



The Nigerian

# Banker

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**NATIONAL ECONOMIC OUTLOOK:  
IMPLICATIONS FOR BUSINESSES  
IN NIGERIA IN 2024**

# THE BANKERS CREED

## Hugh McCulloch's Advice to Bankers of 1863

(Hugh McCulloch (1808 – 1895) was an American Banker who helped launch the American National Banking System and was Secretary of the Treasury during the civil war and reconstruction)

Let no loans be made that are not secured beyond a reasonable contingency. Do nothing to foster and encourage speculation. Make your loans on as short term as the business of your customers will permit, and insist upon the payment of all papers at maturity, no matter whether you need the money or not. Give credit facilities only to legitimate and prudent transactions. Never renew a note merely because you may not know where to place the money with equal advantage if the note is paid.

Distribute your loans rather than concentrate them in a few hands. Large loans to a single individual or firm, although sometimes proper and necessary, are generally injudicious, and frequently unsafe. Large borrowers are apt to control the bank; and when this is the relation between a bank and its customers, it is not difficult to decide which in the end will suffer. Every dollar that a bank loans above its capital and surplus it owes for, and its managers are therefore under the strongest obligations to its creditors, as well as to its stakeholders, to keep its loans under its control.

Treat your customers liberally, bearing in mind the fact that bank prospers as its customers prosper, but never permit them to dictate your policy.

If you have reasons to distrust the integrity of a customer, close his account. Never deal with a rascal under the impression that you can prevent him from cheating you. The risk in such cases is greater than the profits.

Pay your officers such salaries as will enable them to live comfortably and respectably without stealing; and require of them their entire services. If an officer lives beyond his income, dismiss him; even if his excess of expenditures can be explained consistently with his integrity, still dismiss him. Extravagance, if not a crime, very naturally leads to crime. A man cannot be a safe officer of a bank who spends more than he earns.

The capital of a bank should be a reality, not fiction; and it should be owned by those who have money to lend, and not by borrowers.

Pursue a straightforward, upright, legitimate banking business. Never be tempted by the prospect of large returns to do anything but what may be properly done under the National Currency Act. "Splendid financiering" is not legitimate banking, and "splendid financiers" in banking are generally either humbugs or rascals.



## THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA

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THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA

# Vision Statement

To be a global reference point for skills and conduct in the banking and finance industry

## Core Values

Integrity

Professionalism

Innovation

Ethics

## Strategic Objectives

1. Lead Advocacy, National Discourse and Collaboration on the Future of banking and finance.
2. Revitalize the CIBN Brand and Overall Market Perception
3. Extend Global Positioning & Activities
4. Upgrade & Expand certification and learning activities
5. Reactivate Old Members and attract new members
6. Enhance operational efficiency and organizational synergy

# CIBN Anthem



## VERSE 1

C-I-B-N  
Chartered Institute of Bankers of Nigeria  
The Bankers' guiding light  
It's the Nation's joy and pride  
We aim for integrity in the Industry  
Upholding Ethics and Professionalism  
Great! Great! CIBN  
Citadel of Excellence  
Great! Great! CIBN  
Built on Trust and Honesty

## VERSE 2

C-I-B-N  
Chartered Institute of Bankers of Nigeria  
The wheel of economic growth  
Competency is our goal  
Creating value and building capacity  
Fostering confidence in the industry  
Great! Great! CIBN  
The Bankers' guiding light  
Great! Great! CIBN  
Built on Trust and Honesty



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# CIBN IN BRIEF

## Background

The Chartered Institute of Bankers of Nigeria started in 1963 as the Lagos Local Centre, Institute of Bankers, London. It was incorporated in 1976 as the Nigerian Institute of Bankers, a Company Limited by Guarantee.

The Institute attained Chartered status and became The Chartered Institute of Bankers of Nigeria through Act 12 of 1990 which was repealed and re-enacted as CIBN Act No 5 of 2007.

## Mandates

The Institute's major responsibilities are to:

- Determine the standards of knowledge and skills to be attained by persons seeking to become members of the banking profession.
- Secure in accordance with the provision of the Act, the establishment and maintenance of a register of members of the banking profession in the categories of ordinary members, student members, graduate members, honorary senior members, honorary fellows and fellows of the Institute and a register of corporate members.
- Conduct professional examinations leading to the awards of certificates as may be prescribed by the Institute; and
- Ensure the furtherance, maintenance and observance of ethical standards and professionalism among practitioners of the banking profession in Nigeria.

## Membership

The Institute has two broad categories of membership, i.e. Corporate and Individual members.

### Corporate Members

- The Central Bank of Nigeria (CBN)
- The Nigeria Deposit Insurance Corporation (NDIC)
- All Deposit Money Banks (Commercial & Merchant)
- Development Banks
- Microfinance Banks
- Mortgage Banks

- Mobile Money Banks
- Payment Service Banks

### Individual Members

The Institute has a total individual membership of 173,655 as at April 1, 2024 in the following categories:

- Fellows, Honorary Fellows, Associates, Honorary Senior Members, Microfinance Certified Members
- Student Members
- Ordinary Member.

## Examinations

The Institute conducts examinations leading to award of the flagship qualification as Chartered Banker. It also conducts examinations for the award of Microfinance Certified Banker (MCIB) and several other certification programmes in Specialised areas of Banking either severally or jointly in Collaboration with leading Local and International Professional Bodies, Associations and notable Institutions such as Chartered Institute of Management Accountants (CIMA), Chartered Risk Management of Nigeria (CRMI), Financial Markets Dealers Association (FMDA), The Chartered Institute for Securities & Investment (CISI), The Nigeria Deposit Insurance Corporation (NDIC) and Chartered Banker Institute(CBI)/Bangor University.

## Other Statutory Knowledge Events

The Institute organises educational and social programmes for its members. These include

- Research
- Annual Lecture
- Annual Banking and Finance Conference
- ACIB Graduates' Induction and Prize Awards Day
- Investiture of Fellows and Honorary Senior Members
- Annual Seminar on Banking, Finance and Allied Matters for Legislators
- Annual Seminar on Banking and Allied Matters for Judges

# CIBN IN BRIEF

- Compulsory Continuous Development Programmes
- Annual Retreat for Heads of Security of Banks & Financial Institutions
- CIBN Advocacy Dialogue Series
- CIBN Platform Series

## Services to the National, Regional & Global Economies

- Strategic intervention in industry related issues with the introduction of the Human Capital Retention Fund.
- Capacity building through knowledge/learning events and Certification programmes.
- Standards setting through Accreditation of banks academy programmes as well as Accreditation of Educational/Training Service Providers (ETSPs)
- Advocacy Programmes.
- Empowering/supporting the growth of MSMEs and facilitation of trade through collaborations.
- Entrenching Ethics and Professionalism in the industry as well as improving Consumer Protection through our Alternate Dispute Resolution [ADR] mechanism serving as the ombudsman for the industry through the Bankers' committee, Sub-committee on Ethics & Professionalism.
- Mandatory Annual Ethics Certification for all Bank Employees
- Increased Focus on Generation Next, building a pipeline of future workforce for the industry.
- Construction of Learning Legacy Project in nine (9) Tertiary institutions across the six geo-political zones.
- Sole Accreditation Agency and Co-ordinating Institution for the Competency Framework for the Nigerian Banking Industry
- Pioneer and Founding Member, Global Banking Education Standards Board (GBESbB)
- Founding/Pioneer Member of Alliance of African

Institutes of Bankers (AAIOB) since 1997

- Permanent Secretariat of AAIOB since 2018
- Member, FINTECH Nigeria (FINTECHNGR)
- Institutional member, Nigerian Economic Summit Group (NESG)
- Member, Think Thank for Translating Research to Innovation, Strategy and evidence for policies in Nigeria, University of Ibadan, Research Foundation (UIRF)
- Member, National Assembly Business Environment Round Table (NASSBER)
- Member TET Fund Research & Development Standing Committee

## Linkages, Partnerships and Collaborations

- The Institute is currently in partnership with 77 tertiary institutions in Nigeria for the ACIB/B.Sc/HND Linkage and ACIB/M.Sc Linkage. Our partners, local and International include the following:
- Association of Enterprise Risk Management Professionals (AERMP)
- Association of International Certified Professional Accountants (AICPA), UK
- Bangor University, Wales UK
- Bank of Sierra Leone
- Central Bank of Liberia
- Central Bank The Gambia
- Chartered Banker Institute, Scotland
- Chartered Institute of Management Accountants (CIMA)
- Credit Bureau Association of Nigeria (CBAN)
- Crown Agents Limited
- E-Payment Providers Association of Nigeria (E-PAN)
- Financial Institutions Training Centre (FITC)
- Financial Markets Dealers Association (FMDA)
- Fintech Association of Nigeria
- Global Association of Risk Professionals (GARP)
- Institute of Bankers of The Gambia
- International Finance Corporation

# CIBN IN BRIEF

- Lagos Business School (LBS)
- Liberia Bankers Association
- McKinsey & Company
- Mortgage Bankers Association of Nigeria (MBAN)
- National Board for Technical Education (NBTE)
- National Judicial Institute (NJI)
- Nigeria Inter-Bank Settlement System Plc (NIBSS)
- Nigerian Institute of Social and Economic Research (NISER)
- PricewaterhouseCoopers (PWC)
- Retail Banking Academy (RBA), London
- Chartered Risk Management Institute of Nigeria (CRMI)
- Seso Global Limited
- Sierra Leone Association of Commercial Banks
- The Chartered Institute for Securities & Investment (CISI)
- The London Institute of Banking & Finance (LIBF)
- The National Universities Commission (NUC)
- The Nigerian Economic Summit Group (NESG)
- US-Africa Cybersecurity Group
- West African Bankers Association (WABA)
- West African Institute for Financial & Economic Management (WAIFEM)

## Structure/Administration

The Governing Council is the Institute's paramount decision making body providing broad policy guidelines chaired by the President/Chairman of Council who currently is Prof. Pius Deji Olanrewaju, Ph.D, FCIB

The Executive Management of the Institute is led by the Registrar/Chief Executive Officer, Akin Morakinyo, HCIB

## Branches and Zonal Offices

The Institute has 36 State Branches and 9 Satellite Branches across the country. It also has three foreign branches in the United Kingdom, Canada and USA.

The Institute operates six (6) Zonal Offices, to make its services available to members at the grassroots throughout the country. They are:

- National Secretariat Annex, Abuja
- South East, Owerri
- South West, Osogbo
- North East, Gombe
- North West, Kano
- South South, Port Harcourt

There is also the National Secretariat Annex in the Federal Capital Territory to strengthen the Institute's relationship with the Federal Government and its Agencies as well as cater for members in the North Central region of the country.

## Subsidiaries

The Institute has the following subsidiaries;

- The CIBN Centre for Financial Studies (CIBNCFS)
- The CIBN Bookshop
- CIBN Consult



# CIBN Governing Council (2022 – 2024)

## Office Holders

1. **Ken Opara, Ph.D, FCIB**  
President/ Chairman of Council
2. **Prof. Pius Oladeji Olanrewaju, Ph.D., FCIB**  
1st Vice President
3. **Mr. Dele Alabi, FCIB**  
2nd Vice President
4. **Mrs. Mojisola Bakare-Asieru, FCIB**  
National Treasurer

## Representatives of the Body of Past Presidents

5. **Uche M. Olowu, Ph.D, mni, FCIB**
6. **Dr. Bayo Olugbemi, FCIB**

## Other Elected Members

7. **Mrs Rafiat Oluwatoyin Onitiri, FCIB**  
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8. **Dr. Godwin Adolor, FCIB**  
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9. **Mr. Olayinka Odutola, FCIB**  
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Elected Member
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Elected Member
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Elected Member

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14. **Mr. Peter Ashade, FCIB**  
Chairman, Lagos State Branch
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Chairperson, Association of Professional Women Bankers (APWB)
16. **Mr. Rogers A Nwoke, HCIB, MCIB**  
Chairman, Imo State Branch
17. **Mr. Charles Ojakovo, HCIB**  
Chairman, Delta State Branch
18. **Alhaji Kabir Mohammed Baba**  
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19. **Mrs. Olabisi O. Okuyemi, FCIB**  
Chairman, United States of America Branch
20. **Mr. Mayowa Adeyemo, ACIB**  
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21. **Alhaji Aliyu Wada-Nas, ACIB**  
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GMD/CEO, Zenith Bank Plc
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25. **Mr. Hamid Joda, FCIB**  
MD/CEO, TAJ Bank Ltd
26. **Mr. Elias Igbinakenzua, FCIB**  
MD/CEO, Globus Bank Ltd
27. **Mr. Nath Ude, FCIB**  
MD/CEO, Nova Merchant Bank Ltd
28. **Mrs. Bukola Smith, FCIB**  
MD/CEO, FSDH Merchant Bank Ltd

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30. **Mr. Hassan Bello, FCIB**  
MD/CEO, Nigeria Deposit Insurance Corporation (NDIC)
31. **Mrs. Zainab Shamsuna Ahmed**  
Minister of Finance, Federal Ministry of Finance

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32. **Prof. Abubakar Adamu Rasheed**  
Executive Secretary, National Universities Commission (NUC)
33. **Prof. Idris Bugaje**  
Executive Secretary, National Board for Technical Education (NBTE)
34. **Mallam Adamu Adamu**  
Minister of Education, Federal Ministry of Education

## Sectorial Associations' Representatives

35. **Mr. Ebilate Mac-Yoroki**  
President Mortgage Bankers Association of Nigeria
36. **Mr Joshua Ukute, MCIB**  
President, National Association of Microfinance Bank

## Co-opted Members

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38. **Barr. (Mrs.) Toyin Ojo, FCIB** - Co-opted Member
39. **Dr. Nosike Agokei, FCIB** - Co-opted Member
40. **Mrs. Risikatu Ahmed, FCIB** - Co-opted Member
41. **Dr. Iheanyichukwu Ogbonna, FCIB** - Co-opted Member
42. **Mr. Ade Bajomo, HCIB** - Co-opted Member

## Secretary

43. **Akin Morakinyo, HCIB**  
Registrar/Chief Executive



# Editor's Note

Dear Readers,

It is with great pleasure that I welcome you to 2024, a year that holds remarkable promise. The year has undoubtedly kicked off with significant developments. As always, at the end of each quarter, we take time to reflect on the notable events that have shaped the Nigerian economy, the banking industry, and the activities of our Institute during this period. The first quarter of 2024 has been eventful, witnessing key milestones that have influenced Nigeria's economic stability and growth. In March, food inflation surged to 40.0%, driven by factors such as currency depreciation, reduced agricultural productivity, increased transportation costs, higher energy tariffs, and insecurity in key food-producing regions. In response to inflationary pressures, the policy interest rate was raised by 6.0 percentage points in Q1, reaching an unprecedented 24.75%, up from 18.75% in December 2023. Meanwhile, GDP growth for Q1 2024 stood at 2.98%, an improvement over the 2.31% recorded in the same period in 2023, driven primarily by strong performances in the financial, insurance, mining, and quarrying sectors.

Nigeria's financial markets, particularly the Nigerian Stock Exchange (NGX), have also been on a positive trajectory since the start of the year. The implementation of the willing-buyer, willing-seller policy has alleviated pressure on the Naira, with the NAFEX closing rate appreciating to ₦1,309.4 by March 28, a notable recovery from ₦1,650 on February 26. This performance was further supported by increased FX market liquidity, the Central Bank of Nigeria's (CBN) efforts to clear FX demand backlogs, and consistent policy directives from the apex bank.

As Mahatma Gandhi once said, **"The future depends on what you do today."** This sentiment resonates with our continuous efforts to shape the future of banking in Nigeria and our Institute's commitment to making impactful contributions to the industry. In this vein, the Institute has

made significant strides in delivering value to its stakeholders during the first quarter of the year. We successfully executed several strategic initiatives to enrich our esteemed members' professional and personal lives. Notably, the Institute, in collaboration with B. Adedipe Associates Limited, hosted the '10th National Economic Outlook: Implications for Businesses in 2024' on January 23, 2024. The event had subject matter experts from various sectors of the economy in attendance, with a keynote address from **Mr. Muhammad Sani Abdullahi Dattijo**, Deputy Governor, Economic Policy Directorate, Central Bank of Nigeria. Dr. 'Biodun Adedipe, FCIB, Chief Consultant, B. Adedipe Associates Limited, presented an overview of key sectors of the Nigerian Economy in 2023 and highlighted the macroeconomic expectations for 2024. Another highlight is the Institute's adoption of a new tradition for its Graduates' Induction programme. Historically, a once-a-year event, the ceremony will now take place twice a year. This change reflects our commitment to offering more opportunities to recognize and celebrate the achievements of our graduates and emphasizes our dedication to fostering continuous learning and professional development within the banking industry.

The first stream of the '2024 Graduates' Induction and Prize Awards Day' took place on March 23, 2024, with the theme: **"Ethics and Professionalism: A Prerequisite for Building a Sustainable Career and Institution."** The event featured **Mrs. Emem Nnana Usoro, HCIB**, Deputy Governor, Operations, Central Bank of Nigeria, as the Special Guest of Honour, and Mrs. Ibukun Awosika, FCIB, Founder/CEO, Chair Centre Group and Former Chairman, First Bank of Nigeria Ltd, as the Guest Speaker. A total of 485 graduates were inducted, including 18 from the CBMBA route, 4 from the MSc/ACIB route, 281 with the ACIB designation, 33 with the SMP/MBA/ACIB, and 149 as Microfinance Certified Bankers. This edition also includes pictorial reports on the Stakeholders' Engagements led by the President/Chairman of Council, Ken Opara, Ph.D., FCIB, as well as other informative content curated for your benefit.

As we move forward, I extend my heartfelt wishes for a prosperous year ahead. I encourage you to actively engage in the Institute's activities and initiatives, as your continued support is essential in driving the sustainable growth of our profession.

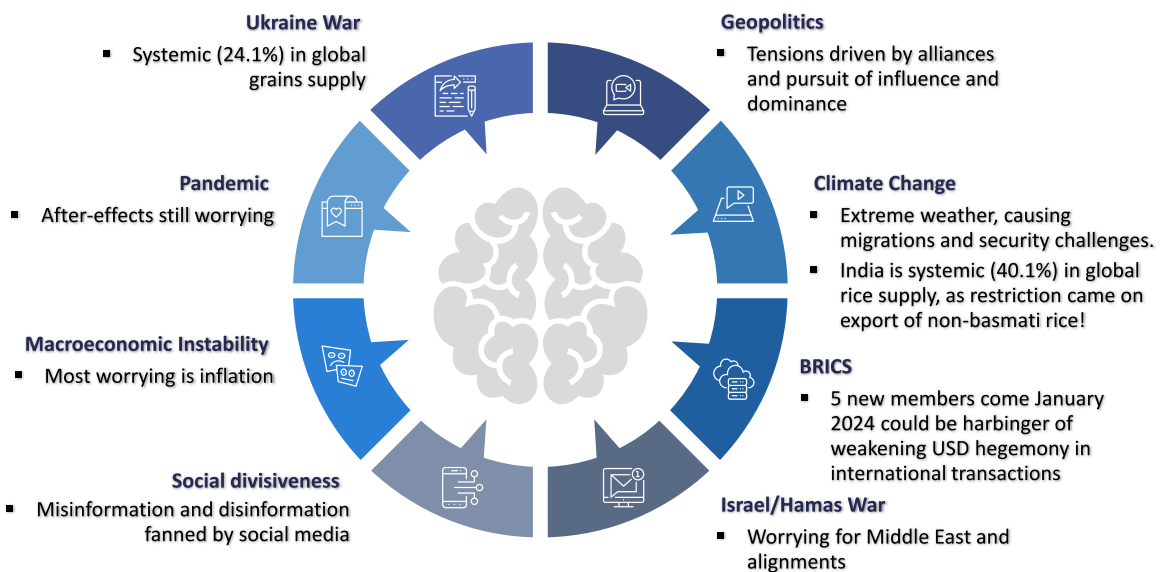
Happy reading!

**Akin Morakinyo, HCIB**  
Registrar/Chief Executive

# Nigeria Economic Outlook: 2023 Realities and 2024 Prospects

## 'Where' and 'What'

### Major Global Disruptions



### The BRICS+

#### Egypt



#### Ethiopia



#### Iran



#### United Arab Emirates



#### Saudi Arabia



Country	GDP (\$' bn)	Popn	Per capita
Brazil	1,920.10	216,422,446	8,871.98
Russia	2,240.42	144,444,359	15,510.62
India	3,385.09	1,428,627,663	2,369.47
China	17,963.17	1,425,671,352	12,599.80
South Africa	405.87	60,414,495	6,718.09
Egypt	476.75	112,716,599	4,229.62
Ethiopia	126.78	126,527,060	1,002.02
Iran	388.54	89,172,767	4,357.20
Saudi Arabia	1,108.15	36,947,025	29,992.94
UAE	507.54	9,516,871	53,330.03
<b>Total</b>	<b>28,522.41</b>	<b>3,650,460,637</b>	<b>7,813.37</b>
<b>World</b>	<b>100,562.01</b>	<b>8,045,311,448</b>	<b>12,499.46</b>
<b>%</b>	<b>28.36%</b>	<b>45.37%</b>	<b>62.51%</b>

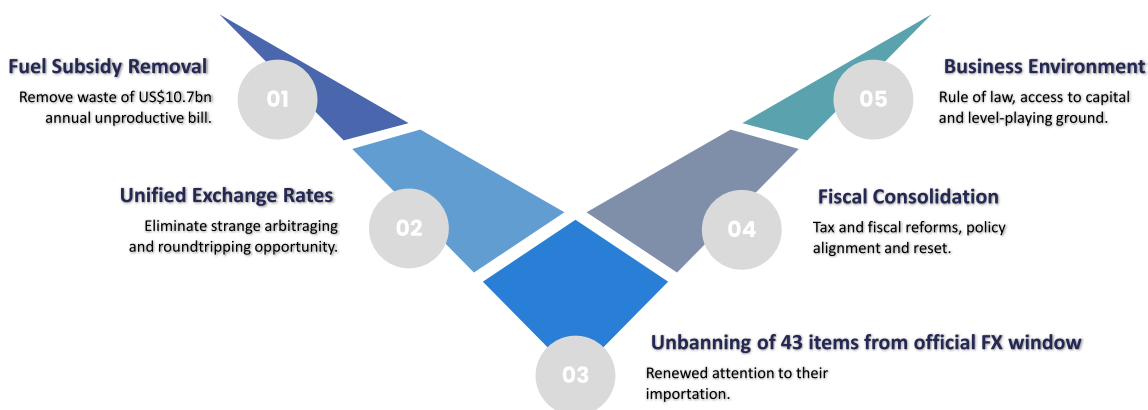
<b>Nigeria</b>	<b>477.39</b>	<b>223,804,632</b>	<b>2,133.05</b>
	<b>#39</b>	<b>#6</b>	
<b>Sources:</b>	World Bank	United Nations	

## Major Domestic Policy Shifts



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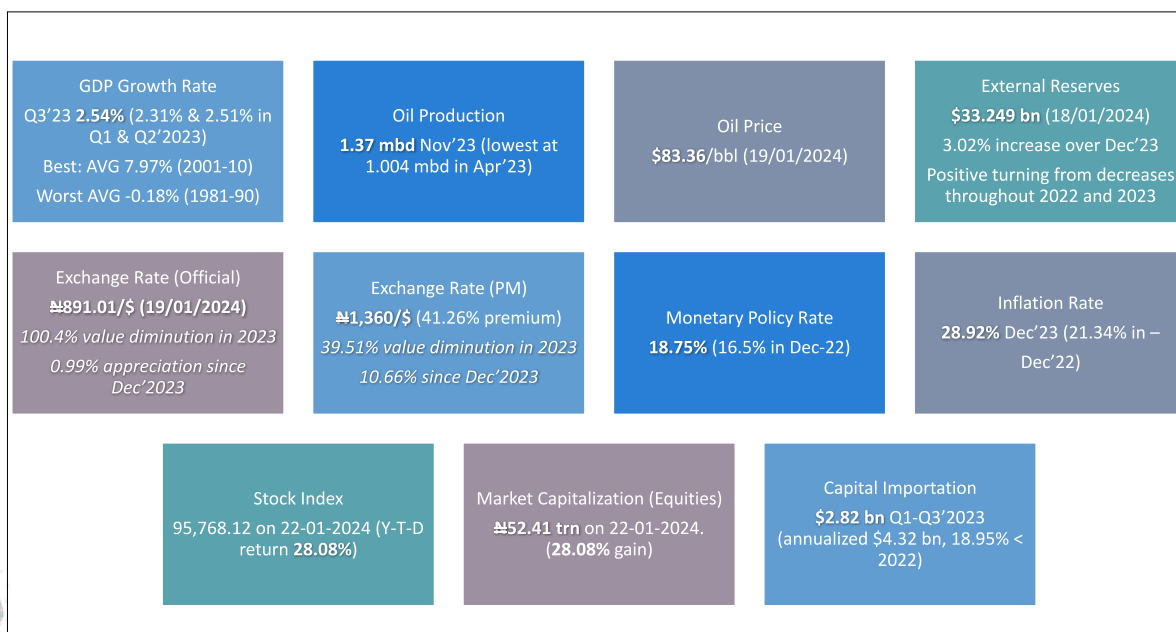


## Macroeconomic Dashboard



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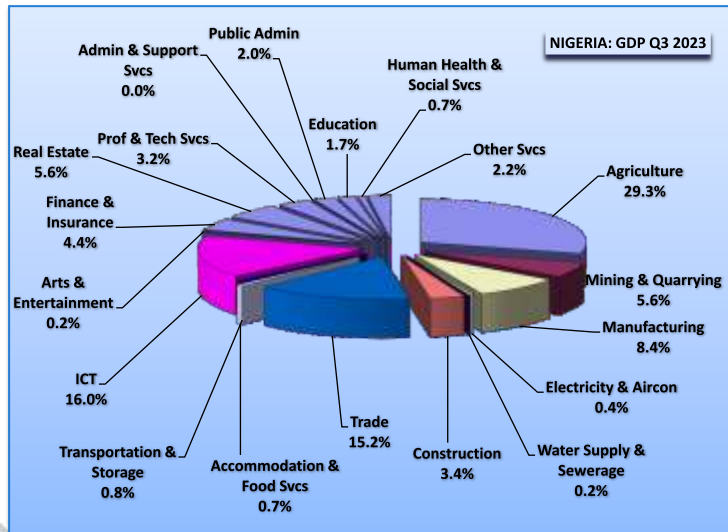


## Nigerian Macroeconomy: September 2023

### Sectoral Contributions

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The Nigerian economy is **diversified** and there are business opportunities in **every of the 19 sectors** that have 43 activity groups.

GDP growth was **2.54%** in Q3'2023, compared to **2.51%** in Q2'2023, **2.31%** in Q1'2023, **3.4%** in 2021 and **3.1%** in 2022.

**Oil** accounted for **90.1%** of foreign trade but only **5.78%** of GDP in H1'2023!

- An aberration and indicator of external sector vulnerability!

**Agriculture (29.3%), ICT (16.0%) and Trade (15.2%)** remained dominant in Q3'2023.

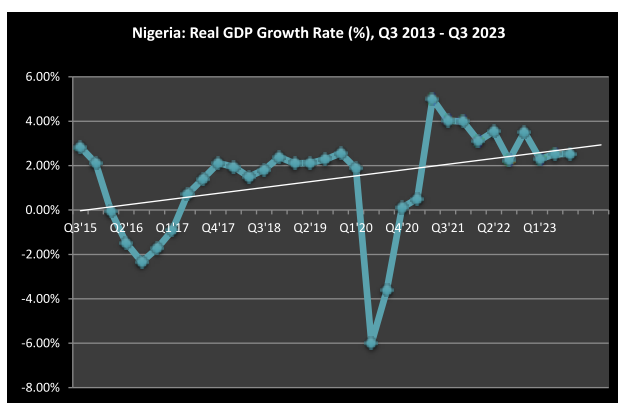
**Source: National Bureau of Statistics**



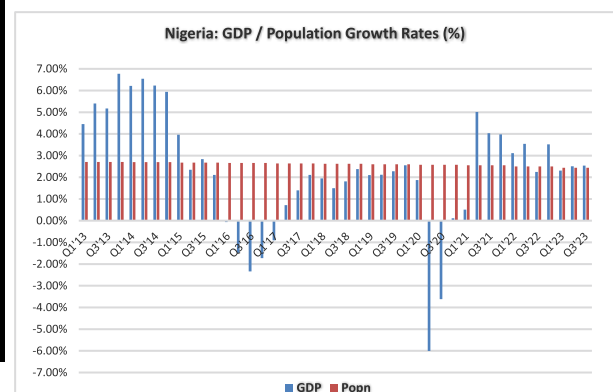
## Growth Trend: Economy vs Population Q3'13-Q3'23

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- ❑ From Q3'2015, economic growth has trended up.
- ❑ Still highly vulnerable to external shocks – oil market variabilities and investment dynamics.
- ❑ **Strong case** for diversified external sector.



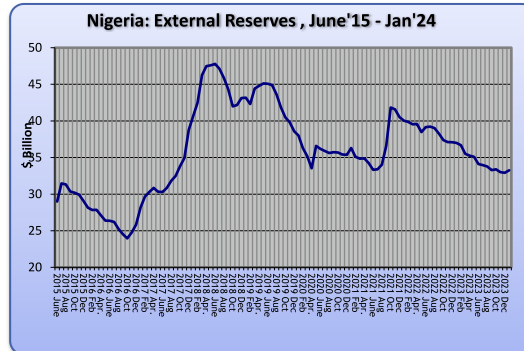
- ❑ Population growth rate has been slowing in the last ten years, from 2.55% to 2.44% in 2023.
- ❑ **Strong case** for reforms to quicken economic growth rate to at least, double population growth.



## Nigeria: External Sector (Capacity to Extinguish External Obligations)

Sources: Central Bank of Nigeria / National Bureau of Statistics

Unrelenting import pressures vis-à-vis External Reserves' vulnerability to oil vagaries. Terms of Trade was **101.05%** in Dec'2022.



Year	Monthly Merchandise Import (₦' bn)	US\$ Equivalent
2013	584,651.23	3,753.78
2014	614,530.88	3,657.92
2015	558,163.83	2,833.32
2016	722,027.47	2,367.30
2017	796,893.32	2,604.23
2018	1,097,093.95	3,573.60
2019	1,413,322.89	4,603.66
2020	1,057,578.65	2,783.10
2021	1,736,997.08	4,208.86
2022	1,863,580.12	4,305.17
Q1-Q3'2023	2,193,757.70	2,303.37

- Monthly import bill of **₦1.86 trillion** (or **\$4.31 billion**) in 2022 was **7.29%** more than \$4.21 billion in 2021.
- Liquid external reserves of **\$36.048 billion** (30<sup>th</sup> December 2022) = **8.26 months**
- Total reserves of **\$37.08 billion** on 30<sup>th</sup> Dec'22 dipped by **-8.48%**, compared to **\$40.52 billion** at end-2021!
- At **\$32.91 billion** on 29<sup>th</sup> Dec'23, it dipped by 11.25% in 2023.
- Already picked up by **1.02%** to **\$33.25 billion** his January 2024.

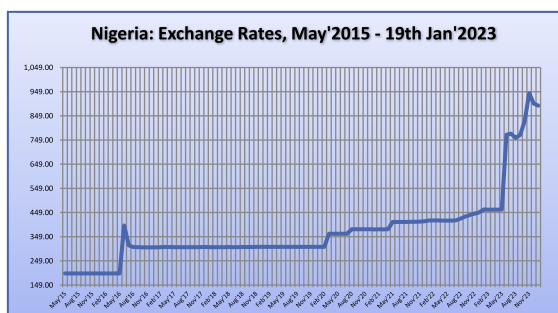
On 31<sup>st</sup> July 2023, it was **\$33.95 billion** gross, and liquid **\$33.21 billion** or **13.56 months** (seemingly)!

If adjustment is made for the outstanding indebtedness of **\$7.5 billion** to JP Morgan and Goldman Sachs and reduced matured forward contracts of **\$5.3 billion**, availability reduced (liquid reserves on 29<sup>th</sup> December 2023) to **\$19.38 billion** or **8.42 months**.

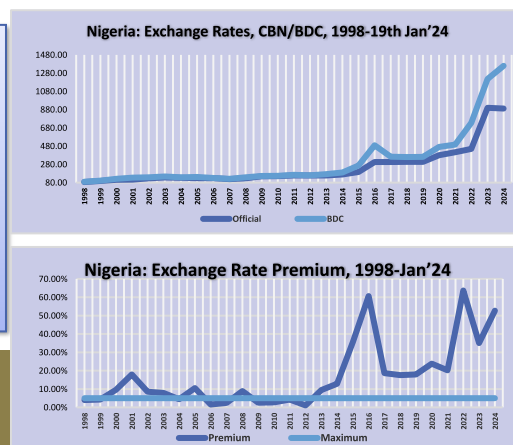
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## Exchange Rates: Volatility



Nigeria has applied the typical IMF recipe of eliminating premium by devaluation of the domestic currency, which is mere financial (borrowing and non-FDI capital flows) and won't solve the underlying structural problems. The enduring solution is expansive domestic manufacturing and relentless, deliberate and focused export drive.



PM was **₦772.7/\$** on 5<sup>th</sup> July, **₦812.67/\$** on 13<sup>th</sup> July, **₦1,245/\$** on 13<sup>th</sup> December, **₦1,215/\$** on 29<sup>th</sup> December and **₦1,360/\$** on 19<sup>th</sup> January.

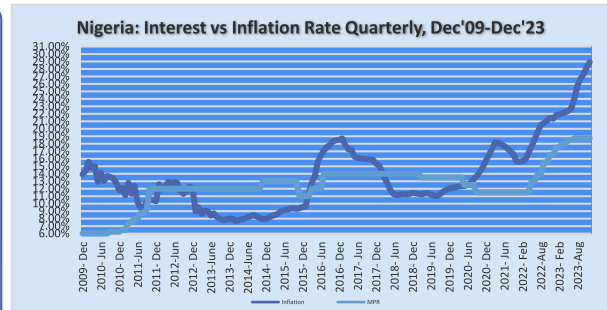
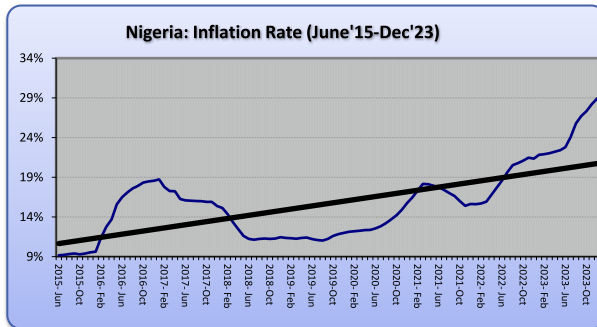
Premium of **66.75%** as of 30<sup>th</sup> May 2023 dropped to **28.76%** on 15<sup>th</sup> June 2023, **5.34%** on 13<sup>th</sup> July, **22.54%** on 31<sup>st</sup> October, **35.02%** on 29<sup>th</sup> December and **52.64%** on 19<sup>th</sup> January!

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## Nigeria: Inflation vs Interest (MPR) Rate 2010-2023



❑ Inflation spikes correlate with recessions of 2016 and 2020.

❑ With inflation rate persistently trending upwards, the CBN had to raise the MPR and postures same for H1'2024.

❑ Yet, the economy is desperate for growth and the big number in Nigeria is food inflation, at **33.93%** in December 2023 ((Y-o-Y, up from **32.84%** in November) – rising from 24.13% in Dec'2022, 24.45% in March, 25.25% in June 30.64% in September.

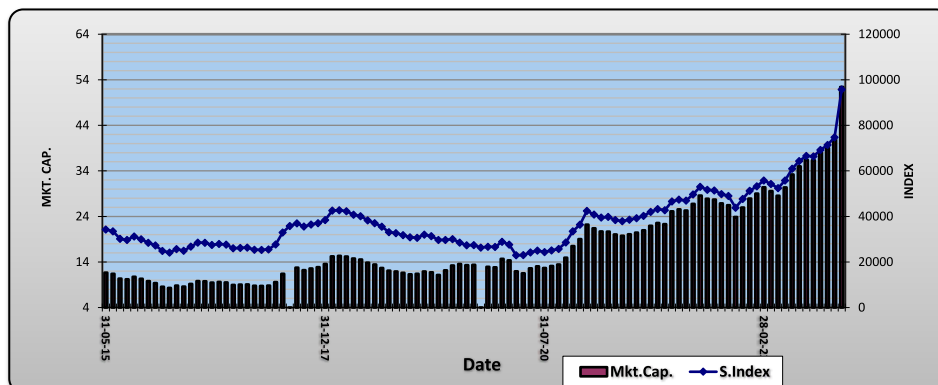
❑ Food security should therefore, come big in Nigeria's economic development agenda – **availability** and **affordability**, which are two of the four categories of the EIU Global Food Security Index in which the country **ranked poorly in #97** in 2021 and **#107** in 2022 out of 113 countries. The other two categories are **quality & safety** and **sustainability & adaptation**.

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## Nigeria: Stock Market Performance

May 2015 to 22<sup>nd</sup> January 2024



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Metric	30 <sup>th</sup> May	30 <sup>th</sup> June	31 <sup>st</sup> July	31 <sup>st</sup> Aug	29 <sup>th</sup> Sep	31 <sup>st</sup> Oct	30 <sup>th</sup> Nov	29 <sup>th</sup> Dec	22 <sup>nd</sup> Jan
Index up	8.78%	18.96%	25.53%	29.85%	29.52%	35.09%	39.25%	41.24%	28.08%
Market Cap. up	8.82%	18.93%	25.42%	30.48%	30.15%	36.27%	39.89%	41.90%	28.08%
Y-t-D Return	8.78%	18.96%	25.53%	29.85%	29.52%	35.09%	39.25%	41.24%	28.08%

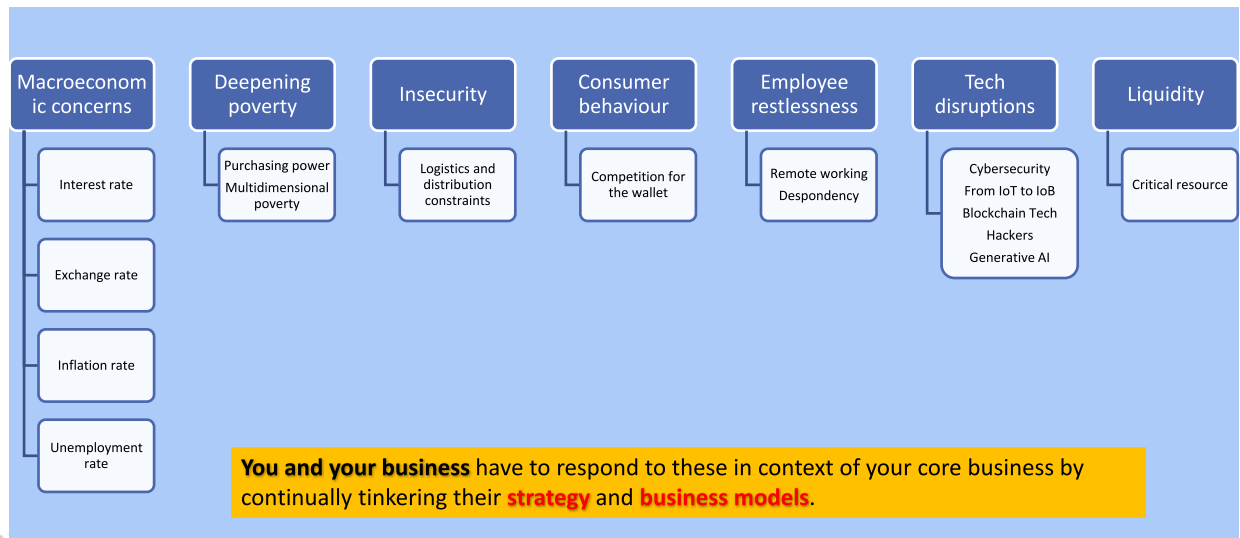


## Summary: Challenges and Environmental Risks are ...



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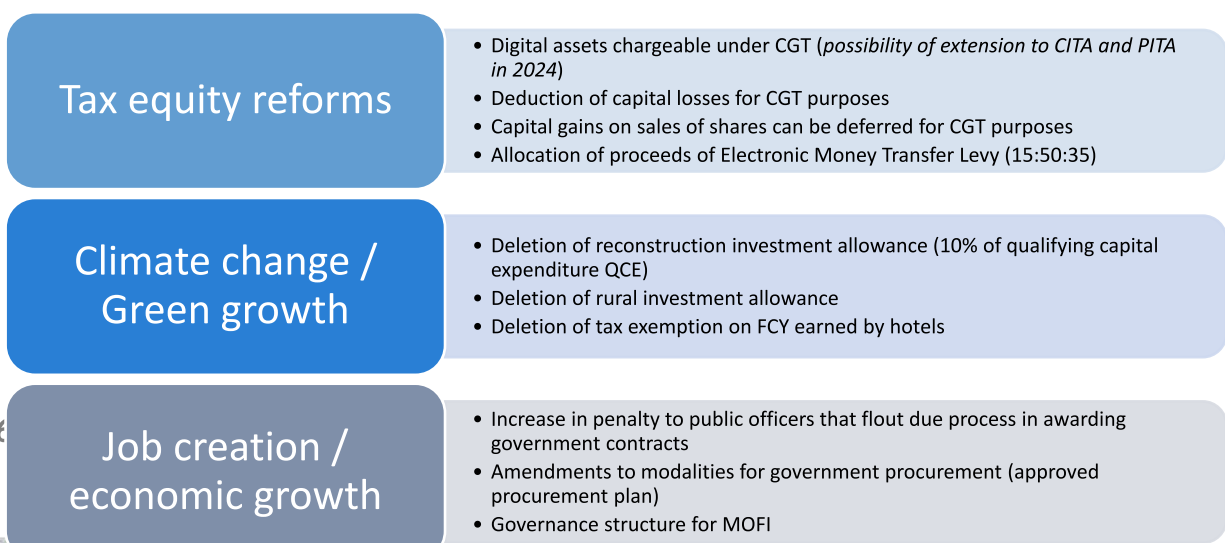


## Finance Act 2023: Five Key Areas



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## Finance Act 2023: Five Key Areas (contd.)



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### Tax incentives reform

- Tax deductibility of contributions by upstream O&G companies for decommissioned and abandoned fields
- Increased penalties for non-compliance by upstream O&G companies
- Unrestricted capital allowance extended to upstream and midstream O&G companies

### Revenue generation / tax administration

- Companies in shipping and air transport to profit financial statements on their Nigerian operations
- Levy of 0.5% on imports from outside Africa
- Excise duty on all services
- Tax deductions for payments under annuity contract for minimum of 5 years
- Increase in penalties under PPTA to ensure strict compliance
- Deadline for VAT remittance on or before 14<sup>th</sup> day of succeeding month, no longer 21<sup>st</sup>
- Increase in TET from 2.5% to 3%

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## 2024 Budget Assumptions / Major Items

## Breakdown of Nigeria's 2024 budget



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**\$77.96**

Oil price benchmark

**1.78mbpd**

Oil production

**₦800/\$**

Average FX rate

**₦28.77 trillion**

Aggregate expenditure

**₦8.76 trillion**

Non-debt recurrent expenditure

**₦8.27 trillion**

Debt service

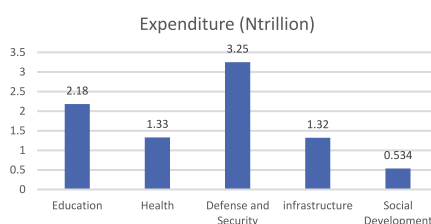
**₦9.99 trillion**

Capital expenditure

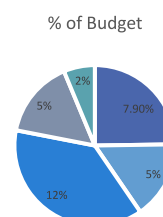
**₦9.18 trillion**

Budget deficit

### Budget Expenditure Across Key Sectors



### % of Budget Allocation to Key Sectors



- Education
- Health
- Defense and Security
- Infrastructure
- Social Development

### Budget Deficit Financing

- New borrowings: ₦7.83 trillion
- Privatization Proceeds: ₦298.49 billion
- Multilateral and bilateral loans: ₦1.05 trillion

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## Breakdown of FGN's 2024 budget



- ❑ **Education: ₦2.18 Trillion (7.9% of Budget)**
  - ❑ ₦1.23 trillion – Amount provisioned for Federal Ministry of Education and its agencies (Recurrent & Capital expenditure)
  - ❑ ₦251.47 billion – Amount provisioned for Universal Basic Education Commission (UBEC)
  - ❑ ₦700.0 billion – Transfers to the Tertiary Education Trust Fund (TETFUND) for infrastructure projects in Tertiary institutions
- ❑ **Health: ₦1.33 Trillion (5% of Budget)**
  - ❑ ₦1.07 trillion – Amount provisioned for Federal Ministry of Health and its agencies (Recurrent & Capital expenditure)
  - ❑ ₦137.21 billion – Gavi/ Immunization funds, including Counterpart Funding for Donor Supported Programmes
  - ❑ ₦125.74 billion – Transfer to Basic Healthcare Provision Fund (BHCPF) 1% of CRF



## Breakdown of FGN's 2024 budget (contd.)



- ❑ **Defence and Security: ₦3.25 trillion (12% of Budget)** – Amount provisioned for the Military, Police, Intelligence & Paramilitary (Recurrent & Capital expenditure)
- ❑ **Infrastructure: ₦1.32 trillion (5% of Budget)** – This include provisions for Works & Housing, Power, Transport, Water Resources, Aviation.
- ❑ **Social Development & Poverty Reduction Programmes: ₦534 billion (2% of Budget)** – Amount provisioned for Social Investments / Poverty Reduction Programmes.



## Proposed Banking Sector Reform

### Bank Recapitalization Comment by the CBN Governor

At the 58<sup>th</sup> annual Bankers' Dinner on Friday, 25<sup>th</sup> November 2023, the CBN Governor, Mr. Olayemi Cardoso, said a stress test performed on Nigerian banks revealed that while they would withstand mild to moderate stress, they would not be able to service a \$1tn economy projected by the Tinubu administration in seven years, hence the need for recapitalization.

He added, "Considering the policy imperatives and the projected economic growth, it is crucial for us to evaluate the adequacy of our banking industry to serve the envisioned larger economy. It is not just about its current stability. We need to ask ourselves, can Nigerian banks have sufficient capital relative to the finance system needs in servicing a \$1tn economy shortly, in my opinion, the answer is no, unless we take action. As a first test, the central bank will be directing banks to increase their capital."



What is the implication of this for the banking industry and **Keystone Bank**?



## Proposed Banking Sector Reform

### Bank Recapitalization Comment by the CBN Governor (contd.)

Authorization	Amount (₦'bn)
International	50.0
National	25.0
Regional	10.0

- ❑ Aggregate industry capitalization is about ₦11 trillion.
- ❑ Nominal GDP (current price) in Q3'2024 was ₦60.66 trillion, which annualizes to ₦242.63 trillion.
- ❑ Banking Capital / GDP is 4.53%.

- ❑ A US\$1 trillion GDP at ₦913.28/\$ exchange rate on 13<sup>th</sup> December 2023 translates into about ₦913.28 trillion.
- ❑ Compared to annualized nominal GDP of ₦242.63 trillion for 2023, is a multiplier of **3.76**.
- ❑ Applied to the existing minimum capital requirements for the three authorizations extrapolates into...
  - ❑ International ₦188.0 billion
  - ❑ National ₦94.0 billion
  - ❑ Regional ₦37.6 billion

#### Options:

- ❑ Convert reserves to paid-up share capital (top-6)
- ❑ Rights issue and/or public offer (bottom-2)

Very Likely	
Authorization	Amount (₦'bn)
International	200.0
National	100.0
Regional	40.0

Top-10 Most Capitalized Banks	
Institution	Amount (₦)
Zenith	1.920 tn
UBA	1.778 tn
Access	1.640 tn
Ecobank	1.373 tn
FBNH	1.371 tn
GTCO	1.273 tn
Stanbic IBTC	0.471 bn
Fidelity	0.470 bn
FCMB	0.373 bn
Sterling	0.166 bn





## Banking Industry Issues



### ☐ Interest Rates:

- ☐ Monetary Policy Rate (MPR) is a critical monetary policy tool that is at present sterilized because the Monetary Policy Committee (MPC) has not been constituted and as such, has not met since the beginning of H2'2023. The CBN is out now with a tentative calendar, and MPC meetings are expected to begin in February 2024.
- ☐ In spite of the negative interest rate implied by the 10.17 percentage points differential between MPR and inflation rate, the MPR needle has not moved and no signaling effect to the banking ecosystem.

### ☐ Exchange Rate Management:

- ☐ Unified exchange rate is not sustainable (perhaps, ill-advised) when FX supply is obviously thin but undisclosed.
- ☐ Nigeria is in a perfect condition for capital control and deep consequence management for market infractions.



## Banking Industry Issues (contd.)



### ☐ Governance of the Central Bank of Nigeria:

- ☐ Both the Board of Directors and the Monetary Policy Committee should be reconstituted to avoid the perception that the Governor is a sole administrator.

### ☐ Recapitalization of Banks:

- ☐ There are speculations based on permutations and calculations that should be doused with specific pronouncements on amounts and compliance period.

### ☐ Financial System Stability:

- ☐ Reasons for the recent sacking of the board of three banks are typical for financial system stability but replacement with only executive directors leaves governance gaps that should be filled quickly with appointment of non-executive directors as well.



## Outlook Drivers



### Expected growth is supported by:

- Large, youthful and rapidly growing population (**6<sup>th</sup> largest** in the world, median age at **17.2 years**).
- Rapid urbanization (**51.96%** in 2020 and **53.96%** in June 2023, up from 47.84% in 2015).
- Deepening internet penetration: at **45.57%** in Aug 2023, rising from 31.48% in Dec 2018
- Teledensity: **116.6%** in Dec 2022 and **115.63%** in Aug 2023, a drop from 123.48% in Dec 2018 (but 91% in March 2019); Global internet users: Nigeria **ranks 11<sup>th</sup>**.
- Exchange rate: budget assumption ~~₦~~800/\$; significant utterance ~~₦~~650 - ~~₦~~750/\$; JP Morgan ~~₦~~850/\$.
- Interest rate: MPR (18.75%) expected to be raised to reduce negative interest rate by closing the domestic inflationary gap (28.92%) and respond to rate differentials with \$ interest (3.96% yield on 10-year treasury bond) and inflation (3.4%).
- **Inflation rate:** Money supply and imports have maintained relentless uptick.
- Sustained deep reforms (President Tinubu is focusing on global competitiveness and Ease of Doing Business, plugging leakages and shrinking the space for economic rent).

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## 2024 Outlook



- ❑ GDP projection for 2023 **2.45%-2.72% lower than** 3.19% for 2022. World Bank's **2.9%** and IMF's **2.9%**.
  - ❑ **2024:** FGN **3.88%**; BAA **3.47%** ; World Bank **3.3%**; IMF **3.1%**.
- ❑ Double digit inflation rate **remains above 20%**, likely average **23.47%**.
- ❑ Naira **exchange rate stability** envisaged for Q1'2024. We expect average official rate at of ~~₦~~900/\$ and PM average of ~~₦~~1,235/\$.
- ❑ Upward adjustment of **MPR** expected in Q1'2024 and start downward adjustment in Q2'2024 (latest Q3'2024).
- ❑ Bank **lending rate** will remain double digit and follow MPR adjustments.
- ❑ **NPL** in banks likely on uptick in Q4'2023 and Q1'2024.
- ❑ Intensified **digitalization** and ascendancy of the digital economy.
- ❑ Stock market to **remain bullish** for most of H1'2024. Correction may however, set in once the psychological barrier of 100,000 ASI breaks in the next two weeks (returning the market to where it was before the market crisis of 2008).
- ❑ Opportunities in **food value chains** will remain evergreen.

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## Why India Looks Good for Accelerated Growth



- ❑ Social Investment Intervention at 3% of GDP.
  - ❑ Transfers made direct to the bank accounts of beneficiaries.
- ❑ Demonetization in 2016, though a disaster, may have accelerated digitization.
- ❑ Improved ease of doing business.
- ❑ Boost to manufacturing, on the back of the campaign for "Make-in-India".
- ❑ Digital public infrastructure that includes universal identity scheme, a national payments system and a personal-data management system (that supports documentation).

- ❑ What lessons for Nigeria, having the same desire?
- ❑ Both with population characteristic advantage over China. (Median age 38:28:17.2 years)



Thank you  
**God bless**

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# COMMUNIQUE ISSUED

## AT THE END OF THE

# 10<sup>th</sup> NATIONAL ECONOMIC OUTLOOK 2024

DATE: 23<sup>rd</sup> JANUARY 2024

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### 1.0 Introduction

The 10<sup>th</sup> National Economic Outlook, held on Tuesday, 23<sup>rd</sup> January, 2024. The hybrid event was jointly hosted by the **Chartered Institute of Bankers of Nigeria Centre for Financial Studies (CIBNCFS)** and **B. Adedipe Associates Limited (BAA Consult)**. The event took place on-site at the Bankers House, Chartered Institute of Bankers of Nigeria, and on the Zoom platform, attracting a total of 120 physical delegates and about 300 virtual participants. The diverse attendees included captains of industry, regulators, and professionals from banking, insurance, legal, manufacturing, academia, among others.

The primary objective of the event was to

assess the performance of the global and Nigerian economies in 2023, and then offer insights into the economic outlook for 2024, highlighting the implications of economic and political trends for key business sectors in Nigeria. The event also provided practical recommendations for businesses and the government to create an enabling environment for growth and effectively manage business risks.

In his opening remarks, **Dr. Kenneth Opara, FCIB**, the President/Chairman of the Council of the Chartered Institute of Bankers of Nigeria (CIBN), underscored the unique opportunity the 10<sup>th</sup> National Economic Outlook presented for

evaluating the global and national economic landscapes and their impact on businesses in 2024. He emphasized the event's distinctiveness, incorporating both annual and mid-year reviews that take account changes in the economic landscape throughout the year. **Dr. Opara** highlighted the Institute's commitment to organizing programmes on emerging economic issues, such as the effects of subsidy removal and the opportunities in new government policies.

He reiterated that the Central Bank of Nigeria's adoption of the free float foreign exchange regime and other monetary policy reforms played a pivotal role in shaping the economy. This resulted in a 2.5% year-on-year growth recorded in Q2-Q3 2023, surpassing the 2.3% recorded in Q1 2023. However, challenges associated with headline inflation rate of 28.9%, Naira depreciation, high unemployment rates, and a public debt of N88 trillion, limiting government capacity to invest in critical sectors, all require strategic solutions. He noted that the high inflation rate continued to erode purchasing power and reduce consumer disposable income. Despite challenges in non-performing assets, inflationary pressure, foreign exchange instability, capacity gap, and cybersecurity, the banking sector, as the financial backbone, demonstrated resilience in meeting regulatory benchmarks through significant reforms.

Looking ahead to 2024, he noted that the lessons from 2023 will undoubtedly serve as a guide for maintaining economic stability, implementing effective regulatory measures, and practicing risk management to navigate the complexities of the year.

In closing, **Dr. Kenneth Opara, FCIB**, encouraged all participants to actively engage with the insights gained from the outlook, as they will be instrumental in navigating the economic landscape in the year ahead.

## 2.0 Keynote Presentation

The Keynote speaker, **Mr. Mohammad Sanni**, Deputy Governor, Economic Policy Directorate, was ably represented by **Dr. Mohammed Musa Tumala**, Director, Economic Policy Directorate, Central Bank of Nigeria. The following were the highlights and recommendations from his presentation.

- The global economy is expected to witness slow economic growth amidst inflation challenges. The International Monetary Fund (IMF) projects a mild slowdown to 2.9% with Asia contributing significantly. More so, heightened geopolitical tensions such as Israel-Hamas conflict, Russia-Ukraine war, border conflict, all pose risks to disrupt the energy markets, trade routes, and financial markets, potentially slowing global growth.
- The uncertainty in global trade is triggered by trade restrictions which propel economies across the globe to adopt inward policies leading to the restructuring of global value chains and trade.
- Nigeria's economy is projected to grow by 3.76% in 2024, driven by government reforms and improved crude oil prices and production. Business expectations for the first half of 2024 indicate positive trends in various sectors, including industry, services, agriculture, mining, electricity, gas, and water supply.
- The market-based reforms through private investment and small and medium scale enterprises would contribute to business improvement and confidence of investors in mining and energy subsectors, which will catalyse growth and development.
- The adoption of the flexible exchange rate by the Central Bank of Nigeria is intended to achieve stability,

transparency, and attract foreign investment. On the other, taming inflation to achieve price stability, foster economic stability and improve the business environment remains the major policy thrust of the Central Bank of Nigeria.

- Inflation is expected to decline to 21.4% in 2024, following the crystallization of government reforms and use of inflation targeting tools to maintain price stability. This is expected to have positive implications for businesses in Nigeria, while the continuing digitization and government drive for financial inclusion initiative is expected to boost fintech growth, improve productivity and efficiency.
- Stable exchange rate, higher demand from growing middle class, access to cheaper foreign inputs will drive growth in Nigeria domestic manufacturing industry and industrial development in 2024.
- **Sectoral Projections:**
  - ✓ **Services Sector:** Expected to dominate growth, driven by mobile money adoption, government partnerships, and expanded digital lending offerings.
  - ✓ **Agricultural Sector:** Anticipated faster growth with potential export growth in processed agriculture products.
  - ✓ **Manufacturing:** Gradual revival due to a more stable exchange rate and increased demand from a growing middle class.
  - ✓ **Oil Sector:** Expected to play a crucial role with improved crude oil prices and production.
- The Central Bank of Nigeria is actively

working to ensure market orderliness, transparency, and green finance adoption to support sustainability and mitigate risks for businesses.

- Government fiscal policies such as tax reforms have the potential to reduce the cost of doing business, while fiscal discipline is evidenced in 2024 budget with focus on key sectors such as infrastructure, human capital development and increased allocation to small and medium scale enterprises by 200% from N5.8 billion in 2023 to N19.79 billion in 2024.
- The year 2024 is marked by a mix of global challenges, economic reforms, and sector-specific opportunities, requiring strategic responses from businesses and policymakers.

### 3.0 Overview of the Nigerian Economy

The overview of the economy for the preceding year 2023 and prognosis for 2024 was presented by **Dr. 'Biodun Adedipe FCIB**, Chief Consultant, **B. Adedipe Associates Limited**.

#### 3.1 Economic Review

- During challenging periods, businesses should concentrate on resilience, achieving stability, and initiating strategies for sustainable growth.
- In 2023, the global economy witnessed diverse uncertainties and complexities, global disruptions caused by the Russian/Ukrainian war, pandemic, macroeconomic instability, social divisiveness, geopolitical tensions, climate change, evolution of BRICS+ and the Israel/Hamas war that have intensified pressures from key stakeholders of employees, customers, shareholders, and directors.



- The struggling Chinese economy that had provided impetus for global economic growth in the last 45 years is losing steam because of its troubled real estate and banking sectors and deflation threats. This has implications for global economic growth in 2023/2024.
- There were major policy shifts in Nigeria in H2'2023, which included the removal of fuel subsidy, unified exchange rates, lifting of the ban on 43 items from the official FX window and fiscal consolidation. These are complemented with efforts to improve the investment climate with policy alignment and reset, adherence to the rule of law, and facilitation of access to capital.
- Food inflation remains a significant contributor to headline inflation in Nigeria. Addressing issues such as insecurity and post-harvest losses, estimated at 60%, will help combat food insecurity in the country.
- In spite of the negative interest rate implied by the 10.17 percentage points differential between MPR and inflation rate, the MPR needle has not moved. However, the expected meetings of the Monetary Policy Committee (MPC) expected to begin in February 2024 will have a signaling effect to the banking ecosystem.
- India is the most populated country globally with estimated population of 1.428 billion people compared to China's 1.425 billion. Notably, India holds an advantageous demography with a median age of 28, while China's median age stands at 38. Nigeria has a youthful population with median age of 17.2 years and it is tech savvy. In addition, Nigeria is ranked 11<sup>th</sup> in internet penetration globally, where 94% of Nigerians have access to the internet via smartphones. This therefore provides an opportunity to enhance social investment schemes in the country.
- By leveraging this technological trend, Nigeria has dual benefits - catering to the youth demography, while fostering financial inclusion in Nigeria.
- New manufacturing driven by the Chinese, Indians and the Lebanese is expanding in Nigeria. The gradual revival of domestic manufacturing should intensify with a more stable exchange rate.
- The energy sector, particularly oil, remains a crucial driver of Nigeria's economy. Reforms and stability in this sector are essential for sustained economic growth.

### 3.2.0 Outlook

- Gross Domestic Product (GDP) for 2023 is projected at 2.45% - 2.72%, lower than 3.19% in 2022. Projections by the World Bank is 2.9% and IMF 2.9%.
- The Federal Government of Nigeria projects GDP growth for 2024 at 3.88%; BAA Consult 3.47%; World Bank 3.3% and IMF 3.1%.
- Inflation will remain double digit and above 20%, likely average 23.47%.
- Naira exchange rate stability is envisaged for Q1'2024 with average official rate at of N900/\$ and parallel average of N1,235/\$.
- Upward adjustment of Monetary Policy Rate is expected in Q1'2024 and start

downward adjustment in Q2'2024 (latest Q3'2024).

- Non-Performing Loans in banks is likely to uptick in Q4'2023 and Q1'2024.
- Intensified digitalization and ascendancy of the digital economy.
- The stock market to remain bullish for most of H1'2024. Correction may however, set in once the psychological barrier of 100,000 ASI breaks in the next two weeks (returning the market to where it was before the market crisis of 2008).

#### 4.0 Panel Discussion

The outlook brought together a panel of business professionals, seasoned bankers, and industry leaders and regulators to review the current state of the Nigerian economy and provide their insights on prospects for the country. The moderator and panellists were as follows:

- **Mr. Olufemi Awoyemi**, mni, FCIB, F.IoD, Founder & Chairman, Proshare Limited – Moderator

##### Panelists

- **Mr. Lamido Yaguda**, FCIB, Director General, Securities and Exchange Commission (SEC)
- **Dr. (Mrs.) Toyin Sanni**, Group CEO, Emerging Africa Capital Group
- **Mr. Segun Ajayi-Kadir**, mni, Director-General/CEO, Manufacturers Association of Nigeria
- **Mr. Johnson Chukwu**, HCIB, Group MD, Cowry Asset Management Limited
- **Mr. Ade Adefeko**, Advisor, Agriculture, Trade & Development Finance
- **Mr. Boluwaji Apanpa**, Partner, People and Change, KPMG & West Africa

#### 4.1 Highlights and Recommendations

##### A. Highlights

- The borrowing undertaken by the Nigeria National Petroleum

Corporation on behalf of the government is justifiable, particularly in instances where it entails securing prepayments from supplies of future oil deliveries.

- The capital market remains a key platform that brings together long-term fund users, investors, and savers. It has historically played a vital role in privatizations and sector consolidations, facilitating the flow of domestic and international investments.
- Public-Private Partnerships (PPPs) is instrumental to harnessing the expertise and capital of the private sector for the effective management and development of state-owned enterprises and infrastructure projects.
- The manufacturing sector, on average in the last 10 years, has operated at less than 54% capacity utilization. Underperformance in the Nigerian manufacturing sector is attributed to various factors such as liquidity paucity, forex challenges, and the need to import raw materials, machines, and spares.
- There is a shift from comparative advantage to comparative competitiveness. Having a comparative advantage is not sufficient; the focus should be on enhancing competitiveness in various areas, including services and primary cash crops.
- A challenge currently exists with negative interest returns on investments, given the Monetary Policy Rate (MPR) standing at 18.75% and inflation rate of 28.92%.
- A transition is warranted from a reactive response to a deliberate and strategic approach to human capital development in Nigeria, drawing insights from the

long-term plans in countries such as China and India. Positive though is the increase in allocation to education in the budget, indicating a growing focus on human capital development by the Federal Government.

- The importance of the quality of education over physical infrastructure is central in building human capital that drives corporate and national productivity. Exposure of students to entrepreneurship courses as practiced in some private universities will help our graduates to be independent and self-reliant.

#### **B. Recommendations Government**

- Develop and adopt credible mid-term fiscal frameworks to manage debt burden. Focus on inflation reduction and foster sustainable and inclusive growth and maintain restrictive monetary policy.
- The adoption of inflation targeting by the Central Bank to achieve price stability requires effective synergy of monetary policy instruments and communication of the desired goals. This will aid business and economic planning and facilitate strategic investment decisions in innovation, expansion and growth.
- Actively pursue and promote public-private partnerships for efficient management and development of state-owned enterprises and infrastructure projects.
- Carry out comprehensive consultation with stakeholders such as manufacturers, suppliers, distributors, logistics, employees, and consumers

for effective regulation of the manufacturing industry.

- Diligently implement the outcomes of committees and policy reforms.
- Prioritize addressing key challenges of insecurity, multiple taxation, and infrastructure deficit, especially power.
- Enhance collaboration and coordination among relevant ministries, including Agriculture, Trade, Finance, and Water Resources to drive a seamless execution of projects.
- Thoroughly review existing trade policies to ensure they align with current economic priorities and promote bilateral trade agreements.
- Adopt a holistic budgeting approach that considers the interconnectedness of different sectors, moving away from silo paradigm.
- Initiate strategic educational reforms that focus on the quality of education, teacher incentives, and technology integration and encourage a proactive approach to talent development to meet both local and global demands, akin to the models observed in countries like China and India.
- Ministry of Finance Incorporated (MOFI) should focus on sectors where it holds a competitive advantage, allowing Nigerian National Petroleum Corporation Limited to continue handling government representation in the oil sector, leveraging its expertise.

#### **Businesses**

- Keep abreast with the changing economic factors such as crude oil price, exchange rate, inflation rate, global food supply chains and remain agile to adjust

business models and strategies to mitigate risks and explore the opportunities within the dynamic business environment.

- Prioritize global collaborations and partnerships which opens new markets, diversifies revenue streams, and contributes to overall economic prosperity.
- Private sector involvement in developing market-driven infrastructure investment with realistic valuations.
- Adopt end-to-end value chain approach for processing and marketing primary cash crops to maximize their economic impact.
- Cultivate a technologically adept workforce that aligns with the demands of the contemporary business world.
- Incorporate technology and entrepreneurship into the curriculum of educational institutions to prepare students for the modern workplace.
- Businesses should become talent factories by strategically developing and retaining skilled individuals and view talent development as an investment that contributes to their long-term success.

**Akin Morakinyo FCIB**

Registrar/Chief Executive

The Chartered Institute of Bankers of Nigeria

- Actively engage with the Central Bank of Nigeria, attending briefings and participating in relevant platforms for collaboration and informed decision-making.
- The SMEs should organize themselves to build the capacity to attract the funding.
- Adopt strategies to mitigate risks, including engaging in advocacy, cybersecurity best practices, and adopting sustainable practices to mitigate climate risks.

**Conclusion**

The 2024 National Economic Outlook evaluated the macroeconomic trajectory, emerging government policies and their impact on businesses. Key implementable recommendations were made to the government as well as to the organised private sector.

The Nigerian business environment has diverse opportunities and challenges especially in the light of the major policy shifts. Business leaders should be agile and adaptable to the changing macroeconomic environment to survive, grow and expand their businesses.

**Mrs. 'Laide John, Am.IOD**

Managing Consultant

B. Adedipe Associates Limited



## 10TH ANNIVERSARY OF THE NATIONAL ECONOMIC OUTLOOK - TUESDAY, JANUARY 23, 2024



L-R; THE REGISTRAR CHIEF EXECUTIVE, CIBN, MR. AKIN MORAKINYO, HCIB; MRS. MOJISOLA BAKARE-ASIERU, FCIB, NATIONAL TREASURER, CIBN; PROF. PIUS DEJI OLANREWaju, FCIB, 1ST VICE PRESIDENT, CIBN; MR. LAMIDO YUGUDA, FCIB, DIRECTOR GENERAL SECURITIES & EXCHANGE COMMISSION (SEC); MR. DELE ALABI, FCIB, 2ND VICE PRESIDENT, CIBN; AND DR. BIODUN ADEDIPE, FCIB, FOUNDER / CHIEF CONSULTANT B. ADEDIPE ASSOCIATES LTD.



L-R; MR. OLUYEMI AWOYEMI, FCIB, FOUNDER AND CHAIRMAN PROSHARE LIMITED; MR. BOLUWAJI APANPA, PARTNER PEOPLE & CHANGE KPMG & WEST ARICA; DR. BIODUN ADEDIPE, FCIB, FOUNDER / CHIEF CONSULTANT B. ADEDIPE ASSOCIATES LTD.; MRS. MOJISOLA BAKARE-ASIERU, FCIB, NATIONAL TREASURER, CIBN; PROF. PIUS DEJI OLANREWaju, FCIB, 1ST VICE PRESIDENT, CIBN; MR. DELE ALABI, FCIB, 2ND VICE PRESIDENT, CIBN; MR. LAMIDO YUGUDA, FCIB, DIRECTOR GENERAL SECURITIES & EXCHANGE COMMISSION (SEC); MR. ADE ADEFEKO, ADVISOR, AGRICULTURE TRADE & DEVELOPMENT AND FINANCE, AND THE REGISTRAR CHIEF EXECUTIVE, CIBN, MR. AKIN MORAKINYO, HCIB.



DR. BIODUN ADEDIPE, FCIB, FOUNDER / CHIEF CONSULTANT B. ADEDIPE ASSOCIATES LTD. ADDRESSING DURING THE 10TH NATIONAL ECONOMIC OUTLOOK: IMPLICATIONS FOR BUSINESSES IN NIGERIA IN 2024



GROUP PHOTOGRAPHS WITH STUDENTS OF THE LAOS STATE POLYTECHNIC AT THE 10TH NATIONAL ECONOMIC OUTLOOK: IMPLICATIONS FOR BUSINESSES IN NIGERIA IN 2024



CROSS-SECTION OF PANELLISTS AT THE 10TH NATIONAL ECONOMIC OUTLOOK: IMPLICATIONS FOR BUSINESSES IN NIGERIA IN 2024



CROSS-SECTION OF PARTICIPANTS AT THE 10TH NATIONAL ECONOMIC OUTLOOK: IMPLICATIONS FOR BUSINESSES IN NIGERIA IN 2024



## EXIT OF AN ICON



  
**THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA**

### EXIT OF AN ICON

**Dr. Herbert Wigwe** *CFR, FCIB*  
(15 Aug., 1966 - 9 Feb., 2024)


We received with great shock the devastating news of the sudden demise of our distinguished Fellow, the immediate past Chairman Body of Banks CEOs and Former Group CEO Access Holdings, Dr. Herbert Wigwe, CFR, FCIB.

Dr. Wigwe was a visionary leader, a trail blazer, a corporate titan, a man with the Midas Touch and one of the greatest minds from Africa whose legacies and footprints span the entire globe.

His legendary contributions to the growth and development of the Institute, the Banking industry and the Nigerian Economy at large is unparalleled and will ever remain indelible in our hearts. He will be sorely missed.

**May his gentle soul rest in peace**

**Ken Opara, Ph.D, FCIB**  
*President/Chairman of Council*

  
**THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA**

**REMARKS BY THE PRESIDENT/CHAIRMAN OF COUNCIL, CIBN AT THE CONDOLENCE VISIT TO ACCESS BANK PLC IN RESPECT OF LATE DR. HERBERT WIGWE ON FEBRUARY 14, 2024**

It is with heavy hearts that we learnt of the sudden demise of our distinguished Fellow, the immediate Past Chairman Body of Banks CEOs and former Group CEO Access Holdings, Dr. Herbert Wigwe, CFR, FCIB, who passed on to eternal glory on Friday, February 9, 2024, at the age of 57.

Dr. Wigwe's visionary leadership and commitment to excellence have left an indelible mark in the business world, particularly the banking and financial services industry. His passion, dedication and innovative spirit have inspired many, and his legacy will be remembered far beyond years to come. In the words of Helen Keller "What we have once enjoyed, we can never lose; all that we deeply love, become part of us". Though Dr. Wigwe may no longer be here with us physically, we would always remember him for the positive and meaningful impact he made in the lives of everyone around him. Dr. Wigwe's legacy lives on and will be sorely missed.

On behalf of the Governing Council, Members, Management and Staff of the Institute, we commiserate with the entire Board, Management and Staff of Access Bank Plc. We pray that God grants you the grace and equanimity to bear this monumental loss.

May his gentle soul rest in peace Amen.

Please accept our condolences.

**Ken Opara, Ph.D, FCIB**  
*President/Chairman of Council*

## NOTICE OF AGM



**THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA**  
(Incorporated in 1976 and Chartered by CIBN Act No. 12 of 1990, now Act No. 5 of 2007)

# NOTICE OF 2024 ANNUAL GENERAL MEETING

This is to notify all Members of the Institute that the 2024 Annual General Meeting/Election of Officers will hold as follows:

**Saturday, April 6, 2024 10.00 am**  
Bankers House, PC 19, Adeola Hopewell Street, Victoria Island, Lagos (Blended Virtual)

### AGENDA

- 2023 Annual Report
- 2023 Audited Financial Statements
- Election of Officers
  - President
  - 1st Vice President
  - 2nd Vice President
  - National Treasurer
  - Executive Governing Council Members (if necessary)
- Special Business (Resolutions)
- Any Other Business
- Adjournment/Close

### NOTE

- All Members of the Institute are invited to the meeting which attracts 5 CIBN credits.
- Election Guidelines and Application Forms are available online and can be downloaded from <https://bit.ly/2024ELECTIONAPP>.
- Application forms for elective positions for the 2024 Elections must be completed and submitted electronically, but in the unlikely event of a system glitch, physical application form could be completed and submitted within the stipulated time.
- All manual and electronic application forms must be received by the Registrar/Chief Executive not later than close of business on Friday (January 12, 2024).

**By Order of Governing Council**  
Akin Morakinyo, HCIB Registrar/Chief Executive & Secretary, Governing Council  
PC 19, Adeola Hopewell Street, Victoria Island, Lagos  
For enquiries, please contact: Tolson on 08054263805 or Nelson on 08058189171  
Dated: January 10, 2024.

[www.cibnig.org](https://www.cibnig.org)



**CIBN**

*Dear Esteemed Members,*

**I, Ken Opara, Ph.D, FCIB**  
**President/Chairman of Council**  
**THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA**

*Cordially Invite you to the*

# CIBN 2024 ANNUAL GENERAL MEETING

**Saturday, April 6, 2024 10.00 am**  
Jewere Hall, Bankers House, PC 19, Adeola Hopewell Street, Victoria Island, Lagos (Hybrid)



**RSVP**  
Akin Morakinyo, HCIB  
Registrar/Chief Executive & Secretary,  
Governing Council

For enquiries, please contact:  
Stella on 08054263805 or Nelson on 08058189171.

## **STAKEHOLDERS ENGAGEMENT OF PRESIDENT CHAIRMAN OF COUNCIL WITH EFCC**



## **STAKEHOLDERS ENGAGEMENT OF PRESIDENT/CHAIRMAN OF COUNCIL, CIBN WITH FIRS**





## RETREAT OF THE SEC/SENANTE COMMITTEE ON CAPITAL MARKET MONDAY, FEBRUARY 5, 2024



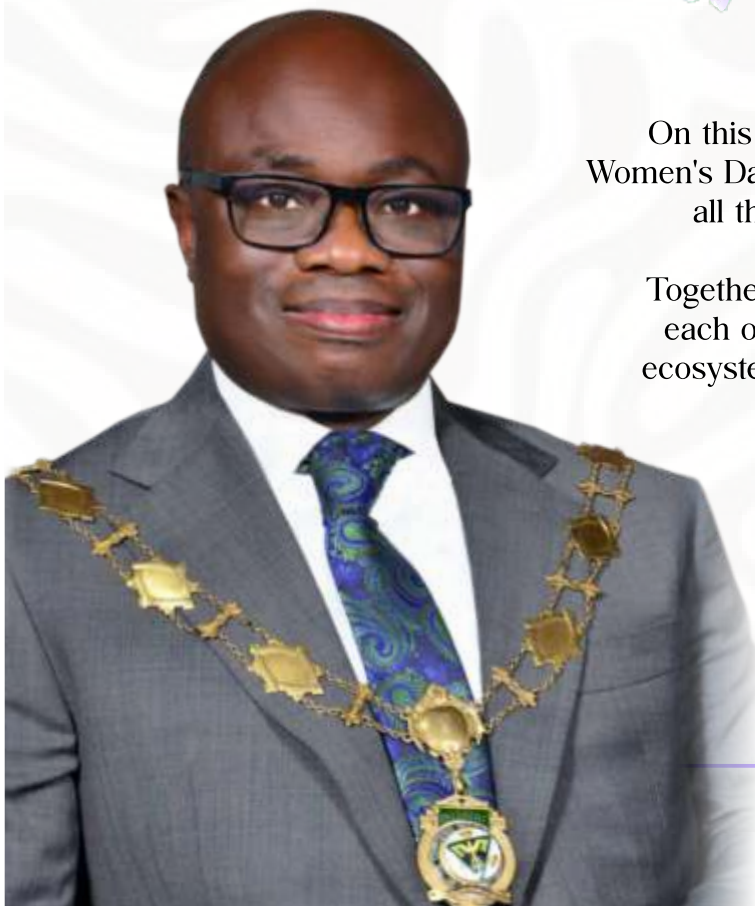
## STAKEHOLDERS ENGAGEMENT OF PRESIDENT/CHAIRMAN OF COUNCIL, CIBN WITH THE MD OF UBA



## HAPPY INTERNATIONAL WOMEN'S DAY



Happy  
International  
*Women's  
Day*



On this auspicious occasion of International Women's Day, I extend my heartfelt greetings to all the amazing women across the globe.

Together, let's champion diversity, celebrate each other's unique strength and create an ecosystem where every woman feels valued and empowered

*Happy International  
Women's Day!*

**Ken Opara, Ph.D, FCIB**  
President/Chairman of Council

**#Inspire Inclusion**



cibnigeria



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**OPENING REMARKS DELIVERED BY THE  
PRESIDENT/CHAIRMAN OF COUNCIL OF THE CHARTERED  
INSTITUTE OF BANKERS OF NIGERIA (CIBN)  
KEN OPARA, PH.D., FCIB,**

**AT THE 2024 GRADUATES' INDUCTION AND PRIZE  
AWARDS DAY (STREAM 1) - MARCH 23, 2024,**

Distinguished Ladies and Gentlemen.

It gives me great pleasure to welcome you all to the 2024 Graduates' Induction and Prize Awards Day (Stream1) of The Chartered Institute of Bankers of Nigeria. Today marks a significant milestone in the journey of our esteemed graduates as they step into the realm of CHARTERED BANKERS otherwise known as Professional Bankers and embark on the path towards building sustainable careers. I extend my heartfelt congratulations to every one of you for this remarkable achievement. This unique occasion presents an opportunity to recognise and celebrate the outstanding achievements of the candidates who have proven their determination and dedication by successfully completing the Banking Professional and Certification Examinations of the Institute. Your hard work, commitment, and determination have brought you to this significant juncture in your professional journey, and we commend you for your remarkable accomplishments.

Distinguished ladies and gentlemen, this year holds a particular significance for us as we set a record in the annals of our esteemed Institute. As you may be aware, the Graduates' Induction and Prize Awards Day is held once a year, but effective from this year, the event will hold twice a year. This decision was taken to eliminate the long waiting period of about twelve (12) to sixteen (16) months between completion of examinations and induction. Going forward graduates will now be inducted within four (4) months of completing their examinations.

Today, we shall be inducting a total of **485** graduates, comprising eighteen (18) from the CBMBA route, four (4) from the MSc/ACIB route, 33 from the collaboration with Lagos Business School on Chartered Bankers route, 281 from the regular examination route 149 as Microfinance Certified Bankers. As we felicitate with the inductees, we celebrate not just individual achievements but the collective strength of our profession. Each one of you represents the future of our industry, and we are confident that your knowledge, skills, and ethical values will contribute significantly to the continued growth, development, and sustainability of the financial services landscape in Nigeria and beyond.

Esteemed audience, the theme of this auspicious event, "**Ethics and Professionalism: A Prerequisite for Building Sustainable Careers and Institutions**" resonates deeply with the core values upheld by the Institute and the banking profession. In an era characterized by rapid technological advancements, evolving regulatory landscapes, and dynamic market conditions, the importance of ethics and professionalism cannot be overemphasised. It is the cornerstone upon which Trust, Credibility, and Sustainability of the banking industry is built. It is the moral compass that guides our actions and decisions, ensuring that they are rooted in integrity, honesty, and accountability. In today's interconnected and interdependent world, the ramifications of unethical conduct can reverberate far beyond individual transactions, jeopardizing the stability and reputation of financial institutions and the broader economy. According to a survey conducted by the Society for Human Resource Management (SHRM), 89% of employees believe that organizations with a strong ethical culture are more likely to retain top talent. This suggests that professionals are more inclined to stay with companies that prioritize ethics and professionalism, thereby reducing the attrition rate in the industry and sustainability of their career within the organisation in the long run.

Furthermore, research from the Institute of Business Ethics reveals that companies with strong ethical cultures are more likely to

outperform their counterparts financially and tend to enjoy higher levels of trust and reputation among stakeholders. Professionals associated with such organizations benefit from this positive reputation, which can open doors to new opportunities, collaborations, and career advancement, thereby contributing to the sustainability of their careers in the long run. Professionalism, on the other hand, encompasses a commitment to excellence, continuous learning, and adherence to the highest standards of conduct and competence. It demands that we remain abreast of emerging trends, regulations, and best practices, while also cultivating a culture of collaboration, innovation, and diversity within our institutions. A study by the CFA Institute found that 93% of investment professionals believe that ethical behaviour is essential for career advancement in the finance industry. This indicates that professionals who adhere to ethical standards and demonstrate professionalism are more likely to be considered for promotions and leadership roles, thereby enhancing the sustainability of their careers over time.

Undoubtedly, ethics and professionalism stand as pillars within the Financial Services Industry, serving as the bedrock upon which trust, reliability, and credibility are built. Hugh McCulloch a banker and former United States Secretary of Treasury brought this to the fore in his 1863 advise to bankers and what is today known as the Bankers Creed. The highlight of the creed is in our programme booklet, and I would like every one of you to go through it, internalise and practice it as you journey on in your career and life. In recent years, the Financial Services Industry has faced numerous challenges and controversies that have underscored the critical need for a renewed focus on ethics and professionalism. Instances of unethical behaviour, regulatory violations, and breaches of trust have tainted the reputation of the industry and weakened public confidence. High-profile cases of misconduct and infractions have not only resulted in financial losses but have also injured the reputation of financial institutions and professionals.

In response to this challenge, the Institute has implemented a mandatory annual Ethics Compliance Certification Programme, which is being deployed through the CIBN e-Learning Platform for staff of banks. The purpose of this certification is not only to address specific cases of misconduct but also to ensure that the practice of banking in Nigeria aligns with global standards as prescribed by the Global Banking Education Standards Board (GBESTB). By fostering a culture of ethical conduct and continuous learning, we can uphold the integrity of our profession and enhance trust and confidence in the financial services sector.

Another critical initiative of the Institute which will help drive this crusade is the human capital development project which will

culminate in the establishment of a banking school which will among other things harp on entrenching ethics and professionalism among practitioners. The Governing Council will in the days ahead constitute the Board of that banking school to superintend on the project. At this juncture, I wish to take a moment to reassure each one of you of the Institute's steadfast commitment to your professional growth and development. As you embark on this new phase of your careers, please rest assured that CIBN will continue to play a pivotal role in supporting you every step of the way. From providing access to cutting-edge educational resources and training programmes to facilitating networking opportunities with industry leaders, we are dedicated to equipping you with the tools and knowledge needed to thrive in the dynamic landscape of banking and finance. Your success is not just a personal triumph but also a testament to the enduring legacy of excellence that CIBN upholds.

As we celebrate the accomplishments of our graduates today, we are excited and privileged to have in our midst distinguished individuals who have contributed immensely to the financial services landscape. Our Special Guest of Honor, **Mr. Abayomi Oluyomi, FCIB**, Honourable Commissioner for Finance, Lagos State, is a seasoned banker with over two decades of experience. His unwavering commitment to upholding the integrity and stability of the financial system and his service to Lagos State is an inspiration to us all. We are also privileged to have the Managing Director/CEO of Sterling Bank Plc., **Mr. Abubakar Suleiman, FCIB**, an astute banker of repute, as our esteemed Guest Speaker. Mr. Suleiman's exemplary leadership journey embodies the transformative power of ethics, professionalism, and resilience in driving organizational excellence, industry, and societal impact.

As I wrap up, let me leave you with words of Martin Luther King who said, and I quote *"The time is always right to do what is right"* I would like to implore us to strive to build a future where integrity, trust, and sustainability are not just aspirations, but guiding principles that define our profession and shape our legacy.

Once again, I say congratulations to our esteemed graduands, and appreciate our distinguished guests for gracing this occasion with your presence. May today's ceremony serve as a beacon of inspiration and a catalyst for excellence as we continue to advance the cause of banking professionalism in Nigeria and beyond.

Thank you and God bless.

## STREAM ONE GRADUATE INDUCTION AND PRIZE/AWARDS DAY SATURDAY, MARCH 23, 2024





## OUTCOME OF MONETARY POLICY



# ENABLING SEAMLESS CROSS-BORDER PAYMENTS AMONG AFRICAN COUNTRIES & REGIONS

*Presented by*

**Dr Hassan Mahmud**

Director, Trade and Exchange  
Central Bank of Nigeria

Chartered Institute of Bankers of Nigeria & Pan African Payment and Settlement System (PAPSS) Advocacy Programme



## **Background**



For too long, international business-to-business (B2B) payments in Africa have endured painstaking challenges such as:

- *Opaque transactions*
- *Expensive fees*
- *Delays and unpredictable timing*



However, simpler cross-border payments using multi-currency accounts, low fees and fast transactions across borders are being enabled via digital payment platforms including the PAPSS.



Thus, opening up new pathways of possibilities, benefits and opportunities.

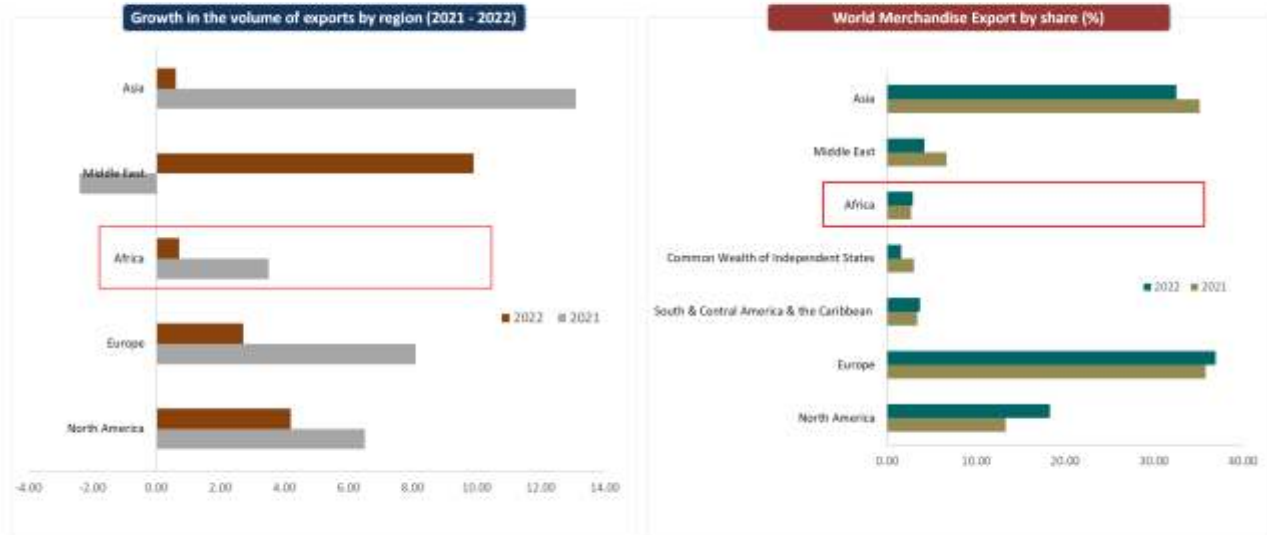


A safe and efficient payment & settlement system is critical for promoting trade.





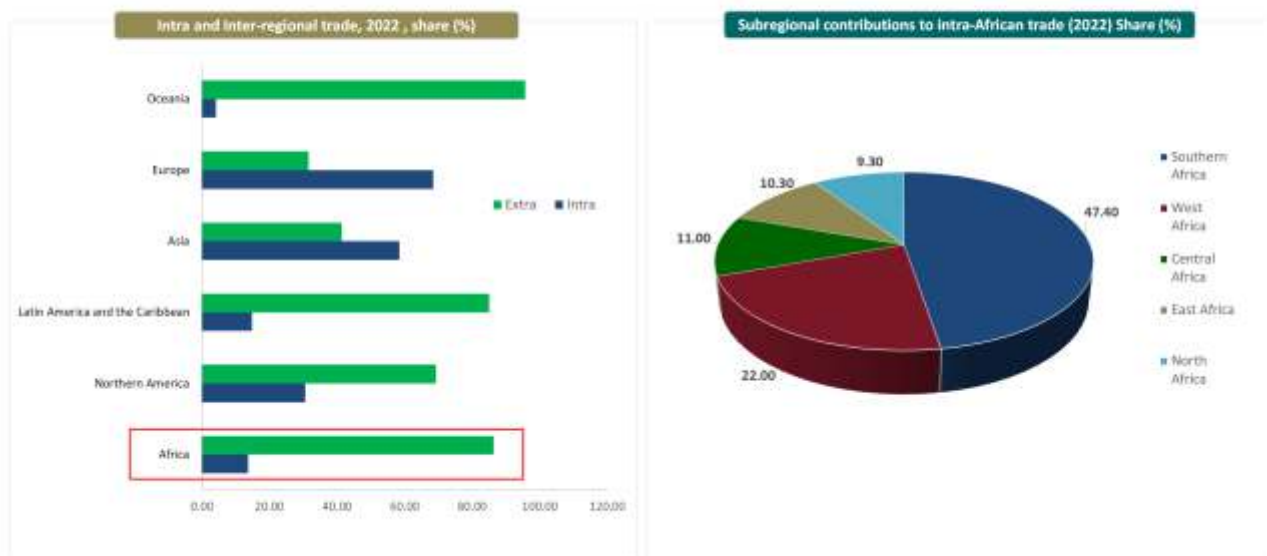
## But Africa lags behind in both Inter and Intra-regional Trade



Source: UNCTAD-MIS/2023



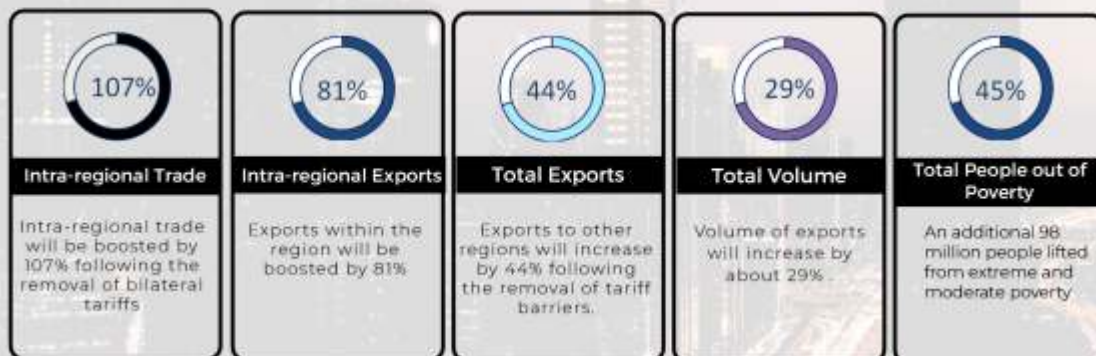
## But Africa lags behind in both Inter and Intra-regional Trade .....



Source: UNCTAD-MIS/2023



## Hence the establishment of AfCFTA in 2018 with potentials to boost:



*The launch of the PAPSS will help to deepen intra-African trade by addressing weak, inefficient and insecure payment and settlement systems.*



## State of African Payments System prior to PAPPS

*Prior to PAPPS, Africa lacked a continent-wide multi-currency common platform that would serve the retail-end of the payment and settlements markets.*

Geographical scope	Wholesale	Retail (including remittances)
Regional	Single currency, common platform	Multicurrency, common platform
	<ul style="list-style-type: none"> <li>STAR-UEMOA (West Africa)</li> <li>SYGMA (Central Africa)</li> <li>SADC-RTGS (southern Africa)</li> </ul>	<ul style="list-style-type: none"> <li>PAPPS</li> </ul>
	Single currency, hub and spoke	
	<ul style="list-style-type: none"> <li>REPSS (Eastern and Southern Africa)</li> </ul>	
	Multilateral, hub and spoke	
	<ul style="list-style-type: none"> <li>EAPS (East Africa)</li> </ul>	

- The existing payment platforms established by the regional blocs focus on wholesale-end of the payments and settlements system.
- The two main types of regional platforms in Africa were the common and the hub & spoke platforms.
- Before AfCFTA, the regional payment systems platforms were designed to only handle large-value payment not low-value payments.

Source: UNCTAD HBS/2021



## The Pan-African Payment and Settlement System (PAPSS)

- 01** PAPSS is a financial market infrastructure designed to promote Africa's economic and financial integration. It is a centralized payment and settlement system for intra-African trade and commerce.
- 02** It combines a network of central banks, commercial banks and payment service providers to facilitate settlement of cross-border transactions within Africa
- 03** It enables instantaneous, cost-effective, and secure transactions across borders, using a single, digital payment gateway.

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## PAPSS (Cont'd)



- Developed through a collaboration between Afreximbank & AfCFTA Secretariat.
- Uses a digital, cloud-based platform developed by StoneX in 2022.



- An exchange for legal tender, not digital assets like cryptocurrencies or CBDCs



- Operates by connecting the real time gross settlement (RTGS) systems of individual African Central Banks.



- On a daily basis, PAPSS settles the balance of all the transactions among individual African currencies, netting them out prior to midnight.



- Central Banks then resolve the difference. The payments and settlement process starts again from net zero the next day.
- African companies and their local banks no longer need to rely on correspondent banks to settle payments between two African currencies.



### Success story:

- In March 2023, GCB Bank of Ghana successfully conducted the inaugural PAPSS client transaction involving a Ghanaian-incorporated entity, and a Nigerian beneficiary.

Source: PAPSS, 2023

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## **PAPSS Settlement Models**

1



Central Bank  
Settlement Model

2



Commercial Bank  
Settlement Model

3



Afreximbank  
Settlement model

4



Commercial Bank  
Settle for the  
market



## **Central Bank Settlement Model**

Participating countries' central banks settle payments with each other in real time using PAPSS.

The Central Banks hold settlement accounts and provide foreign currency to settle transactions at Afreximbank

Set foreign exchange rates for commercial banks in their jurisdiction

Commercial banks initiate payments in local currency

Pre-funding of banks is done in local currency in RTGS

Settlement is done on a bilateral net basis between Central Banks using the settlement accounts at Afreximbank.



## **Commercial Bank Settlement Model**

- ☐ Commercial banks of participating countries settle payments by pre-funding
- ☐ Commercial banks set FX rates, and Payments are made in local currency and USD
- ☐ No RTGS is involved; settlement is done on a multilateral net basis
- ☐ Designed to reduce the cost and risk of cross-border payments and to improve the speed of settlement for commercial bank
- ☐ Developed in partnership with African central banks for stakeholder buy-in
- ☐ Commercial banks open and fund USD settlement accounts at Afreximbank
- ☐ Customers transact in both local currency and USD through PAPSS
- ☐ Commercial banks set daily exchange rates for local currency/USD conversions
- ☐ Eligible participating banks have access to an Afreximbank overdraft facility as backup collateral



## **Afreximbank Bank Settlement Model**



*Involves Afreximbank playing the role of the Central Bank by providing the required settlement funds in foreign currency (FCY) for the region.*



*Considered a quick alternative or stop-gap to help any region where the Central Bank cannot fulfil settlement obligations, such as very low-income countries.*



*Model yet to be piloted*





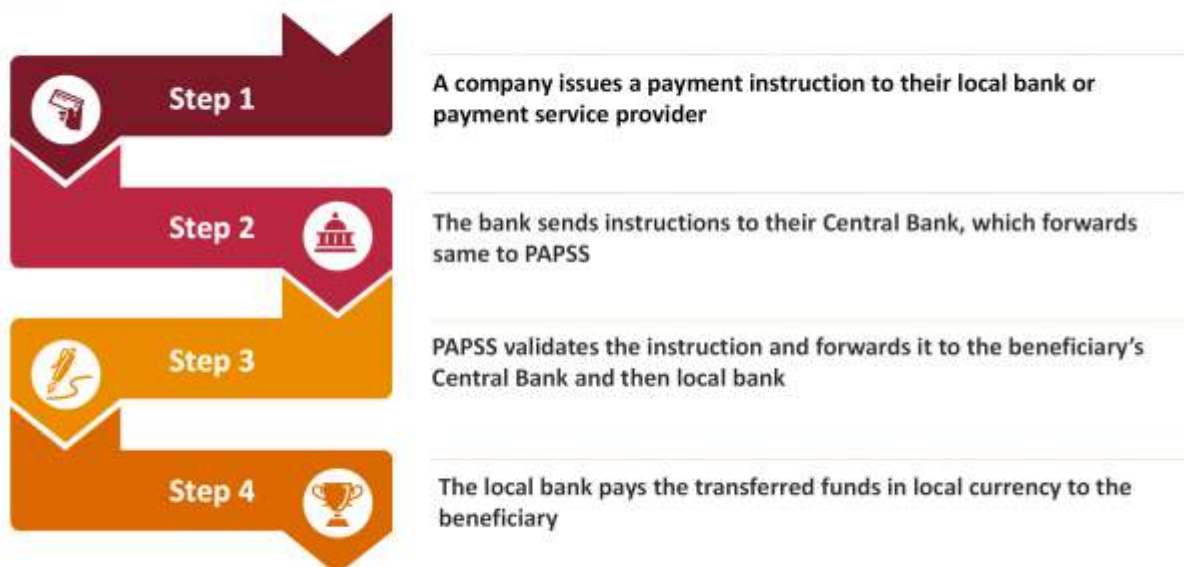
## **Commercial Bank Settle for the Market**

Adopted in countries where the **Central Bank decides not to participate in PAPSS** either in transactional or settlement capacity or for a **country without an RTGS System**.

In this case, PAPSS will work with the **Central Bank to identify and qualify a Commercial Bank (Lead bank)** with the capacity to carry out a settlement for itself and other commercial Banks in the region



## **Operational Steps for using PAPSS**



Source: UNCTAD MMS2023



## Benefits of PAPSS

### Addressing "Trapped Cash" and Liquidity Challenges

- o PAPSS facilitates seamless net settlement, enabling access to funds in different African currencies.
- o This unlocks liquidity, improves resource allocation, and enhances investment opportunities.
- o It mitigates the negative impacts of capital controls and exchange rate volatility, making it easier for businesses to operate across border

### Strengthening Regional Financial Infrastructure and Collaboration

- o Represents a collaborative effort among African central banks and financial institutions, fostering regional cooperation and integration.
- o It establishes a common platform for currency exchange and payments, promoting standardization and interoperability within Africa's financial systems.
- o It aligns with broader initiatives for greater African economic integration, such as the AfCFTA.

### Promoting Intra-African Trade and Economic Integration

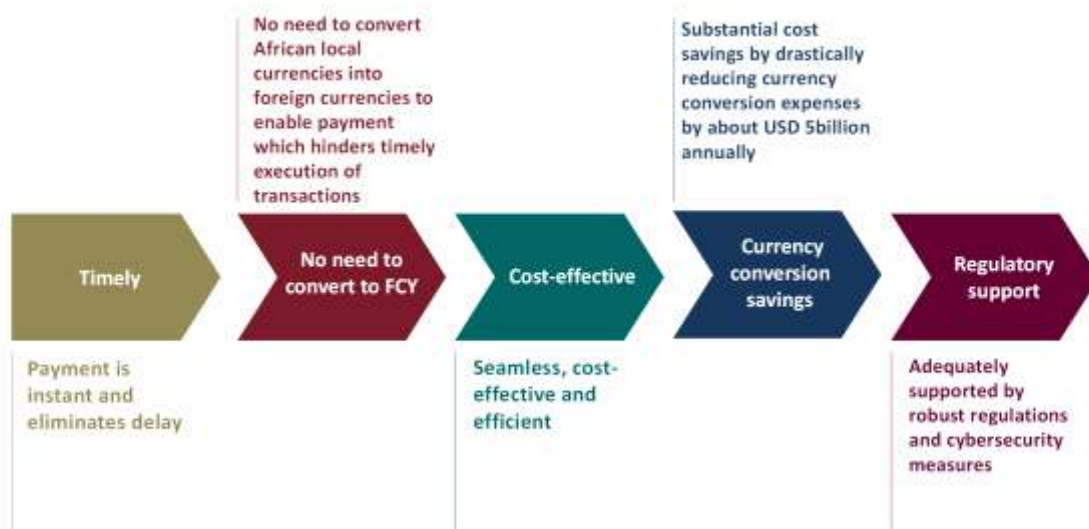
- o It simplifies cross-border payments, removing logistical and financial barriers that often hinder trade between African countries.
- o It encourages the use of local currencies, strengthening African economies and reducing dependence on external currencies.

### Boosting Innovation and Competitiveness

- o Encourages the development of innovative financial products and services tailored to African markets.
- o It promotes competition and efficiency in the financial sector and lowers costs for consumers and businesses.
- o It can potentially attract international investment and partnerships, contributing to the growth of the financial sector.



## Benefits and Opportunities (contd)



Source: UNCTAD HOS 2023

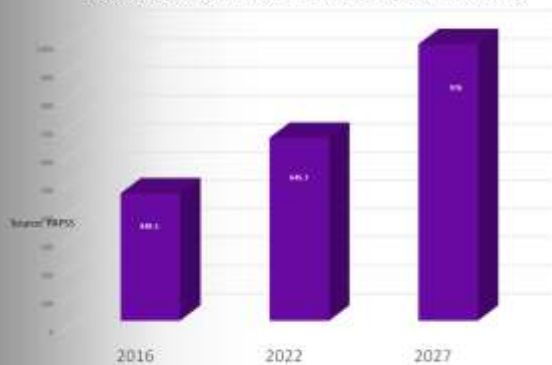
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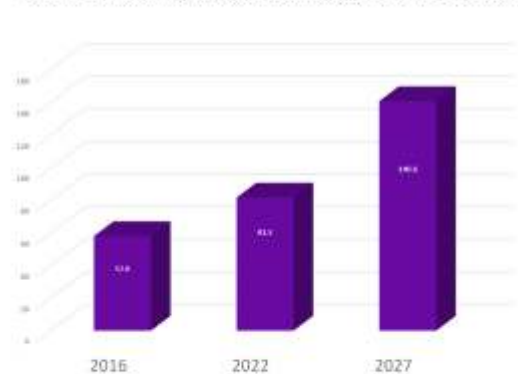
## Potential Impacts of PAPSS

- o African cross border payments are projected to increase by 8.6% in 2027 compared to 2022
- o Intra-African payments are projected to increase by 11.5% in 2027 compared to 2022.

Volume of African Cross Border Transactions in USD' Billion



Volume of Intra-African Cross Border Transactions in USD' Billion



Source: PAPSS

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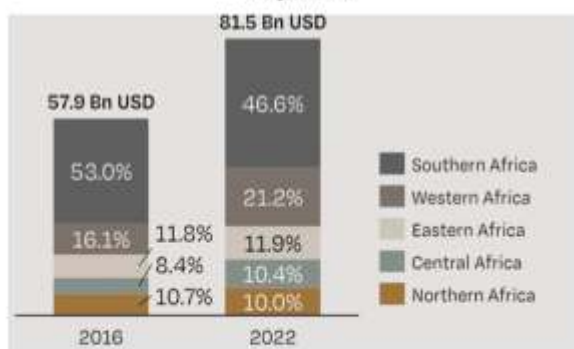


## Intra-African payments by sub-regions

Southern Africa led B2B intra- African payments in 2022, West Africa showed the fastest growth.

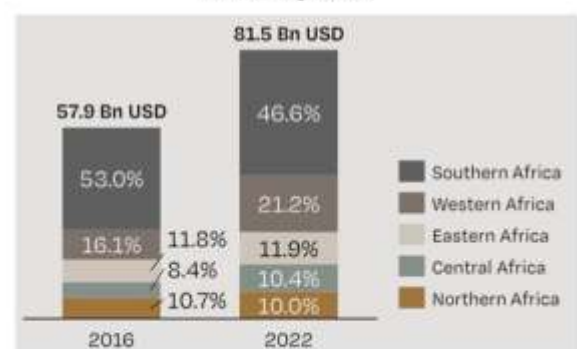
PAPSS has the potential to increase disbursement and receiving of payments in Nigeria and West Africa, while addressing the needs for liquidity.

Regional Share of Disbursed Intra-Africa Cross-Border Payments



Source: PAPSS

Regional Share of Received Intra-Africa Cross-Border Payments



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## **Implementation Status of PAPSS**

By February 2024, 13 Central Banks had been registered on the PAPSS platform.

- Six (6) of these in WAMZ (Nigeria, Ghana, Guinea, Sierra Leone and Liberia)
  - Three (3) East African countries (Kenya, Rwanda, Djibouti)
  - Three (3) Southern African countries (Zimbabwe, Zambia and Malawi)
  - One (1) North African country (Tunisia)
  - More countries to join in 2024
- PAPSS is connected to 25 commercial banks in Africa (e.g. Eco, UBA, Zenith, Standard banks).
  - Licensed Fintechs are also connected to the PAPSS platform (e.g. Interswitch.)
  - PAPSS plans to create interoperability with other regional cross-border payment systems
  - E.g. an MOU with BUNA, the Arab Monetary Fund (AMF)'s multi-currency payment system.

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## **Current Status of PAPSS in Nigeria**

- ☐ The CBN was one of the first Central Banks to join the PAPSS network at inception.
- ☐ A number of Nigerian banks and payment gateway providers are already linked to the PAPSS.
  - ☐ These include UBA Plc, Zenith Bank, First Bank of Nigeria, GTB Plc, Union Bank, Wema Bank Keystone Bank, and Interswitch among others
- ☐ The Nigerian Inter-Bank Settlement System (NIBSS) is also interoperable with the PAPSS to help facilitate payment settlement.
- ☐ This shows the CBN's commitment to promoting payment system efficiency and providing a conducive regulatory environment for cross-border transactions.

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### **Current Status: Lifting of Restrictions on PAPSS transactions in Nigeria**

- ❑ Following the unification of FX windows on June 14, 2023, the CBN made changes to the guidelines for the implementation of PAPSS in Nigeria

- ❑ Removal of the US\$20,000 and US\$200,000 quarterly limits per individual and Authorized Dealer Banks (ADB's)

- ❑ Removal of the restrictions of "ONLY" Trade Backed and Inwards Transaction

- ❑ Non-Trade Backed and Inwards Transactions may be eligible through PAPSS

- ❑ For the settlement of PAPSS transactions by CBN, authorized dealers shall obtain the approval of CBN for USD cover before initiating payments on PAPSS.

- ❑ Authorized dealers are allowed to maintain a USD settlement account with the PAPSS settlement bank to settle PAPSS transactions



### **Evolving Challenges and Risks are being Addressed**

#### **Slow Adoption**

Several central banks and commercial banks have expressed willingness to join before the end of 2024. Roadshows of this nature are being rolled out to enhance advocacy and public awareness.

#### **Development of clear regulatory framework**

A robust regulatory structure is in the works to ensure efficient, secure, and transparent operations.

#### **Security Risks**

Cybersecurity, fraud prevention, and data protection are currently receiving attention to safeguard the integrity of PAPSS



## GLOBAL MONEY WEEK - MARCH 18-24, 2024



## STAKEHOLDERS ENGAGEMENT OF PRESIDENT/CHAIRMAN OF COUNCIL, CIBN WITH THE MD OF GLOBUS BANK



## **PRESIDENT/CHAIRMAN OF COUNCIL, CIBN COURTESY VISIT TO SENATOR TOKUNBO ABIRU**





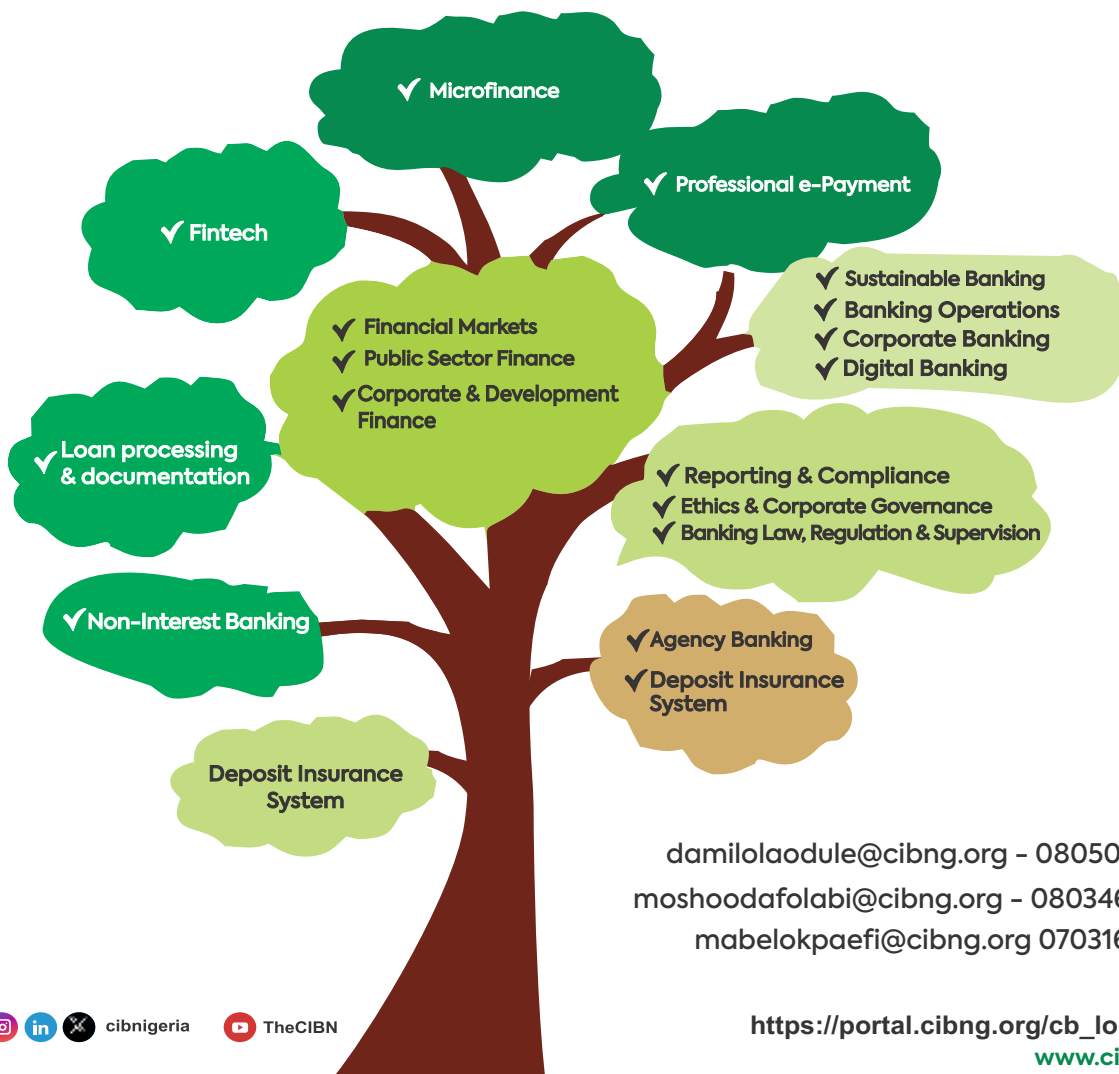


The Chartered Institute of Bankers  
of Nigeria

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# INDUSTRY CORNER

SERIES 1

Industry Corner is dedicated to enlightening our readers on the latest trends and innovations shaping the banking and finance industry. In each edition, we delve into the dynamic changes impacting financial institutions, from cutting-edge fintech advancements to regulatory shifts. Whether you're a seasoned banker, a finance professional, or simply interested in the economic landscape, Industry Corner offers valuable knowledge to keep you informed and ahead of the curve.

**Biddy**  
Sustainability Advocate



**Sammy**  
Banker



Biddy, I keep hearing about sustainable banking, but isn't that just a trend? How can it really benefit our bank and the economy?

Oh, Sammy, it's much more than just a trend. Sustainable banking is about making decisions that are good for the environment, society, and the bank's bottom line. It's the future of finance!

Okay, but what does that look like in practice? We're already funding projects and businesses—how do we make that sustainable?

It's about choosing projects that not only generate profit but also have a positive impact on the environment and communities. Think renewable energy projects, eco-friendly infrastructure, or businesses with strong social responsibility practices.

That sounds great, but won't it be more expensive? And what if the returns aren't as high as traditional investments?

Actually, studies show that sustainable investments often perform better in the long run. They're less risky because they consider environmental and social factors that can affect financial performance. Plus, customers and investors are increasingly looking for banks that align with their values.

So, it's not just about doing good—it's also smart business. But how do we get started?

Start by assessing the environmental and social impact of your current portfolio. Then, look for opportunities to support green projects or companies with strong ESG (Environmental, Social, and Governance) practices. And don't forget to communicate your efforts to your customers—they'll appreciate it!

You're right. If we can make a positive impact and attract more customers, it's a win-win. Let's start by reviewing our loan policies and see where we can make changes.

That's the spirit, Sammy! Sustainable banking isn't just about the environment; it's about building a stronger, more resilient economy for everyone. Let's lead the way!

Cheers to that, Biddy! Here's to a greener, more sustainable future in banking.



# Did You Know?



**Nigeria is One of the Largest Recipients of Remittances in Africa**  
Nigeria receives an average of over \$20 billion annually in remittances from its diaspora, contributing to the country's GDP. In 2023, diaspora remittances to Nigeria totalled \$19.5 billion, accounting for 35% of all remittance flows to sub-Saharan Africa, despite a 2.9% decline from the previous year (World Bank).



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# Happy Birthday

## JANUARY

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<b>DR. MAHMUD ISA-DUSTE, FCIB</b> FORMER FEDERAL PERMANENT SECRETARY FINANCE	JAN 1
<b>MR. PATRICK AKINWUNTAN, FCIB</b> FORMER GROUP MANAGING DIRECTOR/CEO, ECOBANK NIGERIA LTD	JAN 3
<b>MR. EMEKA EMUWA, FCIB</b> FORMER GROUP MANAGING DIRECTOR/CE, UNION BANK OF NIGERIA PLC	JAN 7
<b>MR. FOLA ADEOLA, FCIB</b> FOUNDER, GTBANK PLC & CHAIRMAN, FATE FOUNDATION	JAN 10
<b>MRS. FUNKE OSIBODU, FCIB</b> MD/CEO, BENIN ELECTRIC & FORMER GMD/CEO, UNION BANK OF NIGERIA PLC	JAN 11
<b>DR. GODWIN ADOLOR, FCIB,</b> MEMBER, GOVERNING COUNCIL, CIBN	JAN 12
<b>DR. EBOIGBE ELIAS IGBIN-AKENZUA, FCIB</b> MANAGING DIRECTOR/CEO, GLOBUS BANK LTD	JAN 15
<b>Mr. AKIN MORAKINYO, HCIB</b> REGISTRAR/CHIEF EXECUTIVE, CIBN	JAN 18
<b>Both Mr. Dalu Ajen, HCIB</b> MD/CEO, Rand Merchant Bank, Nig Ltd	JAN 18
<b>Mr. Akinola George-Taylor, HCIB</b> MD/CEO, Heritage Banking Ltd	JAN 25
<b>MR. YINKA SANNI, FCIB</b> CHIEF EXECUTIVE OFFICER AFRICA REGIONS AT STANDARD BANK GROUP	JAN 29
<b>OTUNBA FEMI PEDRO, FCIB</b> FORMER DEPUTY GOV, LAGOS STATE & CHAIRMAN, CIBN GOVT AND BUSINESS RELATIONS	JAN 29
<b>Both DR. SEGUN L. AINA, OFR, FCIB</b> PAST PRESIDENT, CIBN	JAN 31

## FEBRUARY

<b>ALHAJI AHMED MUSA DANGIWA, FCIB</b> FORMER MD/CEO, FEDERAL MORTGAGE BANK OF NIGERIA	FEB 2
<b>ALHAJI FALALU BELO, OFR, FCIB</b> CHAIRMAN, FBN QUEST MERCHANT BANK LIMITED	FEB 2
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<b>MR. BOLAJI LAWAL, HCIB</b> MD/CE, ECOBANK NIGERIA PLC	FEB 5
<b>DR. AKIN ADESINA, FCIB</b> PRESIDENT, AFRICA DEVELOPMENT BANK	FEB 6
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## MARCH

**Mrs. Yemisi Edun, FCIB**  
MD/CE, FCMB Plc

MARCH 2

**MR. AKINSOWON DAWODU, FCIB**  
CLUSTER HEAD IN SUB SAHARAN AFRICA (SSA),  
CITIBANK GROUP

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**Both MR. FEMI BAKRE, FCIB**  
MANAGING DIRECTOR/CEO  
PARALLEX BANK LTD

MARCH 4

**MR. FOLASHADE ADEBISI SHONUBI, FCIB**  
DEPUTY GOVERNOR,  
CENTRAL BANK OF NIGERIA

MARCH 7

**MR. PREMIER OIWOH, FCIB**  
MD/CEO,  
NIGERIA INTER-BANK SETTLEMENT  
SYSTEM PLC (NIBSS)

MARCH 8

**OTUNBA SUBOMI BALOGUN, CON, FCIB**  
FOUNDER, FCMB HOLDINGS GROUP PLC

MARCH 9

**MR. ADENIYI AKINLUSI, HCIB**  
FORMER PRESIDENT MORTGAGE / BANKERS  
ASSOCIATION OF NIGERIA

MARCH 9

**MR. TONY OKPANACHI, FCIB**  
MANAGING DIRECTOR/CEO,  
DEVELOPMENT BANK OF NIGERIA

MARCH 15

**DR. TONY O. ELUMELU, CON, FCIB**  
CHAIRMAN, UNITED BANK FOR AFRICA PLC

MARCH 22

**Mr. Bayo Rotimi, FCIB**  
Managing Director/ Chief Executive,  
Greenwich Merchant Bank Ltd

MARCH 24

**SENATOR ADETOKUNBO MUKHAIL ABIRU, FCIB**  
SENATOR OF FEDERAL REPUBLIC OF NIGERIA

March 25

**DR. BIODUN ADEDIPE, PH.D, FCIB**  
CHIEF CONSULTANT,  
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March 29



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