



Central Bank of Nigeria

# CBN UPDATE

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## Cardoso Optimistic About Taming Inflation

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## Editor's Note

Welcome to the June edition of the CBN UPDATE, where we bring you the latest developments, insights, and initiatives shaping the financial landscape. This month, we feature significant strides in various areas, reflecting our commitment to fostering economic stability, growth, and financial inclusion.

A major highlight is the African Development Bank's (AfDB) launch of the African Debt Managers Initiative Network (ADMIN) on June 20, 2024. This initiative aims to provide home-grown solutions to Africa's debt challenges. With the theme "Developing and Deepening Domestic Debt Markets in Africa," the inaugural event in Addis Ababa emphasized the urgent need to strengthen debt management capacity to address rising debt vulnerability and its impact on macroeconomic stability.

In a recent interview in London, CBN Governor Mr. Olayemi Cardoso expressed optimism about the Monetary Policy Committee's efforts to tame inflation and stabilize the Naira. His insights underline our ongoing commitment to maintaining economic stability and fostering confidence in the financial system.

Governor Cardoso has also rallied stakeholders to achieve a 95% financial inclusion rate, emphasizing the importance of including vulnerable groups. Significant progress has been made, but there is more work to be done to ensure that all Nigerians have access to financial services.

Similarly, the CBN continues to strengthen international partnerships, as demonstrated by Governor Cardoso's meeting with a Canadian delegation led by African Capital Alliance's Co-founder, Okey Enelamah. These discussions are crucial for enhancing business relations and promoting economic growth in Nigeria.

In collaboration with key partners, the CBN hosted a workshop to review and formulate a roadmap for financial inclusion of forcibly displaced persons, demonstrating our commitment to inclusive growth.

We equally celebrate the achievements of our staff, Mr. Hamza Abdul-Aziz, who won the IMF/AFRITAC West 2 Young Economist Research Contest. Such accomplishments highlight the talent and dedication within our institution.

The above stories and many more have been packaged for your reading pleasure. We hope you find this edition insightful and informative as we continue to drive progress and stability in our nation's financial sector. ■

Warm regards,

A handwritten signature in black ink, appearing to read "Hakama Sidi Ali". The signature is stylized and fluid.

**Hakama Sidi Ali**  
Editor-in-Chief

# Cardoso Optimistic About Taming Inflation

By: Mohammed Haruna and Chioma Udeogu



*The Governor, Central Bank of Nigeria Mr. Olayemi Cardoso*

**T**he Governor, Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso has declared the commitment of the Bank's Monetary Policy Committee (MPC) to do everything possible to tame inflation and even bring it down as reasonably as possible.

Mr. Cardoso stated this in an interview with Bloomberg in London on Tuesday, June 25, 2024, while sharing key insights on the current state of the market, mainly focusing on the stability of the Naira and inflation rates. The Governor expressed optimism that the choices of the MPC to tame inflation would yield the expected result.

Governor Cardoso further announced that due to the recent measures by the Bank, there is an observed deceleration in inflation rates. He expressed delight at this development and also pronounced his confidence that the dedication of MPC to watch the interest rates trajectory very closely, will lead to an even further moderation of the inflation numbers. "MPC members will continue to monitor the trajectory and are determined to ensure that they put inflation under control," he added.

The CBN Governor attributed the deceleration in

month-on-month inflation to increased liquidity and a calmer approach from market participants on both the buy and sell sides. "In the past, people were panicking and front-loading their requests, now a lot of that has calmed down and there's no inclination to do that because liquidity has returned to the market," he explained.

Responding to a question on possible rate hikes in future, the CBN boss restated that future decisions would be "numbers-driven" but added that the Committee will do anything necessary to keep inflation under control.

He equally highlighted the significant achievement of harmonizing the exchange rate accessible in the country into a more unified structure. This, he enthused, allows companies to plan, even as he stressed the importance of a predictable exchange rate for economic planning and investment.

Mr. Cardoso expressed confidence in the current market dynamics, where willing buyers and sellers operate freely, remarking that it had contributed to the stability of the Naira. Nevertheless, he stressed the importance of continuous surveillance and management to ensure that the market benefits all participants.

# Strengthening Partnership: Cardoso Hosts Canadian Business Envoy

By: Louisa Okaria



*CBN Governor, Mr. Olayemi Cardoso (middle) and Deputy Governor, Operations (CBN), Ms. Emem Usoro, fourth from right, with the Canadian envoy in Abuja..*

**O**n Tuesday, June 18, 2024, the Governor, Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, hosted a Canadian delegation led by Okey Enelamah, Co-founder and Chairman of African Capital Alliance (ACA). The delegation included Victor Dodig, President and CEO of the Canadian Imperial Bank of Commerce (CIBC) and Chairman of the Business Council of Canada.

This significant meeting, organized in collaboration with the Business Council of Canada (BCC) and the Canadian High Commission in Nigeria, aimed to fortify business relations between Canada and Nigeria, as well as other African businesses. Key discussions revolved around the CBN's strategies for achieving macroeconomic stability and promoting economic growth in Nigeria.

Governor Cardoso highlighted the CBN's commitment to fostering a stable economic

environment conducive for growth and development. He outlined various initiatives and policies designed to enhance Nigeria's macroeconomic landscape, emphasising the importance of international partnerships in achieving these goals.

The Canadian delegation expressed a keen interest in exploring opportunities for collaboration in various sectors. They discussed ways to amplify societal impact, particularly in areas such as job creation, education and environmental sustainability.

Governor Cardoso reiterated his dedication to nurturing partnerships that will drive progress in the Nigerian economy. He welcomed the insights and potential collaborations discussed during the meeting, seeing them as crucial steps towards a mutually beneficial relationship between Nigeria and Canada. ■

# CBN Hosts Workshop on Financial Inclusion for Forcibly Displaced Persons

By: Mohammed Haruna and Adaeze Alaribe



*Group photograph of participants at the workshop*

The Central Bank of Nigeria (CBN), through its Financial Inclusion Delivery Unit, in collaboration with the Alliance for Financial Inclusion (AFI), Enhancing Financial Innovation and Access (EFINA) and Finmark Trust (FMT), hosted a validation workshop to review the diagnostic report on the Financial Inclusion of Forcibly Displaced Persons (FDPs) in Nigeria.

The workshop, held on Friday, 28 June 2024, at the Continental Hotel in Abuja, also considered recommendations for formulating a roadmap and implementation plan for the formal inclusion of FDPs.

Declaring the workshop open, the Acting Director, Development Finance Department (DFD), CBN, Mr. Hamidu Sa'ad, conveyed the Bank's appreciation to key stakeholders critical to the progress of the diagnostic research project.

Mr. Sa'ad, represented by a Deputy Director in the DFD, Dr. Paul Oluikpe, stated that FDPs represent an important segment of the world's unbanked

populace. He emphasized that participants at the workshop were expected to gain insights into the key findings of the study.

Presentations delivered at the workshop included: "Advancing the Financial Inclusion of Special Segments in Nigeria" by Ms. Sophia Abu, Head, Gender and Special Segments, Financial Inclusion Delivery Unit in the DFD; "Results from Diagnostic Research" by Mr. Damola Owolade, Head, Southern African Development Community (SADC) Financial Inclusion Programme; and "FDP Project Update and Proposed Recommendations" by Dr. Oluwatomi Eromosele, General Manager, EFINA.

Earlier, in a goodwill message, Mr. Robin Newnham, Head of Policy Analysis & Guidance, Alliance for Financial Inclusion (AFI), acknowledged the CBN as a leading member advancing inclusive finance for all. He emphasised the critical importance of financial inclusion for FDPs, not only for economic reasons but also for preserving human dignity.

Mr. Newnham further stressed the role of central

banks and other financial regulators in developing inclusive policies and appealed for effective coordination among stakeholders to create a unified strategy for FDPs inclusion.

The diagnostic report profiled refugees, internally displaced persons and residents of their host communities, offering recommendations on regulatory, policy, demand and supply-side interventions that could address their financial inclusion needs.

Highlights of the workshop were the breakout and feedback sessions to review recommendations and

provide input. Participants concluded that presenting the diagnostic study and roadmap would be a vital first step in crafting evidence-based financial inclusion policies for FDPs in Nigeria.

In her closing remarks, Mrs. Temitope Akin-Fadeyi, Head of the Financial Inclusion Delivery Unit of the DFD, expressed gratitude to the participants for their active participation and contributions, stating that their inputs would enrich the diagnostic report.

Participants at the workshop were drawn from financial institutions, civil society organisations and relevant government agencies.

## Price Verification System Discontinued - CBN

By: Ify Nwankwo

In its continued efforts to ensure financial system stability in the economy, the Central Bank of Nigeria (CBN), has discontinued the Price Verification System (PVS) in response to recent developments in the Nigerian Foreign Exchange Market.

This announcement was made in a circular dated June 26, 2024, signed by the Acting Director, Trade and Exchange Department (TED), CBN, Dr. Williams J. Kanya.

According to the circular directed at all Authorized

Dealer Banks and the general public, the PVS will no longer be a requirement for the completion of Form M, effective July 1, 2024.

By this circular, the CBN has cancelled the provisions of its earlier issued circular dated August 17, 2023, with reference number TED/FEM/PUB/FPC/001/008, which made a valid Price Verification Report generated from the Price Verification Portal a prerequisite for all Form M applications. All relevant parties are required to be guided accordingly, the circular advised.

## CBN Assures Depositors on Funds' Safety

By: Bello Khadeejah

The Central Bank of Nigeria (CBN) has assured depositors that their funds are safe with Nigerian banks. This assurance was made in a press release signed recently in Abuja by Mrs. Hakama Sidi Ali, the Acting Director, Corporate Communications Department, CBN.

According to the release, "the Nigerian financial system remains safe, sound and resilient. The banks have begun submitting implementation plans for the Banking Sector Recapitalisation programme."

To further allay the fears of depositors, the press release highlighted the role of the Nigeria Deposit

Insurance Corporation (NDIC), which provides insurance coverage of up to N500,000 per depositor per bank. It reiterated that the NDIC is designed to safeguard depositors' funds in the event of bank failures or closures.

Sidi Ali also emphasized the CBN's commitment to enhancing the stability of the banking industry through measures such as the adoption of Risk-Based Supervision and the implementation of the Basel II/III accord. These regulatory frameworks, she said, aim to ensure that banks in Nigeria are secure and capable of withstanding financial shocks.

"The action taken reflects the continued commitment to take all necessary steps to ensure the safety and soundness of our financial system," Mrs. Sidi Ali stated, reinforcing the CBN's dedication to maintaining a robust financial sector.

Consequently, Nigerian depositors can remain confident that their funds are secure within the banking system, provided they bank with licensed institutions and follow safe banking practices.

## New Measures for IMTOs

By: Tina John



**Central Bank of Nigeria**

In a move to enhance the functioning of the foreign exchange markets and increase remittance flows through formal channels, the Central Bank of Nigeria (CBN) has introduced measures to allow eligible International Money Transfer Operators (IMTOs) access to Nigerian Naira (NGN) liquidity at the CBN window. These measures are designed to improve access to local currency liquidity for settling diaspora remittances. This was stated in a circular released and signed recently by the Acting Director, Trade and Exchange Department, Dr. Williams James Kanya.

According to the circular, eligible IMTO operators can access the CBN window directly or through their Authorized Dealers Banks (ADB) to execute transactions for the sale of foreign exchange in the

markets. To guide this process, the compliance measures include same-day settlement for transactions executed before noon on a trading date.

Furthermore, the pricing on the CBN portal will reflect the Nigerian Autonomous Foreign Exchange Fixing (NAFEX) traded rates observed on an acceptable market benchmark. The operations of this market segment will follow the existing arrangement in place for authorized dealers with foreign portfolio investment participating in the primary market securities auctions.

In addition, the circular mandates that regulatory returns expected containing all the relevant information on the sources of funds, must be submitted to the CBN by all participants daily. The circular clarified that participants in this segment are the IMTOs, Authorized Dealer Banks, and the CBN.

These measures underscore the CBN's commitment to fostering a more efficient and transparent remittance system, benefiting both the Nigerian economy and diaspora remitters.

## CBN Staff Wins IMF/AFRITAC Award

By: Mohammed Haruna

The Management of the Central Bank of Nigeria (CBN) has commended Mr. Hamza Abdul-Aziz, an economist with Financial Markets Department, for emerging as one of the winners of the IMF/AFRITAC West 2 Young Economist Research Contest for Central Bankers

and Government Economists.

The contest, which was open to all staff of central banks and government agencies in the IMF/AFRITAC West 2 Region, comprising of Cape Verde, Gambia, Ghana, Liberia, Nigeria, and Sierra



Leone, followed a rigorous selection process to determine the two best research entries.

Mr. Abdul-Aziz's submission, solely authored, titled "The Role of Central Banks in Achieving an Optimal Monetary-Fiscal Policy Mix: A Case of IT Framework Transition in Nigeria," was adjudged one of the two best submissions. The co-winning entry was "An Assessment of the Impact of Tax Education Initiatives on Tax Compliance: A Case Study of the National Revenue Authority of Sierra Leone," co-authored by senior economists at the National Revenue Authority in Sierra Leone.

At the award ceremony held in Praia, Cape Verde on 18 June 2024, Mr. Abdul-Aziz presented his paper, highlighting the crucial role of committed and active monetary policy, and the autonomy of the CBN reining in inflation, inducing exchange rate appreciation and achieving better output performance in Nigeria.

The awards presentation ceremony was attended by notable dignitaries, including the Deputy Prime Minister of Cape Verde, Olavo Correia; the Director, IMF/AFRITAC West 2, Ms. Eva Jenkner; the Governor, Banco de Cabo Verde, Dr. Oscar Santos; the Deputy Governor, Bank of Gambia, Dr.

Paul J. Bengura; the Deputy Governor, Bank of Sierra Leone, Dr. Joseph Ansu Tucker; and the Commissioner General of the National Revenue Authority, Sierra Leone, Jeneba Bangura.

The CBN Management was represented by Dr. Ladi Bala-Keffi, Acting Director, Monetary Policy Department, and Mr. Olaoye, Oyebanji Joel, a Manager in Monetary Policy Department.

The Management of the Bank is proud of this achievement by a staff member validating its commitment to prioritise capacity building for its workforce. ■



*Mr. Abdul-Aziz receiving an award from the Director, IMF/AFRITAC West 2, Ms. Eva Jenkner at the award ceremony held in Praia, Cape Verde.*

## Comply with Regulations, CBN Urges FIs

By: Olugbemisola Akinmokun

The Central Bank of Nigeria (CBN) has reiterated the importance of regulatory compliance and collaboration among financial institutions to provide transparent financial services. This stance was emphasised by the Acting Director, Other Financial Institutions Supervision Department (OFISD), Mr. Abayomi Arogundade, during a bi-annual consultative meeting with the Finance Houses Association of Nigeria at Glover Hall, Lagos Island, on June 25, 2024.

Mr. Arogundade assured participants that the CBN's enforcement of compliance aims to foster a sound, transparent and resilient financial ecosystem. He highlighted that adhering to

regulations not only helps institutions avoid sanctions but also reduces operational costs. "The CBN's goal is to ensure the soundness and stability of the financial system. The success of all financial companies is also the CBN's success as a regulator and if any finance company isn't doing well, it reflects on the Bank," he stated.

Addressing sustainable banking initiatives, Mr. Arogundade stressed the need for Finance Companies to comply with updated requirements, including adding 'FC' to their brand names. He also noted that institutions with more than 30 staff must establish both IT Steering and Cybersecurity Committees to address distinct IT governance and cybersecurity challenges. Institutions with fewer

than 30 staff, he said, can adopt a more integrated approach, combining IT Steering with Cybersecurity or Risk Management Committees to streamline operations while maintaining robust oversight and protection measures.

Mr. John Amao, Head of the Monitoring and Enforcement Unit, OFISD, advised Other Financial Institutions (OFIs) to avoid infractions, including failure to implement on-site examination recommendations and succession planning. Other infractions include engaging in non-permissible activities and failing to obtain CBN approval for significant changes. He emphasised that operating within a framework that safeguards the financial system is crucial and non-compliance could lead to regulatory actions, including notices of breach.

Mr. Peter Isimhanze, Head of the AML/CFT Unit, OFISD, urged Managing Directors of Finance Companies to implement Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) risk assessment models. He stressed the significant role of both fiscal and monetary authorities in enforcing AML/CFT compliance, which is essential for maintaining the stability and security of the financial system.

Mr. Ojo Ayodeji, Head of the Cybersecurity Unit, OFISD, highlighted the establishment of a

dedicated portal for financial institutions to report cyber incidents. This initiative aims to facilitate rapid response to cyber incidents and improve security measures through data collection. He called for timely reporting of incidents within 24 hours of detection to maintain the integrity of Nigeria's financial ecosystem.

Mr. Ojo also emphasised the effectiveness of the CBN's paper-lite application (Financial Institutions Application Processing System) designed to ease off-site business process requests from regulated financial institutions. He revealed that about 70 per cent of OFIs have already been registered on the application and encouraged all finance institutions to become acquainted with the portal and submit their returns promptly.

Furthermore, Mr. Ojo urged OFIs to develop an internal policy and guideline on cybersecurity approved by their Board. He recommended the formation of an Information Security Steering Committee (ISSC) and the recruitment of a Chief Information Security Officer (CISO) where appropriate. He also advocated for regular cybersecurity self-assessments.

The meeting underscored the CBN's commitment to ensuring regulatory compliance and enhancing the financial sector's resilience and transparency. ■



*The Central Bank of Nigeria Headquarters, Abuja*

# Cardoso Rallies Stakeholders for 95% Financial Inclusion Goal

By: Aisha Sadiq



*The Deputy Governor, Financial System Stability, CBN, Mr Philip Ikeazor (middle), flanked by Dr. Umaru Farouk Aminu, Commissioner Administration PENCOM, (Left) and Bolaji Ajomale, Executive Commissioner, SEC, (Right)*

**T**he Governor, the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, has urged stakeholders in the financial inclusion sector to increase their commitment towards achieving a 95 per cent financial inclusion rate in the country.

Speaking at the inaugural Leaders Roundtable on Financial Inclusion held in the GCC Room of the CBN Head Office in Abuja, Mr. Cardoso emphasised the importance of addressing the needs of the 28.9 million people who remain excluded from the financial system, particularly vulnerable groups such as youth, women and rural residents in Northern Nigeria.

While noting that, significant growth had been achieved over the past few years in increasing the proportion of the adult population that is financially included from 68 per cent in 2020 to 74 per cent in December 2023, he stressed that more work needed to be done to further deepen inclusion.

The Governor, who was represented by the Deputy Governor, Financial System Stability (FSS), Mr Philip

Ikeazor, lauded the Federal Government's proactive steps, notably the signing of the Accord on Economic and Financial Inclusion during a national workshop on April 25, 2024. This Accord supports the implementation of the National Financial Inclusion Strategy (NFIS), and urges stakeholders to create measures that will help economically active, but poor, Nigerians reach their full potential by ensuring that financial services are accessible to everyone.

He further stated that financial inclusion remained a key priority for the Bank, adding that it was a veritable tool for achieving monetary policy objectives. According to him, "research has shown that, the higher the rate of financial inclusion, the more responsive economic activities are to changes in monetary policy. This positively impacts the Bank's ability to control inflation using monetary policy tools, which is critical to our vision of being a trusted Central Bank that promotes confidence in the Nigerian economy."

In her remarks, Mrs. Temitope Akin-Fadeyi, the

Head, Financial Inclusion Delivery Unit (CBN) traced the financial inclusion journey from 2010 to 2023, identifying the milestones and strategies deployed to address the gaps. She also called on the stakeholders to deploy new strategies to bridge the financial inclusion gap.

Highpoint of the event was an interactive roundtable discussion with representatives of the various stakeholders present at the discussion, including the Federal Ministry of Finance; National

Insurance Commission (NAICOM); National Pension Commission (PENCOM); Securities and Exchange Commission (SEC); National Identity Management Commission (NIMC); Nigerian Communications Commission (NCC) and the Nigeria Deposit Insurance Corporation (NDIC). Emerging issues around the National Financial Inclusion Strategy (NIFS) landscape were discussed and recommendations made on how to bridge identified gaps.

## CBN, IFC Collaborate to Enhance Nigeria's Economic Growth

By: Blessing Uzoagbado



*The Governor, Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso (middle), flanked by the Co-founder and Chairman of African Capital Alliance (ACA), Okey Enelamah (left); and the President and CEO of Canadian Imperial Bank of Commerce (CIBC) and Chairman of the Business Council of Canada, (right) Victor Dodig during the Canadian delegation's visit in Abuja.*

In a pivotal meeting on Thursday, June 6, 2024, the Central Bank of Nigeria (CBN) and the International Finance Corporation (IFC) convened at the CBN Head Office to chart a course for Nigeria's economic enhancement. This gathering is part of the IFC's broader mission to mitigate infrastructure deficits, foster productive industries and promote inclusive business practices in the country.

The key discussions at the meeting revolved around bolstering private sector growth by increasing access to credit, facilitating trade receivables for Small and Medium-sized Enterprises (SMEs) and improving local currency liquidity solutions. These measures are expected to support SMEs, which are crucial to Nigeria's economic landscape by providing them with the necessary financial tools to thrive.

Both the CBN and IFC reaffirmed their commitment to revitalizing Nigeria's banking sector through the development of innovative financial products tailored to the country's unique needs. This collaboration is designed to fortify the financial ecosystem, making it more resilient and responsive to the demands of the Nigerian economy.

The meeting concluded with both institutions pledging to advance initiatives that can be seamlessly adopted by Nigerian banks. These initiatives aim to create a more inclusive and robust financial sector, capable of supporting sustainable economic growth and development.

The cooperation between CBN and IFC marks a significant step towards achieving Nigeria's economic objectives, with a focus on empowering the private sector and enhancing financial stability across the nation.




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## CBN Holds Strategic Dialogue with NESG, OPS

By: Mukhtar Maigamo



*The Governor, CBN, Mr. Olayemi Cardoso in a group photograph with dignitaries at the summit.*

**A**s part of its ongoing effort to explore strategies for enhancing Nigeria's financial sector, the Central Bank of Nigeria (CBN) hosted a roundtable with the Organised Private Sector (OPS) and the Nigerian Economic Summit Group (NESG).

The meeting, which held at the CBN's Lagos Office on Wednesday, June 19, 2024, was part of the broader strategic dialogue focusing on how broad-based monetary policy communication and guidance can positively influence the global investment community's perception of Nigeria. The discussions also aimed to determine the optimal set of monetary policies and interventions to boost growth in the productive sector.

The CBN Governor, Mr. Olayemi Cardoso, used the platform to explain the recent Monetary Policy Rates hike. He highlighted the deceleration of month-on-month inflation and the expectations of moderated headline inflation in the third and fourth quarters of 2024. He also mentioned that the CBN would continue to improve monetary policy communication through forward guidance to domestic and global investors.

Governor Cardoso assured private sector leaders

of the Bank's commitment to building trust, ensuring price stability, and implementing monetary policies to support economic growth, stabilize foreign exchange rates, and effectively moderate inflation.

He emphasised that despite the current drawbacks, the CBN had consistently improved FX supply while protecting the interests of all stakeholders. He reiterated the importance of restoring confidence and trust in the Nigerian economy for all investors, both local and foreign. The Governor stated, "The private sector is a critical engine of our economy and this meeting underscores our commitment to working collaboratively with stakeholders to create a more robust and investor-friendly financial environment."

Stakeholders at the meeting also undertook a pledge to establish a framework for collaboration and consistent interactions with the top leadership of the OPS to harmonise economic policy and guarantee the CBN's effective support of the private sector in partnership with the NESG.

The President of the Manufacturers Association of Nigeria (MAN), Otunba Francis Meshioye, appreciated the CBN's open dialogue and interest in keeping the manufacturing industry and other organised private sectors informed about CBN

policies. He expressed concerns about the current operations of the price verification system and indicated that the OPS would provide specific details and suggestions for improvement.

Other private sector leaders expressed concerns about the significant impact of macroeconomic risks on business costs across various industries. They emphasised the crucial role of the CBN in catalyzing trade finance and development finance support through traditional institutions.

They suggested that while structured development finance support might not directly increase cash supply, it would enhance the productive sector's capacity to manage risks such as exchange rate volatility.

The discussions underscored the importance of collaborative efforts between the CBN and the private sector to create a stable and growth-oriented economic environment.

## Pension Week: Bello Underscores Importance of Integrity, Financial Planning

By: Adaeze Alaribe



*The Director, Human Resources Department, CBN, Mr. Muhammad Abba, representing the Deputy Governor, Corporate Services, CBN, Dr. Bala Bello at the ceremony.*

**T**he Deputy Governor, Corporate Services, Dr. Bala Bello, has underscored the importance of integrity and planning, urging staff to ponder on the principle, "If you don't have integrity, you have nothing. You can have all the money in the world, but if you are not a moral and ethical person, you really have nothing."

He stated this recently in Abuja, during the Opening Ceremony of the 2024 Pension Week organized by the Human Resources Department at the CBN Head Office Auditorium.

Dr. Bello, represented by the Director, Human Resources, Mr. Muhammad Abba, reiterated the Bank's mission, "to be a trusted and respected Central Bank promoting confidence in the economy." He emphasised the critical values of trust and respect, noting that staff are the Bank's most valuable resource. He highlighted Management's dedication to fostering a high-performing and impact-focused workforce.

The DG reaffirmed the Governor's stance on

compliance, urging staff to adhere strictly to the Bank's rules, regulations and policies. He stated that compliance is essential for maintaining high standards of integrity, transparency and accountability, which are vital for protecting the Bank's reputation and delivering value to stakeholders.

Dr. Bello encouraged staff to use Pension Week to focus on their financial future and their collective responsibilities to better serve the institution and country. He urged them to leverage the knowledge and tools necessary for making informed decisions about pensions and fostering a culture of ethical behaviour and compliance.

Earlier in his welcome address, the Director, Human Resources Department, Mr. Abba Muhammad, commended the organizing committee for their hard work in putting together the Pension Week programme and encouraged all staff to participate actively.

Presentations were made by the Pension Office, Governors' Department, and resource persons on topics such as Wills and Next of Kin; Ethics and Anti-corruption. There was also a stakeholder engagement with all Pension Fund Administrators (PFAs) and Insurance companies.

The 2024 Pension Week served as a platform for enhancing staff welfare, professional development and ethical conduct within the Central Bank of Nigeria.

## STRATEGIC ENGAGEMENT



The Governor, CBN, Mr. Olayemi Cardoso with the Canadian delegation in Abuja.



The Deputy Governor, Financial System Stability at the CBN, Mr. Philip Ikeazor, representative of the Governor, Mr. Olayemi Cardoso, middle; Mr. Ray Atelly, President and Chairman of Council, Nigerian-British Chamber of Commerce (NBCC), fifth from right; and the Deputy Governor, Corporate Services at the CBN, Dr. Bala Bello, fourth from right, flanked by other participants at the 2024 Trade Mission to the United Kingdom held recently.



The Governor, Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso (right) with the Managing Director, International Finance Corporation (IFC), Mr. Makhtar Diop (left), during the signing of strategic documents at the meeting held in Abuja.



The Governor, CBN, Mr. Olayemi Cardoso in a handshake with the Regional Vice President, Africa Region, (IFC), Mr. Sergio Pimenta, while the Managing Director, (IFC), Mr. Makhtar Diop, looks on.



Group photograph of the leadership of the Central Bank of Nigeria (CBN) and the Organised Private Sector (OPS) at a meeting held in Lagos.



The Deputy Governor, Financial System Stability at the CBN, Mr. Philip Ikeazor (middle), presenting an award to the President and Chairman of Council, Nigerian-British Chamber of Commerce (NBCC), Mr. Ray Atelly in the presence of the Deputy Governor, Corporate Services at the CBN, Dr. Bala Bello, at the Trade Mission event recently held in the United Kingdom.



# Global Outlook: World Bank Predicts Steady Growth

By: Pearl Ogbonna

www.ungei.org



## THE WORLD BANK IBRD • IDA | WORLD BANK GROUP

The World Bank has expressed hopes of a steady global growth in 2024, following several years of negative shocks. This was contained in a report on global economic developments by the World Bank Group, which focused on emerging markets and developing economies.

According to the report, steady global growth is expected to increase in the following years, aided in part by cautious monetary policy easing as inflation gradually declines.

However, the World Bank Group envisages the economic prospects to remain moderate,

especially in the most vulnerable countries. The report noted that while risks to the outlook are moderate, they are still tilted to the downside. These risks include the possibility of escalating geopolitical tension, further trade fragmentation and higher-for-longer interest rates. Additionally, natural disasters related to climate change could also hinder activity.

The Group, therefore, surmised that subdued growth prospects across many emerging markets and developing economies, as well as continued risks, underscore the need for decisive policy action at the global and national levels.

# AfDB Launches African Debt Managers Initiative Network

By: Ogochukwu Ikeagwuonu

The African Development Bank (AfDB), through the African Development Institute, on Thursday, June 20, 2024, launched the African Debt Managers Initiative Network (ADMIN), a new programme to provide home-

grown solutions to Africa's debt challenges. The inauguration and first peer learning event took place in Addis Ababa under the theme: "Developing and Deepening Domestic Debt Markets in Africa".



The Director, African Development Institute, Dr. Eric Ogunleye noted that the growing financing needs for infrastructure development, poverty reduction, mitigating climate change and tackling insecurity were driving African countries to increase their borrowing, further increasing debt vulnerability. He observed that rising debt vulnerability and weak debt management capacity in many African countries had continued to worsen macroeconomic outcomes and hamper effective policy responses to shocks, worsening debt distress in some countries. "There is, therefore, a growing need to strengthen debt management capacity in African countries," Dr. Ogunleye stated.

Highlighting the broad objectives of the ADMI Network, the Director of Governance and Economic Reforms Department at the African Development Group (AfDB), Mr. Abdoulaye Coulibaly in his remarks, stated that the network would provide tailored and home-grown solutions to the continent's debt challenges. He said the network would also strengthen the debt management capacity of African countries' officials and institutions to rapidly resolve the debt challenges faced by these countries, restore

macroeconomic stability and support inclusive growth, as well as promote the exchange of experiences among debt managers in regional member countries.

The meeting underscored how developing an African domestic debt market had been identified as a way the continent could develop cheaper and more stable sources of debt financing for its many development needs. Discussions focused on sound debt management frameworks, networking and peer learning to support developing and deepening domestic debt markets in Africa to promote debt sustainability.

The session was attended by debt managers and heads of debt management offices in Africa, capital market operators, commercial bankers and regulators, including securities and exchange commissions and central banks. The participants shared practical strategies for developing and deepening domestic debt markets on the continent and provided valuable lessons for countries with either emerging or non-existent domestic debt markets on how to foster their development or enhance their depth.

## CBN Charges PMBs on Compliance in Financial Reporting

By: Zichat Abuja-Kato

**T**he Central Bank of Nigeria (CBN) has urged the Primary Mortgage Banks (PMB) to adhere strictly to regulatory requirements, emphasizing the importance of timely and accurate financial reporting for transparency and accountability in the financial sector.

The Acting Director, Other Financial Institutions

Supervision Department (OFISD), Mr. Abayomi Arogundade, made this appeal at the 26th meeting of the Mortgage Bankers' Committee (MBC) at LimeRidge Signature Hotels, Ikeja, Lagos on June 27, 2024. Mr. Arogundade, who chaired the meeting emphasized on the critical importance of rendering complete and accurate financial returns. He expressed concern over the suboptimal rendering



(L-R): Managing Director, Federal Mortgage Bank of Nigeria, Mr. Shehu Usman; Director, Special Insured Institutions Department, Nigeria Deposit Insurance Corporation (NDIC), Mr. Johnson Anifowose; Acting Director, Other Financial Institutions Supervision Department (OFISD) Mr. Abayomi Arogundade; President, Mortgage Banking Association of Nigeria (MBAN), Mr. Ebilate Mac-Yaroki; and Acting Director, Financial Policy and Regulation Department, Mr. Simon Onojah.

of the of the 2023 Audited Financial Statement (AFS).

He called on PMBs to enhance their performance and underscored the CBN's commitment to better collaboration and the provision of vital information and services to achieve improved returns, contributing to a more stable and efficient mortgage finance system, which is crucial for economic growth and societal well-being. Mr. Arogundade also reiterated the CBN's zero-tolerance stance on non-compliance, identifying it as a recurring issue. He emphasized the necessity of timely submission of returns to avoid penalties.

While appreciating the Committee's ongoing participation and contribution to the subsector's vibrancy and safety, he highlighted the significance of effective regulatory engagement and compliance, which were the essence of the meeting.

Also speaking, the Acting Director, Financial Policy

and Regulation Department (FPRD), Mr. Simon Onojah, outlined key responsibilities aimed at advancing the sector. These, according to him, included reviewing guidelines for PMBs and Mortgage Refinance Company (MRC), and onboarding profiles on Credit Risk Management System (CRMS). Mr. Onojah urged Financial Institutions (FIs) to join the CRMS, highlighting the importance of maintaining good credit rating in any economy. He also encouraged participants in the MRC to increase liquidity within the mortgage sub-sector.

Presentations at the meeting included: "Paper-Lite Application, Cybersecurity and Elevation of Information Technology Functions in PMBs" by Mr. Ayodeji Ojo and Mr. Akwashiki Nathaniel of OFISD, CBN; "Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)" by Mr. Isimhanze Peter; and "Monitoring and Enforcement" by Mr. John Amao of OFISD. ■

# DG Bello Flags-Off Surgical Services at CBN's DTC Abuja

...Unveils New Initiatives to Reduce Outsourcing

By: Titilayo Oluwasina



Medical staff on duty at CBN's DTC, Abuja

The Deputy Governor, Corporate Services, Central Bank of Nigeria (CBN), Dr. Bala Bello, has officially launched surgical services at the Bank's Diagnostic and Treatment Centre (DTC) in Abuja. During the opening ceremony on Thursday, June 6, 2024, Dr. Bello explained that the initiative to review and optimise the CBN's medical services was driven by a desire to reduce outsourcing costs and better utilise existing facilities and staff capabilities.

He expressed gratitude for the support from the Governor, Mr. Olayemi Cardoso, emphasising that the approval of the new strategies resulted from deliberate policies rather than coincidences. He acknowledged the significant strides made by the Medical Services Department, highlighting the recent successful delivery of medical services under the new strategic policies. He emphasised the Bank's commitment to leveraging internal resources efficiently and reducing reliance on outsourced services.

Dr. Bello also revealed ongoing plans to expand the Bank's medical facilities, including a significant project in Lagos. He assured that these projects would continue despite financial constraints,

highlighting Management's dedication to improving staff welfare. Addressing misconceptions about the Bank's intentions, he clarified that the goal was to enhance efficiency and reduce costs, not to disband the Medical Services Department. He shared a personal vision of a more inclusive and community-supportive approach by the Bank.

In the same vein, he lauded the medical team for their dedication, commitment and achievements, promising continued support and emphasising the importance of their role in the Bank's overall mission. Dr. Bello, therefore, called on all staff to strive towards leaving a positive legacy, stressing the importance of unity and ethical conduct in achieving the Bank's long-term goals.

Earlier in her welcome address, the Acting Director of the Medical Services Department, Dr. Adenike Ojumu, expressed gratitude to the Bank's Management for facilitating this landmark achievement and historic step towards providing valuable services to the Bank's staff and their dependents. She thanked the Directors present for their unwavering support as evidenced by their attendance at the occasion.

Dr. Ojumu assured that the new surgical services are



Modern medical equipment at CBN's DTC, Abuja

equipped with state-of-the-art facilities and staffed by highly skilled professionals, aligning with CBN's commitment to excellence. She highlighted the presence of top consultants, including ENT surgeons, general surgeons, paediatricians, and anaesthetists, capable of performing over 130 various surgical procedures.

She commended the Medical Services team for their dedication, often working extra hours and multiple shifts to ensure high-quality care for CBN staff and dependents. She reiterated the Department's commitment to providing excellent healthcare.

The event's highlight was the commissioning of

surgical services, symbolised by the cutting of ribbons at the entrance of the theatre and a tour of the entire medical facility. The medical team recently executed three successful surgeries: a caesarean section and two tonsillectomies, with the patients recuperating in the wards. These procedures were performed by Dr. Ayatse Fanen Ortese, a Consultant Pediatrician; Dr. KamarDeen Azeez Kayode, a Consultant ENT Surgeon; and Dr. Balogun Mutiat Olasunmbo, a Consultant Obstetrician and Gynaecologist, respectively.

With the commencement of surgical services at the DTC Abuja, the centre's doors are now open to all staff, dependents, retired staff and their spouses who require surgery.

## Cardoso Pushes For Effective Debt Management Strategies

By: Adaeze Alaribe



*The Acting Director, Monetary Policy Department, CBN, Dr. Ladi Bala-Keffi, representing the CBN Governor, Mr. Olayemi Cardoso at the event held in Abuja.*

**T**he Governor, Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, has highlighted the importance of a cohesive institutional framework and a stable macroeconomic environment for creating effective Debt Management Strategies (DMS) and an Annual Borrowing Plan (ABP).

Mr. Cardoso stated this at the Regional Training on Annual Borrowing Plan (ABP) Development jointly organised by the World Bank, the International Monetary Fund (IMF), and the West African Institute for Financial and Economic Management (WAIFEM) held in Abuja recently.

The Governor, who was represented by Dr. Ladi Bala-Keffi, Acting Director, Monetary Policy Department (MPD), CBN noted that effective debt management was not just a technical exercise but a strategic necessity, stating that "at the core of sound public debt management is the Debt Management Strategy (DMS) – a formal plan devised by the Government to achieve its debt management objectives".

Mr. Cardoso further elaborated on the importance of the Annual Borrowing Plan (ABP), a crucial tool that communicates the Government's borrowing intentions to domestic and international markets. This strategic document enhances predictability and fosters investor confidence, key elements in effective debt management.

While commending WAIFEM for its outstanding training and capacity-building efforts, Mr. Cardoso underscored the importance of ongoing training, mentorship, and technical support for debt management professionals.

Earlier in his welcome remarks, the Director-General of the West African Institute for Financial and Economic Management (WAIFEM), Dr. Baba Yusuf Musa, said that the dedicated focus of the Annual



*Group photograph of participants at the event*

Borrowing Plan (ABP), as a standalone course, will enable facilitators to explore the complexities and nuances of ABP development. This approach will further enhance debt managers' expertise using the ABP Analytical Tool.

Dr. Musa, represented by Mr. Yakubu Aliyu, Director, Regional and Integration Department, thanked all participants for their dedication to continuous learning and commitment to improving public debt management practices in the region. He encouraged them to engage in all sessions and share their experiences actively.

The WAIFEM DG expressed confidence that the training would equip participants with the technical skills needed for ABP development and foster lasting professional connections and a shared purpose in the spirit of regional integration.

The West African Institute for Financial and Economic Management (WAIFEM) was founded in 1996 by the central banks of five West African Anglophone Countries: Ghana, The Gambia, Liberia, Sierra Leone, and Nigeria. Its purpose is to enhance the skills of policymakers and practitioners in financial and economic management.

## CBN Issues Revised Guidelines for FX Deposits

**By: Daba Olowodun**

**I**n its continuous efforts to deepen the foreign exchange market, boost liquidity, and achieve convergence in exchange rates, the Central Bank of Nigeria (CBN), on Thursday, June 27, 2024, released revised guidelines for Deposit Money Banks (DMBs) who wish to deposit their excess foreign currency notes at the CBN's Lagos and Abuja branches for onward transmission to their offshore accounts with correspondent banks.

The guidelines, which were detailed in a circular addressed to all DMBs and signed by the Acting Director, Currency Operations Department, Mr. Mohammed Solaja, stated that a three-working-day written notice to the branch controller was now required from DMBs.

According to the circular, DMBs can deposit up to a

maximum of \$10 million per day for \$100 and \$50 notes, and up to \$1 million per day for lower denomination USD bills. Similarly, Euro and Pound notes can each be deposited up to a maximum of €1 million and £1 million per day, respectively.

The guidelines further stipulated the presence of two representatives from the depositing bank to witness and confirm the deposited amount. Additionally, DMBs are required to engage the services of only CBN-registered Currency in Transit (CIT) companies for these deposits.

The circular, which can be found on the CBN website also contained other provisions such as handling fees and transaction cycle time, among others.

## FREQUENTLY ASKED QUESTIONS (FAQs) ON THE BANKING SECTOR RECAPITALIZATION PROGRAMME 2024

### **1. What is the Banking Sector Recapitalization Programme 2024?**

The Banking Sector Recapitalization Programme (the Programme) is a regulatory initiative of the Central Bank of Nigeria (CBN) that requires banks to increase their minimum paid-in common equity capital to a specified amount according to their license category and authorization within a specified period.

### **2. What factors did the CBN consider in determining the new minimum capital requirements?**

The CBN assessed various factors in determining the appropriate level of the minimum capital requirements. These include: a. Risk profile of banks; b. Global and domestic headwinds and their potential impact on banks' balance sheets; c. Impact of inflation. d. Stress tests of banks' balance sheets, to gauge their resilience to absorb current and unexpected shocks.

### **3. Given that significant funds will be received from various investors in the course of the recapitalization exercise, how will the CBN ensure that illicit funds are not used for the purpose of recapitalization of banks?**

The CBN has robust anti-money laundering regulations which will be strictly enforced, with the active collaboration of relevant law enforcement agencies. In addition, the CBN will require all banks to ensure that appropriate and effective anti-money laundering screening/checks (Know Your Customer, Customer Due Diligence and Suspicious Transactions Monitoring, etc) are conducted.

### **4. Given that new investors may own shares in banks as a result of this Programme, will the CBN ensure that only fit and proper persons are approved as significant shareholders of banks?**

There shall be strict enforcement of Fit and Proper checks for all prospective and significant shareholders as well as directors and senior management staff of banks.

### **5. How are banks expected to raise or meet the required capital?**

Banks may meet the new requirement through the following options:

a. Issuance of new common shares (by way of public offer, rights issues, or private placements); b. Mergers and Acquisitions (M&As); or c.

upgrade/downgrade of their respective license category or authorization. The CBN will issue guidelines to prescribe the definition, options, and approaches to meeting the new minimum capital requirement.

### **6. What is the role of the CBN in managing the recapitalization process?**

The CBN will actively monitor and supervise the recapitalization process to ensure compliance with set guidelines. This will involve the conduct of on- and off-site reviews, verification of capital, periodic interventions when necessary, and broader stakeholder engagements.

### **7. How will the CBN ensure the protection of depositors during the Program?**

The CBN, in collaboration with the Nigeria Deposit Insurance Corporation (NDIC), will ensure that depositors' interests are protected during the Programme. The CBN will enhance its monitoring and supervisory oversight over the banks and will apply appropriate sanctions for violations of extant laws and regulations as well as ensure the protection of depositors' interests.

### **8. In the event of a merger or acquisition, how will depositors be affected?**

In a merger or acquisition scenario, depositors' accounts and funds will remain secure. The acquiring institution will assume responsibility for all liabilities and obligations, including the protection of depositors.

### **9. How can the public stay informed about the progress of the programme?**

The public can stay informed about the progress of the Programme by monitoring communications from the CBN, through its official website ([www.cbn.gov.ng](http://www.cbn.gov.ng)), social media handles and other communication channels.

### **10. What are the consequences if a bank fails to meet the new capital requirements?**

The CBN remains optimistic that all banks will comply with the new capital requirements and will constantly engage banks on the status of execution of their respective implementation plans. In the event of non-compliance with the new capital requirements at the expiry of the transition timeline, the CBN will take appropriate steps in line with the provisions of relevant laws and regulations to sustain confidence in the banking system. ■



# DID YOU KNOW

- The Central Bank of Nigeria Currency Museum was established on May 6, 2009, as part of activities to mark the 50th anniversary of the Bank. The Currency Museum was commissioned along with the Permanent Exhibition termed “The Evolution of Money in Nigeria”.
- The International Museum Day was created in 1977 by the International Council of Museums (ICOM) and is celebrated on or around the 18th of May annually. It is a day set aside annually to celebrate Museums. The objective of International Museum Day (IMD) is to raise awareness of the fact that “Museums are an important means of cultural exchange, enrichment of cultures and development of mutual understanding, cooperation, and peace among people”.
- The use of money in the five decades has evolved from ancient to modern modes of payment. The collections comprise banknotes, coins, books, documents, photographs, gold bars, and other objects that tell the story of money and banking in Nigeria and West Africa.
- The Temporary Exhibitions was commissioned on November 26, 2014. It enables visitors to appreciate the security features on the banknotes and guides the public against being victims of counterfeiting.
- The Naira: Our National Pride is a symbol of our national pride, identity, sovereignty, and unity, a promissory note issued by the Central Bank of Nigeria (CBN) for conducting financial transactions. This exhibition provides an insight into the significance of the “Naira”. It takes visitors through the life cycle of the naira; the intricate designs; security features; various technologies used for its production, storage, and distribution; processing and disposal of unfit banknotes. This exhibition intends to reveal the worth of the Naira, why and how it should be handled properly. This exhibition was commissioned on May 15, 2018.
- The Currency Museum enhanced its learning facilities with the establishment of the Naira Interactive Room. The room was successfully commissioned on May 16, 2019, as part of activities to mark the 10th Anniversary of the Currency Museum.
- The Naira Interactive Room is a learning environment equipped with modern educational tools such as a digital interactive board, and other necessary items that enable visitors especially the younger ones assimilate better.

