinational Financial Institutions. He is currently the Chairman of Association of Securities Dealing Houses of Nigeria (ASHON), and served on the Council of the Institute of Chartered Accountants of Nigeria between 2014 and 2017.

Mr. Onukwue is the founder and pioneer Chief Executive Officer of Mega Equities Limited which he has successfully piloted since its inception in 2002, and now part of Mega Capital Group where he serves as the Group Managing Director.

Mr. Onukwue is a graduate of Accounting from the Yaba College of Technology, and a Fellow of the Institute of Chartered Accountants of Nigeria, as well as the Chartered Institute of Stockbrokers. He holds



MANAGEMENT TEAM



EXECUTIVE MANAGEMENT TEAM



Haruna Jalo-Waziri
Managing Director/Chief Executive Officer



Adeyinka Shonekan
Executive Director



Governance



Onome Komolafe

Divisional Head, Business Service & Client Experience



Tobe L. Nnadozie

Divisional Head, Business Technology & Digital Innovation



Femi Onifade

Chief Strategy Officer



Peter Medunoye

Chief Financial Officer



Isioma Lawal

Ag. Head ERM & Resilience Services





Akinwonuola Atitebi
Head, Treasury & Investment



Charles I. Ojo
Company Secretary & General Counsel



Babangida Yahaya
Head, Depository Services



Yetunde Adenaiya
Group Head, Employee Experience Services



Abiola Rasaq
Head, Corporate Strategy & Execution



Abiodun Owoeye
Chief Internal Auditor



Anthony Ezugbor
Head, Application Development & Support



Ojone Umoru
Head, Abuja Office



Tomilayo Aluko
Head, Communications & Marketing



Titilope Olatunji
Head, Capital Market Business

Governance



Idibore Danlami Ali
Head, Financial Reporting



Nnaemeka C. Okereke
Technical Assistant to the CEO



Oladipo W. Oluyinka
Head, Compensation & Benefits,
Performance Mgt. & HR Analytics



Ewhomazino T. Otuoniyo
Head, Litigation & Dispute Resolution



Agbeleye Olayemi
Ag. Chief Information Security Officer



John Eze Izuchukwu
Head, Infrastructure Services



Vivian Ashiogwu
Head, Contact Centre



Hadiza Saidu
Head, Ancillary & New Markets Business



Uchechi Chukwemeka
Ag. Head, Performance Management & Investor Relations



Ehiremen J. Ojo
Ag. Head, Clearing & Settlement Operations



DIRECTORS' REPORT

The Directors present their report on the affairs of Central Securities Clearing System Plc ("the Company" or "CSCS") and its subsidiary (together "the Group"), together with the annual consolidated and separate financial statements and independent auditor's report for the year ended 31 December 2023.

LEGAL FORM

The Company was incorporated on 29 July 1992 as a private limited liability company and effectively commenced business operations on 14 April 1997. The Company transmuted to a public company following the resolution of its shareholders at its Annual General Meeting of 16 May 2012.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Central Securities Clearing System Plc is a Financial Market Infrastructure (FMI) Company that undertakes the business of depository, clearing and settlement of securities traded in the Nigerian Capital Market. The Company was licensed by the Securities and Exchange Commission and operates a depository, clearing, settlement and delivery system for transactions in shares and fixed income securities listed/traded on the Nigerian Exchange Limited, NASD OTC Exchange or any other authorized/organized Securities Trading Platform in the Nigerian Capital Market. CSCS maintains an electronic book-entry record of all securities to facilitate the safekeeping and easy transfer of securities between parties during a trade.

The Company also acts as a depository for Federal Government of Nigeria (FGN) Bonds, Municipal and Corporate Debt instruments. The Company has one (1) subsidiary company namely: Insurance Repository Nigeria Limited and one (1) associate company - NG Clearing Limited. Insurance Repository Nigeria Limited was incorporated in Nigeria and was yet to commence operations as at 31 December 2023. Its principal objective is to enhance the record keeping of insurance data and policies.

OPERATING RESULTS

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

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Total operating income	19,022,852	19,022,852	11,515,320	11,515,320
Profit before tax	11,201,867	11,130,664	6,084,737	6,141,765
Income tax	(1,123,970)	(1,123,970)	(948,266)	(948,266)
Profit for the year	10,077,897	10,066,694	5,136,471	5,193,499
Other comprehensive income, net of tax	(125,512)	(125,512)	(153,996)	(153,996)
Other comprehensive income	9,952,385	9,881,182	4,982,475	5,039,503
Basic and diluted earnings per share (kobo)	202k	200k	103k	104k

OWNERSHIP STRUCTURE

The issued and fully paid-up share capital of the Company was 5,000,000,000 ordinary shares of N1 each as at 31 December 2023 (31 December 2022: 5,000,000,000 ordinary shares of N1 each). The shareholding structure as at the reporting date is as shown below:

Governance

Shareholders	31 December 2023		31 December 2022	
	Number of Share	Shareholding Percentage	Number of Shares	Shareholding Percentage
Nigerian Exchange Group Plc	2,209,102,292	44.18%	2,209,102,292	44.18%
FMDQ Holdings Plc	1,080,641,902	21.61%	-	0.00%
Artemis Limited	-	0.00%	830,641,902	16.61%
Access Holdings Plc	375,000,000	7.50%	375,000,000	7.50%
United Bank for Africa Plc	268,500,000	5.37%	268,500,000	5.37%
ZPC/Leadway Insurance Prem .Coll. & Investment Account	-	0.00%	250,000,000	5.00%
Others with shareholdings less than 5%	1,066,755,806	21.34%	1,066,755,806	21.34%
	5,000,000,000	100%	5,000,000,000	100%

DIRECTORS AND THEIR INTERESTS

The following directors of the Company held office during the year and represent the Company's shareholders. The directors which have direct and indirect interests in the issued share capital of the Company as recorded in the register of directors' shareholding are noted below:

Shareholders	31 December 2023			31 December 2022		
	Direct	Indirect	Total	Direct	Indirect	Total
Mr. Oscar N. Onyema OON	-	2,209,102,292	2,209,102,292	-	2,209,102,292	2,209,102,292
Mr. Haruna Jalo-Waziri	-	-	-	-	-	-
Mr. Eric Idiahi ¹	-	-	-	-	830,641,902	830,641,902
Mr. Roosevelt Ogbonna	-	375,000,000	375,000,000	-	375,000,000	375,000,000
Ms. Tinuade Awe	-	2,620,000	2,620,000	-	2,620,000	2,620,000
Mrs. Chinelo Anohu	-	-	-	-	-	-
Mr. Ibrahim Dikko	-	-	-	-	-	-
Mr. Oluseyi Owoturo	-	-	-	-	-	-
Mrs. Tairat Tijani	-	-	-	-	-	-
Mr. Adeyinka Shonekan	218,094	-	218,094	218,094	-	218,094

¹ Mr. Eric Idiahi resigned from the Board with effect from 13th July 2023



DIRECTORS' INTERESTS IN CONTRACTS

Except as disclosed above, no director has notified the Company, for the purposes of Section 303 of the Companies and Allied Matters Act 2020, of any interest in contracts during the year.

Analysis of Shareholding

The shareholding pattern of the Company as at 31 December 2023 was as stated below:

Share range	No of shareholders	Percentage of shareholders	No of holdings	Percentage holdings
1 - 1,000	473	34.43%	189,339	0.00%
1,001 – 5,000	204	14.85%	583,215	0.01%
5,001 – 10,000	92	6.70%	762,491	0.02%
10,001 – 50,000	268	19.51%	7,076,488	0.14%
50,001 – 100,000	73	5.31%	5,643,129	0.11%
100,001 – 500,000	120	8.73%	32,219,138	0.64%
500,001 – 1,000,000	28	2.04%	23,303,602	0.47%
Above 1,000,000	116	8.44%	4,930,222,598	98.60%
	1,374	100%	5,000,000,000	100%

The shareholding pattern of the Company as at 31 December 2022 was as stated below:

Share range	No of shareholders	Percentage of shareholders	No of holdings	Percentage holdings
1 - 1,000	458	34.51%	186,194	0.00%
1,001 – 5,000	194	14.62%	563,786	0.01%
5,001 – 10,000	88	6.63%	727,429	0.01%
10,001 – 50,000	258	19.44%	6,875,781	0.14%
50,001 – 100,000	71	5.35%	5,506,535	0.11%
100,001 – 500,000	109	8.21%	30,136,754	0.60%
500,001 – 1,000,000	29	2.19%	23,333,800	0.47%
Above 1,000,000	120	9.04%	4,932,669,721	98.65%
	1,327	100%	5,000,000,000	100%

Substantial Interest in Shares

According to the register of members at 31 December 2023, no shareholder held more than 5% of the issued share capital of the Company except the following:

Shareholders	31 December 2023		31 December 2022	
	Number of shares held	% of shareholding	Number of shares held	% of shareholding
Nigerian Exchange Group Plc	2,209,102,292	44.18%	2,209,102,292	44.18%
FMDQ Holdings Plc	1,080,641,902	21.61%	-	0.00%
Artemis Limited	-	0.00%	830,641,902	16.61%
Access Holdings Plc	375,000,000	7.50%	375,000,000	7.50%
United Bank for Africa Plc	268,500,000	5.37%	268,500,000	5.37%
ZPC/Leadway Insurance Prem .Coll. & Investment Account	-	0.00%	250,000,000	5.00%

Governance

Donations and Charitable Gifts

The Group made contributions and donations to non-political organisations amounting to N42.5million (31 December 2022: N45.3 million) during the year, as listed below:

		31 December 2023
Beneficiary	Purpose	Amount
		(N'000)
LAGOS POLO CLUB	Co-Sponsorship of the 2023 Campaign for Breast Cancer Awareness	5,000
PARKLAND MULTISERVICE VENTURE	Sponsorship of Parkland Amusement Children's Day Event	250
NIGERIAN EXCHANGE LIMITED	Partnership and Sponsorship of 2023 NGX AELP Webinar	1,000
SECURITIES AND EXCHANGE COMMISSION	Sponsorship of SEC Workshop on ESG and Sustainable Finance	1,000
LACREME NIGERIA LIMITED	Sponsorship of Online Book Club House "Upfronts with Munachi Mbonu"	250
INSTITUTE OF DIRECTORS, NIGERIA	Donation to Institute of Directors	250
CHARTERED INSTITUTE OF STOCKBROKERS	Sponsorship of CIS Capital Market Advancement Initiatives	5,000
SPECIAL OLYMPICS NIGERIA	Annual Partnership	5,000
INSTITUTE OF CAPITAL MARKET REGISTRARS	Sponsorship of the 2023 ICMR Annual Conference	1,000
SECURITIES AND EXCHANGE COMMISSION	Sponsorship of WASRA Capital Market Conference	10,000
ASSOCIATION OF SECURITIES DEALING HOUSES OF NIGERIA	Donation/Sponsorship ASHON Development Grant and Programme	7,000
ACCESS BANK LIMITED	Donation to Access Bank Charity Shield (School Building Project)	5,000
NIGERIAN BAR ASSOCIATION	Sponsorship for Nigerian Bar Association (Lagos Branch) 2023 Law Week	200
DOWN SYNDROME FOUNDATION NIGERIA	Donation to Down Syndrome Foundation Nigeria (DSFN)	1,500
		42,450

		31 December 2022
Beneficiary	Purpose	Amount
LAGOS POLO CLUB	Hospitality Box - lagos Polo Club	600
OUR NUTURE ZONE	Purchase of Generator for Our Nuture Zone	1,000
COMMITTEE ON IDENTITY MANAGEMENT	Contribution to Comm on Identity Management	6,775
SPECIAL OLYMPICS NIGERIA	Annual Partnership with Special Olympics Nigeria	5,000
ASSOCIATION OF SECURITIES DEALING HOUSES OF NIG.	Support for Development Grant For ASHON	3,000
WOMAN AT RISK INTL FOUNDATION	WARIF initiatives and projects in line with our community CSR pillar	3,000
NIGERIA COMPUTER SOCIETY	Donation to Nigeria Computer Society	500
DUKE OF SHOMOLU	Sponsorship Encore - Individual Hni / Duke Of Shomolu	1,500
NIGERIA ECONOMIC SUMMIT GROUP	Tech Support & Programme Mgt for Investment & Securities Bill- NESG	15,451
BUSINESS DAY MEDIA LIMITED	BAFI Special Judges Award PR Package - BusinessDay Media Limited	2,500
LAGOS MOTOR BOAT CLUB	Special Projects Development Levy/Sponsorship of 2022 Events	3,000
NIGERIA EXCHANGE GROUP	Sponsorship of NGX Made of Africa Awards	3,000
		45,325



The Group did not make donation to any political party during the year ended 31 December 2023 (31 December 2022: Nil).

HUMAN RESOURCES

i) Employment, Employee Training and Development

Employment at CSCS follows a very thorough process that focuses on merit. The Group ensures that the most qualified persons are recruited for appropriate levels regardless of their state of ethnicity, religion or physical condition. Training and development of staff is an uncompromised strategy of the Group towards ensuring that staff are properly skilled and re-skilled to undertake their respective assignments. The Group did not employ any disabled person during the year under review.

ii) Health, safety and welfare of employees

The Group takes the health, safety and welfare of its employees very seriously, with a strong conviction that a healthy workforce will always be highly productive and will deliver superior performances at all times. Consequently, top health care providers have been carefully selected under a managed care scheme to look after the health care needs of employees and their dependents.

Property and Equipment

Information relating to changes in property and equipment is given in Note 15 to the consolidated and separate financial statements. In the opinion of the Board of Directors, the market value of the Group's properties is not significantly different from the value shown in the Annual Report.

Events after Reporting Date

There were no significant events after the reporting date that could affect the reported amount of assets and liabilities as of the reporting date.

Dividends

During the period, the Board of Directors, pursuant to the powers vested in it by the provisions of Section 426 (1) of the Companies and Allied Matters Act (CAMA), 2020 proposed a dividend of 150 kobo per share, amounting to a total of N7.5billion (31 December 2022: 87 kobo per share and a one-time special dividend of 50 kobo per share; N6.85billion) from the retained earnings account as at 31 December 2023, pending the approval of the shareholders at the 2023 Annual General Meeting. Payment of dividends is subject to withholding tax at a rate of 10%.

Auditor

Messrs. KPMG Professional Services, 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

Charles I. Ojo
Company Secretary
Central Securities Clearing System Plc
FRC/2014/NBA.00000006051
28 March 2024

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

This report highlights Central Securities Clearing System Plc's (CSCS) compliance with the highest standards of corporate governance and global best practices in relation to its governance framework, culture and the activities of its Board of Directors, Executive Committee and Management Committee during the reporting period.

Corporate Governance Report

The Board of Directors ("the Board") of CSCS is committed to ensuring the continued observance of the highest standards of corporate governance practices across the company's business, processes and overseeing the company's compliance with all regulatory corporate governance standards and global best practices.

Recognizing the link between maintaining high standards of corporate governance and meeting the strategic needs necessary for the success of an organization, the Board continues to provide direction to Management on the adoption of governance practices and processes that facilitate the achievement of the Company's short- and long-term strategic objectives.

In 2023, the Company continued to enhance its internal processes and practices, by amending its Memorandum and Articles of Association to ensure alignment with statutory requirements and global best practice, as well as drive board effectiveness.

Post Covid-19 Impact On Corporate Governance

The post-pandemic era has greatly impacted the way of work, with most companies continuing with the remote working or hybrid working model. Consequently, the Board has retained the hybrid working model to align with global best practice. This model ensures the Company continues to keep its business operating, serve the market, and protect the wellbeing of its workforce, as well as attract and retain staff.

As the world continues to experience the impact and the dynamic nature of the post-pandemic era, the Company continues to monitor and assess the situation in line with its business continuity plan to enable it to modify its practices and operations when necessary.

Culture

With the guidance of the Board, the Company has continued to strengthen its corporate culture by reinforcing leadership and re-defining the company's operational culture to be more reflective of a Market Culture. This has led to the efficient execution of the Company's strategic objectives and the development of innovative solutions which has deepened and enhanced the efficient functioning of the market.

The Company continues to promote a culture that is open, safe, and inclusive. Ensuring that leadership remains accessible and available to all employees and providing opportunities to employees to share their views with management through formal and informal forums. In the year under review, the Employee Experience Group had employee engagement sessions conducted through focus groups across all cadres of employees where Management received feedback from employees under the following categories: (a) what is working (b) what is not working (c) major pain points within the company. Employees collectively lamented the adverse effects of the economic situation in the country, notably impacting their productivity levels and overall well-being within the workplace. In response to this, the Board approved certain decisions that addressed staff welfare and staff expectations.

Beyond such initiatives, on a day to day basis, the company's culture ensures that there are numerous opportunities for Managers to engage with their teams to support the company's corporate culture, improve mental health and psychological safety of employees.

In promoting a comprehensive people focused strategy, in the year under review, the Board made significant investments by approving an upward review of the total remuneration package that will attract, retain, and motivate top talent to help drive the short and long-term goals of the company.

In addition to providing effective leadership and setting the strategic goals for our company, the Board is responsible for enforcing corporate governance practices within CSCS and ensuring that the Company creates and delivers sustainable value to the society, its shareholders, and the



market. The Board recognizes that to remain relevant it must conduct its affairs in a manner that reinforces efficiency, excellence, integrity, tenacity, transparency, and accountability. Hence, CSCS adheres strictly to the code of Corporate Governance as espoused by the Securities and Exchange Commission (SEC), the National Code of Corporate Governance, the Companies and Allied Matters Act (CAMA), and the Business Facilitation (Miscellaneous Provisions) Act, 2023.

Code of Corporate Governance for Public Companies

The Nigerian Code of Corporate Governance (NCCG) 2018 has been recognized as the cardinal legislation of corporate governance codes in Nigeria. The Code seeks to institutionalize corporate governance best practices in Nigerian companies. The Code also seeks to promote public awareness of essential corporate values and serve as key driver in the establishment of a sustainable business environment. The Code is anticipated to restore public trust and confidence in the Nigerian economy by institutionalizing good corporate governance norms, facilitating more trade and investment. Likewise, companies that adhere to the Code are said to be projecting good governance practices and this will increase their levels of transparency, trust, and integrity, and create an environment for sustainable business operations.

CSCS places a high priority on corporate governance standards, so it conducted a self-evaluation of its degree of conformity with the Code and then took steps to address the few gaps that were identified. We are pleased to announce that the CSCS 2023 Corporate Governance Report was successfully filed in the required format before the deadline.

Whistle Blowing

The Company has a thorough whistle-blowing policy that is available to staff, other stakeholders, and the public, and is in accordance with international best practices, the SEC's corporate governance code of conduct, and the Investment and Securities Act, 2007. A separate method for reporting any illegal or unethical action within the company is established under the Policy. The whistle-blowing process incorporates a technology-enabled platform offered

by Deloitte that can be accessible by all stakeholders, as well as simultaneous independent communication to the Board for staff to escalate issues. The Board continues to manage the organization in this area and is still in charge of reviewing the whistleblowing policy.

Significant Shareholder

CSCS shareholders with 5% and above shareholding as of 31st December 2023 are listed below:

Shareholder	No. of Shares	% Holding
Nigerian Exchange Group Plc	2,209,102,292	44.18
FMDQ Holdings Plc	1,080,641,902	21.61
Access Bank Plc.	375,000,000	7.50
United Bank for Africa Plc.	268,500,000	5.37

Cross-Shareholding

At the end of the 2023 financial year, CSCS complied with all the applicable regulatory and financial reporting requirements within the stipulated time frame. There was no fine or penalty against CSCS.

Compliance with Statutory Reports

At the end of the 2023 financial year, CSCS complied with all the applicable regulatory and financial reporting requirements within the stipulated time frame. There was no fine or penalty against CSCS.

Board Performance and Evaluation

The Board continually appraises itself and employs the services of an independent third-party consultant to perform annual appraisal of the Board. The scope of the evaluation includes assessing the board composition and its responsibilities, the adequacy or otherwise of skills available on the Board, as well as the synergy and effectiveness of the Board. Feedback from the exercise was communicated to the Board Chairman. The Consultant's report shows that the Board's composition and the constitution of its committees comply with the provisions of the SEC Corporate Governance and global best practices for corporate governance.

Governance

Director Nomination Process

The Board's Corporate Governance, Nominations and Remuneration Committee (CGN&RC) is responsible for initiating the process of identifying and nominating suitable candidates to occupy Board vacancies. In identifying suitable candidates, the Committee considers candidates on merit against subjective criteria and with due regard to gender, skills, diversity and relevant experience.

Board Training for continuous professional Development

To improve performance of the Board, the Company provides its directors with ongoing professional development opportunities. Professional development is provided through research trips to centers of excellence for business operations and/or classroom learning programs. To increase their efficacy, the directors and management of CSCS went on a board study tour to various high performing and global institutions in the United States of America in 2023.

Chairman of the Board

During the year under review, the Chairman of CSCS Board of Directors, Mr. Oscar N. Onyema, OON, was a Non-Executive Director. He was the highest-ranking officer on the Board and presided over the board.

Managing Director/Chief Executive Director

The Company's Managing Director/Chief Executive Officer (MD/CEO), Mr. Haruna Jalo-Waziri oversees the Company's daily operations alongside the Executive Committee of CSCS. The MD/CEO's responsibilities include making corporate decisions within the ambit of the powers delegated to him by the Board. He also serves as the bridge between Management and the Board of Directors.

Executive Director

The Company's Executive Director (ED), Mr. Adeyinka Shonekan provides management support to the MD/CEO alongside the Executive Committee of CSCS to oversee the daily operations of the Company. The ED's responsibilities include making

decisions within the ambit of the powers delegated to him by the Board. The ED is also a member of the Board of CSCS.

Non-Executive Directors

The Company's Non-Executive Directors¹ consist of professionals of diverse business background. These individuals made invaluable contributions to the success of the Company in the year under review. They brought to fore their wealth of knowledge and shared their valuable experiences with the Board in the interests of the Company and its shareholders. Upon completion of a director's tenure on the board, the director shall retire in accordance with provisions of the Company's Memorandum and Articles of Association.

Remuneration of Directors

Each Non-Executive Director is entitled to a director's fee which is determined by the Board with authorization granted by the shareholders at the Company's Annual General Meetings. The Company Secretariat Department assists the Corporate Governance, Nominations and Remuneration Committee by providing relevant remuneration data and market conditions for the Committee's consideration. The remuneration of Executive Directors and Senior Management of the Company is determined with referenced remuneration benchmarks in the industry and the prevailing market conditions.

Appointment, Retirement and Re-election of Directors

In line with best global corporate practices and to ensure that the Board appointments are properly conducted, there is a rigorous vetting process that ensures that individuals with the appropriate skill sets are appointed as directors. On the Board, room has also been provided for stakeholders and market representatives possessing in-depth industry experience and influence to be appointed to the Board to ensure the right mix.

One Non-Executive Director, Mr. Ehimare Idiahi retired from the Board on 13 July 2023. One Non-Executive Director, Mr. Oluseyi Owoturo, who had retired by rotation was re-elected as director as the 29th Annual

¹ Mr. Ehimare Idiahi, Mr. Roosevelt Ogbonna, Ms. Tinuade Awe, Ms. Chinelo Anohu, Mr. Ibrahim Dikko, Mr. Oluseyi Owoturo and Mrs. Tairat Tijani.



General Meeting of CSCS.

The Organs Of Corporate Governance

There are several organs of the Company that are responsible for enforcing CSCS corporate governance strategy and enhancing stakeholder value:

- Board of Directors
- Board Committees
- Executive Committee
- Management Committee

The Board

In the year under review, the Board was comprised of 9 (nine) directors made up of 2 (two) executive directors and 7 (seven) non-executive directors, of which 2 (two) were independent non-executive directors. The Board consists of a diverse range of individuals, who have distinguished themselves in their chosen fields. They bring to the Board diverse skill sets ranging from expertise in Capital market, Central Securities Depository (CSD) Operations, Finance, Risk Management, information technology and Banking.

Major Responsibilities of the Board

The Board is charged with the responsibility of:

- Determining the strategic objectives of the Company.
- Approval of policies that strengthen CSCS operations and ensure the development of the Company.
- Approval of CSCS full year financial statements.
- Reviewing and monitoring the performance of the MD/CEO, ED and the Executive Committee.
- Ensuring the maintenance of ethical standard and compliance with relevant laws.
- Performance appraisal and compensation of Board members and Executive Committee.
- Appointment and removal of Directors and the Company Secretary

Conduct at Board Meetings

The Board met 5 (five) times during the year ended December 31, 2023, in accordance with the collectively agreed dates in the Board calendar. The attendance is represented below:

S/N	Directors Names	Total Meeting in Period	Individual Attendance
1	Oscar N. Onyema	5	5
2	Haruna Jalo - Waziri	5	5
3	Ehimare Idiahi ²	5	2
4	Roosevelt Ogbonna	5	4
5	Tinuade Awe	5	4
6	Chinelo Anohu	5	4
7	Ibrahim Dikko	5	5
8	Oluseyi Owoturo	5	5
9	Tairat Tijani	5	5
10	Adeyinka Shonekan	5	5

Pursuant to the Board charter and sound corporate governance practices, a director, whether directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company declares the nature of his or her interest at a Board meeting in response to the fundamental question of conflict of interest. Furthermore, a director shall not vote (or be counted in the quorum) on any resolution of the directors in respect of any contract or arrangement or proposal in which he or she or any of his or her associate(s) is to his or her knowledge materially interested. Matters to be decided at Board meetings are decided by a majority of votes from directors allowed to vote.

Board Committees

The Board delegates its powers and authorities from time to time to the committees to ensure the operational efficiency of the Company and that specific issues are handled with relevant expertise. 4 (Four) Board Committees and the Statutory Audit Committee, which is a creation of statute and a requirement for public companies exist in CSCS. The Board Committees are (a) Corporate Governance, Nominations and Remuneration Committee (CGN&RC), (b) Technical Committee (TC), (c) Audit and Risk Management Committee (ARMC), and (d) Finance and Stakeholders Relationship Committee (F&SRC). Each Board Committee meets at least once every quarter or as business exigencies demand, and

² Mr. Ehimare Idiahi ceased to be a member of the Board on 13 July 2023 hence he attended only two meetings.

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thereafter presents reports on its activities to the Board at every Board meeting. The Committees' specific duties and authorities are set out in their respective Committee Charters. The Charters outline standards and functions of these Committees according to the provisions of the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies and Companies Allied Matters Act, 2020.

Process for Committee Meetings

Notices and draft agendas for Committee meetings are prepared by the Company Secretary upon approval from the respective board committee chairmen before they are circulated to other committee members ahead of each meeting. The meeting agenda and board papers are uploaded on the Company's Board portal for Committee members to access before the commencement of the meetings.

At every meeting, other matters which fall within the Committee's scope of responsibilities and are deemed necessary for consideration are included in the meeting agenda and considered by the Committee members. For each Committee meeting to hold, the Committee must meet the required quorum.

A summary of the roles, responsibilities, compositions, and frequency of meetings of each of the Committees are as stated hereunder:

Board Technical Committee (TC)

This Committee is constituted by the Board to assist in fulfilling its oversight responsibility relating to the integrity and viability of the Company's clearing and settlement software, information technology systems and processes, as well as having oversight for business development as it relates to pre-product and service launch, reviewing the cost benefit analysis of each new product and service, and ensuring alignment with the company's strategy objective. The Committee met 3 (three) times in the 2023 financial year. Mrs. Tairat Tijani was the Chairman of the Committee. The other members of the Committee are Mr. Haruna Jalo Waziri and Mr. Oluseyi Owoturo.

Technical Committee		
Director Names	Total Meeting in Period	Individual attendance
Tairat Tijani	3	3
Haruna Jalo- Waziri	3	3
Oluseyi Owoturo	3	3

Major Responsibilities

- Provide strategic direction on the Company's technology innovations and acquisitions, as well as the resulting decision-making process for these developments.
- Provide guidance on the Company's competitiveness as a provider of services using technology, including the effectiveness of its technological efforts and investments in developing new products and businesses.

Committee Achievements

- Monitoring implementation of Deloitte's recommendations regarding CSCS Cybersecurity Maturity & Threat Landscape Deliverable status.
- Provided guidance to Management in the implementation of its technical products and services.
- Ensuring implementation of Two Factor Authentication (2FA) on all CSCS System, devices and core application.

Corporate Governance, Nominations and Remuneration Committee (CGN&RC)

This Committee is constituted by the Board. Its terms of reference include to assist in fulfilling its oversight function of enforcing corporate governance principles within CSCS, enforcing CSCS code of conduct on directors and staff, staff welfare, remuneration and appraisal of Board members and Executive Committee. The Committee met four (4) times in the 2023 financial year. Mrs. Chinelo Anohu is the Chairman of the Committee. The other members of the Committee are Mr. Ehimare Idiahi, Ms. Tinuade Awe and Mr. Ibrahim Dikko.



Corporate Governance, Nominations and Remuneration Committee		
Director Names	Total Meeting in Period	Individual attendance
Chinelo Anohu	4	4
Ehimare Idiahi ³	4	1
Tinuade Awe	4	4
Ibrahim Dikko	4	4

Major Responsibilities

- Establish the criteria for board and board committees' memberships, review candidates' qualifications and any potential conflict of interest, assess the contribution of current directors in connection with their re-nomination and make recommendations to the Board.
- Periodically evaluate the skills, knowledge and experience required on the Board.
- Make recommendations on experience required by Board Committee members, Committee appointments and removal, operating structure, reporting and other Committee operational matters.
- Review and make recommendations to the Board for approval of the company's organizational structure and staff welfare.

Committee Achievements

- Approval of upward review of staff remuneration in response to recent shifts in Nigeria's socio-economic landscape in Nigeria.
- Review and recommendation of amendments to CSCS Memorandum and Articles of Association.
- Review and recommendation of Board composition and tenure of non-executive directors to align with global best practice.
- Review and recommendation of employee related policies for board approval.

³ Mr. Ehimare Idiahi retired from the Board of CSCS on 13 July 2023. This consequently brought to an end his membership of the CGN&RC.

The Finance and Stakeholders Relationship Committee (F&SRC)

This Committee is a team constituted by the Board to assist in fulfilling its oversight function of interfacing with the Company's stakeholders and the wider capital market group to ensure that CSCS continues to take and incorporate their feedback in its business & service offerings. The Committee met four (4) times in the 2023 financial year. Mr. Ibrahim Dikko is the Chairman of the Committee. Other members of the Committee include Mr. Haruna Jalo-Waziri, Mr. Roosevelt Ogbonna, Mr. Ehimare Idiahi, Ms. Tinuade Awe, Mr. Oluseyi Owoturo and Mrs. Tairat Tijani.

Finance & Stakeholders Relationship Committee		
Director Names	Total Meeting in Period	Individual attendance
Ibrahim Dikko	4	4
Haruna Jalo- Waziri	4	4
Ehimare Idiahi ⁴	4	1
Roosevelt Ogbonna	4	4
Tinuade Awe	4	4
Oluseyi Owoturo	4	4
Tairat Tijani	4	4

Major Responsibilities

- Assist the board in its assessment of potential partnership and alliances with organizations of mutual interest.
- Review financial performance and recommendation of dividend payout.
- Review and validate new product releases being offered by CSCS to the Nigerian capital market and other cross border markets.
- Support and influence capital market regulations and legislations that could impact CSCS.
- Consideration of CSCS financial budgets and accounts.
- Consideration of CSCS Investment Policy and long-term investments to be contracted by

⁴ Mr. Ehimare Idiahi retired from the Board of CSCS on 13 July 2023. This consequently brought to an end his membership of the FSRC.

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the Company.

- Review with the Chief Financial Officer annually the significant financial reporting issues and practices of the Company and ensure that appropriate accounting principles are applied including financial controls relating to the "closing of the books" process.

Committee Achievements

- Review and recommended to the Board for approval various strategic Investment leading to positive financial accomplishments of the Company.
- Review of 2024 budget and financials.
- Provided guidance to Management on stakeholders' engagements.
- Approval to proceed with requisite implementation activities to drive delivery of target business improvement initiatives for 2023.
- Approval of Statutory Audit Fee and ICOFR Certification Fee for external auditors in 2023.

Audit and Risk Management Committee (ARMC)

The Board established this Committee to work with it in examining the Company's risk policies to ensure that its risk framework and controls effectively handle both ongoing and new threats to the company's operations. Reputational risk, operational risk, technological risk, market risk, cybersecurity risk, and financial risk are among the risks that the Committee covers in its monitoring. The Committee also oversees the periodic evaluation of management reports and the selection of appropriate persons to lead the Company's risk management function, assuring compliance with established risk management rules. While keeping an eye on quarterly reports from CSCS Enterprise Risk Management and Internal Audit Functions on potential risk areas across the business, as well as external environmental factors that could possibly have an impact on the business, the Committee considered and recommended some policies to the Board for approval in 2023. The Committee

met 3 (three) times during the financial year 2023. Mr. Roosevelt Ogbonna is the Chairman of the Committee. Ms. Tinuade Awe and Mrs. Chinelo Anohu are the other members of the Committee.

Audit and Risk Management Committee (ARMC)		
Director Names	Total Meeting in Period	Individual attendance
Roosevelt Ogbonna	3	3
Tinuade Awe	3	3
Chinelo Anohu	3	3

Major Responsibilities

- Review and approval of the Company's risk management policy including risk appetite and risk strategy.
- Review the adequacy and effectiveness of the Company's risk management and controls.
- Review of the Company's compliance level with applicable laws and regulatory requirements which may impact the Company's risk profile.
- Periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the company.
- Review policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process, as well as the Company's major financial risk exposures.
- Oversee Management's process for the identification of significant risks across the Company and ensure that adequate prevention, detection and reporting mechanisms are in place.

Committee Achievements

- Review and recommendation of CSCS Information Security Management System (ISMS) Policies and other organizational policies for board approval.
- Review of risk framework and recommendation for board approval.



- Review and recommendation of 2024 Internal Audit Plan for board approval.
- Review of CSCS case log and litigation strategy for each case involving the Company.

Statutory Audit Committee

The Statutory Audit Committee is established in compliance with the provisions of the Companies and Allied Matters Act, 2020. The Committee assists the Board in carrying out its oversight duty regarding the accuracy of the Company's accounting and business processes. The Committee oversees choosing and appointing the external auditors, as well as examining and approving their engagement and payment arrangements. Non-Executive Directors and elected shareholders of the company make up the Committee. The Board selects 2 (two) Non-Executive Directors who sit on the Committee whilst the shareholders elect 3 (three) of their representatives on the Committee at the Company's Annual General Meeting (AGM). Any member of the Company may nominate a shareholder as a member of the Committee by giving notice in writing of such nomination to the Company Secretary at least 21 (twenty-one) days before the AGM. The Committee met two (2) times in the 2023 financial year.

Statutory Audit Committee		
Members	Total Meeting in Period	Individual attendance
Nornah Awoh ⁵	2	2
Emeka Madubuiké ⁶	2	2
Tinuade Awe	2	2
Fiona Ahimie ⁷	2	2
Ibrahim Dikko	2	2

Major Responsibilities

- Review the activities, findings, conclusions and recommendations of the external auditors relating to CSCS annual audited financial statements.

⁵ Mr. Nornah Awoh was re-elected a member of the Statutory Audit Committee by the Shareholders at the 29th AGM held on Monday 19 June 2023.

⁶ Mr. Emeka Madubuiké was re-elected a member of the Statutory Audit Committee by the Shareholders at the 29th AGM held on Monday 19 June 2023.

⁷ Mrs. Fiona Ahimie was re-elected a member of the Statutory Audit Committee by the Shareholders at the 29th AGM held on Monday 19 June 2023.

- To review the Management Letter of the External Auditor and Management's responses thereto and ensure that the observations noted are resolved.
- To review the appropriateness and completeness of the CSCS' statutory accounts and its other published financial statements.
- To oversee the independence of the external auditors.

Committee Achievements

- Approval of external audit plan.
- Review of internal audit and internal control matters.
- Review of financials to ensure integrity.

ORGANS OF THE COMPANY RESPONSIBLE FOR THE DAILY AFFAIRS OF THE COMPANY

The Company Secretary

The Company Secretary, Mr. Charles I. Ojo leads the Company Secretariat that is thrust with the responsibility of supporting the Board and the Board Committees. He is a qualified lawyer with cognate experience required for the role as prescribed by the SEC Code and CAMA. He serves as liaison between Management and the Board, support the Board to achieve the Company's strategic objectives and to drive enforcement of good Corporate Governance principles within the Company. He reports directly to the Managing Director/Chief Executive Officer and has a dotted reporting line to the Board.

Major Responsibilities

- Filing annual returns at the Corporate Affairs Commission.
- Arranging Board meetings and Committee Meeting. This responsibility involves the issue of proper notices of meetings, preparation

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of agenda, circulation of relevant papers and taking and producing minutes to record the business transacted at meetings and the decisions taken by the Board.

- Organizing CSCS Annual General Meeting.
- Ensuring that CSCS and the Board meet all regulatory requirements.
- Filing of Board Changes at Corporate Affairs Commission and Securities and Exchange Commission.
- Ensuring the security of the company's legal documents, including for example, the certificate of incorporation and memorandum and articles of association.
- Maintaining custody of Company's statutory books and shareholders' register.
- Maintaining custody of the Company's seal and using the seal in accordance with CSCS company seal policy and memorandum and articles of Association.
- Advising directors of their duties and ensuring that they comply with corporate legislation and the articles of association of the Company.

Achievements of the Company Secretary

- The Company Secretary was responsible for the efficient administration of the Board, particularly ensuring compliance with statutory and regulatory requirements of the Nigeria Corporate Governance 2018, the SEC Code and CAMA.
- The Company Secretary ensured that Board decisions were implemented, hence contributing to the overall success of the Board and management of the Company.
- The Company Secretary played a key role in ensuring that the provisions of the Board charter and Committee Charters were strictly adhered to.

- The Company Secretary co-developed and implemented an annual board training and development programme(s) towards ensuring board effectiveness.

- The Company Secretary developed and tracked annual board objectives including attendance of meetings of board and board committees and participation of directors at meetings.

Executive Committee

The Executive Committee consists of the MD/CEO, Executive Director, and the Divisional Heads. The Committee led by the MD/CEO ensures that CSCS strategic objectives as set by the Board are achieved, and that the Company's operations are optimized. The Committee meets weekly and is responsible for the day-to-day operations of CSCS. Members of the Committee include:

- Managing Director/Chief Executive Officer - Mr. Haruna Jalo- Waziri
- Executive Director – Mr. Adeyinka Shonekan
- Divisional Head, Business Services & Client Experience – Mrs. Onome Komolafe
- Divisional Head, Business Technology & Digital Innovation – Mr. Tobe L. Nnadozie
- Chief Strategy Officer - Mr. Femi Onifade
- Chief Financial Officer- Mr. Peter Medunoye
- Acting Head, ERM & Resilience Services - Mrs. Isioma Lawal

Management Committee

This Committee comprises senior management staff of CSCS. The Committee is responsible for executing the strategic initiatives of CSCS. The Committee identifies, resolves and makes recommendations to the Executive Committee on risks arising from the daily operations of CSCS. The Committee meets



monthly and is responsible for the day-to-day operations of CSCS. Members of the Committee include:

- Head, Treasury, and Investments - Mr. Akinwonuola Atitebi
- Company Secretary & General Counsel - Mr. Charles I. Ojo
- Head, Depository & Account Services - Mr. Babangida Yahaya
- Group Head, Employee Experience Services - Mrs. Yetunde Adenaiya
- Head, Corporate Strategy & Execution - Mr. Abiola Rasaq
- Chief Internal Auditor - Mr. Abiodun Owoeye
- Head, Application Development - Mr. Anthony Ezugbor
- Head, Abuja Office – Ms. Ojone Umoru
- Head, Corporate Communication & Marketing - Mrs. Tomilayo Aluko
- Head, Capital Market Business – Ms. Titilope Olatunji
- Head, Financial Reporting - Mr. Idibore Danlami Ali
- Technical Assistance to the MD/CEO – Dr. Nnaemeka C. Okereke
- Head, Compensation & Benefits, Performance Management & HR Analytics – Mr. Oladipo W. Oluyinka
- Head, Litigation & Dispute Resolution – Mr. Ewhomazino Otuoniyo
- Ag. Head, Chief Information Security Officer - Olayemi Agbeleye
- Head, Infrastructure Services - Mr. John Eze
- Head, Contact Centre - Mrs. Vivian Ashiogwu
- Ag. Head, Performance Management & Investor Relations - Uchechi Chukwuemeka
- Head, Ancillary & New Markets Business – Ms. Hadiza Saidu
- Ag. Head, Clearing & Settlement Operations - Ms. Ehiremen Ojo

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023



The directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act, (CAMA) 2020 and the Financial Reporting Council (FRC) of Nigeria (Amendment) Act, 2023.

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr. Oscar N. Onyema OON
Chairman

FRC/2013/IODN/00000001802
28 March 2024

Mr. Haruna Jalo-Waziri
Managing Director/CEO

FRC/2017/IODN/00000017488
28 March 2024



STATEMENT OF CORPORATE RESPONSIBILITY FOR THE 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 the Central Securities Clearing System Plc for the year ended 31 December 2023 as follows:

- a) That we have reviewed the audited consolidated and separate financial statements of 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 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 Company and its subsidiary is made known to the officer by the management of the companies, during the period ended 31 December 2023.
- e) 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.
- f) That we have disclosed the following information to the Company's Auditors and Audit Committee:
- (g) 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
- (h) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.

Mr. Haruna Jalo-Waziri
Managing Director/CEO

FRC/2017/IODN/00000017488
28 March 2024

Mr. Peter Medunoye
Chief Financial Officer

FRC/2019/001/00000020289
28 March 2024

AUDIT COMMITTEE REPORT

TO MEMBERS OF CENTRAL SECURITIES CLEARING SYSTEM PLC

In line with the provisions of Section 404(4) of the Companies and Allied Matters Act (CAMA) 2020, we the Audit Committee hereby state as follows:

- That we have reviewed the audit plan and scope, and the Management letter on the audit of financial statements of the Company.
- That the audit plan and scope for the year ended 31 December 2023 are adequate in our opinion.
- That the accounting and reporting policies of the Company conform to legal requirements and ethical practices.
- That the Internal Control and Internal Audit functions were operating effectively.



Mr. Nornah Awoh
Chairman, Audit Committee
FRC/2021/003/00000022526
28 March 2024

Members of the Committee:

- 1 Mr. Nornah Awoh - Chairman
- 2 Mrs. Fiona Ahimie - Member
- 3 Mr. Emeka Madubuike - Member
- 4 Ms. Tinuade Awe - Member
- 5 Mr. Ibrahim Dikko - Member

The Company Secretary acted as a Secretary to the Committee.



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REPORT OF THE EXTERNAL CONSULTANT ON THE APPRAISAL OF THE BOARD OF DIRECTORS OF CENTRAL SECURITIES CLEARING SYSTEM PLC. (CSCS) FOR THE YEAR ENDED 31ST DECEMBER, 2023

The Board of Directors of Central Securities Clearing System Plc. (CSCS) renewed its mandate to J. K. Randle International to conduct the evaluation of its performance for the year ended 31st December 2023 in accordance with the provisions of the Nigerian Code for Corporate Governance for Public Companies and Securities & Exchange Commission's Code of Corporate Governance (SEC Code) and other recognized best practices.

During the year, one Non-Executive Director resigned from the Board. As at 31st December 2023, the Board had nine members consisting of two Executive Directors including the Managing Director/Chief Executive Officer and seven Non-Executive Directors including the Chairman of the Board. In line with best practice, two of the Non-Executive Directors are Independent Directors. Members of the Board remained conscious of their responsibilities regarding the operations of the Board and the Company. They possess the requisite backgrounds to supervise the operations of the Company as well as the performance of Management. The composition of the Board conformed with the provisions of the SEC Code concerning the number of executive directors as a ratio to non-executive directors. The number of board committees conformed with the minimum required by the SEC Code.

The skills mix, experience base, and diversity and size of the board remained adequate for the effective performance of the Board's functions. We noted in particular, that the Board continued to review the performance of Management in line with the Company's strategy during the year. The Board approved shareholders' dividends, changes in the Company's Memorandum and Articles of Association (MemArt), some of the company's policies, the budget and changes in the organogram. The Board through the management, continues to ensure robust returns on the Company's Investable funds. It monitored the implementation of the Company's five-year strategic plan covering the period between 2021 and 2025.

We observed that the operations of the Board met the requirements of Best Practices and the SEC Code. The frequency of meetings as well as the level of attendance at Board and Board Committee meetings were in conformity with regulations. The Board held five meetings during the year under review. Management provided adequate information while the Company Secretariat maintained accurate records of the proceedings of the Board and Board Committees which facilitated informed decision making and monitoring. The conduct of the meetings followed conventional procedures in a conducive environment where all members expressed their views freely. The agenda of the Board consisted of relevant strategic issues. The activities of the Board were well documented in its minutes book.

The Board performed all the functions that fell within the purview of its oversight responsibilities which arose during the period under review among which was sustaining the governance structures of the Company. In particular, the Board reviewed the composition of the Board, the size of the Board, and the appointment and tenure of the directors. It also reviewed the eligibility threshold of equity to qualify a shareholder to nominate a representative to the board. The Board also performed other statutory responsibilities including rendering the accounts of the operations and activities of the Company to the shareholders. Its major decisions during the year ended 31st December 2023 did not violate any principle of good corporate governance or the SEC Code. The Board has implemented the recommendations contained in the last appraisal report. The performance of the Board is adjudged to be satisfactory.

At the conclusion of the exercise, we recommended that the Board of Directors of Central Securities Clearing System Plc. should ensure that the Board holds its meeting at least once every quarter in line with global best practices whilst noting that the year under review was peculiar because of the board transition process. The Board should also continue its drive towards new business initiatives in order to deliver better services to its clients and to increase the Company's revenue. It should continue to intensify its efforts with respect to identifying and mitigating risks, especially cyber security risks.

Bashorun J. K. Randle, FCA, OFR
Chairman/Chief Executive
FRC/2013/ICAN/00000002703

25th February, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Central Securities Clearing System PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Central Securities Clearing System PLC ("the Company") and its subsidiary (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiary as at 31 December 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and 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 Company in accordance with International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Audit Report thereon

The Directors are responsible for the other information. The other information comprises the the Corporate information, Directors' report, Audit Committee Report, Statement of Directors' responsibilities, Statement of Corporate Responsibilities and Other National Disclosures, which we obtained prior to the date of the auditor's report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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Registered in Nigeria No BN 986925

A list of partners is available for inspection at the firm's address.



Other information also include Directors, Officers and Professional Advisers, 2023 at a Glance, Notice of Annual General Meeting, Chairman's Statement, CEO's Letter to Stakeholders, Enterprise Risk Management Report, Corporate Social Responsibility Report, The Board, Executive Management Team, Management Team, Corporate Governance Report, Forms and Office Locations, together the "outstanding reports", which are expected to be made available to us after that date.

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

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The 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 and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report



to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee 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 Audit Committee, 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

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company and Group's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 28 March 2024.

Elijah Oladunmoye, FCA
FRC/2013/ICAN/00000019769
For: KPMG Professional Services
Chartered Accountants
28 March 2024
Lagos, Nigeria





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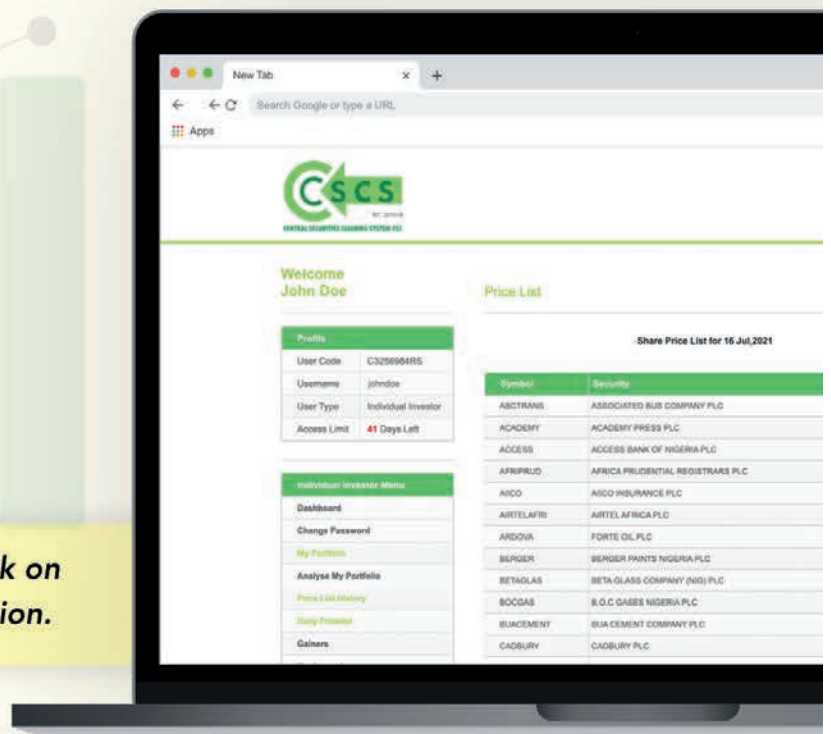
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FINANCIAL STATEMENTS



CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

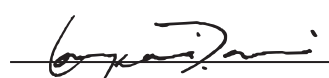
In thousands of Naira	Notes	Group	Company	Group	Company
		31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
Revenue	9	8,995,937	8,995,937	6,489,022	6,489,022
Investment income	10	3,608,677	3,608,677	4,578,366	4,578,366
Other income	11	6,418,238	6,418,238	447,932	447,932
Total operating income		19,022,852	19,022,852	11,515,320	11,515,320
Personnel expenses	12.1(i)	(3,249,926)	(3,249,926)	(2,186,596)	(2,186,596)
Other operating expenses	12.2	(3,858,591)	(3,858,591)	(2,524,936)	(2,524,936)
Finance cost	12.3	(144,888)	(144,888)	(75,442)	(75,442)
Depreciation and amortisation	12.4	(701,592)	(701,592)	(623,891)	(623,891)
Impairment reversal on financial assets	20	62,809	62,809	37,310	37,310
Total operating expenses		(7,892,188)	(7,892,188)	(5,373,555)	(5,373,555)
Share of profit/(loss) of equity accounted investees (net of tax)	23	71,203	-	(57,029)	-
Profit before tax		11,201,867	11,130,664	6,084,737	6,141,765
Income tax expense	13(a)	(1,123,970)	(1,123,970)	(948,266)	(948,266)
Profit for the year		10,077,897	10,006,694	5,136,471	5,193,499
Other comprehensive income					
Items that are or may be reclassified Subsequent to profit or loss					
Fair value loss - Debt investment at FVOCI	25(c)	(125,512)	(125,512)	(153,996)	(153,996)
		(125,512)	(125,512)	(153,996)	(153,996)
Other comprehensive loss for the year, net of tax		(125,512)	(125,512)	(153,996)	(153,996)
Total comprehensive income for the year		9,952,385	9,881,182	4,982,475	5,039,503
Profit attributable to:					
Owners of the Parent		10,077,897	10,006,694	5,136,471	5,193,499
Non-controlling interest		-	-	-	-
		10,077,897	10,006,694	5,136,471	5,193,499
Total comprehensive income attributable to:					
Owners of the Parent		9,952,385	9,881,182	4,982,475	5,039,503
Non-controlling interest		-	-	-	-
		9,952,385	9,881,182	4,982,475	5,039,503
Basic/diluted earnings per share (kobo)	14	202k	200k	103k	104k

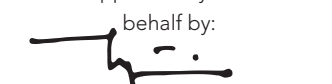
The accompanying notes form an integral part of these consolidated and separate financial statements.


CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

In thousands of Naira	Notes	Group	Company	Group	Company
		31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
Non-current assets					
Property and equipment	15	2,720,881	2,720,881	1,963,224	1,963,224
Intangible assets	16	156,310	156,310	190,840	190,840
Equity-accounted investee	23	1,639,561	1,541,437	1,568,358	1,541,437
Investment in subsidiary	24	-	10,000	-	10,000
Investment securities	17(a)	27,619,788	27,619,788	24,396,079	24,396,079
Deferred tax asset	13(b)	-	-	128,042	128,042
Total Non-Current Assets		32,136,541	32,048,416	28,246,543	28,229,622
Current assets					
Investment securities	17(b)	434,459	434,459	102,974	102,974
Trade receivables	18(a)	637,574	637,574	391,986	391,986
Other assets	19(a)	4,924,593	4,924,593	522,224	522,224
Cash and cash equivalents	21	14,654,692	14,654,637	15,749,671	15,749,616
Total Current Assets		20,651,318	20,651,263	16,766,856	16,766,800
Total Assets		52,787,859	52,699,680	45,013,399	44,996,423
Equity					
Share capital	25(a)	5,000,000	5,000,000	5,000,000	5,000,000
Retained earnings		33,563,600	33,465,420	30,335,703	30,308,726
Fair value reserve	25(c)	(357,248)	(357,248)	(231,736)	(231,736)
Actuarial reserves	25(d)	1,670	1,670	1,670	1,670
Equity attributable to owners of the Parent		38,208,022	38,109,843	35,105,637	35,078,661
Non-controlling interest		-	-	-	-
Total Equity		38,208,022	38,109,843	35,105,637	35,078,661
Non-Current Liabilities					
Long term incentive scheme	29.2	129,679	129,679	65,554	65,554
Lease Liability	28(b)	243,849	243,849	251,465	251,465
Deferred tax liabilities	13(b)	6,986	6,986	-	-
Total Non-Current Liabilities		380,514	380,514	317,019	317,019
Current Liabilities					
Intercompany payables	26	-	10,000	-	10,000
Payables and Accruals	27	2,374,524	2,374,524	782,789	782,789
Current tax liabilities	13(c)	1,424,638	1,424,638	1,607,004	1,607,004
Other liabilities	28	10,303,406	10,303,406	7,119,969	7,119,969
Lease liability	28(b)	96,755	96,755	80,981	80,981
Total Current Liabilities		14,199,323	14,209,323	9,590,743	9,600,743
Total Liabilities		14,579,837	14,589,837	9,907,762	9,917,762
Total Equity and Liabilities		52,787,859	52,699,680	45,013,399	44,996,423

The consolidated and separate financial statements was approved by the Board of Directors on 28th March 2024 and signed on its


 Mr. Oscar N. Onyema OON
 Chairman
 FRC/2013/IODN/0000001802

behalf by:

 Mr. Haruna Jalo-Waziri
 Managing Director/CEO
 FRC/2017/IODN/00000017488


 Mr. Peter Mecunoye
 Chief Financial Officer
 FRC/2019/001/00000020289



CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

The Group						
In thousands of Naira	Notes	Share capital	Retained earnings	Fair value reserve	Actuarial reserves	Total
Balance at 1 January 2023		5,000,000	30,335,703	(231,736)	1,670	35,105,637
Profit for the year		-	10,077,897	-	-	10,077,897
Other comprehensive income: Fair value loss-FVOCI Financial instruments	25(c)	-	-	(125,512)	-	(125,512)
Total comprehensive income		-	10,077,897	(125,512)	-	9,952,385
Transactions with equity holders: Dividends		-	(6,850,000)	-	-	(6,850,000)
Total Transactions with owners of parent		-	(6,850,000)	-	-	(6,850,000)
Non-Controlling Interest		-	-	-	-	-
Balance at 31 December 2023		5,000,000	33,563,600	(357,248)	1,670	38,208,022

The Company						
In thousands of Naira	Notes	Share capital	Retained earnings	Fair value reserve	Actuarial reserves	Total
Balance at 1 January 2023		5,000,000	30,308,726	(231,736)	1,670	35,078,661
Profit for the year		-	10,006,694	-	-	10,006,694
Other comprehensive income: Fair value loss- FVOCI Financial instruments	25(c)	-	-	(125,512)	-	(125,512)
Total comprehensive income		-	10,006,694	(125,512)	-	9,881,182
Transactions with equity holders: Dividends		-	(6,850,000)	-	-	(6,850,000)
Total Transactions with owners of parent		-	(6,850,000)	-	-	(6,850,000)
Balance at 31 December 2023		5,000,000	33,465,420	(357,248)	1,670	38,109,843

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

The Group						
In thousands of Naira	Notes	Share capital	Retained earnings	Fair value reserve	Actuarial reserves	Total
Balance at 1 January 2022		5,000,000	28,786,348	(77,740)	1,670	33,710,278
Impact of previously unrecognised reserves from associate		-	112,884	-	-	112,884
Restated 1 January 2022		5,000,000	28,899,232	(77,740)	1,670	33,823,162
Profit for the year		-	5,136,471	-	-	5,136,471
Other comprehensive income: Fair value loss- FVOCI Financial instruments	25(c)	-	-	(153,996)	-	(153,996)
Total comprehensive income		-	5,136,471	(153,996)	-	4,982,475
Transactions with equity holders: Dividends		-	(3,700,000)	-	-	(3,700,000)
Total Transactions with owners of parent		-	(3,700,000)	-	-	(3,700,000)
Non-Controlling Interest		-	-	-	-	-
Balance at 31 December 2022		5,000,000	30,335,703	(231,736)	1,670	35,105,637

The Company						
In thousands of Naira	Notes	Share capital	Retained earnings	Fair value reserve	Actuarial reserves	Total
Balance at 1 January 2022		5,000,000	28,815,227	(77,740)	1,670	33,739,157
Profit for the year		-	5,193,499	-	-	5,193,499
Other comprehensive income: Fair value loss- FVOCI Financial instruments	25(c)	-	-	(153,996)	-	(153,996)
Total comprehensive income		-	5,193,499	(153,996)	-	5,039,503
Transactions with equity holders: Dividends		-	(3,700,000)	-	-	(3,700,000)
Total Transactions with owners of parent		-	(3,700,000)	-	-	(3,700,000)
Balance at 31 December 2022		5,000,000	30,308,726	(231,736)	1,670	35,078,661



CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

In thousands of Naira	Notes	Group	Company	Group	Company
		31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
Cash flows from operating activities					
Profit for the year		10,077,897	10,006,694	5,136,471	5,193,499
Adjusted for:					
Income tax expense	13(a)	1,123,970	1,123,970	948,266	948,266
Amortisation of intangible assets	12.4	83,060	83,060	247,879	247,879
Depreciation of property and equipment	12.4	618,532	618,532	376,013	376,013
Impairment loss on financial assets	20	(62,809)	(62,809)	(37,310)	(37,310)
Foreign exchange gain	11	(5,918,784)	(5,918,784)	(402,072)	(402,072)
Investment income	10	(3,608,677)	(3,608,677)	(4,578,366)	(4,578,366)
Share of (Profit)/loss of equity accounted investee, net of tax	23	(71,203)	-	57,029	-
Defined benefit charge	29.2(i)	64,125	64,125	52,735	52,735
Profit on disposal of property and equipment	11	(15,943)	(15,943)	(5,058)	(5,058)
Cash flows from operating activities		2,290,168	2,290,168	1,795,587	1,795,587
Tax paid	13(c)	(1,171,308)	(1,171,308)	(1,077,234)	(1,077,234)
Changes in operating assets and liabilities					
Trade receivables	35(i)	(213,552)	(213,552)	202,510	202,510
Other assets	35(ii)	(4,402,369)	(4,402,369)	76,734	76,734
Payables and accruals	35(iii)	1,591,735	1,591,735	(690,573)	(690,573)
Other liabilities	35(iv)	3,287,271	3,287,271	2,135,139	2,135,139
Net cash flows from operating activities		1,381,946	1,381,946	2,442,163	2,442,163
Cash flows from investing activities:					
Purchase of property and equipment	35(xi)	(1,363,893)	(1,363,893)	(499,774)	(499,774)
Purchase of intangible assets	16	(55,984)	(55,984)	(63,304)	(63,304)
Proceeds on disposal of property and equipment	35(vi)	67,007	67,007	16,533	16,533
Net (purchase)/proceeds on investments (current)	35(vii)	(331,485)	(331,485)	447,154	447,154
Net (purchase)/proceeds on investments (non-current)	35(viii)	(3,352,202)	(3,352,202)	(3,300,767)	(3,300,767)
Interest received	35(ix)	3,624,762	3,624,762	4,450,326	4,450,326
Net cash flows from investing activities		(1,411,794)	(1,411,794)	1,050,170	1,050,170
Cash flows from financing activities:					
Dividend paid	35(x)	(6,888,240)	(6,888,240)	(3,579,551)	(3,579,551)
Lease payment	35(iv)	(95,675)	(95,675)	(95,557)	(95,557)
Net cash flows used in financing activities		(6,983,914)	(6,983,914)	(3,675,108)	(3,675,108)
Net (decrease) in cash and cash equivalents		(7,013,763)	(7,013,763)	(182,776)	(182,776)
Cash and cash equivalents, beginning of the year		15,749,671	15,749,616	15,530,376	15,530,321
Effect of movements in exchange rates on cash held	11	5,918,784	5,918,784	402,072	402,072
Cash and cash equivalents, end of the year	21	14,654,692	14,654,637	15,749,671	15,749,616

The accompanying notes form 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

Central Securities Clearing System Plc (CSCS) operates a computerized depository, clearing, settlement and delivery system for transactions in securities listed on the Nigerian Exchange Limited or any other authorized organized Securities Trading Platform. CSCS facilitates the delivery (transfer of securities from seller to buyer) and settlement (payment for bought securities) of securities transacted on the floors of Nigerian Exchange Limited, NASD OTC Exchange or any other authorized/organized Securities Trading Platform. CSCS was licensed by the Securities and Exchange Commission as an agent for Central Depository, Clearing and Settlement of transactions in the capital market. CSCS keeps and maintains an electronic book-entry of all securities to facilitate the safekeeping and easy transfer of securities between parties during a trade.

The Company also provides other business support services, such as LIEN Services, legal entity identifier issuance. The Company is domiciled in Nigeria with its registered office at Nigerian Exchange Group Building, 2/4, Customs Street, Marina Lagos.

The consolidated and separate financial statements as at and for the year ended 31 December 2023 comprise the Company and its subsidiary (together referred to as the "Group") and the Group's interest in an equity accounted investee.

2 Basis of Preparation

(a) Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council (FRC) of Nigeria (Amendment) Act, 2023. The financial statements were authorised for issue by the

Company's Board of Directors on 28 March 2024. Details of the accounting policies consistently applied by the Company for all years presented in the financial statements are included in Note 3.

(b) Functional and presentation currency

The consolidated and separate financial statements are presented in Nigerian Naira, which is the functional currency of the Group and Company. Except as indicated, financial information presented in Naira has been rounded to the nearest thousand.

(c) Use of estimates and judgements

The preparation of the consolidated and separate financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

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

(d) Basis of measurement

These consolidated and separate financial statements have been prepared on a historical cost basis except for the following material items in the statement of financial position:

- Debt and equity securities measured at FVOCI



- Defined benefit liability. This has been measured as the present value of the defined benefit obligation.

(e) **Changes to the Group material accounting policies**

Material accounting policy information

The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful information that users need to understand other information in the financial statements. The amendments did not result in any significant change in the existing policy.

3 Accounting Standards issued but not yet Effective

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

- Classification of Liabilities are Current or Non-Current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

4 Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise. In addition, the Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies.

Although did not result to any change in the accounting policies themselves.

(a) **Basis of consolidation**

(i) **Business Combination**

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 asset has the ability to produce output. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. The Group has an option to apply the "concentration test" that permits a simplified assessment to assess whether an acquired set of activities 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 a group of similar identifiable assets. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately.

FINANCIAL STATEMENTS

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.

Investments in subsidiary are measured at cost less impairment in the Company financial statements.

(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 incorporate the assets, liabilities and performance results of Insurance Repository Nigeria Limited. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investment in subsidiary is measured at cost in the separate financial statement.

(iii) Loss of control

When the Group loses control over a subsidiary, the Group derecognizes 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) Transactions eliminated on consolidation

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

(v) Non-controlling interests

Non-controlling interests 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 transactions.

(vi) Interest in equity-accounted investee

The Group's interest in equity-accounted investees represents its interest in associates. Associates are those entities in which the Group and Company have significant influence, but not control, over the financial and reporting policies.

Interest in equity accounted investees are accounted for 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 investee, until the date on which the significant influence ceases. The Company invested in NG Clearing Limited. NG Clearing Limited is an associate company in which the Company



has 24.7% ownership interest (2022: 24.7%). It is principally established to operate clearing house(s) for the clearance and settlement of transactions in financial securities and derivatives contracts.

The Company was incorporated in the year 2016 and has commenced operations.

Investment in subsidiaries and equity-accounted investees are measured at cost less impairment in the separate financial statements.

(b) Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions. Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the investments measured at FVTOCI are recognised in other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss). Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rate at the date when fair value was measured. Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) Revenue recognition Revenue from rendering of services

Revenue is recognised when a customer obtains control of the goods or services. Revenue is earned from depository fee, eligibility fee, transaction fee and participation fees.

- Depository fees represent the annual fees charged to companies quoted on the Nigerian Exchange Limited at a rate based on market capitalisation.
- Eligibility Fees represents annual fees charged to stock broking firms for trading. This fees makes the stockbroking firms eligible to trade.
- Settlement banks participation fee represents annual fees charged to banks through which the value of the trades on the Exchanges' trading floor (i.e Nigerian Exchange Limited, NASD OTC Exchange, Lagos Commodities and Future Exchange or any other authorized/organized Securities Trading Platform) settles to all related parties.
- Legal entity identifier represents annual fee charged to all market participants on an annual basis for a unique identification number to enable them trade internationally and attract foreign investors confidence.
- The Group and Company provides lien services to lenders who have granted credit facilities to borrowers secured with securities deposited with the Company.
- Collateral Management fees and other incidental fees are charged and recognised in the statement of profit or loss once the lien service passed the five stages of revenue recognition in accordance with IFRS 15.
- Special account fee represents annual fee charged to individuals, families, corporate and stockbroking firms who desire to have their shares secured in a special account for proper monitoring.
- Website subscription fee represents annual fee charged to individual, family, corporate and stockbroking firms to

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enable them view their transactions online.

- Data centre subscription is earned from electronic document management services rendered to different levels of customers on contract basis. This income is recognised either according to percentage-of-completion or the terms and conditions of the contract letter for the Revenue earned is recognized over the duration of the particular service or revenue is over time as services are rendered. Any upfront fees or payment for services that are rendered over a period are treated as contract liability in line with IFRS 15 and recognized over the required period. These are presented as unearned income.

The following revenue are recognised at a point in time:

- Transaction fees are based on values of shares traded on the Nigerian Exchange Limited or any other authorized / organized Securities Trading Platform charged on the investors at a percentage of sales.
- Listing fee is a one-off charge on new issuance of equity and bond by the issuers. This is a percentage of the number of shares multiplied by the market price.
- Nominal fees is charged to issuers or investors for block divestment and shares detachment at an arms length transaction.
- X-alert fee is charged to investors per transaction alerting them on transactions on their shares.
- DMO services fees are monthly charges to DMO on services rendered. For example: creation of ISIN codes, OTC transaction fees, etc

At a point in time	Overtime
Transaction fees	Depository fee
Listing fees	Eligibility fee
Nominal fees	Settlement bank participation fee
X-alert fee	Legal Entity identifier
DMO Services	Collateral management Special account fee Website subscription fee

The Group and the Company apply practical expedient in considering income from contracts by not disclosing performance obligations that have duration of one year or less.

Contract Liability

IFRS 15 Revenue from Contracts with Customers establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer.

Contract liability is recognised when a payment for customer is due (or already received, whichever is earlier) before a related performance obligation is satisfied.

Contract liability include payment received for collateral management services rendered as well as collateral management, Website Subscription, and sales and business development fees which are yet to be earned as at the year end 31 December 2023.

(d) Share Capital

Incremental costs attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with IAS 12.

(e) Dividends distribution

Dividend distributions to the Group and Company's shareholders are recognised in the Group's consolidated and separate financial



statements in the year in which the dividend is declared and approved by the Group and Company's shareholders. Dividend paid is recognised gross of withholding tax (WHT) with the corresponding WHT remitted to the tax authorities.

(f) Earnings per share

The Group and Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss to ordinary shareholders of the Group and Company by the weighted average number of ordinary shares outstanding during the year. 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.

(g) Employee benefits

(i) Short term employee benefits

Short term employee benefits, such as salaries, paid absences and other benefits are accounted for on an accrual basis and are expensed as the related service is provided. Bonuses are recognised to the extent that the Group and Company has a present obligation to its employees that can be measured reliably. All expenses related to employee benefits are recognised in the income statement as personnel expenses.

(ii) Retirement benefit costs Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due in respect of service rendered before the end of the reporting year. Prepaid contributions

are recognised as an asset to the extent that a cash refund or reduction in future payments is available. The Company operates a funded contributory retirement benefit scheme for its employees under the provisions of the Pension Reform Act 2014 (as amended). The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary.

Defined benefit plans - Long term incentive scheme

The calculation of defined benefit obligations is performed annually by an external actuary using the projected unit credit method. 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.

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 year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year 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 recognized immediately in profit or loss. The Group and Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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Valuation Methodology

- First, at the date of joining employment, Present value approach was used to determine the value of the expected future contributions at the proposed annual contribution rate by discounting at the assumed net of earnings discount rate over the period to retirement.
- Secondly the resulting value was adjusted for accumulation at the valuation rate of interest to the valuation date and thereafter, over the future years to retirement, from that date to give the projected lump sum.
- Finally, the projected cash sum was expressed as a proportion of the projected final total emoluments in the year of retirement to obtain the projected gross income replacement ratio.

(h) Income tax

Income tax expense comprises current tax (company income tax, tertiary education tax, National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The 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.

(a) 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.

(b) Deferred tax

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;



- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

uncertainty related to income taxes, if any.

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

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

(c) 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. Minimum tax is determined as 0.5% of gross turnover of the Group 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

(i) Property and equipment

(i) Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property and equipment are carried at the cost of acquisition or construction and depreciated over its estimated useful life.

The cost of acquisition comprises the acquisition price plus ancillary and subsequent acquisition costs, less any reduction received on the acquisition price. The cost of self-constructed property and

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equipment comprises the direct cost of materials, direct manufacturing expenses, and appropriate allocations of material and manufacturing overheads. Where an obligation exists to remove an asset or restore a site to its former condition at the end of its useful life, the present value of the related future payments is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment includes bearer plants related to agricultural activity.

(ii) Subsequent expenditure

Expenses for the repair of property and equipment, such as on-going maintenance costs, are normally recognized in profit or loss. The cost of acquisition or construction is capitalized if a repair (such as a complete overhaul of technical equipment) will result in future economic benefits to the Group.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property and equipment. Depreciation is charged to profit from the date the assets are available for use and significant asset components with different useful lives are accounted for and depreciated separately. Right-of-use assets are depreciated on a straight-line basis over the lease term. The following depreciation

years, based on the estimated useful lives of the respective assets, are applied throughout the Group:

Computer Equipment	4 years
Furniture and Fittings	8 years
Motor vehicle	4 years
Office Equipment	5 years
Leasehold improvement	3 years
Capital work in progress	Not depreciated

Depreciation begins when an asset (tangible) 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- Non Current Asset Held for Sales and Discontinued Operations.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Derecognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount which is recognised as an operating income or expense respectively in profit or loss.

When assets are sold, closed down or scrapped, the difference between the net proceeds and the net carrying amount of the assets is recognized as a gain or loss in other operating income or expenses, respectively.

(v) Capital Work in progress

Construction and other capital projects that are yet to be completed at the reporting date are classified as capital work in progress and recognised in Work-in-progress account. They are transferred to relevant classes of property and equipment upon completion of the project when items are ready for use.



Items classified as work in progress are not depreciated.

(j) Intangible assets

(i) Initial recognition and measurement

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred, on the same basis as intangible assets that are acquired separately.

(iii) Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative years are as follows:

Software License	Over License term
Software under development	Not amortized

(iv) Derecognition

An intangible asset, amortization methods, useful lives and residual value are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss.

(v) Software under development

Software under development represents qualifying capital expenditure on software, which is yet to be completed at the reporting date. They are transferred to intangible asset class upon completion. Items classified as software under development are not amortized but are reviewed at each reporting date and adjusted if appropriate.

Software under development is capitalised only if the expenditure can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources and ability to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, software under development is measured at cost less accumulated amortisation and any accumulated impairment losses.

(k) Impairment of non-financial assets

The carrying values of all non-financial assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment tests are performed not only on individual items of intangible assets, property, plant and equipment, but also at the level of cash-generating units.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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Cash-generating units are tested if there is an indication of possible impairment. Impairment testing involves comparing the carrying amount of each cash-generating unit or item of intangible assets, property or equipment to the recoverable amount, which is the higher of its fair value less costs to sell or value in use. If the carrying amount exceeds the recoverable amount, the asset is impaired by the amount of the difference.

Impairment losses are recognised in profit or loss. 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 amortization, if no impairment loss had been recognized. Reversals of impairment losses are recognized in profit or loss.

For the purpose of calculating the recoverable amount, both the fair value less costs to sell and the value in use are determined from the present value of the future net cash flows. These are forecast on the basis of the Group and Company's current planning, the planning horizon normally being three to five years. Forecasting involves making assumptions, especially regarding future selling prices, sales volumes and costs. Where the recoverable amount is the fair value less costs to sell, the cash-generating unit is measured from the viewpoint of an independent market participant. Where the recoverable amount is the value in use, the cash-generating unit or individual asset is measured as currently used. In either case, net cash flows beyond the planning year are determined on the basis of long-term business expectations using individual growth rates derived from the respective market information.

(I) Leases

At inception of a contract, the Group and Company 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.

The Group and Company's major lease transactions are leases relating to the lease of its head office and Abuja branch.

(i) The Group/Company is a lessee

The Group and Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group and Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented within note on Property and equipment.

Lease liabilities

The Group and Company recognises lease liabilities at the commencement date of the lease. 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, Group and Company's incremental borrowing rate. Practically, the incremental borrowing rate of the Group and Company is used as the discount rate.



The lease liability is decreased by lease payment and increased by the interest cost on the lease liability. Remeasurement is done whenever there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group and Company has applied judgement to determine the lease term for its lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group and Company is reasonably certain to exercise such options impacts the lease term, which remarkably impacts the amount of right-of-use asset and lease liability recognised.

(m) Financial Instruments

(i) The Group and Company's financial assets comprise the following:

(a) **Cash and cash equivalents**
Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid investments with maturities of three months or less when acquired. They are readily convertible into known amounts of cash and are held for cash management purposes and to meet short term obligations. Cash and cash equivalents are initially measured at fair value and subsequently measured at amortized cost.

(b) Fixed deposits

Fixed deposits, comprising principally funds held with banks and other financial institutions, are initially measured at fair value, plus direct transaction costs, and are subsequently

re-measured to amortised cost using the effective interest rate method at each reporting date.

Changes in carrying value are recognised in the Statement of Profit or Loss.

(c) Investment securities

Investment securities include all securities classified as fair value through other comprehensive Income, fair value through profit or loss and amortised cost. All investment securities are initially recorded at fair value and subsequently measured according to the respective classification.

(d) Trade receivables

Trade receivables comprise debtors from customers. E.g. Bond dealers, Quoted companies, Settlement Banks, etc. They are carried at original invoice amount less any impairment for doubtful receivables. Impairment allowances for doubtful receivables are made using the expected credit loss model taking into account ageing, previous experience, general economic conditions and forward looking information. Other receivables are initially measured at fair value and subsequently measured at amortized cost.

(e) Other receivables

Other receivables comprise staff debtors and other receivables. They are carried at original invoice amount less any impairment for doubtful receivables. Impairment allowances for doubtful receivables are made using the expected credit loss model taking into account ageing, previous experience, general economic conditions and forward looking information. Other receivables are initially measured at fair value and subsequently measured at amortized cost.

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(ii) Recognition and initial measurement

The Group and Company initially recognizes its financial assets and liabilities on the trade date, which is the date on which it becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Trade receivables are initially measured at fair value and subsequently measured at amortized cost.

(iii) Financial assets classification

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

Classification and measurement for debt securities is based on the Group and Company's business model for managing the financial instruments and the contractual cash flow characteristics of the instruments.

Debt instruments are measured at amortised cost if both of the following conditions are met and the asset is not designated as FVTPL:

- (a) the asset is held within a business model that is Held-to-Collect (HTC) as described below, and
- (b) the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Debt instruments are measured at FVOCI if both of the following conditions are met and the asset is not designated as FVTPL:

- (a) the asset is held within a business model that is Held-to-Collect-and-Sell (HTC&S) as described below, and

- (b) the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI.

All other debt instruments are measured at FVTPL.

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

On initial recognition of an equity investment that is not held for trading, the Group and Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election will be used for certain equity investments for strategic or long term investment purposes. This election is made on an investment-by-investment basis and once made is irrevocable. For equity instruments measured at FVTPL, changes in fair value are recognized in the profit or loss. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the profit or loss on sale of the security.

(a) Business model assessment

The Group and Company determines the business models at the level that best reflects how portfolios of financial assets are managed to achieve the Group and Company's business objectives. Judgment is used in determining the business models, which is supported by relevant, objective evidence including:

- How the economic activities of the Group and Company's businesses generate benefits, for example through trading revenue, enhancing yields or other costs and how such economic activities are evaluated and reported to key management personnel;
- How managers of the portfolio are compensated; e.g whether compensation is based on the fair value of assets managed or the contractual cashflows collected;



- The significant risks affecting the performance of the Group and Company's businesses, for example, market risk, credit risk, or other risks and the activities undertaken to manage those risks; and
- Historical and future expectations of sales of securities portfolios managed as part of a business model.
- Frequency, timing and volume of sales is also considered in assessing business model

The Group's business models fall into three categories, which are indicative of the key strategies used to generate returns:

- **Hold-to-Collect (HTC):** The objective of this business model is to hold securities to collect contractual principal and interest cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.
- **Hold-to-Collect-and-Sell (HTC&S):** Both collecting contractual cash flows and sales are integral to achieving the objective of the business model.
- **Other fair value business models:** These business models are neither HTC nor HTC&S, and primarily represent business models where assets are held-for-trading or managed on a fair value basis.

(b) Assessment of whether cashflows 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 and Company 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 and Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable - rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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

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(iv) Financial assets – Subsequent measurement and gains and losses

Financial asset 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.
Debt Investment at FVOCI	These assets are subsequently measured at fair value through other comprehensive income and using effective interest rate method in recognising interest income. Changes in fair value are recognized initially in Other Comprehensive Income (OCI). When the asset is derecognized or reclassified, changes in fair value previously recognized in OCI and accumulated in equity are reclassified to profit and loss on a basis that always results in an asset measured at FVOCI having the same effect on profit and loss as if it were measured at amortized cost.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income, are recognized in profit or loss.
Equity investment 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.

(v) 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 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 amortized 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.

(vi) Derecognition Financial assets

The Group and Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, 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 and Company 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 and Company 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 and Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group and Company 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.

(vii) 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 and Company 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.

(viii) 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 and Company has access at the date. The fair value of a liability reflects its non-performance risk.

When available, the Group and Company measure 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 there is no quoted price in an active market, then the Group and Company uses valuation technique that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

(ix) Amortised cost

The amortized 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 amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

(n) Impairment

Non-derivative financial assets

The Group and Company recognises loss allowances for ECLs on:

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

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

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

Loss allowances for trade receivables 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 and Company 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 and Company's historical experience and informed credit assessment and including forward-looking information.

The Group and Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and Company considers a financial asset to be in default when:

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- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group and Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group and Company 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 and Company considers this to be B or BBB- or higher per Agusto & Co., 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 and Company is exposed to credit risk.

Measurement of ECLs

The Group and Company recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL. The Entity measures expected credit losses and recognizes interest income on risk assets based on the following stages:

Stage 1:

Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, The Group and Company recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to

represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

Stage 2:

Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, The Entity measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the Effective Interest Rate (EIR) multiplied by the gross carrying amount.

Stage 3:

Credit impaired. For debt instruments that have both a significant increase in credit risk plus observable evidence of impairment.

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 and Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Impairment methodology

The calculation of ECL incorporates forward-looking information in all the ECL components. This forward-looking information will impact the various ECL components as follows:

- Probability of default – The PDs will vary during various stages of an economic cycle. It is based on the likelihood that a borrower will default within one year (PD), assessment of the creditworthiness of the counterparty and transformation of 1 Year horizon into lifetime of the asset.



- Loss Given Default – Collateral values will vary based on the stage of an economic cycle.
- Exposure at default – Change in interest rates may affect the EAD e.g. higher interest rates may result in longer terms for loans causing a change in the EAD.

Loss Given Default

The Group applies historical experience to determine the expected loss given default ratios for each class of financial instruments. Where internal historical experience is not available, other sources, e.g. data available from rating companies as well as professional judgments are used to determine the LGD ratios that will apply. Collateral that is held against the financial assets is also considered in determining the LGD.

The Group management has resolved to use the recovery rates as published by Moodys credit analytics for all credit exposures to sovereign denominated in foreign currencies and all corporate exposures.

For sovereign exposures denominated in Naira which are assessed as low credit risk exposures, we have resolved to use LGDs within the range of 5-10% based on the Central banks of Nigeria's Revised Guidance Notes on Credit risk. Section 3.1 of the document addresses exposure to sovereigns and Central banks and states that financial institutions should assign a risk weight of 0% to the following:

- Exposures to Federal Government of Nigeria (FGN) and Central Bank of Nigeria (CBN);
- Instruments issued by other entities backed by express guarantee of the FGN;

- Inter-bank transactions guaranteed by the FGN or CBN; and
- Inter-bank transactions among supervised institutions collateralized by FGN Bonds, Treasury Bills or other similar sovereign bill

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

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

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

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Write-off

The gross carrying amount of a financial asset is written off when the Group and Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group and Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets.

For corporate customers, the Group and Company 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 and Company 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 and Company's procedures for recovery of amounts due.

(o) Provisions

Provisions are measured in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets). Where the cash outflow to settle an obligation is expected to occur after one year, the provision is recognized at the present value of the expected cash outflow. If the projected obligation declines as a result of a change in the estimate, the provision is reversed by the corresponding amount and the resulting income recognized in the operating expense item(s) in which the original charge was recognized.

Claims for reimbursements from third parties are capitalized separately if their realization is virtually certain.

Trade-related provisions are recorded mainly for the obligations in respect of services already received (whether they have been invoiced or not).

Provisions for litigation are recorded in the statement of financial position in respect of pending or future litigations, subject to a case-by-case examination. Such legal proceedings are evaluated on the basis of the available information, including that from legal counsel acting for the Group, to assess potential outcomes. Where it is more likely than not that a present obligation arising out of legal proceedings will result in an outflow of resources, a provision is recorded in the amount of the present value of the expected cash outflows if these are considered to be reliably measurable. These provisions cover the estimated payments to plaintiffs, court fees, attorney costs and the cost of potential settlements. The evaluation is based on the current status of the litigations as of each closing date and includes an assessment of whether the criteria for recording a provision are met and, if so, the amount of the provision to be recorded.

Litigation and other judicial proceedings generally raise complex issues and are subject to many uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, the jurisdiction in which each suit is brought and differences in applicable law. The outcome of currently pending and future proceedings therefore cannot be predicted. As a result of a judgment in court proceedings or the conclusion of a settlement, the Group may incur charges in excess of presently established provisions and related insurance coverage.

Where the time effect of money is material, balances are discounted to current values using appropriate rates of interest. The unwinding of the discount is recognized as finance cost.

(p) Interest income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or



- the amortised cost of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset.

If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(q) **Contingent assets and liabilities**

A 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 Group. Contingent assets are disclosed in the financial statements when they arise.

A contingent liability is a probable 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 Group. However, they are recognised, if it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated.

Contingent liabilities are disclosed in the consolidated and separate financial statements when they arise.

(r) **Other operating expenses**

All other operating expenses are accounted for on accrual basis.

(s) **Other Income**

Other income are recognised when the goods or services are transferred to

the customer, at the transaction price. They comprise of fees on services to the custodian, gain on foreign exchange, profit of asset disposal, etc.

(t) **Finance Cost**

Finance costs are accounted for on accrual basis. This comprises of the Lease interest and interest expense on short-term borrowings.

5 **Use of Judgements and Estimates**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Judgements

Management has exercised judgment in determining the lease term of lease contracts during the year. Judgement has been applied to determine whether the Group is reasonably certain to exercise extension options.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are discussed below;

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Impairment losses of financial assets

- (i) In the application of the Group and Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. In assessing the impairment, the Group and Company use historical information on the timing of the recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends. Actual results may differ from these estimates.

Financial assets accounted for at amortised cost and at fair value through other comprehensive income are evaluated for impairment on a basis described in the accounting policies.

(ii) Key actuarial assumptions

- Measurement of defined benefit obligations: key actuarial assumptions; Defined benefit obligation

The Group and Company sponsored a defined benefit plan for the Managing Director. The Group and Company estimated its obligation to its Managing Director in the current year in return for service using the projected unit credit method. Also, the funding requirements were based on actuarial measurement which sets discount rates with reference to the expected long term rates of return on plan assets.

Amounts contributed in each year into the plan were expensed in the year in which they were due. Note 29.1

(iii) Measurement of fair values

A number of the Group and Company's accounting policies and disclosures require the measurement of fair values.

The Group and Company has an established control framework with respect to the

measurement of fair values. This includes a 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 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 Standards, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Board Audit Committee.

When measuring the fair value of an asset or a liability, the Group and Company 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 instrument.
- (ii) Level 2 : Valuation techniques based on observable inputs, either directly - i.e. as prices or indirectly - i.e. derived from prices. This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- (iii) Level 3 : Valuation techniques using significant unobservable inputs. This category includes all instruments for



which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations. For all other financial instruments, the Group and Company determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bonds and equity prices, foreign currency exchange rates, equity and equity index prices volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instruments at the reporting date that would have been determined by market participants acting at arm's length.

Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair value. Availability of observable market prices and inputs varies depending on the product and market and is prone to changes based on specific events and general conditions in the financial markets.

Further information about the assumptions made in measuring fair values is included in note 8 to the financial statements.

6 Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework and practices. The board of directors has established the Board Risk Committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports regularly to the board of directors on its activities.

The risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures, aims to maintain a disciplined and constructive central environment in which all employees understand their roles and obligations.

The Board Risk Committee also oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board Risk Committee is assisted by the Management Risk Committee and the Internal Audit which undertake both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the Board Risk Committee.

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The Group and Company have exposure to the following risks arising from financial transactions:

- i Credit risk
- ii Liquidity risk
- iii Market risk

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial transaction fails to meet its contractual/financial obligations under the transaction, and arises principally from the Company and Company's receivables from customers and investments in debt securities.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

The Impairment allowance on financial assets were as follows.

In thousands of Naira	Notes	Group	Company	Group	Company
		2023	2023	2022	2022
Impairment loss on trade receivables	18(b)	337,381	337,381	369,417	369,417
Impairment loss on other receivables	19(b)	70,297	70,297	70,297	70,297
Impairment loss on debt securities at amortised cost	17(a)	16,571	16,571	54,637	54,637
Impairment loss on debt securities at FVTOCI	25(c)	3,581	3,581	600	600
Impairment loss on cash and cash equivalents	21	5,154	5,154	16,499	16,499
		432,984	432,984	511,450	511,450

(i) Trade receivables

The Company'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 of the industry and country in which customers operate.

The Board Risk Committee has established a credit policy under which the Company analyses its customers individually for creditworthiness before entering a contract.

Trade receivables that are outstanding for more than 180 days are fully impaired as the Company considers collection of such receivables as doubtful. In monitoring customers' credit risk, customers are grouped according to their credit characteristics, which include bond dealers, legal entities or stockbroking firms.

The Company establishes an allowance for impairment that represents its estimate of expected credit loss model in respect of trade receivables.



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

In thousands of Naira	Notes	Carrying amount		Carrying amount	
		Group	Company	Group	Company
		31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Trade receivables					
Bond Dealers		5,106	5,106	7,392	7,392
Quoted Companies		139,036	139,036	336,579	336,579
Stock Broking Firms		19,292	19,292	14,664	14,664
Sales and Business Development		804,297	804,297	402,060	402,060
Settlement Banks		7,224	7,224	708.41	708
Total	18(a)	974,955	974,955	761,403	761,403
Impairment allowance for trade receivables	18(b)	(337,382)	(337,382)	(369,417)	(369,417)
Total		637,573	637,573	391,987	391,987

In thousands of Naira	Notes	Carrying amount		Carrying amount	
		Group	Company	Group	Company
		31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Other receivables					
Staff debtors		10,938	10,938	7,255	7,255
Sundry receivables		4,191,625	4,191,625	92,463	92,463
Total	19(a)	4,202,563	4,202,563	99,718	99,718
Impairment allowance for other receivables	19(b)	(70,297)	(70,297)	(70,297)	(70,297)
Total		4,132,266	4,132,266	29,420	29,420

The movement in the allowance for impairment in respect of trade and other receivables was as follows:

In thousands of Naira	Other receivables				Trade receivables			
	Group	Company	Group	Company	Group	Company	Group	Company
	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Balance as at 1 January	70,297	70,297	70,297	70,297	369,417	369,417	438,681	438,681
Movement in the year	-	-	-	-	(32,036)	(32,036)	(69,264)	(69,264)
Balance as at year end	70,297	70,297	70,297	70,297	337,382	337,382	369,417	369,417
Movement in the year:								
Impairment (reversal)/charge on financial assets	-	-	-	-	(32,036)	(32,036)	(44,266)	(44,266)
Amount Witten off	-	-	-	-	-	-	(24,998)	(24,998)
Net movement in the year	-	-	-	-	(32,036)	(32,036)	(69,264)	(69,264)

Expected credit loss assessment as at 1 January and 31 December 2023

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Considering the size and lack of complexity in the entity's receivables, CSCS Plc adopted a loss rate approach to determine the expected loss of receivables. The adopted approach uses historical loss experience of the obligor (quoted companies, bond dealers, stockbroking firm, settlement banks). It is based on loss provision over the life of the financial assets to determine the expected loss model as opposed to using separate probability of default (PD), Exposure at Default (EAD) and loss given default (LGD) statistics.

Loss rate model is suitable due to lack of complexity and short term nature of most of the financial assets. The basic steps in determining the expected loss rate using this model are:

- Financial assets are segmented based on credit risk characteristics.
- Loss rate for each financial asset is observed over a period of five years.

The receivable comprises of Bond dealers, Quoted companies, Stock Broking Firm, Settlement Banks and Sales and Business Development customers. Based on the historical data and trend of receivables as well as the macroeconomic data (see table below) for the observable periods, the expected loss rate is estimated based on the average loss rate over the observable periods and adjusting the macro economic impact on the obligor ability to meet his obligation.

As at 31 December 2023, the ageing of trade receivables was as follows:

In thousands of Naira	Weighted-average loss rate	Gross carrying amount	Loss allowance	Credit Impaired
Neither past due nor impaired 1 - 30 days	40%	270,925	107,269	No
Neither past due nor impaired 31 - 90 days	40%	65,043	25,753	No
Neither past due nor impaired 91 - 180 days	40%	516,139	204,359	No
More than 180 days pass due	100%	122,847	122,847	Yes
Total		974,954	460,228	

As at 31 December 2022, the ageing of trade receivables was as follows:

In thousands of Naira	Weighted-average loss rate	Gross carrying amount	Loss allowance	Credit Impaired
	rate	amount	allowance	Impaired
Neither past due nor impaired 1 - 30 days	38%	2,039	778	No
Neither past due nor impaired 31 - 90 days	38%	59,658	22,778	No
Neither past due nor impaired 91 - 180 days	38%	572,398	218,551	No
More than 180 days pass due	100%	127,308	127,308	Yes
Total		761,403	369,417	



In thousands of Naira	Carrying amount			
	Group	Company	Group	Company
	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Neither past due nor impaired 1 - 30 days	270,925	270,925	2,039	2,039
Neither past due nor impaired 31 - 90 days	65,043	65,043	59,658	59,658
Neither past due nor impaired 91 - 180 days	516,139	516,139	572,398	572,398
More than 180 days pass due	122,847	122,847	127,308	127,308
Total	974,954	974,954	761,403	761,403

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

(ii) Debt Securities

The Company limit their exposure to credit risk by investing only in debt securities with counterparties that have a minimum credit rating of BB by reputable rating agency. Management actively monitors credit ratings and ensures that the Company has only made investment in line with the Investment Policy Manual as approved by the Board which provides target allocations in fixed tenured investments.

The Group and Company held total investments of N27.6 billion (at FVOCI - N2.9billion; at Amortised Cost - N25.1billion) as at 31 December 2023 (31 December 2022: N20.7billion(at FVOCI - N301.7million; at Amortised Cost - N20.4billion) which represents its maximum credit exposure on Federal Government Bonds, State Government Bonds, and Corporate Bonds.

As at 31 December 2023, the maximum exposure to credit risk for investments was as follows:

In thousands of Naira	FVOCI		Amortised cost		FVOCI		Amortised cost	
	Group	Company	Group	Company	Group	Company	Group	Company
	31-Dec 2023	31-Dec 2023	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022	31-Dec 2022	31-Dec 2022
Federal Government Bonds	2,862,201	2,862,201	18,505,926	18,505,926	301,673	301,673	13,597,355	13,597,355
State Government Bonds	-	-	2,394,919	2,394,919	-	-	2,708,290	2,708,290
Corporate Bonds	-	-	3,773,213	3,773,213	-	-	4,018,298	4,018,298
Commercial paper	-	-	434,459	434,459	-	-	102,974	102,974
Gross carrying amount	2,862,201	2,862,201	25,108,517	25,108,517	301,673	301,673	20,426,917	20,426,917
Impairment loss allowance	(3,581)	(3,581)	(16,571)	(16,571)	(600)	(600)	(54,637)	(54,637)
Total	2,858,620	2,858,620	25,091,946	25,091,946	301,073	301,073	20,372,280	20,372,280

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Movement in allowance for impairment

	FVOCI		Amortised cost		FVOCI		Amortised cost	
	Group 2023	Company 2023	Group 2023	Company 2023	Group 2022	Company 2022	Group 2022	Company 2022
In thousands of Naira	12-month ECL		12-month ECL		12-month ECL		12-month ECL	
Balance at 1 January	600	600	54,637	54,637	1,676	1,676	47,062	47,062
Impairment loss /(reversal) for the year	2,981	2,981	(38,066)	(38,066)	(1,076)	(1,076)	7,574	7,574
Total	3,581	3,581	16,571	16,571	600	600	54,636	54,636

(iii) Cash and cash equivalents

The Group held cash and cash equivalents of N14.6billion at 31 December 2023 (31 December 2022: N15.9billion) which represents its maximum credit exposure on these assets. The cash and cash equivalents with maturity profile of less than 3 months, are held with local banks which are rated "BB" by reputable rating agency.

Impairment on cash and cash equivalents has been measured on 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The impairment allowance on cash and cash equivalent for the year ended 31 December 2023 was N5.2million because of additional impairment charge. (2022: N16.5million)

(iv) Total exposure to credit risk

The Group's exposure to credit risk was as follows:

In thousands of Naira	Notes	Group	Company	Group	Company
		31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Trade receivables	18(a)	974,955	974,955	761,403	761,403
Other receivables	19(a)	4,202,563	4,202,563	99,718	99,718
Debt securities at FVOCI	17(a)(b)	2,865,783	2,865,783	302,273	302,273
Debt securities at amortized cost	17(a)(b)	25,108,517	25,108,517	20,426,917	20,426,917
Cash and cash equivalents	21	6,173,625	6,173,570	11,924,044	11,923,989
		39,325,442	39,325,387	33,514,355	33,514,300

(v) Credit quality and credit rating of financial assets

The Group's financial assets assessed for impairment are debt securities at amortised cost and FVOCI, cash and cash equivalents, trade receivable and other receivables

The following table presents an analysis of the credit quality of the Company's financial assets



31-Dec-23

Group

In thousands of Naira	Cash and Cash equivalent	Debt securities at Fair value through OCI	Debt securities at amortized cost	Trade receivable	Other receivable
AAA to BBB-	-	-	-	-	-
BB+ to B-	6,173,625	2,865,783	25,108,517	-	-
Unrated	-	-	-	974,955	4,202,563
Gross Amount	6,173,625	2,865,783	25,108,517	974,955	4,202,563

Allowance for impairment					
12-month ECL	(5,154)	(3,581)	(16,571)	(214,535)	-
Lifetime ECL not credit impaired	-	-	-	-	-
Lifetime ECL credit impaired	-	-	-	(122,847)	(70,297)
Total allowance for impairment	(5,154)	(3,581)	(16,571)	(337,383)	(70,297)
Carrying amount	6,168,471	2,862,201	25,091,946	637,572	4,132,266

31-Dec-22

Group

In thousands of Naira	Cash and Cash equivalent	Debt securities at Fair value through OCI	Debt securities at amortized cost	Trade receivable	Other receivable
AAA to BBB-	-	-	-	-	-
BB+ to B-	11,924,044	302,273	20,426,917	-	-
Unrated	-	-	-	761,403	99,718
Gross Amount	11,924,044	302,273	20,426,917	761,403	99,718

Allowance for impairment					
12-month ECL	(16,499)	(600)	(54,637)	(242,110)	-
Lifetime ECL not credit impaired	-	-	-	-	-
Lifetime ECL credit impaired	-	-	-	(127,308)	(70,297)
Total allowance for impairment	(16,499)	(600)	(54,637)	(369,418)	(70,297)
Carrying amount	11,907,545	301,673	20,372,280	391,985	29,421

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31-Dec-23

Company

In thousands of Naira	Cash and Cash equivalent	Debt securities at Fair value through OCI	Debt securities at amortized cost	Trade receivable	Other receivable
AAA to BBB-	-	-	-	-	-
BB+ to B-	6,173,570	2,865,783	25,108,517	-	-
Unrated	-	-	-	974,955	4,202,563
Gross Amount	6,173,570	2,865,783	25,108,517	974,955	4,202,563

Allowance for impairment					
12-month ECL	(5,154)	(3,581)	(16,571)	(214,535)	-
Lifetime ECL not credit impaired	-	-	-	-	-
Lifetime ECL credit impaired	-	-	-	(122,847)	(70,297)
Total allowance for impairment	(5,154)	(3,581)	(16,571)	(337,383)	(70,297)
Carrying amount	6,168,416	2,862,201	25,091,946	637,572	4,132,266

31-Dec-22

Company

In thousands of Naira	Cash and Cash equivalent	Debt securities at Fair value through OCI	Debt securities at amortized cost	Trade receivable	Other receivable
AAA to BBB-	-	-	-	-	-
BB+ to B-	11,923,989	302,273	20,426,917	-	-
Unrated	-	-	-	761,403	-
Gross Amount	11,923,989	302,273	20,426,917	761,403	-

Allowance for impairment					
12-month ECL	(16,499)	(600)	(54,637)	(242,109)	-
Lifetime ECL not credit impaired	-	-	-	-	-
Lifetime ECL credit impaired	-	-	-	(127,308)	(70,297)
Total allowance for impairment	(16,499)	(600)	(54,637)	(369,417)	(70,297)
Carrying amount	11,907,490	301,673	20,372,280	391,986	(70,297)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 risk damage to the Company's reputation.



Impairment on cash and cash equivalents has been measured on 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Group did not recognise any impairment allowance on its cash and cash equivalents as at 31 December 2023 (31 December 2022: Nil).

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial instruments at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting arrangements.

Maturity Analysis

The Group							Contractual cashflows						
31 December 2023													
In thousands of Naira	Less than 3 months	3 months - 6 months	6 months - 1 year	Above 1 year	Total	Carrying amount							
Financial assets													
Investment securities	2,461,269	2,019,945	-	27,356,073	31,837,287	28,054,247							
Trade receivables	335,968	516,139	122,847	-	974,954	637,574							
Other receivables	4,132,266	-	-	-	4,132,266	4,132,266							
Cash and cash equivalents	6,169,716	-	-	-	6,169,716	6,169,771							
Total	13,099,219	2,536,084	122,847	27,356,073	43,114,223	38,993,858							
Financial liabilities													
Payables and accruals	1,163,904	-	-	-	1,163,904	1,163,904							
Other liabilities	387,016	-	9,529,374	-	9,916,390	9,916,390							
Lease liabilities	-	-	95,675	340,604	436,279	340,604							
Total	1,550,919	-	9,625,049	340,604	11,516,572	11,420,897							

The Company							Contractual cashflows						
31 December 2023													
In thousands of Naira	Less than 3 months	3 months - 6 months	6 months - 1 year	Above 1 year	Total	Carrying amount							
Financial assets													
Investment securities	2,461,269	2,019,945	-	27,356,073	31,837,287	28,054,247							
Trade receivables	335,968	516,139	122,847	-	974,954	637,574							
Other receivables	4,132,266	-	-	-	4,132,266	4,132,266							
Cash and cash equivalents	6,169,716	-	-	-	6,169,716	6,169,716							
Total	13,099,219	2,536,084	122,847	27,356,073	43,114,223	38,993,802							
Financial liabilities													
Payables and accruals	1,163,904	-	-	-	1,163,904	1,163,904							
Other liabilities	387,016	-	9,529,374	-	9,916,390	9,916,390							
Lease liabilities	-	-	95,675	340,604	436,279	340,604							
Total	1,550,919	-	9,625,049	340,604	11,516,572	11,420,897							

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The Group Contractual cashflows

31 December 2022

In thousands of Naira	Less than 3 months	3 months - 6 months	6 months - 1 year	Above 1 year	Total	Carrying amount
Financial assets						
Investment securities	951,221	-	1,054,075	25,418,040	27,423,336	24,396,079
Trade receivables	61,697	572,398	127,308	-	761,403	391,986
Other receivables	29,421	-	-	-	29,421	29,421
Cash and cash equivalents	11,908,940	-	-	-	11,908,940	11,908,995
Total	12,951,280	572,398	1,181,383	25,418,040	40,123,101	36,726,482
Financial liabilities						
Payables and accruals	351,106	-	-	-	351,106	351,106
Other liabilities	298,707	-	6,522,555	-	6,821,262	6,821,262
Lease liabilities	-	-	95,557	332,446	428,003	332,446
Total	649,813	-	6,618,112	332,446	7,600,371	7,504,814

The Company

31 December 2022

In thousands of Naira	Less than 3 months	3 months - 6 months	6 months - 1 year	Above 1 year	Total	Carrying amount
Financial assets						
Investment securities	951,221	-	1,054,075	25,418,040	27,423,336	24,499,053
Trade receivables	61,697	572,398	127,308	-	761,403	391,986
Other receivables	29,421	-	-	-	29,421	29,421
Cash and cash equivalents	11,908,940	-	-	-	11,908,940	11,908,940
Total	12,951,280	572,398	1,181,383	25,418,040	40,123,101	36,829,401
Financial liabilities						
Payables and accruals	351,106	-	-	-	351,106	351,106
Other liabilities	298,707	-	6,522,555	-	6,821,262	6,821,262
Lease liabilities	-	-	95,557	332,446	428,003	332,446
Total	649,813	-	6,618,112	332,446	7,600,371	7,504,814

(c) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices – will affect the Group and Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage market risk exposures within acceptable parameters, while optimising the return. The Group and Company do not use derivatives to manage market risks.

(i) Currency Risk

The Company is minimally exposed to the financial risk related to the fluctuation of foreign exchange rates. This is so because its revenues, capital expenditures are principally based in Naira. A significant change in the exchange rates between the Naira (N) (functional and presentation currency) relative to the US dollar would have an insignificant effect on the Company's results of operations, financial position and cash flows. The Company does not enter into any forward exchange contracts to manage the currency risk fluctuations.



The table below summaries the Group and Company's financial instruments at carrying amount, categorised by currency:

The Group

Financial instruments by currency as at 31 December 2023

In thousands	Naira	USD	GBP	Euro
Financial assets				
Investments	16,401,657	12,367	-	-
Trade receivables	637,574	-	-	-
Other receivables	4,132,266	-	-	-
Cash and cash equivalents	6,114,476	46	-	-
	27,285,973	12,413	-	-

Financial liabilities				
Payables and accruals	1,163,904	-	-	-
Other liabilities	9,916,390	-	-	-
	11,080,293	-	-	-
Net Open Position	16,205,680	12,413	-	-

The Company

Financial instruments by currency as at 31 December 2023

In thousands	Naira	USD	GBP	Euro
Financial assets				
Investments	28,041,880	12,367	-	-
Trade receivables	637,574	-	-	-
Other receivables	4,132,266	-	-	-
Cash and cash equivalents	6,169,670	46	-	-
	38,981,389	12,413	-	-

Financial liabilities				
Payables and accruals	1,163,904	-	-	-
Other liabilities	9,916,390	-	-	-
	11,080,293	-	-	-
Net Open Position	27,901,096	12,413	-	-

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The Group

Financial instruments by currency as at 31 December 2022

In thousands	Naira	USD	GBP	Euro
Financial assets				
Investments	18,750,616	12,233	-	-
Trade receivables	391,986	-	-	-
Other receivables	29,421	-	-	-
Cash and cash equivalents	11,865,302	58	-	-
	31,037,325	12,291	-	-
Financial liabilities				
Payables and accruals	351,106	-	-	-
Other liabilities	6,821,262	-	-	-
	7,172,368	-	-	-
Net Open Position	23,864,958	12,291	-	-

The Company

Financial instruments by currency as at 31 December 2022

In thousands	Naira	USD	GBP	Euro
Financial assets				
Investment securities	18,750,616	12,233	-	-
Trade receivables	391,986	-	-	-
Other receivables	29,421	-	-	-
Cash and cash equivalents	11,908,940	58	-	-
	31,080,963	12,291	-	-
Financial liabilities				
Payables and accruals	351,106	-	-	-
Other liabilities	6,821,262	-	-	-
	7,172,368	-	-	-
Net Open Position	23,908,595	12,291	-	-

The following significant exchange rates have been applied :

	Year end average rate		Year end spot rate	
	2023	2022	2023	2022
USD	899	430	907	462
GBP	1,144	529	1,155	558
EUR	995	452	1,001	494



The Company sources their foreign currency needs from its bankers and licensed bureau de change operator. Based on history and evidence available, foreign currency needs are majorly sourced from the licensed bureau de change operator. Thus the weighted average rate was derived from a weighted average of the various official and autonomous sources rates' applicable at the reporting date.

Foreign exchange risk sensitivity analysis

The Company's exposure to foreign currency risk is largely concentrated in US Dollar. Movement in exchange rate between the US Dollar, and the Nigerian Naira affects reported earnings statement of financial position size through increase or decrease in the remeasured amounts of assets and liabilities denominated in US Dollars.

In thousands of Naira	Group and Company	
	31 December 2023	31 December 2022
US dollar effect of 30% up or down movement on profit before tax and balance sheet	3,377,957	261,783
US dollar effect of 30% up or down movement on equity, net of tax	3,377,957	261,783

(li) Interest Rate Risk

The Company adopts a policy of ensuring that significant percentage of investable funds are invested into fixed rate financial assets (treasury bills, federal government bonds and other bonds) in line with its investment policy. The Company is exposed to interest rate shocks even though most of its investments are on fixed rate to maturity investment, however the Company could still be exposed to interest risk if rate increased higher than the fixed rate. Other areas the Company could be exposed to interest risk is the opportunity cost of market movement.

CSCS conducts sensitivity analysis to reveal or measure the sensitivity of its net interest rate income to shift of rates.

Interest Rate Profile

At the end of the reporting year the interest rate profile of the Group's interest bearing financial instruments as reported to the Management of the Group are as follows:

In thousands of Naira	Note	Group 2023	Company 2023	Group 2022	Company 2022
Financial instruments					
Cash and cash equivalents	21	6,168,471	6,168,416	11,907,545	11,907,490
Investment securities	17	27,619,788	27,619,788	24,396,079	24,396,079
		33,788,259	33,788,204	36,303,624	36,303,569

Interest rate sensitivity:

he table below shows the impact on the Company's profit before tax if interest rates on financial instruments had increased or decreased by 300 basis points, with all other variables held constant.

In thousands of Naira	Group 2023	Company 2023	Group 2022	Company 2022
Increase in interest rate by 300 basis points (+10%)	1,013,648	1,013,646	363,036	363,036
Decrease in interest rate by 300 basis points (-10%)	(1,013,648)	(1,013,646)	(363,036)	(363,036)

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(d) Equity Price Risk

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of its capital structure. The capital structure of the Company consist of the following:

- Share capital
- Retained earnings
- Other reserves

Information relating to the Company's Capital Structure is disclosed in Note 25 to the consolidated and separate financial statements.

The Group's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and risks associated with share capital.

Capital risk management

The Company's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Equity includes all capital and reserves of the company that are managed as capital. The Securities and Exchange Commission ("SEC") sets and monitors capital requirements for all Securities Clearing and Settlement Companies (CSDs). SEC prescribes the minimum capital requirement for a Central Securities Depository (CSD) operating in Nigeria. The minimum capital requirement for a CSD is five hundred million naira (N500,000,000.00). The Company has a total equity of N38.1 billion as at 31 December 2023 (31 December 2022: N35.0 billion). This is well above the minimum capital requirement set by SEC.

7 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's Management 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.

The Group's Management has considered the nature of product and services in determining the reportable segment of the group.

The Group has three (3) identifiable segments and the following summary describes the operations in each of the these segments.

- (i) Operations: This Segment provides clearing and settlement services in regard to equities and other securities types including commercial papers traded other recognized Exchange Platforms in the Nigerian Capital Market. Revenue recognised in this segment are revenues from core activities in note 9 of the financial statements and other income.
- (ii) Product and Services: This segment provides secondary data storage and disaster recovery in event of data loss to companies. It also stores securities used as collateral for credit facilities by companies. Revenue recognised in this segment are revenues from non core activities in note 9 of the financial statements.



- (iii) Treasury: This segment is responsible for investments and management of the Group's liquidity ensuring a balance between liquidity and profitability.

The Group

31 December 2023

in thousands of Naira	Operations	Product and Services	Treasury	Unallocated segment	Total
Revenue:					
Derived from external customers	7,325,156	1,670,781	3,608,677	-	12,604,614
Others	6,418,238	-	-	-	6,418,238
Segment revenue	13,743,394	1,670,781	3,608,677	-	19,022,852

Expenses:					
Personnel Expenses	(2,347,966)	(285,442)	(616,518)	-	(3,249,926)
Operating expenses	(2,787,707)	(338,901)	(731,983)	-	(3,858,591)
Finance cost	(104,677)	(12,726)	(27,486)	-	(144,888)
Depreciation and amortisation	(506,877)	(61,621)	(133,094)	-	(701,592)
Impairment reversal on financial assets	45,377	5,517	11,915	-	62,809
Segment Expense	(5,701,850)	(693,172)	(1,497,165)	-	(7,892,188)
Segment operating income before tax	8,041,544	977,609	2,111,512	-	11,130,664
Share of profit of equity-accounted investee	-	-	-	71,203	71,203
Income tax expense	-	-	-	(1,123,970)	(1,123,970)
Profit after tax	8,041,544	977,609	2,111,512	(1,123,970)	10,077,897

31 December 2023

Assets and liabilities

in thousands of Naira	Operations	Product and Services	Treasury	Unallocated segment	Total
Total assets	38,137,517	4,636,369	10,013,973	-	52,787,859
Total liabilities	10,533,460	1,280,550	2,765,827	-	14,579,837
Net asset	27,604,057	3,355,817	7,248,145	-	38,208,022

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The Group

31 December 2022

in thousands of Naira	Operations	Product and Services	Treasury	Unallocated segment	Total
Revenue:					
Derived from external customers	4,620,023	1,869,000	4,578,366	-	11,067,388
Others	447,932	-	-	-	447,932
Segment revenue	5,067,955	1,869,000	4,578,366	-	11,515,320
Expenses:					
Personnel Expenses	(962,333)	(354,897)	(869,367)	-	(2,186,596)
Operating expenses	(1,111,238)	(409,811)	(1,003,887)	-	(2,524,936)
Finance cost	(33,203)	(12,245)	(29,995)	-	(75,442)
Depreciation and amortisation	(274,578)	(101,261)	(248,052)	-	(623,891)
Impairment loss on financial assets	16,420	6,056	14,834	-	37,310
Segment Expense	(2,364,931)	(872,158)	(2,136,467)	-	(5,373,555)
Segment operating income before tax	2,703,024	996,842	2,441,899	-	6,141,765
Share of loss of equity-accounted investee	-	-	-	(57,029)	(57,029)
Income tax expense	-	-	-	(948,266)	(948,266)
Profit after tax	2,703,024	996,842	2,441,899	(1,005,295)	5,136,471

31 December 2022

Assets and liabilities

In thousands of Naira	Operations	Product and Services	Treasury	Unallocated segment	Total
Total assets	19,810,641	7,305,922	17,896,836	-	45,013,399
Total liabilities	4,360,460	1,608,084	3,939,218	-	9,907,762
Net asset	15,450,181	5,697,838	13,957,618	-	35,105,637

8 Accounting classifications and fair values of financial assets and liabilities

The table below shows the carrying amounts and fair values of financial instruments measured at fair value, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The Group

31 December 2023		Carrying amount				Fair value			
In thousands of Naira	Notes	FVOCI	Amortized Cost	FVTPL	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value									
- Federal Government Bonds	17(a)	2,862,201	-	-	2,862,201	2,862,201	-	-	2,862,201
		2,862,201	-	-	2,862,201	2,862,201	-	-	2,862,201



The Company

In thousands of Naira	Notes	FVOCI	Amortized Cost	FVTPL	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value									
- Federal Government Bonds	17(a)	2,862,201	-	-	2,862,201	2,862,201	-	-	2,862,201
		2,862,201	-	-	2,862,201	2,862,201	-	-	2,862,201

The Group

31 December 2022		Carrying amount				Fair value			
In thousands of Naira	Notes	FVOCI	Amortized Cost	FVTPL	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value									
- Federal Government Bonds	17(a)	301,673	-	-	301,673	301,673	-	-	301,673
- Quoted Equities investment	17(a)	-	-	3,725,000	3,725,000	3,725,000	-	-	2,309,288
		301,673	-	3,725,000	4,026,673	4,026,673	-	-	4,026,673

The Company

31 December 2022		Carrying amount				Fair value			
In thousands of Naira	Notes	FVOCI	Amortized Cost	FVTPL	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value									
- Federal Government Bonds	17(a)	301,673	-	-	301,673	301,673	-	-	301,673
- Quoted Equities investment	17(a)	-	-	3,725,000	3,725,000	3,725,000	-	-	2,309,288
		301,673	-	3,725,000	4,026,673	4,026,673	-	-	4,026,673

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

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The Group

31 December 2023		Carrying amount			Fair value			
In thousands of Naira	Notes	Financial asset at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value								
- Federal Government Bonds	17(a)	18,505,926	-	18,505,926	16,419,719	-	-	16,419,719
- Corporate Government Bonds	17(a)	3,773,213	-	3,773,213	1,486,278	520,317	-	2,006,595
- State Government Bonds	17(a)	2,394,919	-	2,394,919	1,583,217	1,562,525	-	3,145,742
- Commercial paper	17(b)	434,459	-	434,459	-	458,563	-	458,563
- Unquoted Equities	17(a)	100,100	-	100,100	-	-	100,100	100,100
- Trade receivables	18(a)	637,574	-	637,574	-	637,574	-	637,574
- Other assets	19(a)	4,132,266	-	4,132,266	-	4,132,266	-	4,132,266
- Cash and cash equivalents	21	14,654,692	-	14,654,692	-	14,654,692	-	14,654,692
		44,633,149	-	44,633,149	19,489,213	21,965,937	100,100	41,555,250

Financial liabilities not measured at fair value								
- Payables and Accruals	27	-	1,163,904	1,163,904	-	1,163,904	-	1,163,904
- Other liabilities	28	-	9,916,390	9,916,390	-	9,916,390	-	9,916,390
- Lease liability	28(b)	-	340,604	340,604	-	340,604	-	340,604
		-	11,420,898	11,420,898	-	11,420,898	-	11,420,898



The Company

31 December 2023		Carrying amount			Fair value			
In thousands of Naira	Notes	Financial asset at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value								
- Federal Government Bonds	17(a)	18,505,926	-	18,505,926	16,419,719	-	-	16,419,719
- Corporate Government Bonds	17(a)	3,773,213	-	3,773,213	1,486,278	520,317	-	2,006,595
- State Government Bonds	17(a)	2,394,919	-	2,394,919	1,583,217	1,562,525	-	3,145,742
- Commercial paper	17(b)	434,459	-	434,459	-	458,563	-	458,563
- 'Unquoted Equities	17(a)	100,100	-	100,100	-	-	100,100	100,100
-Trade receivables	18(a)	637,574	-	637,574	-	637,574	-	637,574
-Other assets	19(a)	4,132,266	-	4,132,266	-	4,132,266	-	4,132,266
-Cash and cash equivalents	21	14,654,637	-	14,654,637	-	14,654,637	-	14,654,637
		44,633,094	-	44,633,094	19,489,213	21,965,882	100,100	41,555,195

Financial liabilities not measured at fair value								
-Payables and Accruals	27	-	1,163,904	1,163,904	-	1,163,904	-	1,163,904
-Other liabilities	28	-	9,916,390	9,916,390	-	9,916,390	-	9,916,390
-Lease liability	28(b)	-	340,604	340,604	-	340,604	-	340,604
		-	11,420,898	11,420,898	-	11,420,898	-	11,420,898

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The Group

31 December 2022		Carrying amount			Fair value			
In thousands of Naira	Notes	Financial asset at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value								
- Federal Government Bonds	17(a)(b)	13,597,354	-	13,597,354	11,095,603	-	-	11,095,603
- Corporate Government Bonds	17(a)	4,018,298	-	4,018,298	629,568	1,053,610	-	1,683,178
- State Government Bonds	17(a)	2,708,290	-	2,708,290	1,646,907	959,912	-	2,606,819
- Commercial paper	17(b)	102,974	-	102,974	105,667	-	-	105,667
- Unquoted Equities	17(a)	100,100	-	100,100	-	-	100,100	100,100
- Trade receivables	18(a)	391,986	-	391,986	-	391,986	-	391,986
- Other assets	19(a)	29,421	-	29,421	-	29,421	-	29,421
- Cash and cash equivalents	21	15,749,671	-	15,749,671	-	15,749,671	-	15,749,671
		36,698,094	-	36,698,094	13,477,744	18,184,601	100,100	31,762,445
Financial liabilities not measured at fair value								
- Payables and Accruals	27	-	351,106	351,106	-	351,106	-	351,106
- Other liabilities	28	-	6,821,262	6,821,262	-	6,821,262	-	6,821,262
- Lease liability	28(b)	-	332,446	332,446	-	332,446	-	332,446
		-	7,504,815	7,504,815	-	7,504,815	-	7,504,815



The Company

31 December 2022		Carrying amount			Fair value			
In thousands of Naira	Notes	Financial asset at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value								
- Federal Government Bonds	17(a)	13,597,354	-	13,597,354	11,095,603	-	-	11,095,603
- Corporate Government Bonds	17(a)	4,018,298	-	4,018,298	629,568	1,053,610	-	1,683,178
- State Government Bonds	17(a)	2,708,290	-	2,708,290	1,646,907	959,912	-	2,606,819
--Commercial paper	17(a)	102,974	-	102,974	105,667	-	100,100	105,667
- 'Unquoted Equities	17(a)	100,100	-	100,100	-	-	-	100,100
-Trade receivables	18(a)	391,986	-	391,986	-	391,986	-	391,986
-Other assets	19(a)	29,421	-	29,421	-	29,421	-	29,421
-Cash and cash equivalents	21	15,749,671	-	15,749,671	-	15,749,671	-	15,749,671
		36,698,094	-	36,698,094	13,477,744	18,184,601	100,100	31,762,445

Financial liabilities not measured at fair value								
-Payables and Accruals	27	-	351,106	351,106	-	351,106	-	351,106
-Other liabilities	28	-	6,821,262	6,821,262	-	6,821,262	-	6,821,262
-Lease liability	28(b)	-	332,446	332,446	-	332,446	-	332,446
		-	7,504,815	7,504,815	-	7,504,815	-	7,504,815

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The Company

31 December 2022		Carrying amount			Fair value			
In thousands of Naira	Notes	Financial asset at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value								
- Federal Government Bonds	17(a)	13,597,354	-	13,597,354	11,095,603	-	-	11,095,603
- Corporate Government Bonds	17(a)	4,018,298	-	4,018,298	629,568	1,053,610	-	1,683,178
- State Government Bonds	17(a)	2,708,290	-	2,708,290	1,646,907	959,912	-	2,606,819
--Commercial paper	17(b)	102,974	-	102,974	105,667	-	100,100	105,667
- 'Unquoted Equities	17(a)	100,100	-	100,100	-	-	-	100,100
-Trade receivables	18(a)	391,986	-	391,986	-	391,986	-	391,986
-Other assets	19(a)	29,421	-	29,421	-	29,421	-	29,421
-Cash and cash equivalents	21	15,749,616	-	15,749,616	-	15,749,616	-	15,749,616
		36,698,040	-	36,698,040	13,477,744	18,184,546	100,100	31,762,391
Financial liabilities not measured at fair value								
-Payables and Accruals	27	-	351,106	351,106	-	351,106	-	351,106
-Other liabilities	28	-	6,821,262	6,821,262	-	6,821,262	-	6,821,262
-Lease liability	28(b)	-	332,446	332,446	-	332,446	-	332,446
		-	7,504,815	7,504,815	-	7,504,815	-	7,504,815



9 Revenue

The Group

	Group	Company	Group	Company
In thousands of Naira	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Revenue from core activities				
Eligibility fees	41,398	41,398	52,709	52,709
Depository fees	2,372,501	2,372,501	1,958,417	1,958,417
Transaction fees	4,911,257	4,911,257	2,608,897	2,608,897
	7,325,156	7,325,156	4,620,023	4,620,023
Revenue from non-core activities				
Collateral management fees	441,688	441,688	516,294	516,294
Data centre subscriptions	985,788	985,788	731,988	731,988
Nominal fees	80,284	80,284	457,322	457,322
Settlement banks participation fees	38,880	38,880	48,640	48,640
Statement of stock position fees	28,686	28,686	17,736	17,736
Special Accounts Fee	4,634	4,634	3,014	3,014
Website subscription fees	39,454	39,454	40,553	40,553
X-Alert fee	3,270	3,270	2,533	2,533
DMO Services - FG saving	6,518	6,518	1,316	1,316
Legal Entity Identifier subscription	5,887	5,887	5,985	5,985
Issuers portal	1,493	1,493	1,190	1,190
ISIN and Symbol Code fees	20,164	20,164	22,278	22,278
Data Services (API account)	2,739	2,739	-	-
Global Search – Income account	11,296	11,296	20,151	20,151
	1,670,781	1,670,781	1,869,000	1,869,000
Total revenue	8,995,937	8,995,937	6,489,022	6,489,022

10 Investment Income

	Group	Company	Group	Company
In thousands of Naira	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Interest income from:				
Fixed deposits	236,944	236,944	765,138	765,138
Treasury bills	92,150	92,150	16,595	16,595
Federal Government bonds	1,547,172	1,547,172	1,518,136	1,518,136
Corporate bonds	543,163	543,163	411,886	411,886
State bonds	323,481	323,481	347,472	347,472
Quoted Equities	-	-	1,198,094	1,198,094
Total interest income calculated using the effective interest method	2,742,910	2,742,910	4,257,321	4,257,321
Gain on disposal of FGN bond	665,767	665,767	321,045	321,045
Profit on disposal of investment	665,767	665,767	321,045	321,045
Dividend income from securities investments	200,000	200,000	-	-
Total investment income	3,608,677	3,608,677	4,578,366	4,578,366

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The total amount of investment income on instruments measured at amortized cost for the Group and Company is N2.7bn (2022: N4.3bn)

11 Other Income

	Group	Company	Group	Company
In thousands of Naira	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Profit on disposal of property and equipment	15,943	15,943	5,058	5,058
Miscellaneous income	7,542	7,542	7,710	7,710
Net gain on foreign exchange	5,918,784	5,918,784	402,072	402,072
Custodian fee	8,863	8,863	8,864	8,864
Income (Security Lending)	192,106	192,106	24,229	24,229
Fair Value Gains - Quoted Equities	275,000	275,000	-	-
	6,418,238	6,418,238	447,932	447,932

12 Expenses

12.1 (i) Personnel Expenses

The Group

	Group	Company	Group	Company
In thousands of Naira	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Salaries and allowances	1,718,778	1,718,778	1,405,689	1,405,689
Staff training and development	92,580	92,580	85,375	85,375
Staff welfare and medical expenses	229,413	229,413	176,910	176,910
Performance bonus (see note (i) below)	967,885	967,885	323,251	323,251
Long term incentive scheme expense(see note (ii) below)	64,125	64,125	52,735	52,735
Staff Pension Contribution (see note (iii) below)	145,105	145,105	115,544	115,544
Nigeria Social Insurance Trust Fund (NSITF)	32,040	32,040	27,092	27,092
	3,249,926	3,249,926	2,186,596	2,186,596

- (i) Performance bonus accrual for 2023 was made in line with the board approved staff incentive bonus scheme for the year ended 31 December 2023.
- (ii) Long Term Incentive Scheme is a defined benefit (as approved by the Board). See Note 29 for details.
- (iii) The Company operates a funded defined contribution retirement scheme for its employees under the provision of the Pension Reform Act of 2014. The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary. The Company does not have any additional legal or constructive obligation to pay further contributions if the Pension Fund Administrators do not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior years.



12.1(ii) Employee Information:

(a) The average number of persons in employment during the year were as follows:

	Group		Company	
In thousands of Naira	31 December 2023	31 December 2023	31 December 2022	31 December 2022
Executive Directors	2	2	2	2
Management	6	6	5	5
Non-management	105	105	98	98
	113	113	105	105

(b) The Directors who received fees and other emoluments (excluding pension contributions and reimbursable expenses) were:

	Group		Company	
In thousands of Naira	31 December 2023	31 December 2023	31 December 2022	31 December 2022
Chairman	11,667	11,667	12,917	12,917
Other non-executive Directors	75,295	75,295	127,073	127,073
	86,962	86,962	139,990	139,990

The Directors remuneration as shown above includes:

	Group		Company	
In thousands of Naira	31 December 2023	31 December 2023	31 December 2022	31 December 2022
Executive Compensation	279,862	279,862	186,898	186,898
The highest paid Director	279,862	279,862	186,898	186,898

(c) The number of Directors who received fees and other emoluments (excluding pension contributions and reimbursable expenses) in the following ranges was:

	Group		Company	
In thousands of Naira	31 December 2023	31 December 2023	31 December 2022	31 December 2022
N1,000,000 - N5,000,000	3	3	3	3
N5,000,001 and above	8	8	8	8
	11	11	11	11

(d) The employees of the Group, other than Directors, who received remuneration in the following range (excluding pension contributions and other benefits) were:

	Group		Company	
In thousands of Naira	31 December 2023	31 December 2023	31 December 2022	31 December 2022
N60,000 - N1,000,000	-	-	-	-
N1,000,001 - N3,000,000	4	4	1	1
N3,000,001 - N6,000,000	20	20	22	22
N6,000,001 - N9,000,000	30	30	31	31
N9,000,001 and above	57	57	51	51
	111	111	105	105

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12.2 Other Operating Expenses

In thousands of Naira	Group	Company	Group	Company
	31 December 2023	31 December 2023	31 December 2022	31 December 2022
Maintenance expenses	46,049	46,049	41,369	41,369
Office running expenses (see note (a) below)	574,413	574,413	453,734	453,734
Business development (see note (b) below)	2,010,069	2,010,069	1,030,598	1,030,598
Board of Directors fees	86,962	86,962	139,990	139,990
Board of Directors expenses	684,381	684,381	510,183	510,183
Donations	42,450	42,450	45,325	45,325
Professional fees	288,534	288,534	222,660	222,660
Audit fees	35,000	35,000	29,500	29,500
Bank charges	8,674	8,674	10,554	10,554
NIBBS BVN Verification Service Charge	1,498	1,498	293	293
Industrial Training Fund (ITF)	44,838	44,838	12,577	12,577
Other miscellaneous expenses (see note (c) below)	35,723	35,723	28,152	28,152
	3,858,591	3,858,591	2,524,936	2,524,936

(a) Office running expenses represent expense incurred in running the business efficiently which comprise subscription, insurance, printing and stationery, marketing and brand communication expense, and other administrative expenses.

(b) Business development expenses can be analysed as follows:

In thousands of Naira	Group	Company	Group	Company
	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Data centre/IT Maintenance	279,902	279,902	142,817	142,817
Business travel expenses	220,017	220,017	131,284	131,284
Business promotion/development	80,073	80,073	85,222	85,222
Digital centre services expenses	853,342	853,342	393,920	393,920
Software license fees	575,878	575,878	276,956	276,956
Legal Entity Identifier remittance	857	857	398	398
	2,010,069	2,010,069	1,030,598	1,030,598



(c) Other miscellaneous expenses

Other miscellaneous expenses can be analysed as follows:

In thousands of Naira	Group	Company	Group	Company
	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Filing fees	423	423	108	108
Entertainment	3,205	3,205	6,988	6,988
Annual General Meeting (AGM) expenses	31,219	31,219	20,408	20,408
Investor relations expense	872	872	638	638
Investor Protection Scheme (see note (d) below)	-	-	9	9
	35,719	35,719	28,152	28,152

(d) Investor protection expenses represents cost to buy back stocks which had remained unsettled due to financial inability of specific stockbroking firms. The Company bought back the shares to avoid distortions in the market.

12.3 Finance Cost

In thousands of Naira	Group	Company	Group	Company
	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Lease interest	41,610	41,610	75,442	75,442
Interest expense on short-term borrowings	103,278	103,278	-	-
	144,888	144,888	75,442	75,442

12.4 Depreciation and Amortisation

In thousands of Naira	Group	Company	Group	Company
	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Depreciation of property and equipment (See (15))	618,532	618,532	376,013	376,013
Amortisation of intangible assets (See (16))	83,060	83,060	247,879	247,879
	701,592	701,592	623,891	623,891

13 Taxation

13 (a) Income tax expense recognised in profit or loss

In thousands of Naira	Group	Company	Group	Company
	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Corporate income tax	769,819	769,819	1,031,237	1,031,237
Tertiary education tax	107,259	107,259	92,800	92,800
Information technology levy	111,307	111,307	61,430	61,430
Police trust fund	557	557	307	307
Income tax	988,942	988,942	1,185,774	1,185,774
Deferred tax expense				
Temporary differences - deferred tax	135,028	135,028	(237,508)	(237,508)
	1,123,970	1,123,970	948,266	948,266

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Reconciliation of effective tax rate

The Group

In thousands of Naira	31 December 2023		31 December 2022	
	Tax rate	Amount	Tax rate	Amount
Profit before tax		11,201,867		6,084,737
Income tax using the domestic corporation tax rate	30.0%	3,360,560	30.00%	1,825,421
Non-deductible expenses	3.3%	365,872	6.6%	354,679
Non taxable income	-25.19%	(2,821,585)	-23.60%	(1,386,371)
Tertiary Education tax	1.0%	107,259	1.5%	92,800
Impact of NITDA Levy	1.0%	111,307	1.0%	61,430
Police trust fund	0.0%	557	0.0%	307
	10.03%	1,123,970	15.58%	948,266

The Company

In thousands of Naira	31 December 2023		31 December 2022	
	Tax rate	Amount	Tax rate	Amount
Profit before tax		11,130,664		6,141,765
Income tax using the domestic corporation tax rate	30.00%	3,339,199	30.00%	1,842,529
Non-deductible expenses	3.29%	365,872	6.58%	337,571
Non taxable income	-25.16%	(2,800,224)	-23.66%	(1,386,371)
Tertiary Education tax	0.96%	107,259	1.51%	92,800
Impact of NITDA Levy	1.00%	111,307	1.00%	61,430
Police trust fund	0.01%	557	0.01%	307
	10.10%	1,123,970	15.43%	948,266

13 (b) Deferred tax (liabilities)/ assets:

Deferred tax (liabilities)/assets attributable to the following:

In thousands of Naira	Group	Company	Group	Company
	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Cash and cash equivalents	-	-	-	-
Investment securities	132,495	132,495	167,614	167,614
Property and equipment, and software	(181,628)	(181,628)	(60,550)	(60,550)
Other liabilities	42,146	42,146	20,977	20,977
	(6,986)	(6,986)	128,042	128,042



Movement in deferred tax balances:

In thousands of Naira	Balance, beginning of year	Recognised in Profit or loss	Recognised in OCI	Balance, end of year	Deferred tax asset/(liabilities)
31 December 2023					
Cash and cash equivalents	-	-	-	-	-
Investment securities	167,614	(35,119)	-	132,495	132,495
Property and equipment	(60,550)	(121,078)	-	(181,628)	(181,628)
Other liabilities	20,977	21,169	-	42,146	42,146
Tax assets/(liabilities)	128,042	(135,028)	-	(6,986)	(6,986)

In thousands of Naira	Balance, beginning of year	Recognised in Profit or loss	Recognised in OCI	Balance, end of year	Deferred tax asset/(liabilities)
31 December 2022					
Investment securities	(13,074)	180,688	-	167,614	167,614
Property and equipment	(96,393)	35,843	-	(60,550)	(60,550)
Other liabilities	-	20,977	-	20,977	20,977
Tax assets/(liabilities)	(109,466)	237,508	-	128,042	128,042

13 (c) Current tax liabilities

In thousands of Naira	Group	Company	Group	Company
	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Balance, beginning of year	1,607,004	1,607,004	1,498,463	1,498,463
Charge for the year (see note 13(a) above)	988,942	988,942	1,185,774	1,185,774
Payments during the year	(1,171,308)	(1,171,308)	(1,077,234)	(1,077,234)
Balance, end of period	1,424,638	1,424,638	1,607,004	1,607,004

14 Basic/Diluted Earnings Per Share

The calculation of basic/diluted earnings per share at 31 December 2023 was based on the profit attributable to ordinary shareholders of N10.07billion for the Group and N10.01billion for the Company (31 December 2022: N5.14billion for the Group and N5.19 billion for the Company) and an average number of ordinary shares outstanding of 5,000,000,000 (31 December 2022: 5,000,000,000).

In thousands of Naira	Group	Company	Group	Company
	31-Dec 2023	31-Dec 2023	31-Dec 2022	31-Dec 2022
Profit attributable to ordinary shareholders	10,077,897	10,006,694	5,136,471	5,193,499
In thousands of unit				
Weighted average number of ordinary shares (basic/diluted)	5,000,000	5,000,000	5,000,000	5,000,000
Earnings per share (basic/diluted)- Kobo	202k	200k	103k	104k

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15 Property and Equipment

The Group

In thousands of Naira	Motor vehicles	Furniture and fittings	Office equipment	Computer equipment	Leasehold Improvement	Building Right-of-use asset	Work-in-progress	Total
Cost								
Balance at 1 January 2022	892,616	137,910	195,846	1,035,273	459,445	438,528	671,292	3,830,910
Additions	-	1,600	51,010	66,117	-	33,205	347,842	499,774
Reclassification	-	184,912	1,706	-	(186,618)	-	-	-
Reclassification	(55,624)	(23,538)	-	-	(125)	-	-	(79,287)
Balance as at 31 December 2022	836,992	300,884	248,562	1,101,390	272,702	471,733	1,018,699	4,250,962
Balance at 1 January 2023	836,992	300,884	248,562	1,101,390	272,702	471,733	1,018,699	4,250,962
Additions	484,040	280	31,550	72,145	9,828	62,222	766,050	1,426,115
Reclassification	99,252	353,384	20,588	34,477	510,999	-	(1,018,700)	-
Disposals/Transfers	(227,942)	-	(13,172)	-	(94,188)	-	-	(335,303)
Balance as at 31 December 2023	1,192,342	654,548	287,527	1,208,012	699,341	533,954	766,049	5,341,773
Accumulated depreciation								
Balance at 1 January 2022	461,942	118,779	131,705	933,326	171,426	162,351	-	1,979,529
Depreciation for the year	166,973	8,774	20,829	53,381	68,492	57,572	-	376,021
Reclassifications	-	23,114	341	-	(23,455)	-	-	-
Disposals/Transfers	(44,478)	(23,334)	-	-	-	-	-	(67,812)
Balance at 31 December 2022	584,437	127,333	152,875	986,707	216,463	219,923	-	2,287,739
Balance at 1 January 2023	584,437	127,333	152,875	986,707	216,463	219,923	-	2,287,739
Depreciation for the year	328,446	45,086	29,489	55,060	102,821	56,491	-	617,392
Disposals/Transfers	(188,563)	-	(1,487)	-	(94,188)	-	-	(284,238)
Balance as at 31 December 2023	724,320	172,419	180,877	1,041,767	225,095	276,414	-	2,620,892
Carrying amount as at 1 January 2022	430,674	19,131	64,141	101,947	288,019	276,177	671,292	1,851,381
Carrying amount as at 31 December 2022	252,555	173,551	95,687	114,683	56,239	251,810	1,018,699	1,963,224
Carrying amount as at 31 December 2023	468,022	482,129	106,650	166,245	474,246	257,540	766,049	2,720,881

- There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2022: Nil)
- All items of property and equipment are non-current.
- There was no impairment losses on any class of property and equipment during the year (2022: Nil)
- There were no items of property and equipment pledged as security for borrowings as at 31 December 2023 (2022: Nil)
- Other WIP items represents office retrofit project.
- The reclassification from Leasehold represent the Office retrofit for the completed floors.



The Company

In thousands of Naira	Motor vehicles	Furniture and fittings	Office equipment	Computer equipment	Leasehold Improvement	Building Right-of-use asset	Work-in-progress	Total
Cost								
Balance at 1 January 2022	892,616	137,910	195,846	1,035,273	459,445	438,528	671,291	3,830,909
Additions	-	1,600	51,010	66,117	-	33,205	347,842	499,774
Reclassification	-	184,912	1,706	-	(186,618)	-	-	-
Disposals/Transfers	(55,624)	(23,538)	-	-	(125)	-	-	(79,287)
Balance as at 31 December 2022	836,992	300,884	248,562	1,101,390	272,702	471,733	1,018,700	4,250,962
Balance at 1 January 2023	836,992	300,884	248,562	1,101,390	272,702	471,733	1,018,700	4,250,963
Additions	484,040	280	31,550	72,145	9,828	62,222	766,050	1,426,115
Reclassification	99,252	353,384	20,588	34,477	510,999	-	(1,018,700)	-
Disposals/Transfers	(227,942)	-	(13,172)	-	(94,188)	-	-	(335,303)
Balance as at 31 December 2023	1,192,342	654,548	287,527	1,208,012	699,341	533,954	766,049	5,341,773
Accumulated depreciation								
Balance at 1 January 2022	461,942	118,779	131,705	933,326	171,426	162,351	-	1,979,529
Depreciation for the year	166,973	8,774	20,829	53,381	68,492	57,572	-	376,021
Reclassifications	-	23,114	341	-	(23,455)	-	-	-
Disposals/Transfers	(44,478)	(23,334)	-	-	-	-	-	(67,812)
Balance at 31 December 2022	584,437	127,333	152,875	986,707	216,463	219,923	-	2,287,739
Balance at 1 January 2023	584,437	127,333	152,875	986,707	216,463	219,923	-	2,287,738
Depreciation for the year	328,446	45,086	29,489	55,060	102,821	56,491	-	617,392
Disposals/Transfers	(188,563)	-	(1,487)	-	(94,188)	-	-	(284,238)
Balance as at 31 December 2023	724,320	172,419	180,877	1,041,767	225,095	276,414	-	2,620,892
Carrying amount as at 1 January 2022	430,674	19,131	64,141	101,947	288,019	276,177	671,291	1,851,380
Carrying amount as at 31 December 2022	252,555	173,551	95,687	114,683	56,239	251,810	1,018,700	1,963,224
Carrying amount as at 31 December 2023	468,022	482,129	106,650	166,245	474,246	257,540	766,049	2,720,881

- There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2022: Nil)
- All items of property and equipment are non-current.
- There was no impairment losses on any class of property and equipment during the year (2022: Nil)
- There were no items of property and equipment pledged as security for borrowings as at 31 December 2023 (2022: Nil)
- Other WIP items represents office retrofit project.
- The reclassification from Leasehold represent the Office retrofit for the completed floors.

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16 Intangible Assets

The Group

In thousands of Naira	Software	Software under development	Total
Cost:			
Balance as at 1 January 2022	3,759,094	70,567	3,829,661
Additions	63,304	-	63,304
Reclassification during the year	8,623	(8,623)	-
Balance as at 31 December 2022	3,831,020	61,944	3,892,964
Balance as at 1 January 2023	3,831,020	61,944	3,892,964
Additions during the year	41,020	14,964	55,984
Disposals	(14,204)	-	(14,204)
Reclassification during the year	26,559	(26,559)	-
Balance as at 31 December 2023	3,884,395	50,349	3,934,744
Accumulated Amortisation:			
Balance as at 1 January 2022	3,454,246	-	3,454,246
Amortisation charge for the year	247,879	-	247,879
Balance as at 31 December 2022	3,702,125	-	3,702,125
Balance as at 1 January 2023	3,702,125	-	3,702,125
Amortisation charge for the year 2023	83,060	-	83,060
Disposals	(6,751)	-	(6,751)
Balance as at 31 December 2023	3,778,434	-	3,778,434
Carrying amount:			
At 1 January 2022	304,848	70,567	375,415
At 31 December 2022	128,896	61,944	190,840
At 31 December 2023	105,961	50,349	156,310



The Company

In thousands of Naira	Software	Software under development	Total
Cost:			
Balance as at 1 January 2022	3,759,094	70,567	3,829,661
Additions	63,304	-	63,304
Reclassification during the year	8,623	(8,623)	-
Balance as at 31 December 2022	3,831,020	61,944	3,892,964
Balance as at 1 January 2023	3,831,020	61,944	3,892,964
Additions during the year	41,020	14,964	55,984
Disposals	(14,204)	-	(14,204)
Reclassification during the year	26,559	(26,559)	-
Balance as at 31 December 2023	3,884,395	50,349	3,934,744
Accumulated Amortisation:			
Balance as at 1 January 2022	3,454,246	-	3,454,246
Amortisation charge for the year 2022	247,879	-	247,879
Balance as at 31 December 2022	3,702,125	-	3,702,125
Balance as at 1 January 2023	3,702,125	-	3,702,125
Amortisation charge for the year 2023	83,060	-	83,060
Disposals	(6,751)	-	(6,751)
Balance as at 31 December 2023	3,778,434	-	3,778,434
Carrying amount:			
At 1 January 2022	304,848	70,567	375,415
At 31 December 2022	128,896	61,944	190,840
At 31 December 2023	105,961	50,349	156,310

- There were no capitalised borrowing costs related to the acquisition of the intangible assets during the year (2022: Nil)
- All intangible assets are non current.
- All intangible assets have a finite useful life and are amortized over the useful life of the assets.
- No leased assets are included in the above intangible assets accounts (2022: Nil)
- The Company has no capital commitment as at year end (2022: Nil)
- No intangible assets was impaired as at 31 December 2023 (2022: Nil)
- Reclassification relates to cost of projects that were previously posted to software under development pending the completion.

17 Investment Securities

Investments can be analysed as follows:

17 (a) Non-current investment securities

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Federal Government bonds	21,356,475	21,356,475	13,889,960	13,889,960
State Government bonds	2,392,821	2,392,821	2,706,360	2,706,360
Corporate bonds	3,770,392	3,770,392	3,974,659	3,974,659
Equity investments	100,100	100,100	3,825,100	3,825,100
Total non-current investment securities	27,619,788	27,619,788	24,396,079	24,396,079

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at Amortised Cost

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Federal Government bonds	18,505,926	18,505,926	13,597,354	13,597,354
State Government bonds	2,394,919	2,394,919	2,708,290	2,708,290
Corporate bonds	3,773,213	3,773,213	4,018,298	4,018,298
Total Amortised Cost Investment Securities	24,674,058	24,674,058	20,323,942	20,323,942

Impairment Loss	(16,571)	(16,571)	(54,636)	(54,636)
Total Amortised Cost Investment Securities	24,657,487	24,657,487	20,269,306	20,269,306

at Fair Value through Other Comprehensive Income (FVOCI)

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Federal Government bonds	2,862,201	2,862,201	301,673	301,673
Total Fair Value through Other Comprehensive Income Investment Securities	2,862,201	2,862,201	301,673	301,673

Equity Investment

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Quoted Equities - FVTPL				
Quoted Equities Investment	-	-	3,725,000	3,725,000
Unquoted Equities				
NSE Nominees Share Investments	100	100	100	100
Lagos Commodities & Futures Exchange	100,000	100,000	100,000	100,000
Total Equity Investment	100,100	100,100	3,825,100	3,825,100
Total non-current investment securities	27,619,788	27,619,788	24,396,079	24,396,079

17 (b) Current investment securities

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
	Amortised cost	Amortised cost	Amortised cost	Amortised cost
Commercial Paper	434,459	434,459	102,974	102,974
Total Current Investment	434,459	434,459	102,974	102,974

17(c) Fair Value through Other Comprehensive Income - Financial Instruments

Fair value closing balance	2,862,201	2,862,201	301,673	301,673
Fair value opening balance	2,990,694	2,990,694	391,480	391,480
Fair Value Loss	(128,493)	(128,493)	(89,807)	(89,807)
Total Fair value loss on Bonds - See note 25c	(128,493)	(128,493)	(89,807)	(89,807)



At the reporting date, all investments booked as FVTOCI were marked to market and the change in FVTOCI.

18(a) Trade Receivables

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Trade receivables	974,955	974,955	761,403	761,403
Allowance for doubtful trade receivables (See note 18(b) below)	(337,381)	(337,381)	(369,417)	(369,417)
Net Carrying amount	637,574	637,574	391,986	391,986
Current Assets	637,574	637,574	391,986	391,986

18(b) Impairment Allowance on Trade Receivables

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Balance, beginning of year	369,417	369,417	438,681	438,681
(Reversal)/ Charger during the year	(32,036)	(32,036)	(44,266)	(44,266)
Amount Written Off	-	-	(24,998)	(24,998)
Balance, end of year	337,382	337,382	369,417	369,417

19(a) Other assets

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Current				
Financial assets:				
Ex-Staff Debtors	10,938	10,938	7,255	7,255
Other receivables (see note (i) below)	4,191,625	4,191,625	92,463	92,463
Gross financial assets	4,202,563	4,202,563	99,718	99,718
Impairment allowance on other assets (see note 19(b) below)	(70,297)	(70,297)	(70,297)	(70,297)
Net financial assets	4,132,266	4,132,266	29,421	29,421
Non-financial assets:				
Withholding tax recoverable	146,436	146,436	46,803	46,803
Stock Account	7,259	7,259	7,259	7,259
Prepayment	638,632	638,632	411,086	411,086
CSCS Unclaimed Dividend - Africa Prudential	-	-	27,656	27,656
Total non-financial assets	792,327	792,327	492,803	492,803
Non-current	-	-	-	-
Total other assets	4,924,593	4,924,593	522,224	522,224

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- (i) Other receivables include a N4 billion receivable due from a counterparty attributed to equity securities buyback arrangement in which the Group purchases and simultaneously agrees to sell back the equity securities at a fixed price on a future date. Hence, the carrying amount is the contractual cash flow to be received at the future date which is at a fixed price. However, during the holding period, the Group has the rights to dividend income from the equity securities.

19(b) Impairment Allowance on Other Assets

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Balance, beginning of year	-	70,297	-	70,297
Charge/(reversal) during the year	-	-	-	-
Balance, end of year	-	70,297	-	70,297

20 Impairment (reversal)/Loss on Financial Assets

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Impairment loss on trade receivables (Note 18(b))	(32,036)	(32,036)	(44,266)	(44,266)
Impairment loss/(reversal) on debt instrument at amortized cost	(22,409)	(22,409)	(6,956)	(6,956)
Impairment (reversal)/ loss/ on debt instrument at FVTOCI	2,981	2,981	-	-
Impairment loss/(reversal) on cash and cash equivalent	(11,345)	(11,345)	-	-
	(62,809)	(62,809)	(37,310)	(37,310)

21 Cash and Cash Equivalents

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Cash at hand	1,300	1,300	1,450	1,450
Balances with banks (see note (i) below)	1,216,326	1,216,271	5,509,938	5,509,883
Fixed deposits	4,952,145	4,952,145	6,397,607	6,397,607
Current assets	6,169,771	6,169,716	11,908,995	11,908,940
Expected credit loss on allowance	(5,154)	(5,154)	(16,499)	(16,499)
Restricted cash	8,490,075	8,490,075	3,857,175	3,857,175
Carrying amount	14,654,692	14,654,637	15,749,671	15,749,616

- (i) Balances with banks of N8.49billion represents restricted cash relating to Escrow account in the name of the Chief Registrar High Court of Lagos State for the purpose of warehousing Contract Stamp fees deducted at source by CSCS on capital markets transactions. The liability with respect to this restricted cash is warehoused in other liabilities account in Note 28.



22(a) Intercompany Receivables

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Intercompany receivables (See note a)	-	34,511	-	34,511
Impairment allowance on intercompany receivables	-	(34,511)	-	(34,511)
Net Carrying amount	-	-	-	-

- (a) Intercompany receivables represent amount due from the Company's subsidiary, Insurance Repository Nigeria Limited for payments made by the Company with respect to the pre-operational expenses incurred on behalf of the subsidiary. The amount was fully impaired as at 31 December 2023.

23 Equity-Accounted Investee

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Investment in Associate - NG Clearing Limited (See note 23(a) below)	1,568,358	1,541,437	1,512,503	1,541,437
Impact of previously unrecognised reserves*	-	-	112,884	-
Share of profit/loss from associate (b)	73,446	-	(57,029)	-
Adjustment on the Group's share of profit of investee	(2,243)	-	-	-
Carrying amount	1,639,561	1,541,437	1,568,358	1,541,437
Non-current Assets	1,639,561	1,541,437	1,568,358	1,541,437

This amount represents adjustment to correctly reflect the Group's proportion (24.7%) of the net asset of the associate

(a) Investment in Associate - NG Clearing Limited

NG Clearing Limited is an associate company in which the Company has 24.7% ownership interest (2022: 24.7%). It is principally established as a central counterparty clearing house (CCP) for the clearing and settlement of derivative instruments across various asset classes, i.e., futures and options contracts on indices, equity shares, commodities, currency, rates etc. The Company was incorporated in the year 2016 and commenced operations in 2022.

Total amount recognised in profit or loss is as follows

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Share of profit/(loss) from NG Clearing Limited	73,446	-	(57,029)	-
Adjustment on the Group's share of profit of investee	(2,243)	-	-	-
	71,203	-	(57,029)	-

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(b) Share of loss/profit from associate

In thousands of Naira	31 December 2023	31 December 2022
Percentage ownership interest	24.7%	24.7%
Current assets	219,322	460,198
Non-current assets	6,505,555	5,944,469
Current liabilities	(87,078)	(55,040)
Net Asset (100%)	6,637,900	6,349,627
Group's share of net asset (24.7%)	1,639,561	1,568,358
Carrying Amount of interest in associate	1,639,561	1,568,358
Revenue	1,121,137	492,279
Total Expense	(823,786)	(723,164)
Profit/(loss) from continuing operations	297,352	(230,885)
Group's share of accumulated profit/(loss) (24.7%)	73,446	(57,029)

24 Investment in Subsidiary

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Insurance Repository Nigeria Limited	-	10,000	-	10,000
Carrying amount	-	10,000	-	10,000

The Company has a 99.9% holding in Insurance Repository Nigeria Limited. Insurance Repository Nigeria Limited was incorporated in Nigeria and was yet to commence operations as at 31 December 2022. Its principal objective is to enhance the record keeping of insurance data and policies.

25 Capital and Reserves

(a) Share Capital

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Share capital - in issue at 31 December - fully paid				
Ordinary shares in issue and fully paid at 1 January	5,000,000	5,000,000	5,000,000	5,000,000
Ordinary share in issue and fully paid as at end of the year	5,000,000	5,000,000	5,000,000	5,000,000

(b) Retained earnings

Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

(c) **Fair value reserve**

The fair value reserves comprises the cumulative net change in the fair value of debt securities designated at FVOCI until the assets are derecognized or reclassified.

Analysis of fair value reserves are as follows:

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Opening fair value reserves	231,736	231,736	77,740	77,740
Fair value loss/gain on FVOCI bonds- See note 17(c)	128,493	128,493	89,807	89,807
Reversal of prior year fair value gains on derecognition of FVOCI assets	-	-	63,113	63,113
ECL on FVOCI (see note (i) below)	(2,981)	(2,981)	1,076	1,076
Debt Instruments at FVOCI- net change in fair value	125,512	125,512	153,996	153,996
Closing Fair value reserves	357,248	357,248	231,736	231,736

(i) This represents ECL adjustments on FVOCI financial assets as at year end.

Analysis of fair value reserves are as follows:

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Balance, beginning of year	(600)	(600)	(1,676)	(1,676)
(Charge)/Reversal during the year	(2,981)	(2,981)	1,076	1,076
Balance, end of year	(3,581)	(3,581)	(600)	(600)

(d) **Actuarial reserve**

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Statement of other comprehensive income:	1,670	1,670	1,670	1,670
Opening actuarial reserve				
Closing actuarial reserves	1,670	1,670	1,670	1,670

(e) **Dividend**

The Company has proposed a dividend of 150 Kobo per share from the retained earnings account as at 31 December 2023, pending the approval of the shareholders at the 2023 Annual General Meeting.

	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
In thousands of Naira In thousands of Naira	Kobo	N'000	Kobo	N'000
Dividend	137	6,850,000	74	3,700,000

This represents the dividend proposed for the preceding year but paid in the current year.

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26 Intercompany Payables

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Insurance Repository Nigeria Limited (See note (a) below)	-	10,000	-	10,000
Carrying amount	-	10,000	-	10,000

Intercompany payables represents amount payable to the Company's subsidiary, Insurance Repository Nigeria Limited for purchase of the subsidiary's shares.

27 Payables and Accruals

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Financial liabilities				
Sundry creditors (see note (ii) below)	516,319	516,319	134,573	134,573
Accruals (see note (i) below)	612,585	612,585	186,920	186,920
Audit fees	35,000	35,000	29,612	29,612
Total other financial liabilities	1,163,904	1,163,904	351,106	351,106
Non-financial liabilities				
National Housing Fund	824	824	818	818
Nigeria Social Insurance Trust Fund	34,240	34,240	18,356	18,356
Staff Multipurpose Co-operative	487	487	487	487
Staff pension fund	3,628	3,628	1,606	1,606
Staff productivity bonus	967,885	967,885	327,491	327,491
Contract liability (see note (iii) below)	203,556	203,556	82,926	82,926
Total other non-financial liabilities	1,210,620	1,210,620	431,683	431,683
Total payables and accruals	2,374,524	2,374,524	782,789	782,789

- (i) The accruals represent amount payable to vendors with respects to IT subscriptions, professional consulting, industrial training fund contribution etc.
- (ii) The sundry creditors comprises of AdonaiNet - uncollected trade alert fees and stale cheques.
- (iii) Contract liability include payment received for collateral services rendered, website Subscription, and sales and business development fees which are yet to be earned as at the year end 31 December 2023.



28 Other Liabilities

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Financial liabilities				
Unclaimed Dividends (see note (i))	237,380	237,380	275,620	275,620
Depository fee suspense	65,043	65,043	55,480	55,480
Brain & Hammers Wakala Sukuk Series 1	195	195	-	-
CSCS Individual Divestment	1,290	1,290	1,290	1,290
Amount due to lien services clients	27,455	27,455	29,520	29,520
Exchange Traded Fund Distribution Accounts	50,676	50,676	52,080	52,080
Amount due to Adonai Net	7,692	7,692	7,692	7,692
Amount due to Investment & Securities Tribunal (see note (ii))	165,549	165,549	94,981	94,981
Stamp Duty Collection Account (see note (iii))	8,984,656	8,984,656	6,225,890	6,225,890
Amount due to Kaduna State Govt	27,142	27,142	16,832	16,832
Lagos Commodities & Futures Exchange	-	-	474	474
Amount due to FGN Green Bond Holders	15,558	15,558	15,558	15,558
Regulatory Fees (SEC)	59,507	59,507	45,614	45,614
Managed funds	232	232	232	232
Accrued Stamp duty interest	274,015	274,015	-	-
	9,916,390	9,916,390	6,821,262	6,821,262

Indirect Tax

PAYE liability	103,458	103,458	99,068	99,068
Withholding tax liability	11,772	11,772	7,302	7,302
Value Added Tax liability	271,786	271,786	192,337	192,337
Indirect Tax	387,016	387,016	298,707	298,707
	10,303,406	10,303,406	7,119,969	7,119,969

- (i) The balance of the unclaimed dividend was invested in fixed placements and a total of N10.3 million was earned as interest income on the amount during the year.
- (ii) In October 2014, the Ministry of Finance directed that CSCS (including NGX and SEC) should contribute 10% of its transaction fees on trades executed on the Nigerian Exchange Limited to Investment and Securities Tribunal (IST). The balance represents outstanding due to IST as at 31st December 2023.
- (iii) The account relates to stamp duties deducted at source on capital market trades which will be remitted upon confirmation of the recipient government agency. Equivalent amount has been set aside in the cash and cash equivalents for this purpose.

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28(b) Lease Liability

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Lease liability	340,604	340,604	332,446	332,446
Carrying amount	340,604	340,604	332,446	332,446

Movement in Lease Liability

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Balance, beginning of year	332,446	332,446	319,550	319,550
Lease addition	62,222	62,222	33,205	33,205
Accretion of Interest	41,610	41,610	75,442	75,442
Lease repayment (principal)	(54,065)	(54,065)	(20,115)	(20,115)
Lease repayment (interest)	(41,610)	(41,610)	(75,442)	(75,442)
Balance, end of year	340,604	340,604	332,446	332,446

Lease liability is payable as follows:

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Less than one year	96,755	96,755	80,981	80,981
More than five years	243,849	243,849	251,465	251,465
Carrying amount	340,604	340,604	332,446	332,446

29 Pension Plan and other Employment Benefits

(a) Defined contribution plan

All the employees of the Group qualify for the contributory pension scheme of Nigeria. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions. Pension contribution of a percentage of employees emoluments (10% by the employer and 8% by the employees) are made in accordance with the Pension Reform Act 2014.

The total expense recognized in profit or loss was N145.11 million for the Group and N145.11 million for the Company (2022: N115.55 million for the Group and N115.55 million for the Company) represent contributions payable to these plans by the Group and Company at the rates specified in accordance with the Pension Reform Act 2014 (amended).



(b) Long term incentive scheme

The Managing Director is entitled to a defined benefit (as approved by the Board) upon his exit and the expiration of his employment with the Group. The defined benefit shall be 33% of his annual benefit which shall be provided and reported in the Group's yearly financial account. Actuarial valuation of the benefit liabilities of the Managing Director was carried out by O & A Hedge Actuarial Consulting, a firm of certified actuaries with FRC number FRC/2019/00000012909. The valuation report was signed by Layemo B Abraham with FRC number FRC/2016/NAS/00000015764. As at 31 December 2023, the amount provided is N129.67 million.

The sum of the outstanding long- term severance benefit scheme and the terminal benefit provided for is N65.5 million and this has been included in long term incentive scheme liabilities below.

Analysis of the amount charged to statement of profit or loss and other comprehensive income and statement of financial position for the prior year is shown below:

(i) Per statement of profit or loss and other comprehensive income

The long term incentive scheme liability is made up of:

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
Opening balance	65,554	65,554	12,819	12,819
Addition in profit or loss during the year	64,125	64,125	52,735	52,735
Total defined benefits	129,679	129,679	65,554	65,554

In thousands of Naira	Group 31 December 2023	Company 31 December 2023	Group 31 December 2022	Company 31 December 2022
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Statement of profit or loss:

Current service cost	52,427	52,427	48,498	48,498
Interest Cost	11,698	11,698	4,237	4,237
Total	64,125	64,125	52,735	52,735

(ii) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

In thousands of Naira	Group 31 December 2023	Company 31 December 2022
Future salary growth	14.98%	13.00%
Interest rate	13.38%	12.79%

FINANCIAL STATEMENTS

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

In thousands of Naira	Defined benefit obligation	+1%	-1%
Interest rate (movement)	129,679	130,975	128,382
Salary increase rate (movement)	129,679	130,975	128,382

30 Events after the Reporting Date

There are no events after the reporting date events that could have had a material effect on the financial position and performance of the Group and Company as at 31 December 2023 which have not been adequately provided for or disclosed.

31 Contingent Liabilities

There are pending litigations for which no judgment has been entered against the Company, some of which the Company is only a nominal party. Contingent liability as at 31 December 2023 stood at N2,603,802,630.63 (31 December 2022: N2,603,802,630.63). However, the directors are of the opinion that the various suits will not succeed against the Company.

32 Capital Commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group and Company have been taken into account in the preparation of the consolidated and separate financial statements.

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. The definition includes subsidiaries, associates, joint ventures, as well as key management personnel.

Associate

Transactions with Nigerian Exchange Limited also meet the definition of related party transactions, as Central Securities Clearing System Plc is an associate of Nigerian Exchange Limited. The transactions includes: rent and x-alert handling charges held by CSCS on behalf of Nigerian Exchange Limited.



In thousands of Naira			Transaction values		Balance outstanding	
			31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Name of company / Individual	Transaction type	Secured/ Unsecured	Amount	Amount	Amount	Amount
NGX Real Estate Limited	Rent	Unsecured	115,779	107,509	-	-
The Nigerian Stock Exchange	Payment of dividend	Not applicable	1,999,592	1,080,071	-	-
			2,115,371	1,187,580	-	-

Transactions with key management personnel

The Company's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by those individuals in their dealings with the Group.

Key management personnel compensation

Compensation to the Company's key management personnel include salaries, non-cash benefits and contributions to the post-employment defined contribution plans. Executive directors are subject to a mutual term of notice of 3 months. Upon resignation at the Company's request, they are entitled to termination benefits of up to 12 months' total remuneration. If they resign on their own they receive 50% of their salary and an additional 20% for each year in service.

(a) Key Management Personnel Compensation comprise:

In thousands of Naira	31 December 2023	31 December 2022
Short term		
Wages & Salaries	563,297	523,661
Long term		
Post Employment benefits	64,125	52,735
	627,422	576,396

(b) Directors' Remuneration

In thousands of Naira	31 December 2023	31 December 2022
Short term		
Fees as Directors	11,667	12,917
Directors sitting allowances	75,295	52,663
Other allowances	147,043	192,783
	234,005	258,363
Executive Compensation	627,422	576,396
	861,427	834,759

Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan (see notes 12.1 and note 29).

FINANCIAL STATEMENTS

Key management personnel and director transactions

The value of transactions with key management personnel and entities over which they have control or significant influence were as follows:

Income

Included in income is an amount of N46.9million (31 December 2022: N69.8 million) representing depository fees, eligibility fees, settlement participation fees, OTC Transactions earned by CSCS from companies in which certain Directors have interests. The details of the income as well as the balances outstanding in receivables as at 31 December 2023 were as follows::

In thousands of Naira

Name of company / Individual	Name of Directors related to the companies	Relationship	Position	Transaction type	Amount	Outstanding balance in trade receivables as at 31 December 2023
Sterling Bank Plc.	Tairat Tijani	Director	Director	Depository fee	5,976	-
Access Bank Plc	Roosevelt Ogbonna	Director	MD/CEO	Depository fee	38,579	-
Access Bank Plc	Roosevelt Ogbonna	Director	MD/CEO	Settlement Bank Part Fees	1,204	-
Sterling Bank Plc.	Tairat Tijani	Director	Director	Settlement Bank Part Fees	1,204	-
					46,963	-

In thousands of Naira

Name of company / Individual	Name of Directors related to the companies	Relationship	Position	Transaction type	Amount	Outstanding balance in trade receivables as at 31 December 2022
United Bank for Africa	Uche Ike	Director	Deputy MD	Depository fee	27,531	-
Sterling Bank Plc.	Tairat Tijani	Director	Director	Depository fee	5,434	-
Access Bank Plc	Roosevelt Ogbonna	Director	MD/CEO	Depository fee	33,057	-
Magnartis Finance & Investment Limited	Oluwaseyi Abe	Director	MD/CEO	Eligibility Fee	75	-
Solid-Rock Securities & Investment Plc	Patrick Ezeagu	Director	MD/CEO	Eligibility Fee	75	-
Access Bank Plc	Roosevelt Ogbonna	Director	MD/CEO	Settlement Bank Part Fees	1,204	-
Sterling Bank Plc.	Tairat Tijani	Director	Director	Settlement Bank Part Fees	1,204	-
United Bank for Africa	Uche Ike	Director	Deputy MD	Settlement Bank Part Fees	1,204	-
					69,784	-



Prepayments

Included in prepayment is an amount of N91.4 million (31 December 2022: N168.8 million) representing balances on prepaid transport allowances to Directors.

Bank balances

Included in cash and cash equivalent is an amount of N401million (31 December 2022: N3.2 billion) representing current account balances of CSCS with Banks in which certain Directors have interests. The balances as at 31 December 2023 were as follows:

In thousands of Naira

31 December 2023

Name of company / Individual	Name of Directors	Relationship	Transaction type	Amount
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	Current account	107
Access Bank Plc-Dom Fee Collection A/c	Roosevelt Ogbonna	Shareholder/Director	Collection account	23
Access Bank Plc-POS	Roosevelt Ogbonna	Shareholder/Director	Collection account	483
Access Bank Plc-LEI	Roosevelt Ogbonna	Shareholder/Director	Collection account	525
Access Bank Plc-USDollar Dom A/c	Roosevelt Ogbonna	Shareholder/Director	Collection account	22,576
Sterling Bank Plc	Tairat Tijani	Director	Current account	926
Sterling Bank-Stamp Duty Collection Account	Tairat Tijani	Director	Collection account	266,966
Sterling Bank-IST Collection A/c	Tairat Tijani	Director	Collection account	109,908
				401,513

In thousands of Naira

31 December 2022

Name of company / Individual	Name of Directors	Relationship	Transaction type	Amount
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	Current account	206
Collection A/c	Roosevelt Ogbonna	Shareholder/Director	Collection account	462
Access Bank Plc-POS	Roosevelt Ogbonna	Shareholder/Director	Collection account	144
Access Bank Plc-LEI	Roosevelt Ogbonna	Shareholder/Director	Collection account	389
Access Bank Plc-USDollar Dom A/c	Uche Ike	Director	Collection account	2,319
Sterling Bank Plc	Tairat Tijani	Director	Current account	1,365
Collection Account	Tairat Tijani	Shareholder/Director	Collection account	2,294,100
Sterling Bank-IST Collection A/c	Tairat Tijani	Shareholder/Director	Collection account	63,380
UBA Plc-C/A	Uche Ike	Shareholder/Director	Current account	841,726
UBA-Collection A/c	Uche Ike	Shareholder/Director	Collection account	269
A/c	Uche Ike	Shareholder/Director	Collection account	1,568
A/c	Uche Ike	Shareholder/Director	Collection account	716
UBA PLC-Stockbrokers Contract Star	Uche Ike	Shareholder/Director	Collection account	249
				3,206,895

FINANCIAL STATEMENTS

Investments

Included in investment securities is an amount of N0.658 billion as at 31 December 2023(31 December 2022: N7.6 billion) representing treasury bills, federal government bonds and state government bonds belonging to CSCS and held in the custody of certain Banks which certain Directors have interests. The face value of the investments as at 31 December 2023 were as follows:

In thousands of Naira

31 December 2023

Name of company / Individual	Name of Directors	Relationship	Transaction type	Amount
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	Euro Bonds	381,893
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	Euro Bonds	276,669
				658,562

In thousands of Naira

31 December 2022

Name of company / Individual	Name of Directors	Relationship	Transaction type	Amount
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	500,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	800,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	650,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	1,000,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	1,100,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	500,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Euro Bonds	314,122
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	Euro Bonds	172,926
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	Euro Bonds	126,606
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Euro Bonds	124,875
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Corporate Bonds	141,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Corporate Bonds	390,992
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Corporate Bonds	300,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	State Bonds	1,442,170
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	State Bonds	17,625
				7,580,315



34 Condensed Results of Consolidated Entity

The Group

In thousands of Naira	Group balance	Intra-group eliminations	The Company	Insurance Repository Nigeria Limited
Operating income	19,022,852	-	19,022,852	-
Operating expenses	(7,954,997)	-	(7,954,997)	-
Impairment reversal/(Charge)	62,809	-	62,809	-
Fair value loss on investment securities				

Operating surplus before tax	11,130,664	-	11,130,664	-
Share of loss of equity accounted investees	71,203	71,203	-	-
Tax expense	(1,123,970)	-	(1,123,970)	-
Operating surplus after tax	10,077,897	(71,203)	10,006,694	-

Condensed financial position

In thousands of Naira	Group balance	Intra-group eliminations	The Company	Insurance Repository Nigeria Limited
Total Non-Current Assets	32,136,541	(88,125)	32,048,416	10,000
Total Current Assets	20,651,318		20,651,263	-
Total assets	52,787,859	(88,125)	52,699,679	10,000

Total Equity	38,208,022	(98,179)	38,109,843	-
Total non current liabilities	380,514	-	380,514	-
Total current liabilities	14,199,323	(10,000)	14,209,323	-
Total liabilities	14,579,837	(10,000)	14,589,837	-

Total equity and liabilities	52,787,859	(108,179)	52,699,680	10,000
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FINANCIAL STATEMENTS

35 Cash Flow Workings

In thousands of Naira	Notes	Group 31 Dec 2023	Company 31 Dec 2023	Group 31 Dec 2022	Company 31 Dec 2022
(i) Changes in intercompany receivables					
Opening balance	18(a)	391,986	391,986	550,230	550,230
Impairment reversal	20	32,036	32,036	44,266	44,266
Closing balance		(637,574)	(637,574)	(391,986)	(391,986)
Change during the year		(213,552)	(213,552)	202,510	202,510
(ii) Changes in other assets					
Opening balance	19(a)	522,224	522,224	598,958	598,958
Closing balance	19(a)	(4,924,593)	(4,924,593)	(522,224)	(522,224)
Change during the year		(4,402,369)	(4,402,369)	76,734	76,734
(iii) Changes in payables and accruals					
Opening balance	27	782,789	782,789	1,473,362	1,473,362
Closing balance	27	(2,374,524)	(2,374,524)	(782,789)	(782,789)
Change during the year		(1,591,735)	(1,591,735)	690,573	690,573
(iv) Changes in other liabilities and lease liability					
Opening balance	28	7,452,413	7,452,413	5,412,832	5,412,832
Lease payment during the year		(95,675)	(95,675)	(95,557)	(95,557)
Closing balance	28	(10,644,010)	(10,644,010)	(7,452,413)	(7,452,413)
Change during the year		(3,287,271)	(3,287,271)	(2,135,139)	(2,135,139)
(v) Changes in intercompany payable					
Opening balance	26	-	10,000	-	10,000
Closing balance	26	-	(10,000)	-	(10,000)
Change during the year		-	-	-	-
(vi) Proceeds from disposal of property and equipment					
Cost of property and equipment disposed	15	335,303	335,303	79,287	79,287
Accumulated depreciation	15	(284,238)	(284,238)	(67,812)	(67,812)
Profit on disposal of property and equipment	11	15,943	15,943	5,058	5,058
Proceeds during the year		67,007	67,007	16,533	16,533
(vii) Net changes in short term investment securities -bonds					
Balance, beginning of the year	17(b)	102,974	102,974	550,128	550,128



Balance, end of the year	17(b)	(434,459)	(434,459)	(102,974)	(102,974)
Change during the year		(331,485)	(331,485)	447,154	447,154

(viii) Net changes in investment securities - bonds

Balance, beginning of the year	17(a)	24,396,079	24,396,079	21,248,233	21,248,233
Fair value (loss)		(128,493)	(128,493)	(89,807)	(89,807)
		-	-	(63,113)	(63,113)
Reversal of prior year fair value loss/(gains) on derecognition					
Balance, end of the year	17(a)	(27,619,788)	(27,619,788)	(24,396,079)	(24,396,079)
Change during the year		(3,352,202)	(3,352,202)	(3,300,767)	(3,300,767)

(ix) Interest received

Balance, beginning of the year		16,085	16,085	(128,039)	(128,039)
Interest income	10	3,608,677	3,608,677	4,578,366	4,578,366
Interest received for the year		3,624,762	3,624,762	4,450,326	4,450,326

(x) Dividend paid

Balance, beginning of the year	28	275,620	275,620	155,171	155,171
Additional dividend during the year		6,850,000	6,850,000	3,700,000	3,700,000
Balance, end of year	28	(237,380)	(237,380)	(275,620)	(275,620)
Net dividend paid during the year		6,888,240	6,888,240	3,579,551	3,579,551

During the year, dividend of N1.37k per share was approved and paid to shareholders on 2022 profits

(xi) Purchase of PPE

Additions	15	1,426,115	1,426,115	499,774	499,774
Right of Use Asset	15	(62,222)	(62,222)	-	-
Purchase of property and equipment		1,363,893	1,363,893	499,774	499,774

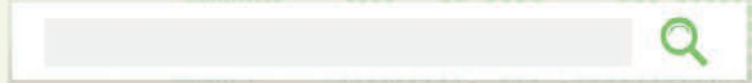
36 Non-audit fees

Included in professional fees is a total of N6,288,750 for Non-audit services rendered by Messrs. KPMG Professional Services. See table

below for details.(See note 12.2)

Group

Name of Firm	Nature of Service	Applicable Fees (N'000)
KPMG Professional Services	Vulnerability Assessment & Penetration Testing (VAPT)	6,289
Total		6,289



GLOBAL

SEARCH SERVICE

The **Global Search** service allows investors to search for their investments in listed equities, bonds and other assets within CSCS depository, irrespective of the time the investment was made and/or the capital market operator that served as the brokerage agent.

Hence, the **Global Search** provides investors the opportunity to have a consolidated statement of all their investments in the capital market, subject to being in CSCS depository.

Who is this for?

All investors, corporate and individual investors, who at one time or the other invested in publicly quoted equities, Federal Government of Nigeria (FGN) Bonds, Bonds issued by State Governments and Corporate entities and any other financial asset within CSCS depository.

Benefits of Global Search

- It can be used by investors to trace investments made through either an existing or moribund capital market operators.
- It provides full details of investors' holdings in different financial assets held through different capital market operators, some of which the investor may have forgotten or may not be aware of.
- The service provides up-to-date information about the capital market and more importantly, assets owned by the investor, thereby helping investors to keep abreast of their investments.

How can I access Global Search?

Contact us directly through any of our channels below or through your stockbroker:

✉ contact@cscs.ng 📞 0700 2255 2727



**OTHER
NATIONAL
DISCLOSURES**

VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

In thousands of Naira	Group 31 December 2023	%	Company 31 December 2023	%
Gross earnings	19,022,852	126	19,022,852	126
Net impairment loss on trade receivables	62,809	0	62,809	0
Bought-in-materials and services	(3,932,276)	(26)	(4,003,479)	(26)
Value added	15,153,385	100	15,082,182	100

Distribution of Value Added To Employees:		%		%
Staff cost	3,249,926	22	3,249,926	22

To government				
Government as taxes	1,123,970	7	1,123,970	7

For future replacement of assets,
expansion of business and payment of dividend to shareholders:

-Depreciation and amortisation	701,592	5	701,592	5
-Dividend to shareholders	7,500,000	49	7,500,000	49
-To augment reserve	2,577,897	17	2,506,694	17
	15,153,385	100	15,082,182	100

In thousands of Naira	Group 31 December 2022	%	Company 31 December 2022	%
Gross earnings	11,515,320	129	11,515,320	129
Net impairment loss on trade receivables	37,310	0	37,310	0
Bought-in-materials and services	(2,657,407)	(29)	(2,600,379)	(29)
Value added	8,895,224	100	8,952,252	100

Distribution of Value Added To Employees:		%		%
Staff cost	2,186,596	25	2,186,596	24
To government				
Government as taxes	948,266	11	948,266	11

For future replacement of assets, expansion of business and payment of dividend to shareholders:

- Depreciation and amortisation	623,891	7	623,891	7
- Dividend to shareholders	3,700,000	42	3,700,000	41
- To augment reserve	1,436,471	16	1,493,499	17
	8,895,224	100	8,952,252	100



FIVE YEAR FINANCIAL SUMMARY

The Group

In thousands of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
Assets					
Non current Assets					
Property and equipment	2,720,881	1,963,224	1,851,378	1,354,103	1,083,510
Intangible assets	156,310	190,840	375,414	585,705	785,471
Equity-accounted investee	1,639,561	1,568,358	1,512,503	1,553,669	725,475
Investments securities	27,619,788	24,396,079	21,248,233	19,570,294	21,960,972
Deferred tax asset	-	128,042	-	-	-
Total non current assets	32,136,541	28,246,543	24,987,528	23,063,771	24,555,428
Current Assets					
Investment securities	434,459	102,974	550,128	-	5,005,511
Trade receivables	637,574	391,986	550,231	160,450	177,043
Other assets	4,924,593	522,224	598,958	424,482	181,877
Cash and cash equivalent	14,654,692	15,749,671	15,530,376	17,773,624	6,691,545
Total current assets	20,651,318	16,766,856	17,229,693	18,358,556	12,055,976
Total assets	52,787,859	45,013,399	42,217,221	41,422,327	36,611,404
Liabilities					
Current Liabilities					
Payables, provisions and accruals	2,374,524	782,789	1,473,362	1,533,907	727,368
Current tax liabilities	1,424,638	1,607,004	1,498,463	436,529	652,254
Other liabilities	10,400,161	7,200,950	5,412,833	3,770,877	2,241,938
Total current liabilities	14,199,323	9,590,743	8,384,658	5,741,313	3,621,560
Non current liabilities					
Deferred tax liabilities	6,986	-	109,466	63,485	6,747
Long term incentive scheme	129,679	65,554	12,819	125,551	77,013
Lease Liability	243,849	251,465	-	-	-
Total non current liabilities	380,514	317,019	122,285	189,036	83,760
Total liabilities	14,579,837	9,907,762	8,506,943	5,930,349	3,705,320
Equity					
Share capital	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Retained earnings	33,563,600	30,335,703	28,786,348	30,216,538	27,588,203
Other components of equity	(357,248)	(231,736)	(77,740)	273,770	317,029
Actuarial reserves	1,670	1,670	1,670	1,670	851
Total equity	38,208,022	35,105,637	33,710,278	35,491,977	32,906,083
Non-controlling Interest					
Total equity and liabilities	52,787,859	45,013,399	42,217,221	41,422,326	36,611,404
	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
Total operating income	19,022,852	11,515,320	10,469,020	12,087,177	9,206,140
Profit before taxation	11,201,867	6,084,737	5,786,107	7,392,696	6,042,434
Profit after taxation	10,077,897	5,136,471	4,419,810	6,928,335	4,900,679
Earnings per share	202k	103k	88k	139k	98k
Number of ordinary shares of N1 each	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000

The Company

In thousands of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
Assets					
Non current Assets					
Property and equipment	2,720,881	1,963,224	1,851,378	1,354,103	1,083,510
Intangible assets	156,310	190,840	375,414	585,705	785,471
Intercompany receivables	(5)	-	-	-	34,511
Equity-accounted investee	1,541,437	1,541,437	1,541,437	1,541,437	736,687
Investment in subsidiary	10,000	10,000	10,000	10,000	10,000
Investments securities	27,619,788	24,396,079	21,248,233	19,570,294	21,960,972
Deferred tax asset	-	128,042	-	-	-
Total non current assets	32,048,416	28,229,622	25,026,462	23,061,539	24,611,151
Current Assets					
Investment securities	434,459	102,974	550,128	-	5,005,511
Trade receivables	637,574	391,986	550,231	160,450	177,043
Other assets	4,924,593	522,224	598,958	424,482	181,877
Cash and cash equivalent	14,654,637	15,749,616	15,530,321	17,773,569	6,691,490
Total current assets	20,651,263	16,766,800	17,229,638	18,358,501	12,055,921
Total assets	52,699,680	44,996,423	42,256,099	41,420,040	36,667,072
Liabilities					
Current Liabilities					
Intercompany payables	10,000	10,000	10,000	10,000	10,000
Payables, provisions and accruals	2,374,524	782,789	1,473,362	1,533,907	727,368
Current tax liabilities	1,424,638	1,607,004	1,498,463	436,529	652,254
Other liabilities	10,303,406	7,119,969	5,412,833	3,770,877	2,241,938
Lease Liabilities	96,755	80,981	-	-	-
Total current liabilities	14,209,323	9,600,743	8,394,658	5,751,313	3,631,560
Non current liabilities					
Deferred tax liabilities	6,986	-	109,465	63,485	6,747
Long term incentive scheme	129,679	65,554	12,819	125,551	77,012
Lease Liabilities	243,849	251,465	-	-	-
Total non current liabilities	380,513	317,019	122,284	189,036	83,760
Total liabilities	14,589,836	9,917,762	8,516,942	5,940,349	3,715,320
Equity					
Share capital	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Retained earnings	33,465,420	30,308,726	28,815,227	30,204,250	27,633,871
Other components of equity	(357,248)	(231,736)	(77,740)	273,770	317,029
Actuarial reserves	1,670	1,670	1,670	1,670	851
Total equity	38,109,844	35,078,661	33,739,157	35,479,690	32,951,751
Non-controlling Interest					
Total equity and liabilities	52,699,680	44,996,423	42,256,099	41,420,040	36,667,072
	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
Total operating income	19,022,852	11,515,320	10,469,020	12,087,177	9,206,140
Profit before taxation	11,130,664	6,141,765	5,827,273	7,334,741	5,986,837
Profit after taxation	10,006,694	5,193,499	4,460,976	6,870,380	4,845,082
Earnings per share	200k	104k	89k	137k	97k
Number of ordinary shares of N1 each	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000



Document Management Service (DMS)

CSCS Document Management Service (DMS) is the solution that helps to streamline operations in publishing, indexing, storage, and retrieval of electronic data resources in your organization

Product Features



Digitization



Physical Archiving



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Product Benefits

- Efficient preservation of documents
- Paperless environment
- Easy retrieval of documents
- Timely document access and distribution of workflow
- Security and access control
- Reclamation of space, etc.

Contact Us

✉ productsales@cscs.ng

☎ 0700 2255 2727

E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION

Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar

Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male Female Date Of Birth DD MM YYYY

Surname/Company's Name First Name Other Name

Address

City State Country

Clearing House Number (CHN) (if any) C Name of Stockbroking Firm

Mobile Telephone 1 Mobile Telephone 2

E-mail Address

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature: Signature: Company Seal (if applicable)

Joint/Company's Signatories

Please tick against the company(ies) where you have shareholdings

CLIENTELE

- 1. ABBEY MORTGAGE BANK PLC
- 2. ADAMAWA STATE GOVERNMENT BOND
- 3. AFRILAND PROPERTIES PLC
- 4. AFRICA PRUDENTIAL PLC
- 5. A & G INSURANCE PLC
- 6. ALUMACO PLC
- 7. A.R.M LIFE PLC
- 8. BECO PETROLEUM PRODUCTS PLC
- 9. BUA CEMENT PLC
- 10. BUA FOODS PLC
- 11. BENUE STATE GOVERNMENT BOND
- 12. CAP PLC
- 13. CAPP AND D'ALBERTO PLC
- 14. CSCS PLC
- 15. CHAMPION BREWERIES PLC
- 16. CORDROS MONEY MARKET FUND
- 17. EBONYI STATE GOVERNMENT BOND
- 18. GOLDEN CAPITAL PLC
- 19. INFINITY TRUST MORTGAGE BANK PLC
- 20. INVESTMENT & ALLIED ASSURANCE PLC
- 21. JAIZ BANK PLC
- 22. KADUNA STATE GOVERNMENT BOND
- 23. LAGOS BUILDING INVESTMENT CO. PLC
- 24. GLOBAL SPECTRUM ENERGY SERVICES PLC
- 25. MED-VIEW AIRLINE PLC
- 26. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)
- 27. NEXANS KABLEMETAL NIG. PLC
- 28. LIVINGTRUST MORTGAGE BANK
- 29. PERSONAL TRUST & SAVINGS LTD
- 30. P.S MANDRIDES PLC
- 31. PORTLAND PAINTS & PRODUCTS NIG. PLC
- 32. PREMIER BREWERIES PLC
- 33. RESORT SAVINGS & LOANS PLC
- 34. ROADS NIGERIA PLC
- 35. SCOA NIGERIA PLC
- 36. TRANSCORP HOTELS PLC
- 37. TRANSCORP PLC
- 38. TOWER BOND
- 39. THE LA CASERA CORPORATE BOND
- 40. UACN PLC
- 41. UNITED BANK FOR AFRICA PLC
- 42. UNITED CAPITAL PLC
- 43. UNITED CAPITAL BALANCED FUND
- 44. UNITED CAPITAL BOND FUND
- 45. UNITED CAPITAL EQUITY FUND
- 46. UNITED CAPITAL MONEY MARKET FUND
- 47. UNITED CAPITAL NIGERIAN EUROBOND FUND
- 48. UNITED CAPITAL WEALTH FOR WOMEN FUND
- 49. UNIC DIVERSIFIED HOLDINGS PLC
- 50. UNIC INSURANCE PLC
- 51. UAC PROPERTY DEVELOPMENT COMPANY PLC
- 52. UTC NIGERIA PLC
- 53. VFD GROUP PLC
- 54. WEST AFRICAN GLASS IND PLC

OTHERS:

CUT ALONG DOTTED LINE



FULL DEMATERIALIZATION FORM FOR MIGRATION

INSTRUCTION: Please fill out the form in CAPITAL LETTERS. Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in _____
 _____ "the company". I recognize this will invalidate any certificate(s) in my possession,
 or which might come into my possession in respect of my total holding(s) in this/this company.

Affix recent
passport
photograph

SECTION A:

SHAREHOLDER'S FULL NAMES: _____
Surname First Name Middle Name

ADDRESS: _____

GSM NUMBER: _____ **E-MAIL:** _____

GENDER: Male Female **DATE OF BIRTH:** DD MM YYYY **CSCS INVESTOR'S A/C NO.:** _____

CLEARING HOUSE NUMBER(CHN): C _____ **REGISTRAR'S ID NO (RIN):** _____

USE GUM ONLY
NO STAPLE PINS

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: _____ **BANK:** _____

BANK A/C NUMBER: _____ **BVN:** _____ **AGE OF A/C:** DD MM YYYY
Must be NUBAN Must be confirmed by bank Must be confirmed by bank

 Authorized Signature (1)
(and stamp of Stockbroker)

 Authorized Signature (2)
(and stamp of Stockbroker)

 Shareholder's Signature & Date

 Shareholder's Signature & Date (2)
(if applicable)

Thumb Print

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.		
2.		
3.		

S/N	CERTIFICATE NO. (IF ANY)	UNITS
4.		
5.		
6.		

Company Seal

SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)

I hereby request Africa Prudential Plc to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above. The holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and Africa Prudential Plc against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and /or Africa Prudential Plc by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to Africa Prudential Plc or their successors or assigns without cost, fee or reward.

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.		
2.		
3.		

S/N	CERTIFICATE NO. (IF ANY)	UNITS
4.		
5.		
6.		

Dated this _____ day of _____, 20____

Name: _____

Signature: _____

Joint (2) (if applicable): _____

Joint (3) (if applicable): _____

Company Seal

In the Presence of:

Name: _____ **GSM NO:** _____

Address: _____

Signature: _____

THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S STOCKBROKER, BANKER OR INSURANCE COMPANY

On behalf of _____ Plc/Ltd, we hereby agree jointly and severally keep the company and/or the Registrar or other persons acting on their behalf fully indemnified against all action, proceedings, liabilities, claims, losses, damage, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom. We/I also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Authorised Signatory (1): _____

Authorised Signatory (2): _____

Company Seal

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@aficaprudential.com | www.aficaprudential.com | @afirprud



SCAN



To Download Shareholders' Forms

SHARE PORTAL APPLICATION FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

*** = Compulsory fields**

1. *SURNAME/COMPANY NAME:

2. *FIRST NAME:

3. OTHER NAME:

4. *E-MAIL:

5. ALTERNATE E-MAIL:

6. *MOBILE NO.: 1. 2.

7. SEX: MALE FEMALE 8. *DATE OF BIRTH

9. *POSTAL ADDRESS:

10. CSCS CLEARING HOUSE NO.:

11. NAME OF STOCKBROKER:

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal (if applicable)

Please tick against the company(ies) where you have shareholdings

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES PLC
4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPP AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. GLOBAL SPECTRUM ENERGY SERVICES PLC
26. MED-VIEW AIRLINE PLC
27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)
28. NEXANS KABLEMETAL NIG. PLC
29. LIVINGTRUST MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
33. PREMIER BREWERIES PLC
34. RESORT SAVINGS & LOANS PLC
35. ROADS NIGERIA PLC
36. SCOA NIGERIA PLC
37. TRANSCORP HOTELS PLC
38. TRANSCORP PLC
39. TOWER BOND
40. THE LA CASERA CORPORATE BOND
41. UACN PLC
42. UNITED BANK FOR AFRICA PLC
43. UNITED CAPITAL PLC
44. UNITED CAPITAL BALANCED FUND
45. UNITED CAPITAL BOND FUND
46. UNITED CAPITAL EQUITY FUND
47. UNITED CAPITAL MONEY MARKET FUND
48. UNITED CAPITAL NIGERIAN EURO BOND FUND
49. UNITED CAPITAL WEALTH FOR WOMEN FUND
50. UNIC DIVERSIFIED HOLDINGS PLC
51. UNIC INSURANCE PLC
52. UAC PROPERTY DEVELOPMENT COMPANY PLC
53. UTC NIGERIA PLC
54. VFD GROUP PLC
55. WEST AFRICAN GLASS IND PLC

OTHERS:

CUT ALONG DOTTED LINE



HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@afriprudential.com | www.afriprudential.com | @afriprud



SCAN



To Download Shareholders' Form

E-SERVICE/DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | * = COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME

2. *FIRST NAME 3. OTHER NAME

4. *GENDER M F 5. E-MAIL

6. ALTERNATE E-MAIL

7. *DATE OF BIRTH DD MM YY YY

8. *MOBILE (1) (2)

9. *ADDRESS

10. OLD ADDRESS (if any)

11. *NATIONALITY 12. *OCCUPATION

13. *NEXT OF KIN NAME MOBILE

14. *MOTHER'S MAIDEN NAME

15. BANK NAME 16. A/C NO.

17. A/C NAME 18. A/C OPENING DATE DD MM YY YY

19. BANK VERIFICATION NO. (BVN) 20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN) C

Please tick against the company(ies) where you have shareholdings

CLIENTELE	
1. ABBEY MORTGAGE BANK PLC	<input type="checkbox"/>
2. ADAMAWA STATE GOVERNMENT BOND	<input type="checkbox"/>
3. AFRILAND PROPERTIES PLC	<input type="checkbox"/>
4. AFRICA PRUDENTIAL PLC	<input type="checkbox"/>
5. A & G INSURANCE PLC	<input type="checkbox"/>
6. ALUMACO PLC	<input type="checkbox"/>
7. A.R.M LIFE PLC	<input type="checkbox"/>
8. BECO PETROLEUM PRODUCTS PLC	<input type="checkbox"/>
9. BUA GROUP	<input type="checkbox"/>
10. BENUE STATE GOVERNMENT BOND	<input type="checkbox"/>
11. CAP PLC	<input type="checkbox"/>
12. CAPP AND D'ALBERTO PLC	<input type="checkbox"/>
13. CEMENT COY. OF NORTHERN NIG. PLC	<input type="checkbox"/>
14. CSCS PLC	<input type="checkbox"/>
15. CHAMPION BREWERIES PLC	<input type="checkbox"/>
16. CWG PLC	<input type="checkbox"/>
17. CORDROS MONEY MARKET FUND	<input type="checkbox"/>
18. EBONYI STATE GOVERNMENT BOND	<input type="checkbox"/>
19. GOLDEN CAPITAL PLC	<input type="checkbox"/>
20. INFINITY TRUST MORTGAGE BANK PLC	<input type="checkbox"/>
21. INVESTMENT & ALLIED ASSURANCE PLC	<input type="checkbox"/>
22. JAIZ BANK PLC	<input type="checkbox"/>
23. KADUNA STATE GOVERNMENT BOND	<input type="checkbox"/>
24. LAGOS BUILDING INVESTMENT CO. PLC	<input type="checkbox"/>
25. GLOBAL SPECTRUM ENERGY SERVICES PLC	<input type="checkbox"/>
26. MED-VIEW AIRLINE PLC	<input type="checkbox"/>
27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)	<input type="checkbox"/>
28. NEXANS KABLEMETAL NIG. PLC	<input type="checkbox"/>
29. LIVINGTRUST MORTGAGE BANK PLC	<input type="checkbox"/>
30. PERSONAL TRUST & SAVINGS LTD	<input type="checkbox"/>
31. P.S MANDRIDES PLC	<input type="checkbox"/>
32. PORTLAND PAINTS & PRODUCTS NIG. PLC	<input type="checkbox"/>
33. PREMIER BREWERIES PLC	<input type="checkbox"/>
34. RESORT SAVINGS & LOANS PLC	<input type="checkbox"/>
35. ROADS NIGERIA PLC	<input type="checkbox"/>
36. SCOA NIGERIA PLC	<input type="checkbox"/>
37. TRANSCORP HOTELS PLC	<input type="checkbox"/>
38. TRANSCORP PLC	<input type="checkbox"/>
39. TOWER BOND	<input type="checkbox"/>
40. THE LA CASERA CORPORATE BOND	<input type="checkbox"/>
41. UACN PLC	<input type="checkbox"/>
42. UNITED BANK FOR AFRICA PLC	<input type="checkbox"/>
43. UNITED CAPITAL PLC	<input type="checkbox"/>
44. UNITED CAPITAL BALANCED FUND	<input type="checkbox"/>
45. UNITED CAPITAL BOND FUND	<input type="checkbox"/>
46. UNITED CAPITAL EQUITY FUND	<input type="checkbox"/>
47. UNITED CAPITAL MONEY MARKET FUND	<input type="checkbox"/>
48. UNITED CAPITAL NIGERIAN EUROBOOND FUND	<input type="checkbox"/>
49. UNITED CAPITAL WEALTH FOR WOMEN FUND	<input type="checkbox"/>
50. UNIC DIVERSIFIED HOLDINGS PLC	<input type="checkbox"/>
51. UNIC INSURANCE PLC	<input type="checkbox"/>
52. UAC PROPERTY DEVELOPMENT COMPANY PLC	<input type="checkbox"/>
53. UTC NIGERIA PLC	<input type="checkbox"/>
54. VFD GROUP PLC	<input type="checkbox"/>
55. WEST AFRICAN GLASS IND PLC	<input type="checkbox"/>
OTHERS: <input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="checkbox"/>

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature: Signature: Company Seal (if applicable)

Joint/Company's Signatories



PROXY FORM

[PLEASE COMPLETE THIS FORM IN CAPITAL LETTERS]

The 30th Annual General Meeting of Central Securities Clearing System Plc. will be held at 10.00 am on Friday 24 May 2024 at The Civic Centre, Ozumba Mbadiwe Road, Opposite 1004, Victoria Island, Lagos State, Nigeria.

I/We,..... of being a member(s) of Central Securities Clearing System (CSCS) Plc, hereby appoint either of the following individuals as my/our Proxy to attend and vote for me/ us and on my/our behalf at the 30th Annual General Meeting of CSCS to be held on Friday 24 May 2024.

A. Individuals designated for appointment as Proxy

			Proxy Tick ("X") against the name of the individual you are appointing
1.	Mr. Temi Popoola	Board Chairman	
2.	Mr. Haruna Jalo-Waziri	Managing Director/Chief Executive Officer	
3.	Mr. Roosevelt Ogbonna	Non-Executive Director/Shareholder	
4.	Mr. Samuel Onukwue	Non-Executive Director	
5.	Mr. Nornah Awoh	Shareholder	
6.	Mr. Charles I. Ojo	Company Secretary	

B. Items to vote on/against

Number of Shares:				
Resolutions		Vote in Favour	Vote Against	Abstain
Ordinary Business				
1.	To present and consider the Company's Audited Accounts for the financial year ended 31st December 2023, the Reports of the Directors, Auditors and Audit Committee thereon.			
2.	To declare a dividend which is N1.50 (One Naira and Fifty Kobo) per share totalling N7,500,000,000.00 (Seven Billion Five Hundred Million Naira).			
3.	To elect Mr. Temi Popoola as Non-Executive Director			
4.	To elect Mr. Nonso Okpala as Non-Executive Director			
5.	To elect Mr. Samuel Onukwue as Non-Executive Director			

CUT ALONG DOTTED LINE



6.	To re-elect Mrs. Chinelo Anohu as Non-Executive Director (retiring by rotation).			
7.	To re-elect Mr. Ibrahim Dikko as Non-Executive Director (retiring by rotation).			
8.	To authorize the Directors to fix the remuneration of the External Auditors.			
9.	To elect members of the Statutory Audit Committee.			
10.	To disclose the remuneration of the managers of the Company in line with the provisions of the Companies and Allied Matters Act, 2020.			

Special Business/Resolutions

11.	That the Directors' fees for the financial year ending December 31, 2024, and for succeeding years until reviewed by the Annual General Meeting be and is hereby fixed at N13,500,000 (Thirteen Million and Five Hundred Thousand Naira Only) for the Board Chairman and N11,407,500 (Eleven Million Four Hundred and Seven Thousand and Five Hundred Naira Only) for each Non-Executive Director respectively.			
-----	---	--	--	--

Please indicate with an "X" in the appropriate column how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her/its discretion.

Dated this day of, 2024.

Shareholder's Signature

Name of Shareholder

Signature of the Person Attending (Proxy).....



Notes:

1. It is not advisable to send and receive physical copies of the Proxy Forms. To this end, electronic copies will suffice and we kindly request that you send a duly completed and signed copy of this Proxy Form and Admission Form to the Company Secretary, Mr. Charles I. Ojo (as in the Notice) by e-mail at cojo@cscs.ng or the Company’s Registrars, Africa Prudential Registrars at cxc@africaprudential.com not less than 48 hours before the meeting.
2. The Central Securities Clearing System (CSCS) Plc requests every member who is entitled to attend and vote at the Company’s 30th Annual General Meeting to appoint a proxy to attend and vote in his/her/its stead. Attendance of the 30th Annual General meeting shall be in-person or by proxy.
3. In line with best practice, the names of Directors/Shareholders/Company Secretary of CSCS have been entered on the Proxy Form to ensure that someone attends and votes as your Proxy. But if you wish, you may insert in the blank space on the form (marked *) the name of the person you wish to attend the meeting and vote on your behalf instead of the Directors/Shareholders/Company Secretary of CSCS.
4. In the case of Joint Shareholders, any of them may complete the form, but the names of all Joint Shareholders must be stated.
5. If the Shareholder is a corporation, this form must be executed under its Common Seal or under the hand of some of its officers or an attorney duly authorized.
6. In accordance with the provisions of the Stamp Duties Act, Cap. S8, Laws of the Federation of Nigeria, 2004, this Proxy Form must bear appropriate stamp duty.
7. The Proxy must produce the duly completed Admission Card sent with this Proxy Form to gain entrance to the meeting.

CUT ALONG DOTTED LINE



ADMISSION CARD:

Please admit the duly appointed Proxy to the 30th Annual General Meeting of Central Securities Clearing System Plc to be held at The Civic Centre, Ozumba Mbadiwe Road, Opposite 1004, Victoria Island, Lagos State, Nigeria on Friday 24 May 2024.

Name of Proxy attending:.....

Name of Shareholder:.....

No of Shares held:.....

Signature:



Office Locations

Head Office

Central Securities Clearing System Plc
1st Floor, Nigerian Exchange Group House
2/4 Customs Street, Marina
Lagos, Nigeria
Phone: 0700 CALL CSCS
0700 2255 2727

Abuja Office

Central Securities Clearing System Plc
5th Floor, Muktar El Yakub Place (UK Visa Application Office
Building, Plot 1129 Zakariya Maimalari Street,
Opp. War College or Beside Metro Plaza.
Central Business District, Abuja.
Phone: +234 9 290 9043, +234 9 290 8750
Email: contact@cscs.ng
Website: <https://www.cscs.ng>



SINGLE PORTFOLIO VIEW

Provide flexibility for your customers, who are investors in the capital market, in referencing and interacting with their entire financial portfolio **ON A SINGLE PLATFORM** by Integrating your digital applications with our portfolio view service via an API.



Online view of
capital market
investments



Asset
Valuation



Consolidated stock
accounts

Benefits to Your Customers

- ▶ Oversight of their capital market holdings on our online platforms.
- ▶ View of all their accounts with different stockbrokers on a single platform.
- ▶ Convenience in knowing their assets and net-worth – stocks, bonds, deposits, savings – at a glance.

Benefits to You

- ▶ Increase usage of your online applications by customers.
- ▶ Foster your relationship with the capital market.
- ▶ Serve as a means of introducing an innovative solution and staying competitive in the financial services industry.
- ▶ Easy validation of your customer's capital market investments as collateral for loan.
- ▶ Revenue generating opportunity.

Contact Us

✉ productsales@cscs.ng

☎ 0700 2255 2727




/CSCS Nigeria



Central Securities Clearing System PLC



www.cscs.ng



1st Floor Nigerian Exchange Group House
2/4 Customs Street, Marina Lagos, Nigeria
Website: <https://www.cscs.ng>