



Leading Excellence

2022
ANNUAL
REPORT



BUSINESS DAY

MARKETS CHOICE AWARD

Presented to

MR. HARUNA JALO-WAZIRI

Managing Director/CEO, 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



CONTENTS

1

OVERVIEW

Directors, Officers and Professional Advisers	- 4
2022 at a Glance	- 5
Notice of Annual General Meeting	- 8
Chairman's Statement	- 10
CEO's Letter to Stakeholders	- 16

2

BUSINESS REVIEW

Enterprise Risk Management Report	- 24
Corporate Social Responsibility Report	- 28

3

GOVERNANCE

The Board	- 33
Executive Management Team	- 40
Management Team	- 42
Directors' Report	- 44
Corporate Governance Report	- 49
Statement of Directors' Responsibilities	- 59
Statement of Corporate Responsibility	- 60
Audit Committee Report	- 61
Independent Auditor's Report	- 62

4

FINANCIAL STATEMENTS

Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income	- 66
Consolidated and Separate Statements of Financial Position	- 67
Consolidated and Separate Statements of Changes in Equity	- 68
Consolidated and Separate Statements of Cash Flows	- 70
Notes to the Consolidated and Separate Financial Statements	- 72

5

OTHER NATIONAL DISCLOSURES

Value Added Statement	- 144
Five Year Financial Summary	- 145
Proposed Changes to the MemArt of CSCS Plc	- 147
Forms	- 153
Office Locations	- 162



Directors, Officers and Professional Advisers

Board of Directors:

Mr. Oscar N. Onyema OON	-	Chairman
Mr. Haruna Jalo-Waziri	-	Managing Director/CEO
Mr. Eric Idiahi	-	Non-Executive Director
Mr. Roosevelt Ogbonna	-	Non-Executive Director
Ms. Tinuade Awe	-	Non-Executive Director
Chief Onyenwechukwu Patrick Ezeagu ¹	-	Non-Executive Director
Mr. Oluwaseyi Abe ²	-	Non-Executive Director
Mr. Uche Ike ³	-	Non-Executive Director
Mrs. Chinelo Anohu	-	Independent Director
Mr. Ibrahim Dikko	-	Independent Director
Mr. Oluseyi Owoturo	-	Non-Executive Director
Mrs. Tairat Tijani	-	Non-Executive Director
Mr. Adeyinka Shonekan ⁴	-	Executive Director

1. Chief Onyenwechukwu Patrick Ezeagu retired from the Board on Friday, 6 May 2022.
2. Mr. Oluwaseyi Abe retired from the Board on Friday, 6 May 2022.
3. Mr Uche Ike retired from the Board on Monday, 19 September 2022.
4. Mr. Adeyinka Shonekan joined the Board on Wednesday, 9 November 2022.

Registered Office:

Central Securities Clearing System Plc
1st Floor, 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)

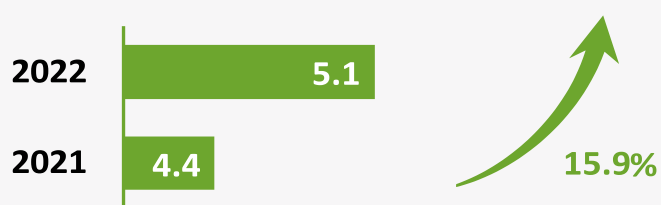
2022 At a Glance



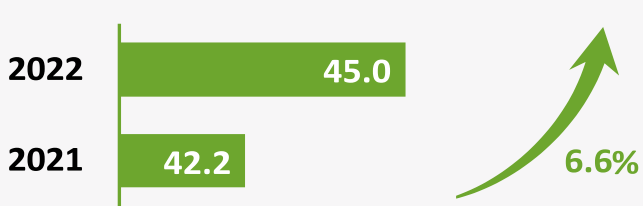
GROSS EARNINGS (₦' billion)



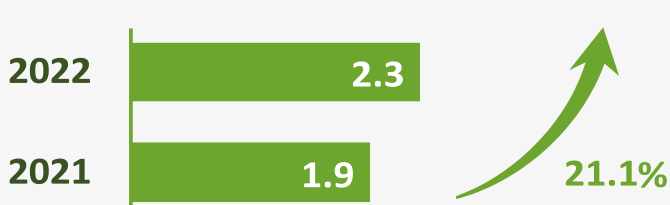
PROFIT FOR THE YEAR (₦' billion)



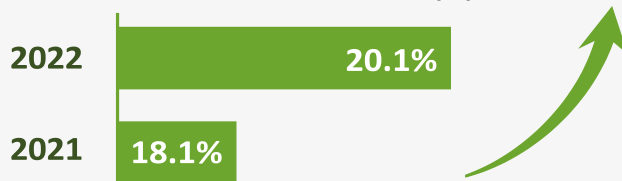
TOTAL ASSETS (₦' billion)



REVENUE FROM NON-CORE ACTIVITIES (₦' billion)



REVENUE CONTRIBUTION FROM NON CORE ACTIVITIES (%)





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 more than two 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 29th Annual General Meeting of Central Securities Clearing System Plc

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of the **CENTRAL SECURITIES CLEARING SYSTEM PLC ('CSCS')** will hold at The Civic Centre, Ozumba Mbadiwe Road, Victoria Island, Lagos on Monday 19th June 2023 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, 2022, and the Reports of the Directors, Auditors and Statutory Audit Committee.
2. To declare a dividend.
3. To elect/re-elect retiring Directors.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To elect/re-elect members of the Statutory Audit Committee.
6. To appoint/re-appoint Auditors.

B. SPECIAL BUSINESS/RESOLUTION

7. That pursuant to Section 51 (1) of the Companies and Allied Matters Act, 2020 the Memorandum and Articles of Association of CSCS be and is hereby altered by amending articles 1, 3, 6, 7, 9, 10, 12, 15, 16, 26, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 61, 62, 63, 71 and 71(e).
8. That pursuant to Section 51 (1) of the Companies and Allied Matters Act, 2020 the Memorandum and Articles of Association of CSCS be and is hereby altered by adding new articles 5 and 9.

N.B. In light of the thorough examination of the Memorandum and Articles of Association of CSCS (MemArt), we have produced a document with suggested changes and supporting information. For more information, please visit the CSCS website and click the document captioned "proposed amendments to CSCS MemArt."

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 Ojo by e-mail at cojo@cscs.ng or the Company's Registrars, Africa Prudential Plc 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 27th day of May 2023

**BY THE ORDER OF THE BOARD
of Central Securities Clearing System Plc:**

CHARLES I. OJO
Company Secretary
FRC/2014/NBA/0000006051

Overview

NOTES

1. Dividend

A total dividend of N6,850,000,000 (Six Billion Eight Hundred and Fifty Million Naira) amounting to 87 Kobo per share and a one-time special dividend of 50 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 Friday 02 June 2023 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.

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 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 e-mail addresses to the Company Secretary, Mr. Charles Ojo via e-mail to cojo@cscs.ng.

4. Statutory Audit Committee

The Audit Committee consists of 3 shareholders and 2 Non-Executive Directors. In accordance with Section 404 of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. The Securities and Exchange Commission in its Code of Corporate Governance for Public Companies requires at least 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 Monday 5 June 2023 to Friday 9 June 2023 (both dates inclusive)** to enable the Registrar to prepare for the payment of dividend.

6. Election Of Director

An Executive Director was appointed to the Board during the year under review.

7. Re-election Of Directors

In accordance with section 285 (2) of the Companies and Allied Matters Act 2020 and with the provisions of the Articles of Association, the directors to retire in every year are those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire are (unless they agree among themselves) determined by lot. In this regard, the director who is due to retire by rotation at the 29th Annual General Meeting and is offering himself for reelection having met necessary requirements is Mr. Oluseyi Owoturo.

8. Profile Details Of Directors For Re-Election/Approval

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

9. Appointment/Re-Appointment Of Auditors

In accordance with S. 401 (1) of the Companies and Allied Matters Act, 2020, every company shall at each Annual General Meeting appoint an auditor or auditors to audit the financial statements of the company, and to hold office from the conclusion of that, until the conclusion of the next, annual general meeting. The Company's Auditors, Messrs. KPMG, are due to retire at the 29th Annual General Meeting and being presented to the Company's Shareholders for reappointment at the 29th Annual General Meeting.

10. Website

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

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 Thursday 15 June 2023. Questions and answers will be presented during the Annual General Meeting.

Dear Shareholders, Board Members, and other Stakeholders, I am delighted to welcome you to our company's 29th Annual General Meeting. In my statement for this year, I will present a review of the global economy, the business climate in Nigeria, and more importantly the capital market as well as the success of your company in the 2022 financial year. I would conclude with a brief outlook for 2023.



Oscar N. Onyema OON

Chairman, Board of Directors

Chairman's Statement

A REVIEW OF THE GLOBAL AND NIGERIAN ECONOMY

Global Macroeconomic Review

Much of 2022 was marked by economic uncertainties, partly due to inflation risks and the necessary monetary policy responses by different Central Banks around the world. Investor worries about slower economic growth intensified, as the prolonged Russia-Ukraine war drove up commodity prices, exacerbating concerns on probable policy errors by various policymakers. Given the macroeconomic uncertainties, both equities and bond markets became volatile, especially as some segments of the market are yet to fully recover from the distortions caused by the COVID-19 pandemic.

Along with worries about inflation and economic growth, there were also concerns about financial stability, as interest rate hikes aimed at taming inflation may have erupted unintended consequences in many markets, especially the United States, where two banks had gone insolvent within a month. The collapse of Credit Suisse, one of the largest banks in Europe, has also reinforced concerns on global

financial system stability, signaling the need for close monitoring of financial systems to mitigate probable recurrence of the 2007/2008 global financial crisis. The elevated interest rate environment continues to exacerbate fiscal challenges in developing economies, in addition to the macroeconomic uncertainties, especially as both imported and structural inflationary pressures continue to undermine standards of living in emerging economies like Nigeria.

Soaring costs, globally, put more pressure on many developing economies, undermining growth and consumer confidence and pushing businesses closer to the edge. As businesses are yet to fully recover from the doldrums of the COVID-19 pandemic, rising cost of production and capital may push many small and medium scale enterprises into insolvency. Coincidentally, household incomes have been relatively stagnant over the past few years, thus heightening the impact of current inflationary pressure on purchasing power and overall standard of living in many developing countries such as ours.

As businesses are yet to fully recover from the doldrums of the COVID-19 pandemic, rising cost of production and capital may push many small and medium scale enterprises into insolvency.

Uncertainties in the economy and financial markets are accompanied by escalating trade tensions, particularly between the United States and China, and worries about the future viability of the US dollar as the world's reserve currency. While the US dollar has gained value relative to the majority of other currencies, including the Euro, which traded at parity with the US dollar for a while in 2022, there are signs that China will lead the BRICS (Brazil, Russia, India, China, and South Africa) and a few other aligned nations in the

Chairman's Statement

creation of a new world currency to compete with the US dollar. A strong dollar heightens imported inflation in frontier and emerging markets, nonetheless current uncertainties on the future of the dollar also portend risks, especially for African economies whose export commodities are currently priced in dollars.

The Nigerian Business Environment

In December 2022, the headline inflation rate eased to 21.34% compared to November 2022 levels, according to the National Bureau of Statistics (NBS), however, it was 5.72% points higher compared to the rate recorded in December 2021.

As Nigerians continue to deal with the rise in the cost of necessities like food and clothing, the country is at the edge of a cost-of-living crisis, as millions of families have slipped into poverty bracket. Besides the structural factors heightening inflationary pressures, many analysts note the impact of persistent Naira depreciation on consumer goods prices, given the high dependence of the country on importation. The disparity between the official and parallel market currency rates is more concerning since it increases

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speculative pressures on Naira. The Nigeria's foreign reserves which stood at \$40.52 billion as at the end of 31 December 2021, fell by \$3.43 billion or 8.5% in 2022, to \$37.09 billion, underscoring the CBN's difficulty in protecting the local currency. Although oil prices rose through 2022 on the worldwide market, the country's export volumes shrank, undermining the nation's foreign currency earnings and its reserves. Nigeria's 1.8 mb/d OPEC quota was not met during the time despite the commitment of resources to push the

country's production capacity by an extra 300,000 bpd to 400,000 bpd of condensate oil. Simultaneously, remittances were low, due in part to the weak income growth in developed economies and uncertainties regarding foreign exchange policies.

Nigeria's total goods trade, as reported by the NBS, was N11.77 trillion in the fourth quarter of 2022, a decrease of 4.52 percent from the number reported in the third quarter. When compared to the value reported in the fourth quarter of 2021, the statistic also shows a minor increase of 0.13 percent. The export trade, according to the statistical office, climbed by 10.2 percent over the same period last year and by 7.17 percent over the value reported in the previous quarter to reach N6.35 trillion.

In contrast, the NBS reported that total imports were valued at N5.36 trillion in Q.4 2022, a fall of 15.46% from the figure reported in the quarter before. It decreased by 9.73% compared to the data from the same period in 2021.

Review of the Nigerian Capital Market

Notwithstanding the difficult economic environment, the Nigerian stock market held its appeal to investors and performed better than expected. With a gain of 19.98%, the Nigerian Exchange All Share Index surpassed most peer indices in emerging and developed economies. Despite the year's gloomy forecast for the world economy, the capitalization of the Nigerian equity market increased from N22.297 trillion on January 4, 2022, to N27.915 trillion on December 30, 2022. The increase in market capitalization was made possible by the listings of BUA Foods Plc and Geregu Power Plc, both companies added over one trillion Naira to the market capitalization of the Nigerian Exchange Limited (NGX). Activity level in the fixed income market showed a minor increase in average daily turnover to N3.89 billion in 2022 (from N3.53 billion recorded in 2021). The overall value of equity trades increased by 27% in 2022 from N916 billion in 2021 to N1.16 trillion; an increase of 10.20% year-on-year. However, foreign investors' share of the total transactions on the NGX slowed down to about 11% by the end of 2022; the lowest level since

Overview

the NGX began compiling the current data series. Also, improved domestic investors' appetite for high capitalized stocks with assurances of capital appreciation triggered a high level of activities that engendered credibility and relative stability in the market. As the new government settles into office, we recommend the need for an urgent response to the FX liquidity challenges and the request for flexibility in the FX framework to attract foreign capital investors back to the Nigerian capital market.

Financial Summary

During the 2022 financial year, our company achieved gross earnings of N11.5 billion, which represented a 92.5% performance when compared to the Board-approved budget and more importantly, this reflects an appreciable growth of 9.9% year-on-year (FY 2021: 10.5 billion). I am particularly impressed by the strong performance of Management in deepening the penetration of the company's products & services offerings, as reflected in the strong earnings from the non-core revenue, which translates to 41.8% year-on-year growth. The stellar performance of non-core revenue and strong growth in investment income buoyed the overall performance of the business despite the relatively low activity level in the equity market that dampened our clearing and settlement income (Average Daily Transaction Value (ADTV) which was barely N3.2 billion in the 2022 financial year, compared to our expectation that market activity would improve with targeted ADTV of N5.1 billion). Importantly, earnings from our flagship non-core offering, Electronic Document Management Services (EDMS) continue to grow, achieving 48.3% year-on-year growth to N732 million.



This further reinforces Management's commitment to our diversification drive, as we see opportunities to leverage the firm's resources and expertise in diversifying the business into new growth areas. More so, it provides a chance to further create value for our stakeholders within and beyond the capital markets. I am excited to report that despite the inflationary environment, Management was able to sustain our cost efficiency benchmarks, thus ensuring strong profitability in the year. The company's overall profit before tax and profit after tax are N6.5 billion and N5.1 billion, translating to 10.9% and 23.7% year-on-year growth respectively. In keeping with our commitment to providing our shareholders with strong and sustainable returns, the Board has proposed a dividend of 87 kobo per share and a one-time special dividend of 50 kobo per share from the retained earnings account as at 31 December 2022, subject to your approval at this Annual General Meeting. This results in a N6.85 billion dividend in total, and it is subject to applicable withholding tax.

Board of Directors

I am proud of the diverse experience of the Directors on the Board of CSCS Plc and more importantly, the diligence and commitment of every Director in delivering our oversight function. The complement of the Board in overseeing the execution of our plan has been very instructive in ensuring we stay on the path towards achieving our vision results. The Board continues to interrogate the fundamental pillars that underlie our strategic objectives to ensure continued relevance of our initiatives and investments, especially as we recognize the fast-changing market environment. I am happy to note the following achievements regarding our strategic efforts towards ensuring the growth and sustainability of the business:

- Our company has recorded consistent growth in earnings, over a period of lull in the capital market, a performance which reflects the resilience of the business, buoyed by continuous diversification.
- It is instructive to note that our significant investments in infrastructure over the past

Chairman's Statement



five years are evidence of our commitment to investing in the future of the business and sustainability of the growth trajectory. We invest in technology's core components rather than just buying new tools for the sake of it to improve the effectiveness of our services. A noticeable departure from our previous records is the fact that we have constantly maintained 99.99% uptime over the past three years. More importantly, we have optimized the processing time of our clearing and settlement operations by leveraging new investments in technology and process reengineering.

- As a reflection of our improved governance and oversight on financial and operational controls, we have consistently achieved near-zero audit exceptions from periodic internal and external Audits.

It is noteworthy that there were few changes to our Board composition during the year. Following the retirement of Mr. Uche Ike as Executive Director of UBA Plc, he then resigned as the representative of the Bank on the Board of our Company.

As a Non-Executive Director of CSCS Plc, Mr. Ike held key positions on the Board and served as the Chairman of the Board Technical Committee and the then Board Risk Management Committee at different

times. His strong leadership values and impressive executive experience were invaluable to the Board. On behalf of all Shareholders, Board and Management of CSCS Plc, I like to thank Mr. Ike and wish him the best in his future undertakings.

During the year, the Board also appointed Mr. Adeyinka Shonekan as Executive Director with the clear objective of strengthening leadership bandwidth. Mr. Shonekan is an accomplished business leader and finance professional, with extensive experience across various segments of the financial services sector, including banking, capital markets and insurance sub-sectors. He has strong relationship management and leadership skills, a personality which reflects his track record of building and leading effective cross functional teams, driving change management and executing growth strategies. We are excited to have him on board, as we believe he brings to the Board strong complementary skills and experience.

In addition to these Board changes, we have committed extensive time and resources to improving our governance practices, as measures towards ensuring the long-term sustainability of the Company. To this end, the Board recently completed a Governance Review exercise and will be making recommendations for your approval at this AGM. Our desire is to position

CSCS Plc amongst leading brands, with global best practice.

Outlook for 2023

The Nigerian economy is forecast to expand by 2.7% in 2023. According to the International Monetary Fund (IMF), this year would have the "slowest growth profile" since 2001 (isolating the 2008 global

financial crisis and the COVID-19 induced recession). Notwithstanding the conservative outlook, we remain positive about the prospect of our Company, as we continue to see opportunities to sustain the growth

Notwithstanding the conservative outlook, we remain positive about the prospect of our Company, as we continue to see opportunities to sustain the growth of the business and potential for value creation for all stakeholders

Overview

of the business and potential for value creation for all stakeholders. We would advance our support to Management in the execution of initiatives relevant for ramping up growth in our non-core businesses, especially collateral management, and Electronic Document Management Services (EDMS). We believe these ancillary services and other new offerings will have significant contributions to the company's bottom line in future years. As a key element of our strategic initiative, we will improve on our collaboration within the financial market ecosystem. Our enhanced partnership with the Nigerian Exchange Limited (NGX) is increasingly evident of the strong possibilities in our collective capabilities and the potentials for market development that may result from such strategic partnerships. We will further dedicate resources towards financial literacy and broader market education, including advocacy for market-wide topical issues such as cybersecurity.

As a business, we are dedicated to the best possible corporate governance and will continue to strengthen our relationships with institutions that support our achievement of this objective.

Conclusion

In conclusion, esteemed Shareholders, I want to specially thank you for keeping faith in the ability of the Board and Management of CSCS Plc. More importantly, I want to reassure you of our commitment to delivering superior and sustainable returns to you, notwithstanding the challenging market environment. I must thank all Directors for their unflinching support to the Management and diligence in delivering on our responsibilities. The Executive Management and entire staff indeed deserve my applause and I hope you keep up the good work and continue to uphold the

confidence that the Board repose in you. Our regulator, the Securities and Exchange Commission (SEC) has been exceptionally supportive, and I want to thank the leadership of the SEC for the positive oversight on the Nigerian Capital Market and commitment to seeing through difficult initiatives relevant to market development. To our clients and participants, we are

Our enhanced partnership with the Nigerian Exchange Limited (NGX) is increasingly evident of the strong possibilities in our collective capabilities and the potentials for market development that may result from such strategic partnerships.

very grateful for your support, and we would continue to invest in our mutual prosperity.

Thank you.

Yours sincerely,



Oscar N. Onyema OON.
Chairman, Board of Directors
FRC/2013/IODN/00000001802
08 April 2023

Distinguished Shareholders, Board of Directors and Capital Market Stakeholders, I am pleased to welcome you to the 29th Annual General Meeting of our company, Central Securities Clearing System (CSCS) Plc. It's a great honour and privilege given to me by you to lead this important Infrastructure in the financial market. My team and I would continue to uphold our commitment to creating sustainable value for all stakeholders.



Haruna Jalo-Waziri
Managing Director/Chief Executive Officer

CEO's Letter to Shareholders

LEADING EXCELLENCE

It is on this note, that I like to humbly present this report on our stewardship of this esteemed company for the 2022 financial year. I would start my report with a brief overview of the macroeconomic and business environment, to serve as a background to detailing our performance during the year. As corollary to the committed execution of our strategic plan, I would give highlights on our outlook for the business, as we continue to see opportunities for innovation and growth.

Economy and business environment

During 2022, the world was faced with unprecedented challenges. However, as we breathed a sigh of relief at the thoughts and hope of an imminent exit of COVID pandemic and its attendant lockdown, new social and economic tensions emerged from the Russia-Ukraine war in Europe, racial conflicts in Asia, and broader inflationary pressures enveloped the world. These events undermined the resilience of most economies including the developed countries.



In the UK, US, Canada, Australia and many parts of Europe, headline inflation rate peaked at levels not seen 40 years ago, with the United Kingdom welcoming a double-digit inflation rate. As prices of consumer goods rose at a pace never seen in the past four decades, the escalating cost of living overwhelmed most households, a phenomenon which continues to trigger civil actions as well as rational and irrational fiscal responses. In the United Kingdom, a number of public service and utility providers staged strike actions to demand for wage increase, including medical doctors asking for increased remuneration to compensate for the inflationary erosion on income. In France, civil servants are resisting new Executive Order aimed at increasing retirement age, as the government considers new ways to reduce pension liabilities and obligations as a measure to address challenging fiscal position. In Canada, there are calls for wage increase both at the Federal level and in few Provinces, where reports noted most households are compromising their standards of living, including cutting of basic necessities, as inflation erodes purchasing power of the Canadian dollar.

Monetary policy orientations have changed dramatically over the past year, with most authorities transiting quickly into a contractionary policy mode. The Federal Open Market Committee in the U.S led the pack, with its aggressive tightening measures, influencing decisions of policy makers in the U.K, Canada, Europe and many other countries, where interest rate hikes have inevitably mirrored the US Federal Reserve's decision. Interest rates on mortgage, credit card, business loans etc have risen to new-highs, last seen before the 2007/08 global financial crisis.

CEO's Letter to Shareholders

Whilst the higher interest rate is aimed at stemming inflationary pressures, it has been a double whammy for households and corporates, which face the twin pressure of obstinately high inflation and higher cost of borrowing. Governments are also affected, as it gets more expensive to finance budget deficits. Given the size and frequency of fiscal stimulus programmes in 2020 and 2021, governments in most countries have little or no headroom for further support, thus

Savers are usually the winners, but the high inflation rate leaves few savers at a loss, as many households have had to either dissave or cut back on consumption, in response to the elevated prices of consumer goods.

exposing households and businesses to the full impact of these macroeconomic pressures. Savers are usually the winners, but the high inflation rate leaves few savers at a loss, as many households have had to either dissave or cut back on consumption, in response to the elevated prices of consumer goods.

African economies are yet to recover from the doldrums of the pandemic, as economic growth remains very soft and fragile across most countries on the continent, including Nigeria, which recorded barely 3.1% growth in gross domestic product in 2022. The global inflationary pressure is exacerbated in Africa, given the import dependency of most countries on the continent. The domestic structural challenges undermining food supplies reinforced imported inflation, especially as most African currencies continues to depreciate in value relative to the United States Dollars. In Nigeria, food inflation presented at 24.6% in April 2023, the highest level in over fourteen years. In Ghana, the situation is worse, as headline inflation rate hovers 52.8% in February 2023. Notwithstanding the aggressive monetary policy tightening, headline inflation rate remains obstinate at historic-high levels, just as local currencies

continue to depreciate. In Nigeria, the Monetary Policy Committee (MPC) consistently hiked the benchmark interest rate from 11.5% in May 2022 to current level of 18.0%, a shift from the accommodative stance it had maintained since July 2016.

The Naira, trading at N463/USD at the Investors and Exporters (I & E) window, has lost 8% of its value against the greenback, and more concerning is the continuous erosion in the external reserves, which waned some 5.7% year-on-year to barely USD35.7 billion. Reinforcing the risk of further depreciation of the Naira is the spread between the official rate and parallel market rate of N750/USD. Whilst the parallel market accounts for a small fraction of overall FX demand/supply in the country, it is increasingly perceived as true reflection of the value of Naira, given subdued demand in the official window. In addition, the consistent participation of the Central Bank in the I&E window remains an argument against the effective price discovery mechanism in the official market.



The devastating cost of the pandemic has stretched fiscal positions of most African governments, leading to Sovereign defaults in Ghana and Zambia, even as there is increasing concern on the capacity of few other African Sovereigns to meet near to medium term obligations. Following the defaults, credit rating agencies downgraded the ratings on most African Sovereigns, an event which further waned foreign investment flows to the continent. In the meantime, there is limited external financing opportunities for African Sovereigns, hence underlying the renewed focus of governments on the local debt markets, which would serve as the main source of financing the deficit budget.

Overview

Notably, Nigeria's oil sector remains in recession, shrinking 8.3% year-on-year, after recording its seventh consecutive month of contraction and representing barely 7.2% of the Nigerian gross domestic product in 2021. Reinforcing the fragility of the economic recovery, the industrial sector also contracted, as the non-oil sector expansion was driven mainly by relatively isolated rebound in trade, information & communication, and construction sectors. Whilst improved trade activities may be traced to the surge in imports aimed at restocking depleted inventories after

I am proud of what we have achieved, and I believe most stakeholders, if not all, are impressed by our performance over the years,...

the "pandemic lockdown", resilient growth in the ICT sector reflects sustained investments in the sector, as operators seek to explore opportunities for increased data penetration. Overall, Nigeria's economic recovery remains fragile, with limited prospect for a strong growth in the near term.

Being an election year, 2023 started off on a rather slow note, as politics dominated policy decisions. More so, businesses are shy of new capital investments. Household income remains constrained, with many households dissaving to sustain standard of living, as the double whammy of stagnant income level and paradoxically rising inflation rate continues to erode purchasing power.

Business Performance...Waxing stronger against all odds

I am proud of what we have achieved, and I believe most stakeholders, if not all, are impressed by our performance over the years, especially when put in perspective the myriads of global and domestic challenges we have navigated. We continue to stay true to our promise of delivering value to our shareholders and indeed every stakeholder, without indulging in

the excuse of apparent intrigues in the operating environment. Amidst rising competition in a market created by CSCS, we achieved notable efficiency gains in our operations and more importantly, we have consistently created value for shareholders, as reflected in the steady growth of the business and return on shareholders' investments from both capital appreciation on the shares at the OTC market and consistent dividend payment.



We continue to diversify the business to withstand the volatilities of the capital market and broadening the income base for sustainable growth. Riding on the 21% growth in revenue from ancillary services to N2.3billion, I am pleased to report that we achieved a 9.9% growth in overall revenue to N11.5 billion, despite subdued liquidity in both the primary and secondary markets, with notable consequence for transaction fees. I am excited to report that one out of every five Naira we make in revenue is from our ancillary services, a new record which demonstrates our ability to deliver on our 2025 target of generating a quarter of revenue from non-traditional CSD business. Reflecting our commitment to cost efficiency, we continued to keep cost growth below inflation rate, despite notable investment in human resources and the impact of foreign currency-denominated technology cost. Overall, we grew profit by 16.2% year-on-year to N5.14 billion, demonstrating the strong fundamentals of the business, execution capacity of the Management team and sound governance oversight of the Board. The equity and total asset of the business grew 4.1% and 6.6% to N35.2 billion and N45.01 billion respectively, reinforcing the ability of the business to generate internal capital by way of retained earnings.

CEO's Letter to Shareholders

We take collaboration very seriously, as we recognise that it is and would continue to be one of the critical pillars that underlie our ability to deliver value to the industry. It is impressive how we continue to leverage collaboration in effectively delivering our strategic role of ensuring the safety and stability of the Nigerian capital market, and more importantly, the ingenuity of our participant in warming up to our ideas and innovations targeted at leading positive changes in our market. I am excited at the recent launch of the electronic subscription of the FGN Savings Bonds, in a partnership with the Debt Management Office (DMO). We expect this new portal for primary market offering of Sovereign bonds to improve retail investor participation in the fixed income market and hopefully deepen overall market, going forward, especially as it is expected to give a new experience to investors and intermediaries. Our Application Programming Interface solutions is helping to break down silos and it has provided us the opportunity to launch a few self-service platforms, across different participants.

A Great History and An Exciting Future

It's been twenty-five years of meritorious service, as the Infrastructure for the Nigerian capital market. We have pioneered a number of initiatives and efficiencies in the market but more importantly, we have enjoyed the best of collaborative engagements with different stakeholders in the market.

Whilst we relish our progress working with other stakeholders in transforming the Nigerian capital market, we reckon there is a long way to go in bridging the gaps towards our aspiration of positioning the Nigerian capital market as the hub of securities services in Africa and one of the leading capital markets, globally. Thus, as we dedicate our rich heritage, resilience and strength to our esteemed participants, who have made this rich history, we are also dedicating the future of this great market utility to our mutual prosperity. We look forward to deepening our partnerships as we execute on innovations aimed at catalysing the desired sustainable growth of the Nigerian capital market for the greater good of all stakeholders.

Having laid a solid foundation, we would enhance our strategic collaboration with various participants in our ecosystem, in addition to leveraging our global affiliation, to build a capital market of the future, capable of enhancing inclusivity and growth of the Nigerian financial market. At the heart of CSCS' strategic objectives are initiatives targeted at continuous modernisation of our processes and infrastructure, as we hope to tilt the demographics of investors in the Nigerian capital market, with the target of working with the right partners in enhancing inclusivity for women and youths, important investor categories that we believe would shape the future of the Nigerian capital market. We would continue to invest in innovations and technology that help to solve the most complex operational challenges undermining the growth of the market and the success of our participants, as we remain committed to our philosophy of mutual prosperity.



Thank You...we owe our progress to the support of all stakeholders

Esteemed shareholders, I would like to thank you for entrusting the management of this great company to my colleagues and me. It is an honour to lead such an important Market Infrastructure. Our pledge to delivering superior and sustainable returns to you remains a major source of inspiration for us and we would continue to count on your support, as we progress our journey towards delivering on the vision of the company. To our customers, whose loyalty keeps us in business: thank you for choosing CSCS

Overview

To our customers, whose loyalty keeps us in business: thank you for choosing CSCS always. I promise we would continue to create value for you, through exceptional services and innovative offerings.

always. I promise we would continue to create value for you, through exceptional services and innovative offerings. We are grateful to the positive leadership of the Securities and Exchange Commission (SEC), our apex regulator. We would continue to uphold the integrity of the market through our role, as we seek new ways of consolidating our partnership with the Commission towards growing the Nigerian capital market.

It is rare to have such a composition of experienced business leaders as our Board of Directors. More importantly, I always admire and appreciate the commitment of every Director in the discharge of their oversight functions. My colleagues and I are very grateful for your purposeful governance of the institution, as you set clear vision and guide our strategy execution on the mission towards delivering on the vision results. Fellow colleagues, you are the most valuable assets of this great company and I like to always remind you that as we relish our accomplishments, we are on a long haul, given our ambitious vision. Thus, we must maintain our tenacity and creativity, as we leverage our collective capacity in creating sustainable value for our stakeholders.

Thank you.



Haruna Jalo-Waziri
Managing Director/Chief Executive Officer
FRC/2017/IODN/00000017488
15 May 2023



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



Electronic Document Management & Workflow in Real-time



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

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Business Review





Enterprise Risk Management Report

Introduction

The Enterprise Risk Management framework establishes a systematic process of implementing risk management activities across the company, supporting the long-term revenue, earnings, and capital growth strategy.

Each business process and activity is entrenched with the appropriate controls. At the same time, the independent risk function provides proactive support and constructive challenges to the first-line risk owners to deliver sustainable growth within the company's risk appetite.

The CSCS Board of Directors and respective Committees have collective responsibility for the risk management and to this end, have approved corresponding risk management policies, frameworks and strategies to cover this subject. Management provides oversight across the company to ensure that material risks are properly identified, measured, mitigated and monitored in order to minimize the

impact of adverse events. The Chief Risk Officer (CRO) coordinates the process of monitoring and reporting identified risks.

The Enterprise Risk Management & Resilience Division, the team that oversees the risk management processes, is complemented by the Internal Control team in the management of financial, business continuity, legal & contractual, operational, regulatory & compliance, strategic, reputational risks, Information and Cybersecurity risks.

To achieve its risk management objectives, the company has a risk management framework that comprises the following elements:

- Risk management objectives and philosophy
- Governance structure
- Roles and responsibilities for managing risks
- Risk management process

Business Review

Enterprise Risk Management Philosophy

At CSCS, we embrace a moderate risk appetite, whilst delivering on strategic objectives. CSCS considers sound risk management practice to be the foundation of a sustainable institution whilst delivering strategic objectives.

CSCS adopts a holistic and integrated approach to risk management and therefore, brings all risks 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 that strategies are designed and implemented consistently. Through a three-pronged line of defence risk management model, the company's business units are primarily responsible for the risk they undertake.

The philosophy of three lines of defence has been adopted for proactive, efficient identification and management of risks inherent in the company's activities, processes, system, products, and external events as follows:

The first line of defence – Strategic Business Functions

This consists of business units and line functions with primary responsibilities for risk management.

The first line of defence 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 the culture of aligning risk management with business objectives; and
- Implement controls to reduce the likelihood and impact of risks.

The second line of defence – Independent Risk and Control Oversight

This consists of functions responsible for providing independent oversight over key risks like credit, market, liquidity, and operational risks 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 other monitoring functions, and identify enterprise trends, synergies and opportunities for change.

The third line of defence – 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.

Ultimately, the purpose of the company's Enterprise Risk Management function 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.

The Board, either directly or through delegation to a superintending board committee, approves the risk appetite of the company.

Risk Appetite

The company's risk appetite is reviewed by the Board of Directors in line with the organisational strategy. The Board considers the plans to implement the strategy and set the risk limits in achieving the strategic objectives.

The company's risk appetite describes the quantum of risk that the organisation would assume in pursuit of its business objectives at any point in time. The company uses this risk appetite definition in aligning

Enterprise Risk Management Report

its overall corporate strategy, capital allocation, and risks.

The company sets tolerance limits for identified Key Risk 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.

Enterprise Risk Management Framework/ Governance

Effective governance ensures that risks are understood, managed, and communicated in an appropriate manner.

The Board, advised the Board Audit and Risk Management Committee and the Executive Committee of the Company, requires and encourages a strong risk governance culture which shapes the company's attitude to risk. The governance structure supporting our risk cycle is designed to deliver the right information, at the right time, to the right people.

Our Board Audit and Risk Management Committee plays a critical role in providing oversight of risk management and ensures 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.

Risk Management is evolving and necessitates regular review of the effectiveness of each enterprise risk management component. It is in the light of this that the company's Enterprise Risk Management 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.
- Review the effectiveness of the company's overall risk management strategy at the enterprise level.

Internal Control Activities

The Board of Directors, the Executive Management, and all levels of staff participate in Internal Control processes. The processes operate continuously at all levels of the company with strict monitoring to ensure full compliance. The monitoring is driven by a well instituted internal control program. An ongoing internal control program is a critical component of the control environment; when 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.

Business Continuity Management

The company will continue to take proactive measures to ensure the safety of employees and assets while delighting customers, meeting key stakeholders' expectations, and strengthening operational resilience.

Business Review



The company mitigates business continuity risks by frequently reviewing and testing recovery procedures. These reviews and tests are carried out at least once every quarter. Market wide tests, involving various market participants and stakeholders are done twice a year. The tests done in 2022 were successful and so we can give an assurance of business continuity in case of any disaster.

Information/Cybersecurity Risk Management

Cybersecurity risk is at the forefront for many organisations as there have been an increase in cybersecurity threats to businesses globally. In response to this, we conducted an extensive audit of our cybersecurity landscape with a view to fortifying it. We retained an external consultant to conduct an assessment and have subsequently closed the gaps identified. We have also started the process of putting in place 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).

In furtherance of our objectives of positioning ourselves as thought leaders, we organised a Cybersecurity Conference which was well attended by both the public and private sectors. It was a hybrid event with participants joining via digital channels from around the world. The conference discussed challenges and emerging issues in cybersecurity.

Whistleblowing

Our whistleblowing policy is an anti-corruption initiative that motivates people to freely provide information about fraud, bribery, and other unethical conduct. It is intended to promote a healthy feedback culture where concerns may be expressed without fear of reprisal. The policy applies to both external and internal stakeholders, which include employees, customers, and vendors. Concerns about ethics, governance, irregularities, or malpractices can be reported anonymously with an assurance of confidentiality and the requisite action. Whistle-blowers can submit reports via an externally hosted hotline or internally through a direct connection on the intranet. All complaints are investigated, and where infractions are found, the appropriate sanctions are applied.

Conclusion

The Enterprise Risk Management function has contributed significantly to CSCS achieving its strategic objectives. It is poised to assist CSCS adopt and comply with the appropriate global best practices in creating and delivering value to its various stakeholders.

The Risk Management function will continue to serve as an enabler of business for CSCS and provide value-added services to the Nigerian Capital Market.



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 2022.

As we marked 25 years of Leading Excellence, the year was a landmark moment in the history of CSCS. Our positive impact has been felt for over two decades by the communities where we operate, including our clients, our employees, and their families. We strive to create an inclusive, accommodating, and sustainable environment that promotes productivity for all.

As always, we utilized our resources, personnel, and abilities to address some of the challenges our community was facing. Through collaborations with multiple organisations, we volunteered, made financial contributions, scheduled knowledge-sharing sessions, and served on non-profit boards. Our objective was to provide insights from our work to strengthen those organisations' impact and support their growth.

Over the past decades, we have made significant progress in evolving our CSR framework, ensuring that our initiatives are consistently and effectively translated into tangible actions that unlock sustainable outcomes. Going forward, we will double our efforts, work in collaboration with relevant partners, and shape business conduct that works for our people, community, and society. This will be our mission for the next 25 years.

Business Review



PEOPLE

In 2022, CSCS experienced a remarkable year as we commemorated the 25th anniversary of Leading Excellence and driving innovations in the Nigerian capital market. The celebration was a tribute to our esteemed stakeholders, shareholders, and employees for their invaluable dedication to CSCS since its establishment.



At CSCS, we continue to foster a culture of diversity and inclusivity within the organisation through our Diversity, Equity and Inclusion symposium. These conferences were held in celebration of the International Women's and Men's Days and featured experienced guest speakers, career talks and mental health awareness sessions.

To keep our employees up-to-date on the latest developments and activities within our ecosystem, we conducted in-house Knowledge Sharing Sessions and provided regular training to both employees and key stakeholders.

It is worthy of note that we place great importance on the welfare of our employees. Our annual team bonding and team building activities help to strengthen staff bonds, leading to improved working relationships and increased creativity within the organisation.



COMMUNITY

Our commitment to growing with our business community remains unwavering, and we have demonstrated this over the years through our resilience in supporting our stakeholders. We value their loyalty to our business and strive to meet their needs effectively.



Our Annual Cybersecurity Conference is a testament to this. We elevated our cybersecurity awareness campaign by organising a nationwide conference that brought together government officials, cybersecurity experts, financial institutions, telecommunications companies, and industry regulators. The conference, themed, "Future of Cybersecurity: Emerging Issues and Solutions" marked the fourth annual cybersecurity conference organised by CSCS, aimed at increasing awareness of current and emerging cybersecurity threats in Nigeria's capital market and preparing organisations against potential cybersecurity breaches. The event featured presentations from leading cybersecurity professionals and had engaging panel discussions.



ENVIRONMENT

At CSCS, we recognize the importance of managing environmental challenges and we continue to lend a helping hand to places where it is most needed through initiatives that drive social welfare and promote the long-term sustainability of our environment. We have achieved this through various partnerships including:



- Partnership with the Special Olympics Nigeria – We collaborated with the Special Olympics Nigeria to sustain their inclusion drive, providing people with intellectual disabilities opportunities to compete in sports, feel accepted, and valued amongst their peers and society. Like Special Olympics Nigeria, we also believe that through sports, people with intellectual disabilities can fulfil their potentials and break the cultural barriers that exclude them from society.



- Partnership with the AIFA society – We collaborated with the AIFA Society team to schedule a book club session involving reading a short story, deliberating on the story, and a question and answer session. This initiative is aimed at addressing literacy-related issues and providing a platform to showcase advocacy efforts in educating youths on the need to utilize learning opportunities to improve their knowledge and literacy skills, which will aid in achieving sustainable educational development in our nation.



- Financial donation to Women at Risk International Foundation (WARIF) – We provided financial support to the WARIF team that has been at the forefront of acting as first responders to victims of sexual assault, rape and human trafficking among young girls and women across the country. Through targeted interventions, initiatives and advocacy campaigns at WARIF centres established in key locations, they raise global awareness and advocacy against the growing prevalence of gender-based violence, and sexual assault. The CSCS team organized a knowledge-sharing session with the team at WARIF during the year where they introduced and spoke about their initiatives, and also solicited volunteers from CSCS employees with resounding success.

Furthermore, we acknowledge that our responsibility goes beyond providing dependable and efficient services to the Nigerian capital market. We are committed to being a responsible corporate citizen by integrating sustainability into our operations. Our CSR initiatives in 2022 demonstrated this commitment, as we strategically contributed to our community, environment, and employees' welfare.

We understand that there is still much to be done in 2023, and we are committed to maintaining and distinguishing ourselves through our CSR engagements. Our goal is to incorporate our business into the community we serve, prioritize environmental and social sustainability, and comply with regulations and our S.E.C.U.R.E core values.



AUTOMATED

Account Opening API

CSCS Automated Account Opening is a service provided via API to Brokers for integration with CSCS' infrastructure to carry out account opening processes seamlessly with minimal human interventions and through a point-to-point Virtual Private Network (VPN).

The API will receive data from your authenticated and registered IP and expose endpoints with which status of received and processed transactions will be verified by your application.

- **OMS Integration:** Integration through your Order Management Systems (OMS) provider.
- **Direct Integration:** Integration with your in-house infrastructure.

Benefits of the Automated Account Opening API



Over 80% reduction in time required for account opening – from between 24 - 48 hours to less than 5 minutes.



Elimination of transposition, fat finger and related errors in account opening processes.



Speedy and accurate processing of account opening instructions.



Improved workflow and communication between your brokerage firm and CSCS.

Contact Us

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☎ 0700 2255 2727

Governance



The Board

Mr. Oscar N. Onyema OON is the Chairman of Central Securities Clearing System (CSCS) PLC, the clearing house for the Nigerian capital market. He assumed the role in August 2011 after his assumption as Chief Executive Officer of the then Nigerian Stock Exchange (now Nigerian Exchange Limited (NGX) and member of the National Council. He also serves as Chairman of the Boards of all subsidiaries of The Exchange and is the pioneer Chairman of NG Clearing Limited. He has served as a Council member of Chartered Institute of Stockbrokers (CIS); Board member of FMDQ OTC PLC; and Board member of the National Pension Commission of Nigeria (PENCOM)

At a regional level, Mr. Onyema was the immediate past President of African Securities Exchanges Association (ASEA) and a former Chairman of West African Capital Market Integration Council (WACMIC), where he supports efforts to integrate securities markets in the West African sub-region.

On the international front, he sits on the London Stock Exchange Group Africa Advisory Group (LAAG) as well as the Thomson Reuters Africa Advisory Network. He has served as a member of World Economic Forum (WEF) Global Agenda Council on the Future of Financing and Capital.

Mr. Onyema's remarkable achievements have earned him numerous awards and recognitions including the Special Recognition Award for transformational leadership in the Nigerian Capital Markets at Business Day Top 25 CEOs Award 2018; the Top 10 Most Powerful Men in Africa recognition by Forbes Magazine in 2015; the Most Innovative CEO of the Year 2014 accolade by the Abuja Chamber of Commerce. Also, in 2014 Mr. Onyema received the national honour of Officer of the Order of the Niger ("OON") from the Federal Government of Nigeria in recognition of his contribution to economic development, the transformation of The Nigerian Stock Exchange and the Nigerian capital markets.

Prior to relocating to Nigeria, he served as Senior Vice President and Chief Administrative Officer at American Stock Exchange (AMEX), which he joined in 2001. He was the first person of colour to hold that position. After the merger of NYSE Euronext and AMEX in 2008, he ran the NYSE AMEX equity business, which he helped to position as a premier market for small and mid-cap securities. He started his Wall Street career at the New York Mercantile Exchange (NYMEX) in 1997.

Mr. Onyema is an alumnus of Harvard Business School (Advanced Management Program), The Wharton School, University of Pennsylvania (Board of Directors Development Program) and INSEAD International Directors Programme. He has an MBA from Baruch College, New York and a BSc from Obafemi Awolowo University, Ile-Ife. He is a Fellow of the Institute of Directors ("IoD") Nigeria, Fellow of the Chartered Institute of Stockbrokers (CIS), Associate of the Chartered Institute for Securities & Investment (CISI) in the UK, and holds FINRA Series 7, 24, 63 qualifications in the United States of America.



Oscar N. Onyema OON
Chairman (Date of Appointment - 01/ 08/ 2011)

The Board

Mr. Haruna Jalo-Waziri is the Managing Director and 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 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 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.



Haruna Jalo -Waziri

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

Governance

Mr. Eric Idiahi is a Co-founder and Partner of Verod Capital Management Limited. Prior to co-founding Verod Capital, Mr. Idiahi was the Managing Partner of Fountainhead Media Group. He also previously worked at Financial Derivatives Company Limited.

Mr. Idiahi is a Director of African Lifestyle Limited, EMZOR Pharmaceuticals Industries Limited, Greensprings Educational Services Limited, and on the Board of Regents of Harris Manchester College, Oxford University.

He received a B.Sc in Economics from the University of Houston, Texas and an MBA from Saïd Business School, University of Oxford, Oxford, England.



Mr. Eric Idiahi
Non-Executive Director
(Date of Appointment - 17/11/2016)

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 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 Executive Management

Development Programmes on diverse areas of banking and management in world leading institutions.

He has a robust corporate board experience and currently serves as a Non-Executive Director of the Bank's subsidiaries in UK and South Africa. He also represents Access Bank on the Boards of its investee companies - African Finance Corporation and CSCS Plc.



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

The Board

Ms. Tinuade T. Awe is the Chief Executive Officer of NGX Regulation Limited (NGX RegCo), an independent regulatory subsidiary of Nigerian Exchange Group Plc (formerly The Nigerian Stock Exchange (NSE)). NGX RegCo is a self-regulatory organization (SRO) licensed by the Securities and Exchange Commission (SEC) to provide regulatory services within the Nigerian Capital Market. Prior to attaining this position, she was the Executive Director, Regulation at The NSE. In that role, she was responsible for providing effective leadership to ensure that The NSE carried out its regulatory activities in a legally compliant fashion, with transparency and integrity, due regard for the protection of investors, and in a manner that mitigated systemic risk. Ms. Awe was a member of the Executive Committee of The NSE from 2012 to 2020. Additionally, she served as Secretary to the Council of The NSE from 2011 to 2015; Head of the Legal Department from 2011 to 2012; and Head of the Legal and Regulation Division from 2012 to 2017, in which role she also served as the General Counsel.

Before The NSE, she worked as a Law Clerk, United Nations International Criminal Tribunal for the former Yugoslavia (ICTY), The Hague, the Netherlands; then as an Associate Legal Officer, United Nations Compensation Commission (UNCC) in Geneva, Switzerland; after which she spent seven (7) years as an Associate at a top New York law firm with global presence, Simpson Thacher & Bartlett.

Ms. Awe has been a Non-Executive Director on the Board of the Central Securities Clearing System Plc. since 2018. She is a former Trustee of the Investors' Protection Fund (IPF) of Nigerian Exchange Limited where she served on the Board of Trustees from 2016 to 2021. She also served on the Board of the Financial Reporting Council (FRC) of Nigeria for two (2) consecutive terms from 2013 to 2021. During her tenure on the Board of the FRC, she chaired the Corporate Governance Committee, which had Board level responsibility for monitoring the implementation of the Nigerian Code of Corporate Governance (NCCG) 2018. Furthermore, she was a member of the Senate's Technical Advisory Committee on the Companies and Allied Matters Act (CAMA) Amendment Bill 2020.

She is a life member of the Institute of Directors (IoD); and an Associate Member of the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN), the Institute of Capital Market Registrars (ICMR), and the Chartered Institute of Stockbrokers (CIS).

Ms. Awe graduated with a Bachelor of Laws (LL.B.) as the Best Female Student, Faculty of Law and Best Student, Law of Evidence, from the Obafemi Awolowo University (1991); and finished at the Nigerian Law School with First Class Honors, graduating as Best Overall Student (1992). She holds Master of Laws (LL.M.) Degrees from Harvard Law School (2000), where she was a Landon H. Gammon Fellow; and The London School of Economics and Political Science (LSE) (1994), where she was a British Council Scholar. She is admitted to both the Nigerian and New York Bars. Ms. Awe is the recipient of a number of awards and honours, including the General Counsel of the Year Award at the 2018 African Legal Awards, and selection by the World Federation of Exchanges (WFE) as one of twenty-one (21) Women Leaders of 2021. Ms. Awe has a passion for education and for periods between 2007 and 2008, she took time off from her career to indulge this passion, working as Associate Director of Admissions (Anglophone West Africa) with the Johannesburg based African Leadership Academy. Her other interests include travelling, African art, and gender and development



Ms. Tinuade T. Awe, Esq.
Non-Executive Director
(Date of Appointment - 13/04/2018)

Governance

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 Advisor, 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 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

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 Ltd (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. Ibrahim Dikko

Independent Non-Executive Director
(Date of Appointment - 03/10/2019)

The Board

Mr. Oluseyi Owoturo is a Non-Executive Director at CSCS Plc. He is also the Managing Director of Meristem Registrars & Probate Services Limited, a foremost registrar firm in Nigeria and the current President and Chairman of the Council of the Institute of Capital Market Registrars. Prior to this appointment, he held the position of Management Director of Coronation Registrars Limited.

He was the Group Chief Financial Officer of Hamilton Hammer & Co. ("HH", now ARM Securities Limited). Prior to joining HH, he was the Head of Management Information Systems at F&C Securities Limited (now FCSL Asset Management Company Limited) which he joined from Venture Capital Partners Limited where he was the Head of Financial Control & Risk Assets. Mr Owoturo had a four-year stint at Access Bank as part of the agreement reached between Access Bank and HH for continuity in the management of USL when Access Bank acquired USL from HH in December 2007.

A former member of the Capital Market Committee (Sub Committee) on Market Infrastructure and Technology, Mr Owoturo is a technology enthusiast and possesses significant experience working with IT professionals in

developing bespoke solutions. He has over 20 years experience in the financial services industry which spans Venture Capital, Financial Advisory, Stockbroking, Banking and Registrar Services.

Mr. Owoturo is a graduate of Accounting from the Obafemi Awolowo University, Ile-Ife and a Chartered Accountant. He is also an alumnus of the Lagos Business School and has attended several management trainings including IMD, Lausanne and Cambridge Judge Business School.



Mr. Oluseyi Owoturo

Non-Executive Director
(Date of Appointment - 22/05/2020)

Governance

Mrs. Tairat Tijani graduated from the Lancaster University with Honours in Accounting, Finance & Economics. She also graduated with a Distinction in MBA, International Business from the University of Birmingham. She is a member of the Association of Chartered Certified Accountants (ACCA) and the Institute of Chartered Secretaries & Administrators of Nigeria. Mrs. Tijani has garnered significant experience as an operator in the Capital Market, participating in several landmark transactions which have contributed immensely towards the development of the Nigerian Capital Market. She was formerly the Head, Capital Markets Division of FBN Capital (a subsidiary of FBN Holdings Plc- formerly First Bank of Nigeria Plc) where she had oversight responsibility for deal origination and transaction execution. Mrs. Tijani is a Non-Executive Director of Sterling Bank Plc and sits on the Boards of other Public and Private Companies.



Mrs. Tairat Tijani

Non-Executive Director
(Appointed – 21/ 10/ 2020)

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, he 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. Adeyinka Shonekan

Executive Director
(Appointed – 9 November 2022)

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

Management Team



Akinwonuola Atitebi
Head, Treasury & Investment



Charles I. Ojo
Company Secretary & General Counsel



Yetunde Adenaiya
Group Head, Employee Experience Services



Abiola Rasaq
Head, Corporate Strategy & Execution



Abiodun Owoeye
Chief Internal Auditor



Babangida Yahaya
Head, Depository Services



Temitope Sanni
Head, Admin Services



Anthony Ezugbor
Head, Application Development & Support



Ojone Umoru
Head, Abuja Office



Titilope Olatunji
Head, Capital Market Business

Governance



Idibore Danlami Ali
Head, Financial Reporting



Tomilayo Aluko
Head, Communications & Marketing



Nnaemeka C. Okereke
Technical Assistant to the CEO



Agbeleye Olayemi
Ag. Chief Information Security Officer



John Eze Izuchukwu
Head, Infrastructure Services



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



Ewhomazino T. Otuoniyo
Head, Litigation & Dispute Resolution



Vivian Ashiogwu
Head, Contact Centre



Uchechi Chukwuemeka
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 2022.

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 2022. 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 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Total operating income	11,515,320	11,515,320	10,469,020	10,469,020
Profit before tax	6,084,737	6,141,765	5,786,107	5,827,273
Income tax	(948,266)	(948,266)	(1,366,297)	(1,366,297)
Profit for the year	5,136,471	5,193,499	4,419,810	4,460,976
Other comprehensive income, net of tax	(153,996)	(153,996)	(351,510)	(351,510)
Other comprehensive income	4,982,475	5,039,503	4,068,300	4,109,466
Basic and diluted earnings per share (kobo)	103k	104k	88k	89k

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 2022 (31 December 2021: 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 2022		31 December 2021	
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage
Nigerian Exchange Group Plc	2,209,102,292	44.18%	1,459,555,913	29.19%
Artemis Limited	830,641,902	16.61%	830,641,902	16.61%
Ess-ay Investments Limited	-	0.00%	500,029,756	10.00%
Access Bank 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	250,000,000	5.00%	250,000,000	5.00%
Others with shareholdings less than 5%	1,066,755,806	21.35%	1,316,272,429	26.33%
	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 2022			31 December 2021		
	Direct	Indirect	Total	Direct	Indirect	Total
Mr. Oscar N. Onyema OON	-	2,209,102,292	2,209,102,292	-	1,459,555,913	1,459,555,913
Mr. Haruna Jalo-Waziri	-	-	-	-	-	-
Mr. Uche Ike ¹	-	268,500,000	268,500,000	-	268,500,000	268,500,000
Mr. Eric Idiahi	-	830,641,902	830,641,902	-	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
Chief Onyenwechukwu Patrick Ezeagu ²	-	150,000	150,000	-	525,000	525,000
Mr. Oluwaseyi Abe ³	-	-	-	-	-	-
Mrs. Chineho Anohu	-	-	-	-	-	-
Mr. Ibrahim Dikko	-	-	-	-	-	-
Mr. Oluseyi Owoturo	-	-	-	-	-	-
Mrs. Tairat Tijani	-	-	-	-	500,329,756	500,329,756
Mr. Adeyinka Shonekan ⁴	218,094	-	218,094	-	-	-

1. Mr Uche Ike retired from the Board on Monday, 19 September 2022.
2. Chief Onyenwechukwu Patrick Ezeagu retired from the Board on Friday, 6 May 2022.
3. Mr. Oluwaseyi Abe retired from the Board on Friday, 6 May 2022.
4. Mr. Adeyinka Shonekan joined the Board on Wednesday, 9 November 2022.

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 of Nigeria, of any interest in contracts during the year.

Directors' Report

Analysis of Shareholding

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

Share range	31 December 2022		31 December 2022	
	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%

The shareholding pattern of the Company as at 31 December 2021 was as stated below:

Share range	31 December 2021		31 December 2021	
	No of shareholders	Percentage of shareholders	No of holdings	Percentage holdings
1 - 1,000	443	34.94%	181,956	0.00%
1,001 – 5,000	182	14.35%	523,144	0.01%
5,001 – 10,000	86	6.78%	711,962	0.01%
10,001 – 50,000	237	18.69%	6,429,362	0.13%
50,001 – 100,000	62	4.89%	4,815,978	0.10%
100,001 – 500,000	103	8.12%	28,503,025	0.57%
500,001 – 1,000,000	31	2.44%	25,748,773	0.51%
Above 1,000,000	124	9.78%	4,933,085,800	98.66%
	1,268	100%	5,000,000,000	100%

Governance

Substantial Interest in Shares

According to the register of members at 31 December 2022, no shareholder held more than 5% of the issued share capital of the Company except the following:

Shareholders	31 December 2022		31 December 2021	
	Number of shares held	% of shareholding	Number of shares held	% of shareholding
Nigerian Exchange Group Plc	2,209,102,292	44.18%	1,459,555,913	29.19%
Artemis Limited	830,641,902	16.61%	830,641,902	16.61%
Ess-ay Investments Limited	-	0.00%	500,029,756	10.00%
Access Bank 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	250,000,000	5.00%	250,000,000.00	5.00%

Donations and charitable gifts

The Group made contributions and donations to non-political organisations amounting to N45.3 million (31 December 2021: N26.7 million) during the year, as listed below:

Beneficiary	Purpose	Amount
		(N'000)
LAGOS POLO CLUB	Hospitality Box - Lagos Polo Club	600
OUR NURTURE ZONE	Purchase of Generator for Our Nurture 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 SECURITES DEALING HOUSES OF NIG.	Support for Development Grant For ASHON	5,000
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 LTD	BAFI Special Judges Award PR Package - BusinessDay Media LTD	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
		47,326

The Group did not make donation to any political party during the year ended 31 December 2022 (31 December 2021: Nil)

Directors' Report

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 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 at the reporting date.

Dividends

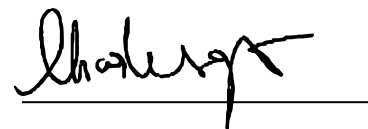
During the period, the Board of Directors, pursuant to the powers vested in it by the provisions of Section 426 (1) of the Companies and Allied Matters Act (CAMA), 2022

proposed a dividend of 87 kobo per share and a one time special dividend of 50 kobo per share from the retained earnings account as at 31 December 2022, pending the approval of the shareholders at the 2022 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
23 March 2023

Corporate Governance Report For The Year Ended 31 December 2022

This report highlights 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 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 2022, the Company continued to enhance its internal processes and practices, implementing the learnings gleaned from the approved Charter of the Board of the company, Board trainings as well as the Terms of Reference of the various Committees of the Board of the Company.

Impact of COVID-19 on Corporate Governance

The Covid-19 pandemic resulted in a global public health crisis, disrupting economies around the world, and resulting in significant volatility in the financial markets, the effects of which are still being felt, two years on.

The post-pandemic era has transformed the way of work, with the safety of the Company's workforce being of utmost importance. Consequently, the Board has approved the modification of the Company's business practices with the adoption of a hybrid working model. The newly adopted practices and operations ensures that the Company continues to keep its business operating, serve the market, and protect the wellbeing of its workforce.

As the effects post the pandemic remains dynamic, 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, in the past year, 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 conducted Focus group sessions where Management received feedback from employees on various concerns around staff welfare and staff expectations. The feedback received from various employees was tracked, resolved, and reported to the Board for noting.

Beyond such initiatives, on a day to day, the company's culture ensures that there are numerous opportunities for Managers to engage with their teams to support the company's corporate culture.

In promoting a comprehensive people focused strategy, the Board has made significant investments by approving an even more competitive 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 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



Corporate Governance Report

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) as well as global best practices.

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 a 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 for them.

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 fill in the few gaps that were found. We are pleased to announce that the CSCS 2022 NCCG Report was successfully filed in the required format and before the deadline.

Whistleblowing

The company has a thorough whistleblowing policy that is available to staff, other stakeholders, and the general 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 whistleblowing 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 top 5 (Five) significant shareholders as of 31st December 2022 are listed below:

Shareholder	No. of Shares	% Holding
The Nigerian Exchange Group	2,209,102,292	44.18
Artemis Limited (Verod Capital)	830,641,902	16.61
Access Bank Plc.	375,000,000	7.50
United Bank for Africa Plc	268,500,000	5.37
ZPC/Leadway Insurance Prem. Coll. & Investment Account	250,000,000	5.00

Cross-Shareholding

CSCS does not hold shares or ownership rights in any publicly traded entity that is a shareholder of CSCS. Hence, there is no incident of cross shareholding.

Compliance with Statutory Reports

At the end of the 2022 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 consultant to perform annual Board appraisals 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, the synergy and effectiveness of the Board. Feedback from the exercise was communicated to the Board Chairman.

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.

Governance

Board Training for continuous professional Development

To improve the 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, accompanied by Management of CSCS went for an executive management program at IESE Business School in Madrid, Spain, one of the top business schools in the world, in 2022.

Chairman of the Board

The Chairman of CSCS Board of Directors, Mr. Oscar N. Onyema, is a Non-Executive Director. He is the highest-ranking officer on the Board and presides over the board.

Managing Director/Chief Executive Officer

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 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 the final term, a director shall retire in accordance with provisions of the Company's Memorandum and Articles of Association.

Remuneration of Directors

Each 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 by 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 rigorous vetting process that ensures that individuals with the appropriate skill sets are appointed as directors. On the Board, room has also been provided to Stakeholders possessing in-depth industry experience and influence to be appointed to the Board to ensure the right mix.

Three Non-Executive Directors, Mr. Onyenwechukwu Partrick Ezeagu, Mr. Oluseyi Abe and Mr. Uche Ike retired from the Board on 6 May 2022, 6 May 2022 and 19 September 2022, respectively. Two Independent Non-Executive Directors, Mrs. Chinelo Anohu and Mr. Ibrahim Dikko, who had retired by rotation were re-elected as directors at the 28th Annual General Meeting of the company.

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 Management Committee
- Management Committee

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

Corporate Governance Report

The Board

In the year under review, the Board comprised of 10 (ten) directors made up of 2 (two) executive directors and 8 (eight) 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 CEO/ MD and the executive team.
- Ensuring the maintenance of ethical standard and compliance with relevant laws.
- Performance appraisal and compensation of Board members and Senior Executives.
- Appointment and removal of Directors and the Company Secretary.

Conduct at Board Meetings

The Board met four (4) times during year ended December 31, 2022, in accordance with the collectively agreed dates in the Board calendar.

The attendance is represented below:

S/N	Directors	No. of Meetings	Attendance
1	Oscar N. Onyema	4	4
2	Haruna Jalo - Waziri	4	4
3	Uche Ike ²	4	3
4	Ehimare Idiahi	4	4
5	Roosevelt Ogbonna	4	3
6	Tinuade Awe	4	4
7	Onyenwechukwu Patrick Ezeagu ³	1	1
8	Oluseyi Abe ⁴	1	1
9	Chinelo Anohu	4	4
10	Ibrahim Dikko	4	4
11	Oluseyi Owoturo	4	4
12	Tairat Tijani	4	4
13	Adeyinka Shonekan ⁵	4	4

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 is required to declare 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 GOVERNANCE STRUCTURE

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

2 Mr. Uche Ike ceased to be a member of the Board on 19 September 2022 hence he attended only three meetings

3 Mr. Onyenwechukwu Patrick Ezeagu ceased to be a member of the Board on 6 May 2022 hence he attended only one meeting.

4 Mr. Oluseyi Abe ceased to be a member of the Board on 6 May 2022 hence he attended only one meeting.

5 Mr. Adeyinka Shonekan was appointed to the Board on 9 November 2022; prior to his appointment, he attended Board meetings as a member of the Executive Management Team.

Governance

Board Committee meets at least once every quarter and 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 (as amended).

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.

Mr. Adeyinka Shonekan was appointed to the Board as an Executive Director on 9 November 2022.

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. The Committee met four (4) times in the 2022 financial year. Mr. Uche Ike was the Chairman of the Committee. Other members of the Committee at various intervals in the period under review were Mr. Haruna Jalo Waziri, Mr. Uche Ike, Mr. Oluwaseyi Abe, Mr. Patrick Ezeagu, and Mr. Oluseyi Owoturo.

Technical Committee		
Director Names	Total Meeting in Period	Individual attendance
Taitat Tijani ⁶	4	4
Haruna Jalo- Waziri	4	4
Uche Ike ⁷	4	3
Oluwaseyi Abe ⁸	4	1
Oluseyi Owoturo	4	4

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

- Restructuring of CSCS Enterprise Architecture to align with the company's IT infrastructure with the company's business processes and organizational structure.
- Provide guidance to Management in the implementation of the recommendations made by Deloitte on CSCS Cybersecurity architecture.
- Recommended the appointment of the office of Chief Information Security Officer to ensure the adequacy of the Company's cybersecurity protection in line with global best practices.
- Provided guidance to Management in the implementation of its technical products and services.

⁶ Mrs. Tairat Tijani was appointed the Chairman of the Technical Committee on 7 December 2022.

⁷ Mr. Uche Ike's tenure on the Board of CSCS ceased on 19 September 2022 and to this end, his membership of the committee ceased as at the said date.

⁸ Mr. Oluwaseyi Abe's tenure on the Board of CSCS ceased on 6 May 2022 and to this end, his membership of the committee ceased as at the said date.

Corporate Governance Report

Corporate Governance Nominations and Remuneration Committee (CGNRC)

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 management. The Committee met four (4) times in the 2022 financial year. Mrs. Chinelo Anohu is the Chairman of the Committee. The other members of the Committee are Ms. Tinu Awe, Mr. Patrick Ezeagu, Mr. Ehimare Idiahi, Mr. Ibrahim Dikko.

Corporate Governance, Nominations and Remuneration Committee (CGNRC)		
Director Names	Total Meeting in Period	Individual attendance
Chinelo Anohu	4	4
Ehimare Idiahi	4	4
Tinuade Awe	4	4
Onyenwechukwu Patrick Ezeagu ⁹	1	1
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;
- Prepare a job specification for the Board Chairman's position including an assessment of time commitment required by the candidate in performing his or her duty;
- 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;

⁹ Mr. Onyenwechukwu Patrick Ezeagu retired from the Board of CSCS on 6th May 2022. This consequently brought to an end his membership of the CGN&RC.

- Review and make recommendations to the Board for approval of the company's organizational structure and staff welfare.

Committee Achievements

- Review of Staff Compensation and Benefits Policy unifying all compensation in one policy and providing a more competitive compensation structure to attract and retain the talents.
- Review and recommendation of other employee related policies for board approval
- Reviewed and recommended the amendment to the Company's organogram to provide for the office of the Chief Information Security Officer.

The Finance and Stakeholders Relationship Committee (F&SRC)

This Committee is a six (6) member 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 five (5) times in the 2022 financial year. Mr. Ibrahim Dikko is the Chairman of the Committee. Other members of the Committee include Mr. Haruna Jalo-Waziri, Mr. Ehimare Idiahi, Mr. Roosevelt Ogbonna, Mr. Oluseyi Owoturo and Mrs. Tairat Tijani.

Finance & Stakeholders Relationship Committee		
Director Names	Total Meeting in Period	Individual attendance
Ibrahim Dikko	5	5
Haruna Jalo- Waziri	5	5
Adeyinka Shonekan ¹⁰	2	2
Roosevelt Ogbonna	5	5
Oluseyi Owoturo	5	5
Tairat Tijani	5	5
Oluseyi Owoturo	5	5

¹⁰ Mr. Adeyinka Shonekan was appointed to the Board as an Executive Director on 9 November 2022.

Governance

Major Responsibilities

- Assist the board in its assessment of potential partnership and alliances with organizations of mutual interest.
- Recommend to the Board, CSCS 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 investments policy and long-term investments to be contracted by the Company; and
- 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.
- Provide guidance to Management and made recommendations to the Board which resulted in the successful events that marked the company's 25th anniversary;
- Provided guidance to Management on the hosting of the 2022 Cybersecurity Conference in Abuja which was successful.
- Review of 2023 budget and financials.

Audit and Risk Management Committee (ARMC)

The Board established this committee to work with it in examining the company's risk policies to make sure 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 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 2022. The Committee met four times during the fiscal year 2022. Roosevelt Ogbonna serves as the committee's chairman. Mr. Uche Ike, Ms. Tinuade Awe, Mr. Patrick Ezeagu, Mr. Oluwaseyi Abe, and Mrs. Chinelo Anohu were members of the Committee at different intervals in the year under review.

Audit and Risk Management Committee (ARMC)		
Director Names	Total Meeting in Period	Individual attendance
Roosevelt Ogbonna	4	4
Uche Ike ¹¹	3	3
Patrick Ezeagu Onyenwechukwu ¹²	1	1
Tinuade Awe	4	4
Oluwaseyi Abe ¹³	1	1
Chinelo Anohu	4	3

Major Responsibilities

- Review and approval of the Company's risk management policy including risk appetite and risk strategy;

¹¹ Mr. Uche Ike's tenure on the Board of CSCS elapsed on 19 September 2022 and to this end, his membership of the committee ceased as at the said date.

¹² Mr. Onyenwechukwu Patrick Ezeagu's tenure on the Board of CSCS elapsed on 6th May 2022 and to this end, his membership of the committee ceased as at the said date.

¹³ Mr. Oluseyi Abe's tenure on the Board of CSCS elapsed on 6th May 2022 and to this end, his membership of the committee ceased as at the said date.

Corporate Governance Report

- 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; and
- 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 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, CAP 20, 2020 (as amended). 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 the Non-Executive Directors who sit on the Committee whilst the shareholders elect their representatives on the Committee at the Company's

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 three (4) times in the 2022 financial year.

Statutory Audit Committee		
Members	Total Meeting in Period	Individual attendance
Nornah Awoh ¹⁴	4	4
Patrick Ajayi ¹⁵	1	1
Oluwaseyi Abe ¹⁶	4	4
Tinuade Awe	4	4
Uche Ike ¹⁷	3	3
Fiona Ahimie ¹⁸	3	3

Major Responsibilities

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

¹⁴ Mr. Nornah Awoh was elected a member of the Statutory Audit Committee by the Shareholders at the 28th AGM held on 6 May 2022.

¹⁵ Mr. Patrick Ajayi's tenure on the Committee ceased on 6 May 2022 and to this end, his membership of the Committee ceased on the same date.

¹⁶ Mr. Emeka Madubuike was elected a member of the Statutory Audit Committee by the Shareholders at the 28th AGM which held on 6 May 2022.

¹⁷ Mr. Uche Ike's tenure on the Board of CSCS ceased on 19 September 2022 and to this end, his membership of the Committee ceased on the same date.

¹⁸ Mrs. Fiona Ahimie was elected a member of the Statutory Audit Committee by the Shareholders at the 28th AGM which held on 6 May 2022.

Governance

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 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 of agenda, circulation of relevant papers and taking and producing minutes to record the business transacted at the meetings and the decisions taken.
- 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 on 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 about 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 charters 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 CEO, Executive Director, and the Divisional Heads. The Committee led by the 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:

Corporate Governance Report

- 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.
- Chief Internal Auditor - Mr. Abiodun Owoeye.
- Head, Application Development - Mr. Anthony Ezugbor.
- Acting Group Head, ERM & Resilience Services - Mrs. Isioma Lawal.
- Head, Abuja Office – Ms. Ojone Umoru
- Head, Financial Reporting - Mr. Idibore Danlami Ali.
- Head, Communications & Marketing - Mrs. Tomilayo Aluko
- Head, Capital Market Business – Mrs. Titilope Olatunji
- Technical Assistance to the MD/CEO – Mr. Nnaemeka C. Okereke
- Acting Head. Chief Information Security Officer - Agbeleye Olayemi
- Head, Infrastructure Services - Mr. John Eze..
- Head, Compensation & Benefits, Performance Management & HR Analytics - Oladipo W. Oluyinka
- Head, Litigation & Dispute Resolution – Mr. Ewhomazino Otuoniyo.
- Head, Contact Centre - Mrs. Vivian Ashiogwu
- Ag. Head, Performance Management & Investor Relations - Uchechi Chukwuemeka.
- Ag. Head, Clearing & Settlement Operations - Ms. Ehiremen J. Ojo.

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 the 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
- Group Head, Employee Experience Services - Mrs. Yetunde Adenaiya
- Head, Corporate Strategy & Execution - Mr. Abiola Rasaq
- Head, Admin Services - Mr. Temitope Sanni.
- Head, Depository & Account Services - Mr. Babangida Yahaya

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



The directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS standard) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act, (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, 2011.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, (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
23 March 2023

Mr. Haruna Jalo-Waziri
Managing Director/CEO

FRC/2017/IODN/00000017488
23 March 2023



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

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Chief Financial Officer, hereby certify the financial statements of the Central Securities Clearing System Plc for the year ended 31 December 2022 as follows:

- a) That we have reviewed the audited consolidated and separate financial statements of the Company for the year ended 31 December 2022
- b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2022.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiary is made known to the officer by the management of the companies, during the period ended 31 December 2022.
- 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
- (ii) 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
23 March 2023

Mr. Peter Medunoye
Chief Financial Officer

FRC/2019/001/00000020289
23 March 2023

Audit Committee Report

TO MEMBERS OF CENTRAL SECURITIES CLEARING SYSTEM PLC

In line with the provisions of Section 404 (7) 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 accounts of the Company.
- That the audit plan and scope for the year ended 31 December 2022 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
23 March, 2023

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. Uche Ike - Member** (Until 19 September 2022)

The Company Secretary acted as a Secretary to the Committee.



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

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

Basis for Opinion

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

Key Audit Matters

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

Other Information Other than the Financial Statements and Audit Report thereon

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

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Partners:

Adegoke A. Oyelami	Boluwalé D. Apantaku	Martins I. Anjoje	Olusoyin I. Ogunlana	Williams I. Eremo
Adetola P. Adesoye	Chibuzor N. Anyamedu	Mohammad M. Adams	Oluwafemi O. Awolayo	
Adewale K. Agbi	Chineme B. Nwagbo	Nneke C. Esuma	Oluwatoyin A. Gbogi	
Ayoola O. Olaniran	Duroso D. Odegbemile	Ogunbayo I. Ogunlana	Omotoso G. Ogun	
Akinwale O. Akin	Ejoré D. Odehinde	Oladimeji S. Olatide	Oseme J. Olatunji	
Akinwami J.Achade	Goodluck C. Odi	Oladimeji I. Salaudem	Terrilope A. Oritisi	
Ayobami L. Salami	Ikem M. Adediji	Olanke I. James	Tokunbo A. Odutale	
Ayodele A. Soyinka	Isoma T. Emezie-Enigbo	Olufemi A. Babani	Uzoakwu N. Okeno	
Ayodele H. Oshilawa	Kabi D. Okunola	Olumide O. Olayinka	Uzoakwu G. Nwankwo	
Bolarin S. Afobbi	Lawrence C. Anadi	Olusegun A. Sowande	Victor U. Oyenike	



Other information also include the Corporate Governance Report, Strategy Report, Governance Structure, Enterprise Risk Management Report, Corporate Social Responsibility Report, Chairman's Statement, CEO's Letter to Shareholder Notice of the Annual General Meeting, Board Evaluation Report, 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 the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 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 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 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 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.



Adegoke A. Oyelami, FCA
FRC/2012/ICAN/0000000444
For: KPMG Professional Services
Chartered Accountants
30 March 2023
Lagos, Nigeria



Financial Statements





Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2022

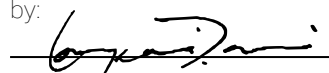
In thousands of Naira	Notes	Group		Company	
		31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
Revenue	9	6,489,022	6,489,022	6,407,385	6,407,385
Investment income	10	4,578,366	4,578,366	3,710,437	3,710,437
Other income	11	447,932	447,932	351,198	351,198
Total operating income		11,515,320	11,515,320	10,469,020	10,469,020
Personnel expenses	12.1(i)	(2,186,596)	(2,186,596)	(2,021,569)	(2,021,569)
Other operating expenses	12.2	(2,524,936)	(2,524,936)	(1,700,014)	(1,700,014)
Finance cost	12.3	(75,442)	(75,442)	(48,532)	(48,532)
Depreciation and amortisation	12.4	(623,891)	(623,891)	(690,188)	(690,188)
Impairment reversal/(charge) on financial assets	20	37,310	37,310	(181,444)	(181,444)
Total operating expenses		(5,373,555)	(5,373,555)	(4,641,747)	(4,641,747)
Share of (loss)/profit of equity accounted investees (net of tax)	23	(57,029)	-	(41,166)	-
Profit before tax		6,084,737	6,141,765	5,786,107	5,827,273
Income tax	13(a)	(948,266)	(948,266)	(1,366,297)	(1,366,297)
Profit for the year		5,136,471	5,193,499	4,419,810	4,460,976
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss:</i>					
<i>Subsequent to profit or loss</i>					
Fair value loss - Debt investment at FVOCI	25(c)	(153,996)	(153,996)	(351,510)	(351,510)
		(153,996)	(153,996)	(351,510)	(351,510)
Other Comprehensive income for the year, net of tax		(153,996)	(153,996)	(351,510)	(351,510)
Total comprehensive income for the year		4,982,475	5,039,503	4,068,300	4,109,466
Profit attributable to:					
Owners of the Parent		5,136,471	5,193,499	4,419,810	4,460,976
Non-controlling interest		-	-	-	-
		5,136,471	5,193,499	4,419,810	4,460,976
Total comprehensive income attributable to:					
Owners of the Parent		4,982,475	5,039,503	4,068,300	4,109,466
Non-controlling interest		-	-	-	-
		4,982,475	5,039,503	4,068,300	4,109,466
Basic/diluted earnings per share (kobo)	14	103k	104k	88k	89k

The summary of significant accounting policies form an integral part of these financial statements.


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

In thousands of Naira	Notes	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
Non-current assets					
Property and equipment	15	1,963,224	1,963,224	1,851,378	1,851,378
Intangible assets	16	190,840	190,840	375,415	375,415
Equity-accounted investee	23	1,568,358	1,541,437	1,512,503	1,541,437
Investment in subsidiary	24	-	10,000	-	10,000
Investment securities	17(a)	24,396,079	24,396,079	21,248,233	21,248,233
Deferred tax asset	13(b)	128,042	128,042	-	-
Total Non-Current Assets		28,246,543	28,229,622	24,987,528	25,026,462
Current assets					
Investment securities	17(b)	102,974	102,974	550,128	550,128
Trade receivables	18(a)	391,986	391,986	550,230	550,230
Other assets	19(a)	522,224	522,224	598,958	598,958
Cash and cash equivalents	21	15,749,671	15,749,616	15,530,376	15,530,321
Total Current Assets		16,766,856	16,766,800	17,229,692	17,229,637
Total Assets		45,013,399	44,996,423	42,217,220	42,256,099
Equity					
Share capital	25(a)	5,000,000	5,000,000	5,000,000	5,000,000
Retained earnings		30,335,703	30,308,726	28,786,348	28,815,227
Fair value reserve	25(c)	(231,736)	(231,736)	(77,740)	(77,740)
Actuarial reserves	25(d)	1,670	1,670	1,670	1,670
Equity attributable to owners of the Parent		35,105,637	35,078,661	33,710,278	33,739,157
Non-controlling interest		-	-	-	-
Total Equity		35,105,637	35,078,661	33,710,278	33,739,157
Non-Current Liabilities					
Deferred tax liabilities	13(b)	-	-	109,466	109,466
Long term incentive scheme	29.2	65,554	65,554	12,819	12,819
Lease Liability	28(b)	251,465	251,465	245,208	238,374
Total Non-Current Liabilities		317,019	317,019	367,493	360,659
Current Liabilities					
Intercompany payables	26	-	10,000	-	10,000
Payables and Accruals	27	782,789	782,789	1,473,362	1,473,362
Current tax liabilities	13(c)	1,607,004	1,607,004	1,498,463	1,498,463
Other liabilities	28	7,119,969	7,119,969	5,093,477	5,093,477
Lease Liability	28(b)	80,981	80,981	74,147	80,981
Total Current Liabilities		9,590,743	9,600,743	8,139,449	8,156,283
Total Liabilities		9,907,762	9,917,762	8,506,942	8,516,942
Total Equity and Liabilities		45,013,399	44,996,423	42,217,220	42,256,099

The audited financial statements was approved by the Board of Directors on 23 March 2023 and signed on its behalf by:


Mr. Oscar N. Onyema OON
 Chairman
 FRC/2013/IODN/00000001802


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


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



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

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
Adjusted opening balance		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:			-	(153,996)	-	(153,996)
Fair value loss- FVOCI Financial instruments				(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)
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:				(153,996)	-	(153,996)
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)
Balance at 31 December 2022		5,000,000	30,308,726	(231,736)	1,670	35,078,661

Financial Statements

The Group						
In thousands of Naira	Notes	Share capital	Retained earnings	Fair value reserve	Actuarial reserves	Total
Balance at 1 January 2021		5,000,000	30,216,538	273,770	1,670	35,491,977
Profit for the year		-	4,419,810	-	-	4,419,810
Other comprehensive income: Fair value loss- FVOCI Financial instruments	25(c)	-	-	(351,510)	-	(351,510)
Total comprehensive income		-	4,419,810	(351,510)	-	4,068,300
Transactions with equity holders: Dividends		-	(5,850,000)	-	-	(5,850,000)
Balance at 31 December 2021		5,000,000	28,786,348	(77,740)	1,670	33,710,278

The Company						
In thousands of Naira	Notes	Share capital	Retained earnings	Fair value reserve	Actuarial reserves	Total
Balance at 1 January 2021		5,000,000	30,204,251	273,770	1,670	35,479,691
Profit for the year		-	4,460,976	-	-	4,460,976
Other comprehensive income: Fair value loss- FVOCI Financial instruments	25(c)	-	-	(351,510)	-	(351,510)
Total comprehensive income		-	4,460,976	(351,510)	-	4,109,466
Transactions with equity holders: Dividends		-	(5,850,000)	-	-	(5,850,000)
Balance at 31 December 2021		5,000,000	28,815,227	(77,740)	1,670	33,739,157

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



Consolidated and Separate Statements of Cash Flows For the year ended 31 December 2022

In thousands of Naira	Notes	Group	Company	Group	Company
		31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
Cash flows from operating activities					
Profit for the year		5,136,471	5,193,499	4,419,810	4,460,976
Adjusted for:					
Income tax expense recognised in profit	13(a)	948,266	948,266	1,366,297	1,366,297
Amortisation of intangible assets	12.4	247,879	247,879	286,312	286,312
Depreciation of property and equipment	12.4	376,013	376,013	403,876	403,876
Impairment loss on financial assets	20	(37,310)	(37,310)	181,444	181,444
Foreign exchange gain	11	(402,072)	(402,072)	(276,328)	(276,328)
Investment income	10	(4,578,366)	(4,578,366)	(3,710,437)	(3,710,437)
Share of loss of equity accounted investee, net of tax	23	57,029	-	41,166	-
Defined benefit charge	29.2(i)	52,735	52,735	12,819	12,819
Profit on disposal of property and equipment	11	(5,058)	(5,058)	(409)	(409)
		1,795,587	1,795,587	2,724,550	2,724,550
Tax paid	13(c)	(1,077,234)	(1,077,234)	(258,382)	(258,382)
Changes in operating assets and liabilities					
Trade receivables	35(i)	202,510	202,510	(584,831)	(584,831)
Other assets	35(ii)	76,734	76,734	(176,373)	(176,373)
Payables and accruals	35(iii)	(690,573)	(690,573)	(60,545)	(60,545)
Other liabilities	35(iv)	2,135,139	2,135,139	1,729,450	1,729,450
Net cash flows from operating activities		2,442,163	2,442,163	3,373,869	3,373,869
Cash flows from investing activities:					
Purchase of property and equipment	15	(499,774)	(499,774)	(901,151)	(901,151)
Purchase of intangible assets	16	(63,304)	(63,304)	(76,022)	(76,022)
Proceeds on disposal of property and equipment	35(vii)	16,533	16,533	409	409
Net (purchase)/proceeds on investments (current)	35(viii)	447,154	447,154	(550,128)	(550,128)
Net (purchase)/proceeds on investments (non-current)	35(viii)	(3,300,767)	(3,300,767)	(2,025,108)	(2,025,108)
Interest received	35(iv)	4,450,326	4,450,326	3,603,708	3,603,708
Net cash flows from investing activities		1,050,170	1,050,170	51,708	51,708
Cash flows from financing activities:					
Dividend paid	35(x)	(3,579,551)	(3,579,551)	(5,857,659)	(5,857,659)
Lease payment	35(iv)	(95,557)	(95,557)	(87,494)	(87,494)
Net cash flows used in financing activities		(3,675,108)	(3,675,108)	(5,945,153)	(5,945,153)
Net (decrease)/increase in cash and cash equivalents		(182,776)	(182,776)	(2,519,576)	(2,519,576)
Cash and cash equivalents, beginning of the year		15,530,376	15,530,321	17,773,561	17,773,561
Effect of movements in exchange rates on cash held	11	402,072	402,072	276,328	276,328
Cash and cash equivalents, end of the year	21	15,749,671	15,749,616	15,530,376	15,530,321

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

Financial Statements

1 Reporting Entity

"Central Securities Clearing System (CSCS) Plc operates a computerized depository, clearing, settlement and delivery system for transactions in shares listed on the Nigerian Exchange Limited or any other authorized organized Securities Trading Platform. CSCS facilitates the delivery (transfer of shares from seller to buyer) and settlement (payment for bought shares) 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 record 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, document management and collateral management, to businesses. The Company is domiciled in Nigeria with its registered office at Nigerian Exchange Group Building, 2/4, Customs Street, Marina Lagos."

2 Basis of Preparation

"The financial statements have been prepared in accordance with IFRS..

(a) Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with IFRS and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011. The financial statements were authorised for issue by the Company's Board of Directors on 23 March 2023. 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 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,



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

3 Changes to the Group and Company’s accounting policies

New standards, interpretations and amendments adopted by the Group

A number of new standards and amendments to standards are effective for annual periods beginning on 1 January 2022 but did not have any material impact on the Group. They are:

- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvement to IFRS Standards 2018 – 2020 (Amendments to IFRS 1)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

4 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all financial years presented in these consolidated and separate financial statements.

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

The consideration transferred does not

include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

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

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

Financial Statements

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 (2021: 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 is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time- requires judgment. 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



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

the Nigerian Exchange Limited trading floor 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 annually to individual, family, corporate and stockbroking firms to 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 period of the contract."

Revenue earned is recognized over the duration of the particular service or revenue is overtime 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 charges 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 fees
Nominal fees	Settlement bank participation fees
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)

Financial Statements

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 2022.

(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 over the year which employees have provided services in the year. 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



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

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.

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) Taxation

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

The 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

Financial Statements

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.

(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 equipment comprises the direct cost of materials, direct manufacturing expenses, and appropriate allocations of material and manufacturing overheads. Where an



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

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	5 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.

Financial Statements

(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.

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



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

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.

"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 15."

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

Financial Statements

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) 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.

(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



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

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.

Financial Statements

- 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.

- (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. Any gain or loss on derecognition is 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.



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

(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** **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.

Financial Statements

(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 CLs:

- 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:

- 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 Augusto & 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:



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

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.

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

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

Financial Statements

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

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.

Trade-related provisions are recorded mainly for the obligations in respect of services already received but not yet invoiced.

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 liability.

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.



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

(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 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 Lease interest.

(u) **Standards issued but not yet effective**

The standards and Interpretations that are issued, but not yet effective, up to the date of issuance of the Consolidated and separate financial statements are disclosed below. The Group and Company intends to adopt these standards, if applicable, when they become effective.

- Amendments to IAS 1 (Effective, 1st January 2023) - Presentation of financial statements on classification of liabilities and amendments regarding the disclosure of accounting policies
- Amendment to IAS 12 (Effective, 1st January 2023) - Amendments regarding deferred tax on leases and decommissioning obligations
- Amendment to IFRS 17 (Effective, 1st January 2023) - Amendments regarding the initial application of IFRS 17 and IFRS 9 Comparative Information
- Amendments to IAS 8 (Effective, 1st January 2023) - Amendments regarding the definition of accounting estimates
- Amendments to IFRS 16 (Effective, 1st January 2024) – Amendment regarding the lease liability that arises in the sale and leaseback transaction
- Amendments to IAS 1 (Effective, 1st January 2024) – Amendment on classification of non-current liabilities with covenants

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.

Financial Statements

Judgements

Management has exercised judgment in determining the lease term of lease contracts during the year. Judgment 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 2022 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;

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;

(iii) **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

(vi) **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.



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

- (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

Financial Statements

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.

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 Group and 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 Group 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.

	Group	Company	Group	Company
In thousands of Naira	2022	2022	2021	2021
Impairment loss on trade receivables	369,417	369,417	438,680	438,680
Impairment loss on other receivables	70,297	70,297	70,297	70,297
Impairment loss on debt securities at amortised cost	54,637	54,637	47,062	47,062
Impairment loss on debt securities at FVTOCI	600	600	1,676	1,676
Impairment loss on cash and cash equivalent	16,499	16,499	16,041	16,041
	511,450	511,450	573,756	573,756

(i) Trade receivables

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



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

The Board Risk Committee has established a credit policy under which each of the Group and Company's customers is analysed individually for creditworthiness before the Group and Company's standard and delivery terms conditions are offered.

Trade receivables that are outstanding for more than 180 days are fully impaired as the Group 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 Group and Company establishes an allowance for impairment that represents its estimate of expected credit loss model in respect of trade receivables.

As at 31 December 2022, 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 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Trade receivables					
Bond Dealers		7,392	7,392	19,702	19,702
Quoted Companies		336,579	336,579	488,938	488,938
Stock Broking Firms		14,664	14,664	18,952	18,952
Sales and Business Development		402,060	402,060	458,469	458,469
Settlement Banks		708	708	2,850	2,850
Total	18(a)	761,403	761,403	988,911	988,911
Impairment allowance for trade receivables	18(b)	(369,417)	(369,417)	(438,681)	(438,681)
Total		391,987	391,987	550,230	550,230

In thousands of Naira	Notes	Carrying amount		Carrying amount	
		Group	Company	Group	Company
		31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Other receivables					
Staff debtors		7,255	7,255	4,475	4,475
Sundry receivables		92,463	92,463	70,043	70,043
Total	19(a)	99,718	99,718	74,518	74,518
Impairment allowance for trade receivables	19(b)	(70,297)	(70,297)	(70,297)	(70,297)
Total		29,420	29,420	4,221	4,221

Financial Statements

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

	Other receivables				Trade receivables			
	Group	Company	Group	Company	Group	Company	Group	Company
In thousands of Naira	31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021	31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Balance as at 1 January	70,297	70,297	68,400	68,400	438,681	438,681	243,631	243,631
Movement in the year	-	-	1,897	1,897	(44,266)	(44,266)	195,050	195,050
Balance as at year end	70,297	70,297	70,297	70,297	394,415	394,415	438,681	438,681
Movement in the year:								
Impairment (reversal)/ charge on financial assets	-	-	1,897	1,897	(44,266)	(44,266)	195,050	195,050
Amount Witten off	-	-	(24,998)	(24,998)	-	-	-	-
Net movement in the year	-	-	1,897	1,897	(44,266)	(44,266)	195,050	195,050

Expected credit loss assessment as at 1 January and 31 December 2022

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 2022, the ageing of trade receivables was as follows:

	Weighted-average loss rate	Gross carrying amount	Loss allowance	Credit Impaired
Trade receivables	42%	761,403	(369,417)	Yes
Other receivables	0%	99,718	(70,297)	No
		861,122	(439,714)	



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

In thousands of Naira	Carrying amount			
	Group		Company	
	31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Neither past due nor impaired 1 - 30 days	2,039	2,039	2,656	2,656
Neither past due nor impaired 31 - 90 days	59,658	59,658	77,718	77,718
Neither past due nor impaired 91 - 180 days	572,398	572,398	745,674	745,674
Credit impaired	127,308	127,308	162,863	162,863
Total	761,403	761,403	988,911	988,911

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 Group and 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 Group 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 N20,625,616 (at FVOCI - N301,673; at Amortised Cost - N20,323,943) at 31 December 2022 (31 December 2021: N21,621,368 (at FVOCI - N2,301,719; at Amortised Cost - N19,319,649)) which represents its maximum credit exposure on Federal Government Bonds, State Government Bonds, and Corporate Bonds. These investment are measured in accordance with IFRS 9 from January 1, 2022.

As at 31 December 2022, the maximum exposure to credit risk for investments was as follows:

In thousands of Naira	Notes	FVOCI		Amortised cost		FVOCI	
		Group	Company	Group	Company	Group	Company
		31-Dec 2022	31-Dec 2022	31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Federal Government Bonds	17(a)	301,673	301,673	13,597,355	13,597,355	2,309,288	2,309,288
State Government Bonds	17(a)	-	-	2,708,290	2,708,290	-	-
Corporate Bonds	17(a)	-	-	4,018,298	4,018,298	-	-
Commercial Paper	17(a)	-	-	102,974	102,974	-	-
Gross carrying amount		301,673	301,673	20,426,917	20,426,917	2,309,288	2,309,288
Impairment loss allowance		(600)	(600)	(54,637)	(54,637)	(1,676)	(1,676)
Total		301,073	301,073	20,372,280	20,372,280	2,307,612	2,307,612

Financial Statements

Movement in allowance for impairment

	FVOCI		Amortised cost		FVOCI	
	Group 2022	Company 2022	Group 2022	Company 2022	Group 2021	Company 2021
In thousands of Naira	12-month ECL		12-month ECL		2020 12-month ECL	
Balance at 1 January	1,676	1,676	47,062	47,062	6,017	6,017
Impairment loss /(reversal) for the year	(1,076)	(1,076)	7,574	7,574	(4,341)	(4,341)
Total	600	600	54,636	54,636	1,676	1,676

(iii) Cash and cash equivalents

The Group held cash and cash equivalents of N15.9billion at 31 December 2022 (31 December 2021: N15.5billion) 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 2022 was N16.5million because of additional impairment charge . (2021: N16.0million)

The impairment allowance on cash and cash equivalent for the year ended 31 December 2021 was N16.0million because of additional impairment charge . (2020: N15.5million)

(iv) Total exposure to credit risk

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

		Group	Company	Group	Company
Trade receivables	18(a)	761,403	761,403	988,911	988,911
Other receivables	19(a)	99,718	99,718	74,518	74,518
Debt securities at FVOCI	17(a)(b)	302,273	302,273	2,310,964	2,310,964
Debt securities at amortized cost	17(a)(b)	20,426,917	20,426,917	19,436,035	19,436,035
Cash and cash equivalents	21	11,924,044	11,923,989	11,703,833	11,703,778
		33,514,355	33,514,301	34,514,261	34,514,206

(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 Group's financial assets



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

31-Dec-22 Group

	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)	(242,109)	-
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	391,986	29,421

31-Dec-21 Group

	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-	11,703,833	2,310,964	19,436,035	-	-
Unrated	-	-	-	988,911	74,518
Gross Amount	11,703,833	2,310,964	19,436,035	988,911	74,518
Allowance for impairment					
12-month ECL	(16,041)	(1,676)	(47,062)	(275,818)	-
Lifetime ECL not credit impaired	-	-	-	-	-
Lifetime ECL credit impaired	-	-	-	(162,863)	(70,297)
Total allowance for impairment	(16,041)	(1,676)	(47,062)	(438,681)	(70,297)
Carrying amount	11,687,792	2,309,288	19,388,973	550,230	4,221

Financial Statements

31-Dec-22

Company

	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	99,718
Gross Amount	11,923,989	302,273	20,426,917	761,403	99,718
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)	(369,418)	(70,297)
Carrying amount	11,907,490	301,673	20,372,280	391,986	29,421

31-Dec-21

Company

	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-	11,703,778	2,310,964	19,436,035	-	-
Unrated	-	-	-	988,911	74,518
Gross Amount	11,703,778	2,310,964	19,436,035	988,911	74,518
Allowance for impairment					
12-month ECL	(16,041)	(1,676)	(47,062)	(275,818)	-
Lifetime ECL not credit impaired	-	-	-	-	-
Lifetime ECL credit impaired	-	-	-	(162,863)	(70,297)
Total allowance for impairment	(16,041)	(1,676)	(47,062)	(438,681)	(70,297)
Carrying amount	11,687,737	2,309,288	19,388,973	550,230	4,221

(b) Liquidity risk

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



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

The Group and Company maintain the level of its cash and cash equivalents and other highly marketable debt investments in excess of expected cash outflows on financial liabilities. The Group and Company also monitors the level of expected cash inflows from trade receivables and other receivables together with expected cash outflows on trade and other payables. The expected receivables from maturing treasury bills with maturity profiles of less than 3 months as at 31 December 2021 was Nil (31 December 2020: 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

31 December 2022	Contractual cashflows					
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	12,951,279	572,398	1,181,383	25,418,040	40,123,101	36,726,481
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

Financial Statements

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	12,951,279	572,398	1,181,383	25,418,040	40,123,100	36,829,400
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 Group

31 December 2021						
In thousands of Naira	Contractual cashflows				Total	Carrying amount
	Less than 3 months	3 months - 6 months	6 months - 1 year	Above 1 year		
Financial assets						
Investment securities	564,911	590,018	1,129,822	22,974,664	25,259,415	21,248,233
Trade receivables	80,374	745,674	162,863	-	988,911	550,231
Other receivables	4,221	-	-	-	4,221	4,221
Cash and cash equivalents	11,673,146	-	-	-	11,673,146	11,673,201
Total	12,322,652	1,335,692	1,292,685	22,974,664	37,925,693	33,475,886
Financial liabilities						
Payables and accruals	410,079	-	684,916	-	1,094,995	1,094,995
Other liabilities	202,422	-	4,688,633	-	4,891,055	4,891,055
Lease liabilities	-	-	87,494	326,563	414,057	319,356
Total	612,501	-	5,461,043	326,563	6,400,107	6,305,406



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

The Company

31 December 2021						
Contractual cashflows						
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	564,911	590,018	1,129,822	22,974,664	25,259,415	21,798,361
Trade receivables	80,374	745,674	162,863	-	988,911	550,231
Other receivables	4,221	-	-	-	4,221	4,221
Cash and cash equivalents	11,673,146	-	-	-	11,673,146	11,673,146
Total	12,322,652	1,335,692	1,292,685	22,974,664	37,925,693	34,025,959
Financial liabilities						
Payables and accruals	410,079	-	684,916	-	1,094,995	1,094,995
Other liabilities	202,422	-	4,688,633	-	4,891,055	4,891,055
Lease liabilities	-	-	87,494	326,563	414,057	319,356
Total	612,501	-	5,461,043	326,563	6,400,107	6,305,406

(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 Group and 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 Group and Company's results of operations, financial position and cash flows. The Group and Company do not enter into any forward exchange contracts to manage the currency risk fluctuations.

Financial Statements

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 2022

Financial assets						
Investments	17	24,396,079	18,750,616	5,645,463	-	-
Trade receivables	18(a)	391,986	391,986	-	-	-
Other receivables	19(a)	29,421	29,421	-	-	-
Cash and cash equivalents	21	11,908,995	11,865,302	26,970	61	163
		36,726,481	31,037,325	5,672,433	61	163
Financial liabilities						
Payables and accruals	27	351,106	351,106	-	-	-
Other liabilities	28	6,821,262	6,821,262	-	-	-
		7,172,368	7,172,368	-	-	-
Net Open Position		29,554,113	23,864,958	5,672,433	61	163

The Company

Financial instruments by currency as at 31 December 2022

Financial assets						
Investments	17	24,499,053	18,750,616	5,645,463	-	-
Trade receivables	18(a)	391,986	391,986	-	-	-
Other receivables	19(a)	29,421	29,421	-	-	-
Cash and cash equivalents	21	11,908,940	11,908,940	26,970	61	163
		36,829,400	31,080,963	5,672,433	61	163
Financial liabilities						
Payables and accruals	27	351,106	351,106	-	-	-
Other liabilities	28	6,821,262	6,821,262	-	-	-
		7,172,368	7,172,368	-	-	-
Net Open Position		29,657,032	23,908,595	5,672,433	61	163



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

The Group

Financial instruments by currency as at 31 December 2021

Financial assets						
Investments	17	21,248,233	16,770,282	12,385	-	-
Trade receivables	18(a)	550,231	550,231	-	-	-
Other receivables	19(a)	4,221	4,221	-	-	-
Cash and cash equivalents	21	11,673,201	11,620,650	123	2	-
		33,475,886	28,945,384	12,508	2	-
Financial liabilities						
Payables and accruals	27	1,094,995	1,094,995	-	-	-
Other liabilities	28	4,891,055	4,891,055	-	-	-
		5,986,050	5,986,050	-	-	-
Net Open Position		27,489,836	22,959,334	12,508	2	-

The Company

Financial instruments by currency as at 31 December 2021

In thousands	Notes	Carrying amount Naira	Naira	USD	GBP	Euro
Financial assets						
Investments	17	21,789,361	16,770,282	12,385	-	-
Trade receivables	18(a)	550,231	550,231	-	-	-
Other receivables	19(a)	4,221	4,221	-	-	-
Cash and cash equivalents	21	11,673,146	11,673,146	123	2	-
		34,016,959	28,997,880	12,508	2	-
Financial liabilities						
Payables and accruals	27	1,094,995	1,094,995	-	-	-
Other liabilities	28	4,891,055	4,891,055	-	-	-
		5,986,050	5,986,050	-	-	-
Net Open Position		28,030,909	23,011,830	12,508	2	-

The following significant exchange rates have been applied :

	Year end average rate		Year end spot rate	
	2022	2021	2022	2021
USD	430	435	462	435
GBP	529	589	558	589
EUR	452	495	494	495

Financial Statements

The Group and 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 Group and 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	31 December	31 December
	2022	2021
US dollar effect of 10% up or down movement on profit before tax and balance sheet	261,783	544
US dollar effect of 10% up or down movement on equity, net of tax	261,783	544

(ii) Interest rate risk

The Group and Company adopt 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 Group and Company is exposed to interest rate shocks even though most of its investments are on fixed rate to maturity investment, however the Group and Company could still be exposed to interest risk if rate increased higher than the fixed rate. Other areas the Group and 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	Company	Group	Company
		2022	2022	2021	2021
Financial instruments					
Cash and cash equivalents	21	11,907,545	11,907,490	11,671,751	11,671,696
Investment securities	17	24,396,079	24,396,079	21,248,233	21,248,233
		36,303,624	36,303,569	32,919,984	32,919,929

Interest rate sensitivity:

The table below shows the impact on the Company's profit before tax if interest rates on financial instruments had increased or decreased by 100 basis points, with all other variables held constant.

In thousands of Naira	Group	Company	Group	Company
	2022	2022	2021	2021
Increase in interest rate by 100 basis points (+10%)	363,036	363,036	329,200	329,199
Decrease in interest rate by 100 basis points (-10%)	(363,036)	(363,036)	(329,200)	(329,199)



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

(d) Capital Management

The Group 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 Group consist of the following:

- Share capital
- Retained earnings
- Other reserves

Information relating to the Group'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 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 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 Group has a total equity of N35.0 billion as at 31 December 2022 (31 December 2021: N33.7 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 on 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.

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 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)/reversal 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 profit 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	(948,266)	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	5,697,837	13,957,617	-	35,105,637



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

The Group

31 December 2021

In thousands of Naira	Operations	Product and Services	Treasury	Unallocated segment	Total
Revenue:					
Derived from external customers	4,507,982	1,899,403	3,710,437	-	10,117,822
Others	351,198	-	-	-	351,198
Segment revenue	4,859,180	1,899,403	3,710,437	-	10,469,020
Expenses:					
Personnel Expenses	(938,308)	(366,775)	(716,486)	-	(2,021,569)
Operating expenses	(789,059)	(308,435)	(602,520)	-	(1,700,014)
Finance cost	(22,526)	(8,805)	(17,201)	-	(48,532)
Depreciation and amortisation	(320,350)	(125,221)	(244,617)	-	(690,188)
Impairment (loss)/reversal on financial assets	(84,217)	(32,920)	(64,308)	-	(181,444)
Segment Expense	(2,154,460)	(842,156)	(1,645,131)	-	(4,641,747)
Segment operating income before tax	2,704,720	1,057,247	2,065,306	-	5,827,273
Share of profit of equity-accounted investee	-	-	-	(41,166)	(41,166)
Income tax expense	-	-	-	(1,366,297)	(1,366,297)
Profit after tax	2,704,720	1,057,247	2,065,306	(1,407,463)	4,419,810

31 December 2021

Assets and liabilities

In thousands of Naira	Operations	Product and Services	Treasury	Unallocated segment	Total
Total assets	19,595,060	7,659,505	14,962,655	-	42,217,220
Total liabilities	3,948,485	1,543,422	3,015,037	-	8,506,944
Net asset	15,646,575	6,116,083	11,947,618	-	33,710,276

Financial Statements

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 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	-	-	3,725,000
		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	-	-	3,725,000
		301,673	-	3,725,000	4,026,673	4,026,673	-	-	4,026,673

The Group

31 December 2021		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)	2,309,288	-	-	2,309,288	2,309,288	-	-	2,309,288
		2,309,288	-	-	2,309,288	2,309,288	-	-	2,309,288

The Company

31 December 2021		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)	2,309,288	-	-	2,309,288	2,309,288	-	-	2,309,288
		2,309,288	-	-	2,309,288	2,309,288	-	-	2,309,288



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

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)	13,588,287	-	13,588,287	11,095,603	-	-	11,095,603
- Corporate Government Bonds	17(a)	3,974,659	-	3,974,659	629,568	1,053,610	-	1,683,178
- State Government Bonds	17(a)	2,706,360	-	2,706,360	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
		36,643,458	-	36,643,458	13,477,744	18,284,701	-	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

Financial Statements

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)	13,588,287	-	13,588,287	11,095,603	-	-	11,095,603
- Corporate Government Bonds	17(a)	3,974,659	-	3,974,659	629,568	1,053,610	-	1,683,178
- State Government Bonds	17(a)	2,706,360	-	2,706,360	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	15,749,616	-	15,749,616	-	15,749,616	-	15,749,616
		36,643,404	-	36,643,404	13,477,744	18,284,646	-	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

The Group

31 December 2021		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)	15,880,823	-	15,880,823	12,439,477	-	-	12,439,477
- Corporate Government Bonds	17(a)	3,562,012	-	3,562,012	1,010,116	2,311,763	-	3,321,879
- State Government Bonds	17(a)(b)	2,255,426	-	2,255,426	1,932,506	102,150	-	2,034,656
- Unquoted Equities	17(a)(b)	100,100	-	100,100	-	100,100	-	100,100
- Trade receivables	18(a)	550,230	-	550,230	-	550,230	-	550,230
- Other assets	19(a)	4,221	-	4,221	-	4,221	-	4,221
- Cash and cash equivalents	21	15,530,376	-	15,530,376	-	15,530,376	-	15,530,376
		37,883,188	-	37,883,188	15,382,099	18,598,839	-	33,980,939

Financial liabilities not measured at fair value

- Payables and Accruals	27	-	1,094,995	1,094,995	-	1,094,995	-	1,094,995
- Other liabilities	28	-	4,891,055	4,891,055	-	4,891,055	-	4,891,055
- Lease liability	28(b)	-	319,355	319,355	-	319,355	-	319,355
		-	6,305,405	6,305,405	-	6,305,405	-	6,305,405



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

The Company

31 December 2021		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)	13,370,859	-	13,370,859	12,439,477	-	-	12,439,477
- Corporate Government Bonds	17(a)	3,562,012	-	3,562,012	1,010,116	2,311,763	-	3,321,879
- State Government Bonds	17(a)	1,905,973	-	1,905,973	1,932,506	102,150	-	2,034,656
- Unquoted Equities	17(a)	100,100	-	100,100	-	100,100	-	100,100
- Trade receivables	18(a)	550,230	-	550,230	-	550,230	-	550,230
- Other assets	19(a)	4,221	-	4,221	-	4,221	-	4,221
- Cash and cash equivalents	21	15,530,321	-	15,530,321	-	15,530,321	-	15,530,321
		35,023,716	-	35,023,716	15,382,099	18,598,785	-	33,980,884
Financial liabilities not measured at fair value								
- Payables and Accruals	27	-	1,094,995	1,094,995	-	1,094,995	-	1,094,995
- Other liabilities	28	-	4,891,055	4,891,055	-	4,891,055	-	4,891,055
- Lease liability	28(b)	-	319,355	319,355	-	319,355	-	319,355
		-	6,305,405	6,305,405	-	6,305,405	-	6,305,405

Financial Statements

9 Revenue

	Group	Company	Group	Company
In thousands of Naira	31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Revenue from core activities				
Eligibility fees	52,709	52,709	26,560	26,560
Depository fees	1,958,417	1,958,417	1,904,215	1,904,215
Transaction fees	2,608,897	2,608,897	2,577,207	2,577,207
	4,620,023	4,620,023	4,507,982	4,507,982
Revenue from non-core activities				
Collateral management fees	516,294	516,294	365,830	365,830
Data centre subscriptions	731,988	731,988	493,630	493,630
Nominal fees	457,322	457,322	898,036	898,036
Settlement banks participation fees	48,640	48,640	40,000	40,000
Statement of stock position fees	17,736	17,736	18,237	18,237
Special Accounts Fee	3,014	3,014	3,408	3,408
Website subscription fees	40,553	40,553	36,454	36,454
X-Alert fee	2,533	2,533	2,067	2,067
DMO Services - FG saving	1,316	1,316	6,668	6,668
Legal Entity Identifier subscription	5,985	5,985	5,587	5,587
Issuers portal	1,190	1,190	1,452	1,452
ISIN and Symbol Code fees	22,278	22,278	12,998	12,998
Data Services (API account)	-	-	195	195
Global Search – Income account	20,151	20,151	14,841	14,841
	1,869,000	1,869,000	1,899,403	1,899,403
Total revenue	6,489,022	6,489,022	6,407,385	6,407,385

10 Investment Income

	Group	Company	Group	Company
In thousands of Naira	31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Interest income from:				
Fixed deposits	765,138	765,138	829,669	829,669
Treasury bills	16,595	16,595	15,714	15,714
Federal Government bonds	1,518,136	1,518,136	1,588,306	1,588,306
Corporate bonds	411,886	411,886	355,078	355,078
State bonds	347,472	347,472	315,969	315,969
Quoted Equities	1,198,094	1,198,094	-	-
Total interest income calculated using the effective interest method	4,257,321	4,257,321	3,104,736	3,104,736
Gain on disposal of FGN bond	321,045	321,045	605,701	605,701
Profit on disposal of investment	321,045	321,045	605,701	605,701
Total investment income	4,578,366	4,578,366	3,710,437	3,710,437

The total amount of investment income on instruments measured at amortized cost for the Group and Company is N4.3bn (2021: N3.11bn)



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

11 Other Income

	Group	Company	Group	Company
In thousands of Naira	31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Profit on disposal of property and equipment	5,058	5,058	409	409
Miscellaneous income	7,710	7,710	7,320	7,320
Net gain on foreign exchange	402,072	402,072	276,328	276,328
Custodian fee	8,864	8,864	7,791	7,791
Other Income (Security Lending)	24,229	24,229	59,350	59,350
	447,932	447,932	351,198	351,198

12 Expenses

12.1 (i) Personnel Expenses

	Group	Company	Group	Company
In thousands of Naira	31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Salaries and allowances	1,405,689	1,405,689	1,171,997	1,171,997
Staff training and development	85,375	85,375	19,699	19,699
Staff welfare and medical expenses	176,910	176,910	136,966	136,966
Performance bonus (see note (i) below)	323,251	323,251	557,724	557,724
Long term incentive scheme expense(see note (ii) below)	52,735	52,735	27,105	27,105
Staff Pension Contribution (see note (iii) below)	115,544	115,544	98,767	98,767
Nigeria Social Insurance Trust Fund (NSITF)	27,092	27,092	9,311	9,311
	2,186,596	2,186,596	2,021,569	2,021,569

- (i) Performance bonus accrual for 2022 was made in line with the board approved staff incentive bonus scheme for the year ended 31 December 2022.
- (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	Group	Company
In thousands of Naira	31 December 2022	31 December 2022	31 December 2021	31 December 2021
Executive Directors	2	2	1	1
Management	5	5	5	5
Non-management	98	98	104	104
	105	105	110	110

Financial Statements

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

	Group	Company	Group	Company
In thousands of Naira	31 December 2022	31 December 2022	31 December 2021	31 December 2021
Chairman	12,917	12,917	12,917	12,917
Other non-executive Directors	127,073	127,073	138,500	138,500
	139,990	139,990	151,417	151,417

The Directors remuneration as shown above includes:

	Group	Company	Group	Company
In thousands of Naira	31 December 2022	31 December 2022	31 December 2021	31 December 2021
The Chief Executive Officer	186,898	186,898	108,068	108,068
The highest paid Director	186,898	186,898	108,068	108,068

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

	Group	Company	Group	Company
In thousands of Naira	31 December 2022	31 December 2022	31 December 2021	31 December 2021
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	Group	Company
In thousands of Naira	31 December 2021	31 December 2021	31 December 2020	31 December 2020
N60,000 - N1,000,000	-	-	-	-
N1,000,001 - N3,000,000	1	1	7	7
N3,000,001 - N6,000,000	22	22	50	50
N6,000,001 - N9,000,000	31	31	20	20
N9,000,001 and above	51	51	33	33
	105	105	110	110



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

12.2 Other operating expenses

In thousands of Naira	Group	Company	Group	Company
	31 December 2021	31 December 2021	31 December 2020	31 December 2020
Maintenance expenses	41,369	41,369	31,470	31,470
Office running expenses (see note (a) below)	453,734	453,734	231,076	231,076
Business development (see note (b) below)	1,030,598	1,030,598	721,390	721,390
Board of Directors fees	139,990	139,990	151,417	151,417
Board of Directors expenses	510,183	510,183	375,755	375,755
Donations	45,325	45,325	26,735	26,735
Professional fees	222,660	222,660	91,565	91,565
Audit fees	29,500	29,500	29,500	29,500
Bank charges	10,554	10,554	6,204	6,204
NIBBS BVN Verification Service Charge	293	293	7,496	7,496
Industrial Training Fund (ITF)	12,577	12,577	13,022	13,022
Other miscellaneous expenses (see note (c) below)	28,152	28,152	14,384	14,384
	2,524,936	2,524,936	1,700,014	1,700,014

(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 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Data centre/IT Maintenance	142,817	142,817	150,166	150,166
Business travel expenses	131,284	131,284	28,083	28,083
Business promotion/development	85,222	85,222	58,966	58,966
Digital centre services expenses	393,920	393,920	221,501	221,501
Software license fees	276,956	276,956	262,393	262,393
Legal Entity Identifier remittance	398	398	281	281
	1,030,598	1,030,598	721,390	721,390

Financial Statements

(c) Other miscellaneous expenses

Other miscellaneous expenses can be analysed as follows:

In thousands of Naira	Group	Company	Group	Company
	31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Filing fees	108	108	170	170
Entertainment	6,988	6,988	154	154
Annual General Meeting (AGM) expenses	20,408	20,408	13,652	13,652
Investor relations expense	638	638	408	408
Investor Protection Scheme (see note (d) below)	9	9	-	-
	28,152	28,152	14,384	14,384

(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 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Lease interest	75,442	75,442	48,532	48,532
	75,442	75,442	48,532	48,532

12.4 Depreciation and amortisation

In thousands of Naira	Group	Company	Group	Company
	31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Depreciation of property and equipment (See (15))	376,013	376,013	403,876	403,876
Amortisation of intangible assets (See (16))	247,879	247,879	286,312	286,312
	623,891	623,891	690,188	690,188

13 Taxation

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

In thousands of Naira	Group	Company	Group	Company
	31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Corporate income tax	1,031,237	1,031,237	1,157,904	1,157,904
Tertiary education tax	92,800	92,800	104,491	104,491
Information technology levy	61,430	61,430	57,696	57,696
Police trust fund	307	307	225	225
Income tax	1,185,774	1,185,774	1,320,316	1,320,316
Deferred tax expense				
Temporary differences - deferred tax	(237,508)	(237,508)	45,981	45,981
	948,266	948,266	1,366,297	1,366,297

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

Reconciliation of effective tax rate

The Group

In thousands of Naira	31 December 2022		31 December 2021	
	Tax rate	Amount	Tax rate	Amount
Profit before tax		6,084,737		5,786,107
Income tax using the domestic corporation tax rate	30.00%	1,825,421	30.00%	1,735,832
Non-deductible expenses	6.60%	404,151	2.27%	131,338
Non taxable income	-23.60%	(1,436,221)	-11.46%	(663,285)
Tertiary Education tax	1.50%	92,800	1.81%	104,491
Impact of NITDA Levy	1.00%	61,430	1.00%	57,696
Police trust fund	0.00%	307	0.00%	225
	15.50%	948,266	23.62%	1,366,297

The Company

In thousands of Naira	31 December 2022		31 December 2021	
	Tax rate	Amount	Tax rate	Amount
Profit before tax		6,141,765		5,827,273
Income tax using the domestic corporation tax rate	30.00%	1,842,529	30.00%	1,748,181
Non-deductible expenses	6.58%	404,151	2.25%	131,338
Non taxable income	-23.66%	(1,453,329)	-11.59%	(675,634)
Tertiary Education tax	1.51%	92,800	1.79%	104,491
Impact of NITDA Levy	1.00%	61,430	0.99%	57,696
Police trust fund	0.01%	307	0.01%	225
	15.44%	948,266	23.45%	1,366,297

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

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

In thousands of Naira	Group	Company	Group	Company
	31-Dec 2022	31-Dec 2022	31-Dec 2021	31-Dec 2021
Cash and cash equivalents	-	-	-	-
Investment securities	167,614	167,614	(13,074)	(13,074)
Property and equipment, and software	(60,550)	(60,550)	(96,393)	(96,393)
Other liabilities	20,977	20,977	-	-
	128,042	128,042	(109,466)	(109,466)

Financial Statements

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 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

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 2021					
Cash and cash equivalents	2,251	(2,251)	-	-	-
Investment securities	15,740	(28,814)	-	(13,074)	(13,074)
Property and equipment	(124,758)	28,365	-	(96,393)	(96,393)
Actuarial gain	(716)	-	716	-	-
Other liabilities	43,997	(43,997)	-	-	-
Tax assets/(liabilities)	(63,485)	(46,697)	716	(109,467)	(109,467)

13 (c) Current tax liabilities

	Group	Company	Group	Company
Balance, beginning of year	1,498,463	1,498,463	436,529	436,529
Charge for the year (see note 13(a) above)	1,185,774	1,185,774	1,320,316	1,320,316
Payments during the year	(1,077,234)	(1,077,234)	(258,382)	(258,382)
Balance, end of period	1,607,004	1,607,004	1,498,463	1,498,463

14 Basic/Diluted Earnings Per Share

The calculation of basic/diluted earnings per share at 31 December 2022 was based on the profit attributable to ordinary shareholders of N5.14billion for the Group and N5.19billion for the Company (31 December 2021: N4.42billion for the Group and N4.46 billion for the Company) and an average number of ordinary shares outstanding of 5,000,000,000 (31 December 2021: 5,000,000,000).

In thousands of Naira	Group 31-Dec 2021	Company 31-Dec 2021	Group 31-Dec 2020	Company 31-Dec 2020
Profit attributable to ordinary shareholders	5,136,471	5,193,499	4,419,810	4,460,976
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	103k	104k	88k	89k



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

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 2021	843,116	137,910	157,085	965,546	75,469	356,287	394,342	2,929,755
Additions	49,500	-	38,761	69,727	-	82,241	660,925	901,154
Reclassification	-	-	-	-	383,976	-	(383,976)	-
Balance as at 31 December 2021	892,616	137,910	195,846	1,035,273	459,445	438,528	671,292	3,830,909
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)	-	-	-
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
Accumulated depreciation								
Balance at 1 January 2021	295,427	111,234	109,831	876,227	75,467	107,467	-	1,575,653
Depreciation for the year	166,515	7,545	21,874	57,099	95,959	54,884	-	403,876
Balance at 31 December 2021	461,942	118,779	131,705	933,326	171,426	162,351	-	1,979,529
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	31,888	20,829	53,381	68,492	57,572	-	376,021
Reclassifications	-	-	341	-	(23,455)	-	-	-
Disposals/Transfers	(44,478)	(23,334)	-	-	-	-	-	(67,812)
Balance as at 31 December 2022	584,437	127,333	152,875	986,707	216,463	219,923	-	2,287,739
Carrying amount as at 31 December 2021	430,674	19,131	64,141	101,947	288,019	276,177	671,292	1,851,378
Carrying amount as at 31 December 2022	252,555	173,551	95,686	114,683	56,239	251,810	1,018,700	1,963,224

- There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2021: 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 (2021: Nil)
- There were no items of property and equipment pledged as security for borrowings as at 31 December 2022 (2021: Nil)
- Other WIP items represents office retrofit project and partially paid computer equipment.
- The reclassification from Leasehold represent the Office retrofit for the completed floors.

Financial Statements

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 2021	843,116	137,910	157,085	965,546	75,469	356,287	394,342	2,929,755
Additions	49,500	-	38,761	69,727	-	82,241	660,925	901,154
Reclassification	-	-	-	-	383,976	-	(383,976)	-
Balance as at 31 December 2021	892,616	137,910	195,846	1,035,273	459,445	438,528	671,292	3,830,909
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)	-	-	-
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
Accumulated depreciation								
Balance at 1 January 2021	295,427	111,234	131,705	876,227	75,467	107,467	-	1,575,653
Depreciation for the year	166,515	7,545	21,874	57,099	95,959	54,884	-	403,876
Balance at 31 December 2021	461,942	118,779	131,705	933,326	171,426	162,351	-	1,979,529
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	31,888	20,829	53,381	68,492	57,572	-	376,021
Reclassifications	-	-	341	-	(23,455)	-	-	-
Disposals/Transfers	(44,478)	(23,334)	-	-	-	-	-	(67,812)
Balance as at 31 December 2022	584,437	127,333	152,875	986,707	216,463	219,923	-	2,287,739
Carrying amount as at 31 December 2021	430,674	19,131	64,141	101,947	288,019	276,177	671,292	1,851,378
Carrying amount as at 31 December 2022	252,555	173,551	95,686	114,683	56,239	251,810	1,018,700	1,963,224

- (a) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2020: Nil)
- (b) All items of property and equipment are non-current.
- (c) There was no impairment losses on any class of property and equipment during the year (2020: Nil)
- (d) There were no items of property and equipment pledged as security for borrowings as at 31 December 2021 (2020: Nil)
- (e) Other WIP items are amount N650m for office retrofit project, partially paid office equipment, computer equipment and motor vehicle of N4.4m, N11.4m and N5.5m respectively.
- (f) The reclassification from Leasehold represent the Office retrofit for the completed floors.



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

16 Intangible Assets

The Group

In thousands of Naira	Software	Software under development	Total
Cost:			
Balance as at 1 January 2021	3,620,279	133,360	3,753,639
Additions	76,022	-	76,022
Reclassification during the year	62,793	(62,793)	-
Balance as at 31 December 2021	3,759,094	70,567	3,829,661
Balance as at 1 January 2022	3,759,094	70,567	3,829,661
Additions during the year	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
Accumulated Amortisation:			
Balance as at 1 January 2021	3,167,934	-	3,167,934
Amortisation charge for the year	286,312	-	286,312
Balance as at 31 December 2021	3,454,246	-	3,454,246
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
Carrying amount:			
At 31 December 2021	304,848	70,567	375,415
At 31 December 2022	128,896	61,944	190,840

The Company

In thousands of Naira	Software	Software under development	Total
Cost:			
Balance as at 1 January 2021	3,620,279	133,360	3,753,639
Additions	76,022	-	76,022
Reclassification during the year	62,793	(62,793)	-
Balance as at 31 December 2021	3,759,094	70,567	3,829,661
Balance as at 1 January 2022	3,759,094	70,567	3,829,661
Additions during the year	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
Accumulated Amortisation:			
Balance as at 1 January 2021	3,167,934	-	3,167,934
Amortisation charge for the year	286,312	-	286,312
Balance as at 31 December 2021	3,454,246	-	3,454,246
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
Carrying amount:			
At 31 December 2021	304,848	70,567	375,415
At 31 December 2022	128,896	61,944	190,840

Financial Statements

- (a) There were no capitalised borrowing costs related to the acquisition of the intangible assets during the year (2021: Nil)
- (b) All intangible assets are non current.
- (c,) All intangible assets have a finite useful life and are amortized over the useful life of the assets.
- (d) No leased assets are included in the above intangible assets accounts (2021: Nil)
- (e) The Company has no capital commitment as at year end (2021: Nil)
- (f) No intangible assets was impaired as at 31 December 2022 (2021: Nil)
- (g) 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 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Federal Government bonds	13,889,960	13,889,960	15,680,148	15,680,148
State Government bonds	2,706,360	2,706,360	1,905,973	1,905,973
Corporate bonds	3,974,659	3,974,659	3,562,012	3,562,012
Equity investments	3,825,100	3,825,100	100,100	100,100
Total non-current investment securities	24,396,079	24,396,079	21,248,233	21,248,233

at Amortised Cost

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Federal Government bonds	13,588,287	13,588,287	13,370,859	13,370,859
State Government bonds	2,706,360	2,706,360	1,905,973	1,905,973
Corporate bonds	3,974,659	3,974,659	3,562,012	3,562,012
Total Amortised Cost Investment Securities	20,269,306	20,269,306	18,838,844	18,838,844



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

at Fair Value through Other Comprehensive Income (FVOCI)

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Federal Government bonds	301,673	301,673	2,309,288	2,309,288
Total Fair Value through Other Comprehensive Income Investment Securities	301,673	301,673	2,309,288	2,309,288

Equity Investment

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
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	3,825,100	3,825,100	100,100	100,100
Total non-current investment securities	24,396,079	24,396,079	21,248,233	21,248,233

17 (b) Current investment securities

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
	Amortised cost	Amortised cost	Amortised cost	Amortised cost
Federal Government bonds	-	-	200,675	200,675
State Government bonds	-	-	349,453	349,453
Commercial Paper	102,974	102,974	-	-
Total current investment securities	102,974	102,974	550,128	550,128

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

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
	Amortised cost	Amortised cost	Amortised cost	Amortised cost
Fair value closing balance	301,673	301,673	2,309,288	2,309,288
Fair value opening balance	391,480	391,480	2,379,994	2,379,994
Fair Value Loss	(89,807)	(89,807)	(70,705)	(70,705)
Total Fair value loss on Bonds - See note 25c	(89,807)	(89,807)	(70,705)	(70,705)

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

Financial Statements

18(a) Trade Receivables

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Trade receivables	761,403	761,403	988,911	988,911
Allowance for doubtful trade receivables (See note 18(b) below)	(369,417)	(369,417)	(438,681)	(438,681)
Net Carrying amount	391,986	391,986	550,230	550,230
Current Assets	391,986	391,986	550,230	550,230

18(b) Impairment Allowance on Trade Receivables

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Balance, beginning of year	438,681	438,681	243,631	243,631
(Reversal)/ Charger during the year	(44,266)	(44,266)	195,050	195,050
Amount Written Off	(24,998)	(24,998)	-	-
Balance, end of year	369,417	369,417	438,681	438,681

19(a) Other assets

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Current				
Financial assets:				
Ex-Staff Debtors	7,255	7,255	4,475	4,475
Other receivables (see note (i) below)	92,463	92,463	70,043	70,043
Gross financial assets	99,718	99,718	74,518	74,518
Impairment allowance on other assets (see note 19(b) below)	(70,297)	(70,297)	(70,297)	(70,297)
Net financial assets	29,421	29,421	4,221	4,221
Non-financial assets:				
Withholding tax recoverable	46,803	46,803	173,928	173,928
Stock Account	7,259	7,259	7,638	7,638
Prepayment	411,086	411,086	397,560	397,560
CSCS Unclaimed Dividend - Africa Prudential	27,656	27,656	15,611	15,611
Total non-financial assets	492,803	492,803	594,737	594,737
Non-current	-	-	-	-
Total other assets	522,224	522,224	598,958	598,958

Other receivable comprises of gain on eurobond security lending transactions.



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

19(b) Impairment Allowance on Other Assets

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Balance, beginning of year	70,297	70,297	68,400	68,400
Charge/(reversal) during the year	-	-	1,897	1,897
Balance, end of year	70,297	70,297	70,297	70,297

20 Impairment (reversal)/Loss on Financial Assets

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Impairment loss on trade receivables (Note 18(b))	(44,266)	(44,266)	195,050	195,050
Impairment loss/(reversal) on debt instrument at amortized cost	7,574	7,574	(11,652)	(11,652)
Impairment (reversal)/ loss/ on debt instrument at FVTOCI	(1,076)	(1,076)	(4,341)	(4,341)
Impairment loss/(reversal) on cash and cash equivalent	458	458	490	490
Impairment loss/(reversal) on other assets	-	-	1,897	1,897
	(37,310)	(37,310)	181,444	181,444

21 Cash and Cash Equivalents

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Cash at hand	1,450	1,450	1,450	1,450
Balances with banks (see note (i) below)	5,509,938	5,509,883	5,183,751	5,183,696
Fixed deposits	6,397,607	6,397,607	6,504,041	6,504,041
Current assets	11,908,995	11,908,940	11,689,242	11,689,187
Expected credit loss on allowance	(16,499)	(16,499)	(16,041)	(16,041)
Restricted cash	3,857,175	3,857,175	3,857,175	3,857,175
Carrying amount	15,749,671	15,749,616	15,530,376	15,530,321

- (i) Balances with banks of N3.85billion 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 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Intercompany receivables (See note a)	-	34,511	-	34,511
Impairment allowance on intercompany receivables (see note 22(b) below)	-	(34,511)	-	(34,511)
Net Carrying amount	-	-	-	-

23 Equity-Accounted Investee

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Investment in Associate - NG Clearing Limited (See note 23(a) below)	1,512,503	1,541,437	1,553,669	1,541,437
Impact of previously unrecognised reserves*	112,884	-	-	-
Share of loss from associate (b)	(57,029)	-	(41,166)	-
Carrying amount	1,568,358	1,541,437	1,512,503	1,541,437
Non-current Assets	1,568,358	1,541,437	1,512,503	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 (2021: 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 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Share of (loss)/profit from NG Clearing Limited	(57,029)	-	(41,166)	-
Carrying amount	(57,029)	-	(41,166)	-



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

(b) Share of loss/profit from associate

In thousands of Naira	31 December 2021	31 December 2020
Percentage ownership interest	24.7%	24.7%
Current assets	460,198	1,193,710
Non-current assets	5,944,469	5,464,847
Current liabilities	(55,040)	(178,546)
Net Asset (100%)	6,349,627	6,480,011
Group's share of net asset	1,568,358	1,600,563
Carrying Amount of interest in associate	1,568,358	1,600,563
Revenue	492,279	476,589
Total Expense	(723,164)	(643,254)
Profit/(loss) from continuing operations	(230,885)	(166,665)
Group's share of accumulated profit/(loss)	(57,029)	(41,166)

24 Investment in Subsidiary

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
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

Share capital - Authorised

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
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.

Financial Statements

(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 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Opening fair value reserves	77,740	77,740	(273,770)	(273,770)
Fair value loss/gain on FVOCI bonds- See note 17(c)	89,807	89,807	70,705	70,705
Reversal of prior year fair value gains on derecognition of FVOCI assets	63,113	63,113	276,292	276,292
Fair value gain derecognised upon reclassification of FVOCI bonds	-	-	172	172
ECL on FVOCI (see note (i) below)	1,076	1,076	4,341	4,341
Debt Instruments at FVOCI- net change in fair value	153,996	153,996	351,510	351,510
Closing Fair value reserves	231,736	231,736	77,740	77,740

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

(d) Actuarial reserve

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Statement of other comprehensive income:				
Opening actuarial reserves	1,670	1,670	1,670	1,670
Closing actuarial reserves	1,670	1,670	1,670	1,670

(i) The initial scheme was terminated and settled due to the expiration of the MD/CEO's tenure in October 31 2021. The new scheme is mutually exclusive, and other IAS 19 items will be reconciled at next valuation after the scheme might have had more than at least one year experience". This is because 3 months transactions appear too short and are not sufficient to justify an experience analysis.

(e) Dividend

The Company has proposed a dividend of 87 Kobo per share and a one-time special dividend of 50 Kobo per share from the retained earnings account as at 31 December 2022, pending the approval of the shareholders at the 2022 Annual General Meeting.

The following dividends were declared and paid by the Company:

In thousands of Naira	Dividend per share 2022	Total Dividend 2022	Dividend per share 2021	Total Dividend 2021
Dividend	74	3,700,000	117	5,850,000



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

26 Intercompany Payables

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

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Insurance Repository Nigeria Limited (See note (a) below)	-	10,000	-	10,000
Carrying amount	-	10,000	-	10,000

(a) 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 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Financial liabilities				
Sundry creditors (see note (ii) below)	134,573	134,573	126,635	126,635
Accruals (see note (i) below)	186,920	186,920	286,648	286,648
Payable on contracts	-	-	650,000	650,000
Audit fees	29,612	29,612	31,712	31,712
Total other financial liabilities	351,106	351,106	1,094,995	1,094,995
Non-financial liabilities				
National Housing Fund	818	818	688	688
Nigeria Social Insurance Trust Fund	18,356	18,356	3,030	3,030
Staff Multipurpose Co-operative	487	487	597	597
Staff pension fund	1,606	1,606	198	198
Staff productivity bonus	327,491	327,491	306,698	306,698
Contract liability	82,926	82,926	67,156	67,156
Total other non-financial liabilities	431,683	431,683	378,367	378,367
Total payables and accruals	782,789	782,789	1,473,362	1,473,362

The accruals represent amount payable to vendors with respects to IT subscriptions, professional consulting, industrial training fund contribution etc.

The sundry creditors comprises of AdonaiNet - uncollected trade alert fees and stale cheques.

Financial Statements

28 Other Liabilities

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Financial liabilities				
Unclaimed Dividends (see note (i))	275,620	275,620	155,171	155,171
Depository fee suspense	55,480	55,480	45,092	45,092
Fixed Asset Disposal	-	-	7,381	7,381
CSCS Individual Divestment	1,290	1,290	1,290	1,290
Amount due to lien services clients	29,520	29,520	96,067	96,067
Exchange Traded Fund Distribution Accounts	52,080	52,080	34,299	34,299
Amount due to Adonai Net	7,692	7,692	7,692	7,692
Amount due to Investment & Securities Tribunal (see note (ii))	94,981	94,981	70,867	70,867
Stamp Duty Collection Account	6,225,890	6,225,890	4,411,792	4,411,792
Amount due to Kaduna State Govt	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)	45,614	45,614	45,614	45,614
Managed funds	232	232	232	232
	6,821,262	6,821,262	4,891,055	4,891,055
Indirect Tax				
PAYE liability	99,068	99,068	62,994	62,994
Withholding tax liability	7,302	7,302	10,811	10,811
Value Added Tax liability	192,337	192,337	128,617	128,617
	298,707	298,707	202,422	202,422
	7,119,969	7,119,969	5,093,477	5,093,477

- (i) The balance of the unclaimed dividend was invested in fixed placements and a total of N10.2 million was earned as interest income on the amount during the period.
- (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 2022.
- (iii) The account relates to stamp duties deducted at source on capital market tradings which will be remitted upon confirmation of the recipient government agency. Equivalent amount has been set aside in the cash and cash equivalent for this purpose.



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

Lease Liability

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Lease liability	332,446	332,446	319,355	319,355
Carrying amount	332,446	332,446	319,355	319,355

Lease liability is payable as follows:

In thousands of Naira	Group 31 December 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Less than one year	80,981	80,981	74,147	80,981
More than five years	251,465	251,465	245,208	238,374
Carrying amount	332,446	332,446	319,355	319,355

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 N115.55 million for the Group and N115.55 million for the Company (2021: N98.77 million for the Group and N98.77 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. As at 31 December 2022, the amount provided is N65.55 million.

The sum of the outstanding long-term severance benefit scheme and the terminal benefit provided for is N12.8 million and this has been included in long term incentive scheme liabilities below.

Financial Statements

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 2022	Company 31 December 2022	Group 31 December 2021	Company 31 December 2021
Opening balance	12,819	12,819	125,551	125,551
Payment during the year	-	-	(139,837)	(139,837)
Excess provision on long term incentives	-	-	14,286	14,286
Addition in profit or loss during the year	52,735	52,735	12,819	12,819
Total defined benefits	65,554	65,554	12,819	12,819

In thousands of Naira	Group 31 December 2021	Company 31 December 2021	Group 31 December 2020	Company 31 December 2020
Statement of profit or loss:				
Current service cost	48,498	48,498	12,697	12,697
Interest Cost	4,237	4,237	122	122
Total	52,735	52,735	12,819	12,819

(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 2021	Company 31 December 2021
Future salary growth	13.00%	13.00%
Interest rate	12.79%	12.10%

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	benefit obligation	+1%	-1%
Interest rate (movement)	65,554	66,209	64,898
Salary increase rate (movement)	65,554	66,209	64,898



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

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 2022 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 2022 stood at N2,603,802,630.63 (31 December 2021: 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 Group Plc and its subsidiaries also meet the definition of related party transactions, as Central Securities Clearing System Plc is an associate of Nigerian Exchange Group Plc. The transactions includes: rent, dividend and x-alert handling charges held by CSCS on behalf of Nigerian Exchange Limited.

In thousands of Naira	Name of company / Individual	Transaction type	Secured/ Unsecured	Transaction values		Balance outstanding	
				31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
			Amount	Amount	Amount	Amount	
	NGX Real Estate Limited	Rent	Unsecured	107,509	87,041	-	-
	Nigerian Exchange Group Plc	Payment of dividend	Not applicable	1,080,071	1,707,680		
				1,187,580	1,794,721	-	-

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.

Financial Statements

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 2022	31 December 2021
Short term		
Wages & Salaries	523,661	609,377
Long term		
Post Employment benefits	52,735	12,819
	576,396	622,196

(b) Directors' remuneration

In thousands of Naira	31 December 2021	31 December 2020
Short term		
Fees as Directors	12,917	12,917
Directors sitting allowances	52,663	54,000
Other allowances	192,783	192,783
	258,363	259,700
Executive Compensation	576,396	622,196
	834,759	881,896

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).

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 N69.8 million (31 December 2021: N81.5 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 2021 were as follows:



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

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 Ltd	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	OTC Transactions	-	-
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	-

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 2021
United Bank for Africa	Uche Ike	Director	ED, Risk	Depository fee	31,815	-
Sterling Bank Plc.	Tairat Tijani	Director	Director	Depository fee	14,174	-
Access Bank Plc	Roosevelt Ogbonna	Director	Deputy MD	Depository fee	32,302	-
Magnartis Finance & Investment Ltd	Oluwaseyi Abe	Director	MD/CEO	Eligibility Fee	40	-
Solid-Rock Securities & Investment Plc	Patrick Ezeagu	Director	MD/CEO	Eligibility Fee	56	-
Access Bank Plc	Roosevelt Ogbonna	Director	Deputy MD	OTC Transactions	27	-
Access Bank Plc	Roosevelt Ogbonna	Director	Deputy MD	Settlement Bank Part Fees	1,050	-
Sterling Bank Plc.	Tairat Tijani	Director	Director	Settlement Bank Part Fees	1,050	-
United Bank for Africa	Uche Ike	Director	ED, Risk	Settlement Bank Part Fees	1,050	-
					81,565	-

Financial Statements

Prepayments

Included in prepayment is an amount of N168.8 million (31 December 2021: N171.6 million) representing balances on prepaid transport allowances to Directors.

Bank balances

Included in cash and cash equivalent is an amount of N3.2 billion (31 December 2021: N2.02 billion) representing current account balances of CSCS with Banks in which certain Directors have interests. The balances as at 31 December 2022 were as follows:

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
Access Bank Plc-Dom Fee 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	Roosevelt Ogbonna	Shareholder/Director	Collection account	2,319
Sterling Bank Plc	Tairat Tijani	Director	Current account	1,365
Sterling Bank-Stamp Duty Collection Account	Tairat Tijani	Director	Collection account	2,294,100
Sterling Bank-IST Collection A/c	Tairat Tijani	Director	Collection account	63,380
UBA Plc-C/A	Uche Ike	Shareholder/Director	Current account	841,726
UBA-Collection	Uche Ike	Shareholder/Director	Collection account	269
UBA PLC-CSCS NASD Fee Collection A/c	Uche Ike	Shareholder/Director	Collection account	1,568
UBA PLC-CSCS NASD Vat Collection A/c	Uche Ike	Shareholder/Director	Collection account	716
UBA PLC-Stockbrokers Contract Stamp Duty Collection A/c	Uche Ike	Shareholder/Director	Collection account	249
				3,206,895



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

In thousands of Naira

31 December 2021

Name of company / Individual	Name of Directors	Relationship	Transaction type	Amount
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	Current account	1,366,038
Access Bank Plc-Dom Fee Collection A/c	Roosevelt Ogbonna	Shareholder/Director	Collection account	310
Access Bank Plc-POS	Roosevelt Ogbonna	Shareholder/Director	Collection account	425
Access Bank Plc-LEI	Roosevelt Ogbonna	Shareholder/Director	Collection account	315
Access Bank Plc-USDollar Dom A/c	Roosevelt Ogbonna	Shareholder/Director	Collection account	46,117
Sterling Bank Plc	Tairat Tijani	Director	Current account	1,263
Sterling Bank-Stamp Duty Collection Account	Tairat Tijani	Director	Collection account	524,718
Sterling Bank-IST Collection A/c	Tairat Tijani	Director	Collection account	71,208
UBA Plc-C/A	Uche Ike	Shareholder/Director	Current account	402
UBA-Collection	Uche Ike	Shareholder/Director	Collection account	1,076
UBA PLC-CSCS NASD Fee Collection A/c	Uche Ike	Shareholder/Director	Collection account	6,373
UBA PLC-CSCS NASD Vat Collection A/c	Uche Ike	Shareholder/Director	Collection account	2,027
UBA PLC-Depository Fee Collection A/c	Uche Ike	Shareholder/Director	Collection account	35
UBA PLC-Stockbrokers Contract Stamp	Uche Ike	Shareholder/Director	Collection account	249
				2,020,555

Investments

Included in investment securities is an amount of N7.6 billion as at 31 December 2022 (31 December 2021: N13.3 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 2022 were as follows:

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

Financial Statements

In thousands of Naira

31 December 2021

Name of company / Individual	Name of Directors	Relationship	Transaction type	Face value
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	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	FGN Bonds	1,000,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	500,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Euro Bonds	815,900
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Euro Bonds	314,122
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Euro Bonds	2,039,750
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Euro Bonds	2,039,750
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	Euro Bonds	172,926
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Corporate Bonds	141,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Corporate Bonds	500,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Corporate Bonds	300,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	State Bonds	1,500,000
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	State Bonds	87,999
				13,311,446

There was no material impact on the Company's basic and diluted earning per share.



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

34 Condensed Results of Consolidated Entity

Condensed results of the consolidated entity as at 31 December 2022, are as follows:

In thousands of Naira	Group balance	Intra-group eliminations	The Company	Insurance Repository Nigeria Limited
Operating income	11,515,320	-	11,515,320	-
Operating expenses	(5,410,865)	-	(5,410,865)	-
Impairment reversal/(Charge)	37,310	-	37,310	-
Fair value loss on investment securities				
Operating surplus before tax	6,141,765	-	6,141,765	-
Share of loss of equity accounted investees	(57,029)	(57,029)	-	-
Tax expense	(948,266)	-	(948,266)	-
Operating surplus after tax	5,136,471	(57,029)	5,193,499	-
Condensed financial position				
Total Non-Current Assets	28,246,543	(16,921)	28,229,622	-
Total Current Assets	16,766,856		16,766,800	-
Total assets	45,013,399	(16,921)	44,996,423	-
Total Equity	35,105,637	(26,976)	35,078,661	-
Total non current liabilities	317,019	-	317,019	-
Total current liabilities	9,590,743	(10,000)	9,600,743	-
Total liabilities	9,907,762	(10,000)	9,917,762	-
Total equity and liabilities	45,013,399	(36,976)	44,996,423	-

Financial Statements

35 Cash Flow Workings

In thousands of Naira	Notes	Group 31 Dec 2022	Company 31 Dec 2022	Group 31 Dec 2021	Company 31 Dec 2021
(i) Changes in intercompany receivables					
Opening balance		550,230	550,230	160,450	160,450
Impairment reversal/(charge)	18(a)	44,266	44,266	(195,050)	(195,050)
Closing balance	20	(391,986)	(391,986)	(550,231)	(550,231)
Change during the year		202,510	202,510	(584,831)	(584,831)
(ii) Changes in other assets					
Opening balance	19(a)	598,958	598,958	424,482	424,482
Impairment reversal/(charge)	20	-	-	(1,897)	(1,897)
Closing balance	19(a)	(522,224)	(522,224)	(598,958)	(598,958)
Change during the year		76,734	76,734	(176,373)	(176,373)
(iii) Changes in payables and accruals					
Opening balance	27	1,473,362	1,473,362	1,533,907	1,533,907
Closing balance	27	(782,789)	(782,789)	(1,473,362)	(1,473,362)
Change during the year		690,573	690,573	60,545	60,545
(iv) Changes in other liabilities and lease liability					
Opening balance	28	5,412,832	5,412,832	3,770,877	3,770,877
Lease payment during the year		(95,557)	(95,557)	(87,494)	(87,494)
Closing balance	28	(7,745,413)	(7,745,413)	(5,412,833)	(5,412,833)
Change during the year		(2,135,139)	(2,135,139)	(1,729,450)	(1,729,450)
(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	79,287	79,287	-	-
Accumulated depreciation	15	(67,812)	(67,812)	-	-
Profit on disposal of property and equipment	11	5,058	5,058	409	409
Proceeds during the year		16,533	16,533	409	409
(vii) Net changes in short term investment securities -bonds					
Balance, beginning of the year	17(b)	550,128	550,128	-	-
Fair value profit derecognised		-	-	-	-
Balance, end of the year	17(b)	(102,974)	(102,974)	(550,128)	(550,128)
Change during the year		447,154	447,154	(550,128)	(550,128)



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

(viii) Net changes in investment securities - bonds

Balance, beginning of the year	17(a)	21,248,233	21,248,233	19,570,294	19,570,294
Fair value profit/(loss)		(89,807)	(89,807)	(70,705)	(70,705)
Reversal of prior year fair value gains on derecognition		(63,113)	(63,113)	(276,292)	(276,292)
Fair value gain derecognised upon reclassification		-	-	(172)	(172)
Balance, end of the year	17(a)	(24,396,079)	(24,396,079)	(21,248,233)	(21,248,233)
Change during the year		(3,300,767)	(3,300,767)	(2,025,108)	(2,025,108)

(ix) Interest received

Balance, beginning of the year		(128,039)	(128,039)	(106,729)	(106,729)
Interest income	10	4,578,366	4,578,366	3,710,437	3,710,437
Interest received for the year		4,450,326	4,450,326	3,603,708	3,603,708

(x) Dividend paid

Balance, beginning of the year	28	155,171	155,171	162,830	162,830
Additional dividend during the year		3,700,000	3,700,000	5,850,000	5,850,000
Balance, end of year	28	(275,620)	(275,620)	(155,171)	(155,171)
Net dividend paid during the year		3,579,551	3,579,551	5,857,659	5,857,659

During the year, dividend of N74k per share was approved and paid to shareholders on 2021 profits

Financial Statements

36 Change in Presentation

Certain comparative amounts and disclosures in the statement of income and expenditure and statement of financial position have been re-presented in order to ensure inter-period comparability of financial information in order to assist users of the financial statements.

Group

In thousands of Naira	Notes	Previously Reported Dec-21	Reclassification	Re-presented Dec-21
Revenue (see note 36 (a) below)	9	4,507,982	1,899,403	6,407,385
Investment income		3,710,437	-	3,710,437
Other income (see note 36 (a) below)	11	2,250,601	(1,899,403)	351,198
Total operating income		10,469,020	-	10,469,020
Personnel expenses		(2,021,569)	-	(2,021,569)
Other operating expenses		(1,700,014)	-	(1,700,014)
Depreciation and amortisation		(690,188)	-	(690,188)
Finance cost		(48,532)	-	(48,532)
Impairment reversal/(loss) on financial assets		(181,444)	-	(181,444)
		(4,641,747)	-	(4,641,747)
Share of gain of equity accounted investee		(41,166)	-	(41,166)
Profit before tax		5,786,107	-	5,786,107
Income tax		(1,366,297)	-	(1,366,297)
Profit after tax		4,419,810	-	4,419,810



Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2022

Company

In thousands of Naira	Notes	Previously Reported Dec-21	Reclassification	Re-presented Dec-21
Revenue (see note 36 (a) below)	9	4,507,982	1,899,403	6,407,385
Investment income		3,710,437	-	3,710,437
Other income (see note 36 (a) below)	11	2,250,601	(1,899,403)	351,198
Total operating income		10,469,020	-	10,469,020
Personnel expenses		(2,021,569)	-	(2,021,569)
Other operating expenses		(1,700,014)	-	(1,700,014)
Depreciation and amortisation		(690,188)	-	(690,188)
Finance cost		(48,532)	-	(48,532)
Impairment reversal/(loss) on financial assets		(181,444)	-	(181,444)
		(4,641,747)	-	(4,641,747)
Profit before tax		5,827,273	-	5,827,273
Income tax		(1,366,297)	-	(1,366,297)
Profit after tax		4,460,976	-	4,460,976

(36a) "In the current year, the Group presented income derived from its non-core activities under revenue in the Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income (2021: presented under other income). Income recognised on non-core activities are from contract with customers and are therefore accounted for using relevant guidance of IFRS 15 Revenue from contracts with customers.

The Group has therefore re-presented income from non-core activities to revenue in the current year to enhance inter-period comparability."

37 Non-Audit Fees

Included in professional fees is a total of N5,382,000 for Non-audit services rendered by Messrs. KPMG Advisory Services. See table below for details.(See note 12.2)

Name of Firm	Nature of Service	Applicable Fees (N'000)
KPMG Advisory Services	Providing remuneration survey services to CSCS	4,307
KPMG Advisory Services	Employee compensation and benefits survey services	1,075
Total		5,382

Other National Disclosures





Value Added Statement for the year ended 31 December 2022

In thousands of Naira	Group 31 Dec 2022	%	Group 31 Dec 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	41	3,700,000	41
- To augment reserve	1,436,471	16	1,493,499	17
	8,895,224	100	8,952,252	100

In thousands of Naira	Group 31 Dec 2021	%	Group 31 Dec 2021	%
Gross earnings	10,469,020	123	10,469,020	123
Net impairment loss on trade receivables	(181,444)	(21)	(181,444)	(2)
Bought-in-materials and services	(1,789,712)	(2)	(1,748,546)	(20)
Value added	8,497,864	100	8,539,030	100
Distribution of Value Added To Employees:		%		%
Staff cost	2,021,569	24	2,051,082	24
To government				
Government as taxes	1,366,297	16	1,366,297	16

For future replacement of assets, expansion of business and payment of dividend to shareholders:

- Depreciation and amortisation	690,188	8	690,188	8
- Dividend to shareholders	5,850,000	69	5,850,000	69
- To augment reserve	(1,430,190)	(17)	(1,389,024)	(16)
	8,497,864	100	8,539,030	100

Five Year Financial Summary

The Group

In thousands of Naira	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018
Assets					
Non current Assets					
Property and equipment	1,963,224	1,851,378	1,354,103	1,083,510	595,575
Intangible assets	190,840	375,414	585,705	785,471	1,089,601
Equity-accounted investee	1,568,358	1,512,503	1,553,669	725,475	591,357
Investments securities	24,396,079	21,248,233	19,570,294	21,960,972	23,644,725
Deferred tax asset	128,042	-	-	-	-
Total non current assets	28,246,543	24,987,528	23,063,771	24,555,428	25,921,258
Current Assets					
Investment securities	102,974	550,128	-	5,005,511	5,879,813
Trade receivables	391,986	550,231	160,450	177,043	102,279
Other assets	522,224	598,958	424,482	181,877	324,380
Cash and cash equivalent	15,749,671	15,530,376	17,773,624	6,691,545	3,626,868
Total current assets	16,766,856	17,229,693	18,358,556	12,055,976	9,933,340
Total assets	45,013,399	42,217,221	41,422,327	36,611,404	35,854,598
Liabilities					
Current Liabilities					
Payables, provisions and accruals	782,789	1,473,362	1,533,907	727,368	872,873
Current tax liabilities	1,607,004	1,498,463	436,529	652,254	652,577
Other liabilities	7,119,969	5,412,833	3,770,877	2,241,938	3,150,930
Total current liabilities	9,509,762	8,384,658	5,741,313	3,621,560	4,676,380
Non current liabilities					
Deferred tax liabilities	-	109,466	63,485	6,747	13,403
Long term incentive scheme	65,554	12,819	125,551	77,012	-
Total non current liabilities	65,554	122,285	189,036	83,760	13,403
Total liabilities	9,575,316	8,506,943	5,930,349	3,705,320	4,689,783
Equity					
Share capital	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Retained earnings	30,335,703	28,786,348	30,216,538	27,588,203	26,187,524
Other components of equity	(231,736)	(77,740)	273,770	317,029	(22,709)
Actuarial reserves	1,670	1,670	1,670	851	-
Total equity	35,105,636	33,710,278	35,491,977	32,906,083	31,164,815
Non-controlling Interest					
Total equity and liabilities	44,680,952	42,217,221	41,422,327	36,611,404	35,854,598
Total operating income	11,515,320	10,469,020	12,087,177	9,206,140	9,082,085
Profit before taxation	6,084,737	5,786,107	7,392,696	6,042,434	6,091,344
Profit after taxation	5,136,471	4,419,810	6,928,335	4,900,679	4,822,330
Earnings per share	103k	88k	139k	98k	96k
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



Five Year Financial Summary

The Company

In thousands of Naira	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018
Assets					
Non current Assets					
Property and equipment	1,963,224	1,851,378	1,354,103	1,083,510	595,575
Intangible assets	190,840	375,414	585,705	785,471	1,089,602
Intercompany receivables	-	-	-	34,511	34,511
Equity-accounted investee	1,541,437	1,541,437	1,541,437	736,687	670,500
Investment in subsidiary	10,000	10,000	10,000	10,000	10,000
Investments securities	24,396,079	21,248,233	19,570,294	21,960,972	23,644,726
Deferred tax asset	128,042	-	-	-	-
Total non current assets	28,229,622	25,026,462	23,061,539	24,611,151	26,044,913
Current Assets					
Investment securities	102,974	550,128	-	5,005,511	5,879,813
Trade receivables	391,986	550,231	160,450	177,043	102,279
Other assets	522,224	598,958	424,482	181,877	312,046
Cash and cash equivalent	15,749,616	15,530,321	17,773,569	6,691,490	3,626,812
Total current assets	16,766,801	17,229,638	18,358,501	12,055,921	9,920,951
Total assets	44,996,423	42,256,100	41,420,040	36,667,072	35,965,864
Liabilities					
Current Liabilities					
Intercompany payables	10,000	10,000	10,000	10,000	10,000
Payables, provisions and accruals	782,789	1,473,362	1,533,907	727,368	872,873
Current tax liabilities	1,607,004	1,498,463	436,529	652,254	652,577
Other liabilities	7,119,969	5,412,833	3,770,877	2,241,938	3,150,930
Total current liabilities	9,519,762	8,394,658	5,751,313	3,631,560	4,686,380
Non current liabilities					
Deferred tax liabilities	-	109,465	63,485	6,747	13,403
Long term incentive scheme	65,554	12,819	125,551	77,012	-
Total non current liabilities	65,554	122,285	189,036	83,760	13,403
Total liabilities	9,585,316	8,516,943	5,940,349	3,715,320	4,699,783
Equity					
Share capital	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Retained earnings	30,308,726	28,815,227	30,204,251	27,633,871	26,288,789
Other components of equity	(231,736)	(77,740)	273,770	317,029	(22,709)
Actuarial reserves	1,670	1,670	1,670	851	-
Total equity	35,078,660	33,739,157	35,479,690	32,951,751	31,266,080
Non-controlling Interest					
Total equity and liabilities	44,996,423	42,256,100	41,420,040	36,667,072	35,965,864
Total operating income	11,515,320	10,469,020	12,087,177	9,206,140	9,082,085
Profit before taxation	6,141,765	5,827,273	7,334,741	5,986,837	6,109,749
Profit after taxation	5,193,499	4,460,976	6,870,380	4,845,082	4,840,735
Earnings per share	104k	89k	137k	97k	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

Proposed Changes to the MemArt of CSCS Plc

S/N	CURRENT PROVISION IN MEMORANDUM	AMENDMENT PROPOSED	NEW PROVISION/ LANGUAGE	JUSTIFICATION FOR THE AMENDMENT
1.	Company limited by shares	The heading of the memorandum of association of CSCS should state that the company is a public company.	"PUBLIC COMPANY LIMITED BY SHARES"	Section 28 of CAMA provides that the form of memorandum of association of a company limited by shares shall be in such form as may be prescribed by regulations issued by the Commission. Based on the form of memorandum of association under Schedule seventeen (17) of the Companies Regulations 2021, the heading of a memorandum of association of a company must state what type of company it is.
2.	Clause 3	We propose the inclusion of paragraphs (a) and (b).	IT IS HEREBY EXPRESSLY DECLARED that; (a) each sub-clause shall be constituted independently of the other sub-clause hereof, and that none of the objects mentioned in any sub-clause shall be deemed to be merely any other sub clause. (b) the Company shall, for the furtherance of its business or objects, have all the powers of a natural person of full capacity, except that the Company shall not have that power to act as a dealing member of the NGX or Stockbrokers."	Appendix VII of the NGX Rulebook 2015 provides that any company that is applying for listing on the NGX must in its Memorandum of Association expressly exclude the power to act as dealing member of the NGX or Stockbrokers.
3.	Clause 6	Clause 6 should be amended to state accurately the issued share capital of the company.	"The issued share capital of the Company is N5,000,000,000.00 divided into 5,000,000,000 ordinary shares of N 1.00 each."	The company's share capital has increased from N75,000,000 to N5,000,000,000 and CAMA provides under Section 27 (2) (a) that the memorandum of association of a public company shall state the company's issued share capital which shall not be less than the amount N2,000,000.00.
4.	Heading Company limited by shares	The heading of the articles of association of CSCS should state that the company is a public company.	"PUBLIC COMPANY LIMITED BY SHARES"	Section 34 of CAMA provides that where the provisions of the model articles have not been excluded by the articles of association of a limited company, the provision of the model articles shall form part of the articles of association of the Company. Based on the provisions of the model articles under Schedule Twenty-Two (22) of the Companies Regulations 2021, the heading of the articles of association of a company must state what type of company it is.
5.	Article 1	This provision should be amended to exclude the provision of the Companies and Allied Matters Act, 1990 it should be replaced with the appropriate provision in CAMA 2020.	"The model articles of association for public companies limited by shares contained in the Twenty-Second Schedule of The Companies Regulations 2021 (as same may be amended or replaced) shall apply to the Company, except so far as same are embodied in these Articles, which constitute the regulations for the management of the affairs of the Company, as supplemented by charters and internal governance and policy instruments, issued by the Company, from time to time."	Based on the repeal of the Companies and Allied Matters Act, 1990, reference should be made to the model article contained in the Twenty-Second Schedule of the Companies Regulations 2021.
6.	Interpretation Section "The Register"	The deletion of Section 83 and replacing it with "the provisions of CAMA"	"The Register of Members to be kept pursuant to the provisions of the Act."	Although, register of members is provided for under sections 109 and 110 of CAMA, we propose the use of a general term in case of a future amendment to the Act..
7.	Interpretation Section "Special Resolution"	The deletion of Section 233 and replacing it with the provisions of CAMA.	"The meaning defined by the provisions of the Act."	Special resolution is currently defined under section 258 (2) of CAMA.
8.	Article 3 Authorised Share Capital	CAMA has replaced 'Authorized Share Capital' with 'Minimum Issued Share Capital'.	"The issued shares capital of the Company at the date of the adoption of this article is N5,000,000,000.00 divided into 5,000,000,000 ordinary shares of N 1.00 each."	Section 27 (2) (a) of CAMA provides that the minimum issued share capital of a public company shall be N2,000,000.00.
9.	Commission and Brokeage	Deletion of the word "Brokeage"	"COMMISSIONS ON SUBSCRIPTION FOR SHARES"	This provision makes no reference to payment of brokerage by the Company.
10.	New Article 5	The inclusion of consideration other than cash	"Subject to complying with the provisions of the Act, the Company may accept such considerations, whether cash or other valuable consideration, partly cash and partly a valuable consideration other than cash, for the issuance of its shares."	Section 160 of CAMA provides that a company may issue its shares for non-cash consideration where so permitted by its articles. This affords the company flexibility in negotiating consideration for its shares.
11.	Article 6	The deletion of the reference to Section 72 and replacing it with the provisions of CAMA.	"Subject to the provisions of the Act, the Company shall be bound and ratifies all pre-incorporation contracts entered into on its behalf by the promoters."	Although pre-incorporation contracts are provided for under section 96 of CAMA, we however propose the use of a general term in case of a future amendment to the Act.

Proposed Changes to the MemArt of CSCS Plc

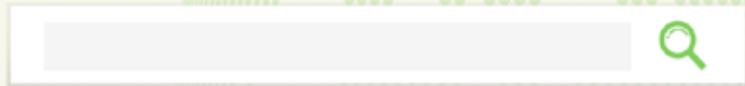
12.	New Article 9	Inclusion of a provision on share buy back	"The company may purchase its own shares including redeemable shares provided that the shareholders, shall by special resolution approve the acquisition by the company of the shares it intends to purchase."	The option of share buyback allows a company to consider different options for returning cash to its shareholders. It is also a means to reduce the average cost of capital and therefore enhance shareholder value in the long term. The Company can also utilize it to prevent hostile takeovers.
13.	Article 7	The deletion of Section 100 and replacing it with Section 125 of CAMA	"The Company may from time to time by Ordinary Resolution effect an alteration to its share capital in the way set out in Section 125 of the Act."	CAMA under section 125 only provides that a company having a share capital may in general meeting, and not otherwise, alter the conditions of its memorandum to— (a) consolidate and divide all or any part of its share capital into shares of larger amount than its existing shares; and (b) subdivide its shares or any of them, into shares of smaller amount than is fixed by the memorandum, but in the subdivision the proportion between the amount paid and the amount unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived. Thus, the section excludes other ways provided under Section 100 of the Companies and Allied Matters Act, 1990, to which the company may alter its share capital.
14.	Article 9	The place of annual general meeting must be in Nigeria.	"The Annual General Meeting shall be held at such time and place (within Nigeria), as the Directors shall appoint."	Section 240 (1) provides that all statutory and annual general meetings shall be held in Nigeria.
15.	Article 10	This article should be amended to reflect the provision of the law.	"The Chairman of the Board of Directors shall preside as Chairman at every general meeting of the Company, or if there is no such Chairman, or if he is not present within an hour after the time appointed for the holding of the meeting or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the meeting."	Under section 265 (1) the chairman is given the grace of one hour, after which if he is still absent or unwilling to act as chairman, he should be replaced with another director. This section is not subject to the articles of association/ the discretion of the directors of the company.
16.	Article 12	This section should be amended to include other items as provided by CAMA	"All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring of dividend, the consideration of the accounts, balance sheet and the report of the Directors and Auditors, the election of Directors in the place of those retiring and the appointment and fixing of the remuneration of the auditors, or any other item as may be required by the Act."	The scope of matters that can be transacted under ordinary business has been expanded. The appointment of members of the audit committee and disclosure of remuneration of managers of a company have been added to the ordinary business of an annual general meeting under section 238 of CAMA. The proposal is to ensure consistency with the Act.
17.	New Article 15	This section should be amended to include, "(where he is a shareholder or a proxy)".	"... demanded by the Chairman (where he is a shareholder or a proxy) or at least three members entitled to vote at the meeting ..."	Pursuant to section 248 (1) (a) of CAMA the chairman is only entitled to demand a poll where he is a shareholder or a shareholder's proxy. This power does not automatically rest on the chairman by reason of his position as chairman.
18.	Article 16	A proxy need not be a member of the Company, should be in another paragraph.	"17. A proxy need not be a member of the Company."	This sentence speaks to a different subject matter from that which the paragraph states.
19.	New Article 26	The minimum number of independent directors in CSCS should not be less than three (3).	"Unless and otherwise determined by the shareholders of the company in a General Meeting, the number of Directors shall not be less than five or more than ten. Provided that the Company shall have a minimum of three independent directors."	Section 275 (1) of CAMA provides that a public company shall have at least three independent directors.
20.	Article 35	We propose that this Section should be updated to recognize changes to the Board structure..	"The Board shall from time to time establish Committees to enable it to discharge its functions. It is free to restructure and rename the Committees as it sees fit to support the achievement of its objectives."	
21.	Article 36	This section should reflect the amended criteria for appointing directors to the Board. Clause 36 – Unless otherwise provided in these articles, a person shall not be appointed as a director or if a director, continue to act as a director unless:	"Unless otherwise provided in these Articles, a person shall not be appointed as a director or if a director continues to act as a director unless: (a) Such person holds an executive position in a shareholder entity and/or is a person who has been held out by a shareholder entity as its representative. (b) Such person represents Banks that are shareholders of the company. (c) Such person represents the Association of Dealing Houses of Nigeria, Chartered Institute of Stockbrokers, the Institute of Capital Market Registrars and the Association of Asset Custodians of Nigeria (collectively referred to as the 'Market'). (d) Such person represents the Nigerian Exchange Group (NGX).	The objective of this amendment is to ensure that the requirements for board appointments are standardized and that they reflect the interest of the market and participants of the company.

Other National Disclosures

			<p>(e) As otherwise provided in these articles, a person or entity holding more than 15% (fifteen percent) of the share capital of the company may be entitled to nominate a director to the Board. Provided that the Board shall continue to reserve the prerogative to review and approve the nomination on the basis that the person who has been nominated is a fit and proper person; and that nomination process satisfies substantive board governance procedure of the company.</p> <p>(f) A person or entity holding more than 15% (fifteen percent) of the share capital of the company who is nominating a director to the Board shall not invest or own shares in any entity engaged in the same or similar business to the company or own controlling shares in or is a member of a group which controls such entity.</p> <p>(g) The Board shall have a minimum of three independent non-executive directors, or any number as may be statutorily prescribed from time to time by the National Code for Corporate Governance for Public Companies and the SEC Code for Corporate Governance for Public Companies.</p>	
22.	Article 37	We propose an amendment to the language of this Section to recognize that the director is not only a person who holds an executive position but is also a person who has been nominated for appointment as a director by a shareholder on the basis that he or she has cognate board experience.	"A director that ceases to hold an executive position in a shareholder entity or no longer represents the shareholder entity shall cause his or her resignation letter from the Board to be delivered to the company within seven days of ceasing to hold the position of director and shall execute any necessary forms required to make filings in respect of his or her resignation at the Corporate Affairs Commission."	This amendment recognizes that all representatives of shareholder entities on the Board do not have to occupy executive positions. Disqualification conditions (for a director whether already appointed or intended for appointment) are specified in section 283 and section 284 of CAMA.
23.	Article 38	We propose the inclusion of the specific type of resolution required for the removal of a director.	"A director that fails or is unwilling or unable to provide his letter of resignation within seven days as provided above shall be removed by the ordinary resolution of the members in general meeting."	Section 288 of CAMA provides that a company may by ordinary resolution remove a director before the expiration of his period of office.
24.	Article 39	We propose an amendment to the Section to state the Board Charter instead of the Charter of the Corporate Governance, Nominations and Remuneration Committee.	"A director shall serve in such capacity as stated in the Board Charter."	The Board Charter overarches the charters of respective board committees, so it is most appropriate that the terms of service for directors are outlined in this Charter.
25.	Article 40-44	We propose that Sections 40-43 be deleted and replaced with a new Sections 40, 41, and 42.	<p>40 - A Non-Executive Director appointed to the board may serve for a maximum of twelve years. The initial term for the Non-Executive Director is three years, and he or she is eligible for re-election for three further three-year term subject to considerations set by the shareholder entity or group he or she represents on the Board.</p> <p>41 - An Independent Non-Executive Director appointed to the board may serve for a maximum of nine years. The initial term for the Independent Non-Executive Director is three years, and he or she is eligible for re-election for two further three-year term.</p> <p>42 - An Executive Director shall serve on the Board subject to the terms of his or her contract.</p>	This is in accordance with Board resolution and is generally supported by the National Code for Corporate Governance and the SEC Code.
26.	Article 61-62	We propose an amendment to the nomenclature/title of the Managing Director	Amend Heading to state 'Managing Director/Chief Executive Officer	This is in line with standard.
27.	Article 63	The deletion of Section 262 and 257 and replacing it with the relevant provisions of CAMA.	"Section 283 and 288 of CAMA currently provides for disqualification of directors and the removal of directors respectively."	Section 283 and 288 of CAMA currently provides for disqualification of directors and the removal of directors respectively.
28.	Introduction of new Article	Introduction of a new article on transfer of shares	<p>i) The common form of transfer, including electronic transfer, may be used.</p> <p>ii) Where the company reserves the right to refuse to register more than three persons as joint holders of a share, such right shall not apply to executors or trustees of a deceased holder;</p> <p>iii) Transfers and other documents relating to or affecting the title of any shares shall be registered without payment of any fee;</p> <p>iv) Fully-paid shares shall be free from any restriction on the right of transfer and shall also be free from all lien, except as otherwise prescribed by the operation of law.</p>	Appendix VII of the Nigerian Stock Exchange Rulebook 2015 provides that the articles of association of a company applying to be listed on the Exchange must include these provisions.

Proposed Changes to the MemArt of CSCS Plc

29.	Inclusion of new Article	Introduction of new article on Dividends	"I) Dividends may only be paid by the directors out of profits for the period in respect of which dividends are to be paid, except with prior written approval of The Exchange."	Same as above.
30.	Articles 71 of the MemArt	Addition to the paragraph on Accounts.	"A printed copy of the report, accompanied by the balance sheet (including every other document required by law to be annexed thereto) and profit and loss account or income and expenditure account, shall, at least twenty-one (21) days prior to the annual general meeting, be delivered or sent by post to the registered address of every member."	Same as above.
31.	Article 71 (e)	The deletion of Section 332 (1) of CAMA.	"The books of account shall be kept at the registered office of the company unless otherwise provided by the Act ..."	Ditto comment on the use of general terms above.
32.	Article 71	Additions of provisions on electronic annual reports to Article 71 of the MemArt as subsection 2 and 3	<p>"(2) A printed and or electronic copy of every balance sheet (including every other document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall not less than twenty- one days before the date of the meeting be sent to every member, and every holder of debentures of the Company and to every person registered under Article 32 and two copies each of these documents shall be sent to the Stock Exchange and the Securities and Exchange Commission as well as any other regulator required by law. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.</p> <p>(3) Electronic copy means a method of electronic communication which includes, but is not limited to facsimile, electronic data message (including but not limited to e-mail), bulletin board communications, internet websites, electronic documents, electronic spreadsheet, print portable document file (pdf), hypertext markup language (html) or similar text displayed via a web browser, electronic data interchange (EDI), compact disc, memory stick, flash drive and computer network communications."</p>	Section 860 (1) and (2) of CAMA provides that any document required to be filed with the Commission for registration may be filed electronically. A copy or extract from any document electronically filed with the Commission or issued by the Commission and certified to be a true copy or extract shall in any proceedings be admissible in evidence as of equal validity with the original documents. Also, SEC has identified high cost of printing physical annual report as a major reason why shareholders should embrace electronic annual report.
33.	Articles 74	Addition to the paragraph on Notices.	"Section 74 (1) Where power is reserved to give notice by advertisement, such advertisement shall be inserted in at least two leading national daily newspapers."	The insertion of poison pill provisions would help prevent or lessen the likelihood of a hostile takeover of the Company.
34.	Introduction of new provisions	Poison pills	<p>Poison pill is a defensive mechanism strategy prevalent in the corporate area to thwart any hostile takeover. It is a strategy used by the target company to avoid the hostile takeover entirely or at least slow down the acquiring process. The sole purpose of the target company, by deploying this technique is to make such a takeover costly enough and unattractive for the acquirer.</p> <p>The poison pills are triggered by the accumulation of the company stake above a preset threshold.</p> <p>There are various options for implementation of poison pills, such as Dividend distribution of rights to shareholders which entitle the shareholders to purchase shares of the company at either a designated exercise price or a price set by formula that in either case is initially "out-of-the money". Rights are triggered once a hostile bidder acquires a designated percentage (usually between 10-20%) of the outstanding shares of the target (a "flip-in" provision) or if the hostile bidder is able to obtain control of the target and complete a merger (a "flip-over" provision). When the rights are triggered, shareholders (other than the person who has acquired the shares in excess of the threshold) are entitled to purchase more shares at a massive discount. Because this would cause catastrophic dilution to the hostile bidder, the hostile bidder will stop short of the threshold.</p>	<p>The insertion of poison pill provisions would help prevent or lessen the likelihood of a hostile takeover of the Company.</p> <p>Kindly let us know if you require the insertion these provisions and your option preference.</p>



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



Collateral

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



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Central Securities Clearing System PLC



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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



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)

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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@africaprudential.com | www.africaprudential.com | @afriprud



SCAN



To Download Shareholder's Form

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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

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

19. BANK VERIFICATION NO. (BVN) 20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN)

DECLARATION

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Signature:

Signature:

Joint/Company's Signatories

Company Seal (if applicable)

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 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 EUROBOND 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:

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 Shareholder Forms



PROXY FORM

[PLEASE COMPLETE THIS FORM IN CAPITAL LETTERS]

The 29th Annual General Meeting of Central Securities Clearing System Plc. will be held at 10.00 am on Monday 19 June 2023 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 29th Annual General Meeting of CSCS to be held on Monday 19 June 2023.

A. Individuals designated for appointment as Proxy

			Proxy Tick ("X") against the name of the individual you are appointing
1.	Oscar N. Onyema OON	Board Chairman	
2.	Eric Idiahi	Non-Executive Director/Shareholder	
3.	Mr. Roosevelt Ogbonna	Non-Executive Director/Shareholder	
4.	Ms. Tinuade Awe	Non-Executive Director	
5.	Mr. Normah Awoh	Shareholder	
6.	Mr. Haruna Jalo-Waziri	Managing Director/Chief Executive Officer	
7.	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 2022, the Reports of the Directors, Auditors and Audit Committee thereon.			
2.	To declare a dividend which is 87 kobo per share and a one-time special dividend of 50 kobo per share totalling N6,850,000,000 (Six Billion Eight Hundred and Fifty Million Naira).			
3.	To re-elect Mr. Oluseyi Owoturo as Non-Executive Director (retiring by rotation).			

CUT ALONG DOTTED LINE





4.	To ratify the re-appointment of Messrs. KPMG as External Auditors.			
5.	To authorize the Directors to fix the remuneration of the External Auditors.			
6.	To elect members of the Statutory Audit Committee.			
Special Business/Resolutions				
7	<p>To consider and, if thought fit, to pass with or without modification/s, the following Resolution as a Special Resolution:</p> <p>“That pursuant to Section 51 (1) of the Companies and Allied Matters Act, 2020 the Memorandum and Articles of Association of CSCS be and is hereby altered by amending articles 1, 3, 6, 7, 9, 10, 12, 15, 16, 26, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 61, 62, 63, 71 and 71(e).”</p> <p>“That pursuant to Section 51 (1) of the Companies and Allied Matters Act, 2020 the Memorandum and Articles of Association of CSCS be and is hereby altered by adding new articles 5 and 9.”</p> <p>N.B. In light of the thorough examination of the Memorandum and Articles of Association of CSCS (MemArt), we have produced a document with suggested changes and supporting information. In this regard, there is a schedule of the amendments to the MemArt in the Annual Report.</p>			
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, 2023.

Shareholder’s Signature

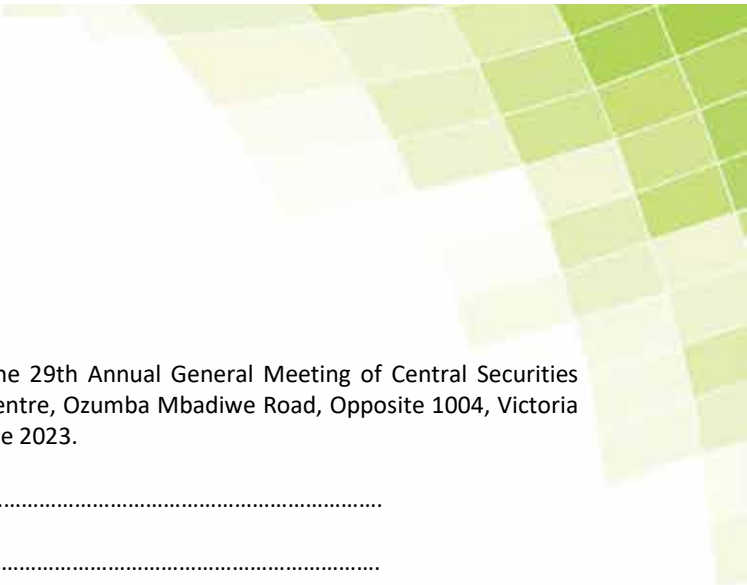
Name of Shareholder

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 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 29th Annual General Meeting to appoint a proxy to attend and vote in his/her/its stead. Attendance of the 29th Annual General meeting shall be in-person or by proxy.
3. In line with best practices, 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.



ADMISSION CARD:

Please admit the duly appointed Proxy to the 29th 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 Monday 19 June 2023.

Name of Proxy attending:.....

Name of Shareholder:.....

No of Shares held:.....

Signature:

Document Classification - CSCS Confidential (YELLOW) - External

2/4 Customs Street, Nigerian Exchange Group House, (First Floor), P.O. Box 3168, Marina Lagos, Nigeria
Tel: +234 (1) 448 0500, Email: info@cscs.ng, Website: <https://www.cscs.ng>

Directors: Mr. Oscar N. Onyema, OON (Chairman), Mr. Haruna Jalo-Waziri (MD/CEO), Mr. Uche Ike, Mr. Eric Idiahi, Mr. Roosevelt Ogbonna, Ms. Tinuade Awe, Mr. Ibrahim Dikko, Ms. Chinelo Anohu, Mr. Oluseyi Owoturo, Mrs. Tairat Tijani

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 of your 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

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Leading 2022

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