



Central Bank of Nigeria

CBN UPDATE

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MONETARY POLICY COMMITTEE

...#CBNMPC increases MPR by 150bps to 15.5%

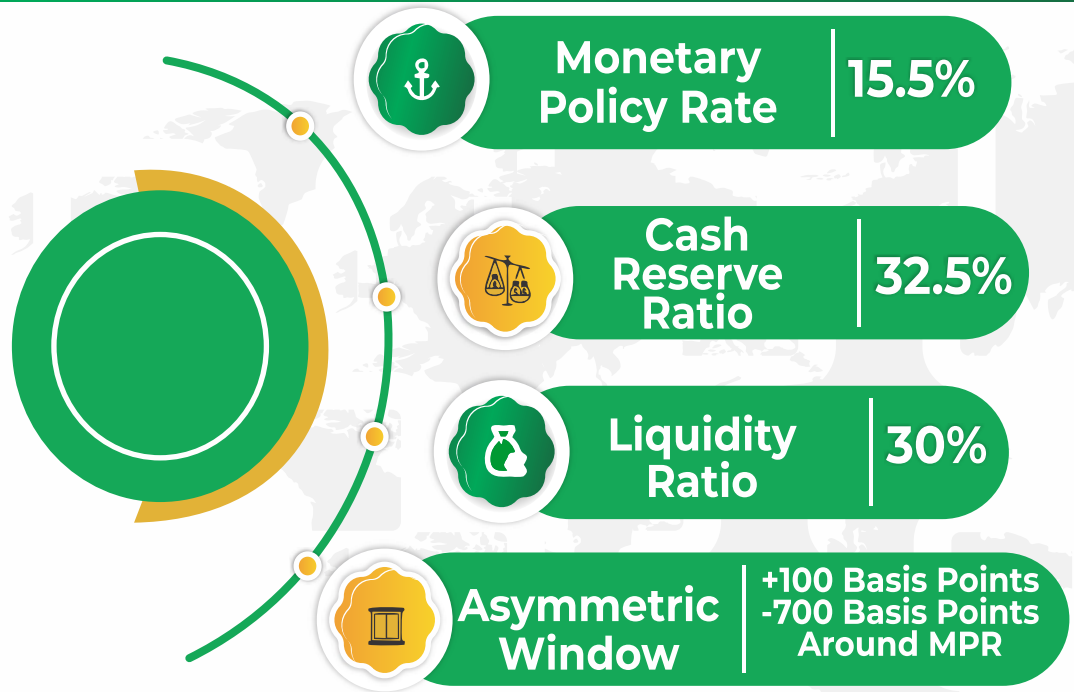
TUESDAY, SEPTEMBER 27, 2022

MPR VOTE

10 Members: 150 Basis Points
 1 Member: 100 Basis Points
 1 Member: 50 Basis Points

CRR VOTE

10 Members: 500 Basis Points
 2 Members: 750 Basis Points



MPC Adjusts MPR to 15.5%

INSIDE THIS EDITION:

- Buhari Lauds CBN, Other Regulators for Stability
- DG Ahmad Harps on Safe, Stable Financial System
- CBN, NCF Advocate for Implementation of Sustainability Principles
- Maize Production Increases in 2022
- CBN Bags AFI Award for Financial Inclusion

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Contents

Editor's Note	1
Buhari Lauds CBN, Other Regulators for Stability	2
Emefiele Restates Call for Economic Diversification	3
Maize Production Increases in 2022	4
BVN Linked Account Hits 55.2m	5
CBN Issues Repayment Notice to ABP Defaulters	5
"Naira - 4 - Dollar" Scheme: CBN Counts Gains	6
CBN Urges Nigerians to Embrace Locally Produced Goods	7
Local Oil Refiners seek CBN's Intervention	8
CBN Targets Improved Wheat Production	8
Electronic Transactions in Nigeria hits N32.2tm	9
MPC Adjusts MPR to 15.5%	10
DMBs Responsible For FX Supply to Airlines - Emefiele	12
CBN to Sustain Inflation Targeting - Emefiele	13
Inflation to Decelerate in 3 Months	18
Global Recession Likely in 2023- World Bank Study	20
IFC Invests in West African Fund to Boost SMEs	20
CBN Partners Clickatell to Deliver Efficient eNaira Services	21
Broadband Penetration to Boost E-Payment	22
Crude Oil Earnings Decline by 29% – CBN	23
Security Operatives Arrest Currency Hawkers in Kano	23
Financial Inclusion: PoS Transactions Hit N8tm	24
CBN, NCF Advocate for Implementation of Sustainability Principles	24
DG Ahmad Harps on Safe, Stable Financial System	25
Collaboration Key to Successful Digital Payments System - CBN	27
eNaira - FREQUENTLY ASKED QUESTIONS	28



Editor's Note

We welcome our esteemed readers to the September edition of CBNUPDATE.

The Central Bank of Nigeria (CBN) Monetary Policy Committee (MPC) at its 287th meeting, voted unanimously to increase the Monetary Policy Rate (MPR) from 14.0 per cent to 15.5 per cent. While retaining the asymmetric corridor of +100/-700 basis points around the MPR and the liquidity Ratio at 30 per cent, the MPC increased the Cash Reserve Ratio (CRR) from 27.5 per cent to a minimum of 32.5 per cent.

We have highlighted a detailed report regarding the key decisions and facts behind the figures of the 287th meeting of the MPC.

The CBN and other regulators in the financial sector were commended by President, Muhammadu Buhari, at the 15th Chartered Institute of Bankers of Nigeria (CIBN) annual finance conference. Details of the story are served in this edition.

We also highlighted a news story of the CBN Deputy Governor, Mrs. Aishah Ahmad, reiterating the Bank's commitment to ensuring the soundness of the financial system.

We bring you a news report of the CBN Fair which held simultaneously in Port Harcourt and Yenagoa on 15th and 16th September 2022. Details are served in this edition.

Another news story that will interest readers is the one that features the efforts of the CBN in ensuring an effective and efficient digital payments ecosystem, captioned "CBN: Collaboration, Key to Successful Digital Payments System."

Also in this edition, we featured a news story in which CBN bagged the Alliance for Financial Inclusion (AFI) Gender Inclusive Finance Ambassador Award. The award was in recognition of the Bank's contribution in leading the network's efforts to close the gender gap in financial inclusion.

These and other stories on CBN's quest to promote financial stability and economic development have been put together for your reading pleasure.

A handwritten signature in black ink, appearing to read 'Osita Nwanisobi'.

Osita Nwanisobi
Editor-in-Chief

Buhari Lauds CBN, Other Regulators for Stability

By: Chinaemerem Joseph and Aisha Sadiq



Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed addressing participants at the CIBN Banking and Finance Conference

President Muhammadu Buhari has commended efforts by the Central Bank of Nigeria (CBN) and other regulators and critical stakeholders in the financial sector aimed at ensuring financial system stability in the country.

President Buhari gave the commendation at the 15th yearly Banking and Finance Conference of the Chartered Institute of Bankers of Nigeria (CIBN).

Speaking on the theme of the event: "Repositioning the Financial Services Industry for an evolving Global Context," the President stressed the need for actors in Nigeria's financial ecosystem to redouble their efforts in enhancing their global competitiveness.

While commending the CBN, the Nigeria Deposit Insurance Corporation (NDIC), Securities and Exchange Commission (SEC), National Insurance Commission (NAICOM) and other stakeholders for contributing to the level of stability in the country's financial sector, he assured them of his administration's continued support to enable actors deliver on their respective mandates, while creating value innovation for their customers.

President Buhari, who was represented by the Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed, also assured that the Federal Government would continue to

formulate and implement policies that were aimed at promoting self-sustenance in critical areas such as energy, agriculture, health, and new technology.

According to him, "we need a Nigeria of the future that harnesses her strengths, competences, and cultural diversity to tackle the challenges that plague her people, from climate change to pandemics, and insecurity".

Making a case for financial inclusion and economic diversification, the President stressed the need for the financial sector to go beyond merely serving as intermediaries for lenders and borrowers, to "creating a new ecosystem consisting of platforms where ordinary Africans can buy and sell their locally made products despite currency disparity as being practiced on the Pan-African Payment and Settlement System (PAPSS), a brainchild of Afrexim Bank".

Continuing, President Buhari said his administration, in the past seven years, had supported the repositioning of the Nigerian economy within an evolving global context by backing initiatives aimed at boosting Nigeria's creative industry and indigenous Small and Medium-size businesses, as well as the agricultural sector, which he noted had enhanced the capacity of indigenous enterprises to compete with their counterparts from other countries.

Listing climate change, eroding purchasing power due to inflation and insecurity, as some of the key socio-economic issues currently being tackled at both local and global levels, he urged actors in the financial sector to share ideas towards the repositioning of Nigeria's financial services industry as well as diversifying the economy.

In his keynote address, the Chairman, Union Bank of Nigeria, Mr. Farouk Gumel, called for a more holistic approach to economic management and effective financial services delivery through better coordination of the monetary, trade and fiscal authorities.

Citing a report that put the number of unbanked adult Nigerians at 64 million, representing 55% of the adult population in the country, Gumel pushed for greater financial inclusion, with emphasis on financial accessibility for the unbanked population.

Mr. Gumel also urged stakeholders to think globally and act locally, just as he tasked all concerned to "commit the same resources and investments to rural-based customers as we have done to urban global clients and build an effective partnership with global allies in order to develop local opportunities and talents."

"The most critical capacity we need to build is our human capacity. Our industry needs smart, agile and creative thinkers to keep up with this changing global context," he added.

Earlier, in his welcome remarks, the President/Chairman of Council (CIBN), Dr. Ken Opara, gave an overview of the concept, agenda and purpose of the Conference, which he noted aimed to consider the forces that could significantly impact the overall landscape of the financial services industry in a rapidly evolving world.

Taking a cursory look at the evolution of the payments system, Dr. Opara said "the global pandemic has been a wake-up call for the Financial Services industry, exposing gaps in digital service provision and cost structures".

"Covid-19 proved a powerful catalyst for change. Banking's digital transformation accelerated beyond everyone's imagination, as radically new ways of working remotely and serving customers facing dire circumstances were launched at a fast pace," he added. He also noted that "the financial services industry will need to explore innovation and reconfigure its business and operating platforms, in some cases it would require making profound changes to succeed in the future," he added.

Emefiele Restates Call for Economic Diversification

By: Auwalu Alhaji



Director, Corporate Communication Department,
Mr. Osita Nwanisobi addressing participants at the 33rd Seminar for
financial Correspondents and Business Editors.

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has called on key stakeholders in the media industry to support the efforts of the Bank aimed at diversifying the economy from a mono-product oil-led economy, towards a broad-based economy that guarantees overall macroeconomic stability.

He gave the charge on Saturday, August 27, 2022, while declaring open the 33rd Seminar for Financial Correspondents and Business Editors (FICAN) organised by the Bank, with the theme: "Policy Option for Economic Diversification: Thinking Outside the Crude Oil-Box".

Mr. Emefiele, who was represented by the Deputy Governor, Corporate Services Directorate, Mr. Edward Lametek Adamu, said that the CBN under his leadership, had taken major leaps to diversify the economy through numerous interventions. Specifically, he said that the Bank had supported

non-oil sectors such as agriculture, manufacturing, health care, education, power and aviation, and other allied economic value chains.

The Governor also noted that the Bank's agricultural intervention programme flagship, the Anchor Borrowers' Programme (ABP) that heralded a rice revolution in Nigeria, had changed the long-standing dependence on imported rice.

While also citing the Commercial Agriculture Credit Scheme (CACS) as a major special purpose vehicle to support commercial farmers in the country in different value chains including oil palm, cotton, cocoa, among others, he added that, the Bank's decision to support the manufacturing sector and MSMEs had been yielding great results.

He equally noted that the Bank's intervention in the health sector had also begun to reduce the health care tourism outside the country, therefore, helping to conserve the country's foreign exchange.

Mr. Emefiele further revealed that the 100 for 100 Policy on Production and Productivity (PPP) established to harness local raw materials to increase domestic production, as well as exports through deliberate credit supports, will soon begin to yield quality results, while the RT200 FX initiative designed to take advantage of the nation's large domestic production to other regional markets was targeted to increase foreign exchange inflows to the economy, and support exchange rate stability.

Earlier in his welcome remarks, the Director, Corporate Communications Department, Mr. Osita

Nwanisobi said this year's seminar was very apt in view of the prevailing economic circumstance of the world, noting that economic diversification had now become an inescapable subject of discourse due to global headwinds. He stressed that whenever there were exogenous shocks, they impact economy negatively, thus, making diversification a mandatory policy option to consider.

Citing the Bank's recent intervention in the aviation sector, he debunked the claims that the funds of airline operators were trapped and could not be repatriated. He also revealed that the Bank was not averse to funds repatriation but will always demand for a transparent and structured transaction.

He, however, thanked the journalists for their support over the years in their reportage of the Bank's policies and programmes and urged participants to continue to provide positive reportage of the Bank's programmes and policies.

Presentations made at the one-day seminar were: "Policy Option for Economic Diversification: Thinking Outside the Crude Oil-Box", by Dr. Biodun Adedipe; "Navigating the Mono-Product Economy", by Dr. (Mrs.) Ozoemena Nnaji, Director, Trade and Exchange Department, CBN; and "Unlocking Opportunities in the Non-Oil Sector", by Professor Ken Ife, Lead Consultant, ECOWAS Commission.

There was also a Colloquium, which discussed the presentations made at the seminar.

Maize Production Increases in 2022

By: Louisa Okaria

In a bid to up-scale productivity and reduce importation of maize in Nigeria, the Central Bank of Nigeria (CBN) through its Anchor Borrowers' Programme (ABP) has cumulatively disbursed credit worth over N200 Billion as at September 2022 to farmers to encourage production.

Recall that the CBN Communiqué No. 140 of the Monetary Policy Committee meeting held on Monday 24th and Tuesday 25th January, 2022 disclosed that the CBN has disbursed under the

ABP, N927.94 billion to over 4.5 million smallholder farmers, who are cultivating 21 commodities across the country.

President of Maize Growers and Processors Association of Nigeria, Mr. Edwin Chigozie Uche said that CBN funding had helped to increase maize production to 12% in 2022. He further stated that the CBN funds had helped reduce the high costs of fertilizer and diesel. Mr. Uche also said the disbursement has helped to scale up output in all

components of the value chain, from mechanisation, quality inputs to extension service.

Mr. Uche said that despite the challenges of

insecurity in the country which had forced farmers out of their farms and the inflation that had majorly affected cost of cultivation, farmers were devising means to ensure steady production of maize.

BVN Linked Account Hits 55.2m

By: Ademola Bakare



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Nigeria Interbank Settlement System (NIBSS) has revealed that bank accounts linked to Bank Verification Number (BVN) in the country have reached 55.2 million.

The data showed an improvement from 47.54 million BVN-linked accounts position as of April 11, last year.

It could be recalled that the CBN set a 100 million target BVN-linked account for Deposit Money Banks by 2025.

BVN is a unique identity number issued to bank

customers at enrolment and linked to their accounts. Customers are required to enroll within a fixed period after which they shall no longer be able to operate their accounts. It also entails capturing of 10 fingers and facial images.

NIBSS said for authentication, individuals performing banking transactions especially those applying for loans shall be required to identify themselves using their biometric features which will be matched against information in the central database.

CBN Issues Repayment Notice to ABP Defaulters

By: Pearl Ogbonna

Following a directive by the Central Bank of Nigeria (CBN), the NIRSAL Microfinance Bank Ltd has issued final Demand Notice to seven companies that benefitted from the Anchor Borrowers' Programme (ABP) to pay up the total sum of N5.6bn as default payment.

This became imperative after earlier Demand Notices had been issued to the last known

addresses of the affected defaulters, thus making the Public Notice serve as the final demand notice.

The companies involved are: Sadolen Interworld Ltd, with Saidu Audu Adaji and Nura Musa Hassan as promoters with a current exposure of N2.05 billion; Gum Arabic Farms and Commodities Ltd, with Alhaji Yusuf Ibrahim Babangida as promoters and a current exposure of N1.22 billion; and Prime Synergy Global

Solutions Ltd with Mercy Ikeji and Jennifer Nyesom-Effiong as promoters with an exposure of N1.45 billion.

Others are Asuj Food Production and Processing Ltd, with Abubakar Umaru Jibrilla as the promoter with an exposure of N581.41 million; Souvenire Seeds Nigeria Ltd with Roseline Omokora as the promoter and an exposure of N158.18 million; and Con Investment Ltd with Lady Josephine Nwaeze as

the promoter with a current exposure of N211.6 million.

Recall that the Anchor Borrowers' Programme is a CBN intervention set up with the aim of creating economic linkages between smallholder farmers and processors with a view to increasing agricultural output and ensuring food price stability.



Central Bank of Nigeria, Headquarters

“Naira - 4 - Dollar” Scheme: CBN Counts Gains

By: Chioma Udeogu

In furtherance of its mandate to boost forex earning and its management to yield the desired dividends, the Central Bank of Nigeria (CBN) has begun to count the gains of the Naira-4-Dollar scheme, described as an incentive that pays Naira to senders and recipients of international money transfers.

According to the CBN Governor, Mr. Godwin Emefiele, who spoke at the recent Bankers' Committee meeting, noted that the success of the CBN's Naira-4-Dollar plan had encouraged the Bank to implement the RT200 rebate scheme.

Speaking further, the Director, Trade and Exchange Department of the Bank, Mrs. Ozoemena Nnaji, stated, “We have seen an increase in the Naira-4-Dollar in terms of remittances”. She also explained, “We have a component of remittances which

include workers' compensation. Anyone that worked in Nigeria, even if you are a Nigerian but are paid in dollars because you work for an international organisation, it is counted as a remittance.”

Mrs. Nnaji explained that the Bank was working with Pakistan to learn more about how the scheme can help Nigeria. The CBN was also collaborating with the Deposit Money Banks (DMBs), the Ministry of Finance, as well as foreign affairs, to improve its remittance policies, she added.

The Chairman and Chief Executive of the Nigerians in Diaspora Commission (NiDCOM), Mrs. Abike Dabiri-Erewa, acknowledged the rise in diaspora remittances, especially in the first quarter of this year. She expressed appreciation to Diaspora Nigerians for contributing to the rise of remittances

in the first quarter of the year, by 20.3 per cent, representing the seventh consecutive quarterly increase in diaspora remittances since the last quarter in 2020.

However, with the success recorded with the Naira-4-Dollar Scheme, the CBN decided to move the scheme from the IMTOs to the IEFX window in

February 2022. The CBN issued guidelines stating that for every US dollar repatriated and sold at the Investors and Exporters Window, it will enable a payment of N65. In other words, like the Naira-4-Dollar Scheme, eligible participants who bring in dollars will receive a N65 incentive payment for every \$1 brought via the IEFX window.

CBN Urges Nigerians to Embrace Locally Produced Goods

By: Dominic Yammah and Emike Ikhumi



Mr. Samuel Okogbue, representative of the Director, Corporate Communications Department, Mr. Osita Nwanisobi addressing participants at the Fair

The Central Bank of Nigeria (CBN) has reiterated the need for Nigerians to embrace the consumption of locally produced items in order to stimulate the country's economy.

The Director, Corporate Communications Department (CCD) of the CBN, Mr. Osita Nwanisobi gave the charge on Thursday,

September 15, 2022, at an enlightenment Fair organised by the CBN, held simultaneously in Port-Harcourt and Yenagoa, with the theme, "Promoting Financial Stability and Economic Development."

Mr. Nwanisobi, who was represented by a Deputy Director in the Department, Mr. Samuel Okogbue, frowned at the attitude of Nigerians that continued to patronise foreign goods to the detriment of locally produced goods, which he noted was affecting Nigeria's Gross Domestic Product (GDP).

He therefore charged participants to ensure that they support the growth of the economy by consuming what is produced in Nigeria, adding that the Bank's sensitisation was targeted at educating and enlightening participants across the country on issues bordering on consumer protection, currency operations, payments system, development finance and eNaira transactions, among other policies of the CBN.

While noting that the country had gone through two recessions in the recent past due largely to insecurity that had hampered the income from crude oil, he noted that the Bank would continue to act as a financial catalyst by targeting strategic sectors that could create jobs on a mass scale and reduce the country's import bills.

Continuing, Mr. Nwanisobi also reiterated the pledge of the CBN Governor, Mr. Godwin Emefiele, to operate a central bank that is people-oriented. This would be achieved by identifying with the people in their various fields of endeavour and bringing growth to the economy by creating employment, providing loans to boost their

businesses and making the Bank serve as a dependable friend.

In his opening remarks, the Branch Controller of Port-Harcourt Branch, Mr. Maxwell Okafor appreciated the participants for attending the Fair organised by the Bank. He urged them to learn and use every information shared at the Fair.

Meanwhile, the Branch Controller, Yenagoa

Branch, Mr. Francis Asuquo also commended stakeholders for joining the CBN in moving the economy forward by cuing into various policies and interventions of the Bank.

In attendance at the CBN Fair were business operators, banks, farmers, cooperative societies, members of the National Youth Service Corps (NYSC) and workers of various establishments.

Local Oil Refiners seek CBN's Intervention

By: Pearl Ogbonna

As part of interactions with all relevant regulatory agencies after its formal registration, the Crude Oil Refiners Association of Nigeria (CORAN) has appealed to the Central Bank of Nigeria (CBN) to create a crude refinery intervention fund like the Agricultural Credit Fund or the Pharmaceutical Fund to boost operations in the nation.

The appeal was made during a courtesy visit to the leadership of the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), by CORAN, led by its Board of Trustees Chairman, Emmanuel Iheanacho. The meeting was chaired by NMDPRA's Executive Director, Hydrocarbons Processing Plants, Installation and Transportation Infrastructure (HPPITI), Mr. Francis Ogaree.

Some suggestions made by the Association include, ensuring that incentives given to the

Dangote refinery was also extended to other refineries. It also recommended the NNPC/NMDPRA and NUPRC to engage with the licensed modular refineries to develop an appropriate commercial model that would guarantee reliable feedstock.

Furthermore, it proposed that the Federal Ministry of Industry, Trade, and Investment (FMITI) collaborate with Ministry of Petroleum Resources (MPR) on the African Continental Free Trade Area (AfCFTA) with the view to creating a Petroleum refining hub in Nigeria.

In the NMDPRA's response to CORAN's appeal, Mr. Ogaree appreciated members of the association for their visit and assured them that President Muhammadu Buhari was committed to seeing that more refineries were functional. He further assured the Association of the government's economic strategic plan to boost refining in Nigeria from 0.01 per cent to one per cent.

CBN Targets Improved Wheat Production

By: Blessing Uzoagbado

The Central Bank of Nigeria (CBN) has consistently shown its commitment in boosting the nation's capacity for improved wheat production by supporting the farmers with inputs, technical know-how and off-taking arrangement with the Flour Millers Association of Nigeria (FMAN).

According to the former Executive Director, Lake Chad Research Institute and Coordinator, Monitoring and Evaluation, CBN Anchor Borrowers' Programme (ABP) on wheat

production, Dr. Oluwashina Gbenga Olabanji, initiatives to increase wheat production were yielding results, even as the price of the produce had increased following crisis in Ukraine and disruption of international supply chains. He disclosed that CBN imported 13,000 metric tonnes of quality heat-tolerant wheat seeds and 150,000 hectares were cultivated in 16 States of the country between October 2021 and April 2022.

Dr. Olabanji stated that out of the 150,000 hectares, about 100,000 were meant for grains production to be off-taken by millers, and about 50,000 hectares



were meant to produce about 250,000 tonnes of seeds needed for cultivation in the 2022/2023 planting season starting from October 2022.

The National Bureau of statistics (NBS) had been collating wheat production figures, in partnership with millers and farmers, to arrive at the production data in the period under review. Dr. Olabanji revealed that the NBS would determine the actual production figures, which might exceed or fall below the expectation.

He further noted that the ABP had empowered wheat farmers with the new heat-tolerant varieties of seeds capable of increasing production per hectare to a minimum of four tonnes per hectare.

Dr. Olabanji's analysis states that if CBN sustained its intervention in wheat in the next five years,

combined with assistance from African Development Bank (AfDB) and co-operation with farmers and enrollers, yearly spending on wheat importation would be reduced by at least N500 billion yearly, and through multiplier effects, millions of jobs would be created along the value chain. Furthermore, demand for dollars and pressure on inflation could reduce by as much as 20 per cent or more.

He urged the government to increase its finance to the sector that Nigeria could produce at least 50 per cent of the yearly demands for wheat soon.

The CBN had intervened in the 2021 planting season by importing heat tolerant early maturing and high yielding varieties as well as partnered with the FMAN and wheat farmers to multiply seeds that are capable of increasing productivity of farmers and total production volume yearly.

Electronic Transactions in Nigeria hits N32.2trn

By: Kerma Mshelia

The Nigeria Inter-Bank Settlement Systems (NIBSS) has revealed that electronic transactions worth N33.2 trillion were done in August through the NIBSS Instant Payment platform (NIP). This brings the total value of e-payments deals in the last 8 months to N238.7 trillion.

This was recorded as an all-time high e-payments value in a month since the deployment of the platform. Compared with the N29.3 trillion transacted in July, this shows a 13.3 per cent growth. Year on year, the e-payment value increased by 50 per cent compared to N22.1 trillion recorded in August last year.

NIBSS stated that the rise in electronic transactions

showed that more Nigerians were embracing the cash-less policy of the Central Bank of Nigeria (CBN).

According to NIBSS, the value of e-payments recorded was a reflection of the increase in the volume of deals within the month. The NIP volume rose to 448 million in August, showing a 10.6% increase over 405 million recorded in July.

"Nigerian banks had exposed NIP through their various channels, that is, internet banking, bank branch, Kiosks, mobile apps, Unstructured Supplementary Service Data (USSD), POS, ATM, etc. to their customers," NIBSS stated.

MPC Special

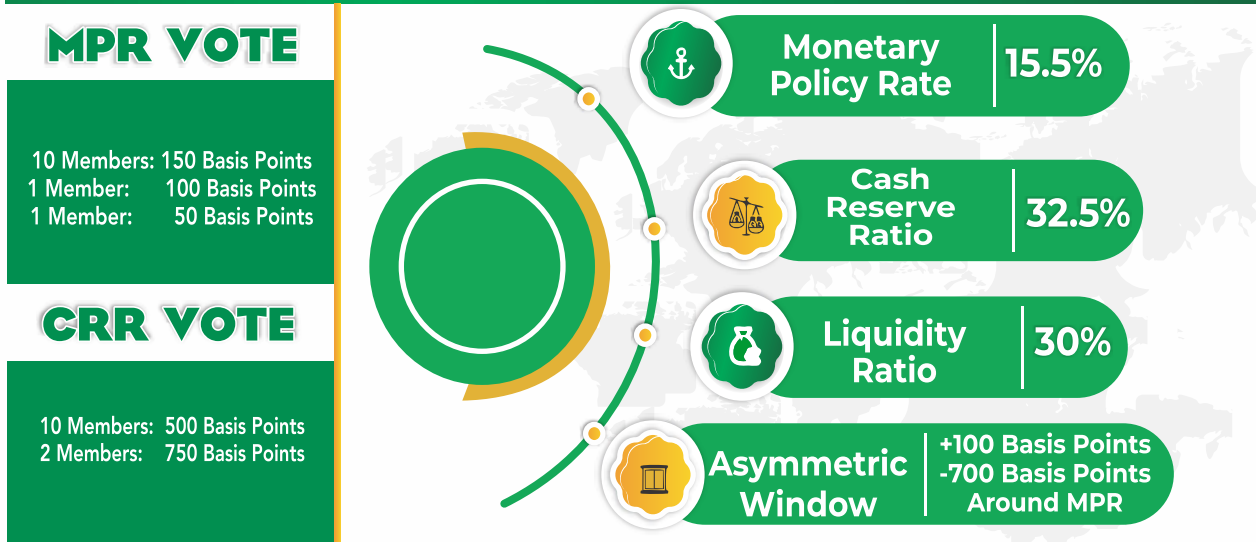
MPC Adjusts MPR to 15.5%

By: Mohammed Haruna

MONETARY POLICY COMMITTEE

...#CBNMPC increases MPR by 150bps to 15.5%

TUESDAY, SEPTEMBER 27, 2022



Amidst continued weakening of the global economy due largely to the lingering disruptions to the global supply chain as a result the Russia-Ukraine war and persisting global inflationary pressure, the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) has met to review developments in the global and domestic economies in the third quarter of 2022 as well as the outlook for the rest of the year.

The MPC meeting which was attended by all (12) members thus voted to adjust the Monetary Policy Rate (MPR) by 150bps to 15.5% from 14.0%. it anchored its decision on contributing factors such as tightening global financial conditions, declining global trade, and increasing risks of a financial meltdown owing to the burgeoning global private and public debt portfolios.

The decision was made known by the CBN Governor, Mr. Godwin Emefiele on Tuesday, 27th September 2022 while briefing members of the media at the end of the 287th Monetary Policy Committee (MPC) meeting held at the CBN Head office in Abuja.

Mr. Emefiele revealed that the MPC's position of a tight policy stance would help consolidate the impact of the last two policy rate hikes, which is already reflecting in the slowing growth rate of money supply in the economy. It also felt that an aggressive rate hike would slow capital outflows and likely attract capital inflows and appreciate the naira.

The MPC Chairman additionally said that the Committee noted the impact of the widening margin between the current policy rate of 14 per cent and the inflation rate of 20.52 per cent, before deciding against the option to loosen the policy rate as this would be gravely detrimental to reining-in inflation. The Committee thus, agreed unanimously to raise the policy rate to narrow the negative real interest rate gap and rein-in inflation.

The Governor explained that a loosening will worsen the financial market conditions, as savings mobilization and investment inflows would decline further. MPC also holds the view that loosening the stance of policy would result in a sharp depreciation of exchange rate, leading to further hike in capital outflows.

On the option of a hold decision, the MPC asserted this would mean a continuous deterioration in real earnings of fixed income earners and the livelihood of middle- and low-income households.

The MPC was concerned that within a four-month period, inflation had accelerated aggressively by 280 basis point from 17.71 per cent in May 2022 to 20.52 per cent in August 2022. The Committee was therefore, of the view that given the primacy of its price and monetary stability mandate, it becomes expedient that significant focus must be given to taming inflation.

MPC likewise reviewed the broad outlook of the global and domestic economies in the medium-term. It analysed the lingering headwinds from the Russia-Ukraine war; the residual impact of the COVID-19 pandemic; tightening global financial conditions, high level of corporate and public debt and the high level of inflation across several economies.

In the light of these developments, MPC posited that the global economy remains clouded by uncertainties and elevated shocks to foreign capital flows. Committee further concluded that there was a heightened risk of another global financial meltdown.

On the domestic front, MPC revealed that from available data on key macroeconomic variables, output growth will continue for the rest of 2022, however, at a much-subdued pace. This was attributed to anticipated shocks such as the high level of insecurity currently disrupting the free flow of economic activities; heightened sovereign risk as the 2023 general elections approach; and continued upward pressure on inflation, driven by exchange rate pressures.

In addition, the Committee said that domestic price development is expected to maintain the current upward trend considering the build-up of increased spending and demand for money, as the 2023 general elections approach. Accordingly, the Nigerian economy is forecast to grow in 2022 by 3.52 per cent (CBN), 4.20 per cent (FGN) and 3.40 per cent (IMF).

MPC was pleased to observe the economy has

maintained continuous growth for seven consecutive quarters, following its exit from recession in 2020. It linked this consistent positive performance to the sustained growth in the non-oil sector, particularly services and agricultural sub-sectors, supported by continued policy interventions, as well as credit expansion to the private sector.

While output growth remains positive, the Committee, was however concerned about the contraction in economic activities, as indicated by the Composite Purchasing Managers' Index (PMI), which fell to 47.2 index points in August 2022, below the 50-index point benchmark, compared with 50.4 and 51.9 index points in July and June 2022, respectively, an indication of weakening output growth. The contraction was attributed to a decline in production levels.

The Committee also mentioned the continued uptrend in inflation for seven consecutive months, observing that the food and core components rose to 23.12 and 17.20 per cent in August 2022, from 22.02 and 16.26 per cent in July 2022, respectively. The hike in energy prices, such as rising price of Automotive Gas Oil (AGO), hike in electricity tariff, as well as the perennial scarcity of Premium Motor Spirit (PMS) contributed significantly to the building of expectations, thus pushing up the cost of transportation and production.

The MPC, however, expressed optimism on the economy's recovery in the short to medium term in view of the unwavering support by both the monetary and fiscal authorities in Nigeria.

Members remarked that in the last 3 years, the CBN has injected over N9 trillion into the economy, in addition to offering 2- year moratorium for 10-year long-term loan facilities. The Committee believe that these interventions have significantly helped engendered growth. However, considering the persisting pressures on inflation, the Committee encouraged the Bank to maintain a close watch on the inflationary implications of the interventions.

Members further applauded the Bank for its continued stringent regulatory measures over the banking system, noting the progressive decline in

the Non-Performing Loans (NPLs) ratio of the banking system despite the heightened macroeconomic uncertainties.

The Committee, however, called on the Federal Government to continue to improve the ease of doing business in Nigeria to retain the current patronage of foreign investors through sustained

investor confidence in the Nigerian economy.

Governor Godwin Emefiele further said the Committee also resolved to retain the asymmetric corridor of +100/-700 basis points around the MPR; Increase the CRR to a minimum of 32.5 per cent; and Retain the Liquidity Ratio at 30.0 per cent.

MPC Special

DMBs Responsible For FX Supply to Airlines - Emefiele

By: Mohammed Haruna



www.guardian.ng

The Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has stated that it is the responsibility of Deposit Money Banks to provide FX for foreign airlines operating in Nigeria and not that of the CBN.

Speaking during his press conference at the end of 287th MPC meeting held in Abuja, Mr. Emefiele said based on the Bilateral Air Services Agreement (BASA), the CBN should be the last resort for the airlines, after their banks have tried to secure FX for them in the official market, Investors and Exporters window.

The Governor said: "The sector is a sector that has always enjoyed priority allocation. For other sectors

where there are priorities like the airlines, we have always granted them the priority that they desire because we know people want to travel and they don't want to be constrained."

Emefiele further stated that "We will do everything possible and are determined to clear the backlog consistently at the retail interventions. If the bank accounts are funded, we will continue to ensure that the cumulative backlog is cleared."

The Governor however warned that the Bank was under no obligation to provide foreign airlines with their required FX requirements. "There is no law that makes it compulsory that you must buy your dollars from the central bank" He stated.

MPC Special

CBN to Sustain Inflation Targeting - Emefiele

By: Onyemakonor Ogbe



CBN Governor
Mr. Godwin I. Emefiele

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has explained that the Monetary Policy Committee (MPC) adjusted the Monetary Policy Rate (MPR) to slow down the inflationary rate.

Mr. Emefiele made the clarification while fielding questions from members of the media during the presentation of the 287th MPC communique.

The Governor said the Bank's stance of a tight policy is no different from the position of central banks in major economies around the world at targeting inflation that is now climbing to multi-decade high and general rise in price levels. He said the seemingly aggressive increase of monetary rates by the MPC in May, July and now in September is essentially to rein in the upward trending inflation.

When asked if increasing interest rate will likely lower inflation, Mr. Emefiele said that time-tested monetary policy theory had shown that the easiest way to tame inflationary pressure, was to raise rates and that was the most preferred adopted option in

targeting inflation.

He further explained that to achieve success in reining in inflation, it was necessary to raise the MPR to a level that was equal or even higher than inflation. He insisted that if this was not done, it could result in negative interest rate that is a disincentive to investment.

"Our own research study at Central Bank has shown us that once inflation trends above 12.5%, or let's even say 13%, it'll retard growth. We have seen inflation in the last four months move so aggressively in Nigeria, so it is difficult for this MPC with all the data available, with all the research that has been conducted, not to go in the very aggressive way we decided to go today", he said.

Continuing, the Governor said that the raising of the policy rate will reduce the excess liquidity in the financial system to be commensurate to the growth rate in the economy.

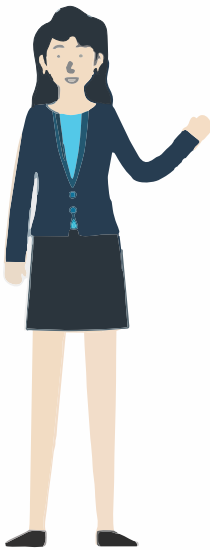
Mr. Emefiele expressed optimism that increasing MPR to 15.5 per cent and CRR to 32.5 per cent, would result in the mop up of excess liquidity and this would yield positive results in the last quarter of the year.



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Facts Behind The Figures Compiled By Adaugo C. John-Nwosu

Facts behind MPC decision @ the 287th MPC Meeting



1

Developments in the Global Scene

- Slow output growth post Covid-19.
- Rising strength in inflation
- Pent-up demand due to injection of funds as stimulus by Government during covid-19 (example: USA injected over \$2trillion, Nigeria injected over ₦5trillion etc.).
- Supply shortfall, leading to increased price of goods (due to Russia - Ukraine war, Covid-19 restrictions/embargo by China on imports, global distortion in supply chains).

Facts behind MPC decision @ the 287th MPC Meeting



2

Developments in the Domestic Economy

- High proportion of Inflation increase (galloping/running inflation).
- Stable GDP growth rate (@ an average of 3.5% in 2022).
- Rising food prices due to insecurity/infrastructural challenges and increase in cost of inputs.
- Low credit to penetrate the economy.
- Fiscal challenges around revenue meeting up with overhead & infrastructural demand.

MPC Special

Q&A Session on MPC decision after the 287th MPC Meeting



1. To tame rising inflation (galloping/running inflation).
2. To reduce too much money (or liquidity) in the financial system so that the money in the system is commensurate to the growth rate in the economy at this time.
3. The quantity of money in the system was too much for the economy to absorb in terms of the flow of supply.

4. Too much idle fund in the system (excess liquidity) impacts the money market by decreasing interest rate on investments, making it unattractive for investors to bring in their funds.
5. The economic growth rate has been stable @ an average of 3.5% in 2022, hence we can take aggressive steps to drive down inflation.




Q&A Session on MPC decision after the 287th MPC Meeting



- Yes, because:
1. The current inflation numbers and movement are different.
 2. It is more of galloping or running inflation, hence the need to take aggressive steps to curtail the inflation.
 3. The wider the gap between inflation rate and Monetary Policy Rate, the less attractive is our economy.
 4. We believe that steps taken by the Bank will yield positive results in the next quarter of the year.



MPC Special




What will be the impact of the increased MPR and CRR on loans and the income for the banks?



By the rate hike:

1. Banks are expected to reprice their loans, hence increased lending rate.
2. Interest on Government securities will go up and add to banks and other investors income line.
3. Interest rate on savings which is pegged at 30% of the MPR will increase.



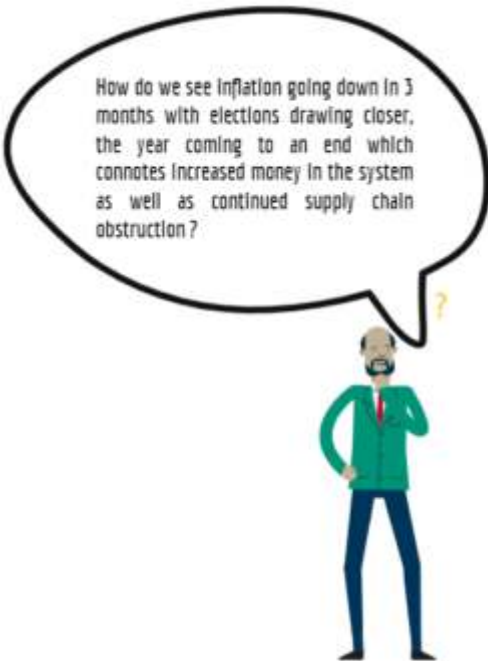
How does the CBN plan to deal with the impact of its decision on sectors of the economy such as the SMEs?



Please note:

1. We know things will be tight for a while, but we expect that soonest the policy expectation will manifest.
2. In the long run, SMEs will benefit because, high inflation will erode SME earnings even with increase in GDP, hence, it is pertinent to aggressively rein in inflation

MPC Special



With the electioneering season upon us, it is important we mop up excess liquidity in the system (hence the increased MPR & CRR) to avoid an even more increased liquidity when funds are plunged into the system due to the elections and year end expenditures.



- What about the CBN N9 trillion intervention loans to the private sector?
- Monitoring of projects?
- Repayment of the loans?

- As at date, around N9.3 trillion has been lent out.
- The sum of N3.7 trillion has been repaid.
- Most of the facilities (mostly to the manufacturing sector) are under moratorium.
- Majority of the portfolio is securitized.
- Manufacturing sector has the largest component of the portfolio with about 31% in the last 2 to 3 years.
- Agric sector make up 21% of the portfolio.
- We also carry out a post implementation study for loans to sectors such as Agric and MSMEs and its due to be published by 2022 Q4.
- We have a robust monitoring and evaluation framework in place.
- Best performing intervention loans are under CACS where almost N700billion has been repaid out of about N800billion lent out.
- Most of our risk is around the MSMEs (eg: TCF) and primary Agric production (ABP) loans.
- With application of GSI, using BVN and collaboration with EFCC, loan recovery is ensured.

MPC Special



MPR & Inflation Trend



Inflation to Decelerate in 3 Months

...CBN to Hold 2nd RT200 Summit

By: Kerma Mshelia



www.businessday.ng

The Governor, Central Bank of Nigeria (CBN) and Chairman, Monetary Policy Committee (MPC), Mr. Godwin Emefiele has suggested that the rising inflation rate is expected to decelerate by the end of the year.

Mr. Emefiele made the statement while answering questions during a press briefing after the Monetary Policy Committee (MPC) meeting held in September, 2022 at the CBN Head Office.

He explained that with the increase of Cash Reserve Ratio (CRR) to a minimum of 32.5%, using money for speculative purposes will be constrained.

At the briefing, he further said that the second Race to US\$200 Billion in Foreign Exchange (FX) Repatriation, otherwise known as RT200 Summit would be held towards the end of the year with the aim of taking stock of the progress achieved after the maiden summit. It will also be an avenue to get people's views about how to deepen non-oil export repatriation into the country.



Tomato Boom Looms in Nigeria

12 Commodities, 10 Million Jobs in 5 Years

Nigeria used to be the third largest importer of Tomatoes in Africa, spending over N22 billion annually. However, the recent intervention in the sector by the Central Bank of Nigeria, has led to the identification of 183,908 farmers to participate in the current farming season. This is expected to yield about 7.4 million metric tonnes of tomato per annum.

Without a doubt, our nation is on the path to becoming self-sufficient in tomato production.

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Central Bank of Nigeria

Global Tit Bits

Global Recession Likely in 2023- World Bank Study

By: Mohammed Haruna

www.leadership.ng



The World Bank Group has expressed concern that as central banks across the world simultaneously hike interest rates in response to inflation, the world may be edging toward a global recession in 2023.

According to a study by the World Bank, central banks around the world have been raising interest rates this year with a degree of synchronicity not seen over the past five decades—a trend that was likely to continue well into next year.

The study found that unless supply disruptions and labour-market pressures subside, those interest-rate increases could leave the global core inflation rate (excluding energy) at about 5 per cent in 2023—nearly double the five-year average before the pandemic.

David Malpass, the World Bank Group President said “Global growth is slowing sharply, with further slowing likely as more countries fall into recession. My deep concern is that these trends will persist, with long-lasting consequences that are devastating for people in emerging market and developing economies.”

He further stated that “To achieve low inflation rates, currency stability and faster growth, policymakers could shift their focus from reducing consumption to boosting production. Policies should seek to generate additional investment and improve productivity and capital allocation, which are critical for growth and poverty reduction.”

In his contributions to the study, Ayhan Kose, the World Bank's Acting Vice President for Equitable Growth, Finance, and Institutions submitted that “Recent tightening of monetary and fiscal policies will likely prove helpful in reducing inflation”. Continuing, he stated, “But because they are highly synchronous across countries, they could be mutually compounding in tightening financial conditions and steepening the global growth slowdown. Policymakers in emerging market and developing economies need to stand ready to manage the potential spillovers from globally synchronous tightening of policies.”

The study recommends that central banks should persist in their efforts to control inflation—and it can be done without touching off a global recession. However, it will require concerted action by a variety of policymakers.

IFC Invests in West African Fund to Boost SMEs

By: Chioma Udeogu

The International Finance Corporation (IFC) has announced an investment in Uhuru Growth Fund I, a fund managed by Uhuru Investment Partners (Uhuru), a middle-market

private equity firm in West Africa. The fund will provide growth capital to the region's small and medium-sized enterprises (SMEs), including women-led businesses.

At least 25 per cent of the companies the fund invests in will be owned or led by women. IFC will work with the fund to develop and implement environmental and social standards and improve gender diversity at the fund and the companies it invests in.

In addition to providing equity capital, Uhuru will help companies improve operations, secure banking relationships, and expand domestically, as well as across the region's Anglophone and Francophone economies.

According to Kevin Njiraini, IFC's Director for Southern Africa and Nigeria, "SMEs are essential to economic growth, job creation, and poverty reduction". He further said, "Private equity financing can help smaller businesses grow into bigger regional players. By investing in Uhuru, we will enable more small businesses in Nigeria, and West Africa more broadly, to access much-needed growth capital to recover from the COVID-19 pandemic, offer innovative products, and support the region's economic development."

IFC's support includes an equity investment of up to



\$10 million from IFC's capital and an additional \$10 million from the Blended Finance Facility of the International Development Association's Private Sector Window, which helps de-risk investments in low-income countries.

The fund invests exclusively in low-income countries, focusing on high-growth companies offering consumer and financial services in Nigeria, Ghana, and Côte d'Ivoire because access to equity funding was scarce in the region, representing just 6 per cent of the total funding raised across Africa from 2017 to 2021.

International Finance Corporation's private equity funds strategy focuses on providing growth capital to funds with the highest likelihood of financial and developmental success. IFC has committed more than \$2 billion to more than 100 funds in Africa.

CBN Partners Clickatell to Deliver Efficient eNaira Services

By: Ruqayyah Mohammed



The Central Bank of Nigeria (CBN) in its continued drive to make basic banking accessible to all Nigerians has partnered with Clickatell, a Communications Platform as a Service (CPaaS) innovator and Chat commerce company, to deliver effective eNaira services.

The collaboration, which launched a USSD channel for the eNaira, would deliver fast, simple and cost effective eNaira banking services to its users and

eliminate the need for data.

The CBN Deputy Governor, Economic Policy, Dr. Kingsley Obiora said, "the USSD channel is a vital part of our journey towards realising our financial inclusion vision. We see the eNaira as a leap forward in the evolution of money. Thus, CBN is working with partners who are committed to taking advantage of this new technology for continuous innovation towards delivering exciting new features."

It has been noted that despite the rapid growth of smartphones, majority of Nigerians are currently using feature phones, making an excellent case for the introduction of the USSD. The CBN is working to boost awareness and education around the eNaira, in a bid to get most of the 30% of unbanked

Nigerians into the formal banking system. The CBN has offered an incentive of 200 eNGN airtime for the first 100,000 users to onboard using the eNaira USSD feature.

The new USSD channel allows Nigerians using the *997# short code to create their eNaira wallet. Once

this is done, they can easily check balances and transfer funds, as well as safely buy airtime or data for themselves or friends and family. Safeguarding their wallets is also easy on the channel and users can check and update their information, change and reset their pin, or even block the wallet if necessary.

Broadband Penetration to Boost E-Payment

By: Mukhtar Maigamo

The Nigeria Inter-Bank Settlement Systems (NIBSS) has disclosed that electronic transactions in the country have surged in the last 7 months of the year 2022.

According to data released by NIBSS, "Transactions processed through the mobile (inter - scheme) channel increased by 156 per cent year-on-year to N1.8 trillion in August, thereby taking the value to N11.1 trillion or a growth of 158 per cent y/y."

The report further stated that "Transactions made via Point-of-Sale (PoS) channels increased by 41 per cent y/y to N711 billion in August. On a cumulative basis for the eight months to August, the value of transactions processed through PoS channels increased by 31 per cent y/y to N5.3 trillion. The E-bills pay platform, which makes it easier to pay bills, saw growth of 36 per cent y/y N263 billion in August, and almost N2.0 trillion (+33 per cent y/y) over the January to August '22 period."

It also stated that the value of e-payments recorded

reflected the increase in the volume of deals within the month. The NIBSS Instant Payments (NIP) volume rose to 448 million in August, showing a 10.6 per cent increase over 405 million recorded in July.

However, this meteoric rise in use of electronic transactions owe the feat to the recent broadband penetration witnessed in the country. And it also showed that more Nigerians are now increasingly embracing the cashless policy of the Central Bank of Nigeria (CBN).

Reports released by the Nigerian Communication's Commission, (NCC), indicated that the country's latest broadband penetration stands at 44.30 per cent with more than eighty-four million internet subscriptions in the Country.

Electronic payments channels are gradually now taking a centre stage with the improved broadband penetration.



Crude Oil Earnings Decline by 29% – CBN

By: Kerma Mshelia

The Central Bank of Nigeria (CBN) has stated that crude oil revenue dropped by 29 per cent in the first quarter of 2022 according to statistics from the CBN.

The statistics was published in the Bank's economic and statistical report for the quarter, noting that income from crude oil crashed to N790 billion from N1.1 trillion recorded in the fourth quarter of 2021.

The report did not record any earnings from gas in the last quarter of 2021 and the first quarter of 2022, while revenue from oil and gas royalties, rent and gas flare penalties amounted to N343.881 billion, N2.382 billion and N19.323 billion, respectively.

Stated in the report, oil revenue for the first quarter of 2022 was 38 per cent of the country's gross revenue at N2 trillion in the period under review, while non-oil revenue, at N1.1 trillion, was for 62 per

cent of total earnings.

In the fourth quarter of 2021, oil revenue accounted for 46 per cent of gross revenue, same as the first quarter of 2021.

Earnings from miscellaneous, pipeline fees and other oil and gas revenue stood at N4 billion, while petroleum profit tax and gas tax amounted to N267bn in revenue, the report stated.

In the statement, the amount received after various deductions, net oil revenue before 13% derivation stood at N487bn, whereas net oil revenue after 13 per cent derivation stood at N375bn.

The Group Chief Executive Officer, Nigerian National Petroleum Corporation, Mele Kyari, noted that oil theft was the major reason for the reduction in production which ultimately led to low revenue.

Security Operatives Arrest Currency Hawkers in Kano

By: Ademola Bakare

Operatives of the Department of State Security (DSS), Nigeria Security and Civil Defense Corps (NSCDC) in collaboration with officials of Central Bank of Nigeria (CBN) have in a sting operation carried out in Kano, arrest of 14 persons including a lady for illegal sales, and hawking of Naira notes.

The State Commandant of the NSCDC, Mr. Adamu Zakari disclosed this while parading the suspects at NSCDC State Command in Kano on Tuesday, September 20, 2022.

He said the suspects were apprehended during a joint operation carried out within the metropolis as part of efforts to check the illegal act which contravenes the CBN Act.

Mr. Zakari said the clamp down on the new Naira notes vendors and sellers was hinged on Section 20 of the CBN Act, which forbids counterfeiting, hawking, selling or trading the Naira notes, coins or any other note issued by the Bank.

He told newsmen that investigations had begun to

ascertain the source, culpability, or otherwise of the arrested suspects and the Naira notes recovered from them.

The paraded suspects were Alhaji Ubandi Hotoro, 82, Haruna Yahaya, 42, Rabiuh Ibrahim, 34, Ismaila Mohammed Umar, 20, Nura Aminu, 45, Nasiru Adamu, 40 and Nazef Lawal, 20.

Others were Sulaiman Tijjani, 35, Mustapha Ismail Haruna, 47, Aminu Jibril, 23, Lawal Ibrahim, 40, Abubakar Jibril, 45, Abdullahi Hassan, 30 and Fatima Ibrahim, 30.

The NSCDC State Commandant said his Corps, the DSS and CBN will continue to clamp down on the perpetrators of the illegal act which is a punishable offence under the CBN Act that prohibits spraying the Naira notes at events/social gatherings, soiling and writing on it, squeezing, or mishandling, as well as counterfeiting the Naira.

He said as soon as investigation into the matter was completed, the suspects would be charged to Court.

Financial Inclusion: PoS Transactions Hit N8trn

By: Daba Olowodun



www.businessday.ng

The financial inclusion initiative of the Central Bank of Nigeria (CBN) has gained massive strides as Nigerians embrace alternative means of payments across the country.

This was made evident by a recent report released by the Nigerian Inter-Bank Settlement System (NIBSS), stating a geometric increase in Point-of-Sale (PoS) transactions in the country, to the tune of

Eight Trillion Naira (N8trn).

The report further revealed that the volume of PoS transactions increased from 921.19 million to 1.2 billion between July 2021 and July 2022, with 2.067 million transactions recorded in the month of July alone.

The Deputy President of the Lagos Chamber of Commerce and Industry (LCCI), Mr. Gabriel Idahosa, had attributed the feat to an increase in the supply of financial services and a strong market. He further noted the impact of the proliferation of FinTech companies and the incorporation of PoS payment options in many organisations, such as schools, businesses and even government organisations.

Mr. Idahosa lauded the CBN for its approval of such payment services like Momo Money from MTN and Smart Cash from Airtel, as these helped to drive the financial inclusion agenda, into the rural areas. He further noted that the introduction of Unstructured Supplementary Service Data (USSD) payments, which does not require the use of smart phones has also gone a long way to deepen the financial inclusion agenda.

CBN, NCF Advocate for Implementation of Sustainability Principles

By: John Enare

The Central Bank of Nigeria (CBN) and the Nigerian Conservation Foundation (NCF) have urged banks and other businesses to incorporate sustainability concepts into their operations to ensure Nigeria complies with its climate change commitment.

The call was made at a two-day workshop organised by NCF and World Wildlife Fund (WWF) with the theme, "Assessment of Environment and Social Principles of the Nigerian Sustainable Banking Principles: Challenge".

Speaking on behalf of the Bank, the Special Adviser

to the CBN Governor on Sustainable Banking, Dr. Aisha Mahmood, noted that over ten years of applying the principles had resulted in banks redefining their long-term mission and corporate goals. Additionally, banks were re-evaluating their portfolio by evaluating the direct and indirect environmental and social implications of financial services offered by banks to consumers. The principles, in her opinion, ensured that sustainable financing and investments were retooled to comply with regulatory expectations, capitalise on significant growth potential, support creative opportunities in renewable energy, and redefine risks.

According to her, the CBN was now analysing the Nigerian Sustainable Banking Principles (NSBP) in light of the numerous frameworks, principles, directives, and problems that are present both domestically and internationally.

Regarding Nigeria's effort to achieve net zero emissions, Dr. Mahmood explained that the country would face funding difficulties because it would require more than \$400 billion to build infrastructure for the production, transmission, and distribution of electricity to lessen its reliance on fossil fuels. She said that gas would be necessary for the transition.

In his address to the workshop, the NCF Director General, Dr. Joseph Onoja said there was a need to re-examine how NSBPs had fared over the past ten years, the challenges and possibilities, as well as how the foundation would be able to give the essential support in terms of knowledge.

He pointed out that some banks had made effort to stop some projects that would have harmed the environment and added that the environment must be maintained even though businesses desire to make money. In his opinion, the "Green Recovery Nigeria" project was a means of establishing some of the NSBPs' goals.

Also speaking at the event, the representative of the Managing Director/Chief Executive Officer of Access Bank, Mr. Roosevelt Ogbonna, the Head of Sustainability, Omobolanle Victor-Laniyan, said the banking industry had, over time, started to pay closer attention to environmental and social

sustainability in its operations, projects and the banks' finances in line with global trends. "The principles help to embrace a low carbon economy, minimising wastes, becoming more aware of social and environmental issues, and finding creative solutions to problems," he said.

Mr. Ogbonna added that to oversee the adoption of sustainability across diverse institutions, all Nigerian banks currently have sustainability functions, and bank sustainability initiatives are under board supervision. "We live in a time of transition, and the right tool for reshaping our corporate strategies and the global agenda for sustainable development is sustainability", he said. He further noted that the Sustainable Banking and Finance Network (SBFN) should work together more, execute sustainability measures, and rank the NSBPs at a more advanced stage.

To accomplish the goals of the NSBPs, Mr. Ogbonna also emphasised the necessity of ongoing stakeholder involvement, capacity building, resource allocation, and proactive sustainability plans.

Participants noted that while sourcing for finance to put sustainability ideas into practice was still strenuous, creative problem-solving techniques were needed to create a livable environment for both the present and future generations.

Even though operators were only required to voluntarily comply with the Nigerian Sustainable Banking Principles (NSBPs), CBN expects banks to do so to fulfil the country's commitment to net zero.

DG Ahmad Harps on Safe, Stable Financial System

By: Aisha Sadiq and Emike Ikhumi

The Deputy Governor, Financial System Stability Directorate of the Central Bank of Nigeria (CBN), Mrs. Aishah Ahmad has stressed the need to continually promote a safe and stable financial system in Nigeria.

Mrs. Ahmad gave the charge on Thursday, September 1, 2022, while declaring open the 2022

retreat of the Banking Services Department with the theme: "Transforming Banking Services Experience in Digitalised Ecosystem," stating that the Bank was committed to ensuring the financial soundness and operational resilience of the Nigerian banking and other financial institutions sector.

She described the theme of the retreat as apt,



CBN Deputy Governor, Financial System Stability, Mrs. Aishah Ahmed addressing participants while CBN Deputy Governor, Operations, Mr. Folashodun Shonubi listens

noting that it is essential to survival as no person, business, entity and the CBN can exist without digital transformation, adding that the Bank had moved from strength, weaknesses, opportunities and threats to the four quadrants of time management matrix.

The Deputy Governor also reiterated the need for staff of the Bank to do better in challenging times, keeping in mind what needs to be done and be future ready in managing the financial system and its effect.

While commending the staff of the Banking Services Department (BKSD) for their effort in keeping the engine running for the Bank and the country as regards the effect on the financial system, she charged them not to rest on their oars in the discharge of their mandate.

Earlier in his welcome address, the Director, Banking Services Department (BKSD), Mr. Sam Okojere, said that the theme aligned with the economic trends in a digitalized ecosystem which is an integral part of the banking service as this would serve as the focus of this year's retreat.

He noted that the retreat also served as a continuation of bringing staff of the Department together to learn from one another as they sought to rebrand the financial services by making it seamless and user friendly.

Mr. Okojere expressed appreciation to the Management of the Bank, especially the Deputy Governors in charge of Financial System Stability and Operations directorates and all the departments in the Bank, for their unwavering support to the Banking Services Department.

Highlights of the event were paper presentations from various resource persons including: "Leveraging Technology in Transforming Banking Services and Cost Reduction in Service Delivery", moderated by the Managing Director, Nigeria Interbank Settlement System (NIBSS), Mr. Premier Oiwoh; "Banking Services: Operational Resilience, Risks and Cyber Security", anchored by Prof. Olayinka David-West of the Lagos Business School; and "Banking Services: Cross Border Opportunities (SWIFT and CBDC)" by the Deputy CEO, Pan-African Payment and Settlement System (PAPSS), Mr. Bosco Shebabi.

Collaboration, Key to Successful Digital Payments System - CBN

By: Ademola Bakare

The Central Bank of Nigeria (CBN) has underscored collaboration among operators in the financial sector as key to achieving a successful digital payment ecosystem.

The Director, Payment Systems Management, Mr. Musa Jimoh, expressed this at the Interswitch TechConnect 2.0 event which held in Lagos recently.

Mr. Jimoh, who was one of the panel discussants at the event, noted that the nature of the digital payments ecosystem meant that operators need to collaborate with other entities to ensure success of their businesses.

He said: "The number one thing that we drive among all participating entities is collaboration. We need a lot of collaboration. All the operators need one another."

"The banks," he continued, "cannot provide digital financial services without technological infrastructure. And for example, you will not be able to connect all your banks together without telecom infrastructure. Same thing with other telco providers as the telcos also need the banks because

the banks provide last mile services to their customers."

He said a lot of telco customers buy their airtime using banks' services or they go to their bank ATMs. "So, it's a very symbiotic relationship that we really want to create."

In his contribution, the Managing Director, Payment Processing & Switching, Interswitch Purepay, Akeem Lawal, stated that the theme of the event, "Collaborating for Industry growth and profitability," is very dear to his heart as it was only through collaboration among operators in the digital payments ecosystem that financial inclusion in the country can be accelerated.

The two-day event saw Interswitch rolling out six cutting-edge solutions and services that facilitate the processes of consumer-facing digital services. Among the solutions unveiled include the Payment-as-a-Service (PaaS), which helps to cut down investment costs for financial institutions, providing a robust product offering through cloud-based platforms to enrich payment experiences of customers, with safety at its core.



Central Bank of Nigeria, Headquarters

eNaira - FREQUENTLY ASKED QUESTIONS

What is eNaira?

eNaira is a central bank digital currency (CBDC) issued by the Central Bank of Nigeria as a legal tender. It is the digital form of the Naira and will be used just like cash.

What is an eNaira wallet?

The eNaira wallet is a digital storage that holds the eNaira. It is held and managed on a distributed ledger. The eNaira wallet is required to access, hold and use eNaira.

What makes eNaira different from the money in my bank account?

eNaira is the digital form of the cash and is a direct liability on the Central Bank of Nigeria while the customer deposits are direct liabilities on the financial institutions.

In a typical transaction, what is the difference between an online bank transaction and eNaira wallet?

There are intermediaries for the typical online bank transactions, whereas for eNaira transactions, there are no intermediaries.

What are the benefits of eNaira?

The benefits of the eNaira are:

- = Fast, cheap, reliable and available payment channel.
- = Support digital economy.
- = Improved economic activities.
- = Simplified and easy cross border payments and trade.
- = Inclusion of excluded people in the financial system.
- = Improved effectiveness of monetary policies.
- = Ease in tax remittance and collection to support the Country's growth.
- = Ease in targeted social interventions to support Nigerians.

What is the primary role of the CBN with respect to eNaira?

In line with Section 2 of the CBN Act 2007, the CBN is the issuing authority of all forms of Naira. The Central bank will also be responsible for determining the technical, regulatory and operational standards for eNaira.

Will eNaira replace cash?

No, it will circulate alongside cash. The eNaira will

complement cash as a less costly, more efficient, generally accepted, safe, and trusted means of payment.

Is eNaira safe?

eNaira is safe and secured with cryptographic techniques against counterfeiting, cloning, and other forms of attack.

As an eNaira holder, am I assured of data privacy?

Yes. Similar to the privacy enjoyed by current online banking patrons, the eNaira system has been designed to ensure data and user privacy. There are also operational policies and procedures in place to protect users' identity and privacy.

Who can access eNaira?

Similar to cash, any person or business can have access to eNaira as long as they have the requirements for on boarding.

What is the exchange rate between eNaira and physical naira?

The eNaira will have the same value as the physical naira. As such, it will be exchanged one to one.

Why should an individual download and fund the eNaira wallet?

- = 99.9% service availability.
- = Low charges.
- = Nationwide acceptance.
- = No dispensing errors.
- = Advanced data privacy and security.

Why should a business/corporate operate the eNaira wallet?

- = Instant settlement
- = 99.9% service availability and reliability
- = Low charges
- = No dispensing errors
- = No reconciliation issues

How do I access eNaira?

Customers will be able to access eNaira via the eNaira wallet in app stores such as Google Play store and the Apple App store. Users can also dial a USSD short code and follow the required steps to perform transactions.

Culled from: <https://www.enaira.com/>



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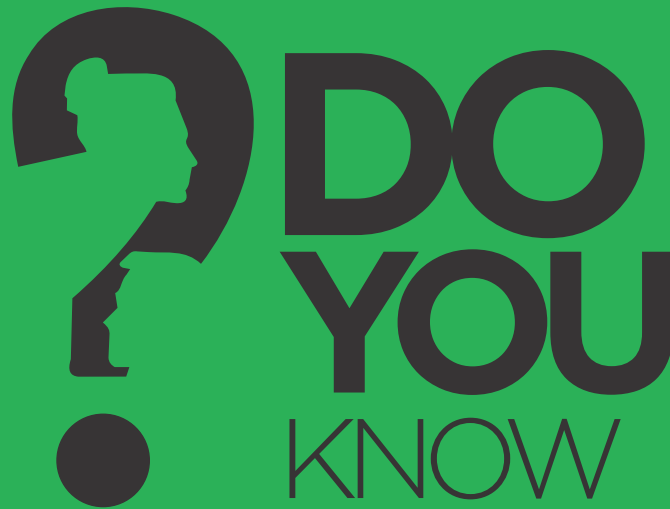
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Central Bank of Nigeria



Consumer Protection: How to write a Proper Complaint in Four (4) Steps

There are basically four (4) easy steps on how to write a proper complaint.

Begin with an **address**. Your complaint should contain a Contact Address which could be your Residential or Postal Address (as in your bank records). It should also have the address of the Financial Institution (FI) in which you address your complaint to.

Secondly, **briefly state your complaint**. It should contain the What, When, Where, and How (in no particular order). Furthermore, include monetary loss, (if any). State what happened, this is like a short story of what happened. State the date and time when the issue occurred. State the location which is the name of the place where it happened. Finally, state the financial service or product used that led to the challenge.

The next thing your complaint should contain is the **Prayer/Request (what do you want?)**. Write what you would like to be done for you or how you would like the problem to be resolved.

Finally, **conclude your complaint** stating the Signature; Account Name; Account Number; Email (If any) and Mobile Number.

Your bank is to issue a unique identification number and acknowledge your complaint within twenty-four (24) hours of lodging the complaint as stipulated in Section 6.2.2 of the Consumer Protection Regulations.

Where your complaint is not responded to or addressed within two (2) weeks (it may be more or less depending on the nature of the complaint), Section 6.4 of the Consumer Protection Regulation 2019 stipulates, you have the right to escalate to the **Director, Consumer Protection Department, Central Bank of Nigeria, Abuja**.

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