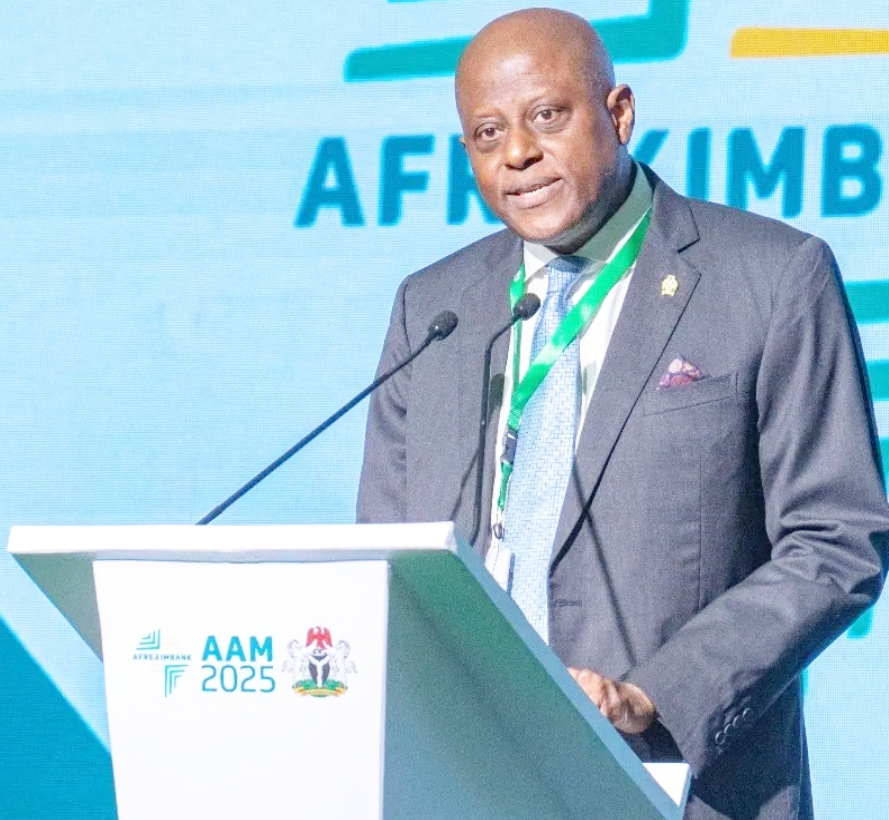




Institutional Resilience Key to Africa's Future – Cardoso

INSIDE THIS EDITION:

- Centre Applauds Cardoso on Monetary Policy
- CBN Shares Non-Interest Finance Expertise with Africa
- Nigeria, AfDB Sign \$500 Million Protocol Agreement
- Recapitalisation: Banks Get Transitional Guidance
- Moody's, Fitch Upgrade Nigeria's Credit Rating

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Editor's Note

If we still have people who doubt the staying power of Nigeria's economic reforms, the June 2025 edition of CBNUPDATE provides clear evidence that in Nigeria, policy discipline is indeed beginning to pay off.

This issue opens with the Central Bank of Nigeria's Governor, Mr. Olayemi Cardoso, urging African leaders that institutional resilience is key to a positive future. Next is the CBN's unwavering stance on Bureau De Change (BDC) recapitalisation deadlines, which underscore the point that regulatory certainty remains a cornerstone of market confidence. That resolve is mirrored in the CBN's careful management of transitional forbearance for select institutions, aimed at safeguarding sector stability while aligning with global best practices.

We take you inside significant developments on the international stage, where the country's upgraded credit ratings by Moody's and Fitch point to growing confidence in the economy, with special praise for the Bank's FX reforms and tighter monetary policy stance. At the same time, the signing of a \$500 million protocol agreement with the African Development Bank (AfDB) signals renewed regional leadership and long-term solidarity.

This edition also celebrates impact where it matters most. From rising non-oil exports and a N5.17 trillion trade surplus in Q1, to the deployment of new non-interest financial instruments and deeper Islamic finance cooperation across Africa, the CBN continues to widen access, deepen innovation, and anchor credibility in the financial system.

At home, through platforms such as the South-South Zone Customers' Forum and the Bullion Editorial Workshop, the CBN fosters a culture of dialogue, research, and service delivery excellence.

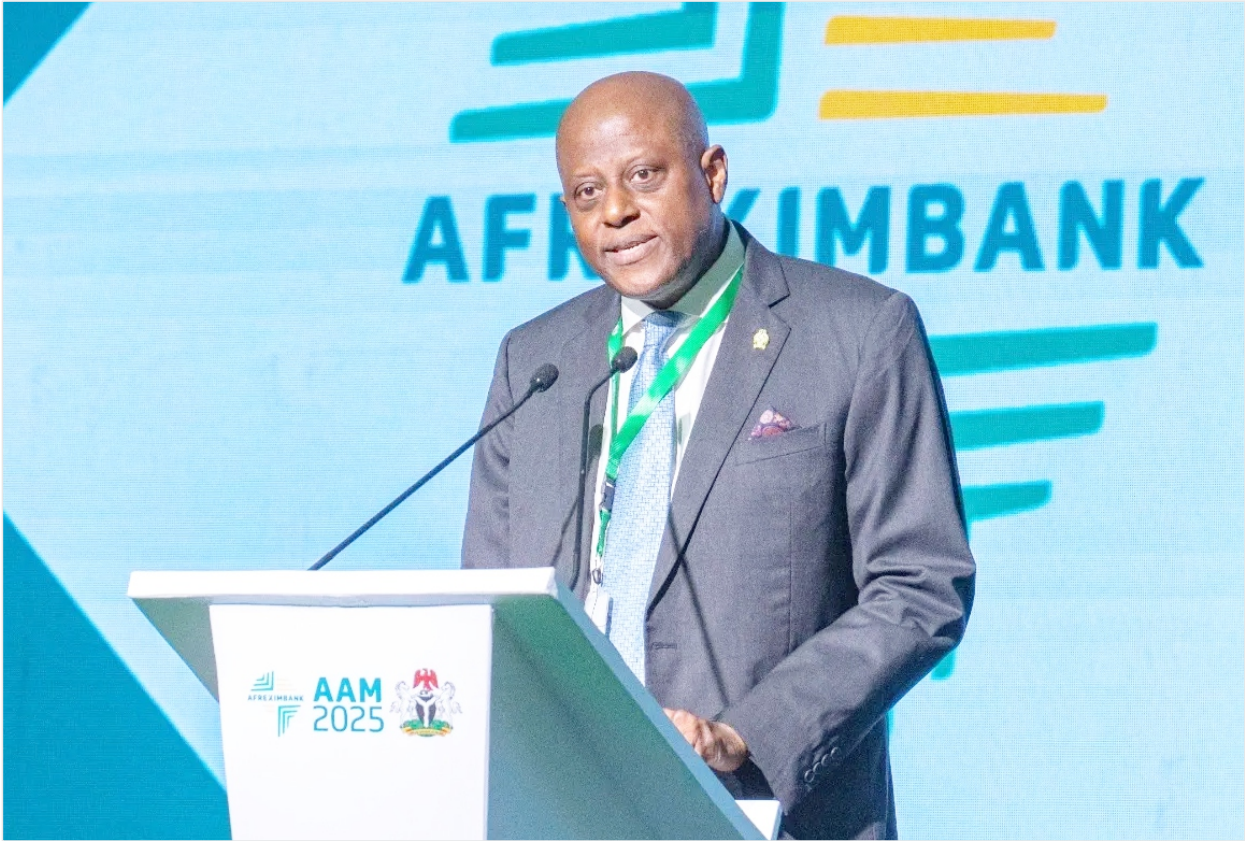
The headlines say it all: stability is not just the goal; it shall be the reality!

Happy reading. ■

Hakama Sidi Ali
Editor-in-Chief

Institutional Resilience Key to Africa's Future – Cardoso

By: Titilayo Oluwasina



Central Bank of Nigeria (CBN) Governor, Mr. Olayemi Cardoso, speaking at the 2025 Annual Meetings of Afreximbank, held in Abuja.

The Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, has underscored the importance of institutional resilience as a vital foundation for building strong and lasting African institutions.

Speaking recently in Abuja at the opening of the 2025 Annual Meetings of the African Export-Import Bank (Afreximbank) he emphasised that resilience must be deliberately engineered through strategic foresight, crisis preparedness, sound governance, and stakeholder trust.

Mr. Cardoso described the gathering as a momentous occasion to celebrate Afreximbank's 32nd anniversary and reflect on the Bank's transformative journey over the past three decades. He commended the President of Afreximbank, Prof. Benedict Oramah, the Board of Directors, and the entire team for their unwavering commitment to reshaping Africa's

economic trajectory, noting that their work continues to inspire hope, confidence, and collective action across the continent.

Speaking on the session's sub-theme, "Thirty-Two Years of Resilient Growth and Transformation," he stated that the discussion was timely, as Africa currently faced a multitude of overlapping challenges, including geopolitical fragmentation, trade protectionism, technological disruptions, and climate shocks. Despite these hurdles, he emphasised that the continent has demonstrated remarkable resilience, having weathered multiple financial crises, commodity price volatility, and the COVID-19 pandemic.

Mr. Cardoso further highlighted Afreximbank's unique role in this resilience journey, praising the institution for evolving beyond the traditional financial institution into a trusted pan-African partner, strategic convener, and

catalyst for change. He reminded attendees that the Bank was established in Abuja in 1993 to provide much-needed trade finance at a time when global financial institutions were retreating from Africa. Since then, he observed, Afreximbank had evolved from humble beginnings into a formidable continental force, backed by 51 African nations and a diverse coalition of public and private sector partners.

The Governor cited several strategic interventions by Afreximbank that had significantly impacted Africa's economic landscape. These include the launch of the Counter-Cyclical Trade Liquidity Facility (COTRALF) in 2015, which disbursed over US\$10 billion to stabilise African economies during widespread foreign exchange shortages.

He further lauded the Bank's contribution to Africa's public health efforts, particularly its US\$2 billion financing arrangement for 400 million doses of COVID-19 vaccines in partnership with the African Union in 2021. These interventions, according to him, underscore the Bank's critical role as a dependable countercyclical actor and demonstrate the effectiveness of African-led solutions in addressing African challenges.

Highlighting Nigeria's partnership with Afreximbank, Cardoso described the country as both a founding member and the Bank's largest single beneficiary. He noted that Nigeria had received approximately US\$52 billion in trade and project financing, reflecting the depth of its engagement with the institution.

As the continent continues to navigate complex global economic dynamics, Mr. Cardoso called for even stronger strategic alignment among African countries. He urged accelerated implementation of the African Continental Free Trade Area (AfCFTA), deeper regional integration, and closer engagement with the African diaspora, which he described

as a vital extension of Africa's economic and cultural identity.

He also outlined recent reforms by the Nigeria (CBN) aimed at enhancing diaspora participation in the local economy. These include the introduction of two tailored financial products—the Non-Resident Nigerian Ordinary Account and the Non-Resident Nigerian Investment Account—designed to increase remittances and investments from Nigerians abroad.

Reflecting on the qualities that underpin institutional resilience, the Governor stressed the importance of strategic foresight, crisis preparedness, transparent communication, and sound governance. Over the past year, he shared that the CBN had prioritised rebuilding trust and credibility with citizens, markets, and partners through clarity, consistency, and confidence-building measures.

Mr. Cardoso called on African leaders and institutions to embrace greater ambition and purpose, urging them to commit to building resilient, future-ready systems. "Afreximbank has helped us dream big. Now, it is time to deliver big," he said.

The highlight of the opening event was the formal launch of Afreximbank's flagship publications: the 2025 African Trade Report and the 2025 African Trade and Economic Outlook Report. The reports are expected to guide policymakers and stakeholders on Africa's trade performance, prospects, and economic direction.

The high-level event, scheduled to run from June 25 to 27, at the Transcorp Hilton, Abuja, convened leaders and stakeholders from across the continent and beyond to discuss the theme, "Building the Future on Decades of Resilience," with a packed agenda of panel discussions, high-level dialogues, and presentations focused on African trade, development finance, industrialization, and regional integration. ■

NEWS ANALYSIS

Nigeria's Policy Reforms Earn IMF Endorsement

By: Olalekan Ajayi

source:www.bing.com



The International Monetary Fund (IMF) has praised Nigeria's ongoing economic reforms, describing them as bold and necessary steps that are helping to stabilise the macroeconomic environment and lay the groundwork for sustained growth.

In its 2025 Article IV Consultation, the IMF commended the Nigerian authorities for implementing challenging yet impactful structural policies aimed at restoring financial discipline and institutional credibility. According to the Fund, the reforms have strengthened macroeconomic stability and enhanced economic resilience.

A key focus of the report was the restoration of central bank independence, particularly through reforms that curtailed fiscal dominance. The Central Bank of Nigeria (CBN) has drastically reduced the use of its "Ways and Means" facility—an emergency financing mechanism that had ballooned in recent years. As of April 2025, these advances had been slashed by nearly 90 per cent, a move the IMF welcomed as part of Nigeria's "discontinuation of deficit monetisation" and a concrete step towards building a credible foundation for inflation targeting.

The IMF also acknowledged the CBN's aggressive stance on inflation, which has yielded tangible outcomes. Headline inflation, which soared to over 40 per cent, declined to 22.9 per cent in May 2025. The Fund urged the Bank to maintain its tight monetary policy stance until disinflation is firmly established.

The IMF further applauded Nigeria's foreign

exchange (FX) reforms, particularly the replacement of the multiple exchange rate windows with a unified "willing-buyer, willing-seller" model, backed by a digital trading platform known as B-Match. These changes, implemented under the leadership of CBN Governor Olayemi Cardoso, have significantly improved liquidity and price discovery in the FX market.

The impact has been notable. The FX premium between official and parallel market rates has narrowed sharply, from over 60 per cent to below 3 per cent. Inflows into the FX market reached \$6.9 billion in the first quarter of 2025. External reserves rose to \$40.9 billion by the end of 2024, sufficient to cover more than eight months of imports, exceeding international adequacy thresholds.

Nigeria also marked its return to the international capital market with a Eurobond issuance in January 2025, its first since 2021. The IMF described this as a signal of "strengthened investor confidence" and a resumption of portfolio inflows.

The IMF expressed support for ongoing reforms in the banking sector, including the recapitalisation programme that will see banks increase their minimum capital base significantly by March 2026. The initiative is expected to help banks absorb shocks, expand credit access, and support Nigeria's ambition to build a \$1 trillion economy.

The Fund also acknowledged efforts to broaden financial inclusion through digital banking and initiatives such as the Women's Financial Inclusion Initiative (Wi-Fi), which targets previously excluded groups.

The report noted progress in Nigeria's Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) framework. It emphasised the importance of addressing remaining gaps to enable the country's exit from the Financial Action Task Force (FATF) grey list.

Despite the positive momentum, the IMF warned of lingering challenges, including high

inflation, infrastructure shortfalls, security concerns, and fiscal risks. It urged the government to address issues in agriculture, energy supply, health and education, and to enhance climate resilience.

The IMF concluded that the current policy reforms provide “a strong foundation for sustained and inclusive growth,” but stressed the need for continued policy coordination, clear communication, and flexibility in the face of a fast-changing global economy.

Responding to the report, Governor Cardoso said, “At a time of global uncertainty, this assessment reaffirms that responsible, forward-looking policy choices matter. It affirms that Nigeria is regaining credibility, anchoring expectations, and laying the foundation for inclusive, long-term growth. It is both an encouragement to stay the course and a reminder that resilience and prosperity require continued discipline and vision.”■

CBN Shares Non-Interest Finance Expertise with Africa

By: Titilayo Oluwasina



Some CBN Executives with delegates from the Central Bank of Tanzania and the Reserve Bank of Malawi, at the CBN Headquarters in Abuja.

The Central Bank of Nigeria (CBN) has reaffirmed its leadership in Islamic finance regulation by hosting a high-level study visit for senior officials from the Central Bank of Tanzania and the Reserve Bank of Malawi. The week-long programme, held from June 16 to 20, 2025, at the Bank's Headquarters in Abuja, focused on the regulation and supervision of non-interest (Islamic) banking.

The visit formed part of the Bank's ongoing efforts to promote regional cooperation, enhance regulatory capacity, and deepen knowledge exchange among African central banks in the area of Islamic finance.

In her opening remarks, the Director of the Financial Policy and Regulation Department, Dr. Rita Sike, welcomed the delegates and described the engagement as a significant

milestone in the collective drive to build inclusive, ethical, and resilient financial systems across the continent. She noted that it was the second time Nigeria had hosted officials from Tanzania and the first time it had welcomed participants from Malawi, underscoring the growing interest in non-interest banking across the region.

Dr. Sike highlighted the increasing relevance of Islamic finance in Africa, noting its potential to promote financial inclusion, deepen financial markets, and support infrastructure development through ethical and risk-sharing principles. She emphasised the role of central banks in ensuring financial system stability while fostering inclusive growth.

She further noted that Nigeria had made

progress since issuing the Guidelines for the Regulation and Supervision of Non-Interest Banks in 2012. Key milestones include the establishment of the Financial Regulation Advisory Council of Experts (FRACE) at the CBN and the Advisory Committees of Experts (ACE) within licensed institutions to ensure Shariah compliance and uphold sound governance practices.

During the five-day programme, delegates engaged in technical sessions led by CBN officials and industry experts. The sessions addressed various regulatory topics, including licensing, capital adequacy, Shariah governance, supervision, corporate governance, Shariah audits, and non-interest deposit insurance. The programme also included practical insights into the operations of both commercial and microfinance non-interest banks.

As part of the study visit, delegates undertook field visits to Jaiz Bank and the non-interest banking window of SunTrust Bank in Abuja. These visits provided firsthand exposure to Shariah-compliant banking operations, including product development, compliance mechanisms, and fund segregation practices in dual-window institutions.

In her closing remarks, Dr. Sike expressed confidence that the programme would contribute meaningfully to the development of robust regulatory frameworks in Tanzania and Malawi. She reaffirmed the CBN's commitment to supporting regional growth in Islamic finance through sustained collaboration, capacity building, and knowledge sharing.

The initiative further highlights the Bank's strategic vision to position Islamic finance as a catalyst for ethical investment, financial inclusion, and regional integration throughout Africa. ■

Recapitalisation: Banks Get Transitional Guidance

By: Pearl Ogbonna

In line with its mandate to ensure a robust and resilient financial system, as well as strengthen and safeguard the banking system, the Central Bank of Nigeria (CBN) has introduced time-bound measures for a small number of banks still completing their transactions from the temporary regulatory support provided, mostly in response to the economic impact of the COVID-19 pandemic.

In a recent press release signed by Mrs. Hakama Sidi Ali, Acting Director, Corporate Communications Department, the CBN, disclosed that the move was part of the Bank's broader strategy to implement the banking sector recapitalisation programme.

The CBN also attested that the recapitalisation programme, designed to align with Nigeria's long-term growth ambitions, has yielded significant capital inflows and strengthened balance sheets across the sector, as most banks have either completed or are on track to meet the March 31, 2026, capital requirement deadline.

"The measures announced apply only to a

limited number of banks. These include temporary restrictions on capital distributions, such as dividends and bonuses, to support retention of internally generated funds and bolster capital adequacy. All affected banks have been formally notified and remain under close supervisory engagement", the press release reads.

"To support a smooth transition, the CBN has allowed limited, time-bound flexibility within the capital framework, consistent with international regulatory norms", it continues, noting that Nigeria generally maintains Risk-Based Capital requirements that are significantly more stringent than the global Basel III minimums.

CBNUPDATE garnered that the adjustments reflect the Bank's well-established supervisory processes and are consistent with global standards.

Similarly, in its effort to foster a transparent, predictable, and collaborative regulatory environment, the CBN has reaffirmed its full



Central Bank of Nigeria Headquarters, Abuja.

commitment to ongoing engagement with stakeholders throughout the transition period, leveraging platforms such as the Bankers' Committee, the Body of Bank CEOs, and other industry forums.

The press release concluded by reassuring stakeholders that the banking system remains fundamentally sound, emphasising that the

measures are neither unusual nor cause for concern, but rather part of the ongoing structured implementation of existing reforms. The Bank will, therefore, continue to take all necessary actions to safeguard the sector's stability and ensure a robust, resilient financial ecosystem that supports sustainable economic growth.■

CBN Engages South-South Stakeholders on Service Delivery

By: Emike Ikhumhi

The Deputy Governor, Operations of the Central Bank of Nigeria (CBN), Dr. Bala Bello, has reaffirmed the Bank's commitment to customer-centric values, emphasising that the Bank's core principles are key to strengthening its relationship with both internal and external stakeholders.

In a keynote address he delivered at the 2025 South-South Customers' Forum (SSCF) held at the CBN Port Harcourt Branch, Dr. Bello described the forum as a strategic platform for dialogue, collaboration, and collective action, especially as the financial landscape continues to evolve with the growing adoption of digital technologies and financial innovation. According to him, customer feedback should serve as a "compass from hindsight to foresight," guiding the development of responsive and proactive regulatory

frameworks.

Highlighting the importance of stakeholder input, Dr. Bello, represented by Mr. Kazeem Olatinwo, a Deputy Director in CBN called for sustained collaboration among regulators, financial institutions, and service providers, urging a data-driven and inclusive approach to achieving a resilient financial ecosystem. He stressed that fairness, honesty, and respect for every customer must remain central to the Bank's service philosophy.

In his opening remarks, the Director of the Currency Operations and Branch Management Department, Dr. Adedeji Adetona, reflected on the evolution of the Customer Forum initiative, which began in 2011 at the Abuja Branch and has since been hosted in 31 CBN branches nationwide.



Group photograph of participants at the event

Dr. Adetona emphasised that the core objective of the Forum is to promote operational efficiency and customer satisfaction by engaging directly with stakeholders. He noted that this year's Forum included segmented sessions to address the specific needs of Ministries, Departments, and Agencies (MDAs) as well as Deposit Money Banks (DMBs). He added that subject matter experts were invited to provide clarifications and facilitate constructive discussions on policy and service delivery matters.

Encouraging open dialogue, the Director reaffirmed the Bank's commitment to transparency, accountability, and continuous improvement, thanking participants for their presence and contributions.

Also speaking at the event, the Branch Controller of the Port Harcourt Branch, Mr. Tom George, described the Forum as more than just a meeting, calling it a celebration of the enduring partnership between the bank and its customers in the South-South geopolitical zone. He highlighted the importance of customer experiences and expectations in

shaping a more responsive and inclusive financial service environment.

Mr. George urged participants to freely express their views, stating that open engagement was key to building mutual trust and strengthening service delivery. He reaffirmed the Branch's dedication to learning and evolving based on stakeholder feedback.

The Forum featured a series of presentations, including: "Excellence Service Delivery to CBN External Stakeholders: The Currency Operations Branch Management Model," "Statutory Rights and Duties of Customers in a Banking Relationship in Nigeria," "Achieving Customer Satisfaction by CBN Branches through Enhanced Service Delivery," and "Making CBN Branches More Attractive for Enhanced Service Delivery," amongst others.

The 2025 South-South Customers' Forum continues to serve as a vital platform for strengthening stakeholder engagement, aligning customer needs with Bank policies, and fostering innovation for a more effective and people-focused financial system. ■

Nigeria Hits N5.17tr Trade Surplus

By: Mukhtar Maigamo

Nigeria realised a trade surplus of N5.17 trillion in the first quarter of 2025, marking a sharp increase of 51.07 per

cent from the N3.42 trillion surplus posted in the previous quarter, according to the latest data released by the National Bureau of Statistics

(NBS) in its Foreign Trade in Goods Statistics dashboard.

This feat is driven mainly by a strong export performance despite the escalating import costs and global economic headwinds.

According to the report, the total trade for Q1 2025 reached N36.02 trillion, representing a 6.19% year-on-year increase. Exports contributed N20.60 trillion to this total, up 7.42 per cent compared to the same period in 2024. "The merchandise trade balance for Q1 2025 remained positive at N5,172.31 billion, reflecting a 51.07 per cent rise from the previous quarter," the report stated.

The report also highlighted the dominance of crude oil, which accounted for N12.96 trillion (62.89 per cent) of total exports, even though crude oil export revenues dipped by 16.35 per cent from Q1 2024.

Nevertheless, the surge in non-oil exports helped balance the decline in oil revenue. Agricultural exports in particular, grew by an impressive 64.65 per cent to N1.70 trillion, up from N1.04 trillion in Q1 2024. Cocoa beans, cashew nuts, and sesame seeds were the leading products, with Europe and Asia serving as key markets. Imports stood at N15.43 trillion, a 4.59 per cent increase from Q1 2024 but down 7.02 per cent compared to the previous quarter.

On the import side, China maintained its position as Nigeria's top import partner, supplying 30.19 per cent of total imports, followed by India and the United States, with the most traded commodities such as, Motor spirit ordinary, Petroleum oils and oils obtained from bituminous minerals, crude, Cane sugar meant for sugar refinery, and Durum wheat (Not in seeds). Major imports included petroleum products, machinery, and raw materials. Agricultural imports also rose by 12.52 per cent to N1.04 trillion, reflecting growing demand for food and farming inputs.

Conversely, on the export side, the top five trading partners, as reported in Q1 2025, were India, the Netherlands, the United States, France, and Spain. Moreover, the most exported commodities "included crude oil, liquefied natural gas, other petroleum gases in a gaseous state, Urea, whether or not in aqueous solution, and Standard quality Cocoa beans."

On the regional side, Nigeria's trade with other African nations remained strong, with exports to

the continent totalling N1.85 trillion. Key African export destinations included South Africa, Ivory Coast, Senegal, Togo, and Ghana, with petroleum products leading the export mix.

Imports from African countries totalled N766.82 billion, primarily consisting of petroleum products from Angola and South Africa, highlighting ongoing intra-African energy trade.

While crude oil continues to dominate, Nigeria's efforts to diversify exports are yielding results. Exports of agricultural and manufactured goods are on the rise, with manufactured exports increasing by 9.58 per cent to N294.43 billion. These included unwrought aluminium alloys, dredgers, and cathodes. Though still modest compared to oil, this growth signals progress towards a more diversified export base.

Conclusively, these positive outcomes reflect the strategic role played by the Central Bank of Nigeria (CBN) in shaping these dynamics. For example, exchange rate stabilisation measures taken by the CBN since the assumption of the current management under Mr. Olayemi Cardoso have supported exporter competitiveness while mitigating imported inflation. The unification of multiple FX windows into a single "willing buyer, willing seller" regime, cutting arbitrage and other allied reforms, improved currency stability and boosted autonomous FX inflows, helping offset import costs and bolster export earnings.

These efforts ensured improved liquidity in the foreign exchange market, benefiting both exporters and importers and contributing to net trade gains. Other measures taken were the promotion of non-oil exports through initiatives such as the RT200 FX Programme

It can be recalled that the CBN Governor, in his speech at the CBN's 59th annual dinner, which took place in Lagos last year (2024), laid out some of the outcomes of the bold reforms he had undertaken in the Bank, and expressed his commitment to serving the best interest of Nigerians.

In his words, "I want to assure you that at the Central Bank, every decision we make is driven by a commitment to serving the best interests of the people. This is why we will continue strengthening our internal capacity and processes to ensure our decisions remain firmly rooted in evidence-based analysis." ■

FROM THE 2025 AFREXIMBANK ANNUAL MEETINGS HELD IN ABUJA



L-R: The Secretary General, African Continental Free Trade Area (ACFTA) Secretariat, H.E. Wamkele Mene and the CBN Governor, Mr. Olayemi Cardoso at the event.



Prof. Benedict Oramah, President, Afreximbank (left) and Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun at the event.



L-R: DG FSS, CBN, Mr. Phillip Ikeazor; DG EP, CBN, Dr. Abdullahi Muhammad and Director, Corporate Secretariat Department, CBN, Mrs. Rashida Monguno at the event.



DG EP, CBN, Dr. Muhammad Sani Abdullahi, during a high-level panel on "Strengthening Institutional Resilience for Africa's Growth and Prosperity."



Industry players displaying the Reports launched at the event.

STRATEGIC ENGAGEMENTS



CBN Governor, Mr. Olayemi Cardoso and Governor, Central Bank of Malawi, Dr. MacDonald Mwale, when the latter visited the CBN Head Office in Abuja.



CBN Governor, Mr. Olayemi Cardoso (middle) with the Malawian Central Bank delegation at the CBN Head Office, Abuja.



CBN Governor, Mr. Olayemi Cardoso and the United Arab Emirates (UAE) Ambassador to Nigeria, H. E. Salem Al Shamsi, when the latter paid a working visit to the CBN Head Office, in Abuja.



CBN Governor, Mr. Olayemi Cardoso, with the United Arab Emirates delegation at the CBN Head Office, Abuja.



Governor, Central Bank of Nigeria, Mr. Olayemi Cardoso, and Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, during the working visit by the Minister to CBN Head Office in Abuja.



CBN Governor, Mr. Olayemi Cardoso, in a warm handshake with the Governor of the Central Bank of Egypt, Mr. Hassan Abdalla, when the latter visited for a high-level bilateral engagement at the CBN Head Office in Abuja.

GLOBAL TIT BITS

Nigeria, AfDB Sign \$500 Million Protocol Agreement

By: Ogochukwu Ikeagwuonu



Minister of Finance and the Coordinating Minister of the Economy, Mr. Wale Edun and the AfDB President, Dr. Akinwumi Adesina, signing the \$500 Million Protocol Agreement on the sidelines of the African Development Bank's 2025 Annual Meetings held in Abidjan.

The African Development Bank Group (AfDB) and the Federal Government of Nigeria have signed a landmark agreement to commit \$500 million over the next 15 years to extend the Nigeria Trust Fund (NTF), reinforcing Nigeria's leadership in African development financing and deepening support for the continent's most vulnerable nations.

The signing ceremony took place on the sidelines of the African Development Bank's 2025 Annual Meetings in Abidjan. The new protocol agreement marks a significant renewal of the Fund, established in 1976 to advance Africa's economic development and social progress.

Nigeria's Minister of Finance and the Coordinating Minister of the Economy, Mr. Wale Edun, underscored the nation's continued commitment to regional solidarity and development. Since its inception, the NTF has financed 92 operations across 33 countries, providing critical support in key sectors, including agriculture, energy, education, transportation, water, and sanitation. It has proven especially vital for least developed and fragile states, often serving as a key funding source to bridge gaps and respond to urgent development

challenges.

"The Fund was first created in 1976, and we are proud to renew it. Though we are all developing countries, we recognise the importance of supporting one another. Nigeria is happy to stand with the most vulnerable among us," Mr. Edun asserted.

In his remark, the AfDB President, Dr. Akinwumi Adesina, stated, "The Nigeria Trust Fund is a powerful symbol of Nigeria's leadership, solidarity, and vision for Africa's development." He also added that "as the largest single donor trust fund of the Bank, it stands as a testament to Nigeria's historic and ongoing commitment to the continent's development agenda."

Dr. Adesina further affirmed that the renewed \$500 million commitment extends the life of the Fund to 2040 and introduces several enhancements following a comprehensive review by the Bank's Independent Development Evaluation Department. These include greater flexibility for deploying NTF resources in innovative financial instruments such as hybrid capital, balance sheet optimisation, securitisation, and catalytic risk-sharing tools.

Dr. Adesina reiterated that this commitment

would enable more private sector work, unlock more private capital, and support low-income countries in transformative ways; hence, Nigeria has demonstrated once again that it is on the right side of history.

Going forward, the AfDB and Nigeria are collaborating to develop new financial instruments and mechanisms to expand the

Fund's impact, as well as improve strategic alignment with broader regional development priorities.

It would be recalled that the NTF operates as a fully integrated financial window of the AfDB, reinforcing Nigeria's foundational role in shaping and financing Africa's development journey. ■

GLOBAL TIT BITS

AfDB 2025: G20 Experts Push for Global Financial Governance

By: Ogochukwu Ikeagwuonu



During the 2025 Annual Meetings of the African Development Bank (AfDB), African leaders, economists, and global development experts highlighted systemic flaws in the international financial architecture. They proffered a path towards fairer global economic governance for developing economies. The meeting, held under the auspices of South Africa's G20 presidency, marked the first time an African country has held this role.

Chaired by the former South African Finance Minister, Trevor Manuel, the panel brought together 25 distinguished members, including AfDB Vice President and Chief Economist, Kevin Urama; Nobel Laureate and MIT Professor, Esther Duflo; former World Bank Chief Economist, François Bourguignon; and UN Economic Commission for Africa Chief Economist, Hanan Morsy.

Speaking on behalf of the Chairman, Kevin Urama emphasised the urgent need to correct

the imbalances facing African countries in accessing finance. "African countries pay about 500 per cent more in loan interest when borrowing from global capital markets compared to multilateral development banks. In 2025, Africa's debt service costs could soar to \$89 billion, diverting vital resources away from education, healthcare, and infrastructure," Urama highlighted.

The Expert Panel identified four key priorities: addressing the climate crisis with justice and urgency, ensuring debt sustainability for low-income countries, financing a fair energy transition, and leveraging Africa's vital minerals for inclusive development.

The dialogue continued with a high-level call for Solidarity, Equality, and Sustainability, focused on the role of ambitious national platforms in mobilising finance, standardising policy, and enhancing collaboration between governments, multilateral development banks, and private sector actors.

Panellists collectively emphasised that multilateral development banks must transition from fragmented project-based approaches to more integrated, programmatic models. Achieving this would require improved policy coordination, better alignment of funding with national strategies, and greater responsiveness from financial institutions.

AfDB Vice President for Regional Development, Integration and Business Delivery, Mrs. Nnenna Nwabuo, concluded the session stating that "some countries struggle to mobilise support simply because their priorities

are unclear or their projects are not investment-ready. Coordination must come from within. When governments lead and align their platforms with national goals, the private sector and development partners will follow."

She reiterated the Bank's commitment to partnering with countries to build integrated, investment-ready platforms. As Africa advances in its historic role within the G20, the Expert Dialogue signalled a bold and strategic push to position the continent as a co-architect of a more equitable global financial order. ■

Non-Interest Banking: CBN Introduces New Instruments

By: Pearl Ogbonna

The Central Bank of Nigeria (CBN) has announced the deployment of the Nigerian Non-Interest Financial Institutions' Master Repurchase Agreement (NNMRA), the commencement of Auction of CBN Non-Interest Asset-Backed Securities (CNI-ABS), and the CBN Non-Interest Note (CNIN).

These initiatives align with the CBN's ongoing efforts to develop the non-interest financial markets, enhance the adoption and effective utilisation of the CBN's non-interest financial instruments, strengthen market participation and further deepen the non-interest financial markets.

The announcement was made through a circular issued recently, signed by Mr. Okey Umeano, Acting Director, Financial Markets Department, CBN. The NNMRA has been deployed to standardise and regulate the conduct of repurchase (repo) transactions in the non-interest banking sector. The agreement will also establish an internationally acceptable guide and define responsibilities for counterparties, including the CBN.

For the CNI-ABS, the circular stated that it is a liquidity management instrument backed by tangible underlying assets and structured in accordance with non-interest finance principles. It also aims to provide non-interest banks with a non-interest financial instrument that supports the CBN's liquidity management objectives.

Furthermore, according to the circular, the CNIN complements the existing non-interest financial instruments by providing an additional avenue for liquidity management through periodic auctions.

With these developments, the CBN requires all eligible and authorised participants to take necessary measures to integrate these instruments into their operations and ensure compliance with existing guidelines, circulars and relevant regulatory frameworks. The Bank has also emphasised that participants will not have access to the Bank's discount window on CNI-ABS and CNIN auction days.

The CBN, therefore, reaffirmed its commitment to continuous market oversight and will issue further guidance as needed. ■

Forex Inflows Surge as Investor Confidence Returns

By: Chioma Udeogu

The Central Bank of Nigeria's (CBN) bold economic reforms, varying from unified exchange rates, strict foreign exchange

market transparency, to orthodox monetary policy, have initiated a steady rise in foreign capital inflows, reflecting growing global

source: www.bing.com



confidence in Nigeria's economic direction.

As the government continues its reform agenda, the rising foreign capital inflow is seen as a reassurance. With continued policy support from the CBN and strong coordination with other government agencies, Nigeria may be on track for stronger economic growth, according to experts.

Upon assuming office, Governor Olayemi Cardoso stressed that his administration was set to rebuild Nigeria's economic buffers and restore financial resilience. He stated at the Banker's Committee Dinner in Lagos that "Every decision we take at the Central Bank is guided by our commitment to the people and backed by rigorous, evidence-based analysis."

Moody's, Fitch Upgrade Nigeria's Credit Rating

By: Ali Abubakar

Nigeria's recent economic policy reforms are receiving international validation, following upgrades to the country's credit ratings by two major global agencies, Moody's Investors Service and Fitch Ratings.

In separate statements, the agencies attributed the improved ratings to reforms introduced by the Central Bank of Nigeria (CBN), particularly in the areas of foreign exchange management, monetary policy tightening, and financial market transparency.

Moody's raised Nigeria's long-term foreign currency issuer rating from Caa1 to B3, citing significant improvements in Nigeria's external and fiscal positions. The agency noted that the overhaul of the foreign exchange framework by the CBN had bolstered the country's balance of

The latest data, presented at the Nigerian Investor Forum held on the sidelines of the last Spring Meetings of the International Monetary Fund (IMF) and World Bank in Washington DC, shows that FX inflows rose to \$28.92 billion in Q1 2025, while outflows stood at \$13.72 billion, reflecting improved liquidity conditions amid evolving policy shifts.

Furthermore, the CBN reforms have contributed to the creation of a more robust and transparent spot market, with average monthly FX turnover increasing to \$8.1 billion in 2025, compared to a 2024 average of \$5.5 billion. These higher inflows, according to CBN, were a result of improved and diversified sources of liquidity, restored functionality of FX markets, and elimination of backlogs and overhang of FX demand.

One of the CBN's most impactful moves was the clearance of a \$7 billion foreign exchange backlog, which greatly improved sentiment among foreign investors and businesses. The reforms, including enhanced transparency and reduced direct market interventions, have been lauded by international institutions such as the World Bank, which hailed them as "bold steps" toward long-term sustainability. ■

payments and improved foreign reserves. It also pointed to signs of easing inflation and lower domestic borrowing costs.

Similarly, Fitch upgraded Nigeria's rating from B minus to B with a stable outlook, affirming that recent policy decisions had enhanced macroeconomic stability. The agency acknowledged the introduction of the Electronic Foreign Exchange Matching System (EFEMS) and the Nigeria Foreign Exchange Code as measures that have boosted liquidity and reduced distortions in the foreign exchange market.

The Governor of the Central Bank of Nigeria, Mr. Olayemi Cardoso, stated that the Fitch upgrade was a strong endorsement of the Bank's commitment to restoring credibility,

improving transparency, and ensuring stability in the financial system. He added that the FX Code, launched earlier in the year, sets enforceable standards for ethical conduct and good governance across the market.

Both agencies emphasised the importance of continued policy consistency, with Fitch forecasting a sustained reduction in external vulnerabilities and an eventual narrowing of the gap between official and parallel market exchange rates. According to Fitch, net official foreign exchange inflows rose by 89 per cent in the fourth quarter of 2024, compared to only 8 per cent in the same period of the previous year.

Reacting to the developments, President Bola Tinubu described the upgrades as a vote of confidence in Nigeria's economic direction. He stated that the positive rating reinforces global confidence in Nigeria's future and affirms the administration's commitment to transparency, discipline, and prosperity for all Nigerians.

Financial experts also welcomed the upgrades. Chief Executive Officer of Ambosit Capital Manager, Dr. Wahab Balogun, stated that the improved credit standing would allow Nigeria

to access international capital markets on better terms and reduce debt servicing costs. He noted that the ratings reflect credibility and growing investor confidence in Nigeria's economic management.

Chief Rating Officer at DataPro, Oladele Adeoye, noted that the stronger outlook could attract more foreign direct investment and support the naira. He explained that a better rating translates to improved capital inflows and lower cost of borrowing.

The CBN has reaffirmed its commitment to sustaining reform momentum, with Governor Cardoso stating that the year 2024 marked the beginning of structural adjustments aimed at returning the Naira to a market-determined exchange rate and entrenching long-term price stability.

With the global financial community taking note, Nigeria appears to be regaining its footing on the path to economic recovery and sustainable growth. The ratings upgrades may serve as a signal to investors that the country is entering a new phase of policy-driven economic credibility. ■

CBN Acts on Bank Forebearance Cases

By: Chioma Udeogu

As part of its commitment to strengthen the resilience and stability of the Nigerian banking sector, the Central Bank of Nigeria (CBN) has reviewed the capital positions and provisioning adequacy of banks currently operating under approved regulatory forbearance regimes.

In a recent press release signed by the Director, Banking Supervision Department, Mr. Olubukola Akinwumi, the CBN addressed banks currently enjoying regulatory forbearance on credit exposures and single obligor limits (SOL), noting conditions that may indicate potential stress in the affected institutions.

The statement emphasised that given the Bank's need to strengthen capital buffers, enhance balance sheet and promote prudent internal capital retention during this transitional period, banks currently benefiting from regulatory forbearance on credit exposures or SOL shall suspend the payment

of dividends to Shareholders. In addition, they are to defer the payment of bonuses to Directors and Senior Management staff, and refrain from making investments in foreign subsidiaries or new offshore ventures.

According to the press release, "This temporary suspension is until such a time as the regulatory forbearance is fully exited and the banks' capital adequacy and provisioning levels are independently verified to be fully compliant with prevailing standards. This supervisory measure is intended to ensure that internal resources are retained to meet existing and future obligations and to support the orderly restoration of sound prudential positions."

Consequently, the CBN will continue to monitor developments and engage the relevant institutions. Affected banks are expected to comply with this directive and maintain prudent capital management practices during this period. ■

Lagos Hosts ECOWAS at 50

By: Daba Olowodun



source:www.bing.com

In an exciting reprisal of history, the Economic Community of West African States (ECOWAS) returned to Lagos, the birthplace of the regional powerhouse, to mark its 50th anniversary with a series of high-level commemorative events.

The milestone celebration, themed “Stronger Together for a Brighter Future,” highlighted ECOWAS’ enduring commitment to regional cooperation, economic integration, and shared development among its member states.

Founded on May 28, 1975, ECOWAS was established when 15 Heads of State and Government signed the Treaty of Lagos at the National Institute of International Affairs on Kofo Abayomi Street, Victoria Island, Lagos. Half a century later, the city once again hosted

leaders, diplomats, and stakeholders to reflect on the community's achievements and chart a new course for the future.

Speaking during the event, the ECOWAS Commission unveiled a bold new vision to transition from an “ECOWAS of States” to an “ECOWAS of the People: Peace and Prosperity to All” by the year 2050. The long-term strategic plan aims to empower the region's estimated 300 million citizens to take active ownership of the organisation's future direction.

According to the ECOWAS Commission, “This anniversary reflects five decades of regional cooperation, economic integration, and collective progress across West Africa”.

While ECOWAS originally comprised 15 member states, its current membership stands at 12 following the recent withdrawals of Burkina Faso, Mali, and Niger.

The current member states include: The Republic of Benin, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mauritania, Nigeria, Sierra Leone, Sénégal and Togo

The anniversary serves as both a celebration and a call to action as the regional body seeks to navigate evolving political and economic challenges, while deepening its core mandate of promoting economic integration across West Africa and bringing unity, peace, and prosperity for its people.■

Deadline for BDC Recapitalisation Stands – CBN

By: Blessing Uzoagbado



The Central Bank of Nigeria (CBN) has refuted claims that it has extended the deadline for Bureau De Change (BDC) operators to fulfil new capital requirements.

In a Press Statement released, the Bank firmly stated that the June 3, 2025, deadline for recapitalisation still stands and has not been shifted to December 31, 2025, as some reports suggest.

The CBN warned that the circulating story is

false and misleading. It reminded the public that the new guidelines, introduced in February 2024, require Tier-1 BDCs to raise their minimum capital to ₦2 billion, while Tier-2 operators are expected to meet a threshold of ₦500 million.

The Bank urged journalists, media outlets, and all stakeholders to always verify information

directly from the CBN on its official website and authorised communication channels for accurate updates.

Reaffirming its commitment to transparency and market stability, the CBN assured that it will continue to engage relevant stakeholders to ensure compliance within the foreign exchange market. ■

Centre Applauds Cardoso on Monetary Policy

By: Kerma Mshelia



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

The Centre for Economic Growth and Monetary Reforms (CEGMR) has praised the CBN Governor, Mr. Olayemi Cardoso, for boosting Nigeria's forex reserves and contributing to reduced inflation.

In a recent statement signed by the Executive Director, Dr. Mary Odoma, CEGMR disclosed that the CBN's policies have renewed investors' confidence and redirected Nigeria towards economic recovery.

The Centre applauded CBN for its disciplined monetary policy stance, which it said was beginning to deliver concrete economic results for the country.

Dr. Mary Odoma, who signed the statement, expressed satisfaction with the direction of the CBN's current policies under Mr. Cardoso.

She noted that the recent slowdown in

inflation, recovery in Nigeria's foreign reserves, and renewed investor confidence were signs that the economy was stabilising after a prolonged period of volatility.

Dr. Odoma commended the Governor for maintaining a steady course, especially through difficult transitions. "His consistent messaging and commitment to orthodox monetary policy are now yielding measurable progress," she said.

The Executive Director said that monetary policy is not magic, but discipline pays off. This turnaround, according to her, reflects the CBN's resolve to prioritise stability over short-term political convenience. "Cardoso is showing Nigerians and the world that professionalism and patience still matter," she added. ■

CBN Charts New Path for BULLION

By: Pearl Ogbonna



Group photograph of participants at the Bullion Editorial Workshop

The Corporate Communications Department of the Central Bank of Nigeria (CBN) recently held the 4th Annual BULLION Editorial Workshop, reaffirming its commitment to positioning the BULLION journal on par with leading international research publications by critically examining and interrogating emerging trends in academic publishing.

The two-day event, which was held recently in Abuja, brought together members of the academic community and researchers from the Statistics, Research and Monetary Policy Departments of the CBN, amongst others, to exchange ideas on transforming the BULLION from a repository of research papers, into a policy-influencing tool that supports the Bank's goals for sustainable economic development.

In her Keynote address, the Acting Director of the Corporate Communications Department, CBN, Mrs. Hakama Sidi Ali, highlighted the importance of having a platform where evidence-based perspectives could be harnessed. She challenged the participants to come up with recommendations that move the BULLION from reporting trends to helping shape them; from amplifying academic voices to curating actionable knowledge; and from merely publishing to truly influencing policy.

Earlier in her welcome remarks, the Acting Head, Internal Communications Division of the Corporate Communications Department, CBN,

Mrs. Grace Otsemobor-Igbanoi, appreciated the Management of the CBN, whose investment in research-driven policy development speaks volumes about its commitment to national progress and institutional growth.

The workshop featured a series of presentations delivered by carefully selected facilitators, chosen for their extensive experience and expertise, which ensured a high-quality and engaging discourse. Papers presented include: "From Findings to Policies: Re-examining the Focus of BULLION Contents" by Dr. Yusuf D. Bulus, Deputy Director, Monetary Policy Department, CBN; "Transitioning as a Research Journal: Implications for Sustained Impact" by Prof. Anthony O. Onyishi, University of Abuja; and "Can BULLION Maintain its Standard in the Age of AI-Generated Content?" by Mr. Ali Abubakar, Head, Publications Office, CCD, CBN and Secretary, BULLION Editorial Advisory Board.

Highlights of the event were the panel discussions on "The Fundamentals of Research and Policy Writings (BULLION in Perspective)", as well as question and answer interactive sessions yielding key recommendations such as the need for the academia to encourage students to adopt a practical approach by grounding their research in current and relevant issues that can inform policymaking. ■



Central Bank of Nigeria

BOLD REFORMS

STABILITY | IMPACT



Economic Growth & Stability



Bank Recapitalization: Unveiled recapitalisation plans, boosting banks' capacity to support economic growth.



Monetary Policy: Effectively waived cash deposit fees, promoting financial intermediation and aiding monetary policy effectiveness.



Financial Inclusion

MFB Licenses & Fintech Initiatives: Expanded financial services through new Microfinance Bank licenses and innovative Fintech solutions, enhancing access for underserved populations.



Consumer Protection

Regulatory Strengthening: Enhanced consumer protection measures, reinforcing trust in the financial system.



Innovation & Fintech Oversight

Regulatory Balance: Promoted Fintech innovation while ensuring financial system stability through comprehensive new regulations.



Financial Literacy

Youth Empowerment: Revised the National Financial Literacy Framework, positioning the next generation for financial success.



Anti-Money Laundering & Counter-Terrorist Financing

FATF Grey List Delisting Efforts: Made strides in implementing AML/CFT measures aimed at removing Nigeria from the FATF Grey List.



Cybersecurity

Cybersecurity Enhancements: Prioritised the adoption of ISO 27001 and a Risk-Based Framework, significantly improving cybersecurity in financial institutions.



Transparency & Market Conduct

Promotion of Responsible Conduct: Banned the distribution of unearned income by banks, fostering transparency and accountability in the financial sector.



Women's Economic Empowerment

We-Fi Code Implementation: Launched the We-Fi Code, boosting financial access for women-owned businesses and promoting economic empowerment.



Foreign Exchange Market Stabilisation

Unification of Rates: Successfully unified exchange rates, helping to stabilise the forex market and reduce arbitrage opportunities.



Economic Confidence

International Endorsements: Restored confidence in the Nigerian economy, evidenced by positive endorsements from international agencies and financial institutions.



Inflation Control

Inflation Targeting: Achieved a decline in inflation for the first time in 19 months, demonstrating effective monetary policy interventions.

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

1. What is the Banking Sector Recapitalization Programme 2024?

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

2. Why is the Programme necessary?

The Programme became necessary to further strengthen Nigerian banks against external and domestic shocks as well as enhance the stability of the financial system. By increasing the minimum capital requirements, the CBN aims to ensure banks have a robust capital base to absorb unexpected losses and the capacity to contribute to the growth and development of the Nigerian economy.

3. What is the objective of the Programme?

The broad objective of the Programme is to engender the emergence of stronger, healthier, and more resilient banks to support the achievement of a US\$1 trillion economy by the year 2030. Bigger banks with larger capital bases and capacity can underwrite larger levels of credit, which is critical to lubricate and catalyse the growth of the economy.

4. Which category of banks is affected by the Programme?

The Programme shall apply to commercial, merchant, and non-interest banks. The goal is to ensure that each institution maintains adequate capital that is commensurate with the risk profile, scale and scope of its operations.

5. What are the new minimum capital requirements under the Programme?

The new minimum paid-up share capital requirements applicable to each authorization category of banks are as follows:

Type of Bank	Authorisation	Minimum Capital (N' Billion)
Commercial	International	500
	National	200
	Regional	50
Merchant	National	50
Non-interest	National	20
	Regional	10

For existing banks, the capital requirements specified above shall be paid-in capital (Paid-up plus Share Premium) only. Bonus issues, other reserves, and Additional Tier 1 (AT1) Capital shall not be allowed or recognized for the purpose of meeting the new minimum capital requirements. However, relevant reserves will continue to be recognized in the computation and determination of the risk-based capital adequacy ratio (CAR) in line with the CBN's Guidelines on Regulatory Capital. All applications for a new banking license shall comply with the new capital requirements.

6. What is the timeframe for banks to comply with the new requirements?

The CBN has set a timeline of 24 months for banks to comply with the new requirements commencing from 1st of April 2024 and terminating on March 31, 2026.

7. Will the Programme affect banks' delivery of products and services?

The Programme will not affect the smooth functioning of banks. Accordingly, consumers of financial services are expected to carry on with their regular banking transactions unhindered during the implementation of the Programme.

8. How will the Programme impact the economy?

The Programme will better position banks to play their intermediation role through lending to critical sectors of the Nigerian economy, thus supporting economic growth and development. In addition to supporting economic growth, the Programme will help enhance banks' capital buffers to ensure their continued stability and sustainability in the face of global and domestic macroeconomic headwinds.

9. What factors did the CBN consider in determining the new minimum capital requirements?

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

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

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

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

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

12. How are banks expected to raise or meet the required capital?

Banks may meet the new requirement through the following options:

a. Issuance of new common shares (by way of public offer, rights issues, or private placements); b. Mergers and Acquisitions (M&As); or c. Upgrade/Downgrade of their respective license category or authorization. The CBN will issue guidelines to prescribe the definition, options, and approaches to meeting the new minimum capital requirement.

13. What is the role of the CBN in managing the recapitalization process?

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

14. How will the CBN ensure the protection of depositors during the Program?

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

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

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

16. How can the public stay informed about the progress of the programme?

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

17. What are the consequences if a bank fails to meet the new capital requirements?

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



- The Electronic Foreign Exchange Matching System (**EFEMS**) is an electronic platform introduced by the Central Bank of Nigeria (CBN) in 2024 for conducting foreign exchange (FX) transactions in the Nigerian Foreign Exchange Market (NFEM). It is designed to match buy and sell orders automatically, enhancing transparency and governance in FX trading.
- EFEMS provides real-time pricing and visibility of buy/sell orders, reducing the opacity in the FX market.
- Automated matching of orders ensures that market participants transact at the best available prices, reducing price manipulation and market distortions.
- The system limits speculative trading and reduces the volatility caused by market distortions.
- It enhances oversight, allowing better regulation and monitoring of FX activities.
- Real-time data will be accessible to the public, contributing to a more informed and efficient market.
- Authorised Dealers will use EFEMS to place, buy and sell orders in real-time. The system will automatically match corresponding orders based on predetermined rules, ensuring swift execution of transactions. All transactions will be reflected immediately in the system for market participants and regulators.
- EFEMS replaces the manual or less-automated trading processes with a streamlined, fully electronic system. It introduces real-time transaction visibility and ensures that all trades are processed through a single, regulated platform. This eliminates inefficiencies and manual interventions that may have previously led to market distortions.
- EFEMS is expected to promote a market-driven exchange rate. This means rates will reflect actual market conditions, leading to a more efficient and stable pricing mechanism in the Nigerian FX market.
- EFEMS is expected to reduce speculative activities by ensuring that all trades are conducted transparently and in real-time. This minimises the opportunity for traders to exploit market inefficiencies or create artificial price movements.
- The CBN, in collaboration with the Financial Markets Dealers Association (FMDA), will regulate the system. They will publish guidelines, rules, and real-time data to ensure compliance with the Nigerian FX Code and the revised Market Operating Guidelines for the Nigerian Foreign Exchange Market.
- The public will benefit from improved transparency, as real-time market prices and data will be accessible. This allows market participants, businesses, and individuals to make more informed decisions when engaging in foreign exchange transactions.



Central Bank of Nigeria