

PREMIUM Times

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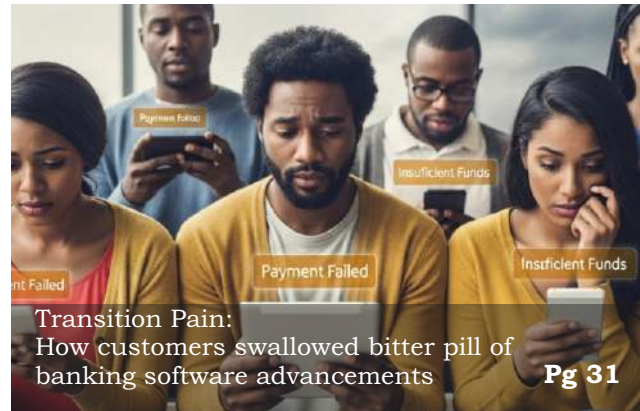
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Message from the Managing Editor



This is our fifth edition of the Annual Banking Report. Every year, since 2021, our team at Premium Times has produced unique, in-depth analyses of the performance of Nigerian banks and summarised them in our annual reports.

Our first report for the 2020 financial year looked at the impact of COVID-19 and the accompanying lockdowns on Nigerian banks. We titled it 'DEFYING THE PANDEMIC: How Nigerian banks fared in 2020'. The report showed that Nigerian banks demonstrated

resilience and their profits surged despite the pandemic.

For the 2021 financial year, our report was titled 'Measuring Banks' Resilience'. We showed that Nigerian banks faced major headwinds but also achieved key successes.

In our report for the 2022 financial year, titled 'Reaping the Windfalls of Inflation War', we showed how Nigerian banks earned billions from the central bank's efforts to keep inflation at bay.

Our report for the 2023 financial year was titled, 'Estimating the Gains, Pains of Devaluation.' In it, we showed that nine of the big lenders made huge foreign exchange revaluation profits, with only one posting a loss. The report also showed, among others, that the CEOs of most of the commercial banks earned more money in 2023 compared to the previous year, while, for a majority of the banks, shareholders also got more dividends.

In the latest report, we show that profits, CEOs' pay, shareholders' dividends, and other metrics went up for most banks in 2024. However, with revaluation profits continuing to contribute large amounts to banks' profits, the government decided to have its share via a windfall tax.

This report reveals how the 2024 windfall tax introduced by the Nigerian government impacted the banks' books, leading to an over 100 per cent increase in the income tax remittances of the 10 biggest lenders.

Overall, this latest edition shows that Nigerian banks are deepening their resilience, becoming more profitable, improving corporate social responsibility, ensuring gender diversity, and rewarding their investors. It is a must-read for anyone interested in Nigeria's banking sector.

Now that you have your copy, I wish you a good read.

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Editor's Note



Despite the turbulence of the Nigerian economy with inflation at record highs, policy rates up the skies, households under severe strain, and the government pushing through revenue-yielding reforms—the financial sector is booming. In a way, banks have proven quite resilient in Nigeria's fragile economy.

To understand these dynamics, we unpack this paradox: how the apex bank struggled to ease inflation despite consecutive rate hikes, why lending patterns differ across banks, and how startups and conglomerates navigate the thorns and pebbles of the credit system.

We dig into the details of recapitalisation plans by banks, cross-border expansions, windfall profits, and the quiet struggles of fraud victims and rural customers.

From software glitches to CEOs' bumper pay, from microfinance to telco-backed banks, from food security to women in leadership, this edition attempts to contextualise the power, profits, and pressures shaping the direction of the Nigerian banking ecosystem.

To understand Nigeria's economy, one must first understand its banks and this edition would open new insights into how they function within the broader economy and what lies ahead for banks in the future.

Oladehinle Olanrewaju

Business Editor

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Recapitalisation: Banks racing against time ahead of 2026 deadline

Nosike Ogbuenyi

Larger, better-capitalised banks are expected to be more resilient to economic shocks and better positioned to drive growth.



The Nigerian banking sector is currently undergoing a profound transformation driven by the Central Bank of Nigeria (CBN)'s directive for lenders to significantly increase their capital base to new thresholds. The recapitalisation, announced in 2024 and with a deadline of 31 March 2026, aims to create a more robust and resilient financial system capable of

driving the federal government's ambition of attaining a \$1 trillion economy by 2030.

The move requires commercial and non-interest banks to collectively raise at least N2.5 trillion and sets new minimum capital limits based on licence categories. Several macroeconomic headwinds, such as recessions, devaluations,

and inflationary pressures, have hurt the naira's time value between the last banking recapitalisation in 2005 and now.

In effect, the erosion of the real value of banks' capital makes it imperative for banks to increase their minimum capital base sharply to new levels.

Olayemi Cardoso, the CBN governor, has consistently

maintained that a stronger capital base will empower banks to expand access to credit, thereby enabling economic growth and supporting the government's developmental objectives. Larger, better-capitalised banks are expected to be more resilient to economic shocks and better positioned to drive growth.

New capital thresholds

The new minimum capital requirements, effective from 31 March 2026, imply that lenders with international authorisation have to raise their core capital tenfold to N500 billion. Banks with national permits now have a minimum capital base of N200 billion. For lenders with regional authorisation, minimum paid-up capital is N50 billion.

Merchant banks now have a minimum threshold of N50 billion. Non-interest banks with national authorisation have N20 billion as their new minimum capital base, and non-interest banks with regional licences have a minimum limit of N10 billion.

The banks are employing various strategies to meet the recapitalisation requirements, including public offers, private placements, mergers and acquisitions, strategic investments, recapitalisation of earnings, and licence downgrades.

Some banks, particularly smaller ones or those facing challenges in raising capital

independently, consider mergers and acquisitions to meet the requirements. For instance, in August 2024, the CBN approved the proposed merger between Providus Bank and Unity Bank, subject to the final approval from the Securities and Exchange Commission.

Progress so far

In December 2024, Access Bank became the first commercial bank in the country to meet the new capital rules after raising N351 billion through a rights issue, taking its share capital beyond N600 billion.

Zenith conducted a hybrid offer of a rights issue and a public offer between August and September 2024 from which it raised N350.4 billion. That catapulted its share capital to N614.7 billion.

First HoldCo launched a rights issue in November 2024, which helped raise N147.3 billion. Fidelity Bank conducted a combined offer comprising a public offer and a rights issue, raising N127.1 billion.

GTB completed the first leg of its equity capital raise in July, raising N209.4 billion. FCMB Group also raised N147.5 billion during the year through a public offer.

Sterling raised N75 billion via private placement from high-net-worth investors.

“The bank recapitalisation policy introduced by the

Central Bank; I think to some extent will improve the level of our economy. I expect it to help boost the Gross Domestic Product (GDP) and we have observed that different banks have gone to the market to raise capital based on the tier they belong to and a reasonable number of them have been able to raise substantial amounts. As we speak, quite a number of them have also met up with the requirements,” said Paul Alaje, chief economist at SPM Professionals.

“So will it boost the economy? The answer is yes. But will it boost the economy substantially, perhaps to the expectation of One Trillion US Dollar economy as it was announced by the Central Bank, well I doubt that very much... So, I believe that it will impact the economy positively.”

**“
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Nabila Mohammed, a banking sector analyst at Chapel Hill Denham, shared insights on the recapitalisation exercise in a recent interview on CNBC Africa. Ms Mohammed emphasised the importance of banks acting promptly to meet the requirements, noting that early action could facilitate smoother deployment of funds. Despite the allotted 24-month timeline, concerns linger over whether the target amounts are achievable given the market conditions.

Ms Mohammed acknowledged the challenges but stressed that stepping down on licenses is not a viable option for banks with growth aspirations.

Challenges for Smaller and Non-Listed Banks

While several large, listed banks have made substantial progress, smaller banks face a more challenging path to recapitalisation.

Polaris Bank requires N149.6 billion to maintain its national banking license, but no concrete recapitalisation plan has been announced yet. Keystone Bank, which is now under the federal government's control through the CBN, faces an uncertain future regarding its recapitalisation strategy. Unity Bank is in the process of merging with Providus Bank and has secured a N700 billion financial accommodation from the

CBN. However, the new entity must still raise N142.5 billion to retain a national banking license.

The Role of Mergers and Acquisitions

The possibility of mergers and acquisitions looms as a significant factor in the recapitalisation landscape, particularly for smaller banks. Olubukola Akinwunmi, the CBN's Director of Banking Supervision, acknowledged that such developments might occur naturally as banks assess their positions and seek strategic alignments. While banks are currently focused on individual capital raising efforts, merger and acquisition could become a more prominent strategy as the deadline approaches.

The ongoing banking recapitalisation exercise has significant implications for the Nigerian economy. First, a stronger capital base will enable banks to provide more loans to businesses, supporting economic expansion and job creation.

In a similar vein, higher capital levels will make the banking sector more resilient to economic shocks, ensuring financial stability, while stronger banks can compete more effectively on the international stage, facilitating cross-border trade and investment.

Mr Akinwunmi provides perspectives on the state of the banking sector by

stating that banks have so far remained within the prudential thresholds stipulated by the regulator, including benchmarks for the capital adequacy ratio and non-performing loans.

"Currently, all our banks are still within the prudential thresholds that were set. And they are actively pursuing various recapitalisation efforts," Mr Akinwunmi said.

Regarding mergers and acquisitions, Mr Akinwunmi said such developments may occur naturally as banks assess their positions and seek strategic alignments.

"Banks are currently focused on raising their own capital, but engagements are ongoing, and when the opportunities arise, they will be taken," Mr Akinwunmi added.

He added that starting the recapitalisation process early has helped insulate the financial system from emerging global and domestic shocks.

"The emerging global economic shifts and pressures were not lost on the management of the CBN. We started early. If we had waited till now, the challenges would have been greater. But we acted in time," he stated.

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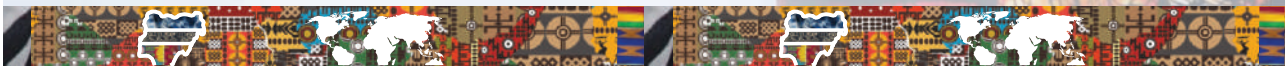
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Nigeria's GDP stalls while bank revenues balloon

Adeyemi Adesomoju

This disparity between banks' earnings and the state of the economy suggests a disconnect between financial sector performance and what obtains in other sectors.



A sharp decline in the dollar-to-naira exchange rate and a high-interest-rate environment presented conflicting fortunes for Nigeria's commercial banks and the broader economy in 2024.

Nominal GDP, which hovered around \$363.9 billion at the end of 2023, closed the year at \$243 billion, marking approximately a one-third decline in dollar terms.

Apart from the direct impact

of the depreciation of the naira on the valuation of the economy, Nigeria's prolonged contractionary stance in its monetary policy, which saw the benchmark interest rate increase by 8.75 per cent in 2024 alone, further discouraged borrowing.

The latter implies that the economic growth that access to credit would have guaranteed was subdued.

Interestingly, those two factors were among the key drivers of banks' record

performance in terms of revenue and profit. The volatile exchange rate typically resulted in a significant increase in lenders' foreign currency assets after conversion to naira. Similarly, a series of interest rate hikes that peaked in 2024 opened the window for lenders to charge more on loans and earn more from debt securities.

While many sectors that are critical to the Nigerian economy, including manufacturing and telecommunications, took a hit from macroeconomic headwinds during the year, commercial banks defied these trends. An analysis of ten quoted banks' audited reports from 2020 to 2024 shows a huge increase in banks' revenues and earnings within the five-year period.

This disparity between banks' earnings and the state of the economy suggests a disconnect between financial sector performance and what obtains in other sectors amid a deteriorating cost-of-living crisis in the country.

The Nigerian manufacturing sector relies heavily on imports, either for machinery or raw materials, making it particularly vulnerable to exchange rate fluctuations in 2024. For that reason, a good number of companies in the sector, especially

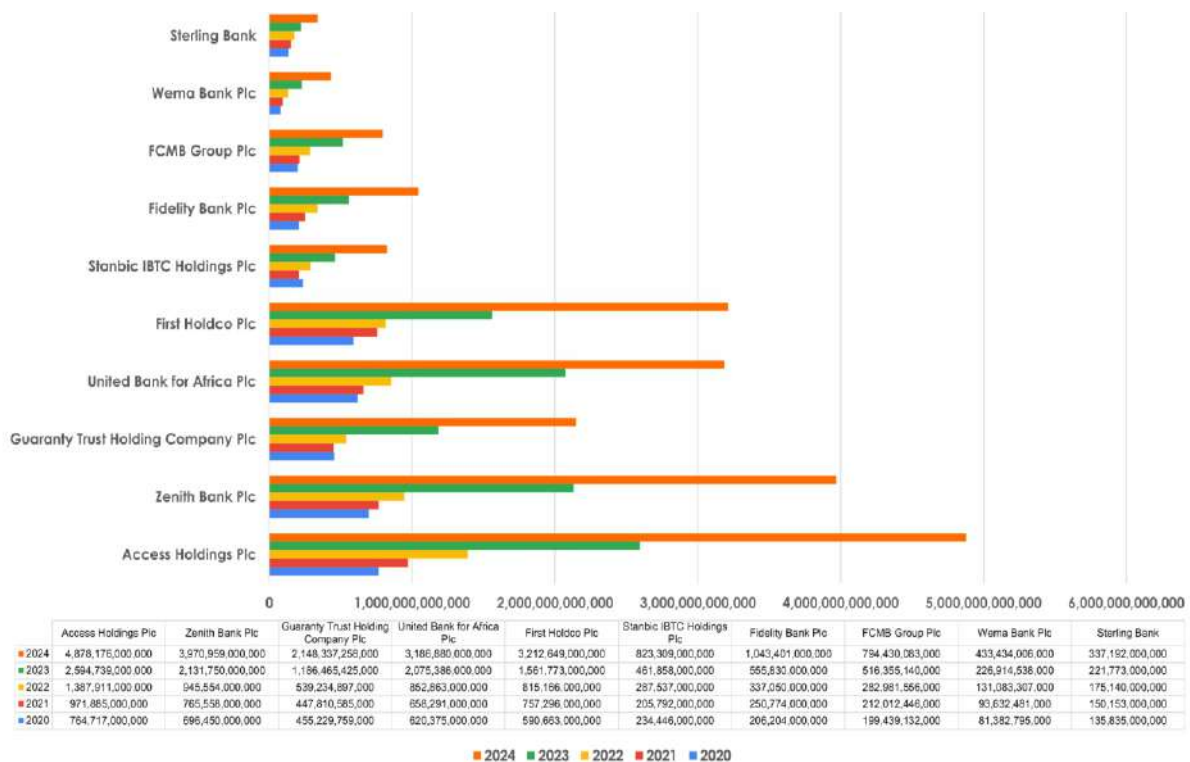
listed food and beverages companies, incurred big losses during the year, taking a blow from currency devaluation, soaring inflationary pressures and high cost of borrowing.

The currency collapse either triggered an exodus of fast-moving consumer

goods (FMCG) multinationals from the economy or forced some to cut down their operations, from Procter & Gamble, GSK and Diageo to Bayer and Sanofi SA.

Production has been stunted by multiple

challenges, including inadequate energy supply, low access to affordable financing, poor infrastructure quality, multiple taxation, and competition with imported goods heavily financed by commercial banks, the Central Bank of Nigeria said on its website.



With the recent rebasing of the economy, Nigeria’s GDP stood at N372.8 trillion. At the exchange rate of N1,530 to the dollar, that translates to \$243 billion, placing Nigeria as the country with the fourth largest GDP - behind South Africa, Egypt and Algeria – in Africa.

Structural inefficiencies have stalled growth, leaving critical sectors underfunded, and inflation remains high.

Banking industry performance

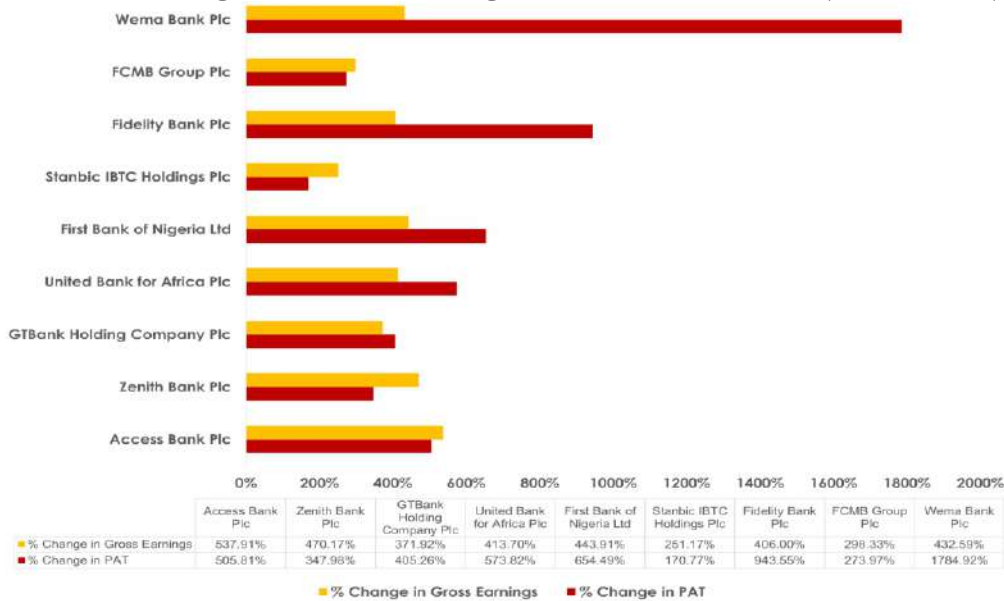
In spite of the bad shape of the economy, data collected from ten banks’ annual audited reports, from 2020 to 2024, shows that the banks’ gross earnings and profits after tax still ballooned over the last five years.

Between 2020 and 2024, Access Bank reported a 537.9 per cent rise in gross

earnings and a 505.8 per cent Profit After Tax (PAT) growth. The year-on-year growth for revenue and PAT was 88 per cent and 3.7 per cent respectively.

Wema’s PAT skyrocketed 1784.9 per cent and its gross earnings 432.6 per cent over the five-year period. The bank recorded a 91 per cent and a 139.7 per cent increase in revenue and PAT for 2024 in that order.

5-Year % Change in Gross Earnings and Profit After Tax (2020-2024)



Zenith Bank saw a 470.2 per cent increase in gross earnings and a 348 per cent PAT growth in the five years to 2024. The lender posted an annual rise of 86.3 per cent and 52.6 per cent in turnover and PAT respectively.

GTCO recorded a 371.92 per cent growth in revenue and a 405.3 per cent rise in PAT in the five-year period. The financial service group saw turnover jump by 81.1 per cent and after-tax profit by 88.6 per cent in 2024.

United Bank for Africa (UBA) posted a 413.7 per cent increase in turnover and a 573.8 per cent surge in PAT between 2020 and 2024. For the financial year 2024, it reported a 53.6 per cent growth in topline and a 26.1 per cent improvement in bottom line.

First Holdco's gross earnings rose by 443.9 per cent, while its PAT expanded by 654.5 per cent in the five years to 2024.

The lender reported a 105.7 per cent expansion in revenue and a 118.1 per cent jump in PAT in 2024.

Stanbic IBTC Holdings witnessed a 251.2 per cent growth in gross earnings and a 170.8 per cent rise in PAT between 2020 and 2024. It reported a year-on-year increase of 78.3 per cent in revenue and 60.2 per cent in PAT in 2024.

Fidelity posted a revenue growth of 406 per cent and a PAT increase of 943.5 per cent in the five-year period. The lender posted an 87.7 per cent jump in gross earnings and a 179.6 per cent growth in PAT in 2024.

FCMB reported a 300 per cent surge in revenue and a 274 per cent increase in PAT between 2020 and 2024. Its turnover accelerated by 53.9 per cent, while its after-tax profit dropped by 21.1 per cent in 2024.

Sterling Financial Holdings reported a 148.2 per cent

growth in topline and a 288.5 per cent increase in PAT in the five years to 2024. The banking group saw revenue grow by 52 per cent and PAT by 102.3 per cent in 2024.

Where do the banks get their money?

Strikingly, the 2023 naira devaluation and another one-off devaluation in January 2024 made a remarkable difference on banks' financial performance.

"What has happened is the fact that banks had a windfall because of exchange rate differentials," said Bamidele Ayemibo, the chief executive officer at 3TImpex Trade Consulting.

"So, as against using N400 or N450 to dollar as the exchange rate the banks used to calculate their income earnings, they are now using about N1,400 or N1,500 to dollar to calculate the income earnings, they

are now using about N1,400 or N1,500 to dollar to calculate the income earnings dollars. What has happened is that the Nigerian naira has devalued significantly. It now made the amount the banks made in dollar terms to be very high.”

In 2023, the year the naira devaluation policy took effect, five of the banks under review had their PAT surge by more than 200 per cent.

Access Holdings’ PAT that year stood at N619.6 billion, representing a 305 per cent surge, compared to the previous year.

UBA racked up N607.7 billion that year, which amounted to a 256.9 per cent jump year on year.

Other banks that notched up more than 200 per cent leap in their PAT in 2023 were GTCO (219 per cent) Wema Bank Plc (217 per cent), and Zenith Bank (202.3 per cent).

They were followed by FCMB (198.8 per cent), First Bank (127.9 per cent), Fidelity Bank (112.9 per cent) and Stanbic Bank (74 per cent).

Muda Yusuf, the chief executive of the Centre for the Promotion of Private Enterprise, explained that lending flexibility has also helped to keep the banks’ earnings relatively high despite the economic headwinds that have hampered other sectors over the years.

“
UBA racked up N607.7 billion that year, which amounted to a 256.9 per cent jump year on year.
”

“It is the flexibility in the sense that the banks look at the various sectors of the economy and they put their money where the returns are highest,” he said.

Why critical sectors may continue to get less credit than they need

Many factors—including high interest rates, cumbersome borrowing requirements, inherent risks, short-tenured lending, and unfavourable monetary policies—have played a major role in limiting access to credit to critical sectors of the economy.

The reality, according to Mr Yusuf, is that banks have limited funds to lend out.

With cash reserve ratio standing at 50 per cent, half of the banks’ deposits must be kept with the central bank. The 30 per cent liquidity ratio policy also means that another portion must be retained in liquid assets.

“What is then left is just maybe about 25 per cent,” Mr Yusuf said. “So, even from the monetary policy perspective, the central bank, through its

tightening monetary policies for tackling inflation, has reduced the money available for lending.”

In addition, banks cannot afford blind lending to high-risk sectors, and Mr Yusuf added that since they are lending depositors’ money, they need to manage risks. The way they handle risk matters to avoid putting money in risky sectors.

A major obstacle to economic growth is a high lending rate, which stands at 30 per cent or more, coupled with many requirements that many borrowers in the SME and the agriculture sectors can hardly meet.

Mr Ayemibo highlighted difficult collateral demands from lenders and long approval processes that undermine productivity.

“Sometimes by the time the approval comes, they don’t need the money again,” he added, citing foreign exchange rate as another burden for manufacturers.

Mr Ayemibo suggested that policies compelling banks to commit a portion of their portfolio to critical sectors, with tax exemptions on interest earned, need to be in place.

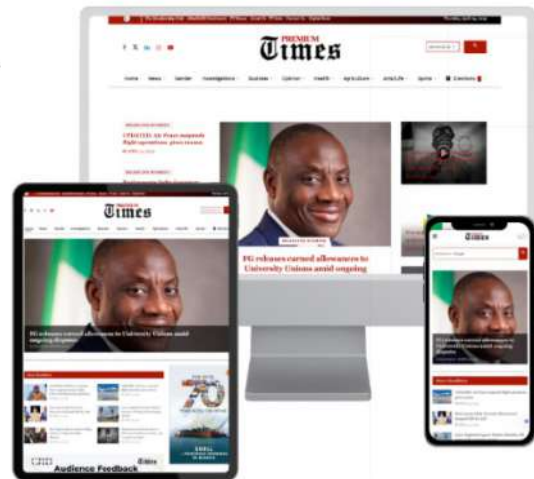
Mr Muda emphasised addressing structural and macroeconomic issues to make such sectors more attractive to lenders. “That is the only way you can channel resources to those areas,” he added.

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JOINT ADMISSIONS AND MATRICULATION BOARD

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MANDATORY 2025 ADMISSION CALENDER TIMELINE FOR THE 2025 ADMISSIONS

ATTENTION ALL INSTITUTIONS AND PROSPECTIVE STUDENTS:

The 2025 policy meeting, chaired by the Honourable Minister of Education, resolved that all Public Universities must complete 2025 admissions by 31st October, 2025, while all Private Universities must finalise admissions by 30th November, 2025. Furthermore all other tertiary institutions, both public and private, must conclude admissions by 31st December, 2025.

Accordingly, ALL TERTIARY institutions are to keep within the time lines Any university not ready for immediate commencement of the 2025/26 academic session, should within this approved timeline conclude and archive the admission list pending the delayed matriculation.

Consequently, all public universities are expected to complete all preliminaries, including post-UTME screening, and submit their recommended lists via CAPS not later than 30th September, 2025 to allow for full scrutiny and timely processing.

Private universities are expected to submit theirs by 31st October, 2025.

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Registrar



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No: 2025/H05

22nd August, 2025

ADVISORY ON PROCEDURE FOR PROCESSING OF (DEGREE) ADMISSION FOR AFFILIATED INSTITUTIONS

In 2022, the Board proposed that universities should take full responsibility for admissions into all degree programmes offered through institutions affiliated with them. However, this directive was not fully implemented, as universities were initially given the liberty to decide on the matter, pending a final resolution. To date, only the University of Ibadan has assumed this role of overseeing and coordinating the admissions of its affiliate institutions.

2. Following the meeting held on Monday, 18th August 2025, with various institutions regarding violations of matriculation guidelines, concerns were raised about the existing admission processing structure. Notably, institutions complained that they could not be held accountable for the misdemeanors of their affiliates under the existing processing format. As a result of this, the matter was revisited.

3. Consequently, it was resolved that the previously proposed process, where Mother-Institutions take responsibility for admissions into their affiliated institutions, should now be adopted and implemented by all universities with affiliates.

4. In light of the above, the Board has developed an updated procedure for the processing of admissions by both Mother-Institutions and their affiliates, as follows:

- Head of the affiliated-institution logs into JAMB (CAPS) portal and downloads candidates for a particular programme;
- The Head of the Affiliated-Institution (wherever it is based) logs into JAMB (CAPS) portal and sets admissions criteria for every programme, such as minimum scores for UTME, post UTME, aggregate, catchment and ELDS;
- The Head of the affiliated institution proposes the qualified candidates for each programme on CAPS and it goes to the Head of the mother-institution;
- The Head of the Mother-Institution (wherever it is based) logs into the JAMB (CAPS) portal and recommends the candidate to the Registrar of JAMB (or representative) for approval or declines the proposal with a reason for the rejection;
- The Registrar of JAMB (or representative) approves the recommendation(s) from the Head of the Mother-Institution or declines the recommendation with a reason for the rejection;
- If the recommendation is approved, the candidate is notified through his/her email and SMS to either accept or reject the offer of admission. The two institutions can log in and view the status of the recommended candidates;
- If the candidate accepts the offer of admission, he/she can thereafter print his/her admission letter and access other services online from his/her profile.

NOTE: The Head of an Affiliated-Institution has access to "VIEW ONLY" all recommendations by the Head of a Mother-Institution.

5. All Universities serving as Mother-institutions, Polytechnics/Monotechnics, Colleges of Education and other institutes offering degrees in affiliation with universities are to be guided by this, please.

Mohammed A. Babaji
Director, Admissions
For: Registrar

Signed

JAMB



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E-mail: ncc@ncc.gov.ng, **Website:** www.ncc.gov.ng

Performance Metrics:

Interest rate boom turns 2024 into vintage year for banks

Ronald Adamolekun

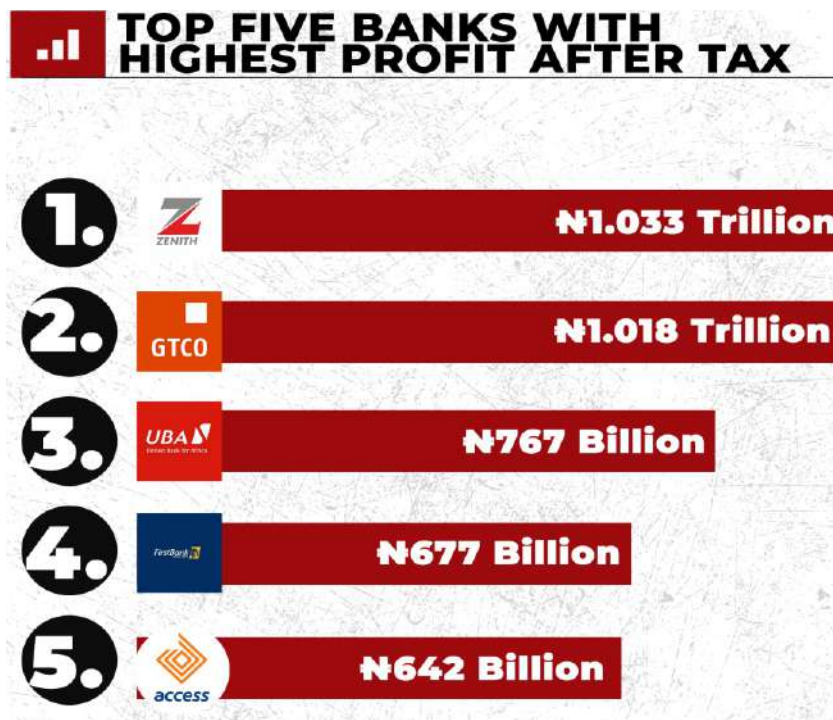
Banks earned high returns from loans and advances, as well as investments in securities.

Nigeria's central bank, relentless in its push for price stability and inflation control through rate cuts, extended the reference interest rate by 875 basis points in 2024. In so doing, it led the country into its longest tightening cycle in history.

By December, the monetary policy rate had more than doubled to 27.5 per cent from the level it was in May 2022, when tightening started.

Hiking rates at that degree speaks to the length the regulator was willing to go to curb price levels. It is also a pointer to how increasing interest rates naturally conditions lenders to charge more for loans and how that, if taken too far, can unjustifiably create an interest income boom for banks at the expense of myriads of customers, individual or corporate, on the receiving end of aggressive rate tightening.

"The contribution of non-interest income was quite high in 2023, and this is because of foreign revaluation gains and related factors. What we saw in 2024 was a reversal to traditional banking,



where lending was the driver of gross earnings," said Matilda Adefalajo, investment research analyst at Meristem Securities.

"In this case, we are looking at lending coupled with a relatively higher interest rate environment, which aided the growth of interest income for banks."

Beyond loans and advances, lenders also earned higher returns from investments in securities like bonds and treasury bills on account of that trend. Those financial

instruments have long constituted a part of their income streams.

For Guaranty Trust Holding Company (GTCO), for instance, whose risk assets like investment securities and loans to customers are almost the same in value, compared to other banks where such assets are far more concentrated in loans, 2024 was a year of winning both ways.

For that reason, its return on assets (ROA), at 6.9 per cent, was the highest of the twelve banks assessed using that parameter.

The impact of rate hikes, as far as how banks generally performed, is bigger than what could be seen through the lens of the interest income bonanza alone as a metric of performance. Banks' substantially stronger performance across key indicators like revenue, profit after tax (PAT), total assets, net profit margin, return on equity (ROE), and return on assets (ROA) is worth mentioning.

Even at that, how well these parameters fared generally owed its debt to improved interest income.

Nigerian banks, on that score, reported their highest profits ever on record during the year as the nine lenders reviewed for PAT posted N4.9 trillion against the N3.2 trillion of the preceding year.

Revenue

Revenue growth for the nine lenders under review, at 81.7 per cent, reached its second-highest level in four years in 2024, propelled by interest income.

Historically, interest income on loans has been the mainstay of gross earnings for banks, and its 40.3 per cent contribution to the revenue pool of these lenders, substantial as that may seem at a glance, is nothing compared to the figures for the years from 2020 to 2022, which are greater.

A marked jump in FX revaluation gains and foreign currency translation

gains (for banks running subsidiaries outside Nigeria) was also a boost for revenue.

FX revaluation gains rose to N401 billion from N156.5 billion, regardless of the central bank's January directive forbidding lenders from holding net long FC positions, a move aimed at boosting dollar supply in the currency market.

"After the CBN's directive for zero net open position, banks still held derivative assets. So they held currency swaps with the CBN. That, in a sense, is a foreign currency asset. When you revalue those assets based on movement in currency, you will still get FX-induced gains," said Ngozi Odum, investment research and equity market strategist at Cardinal Stone Securities.

UBA, which operates in more countries than others, reported the most FX revaluation gains at N293.1 billion, relative to N26.6 billion a year earlier, followed by Access Holdings, whose international expansion and diversification into verticals outside its core commercial banking business have been unmatched in recent years.

The two also topped the chart in that order as far as FC translation gains are concerned.

While the revaluation gains of the nine lenders grew 156.2 per cent year on year, foreign currency (FC)

translation gains for the likes of FBN Holdings (now First HoldCo), UBA, GTCO, Access Holdings, Zenith, FCMB Group, and Fidelity, all of which hold international banking licences, jumped to N1.9 trillion from N1.6 trillion.

What is actually intriguing about those two income sources, both of which are non-regular income sources for lenders, was the prominence they have attained in banks' books over the past two years, thanks to a slide of roughly 70 per cent in the value of the naira against the dollar.

That pronounced depreciation in the naira-to-dollar exchange catapulted banks' foreign currency income in local currency terms.

Lenders' diversification into operations outside core banking, like pensions, asset management, payments, and brokerage/agency services, helped widen banks' revenue sources. Apart from its potential for increasing sources of income, branching out into new verticals is a veritable tool for diversifying risks in that it could help ensure that capital is not over-concentrated in some sectors at the expense of others.

A major enabler was the increasing switch by banks to the holding company structure, which allows for expansion into other sectors within the financial services sector.

Interest income on loans generally grew at a much more rapid pace than loans and advances. While loans and advances only expanded by 36.6 per cent, interest income on loans grew by 107.9 per cent (its fastest pace in at least four years), reaching an all-time high of N8.3 trillion.

It implies that the sharp leap in interest income on loans owed its debt not so much to an increase in the value of loans booked

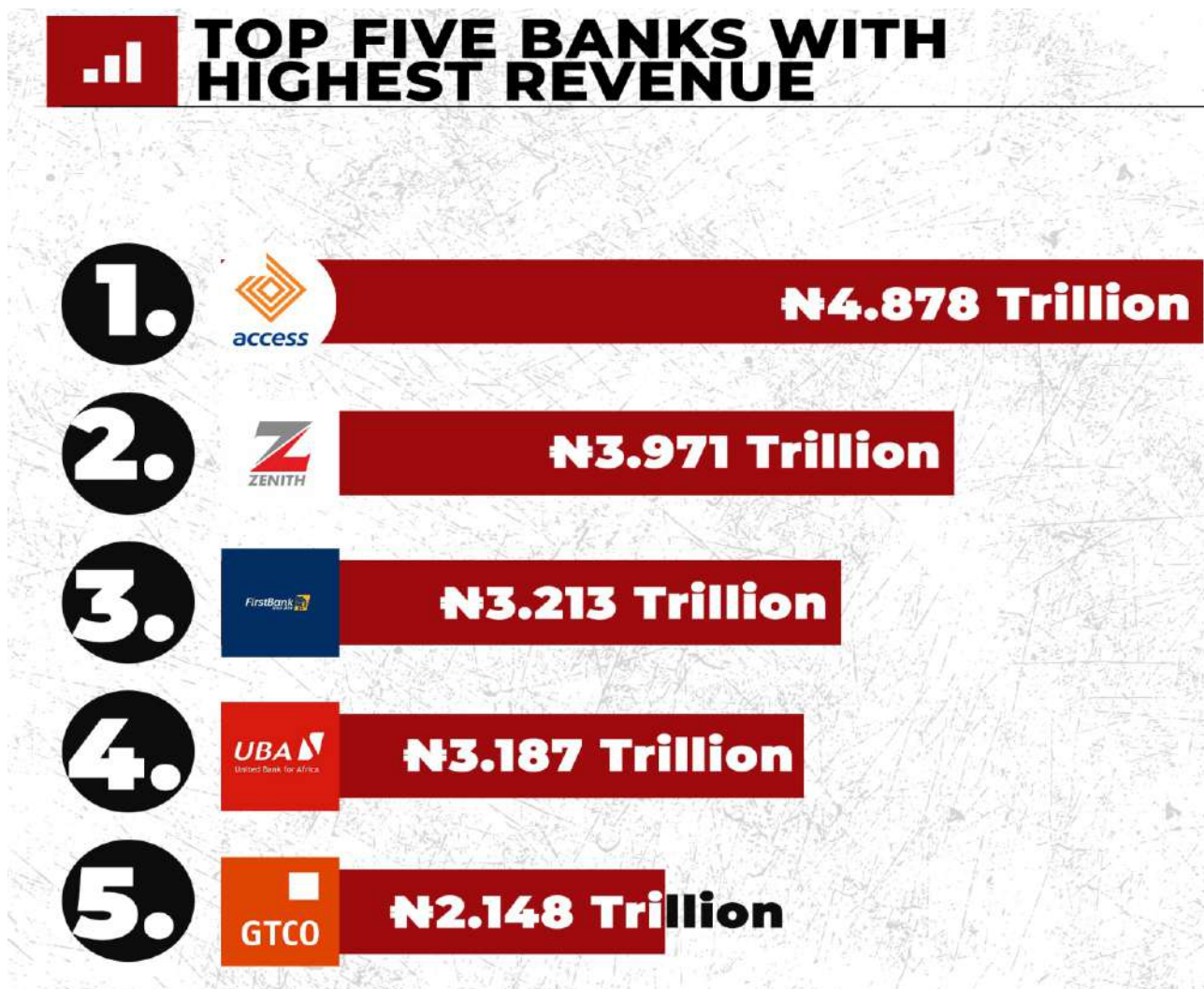
during the year as to the elevated interest rate environment.

Also boosting revenue were fees and commissions, which derived strength as the new non-banking subsidiaries set up or acquired by lenders added new income to the revenue pool.

For instance, Access Holdings generated the most fees and commission, recording N514.1 billion compared to N277.5 billion

a year earlier, with channels and other e-business income contributing the bulk of that sum.

Access Holdings (N4.9 trillion) generated the biggest revenue, followed by Zenith (N4 trillion), FBN Holdings (N3.3 trillion), UBA (N3.2 trillion), GTCO (N2.1 trillion), Fidelity (N1 trillion), Stanbic IBTC Holdings (N823.3 billion), FCMB Group (N794.4 billion), and Wema (N433.4 billion).



Profit After Tax

Much as the net profit of banks touched its record peak during the year, the growth rate was much weaker when set beside that of 2023, underscoring the impact of escalating costs on the bottom line, despite a much-improved revenue.

After-tax profit for the lenders under review climbed by 53.7 per cent to N4.9 trillion, relative to a growth rate of 204 per cent seen the previous year. That profit growth rate posted for 2023 is the highest in the five years to 2024.

Headline inflation jumped 5.9 per cent to 34.8 per cent in 2024, sharply increasing the operating expenditure of banks, with the country's largest lender, Access Holdings, having other operating costs (without factoring in personnel expenses, amortisation, and depreciation) approaching N1 trillion. That compares to N465.7 billion one year prior. Spending on fuel, maintenance, statutory fees (AMCON levy, deposit insurance premium, etc), and IT were the key pressure points for banks.

The application of the windfall tax, a 70 per cent one-off tax imposed by the Nigerian government on lenders' realised profits from all foreign exchange transactions, implies that the impact of FX gains on pre-tax profit and, by extension, after-tax profit was subdued.

Increased operating expenditure in 2024 "didn't necessarily have any significant impact because operating income for banks rose significantly. The impact it had was not out of the ordinary. Maybe if some expenses were a bit curtailed, we could have seen a higher bottom line. A lot of banks actually were able to reduce their cost-to-income ratio," Ms Adefalujo said.

Measuring the profundity of the impact of operating expenditure on earnings is best achieved by considering banks' net profit margin, the profitability ratio that evaluates how much of revenue has translated into profit.

For at least five years running, GTCO topped the rest with a net profit margin of 47.4 per cent, its highest in half a decade at the minimum, nearly doubling the 24 per cent average of the nine lenders. The next two banks in tow, Stanbic IBTC Holdings and Fidelity Bank, reported 27.4 and 26.7 per cent, respectively.

Beyond remarkable cost-cutting, Nigeria's largest lender by market capitalisation achieved the feat by concentrating its risk assets more in financial securities like bonds and treasury bills than in loans and advances granted to customers. That reasonably relieves it of headaches such as loan impairment, which are typically linked to credit exposure.

While its impaired credit was the lowest among the Big 5, it was the only one to report unrealised fair value gain on financial instruments, a value as appreciable as N517.5 billion and 40.9 per cent bigger than the previous year's.

Zenith (N1.03 trillion) reported the most PAT, followed by GTCO (N1.02 trillion), UBA (N766.6 billion), FBN Holdings (N738.9 billion), Access Holdings (N642.2 billion), Fidelity (N278.1 billion), Stanbic IBTC Holdings (N225.3 billion), Wema (N86.3 billion), and FCMB Group (N73.3 billion).

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Assets

As top line and bottom line improved for lenders, so also did assets, which likewise attained their historical high on account of a mix of factors.

In March, an industrywide policy shift had the CBN buck up the minimum paid-in capital of banks with regional, national, and international authorisation fivefold, eightfold, and tenfold in that order, setting March 2026 as the cut-off date for compliance.

Banks' quest to create capital buffers to meet the new requirements would set in motion a series of equity issuance among bigger banks.

"Some small and medium-sized banks may struggle to raise the necessary capital, leading to increased M&A," Fitch said in a commentary in April.

"This would result in a more concentrated banking sector, with higher barriers to entry, greater economies of scale and stronger long-term profitability," it added.

The proceeds of capital raises through rights issues and public offers helped beef up the total assets of some banks. GTCO raised N209.4 billion via a retail share sale, Access Holdings N351 billion through a rights issue, UBA N251 billion by way of rights issue, Zenith N350.4 billion through a hybrid of public offer and rights issue, and FBN Holdings N150 billion

**“
Loans
and advances
continue to
account for the
bulk of assets,
climbing 36.6 per
cent to N56.2
trillion from
N41.2 trillion,
much slower
than the
61.6 per cent
seen in 2023.
”**

through a rights issue.

Total assets stood at N169.5 trillion for the nine banks, 50.8 per cent higher than a year ago. Loans and advances continue to account for the bulk of assets, climbing 36.6 per cent to N56.2 trillion from N41.2 trillion, much slower than the 61.6 per cent seen in 2023.

An emerging trend in the composition of banks' assets became prominent as the value of investment securities of some of the big banks surged steeply, in some cases outstripping loans and advances, which traditionally account for the lion's share of lenders' assets.

"The shift you are seeing in earnings mix is really a reflection of risk-adjusted returns. You are giving out loans in an environment where interest rates have

moved significantly, and the business needs to operate in this environment. It ups your risk factor, whereas you have risk-free instruments, government instruments that can offer you an attractive yield vis-à-vis what you will get from loans," Ms Odum said.

"Periods when we saw more credit origination were usually in periods when interest rates were not so high. So it makes more sense for you to drive credit creation because that's when you can see the most returns. But in a period when interest rates are high, it makes less sense for you to be that aggressive in driving credit risks," she added.

Investment securities for GTCO and UBA grew markedly, surpassing their loans and advances, while those of Access Holdings also expanded significantly. A leap in investment securities, especially treasury bills, bonds and promissory notes, contributed in part to the rise in banks' asset value.

Access Holdings (N41.5 trillion) led the chart, followed by UBA (N30.3 trillion), Zenith (N29.96 trillion), FBN Holdings (N26.5 trillion), GTCO (N14.8 trillion), Fidelity (N8.8 trillion), FCMB Group (N7.1 trillion), Stanbic IBTC Holdings (N6.9 trillion), and Wema (N3.6 trillion).

TOP FIVE BANKS WITH THE HIGHEST ASSETS



Return on Equity

ROE, the metric that measures banks' profits in proportion to equity capital, varied across the banks, averaging 26.7 per cent for the nine banks, compared to 26.7 per cent a year earlier. That figure for 2024 was the highest since 2020, highlighting improved investment returns.

The ROE of four of the nine lenders reduced year on year as the growth rate of their net income lagged behind that of their shareholders' fund. GTCO (37.5 per cent) led the table, followed by Wema (33.6), Stanbic IBTC (33.6), Fidelity (31), FBN Holdings (29.1), Zenith (25.6), UBA (22.4), Access Holdings

(17.1), and FCMB Group (10.6).

Return on Assets

ROA evaluates how profitable a bank is compared to its total assets by expressing net profit as a percentage of total assets. It is an indication of the extent to which a bank has sweated its assets in generating profit. The higher the ROA, the more efficient investors and analysts perceive the bank to be when it comes to managing its net assets to earn profit.

ROA reached a five-year peak during the year at an average of 3 per cent. The ROA of three lenders fell, while the rest recorded progress.

Banks "...have to sweat their assets two times more because of the high cash reserve ratio rate. So for every deposit you get, you know that you have half of that to work with. Meanwhile, you've already committed to certain costs for those funds. Depending on how the operating environment shifts, they have to realign their strategies," Ms Odum said.

GTCO, the top performer, recorded an ROA of 6.9 per cent, way above Zenith, which came next at 3.4. It was followed by Stanbic IBTC Holdings (3.3), Fidelity (3.2), FBN Holdings (2.8), UBA (2.5), Wema (2.4), Access Holdings (1.5), and FCMB Group (1).

How Trump's policies may affect Nigerian banks

Nike Adebowale-Tambe

Mr Trump's trade policies have often centred around using tariffs to protect US industries.



With Donald Trump returning to power as the 47th President of the United States in January 2025, the early signals are that his administration's "America First" agenda is influencing the direction of the global economy.

Within days of taking office, President Trump signed a series of executive orders addressing immigration, foreign aid, and trade. While focused on advancing US interests, these moves are beginning to significantly impact Nigeria, especially in its financial and banking sector.

Given the interconnectivity of global markets, Nigerian banks must adjust to shifts in US policy to remain competitive. With international financial systems often influenced by US policies, understanding these changes is critical for Nigerian financial institutions navigating an increasingly unpredictable environment.

The Currency Pressure

In his first few months in office, Mr Trump continued his long-standing stance of pushing for looser monetary

policies in the US. The Federal Reserve (the US central bank) has kept interest rates low under his administration to stimulate economic growth, a strategy that began during his first presidency (2017-2021). With low rates likely to remain in place, the US dollar is expected to strengthen.

A stronger dollar poses challenges for Nigeria, particularly in its foreign exchange markets. As the dollar appreciates, Nigeria's cost of imports and external debt servicing rises. The naira often weakens in such an environment, as

evidenced by recent trends: as of 16 April 2025, the naira traded at N1,612 to the US dollar on the parallel market.

This could cause volatility in foreign exchange markets for Nigerian banks. Banks heavily involved in forex trading must hedge against increased currency risk.

Moreover, as international transaction costs rise, businesses may face higher operating costs. This could push the Central Bank of Nigeria (CBN) to adjust domestic interest rates to manage inflationary pressures, potentially increasing borrowing costs for Nigerians. If this trend continues, Nigerian banks might experience a slowdown in loan growth or face rising defaults.

Tariffs and Trade Tensions

Mr Trump's trade policies have often centred around using tariffs to protect US industries. In February, a 10 per cent tariff was imposed on China and by early April 2025, he introduced a 10 per cent baseline tariff on all US imports, with Nigeria facing a slightly higher rate of 14 per cent.

The move sparked global pushback, especially from China, which hit back with a 34 per cent tariff on U.S imports. By April, the U.S introduced another 50 per cent tariff on China and Beijing responded with 85 per cent tariff.

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Mr Trump's ongoing feuds with global leaders, including China, Canada, and India, create an environment of financial uncertainty.

This geopolitical instability could lead to capital flight, as investors pull their funds from emerging markets like Nigeria in search of safer havens.

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Consequently, the U.S tariff on China hit 125 per cent and China responded by raising its tariff up to 125 percent on American goods. The US responded by raising tariffs on Chinese imports to 145 per cent, with some products facing even steeper duties. Under pressure, Mr Trump paused the new tariffs for 90 days for countries other than China to allow time for talks.

For Nigerian banks, these trade tensions pose several risks. As imports become more expensive, Nigerian businesses that rely on US or Chinese goods will face higher costs. This could squeeze profit margins, especially for firms in sectors like retail and manufacturing. Banks involved in trade finance may also see increased demand for credit as businesses try to cushion the impact of rising import prices.

However, if prices remain volatile, loan repayment challenges could arise for banks supporting these businesses.

Moreover, Mr Trump's tariffs could destabilise global oil markets — a critical concern for Nigeria's oil-dependent economy.

Nigerian banks with significant exposure to the oil sector may experience increased risk, particularly if fluctuations in global oil prices reduce revenues for oil exporters. To manage this risk, Nigerian banks may need to adjust their lending strategies and carefully monitor developments in oil markets.

Capital Flight

Mr Trump's ongoing feuds with global leaders, including China, Canada, and India, create an environment of financial uncertainty. This geopolitical instability could lead to capital flight, as investors pull their funds from emerging markets like Nigeria in search of safer havens.

If tensions between the US and other nations continue to escalate, foreign investors may pull out of

Nigerian markets, decreasing investment in the country. This could hurt Nigerian banks' liquidity to lend to local businesses and consumers.

Additionally, banks with international branches or those involved in cross-border transactions may experience reduced investor confidence, which may impact their operations.

In the long run, Nigerian banks must adjust their strategies to attract local investment. This could include offering higher interest rates or rolling out more attractive savings products to boost domestic liquidity. Banks could also explore new avenues for funding, such as tapping into the growing fintech space or partnering with international investors seeking emerging market opportunities.

Remittances

Mr Trump's tough stance on immigration will likely impact Nigerian banks, particularly those with operations that revolve around remittance inflows. The US has long been a key destination for Nigerian immigrants, with many sending money back home to support their families. However, Mr Trump's executive orders, which target undocumented immigrants and increase deportations, could reduce the financial stability of Nigerians living in the US. This could impact remittance flow.

According to the Central Bank of Nigeria, personal remittances grew by 8.9 per cent to \$20.93 billion in 2024. Inflows through International Money Transfer Operators (IMTOs) jumped 43.5 per cent to \$4.73 billion, up from \$3.30 billion in 2023.

A decline in remittances would affect Nigerian families and reduce bank revenues. To mitigate this risk, banks may need to diversify their services or partner with international money transfer platforms.

Opportunities amid the shocks

Despite the potential risks, Nigerian banks could also find opportunities in Mr Trump's policies.

Aliyu Illias, an economist, notes that Mr Trump's protectionist policies could accelerate localisation and import substitution in Nigeria, trends that favour increased borrowing and investment.

Mr Illias said with Trump back in office and trade tensions rising, local industries may be forced to look inward.

“That creates an opening for Nigerian banks to provide financing for businesses seeking to source inputs locally. As companies substitute imports with local alternatives, they will need capital — and banks will be central to that transition,” he said.

He also noted that the African Continental Free

Trade Area (AfCFTA) could gain renewed relevance.

“Banks will act as shock absorbers, helping industries adjust and grow. With large local projects like Dangote Refinery ramping up operations, more transactions will flow through Nigerian banks — boosting liquidity and earnings.”

On the forex front, he added that banks will likely benefit from a pivot in trade alliances. “If Nigeria strengthens trade with BRICS countries and begins settling more transactions in yuan or rubles, banks will still be at the centre of it all, facilitating cross-border payments and currency exchange.”

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FERTILIZER BLENDING



Matrix Fertilizer Limited (MFL), founded in 2018 as a subsidiary of Matrix Energy Group, operates Nigeria's premier NPK fertilizer blending plant in Kaduna. With an annual blending capacity of 550,000 MT, 240 tonnes per hour input rate, and 75,000 tonnes of storage, the facility produces high-quality formulations including NPK 20-10-10, NPK 15-15-15, NPK 27-13-13, and custom blends tailored to specific crop needs

Serving over 150,000 farmers to date—including the Kaduna State Ministry of Agriculture, Olam Rice, 1-Acre Fund, and others—MFL aims to reach 1 million Nigerian farmers annually over the next three years

Beyond production, the company contributes meaningfully to local development, creating more than 200 direct and indirect jobs and sourcing essential production materials through artisanal mining partnerships in Katsina State

Matrix owns and manages three (3) oil vessels with a combined deadweight of 120, 596 MT:

MT. MATRIX PRIDE (DWT of 40, 133 MT),
MT. MATRIX TRIUMPH (DWT of 40, 231 MT),
MT. MATRIX S. ILU (DWT of 40, 232 MT).

Our shipping and Chartering desk is closely integrated into our business model, providing freight services to our trading teams internally, and also chartering on spot basis thereby making us one of the largest spot charterers of vessels in the Gulf of Guinea.

Vessels are under IACS Class and with adequate H&M and P&I cover.

3 Oil Vessels

DWT of over 120, 596 MT

Vessels are under IACS Class and with adequate H&M and P&I cover.

One of the largest spot charterers of vessels in the Gulf of Guinea.



SHIPPING



TERMINALS & STORAGE

Matrix Energy Group operates Nigeria's largest independent storage facility in Warri, Delta State. It has a combined capacity of 150 million litres for Premium Motor Spirit (PMS), Automotive Gas Oil (AGO), Household Kerosene (HHK), and Aviation Turbine Kerosene (ATK), alongside 5,000 MT of Liquefied Petroleum Gas (LPG).

The terminal is supported by a 224-meter private jetty with an 11-meter draft, enabling smooth vessel operations and faster product handling. This infrastructure strengthens the Group's control over imports and distribution, ensuring timely supply to markets across the country.

More than capacity, the Warri facility highlights Matrix Energy's focus on efficiency, reliability, and safety. By combining strong assets with international best practices, the company continues to play a vital role in meeting Nigeria's energy needs and supporting long-term growth in the sector.

Matrix Energy Group has built a robust haulage division that plays a critical role in its nationwide supply operations. With a fleet of over 600 trucks, the company efficiently delivers a broad range of products including PMS, Jet A1, DPK, AGO, LPG, and bitumen to customers across Nigeria.

Reliability and safety are central to the division's operations. Each vehicle is fully insured and maintained to rigorous safety standards, reinforcing customer trust and ensuring the consistent, high-quality delivery of goods.

By combining extensive transport capacity with a steadfast commitment to excellence, Matrix Energy Group's haulage services enhance operational flexibility and support seamless product flow from terminal to customer, solidifying the company's reputation as a dependable partner in the energy and logistics sectors.



HAULAGE

RETAIL MARKETING



Matrix Retail business officially started in the year 2014 through the acquisition of Sparklight (Ogun and Kano Unguwa Uku Stations). Today, we boast over 80 fully established retail outlets across 27 states of Nigeria. We are working towards covering all states by the end of 2024.

We currently have 18 LPG retail plants across the country, with 4 more under construction.

The Retail sub-division, whose vision is to be the preferred market leader in delivering refined petroleum products to consumers across the nation, is aggressively expanding its reach and customer base throughout the country.

80+ fully established retail outlets
Presently in 27 states of Nigeria
On course to cover entire 36 states & FCT by the end of 2025

We incorporated Matrix Energy Exploration and Production Company Limited as an entity to handle our diversification into the upstream sub-sector of the economy. Matrix along with other players were awarded Atamba, Apani and Igbomotoru fields in the 2020 DPR Marginal Field Bid Round.

Atamba Field (PPL 211/OML 42)

Apani Field (PPL 225/OML 53)

Igbomotoru Field (PPL 207/OML 33)

Now, with our team of highly skilled industry professionals with vast years of exploration, development, and production experience; we have commenced work on the 3 awarded marginal fields. We are also evaluating some other available upstream asset opportunities and intend to participate actively in future bid rounds. Our plan is to replicate the achievements recorded in our Downstream business in the E & P business.



UPSTREAM

Rising inflation, sky-high Monetary Policy Rates

Oladeinde Olawoyin

Throughout the year, the inflation rate soared as the Naira remained under pressure, while the CBN doubled down on aggressive interest rate hikes.



CBN Governor Olayemi Cardoso chairs a Monetary Policy Committee (MPC) meeting.

Nigeria has, in recent years, grappled with significant macroeconomic challenges, with persistent inflation and fluctuating interest rates. The Central Bank of Nigeria (CBN), using its tool, the Monetary Policy Rate (MPR), has aimed to balance inflation control, currency stability, and economic growth. As of the last quarter of 2024, Nigeria's economic policymakers continued to navigate a complex environment influenced by domestic factors and global economic shifts.

Throughout the year, the inflation rate soared as the Naira remained under pressure, while the CBN doubled down on aggressive interest rate hikes. The dynamics were driven by the government's reform policies, notably the eradication of a costly petrol subsidy regime and the unification of the foreign exchange windows.

With the MPR at 27 per cent, the CBN signalled an intent to bring inflation down. But as inflation pushed higher into double digits

and food prices skyrocketed, analysts had a concern: Is the CBN's monetary tightening intervention enough, or is Nigeria fighting inflation with the wrong tools?

High MPRs

In its meeting in May 2025, the CBN and its Monetary Policy Committee (MPC) retained the benchmark interest rate at 27.5 per cent, leaving other parameters unchanged and instituting tough liquidity control measures.

By tightening measures to pull inflation down, the CBN said it was working to curb demand and manage inflation expectations by easing the pressure on the naira amid global uncertainty.

The National Bureau of Statistics (NBS) said that within the same month the MPC meeting was held that headline inflation (year-on-year) declined to 23.71 per cent in April 2025, compared with 24.23 per cent in March 2025. On a month-on-month basis, it also declined to 1.86 per cent in April 2025, from 3.9 per cent in the previous month, due in part to the change in method of computation.

Within the same period, food inflation remained a major driver of overall inflation.

The rate stood at 21.14 per cent year-on-year in May, a sharp drop from 40.66 per cent recorded a year prior. The NBS attributed the sharp annual drop to the change in the base year, following the CPI rebasing.

On a month-on-month basis, however, food inflation rose to 2.19 per cent in May from 2.06 per cent in April, driven by increases in the prices of yam, cassava, maize flour, sweet potatoes, fresh pepper, and ogbono.

Similarly, urban inflation stood at 23.14 per cent year-on-year, lower than 36.34 per cent in May 2024.

Earlier in 2024, inflation rose year-on-year for 12 straight months and touched its highest level since mid-1996 in December, despite the CBN's aggressive rate hikes.

The removal of fuel subsidy and a much weaker naira, coupled with escalating food prices, are among the basic factors that have maintained price levels since the new CBN authorities took control of the nation's monetary policy.

The sky-high rise in transportation costs, following the removal of fuel subsidies, had a ripple effect on the costs of logistics and food supply, with attendant impact on retail price, making food the biggest driver of consumer inflation in the country.

For instance, in the last quarter of 2024, the labour movement and the Organised Private Sector projected higher inflation and a weaker naira following a hike in the country's interest rate to 27.50 per cent by the apex bank.

For the financial sector, higher rates offer some benefits. Banks have had reasons to charge more for loans, boosting interest income.

But small businesses, considered the backbone of Nigeria's informal economy, are struggling to access credit to expand operations, employ more hands, and drive economic growth.

Similarly, foreign investors have been quite impacted by the persistent hike, as a high MPR can attract portfolio inflows, stabilising the naira. But with inflation at sky-high levels, investor confidence remains shaky.

External pressure

The CBN's efforts to stabilise the naira and bring down inflation have been impacted by external factors that threaten fiscal sustainability and currency stability.

First, the CBN has been under intense scrutiny since a controversial leadership transition in 2023 and a shift to a more orthodox policy stance. In the wake of the alleged malfeasance under its previous management, the bank was under pressure to deliver results quickly.

“
the CBN said it was working to curb demand and manage inflation expectations by easing the pressure on the naira amid global uncertainty.
”

Again, the federal government faces public backlash over living costs and sky-high domestic prices. Although it has promised targeted interventions such as food distribution, FX reforms, and agricultural investments, with debt servicing consuming a large chunk of revenue, the room for fiscal maneuver remains tight.

Earlier in the year, a trade war ignited by the United States and China came with sweeping tariff hikes. Many analysts worried that Nigeria may find itself grappling with deepening economic uncertainty, as it was projected that the war would raise demand for the dollar and put more pressure on the naira, causing it to lose value. As a result, the exchange rate could rise further, making it more expensive for

businesses to import raw materials from abroad.

But a few months down the line, the impact has been minimal.

Meanwhile, the brief war between Israel and Iran added a troubling dimension to the challenges of keeping monetary policies in check and inflation at bay. Muda Yusuf, director and chief executive officer of the Centre for the Promotion of Private Enterprise (CPPE), noted that for the Nigerian economy, the implications are mixed and the development portends a combination of risks and upsides for the economy.

Mr Yusuf argued that a major driver of energy prices in Nigeria is the global crude oil price, and the impact could be dire. In terms of the risk of high monetary growth with an

increase in revenue from the oil sector, he argued that money supply increases in the Nigerian economy could pose additional inflation and exchange rate depreciation risks.

“This may provoke a tighter monetary policy stance, which could result in difficult credit conditions for businesses in the economy,” he said.

For Aliyu Ilias, an economist and policy analyst, a downward review of the CBN’s benchmark interest rate may be appropriate.

“The MPR is still between 27.5 per cent. We need to find a way to actually reduce the MPR to achieve a successful development in poverty reduction,” he said.

Indicator	Value / Change	Notes
Monetary Policy Rate (MPR)	27.5% (May 2025)	Retained by CBN; liquidity tightening measures applied
Headline Inflation (YoY)	23.71% (Apr 2025) ↓ from 24.23% (Mar 2025)	Decline partly due to change in computation method
Headline Inflation (MoM)	1.86% (Apr 2025) ↓ from 3.9% (Mar 2025)	Shows short-term easing
Food Inflation (YoY)	21.14% (May 2025) ↓ from 40.66% (May 2024)	Drop attributed to CPI rebasing (base year change)
Food Inflation (MoM)	2.19% (May 2025) ↑ from 2.06% (Apr 2025)	Driven by yam, cassava, maize flour, sweet potatoes, pepper, ogbono
Urban Inflation (YoY)	23.14% (May 2025) ↓ from 36.34% (May 2024)	Reflects easing after peak inflation of 2024
Historical Peak	Inflation peaked in Dec 2024 (highest since mid-1996)	Despite CBN’s rate hikes
Key Drivers	Fuel subsidy removal, weaker naira, high transport & logistics costs, food supply shocks	



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Transition Pain:

How customers swallowed bitter pill of banking software advancements

Chinagorom Ugwu

Software advancements undertaken by banks in 2024 came with months-long disruptions causing many customers pains.



Between September and November 2024, Nigerian banks carried out core banking system migrations or upgrades to enhance their technological infrastructure. But many Nigerians paid the price with stinging pains. Migrating core banking systems involves transitioning a bank's central operating system — which is responsible for processing transactions, managing customer data, and handling core financial functions—to a newer platform.

The process is often done to improve efficiency, scalability, and adaptability, especially as older systems struggle with modern demands such as real-time processing and digital banking innovations.

Upgrade, on the other hand, involves moving from a specific version of the system to a newer version of the same system.

Banks upgrade to the latest versions of banking software to leverage the latest technology, which has the capacity to handle system failures,

cyberattacks, and teeming transaction traffic across e-channels and meet the growing needs of their customers.

For instance, Nigerian banks have intensified emphasis on using bank applications and the internet to conduct banking transactions, with the growing adoption of technological innovations across industries.

However, the quick rise in cashless transactions and reliance on digital transactions opened opportunities for fraudsters

to exploit the gaps in the country's banking infrastructure.

According to figures tallied by PREMIUM TIMES from banks' audited annual reports in the 2024 edition of this magazine, fraud-related losses recorded by five commercial institutions - GTCO, Access, Sterling and Access Banks - in 2023 amounted to N2,102,442,473.

Some of the fraud incidents recorded at the banks during the period were electronic fraud/USSD, fraudulent transfers/withdrawals/reactivation of accounts, cash theft, and fraudulent cash lodgment.

Thus, constant cyber-attacks and fraudsters' hacking of accounts compelled banks to upgrade or outright migrate to more secure and fraud-resistant core applications, essentially to safeguard bank accounts against possible account hacking and money swiping by fraudsters and cybercriminals.

Sterling began the trend when it switched from Temenos T24 to SeaBaaS by Peerless, which its CEO, Abubakar Suleiman, called the first fully developed core banking platform by an African technology firm, "built and owned entirely by a Nigerian company." "Switching to SeaBaaS from non-domestic core banking systems has enabled us to overcome several challenges that hindered

our ability to operate efficiently and respond swiftly to local market needs," Sterling Bank explained in a post on its website.

Other financial institutions such as Zenith Bank, the Guarantee Trust Holding Company (GTCO) and First Bank did not waste time following the initiative.

Zenith Bank, for instance, adopted Flex Cube by Oracle after ditching Phoenix by Finastra.

For its part, GTCO switched from I by ICS Financial Services to Finacle by Infosys, which is suitable for processing banking transactions and capable of conducting tasks in its other subsidiaries, like pensions and asset management.

Disruption and why it happened

Despite its promising gains, upgrading and migrating to new core system applications disrupted normal banking operations, with Nigerians bearing the brunt.

The disruptions lasted several weeks in many banks in the country, much longer than the estimated period the financial institutions announced the transition would take.

Some banks, for instance, had announced they would complete the process the same day. However, many customers faced difficulties when the disruptions

continued, with some experiencing login failures, inaccurate account balances, vanished funds, unauthorised deductions, and failure to withdraw funds.

Violet Ikong, a journalist, was among several bank customers who faced difficulties due to disruptions at the time.

Despite disruptions expected with the process, Ms Ikong, a GTCO customer, was unperturbed when the bank announced that it would begin migrating to a new core banking system from 11 to 14 October 2024.

Ms Ikong assumed that normal banking operations would be restored within one week at the latest. She was wrong.

**“
Some of the fraud incidents recorded at the banks during the period were electronic fraud/USSD, fraudulent transfers/withdrawals/reactivation of accounts, cash theft, and fraudulent cash lodgment.
”**

Although the bank announced four days later that it had completed the migration to the promised system, the widespread service disruptions caused by the migration did not cease. For more than a month, the bank suffered disruptions in its operations.

Like many other Nigerians, Ms Ikong was downcast because she could not access her funds or carry out transactions on her GTCO account.

“During that period, the bank’s mobile app wasn’t working. Sometimes, after logging onto the application, I couldn’t carry out any transaction. I couldn’t see my transaction history.

“And then my account balance was displaying inconsistent funds - it would increase and reduce at intervals,” she recalled.

A frustrated Ms Ikong visited a branch of the bank in Abuja before realising that she was not going through the harrowing experiences alone.

She also realised that customers of several other banks were going through the same troubles.

“I remember one day that I went to the bank; there was a serious fight (between customers and bank officials) inside the banking hall because people were so frustrated.

“This was because the

mobile app wasn’t working, and even at the banking hall, nothing was happening. It was actually terrible,” she narrated.

When the issues persisted in November 2024, she abandoned the bank entirely and began using another bank, which was relatively better in terms of services at the time.

Like Ms Ikong, Emmanuel Ahead, a First City Monument Bank (FCMB) customer, also suffered difficulties due to the disruption occasioned by a system upgrade at the FCMB.

A father of five and commercial driver in Enugu State, Mr Ahead was distraught when he was told by a Point of Sale (POS) operator that he would not be able to withdraw his funds until the upgrade and migration were completed.

He hastened to a branch of the bank but that did not change the situation after he met a crowd of customers helplessly complaining about the same issue.

“I later discovered that the issue was also happening in other banks apart from FCMB. Almost all the banks had the same issue,” he told PREMIUM TIMES.

Mr Ahead recalled that the disruption seriously affected him and his family, prompting him to take a loan from a church member.

The commercial driver noted that although he could withdraw after about one week, many other customers continued facing difficulties.

During the period, video clips and photographs of occasional fights and struggles by customers jostling to access their funds at various banks circulated on social media. Disruption unavoidable.

Experts told PREMIUM TIMES that disruptions are inevitable during a software upgrade or migration to new software.

Takon Ajie, a software engineer, said banks had to block customers from using the applications during the migration to avoid mismatch of data.

“Once you’re upgrading your system to a new infrastructure, allowing users to have access to the system at the time could cause the users to encounter errors or have duplicate records,” Mr Ajie explained.

Another software engineer and developer, Wale Olajumoke, said unforeseen technical issues could have caused the disruptions during upgrades, which led to the downtime taking longer than expected.

“Another reason the disruptions happened could be because a few of the banks were moving entirely to a new platform, not that they were upgrading,” Mr Olajumoke, who is based in Lagos, said.

“
Like many other Nigerians, Ms Ikong was downcast because she could not access her funds or carry out transactions on her GTCO account.
”

For Henry Okoro, another software developer based in Enugu, the banking system is complex, so disruption is unavoidable whenever such a change in technology occurs.

“In terms of data migration, which includes millions of customers’ records, there is a possibility of data corruption, loss, mismatch and others which can cause a disruption,” Mr Okoro said, adding that continuous use of the system by customers during the migration can aid the disruption.

“Again, some of these core banking systems were built with old technologies. Some were built over 10 or 20 years ago. So, sometimes when these migrations are done...there could be some unforeseen circumstances,” he added.

Heavy investments in IT by Nigerian banks

The magnitude of the technological shift last year

appeared to be reflected in banks’ financial records.

Eight major banks collectively spent about N518.5 billion in 2024 on information technology infrastructure to improve their operations, according to the audited financial statements of eight banks analysed by PREMIUM TIMES.

The banks were Access Holdings, GTCO, Zenith Bank, Fidelity, United Bank for Africa (UBA), Stanbic IBTC, FCMB, and Wema Bank.

Although their audited financial statements did not disclose specific areas of the investments, the leap in the spending compared with 2023 likely suggests the cost of their upgrade and migration to new core systems in 2024.

First Bank Holdings and Sterling Bank did not disclose their IT-related expenditures in their audited reports for the year. Like First Bank, Sterling Bank focused on high-level figures such as gross earnings, profits, and total expenses in its financial reporting.

What can be done to avoid future disruptions?

Innocent Alex, a software developer and computer engineer based in Anambra State, told PREMIUM TIMES that although the disruptions might not have been eliminated, they could have been greatly

minimised.

Mr Alex pointed out that disruptions in banking operations were witnessed because most banks carried out full migration or upgrades at once.

He stressed that a gradual and phase-by-phase migration or upgrade could have minimised the disruptions.

“During migration or upgrade, one can go through a process called parallel migration or parallel upgrade. Parallel State, told PREMIUM TIMES that although the disruptions might not have been eliminated, they could have been greatly minimised.

Mr Alex pointed out that disruptions in banking operations were witnessed because most banks carried out full migration or upgrades at once.

He stressed that a gradual and phase-by-phase migration or upgrade could have minimised the disruptions.

“During migration or upgrade, one can go through a process called parallel migration or parallel upgrade. Parallel means that the old system still exists, and you gradually integrate the new system, not overhauling the old system at once.

“The idea of full migration, most times, has always caused problems, no matter how good or experienced the company’s engineers are,”

Mr Alex, who develops software for financial institutions, said.

For Mr Olajumoke, the disruptions could have been avoided significantly if the banks had conducted “robust testing” of the new system before deployment.

“Another thing the banks should have done is that instead of all of them doing the migration at the same time, they could have done

it one after the other,” he said.

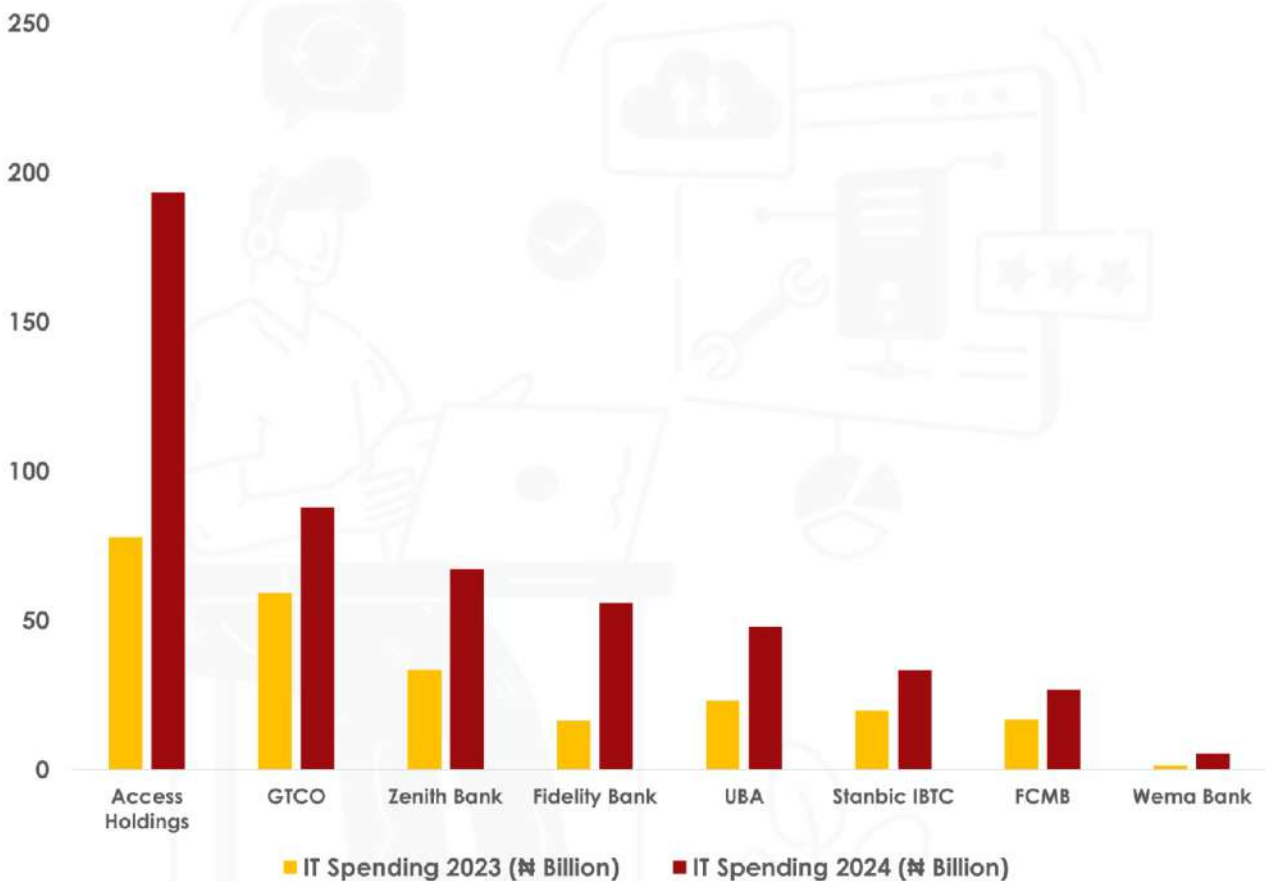
He explained that this would enable people with accounts in other banks to have alternatives during disruptions in that bank.

On his part, Mr Okoro, the software expert, said having a duplicate of the core system by banks before migration would help to reduce the disruption significantly.

“The live one can be labelled as version one, while the duplicate can be labelled as version two, and they migrate to version two.

“So, when they do the migration on version two, they can thoroughly test it and ensure that everything is working as expected before switching the live one to version two. I think that’s a possible way of reducing this disruption,” he explained.

Banks' investments in IT in 2023 and 2024





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How NDIC's Revolutionary Bank Closure Boosts Public Confidence In Banking System



Thompson Oludare Sunday
MD/CEO

The closure of the failed Heritage Bank Limited by the Nigeria Deposit Insurance Corporation (NDIC) has set a new paradigm in depositor protection and financial system stability in Nigeria. NDIC was able to combine the twin policies of upward review of maximum deposit insurance coverage and leveraging digital tools in bank closure to give a new lease of life to depositors and deepen public confidence in the banking system. This, has once again, highlighted the importance of deposit insurance scheme (DIS) as a critical component of the financial safety-net.

In a bold and well calculated decision, the NDIC had jacked-up the maximum deposit insurance cover (MDIC) for all categories of banks in April 2024. The exercise saw MDIC per depositor in each deposit money bank raised from N500,000 to N5 million. In the same vein, MDIC per depositor of primary mortgage and payment service banks were raised from N500,000 to N2 million while that for microfinance bank was reviewed from N200,000 to N2 million. The new coverage for DMBs fully covers 98.98% of total depositors while that of MFBs covers 99.27%. The review came after the last one conducted in 2016.

Two months after the landmark step, precisely on 3rd June, 2024, the Central Bank of Nigeria (CBN) revoked the operating licence of the Heritage Bank Ltd. The failure of the bank posed a level of risk to public confidence, especially

among its 2.3 million depositors.

How NDIC Rises Up To The Challenge

The risk to public confidence prompted a fast and coordinated response from the NDIC, setting a new benchmark for liquidation efficiency in the banking sector.

Based on its operational readiness framework, the Corporation was able to close the bank simultaneously across all its branches nationwide in manner that prevented panic withdrawals and systemic contagion. Then came the game changer! Within four days - far below the 30-day statutory limit in the NDIC Act No 30 of 2023 - the Corporation was able to commence reimbursement of insured deposits.

The NDIC forged collaboration with the Nigeria Inter-Bank Settlement System (NIBSS) and Remita platforms, using Bank Verification Numbers (BVNs) to identify alternate accounts of the failed bank depositors in other banks, verify their identities and disburse their respective guaranteed sums into them.

Milestones Achieved, Lessons Learned

The relief brought by both the swift payment and the new maximum guaranteed sum, which rose by 900% was soothing and re-assuring. By 30th June 2025, the NDIC had paid 54.03 billion to 696,779 insured depositors. This milestone not only highlighted operational improvements but also reinforced trust in the deposit insurance system and operational capacity of the NDIC.

Next Level of NDIC's Performance

The Corporation took its performance feat to the next level when it commenced payment of liquidation dividends to depositors of the defunct Heritage Bank whose deposits were above the N5 million MDIC in less than a year of the bank closure. This is unprecedented as depositors in previous bank failures had had to wait for long time, no thanks to the complex procedure process of bank liquidation and protracted litigations by bank owners and chronic debtors of failed banks.

On Friday 25th April, 2025, NDIC announced the declaration of N46. 6 billion as first tranche liquidation dividend to be paid to uninsured depositors at the rate of 9.2 kobo per Naira on a pro-rata basis. This came about as a result of innovative and ingenious assets realization policy and initiatives of the Corporation.

Nigerian Banks Abroad: Expansion for growth and profits

Bisi Abidoye

After over two decades of cross-border expansion, Nigerian banks now play an essential role in the financial sector of several African nations' economies.



After the 2004 banking consolidation, when lenders significantly raised banks' capital base, several tier-one banks opened international subsidiaries as part of a strategic expansion to gain inroads into new markets outside Nigeria. They also expanded across financial services sub-sectors like insurance, investment banking, and pensions through acquisitions, mergers, and strategic partnerships.

They bought stakes in insurance firms and acquired pension fund administrators (PFAs) to tap

into the growing retirement savings market. For example, Access Bank merged with ARM Pensions Managers to form Access ARM Pensions, which has become one of Nigeria's larger pension administrators.

"The international operation is not something that just started a year ago, three years ago. These are banks that had initiated international operations as far back as the early 2000s," Benedict Egwuchukwu, an investment research associate at Afrinvest, said.

"If you go back to the first

recapitalisation, when we had to start issuing things like the international banking licence, national banking licence, for them to have an international banking licence segment, it shows that some banks were already playing within that space, already operating outside the country. So, it's not something that happened or started two years ago, three years ago. It has been in the pipeline for a long time," he added.

Nigerian banks' international expansion has been robust across Africa, where the likes of

United Bank for Africa (UBA) and Access Holdings operate in more than 20 countries. Some acquired smaller banks in different African nations, while others opted for organic expansion, setting up subsidiaries and growing them from scratch.

Access Holdings, the most aggressive Nigerian bank in terms of international expansion, announced a deal in July 2023 to acquire five Standard Chartered subsidiaries in Angola, Cameroon, The Gambia, Sierra Leone, and Tanzania. "Access Holdings Plc is pleased to announce that its flagship subsidiary, Access Bank Plc, has completed the acquisition of Standard Chartered Bank Angola S.A. and Standard Chartered Bank (Sierra Leone) Limited the financial services group stated in a regulatory filing in November 2024.

Later, it announced that it was working on acquiring Standard Chartered Bank's subsidiaries in Cameroon and The Gambia, as well as its consumer, private, and business banking operations in Tanzania.

Its first M&A activity of the year was the acquisition of African Banking Corporation Zambia Limited in January. Access Holdings announced afterwards that it would combine its local subsidiary, Access Bank Zambia Limited, with African Banking Corporation Zambia Limited in January. Access Holdings announced

afterwards that it would combine its local subsidiary, Access Bank Zambia Limited, with African Banking Corporation Zambia, a merger it said would help create one of the top five banks in the Southern African country by total assets. The bigger picture is that the enlarged entity will rank, by 2027, among Zambia's three largest banks.

In the same month, the group bared plans to procure a majority stake of 80 per cent in Uganda-based Finance Trust Bank and also inject fresh capital into the lender.

In March, Access Holdings announced it had struck a deal with Kenya-based KCB Group) for the acquisition of the entire issued share capital of National Bank of Kenya Limited. The group proposed to merge the lender with Access Bank Kenya Plc towards creating an enlarged franchise.

Access Holdings completed the purchase of the majority stake in African Banking Corporation of Tanzania in June. It stated that the bank would be combined with the consumer, private, and banking business of Standard Chartered Bank Tanzania to be acquired by the bank to create Access Bank Tanzania as an enlarged entity within Tanzania's banking landscape.

The group got the go-ahead in October to establish a commercial bank in

Namibia, a move management said is crucial to creating a railroad for intra-African trade within the region.

In November, the financial services group disclosed that its subsidiary, Access Bank UK Limited, had entered a binding deal to procure a majority stake in Afrasia Bank Limited, the fourth largest bank in Mauritius by total assets. It also in the same month announced its acquisition of Standard Chartered Bank Angola S.A and Standard Chartered Bank (Sierra Leone) Limited.

"These transactions create synergies that enhance the quality of our earnings from both countries by significantly increasing our corporate and SME banking market share," said Roosevelt Ogbonna, managing director/CEO of Access Bank, said.

After over two decades of cross-border expansion, Nigerian banks now play an essential role in the financial sector of several African nations.

"Initially, some of them encountered problems with the regulatory institutions because the Ghanaian regulatory institutions are very strict, but they adjusted and have become prominent in the sector," Mr Obafunwa said.

In 2024, Liberia's Vice President, Jeremiah Kpan Koung, said Nigerians owned four major commercial banks in his country.

Fraud: What banks, customers need to know

Tosin Omoni

Financial institutions in Nigeria reportedly lost N52.2 billion to fraud in 2024, according to a report by the Nigeria Inter-Bank Settlement System (NIBSS).



ThankGod Ogbonna (not real name) remembers 16 December 2017, just like yesterday. He had driven to Shoprite in Surulere to get some provisions. After picking up the items, he proceeded to the checkout point to make payment with his Automated Teller Machine (ATM) card. He was stunned when the cashier told him he had insufficient funds, even though he knew he had close to N400,000 left in his account the last time he checked.

Embarrassed, he calmly collected his card and proceeded to an ATM near the supermarket to check his balance. He was able to confirm that indeed all the funds in his account had been siphoned by fraudsters. His mind immediately went to the loss of his phone two days earlier. He was yet to replace the phone or do a welcome back of the SIM card. The phone contained his banking app, email account and other sensitive details such as his National Identification Number (NIN) and Bank Verification Number (BVN).

"I called my bank at the phone number on the back of the ATM card, and they verified the transaction, stating that funds had been moved from my account. I immediately told them to freeze my account. I realised many people had gone through this kind of experience, but they never got their money back because they didn't know the process to follow to get their money back.

"I didn't keep quiet. I told a lot of people. I wasn't ashamed. I even posted on my Facebook timeline. I wasn't looking for pity but to notify people about the new fraud in town and seek advice on recovering my stolen funds. I knew 90 per cent of the people wouldn't even care, but that 10 per cent of them would give me the solution, and truly it worked."

Mr Ogbonna said after writing to his bank to notify them, he wrote to the Banking Supervision Department and Customer Protection Department of the Central Bank of Nigeria (CBN), Lagos branch.

"I was always sending them (CBN, bank) mails, and calling. I gave them heat and after 30 working days, I sent a mail back to the CBN telling them that the bank was frustrating me and yet to refund my money, and I didn't want to go to court. I didn't

“

In 2023, for instance, 80,658 customers were victims of fraud, 4 per cent less than the 84,130 customers recorded in 2022. NIBSS, however, noted that the decline does not diminish the severity of the issue and urged financial institutions to remain vigilant and security-conscious.

“

want to go to court. I didn't receive any reply from them. I later went to my branch to see the bank manager, and the matter was referred to the fraud unit.”

After the back-and-forth that spanned over a month, Mr Ogbonna said he eventually got a refund from the bank.

Other cases

While Mr Ogbonna was fortunate to get his funds back, that is not true for others who have suffered a similar fate.

For Ibukun Ogundimu, a student in Lagos, hackers withdrew N645,000 from her Kuda bank account. Despite the bank placing a restriction on her account due to a previous erroneous transfer, the fraudsters gained access by exploiting the bank's processes. The funds were transferred to beneficiaries using Palmpay and OPay accounts.

Eke Agbai, an Abia-based businessman, discovered that N550 million had been fraudulently withdrawn from his fixed deposit account at First Bank's former Abiriba branch. The withdrawals occurred in six consecutive transactions while he was in Umuahia. The bank has yet to return the funds.

After receiving alerts for unauthorised withdrawals, another businessman in Lagos lost over N1 million from his Zenith Bank account. Despite immediately notifying his account officer, the fraudsters withdrew N1.06 million quickly. He said the bank acknowledged the case but has not taken further action.

In February, Chinedu Nwoke, a United Bank for Africa (UBA) customer, sued the bank before the Federal High Court in Yenagoa over an unauthorised debit on his account, allegedly for a loan he did not take. Mr Nwoke sought redress for a purported N700,000 COVID-19 loan from NIRSAL Microfinance Bank, which he claimed was fraudulently obtained using his Bank Verification Number (BVN).

He told the court that the alleged fraudster blocked his bank accounts and BVN from the banking system, preventing him from accessing banking services.

In May 2024, a First Bank employee fraudulently diverted about N60 billion over a two-year period before eventually being discovered. The bank's comprehensive audit affirmed the total amount the employee diverted from customers' accounts.

The incident later led to the dismissal of 100 employees, reportedly leading to the exit of Adesola Adeduntan, the bank's immediate past Chief Executive Officer (CEO).

Bank fraud cases

According to a report by the Nigeria Inter-Bank Settlement System (NIBSS), financial institutions in Nigeria lost N52.2 billion to fraud in 2024.

This represents a significant increase of N34.5 billion compared to the N17.6 billion recorded in 2023.

The NIBSS is the central system responsible for settling inter-bank transactions in Nigeria. It connects Deposit Money Banks (DMB), Mobile Money Operators (MMOs), Switches and Payment Service Providers (PSPs).

The NIBSS documents fraud activities, whether attempted or successful, and related metrics identified by local financial institutions or agencies. The NIBSS Industry Fraud Desk compiles all reported fraud incidents within a period, analyses them, and presents an industry-wide report.

The report indicated that the ratio of total reported fraud to the total value of transactions recorded over the last five years decreased from 0.0053 per cent in 2020 to 0.0022 per cent in 2023, followed by an increase to 0.0040 per cent in 2024.

The report also noted a 338 per cent increase in attempted fraud between 2023 and 2024, attributing the rise to system vulnerabilities at certain outfits. Compared to the previous quarter, fraud activity increased in 2024, with attempted amounts and actual losses rising significantly in Q2 and Q3 before declining in Q4.

In 2023, for instance, 80,658 customers were victims of fraud, 4 per cent less than the 84,130 customers recorded in 2022. NIBSS, however, noted that the decline does not diminish the severity of the issue and urged financial institutions to remain vigilant and security-conscious.

SBM Intelligence said there was been an increase in fraud cases within Nigeria's banking sector over the past five years.

For instance, the Africa-focused research firm said financial losses from fraudulent activities surged by N14.71 billion from 2019 to 2023.

"Fraud is common in the financial sector globally. In Nigeria, it is endemic. Although the number of incidents has reduced from a high in 2021, the amount of money lost to fraud has increased significantly," it said. "This may indicate that the perpetrators have become better at their act and figured out ways to move larger sums of money undetected."

What banks and customers should do

Meanwhile, Olumide Sole, Head of Financial Institutions Research at Renaissance Capital, urged Banks to strengthen their Know Your Customer (KYC) systems to prevent fraud.

He told PREMIUM TIMES that strong KYC system and internal anti-fraud mechanism of banks would significantly reduce bank frauds in the country.

Calling for more CBN interventions, he said "banks alone cannot address fraud cases; they would need the intervention of the CBN to ensure that funds siphoned by fraudsters are recovered."

According to him, victims can also escalate the incident to the CBN, "which possesses better mechanisms to help recover stolen funds than the banks." he said. "Though there is no assurance that such funds would be eventually recovered but it is a step I advise victims to take."

Matilda Adefalujo, an economic research analyst at Meristem Securities, also told PREMIUM TIMES that banks should study their customers' trends and habits, especially how they carry out their transactions, to quickly determine when fraud is being perpetuated.

**“
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are recovered.**

“

She said banks should regularly conduct fraud awareness campaigns through SMS, phone calls, and social media platforms to their customers, enlightening them about how they can be scammed.

"I know some banks do that, like telling you when you are at the ATM, don't let someone get close to you, so they will not see your PIN. They can even do targeted ads to the older folks, who are the most vulnerable ones."

She said banks should also put in place mechanisms to identify unusual logins in their customer accounts and when a series of failed login attempts. "They can phone such customers to verify such transactions, and also when large transactions are not habitual."

Banks should also encourage their customers to use two-factor authentication.

"Banks should explore different AI and fraud detection systems.

She also urged the bank to create an alarm system in their apps.

"Once I tap on that 'initiate dispute' feature, it will ask me why I want to initiate a dispute. I can indicate a dispensing error. In this case, the reason will be fraud. The money will be reversed and returned to my account. If banks can integrate that, I think it will do a whole lot of good.

"Rather than a situation, you are telling me to hold on the line because I want to block my account or I want to complain to the bank, what can be done instead is to create a feature that is easily accessible, that at the click of a particular button, it is like a red alert. The bank can know that something is going on so that it can freeze or block the account."





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Mr Abdulraman Musa Bashar, Founder Ramaniyya Group of Companies and Mr Satish Singh Rathore, The Managing Director of Rahamaniyya Fertiliser Plant, Sokoto

Why Rahamaniyya fertiliser is the best in Nigeria, By Satish Singh Rathore The Managing Director, Rahamaniyya Fertiliser Plant, Sokoto, Nigeria, Satish Singh Rathore, in this interview explains why the company's fertiliser is among the best anyone can find in the country.



Mr Satish Singh Rathore
Managing Director of Rahamaniyya
Fertiliser Plant, Sokoto

Can we meet you sir?

My name is Satis Singh Rathore. The Managing Director of Rahamaniyya Fertiliser and I have 25 years experience.

What kind of fertiliser are you producing in the company?

In Rahamaniyya fertiliser, we are preparing NPK 20:10:10 fertiliser and NPK 15:15:15. These two varieties are very familiar and very famous with the farmers and we produce all kinds of NPK fertilisers: They use NPK 20:10:10 and NPK 15:15:15 for various crops. The aim of Rahamaniyya fertiliser is to produce very good fertilisers for the farmers. That is our target.

In preparation of NPK, we are using urea, we are using DAP,

we are using MOP and limestone. Limestone is a raw material, but in preparation of the limestone, we have our own products, we are not going to buy from anybody. That means our limestone granules is a very good product because it's 100 per cent limestone. We are giving 100 per cent to farmers.

The Rahamaniyya fertiliser — NPK 20:10:10, NPK 15:15:15, these are some the best fertilisers in Nigeria. We have already given the sample to the Nigerian government, they have already approved the two as the best in Nigeria. We are giving the farmers good products, that is the target of Rahamaniyya fertiliser that we can give the farmers pure fertiliser. Purity means what are the elements in the fertiliser, just like Urea.

Urea must be pure, DAP must be pure, MOP must be pure and limestone should be pure. Nowadays in the market, we have seen so many varieties of limestones available. Those varieties, we have checked in our laboratory, but our limestone is the number one in the market. I challenged others to check the quality of the limestone we are using.

They can come to our plant and see our limestone granules name and they can check what is the property, what is the quality that we are using? We are using pure

ground limestone, there is no dust, there is no mud. So, purity, we can say, is 100 per cent. If purity is there, that means it will yield more profit to farmers automatically. And my whole team is working according to that.

What is the cost of the project?

We have two lines of NPK. Two lines mean line one and line two. All the lines are designed for 60MT per hour. That means we can say one line has the capacity of 1,414. The two lines have the capacities of producing 2,818 MT per day of NPK. After two lines of blending plants, we also have limestone plant. The problem of limestone is dust. Our limestone plant has zero dust. That is why our fertiliser is very pure. We have two limestone plants that are up and running. This means our four plants run simultaneously.

How many metric tonnes can it produced per annum?

We are producing 2,818 MT per day. So you can say 1,028,570MT per annum is our blending capacity and limestone capacity is 40MT per hour and if you calculate in 30 hours or 24 hours, we can say 800MT per day production for the limestone granules. This is the first plant in Nigeria with this capacity. Rahamaniyya fertiliser is one of the biggest and highest capacity plants in Nigeria. It's a huge production.

There are similar fertiliser plants across Nigeria; what would you say is the strength Rahamaniyya fertilizer has over others?

Actually in Nigeria, a lot of fertiliser plants are available. And for the urea, the Dangote fertiliser plant is also there in Lagos. Indorama fertiliser is in Port Harcourt, Rivers state and

so many NPK plants are there. Dangote fertiliser is producing only urea. Indorama fertiliser is producing only urea. But we are mixing the fertiliser. What is the purpose of urea? Urea is giving nitrogen to the crops.

But, we are doing the mixing of the fertiliser. That means we are giving nitrogen, ammonium phosphate (DAP), that means we are giving phosphate also (MOP), we are giving pottash also and we are giving limestone. That means we are giving nitrogen, phosphorus, potash and limestone. That is why I'm saying our fertiliser is unique.

With the Rahamanniyyah fertiliser coming on board, do you think this is enough to stop Nigeria from importing fertiliser from other parts of the world?

Yes, that is a big problem we are facing in Nigeria. That we are importing fertiliser from abroad, that is not good because everything is available in Nigeria. Phosphate is available. Sokoto is rich of limestone — very huge quantity of limestone is available. Dangote and Indorama are producing urea,

so we are not depending on other countries for the urea, we are depending on our own.

As a Nigerian team, I'm saying we are producing our own urea and after some time we are going to produce our phosphate also. Phosphate is also available in Nigeria. The phosphate we are using as DAP. MOP, we can import from other countries, it's okay. But other three products are also available in Nigeria. With Rahamanniyya fertiliser, Nigeria Will not dependent on the other countries because our product quality, our product capacity is already very high. It is sufficient for the Nigerian market.

How does Rahamanniyya fertiliser benefit the farmers?

Initially, I told you that so many fertilisers are available in the market. And I have checked because we are in the market, we are competing in the market, some old fertilisers are also there and we are the new fertiliser. That is why we want to compete in the market. So, what we are doing, we are taking samples from other fertilisers companies and we

are doing sampling in our own laboratory and we are comparing our products. We are comparing the standard of our product with others. And we found that our product quality is very high. If farmers are purchasing Rahamanniyya fertiliser, it will give them automatic benefits because other products in the market have a lot of dust and mud. There is too much dust in the fertiliser they are purchasing. If farmers are using the Rahamanniyya fertiliser, one bag of our product is equal to four bags of other fertiliser.

What's your message for your competitors?

I already told you that we have two lines of blending. Each lens has a capacity of 60MT per hour. That means total capacity is 2880MT. Also we have two lines of limestones granules, which is very huge in capacity. I already told you that our limestone is dust free. If anybody is interested in purchasing this limestone from the Rahamanniyya fertiliser, you are free to come.

History of Rahamanniyya Fertilizer and Processing Company Limited



Mr Abdulraman Musa Bashir
Founder

Rahamanniyya fertilizer limited, Was established and registered on 18th Sept, 2020 and 100% Owned By Nigerian under the chairmanship of Dr. Abdulrahman Musa Bashir, with its Factory Located in Asare Town Along Kalambaina Wamakko Road in Wamakko Local Government Area of Sokoto State.

The Company is also a subsidiary of Rahamanniyya Group Of Companies Under The same Leadership of Group Managing Director Dr.

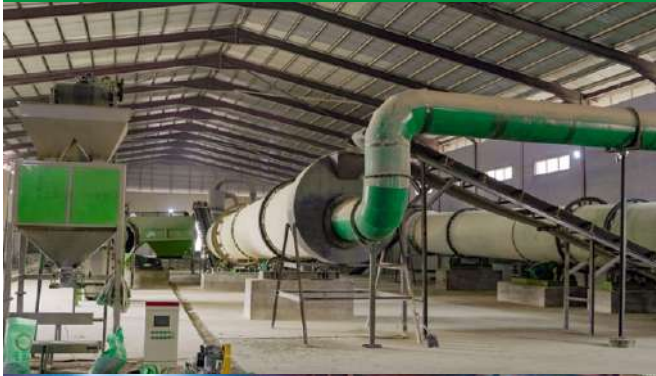
Abdulrahman Musa Bashir which specializes in oil and gas and other economic business activities with the main head office Located in Ekoyi Lagos State.

Rahamanniyya Fertilizer started operating in March 2022, with the blending plant that has the capacity to produce 120metric tons per hour and total combine capacity of about 1million metric ton per annum which is the largest in northern Nigeria and second largest in West Africa.

Rahamaniyya
FERTILIZER PROCESSING CO. LTD.

NEW WAY OF FARMING

FACTORY ADDRESS:
Asare Town, Along Kalambaina Wamakko Road, Wamakko LGA, Sokoto State,
HEAD OFFICE: No. 10, Gimbiya Street, Area 11 Garki, Abuja FCT, Nigeria
Tel: +234 9121181818, +2349121191919, +2348065512441
email: rahamaniyyafertilizer@gmail.com



The company also has two granulation lines with a daily combined capacity of 1,000 tons per day and about 50,000 tons annually. It's also the second largest plant in Nigeria.

The Company produced all type of formulation which include NPK 20:10:10 and NPK 15:15:15 and any other formulation in 50kg bags at the highest national standard as approved by the federal government and other regulatory agencies.





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VOX POP:

Why Nigerians are turning to bank apps, POS, other digital channels

Omotoyosi Idowu

An increasing number of Nigerians are choosing bank apps and POS services over USSD for their financial transactions.



Today, digital financial transactions are becoming increasingly important. Many Nigerians are moving away from visiting banks in person and are opting for alternative options such as USSD codes, bank apps, ATMs, and POS services.

As of December 2020, data from the Central Bank of Nigeria revealed that mobile app transfers recorded a transaction volume of 411 million with a corresponding value of N32 trillion. USSD transfers reached 482 million in volume and N5 trillion in value. ATM transactions stood at 1.9 billion in volume with a value of N18.1 trillion, while POS transactions recorded 655.7 million in volume and N4.7 trillion in value.

By June 2024, mobile app transfers had surged to 3.4 billion in volume, amounting to N159.4 trillion in value. USSD transfers dropped to 252 million in volume, with a

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The shift to digital is not without challenges. Issues such as network problems, phone types, and app usability continue to affect adoption.

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value of N2.1 trillion, suggesting some USSD users migrated to other platforms. ATM transactions were recorded at 496.4 million in volume, worth N12.2 trillion, while POS transactions grew significantly to 6.3 billion in volume and N85.9 trillion in value.

Between 2020 and 2024, as part of the ripple effect of the COVID-19 pandemic, mobile app and POS payments grew sharply in both volume and value, while USSD and ATM transactions declined, showing Nigerians' shift toward faster digital and card-based options.

The shift to digital is not without challenges. Issues such as network problems, phone types, and app usability continue to affect adoption.

Ease and convenience

For many users, bank apps provide a more convenient and comprehensive way to manage finances. Ayomide Maku, a corps member from Lagos State, explained that while bank apps can sometimes be complex, they allow for detailed account management and faster access to services compared to USSD codes.

“Some bank apps require selecting your main account, typing the bank name, or entering your PIN. Others need tokens or OTPs, which can be tricky. But despite these hurdles, I use the apps because they give me more control,” she said.

This is a reason why many bank customers are drawn to using apps to carry out their transactions, though many of them complain of network congestion.

Ms Maku added that other means to conduct financial activities are also prone to mistakes, whereas the bank apps allow you to explore options, make choices, and monitor exactly what users do with the financial transactions.

“For instance, in USSD code, once you mistakenly pick the wrong choice provider, you might have to start from the beginning, and other times, you end up making wrong money transfers, which is not like that in using bank apps.”

For Chinenye Udekwe, a businesswoman in Enugu, the nature of transactions determines the mode of transactions. According to her, business activities that need transparency and accountability

demand the use of bank apps because of instant receipts. “For transfers, I use bank apps, and for withdrawals, I prefer POS services. My reason is that they are fast and save time. I also like bank apps because they provide receipts. I can always check if anything goes wrong.

“I prefer using bank apps for both daily and business needs. The reason is that they have a good networking system and are very fast when processing transactions,” Ms Udekwe stated.

For Goodluck Ugochukwu, an entrepreneur in Anambra State, bank apps are easy and free to use. He said banking apps ensure more successful transactions and allow for easier resolution of unsuccessful transactions.

“I prefer bank apps because they are very easy to use. Once I log in and complete a transaction, it goes through without reversal, unlike USSD, ATM, or POS services. I also like that I can use the app anywhere, anytime, without delays.”

Salma Bashar, a Kano-born PR and Marketing Strategist, cited network issues and complicated steps associated with USSD code transactions as reasons she settled for using bank apps more.

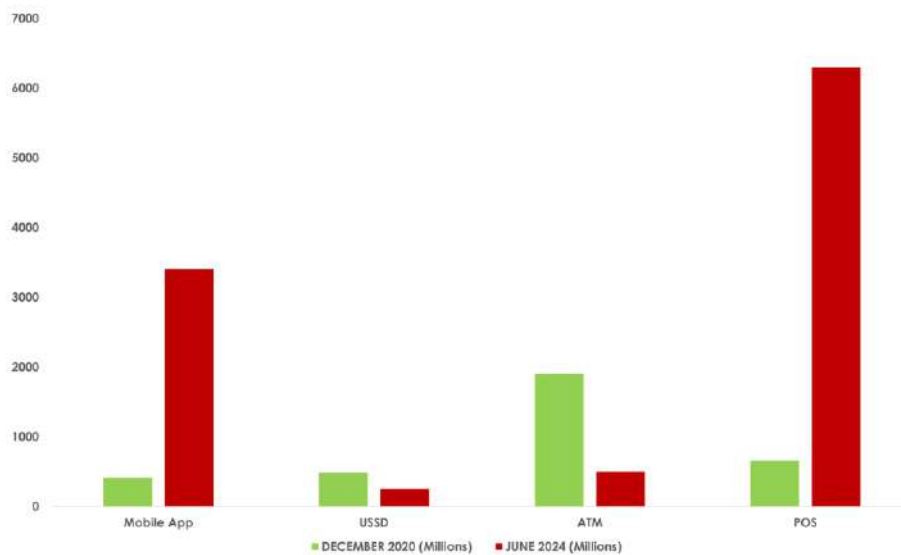
“I use banking apps because they are fast, seamless, and have clear options due to the simple interface. USSD codes are slower and usually face network issues. They also require multiple steps, unlike apps, where everything is displayed at once.”

Abubakar Shehu, a Jigawa-based businessman, mentioned instant receipt generation as the reason he uses bank apps for his business activities. He believes instant receipt reduces business mistrust and boosts transparency.

“I prefer using bank apps because they make it easy to access personal details and generate instant receipts to boost trust. Other methods don't provide that with the same pace and convenience.”

Fatima Ahmad, a teacher in Kano State,

Transaction Volume (in Millions)



said she enjoys the convenient banking experience of banking apps, like bill payments and money transfers, without visiting banks.

“I prefer using bank apps because they allow me to check my balance, transfer money, and pay bills without visiting the bank. They save time, provide good tracking of transactions, and make it easy to manage my finances anytime and anywhere,” Ms Ahmad said.

Network issues, quick transactions
Daniel Victor, an NYSC corps member, emphasised the role of internet access in app usage. “Bank apps need stable internet connectivity. In areas with poor internet, people struggle to use these apps, which may discourage them from adopting them.” Mr Victor explained that unstable networks in remote areas where he lives as a serving corps member make him settle for USSD code ahead of bank apps sometimes.

“I serve in a primary school around Odeda Local Government, Ogun State. I mostly struggle with the internet, so I mostly settle for USSD codes. Once I see the message

alert, I am cool, and that does not deal with using the internet.”

Muminat Adewoye, a student of the University of Ilorin, echoed this sentiment. She said some bank customers do not use smartphones, while internet connectivity remains for those who do.

“I mostly use bank apps, but poor network connectivity remains a big challenge. Some people also use small phones, which aren’t compatible with apps, so they rely on USSD instead, but automatic charges for using USSD code is another challenge to using it,” she explained.

POS service

Amadi Anthony, a solar system contractor in Enugu State, finds using banking apps and USSD codes tedious, which made her settle for POS services mostly.

“I prefer using POS machines. Instead of standing and asking for account numbers and bank names, I just input my four-digit PIN, and the transaction is done,” Ms Anthony said.

Aliyu Adebayo, a broadcast engineer, said he uses the most readily available option.

“I use both bank apps, Bank ATM or POS services, and USSD codes. But network issues often make USSD preferable for quick transactions,” he noted. “Nigerians still face network issues from our telecommunications providers, so for me, I go for any available means, but USSD most times.”

Fashion designer Ibrahim Aishat shared a more personal perspective on why she does not always rely on bank apps. She underscored how reliability often trumps technology for some users.

“The stress of using bank apps can be overwhelming. Sometimes you need to make urgent transfers, especially for business, but the app won’t open or the network is down. In those cases, POS machines are more reliable for me,” she said.

Despite the challenges, the trend toward bank app adoption in Nigeria appears irreversible. Users are attracted to the convenience, wider range of services, and control offered by apps, even as issues like network stability and device compatibility remain barriers.

As banks continue to improve app interfaces, security features, and connectivity solutions, more Nigerians are expected to transition from USSD codes to app-based banking. This will mark a significant shift in how an average Nigerian manages his or her finances.

Sodiq Jimoh, an executive trainee at a bank, stated that the banking apps have many advantages. According to Mr Jimoh, the apps are designed with user-friendly interfaces and modern layouts that allow users to carry out transactions more easily and quickly than USSD.

“They also provide a wide range of services beyond just money transfers, such as viewing account statements, managing cards, paying bills, buying airtime, and creating virtual cards.

“For larger transactions, bank apps are faster and have higher transfer limits compared to USSD. In terms of safety, they are more secure because they use multi factor authentication, biometrics, and encryption,” Mr Jimoh said.

He also pointed out some disadvantages. He noted that banking apps require smartphones and internet access, which not everyone has, but USSD is accessible on all phone devices, especially non-internet-enabled phones common to people in remote areas.

“They also depend on electricity and a stable data connection, which can fail in areas with poor network coverage. Network downtime can disrupt transactions, making them unreliable at times. In addition, bank apps consume more phone storage and data than USSD codes.”

“On the other hand, USSD banking has its strengths. It works on all types of phones, not just smartphones, and requires only a mobile network, not internet access. USSD is fast and simple for smaller transactions like airtime recharge and money transfers. It is also highly accessible in rural areas or places with poor internet connectivity. But USSD also has drawbacks. It offers fewer services than mobile apps and is more vulnerable to phishing or scam attempts.

“The transaction limits are lower, making it less useful for bigger transfers. It is also less user-friendly because of the long codes and multiple steps involved in completing transactions,” he said.

Raymond Ekeh, Cluster Manager at Moniepoint Microfinance Bank, explained why most people use bank apps for their daily transactions: transfers, airtime purchases, electronic payments, and cable subscriptions.

“Banking apps are faster, more convenient, and more user-friendly than other options. They are also straightforward, transparent, and very responsive when issues arise.”

“From our end, most people prefer banks using apps; they make it easy to manage funds instantly and even provide quick reversals for pending transactions,” he said.

The growing burden of non-performing loans

Dayo Williams

NPLs rose to an average ratio of 5.1 per cent in 2024 from 4.1 per cent a year earlier.

Increases in borrowing rates have often been known to fuel non-performing loans (NPL). That is so, given that an upward adjustment of interest rate tends to make debt service more burdensome for borrowers, causing them to default on their repayment obligations.

The year 2024 was unique in this respect, with an 875-basis-point increase in the monetary policy rate marking Nigeria's most aggressive tightening in years, if not on record.

It was a mixed bag of fortunes for lenders because, as banks earned big from the interest income bonanza that the rate surge created, they faced a major downside due to a rise in non-performing loans.

NPLs – loans with an overdue of 90 or more days – rose to an average ratio of 5.1 per cent in 2024 for the ten lenders under review from 4.1 per cent a year earlier, slightly above the 5 per cent regulatory limit set by the Central Bank of Nigeria for individual banks.

First Holdco reported the highest NPL ratio at 10.2 per cent, up from 4.7 per



cent in 2023. Oil & gas took the lion's share of its problem loans.

Next came FCMB Group, whose NPL ratio surged to 6 per cent from 4.3 per cent.

United Bank for Africa (UBA) had a NPL ratio of 5.6 per cent, compared to 5.9 per cent in 2023. GTCO's NPL ratio rose to 5.2 per cent from 4.2 per cent a year prior.

Interestingly, Access Holdings, which accounts for the bulk of loans and advances in the banking industry, recorded the lowest NPL, declining to 2.76 per cent from 2.78 per cent. In its case, general

commerce contributed mostly to its portfolio of problem loans.

In all, four lenders reported NPL ratios above the regulatory threshold, namely First Holdco, FCMB Group, UBA and Guaranty Trust Holding Company.

At 5 per cent, Sterling Financial Holdings stood precisely within the regulatory limit as it did the previous year, while the rest, comprising Access Holdings, Zenith, Fidelity, Stanbic IBTC Holdings and Wema, reported NPL ratios below that threshold.

More worrisome, perhaps, was the level that impaired

loan provision – the cash set aside by lenders as required by regulation to cover loans whose chances of being repaid have been eroded by repeated defaults – attained during the year.

In a mark of sharply deteriorating loan quality, the provision soared 54.1 per cent to N1.7 trillion. That, in a way, impacted the profit level of the banks, keeping the growth rate of their profit muted.

Zenith's was highest at N594.2 billion, up from N400.7 billion, followed by First Holdco at N371 billion, up from N174.7 billion. UBA came next at N246.9 billion, implying an annual increase of 60.5 per cent.

Only Fidelity, Sterling Financial Holdings and FCMB Group reported lower provisions for the year.

Risks associated with non-performing loans and how to manage them

The risks associated with non-performing loans are generally the same among banks, though the severity varies with the size of the loans.

According to analysts, one of the notable risks is that it may erode the profitability of banks.

Just as NPLs may lead to insolvency and depletion in shareholders' capital, another risk is that they may also affect investors' confidence and lending to the private sector of the

economy.

Managing the risks associated with non-performing loans includes effective and efficient internal control and a timely credit review process.

Diversifying loan portfolios by lending to different sectors rather than concentrating on a single industry may also help manage the burden of NPLs. Loan restructuring, according to Tunde Olowoselu, an ex-banker and chartered accountant, is also another mechanism used in managing NPLs. The tenor and rate will be reviewed to meet the cash flow of the borrower, he said.

Mr Olowoselu also suggested using credit rating agencies to ascertain the creditworthiness of borrowers before issuing loan facilities to them. Another way to manage credit risk is to activate inter-bank collaboration in identifying serial loan defaulters.

Stringent regulatory control from the CBN is another effective way of managing credit risks. The apex bank has stringent limits on the proportion of non-performing loans banks can hold at any time.

As part of its regulatory controls, the CBN also requests all banks to submit reports of their top 100 NPLs and recovery updates. This is for the regulator to oversee the

banks' operations and act accordingly.

The CBN also requests all banks to submit reports on their Loan to Deposit Ratio (LDR) and the Internal Capital Adequacy Assessment Process Report (ICAAP) monthly for timely review to know how best to control the NPL portfolio of banks, a banker with First Bank who did not want his name in print said.

Sectors most impacted by non-performing loans in 2024

The oil and gas sector, traditionally a high-risk venture, was, arguably, the most impacted due to the volatility in oil prices, infrastructure issues, operational disruptions due to war and other force majeure.

Manufacturing, a critical sector of the economy, also had its fair share of the burden of NPL due to the high cost of energy, high input costs, competition from imports and inadequate foreign currencies for importation. Other sectors impacted by NPLs in 2024 also included agriculture, power and the small and medium enterprises ecosystem.

“According to analysts, one of the notable risks is that it may erode the profitability of banks.”

THE EXEMPLAR

ALHAJI NASIRU DANU OFR *Sardaunan Dutse & Tafida Babban Daura*



A MESSAGE OF GUIDANCE

progress. I have seen empires rise and fall, not because of the economy, but because of broken trust. Let your word be your bond. In business, in politics, and in daily life, always speak the truth, even when it is inconvenient. It is the first act of leadership.

Courage

Courage is not the absence of fear, it is the decision to act in spite of it. Our country needs brave hearts who are not afraid to speak up for justice, challenge outdated systems, and forge new paths. I have taken many bold steps, some met with resistance, others with reward, but each one was necessary. Be fearless, but be wise.

Hard Work

There is no substitute for hard work. Nigeria's greatness will not come from wishful thinking but from hands that toil and minds that persevere. From my earliest ventures in the oil and gas sector to building one of Nigeria's largest charitable health missions, nothing was handed to me, I worked for it. And so must you.

Creativity

We are a nation blessed with talent, but we must start turning talent into solutions. Think differently. Ask questions. Innovate. The problems of Nigeria will not be solved by recycled thinking. Whether in tech, agriculture, arts, or policy, creativity will light our path forward.

Endurance

Life in Nigeria can be hard. But resilience is in our DNA. The storms may shake you, but do not let them break you. I have faced betrayal, challenges, and public scrutiny. Still, I endured. For every Nigerian striving for a better life, stay the course. Your story is not over.

Stay Away From Drugs

Let me be clear: drugs destroy lives, dreams, and destinies. No shortcut, no pressure, no peer is worth your future. As a father, a leader, and a Nigerian, I say this with urgency, choose your health, your clarity, and your purpose over fleeting highs. You are more than the pain you are trying to escape.

Patriotism

Loving Nigeria means building Nigeria. Not just in words but in actions. Pay your taxes, vote wisely, protect public assets, hold leaders accountable, but also lead by example in your own corner of the nation. No nation becomes great by accident, it takes the daily commitment of its people.

Lift Others Up On Your Journey Through Life

If your success does not lift others, then it is not success, it is selfishness. I have made it my mission to empower others, from funding free surgeries to building mosques and educational centres. Give. Mentor. Open doors. We rise higher when we rise together.

Final Word

I urge every Nigerian reading this: the destiny of this country is not written in Abuja alone, it is written by you. In your home, in your work, in your decisions. Let us choose character over corruption, progress over politics, and unity over division. Let us choose Nigeria.

God bless you, and God bless the Federal Republic of Nigeria.

Alhaji Nasiru Danu OFR, Sardaunan Dutse & Tafida Babban Daura, is a respected Nigerian businessman, philanthropist, and traditional titleholder renowned for his unwavering commitment to national unity, youth empowerment, and community development. As the founder of the Nasiru Haladu Danu (NHD) Foundation, he has led a wide range of humanitarian and philanthropic efforts designed to uplift vulnerable populations and promote inclusive progress across Nigeria.

Under his leadership, the NHD Foundation has become a powerful vehicle for social impact. Among his many charitable interventions:

- He awarded scholarships to 146 Jigawa State indigenes, enabling them to pursue higher education.
- He donated laptops, mobile studios, and financial support to young artists, promoting creativity and cultural development.
- He partnered with organisations such as the Hypertension Society of Nigeria to raise awareness on critical health issues.
- He organised a medical outreach in Jigawa State, where doctors from the United States provided healthcare services to over 5,000 people.
- He contributed N50 million towards the construction of the Gomal Nation Development Centre in Plateau State, a hub for knowledge and entrepreneurship.
- During Ramadan, he provided sustenance to 500 students at the University of Dutse.
- He extended financial and logistical support to security agencies, reflecting his dedication to national stability.

Through these and many other initiatives, Alhaji Nasiru Danu has demonstrated that true leadership lies in service. His foundation's work has left an indelible mark across education, healthcare, the arts, and grassroots development, positioning him as a model of generosity and national pride. In the spirit of service, Alhaji Danu offers the following words as a message of guidance to our beloved nation:

Honesty

Honesty is the currency of trust, and trust is the foundation of all meaningful

Rate Hike Windfall: Lenders' interest income surges amid tighter monetary policy

Ayodeji Adegboyega

Lenders' interest income was catapulted to a high never before seen in the industry.



Rate hikes, typically, are an occasion for banks to cash in on the higher interest earned from increased lending rates on loans and on investments in the debt market.

The tight rate path Africa took in 2024, as inflation control became the cornerstone of monetary policy on the continent, set the tone for notable rate tightening by key economies like South Africa, Morocco, Ghana and Nigeria. While the first three later eased rates during the year, Nigeria stayed the course, which perhaps mirrors the unwavering will

of the President Bola Tinubu administration to maintain orthodoxy at all costs in a shift away from the largely unorthodox monetary policy regime of the government preceding it.

The 875 basis-point increase in Nigeria's benchmark interest rate marked the culmination of the country's longest tightening cycle on record which, beginning in May 2022 when the rate was 11.5 per cent, finished 2024 at 27.5.

It implies that the scope that contractionary monetary policy had given

lenders to charge more on loans and earn more on debt instruments since the cycle started became even more pronounced.

The stroke of luck this brought catapulted lenders' interest income to a high never before seen in the industry. That revenue source was also the main pivot for the dramatic advance in net profit, which also reached an all-time peak.

For most banks, interest income was reasserting itself as the chief contributor to revenue at a time when an exceptional income like mega currency gains from foreign exchange revaluation and translation was among the defining factors for performance for the second year running.

**“
Banks are quite quick to reprice their loans whenever there is any form of adjustment to the benchmark rates,
”**

2024, which compares to 57.9 per cent for the preceding year. Fidelity Bank's interest income as a share of revenue was the highest at 91.2 per cent. Even for Stanbic IBTC Holdings, which reported the lowest, interest income-to-revenue ratio was fairly high at 49.8.

In response to the high interest-rate environment, banks' appetite for lending grew in 2023 and 2024 as those years recorded the highest growth rate of loans and advances in five years at 36.2 per cent and 60.4 per cent, respectively.

Matilda Adefalajo, an economic analyst at Meristem, said the sharp rise in banks' interest income was largely driven by their quick response to changes in monetary policy. "Banks are quite quick to reprice their loans whenever there is any form of adjustment to the benchmark rates," she stated.

The analyst explained that interest income typically comes from three main sources: loans and advances, investment securities like treasury bills and bonds, and interest on cash equivalents, adding that returns on all three segments increased, with the CBN raising its Monetary Policy Rate (MPR) several times over the past year.

Access Holdings topped others in interest income, reporting N3.5 trillion, up from N1.7 trillion in 2023.

Zenith Bank posted N2.8 trillion for 2024, a 137.6 per cent surge over the figure the lender recorded in 2023.

First HoldCo saw interest income rise from N937 billion to N2.4 trillion, while UBA recorded a jump from N1.1 trillion to N2.4 trillion.

Next came Guaranty Trust Holding Company (GTCO), whose interest income expanded by 143.6 per cent to N1.3 trillion.

Fidelity Bank's interest income more than doubled to N951 billion from N460 billion, while FCMB Group's rose from N355 billion to N622 billion during the period.

Stanbic IBTC Holdings, the Nigerian operation of South Africa's Standard Bank, reported N410 billion, up from N175 billion. Wema Bank posted N355 billion, compared to N186 billion the previous year.

Sterling Bank, where billionaire entrepreneur Mike Adenuga is the top shareholder, posted a 66 per cent increase from N156 billion to N259 billion.

"As their loans mature and they have to issue new ones to maintain the loan book, banks now price fresh loans at higher interest rates compared to the levels before the MPR hike," said Olumide Sole, head of financial institutions research at Renaissance Capital Africa.

Beyond monetary tightening, Mr Sole pointed

to exchange rate dynamics as another key factor. Many banks hold dollar-denominated loans, and following the naira devaluations in 2023 and 2024, the value of these loans surged when converted to naira, the functional reporting currency.

"If a dollar loan was booked when the naira was around 500, and now it's around 1,500, then in naira terms, the loan value and the interest income have significantly expanded," he said.

On whether banks are earning more from lending or from investments, Mr Sole noted that although banks' loan books appear larger, the growth is mostly from foreign currency translation rather than new lending.

"In terms of actual lending, we have not seen any material growth," he said, adding that high interest rates and the cash reserve ratio (CRR) have made banks more cautious. "Higher interest rates are more prone to defaults, so they deter banks from aggressively giving out loans."

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Banks are quite
quick to reprice
their loans
whenever there
is any form of
adjustment
to the
benchmark rates
”**

CBN's fight against Inflation

Since taking office in late 2023, CBN Governor Olayemi Cardoso has overseen six consecutive hikes in MPR.

The upward rate adjustments were announced in February, March, May, July, September, and November 2024, with the largest single hike (400 basis points) occurring in February.

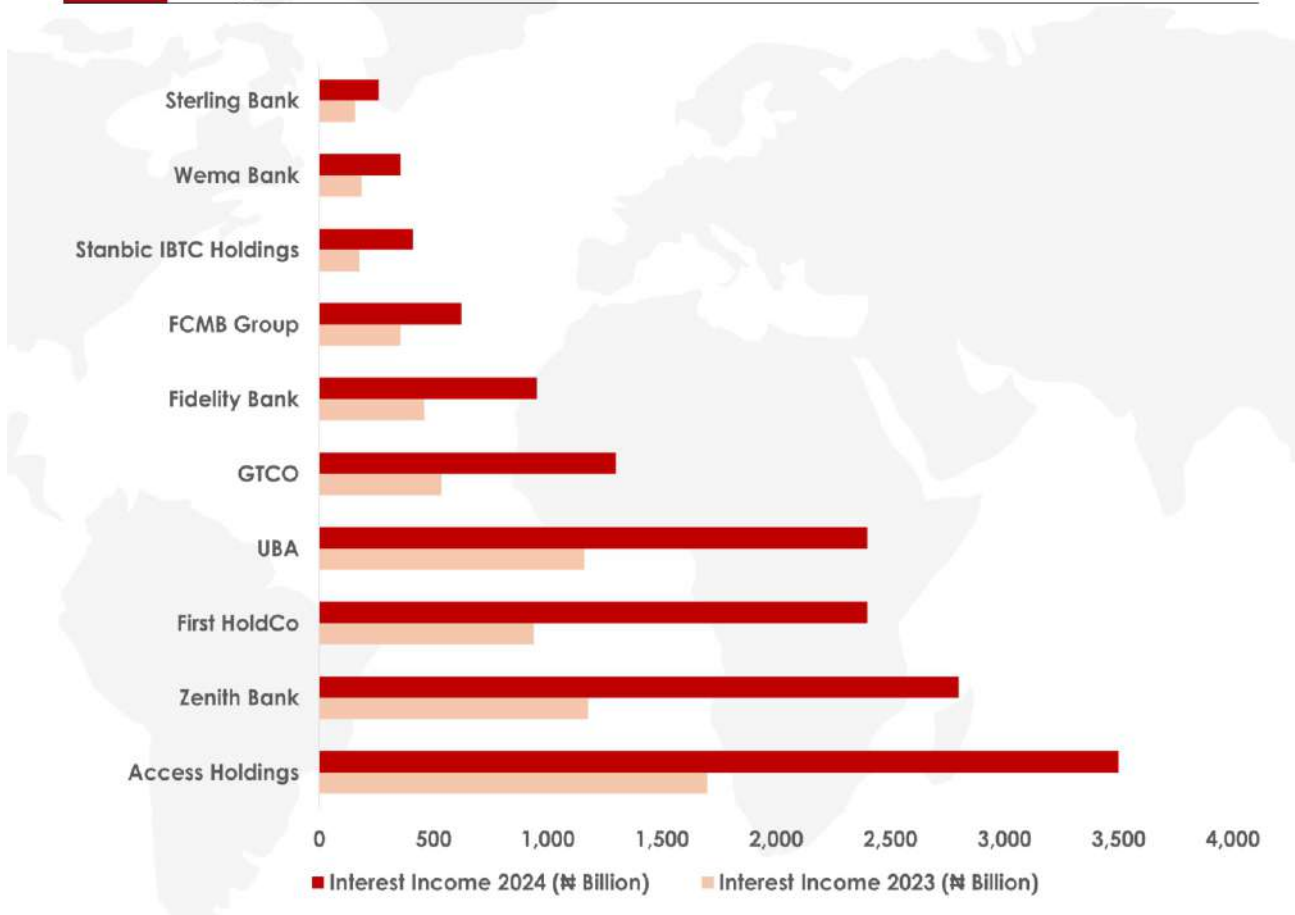
The CBN under Mr Cardoso has often shown the resolve to drive a monetary policy

that will prioritise inflation control over economic expansion, which informed its rationale for taking a hawkish stance throughout 2024 as Nigeria recorded its worst cost-of-living crisis in nearly three decades.

At an annual dinner for the banking sector in November, the CBN chief described the 875-basis-point increase as an “essential move” aimed at curtailing inflation, adding that the regulator was watching out for signs of sustained improvement before the rate cut could begin.

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Higher interest rates are more prone to defaults, so they deter banks from aggressively giving out loans.
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Summary of the interest income of major Nigerian banks in 2023 and 2024



Are Nigeria's top banks meeting CBN's gender parity mandate?

Mariam Ileyemi

A review of board composition of 15 major Nigerian banks reveals notable trends of gender representation in the banking industry.



Agnes Martins,
chairperson, GTCO



Nneka Oyeali-Ikpe,
Group Managing Director,
Fidelity Bank



Yemisi Edun
Managing Director FCMB



Oluwayemisi Olorunshola,
chairperson, Wema Bank



Chioma Okoli,
Deputy Managing Director,
Access Bank

In 2012, the Central Bank of Nigeria (CBN), led by its then-governor, Lamido Sanusi, introduced a directive aimed at correcting deep gender imbalances in the country's financial sector. The directive, which took effect in 2014, required commercial banks to ensure at least 30 per cent female representation on their boards and 40 per cent in top management roles.

The CBN's directive, supported by the Securities and Exchange Commission (SEC) Code of Corporate Governance and the 2018 Nigerian Code of Corporate Governance (CCG), sought to reshape boardrooms long dominated by men.

The SEC Code recommends that publicly

listed companies consider gender when selecting board members, and the CCG encourages the board to set diversity goals and to be mindful of them when filling board vacancies.

CBN governor, Olayemi Cardoso, stated during an event commemorating the 2025 International Women's Day that women now constitute 35 per cent of directors at the central bank, including three of its seven non-executive board members.

However, concerns remain about the compliance of the broader banking sector. While some institutions have improved on gender diversity, especially at the top level, others remain far from the benchmark,

raising questions about their commitment and accountability.

In the 2024 Global Gender Gap Report by the World Economic Forum (WEF), Nigeria ranks 125th out of 146 countries with a score of 65 per cent. This shows an improvement of five positions from the previous year, driven by a modest “+1.3 percentage point” increase.

Despite these improvements, Nigeria remains among the lowest-ranked countries globally for gender parity. It lags behind continental peers like South Africa, which ranks 18th with a score of 78.5 per cent, and Namibia, placed 8th with 80.5 per cent.

The report highlights persistent gender gaps across economic and leadership indicators, underscoring the need for more deliberate efforts, particularly in sectors like finance, to accelerate inclusion.

Mixed performances

Over a decade after the CBN's directive, a PREMIUM TIMES review of 15 major Nigerian banks reveals a trend of progress, compliance, and underperformance, according to information on their websites. Of the 179 board members assessed across the banks, there are 115 men and 64 women, representing 36 per cent female representation.

The banks reviewed are Access Bank, Zenith Bank, GTCO, First Bank, UBA, Fidelity Bank, Stanbic IBTC, FCMB, Sterling Bank, Wema Bank, Union Bank, Polaris Bank, Jaiz Bank, Unity Bank, and Ecobank.

Some banks have significantly exceeded the benchmark. First City Monument Bank (FCMB) leads with six women out of 11 board members, representing 54.5 per cent. Guaranty Trust Holding Company (GTCO) follows with four out of eight, achieving 50 per cent female representation. United Bank for Africa (UBA) has seven women on its 15-member board (46.7 per cent), while Access Bank counts six women among 13 directors (46.2 per cent).

Union Bank reports four women out of 10 board members (40 per cent), Wema Bank has five out of 13 (38.5 per cent), Sterling Bank records four out of 11 (36.4 per cent), and Zenith Bank has five out of 14 (35.7 per cent).

Fidelity Bank meets the benchmark with five women on a 15-member board (33.3 per cent). Stanbic IBTC slightly exceeds it with four out of 13 (30.8 per cent), while Polaris Bank aligns exactly at 3 out of 10 (30 per cent).

However, not all banks meet the requirement. Ecobank has four women among 14 board members (28.6 per cent), Jaiz Bank has two out of 11 (18.2 per cent), and First Bank, one of Nigeria's oldest and most influential banks, lags significantly with only two women among 14 directors, representing 14.3 per cent.

Notably, Unity Bank, with the smallest board of seven members, maintains three female directors, giving it a high ratio of 42.9 per cent.

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Fidelity Bank, led by Nneka Onyeali-Ikpe as the Group Managing Director, notes in its 2024 report that 27 per cent of top management positions are held by women, a slight decrease from the previous year, with 28 per cent.
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This breakdown indicates that the sector has improved when compared to previous years, when most of the banks had less than 30 per cent female representation. The rise in more female appointments and intentional diversity initiatives suggests that gender inclusion is increasingly becoming institutionalised in the banking sector.

Milestones

Several banks have taken notable steps. Zenith Bank made headlines in 2024 with the appointment of Adaora Umeoji as its first female Group Managing Director/Chief Executive Officer (CEO). Its board nomination policy, according to its annual reports, explicitly references gender as a key criterion in candidate selection, signalling a structural approach to inclusion.

Mrs Umeoji reiterated during the 2025 International Women's Day the bank's commitment to "inclusive leadership" and now maintains a 50:50 gender ratio across its workforce.

GTCO is also led by women at the top, with Agnes Martins as chair and Miriam Olusanya as its first female managing director. The bank noted in its 2024 report that it seeks to maintain a minimum of 40 per cent female representation on the board and at top management levels, respectively, subject to the identification of candidates with appropriate skills.

Access Bank also has records of pushing for gender equity with six female board members, including Deputy Managing Director, Chizoma Okoli, who is an advocate of women's leadership. The bank's "Power of 100 Africa" initiative supports female entrepreneurs across 16 countries, and its governance policy includes gender balance as a core tenet of its board nomination process.

Fidelity Bank, led by Nneka Onyeali-Ikpe as the Group Managing Director, notes in its 2024 report that 27 per cent of top management positions are held by women, a slight decrease from the previous year, with 28 per cent.

FCMB is led by Managing Director Yemisi Edun and Wema Bank with a female chair, Oluwayemisi Olorunshola, emphasising diversity across gender, expertise, and ethnicity.

'Women not just warming seats'

Matilda Adefalujo, an Investment Research Analyst at Meristem Securities Limited, believes that while there is still room for improvement, the impact of the CBN's 2014 directive is already visible.

She recalled that before the CBN circular, female representation on bank boards hovered around 15 per cent.

"Since the 2014 directive, we have seen some positive shifts. Currently, about 42 per cent of Nigeria's top banks are led by women. This includes notable leaders like Miriam Olusanya of GTCO, Nneka Onyeali-Ikpe of Fidelity Bank, and Adaora Umeoji of Zenith. These appointments reflect not just compliance, but also growing recognition of women's leadership and competence in the sector," she said.

While the numbers have improved, she said, women are only being included more on the non-executive level of boards than on the operational leadership level.

"So while representation has improved, real decision-making power still tilts towards male," she explained.

On performance, she said, results have shown that women are not just occupying seats merely to meet gender inclusion requirements.

"Look at Zenith Bank, which has maintained the largest asset base and one of the highest profit margins under a female GMD. GTCO and Fidelity have also seen consistent growth and governance strength. These results are not coincidental. They show that women are not just occupying seats. They are delivering value," Ms Adefalujo said.

She called for building gender inclusion into the structure of the whole banking system.

How Naira devaluation boosted banks' profits

Oluwaseyi Bangudu

The government's quest for economic liberalisation, particularly in the foreign exchange market, saw Nigeria ditch a fixed exchange rate regime.



When President Bola Tinubu took over from Muhammadu Buhari in 2023, at the centre of his reforms was the resolve to allow a freer market that is driven by the forces of demand and supply.

Among the key measures he implemented was a substantial devaluation of the local currency, which was aimed not only at narrowing the gulf between the official and the unofficial exchange rates but also at attracting foreign capital.

The government's quest for economic liberalisation,

particularly in the foreign exchange market, saw Nigeria ditch a fixed exchange rate regime for a "managed-float" regime that is based on a willing buyer/willing seller structure.

The official exchange rate, which opened 2024 at 907.1 to a dollar, closed the year at 1,535, reflecting a 40.9 per cent depreciation.

Currency devaluation, a deliberate move by the government to reduce the value of a country's currency compared to other currencies, is often deployed as an incentive to encourage offshore

investors to invest in an economy.

Currency weakening can be used to achieve economic goals such as boosting exports, reducing trade deficits, or lowering the cost of foreign debt payments.

The naira, pegged for years at an artificially high value against the dollar, has since the start of President Tinubu's currency reforms around June 2023 lost about 70 per cent of its value.

Although the volatility that the devaluation triggered caused much pain for import-dependent businesses and companies with foreign currency debt, it generally created a boon period for banks holding assets in foreign currencies.

Banks' profits have risen significantly since the policy implementation. This, experts say, is due to the banks holding their reserves in dollars while running their businesses in naira and reporting in naira.

"Imagine having a thousand dollars in your house. The naira drops in value, and the converted amount of your dollars on the calculator increases. Until you sell the dollars, you haven't earned anything. If it is taxed, then you would have lost," Ifeanyi Uddin, a former bank worker, said.

“In the bank’s balance sheet component, there are dollar holdings, and they vary, according to banks. For instance, GTB has a significant amount of dollar reserves, which is why it reports so much profit. However, until they sell these dollars, they cannot realise actual gains,” he added.

How the banks fared

An analysis of the financials of the ten listed banks under review shows that their foreign exchange revaluation gains expanded by 147.1 per cent to N402 billion in 2024, contributing in part to their record after-tax profit, which cumulatively grew by 53.8 per cent.

For the seven lenders with international subsidiaries, foreign currency translation gains rose to N1.9 trillion from N1.6 trillion, marking a 21.6 per cent increase.

Revaluation gains

United Bank for Africa (UBA), which operates the largest international operations of all Nigerian lenders, reported the biggest revaluation gains, with the income jumping to N293.1 billion from N26.6 billion a year earlier. Access Holdings posted N288 billion, compared to N17.3 billion in 2023. Wema witnessed an 8.1 per cent increase to N14.7 per cent.

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Wema witnessed an 8.1 per cent increase to N14.7 per cent.

FCMB Group recorded a slide from N84 billion to N36.5 billion, while Fidelity reported a drop from N44.1 billion to N11.7 billion. Stanbic IBTC Holdings recorded N1.9 billion, compared to N7.3 billion a year ago, while Sterling’s revaluation gain fell to N600 million from N6.2 billion.

However, Zenith posted N178 billion revaluation loss, a shift in fortune from a year earlier when it reported a gain of N223.3 billion.

First Holdco recorded a loss of N64.9 billion, marking an 80.6 per cent decline from the N334.2 billion reported in 2023.

Guaranty Trust Holding Company (GTCO) reported a N1.9 billion loss in contrast to the N74.5 billion gain it recorded a year ago.

Foreign currency translation gains

UBA posted a 35.4 per cent surge in FC translation gains, which advanced to N590.1 billion from N435.9 billion. Access Holdings witnessed a flattish growth of 1.4 per cent to N487.7 billion.

First Holdco reported a jump from N299.4 billion to N366.6 billion, while Zenith recorded a 35.2 per cent increase from N162.9 billion to N220.3 billion.

GTCO recorded a surge from N141.8 billion to N183.4 billion, while Fidelity posted a 524.6 per cent growth in FC translation gains, which leapt to N38.1 billion from N6.1 billion.

FCMB Group saw a rise from N26.4 billion from N33 billion.

“Banks have started experiencing a normalisation of their earnings. This (profit boom) was the case in 2024, not recently. They used to bank on revaluation gain and higher interest income, but we have seen a year-on-year relative stability in the naira to dollar exchange, so increases in profits are almost marginal,” Matilda Adefalujo, an investment research analyst at Meristem Securities, said.

Nigeria @65: ICPC's Enduring Fight Against Corruption

As Nigeria marks 65 years of independence, the Independent Corrupt Practices and Other Related Offences Commission (ICPC) stands out as a cornerstone in the nation's anti-corruption architecture. Established in 2000 by President Olusegun Obasanjo, the ICPC was a strategic response to the deeply entrenched corruption that plagued Nigeria's institutions and public life. At the time, Nigeria ranked among the most corrupt countries globally, and Obasanjo's administration sought to restore international credibility, attract foreign investment, and uphold the rule of law.

Origins and Legal Foundation

The ICPC was created to fulfil Obasanjo's campaign promise to tackle corruption head-on. Its establishment was both symbolic and practical, signalling Nigeria's commitment to good governance. Despite early resistance—including an attempt by the National Assembly to abolish the Commission—the ICPC survived legal and political challenges, thanks to judicial intervention and presidential refusal to assent to the repeal bill.

Since inception, the Commission has been led by five chairmen: Justice

(2000–2005), Justice Emmanuel Ayoola (2005–2010), Mr. Ekpo Nta (2012–2017), Prof. Bolaji Owasanoye (2019–2023), and the current chairman, Dr. Musa Adamu Aliyu, SAN.

Mandate and Strategic Approach

The ICPC's mandate goes beyond punishment—it encompasses prevention, education, and institutional reform. It investigates corrupt practices such as bribery, embezzlement, abuse of office, and fraud. The Commission collaborates with Ministries, Departments, and Agencies (MDAs), as well as private entities, to close loopholes and promote ethical conduct.

Its investigative process involves evidence collection, witness interviews, and coordination with law enforcement and judicial bodies. These efforts have led to numerous prosecutions and convictions, reinforcing the message that corruption will not be tolerated.

Promoting Integrity and Civic Engagement

The ICPC also focuses on public enlightenment and ethical education. Through initiatives like the National Ethics and Integrity Policy and the establishment of Anti-Corruption and Transparency Units

(ACTUs), the Commission promotes civic responsibility. It conducts corruption risk assessments and system reviews in sectors such as education, health, and local governance to identify vulnerabilities and recommend reforms.

Achievements Over 25 Years

Since 2000, the ICPC has received **25,890 petitions**, investigated **5,664 cases**, filed **1,141 prosecutions**, and secured **253 convictions**. It has recovered assets worth over **481 billion, including cash, real estate, and vehicles**. These recovered assets have been redirected to public use, demonstrating the tangible benefits of anti-corruption efforts.

Progress from May 2023 to July 2025

In the past two years, the ICPC has intensified its efforts across public and private sectors. It processed **2,524 petitions**, selected **914 for investigation**, and filed **183 cases in court**, resulting in **40 convictions**. Despite challenges such as prolonged trials, the Commission remains committed to justice and accountability.

Additionally, **280 petitions** underwent extensive investigations, reflecting the ICPC's dedication to due process. Some cases have led to landmark rulings that set legal precedents for future anti-corruption efforts.

Project Monitoring and Asset Recovery

The ICPC monitored **3,225 executive and constituency projects**, leading to **savings of 30.261 billion** and **cash recoveries of 104.607 billion**. It also **recovered 100 immovable properties valued at 5.190 billion** and **seized \$2.73 million in cash** between January and June 2025.

Further recoveries include **12.514 billion** from sectors like tax, pensions, and housing, and **495.11 million** through system reviews. In 2024, transparent asset disposal exercises **generated 2.518 billion**—the highest since the Commission's inception.

Institutional Strengthening

To enhance public sector integrity, the ICPC conducted **52 systems studies** and rolled

out the Ethics and Integrity Compliance Scorecard (EICS) across **676 entities**. These tools help MDAs assess and improve their adherence to ethical standards and anti-corruption policies.

The EICS initiative has led to operational improvements and established accountability benchmarks, enabling institutions to measure and enhance their compliance efforts.

Public Awareness and Education

The ICPC has expanded its public engagement through media and educational platforms. It rebranded its NTA television program as “Transparency File” and launched EthicsPod, Nigeria's first anti-corruption podcast, targeting younger audiences.

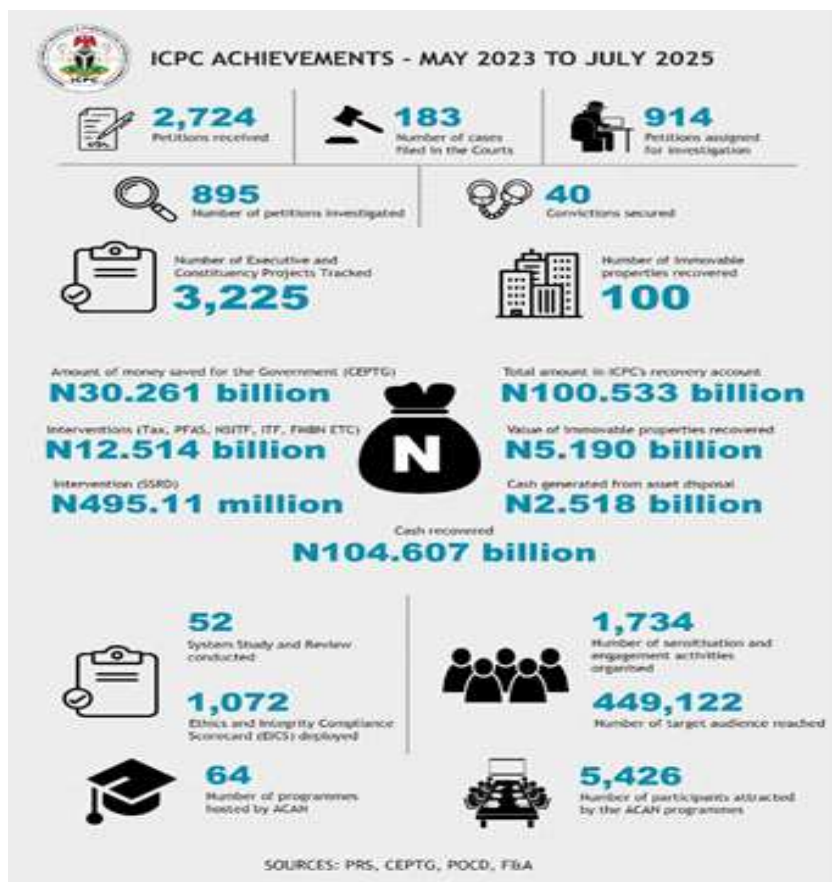
Over the past two years, the Commission held **1,734 sensitisation events**, reaching approximately **449,122 individuals**. The Anti-Corruption Academy of Nigeria (ACAN) also hosted 64 specialised programs with **5,426 participants**, promoting transparency and ethical practices.

Strategic Impact and Conclusion

The ICPC's multifaceted strategy—enforcement, prevention, education, and reform—has yielded significant results. Its work has strengthened oversight frameworks, improved reporting channels, and enhanced internal controls within government institutions.

By fostering a culture of integrity and civic responsibility, the ICPC empowers citizens and institutions to actively participate in the anti-corruption movement. While challenges persist, the Commission's consistent efforts reflect a commitment to long-term reform and sustainable governance.

In conclusion, the ICPC's achievements over the past 25 years reaffirm its role as a vital institution in Nigeria's fight against corruption. Through strategic interventions and unwavering dedication, it continues to uphold the rule of law, protect public resources, and pave the way for a transparent and accountable society.



Boosting agriculture through loans, climate support

Ntiedo Ekott

Agriculture remains central to Nigeria's economy, especially its rural economy.



In recent years, the Nigerian banking sector has experienced sustained growth, driven by structural reforms, innovative technologies, and greater financial inclusion. Aside from their traditional focus, commercial banks have increasingly diversified into key sectors, most notably, agriculture.

This shift has enhanced profitability and strengthened the sector's resilience, securing it against macroeconomic shocks and regulatory interventions by the Central Bank of Nigeria (CBN).

According to the National Bureau of Statistics (NBS), the financial and insurance sector recorded a real-term growth of 29.57 percent in 2024, higher

than the 26.53 per cent recorded in 2023, and contributed 6.22 per cent to the nation's GDP in 2024, compared to the 4.97 per cent in the previous year.

In 2024, banks significantly deepened their support for the agricultural sector, reaffirming their commitment to boosting food production and addressing systemic gaps within the food value chain. These were characterised by expanded loan portfolios to agriculture, increased funding for smallholder farmers, and strategic partnerships aimed at improving food systems and advancing national food security goals.

For clarity, agricultural loans are financial products offered by banks and financial

institutions specifically for agricultural activities, ranging from crop cultivation and livestock production to agro-processing and distribution. These loans can be short-term, medium-term, or long-term, depending on the farming cycle and purpose.

The loan provides farmers with capital, improves food output, and promotes inclusive economic growth by supporting rural livelihoods and creating jobs along the value chain.

Why it matters

Agriculture remains central to Nigeria's economy, especially its rural economy, employing over 70 per cent of the labour force and contributing around 25 per cent to the nation's GDP. Yet, the sector continues to face persistent challenges, including insecurity, post-harvest losses, poor access to finance, and the adverse impacts of climate change.

In May 2025, a report by the Centre for Journalism Innovation and Development (CJID) revealed that over 225 farmers were killed in early 2025, despite repeated government assurances of enhanced rural security. In the face of these growing threats, commercial banks have adopted a more holistic approach that appears to be a sustainable strategy for agricultural financing. Many banks now direct funds toward renewable energy-powered irrigation systems, climate-resilient farming practices, and sustainable input sourcing.

In essence, banks support the sector not because it is doing exceptionally well, but because investing in agriculture, despite its risks, still offers long-term value and relevance within their business frameworks.

According to Aremu Fakunle, an agricultural expert, banks' financial support to farmers will help the country's pursuit of food security.

"Historically, farmers have been underfinanced due to high risks, lack of collateral, and market uncertainties. The

fact that banks are now recognising agriculture as a viable sector shows a maturing financial landscape and aligns with national priorities for food security," Mr Fakunle said.

However, these efforts are largely business-driven, investing in a sector that is increasingly exposed to climate, security, and market vulnerabilities.

Notably, banks have supported youth and women-led agribusinesses through schemes such as the Agricultural Small and Medium Enterprises Investment Scheme (AGSMEIS) and the Private Sector-Led Accelerated Agriculture Development Scheme (P-AADS).

Here are the major banks' investments and support in the sector.

Fidelity Bank

Fidelity Bank increased its agricultural loans from N137.161 billion in 2023 to N205.856 billion in 2024, a 50 per cent rise. The bank's updated climate policy prioritises financing for renewable energy, waste recycling, sustainable agriculture, and afforestation projects. It also supports adaptation initiatives such as climate-resilient infrastructure and coastal ecosystem protection.

The bank's AGSMEIS reserve doubled from N14.422 billion in 2023 to N28.565 billion in 2024, reflecting its strengthened support for smallholder farmers and agri-entrepreneurs through equity investments.

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”**

Guaranty Trust Bank (GTBank)

GTBank's agricultural loans to non-individual entities surged from N87.471 billion in 2023 to N204.083 billion in 2024. This rise is part of its broader commitment to food security and nutrition through strategic investments in leading agribusinesses.

The bank also increased its AGSMEIS reserve from N53.410 billion to N59.243 billion, while continuing to provide support through the Private Sector-Led Accelerated Agriculture Development Scheme (P-AADS). As of December 2024, GTBank reported an outstanding balance of N439.572 million under the P-AADS scheme, aimed at empowering over 370,000 youths in agriculture. Loans under this scheme, capped at N2 billion per borrower, are backed by cleared farmland and other acceptable collateral.

Access Bank

Access Bank's agricultural lending rebounded sharply in 2024, rising to N199.710 billion from N37.533 billion in 2023, a more than fivefold increase. Despite a slight drop in Commercial Agriculture Credit Scheme (CACS) allocations from N2.957 billion to N1.257 billion, the bank maintained a steady N31.265 billion AGSMEIS reserve.

In partnership with USAID's Feed the Future project, Access Bank supported 20 smallholder farmers in two states with seed and fertilizer inputs and extended food and financial aid to over 5,000 farmers in Cross River State. The report said that the efforts directly impacted over three million beneficiaries and strengthened the climate resilience of rural farming communities.

Also, according to its report, Access Bank allocated over N35 million to social support programmes, including food relief for persons with disabilities, widows, and underserved women.

Zenith Bank

Zenith Bank retained its position as one of

of the top financiers of agriculture, with gross agricultural loans rising to N281.225 billion in 2024. The bank also deposited N65.476 billion for the AGSMEIS fund, reinforcing its support for micro, small, and medium agricultural enterprises.

First Bank of Nigeria

First Bank boosted its agricultural loan portfolio from N162.952 billion in 2023 to N249.253 billion in 2024. This increase reflects its growing investments in rural lending schemes and structured value chains in food production and processing.

FCMB (First City Monument Bank)

FCMB continued to lead in inclusive finance by disbursing N271 billion to the agriculture sector, a 33 percent year-on-year increase. Lending to SMEs and women-owned businesses also exceeded N425 billion and N30 billion, respectively. In 2024, the bank explored the sector through partnership with agric-based organisations and agencies, such as the German Agency for International Cooperation (GIZ), the International Fund for Agricultural Development (IFAD), Tomato Jos, CropIT, Fadteish Agro, Arog Bio Farms Nigeria Limited, and Every Farmer.

The bank confirmed that the partnership has contributed to the stimulation of non-oil export flows with advances surpassing NGN 59 billion to support the export of Agricultural commodities, including cocoa, cashew, and sesame, amongst others.

Also, FCMB trained over 800 women-led agri-enterprises and provided funding to 10 agritech startups. Over 370,870 smallholder farmers, 58 percent of whom are women, accessed financial services through FCMB's network of 10,000 rural agents using digital POS systems, the report confirms.

Sterling Bank

In 2024, Sterling Bank hosted the Agriculture Summit Africa (ASA), a major annual event that brings together key

stakeholders in the agricultural sector to discuss strategies for boosting investment and driving growth in the industry.

According to reports, the summit explored ways to improve investment in livestock feed across the country.

“A major highlight of the summit was the Nigeria Feed, Fodder, and Livestock Investment Deal Room, where over \$100 million in investment commitments were secured to expand agricultural production and strengthen supply chains. The deal room provided a structured platform for agribusinesses, financial institutions, and development partners to engage in high-value investment discussions, finalize strategic partnerships, and unlock financing for projects that support sustainable agricultural growth,” the report said.

Sterling Bank increased its AGSMEIS reserve from N4.489 billion in 2023 to N6.523 billion in 2024. Its strategic focus on the HEART sectors (Health, Education, Agriculture, Renewable Energy, and Transportation) remained strong, with N93.5 billion allocated to these Sustainable Development Goal aligned sectors.

Wema Bank

Wema Bank’s agricultural loans rose to N56.646 billion in 2024, from N38.941 billion in the previous year. Its AGSMEIS reserve held steady at N1.910 billion, supporting both forestry and fishing ventures alongside farming.

Stanbic IBTC Bank

Stanbic IBTC expanded loans and advances to customers from N94.115 billion in 2023 to N154.786 billion in 2024. The bank also increased its AGSMEIS reserve to N29.132 billion, supporting broad-based agri-SME lending.

ECO Bank

According to its report, Eco Bank attracted two major international climate finance facilities to expand finances in agriculture,

clean energy, and women-led SMEs:

- A \$32.8 million joint investment from ecobusiness Fund and SANAD; a leading financial intermediary in the Middle East and Africa region, with a two-year moratorium and repayment till 2029.

- A \$25 million risk-sharing facility from British International Investment (BII) for agriculture, clean energy, and women-led SMEs.

United Bank for Africa (UBA)

UBA significantly scaled up agricultural term loans, reaching N158.400 billion in 2024, a fourfold increase from N37.014 billion in 2023. Its AGSMEIS reserves also rose to N22.192 billion, reinforcing its support for smallholder farmers and agri-MSMEs.

The 2024 performance of Nigerian banks in the agricultural sector underscores the financial industry’s growing role in achieving national food security and rural economic development.

The surge in AGSMEIS reserves, increased youth-targeted funding, and the expansion of climate-smart agricultural lending reflect a deeper alignment between the banking sector and the realities of farmers on the frontline of climate change.

According to Mr Fakunle, the agriculture sector needs significant support to achieve higher productivity. He emphasized that this responsibility should not rest solely on banks; other institutions must also play an active role in the sector.

“The growing involvement of banks in agriculture through loans, climate-related financing, and tailored agribusiness products is a positive and necessary shift for Nigeria. However, while this is commendable, banks alone cannot bear the burden of financing Nigeria’s agricultural transformation.

“The sector’s needs are broader and deeper than what commercial banks can sustainably provide; it must be complemented by other institutions through loans, grants, insurance, and infrastructure investment. This holistic approach is what will truly move Nigeria closer to achieving food security,” Mr Fakunle said.

Gains of Devaluation: Nigerian banks rake in N2.3 trillion from foreign transactions

Festus Owete

The stroke of luck allowed lenders to earn significant income in local currency after converting their foreign currency-denominated assets into naira.

In January 2024, a one-off devaluation of the local currency by over 30 per cent set the tone for a sharp slide in the dollar-to-naira exchange rate that would have implications for banks' earnings during the year.

In all, the naira shed 40 per cent of its value against the greenback as part of the reverberations of a myriad of currency reforms that the Bola Tinubu administration began implementing the year before.

Even though the currency depreciation adversely impacted most sectors of the economy, the most notable outlier was perhaps the banking industry, where a much weaker currency created a bonanza for lenders.

It implies that lenders - whether they hold assets in foreign currency or run international operations or do both - in a way had the chance to cash in on the opportunity that the exchange rate volatility presented.

Generally, the stroke of luck allowed lenders to earn significant income in local currency after converting their foreign currency-denominated assets into naira.



The ten lenders under review here generated N377.4 billion in revaluation gains in 2024, compared to N163.1 billion a year ago, marking an annual jump of 131.4 per cent.

These comprised Access Holdings, Zenith, United Bank for Africa, First HoldCo, GTCO, Fidelity, FCMB Group, Stanbic IBTC Holdings, Wema and Sterling Financial Holdings.

According to the 2023 audited financial report of

GTCO, the lender generated N441.8 billion in unrealised foreign exchange revaluation gains for that year. By the time it issued the audited report for 2024, the unrealised fx revaluation gain for that same year 2023 was stated as N74.5 billion, creating a discrepancy in the reporting of that income.

A similar development is noticeable in the financials of Zenith, where the bank, in its 2023 earnings report, recorded N229 billion as its foreign currency

revaluation gain for the year. Meanwhile, its report for 2024 showed its fx revaluation gain for 2023 as N223.3 billion.

The seven banking groups operating foreign

subsidiaries earned N1.9 trillion in foreign currency translation gains in 2024, up from N1.6 trillion, indicating a 21.6 per cent increase.

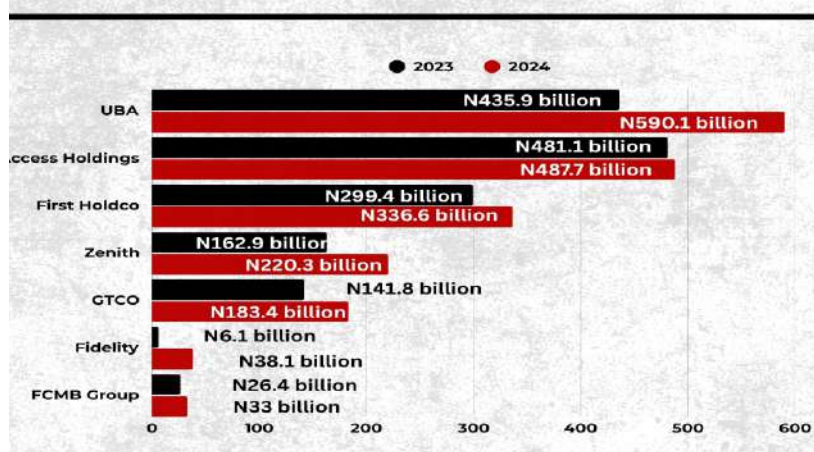
Altogether, those two categories of foreign

currency income summed up to N2.3 trillion, in contrast to the N1.7 trillion reported for 2023.

Revaluation gains

In January 2024, a one-off devaluation of the local currency by over 30% set the tone for a sharp slide in the dollar-to-naira exchange rate that would have implications for banks' earnings during the year.

The ten lenders under review here generated **N404 billion** in revaluation gains, compared to **N162.7 billion** a year ago, marking an annual jump of **148.3 %**.



The seven that operate foreign subsidiaries earned **N1.9 trillion** in foreign currency translation gains, up from **N1.6 trillion**, indicating a 21.6% increase.

United Bank for Africa (UBA) led the pack with N293.1 billion, up from N26.6 billion, meaning its revaluation gains grew by 1,001.9 per cent year on year.

Access Holdings, Nigeria's biggest financial services group by assets, came next at N288 billion, compared to N17.3 billion a year ago. It emerged as the most improved lender, with its revaluation gains advancing by as much as 1,564.7 per cent.

FCMB Group reported N36.5 billion, more than

half weaker than the previous year's N84 billion.

Wema saw a single-digit increase, rising from N13.6 billion to N14.7 billion.

Fidelity Bank's revaluation gains, which stood at N44.1 billion in 2023, declined by 276.9 per cent to N11.7 billion.

Sterling Financial Holdings also reported a weaker income of N2.1 billion, down from N6.2 billion, translating to a 66.1 per cent drop.

Stanbic IBTC Holdings

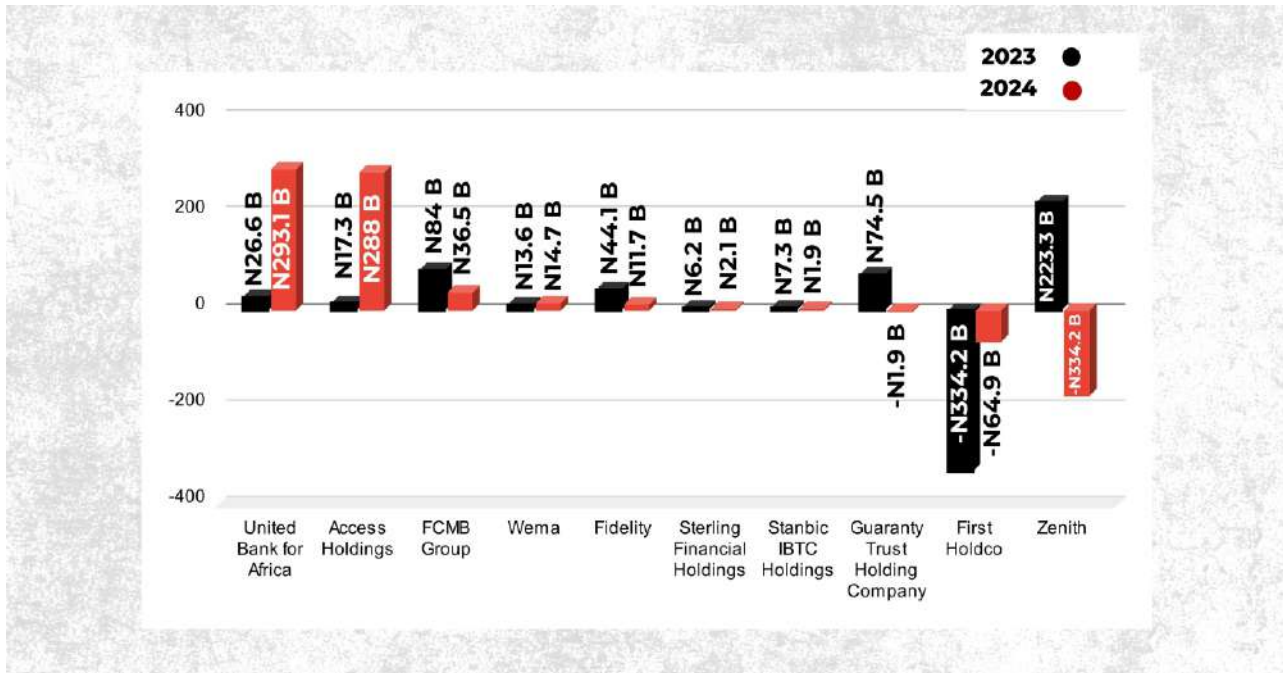
recorded a 74 per cent slide from N7.3 billion to N1.9 billion.

Guaranty Trust Holding Company (GTCO) incurred an FX revaluation loss of -N1.9 billion in contrast to a gain of N74.5 billion in 2023.

First Holdco cut the -N334.2 billion loss it posted in 2023 by more than four-fifths to -N64.9 billion.

Zenith similarly incurred a loss -N178 billion, compared to a gain of N223.3 billion in the previous year.

Foreign Currency (FC) translation gains



UBA topped six other lenders, driven by its status as the Nigerian bank with the biggest international operation, as it operates in 23 other countries. FC translation gains for the pan-African lender climbed to N590.1 billion from N435.9 billion.

Access Holdings posted N487.7 billion, slightly up from N481.1 billion a year earlier.

First Holdco recorded a 12.4 per cent jump to N336.6 billion from N299.4 billion.

Zenith's translation gains advanced to N220.3 billion from N162.9 billion, implying a 35.2 per cent increase.

GTCO's translation gains jumped to N183.4 billion from N141.8 billion a year earlier.

In percentage terms,

Fidelity posted the biggest improvement, rising by 524.6 per cent to N38.1 billion from N6.1 billion.

FCMB Group reported N33 billion, compared to N26.4 billion a year ago.

Benjamin Ozoude, a research analyst at United Capital Plc, attributed the substantial foreign exchange revaluation and foreign currency translation gains by the banks in 2024 to an uptick in the naira value of their currency assets.

"In 2023, the federal government announced a unification of the multiple exchange rate system. This led to a devaluation of the naira from N450/\$ to N700/\$ in the official market," he said.

"The naira further lost value against global currencies in 2024 due to low dollar

supply levels within the nation. The strong demand for dollars overwhelmed the weak supply. Hence, the naira dropped to as low as N1,500-N1,600 levels in 2024," Mr Ozodue added.

**“
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”**

Five Years at the Top: The pay cheques of Nigerian bank CEOs

Tunde Eludini

The big question is whether these pay packages always align with performance.



In a country battling inflation, currency devaluation and rising poverty, one corner of the economy has consistently rewarded its top players: commercial banks. Even in the toughest years, their chief executives remained some of the best-paid corporate leaders.

Our reviews of disclosures filed with the Nigerian Exchange Limited (NGX) show that between 2020 and 2024, CEO pay in the banking sector reflected profit cycles, leadership changes, and shifting governance.

The leadership changes have brought in a new generation of leaders at Nigeria's biggest banks.

The 2024 Picture

The nine leading banks—Access Holdings, Zenith Bank, First Bank Holdings, GTCO, UBA, FCMB, Stanbic IBTC, Wema Bank and Fidelity Bank—paid their CEOs N2.63 billion in 2024.

Zenith Bank appointed its first female Group CEO, Adaora Umeoji, during the year and paid her N874 million. Her predecessor Ebenezer Onyeagwu received N2.16 billion in 2023.

At GTCO, Segun Agbaje took home N471 million, continuing a steady upward path since 2020. In 2020, Mr Agbaje received N400m before the pay nosedived to

N171.9 million during the coronavirus pandemic in 2021. However, in 2022, his earnings shot up by 159 per cent to N445.6 million before hitting N456.5 million in 2023.

At FCMB, Ladi Balogun's pay jumped to N329 million from N183 million in 2023, recording one of the sharpest pay rises in the sector.

UBA's Oliver Alawuba earned N254 million, while Fidelity's Nneka Onyeali-Ikpe received N110 million. Wema's Moruf Oseni got N106 million in his second year as CEO.

At Stanbic IBTC, acting CEO Kunle Adedeji received N215 million, lower than

the N330 million paid to his predecessor, Demola Sogunle.

At Access Holdings, Bolaji Agbede, who was appointed acting CEO after the death of Herbert Wigwe, earned N180 million. At First Bank Holdings, Wale Oyedeji received N97 million, slightly below the N107 million earned by his predecessor, Adesola Adedutan.

Five-Year Trends

A review of banks' figures from 2020 to 2024 revealed four key patterns.

Profit cycles drove pay:

When interest rates rose in 2022, banks made more from lending, and CEO compensation surged 53 per cent to N2.6 billion. In 2023, a peak year for profitability, their pay hit N3.76 billion. But in 2024, with moderated earnings and many leadership changes, total pay fell sharply.

Leadership transitions reset packages:

Successors typically started with more modest rewards than the CEOs they replaced. Zenith Bank cut its CEO pay by nearly 60 per cent when Umeoji took over from Onyeagwu. At Access Holdings, Agbede's N180 million was far below Wigwe's final take-home of N 4.75 billion (largely driven by significant dividend earnings). This cautious approach signals prudence and tighter governance.

Consistent performers stood out: GTCO's Segun Agbaje saw his pay climb from N400 million in 2020 to N471 million in 2024, averaging a 3.3 per cent rise per year, while Onyeagwu's Zenith pay soared from N230 million in 2020 to N2.16 billion in 2023—an exceptional, bonus-fuelled leap.

Gender balance remains limited: Only two of Nigeria's biggest banks—Fidelity and Zenith—had female CEOs in 2024. Their average pay stood at about 82 per cent of that of their male peers. Still, women now hold over a third of deputy MD and CFO roles, suggesting stronger pipelines for the future.

Pay Versus Performance

The big question is whether these pay packages always align with performance. PREMIUM TIMES found cases where banks reported slower profit growth yet still raised CEO pay, often due to contractual bonuses or transitional costs. In 2024, some banks trimmed executive pay despite staying profitable, showing a turn toward restraint.

Muda Yusuf, Director of the Centre for the Promotion of Private Enterprise (CPPE), urged caution in reading the raw numbers. "These figures look very big—and of course, they are big—but when you discount them for inflation, they may not be as large as they appear," he said. "We need to avoid money illusion."

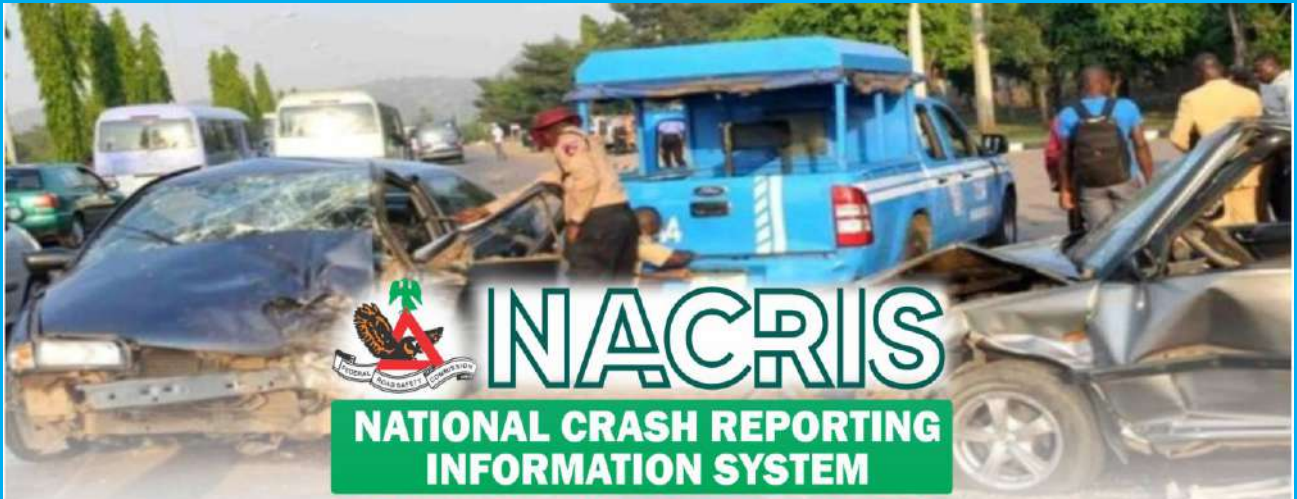
However, he agreed that banking, unlike struggling sectors such as manufacturing and construction, has delivered strong results. "So, it is to be expected that the sector's performance will reflect in the remuneration of their staff, including their CEOs." Still, Mr Yusuf warned of the "agency problem" where managers take more than shareholders. "If the shareholders are not complaining—because they are the owners—then so be it. But they must remain in the loop in determining these figures."

Beyond the Pay Cheques

From 2020 through 2024, CEO pay in Nigerian banks reflected more than personal reward. It mirrored the broader economy, shifts in leadership, and the constant tension between profit, governance, and perception.

Even after the 30 per cent cutback of 2024, the sums remain huge by Nigerian standards, far beyond what average bank staff earn. But with fresh leadership—several of them women—and greater governance pressure, executive compensation is likely to keep evolving.

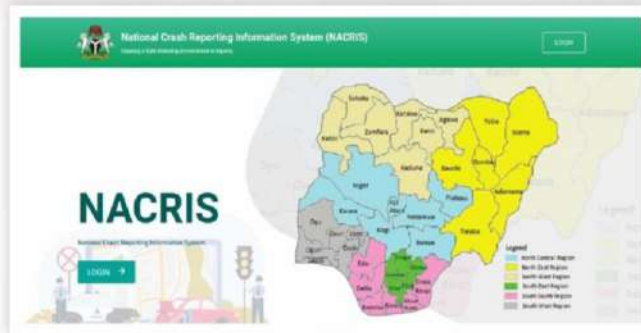
For now, one thing is certain: in good years or lean ones, the corner offices of Nigeria's biggest banks hold some of the most lucrative jobs in the land.



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2 Login page

Login using your username and password:

3 Dashboard overview

- Create entry
- Report
- User

4 New Crash Reporting

- General information about the crash which includes, unique RTC numbers, crash severity, Date, Time of crash, State, LGA, location, X&Y coordinate and route.
- Vehicles involved in the crash details which include Vehicle registration number, vehicle model, vehicle insurance number, vehicle ownership, vehicle pre-crash factors
- Persons involved in the crash (Name, Address, mobile, gender and road user category)
- General circumstance of the crash:
- Hospital follow-up:
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INDICATOR: Vehicle Speed Monitor
Beeps and gives real-time warning when vehicle exceeds 100 km/hr speed. Also runs an AI driven analysis on your driving style and computes your driving history.

Emergency
Report FRSC related issues and access emergency contacts

Self Service Tab: Emergency
This Self Service Tab helps First Responders make Eye Witness Report "road-time" an events like Road Crash, Patrol Misconduct, Traffic Jam etc. Also it facilitates quick access to emergency Call Nos.

Self Service Tab: NVIS
National Vehicle Identification System is a Self Service Tab that helps users verify Vehicle Plate No. and also report stolen vehicle to National Vehicle Database.



Self Service Tab: NDL
National Drivers License System is a Self Service Tab that helps users verify status of Drivers License, access our National Database of Drivers License Centers and also review driving history of drivers.



Self Service Tab: NTR
The National Traffic Radio App provides connection to our Online Radio for real-time entertainment and education on road and transport.



INDICATOR: Black Spots Monitor
Beeps and gives real-time warning when vehicles are in proximity of these dangerous spots along our federal roads. These spots have been observed over time to be notoriously prone to accidents due to topography, wild life and other causes.

Self Service Tab: SLD
This Self Service Tab connects users to the SLD Portal for Speed Limiter Device related issues.



Self Service Tab: Reminder
This Self Service Tab facilitates reminders setup by users for crucial vehicle and safety routines.



Self Service Tab: DSSP
The Driving School Standardization Program tab helps to bring all Drivers Education and Training related issues together so users can typically verify Driving Schools and their Certificates.



Self Service Tab: RTSSS
This Self Service Tab connects users to the RTSSS Portal for Road Transport Safety Standardization related issues especially Road Transport Service Providers.



Self Service Tab: Help
This Self Service Tab provides access to Training Materials, Guides and Frequently Asked Questions.



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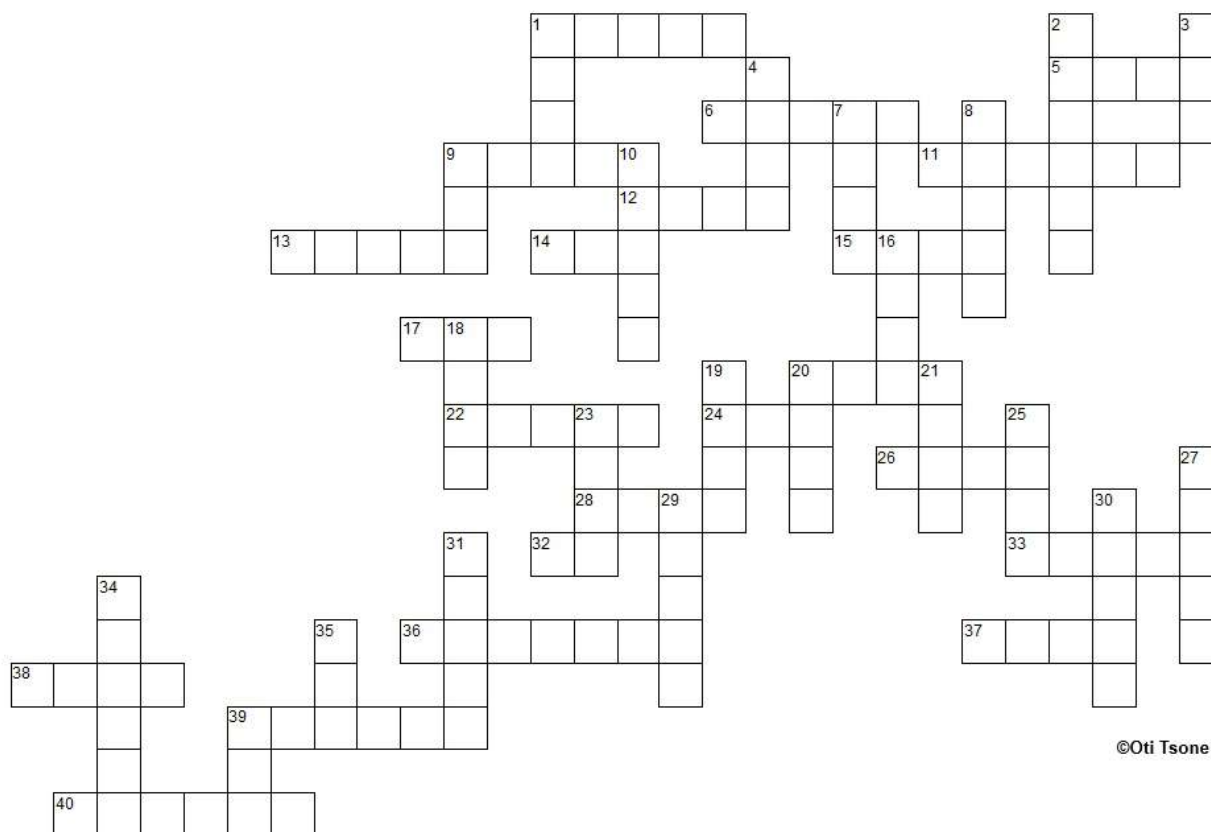
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Drive to save a life

Bank Energy



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ACROSS

- 1 – What something costs
- 5 – Percentage for interest
- 6 – Sales presentation
- 9 – Extra payment
- 11 – Lends money or goods
- 12 – Group working together
- 13 – Business identity
- 14 – Handles company finances
- 15 – Employ someone
- 17 – Machine for cash withdrawals
- 20 – Potential customer
- 22 – Global bank messaging code

- 24 – First public sale of shares
- 26 – Lockbox for valuables
- 28 – Paper money unit
- 32 – Short for advertisement
- 33 – Buying and selling
- 36 – Agents selling goods
- 37 – Business target
- 38 – Prints official currency
- 39 – Supplied with capital
- 40 – Middleman in trading

DOWN

- 1 – Organized outline of action
- 2 – Local bank office
- 3 – Top company executive
- 4 – Business company
- 7 – Physical money
- 8 – Digital security item
- 9 – Offer price in auction
- 10 – Ownership in a company
- 16 – Start of innovation
- 18 – Piece of work
- 19 – Electronic money transfer
- 20 – Symbol of a company
- 21 – Business agreement
- 23 – Pooled money for investing
- 25 – Money owed
- 27 – Written payment order
- 29 – Legal entity for assets
- 30 – Bank's treasure room
- 31 – Return on investment
- 34 – Works in finance
- 35 – Secret code for cards
- 39 – Charge for service

By Oti Omatone

Microfinance Banks: Two decades of growth

Qosim Suleiman

MFBs operate in a challenging environment and have to compete with commercial banks.

Total assets of MFB grew astronomically



From Community Banks to Microfinance Banks

For the Nigerian banking industry, the 1990s and early 2000s were a turbulent time. As the industry tried to gain trust by encouraging more people to adopt modern banking practices, the collapse of banks and ‘wonder banks’ worked directly against the plan.

The microfinancing landscape was dominated by Community Banks (CBs) and unregulated Non-Governmental Organisation (NGO) microfinance institutions, moneylenders, and credit unions. The community banks themselves were introduced to replace the Peoples Bank of Nigeria (PBN).

Though under different names, the CBs and PBN had similar mandates: the development of the rural economy by providing banking services, especially loans, to low-income earners. They both came into existence due to the inability of existing commercial banks to cater to the needs of the mostly rural and large informal economy in the country.

In 2005, the Central Bank of Nigeria (CBN), then headed by Charles Soludo, made a bold plan to bolster microfinancing for Nigeria’s vast informal sector with the introduction of a regulatory framework for microfinance.

The policy framework introduced Microfinance Banks (MFBs), transformed Community Banks (CBs), and tightened regulations for Microfinancing Institutions (MFIs).

Twenty years later, the number of MFBs in Nigeria has crossed 800.

But how well have their

asset base, deposits, and administered loans grown over the years? What challenges do they face today? The objective was to financially include more Nigerians, improve access to small and unsecured loans for Micro, Small, and Medium Enterprises (MSMEs), integrate them into the financial system, and enhance the CBN’s ability to stabilise monetary policies.

By 2020, the CBN planned to have covered the majority of the poor and economically active population through the microfinance banks.

In 2001, the CBN created

the Other Financial Institutions Department (OFID) to regulate and license non-bank financial institutions, including the community banks and bureau de change (BDCs). The CBN disregarded the licences issued by the NBCB and began issuing new licenses. By 2004, the CBN had licensed another 532 community banks.

But a 2004 report on the assessment of the community banks concluded that only half of the over 1,300 community banks –including those licensed by the defunct NBCB– had the potential to survive.

The study conducted by the Food and Agriculture Organisation (FAO) of the United Nations (UN) in collaboration with the CBN's OFID, noted that the community banks, which were supposed to develop their products and services in line with the local cultures to serve their immediate communities, had almost entirely abandoned their mandates of serving rural communities and low-income earners. Instead, they served “a clientele that has lesser difficulties accessing financial services” than low-income people do, the report concluded.

Community Banks out, Microfinance Banks in

The following year, the CBN began a two-year process of phasing out community banks and introduced the

microfinance banks (MFBs). At their core, MFBs are community banks with stricter regulations. In its policy framework, the CBN argued that the community banks failed due to weak institutional capacity, weak capital base, and the existence of a huge unserved market.

According to the CBN, more than 65 per cent of economically active Nigerians did not have access to financial services, including savings and access to loans, needed for sustainable economic growth and development.

To change that, the central bank needed to include more informal businesses in the regular banking system to both improve access to loans for MSMEs that make up about 90 per cent of businesses in Nigeria and to enhance the CBN's effectiveness in stabilising monetary policies.

With this policy, the CBN planned to cover the majority of the poor and economically active population by 2020 and increase the share of micro credit in the economy.

CBN reviewed the plan in 2011 and 2019, mandating the MFBs to keep the value of their loan portfolio at a minimum of 80 per cent for micro loans and a maximum of 20 per cent for small and medium enterprises (SMEs).

Performance

The CBN's 2005 reform led to the stabilisation of the banking industry, with the Deposit Money Banks (DMBs) now stronger, withstanding a pandemic, and surviving government policies while recording record profits. The MFBs were no exception.

The MFBs grew both in numbers, assets, and loans given to customers. However, there are still concerns about their innovations, ability to penetrate the market, and ability to drive financial inclusion.

According to data from the CBN, MFBs accumulated more resources and their total assets grew astronomically, rising from N55 billion in 2006 to N3.77 trillion in 2023.

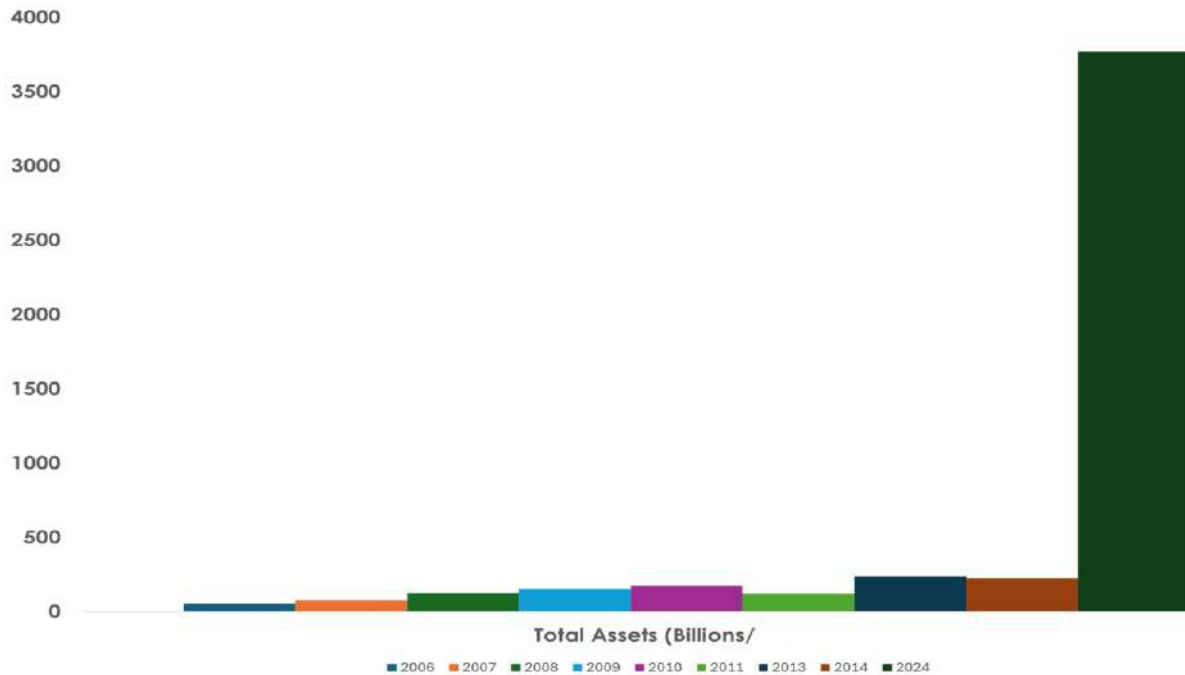
Their total assets grew steadily from N55.1 billion in 2006 to N75.5 billion in 2007, N122.7 billion in 2008 and N151.6 billion in 2009. However, there was a slight decline from N170.3 in 2010 to N117.8 in 2011, and again from N237.8 in 2013 to N221.6 in 2014.

Meanwhile, there was a very sharp increase in total assets in late 2022 and into 2023.

The loans and advances, which are the loans offered by the MFBs to their customers and which form a major component of their assets, also grew from N16 billion in 2005 to N1.48 trillion in 2023.



Total assets of MFB grew astronomically



This indicates that the microfinance banks are expanding their core business of lending, which can have positive implications for economic growth.

This growth is particularly visible post-2019, when the figure took a leap from N380.85 billion to N768.71 billion in 2020. Although there was a slight decline in 2021, the growth trend has moved upwards since then, peaking at N1.5 trillion in June 2023. This is significant, considering the growth of loans and advances for the MFBs only increased from N16.4 billion to N129.06 billion between 2006 and 2019.

The total deposits received by the microfinance banks also increased from N34 billion in 2005 to N1 trillion in 2023. The increased

deposits received by the microfinance banks over the years indicate rising public confidence in the MFBs.

The loans and advances, which are the loans offered by the MFBs to their customers and which form a major component of their assets, also grew from N16 billion in 2005 to N1.48 trillion in 2023. This indicates that the microfinance banks are expanding their core business of lending, which can have positive implications for economic growth.

The MFBs recorded steady growth in deposits from N41.2 billion in 2007 to N61.5 billion in 2008 and N76.6 billion in 2009. They, however, recorded a slight decrease from N75.7 in 2010 to N59.3 in 2011 and

slight fluctuations in 2014 and 2016. Nevertheless, the growth trend returned and continued from N211.42 billion in 2018 and a sharp increase from 2020.

Challenges

The MFBs are operating in a challenging environment, competing with large commercial banks that have way more access to funding.

A CBN study into microfinance sustainability in a digitalised economy found that the rise of digital banking has also presented a potent threat to the sustainability of existing MFBs. The study published in 2022 listed the challenges of the MFBs to include low product innovation, low market penetration, and high transaction costs.



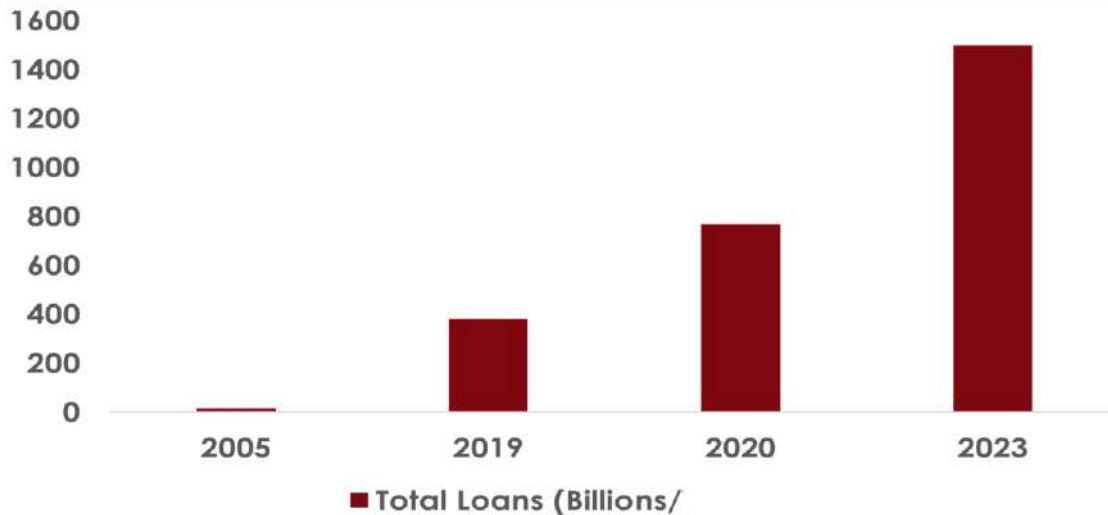
Total loans offered by MFBs grew



₦16 billion in 2005



₦1.48 trillion in 2023



The high interest rate charged by many microfinance banks discourages customers and negates the aim for which they were established. At one point in 2018, the CBN raised concerns about the situation, describing the interest rates as outrageous.

Aliyu Ilias, an economist and Managing Director of Consumer Service Awards Limited, said a major challenge facing the microfinance banks is the commercial banks encroaching into the domain of the microfinance banks.

“Commercial banks are offering the service that microfinance banks are also offering and that’s a serious competition and they cannot compete, so there

must be a demarcation,” he said.

“Even the level of loan that commercial banks can give and the one that microfinance can give, there must be a serious demarcation so that if you are going to microfinance, you know that this is your own area; if not, people will be discouraged to invest in microfinance banks.”

The future of MFBs
The CBN study noted that while a digitalised economy presents a threat to microfinance banks, their future and sustainability hinge on digitisation, which offers them opportunities to reduce costs, increase market penetration, and provide seamless services.

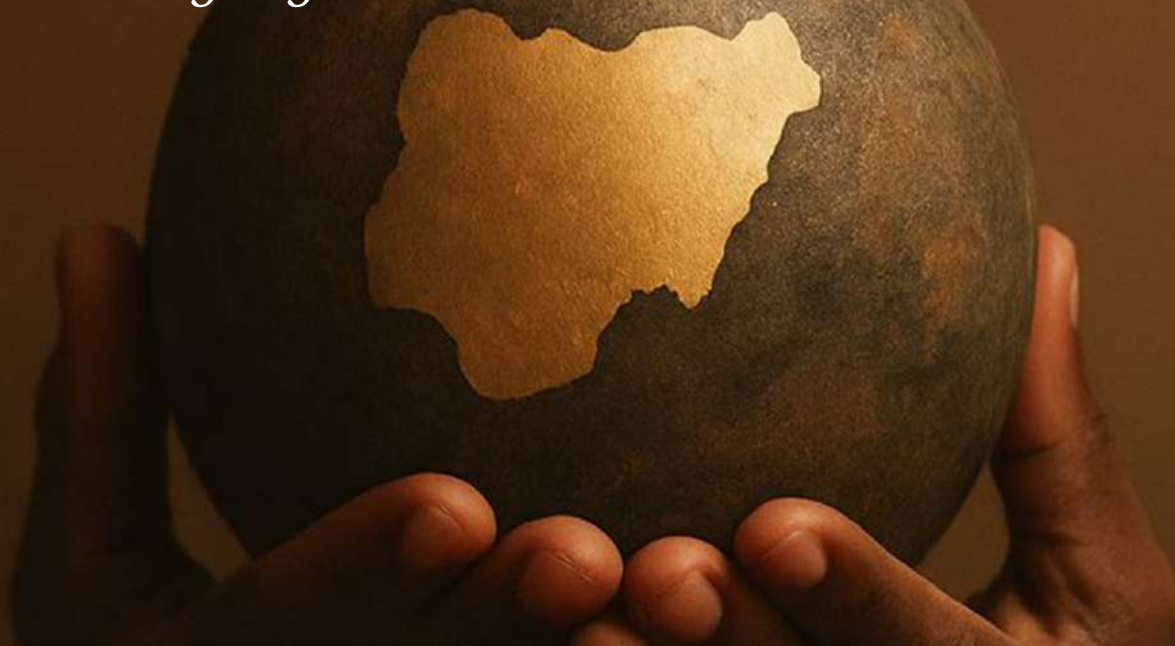
Mr Ilias suggested that the CBN introduce additional

regulations to protect the MFBs from the bigger commercial banks.

Without a clear demarcation between the customers served by commercial banks and microfinance banks, the microfinance banks will continue to struggle to compete with bigger and richer commercial banks, he said.

“We will not say the CBN has not prioritised the MFBs, but they should do more by also protecting them against commercial banks because commercial banks sometimes erode the role of microfinance and even fintech, also,” he said. He also called for the adoption of technology by more MFBs and to expand their credit base “for the underserved population.”

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The top performing banks

Premium Times

Different metrics are used to assess the banks' performance.

Rating banks and the criteria for the ratings are often enmeshed in controversies. However, sticking to common, measurable metrics is a way of addressing the problem.

Using 10 measurable indices, we show which banks performed best in 2024.

Revenue

Revenue (also called gross earnings) attained its record peak in 2024, owing to a multiplicity of factors. The biggest drivers were huge increases recorded across income streams like interest income, foreign exchange revaluation gains, fees and commission. Access Holdings led here with gross earnings of N4.9 trillion.



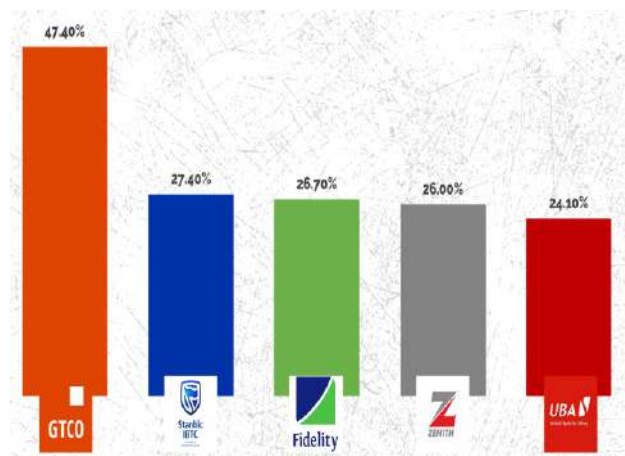
Profit After Tax (PAT)

As the gross earnings of lenders expanded considerably in the course of the year, the bottom line similarly received a big leap, boosted by the improvement in revenue as well as cost management measures. Zenith led this metric with a PAT of N1.03 trillion.



Net Profit Margin (Profitability)

A major profitability ratio, net profit margin, gauges operational efficiency by indicating how much banks actually retain at the end of the day after all costs have been deducted. One key factor that helped improve the net profit margin of many banks in 2024 was a lower cost-to-income ratio. GTCO at 47.4 per cent had the highest net profit margin.



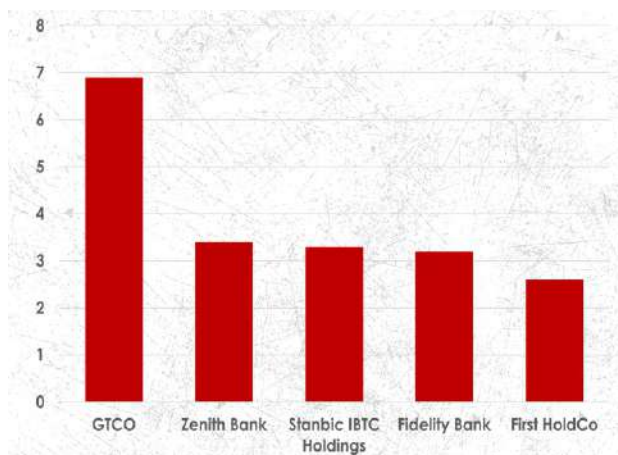
Assets

Assets expanded by more than 50 per cent for all the listed lenders (except Unity Bank) put together on the back of a steep growth in banks' loan portfolios, investment securities such as bonds and treasury bills and, to some extent, restricted deposits with the Central Bank of Nigeria. Access Holdings' total assets, worth 41.5 trillion, are the highest.



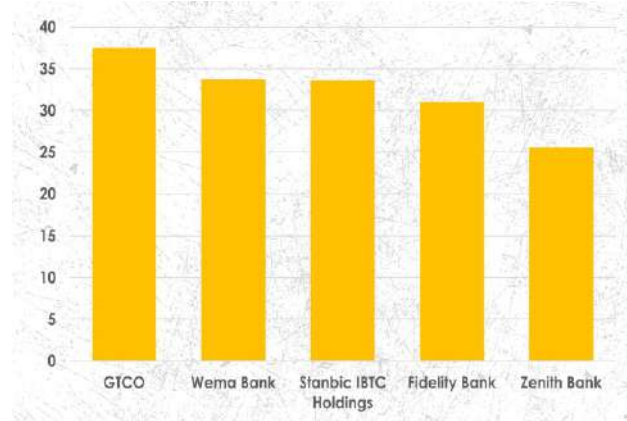
Return On Assets (ROA)

ROA mildly improved for all the quoted commercial banks (excluding Unity Bank), averaging 2.8 per cent, compared to 2.5 per cent a year before. Return (after-tax profit) and assets both posted a sizable increase, leaving year-on-year growth of ROA subdued. GTCO had the highest ROA at 6.9 per cent.



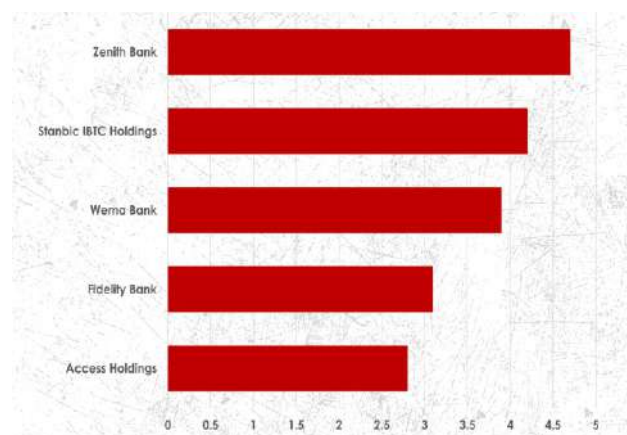
Return On Equity (ROE)

The average ROE of the ten banks under review slightly declined to 24.9 per cent from 25.2 per cent, considering that equity generally expanded at a faster rate than return (net profit). In terms of year-on-year growth, Fidelity led others, advancing to 31 per cent from 22.7 per cent. However, GTCO led the 2024 figures with a ROE of 37.5 per cent.



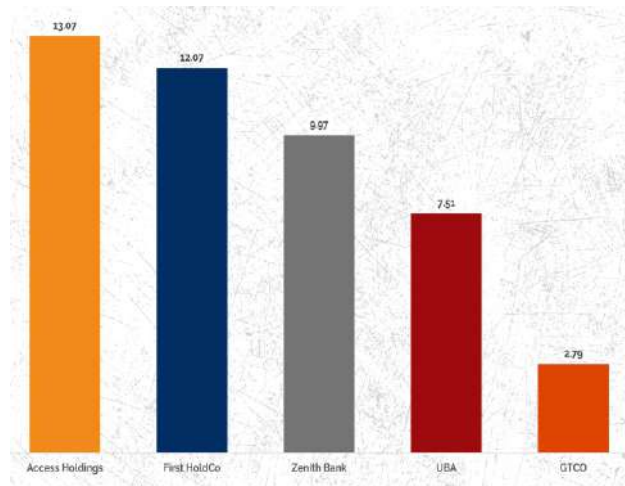
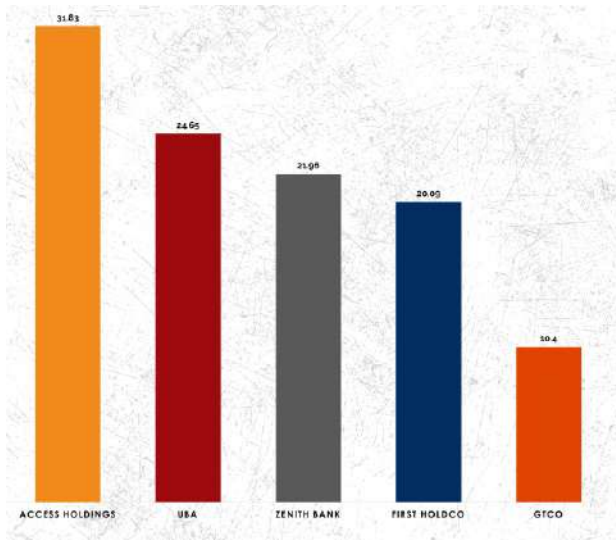
Lowest NPL Ratio

Credit quality was more problematic during the year in comparison to the preceding year. The average non-performing loan (NPL) ratio of the lenders under review stood at 5.1 per cent, up from 4.1 per cent in 2023. That largely resulted from a hawkish monetary policy stance that the CBN maintained throughout the year, which spurred an increase in loan payment defaults. Yet, a couple of lenders were able to keep their NPL ratios within the regulatory limit. Access Holdings had the lowest NPL Ratio at 2.8 per cent.



Total Deposit

Deposits saw a reasonable increase as bankers stepped up their deposit mobilisation efforts. Demand deposits – funds held in current accounts, especially by corporate customers – contributed the largest part of the deposits received by banks during the year. Access Holdings also had the highest total deposits worth N31.83 trillion.

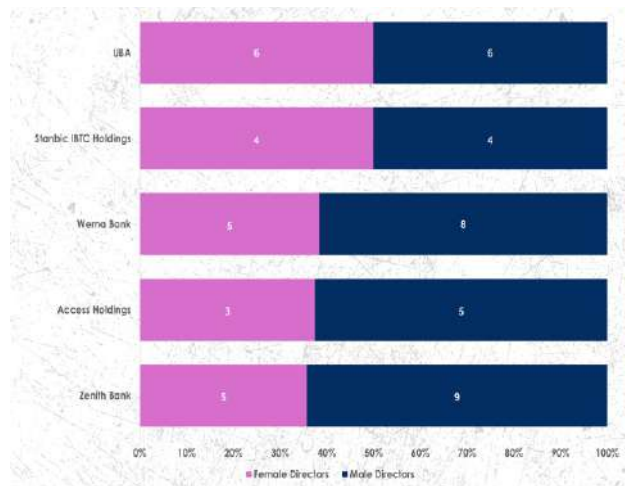


Gender Representation

Gender representation remains a big issue as the board composition of banks is still dominated by men. None of the quoted commercial banks has a board where female directors outnumber their male counterparts. In one of the banks, female board representation was as low as 11.1 per cent. UBA and Stanbic IBTC Holdings had the joint-best gender representation on their boards.

Total Loans

The banks' loan portfolio grew at 36.2 per cent, a much slower pace when compared with the 60.4 per cent growth rate recorded the year before. It seems banks chose to take a cautious approach to lending during the year, with the understanding of a potentially higher default risk that the aggressive tightening of the benchmark interest rate might pose to assets and how that could worsen credit quality. Access Holdings' total loan portfolio of N13.07 trillion was the highest.



Bank on It

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Tip: Words may run **ACROSS** (→), **DOWN** (↓), or **DIAGONALLY** (↘ / ↙). Words may **cross or share letters**.

Word Bank:

- ACQUISITION: 3,20,ACROSS
- SHAREHOLDER: 22,11,DOWN
- RESIGNATION: 4,22,DIAG_DL
- COLLATERAL: 12,25,DIAG_DL
- COMPLIANCE: 12,17,DIAG_DL
- INVESTMENT: 26,10,DOWN
- RETIREMENT: 21,21,ACROSS
- INTERNSHIP: 1,8,DOWN
- INFLATION: 18,2,ACROSS
- LIQUIDITY: 15,15,DOWN
- BOARDROOM: 18,1,DIAG_DR
- PROMOTION: 11,23,ACROSS
- APPRAISAL: 7,18,DIAG_DL
- SIGNATURE: 27,19,DOWN
- AGREEMENT: 12,27,DOWN
- STATEMENT: 26,19,DIAG_DL
- PORTFOLIO: 11,3,ACROSS
- BENCHMARK: 10,34,DOWN
- FRANCHISE: 30,16,ACROSS
- CURRENCY: 10,23,DIAG_DL
- DIVIDEND: 18,21,DIAG_DR
- STRATEGY: 35,25,ACROSS
- FORECAST: 17,18,DOWN
- OVERTIME: 25,19,DIAG_DL
- TRAINING: 6,24,DIAG_DL
- DEADLINE: 32,2,ACROSS
- DOCUMENT: 34,1,ACROSS
- APPROVAL: 32,28,ACROSS
- PROPOSAL: 17,14,DOWN
- CONTRACT: 5,22,DIAG_DL
- SUPPLIER: 28,29,DIAG_DL
- CUSTOMER: 23,20,DIAG_DL
- CAPITAL: 16,14,DIAG_DL
- REVENUE: 27,27,ACROSS
- PAYROLL: 2,1,ACROSS
- MEETING: 15,31,DOWN
- MINUTES: 16,35,DOWN
- PROJECT: 10,14,DIAG_DL
- INVOICE: 1,11,DOWN
- RECEIPT: 12,26,DOWN
- VENTURE: 5,14,ACROSS
- STARTUP: 25,25,DOWN
- PARTNER: 15,7,DOWN
- SERVICE: 24,10,DIAG_DL
- PRODUCT: 7,22,ACROSS
- CHEQUE: 22,28,DIAG_DR
- MERGER: 1,34,DOWN
- BUDGET: 5,13,DOWN
- MARKET: 4,4,ACROSS
- AGENDA: 24,26,DOWN
- TARGET: 9,33,DOWN
- REPORT: 23,34,DOWN
- FILING: 19,28,ACROSS
- POLICY: 13,25,DIAG_DL
- CLAUSE: 17,1,ACROSS
- CLIENT: 34,27,ACROSS
- OUTLET: 24,13,DOWN
- AUDIT: 8,35,DOWN
- HEDGE: 5,26,ACROSS
- INDEX: 8,32,DOWN
- LOSS: 1,13,DIAG_DR
- BOND: 2,15,ACROSS
- RISK: 25,1,DOWN

Solution:

Bank on It

Y	O	D	A	C	Z	S	I	B	V	I	W	L	C	D	Y	L	H	A	A	Z	A	L	U	T	P	T	O	E	C	F	W	D	M	A
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How banks deepened financial inclusion in 2024

Mary Izuaka

In 2024, banks intensified efforts to expand access among the underserved through various initiatives.

Financial inclusion is vital for economic development, enabling access to affordable financial services. However, Nigeria's financial services providers are largely concentrated in urban areas, limiting access for rural and peri-urban dwellers.

To address this, the Central Bank of Nigeria (CBN) launched the National Financial Inclusion Strategy (NFIS) in 2012, aiming for 80 per cent financial inclusion and 20 per cent exclusion by 2020.

Although the target wasn't met, progress was made, with inclusion rates rising

from 56 per cent in 2020 to 64 per cent in 2023, according to the 2023 Enhancing Financial Innovation & Access (EFInA) report.

Financial exclusion decreased from 32 per cent to 26 per cent during this period, nearing the 2024 target of 25 per cent exclusion. In 2024, banks intensified efforts to expand access among the underserved through various initiatives.

In November 2024, the CBN launched three initiatives to drive financial inclusion in the country.

The initiatives launched at

the second edition of the International Financial Inclusion Conference held in Lagos include the women financial inclusion dashboard, which allows regulators and policymakers to identify and prioritise gender gaps in financial services, and the women entrepreneurs finance code, which is a platform designed to transform the financing landscape for women-owned Micro, Small, and Medium Enterprises (MSMEs) globally.

Speaking at the conference, the Governor of the Central Bank of Nigeria (CBN), Olayemi Cardoso, said that the new capital requirement

for banks operating in the country would boost their ability to drive financial inclusion.

The CBN contends that with a stronger capital base, banks can provide more loans and financial products to MSMEs, rural communities, and other vulnerable segments that have previously struggled to access financial services.

Access Holdings

Access Holdings revealed in its 2024 annual report that it still had an outstanding balance of over N1.07 billion (1,074,910,172) on-lending facility granted to the bank by the Central Bank of Nigeria, to facilitate the rapid rollout of agent networks across Nigeria, supporting the expansion of a shared Agent Network to deepen financial inclusion in Nigeria.

It said the total facility has a tenor of 10 years at a five per cent interest rate and the facility is meant for CBN Licensed Mobile Money Operators and Super Agents. From this creditor, the document said the bank has a nil undrawn balance as of 31 December 2024.

Guaranty Trust Holding Company (GTCO)

In its 2024 annual report, GTCO said that to drive financial inclusion, and based on its partnership with the CBN SANEF initiative, it opened 963,076 accounts in the year, with about N9.5 billion in deposits.

Furthermore, it said the flagship subsidiary has taken the initial and practical approach to financial inclusion for its business activities through different initiatives.

It also “ensured that its branches are accessible by People Living with Disabilities (PLWDs) by constructing Ramps for 59 per cent of its branches for easier access to banking areas. Provided movable ramps for PLWDs to directly access ATMs and card vending kiosks. Included ‘Add disability status and clause’ in customer request forms to ensure that PLWDs are given priority services at all times.”

The Shared Agent Network Facility (SANEF) is an intervention fund under the MSME Development Fund. Its aim is to provide ten-year loans to CBN-licensed and pre-qualified mobile money and super-agent operators to roll out a shared agent network.

The network is to deepen financial inclusion in the country with the offering of basic financial services such as cash-in, cash-out, funds, bill payments, airtime purchase, government disbursements, as well as remote enrollment on BMS infrastructure (BVN).

Zenith bank

In March 2024, Mastercard, in collaboration with Zenith Bank, launched two payment cards called the Mastercard Naija Card and

the World Elite Credit Card to help accelerate Nigeria’s financial inclusion, catering to the unique needs of multiple market segments in Nigeria.

The Mastercard Naija Card aims to provide affordable banking solutions to consumers who have historically been excluded from traditional financial services.

According to the brand, the product will enable financial institutions to reach a wider customer base, contributing to the goal of reducing the number of financially excluded individuals in Nigeria, which stands at 28.8 million as of 2023.

On the other hand, the Elite Credit Card, a premium credit card designed for ultra-high-net-worth individuals, offers a host of benefits and discounts, including travel, lifestyle, health and insurance services.

“We are excited to launch these groundbreaking solutions with Zenith Bank. They represent a significant step forward in our mission to connect one billion people to the digital economy by 2025,” Folasade Femi-Lawal, country manager and area business head, West Africa, at Mastercard, said at the time.

“
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”

“
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banking
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have historically
been excluded
from traditional
financial services.**
”

FCMB

In October 2024, First City Monument Bank launched the Fempreneur Accelerator programme to enhance financial and non-financial support for women in small and medium enterprises across the country.

The bank said that the accelerator programme was part of its SheVentures initiative, done in collaboration with Shecluded, a finance and capacity-building organisation for women entrepreneurs to address the unique challenges female entrepreneurs face in Nigeria.

Felicia Obozuwa, divisional head of corporate services and service management at FCMB, in a statement at the time, said the initiative will provide technical assistance and critical resources to 350 women, equipping them with essential skills such as financial management,

business planning, and access to funding opportunities. She noted that the goal is to bridge the gap that often hinders women-led businesses from achieving their full potential.

“At FCMB, we recognise the vital role women entrepreneurs play in driving economic growth. Our partnership with Shecluded reflects our dedication to fostering an inclusive environment where women can thrive,” she said.

Sterling Bank

Sterling Bank, in September 2024, announced its migration to the continent’s first-ever indigenous core banking solution called SeaBaaS.

The bank in a statement, at the time, said that the implementation of SeaBaaS, developed by Peerless, marks the completion of a new banking system announced to customers in August 2024. It added that leveraging advanced data analytics and artificial intelligence, the system aims to enhance customer experience and operational efficiency, providing smarter, faster financial services to customers.

Speaking on the achievement at the time, Abubakar Suleiman, chief executive officer of Sterling Bank, said SeaBaaS is the first fully developed core banking platform that is wholly built and owned by

an African technology company.

He described the development as the start of a new revolution in Africa’s drive for economic self-sufficiency, noting that the intellectual property underpinning SeaBaas will be available to partners across the continent in the coming months.

UBA

In November 2024, United Bank for Africa (UBA) Plc, in partnership with Mastercard, introduced a specially designed debit card in celebration of its 75th anniversary.

The bank, at the time, described the initiative as a celebration of its enduring customer relationships, aimed at enhancing banking experiences through exclusive offers and discounts on multiple platforms. It noted that the launch signifies a pivotal step in its partnership with Mastercard, emphasising their mutual commitment to fostering financial empowerment and innovation across Africa.

During the unveiling, UBA’s Group Managing Director and CEO, Oliver Alawuba, explained the benefits attached to the commemorative card. He noted that customers stand to enjoy a 25 per cent discount on purchases from Jumia and a \$75 cashback on transactions via AliExpress.

“This new card represents the deepening of our

relationship and our shared mission to empower millions of Nigerians and Africans by providing them access to secure transactions and new opportunities across the continent,” Mr Alawuba said.

Mark Elliott, division president for Africa at Mastercard, expressed enthusiasm for the partnership, describing it as an important milestone in advancing Africa’s digital economy. “We are excited to collaborate with UBA to celebrate this milestone and bring more value to customers across Africa. This commemorative card is more than just a product; it reflects our commitment to advancing financial inclusion and supporting Africans in accessing secure, convenient, and impactful financial solutions,” he said.

Fidelity Bank

Fidelity Bank Plc and Mastercard, in August 2024, collaborated to launch Fidelity Send, a new initiative to enhance cross-border payments and remittances in Nigeria. The collaboration, according to the bank, leverages Mastercard’s extensive global network to facilitate near-real-time and cost-effective outbound transactions, driving financial inclusion in the country.

It explained that individuals and businesses using Fidelity Bank branches and digital platforms now have

access to near-real-time funds delivery to over 60 countries.

Folasade Femi-Lawal, country manager, West Africa, Mastercard, said: “We are honored to collaborate with Fidelity Bank to introduce innovative solutions that offer greater choice, security, and flexibility to individuals and businesses in Nigeria. Through advancements in payment technology, we aim to empower people and enhance financial inclusion for millions in underserved communities.”

Wema Bank

In July 2024, Wema Bank Plc announced the launch of AlatPay, a digital payment solution designed to help small and medium enterprises digitise their operations. AlatPay, according to the bank, aims to facilitate transactions and enhance SMEs' ability to perform multiple financial activities.

Tunde Mabawonku, executive director of Retail and Digital Business, stated that “the future of cards is cardless.” He explained that the payment landscape is shifting, and in the near future, traditional cards will be replaced by cardless tokens that customers can tap and go. Mr Mabawonku emphasised that this is the future of payments, and Wema Bank is proud to be a key player in this transition through AlatPay, enabling merchants to carry out payments with ease.

“AlatPay is positioning Nigerian merchants and small businesses to acquire transactions all over the world. Over the last few years, we discovered that small businesses find it difficult to acquire transactions.

“They either tell people to transfer money or pay cash or some other way of getting payment. But with AlatPay now what you need is just follow the very simple steps and you can acquire transactions from anywhere in the world.”

He noted that merchants do not have to expose their own personal financial details because they now have a payment engine that makes transactions easy.

Stanbic IBTC Holdings

In its 2024 annual report, Stanbic IBTC said it is committed to contributing to sustainable development through ethical, responsible financing and business practices, which unlock value for our stakeholders.

“We manage the environmental and social aspects that impact our activities, products and services whilst ensuring sustainable value creation for our customers. We are passionately committed to encouraging financial inclusion through the provision of banking and other financial services to all cadres of the society and a promoter of gender equality.”

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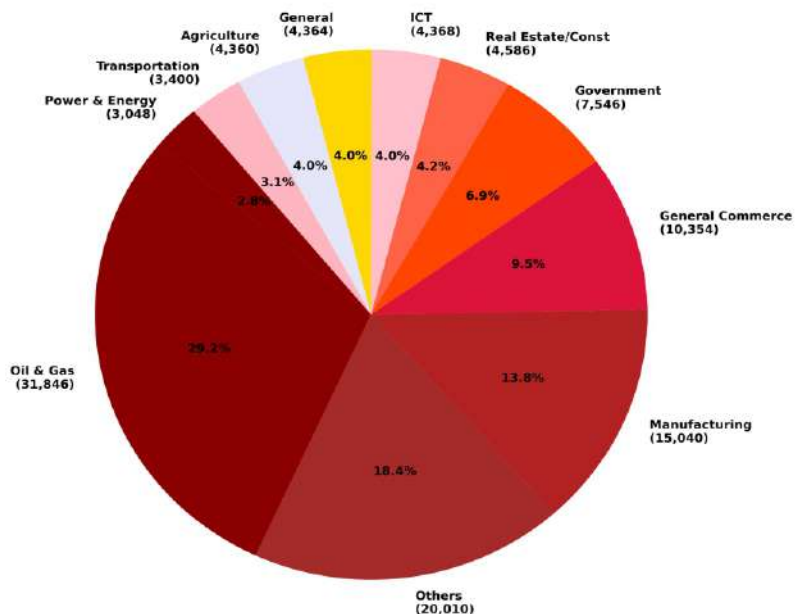
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Banks increase lending but focus remains on preferred sectors

Kabir Yusuf and Folashade Ogunrinde

The loans the banks granted in 2024 represent a 39.4 per cent increase over what was recorded in 2023.



10 banks' loan disbursement by sector (in billions)

Nigerian lenders expanded their loan portfolio in the 2024 financial year at the second-fastest pace since 2020, with lending to the oil & gas sector as the biggest spur of growth.

The total credit allocated to customers by the ten Nigerian lenders under review here stood at N54.3 trillion, marking a 39.4 per cent rise over what was recorded one year prior.

High interest rates are crippling entrepreneurship and economic growth in Nigeria, particularly in the manufacturing sector, according to Gospel Obele, an economic expert.

"They're unable to do much

because it strongly penetrates the cost of living, cost of doing business; affects the supply chain, affects the cost of acquisition of raw materials, cost of talent, and all that," Mr Obele explained.

Oil and gas accounted for N15.9 trillion, followed by the manufacturing sector, which contributed N7.5 trillion, and the general service sector, which accounted for N5.2 trillion.

The 10 lenders include Access Holdings Plc, Zenith Bank Plc, Guaranty Trust Holding Company Plc (GTCO), United Bank for Africa Plc (UBA), Sterling Financial Holdings, and First Holdings Plc.

Others are FCMB Group Plc, Wema Bank Plc, Stanbic IBTC Holdings Plc, and Fidelity Bank Plc.

Oil and gas, general commerce, lending to government and manufacturing sectors dominated their exposures.

Nigerian lenders find the oil and gas business attractive for lending, considering that oil has remained Nigeria's biggest export for decades, accounting for approximately 90 per cent of Nigeria's foreign exchange earnings in 2024, while contributing nearly 5.5 per cent of the GDP.

The lenders' audited reports for the year under review showed that Access Holdings, followed by Zenith, granted the highest loans.

What lenders granted

Access Holdings closed the year with a loan portfolio of N11.8 trillion, up from the N8.2 trillion reported in 2023.

Zenith Bank, during the period under review, recorded N11 trillion, marking a 55.8 per cent annual rise.

The big lender said the growth in loans to

customers was partly due to the devaluation of foreign currency-denominated loans as well as the growth in local currency loans.

Meanwhile, First Holdco generated N9.3 trillion loans to customers in 2024, up by 39.6 per cent from N6.6 trillion in 2023.

UBA reported N7.5 trillion in loans to customers, about 35.3 per cent growth from the N5.6 trillion in 2023.

Fidelity Bank's loans and advances expanded by 41.6 per cent to N4.6 trillion.

GTCO's credit portfolio climbed to N2.8 trillion, up from N2.5 trillion.

GTCO, in a presentation to investors and analysts, said it continued to maintain a well-distributed loan book with a specific focus on asset quality across select business segments.

"The contribution of the oil and gas sector to the gross loans portfolio at the bank level improved to 48 per cent in FY-2024, from 50 per cent in FY-2023 due to derecognition of a key financial asset," GTCO said during an analyst and investor call.

FCMB Group's loans to customers stood at N2.5 trillion, compared to N1.9 trillion in 2023, while Stanbic IBTC Holding's loans jumped to N2.5 trillion from N2.1 trillion.

For Wema Bank, loans to customers rose by 49.8 per

cent to close the financial year 2024 at N1.2 trillion. The loans and advances of Sterling Financial Holdings climbed to N1.1 trillion, indicating a 23.2 per cent increase.

In terms of interest income on loans, Access Holdings raked in the highest interest income of N1.8 trillion, followed by First HoldCo, which recorded N1.6 trillion, and Zenith N1.5 trillion.

S&P Global Ratings, in a report titled 'Nigerian Banking Outlook 2025: Resilient Performance Amid Macroeconomic Pressures,' stated that the naira depreciation inflated the amount of loans in 2023 and 2024, with nominal loan growth of 50 per cent-60 per cent, but real loan growth had been muted.

Sector distribution of loans
The oil and gas industrial sector topped the list with N13.9 trillion, followed by the manufacturing sector, which reported N7.5 trillion, and the general commerce, which posted N5.2 trillion.

Lenders disbursed N3.8 trillion loans to the government during the period under review. The real estate and construction industry also got a share of N2.3 trillion.

Analysts said the real estate industry charted an uneven path to recovery in 2024.

Some strategic sectors found stability, while others continued to face substantial headwinds. On the positive side, global real estate deal value grew in 2024 for the first time in three years, rising 11 per cent to \$707 billion, from \$634 billion in 2023.

Meanwhile, credit to the general sector stood at N2.2 trillion, followed by information and communications at N2.2 trillion.

Lending to the agricultural sector stood at N2.2 trillion. The transportation sector reported a loan portfolio of N1.7 trillion, while the power and energy sector received N1.5 trillion. Other sectors recorded N10 trillion.

Banks	2024 Loans (Nbn)	2023 Loans (Nbn)	% Change (2023-2024)
Access Holdings	11,786	8,194	41.58%
Zenith	10,994	7,065	55.87%
UBA	7,510	5,550	35.32%
First HoldCo	3,263	6,634	39.63%
GTCO	2,786	2,480	12.34%
Fidelity	4,583	3,236	41.62%
Stanbic IBTC Holdings	2,522	2,100	20.10%
FCMB Group	2,485	1,930	28.76%
Sterling Financial Holdings	1,141	926	23.22%
Wema	1,237	826	49.76%

10 banks' loan and advances to customers in 2023 and 2024 (in billions)

Banks' tax remittances soar

Abdulkareem Mojeed

More than 80 per cent of the total tax remittance of the year was contributed by the five big lenders alone.

The income tax remittances of the 10 lenders more than doubled in 2024 when compared to the previous year, in line with the sharp rise in their taxable profits, which reached an all-time high during the year.

The figure stood at N1.1 trillion for the year, against N564 billion for 2023, marking an increase of 103.7 per cent.

More than 80 per cent of the total tax remittance of the year was contributed by the five big lenders alone, comprising First Holdco, UBA, GTCO, Access Holdings and Zenith.

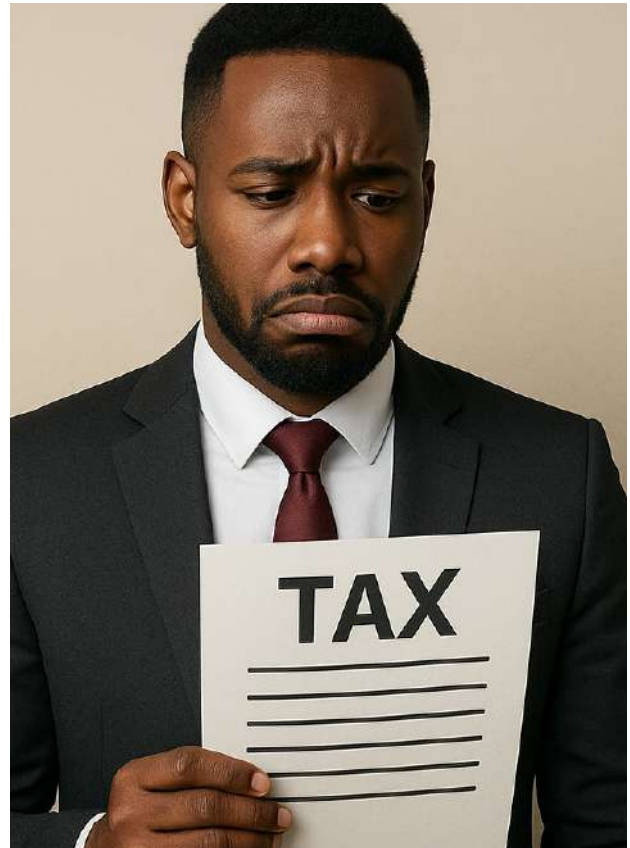
Ideally, the standard company income tax rate for businesses with an annual turnover of more than N100 million in the country is 30 per cent.

Nonetheless, the effective tax rate (ETR) varied across banks during the year for a number of factors.

“Until the introduction of the Nigeria Tax Act, which shall take effect on 1st January 2026, Nigeria does not have any ETR mandated for companies in any year of assessment. But with the introduction of this new law, there is a 15 per cent ETR required for certain companies based on a turnover threshold,” said Oladejo Adeyemi, an associate director in the Commercial Practice Group at Andersen in Nigeria.

“Hence, the banks usually may have items that resulted in tax credits within any year or any advance payments of taxes through WHT during the year, which may impact their eventual tax payable, thereby making the actual tax paid for the year less than the express 30 per cent tax rate in absolute terms,” he added.

Zenith, the biggest payer, paid N294 billion, way less than the N398.1 billion it would

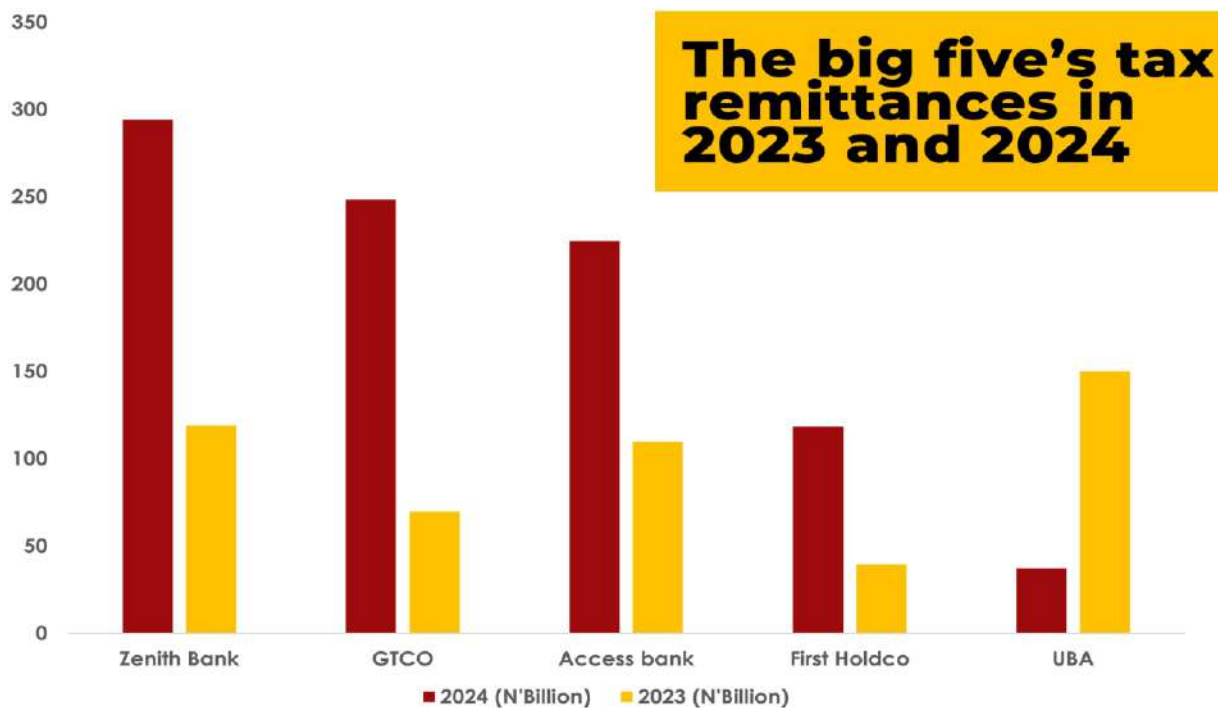


have incurred if the 30 per cent rate were to be applied, leaving its ETR at 22.2 per cent.

The lender's ETR dropped to that level after its statutory tax rate was adjusted for factors such as tax-exempt income, origination of temporary differences and capital allowance utilised.

GTCO paid N248.4 billion against the N379.9 billion payable using the domestic corporation tax rate, putting its ETR at 19.6 per cent.

Its tax obligations fell below the regular income tax rate after the removal of tax-exempt income, net capital allowance, tax reliefs/WHT credits and the effect of tax rates in foreign jurisdictions.



Access Holdings' income tax expense stood at N224.8 billion (26 per cent ETR) in contrast to the N260.1 billion (30 per cent) it was statutorily required to pay.

Its tax obligations were low compared to the domestic company income tax rate on account of the removal of non-deductible expenses and current year losses for which no deferred tax asset is recognised.

First Holdco's income tax expense stood at N118.4 billion, against the N234.6 billion payable using the domestic corporation tax rate. The lender's ETR fell to 15 per cent after factoring in tax-exempt income, the effect of tax rates in other jurisdictions, and under-provision in prior years.

UBA's tax expense stood at N37.2 billion, compared to the N241.1 billion payable as standard income tax rate, putting its ETR at just 5 per cent. The ETR was much weaker as a result of the deduction of the effect of permanent differences - income not subject to tax, valued at N525.4 billion.

The income tax expense of Fidelity Bank totalled N93.8 billion, lower than the N115.6 billion payable as company income tax. The ETR was 24.6 per cent after the removal of tax-exempt income, capital allowance and deferred tax expense.

FCMB Group paid income tax of N38.6 billion, which, at an ETR of 34.4 per cent, was higher than the N33.6 billion payable using the domestic corporation tax rate.

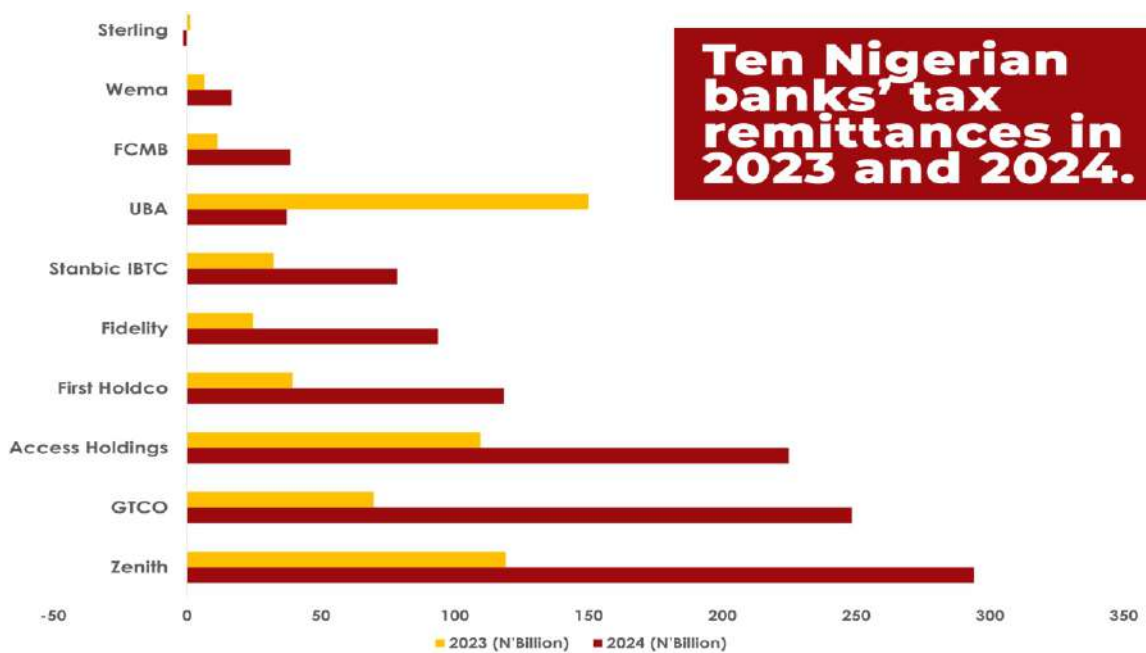
Stanbic IBTC Holdings' total tax charge was N78.5 billion, representing an ETR of 26 per cent, which compares to the N91.2 billion payable as company income tax.

The lender's ETR fell to that level after the deduction of non-taxable interest, other non-taxable income and non-taxable profits from other tax jurisdictions.

Wema's income tax expense totalled N16.6 billion, which compares to N30.8 billion using the standard company income tax. The ETR of 16 per cent was a result of the removal of a tax-exempt income of N24.4 billion.

Sterling Financial Holdings reported a tax credit of N1.5 billion in contrast to the N13.8 billion payable using the statutory tax rate of 30 per cent. That put its ETR at -18 per cent.

The tax credit came about after factoring in tax-exempt income, the impact of differences in tax rates and the impact of deferred tax assets.



Bamgboye Emmanuel, a managing partner at Empyrean Professional Services, said banks' tax figures are products of various calculations.

“You have to take cognisance of bad loans, impairments, credit assets (Assets that have gone bad), they (the banks) have to take note of all these while doing their tax calculations,” he said.

Mr Emmanuel explained that Nigerians should clamour for more transparency, more transfer pricing disclosures, and more regulation, but warned that banks should not be over-regulated.

“There is a thin line between moderate regulation and over-regulation. There must be transparency, too, on the part of the government. They have to be tax-motivated too,” the tax expert said.

What fuelled the surge?

Apart from the general increase in banks' taxable profit, a key factor that drove the surge in lenders' income tax was the introduction of a windfall tax on banks' foreign exchange transactions.

In August 2024, President Bola Tinubu signed the Finance (Amendment) Act 2024 into law, after the National Assembly passed

it in July 2024, imposing a windfall levy on deposit money banks in the country.

Section 29a of the Act says: "There shall be levied and paid to the benefit of the Federal Government of Nigeria a levy of 70 per cent on the realised profits from all foreign exchange transactions of Banks within the 2023 to 2025 financial years".

The previous 2023 fiscal year was marked by a major devaluation of the naira against other foreign currencies, implying that commercial banks that held FX assets in their books reported significant unexpected FX gains on transactions in foreign currencies on converting them into naira.

On that score, UBA incurred a windfall tax of N57.9 billion for 2023 and 2024 at N24.9 billion and N33.1 billion in that order.

Access Holdings paid N23.7 billion and N31.6 billion as windfall tax for 2023 and 2024, totalling N56.7 billion. First Holdco incurred N33.5 billion for 2024, while Zenith paid N63.3 billion. GTCO's windfall tax bill stood at N51.2 billion.

Stanbic IBTC Holdings, Wema, Fidelity and FCMB paid N17.2 billion, N2.6 billion, N13.3 billion and N17.7 billion as windfall tax in 2024, respectively.

Shareholders have more reasons to smile

Beloved John

While some banks declared higher dividends, others retained a larger portion of their earnings to strengthen capital buffers.



In 2024, Nigerian banks operated in a complex economic environment shaped by currency devaluation, high inflation, and regulatory changes.

Despite these challenges, they were able to capitalise on the high interest income and revaluation gains arising from exchange rate shifts.

At the end of the 2024 financial year, the banks reported significant profit growth, resulting in higher distributable earnings available for dividends.

However, while some banks declared higher dividends, others retained a larger portion of their earnings to strengthen capital buffers.

Out of the nine commercial banks analysed, Guaranty Trust Bank (GTB), United Bank for Africa, and Zenith Bank had the highest dividend payout in the 2024 financial year. They each saw a substantial increase in dividend payments compared to 2023. Next are Access, Fidelity, Stanbic, FCMB, First, and Wema Bank.

GTBank leapfrogged Zenith

and UBA to take the lead in dividend payout in 2024, distributing N274 billion to its shareholders. The previous year, it had been the third-highest paying bank, distributing N94.2 billion.

UBA had the second-highest dividend payout in 2024, sharing out N171 billion, a sum significantly higher than its 2023 payout of N95.7 billion.

Although Zenith Bank slipped from first place in 2023 to third in 2024, its dividends still grew. The

bank paid its shareholders N157 billion, which is significantly higher than its 2023 payout of N125.6 billion

Access, Fidelity, and Stanbic also recorded some of the largest year-on-year jumps, more than doubling

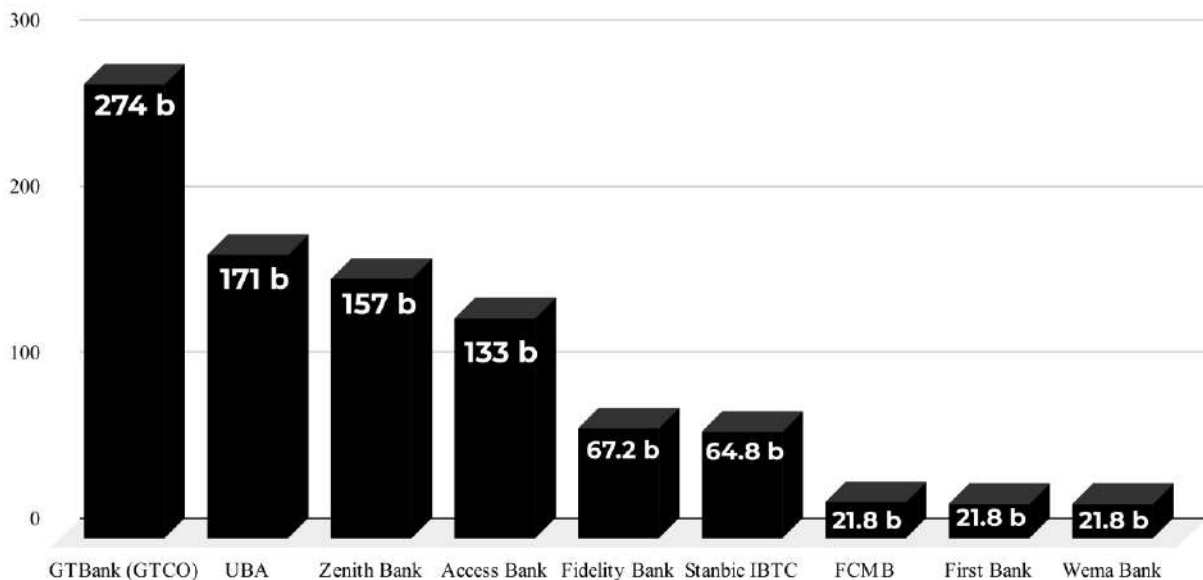
or nearly doubling their previous year's dividend payouts.

Access Bank rewarded shareholders with N133 billion, a 78 per cent increase from N74.6 billion in 2023.

Fidelity Bank, on the other

hand, more than doubled its payout from N28.5 billion in 2023 to N67.2 billion, while Stanbic IBTC raised its distribution to N64.8 billion, representing a 127 per cent surge from the previous year.

Dividend Payout by Nigerian Banks 2024



Further down the ladder, FCMB's payout rose to N21.8 billion, followed closely by First Bank of Nigeria with N21.5 billion, and Wema Bank with N21.4 billion.

For dividends per share, GTBank led with N8.03, while Zenith Bank and UBA both declared N5.00. At the lower end, Wema Bank declared N1.00, with First Bank and FCMB trailing at N0.60 and N0.55 — the lowest among the banks analysed.

These figures reveal wide variation not only in the total dividends distributed but also in the value delivered to shareholders.

According to Matilda Adefalujo, an Investment Research analyst, banks like Zenith and GTBank push for higher payouts to reward investors and signal strength, while others, especially smaller banks, prefer steady payments.

Ms Adefalujo also stated that although banks

reported record profits in 2023 and 2024, a significant portion of those profits came from currency devaluation gains, which the Central Bank of Nigeria (CBN) considered unsustainable.

“The CBN stepped in and said banks cannot base dividends on such gains, because they aren't sustainable,” she said. “The naira could appreciate later, and those gains would vanish.”

“The dividend payout ratio, which is dividends per share relative to earnings per share, can only increase if either the dividend itself is raised, or both dividends and earnings rise together.

“This is partly why some banks promise to strengthen payouts over time, while others prioritize stability.

“Only profits from core banking activities, like interest income and fee-based income, can be used for dividends. The devaluation-related gains must instead be retained on the balance sheet to strengthen banks’ capital,” she added.

Shareholders with the highest dividends by banks

Of the shareholders identified with the nine banks analysed, the single largest beneficiary of the 2024 dividend season was Stanbic Nominees Nigeria Limited, which earned N54.4 billion from its 6.8 billion shares in GTBank.

As a custodian company holding shares on behalf of clients, Stanbic Nominees dominated the institutional side of dividend earnings.

Close behind was Stanbic Africa Holdings Ltd (SAHL), which received N43.8 billion in dividends from its stake in Stanbic IBTC, making it another institutional giant among dividend earners.

In third place was Jim Ovia, the founder and chairman of Zenith Bank, who was the wealthiest single beneficiary. With 3.6 billion shares, representing over 11 per cent of Zenith’s equity, Mr Ovia earned N17.8 billion in dividends.

The Coronation Trustees Tengen Mauritius, which secured N9.9 billion from its stake, was Access Bank’s largest shareholder.

Stanbic Nominees Nigeria Limited reappeared on the list. This time, as the second-largest investor in Access

Bank. It earned N8.2 billion from its 6.17 per cent stake in the bank.

Tony Elumelu’s Heirs Holdings earned N9 billion from its 1.8 billion shares in UBA.

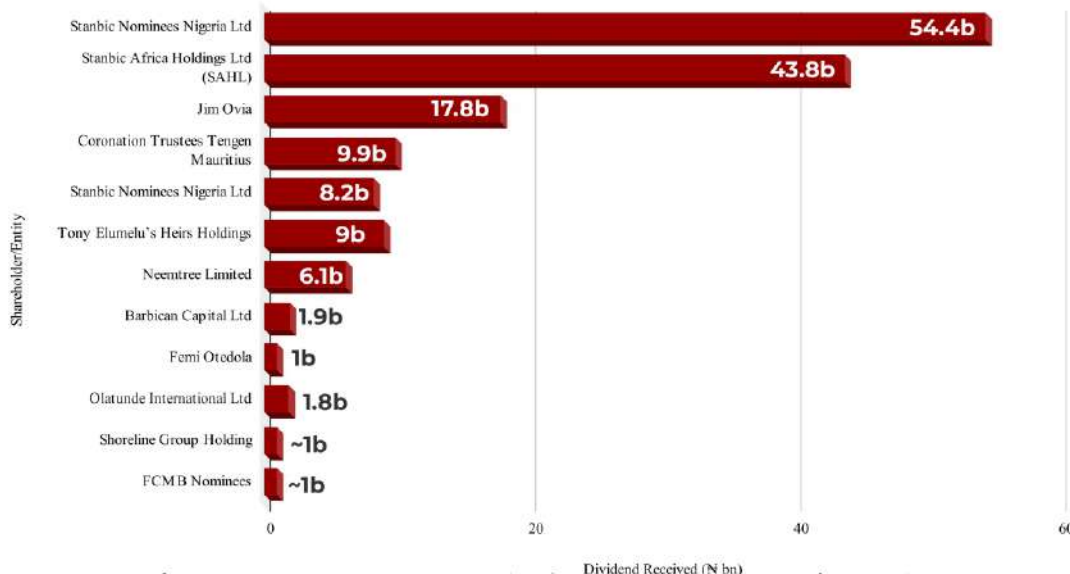
At Wema Bank, Neemtree Limited emerged as the largest beneficiary with N6.1 billion.

For First Bank, Barbican Capital Limited was the largest shareholder, receiving N1.9 billion. Billionaire investor Femi Otedola was also a major stakeholder, receiving N1 billion from his direct shareholding. This is in addition to indirect holdings through other entities, such as Calvados Global Service Limited, which received N1.5 billion.

At FCMB, the top shareholder, Olatunde International Limited, earned N1.8 billion, while two other major investors, Shoreline Group Holding and FCMB Nominees, each received a little above N1 billion.

Top Dividend Beneficiaries (2024)

Dividend Received (N bn)





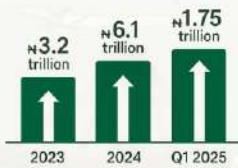
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- Shift from seasonal to sustained high collections
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SEIZURE OF OVER 4M LITRES OF
PMS NATIONWIDE BETWEEN 2024 AND 2025



SEIZURES:
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3,555 (2024),
298 (Q1 2025)



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DRUGS, ARMS (900
WEAPONS SEIZED IN 2024),
AND PETROLEUM PRODUCT
SMUGGLING**



**WILDLIFE PROTECTION
SEIZURES WORTH
₦5 65BN IN Q1 2025**

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**LAUNCH OF ADVANCE
RULING AND AUTHORISED
ECONOMIC OPERATOR (AEO)**



**DEDICATION OF SPECIAL
TERMINAL FOR CLEARANCE
OF EXPORT GOODS**



**LAUNCH AND ROLLOUT
OF BODOGWU PLATFORM
(INDIGENOUS CUSTOMS
AUTOMATION SYSTEM)**



**CARGO CLEARANCE TIMES
IMPROVED (AEO-CERTIFIED):
AVG. 43 HOURS VS. 57 DAYS**



**TRADE VALUE ROSE TO
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