



Central Bank of Nigeria

# CBN UPDATE

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## Emefiele Advocates for More Women in Top Management

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## Editor's Note

The month of March is perhaps one of extra-ordinary interest to women as it features issues of concern to the women folks.

The Bank joined the rest of the world to commemorate the 2022 International women's Day (IWD) with the Governor, Mr. Godwin Emefiele confirming that the CBN has surpassed the set national gender policy target of 35% affirmative action for women.

Similarly, the Deputy Governor, Financial System Stability (FSS), Mrs. Aishah Ahmad shares her thoughts on the commemoration of the International Women's Day as an opportunity to celebrate women for their progress, achievements and contributions to society.

In this edition, we bring to you a report on the outcome of the second Monetary Policy Committee (MPC) meeting which held on March 21, 2022, and highlights of the Committee's considerations in retaining all policy parameters.

We bring you the news story of the CBN Governor, Mr. Godwin Emefiele unveiling 21 Mega Maize Pyramids in Kaduna and reiterating the Bank's fervent commitment to achieving food security and economic diversification through home-grown policies.

Equally, we also bring you report from the 43rd Kaduna International Trade Fair where the Governor reiterated the Bank's commitment to continue to be a people-focused central bank while promoting confidence in the economy and enabling an improved standard of living.

Also, in this edition, we feature news reports on the CBN operating and implementation guidelines for some of its new initiatives like the Race To US \$200 Non-oil Export Proceeds Repatriation Rebate Scheme (RT200 FX Programme), Credit Guarantee Companies (CGCs) and Bank Neutral Cash Hubs (BNCHs).

Still in this edition, we bring you news report from the 40th Anniversary/Convocation lecture of Ekiti State University, Ado-Ekiti, where the CBN Governor said macro-economic stability, building a strong, stable and resilient economy that is self-sustaining and able to weather shocks, remain the focus of the Bank.

Our reportage also covers the Deputy Governor, Financial System Stability (FSS) Mrs. Aishah Ahmad's participation in the commemoration of the 2022 Global Money Week (GMW), stressing the need for young Nigerians to develop financial skills for future financial resilience and well-being.

These and other stories have been put together for your reading pleasure.

**Osita Nwanisobi**  
Editor -in- Chief

# Emefiele Advocates for More Women in Top Management

By: Titilayo Oluwasina



*Deputy Governor, Financial System Stability (FSS)  
Mrs. Aishah Ahmad flanked by select female staff of the CBN*

**T**he Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, says the Bank has issued gender-mandated regulations to pave way for gender diversity and inclusiveness at the top management levels in the Nigerian banking industry, just as he declared that the CBN has since surpassed the affirmative action with 32% of the total workforce being female.

Mr. Emefiele disclosed this on Thursday, March 17, 2022, while addressing participants at a webinar hosted by the Deputy Governor in charge of the Financial System Stability (FSS) Directorate, Mrs. Aishah Ahmad, as part of activities to commemorate the 2022 International Women's Day (IWD) at the CBN.

The Governor reiterated that the Bank had also issued a policy that required a minimum of 30% of female representation on boards and 40% at the top management level in the Banking Industry. This, he said, was similar to the National Financial Inclusion Strategy which recommends increasing female staff of microfinance banks to 30%.

According to him, the Bank, in an effort to increase representation of women in the industry had been using the gender diversity model as part of the

criteria for approving the membership of boards of institutions under its regulatory purview.

He emphasised that such gender mandates were necessary to breaking the bias in the Nigerian Banking industry, stressing that eight out of the 23 bank CEOs, representing 35 percent, were women, which was above the global average.

Speaking on the theme: "Gender Equality Today for a Sustainable Tomorrow", in recognition of the significance of empowering women to be part of the solution to the climate change crisis, Mr. Emefiele emphasised that the campaign theme for 2022, (#BreakTheBias) aimed to raise awareness on the persistent bias and discrimination in communities, workplaces, schools and the society in order to create a "gender equal world" that is "diverse, equitable and inclusive".

Mr. Emefiele further stated that the CBN, under his watch, had "demonstrated its commitment to diversity and inclusiveness by designing and implementing a wide variety of initiatives, programmes and interventions to promote entrepreneurship, reduce poverty, generate employment and deepen financial inclusion for women.



The Governor disclosed that females had benefitted hugely from the Bank's intervention programmes such as the Agribusiness Small and Medium Enterprise Investment Scheme (AGSMEIS) and the COVID-19 Targeted Credit Facility (TCF). Specifically, he said that out of N134.67 billion disbursed to 37,273 AGSMEIS beneficiaries, as of January 2022, 33% (N44.1 billion) went to 12,511 female beneficiaries.

Similarly, out of N349.51 billion disbursed to 712,442 total beneficiaries under the TCF, he said 45% (N159.21 bn) went to 330,128 female beneficiaries, adding that the Micro, Small and Medium Enterprises Development Fund (MSMEDF) was designed to allocate at least 60% of the fund to women and women-owned enterprises of which 60.3% of the of 229,579 beneficiaries were women.

Furthermore, he said that out of the 211,306 financial statements currently registered in the collateral registry, 92,091, representing 43.6% were female borrowers.

Citing reports to support claims about gender parity in the workplace among other issues bordering on discrimination, he said that the CBN recognised the positive impact of gender parity on the economy, achieving the SDGs and climate targets.

While also noting that women had been disproportionately affected by both the COVID-19 pandemic and the effects of climate change, he said the Bank was using the 2022 IWD as an opportunity to celebrate women who were in the frontline of these twin crisis.

He said that the Bank, took strategic action in areas such as recruitment, retention, succession planning, and return-to-office work arrangements in order to address the gender gaps, even as he declared that the CBN had since surpassed the affirmative action with 32% of the total workforce

being female.

"It is only by unleashing the full potential of women to participate fully in the economy that we can strengthen growth, eliminate poverty, create jobs and respond effectively to the mounting global challenges, from the pandemic to climate change," Emefiele declared.

Earlier in her welcome remarks, the Deputy Governor, Financial System Stability (FSS) Mrs. Aishah Ahmad, expressed appreciation to the Governor and other Deputy Governors for their consistent support towards women and their wellbeing.

She said that the commemoration of the International Women's Day was an opportunity to celebrate women for their progress, achievements, and contributions to the society. Speaking on the campaign theme of this year's celebrations, she noted that age, ethnicity, religion, and other biases had to be broken for women to realise and fulfil their full potential without which a sustainable future would not be achievable.

In her address, the Second Deputy Governor, Bank of Ghana, Mrs. Elsie Addo Awadzie, challenged women to change the narratives in their minds and break the biases they had created against themselves. She also urged women to believe in one another, support one another and mentor one another to up lift themselves.

She also stressed the need to consciously seek alliances and support when necessary and to cultivate meaningful relationships towards mutual respect and consideration. She therefore urged every woman to be the light that others seek to follow, adding that "it takes boldness, courage, sheer resilience and excellence to succeed as a woman in the 21st century."

Highlight of the event was the presentation of a mini documentary showcasing the success stories of former and serving female directors of the Bank

## Wheat Production: CBN Disburses N42bn to 15 States

By: Ogochukwu Ikeagwuonu

**T**he Governor, Central Bank of Nigeria, Mr. Godwin Emefiele, said the Bank has disbursed N42billion under its intervention programmes to support wheat production across

15 states in the country.

Mr. Emefiele revealed this at the inauguration of the 2021/2022 Brown Revolution Field Day/Harvest in

Jigawa State.

The CBN Governor who was represented by Hajiya Sa'adatu Ibrahim, the Controller, CBN Dutse Branch, noted that the provision was made available during the 2021/2022 dry season activities, to address the challenges in the wheat production value chain. He stated that, the strategy was targeted to making high-yield seed varieties accessible through a local seed multiplication plan, and increasing land for wheat cultivation through collaboration with State and Federal Establishments.

According to him, the CBN targets to increase the annual cycle for wheat cultivation during the wet season through international cooperation and the promotion of Good Agronomic Practices (GAP). The Governor affirmed that: "In Nigeria, wheat remains one of the commodities with the highest demand and despite its high demand, Nigeria produces less than two per cent of its annual wheat consumption needs. In the light of the circumstances faced in wheat cultivation in Nigeria, the Bank through its flagship- Anchor Borrower Programme, in 2020, commenced a strategic approach targeted at facilitating import substitution by promoting self-sufficiency in the wheat value chain".

Mr. Emefiele stressed that this has encouraged improvement in the income of wheat farmers, facilitating substantial job creation and providing a ready take off for the millers.

Continuing, the CBN Governor, disclosed that the Bank in partnership with Flour Milling Association of Nigeria (FMAN) have identified, certified and cultivated demonstration farms, to critically showcase the improved practice for wheat farming in Nigeria and the impact of GAP on high-yields to farmers.

Furthermore, Mr. Emefiele, added that "Four seed companies have been commissioned to process 25,000 metric tonnes for the next planting season. This strategy seeks to reduce wheat importation by 60 per cent in two years and

eliminate wheat importation over the long term". The aim is to reduce the gap by at least 15 per cent during the 2021/2022 planting season.

Speaking at the event, Chairman, the Flour Milling Association of Nigeria (FMAN) Mr. John Coumantaros, represented by Segun Flade said the organization was committed to providing a market for the country's wheat farmers and increasing its procurement across the wheat-producing states by adding aggregation, staff, and warehouses across 15 northern states to take-off all wheat grain from up to 150,000 farmers under the CBN-ABP scheme. He listed the states to include Kano, Kaduna, Jigawa, Kebbi, Sokoto, Bauchi, Adamawa, Katsina, Gombe, Plateau, Taraba, Zamfara, Niger, and Yobe.

The FMAN Chairman also assured that the association would cultivate 504 demonstration farms in the States in order to provide GAP training to 250,000 farmers under the Anchor Borrower' Programme, as well as loans to over 2,000 out growers' farmers in Kano, Jigawa, Sokoto, Kebbi, Kaduna, Bauchi, and Gombe States.

In their separate remarks, Messrs. Dauda Ali, Alkasim Aliyu, and Muhammad Ado commended the CBN and FMAN for their efforts to increase wheat production in the country. Mr. Ali expressed that the new farming systems introduced had helped the farmers achieve improved harvest. Correspondingly, he urged the Jigawa State Government to build access roads to facilitate movement of produces to the markets ■



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## Bank Neutral Cash Hubs (BNCHs) – CBN Sets N1m Limit

By: Bartholomew Mbaegbu

**T**he Central Bank of Nigeria (CBN) in a new initiative has introduced the Bank Neutral Cash Hubs (BNCHs) in furtherance of its

mandate to promote a sound financial system in Nigeria.

The Bank disclosed this in a guideline for the





registration and operation of Bank Neutral Cash Hubs in Nigeria released on Monday, 14th March, 2022.

The guideline stated that the threshold for eligible transactions at a BNCH shall be a minimum transaction value of N500,000 for individuals and minimum transaction value of N1m for corporate entities.

According to the circular signed by the Director, Currency Operations Department, Mr. Ahmed Umar, the BNCH will be located in areas with high volumes of commercial activities and cash transactions. The hubs will provide a platform for customers to make cash deposits and receive value irrespective of the bank with which their account is

domiciled.

The Bank said one initiative towards the goal is the Bank Neutral Cash Hubs, which are cash collection centres to be established by registered processing companies or Deposit Money Banks based on business needs.

The Bank said the key objectives for setting up the BNCH is to reduce the risks and costs borne by banks, merchants, and huge cash handlers in the course of cash management activities; offer bank-neutral cash withdrawal and deposit services to high volume/value cash transacting customers in a one-stop facility; deepen financial inclusion; and leverage on shared services to enhance cash management efficiency.

In collaboration with the Banker's Committee, the Bank had earlier launched the Nigerian Cash Management System (NCMS) in a bid to reduce cost and improve operational efficiency in the country's cash management value chain.

The guideline disclosed permissible and non-permissible activities; registration requirements; financial requirements; roles and responsibilities, fees and commissions amongst others ■

## Home-Grown Policy Ensures Food Security – Emefiele

By: Auwalu Alhaji

**T**he Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele on Thursday, March 24, 2022, unveiled 21 Mega Maize Pyramids in Kaduna, with an assurance that the Bank remains committed towards achieving food security and economic diversification through home-grown policies targeted at securing food for all Nigerians.

Mr. Emefiele who was represented by the Director, Development Finance Department, Mr. Philip Yila Yusuf said that with recent global events, two of the top 10 exporters of maize (Argentina and Brazil) experienced drought in 2021, while another two (Ukraine and Russia) are at war, these would certainly impact on maize price and supply globally.

He disclosed that, the Bank had planned a more robust and timely wet season to commence in April 2022 for maize and other key commodities like rice, wheat, cassava, sorghum and soya beans to mitigate impending food crisis occasioned by the crisis in Russia and Ukraine.

The Governor further said that following the CBN's initiation of the maize revolution under Anchor Borrowers Programme (ABP), growth of maize production in Nigeria had improved mainly due to the increase in hectares of cultivated land and not the yields per hectares. He added that the Bank's strategy was hinged on improving productivity by providing more fund for anchors to enable them to utilize high quality inputs and good agronomic practices to boost output.



*Director, Development Finance Department (DFD).  
Mr. Yila Yusuf addressing the audience at the  
unveiling of the 21 Mega Maize Pyramids in Kaduna*

According to him, "The yield prior to 2016/2017 in Nigeria was as low as 1.8MT/Ha, considered as a lowest among the top 10 maize producers in Africa, behind countries such as Egypt and South Africa where the yields are 7.7 MT/Ha and 5.3MT/Ha, respectively.â

While explaining the low yield resulted in the country's inability to meet the domestic and industrial maize demand, the Governor disclosed that the Bank had developed a framework for the participation of some seed companies in the 2021 wet season farming under the ABP to produce hybrid seeds that would guarantee high yield for farmers.

Mr. Emefiele disclosed that the Bank had established a Strategic Maize Reserve (SMR), as a short-term measure pending the revitalisation of the Nigeria Commodity Exchange to moderate the price of maize in the country through strategic and phased releases to millers and poultry farmers.

In his address, the Minister of Agriculture, Dr. Mohammad Abubakar, who was represented by the North-West Zonal Director of Agriculture, Dr. Timkat Vontav, said that the ABP had been able to

close the gap between the supply of maize grains and its demand by domestic and industrial users.

He said the Federal Ministry of Agriculture and Rural Development (FMARD) would also continue to support small holder farmers as they had been identified as the engine room for the achievement of sufficient food production in Nigeria.

Also speaking, the President, Maize Association of Nigeria (MAAN), Dr. Bello Abubakar expressed appreciation to the Management of the CBN for providing the enabling environment for smallholder farmers.

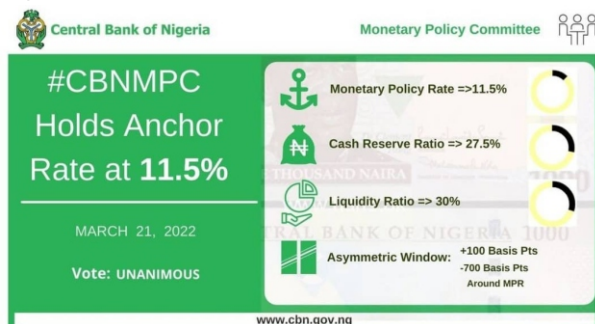
He said the official unveiling of the pyramids was a genuine feedback of the present administration's determination to lift many Nigerians out of extreme poverty and position agriculture as a business.

According to him, "There are 21 pyramids each constructed with between 30 ñ 79 trucks of maize, despite the challenges experienced and bearing in mind that money given for this farming was a loan, the resilient Nigerian maize farmers were able to produce what is being unveiled today," he said ■

## MPC Retains Lending Benchmark Rate

...Food Prices Expected to Trend Downwards

By: Kerma Mshelia



**T**he Monetary Policy Committee (MPC) meeting has retained its benchmark lending rate by majority vote, alongside other parameters.

The Governor, Central Bank of Nigeria (CBN) Mr. Godwin Emefiele, disclosed that the Monetary Policy Rate (MPR) was retained at 11.5 percent around an asymmetric corridor of +100/-700 basis points. The Cash Reserve Ratio remained at 27.5 percent and liquidity ratio was left at 30 percent.

Mr. Emefiele noted that the decision was not unanimous with six members voting to retain the rates while four had dissenting views adding that loosening could trigger liquidity surfeit in the system. He said that the MPC's decision to maintain the current rates indicate a precautionary move bearing in mind the prevailing economic conditions, including the financial shocks created by the ongoing Russia-Ukraine crisis.

The Governor said that the fragile state of the current GDP growth and the potential external and domestic headwinds from the Russia-Ukraine crisis, a contractionary policy stance would stifle the expected investment expansion needed to drive growth and absorb the shocks in Nigeria.

Mr. Emefiele decried that the impact of unprecedented rate of oil theft recorded in recent times, has a profound effect on government revenue and accretion to the nation's foreign reserves.



He noted that the Committee reviewed the performance of the Bank's various interventions to stimulate productivity in manufacturing, agriculture, energy, infrastructure, healthcare, and micro, small and medium enterprises (MSMEs).

The CBN Governor disclosed that between January and February 2022, the Bank had disbursed N29.67 billion under the Anchor Borrowers' Programme (ABP) for the procurement of inputs and cultivation of maize, rice, and wheat, three crops that hitherto were significant concerns of forex demand, he said, adding that the Nigeria Commodity Exchange (NCX) had also been

restructured to effectively aggregate excess outputs from the Bank's ABP-financed projects, with the objective of moderating food prices.

The MPC remained optimistic that food prices would trend downwards this year as security agencies sustain efforts to bring under control the activities of bandits so as to allow farmers back to their farms.

Mr. Emefiele also expressed optimism that in the medium term, the proposed take-off of the Dangote Refinery later in the year would help to improve the supply of petroleum products in the country.

## Banks' Total Assets Rose by N8.25tn in 2021 – CBN

By: Ademola Bakare



**Dr. Kingsley Obiora,**  
*Deputy Governor, Economic Policy CBN*

**T**he Deputy Governor, Economic Policy Directorate, Central Bank of Nigeria, Dr. Kingsley Obiora has said that total banks' assets in the country have risen by N8.25tn to N59.24tn as of the end of 2021. The nation's lenders' total assets were at N50.99tn as of the end of 2020.

This was contained in his personal statement as a member of the Monetary Policy Committee of the Bank.

Obiora said, the banking system continued to sustain its soundness, safety, and resilience amid economic recovery. The total asset of the banking

industry increased from N50.99tn from end-December 2020 to N59.24tn, representing an increase of 16.18 per cent, driven by balances with CBN/banks, OMO bills, and credits.

This is also as another member of the Committee, Mr. Robert Asogwa, said the banking industry asset base increased by 16.17 per cent from N50.9tn at end 2020 to N59.2tn at end 2021.

Meanwhile, the CBN has restated its continuous support for the economy through its numerous interventions in critical sectors of the economy including infrastructure. It added that as a confirmation of its commitment to supporting infrastructure development in Nigeria, it disbursed N274.33bn to the sector under the Nigeria Bulk Electricity Trading Payment Assurance Facility.

In addition, it said an additional N20.58bn was released to Distribution Companies under the Nigeria Electricity Market Stabilisation Facility ñ Phase 2.

It however added that given Africa's infrastructure financing needs of \$170bn a year, and a gap of about \$100bn a year according to the African Development Bank (AfDB), Nigeria must attract private capital to complement the limited fiscal space. This, it continued, is why the initiative to establish InfraCorp became necessary as it will attract needed funds across the globe, which ultimately will provide the basis for infrastructural development, increased productivity, double-digit growth, and sustainable economic development ■

# CBN Reconstitutes Executive Management of Nigerian Commodity Exchange

By: Chioma Udeogu

The Central Bank of Nigeria (CBN) has put in place a Temporary Management team led by Mr. Elenwor Ihua, who is currently a Deputy Director of Development Finance Department of CBN. Mr Ihua's team has a mandate to oversee the operations of the Exchange and supervise an independent, transparent process to appoint a new Executive Management for the Nigeria Commodity Exchange (NCX) that would efficiently run the organization.

Earlier in January, Deputy Governor, Financial System Stability, Mrs. Aisha Ahmad, was announced as Chairman of the new Board of the exchange Central Bank Nigeria, which has provided about N50 billion for the restructuring of the Nigerian Commodity Exchange (NCX).

The Director, Development Finance Department, Mr. Philip Yila and Director, Financial Market Department, Dr. Angela Sere-Ejembi were also appointed as members of the Board.

The Nigerian Commodity Exchange was established to provide an innovative commodity trading platform that would provide shared

prosperity among market actors, through quality assurance and price stability. It was operating through four standing committees: Membership and Finance Committee; Trading Committee; Clearing House Committee; and Arbitration and Vigilance Committee.

Relating it to the Anchor Borrowers Programme, the CBN Governor, Mr. Godwin Emefiele, who has been striving to raise the bar in the agricultural sector, said that the exchange would play a major role in the agribusiness sector of the economy. He said that the restructuring of the organization was necessary in order to make it more efficient in ensuring that farmers had the right value for their commodities and to ensure food security in the nation.

The committees have well-known rules and regulations governing their operations. They also deliberate on cases involving each of them and make recommendations to the Board for consideration and approval. The membership of the Exchange is composed of Broker Dealer members, Dealer members, and Broker members. Tradable commodities on the exchange include: Sorghum, sesame seed, soyabean, maize and cocoa ■







# Maize, the Golden Crop

## 12 Commodities, 10 Million Jobs in 5 Years

Although Nigeria is the largest producer of maize in Sub-Saharan Africa, producing over 12 million metric tonnes annually, the country still has a deficit of about 4.5 million metric tonnes, bridged through importation.

To this end, the Central Bank of Nigeria has disbursed funds to stakeholders and investors in the value chain, including farmer associations and various levels of government. This is to ensure self-sufficiency in maize, thereby improving national earnings, providing jobs, and growing the economy.

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**Central Bank of Nigeria**



# Why CBN Intervenes in Critical Sectors - Emefiele

By: Olalekan Ajayi



*Deputy Governor, Corporate Services, Mr. Edward Adamu delivering the convocation lecture*

**T**he Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele says the focus of the Bank remains macroeconomic stability, to build a strong, stable and resilient economy that is self-sustaining and able to weather unanticipated shocks.

Mr. Emefiele disclosed this on Monday, March 28, 2022, at the 40th anniversary/convocation lecture of Ekiti State University, Ado-Ekiti, noting that the Act establishing the Bank envisaged the role of development finance, which he stressed the Nigerian context demands.

Speaking on "The Role of Central Banks in Managing Economic Downturns," he said the intervention of central banks in development financing was not new as it dated back to the 1920s. To support his view, he cited instances of roles played by some central banks in more advanced economies in the financing of government programmes/projects in their early days.

Emefiele, who was represented by the Deputy Governor in charge of Corporate Services at the Bank, Mr. Edward Lametek Adamu, also pointed out that central banks in both advanced and emerging markets embraced quantitative easing to support their economies towards recovery from the global financial crisis of 2008/2009 and the associated economic downturn triggered by the COVID-19 pandemic.

He explained that many central banks in advanced, emerging and developing economies, during the recent COVID-19 pandemic, supported their fiscal authorities to aid recovery of their economies,

following the significant decline in global growth occasioned by the pandemic.

Continuing, he said central banks, particularly in developing countries, intervene in the real economy to enhance the transmission mechanism of monetary policy actions and facilitate the development of financial markets through the creation of easy access to credit for investment and production.

"Thus, it is undeniable that development finance interventions are frequently an integral part of the recovery strategy in most countries, although the degree and method could differ, depending on context as well as the nature and magnitude of shock," he noted.

According to him, the philosophy behind central banks' interventions in the real economy is to indirectly influence cost of production for firms and affect prices positively by improving the flow of credit.

While expressing worry that the country's manufacturing sector contributed less than 15 percent of the Gross Domestic Product (GDP), he decried the situation whereby the country had been importing many commodities, which it has ability to locally produce and export such as rice, maize, milk and dairy products.

To address this challenge in line with the charge of the President, Muhammadu Buhari, that the country produces what it eats and eats what it produces, he said the CBN, working with Deposit Money Banks (DMBs) and participating financial institutions focused on critical areas such as the agricultural and manufacturing sectors and had granted over N3 trillion in intervention loans that had aided economic recovery and employment generation.

Given the limited fiscal space due to the significant drop in government revenue, he said the CBN had to intervene with development finance tools and some monetary policy innovations to aid recovery without jeopardizing price stability.

Mr. Emefiele further noted that different categories of Nigerians, particularly women and youth, had

benefitted from various intervention programmes of the CBN such as the Anchor Borrowers' Programme (ABP), Targeted Credit Facility (TCF), Agri-Business Small and Medium Enterprises Investment Scheme (AGSMEIS), among others.

Recalling his pledge, on assumption of office as Governor in 2014, he said he remained committed to leading a people-focused central bank that will promote macro-economic objectives such as low inflation and stable exchange rates, along with a focus on promoting inclusive growth and reducing unemployment in the country.

With an annual population growth rate of close to 2.8 percent, he emphasised that it was important that all efforts were made to ensure that employment opportunities became available for Nigerians, particularly in sectors that had the potential to absorb the youths.

Highlighting other measures taken by the Central Bank of Nigeria (CBN) to combat the negative impact of the Covid-19 pandemic, he said the Bank, among other policy actions, allowed a one-year extension of the moratorium on principal repayments for CBN intervention facilities; reduced the interest rate on CBN intervention loans from 9 to 5 percent; and created the N300 billion Targeted Credit Facility (TCF) for affected households and small and medium enterprises through the NIRSAL Microfinance Bank.

He also cited the creation of a N100 billion intervention fund in loans to pharmaceutical companies and healthcare practitioners intending to expand and strengthen the capacity of our healthcare institutions; a research fund, which is designed to support the development of vaccines in Nigeria; and a N1 trillion facility, in loans, to boost local manufacturing and production across critical sectors; the introduction of the Naira for

Dollar policy to boost diaspora remittances, as some of the policy measures taken by the Bank to help manage economic downturns in Nigeria.

Emefiele expressed satisfaction that the Bank's intervention measures in the agriculture and the manufacturing sectors played significant roles in ensuring that the Nigerian economy exited recession in the second quarter of 2017 after five quarters of negative growth, as well as enabled further growth in 12 consecutive quarters following the recession.

"Our external reserves have risen from its low of \$33 billion in March 2021, to over \$40 billion today. In addition, our policy measures also led to a significant improvement in diaspora inflow from an average of US\$6 million per week in March 2020 to an average of over US\$100 million per week by January 2022," he added.

Furthermore, the CBN Governor disclosed that the Bank, in collaboration with the Bankers' Committee, was working to boost non-oil exports through the 'Race to a \$200billion' non-oil exports revenue target (RT 200 FX Programme) over the next three to five years.

"It is our honest view that in the next few years, more jobs will be created, and growth will be much more consolidated above 5 percent with propensity to build an economy that is self-sustaining and capable of withstanding negative external shocks," he declared.

In their respective remarks, the Deputy Governor of Ekiti State, Otunba Bisi Egbeyemi, who represented the Governor of Ekiti State, Mr. John Kayode Fayemi, and the Vice Chancellor of the university, Professor Edward Olanipekun, commended the CBN for its various interventions, which they noted had impacted greatly on the lives and businesses of many Nigerians.

## Agricultural Sector, Nigeria's Saving Grace-Emefiele

By: Louisa Okaria

**T**he Central Bank Governor, Mr. Godwin Emefiele has commended the tremendous growth in the agricultural sector, stressing that it is the saving grace of the Nigerian economy.

Mr. Emefiele made this commendation during the inspection of the Odighi community, Ovia North-

East Local Government Area of Edo State.

According to him, the agricultural sector in the last six years has recorded an increase in productivity and also generated significant interest in the economy. He said that it would have been difficult for Nigeria to cope with the rising cost of food across the globe without the numerous interventions of the Central Bank of Nigeria (CBN) in



the agricultural sector.

Mr. Emefiele said the apex Bank had assumed a pivotal role since 2015 when President Muhammadu Buhari pronounced that "we should produce what we eat and eat what we produce". Since then, the Bank had come up with several initiatives aimed at repositioning the sector with a view to creating employment opportunities as well as growing the Gross Domestic Product (GDP) of the country.

The Governor expressed pleasure in the massive growth that had been recorded in the production of maize and cassava. He expressed optimism that in the next twelve months, palm produce harvests would have commenced.

Mr. Emefiele lauded the Edo state Governor, Mr. Godwin Obaseki, for matching words with action by making sure that arable land was made available to those genuinely interested in agriculture. He further urged other State



*CBN Governor, Mr. Godwin Emefiele transplanting an oil palm tree during the visit*

Governors to emulate the gesture.

On the socio-economic impact of CBN interventions, Mr. Emefiele hailed the Anchor Borrowers' Programme (ABP), which he noted revolutionized agricultural practice by providing credit facilities, in the form of inputs like seedlings, fertilizers and herbicides, to small holder farmers who could not approach commercial banks for loans. Small holder farmers can now cultivate and produce enough for their families, and sell produce to repay loans at ease, thereby generating employment, improving living standards and creating wealth simultaneously.

Mr. Emefiele also commended the efforts of the promoting company, Agri-Allied Resources and Processing Limited, and its parent company, Tolaram Limited, for heeding the clarion call made by the CBN to source their critical raw materials locally.

He noted that the company had painstakingly embraced backward integration principles by acquiring farmland to the tune of 18,000 hectares for cultivation of oil palm, cassava and maize which are the critical raw materials used by the group. In his remarks during the visit, the Managing Director of Agri-Allied resources, Mr. Madhukar Khetan hinted that the company had so far accessed a ten-year loan for the project in the sum of N15 Billion, at single digit interest rate with a two-year moratorium, under the Commercial Agricultural Credit Scheme (CACs). The farm currently has about one thousand persons in its employ.

## Emefiele Urges Nigerians to Embrace CBN Initiatives

By: Louisa Okaria

**T**he Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has urged Nigerians to leverage on the CBN interventions to enhance their economic well-being.

He stated this during a two-day CBN Fair held on March 17 and 18, 2022 in Yola and Jalingo simultaneously.

Mr. Emefiele, who was represented by the Director, Corporate Communications

Department, Mr. Osita Nwanisobi, said that the essence of the CBN Fair was to sensitise Nigerians on the CBN policies, interventions, initiatives, and programmes. He assured that the country's financial system was stable, sound, very robust thereby dissuading participants from being sceptical in accessing the facilities offered within the system.

He further said that the CBN Fair was also an avenue for interaction on the CBN interventions, ascertain the challenges experienced in accessing



Director, Corporate Communications Department (CCD),  
Mr. Osita Nwanisobi addressing participants at the fair

the interventions and informing the public on how they can benefit from the opportunities available. The Fair would also identify challenges experienced with the Deposit Money Banks (DMBs) and remedies available in addressing them.

The Governor advised members of the public to be mindful of unlicensed entities who claim to be licenced by the CBN. He also urged them to always go to the CBN Branches close to them for clarification before investing in any business.

A representative of Consumer Protection Department, Mr. Gbadamosi Lawal, while addressing, participants, explained how the Bank carries out its operations and how it is tailored to

influence and benefit the life of every Nigerian. He advised participants to ensure the safety of their financial instruments by protecting them from fraudulent activities, just as he urged them to always lodge their complaints with the Director, Consumer Protection Department for failed transactions that are not reversed within 24 hours.

On the rate at which currency notes are mutilated or sold openly, Mr. Mukthar Sani of the Currency Operations Department, urged members of the public to consider the Nigerian currency as a symbol of national identity.

He further drew the attention of the participants to the provisions of the law which stipulate six months imprisonment or N50,000 fine, or both, for currency abuse in the forms of mutilation, hawking and counterfeiting.

Presentations were also made by Mr. Omele Akinwunmi and Mr. Chai Gang, staff of the Payments System Management Department to expose participants to developments in payments system and the eNaira, respectively.

A staff of the Development Finance Department who spoke virtually during the CBN Fair from Jalingo highlighted some of the CBN initiatives and how the masses can access them.

The Director in his remarks, thanked the Government of Adamawa State for ensuring the security of all participants, just as he commended those who were able to attend the event.

## NPLs Fall Below 5% as Total Credit Increases to N4.09trn

By: Ademola Bakare

**F**or the first time in about ten years, the non-performing loans (NPLs) ratio in Nigeria's banking sector has decreased below the regulatory five per cent benchmark to 4.94 per cent as at the end of December 2021.

This was revealed in the personal statements of some members of the Bank's Monetary Policy Committee (MPC), released recently on the Bank's official website.

In their assessment of the Nigerian banking sector, the Committee members noted that the industry has remained resilient with average non-

performing loans falling beyond regulatory requirement.

According to the Deputy Governor, Financial System Stability (FSS), Mrs. Aishah Ahmad, non-



performing loans dropped to its lowest level in over a decade despite the increased lending by banks.

She observed that total credit had increased by N4.09trn between end of December 2020 and December 2021 with significant growth in credit to manufacturing, general commerce, and Oil & Gas sectors.

Mrs. Ahmad noted that Key industry aggregates have also continued their year-on-year upward trajectory with total assets rising to N59.24trillion in December 2021 from N50.99 trillion in December 2020, while total deposits rose to N38.42 trillion from N32.21 trillion over the same period.

This impressive increase was achieved amidst continued decline in non-performing loans ratio from 5.10 per cent in November 2021 to 4.94 per cent in December 2021, 6 basis points below the regulatory benchmark for the first time in over a decade.

She added that, results of stress tests showed resilience of banks' solvency and liquidity ratios in response to potential severe macroeconomic shocks. However, she urged the Bank to remain vigilant to proactively manage probable macro risks to the financial system such as lingering spillover effects of the pandemic, winding down of forbearance measures, and myriad risks to financial stability including exchange rate, operational and cyber security risks.

Another member of the MPC, Festus Akinniju, concurred that NPLs had fallen below the five per cent prudential requirement for the first time after a lengthy period. He noted that Capital Adequacy Ratio despite its slight decline from 15.1 per cent in December 2020 to 14.53 per cent in December 2021, is still above the prudential requirement of 10 per cent.

Akinniju also noted that interest rate spread month-on-month widened to 25.3 per cent in December 2021. While prime lending rates declined to 11.68 per cent, maximum lending rates rose to 27.58 per cent. Average savings rates declined to 1.25 per cent. The administrative measures put in place by the CBN, restrained liquidity surfeit in the system. Tight liquidity conditions prevailed in the banking system as average net liquidity balance stood at N182.71 billion as at end-December 2021, below the benchmark of N313.8 billion ñ N450.00 billion.

Mr. Ahmed Aliyu, another member and the

Permanent Secretary, Federal Ministry of Finance, Budget and National Planning added that the improvement in NPLs was aided by sound regulatory oversights of the CBN during the year. The banking sector according to him remained sound, safe and resilient as Financial Soundness Indicators (FSIs) were within their regulatory thresholds. Industry Capital Adequacy Ratio (CAR) at 14.53 percent at end-December 2021 remained above the 10 percent regulatory minimum. He said asset quality measured by Non- Performing Loans (NPLs) improved to 4.94 percent at end-December 2021, below the regulatory threshold of 5 per cent. This improvement Mr. Aliyu continued is attributed mainly to sound regulatory oversights of the CBN during the year, adding that Gross credit rose from N20.48trn in December 2020 to N24.57trn in December 2021 on account of increased industry funding base and CBN's directive on Loan to Deposit Ratio (LDR).

Mr. Edward Adamu, Deputy Governor, Corporates Services, however said the option of tightening monetary policy remains on the table even as the decision becomes increasingly difficult to make, especially as inflation continues to rise as the country heads into electioneering year in 2023.

He noted that as the US FED has already provided a forward guidance on at least three rate hikes in 2022, a move that will affect foreign currency exposures of the federal government and private sector institutions, especially commercial banks. Mr. Adamu said this may however lead to more exits of Foreign Portfolio Investment (FPIs) from local equity market as against the backdrop of pressure on both output and prices.

D.G Adamu admitted monetary policy maneuvers would be difficult to say the least. In the circumstance, he urged complementary fiscal actions to ease the burden of adjustment on monetary policy. He noted that policy support has been very instrumental to macroeconomic recovery in 2021. Adamu urged for more support from the fiscal side in 2022 especially in sectors like agriculture, SMEs and solid minerals, and in addition wants physical infrastructure and security to maintain their priority position on the fiscal plate in the year

He believes that, the option of tightening policy using the policy rate remains on the table if inflationary pressures persist.





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Central Bank of Nigeria



# Emefiele Restates Bank's Focus on Economic Growth

By: Aisha Sadiq-Musa



**Mr. Godwin Emefiele**  
Governor, CBN

**T**he Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele said under his leadership the CBN will continue to be a people-focused Central Bank, while promoting confidence in the economy and enabling an improved standard of living.

Mr. Emefiele gave this reassurance on Thursday, March 3, 2022, at the CBN Special Day at the 43rd Kaduna International Trade Fair with the theme "Re-strategizing Nigerian Economy for Global Competitiveness," noting that it aligned with the Bank's drive to promote the production of commodities in which the country has comparative advantage.

The Governor, who was represented by Mr. Sam Okogbue, Deputy Director in the Corporate Communications Department, also encouraged citizens to buy Nigerian products to grow the Nigerian economy.

According to him, the CBN remained committed to supporting efforts aimed at boosting the economy, hence its interventions in critical sectors of the economy. Specifically, he said that the Bank, in line with its mandate enshrined in the CBN Act 2007, as amended, had provided policy and financing support to about 40 interventions including the Agricultural Credit Guarantee

Scheme Fund (ACGSF); the Micro, Small & Medium Enterprises Development Fund (MSMEDF); the Agri-business/small and Medium Investment Scheme (AGSMEIS); and the Non-oil Export Simulation Facility (NESF).

He listed other key interventions to include the Anchor Borrowers' Programme (ABP); the Youth Entrepreneurship Development Programme (YEDP); the Export Facilitation Initiative (EFI); the Creative Industry Financing Initiative (CIFI); the Targeted Credit Facility (TCF); the Tertiary Institutions' Entrepreneurship Scheme (TIES); the 100 for 100 Policy for Production and Productivity (PPP); and the RT200 FX Programme.

The Governor, disclosed that the CBN, as at January 2022, had disbursed the sum of N368.79 billion to over 778,000 beneficiaries, comprising 648,052 households and about 130,000 SMEs., adding that a total of 4,478,381 small holder farmers, who cultivated 5.2 million hectares of farmland across the country and created 12.5 million direct and indirect jobs, had received substantial funding under the Anchor Borrowers' Programme (ABP).

Furthermore, he explained that the, "100 for 100 Policy on Production and Productivity is expected to reverse Nigeria's over-reliance on imports, by creating an ecosystem that targets and supports the right companies and projects with the potential to immediately transform and kick start the productive base of the economy," adding that "about N23.20 billion has been disbursed to 28 beneficiaries comprising 14 in the manufacturing sector, 12 in the agricultural sector and two in the healthcare sector."

On the recently launched RT200 FX Programme, which stands for the Race to US \$200 Billion in Forex Exchange Repatriation, he said the programme was targeted at non-oil exports that will reign in US \$200 Billion in foreign Exchange.

Also speaking on the eNaira launched by President Muhammadu Buhari on October 25, 2021, Emefiele explained that the digital currency, which is equivalent to the traditional Naira, will improve the availability and usability of Central Bank Money; support a resilient payment system ecosystem; encourage financial inclusion; reduce the cost of

processing cash; and enable direct welfare disbursement to citizens.

He therefore urged Nigerians embrace the eNaira, and also respect the physical Naira, as a symbol of our National Identity, by keeping it clean.

Earlier in his welcome Address, the President of

## CBN issues Operating Guidelines for RT200 Programme

By: Pearl Ogbonna

The Central Bank of Nigeria (CBN) has issued guidelines for the implementation of the Race To \$200bn Foreign Exchange Programme (RT200 FX Programme) Repatriation.

The guidelines were contained in a circular signed by the Director, Trade and Exchange Department, Dr. Ozoemena Nnaji.

The guidelines stated that the CBN through the Trade and Exchange Department would be responsible for the day-to-day administration of the scheme. Eligible beneficiaries are only exporters of finished and semi-finished goods who would be eligible for this incentive and would qualify for rebates only, where repatriated exports proceeds are sold at the Investors' & Exporters' Window (I & E).

Eligible transactions include, amongst others: export of finished and semi-finished goods wholly or partly processed or manufactured in Nigeria, except otherwise stated by the CBN; exports of goods and services (I.T and Creative Businesses) that are permissible and excluded under existing export prohibition list; and completion of e-form NXP.

Furthermore, the guidelines listed the sum of payments for the incentives and states that it shall be made on quarterly basis. It also outlined the application procedures which include submission

the Kaduna Chamber of Commerce, Industry, & Agriculture (KADCCIMA), Alhaji Suleiman Aliyu, represented by a council member, Hajiya Zainab Usman Tukur, lauded the CBN Governor for what he described as incredible initiatives, which he said aligned with the Federal Government's goal of creating jobs and lifting people out of poverty.

of requests, documentation requirements, processing request for incentives and the approval process. The CBN would conduct routine monitoring and evaluation of disbursements to eligible exporters at the Authorised Dealer Banks (ADB's) and sanction any observed infractions in line with CBN regulations.

The roles and responsibilities of stakeholders under the scheme were equally highlighted in the guidelines which also assures that it would be subject to review from time to time as deemed necessary by the apex Bank.

Recall that the RT200 Programme was introduced to reduce exposure to volatile sources of foreign exchange and to earn more stable and sustainable inflows of FX. It was anchored on a five-point agenda with a view to raising \$200 billion in FX earnings from Non-oil proceeds in the next five years.



## DG Ahmad Advocates Financial Literacy

By: Kosiso Udemezue

The Deputy Governor, Central Bank of Nigeria (CBN), Mrs. Aishah Ahmad has stressed the need for Nigerians to develop themselves with the basic financial skills for future financial resilience and wellbeing.

She disclosed this on Thursday, March 24, 2022, at Government Secondary School, Zone 3, Wuse, Abuja in commemoration of the 2022 Global Money Week with the theme: "Build Your Future, Be Smart about Money".





*A cross section of participants of the 2022 Global Money Week (GMW) in a group photograph.*

Mrs. Ahmad said that the 2022 Global Money Week (GMW) was a special one, as it was the 10th anniversary of the global money week, and an avenue to create an awareness amongst children and youth about the importance of learning to make sound financial decisions.

While noting that having an income and making a lot of money alone did not guarantee financial well-being, she stressed the need to develop financial skills and the right attitude required to be able to manage financial resources effectively.

She highlighted the importance of learning from an early age how to plan for the future, be financially independent, make investments and

have multiple sources of income.

The Principal, Government Secondary School, Mrs. Christiana Kayode Funmilayo, in her welcome address thanked the Management of the Bank for the kind gesture and support as they assured the Bank that the students would be equipped with the financial skills needed to build their future.

GMW is an annual global awareness raising campaign on the importance of ensuring that young people, from an early age are financially aware and gradually acquire knowledge and skills necessary to make sound financial decisions.

## Guidelines for Regulations and Supervision of Credit Guarantee Companies

By: Bartholomew Mbaegbu

**T**he Central Bank of Nigeria, as part of its efforts to stimulate lending to Micro, Small and Medium Enterprises (MSMEs) has released new guidelines for the regulation and supervision of Credit Guarantee Companies (CGCs) in Nigeria.

The circular dated March 23, 2022 and signed by Mr. Mohammed Musa of the Financial Policy and Regulations Department (FPRD) stipulates minimum licensing governance and prudential requirements for prospective credit guarantee companies in Nigeria.

According to the document, the CGCs is a new

initiative to address challenges facing MSMEs caused by market imperfection, collateral constraints, information asymmetry, low profit margin amongst others, which has a resultant effect of limiting MSMEs access to credit.

The Credit Guarantee Companies (CGCs) are expected to provide third-party credit risk mitigation to lenders through the absorption of a portion of the lender's losses on the loans made to Nigeria-based MSMEs in case of default. The guarantee issued by a CGC represents a legal commitment to discharge an agreed portion of the liability of a borrower in the case of default.

The prudential requirements stipulate the guarantee may cover up to a maximum of 75% of the default amount, while the capital adequacy requirements state CSCs to at all times, maintain a minimum paid up capital of 10billion naira amongst others.

Other areas covered in the guidelines include, licensing procedure, permissible and non-permissible activities, corporate governance requirements, regulatory returns requirements amongst others. ■

## COVID-19 Loans: CBN Extends Forbearance By 12 Months

By: Pearl Ogbonna

**T**he Central Bank of Nigeria (CBN) has announced a payment extension of 12-months on its Covid-19 loans.

The CBN announced this in a circular issued on March 15, 2022, and signed by the Director, Financial Policy and Regulation Department (FPRD), Mr. Chibuzor Efobi. The CBN stated that it had extended the 5% per annum interest rate on all Central Bank of Nigeria (CBN) intervention facilities for one year which would take effect retrospectively from the 28th of February, 2022.

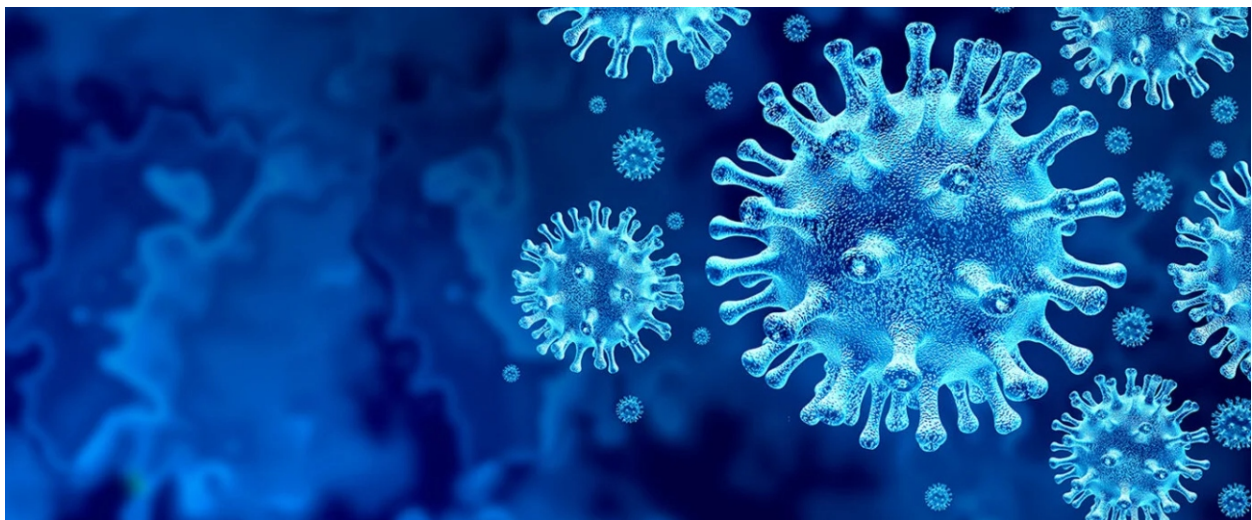
Recall that the CBN via a circular dated March 16, 2020 had reduced the interest rates on all applicable CBN intervention facilities from 9% to 5% per annum for one year, effective from March 1, 2020 as part of measures to mitigate the negative impact of Covid-19 on the Nigerian economy. This was done in response to the Covid-19 pandemic which witnessed the unprecedented disruptions in global supply chains, sharp reduction in crude oil prices, turmoil in global stock and financial markets, massive cancellations in sporting, entertainment and business events, lockdown of large swaths of movements of persons in many countries and international travel

restrictions across critical air routes in the world.

These all resulted in serious adverse effects in key sectors like oil and gas, airlines, manufacturing, trade and consumer markets. The CBN therefore released the circular as its way of providing support for affected households, businesses, regulated financial institutions, and other stakeholders to cushion the adverse economic impact of the pandemic. Furthermore, credit facilities availed through participating banks and other financial institutions were granted a one-year moratorium on all principal payments.

At the expiration of the one-year timeline, the CBN had issued another circular dated March 3, 2021 informing stakeholders that it had extended the regulatory forbearance for another 12 months. The apex Bank also approved the roll-over of the moratorium on the facilities which would be considered on a case by case basis.

This current extension dated March 15, 2022 serves as the second extension and reveals the Bank's commitment in line with its financial stability mandate to lessen the harsh impact of the pandemic on the Nation's economy. ■







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Central Bank of Nigeria



# 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.

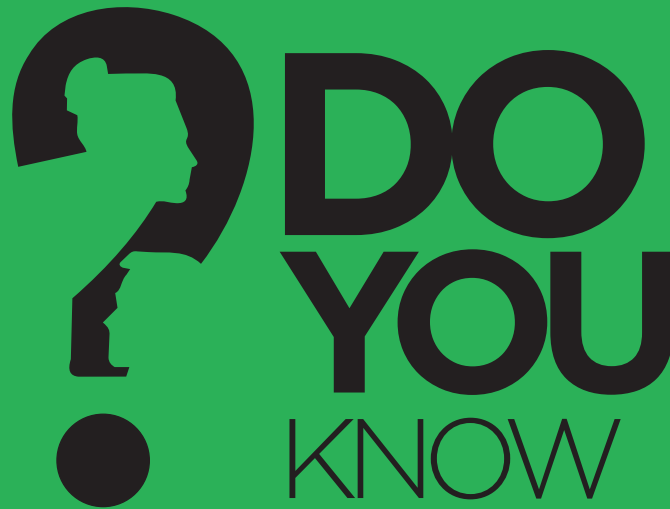
## Why should a business/corporate operate the eNaira wallet?

- = 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/>*



**Agricultural Credit Support Scheme (ACSS):** ACSS was introduced to enable farmers exploit the untapped potentials of Nigerias agricultural sector, reduce inflation and lower the cost of agricultural production (i. e. food items).

**Commercial Agriculture Credit Scheme (CACS):** Commercial Agriculture Credit Scheme (CACS) was created to provide finance for the countrys agricultural value chain (production, processing, storage and marketing). Reduce the cost of credit in agricultural production to enable farmers exploit the untapped potentials of the sector.

**Refinancing and Rediscounting Scheme (RRF):** To encourage medium and long term bank lending to the productive sectors of the economy in order to expand and diversify the nations production base.

**Micro Enterprises:** These are enterprises with less than 10 employees with a total asset of less than N5 million (excluding land and buildings) and operated by sole proprietor.

**Small and Medium Enterprises (SMEs):** SMEs are entities with asset base of N5 million and not more than N500 million (excluding land and buildings) with employees of between 11 and 200.

**Women-Owned Enterprises:** These refer to Nigerian women (group or individuals) or enterprises that are at least 75% owned by female Nigerians.

**Participating Financial Institutions (PFIs):** PFIs shall be Microfinance Banks, Microfinance Institutions (NGOs and Financial Cooperatives), Finance Companies and Deposit Money Banks (DMBs) that satisfy the eligibility criteria defined in this Guideline.

**Microfinance Banks (MFBs):** MFBs are companies licensed by the CBN to carry on the business of providing microfinance services, such as savings, loans, domestic funds transfer and other financial services that are needed by the economically active poor, as defined by the Revised Regulatory and Supervisory Guidelines for Microfinance Banks in Nigeria.

**Microfinance Institutions (MFIs):** MFIs are establishments registered to carry on the business of microfinance services, such as savings, loans and other financial services that are needed by its members.

**Finance Companies (FCs):** FCs are companies licensed to carry on the business of providing financial services to individuals, entrepreneurs, industries as well as commercial or agricultural enterprises as defined by the CBN Guidelines for Finance Companies in Nigeria.

**Deposit Money Banks (DMBs):** Deposit Money Banks (DMBs) are banks licensed by the CBN under the BOFIA and shall serve as PFI and as correspondent bank to other PFIs under the Fund.

**Development Finance Institutions (DFIs):** Development Finance Institutions are specialized financial institutions often backed by Government to provide crucial financial intermediation with the aim of closing up the supply gap in the financial system. DFIs usually provide long term, low risk debt and equity finance to projects for promoting sustainable economic growth.



Central Bank of Nigeria