Central Bank of Nigeria

CBN UPDATE

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Cardoso Champions Next-Generation Leadership

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Editor's Note

This October edition of CBNUPDATE reflects a moment of renewed confidence in Nigeria's economic trajectory. At its October 2025 Meetings in Washington, D.C., the International Monetary Fund (IMF) issued positive assessments of Nigeria by praising our reforms, raising our 2025 growth forecast to 3.9 per cent, and highlighting global economic resilience, while calling for greater central bank autonomy worldwide.

Central to this positive outlook is the affirmation of our fiscal and structural reforms, which have laid the groundwork for greater macroeconomic stability and investor optimism. At the heart of this was the leader of Nigeria's delegation to the meetings, the CBN Governor, Mr. Olayemi Cardoso, who expressed our resolve to maintain monetary and fiscal discipline as anchors of long-term stability.

Equally noteworthy is Nigeria's removal from the Financial Action Task Force (FATF) grey list. This significant development, jointly confirmed by the CBN and the Nigerian Financial Intelligence Unit (NFIU), reflects considerable progress in strengthening the country's anti-money laundering and counter-terrorist financing framework. It marks a turning point for Nigeria's global financial standing.

In addition to its policy engagements, the CBN has continued to drive thought leadership and capacity building. The inauguration of the CBN Lecture Series at the Lagos Business School signalled a strategic effort to cultivate next-generation leaders in monetary policy and economic governance. Furthermore, the Bank, in collaboration with the International Finance Corporation (IFC), facilitated a knowledge exchange on movable asset financing with regulators from South Africa and Djibouti.

Domestic indicators also point to improving sentiment. Business confidence rose in September, led by the services sector, while investor confidence was reinforced by steadily rising foreign exchange market turnover and an external reserves position strong enough to cover 11 months of imports.

As Nigeria advances on its reform path, the CBN remains committed to sustaining price stability, deepening financial system resilience, and promoting economic growth. Stakeholders are encouraged to engage with the insights and developments featured in this edition, which collectively reflect the progress and promise of Nigeria's financial direction.

Thank you for reading.

Hakama Sidi Ali (Mrs.)
Editor-in-Chief

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Cardoso Champions Next-Generation Leadership

By: Ibilola Balogun

CBN Governor, Mr. Olayemi Cardoso, admonishing participants at the CBN Governor's Lecture Series at the Lagos Business School.

In a bold step to deepen thought leadership in Nigeria's policy space, Central Bank of Nigeria (CBN) Governor, Olayemi Cardoso, recently inaugurated the maiden edition of the CBN Lecture Series at the Lagos Business School, Pan-Atlantic University, titled "Next Generation Leadership in Monetary Policy and Nation Building". The initiative aims to bridge policy and practice while nurturing informed, value-driven governance across academic institutions.

Delivering his keynote address, Cardoso emphasised the importance of intentional, transparent, and inclusive leadership, noting that Nigeria stands at a pivotal moment shaped by technology, global shifts, and the energy of its youth. He urged students to prepare not just to inherit leadership, but to transform it.

Reflecting on his two-year stewardship at CBN, Cardoso outlined key reforms that have defined his tenure: the adoption of the "willing buyer–willing seller" FX framework; boosting reserves to over $42 billion; raising financial inclusion from 56 per cent in 2020 to over 64 per cent in 2025; and achieving 4.2 per cent real GDP growth in Q2 2025. He also reported easing inflation to around 20 per cent, a stabilising naira, and innovations such as the non-resident BVN platform, a bank recapitalisation programme, and regulatory sandboxes to support a digitised financial ecosystem.

Despite these gains, Cardoso stressed the need for sustained progress, calling for a stable macroeconomic environment that fosters productivity and opportunity. He further submitted three enduring lessons: credibility as currency; digital innovation as the future; and inclusiveness as the foundation of growth. "When credibility is rebuilt, confidence returns, capital flows, and stability takes root," he affirmed.

Cardoso declared that "Today's undergraduates and graduates will be tomorrow's ministers, entrepreneurs, innovators, and central bankers. You must prepare not only to inherit leadership, but to transform it." He concluded with a message of hope, responsibility, and the need to foster innovation and forward-looking leadership, declaring Nigeria's future "Bright".

Earlier, Prof. Olayinka David-West, Dean of Lagos Business School, commended the Governor for institutionalising the lecture series and aligning central banking with Nigeria's realities. The event featured a fireside chat and Q&A session with Mr. Cardoso, moderated by two dynamic young innovators from the school.

The Governor's Lecture Series, a cornerstone of Mr. Cardoso's broader Knowledge Acceleration and Thought Leadership Initiative, is central to the CBN's strategy to deepen public understanding and enhance the transmission of monetary policy.

Beyond its academic focus, the initiative reflects CBN's commitment to institutional renewal and stakeholder engagement, reimagining the Bank not just as a regulator but as a catalyst for national development. The inaugural event drew participants from students across Lagos State's tertiary institutions, as well as chief executives of banks and other key financial sector stakeholders.■

CBN Gov, Mr. Olayemi Cardoso in a photograph with some students of the Lagos Business School.

NEWS ANALYSIS

Reform Discipline as Anchor of Nigeria's Economic Stability

By: Ali Abubakar

Nigeria's economic reform journey took centre stage at the 2025 Annual Meetings of the International Monetary Fund (IMF) and the World Bank in Washington, D.C., where the Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, reaffirmed the country's commitment to sustaining fiscal and monetary discipline as a pathway to stability and investor confidence.

Speaking after a series of high-level meetings with investors, multilateral institutions, and rating agencies, Mr. Cardoso said Nigeria's progress demonstrates that disciplined reforms are producing measurable results. He described the country's assumption of the chairmanship of the Intergovernmental Group of Twenty-Four (G-24), effective November 1, 2025, as proof of growing international confidence in Nigeria's leadership in global financial governance.

Cardoso noted that the economy is showing sustained improvement. Headline inflation fell for the sixth consecutive month in September to 18.02 per cent, the lowest in three years, while the naira has continued to strengthen, with the gap between official and parallel market rates narrowing to less than two per cent. Foreign source:www.bing.com

reserves now exceed 43 billion dollars, providing more than eleven months of import cover. According to him, this stability reflects renewed investor confidence and growing participation across asset classes.

He attributed these gains to better coordination between fiscal and monetary authorities. Subsidy reforms, expenditure rationalisation, and improved revenue mobilisation, he said, have helped rebalance public finances and create fiscal space for investment in infrastructure, healthcare, and education. “The danger of slowing down is that we may lose the gains we have already made,” he warned. “Nigerians must see and feel the benefits of these reforms, knowing that there are better days ahead.”

The Governor emphasised that reform discipline, anchored on transparency and data-driven decision-making, remains central to sustaining stability. The CBN, he explained, is deploying advanced analytics and artificial intelligence to enhance policy operations and forecasting.

On the ongoing bank recapitalisation exercise, Cardoso said the process is progressing steadily and will make Nigerian banks stronger, more resilient, and globally competitive. He also disclosed that the Bank is deepening engagement with the country's fintech ecosystem to ensure that innovation and regulation advance together responsibly and inclusively.

The CBN Governor announced the signing of a Memorandum of Understanding with the Central Bank of Angola to strengthen monetary cooperation and promote regional financial stability. He added that the partnership would pave the way for deeper economic collaboration across Africa.

Nigeria's assumption of the G-24 chairmanship, Cardoso noted, marks a significant milestone for the country and developing nations. The group, which represents emerging economies in discussions with the IMF and World Bank, seeks to promote fair and inclusive global financial governance. Nigeria's new role, he said, aligns with its domestic vision of building partnerships that foster inclusive trade, innovation, and sustainable growth.

Minister of State for Finance, Dr. Doris Uzoka-Anite, who was part of the delegation, said fiscal reforms and improved revenue management are opening opportunities for job-rich investments in agriculture, infrastructure, and the digital economy. “With ongoing tax reforms and the digitisation of revenue collection, we expect to see higher revenues and increased fiscal space to stimulate job creation, particularly for youth and women,” she stated.

The meetings in Washington, D.C., projected Nigeria as a reform-focused economy gaining credibility among investors and global partners. The clear message, according to Cardoso, is that Nigeria's economic transformation is not a sprint but a disciplined marathon driven by consistency, collaboration, and sound policy execution.

“Our story is one of resilience, of a nation aligning courage with conviction to build a more competitive, innovative, and inclusive economy,” he concluded.

President Tinubu Commissions Refurbished National Arts Theatre

...Applauds CBN's Visionary Leadership

By: Adetola Adeleke

President Bola Ahmed Tinubu and high-profile entourage at the commissioning

President Bola Ahmed Tinubu, on Wednesday, October 1, 2025, led the nation in commemorating its 65th Independence Anniversary with the historic commissioning of the refurbished National Arts Theatre, Iganmu, Lagos, now renamed the Wole Soyinka Centre for Culture and the Creative Arts. The grand rededication ceremony, marked by national pride and cultural symbolism, represents a landmark achievement for the Central Bank of Nigeria (CBN) and the Bankers' Committee, whose visionary partnership brought the transformation to fruition.

In his commissioning remarks, President Tinubu commended the Central Bank of Nigeria and the Bankers' Committee for delivering what he described as "a national symbol close to his heart." He affirmed that the project stands as a testament to Nigeria's commitment to the creative industries, tourism, and the preservation of cultural identity, while heralding a new era of cultural renaissance.

The President observed that as the National Troupe of Nigeria and other performers brought the refurbished halls to life with electrifying displays, the reopening transcended the unveiling of a building. He described the event as the rededication of Nigeria's creative spirit, a unifying symbol of pride and a shining example of what purposeful partnership can deliver.

Speaking on the sustainability of the Centre, President Tinubu urged the CBN and the Bankers' Committee to develop a framework that would guarantee the long-term maintenance of the facility. He further pledged to contribute to an endowment fund dedicated to the Centre's upkeep.

In his remarks, the Governor of the Central Bank of Nigeria, Mr. Olayemi Cardoso, expressed profound appreciation to the President and First Lady of the Federal Republic of Nigeria for gracing the occasion. He described the project as "a monumental gift to the nation," adding that the Centre embodies the soul of Nigeria's cultural identity. "When the Federal Government approved a partnership with the Central Bank of Nigeria and the Bankers' Committee in 2020, the vision was bold. Despite challenges, today we celebrate its reality: a national treasure reborn through extraordinary unity and collaboration. This project proves what Nigeria can achieve when we work together," he stated.

Governor Cardoso highlighted the extensive scope of the renewal, which includes state-of-the-art stage engineering, advanced audio-visual-lighting systems, 17 new passenger lifts, solar power integration, upgraded heating, ventilation and air-conditioning (HVAC) and fire safety systems, refurbished cinemas, medical and media facilities, landscaped gardens, and meticulously restored historic artworks. The outcome, he noted, is a facility that harmonises heritage with modernity, poised to inspire future generations.

In his welcome remarks, the Governor of Lagos State, Mr. Babajide Sanwo-Olu, applauded the foresight of the Central Bank of Nigeria and the Bankers' Committee, describing the project as transformational for Lagos State and the nation at large. "This is more than a theatre; it is a world-class hub that will showcase Nigeria's creative energy, attract global audiences, and create opportunities for generations of Nigerians," he said.

Also speaking, the Minister of Art, Culture and Creative Economy, Hannatu Musawa, described the commissioning as a defining milestone for Nigeria's cultural and religious heritage, crediting the transformation of the Centre to effective collaboration. She noted that the theatre, originally built in 1976, had long stood as a hub of African culture, strengthening national identity and showcasing Nigerian creativity.

She highlighted ongoing sectoral reforms, including the Motherland Initiative, which are aimed at empowering young Nigerians, attracting investment, and positioning the country's creative sector on the global stage. She also explained that these initiatives are fostering stronger ties with the diaspora, inspiring them to celebrate their heritage and contribute to Nigeria's cultural renaissance.

Adding a personal reflection, Nobel Laureate Professor Wole Soyinka, in whose honour the theatre was renamed in 2024, expressed his joy at witnessing the rebirth of the iconic landmark during his lifetime. "This is a proud day, not just for me personally, but for our nation. The preservation and rebirth of this space prove that Nigeria values its cultural soul. It is a signpost of how far we have come and what more we can achieve," he stated.

The ceremony was graced by eminent leaders and cultural icons, including Professor Wole Soyinka, the Emir of Kano, the President of the Senate, the Speaker of the House of Representatives, state governors, members of the National Assembly, captains of industry, cultural ambassadors, youth leaders, and bank executives. Their presence underscored the national significance of this historic milestone.

The reopening of the Wole Soyinka Centre for Culture and the Creative Arts not only marks the rebirth of an iconic national landmark but also stands as a defining milestone for the Central Bank of Nigeria, the Bankers' Committee, and their partners, turning vision into reality and setting a new benchmark for the preservation of Nigeria's cultural heritage. ■

CBN, IFC Host Knowledge Exchange Tour

By: Gbemisola Akinmokun & Daniel Nwangwa

The Central Bank of Nigeria (CBN), in partnership with the International Finance Corporation (IFC), has hosted delegations of policymakers and financial regulators from South Africa and Djibouti on a two-day knowledge exchange tour of selected financial institutions in Nigeria.

The financial Institutions visited during the tour included Fidelity Bank, Stanbic IBTC, and Baobab Microfinance Bank, alongside IFC offices. The benchmarking visits, held recently in Lagos, were focused on Nigeria's implementation of Secured Transactions in Movable Assets (STMA).

The STMA is an initiative introduced in 2015 by CBN and IFC to mitigate risk in movable asset-based financing, enabling lenders and other stakeholders to register security interests in movable assets through the National Collateral Registry (NCR).

Group picture of the delegates at the event

Speaking during the tour, the head of the delegation and the Senior Specialist, Credit Infrastructure Financial Institutions Group Advisory, International Finance Corporation (IFC), Mr. Ubong Uwah, stated that the visit was designed to offer the delegations practical insights into Nigeria's administration and implementation of STMA. The goal, he noted, is to support the development and integration of similar frameworks into the financial inclusion strategies of their respective countries.

He described the visit as timely, citing the critical need to expand access to financial services for the adult population and nano, micro, small, and medium-sized enterprises (SMEs).

Highlighting the challenges experienced in the operationalisation of the STMA framework, the representatives of the financial institutions listed the concerns to include multiple collateral registrations, which create confusion and increase the risk of loan recovery disputes; difficulty of registering movable assets due to short loan tenures, particularly in microfinance settings, and the problem of over-indebtedness among borrowers.

They cited the repossession process, which typically involves law enforcement agencies, which causes delays and potential abuse. Additionally, the non-recognition of collateral certificates as equivalent to court judgments continues to hinder enforcement efforts, they echoed.

Despite these challenges, they reported adopting innovative strategies to sustain STMA operations. These include a shift from traditional collateral-based lending to cash flow lending models, alongside rigorous customer assessments based on character, capability, and cash flow, amongst others. Other strategies included robust monitoring, daily cash collections through internal product documentation, strict adherence to CBN guidelines, and capacity-building initiatives.

Discussions during the tour underscored the need for stronger collaboration among regulators, lenders, and borrowers to mitigate risks and improve the effectiveness of movable asset financing. Participants called for legal and regulatory reforms to ensure the judiciary recognises collateral certificates. They proposed placing the National Collateral Registry under the Ministry of Justice to enhance its credibility.
Further recommendations included improving asset recovery mechanisms and training of judges and law enforcement officials on the recognition and enforcement of collateral instruments.

In his closing remarks, Mr. Uwah expressed appreciation to the CBN and participating financial institutions for their contributions. He reaffirmed the importance of continued dialogue in strengthening financial operations across the banking and microfinance sectors.

The initiative marks a significant step in regional efforts to deepen financial inclusion and promote sustainable lending practices across Africa.

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Nigeria Takes Over G-24 Leadership

By: Anthonia Ekezue

A warm handshake between the CBN Governor, Mr. Olayemi Cardoso and the British High Commissioner to Nigeria, Dr. Richard Montgomery, where Nigeria took over G-24 Leadership at the IMF/WB Meetings, Washington D.C., while DG, EP, Dr. Muhammad Abdullahi looks on.

Nigeria officially assumes the chairmanship of the Intergovernmental Group of Twenty-Four (G-24), taking over from Argentina, with the transition set to take effect on November 1, 2025. This marks a significant step in Nigeria's growing role in global economic governance and multilateral engagement.

The announcement was made during the IMF/World Bank Annual Meetings in Washington, D.C., following high-level engagements led by Governor, Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, and Minister of State for Finance, Dr. Doris Uzoka-Anite.

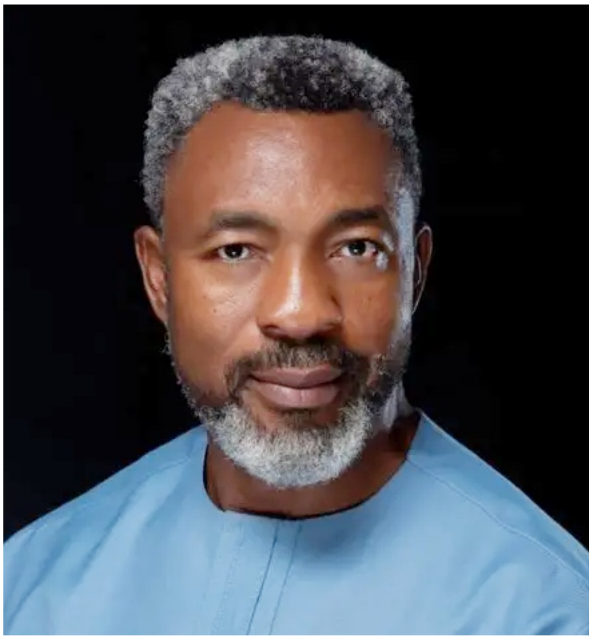
Representing the Minister of Finance and Coordinating Minister of the Economy, Wale Edun, the CBN Governor, Olayemi Cardoso, reaffirmed Nigeria's commitment to strengthening the G-24 as a catalyst for inclusive dialogue and global economic reform. "We are determined to ensure that the G-24 continues to be a formidable platform for representing the common interests of emerging and developing economies," Cardoso stated. Composed of emerging and developing nations, the G-24 plays a critical role in coordinating positions on global monetary and financial matters and in advocating for fair representation and inclusive growth within the international financial system.

Cardoso emphasised that Nigeria's leadership will prioritise sustaining momentum in key areas of interest to member countries, particularly growth, equity, and global financial stability. "Our focus will be on sustaining momentum in areas that matter most to our members. We look forward to working together to advance our shared mission of inclusive growth, equity, and global stability," he added.

Communication, Not Policy, Drives Innovation – Neliaku

By: Ogochukwu Ikeagwuonu

The President and Chairman of Council of the Nigerian Institute of Public Relations (NIPR), Dr. Ike Neliaku, has asserted that communication, not policy alone, remains the actual engine of innovation, credibility, and impact in modern central banking.



President & Chairman of Council, Nigerian Institute of Public Relations (NIPR), Dr. Ike Neliaku.

Dr. Neliaku made this assertion during the 2025 Retreat of the Corporate Communications Department, the Central Bank of Nigeria (CBN), where he presented a paper titled "Overcoming Excuses, Unlocking Excellence."

Opening with the commanding quote by Don Wilder: "Excuses are the nails used to build a house of failure", Neliaku detailed what he described as a "pervasive culture of excuses" that has, over time, "become an institutional art form." According to him, excuses often justify delays, rationalise mediocrity, and stifle creativity.

At the core of his presentation was the compelling argument that communication is the true driver of innovation. "Every policy begins as a narrative, and every reform as a conversation…the success of any central banking initiative depends not only on the strength of its design but also on the clarity, trust, and credibility embedded in its communication," he emphasised.

Neliaku underscored the value of transparency, citing Warren Buffett, "Trust is earned not by silence but by consistent clarity." Without trust, he warned, innovation weakens, ideas fade, and institutions lose credibility. He urged communicators to shift their mindset from "We can't" to "How can we?", stressing that curiosity, rather than compliance, is the bedrock of innovation. He admonished that, rather than dwelling on explanations or justifications, CBN communicators should focus on execution, transformation, and measurable impact.

He further reiterated that a clear sense of purpose eliminates excuses. Neliaku challenged the CBN's communication professionals to "protect and project credibility" at all times, underscoring that clarity of purpose fuels resilience, action, and innovation.

In his closing, he upheld that when excuses end, innovation begins, and when communication leads, impact follows. To this, he reaffirmed that "every policy begins as a narrative, and every reform begins as a conversation" ■

DG Ikeazor Renews Push for Financial Inclusion

By: Titilayo Oluwasina

The Deputy Governor, Financial System Stability, Mr. Philip Ikeazor, has renewed calls for deeper financial inclusion in Nigeria as the Central Bank of Nigeria (CBN) hosted the 35th meeting of the National Financial Inclusion Technical Working Committee at the Bank's Head Office in Abuja.

Delivering the opening remarks, Mr. Ikeazor, represented by the Director of the Consumer Protection and Financial Inclusion Department, Dr. Aisha Isa-Olatinwo, welcomed participants and underscored the meeting's significance in advancing Nigeria's financial inclusion agenda. He noted that the Committee continues to play a pivotal role in providing guidance, oversight, and recommendations on initiatives to integrate underserved populations into the formal financial system.

Highlighting progress made since the launch of the National Financial Inclusion Strategy (NFIS) in 2012, the Deputy Governor stated that Nigeria had successfully implemented three strategy cycles. As a result, the nation's financial

Director, Consumer Protection and Financial Inclusion Department, CBN, Dr. Aisha Isa-Olatinwo, represented the DG, FSS, CBN, Mr. Philip Ikeazor.

inclusion rate rose to 74 per cent in 2023, with formal inclusion at 64 per cent, up from 54 per cent in 2020.

Mr. Ikeazor further acknowledged that the expansion of agent banking networks, with over 2 million agents deployed nationwide, has brought financial services closer to underserved communities, thus boosting digital adoption and significantly extending access beyond traditional bank branches.

Regarding gender inclusion, Ikeazor noted an upward trend in women's financial inclusion. He commended collaborative efforts across the financial ecosystem, highlighting National Insurance Commission's (NAICOM) reforms under the new Insurance Industry Act to promote market discipline and data-driven operations, as well as National Pension Commission's (PenCom) expansion of the Micro Pension Plan into a broader Personal Pension Plan to cover informal workers.

He also emphasised the critical role of digital financial services in driving inclusion, pointing to the ongoing CBN-led review of the Payments System Vision 2025 Strategy Document, aimed at addressing emerging gaps. He therefore urged members to deliberate with commitment and a sense of unity of purpose. He thanked participants for their dedication and reaffirmed CBN's commitment to deepening financial inclusion and innovation across Nigeria.

Earlier in her presentation, the Secretary of the Committee and Head of the Financial Inclusion Division, Mrs. Temitope Akinfadeyi, provided an overview of global developments and key outcomes from the Alliance for Financial Inclusion (AFI) Global Policy Forum. She also reported progress on Nigeria's financial inclusion journey and outlined the objectives of the inter-agency task force established to accelerate the implementation of the National Financial Inclusion Strategy (NFIS). Mrs. Akinfadeyi highlighted that a key agenda item at the meeting was the domestication of the Swakopmund Call to Action, a significant outcome of the recent AFI Global Policy Forum.

In a related presentation titled "Beyond Access: The Imperative of Putting Financial Health at the Centre of NFIS 4.0," the Chief Executive Officer of Enhancing Financial Innovation and Access (EFInA), Mrs. Foyinsola Akinjayeju, emphasised the need to shift focus from simply increasing the number of financial accounts to enhancing the financial resilience and well-being of Nigerians. She called for a transition from measuring access to measuring real-world outcomes that reflect individuals' and households' ability to manage financial shocks and achieve sustainable livelihoods.

There were also reports and status updates from the various Financial Inclusion Working Groups, including the Financial Inclusion Special Interventions Working Group (FISIWG), chaired by Mr. Abiodun Okuonla of the CBN; the Financial Inclusion Channels Working Group (FICWG), chaired by Mrs. Hauwa Buba Wakili of the NCC; the Financial Literacy Working Group (FLWG), chaired by Dr. Udoma Afangideh of the CBN; and the Financial Inclusion Products Working Group (FIPWG), chaired by Mrs. Hawwau Gambo of the NDIC.

The meeting brought together Committee members, Directors, regulators, industry associations, and development partners to review ongoing initiatives, evaluate progress, and reinforce collaboration to expand access to quality, affordable financial services across Nigeria.

Cardoso Assures Investors of Nigeria's Economic Prospects

By: Tina John

CBN Governor, Mr. Olayemi Cardoso, addressing global investors at a high-level forum during the IMF/World Bank Meetings in Washington, D.C.

The Governor, Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, has reassured international investors about Nigeria's improving macroeconomic stability, highlighting a rise in the country's foreign exchange (FX) market turnover to $8.6 billion monthly in 2025. Speaking at an Investors' Forum in Washington, D.C. on the sidelines of the IMF/World Bank meetings, Cardoso noted that Nigeria's gross external reserves have reached $43.4 billion, enough to cover 11 months of imports.

He emphasised the success of monetary and fiscal reforms, citing a drop in the FX market premium from 52 per cent in 2022 to under 3 per cent. Cardoso stressed ongoing efforts to strengthen fundamentals, advance reforms, and unlock sustainable investment opportunities.

Deputy Governor, Economic Policy Directorate, of the CBN, Dr. Muhammed Sani Abdullahi, added that Nigeria's current account surplus exceeded $17 billion in 2024 and is projected to surpass $20 billion in 2025, driven by higher oil output, diversification, renewed manufacturing, and strong remittances. He also highlighted improved FX inflows, with CBN now a net buyer in the market and reserves at a five-year high.

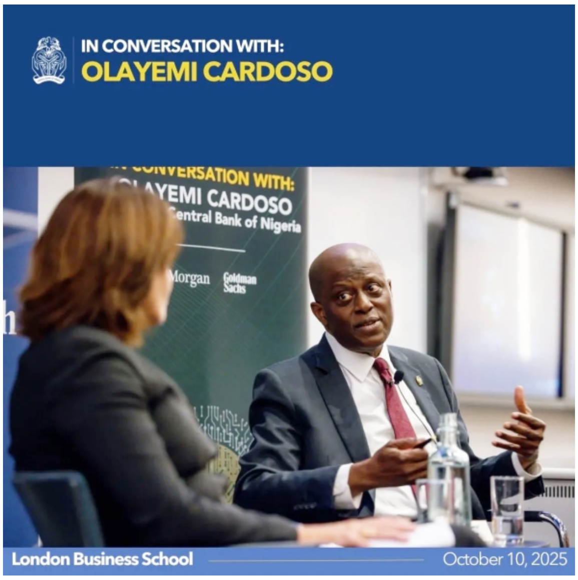
On her part, the Special Adviser to the President on Finance and the Economy, Ms. Sanyade Okoli, outlined the government's strategy focused on macroeconomic stability, governance reforms, infrastructure investment, and improved access to capital to create high-quality jobs for Nigeria's youthful population.

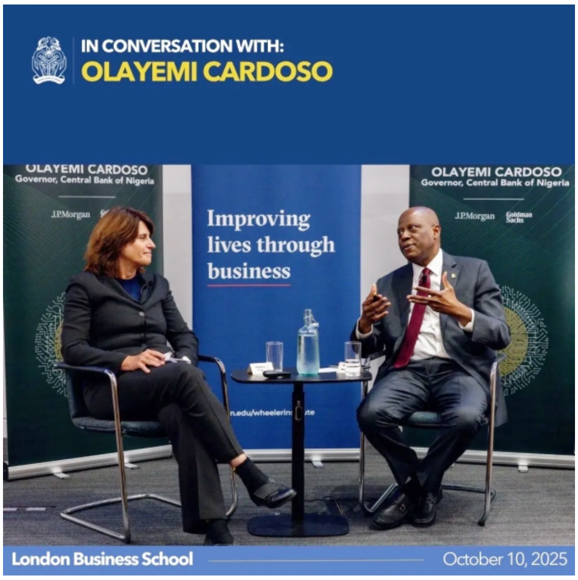
Similarly, the Director General, Debt Management Office, Ms. Patience Oniha, confirmed ongoing engagement with JP Morgan regarding the Government Bond Index for Emerging Markets.

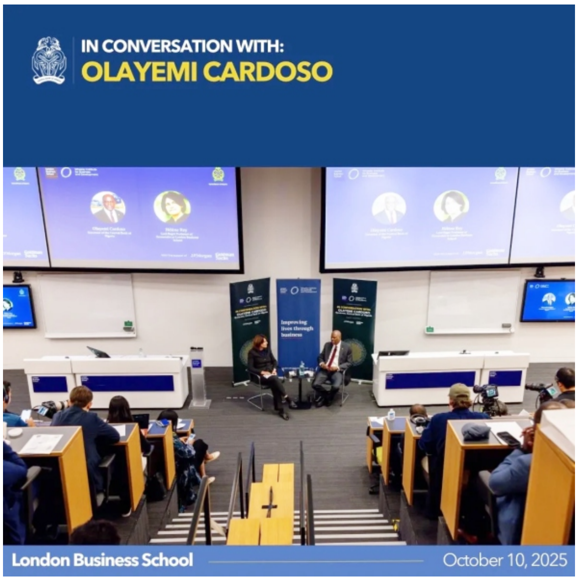
Speaking from the private sector, Mr. Tony Elumelu, Chairman of Heirs Holdings and UBA, called for mobilising Africa's $4 trillion domestic capital to finance digital infrastructure and energy, stressing collaboration to overcome structural barriers like infrastructure deficits and capital constraints. He noted that Africa's youthful population is eager for opportunity, not handouts.

Meanwhile, the IMF urged fiscal discipline and stronger revenue mobilisation, projecting Nigeria's public debt to stabilise around 41 per cent of GDP by 2030. Government spending is expected to rise modestly to support social protection and capital investment.

CONVERSATION WITH CARDOSO AT LONDON BUSINESS SCHOOL

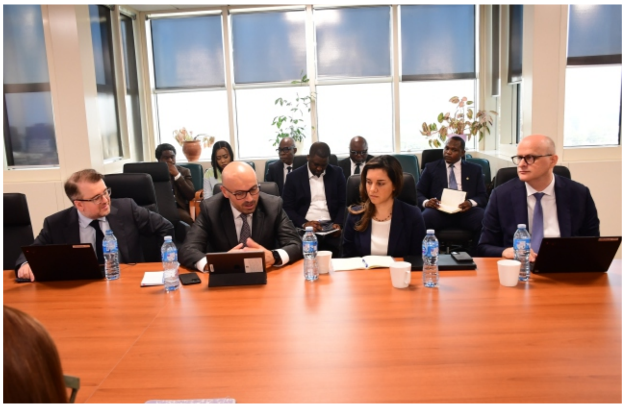




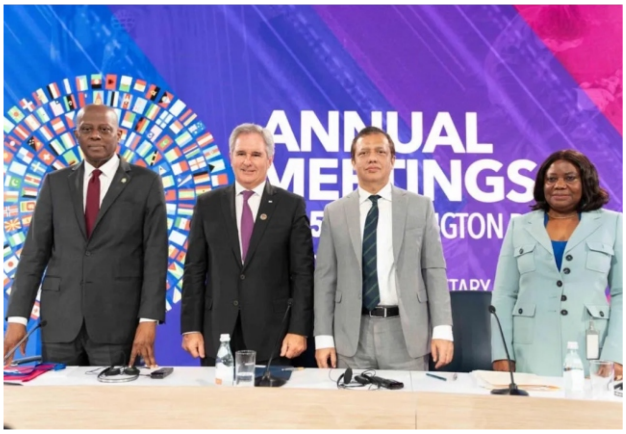


In a conversation with Hélène Rey, Lord Bagri Professor of Economics at the London Business School, on Friday, October 10, 2025, the Governor of the Central Bank of Nigeria, Mr. Olayemi Cardoso, reaffirmed the Bank's commitment to orthodox monetary policy aimed at achieving single-digit inflation in the medium term.

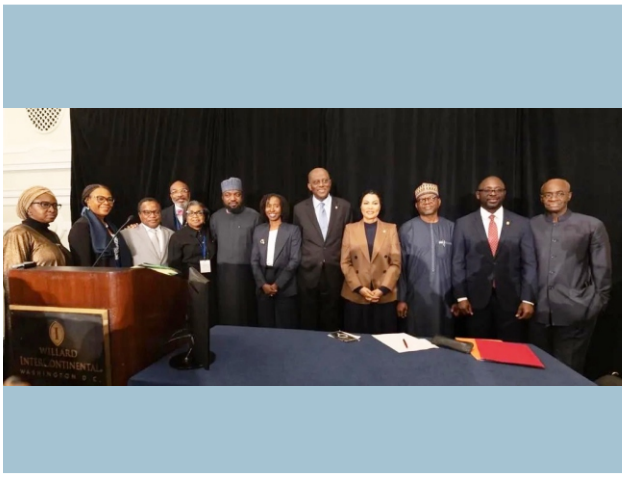
STRATEGIC ENGAGEMENTS



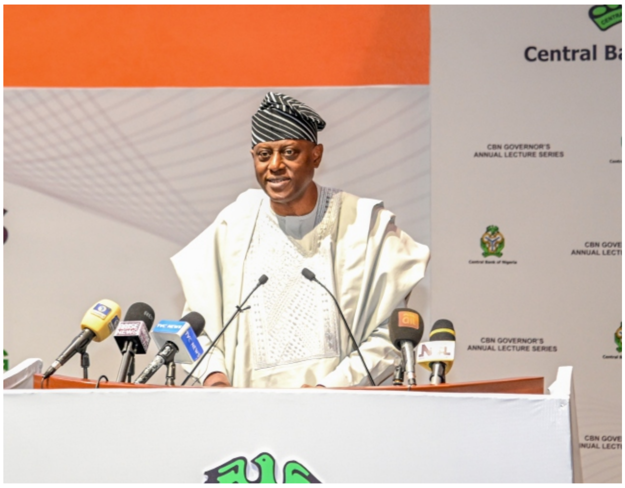
Front Row section of delegates from the IMF Scoping Mission on Nigeria's Transition to an Inflation Targeting Framework of Monetary Policy, held in Abuja from October 21 to 28, 2025.



Governor, CBN, Mr. Olayemi Cardoso, with other high-profile delegates, on the sidelines of the IMF/WB Annual Meetings in Washington, D.C.



Leader of the Nigerian team, Governor, CBN, Mr. Olayemi Cardoso, (middle), in a group photograph with high-profile Nigerian delegates during the IMF/WB Annual Meetings in Washington, D.C



CBN Governor, Mr. Olayemi Cardoso, delivering the inaugural CBN Governor's Lecture Series at the Lagos Business School.

Governor, CBN, Mr. Olayemi Cardoso, with the London Business School team.

Cross-section of participants during Governor Cardoso's engagement with global investors at the IMF / WB Meetings 2025

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CBN Restates Commitment to Fintechs Growth

By: Bello Khadeejah

Governor Cardoso addressing participants at the Fintech session, while the DG EP, CBN, Dr. Muhammad Abdullahi, looks on.

Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, has reaffirmed the Bank's commitment to supporting innovation in the country's financial technology (fintech) sector under prudent regulatory oversight.

Speaking during a strategic session with Nigerian fintech chief executives on the sidelines of the 2025 Annual Meetings of the International Monetary Fund (IMF) and the World Bank in Washington, D.C., Cardoso emphasised the regulator's dedication to fostering innovation while safeguarding financial stability and integrity.

The session, themed "Shaping the Future of Fintech in Nigeria: Innovation, Inclusion, and Integrity," brought together fintech founders, investors, regulators, and policymakers for a potent discussion on the future of digital finance and regulation in Nigeria.

Cardoso also emphasised the importance of collaboration and feedback in shaping policies that foster growth within Nigeria's financial and fintech ecosystem.

He stated, "As we embrace new technology, it is our responsibility to uphold the integrity of the financial system - maintaining strong governance, consumer protection, and risk management so that trust in our institutions remains firm."

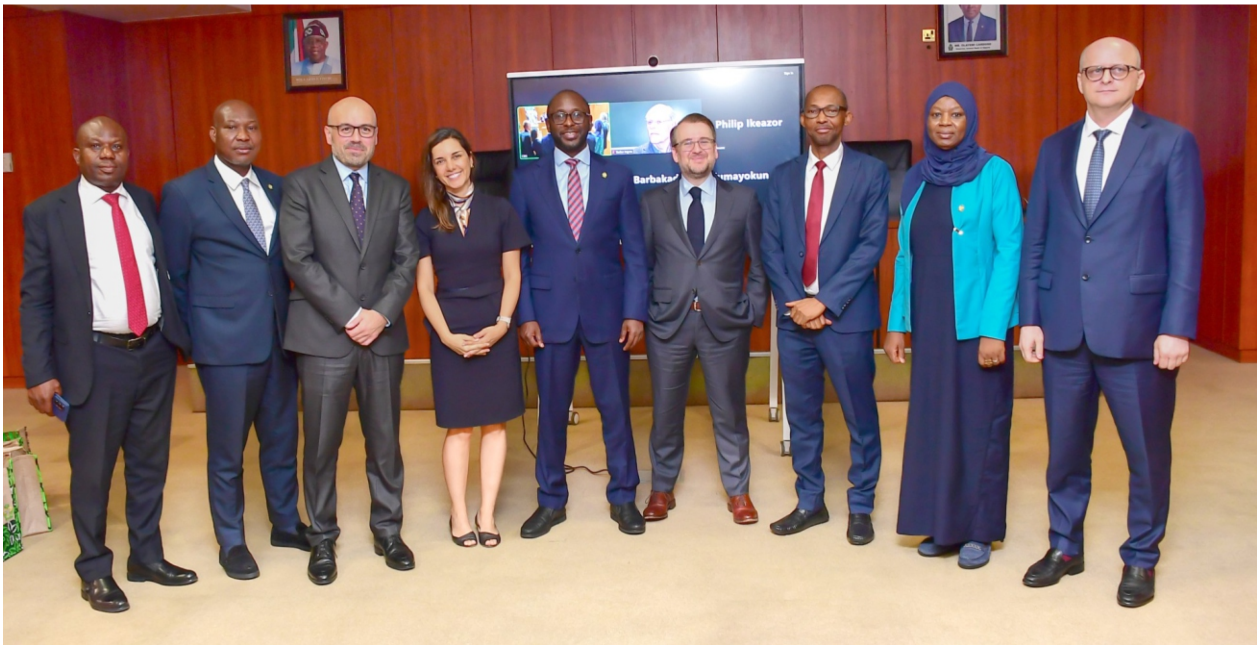
The Governor noted the CBN's commitment to nurturing an enabling environment where creative ideas can thrive without compromising trust and financial system integrity.

Discussions at the meeting focused on five key areas, namely, innovation and responsible growth; infrastructure and interoperability; legal and policy enablement; compliance and financial integrity; and market confidence and sustainable capital flows.

The session concluded with a shared commitment to sustained engagement between the CBN and fintech stakeholders to align regulatory reforms with Nigeria's broader financial innovation agenda. ■

CBN Commits to Effective Inflation Targeting Regime

By: Emike Ikhumhi



DG EP, CBN, Dr. Muhammad Abdullahi (middle), with some CBN Directors and delegates from the IMF at the CBN Headquarters, Abuja.

The Governor of the Central Bank of Nigeria (CBN), Mr Olayemi Cardoso, has expressed confidence that Nigeria will establish a resilient, credible, and effective inflation-targeting (IT) regime that anchors inflation expectations, fosters sustainable growth, and ensures macroeconomic stability for all Nigerians.

Mr. Cardoso stated this at the closing session of the IMF Scoping Mission on Nigeria's Transition to an Inflation Targeting Framework of Monetary Policy, held in Abuja recently. He emphasised that the move towards an explicit inflation-targeting framework represented more than a shift in methodology but also marked a fundamental change in the Bank's approach to achieving price stability.

While expressing appreciation to the members of the IMF mission for what he described as "exceptionally robust, insightful, and collaborative technical discussions," he assured the team of the Bank's commitment to the IT transition project aimed at fulfilling the Bank's mandate of low and stable inflation to support inclusive growth.

According to Cardoso, the mission, which discussed a wide range of critical topics, took place at a pivotal moment in Nigeria's economic journey, underscoring the shared commitment to building a more credible and effective monetary policy framework. He expressed optimism that the IMF's final recommendations will guide the Bank in refining its policy tools and enhancing operational readiness.

He reaffirmed the Bank's commitment to working closely with the IMF, noting that "Our roadmap is clear. Our commitment is unwavering. Together, we will build the necessary institutional pillars — from the Forecasting and Policy Analysis System (FPAS), which will be our analytical backbone, to transparent communication, which is the bedrock of public trust."

The Governor also emphasised a comprehensive review of the structure of a modern inflation-targeting framework, covering everything from high-level strategic principles for effective disinflation, to the technical details of setting inflation targets,

designing credible disinflation trajectories, and effectively communicating policy directions to the public.
Mr. Cardoso further observed that the sessions provided valuable insights into the Bank's current forecasting tools, data infrastructure, and communication systems, while also identifying necessary investments in human capital and technology. In particular, the review of the legislative framework underscored the importance of embedding monetary policy reforms within a robust legal foundation to ensure lasting institutional change.

Acknowledging the challenges ahead, the Governor stated that while the limitations of Nigeria's existing monetary targeting regime are well understood, the path forward requires rigorous preparation and capacity-building.

Earlier in his opening remarks, the Deputy Governor, Economic Policy, Dr. Muhammad Abdullahi, welcomed delegates from the IMF and emphasised the importance of reviewing progress made over the past two years as deliberations on current challenges continue. He reiterated the Bank's commitment to moving towards an inflation-targeting framework aimed at improving macroeconomic stability.

Dr. Abdullahi observed that the shift is driven by financial innovations and the need for a more forward-looking, transparent policy approach. He explained that, in line with the Medium-Term Expenditure Framework and the National Development Plan, a comprehensive transition roadmap has been formulated.

This roadmap involves multiple directors, and thematic working groups and covers the phases of preparation, design, adoption, implementation, and post-implementation review. He further expressed confidence in the CBN team's ability to overcome challenges by being willing to listen, learn, and take the necessary steps to advance the transition process.

The event's highlight was a six-day series of interactive technical sessions with representatives from the IMF, including Gunes Kambler, Cecilia Fernandes, Thomas Carter, Giorgi Barbakadze, and Stefan Ingves, who is the former Governor of the Swedish Riksbank.

The meetings covered several technical topics, including Forecasting and Decision-Making Timelines, Specification of Inflation Targets and Disinflation Paths, CBN Analytical Inputs Supporting the IT Transition, Exchange Rate Policy, Foreign Exchange Operations, Monetary Policy Communication Strategy, and High-Level Discussions on Prerequisites for Successful Disinflation and Inflation Targeting Transition, among others.■

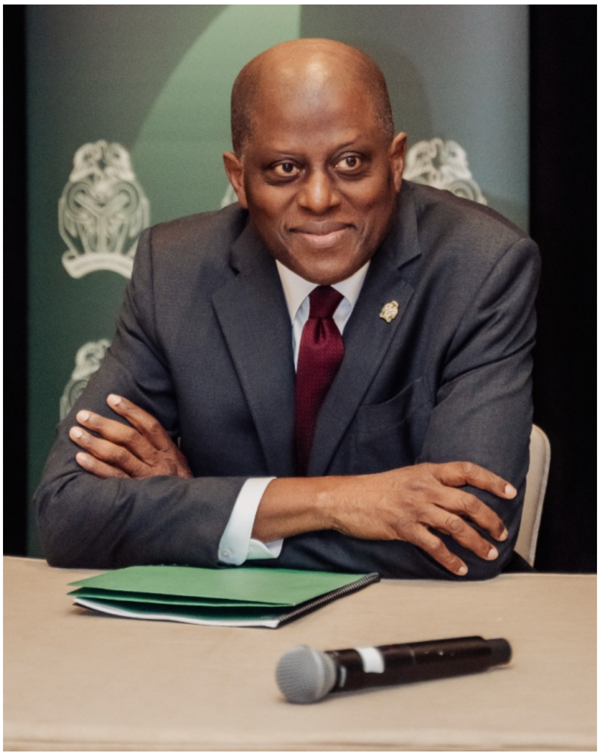
Fintech Future Hinges on Trust — Cardoso

By: Ogochukwu Ikeagwuonu

The Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, has underscored the pivotal role of innovation, collaboration, and trust in shaping Nigeria's digital financial future. He also reiterated the importance of regulatory compliance among Fintech operators.

Cardoso spoke in Lagos at the opening ceremony of Nigeria Fintech Week 2025, organised by the Fintech Association of Nigeria (FintechNGR) with the theme, "The Fintech Ecosystem Symphony: Orchestrating Nigeria's Digital Future,".

According to Cardoso, represented by the Director, Payments System Supervision, CBN, Dr. Rakiya Yusuf, the future of Nigeria's Fintech ecosystem depends on achieving a delicate balance between innovation and regulation, inclusion and security, and competition and collaboration. "Innovation is the catalyst of Fintech and the lifeblood of Nigeria's digital economy, from mobile payments to AI-driven services. Fintech innovations are reshaping access to finance. The Central Bank embraces



Central Bank of Nigeria Governor, Olayemi Cardoso

responsible innovation, encouraging creativity while safeguarding financial stability," Cardoso emphasised.

He stated that enabling new technologies to flourish must go hand in hand with strong consumer protections and robust oversight. "By balancing innovation with good data governance, we protect both the consumer and the broader financial system," he added. "Just as an orchestra requires every instrument to be heard, our economy is incomplete when communities are excluded."

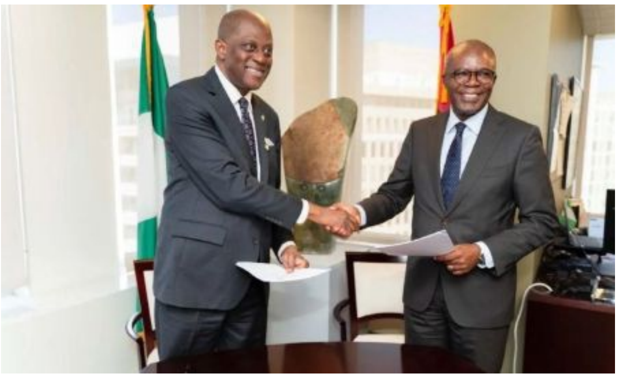
Cardoso also reaffirmed that financial inclusion remains central to achieving the CBN's mandate, noting that initiatives such as agent banking and microfinance expansion are designed to reach underserved communities. He acknowledged the impact of Fintech tools like mobile wallets and USSD-based services in lowering access barriers, but stressed that "technology alone cannot close the gap."

To bridge this divide, the CBN Governor called for more collaboration among government institutions, industry stakeholders, and local communities. "We must build trust, improve financial literacy, and extend access to rural and peri-urban populations," he said.

In his final remarks, Cardoso encouraged Fintech entrepreneurs to view regulators not as obstacles, but as strategic partners in creating a secure, thriving, inclusive and forward-looking digital ecosystem. ■

CBN, Bank of Angola Sign MoU

By: Anthonia Ekezue



CBN Governor, Mr. Olayemi Cardoso, in a warm handshake with the Governor of the Central Bank of Angola, Mr. Manuel Antonio Tiago Diaz, after the MOU signing.

The Central Bank of Nigeria (CBN) and the Bank of Angola have signed a Memorandum of Understanding (MoU) for bilateral technical cooperation, seen as a move to deepen relations and promote technical collaboration.

The signing ceremony was moderated by the CBN Deputy Governor, Economic Policy, Dr. Muhammad Sani Abdullahi, and attended by senior officials from both central banks.

Governor, Mr. Olayemi Cardoso, who signed on behalf of the CBN, alongside the Governor of the Central Bank of Angola, Mr. Manuel Antonio Tiago Diaz, noted that the MoU aligns with Africa's broader goals of economic integration and financial stability.

The areas of cooperation under the MoU include Exchange Control; Financial Markets and Foreign Reserves; Currency Management; Economic Research and Monetary and Financial Statistics; and Payment, Clearing and Settlement Systems Management.
It also covers Financial Sector Development; Banking Supervision and Regulation; cross-

border supervision of financial institutions and due diligence where applicable; AML/CFT and Market Conduct Supervision; as well as Staff Training and exchange of experiences.■

Guidelines for Agent Banking Operation Released

By: Pearl Ogbonna

Central Bank of Nigeria

The Central Bank of Nigeria (CBN) has issued new guidelines for the operation of Agent Banking nationwide. This move, announced in a recent circular published on the CBN's official website, is part of the Bank's broader strategy to foster financial inclusion, enhance the security of banking transactions, and ensure a consistent regulatory framework for Agent Banking services nationwide.

Agent Banking has significantly transformed the Nigerian banking landscape in recent years. By enabling financial institutions to extend their services through third-party agents, millions of Nigerians, especially in rural and underserved communities, have gained access to basic financial services. These services include cash deposits, withdrawals, bill payments, fund transfers, and account opening.

According to the circular dated October 6, 2025 and signed by the Director, Payments System Policy Department, CBN, Mr. Musa Jimoh, the new guidelines set out clear rules and operational standards for banks, financial institutions, and agents involved in Agent Banking. Some of the key provisions include: operational requirements; Agent Banking relationships; consumer protection measures; real-time transactions; data and network security requirements; and rendition of returns.

The guidelines also outline the allowed and prohibited agent banking activities, specify agent qualification and due diligence criteria, detail risk assessment procedures, define the roles and responsibilities of stakeholders, and describe applicable sanctions and penalties, among other provisions.

The latest guidelines aim to standardise operational practices, protect consumers, encourage responsible market conduct, improve service quality in the operations of Agent Banking and minimise risks associated with Agent Banking.

By streamlining procedures and clarifying roles, the CBN hopes to boost public trust and further extend financial services to Nigeria's unbanked and underbanked populations.

The release of these comprehensive guidelines illustrates CBN's commitment to a secure, inclusive, and resilient financial system. As Agent Banking continues to play a pivotal role in Nigeria's economic development, these new rules are expected to create a more structured and secure environment for both service providers and customers.

Stakeholders are expected to note that the circular takes immediate effect, while the implementation of agent location and agent exclusivity is effective from April 1, 2026. Furthermore, they must strictly adhere to these guidelines and all related regulations, with the CBN maintaining oversight of ongoing activities and providing additional directives as necessary.

For more information, stakeholders and the public are encouraged to review the full circular available on the CBN's official website.■

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CBN Hosts International Finance Corporation Delegates

By: Daba Olowodun

The Central Bank of Nigeria (CBN) recently welcomed a delegation from the International Finance Corporation (IFC) for a week-long knowledge transfer session focused on Nigeria's credit infrastructure reforms, particularly the Secured Transactions in Movable Assets (STMA) initiative.

The opening reception took place at the GCC Room of the CBN Headquarters in Abuja. The IFC delegation, comprising representatives from South Africa and Djibouti, was led by the Regional Coordinator of the IFC Credit Infrastructure Programme Mr. Ubong Awah, while the Acting Director of the Development Finance Department, Dr. Paul Oluikpe and Coordinator of the Special Duties Department, Mr. Philip Wondi, received the team on behalf of the CBN.

In his welcome remarks, Dr. Oluikpe emphasised the vital role of regional collaboration in promoting inclusive finance across Africa. He expressed his appreciation to the IFC for its technical partnership in operationalising the STMA. He urged the visiting delegates to contextualise their learning from the engagement, noting that effective implementation must be tailored to each jurisdiction's unique circumstances.

The visiting delegation expressed strong interest in understanding Nigeria's regulatory framework, data integrity protocols, and operational mechanisms underpinning the STMA initiative. Their visit marks a significant milestone in the Bank's ongoing efforts to share its success story and foster peer learning across the continent.

True to its vision of being a trusted and respected central bank that promotes confidence in the economy, the CBN continues to pursue pragmatic policies that have proven highly effective in realigning macroeconomic fundamentals and accelerating national economic goals. Among these is the STMA initiative, a reform package led by the Bank, with technical support from the IFC.

It could be recalled that the STMA was introduced in 2017 as part of broader credit infrastructure reforms. STMA represents a strategic intersection between the Bank's core mandate of promoting a sound financial system and its developmental function. The initiative mitigates systemic financial risks while simultaneously expanding access to finance for the real sector, particularly nano, micro, small, and medium enterprises (nMSMEs).

Over the years, STMA has delivered measurable progress, facilitating significant financing flows to MSMEs and enhancing protections for financial intermediaries. This aligns with the Bank's mission to ensure monetary, price, and financial system stability as a catalyst for inclusive growth and sustainable development.

It is no surprise, therefore, that the IFC has recognised Nigeria as a continental leader in developing robust credit infrastructure to boost financial access and foster the evolution of an inclusive financial system. This recognition forms the basis of the current engagement, as the CBN flags off the sharing of its STMA success story with officials from South Africa and Djibouti.

The week-long session featured technical briefings, stakeholder engagements, and strategic dialogues aimed at deepening understanding and replicating Nigeria's model in other jurisdictions. ■

Nigeria Removed from FATF Grey List

By: Pearl Ogbonna

In a landmark development for Nigeria's financial sector, the country has been officially removed from the Financial Action Task Force (FATF) grey list, according to statements from both by the Central Bank of Nigeria (CBN) and the Nigerian Financial

Intelligence Unit (NFIU). This move signifies a resounding endorsement of Nigeria's strengthened anti-money laundering and counter-terrorist financing (AML/CFT) frameworks.

In a statement published on its official website, the CBN described the FATF decision as a recognition of Nigeria's dedicated efforts to address strategic deficiencies in its AML/CFT regime. The Bank highlighted the collaborative work among regulators, law enforcement agencies, and financial institutions, noting that the reforms undertaken have improved transparency, accountability, and compliance in the banking system.

"The FATF's decision follows a two-year reform programme coordinated by the Federal Government of Nigeria, involving multiple agencies including the CBN, the Federal Ministry of Justice, the Nigerian Financial Intelligence Unit (NFIU) and the Economic and Financial Crimes Commission (EFCC)", the press release revealed.

Similarly, the NFIU, in its press release, emphasised the significance of the delisting, stating that Nigeria's exit from the grey list marks a new chapter in safeguarding the nation's financial ecosystem. The NFIU credited the sustained commitment of the Nigerian government, the National Assembly, and all stakeholders who worked tirelessly to strengthen the legislative and operational framework necessary for compliance with international standards.

The removal of Nigeria from the FATF grey list is expected to enhance investor confidence, boost international correspondent banking relationships, and facilitate smoother cross-border transactions for businesses and individuals. Industry experts anticipate that the decision will reduce compliance costs for Nigerian banks and open new avenues for global financial cooperation.

Both the CBN and NFIU reaffirmed Nigeria's commitment to upholding global best practices in financial regulation and intelligence sharing. They urged all stakeholders to remain vigilant and continue to implement robust measures to prevent illicit financial flows and protect the integrity of Nigeria's financial system.

The Bank equally remains committed to strengthening collaboration with domestic and international partners to sustain a sound, transparent, and trusted financial system that safeguards financial stability and market integrity while advancing inclusive and sustainable economic growth.

With this achievement, Nigeria has demonstrated its resolve to be a responsible member of the international financial community, setting a positive precedent for other nations in the region.■

Business Confidence Rises in September -Survey

By: Kerma Mshelia

Business optimism strengthened in September 2025, with Nigeria's Business Confidence Index climbing to 31.5 index points, according to the latest Business Expectations Survey by the Central Bank of Nigeria (CBN). The services sector led the positive outlook, recording the highest sentiment among all surveyed industries.

The Northeast posted the most substantial regional confidence at 48.7 index points, while the Southeast trailed, weighed down by higher business-constraint indicators.

The survey showed that firms expect business activity to improve in October, with the mining sector leading expansion plans and non-market services forecasting the highest employment growth. Respondents also anticipated an appreciation of the Naira during the period under review.

Despite the optimistic macroeconomic outlook, businesses highlighted key operational challenges, including high bank charges, multiple taxation, and poor infrastructure, which they say are affecting profitability and stability.

Meanwhile, the September 2025 Inflation Confidence Index declined, with fewer businesses and households perceiving inflation as high. The proportion of respondents who believed inflation was elevated fell to 65.8 per cent in September from 70.6 per cent in August. Notably, micro-scale businesses expressed the strongest concern over high inflation, while smaller firms were more likely to view it as moderate.

Energy costs, exchange rate pressures, and rising transportation expenses were cited as the major drivers of inflation perception among both businesses and households.■

PMI Surges to 54.0 in September

By: Pearl Ogbonna

source:www.bing.com

The Central Bank of Nigeria (CBN) has reported a significant surge in the Purchasing Managers' Index (PMI) for September, with the headline index rising to 54.0. This increase signals sustained expansion in aggregate economic activity for the tenth consecutive month, which reflects growing optimism among businesses and underscores strengthening economic momentum across key sectors.

According to the latest data released on the CBN website, the September PMI reading of 54.0 marks a notable improvement from the previous month. It is well above the 50.0 threshold that separates expansion from contraction. This positive movement highlights broad-based growth across key sectors, with particular strength observed in industry, services, and agriculture.

The PMI is a widely recognised economic indicator that tracks the prevailing direction of economic trends in manufacturing. CBNUPDATE gathered that of the 36 subsectors covered in the survey, 28 experienced economic activity growth. The Industry sector reached 51.4 points, signalling an expansion. A deeper review showed that 11 of 17 surveyed subsectors experienced growth, indicating a moderate yet widespread increase in industrial activity.

The Services Sector PMI stood at 54.7 points in September 2025, reflecting continued expansion for the eighth month in a row. Out of the 14 subsectors surveyed, 12 showed increased business activity, highlighting the widespread strength across the sector.

At 54.8 points, the Agriculture Sector recorded expansion, marking its fourteenth straight month of growth. Notably, all five surveyed subsectors reported increased agricultural activity during this period.

CBNUPDATE also noted that in the period under review, the Agriculture Sector exhibited the largest disparity between input and output prices, measuring 8.2 index points. In contrast, the Services Sector showed the smallest gap, with a difference of just 2.2 index points.

With the final quarter of the year underway, businesses remain cautiously optimistic. The CBN's report suggests that ongoing policy support, coupled with improving market conditions, could sustain the momentum and further strengthen Nigeria's recovery in the coming months.■

GLOBAL TIT BITS

IMF Commends Nigeria's Reforms

By: Mukhtar Maigamo

source:www.bing.com

The International Monetary Fund (IMF) has commended Nigeria for implementing significant fiscal and structural reforms, noting that these measures align with efforts to curb inflation, stabilise the economy, and promote sustainable growth.

Speaking at a press briefing on the Fiscal Monitor in Washington, Davide Furceri, Division Chief at the IMF's Fiscal Affairs Department, described Nigeria's fiscal stance as "neutral" and consistent with monetary policies targeting inflation reduction. He highlighted recent progress, including streamlined tax laws, reduced exemptions, and simplified compliance procedures, which he said demonstrated Nigeria's commitment to balancing revenue mobilisation with prudent spending.

Furceri urged the government to consolidate these achievements by improving efficiency in public expenditure and prioritising social spending to support vulnerable groups and foster inclusive growth. He also emphasised the importance of fiscal discipline, enhanced revenue generation, and transparency in public financial management, noting that these are crucial to sustaining reform gains.

The IMF's endorsement reflects growing international confidence in Nigeria's economic direction, as the government pursues reforms aimed at boosting growth, reducing inequality, and strengthening macroeconomic stability.

Central Bank of Nigeria (CBN) Governor, Mr. Olayemi Cardoso, echoed this optimism, stating that Nigeria's reform agenda has placed the country on a trajectory toward stability, inclusive growth, and innovation-driven development. He noted that Nigeria's active participation in recent global financial meetings showcased renewed fiscal discipline and credibility, earning positive feedback from investors and multilateral partners.

Cardoso highlighted tangible results from the reforms, including moderating inflation (18% in September), stability in the foreign exchange market, convergence of exchange rates, and rising foreign reserves signs of renewed investor confidence. He further pointed to the positive impacts of fuel subsidy removal, expenditure rationalisation, and ongoing bank recapitalisation, which he said are strengthening Nigeria's financial system and fiscal position.

Both the IMF and the CBN have expressed confidence that Nigeria's coordinated fiscal and monetary reforms are beginning to yield measurable economic and social benefits, setting a firm foundation for long-term growth and stability.■

GLOBAL TIT BITS

Nigeria's Growth Prospects up to 3.9%

By: Khadeejah Bello

The International Monetary Fund (IMF) has reviewed Nigeria's 2025 Growth Forecast to 3.9 per cent amid rising confidence, citing higher oil output, stronger investor confidence, and an improved fiscal position as key drivers of renewed economic optimism.

The new forecast, contained in the IMF's World

Economic Outlook titled "Global Economy in Flux, Prospects Remain Dim," marks a 0.5 percentage point increase from its earlier projection. It underscores a brighter medium-term outlook for Africa's largest economy.

In July, the IMF had already upgraded Nigeria's 2025 growth estimate to 3.4 per cent, up from 3.0 per cent in its April 2025 report. At a press briefing to unveil the latest report, Head of the IMF Research Department, Deniz Igan, said, "We have revised Nigeria's growth outlook upwards. For 2025, we now project GDP growth at 3.9 per cent, which is 0.5 percentage points higher than earlier estimates. The 2026 projection has also been upgraded by 0.9 percentage points to 4.2 per cent.

The Fund attributed the brighter outlook to reduced economic uncertainty, stronger exchange rate performance, rising investor confidence, supportive fiscal policies, and higher oil production.

While Nigeria's prospects have improved, the IMF expects Sub-Saharan Africa's growth to remain flat at 4.1 per cent in 2025 before inching up to 4.4 per cent in 2026.

The positive assessment aligns with Fitch Ratings' recent decision to affirm Nigeria's Long-Term Foreign-Currency Issuer Default Rating at 'B' with a stable outlook. Fitch noted that Nigeria's large economy, deep domestic debt market, extensive oil and gas reserves, and strengthened monetary framework support the country's resilience. ■

GLOBAL TIT BITS

IMF Seeks Autonomous Central Banks in Stronger Global System

By: Ogochukwu Ikeagwuonu

At the just-concluded IMF/World Bank Annual Meetings in Washington, DC, the International Monetary Fund (IMF) called on governments worldwide to strengthen institutions by ensuring the independence of their central banks, a move deemed critical for global economic stability.

Speaking at the Civil Society Town Hall Programme, IMF Managing Director Kristalina Georgieva highlighted the reduced impact of US tariffs on the global economy compared to earlier this year. She noted that many countries have avoided retaliatory measures, helping to protect international trade.

"The impact of tariffs is not as dramatic as we feared. US tariffs are lower today than they were last April. Many countries have chosen not to retaliate and are avoiding tit-for-tat actions, which is protecting world trade," Georgieva said.

The IMF Chief also stressed the urgent need to tackle the high debt burdens weighing on global economies. She urged nations to pursue economic growth to alleviate debt pressures, emphasising concerted efforts to reduce debt and support recovery.

In a separate address during the Fiscal Monitoring session, IMF officials focused on Nigeria's fiscal policies. The Fund called on the Nigerian government to prioritise fiscal discipline, enhance public finance management, and increase capital spending on critical infrastructure and education to consolidate recent macroeconomic gains.

Division Chief of the IMF's Fiscal Affairs Department, Davide Furceri, cited Nigeria's improved growth projections of 3.9 per cent in 2025 and 4.1 per cent in 2026, reflecting positive shifts in the country's macroeconomic outlook. He applauded reforms streamlining tax codes, reducing tax burdens, and easing compliance, but stressed the need for greater efficiency in public spending to maximise social and economic benefits.

Furceri also urged Nigeria to maintain fiscal and monetary reforms under its medium-term economic framework, with a focus on revenue enhancement, expenditure control, and transparency in public finance management.

However, Director of the IMF's Fiscal Affairs Department, Vitor Gasper, called on Nigeria to improve the quality of spending and strengthen fiscal policies to stimulate growth and ensure debt sustainability.

The IMF's endorsements underscore growing confidence in Nigeria's reform agenda, even as challenges remain. The Fund's recommendations aim to support Nigeria's pursuit of balanced growth, reduced inequality, and long-term macroeconomic stability.

GLOBAL TIT BITS

IMF Reports Increased Growth

By: Chioma Udeogu

The global economy has demonstrated surprising strength in 2025, growing at 3.2 per cent this year and expected to maintain 3.1 per cent growth next year, according to the latest World Economic Outlook published by the International Monetary Fund (IMF) on October 14. While this resilience is encouraging, the IMF cautions that the global economy may not be healthier, with significant risks and uncertainties ahead.

The IMF report highlights the "unexpected resilience" of the world economy despite the reintroduction of high trade tariffs reminiscent of those of the Trump administration. Tariffs are currently at their highest levels in decades, averaging 19 per cent globally, yet this has not derailed growth, which remains roughly aligned with pre-pandemic trends. This resilience is attributed to rapid supply chain adaptations, a surprising lack of broad tariff retaliation, and strong government interventions.

IMF Chief Economist Pierre-Olivier Gourinchas, speaking at a press event on the day of the report's release, noted several key factors cushioning the global economy. For instance, fiscal expansion in Germany has provided a modest boost within the euro area.

Meanwhile, emerging market economies have benefited from easier financial conditions and a weaker U.S. dollar, which has supported their exports and investment climates.

However, Gourinchas issued a stark warning about the fragile nature of this stability. “The global economy could take a turn for the worse if trade tensions worsen,” he stated, highlighting the risk that escalating trade conflicts could severely disrupt growth. Already, uncertainty is dampening investment worldwide. Although investment in U.S. technology sectors remains relatively strong, overall business investment is declining as companies become more cautious and scale back their plans.

The U.S. economy in particular faces challenges related to tariffs and restrictive immigration policies. The IMF has revised down U.S. growth projections while raising inflation estimates, describing tariffs as a “negative supply shock.” These policies are estimated to reduce U.S. GDP growth by between 0.3 and 0.7 percentage points. Additionally, tighter immigration rules are constricting the labour force and pushing wage inflation higher in labour-intensive sectors. When asked about the sustainability of the U.S. AI technology "bubble" that has helped sustain growth, Gourinchas acknowledged the uncertainty, saying, “Nobody can know what will happen.”

A notable focus of the IMF outlook is the rise of industrial policies worldwide. While these policies can improve economic performance by encouraging targeted investments, the IMF warns of the risks of misallocated resources and hidden fiscal costs when subsidies and tax incentives are poorly designed.

The IMF's assessment reveals a complex global economic landscape in which growth persists amid high tariffs and political tensions, yet uncertainty and risk continue to shadow the outlook. As countries navigate supply chain adjustments, trade conflicts, and industrial policy shifts, the future remains unpredictable. Policymakers worldwide will need to carefully balance support for growth with measures to reduce vulnerabilities as 2025 progresses.

POST MPC FREQUENTLY ASKED QUESTIONS (FAQs) ON THE SEPT 2025 CBN MPC DECISIONS

1. Why did the Monetary Policy Committee (MPC) reduce the Monetary Policy Rate (MPR) to 27.00 per cent?

The MPC lowered the MPR by 50 basis points to 27.00 per cent in response to the sustained decline in inflation over the past five months and in anticipation of further decline in inflation for the remainder of 2025.

Also, the reduction in the policy rate by the MPC would help to support economic recovery efforts of the government without undermining macroeconomic stability.

2. What informed the adjustment of the Standing Facilities corridor to +250/-250 basis points?

Standing facilities refer to monetary policy instruments that help the CBN to provide or mop overnight liquidity in the banking system. There are of two types: the standing lending facility (SLF) which enable banks to borrow liquidity, overnight at the SLF rate; and the standing deposit facility (SDF), which allow banks to deposit excess liquidity overnight with the CBN at the SDF rate.

It is these rates that were adjusted at the last MPC from +500/-100-basis points to +250/-250 around the MPR. This implied that the CBN is currently operating a symmetric corridor in contrast to the asymmetric type.

The recent adjustment is aimed at reducing the width of the corridor to minimise the volatility in the overnight interest rate, improve interbank market efficiency, and deepen liquidity management. Overall, this would encourage more active interbank trading and enhance monetary policy transmission.

3. Why was the Cash Reserve Ratio (CRR) for commercial banks reduced to 45 per cent?

Cash Reserve Requirements are statutory obligations for banks to keep at least a specified percentage of their total deposits with the CBN. It is both a prudential and a liquidity management instrument.

The higher the CRR, the lower, the available funds for banks to create credit, and vice versa.

The recent reduction in the CRR by the MPC seeks to ease the liquidity burden on commercial banks, thereby providing more room for productive lending and intermediation, while maintaining sufficient sterilisation to guard against inflationary pressures.

4. Why did the MPC introduce a 75 per cent CRR on non-TSA public sector deposits?

This was introduced to address the build-up of excess liquidity in the banking system, largely from increased injections into these category of accounts

It would ensure that public sector deposits outside the Treasury Single Account do not contribute to inflationary pressure which could undermine the current momentum of disinflation.

5. Will owners of non-TSA public sector accounts have access to their funds?

Yes, of course. Funds belonging to these accounts are safe and are accessible at the commercial banks at any time. Commercial banks have in-built mechanisms for managing liquidity and meeting legitimate obligations of all their customers,including owners of these accounts.

Moreover, the CBN provides short term lending support to commercial banks as a lender of last resort, to enable them square up their positions, when necessary, through the standing lending facility.

6. What progress has been made with inflation in recent months and what is the outlook?

CBN's tightening and other policy measures combined with federal government efforts have contributed to a substantial decline in headline inflation to 20.12 per cent in August 2025 from 21.88 per cent in July. This marks the fifth consecutive month of deceleration.

The August headline inflation which declined by 1.76 percentage points compared to July inflation, showed the highest momentum of reduction in prices in the last five months.

Both food and core inflation moderated, largely as a result of sustained exchange rate stability, surplus current account balance, moderation in PMS prices, and monetary policy tightening.

Projections by experts indicate that inflation will continue to reduce throughout the rest of 2025 supported by stable exchange rate, tight monetary policy and the onset of harvest season, amongst others.

7. How is the CBN balancing inflation control with real sector and MSME credit needs?

The CBN is using conventional approach to monetary policy tools (rate hikes) to anchor inflation expectations thereby avoiding ambiguity in the credit market.

However, by ensuring a stable and robust financial system and avoiding distortions in the market, financial institutions can effectively and efficiently allocate their surplus funds to the deficit segments of the economy.

8. How strong are Nigeria's external reserves and balance of payments?

Nigeria's external reserves has grown significantly, serving as a source of confidence to citizens, foreign and local investors and other economic agents.

Gross external reserves stood at US$43.05 billion as at September 11, 2025, providing 8.28 months of import cover.

The current account surplus improved to US$5.28 billion in Q2 2025, from US$2.85 billion in Q1, indicating stronger external sector resilience.

9. What does the MPC say about the banking sector's health?

The banking system remains resilient, with financial soundness indicators broadly within prudential limits.

Progress on the ongoing recapitalisation exercise is significant, as 14 banks have already met the new capital requirements.

The recapitalization exercise which requires banks to increase their minimum capital requirements seeks to produce stronger, larger and more healthy banks that can support the FGN's $1 trillion economy.

DID YOU KNOW

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- **Inflation** is a situation where there is a general rise in the prices of goods and services, continuously.

- **Creeping Inflation:** This occurs when the price rise is very slow. A sustained annual rise in prices of less than 3 per cent per annum falls under this category. Such an increase in prices is regarded safe and essential for economic growth.

- **Walking Inflation:** Walking inflation occurs when prices rise moderately.

- **Running/Rising Inflation:** This inflation means paying more for the same goods and services.

- **Hyperinflation:** Hyperinflation occurs when prices rise very fast.
- **Inflation targeting** is a central banking policy that revolves around adjusting monetary policy to achieve a specified annual inflation rate. This is known as the target rate.

- The two fundamental causes inflation are **an increase in demand and a decrease in supply**. Numerous economic factors can move either of these indicators. However, inflation can be a result of a mix of market and policy forces.

- **The Central Bank fights inflation** to ensure price stability. Sometimes inflation is good for the economy because it has a healthy side effect. People tend to spend now rather than later because they know prices will be higher in the future. As such, money will be in circulation, as hoarded cash will be spent. By this, consumer spending pushes economic growth.

- Inflation does not affect everything the same way because inflation raises prices, lowering purchasing power. Assets such as real estate and collectables usually keep up with inflation. Also, variable interest rates on loans increase during inflation.

Central Bank of Nigeria