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Investors Gain Four Trillion, Four Billion Naira (N4,400,000,000,000) as Banking Sector Leads Stock Trading

On March 29, 2024, it was reported that stock investors gained Four Trillion, Four Billion Naira (N4,400,000,000,000) as the Nigerian Exchange Group (the “NGX”) concluded the month positively, notwithstanding the disappointing full-year performance of certain companies and an interest rate hike by the Central Bank of Nigeria (“CBN”). The improved performance of the stock market followed the turbulence in the foreign exchange (FX) market and consequent migration of assets to a more profitable asset class during the month. Specifically, the market capitalization of all listed equities on the NGX surged to Fifty-Nine Trillion, One Hundred and Twenty-One Billion Naira (N59,121,000,000,000.00) from Fifty-Four Trillion, Seven Hundred and Seven Billion Naira (N54,707,000,000,000.00) at the beginning of the month, representing an eight-point one percent (8.1%) increase, driven by the listing of Transcorp Power Plc at the beginning of the month.



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2

CBN Introduces a Review of Minimum Capital Requirements for Commercial, Merchant, and Non-Interest Banks in Nigeria

On March 28, 2024, CBN issued a circular (the “Circular”), to all commercial, merchant and non-interest banks, and promoters of proposed banks, in relation to the new minimum share capital requirements for banks. Effective from twenty-four (24) months from April 1, 2024, the minimum share capital base for (i) commercial banks with international authorisation would be Five Hundred Billion Naira (N500,000,000,000.00), (ii) Commercial banks with national authorization would be Two Billion Naira (N2,000,000,000.00), and (iii) the new requirement for banks with regional authorization would be Fifty Billion Naira (N50,000,000,000.00).



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3

CBN Increased the Monetary Policy Rate (“MPR”) from 22.75% to 24.75%

The Monetary Policy Committee of CBN (the “Committee”), on March 26, 2023, announced an increment in the MPR from twenty-two-point seven five percent (22.75%) to twenty-four-point seven five percent (24.75%). This was announced during the Committee’s two hundred and ninety-fourth (294th) meeting. In addition, the Committee retained the asymmetric corridor at plus one hundred (+100) basis points and minus three hundred (-300) basis points around the MPR. The Cash Reserve Ratio (CRR) was retained at forty-five percent (45%) whilst the Liquidity Rate was retained at thirty percent (30%).



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4

CBN Sells United States Dollars to Bureau De Change operators (BDCs) at One Thousand, Two Hundred and Fifty-One Naira (N1,251.00) to One United States Dollars (US\$1.00).

From March 25, 2024, CBN commenced the sale of United States Dollars to Bureau De Change operators (BDCs). CBN sold Ten Thousand United States Dollars (US\$10,000.00) to each BDC at a rate of One Thousand, Two Hundred and Fifty-One Naira (N1,251.00) to One United States Dollar (US\$1.00). According to CBN, all eligible BDCs were instructed to sell to qualified end users with a margin not exceeding one point five percent (1.5%) above the buying price. This marks the reintroduction of United States Dollar sales to BDCs following a prolonged suspension by CBN in 2021.



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5

Nigerian Economy Records over One Billion, Five Hundred Million United States Dollars (US\$1,500,000,000.00) Inflow.

On March 22, 2024, Mrs. Hakama Sidi Ali, CBN's acting Director of Corporate Communications (the "DCC") announced to the media that CBN recorded an inflow of over One Billion, Five Hundred Million United States Dollars (US\$1,500,000,000.00) into the economy in the last days of the month of March, which indicates that its monetary policy efforts are working positively.

The DCC noted that data available to CBN indicated that the inflow resulted from the bank's effort to stabilise the foreign exchange market and that Naira has also continued to record gains in the Autonomous Foreign Exchange market as it traded at One Thousand, Three Hundred and Nine Naira (N1,309.00) to One United States Dollar (US\$1.00) (at the time of the report) as against One Thousand, Six Hundred and Eleven Naira (N1,611.00) to One United States Dollar (US\$1.00) in the second week of March 2024.



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6

Access Holdings Plc Announces the Return of Mr. Aigboje Aig. Imoukhuede, CFR (Pioneer Access Bank Group Managing Director/CEO) as Holdco Chairman after Ten (10) Years.

Following the demise of the former Chief Executive Officer of Access Holdings Plc (“Access Holdings”), Access Holdings on March 13 announced the return of Mr. Aigboje Aig. Imoukhuede, CFR, as non-executive chairman of the board of the company. Mr. Imoukhuede replaced Mr. Abubakar Jimoh. Mr. Jimoh will remain on the Board of Access Holding as an independent non-executive director.



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7

CBN Issues Superseded Guidelines for Deposit Banks, Licensed Non-Interest Banks by the Financial Markets Department of CBN.

On March 12, 2024, the Financial Markets Department of the CBN published a circular highlighting currently applicable guidelines for Deposit Money Banks, Licensed Non-Interest Banks, and other Authorised Dealers.

This circular was issued because of the erroneous use of some of the Guidelines even though those Guidelines have been replaced. The effect of the Circular is to provide further clarity to subsisting Guidelines and ensure that transactions are carried out within the bounds of the Law.



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8

Small and Medium-sized Enterprises (“SMEs”) received support from United Bank for Africa (“UBA”) and African Guarantee Fund (“AGF”)

On March 11, 2024, the African Guarantee Fund (the “AGF”) and United Bank of Africa (the “UBA”) entered into a partnership agreement. This collaboration aims to empower UBA to offer new loans totaling One Hundred Million United States Dollars (\$100,000,000) to SMEs and business owners across twenty (20) African countries where UBA operates. Under this arrangement, the AGF will provide support and guarantee to SMEs, offering a portfolio guarantee of Fifty Million United States Dollars (\$50,000,000). Additionally, the agreement includes provisions for extensive capacity development for the UBA’s customers engaged in small businesses throughout the continent, with a particular focus on women-led businesses and green finance initiatives.



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9

Transcorp's Valuation rises to almost One Trillion Naira (N1,000,000,000.00) following its listing on Nigeria Exchange Group.

Transcorp Power Plc ("Transcorp"), a newly listed Company garnered almost One Trillion Naira (N1,000,000,000,000.00) in seven (7) days of its listing on the NGX Transcorp had listed its Seven Billion Five-Hundred Million Naira (N7,500,000,000.00) shares by introduction on March 4, 2024 at Two Hundred and Forty Naira (N240.00) per share. However, the company's share price rose to Three-Hundred and Sixty-eight Naira, Eight Kobo (N368.8) at the close of trading on Monday, March 11, 2024. Since its listing, slightly above Two Hundred Million Naira (N200,000,000.00) units have been traded. The recent listing as at March 11, 2024 of Transcorp creates access to an increased variety of capital raising options; as well as further enhances its corporate visibility and awareness. The listing of Transcorp also contributes to the growth of the NGX and the Nigerian capital markets.



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10

Nigeria's Stock Market Records Continuous Improvements in Trading

Following the recent commendations received by the NGX in latter part of January 2024, the NGX has continued to surpass market expectations despite the high inflation and other economic hardship in the country. In a recent trading week which ended on Friday, March 8, 2024, Nigeria's equities market saw a notable increase of two-point six one percent (2.61%) as investors purchased shares of the newly listed Transcorp Power Plc ("Transcorp") and MTN Nigeria. The market's year-to-date ("YTD") return for the market stood at a robust Thirty-Five point Five-Two per cent (35.52%), while month-to-date ("MTD") increase of One point Three-Five per cent (1.35%). The market's upward trajectory is largely attributed to the listing of Transcorp.



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11

The CBN Reports Upsurge in Dollar Inflow, Remittances Quadruple

On March 8, 2024, the CBN announced a substantial increase in foreign exchange inflow into the economy for February 2024. According to Mrs. Hakama Sidi Ali, the acting Director of Corporate Communications (the “DCC”), this surge is primarily due to sizable remittance payments from Nigerians abroad and the acquisition of Naira assets by foreign portfolio investors.

Accordingly, foreign investors bought over One Billion United States Dollars (US\$1,000,000,000.00) worth of Nigerian assets in February 2024 contributing to total portfolio flows of at least Two Billion, Three Hundred Million United States Dollars (US\$2,300,000,000.00) recorded so far in 2024, compared to Three Billion, Nine Hundred Million United States Dollars (US\$3,900,000.00) recorded for the year 2023.



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12

The CBN Revokes Operating Licenses of Four Thousand, One Hundred and Seventy-Three (4,173) Bureau De Change Operators in Nigeria.

By a press release on Friday, March 1, 2024, the CBN, in exercise of the powers conferred on it under the Bank and Other Financial Institutions Act 2020 (“BOFIA”), and the Revised Operational Guidelines for Bureau De Change 2015 (the “BDC Guidelines”), revoked the licenses of Four Thousand, One Hundred and Thirteen (4,173) Bureau de Change (“BDC”) Operators.

The affected institutions failed to observe at least one (1) of the following regulatory provisions which include; (i) payment of all necessary fees (including licence renewal, within the stipulated period in line with the BDC Guidelines); (ii) rendition of returns in line with the BDC Guidelines; (iii) compliance with guidelines, directives, and circulars of the CBN, particularly Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), and Combating Proliferation Financing (CPF) regulations.

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13

The CBN's Foreign Exchange Backlog Cleared Save for Five (5) banks.

The Governor of the CBN, Olayemi Cardoso, stated in a statement to the media on February 29, 2024, that foreign exchange ("FX") backlogs have been cleared in all the banks except for five (5) banks. The Governor reiterated that the remainder of the banks' FX backlogs would be cleared soon. The Governor also stated that Nigeria attracted Two Billion United States Dollars (US\$2,000,000,000.00) in foreign portfolio inflows this year compared to total of Three Billion United States Dollars (US\$3,000,000,000.00) recorded in foreign portfolio inflows for the year 2023.



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14

The CBN Initiates the Sale of Foreign Exchange to BDC Operators to Address the Retail Demand for Eligible Invisible Transactions.

The CBN has declared its intention to be selling foreign exchange of up to Twenty Thousand United States Dollars (US\$20,000.00) to every eligible BDC operator nationwide at a rate of One Thousand, Three Hundred and One Naira (N1,301.00) per United States Dollar. This decision was communicated through a circular (the “Circular”) released by the CBN on February 27, 2024. The Circular provides that all BDCs are permitted to sell to end-users at a margin not exceeding one percent (1%) above the purchasing rate from the CBN.



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15

Senate seeks a Six (6) Year Single Term for the Position of the Governor of the CBN.

On February 27, 2024, the Senate initiated the process of amending the Central Bank of Nigeria Act, 2007 (the "CBN Act"). One of the proposed amendments is to extend the tenure of the CBN's Governor to a single six (6) year term, instead of the current renewable five (5) year term specified in the CBN Act. Additionally, the Senate proposed a recapitalization of commercial banks, suggesting an increase from One Hundred Billion Naira (N100,000,000,000.00) to One Trillion Naira (N1,000,000,000,000.00).

The bill for the amendment of the CBN Act was introduced by Adegunbo Abiru (APC Lagos East), who serves as the chairman of the Senate Committee on Banking. It was reported that the bill also proposes the extension of the tenure of the CBN's Deputy Governors and members of its board of directors to a single six (6) year term.



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16

The CBN Issued the Draft Revised Regulatory and Supervisory Guidelines for BDC Operations in Nigeria

On February 23, 2024, the CBN, pursuant to powers conferred on it under Section 56 of BOFIA, issued a circular to all BDC operators across Nigeria, which contained the Draft Revised Regulatory and Supervisory Guidelines for Bureau De Change Operations in Nigeria (the “Draft BDC Guidelines”).

According to the Draft BDC Guidelines, BDCs are categorized into Tier 1 and Tier 2. Tier 1 BDCs will operate nationally and will be allowed to establish branches and appoint franchisees with the approval of the CBN. These franchisees must follow the branding, technology platform and rendition requirements set by their overseeing Tier 1 BDCs.



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17

The CBN Issues Directives on Foreign Currency Cash Pooling by Banks on Behalf of International Oil Companies in Nigeria

In a circular dated February 14, 2024, the CBN issued directives to Banks regarding the requirements for foreign currency cash pooling on behalf of International Oil Companies (“IOCs”) operating in Nigeria. The CBN noted that the practice of transferring proceeds of crude oil exports by IOCs operating in Nigeria to fund their parent accounts offshore (known as cash pooling), affects liquidity in the domestic foreign exchange market.

The CBN emphasized the importance of facilitating access for IOCs to their export proceeds to fulfill offshore obligations while maintaining liquidity in the Nigerian foreign exchange market.



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18

The Nigerian National Petroleum Company Limited moves a significant portion of its revenue to the CBN.

During a meeting held in February 8, 2024, with the senior management team of the CBN, led by Governor Olayemi Cardoso and Mr. Mele Kyari, the Group Chief Executive Officer (the "GCEO") of the Nigerian National Petroleum Company Limited ("NNPCL"), the GCEO stated that the company's decision to transfer a 'significant' portion of its revenue to the CBN was in accordance with directives from its board of directors to maintain 'safe obligor limits' with commercial banks. The GCEO elaborated that NNPCL, being the largest company in the country, maintained a high level of transaction liquidity and noted that the CBN had established a digital platform for its future transactions.



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19

House of Representatives to Probe Banks over Non-compliance with Directive of the CBN.

On February 6, 2024, The House of Representatives mandated its Committees on Banking Regulations and Banking Institutions to conduct an investigative hearing on the non-compliance by commercial banks and financial institutions with the CBNs directives on the Net Open Position Limits (“NOP”).

The CBN had in a circular (the “Circular”) referenced ED/FEM/PUB/F-PC/001/001 and dated January 31, 2024, expressed its concerns over the escalating foreign currency exposures of banks, particularly through their NOP and their involvement in foreign currency speculations that involves purchasing or holding foreign currencies with the expectation of profiting from exchange rates fluctuations.



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20

The CBN Released a Revised Guidelines on International Money Transfer Services in Nigeria

The CBN, had on January 31, 2024, released a revised Guidelines on International Money Transfer Services Operators (“IMTOs”) (the “IMTO Guideline”).

According to the IMTO Guideline, the CBN noted that IMTOs will cease facilitating money transfers from Nigeria to other countries. The IMTO Guideline stipulates that to enhance liquidity, the IMTOs must provide exchange rates for Naira payouts to beneficiaries based on prevailing market rates in the Nigerian foreign exchange market. Furthermore, the IMTO Guideline mandates IMTOs to quote rates within an allowable range of minus two-point five percent (-2.5%) to plus two-point five percent (+2.5%) around the previous day's closing rate of the Nigerian Foreign Exchange Market.



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21

First bank of Nigeria Holdings Plc (the “FBN Holdings”) appoints Mr. Femi Otedola as Chairman of its Board of Directors

On January 31, 2024, the FBN Holdings announced the appointment of Nigerian billionaire and businessman, Femi Otedola, as the new chairman of its board of directors (the “Board”), succeeding the outgoing chairman, Alhaji Ahmad Abdullahi. This disclosure was made in a corporate filing submitted by the bank to the Nigeria Exchange Group, notifying investors of this recent development. Femi Otedola joined the Board of FBN Holdings as a non-executive director in August 2023, and in October 2023, he was listed as the largest shareholder of FBN Holdings.



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22

FMDQ Revises Foreign Exchange Market Rates Pricing Methodologies

On January 26, 2024, the FMDQ issued Market Notice to all market participants about revisions made to the methodologies applied for the computation of the Nigerian Autonomous Foreign Exchange Fixing (“NAFEX”), and the Nigerian Autonomous Foreign Exchange Market (“NAFEM”) Spot Closing Rate (collectively referred to as the “FX Rates Pricing Methodologies”).

The amendment was made in alignment with FMDQ Securities Exchange Limited (“FMDQ Exchange” or the “Exchange”)’s commitment to upholding transparency and adaptability in response to the evolving dynamics of the market.



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23

Nigeria Exchange Group Emerged as Best-Performing Stock Market Globally in January 2024.

On January 25, 2024, the NGX closed out on stock trading recording a Thirty-Six-point Thirty Seven Percent (36.37%) return which surpassed Nigeria's most recent headline inflation rate of Twenty-Eight-point Nine percent (28.9%). The positive boost in Nigeria's stock market is traceable to the listing of top Nigerian companies on the NGX such as Airtel Africa Plc., BUA Cement Plc., Dangote Cement Plc, FBN Holdings Plc, MTN Nigeria Communications Plc., BUA Foods Plc., Seplat, Guaranty Trust Holding Company Plc., Zenith Bank Plc., United Bank of Africa and Geregu Power Plc.

There is now more than a dozen listed companies on the NGX valued at One Trillion Naira (N1,000,000,000,000.00) which is approximately about Thirteen Billion United States Dollars (\$13,000,000,000.00).



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24

The CBN Dissolves the Board and Management of Union Bank, Keystone Bank and Polaris Bank (the “Banks”)

On January 10, 2024, the CBN released a circular announcing the dissolution of the management and boards of the Banks. This action was taken due to the failure of these banks to comply with the provisions of Section 12(c). (f). (g), (h) of the Banks and Other Financial Institutions Act, 2020. The Banks’ infractions vary from corporate governance failure, involvement with activities that threaten financial stability amongst others.



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25

CBN Appoints New Executives of Union Bank Plc., Keystone Bank Limited and Polaris Bank Limited (the “Banks”)

Following the dissolution of Board and Management of the Banks by the CBN, the CBN issued a circular on January 10, 2024, appointing new executive members for the Banks. Yetunde Oni was appointed as the Managing Director/Chief Executive Officer (the “MD/CEO”) for Union Bank Plc., while Mannir Ubali Ringim was appointed as the Executive Director (the “ED”). Additionally, Hassan Imam was appointed as the MD/CEO and Chioma A. Mang as the ED for Keystone Bank Limited. Lawal Mudathir Omokayode Akintola was appointed as the MD/CEO and Chris Onyeka Ofikulu as the ED for Polaris Bank Limited. The CBN mandated that these appointments take immediate effect.



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26

Audit Report Indicts the Nigerian Securities and Exchange Commission (SEC) for Sixty Billion, Sixty-Five Million Naira (N6,065,000,000.00) Fraud.

The Nigerian Securities and Exchange Commission (the “SEC”) has been indicted by the Office of the Auditor-General (OAuGF) for committing fraudulent activities amounting to Sixty Billion, Sixty-Five Million Naira (N6,065,000,000.00).

This was contained in the Auditor-General for the Federation’s Annual Report for the year ended December 2020, released in January 2024. The report revealed the non-compliance of the Federal government’s ministries, departments, and agencies (MDAs).



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27

The NGX Plc Appoints Temi Popoola as Group Managing Director/ Chief Executive Officer (GMD/CEO) of the NGX

The NGX official announced changes in its leadership structure, indicating a notable transition for the organization. The NGX announced this December 29, 2023, that Temi Popoola has been selected as the GMD/CEO designate for the NGX Group, effective January 1, 2024, subject to formal approval from the SEC.

Mr. Oscar. N. Onyema, OON, the then GMD/CEO, concluded his tenure in March 2024. In the interim, Mr. Jude Chiemeka is now the Acting CEO of NGX, effective January 1, 2024.



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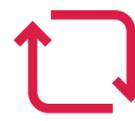




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