

## **FMDQ Group and Frontclear Deepen Strategic Partnership to Promote Cross-Border Money Market Transactions**

### **...Aimed at fostering greater financial market integration across Africa and beyond**

In furtherance of its earnest commitment to fostering market development and strengthening the financial markets, FMDQ Group PLC ("**FMDQ Group**" or the "**Group**") is pleased to announce the execution of a landmark partnership agreement with Frontier Clearing Corporation B.V. ("**Frontclear**"), formalised at a signing ceremony (the "**Ceremony**") held on June 12, 2025, in Amsterdam, Netherlands.

Frontclear, a development finance institution focused on creating stable interbank markets in emerging economies, has consistently displayed commitment to long-term, systemic impact, and this is evident in its support for reforms and capacity-building initiatives across multiple jurisdictions, exemplified through strategic partnerships. It is therefore no surprise that Frontclear has partnered with FMDQ Group towards fostering innovation in the Nigerian financial markets and beyond. By providing credit guarantees and technical assistance, Frontclear mitigates risks in interbank transactions, enabling financial institutions to access liquidity and build trust, thereby promoting efficient market functioning, transparency and financial stability.

As market activities and cross-border transactions become increasingly complex, the need for a credible and trusted clearing house has grown even more vital. At the core of this initiative is FMDQ Group, which, through its wholly owned subsidiary, FMDQ Clear Limited ("**FMDQ Clear**"), is positioned to deliver efficient, end-to-end clearing and third-party collateral management services, providing the critical infrastructure to support the safe execution of these cross-border trades. FMDQ Clear plays a critical role in maintaining market integrity and reducing systemic risk within Nigeria's financial system. By acting as the central counterparty for every transaction, FMDQ Clear effectively manages post-trade risks, ensuring transactional safety, operational efficiency, and regulatory compliance, thereby enhancing investor confidence.

This historic collaboration occurs at a time when there is a growing emphasis on strengthening Africa's capital markets and promoting innovative financial solutions to support economic development. Nigeria's financial ecosystem, as one of the largest and most sophisticated financial markets in Sub-Saharan Africa is both dynamic and rapidly evolving, making it a strategic focus for partnerships aimed at fostering greater financial inclusion and stability. It is within this context that Nigeria has become a key market for **Tradeclear** – Frontclear's pioneering guarantee solution designed to enhance liquidity in domestic interbank transactions and foster stronger connections with international markets. This strategic relevance has further solidified Nigeria's role as a vital partner in the rollout of innovative capital market infrastructure.

Recognising these aligned objectives, Frontclear and FMDQ have formed a strategic partnership to enhance liquidity access, mitigate credit risk, and improve market efficiency in Nigeria and the region. By leveraging FMDQ Group's market infrastructure expertise and Frontclear's risk mitigation capabilities, this collaboration will provide value to domestic financial institutions and attract international investors, with a focus on expanding services to support cross-border repurchase agreements and other secured instruments.

Speaking on this development, Mr. Bola Onadele. Koko, Chief Executive Officer, FMDQ Group, stated, *"This partnership with Frontclear represents a significant leap forward in our mission to transform the financial markets into a vibrant ecosystem, in line with our GOLD (globally competitive, operationally excellent, liquid and diverse) Agenda. The introduction of Cross-Border Money Market Products will provide new opportunities for market participants, deepen liquidity, and align our markets more closely with its global counterparts. We are proud to collaborate with a trusted and forward-thinking partner like Frontclear in bringing this vision to fruition."*

Mr. Philip Buyskes, Chief Executive Officer, Frontclear, also commented, *"Given the central role that financial market infrastructure plays in efforts to develop stable and inclusive money markets, we are very pleased to enter into this exciting partnership with FMDQ. Our development ambitions are well aligned, and we look forward to building out our longstanding relationship with FMDQ."*

This milestone agreement builds on the long-standing collaboration between both institutions and marks a significant step towards the joint introduction of Cross-Border Money Market Products. This strategic innovation aims to de-risk the financial markets by enhancing liquidity, managing counterparty risk, expanding market participation, and strengthening the operational linkages between domestic and global capital markets. By introducing internationally accepted structures for secured transactions, the initiative will also enhance price discovery and market transparency.

This is further enhanced by Frontclear's financial guarantee, serving as a third-party credit risk mitigants, thereby enhancing the creditworthiness of all participating institutions and lowering barriers to entry – particularly for smaller or less-established domestic financial institutions. Together, FMDQ Group and Frontclear will unlock access to a vast array of money market instruments, including cross-border repurchase agreements and other secured funding products, while fostering trust between local and offshore participants.

FMDQ Group is Africa's first vertically integrated financial market infrastructure ("FMI") group, strategically positioned to provide registration, listing, quotation and noting services; integrated trading platform, clearing & central counterparty, and settlement services for financial markets transactions; depository of securities, as well as data and information services, across the debt capital, foreign exchange, derivatives and equity markets, through its wholly owned subsidiaries – FMDQ Securities Exchange Limited, FMDQ Clear, FMDQ Depository Limited and FMDQ Private Markets Limited. As a sustainability-focused FMI group, FMDQ Group PLC, through FMDQ Exchange, operates Africa's premier Green Exchange – FMDQ Green Exchange – positioned to lead the transition towards a sustainable future.