



Central Bank of Nigeria

CBN UPDATE

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CBN Raises Interest Rate after 20 Months

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Blessing Uzoagbado

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Olalekan Ajayi

Ademola Bakare

LETTERS TO THE EDITOR

We welcome your contributions and comments. Please forward them to the Editor via: ioogbe@cbn.gov.ng

CBN SOCIAL MEDIA

Twitter: @cenbank

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CBN CONTACT CENTRE

contactcbn@cbn.gov.ng

07002255226

CONTACT DETAILS

Corporate Communications Department,
CBN Head Office: 6th Floor Wing "B"
Plot 33, Abubakar Tafawa Balewa Way,
Central Business District,
P.M.B. 0187, Garki, Abuja.

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Editor's Note

We welcome our esteemed readers to the May edition of CBN UPDATE.

In this edition, we bring you the details of the communique of the Monetary Policy Committee (MPC) meeting of the Central Bank of Nigeria (CBN), where the Bank raised the MPR from 11.5 per cent to 13 per cent for the first time in almost 2-years. It however retained the asymmetric corridor around the MPR at +100/-700 basis points, Cash Reserve Ratio (CRR) at 27 per cent and Liquidity Ratio at 30 per cent.

The Governor, Mr. Godwin Emefiele, hosted the visiting delegation from the Management of the Bank of Uganda, who were on experience sharing tour of the CBN's Central Bank Digital Currency (CBDC) known as the eNaira.

The Director, Development Finance Department, Mr. Philip Yila Yusuf, led a team of Directors of the CBN, on an onsite monitoring and evaluation visit to various intervention projects funded by the Bank under the Real Sector Support Facility-Differentiated Cash Reserved Requirement (RSSF-DCRR).

It was a feeling of accomplishment when the CBN became the first central bank in Africa and first Government Agency in Nigeria to be admitted into the Association of Certified Fraud Examiners (ACFE)-Law Enforcement and Government Alliance (LEGA). At the event, the Governor reiterated the Bank's stance against fraud.

The CBN in its sustained efforts to ensure a strong, stable, and resilient economy, has directed Other Financial Institutions (OFIs) in the country to enroll in the redesigned regulatory guidelines for Credit Risk Management System (CRMS).

We also provide you with news stories of the CBN eNaira sensitization exercise and onboarding of the eNaira Wallet for traders and individuals at the Kairo market, Oshodi in Lagos with a call on Nigerians to embrace the Central Bank Digital Currency (CBDC), the eNaira, as an additional means of transaction. Furthermore, the CBN has restated that the eNaira will complement the existing currency Naira notes and would circulate simultaneously as a means of exchange and store of value. This became necessary against the background of false claims that the Bank intends to withdraw the Naira notes and replace it with the eNaira.

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

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

Osita Nwanisobi
Editor-in-Chief

CBN Raises Interest Rate after 20 Months

By: Ademola Bakare



Mr. Godwin Emefiele
Governor, CBN

For the first time in almost 2 years, the Central Bank of Nigeria's (CBN) Monetary Policy Committee (MPC) at its third meeting of the year raised the interest rate from 11.5 per cent to 13 per cent.

The Governor, Central Bank of Nigeria, Mr. Godwin Emefiele announced the decision on Tuesday, May 24, 2022, while briefing journalists on the outcome of the Committee's meeting in Abuja.

Explaining the decision, the Governor said "the MPC is suspicious that there might be aggressive accretion of inflation, thus, to prevent the looming inflation, the MPC had to increase the monetary policy rate by 150 basis points.

However, the CBN retained the asymmetric corridor of +100/-700 basis points around the MPR. Cash Reserve Ratio (CRR) at 27 per cent and Liquidity Ratio at 30 per cent.

He said members expressed deep concern about the continued uptrend of inflationary pressure in spite of the gradual improvement in output growth, adding that the Committee considered the current rise inimical to growth and full recovery of the Nigerian economy.

Continuing, Mr. Emefiele said after careful review of developments in the past two months and the outlook of growth in the domestic and global economy as well as downsides of each policy, it was clear and compelling that tracking inflation is more urgent in sequence of policy objectives.

The MPC urged the CBN to double its efforts at supporting the priority growth-enhancing sectors of the economy, and the federal government to also do more in providing a safe and secured environment for economic activities to stimulate growth.

News Analysis

CBN Raises MPC Rate to 13% : Matters Arising

By: Onyemakonor Ogbe

The Central Bank of Nigeria (CBN), rising from its 285th Monetary Policy Committee (MPC) meeting, changed the Monetary Policy Rate (MPR) from 11.5 per cent to 13 per cent for the first time in almost 2-years. The Committee's decisions include the retaining of the asymmetric corridor of +100/-700 basis points around the MPR, the Cash Reserve Ratio (CRR) at 27.5 per cent and the Liquidity Ratio at 30 per cent.

The MPC raising the MPR comes at a time when most central banks from the advanced economies have hiked rates in response to growing inflationary trends being experienced on a global scale, owing to the Russia-Ukraine War.

Available records show that the US raised its rate to 1.0 per cent with inflation trending heading to 8.3 per cent. The UK elevated its rate to 1.0 with inflation at 9.0 per cent and India raised its MPR to 4.4 per cent with inflation at 7.79 per cent. China and Indonesia raised their interest rates to 3.7 per cent and 3.5 per cent with inflation at 21 per cent and 3.47 per cent respectively.

In Nigeria, the factors that have influenced this rate change since September 2020 is not different from the dynamics on the global scale. Aside from the current global supply disruptions due to the Russian invasion of Ukraine, the Nigerian economy has been besieged by security crisis. There is also the worsening upsurge in money supply arising from build up to the 2023 election.

Historically in Nigeria, such surge in money supply has always manifested in terms of demand pressure on the exchange rate, thereby resulting to the depreciation of the Naira.

The situation is further complicated by the twin problem of nation-wide power system collapse and the energy crisis. A combination of these factors has resulted to fragile GDP growth with the attendant inability to effectively combat growing unemployment.

The CBN Governor, Mr. Godwin Emefiele while briefing Journalists on the decisions of the MPC meeting on Tuesday, May 24, 2022 noted that world economies are challenged with declining global growth and heightened uncertainties associated with adverse price developments across the world. He stated that these developments are in part a reflection of the ongoing Russia-Ukraine crisis, which are repercussions from the various sanctions imposed on Russia by Western democracies. The persistent supply chain disruptions in major trading routes, coupled with the Chinese economy still being weighed down with the lingering impact of the COVID-19 pandemic, total lockdown of key cities and substantial distortions in the property market as well as modest inflationary pressures has worsened the situation. The above scenario has made the central banks of Advanced and Emerging Economies to adopt monetary tightening economic parameters to curb the rising inflationary trends.

While the Nigerian economy recorded substantial growth, it was nevertheless faced with an increase in price levels, lingering insecurity and backlash from the Russia-Ukraine war. The MPC therefore emphasized the need for the Bank to continue to employ its monetary tools at its disposal and upscale its collaboration with the fiscal authority to ensure that inflation is effectively reined in and return growth to a strong and sustainable path.

Why the change in MPC rates? What is the hike in the rate expected to achieve? These are some of the questions on the lips of pundits and critics alike.

As earlier deduced in this piece, the CBN raising its interest rate is in line with world central banks as over 60 central banks raised interest rates to reflect the current state of the world economy. Before now, Interest rates hovered near unprecedented lows in most advanced economies for the past decade and in some cases went negative. The sudden shift in policy is undoubtedly a measure to curb the high inflationary trend in many countries, driven by spiraling energy and food costs since the commencement of the Russia-Ukraine war in February 2022.

While some see the change in rates as a hint that the Bank may have loosened its grip on the control and impact of the inflationary trend, others believe that CBN, like central banks in other jurisdictions is employing its monetary tools in addressing the challenge. Before now, it may have retained rates in the hopes that it could help ensure lending and engender an increase in economic growth. The recent MPC decision points to the fact that the

CBN is not only alive to its functions and duties but is also determined to address inflation.

Conclusively, the CBN decision to hike rates is seen among experts as a silver bullet aimed at combating the rising cost of goods and services, stabilize the Naira exchange rate and keep the economy attractive enough for foreign investors in order to achieve some salutary economic growth.

Banks Attracted N6.69trn New Deposits in 12 Months - CBN

By: Pearl Ogbonna



Mrs. Aishah Ahmad

CBN Deputy Governor, Financial System Stability (FSS)

The total deposits in banks rose from N32.69 trillion in February 2021 to N39.38 trillion in February 2022 resulting in N6.69 trillion deposit growth.

This was disclosed by the Deputy Governor, Financial Systems Stability (FSS), Central Bank of Nigeria (CBN), Mrs. Aishah Ahmad in her personal notes to the Monetary Policy Committee. She further affirmed that the financial system remains resilient and continues to provide significant support for domestic economic recovery.

It was noted that capital adequacy as at February 2022 was at 14.40 per cent. Industry liquidity was also strong at 43.5 per cent over the same period while the non-performing loans ratio declined

further to 4.8 per cent in February 2022, from 4.94 per cent in December 2021.

Mrs. Ahmad declared that the state of the industry reflects the case-by-case review of regulatory forbearance, effects of the Global Standing Instruction (GSI) policy, and sound industry risk management practices. Notably, also, data provided by the CBN showed stability in broad financial soundness indicators and sustained improvement in asset quality, alongside growing credit to the private sector.

Furthermore, it was observed that total assets rose to N62.01 trillion in February 2022 from N52.32 trillion in February 2021, while total deposits rose to N39.38 trillion from N32.69 trillion over the same period.

The Deputy Governor, FSS, noted that for the deposit rates, the monthly weighted average Open Buyback (OBB) and Inter-bank call rates decreased to 5.81 and 9.30 per cent in February 2022 from 6.00 and 16.00 per cent in January 2022, respectively. The decrease in the rates, she said, signifies loose liquidity conditions in the banking system, which could worsen inflation conditions if unchecked. In that light, she advised that liquidity management actions of the CBN, which have helped prevent overheating of the economy following increased liquidity injections in response to spillover effects of the pandemic be sustained.

Continuing, she disclosed that banks' credit to customers also increased by N4.13 trillion between

end- February 2021 and end-February 2022 with significant growth in credit to manufacturing, general commerce, and oil & gas sectors. Adding that the continued growth in credit particularly to output enhancing sectors is expected to further support economic recovery. Additionally, sustained regulatory vigilance is required to mitigate any potential crystallization of credit risk in the financial system from lingering macroeconomic risks.

It was also noted that the slight increase in core inflation was mostly due to rising energy prices as a result of the recent scarcity of Premium Motor Spirit (PMS), rise in the cost of Automotive Gas Oil (AGO), and hike in electricity tariff.

“While the recent spike in domestic prices may be

transitory, it is prudent to take forward-looking policy decisions to mitigate unforeseen adverse price developments and manage inflation expectations. Sustained interventions by the Central Bank of Nigeria (CBN) to improve food supply alongside fiscal efforts to contain long standing structural constraints are important considerations in that regard,” she said.

She anticipated that the “Race to \$200 billion in FX Repatriation” policy of the CBN which was designed to boost non-oil export receipts is expected to improve foreign exchange supply and strengthen relative exchange rate stability, as this policy complements fiscal sector initiatives to diversify the economy and enhances the renewed focus on improving domestic economic productivity.

No Plan to Replace Naira Notes – Nwanisobi

By: Kerma Mshelia

The Central Bank of Nigeria (CBN) has renounced the statement claiming it intends to withdraw Naira notes from circulation and replace it with the Central Bank Digital Currency (CBDC), known as eNaira.

The Director, Corporate Communications Department, CBN, Mr. Osita Nwanisobi, in an interview with journalists in Abuja, said that the statement, allegedly made during a stakeholders' engagement on eNaira adoption in Asaba, Delta State, that the digital currency would replace Naira notes in circulation, was misinterpreted.

He called on the public to disregard the statement in its entirety, noting that the digital version of the Naira was meant to complement the existing currency notes, and therefore would circulate simultaneously as a means of exchange and store of value.

On the benefits of adopting the eNaira, Mr. Nwanisobi, said that the digital legal tender, aside its safety and speedy features, would also ensure greater access to financial services for the underbanked and unbanked populace, thereby enhancing financial inclusion.

He therefore urged members of the public and business owners to embrace the digital currency, the eNaira, as it offers more possibilities.

The eNaira was formally launched into circulation by President Muhammadu Buhari in October last year.



CBN Develops Enhanced Control on OFIs

By: Kerma Mshelia



The Central Bank of Nigeria (CBN) has issued a guidance note to shield the financial system from issues of money laundering through Other Financial Institutions (OFIs) as part of its core function to promote the safety and soundness of the

financial system, and by extension, formulate appropriate policies and procedures.

CBN Director, Financial Policy and Regulation Department (FPRD), Mr. Chibuzo Efobi in a Circular dated April 25, 2022 to Other Financial Institutions said that, the guidance note would assist the sub-sector in the identification, assessment, mitigation of money laundering and terrorist financing (ML/TF) challenges.

Mr. Efobi said that the Bank had developed the guidance note on anti-money laundering and combating the financing of terrorism (AML/CFT) for other financial institutions (OFIs) such as Microfinance Banks (MfBs), Finance Companies, and Discount Houses.

He said that the internal controls would be commensurate with the size, structure, risks and complexity of the financial institution, adding that the internal controls would address risks and compliance requirements unique to a particular line of business or department and were part of a

comprehensive AML/CFT compliance programme.

Mr. Efobi noted that the OFIs were required to develop an AML/CFT programme, which would contain, at least, the Board and senior management oversight, risk management, policies, and procedures, monitoring and suspicious transaction report, internal control, compliance function and training.

The Director added that the Board of Directors would establish an AML/CFT programme in line with the AML/CFT legislations and regulations, AML/CFT policies and procedures, assign a member to handle AML/CFT issues or establish a committee, do so and report to it.

Also, the Board of Directors are also expected to issue policies on ML/TF risks, formulate and communicate a code of conduct/ethics that included AML/CFT issues. Moreover, the OFIs Senior Management was to be accountable for the implementation of the AML/CFT programme.

CBN Directs OFIs to Enroll in CRMS by August 1, 2022

By: Ademola Bakare

The Central Bank of Nigeria (CBN) has mandated Other Financial Institutions (OFIs) in the country to enroll in the redesigned regulatory guidelines for Credit Risk Management System (CRMS) for commercial, merchant, and non-interest banks by August 1, 2022.

The CBN said the requirements of the regulatory

guidelines for the CRMS for commercial, merchant and non-interest banks issued on February 27, 2017 are now mandatory and applicable to all OFIs in the country.

This was contained in a circular issued to OFIs by the Bank and signed by the Director, Financial Policy and Regulation Department (FPRD), Mr. Chibuzo Efobi.



Central Bank of Nigeria Building, Abuja

According to the statement, enforcement of Section 3.1 (a) of the extant guidelines on CRMS that captures the “submit before disbursement” requirement shall commence on Monday, August 1, 2022.

The circular further directed the OFIs to ensure that all their customer accounts, conform with the 10-digit Nigeria Uniform Bank Account Number (NUBAN) format and tagged with Bank Verification Number (BVN) or Tax Identification Number (TIN) for individual and non-individual accounts respectively of the account holder.

The OFIs are further requested to profile the information on the NIBBS' Industry Customer Accounts Database (ICAD) not later than June 20, 2022.

The CBN stressed that the provision of these data remained the prerequisite for the enrollment onto the CRMS going forward, adding that the circular was further to various engagements with the OFIs

in respect to deploying the credit risk requirement.

To ensure full compliance therefore, the CBN had also advised the OFI operators to conclude the tagging of all live credit files of individuals and non-individual borrowers with BVN and TIN respectively by May 14, 2021.

The Bank noted that the move was part of its efforts to promote a safe and sound financial system in Nigeria through the introduction of the CRMS to improve risk management in all financial institutions to prevent predatory borrowers from undermining the banking system.

It added that with the successful implementation of the CRMS in deposit money banks, it has now become expedient to commence the enrolment of OFIs on the CRMS platform.

The bank advised that failure by the OFIs to comply with the timelines would attract appropriate sanctions.

CBN Disburses N40bn to IKEDC

By: Kenekukwu Afolabi & Zichat Abuja-Kato



The CBN Director, Development Finance Department, Mr. Philip Yila Yusuf and the CEO of IKEDC, Mrs. Folake Soetan (in the middle) flanked by CBN Director, Risk Management Department, Dr. Blaise Ijebor (on their left) and CBN Director, Strategy Management Department, Mr. Clement Buari (on their right) at the inspection of the Ikeja Electricity Distribution Company

As part of efforts to aid developmental projects and enhance electricity production and distribution in the country,

the Central Bank of Nigeria (CBN) has disbursed N40bn to Ikeja Electricity Distribution Company (IKEDC), through the Real Sector Support Facility-

Differentiated Cash Reserve Requirement (RSSF-DCRR) intervention programme.

This was disclosed by the Director, Development Finance Department, Mr. Yila Yusuf during the CBN onsite monitoring and evaluation of IKEDC, Lagos, on May 26, 2022.

Speaking during the monitoring exercise, Mr. Yila stated that the CBN had disbursed excess of N40bn to IKEDC to increase energy and ease the burdens of meter acquisition on Nigerians. He noted that the objective of the assessment exercise was to evaluate the progress of the projects embarked upon by IKEDC and ensure the outcome matches the fund already disbursed. He revealed that the CBN had extended different interventions to various companies in Lagos.

Commenting on the projects executed so far by IKEDC, Mr. Yila expressed satisfaction with the level of work.

“We've seen what they utilised the funds for, both on National Mass Metering Programme (NMMP), Operating Expenditure (OPEX), Capital Expenditure (CAPEX) and other interventions they've taken from the CBN. We see progress, be it sub-stations that they are elevating and transmission lines they are putting in place. We are quite impressed, and we are really happy,” he said.

Mr. Yila also commended IKEDC for their innovation, which has propelled them into meeting and exceeding the target set for them.

“You realise Nigeria has excess of seven million metering gap, and as we may even grow close to 10 million soon. Phase zero is just one million, of which

IKEDC has already met and exceeded the target set by Nigeria Electricity Regulatory Commission (NERC). On phase one, we are looking at three million meters across the entire Distribution Companies (DISCO) and we look forward to disbursing to IKEDC so that they can meet and bridge the metering gap,” he added.

Fielding questions from the media, the CEO of IKEDC, Mrs. Folake Soetan stated that the CBN interventions focused on ensuring that customers are metered, and their networks are expanded to relieve overloaded transformers, amongst others. She revealed that the company has exceeded the installation of 106,000 meters target set for them. She noted that part of the CBN disbursed fund was used to acquire Distribution Transformers (DT) to relieve existing overloaded ones, strengthen the networks and embark on new projects for digital transformation as well as to ensure more efficiency in their processes.

At Eko Electricity Distribution Company (EKEDC), the Managing Director, Dr. Tinuade Sanda disclosed that the company was at the verge of collapse before CBN intervention. She noted that out of 79,178 meters allocated to the company under the NMMP, only 68,865 meters had been installed, due to some challenges experienced by their contractors. She assured that full installation would be achieved soonest.

The CBN delegation on the two-day monitoring exercise comprised the Director, Development Finance Department in company of his counterparts from Risk Management, Legal Services, Banking Supervision, Strategy Management and Trade and Exchange Departments to evaluate the level of various intervention projects funded by the Bank.

CBN Takes eNaira Campaign to Oshodi Market Traders

By: Kenechukwu Afolabi & Gbemisola Akinmokun

The Central Bank of Nigeria (CBN) has called on the traders to embrace the eNaira for fast, safe and efficient transactions. The call was made at the sensitization and onboarding of eNaira Wallet organized by the Bank in collaboration with Bizi Mobile on May 5, 2022 at Kairo Market, Oshodi, Lagos.

Speaking at the event, the Branch Controller, Central Bank of Nigeria, Lagos, Mr. Bariboloka Koyor said that the sensitization was aimed at educating the traders on the use and benefits of the eNaira in business transactions. He remarked that the eNaira is fast and cheap for diaspora and local transfer and best in terms of eradicating the spread



The Branch Controller, Central Bank of Nigeria (CBN) Lagos, Mr. Bariboloka Koyor, addressing the leaders of Oshodi market at the sensitization and onboarding of eNaira Wallet in Lagos

of counterfeit notes.

Mr. Koyor stated that the eNaira was designed with the best integrated security system to guard against fraudulent alert or transactions. He assured the traders that their money would be safe with the use of eNaira wallet, and with digitalized mode of payment, the risk associated with carrying large amounts of cash around is eliminated.

In his address at the sensitization programme, the National President, Arewa United Consultative Forum, Alhaji Ado Dansudu emphasized on the need for introduction of eNaira in indigenous languages to engender more participation. He expressed optimism that with the translation of information on eNaira to various indigenous languages, a lot of Nigerians would easily enroll.

While commending the CBN for considering Oshodi market as the pilot location for eNaira sensitization, the Secretary General of Oshodi Market, Mr. Obinna Umeh applauded the CBN for

the introduction of eNaira, which he believed would proffer lasting solutions to fake alerts often received by traders during business transactions.

Describing Oshodi market as the hub of business in Lagos State, Mr. Umeh noted that once the traders in Oshodi market get onboarded, other markets will easily key into it. He assured that his team would ensure the traders get onboarded as swiftly as possible, so that the objectives of the initiative will be realised.

Also, the Managing Director of Bizi Mobile and a 3rd party agent on eNaira, Dr. Aminu Bizi said that eNaira is 99.99% secured and without hidden charges compared to other digital currencies. He noted that eNaira also serves as a good source of employment generation as individuals will benefit a lot with enrollment as eNaira agent. As an eNaira agent, the CBN pays for every wallet you open, he said.

While shedding more light on how eNaira works, the eNaira project representative, Mr. Aduljelili Yusuf said that the eNaira is seamless and its inclusiveness has made it easy for Nigerians to have e-wallet account, even without a bank account.

He revealed that additional features such as USSD code (*997#), bill payments for cable TV, flight booking, electricity amongst others would soon be availed in the eNaira wallet application in the nearest future. He affirmed the CBN commitment to ensuring that the eNaira is fraud proof.

Experts Eulogise CBN For Energy Sector Interventions

By: Kerma Mshelia

Experts in the energy sector have applauded Management of the Central Bank of Nigeria (CBN) for its role in the various intervention programmes that have led to the path for economy recovery.

The experts praised the CBN for its intervention in the power industry, which they said had given the sector an upgrade.

An economic analyst, Stephen Kanabe had said that the intervention by the Bank in the distribution segment of the power sector would contribute

meaningfully to reduce the lingering challenges of poor infrastructure and arbitrary billing of end-users.

They urged the Management to comply with the requirements for the application of the CBN facility to ensure a productive output for economic recovery.

Nigeria currently has an estimated metering gap of five million households, that raised concerns of arbitrary billing by distribution companies.

Earlier in the year, the CBN Governor, Mr. Godwin

Emefiele, disclosed that under the Nigeria Electricity Stabilisation Facility, a total of N229 billion had been disbursed to 9 DisCos to enable them meet-up their financial obligations to upstream market players.

The Bank had also released N47.83 billion to ten DisCos under the National Mass Metering Programme for the procurement of 858,026 electricity meters. Due to these disbursements, the revenue collection for DisCos increased significantly to over N69 billion as of December 2021.

The Associate Director, Energy, Utilities and

Resources at Pricewaterhouse Coopers, Habeeb Jaiyeola, said that the country's continued support to DisCos would have an overall impact on the sector to facilitate the expected objectives, adding that with the Federal Government's equity ownership in the DisCos, it must see to the success of interventions.

He urged the Bank's Management to clearly outline and monitor the intervention to ensure the achievement of projected objectives, adding that the National Mass Metering Programme needed to be checked against some of its set objectives in terms of coverage, availability, and completion time.

Financial Inclusion: Emefiele Optimistic of 85% Target

By: Olalekan Ajayi



Mr. Godwin Emefiele
Governor, CBN

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has expressed optimism that the Bank will achieve the 85% financial inclusion rate target in Nigeria, within a very short period from its current rate of slightly below 70%.

Mr. Emefiele disclosed this at the Bank's head

office in Abuja, while playing host to a delegation of Executive Directors from the Bank of Uganda, who were on an experience sharing tour of the CBN's Central Bank Digital Currency (CBDC) project on Monday, May 9, 2022. He noted that the CBN was committed to accelerating the rate at which those who were financially excluded could come into the formal banking sector.

He expressed satisfaction that the country's Central Bank Digital Currency, the eNaira, had recorded some level of success judging by the rate of integration and security features, adding that the CBDC will enhance the relationship between mobile banking and e-business to speed up the rate of financial inclusion.

The CBN Governor also noted that the interest the novel eNaira was attracting from other countries and multinational bodies such as the International Monetary Fund (IMF) and the World Bank, underscored the level and quality of work the CBN had put into the project. Although he noted that Nigeria, being the first country in Africa to launch its CBDC, was a case study to other climes, he said the country was treading cautiously to ensure it sustains the successes recorded thus far.

While equally stressing that the country had

deepened its payments system infrastructure, which he noted was ranked among the best in the world, Mr. Emeziele paid tribute to his predecessor in office, Sanusi Lamido Sanusi, for laying the foundation upon which the country's current payments system was built. He recalled that Sanusi, as then CBN Governor, appointed him chairman of the sub-committee of the Bankers' Committee to lead the payments system drive in 2012, adding that the move paved the way for innovative ideas that eventually led to the creation of eNaira.

He therefore charged the Executive Directors

(Deputy Governors equivalent) of the Bank of Uganda to strive to strengthen their country's payments system, noting that a strong payment system remained the bedrock for the successful take-off of a Central Bank Digital Currency (CBDC).

The delegation from the Bank of Uganda (BoU) comprised; Executive Director and Economic Adviser to the Governor, BoU, Dr. Jacob Opolot; the Executive Director, Information Technology, BoU, Mr. Richard Mayebo; Executive Director, Finance, BoU, Mr. Richard Byarugaba; and the Ag. Director, National Payments Systems Department, Mr. Andrew Kawere.

Nigeria's e-Payment Transactions Grew by N330trn in 2021

By: Chioma Udeogu

The Central Bank of Nigeria (CBN) has said that electronic transactions in Nigeria surged by 66 per cent year-on-year from N198.61 trillion at the end of 2020 to N330 trillion in December 2021.

The CBN Deputy Governor, Financial System Stability (FSS), Mrs. Aishah Ahmad, disclosed this while delivering a keynote address at a conference organized by BusinessDay Limited, on Wednesday, May 11, 2022 in Lagos.

While speaking on the theme "The Future of Payment and Fraud: Catching the Next New", the Deputy Governor said the shift to digital image platform has influenced major change in consumer, business and bank behaviours, in which all the other operators in the payments ecosystem are still promptly responding to.

She further disclosed that the Bank has set additional target of 85 per cent for Financial Inclusion by 2024.

Mrs. Ahmad urged for more competition within the FinTech sub-sector so as to facilitate higher digital financial services and mitigate risks involved in digital payment.

The Deputy Governor who was represented by a

Deputy Director, Banking and Payments System Department Mr. Taiwo Oladimeji, explained that these technological trends coupled with deliberate thinking, and regulatory framework by the Bank have helped the country in having one of the fastest growing FinTech sub-sector and highly dynamic financial industry.

According to her, financial technology and digital banking are increasingly disrupting traditional banking and opening innovative avenues of distributing and delivering financial services.

Highlighting specific steps, she said innovation is acknowledged as a significant device to achieve meaningful progress in this course. She further stated that while financial inclusion continues to improve in the country, the transformation of the country's payments system would require the prioritization of six regulatory factors.



Continuing, she said creation of the agenda to understand the markets for new players requires more synergy that will attract opportunities and monitor changes in the monetary transmission mechanism.

She, however said, to achieve financial inclusion

and demonstrate access to quality service for all Nigerians, the Bank would have to resolve the challenges related to identity management, neutralize financial access points into interoperability of payment systems, electronic payments, and open banking.

Lagos Rail Project: CBN Commends Pace of Work

... Call on banks to support Nigerian companies to grow production

By: Kenekwuwu Afolabi & Zichat Abuja-Kato



CBN Director, Development Finance Department, Mr. Philip Yila Yusuf leading the Bank's Inspection team at the Redline Rail Project.

The Central Bank of Nigeria (CBN) has commended the pace of work at the Lagos Red & Blue Lines Rail Projects.

The Director, Development Finance Department, CBN, Mr. Yila Yusuf gave the commendation on Thursday, May 26, 2022 in continuation of a two-day monitoring exercise to evaluate the level of completion of various intervention projects funded by the Bank.

Mr. Yusuf revealed during the tour of Lagos Red and Blue lines rail projects being executed by Lagos Metropolitan Area Transport Authority

(LAMATA) that the rail station has the capacity to convey 750,000 to one million people daily, which would have a vast multiplier effect on the economy of Lagos.

"The Managing Director of LAMATA has also given us a brief that it was expected to convey between 750,000 to one million passengers daily on the line and that's huge. To us at the Central Bank, that is significant as it would contribute to production output in the country. You can see lots of jobs being created and I look forward to its operation by the end of Q1 of 2023" he said.

The CBN team further visited some companies at Lagos Free Trade Zone at Lekki to ascertain the level of the projects funded by the Bank. The companies include Candel Company Ltd, Sana Building Systems, Pinnacle Oil and Gas FZE and Elevate Commercials amongst others.

During the tour of Candel Company Ltd, Mr. Yila expressed his satisfaction with the manufacturing line and the employment generated by the company. He revealed that the company was given N2bn under the Commercial Agricultural Credit Scheme (CACS) fully paid to First Bank of Nigeria.

He assured that the CBN would continue to provide support for the company. He noted that Candel brand is proudly Nigerian and once the customers begin to be patriotic about the country and Candel, the company will go a long way to impact the lives of Nigerians.

The Director, Legal Services Department, Mr. Kofo Salam-Alada in his contribution, maintained that the monumental and multiplier effect of what the N2bn fund can do for the economy is indescribable, in the sense that the expectations of Nigerians in terms of the growth of agricultural value chain can be met if companies like Candel are allowed to thrive.

He called on the Nigerian banks to partner with Candel to drive it forward. He also encouraged the input suppliers to patronize Candel because the products are cheap and of high-quality chemical content.

Speaking on the activities of Candel company, the

Director, Banking Supervision Department, Mr. Haruna Mustafa, highlighted that the company's activities are complementary to the Bank's RT200 policy designed to boost the non-oil sector.

Also speaking, the Chairman of Candel Company Ltd, Mr. Charles Anudu thanked the CBN for the intervention. He stated that Candel products are indigenous, which signifies that if Nigerians are given the right incentive, they could do a lot.

He revealed that Candel also manufactures for some of their competitors to increase capacity utilization. This, according to him has reduced importation from China, thereby preserving foreign exchange.

The monitoring team was also pleased with the pace of project at the Sana Steel Factory, having observed that the finished products are bound for export. They were also happy that the factory was manned by mostly Nigerians, who operated advanced welding machines and computers.

In her speech, the Director, Trade and Exchange Department, Dr (Mrs.) Ozoemena Nnaji stated that the export of Sana products to some neighbouring countries would earn forex for the country. She hoped that the factory could benefit from the RT200 policy to get the benefit of rebate.

The President of the Sana Building Systems, Mr. Ken Krieger appreciated CBN for its unrelenting efforts in rebuilding the economy. While pleading for more funds to increase capacity, he revealed that the factory's current capacity and production is because of the funding received from the CBN.

Emefiele Restates CBN's Stance Against Fraud

By: Aisha Sadiq-Musa

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has restated the Bank's stand in its fight against money laundering, illicit financial flows and other financial crimes, in order to inspire public confidence in the country's financial sector.

Mr. Emefiele reiterated this at the Bank's head

office in Abuja, during the official presentation of the Association of Certified Fraud Examiners (ACFE)- Law Enforcement and Government Alliance (LEGA) Certificate to the Bank, on Friday May 27, 2022.

The Governor noted that with Friday's presentation, the Bank had joined organizations such as the

African Development Bank (AfDB) and has also become the first Central Bank in Africa and first Government Agency in Nigeria to be admitted into LEGA.

He expressed satisfaction that the collaboration was very pivotal to the Bank as a regulator to leverage the expertise in trainings and exchange of skills and ideas, being the largest pool of anti-fraud experts in the world and a premier provider of anti-fraud, AML/CFT training.

Mr. Emefiele, who was represented by the Deputy Governor, Corporate Services, Mr. Edward Adamu, stated that the Bank formally became a member of the A Certified Fraud Examiner (ACFE) on November 15, 2021, stressing that the synergy would boost the relationship between both Local and International law enforcement agencies.

He added that the Bank had put in place policies and programmes aimed at upholding high ethical standard among staff and key external

stakeholders of the Bank

In his remark, the President/Chief Executive Officer of ACFE-LEGA, Mr. Bruce Dorris, expressed his pleasure and gratitude to the Bank for joining the team, and was optimistic of a favourable collaboration with the Bank and members of staff.

Also speaking, the President, Abuja chapter of the ACFE-LEGA, Mr. Ishilli Emmanuel, equally congratulated the Bank for successfully going through the stringent process of becoming a member of the ACFE-LEGA.

The ACFE-LEGA is an organization that is aimed at bridging the gap between the financial and investigative worlds of law enforcement agencies and government entities. It also offers a variety of training for professionals working to combat fraud, cybercrime, identity theft, anti-money laundering, contract and procurement fraud, as well as courses for professionals conducting local, internal and global investigations.

Nigeria Ranked 8th Top Remittance Recipient

By: Louisa Okaria

The World Bank has rated Nigeria as the 8th top remittance recipient in Sub-Saharan Africa with a total of \$106.58billion sent back home, in the last five years from 2017 to 2021.

Data obtained from the World Bank revealed that Nigerians in the diaspora remitted \$22.04billion, \$24.32billion, \$23.81billion and \$17.21billion, 2018, 2019 and 2020, respectively. The inflow was because of large population of Nigerians in the diaspora.

The Senior Special Assistant to the President on Foreign Affairs and the Diaspora, Mrs. Abike Dabiri-Erewa, had said that in 2017 there were about 15 million Nigerians in the diaspora. In addition, the National Bureau of Statistics' (NBS) data indicates that six out of 100 households in Nigeria receive remittances from abroad.

Also, in its "Migration and Development Brief" released recently, the World Bank disclosed that remittance inflows from Nigerians in the diaspora rose by 11.2 per cent to \$19.2billion in 2021 from \$17.21billion in the previous year, making the

country's total diaspora population remittances surge to \$106.58billion.

The Brief noted that the remittance inflow soared 14.1 per cent to \$49 billion in Sub-Saharan Africa in 2021 primarily because of enhanced remittance inflows for the period. Nigeria was rated high among Low – and Middle – Income Countries (LMIC) in 2021, below countries such as Philippines, Pakistan, Mexico, China, Egypt, India, and Bangladesh.

The report noted that remittances were a major source of external finance to LMICs, compared to Foreign Direct Investment (FDI), Official Development Assistance (ODA) and Portfolio Investment.

During the year 2020 recession, remittance acted as a buffer against the shock of COVID-19 pandemic challenges as it was the paramount source of international financing for developing countries including Nigeria, as part of the growth of remittance flows to LMICs recorded was a result of migrants sending money to cushion the effect of COVID-19 challenge on their families.



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

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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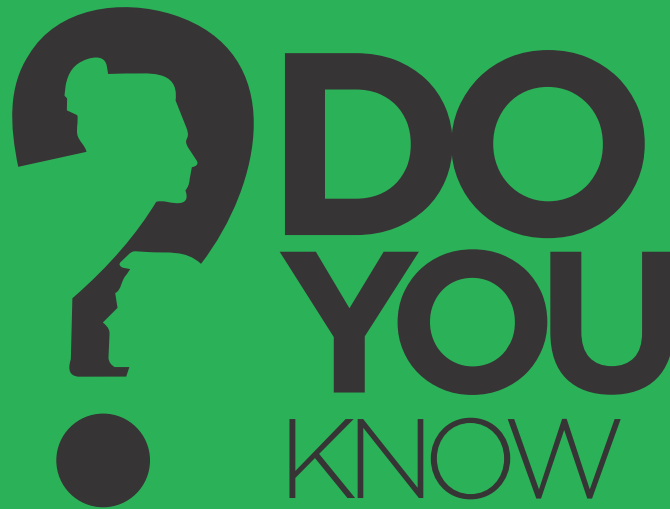
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Central Bank of Nigeria



Do you know that according to the CBN clean notes policy, it is illegal to abuse or sell the Naira. The value of our currency should not be undermined.

Did you know that according to the CBN clean notes policy, is it illegal to staple, trample upon, write on, spray on or squeeze the naira note. The Naira is our symbol of national pride and nationhood, the Naira should be treated with respect.

Do you know that a mutilated Naira note that is a banknote, partially or permanently damaged by fire, water, dye, insects, torn or destroyed by natural disaster and clearly more than half of the original size can be returned to your bank and any Central Bank of Nigeria branches within the specific allowed period (Till September 9, 2019)

That if you make a complaint to your bank, you must insist on getting the Consumer Complaint Management System (CCMS) tracking number from your bank? This will enable the Central Bank of Nigeria do a follow up.

That if you make a complaint to your bank on card related and funds transfer issues, and after 72 hours the issue was not resolved. You can contact the CBN by sending an email to: cpd@cbn.gov.ng, contactcbn@cbn.gov.ng or call +234 7002255226

That if you make a complaint to your bank on account management issues and after 14 days grace for resolution the issue was not resolved, you can contact the CBN by sending an email to: cpd@cbn.gov.ng, contactcbn@cbn.gov.ng or call +234 7002255226

That if you make a complaint to your bank on excess charges and was not recitifed within 30 days allowed for resolution, you can contact the CBN by sending an email to: cpd@cbn.gov.ng, contactcbn@cbn.gov.ng or call +234 7002255226



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