

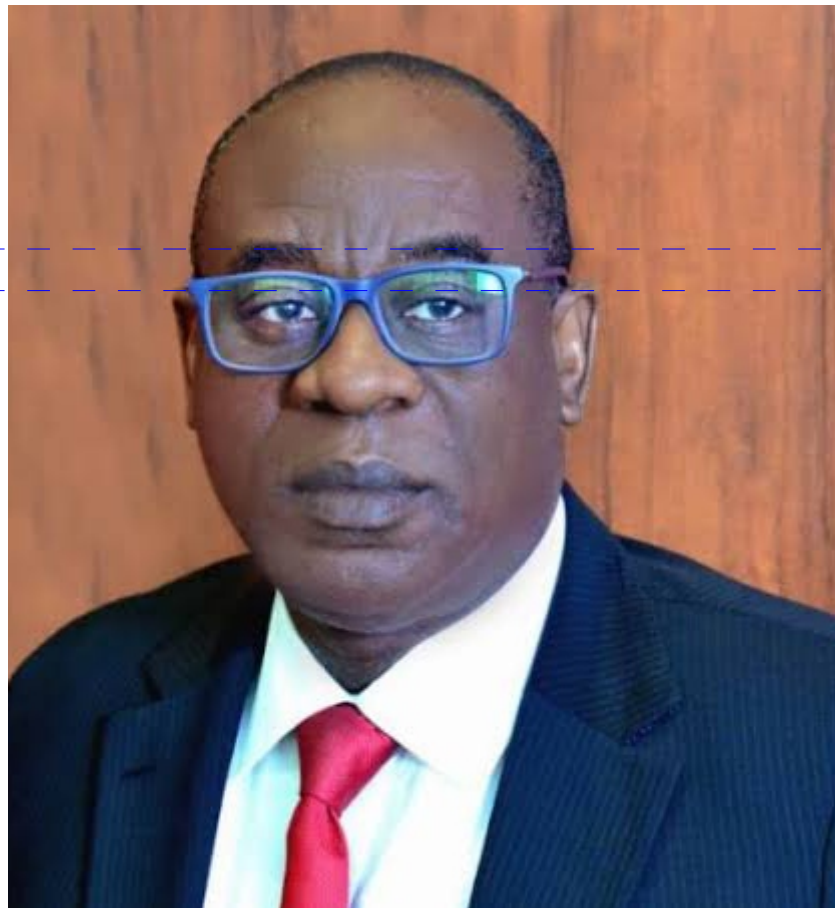
# CBN's Laudable battle against unpatriotic Banks

*“This plea for Nigerians to openly reject vices must however not be exploited. It is not in the interest of the nation for anyone to, under the guise of exposing vices, deliberately indict innocent fellow citizens”.*

BY TONNIE IREDIA

For the better part of the last decade, Nigeria's economy has been quite troubling. During President Muhammadu Buhari's administration, the World Bank's Atlas of Sustainable Development Goals revealed that the number of Nigerians living in extreme poverty of less than \$1.90 per day superseded that of every other country in the world. There was not much change to the narrative from about 2017 when the report was made public till the end of the administration in 2023. This seems to explain the expedience of the series of reforms introduced by the new administration of President Bola Ahmed Tinubu – reforms that are yet to rescue Nigerians from pervasive hunger. The floating of the naira in particular virtually rubbished whatever was left of the value of the country's currency. But while everyone has been lamenting the situation, a few groups appear to be succeeding in their strategic design of exploiting fellow citizens to garner huge resources for themselves. Notwithstanding the efforts of Nigeria's anti-corruption agencies to battle corrupt citizens, the nation is still ranked by Transparency International (TI) as low as 145 out of 180 most corrupt nations in the world. Only last week, the Economic and Financial Crimes Commission EFCC jolted the polity by moving against insider abuses. She courageously dismissed 27 of her officers for various offences bordering on fraudulent activities and misconduct. In addition, the Commission is currently investigating an allegation of corruption to the tune of \$400,000 against one of its sectional heads while promising that “every modicum of allegation against any staff of the Commission would always be investigated.”

Although the public believes that our law enforcement agencies can do far more than they are currently doing, there is at least some evidence that the fight against kidnapers is still raging. But there is ample silence over the unending sharp practices by banks at the expense of fellow citizens to garner huge resources year in year out. According to one analyst, Nigeria's big banks which recorded as much as N1.83 trillion profit in the first 9 months of 2023 were able to double the figure in the same period in 2024. This level of profiteering is



attributed to the exploitation of two key policies; first, the liberalization of the foreign exchange market and second, the exceedingly high-interest rate regime. It is an unpatriotic game of taking undue advantage of the letters rather than the spirit of both policies. Against this backdrop, several questions have been begging for answers. First, with Nigeria's poverty level featuring majority of citizens living below poverty line, with whom are our banks trading to attain their huge profits? Why is it that during festivities especially towards the end of every year, the naira suddenly becomes scarce in our banks and their affiliates? The first time what looked like a direct answer to these questions emerged was some two months back when the CBN Governor, Olayemi Cadoso warned banks to strictly adhere to cash distribution policies or face severe penalties. Cardoso spoke at the Annual Bankers' Dinner of the Chartered Institute of Bankers of Nigeria (CIBN) in November 2024. To me, what the warning suggested was that the unpatriotic act of starving

citizens during such periods was the handiwork of our banks.

Alas, last week a big hammer fell on 9 banks, namely: Fidelity Bank Plc, First Bank Plc, Keystone Bank Plc, Union Bank Plc, Globus Bank Plc, Providus Bank Plc, Zenith Bank Plc, United Bank for Africa Plc, and Sterling Bank Plc. They were sanctioned for failing to make naira notes available through automated teller machines (ATMs), during the last yuletide season. For such unpardonable non-compliance with CBN's cash distribution guidelines, each of the banks was to pay a fine of N150million. There is doubt if the penalty is commensurate to the pain which the banks' indiscretion inflicted on citizens but Cardoso deserves to be commended for breaking away from the past practice of merely warning our banks. As the apex bank has observed "ensuring seamless cash flow is indeed paramount to maintaining public trust and economic stability."

The public on its part looks forward to the following greater promise by the CBN: a) enforcing POS operators' daily cumulative withdrawal limit of N1.2 million; b) continuous investigation and monitoring to scrutinize cash hoarding and rationing, both at bank branches and by Point-of-Sale (POS) operators and c) working with security agencies to crack down on illegal cash sales and operational violations. There is however a suggestion in some quarters that banks are being merely used as scapegoats to cover the nation's economic doldrums. Whereas this is possible, it appears quite hard to support considering that most of the affected banks are among those that telecoms' operators have secured the approval of the Nigerian Communication Commission NCC to disconnect over unpaid debts.

Does it therefore mean that sharp games such as tax evasion and hoarding of the naira are part of what have been boosting the economic prosperity of banks and their executives? If so, patriotic bank leaders have an obligation to call their bad eggs to order. It is almost unimaginable that some bankers that many of us admire and look up to in the struggle to uplift Nigeria from her precarious economic situation are secretly playing major roles in undermining the nation. There is thus the need for a rejuvenation of our value system so as to reinstate positive work ethics which rewards constructive hard work. Nigerian award organizers need to further introspect and ensure that only persons of integrity and not bogus political office holders or those who relish profiteering are selected for awards.

Nigerians should develop the courage to call out persons who are known cheats. But for the threat of suing for defamation, I was almost immediately tempted to support Governor Seyi Makinde of Oyo State for openly condemning the Oyo-mesi (kingmakers) that he accused

of receiving bribes to select a new Alafin of Oyo. Makinde must move a step further by ensuring that the particular kingmakers he indicted are prosecuted. By so doing, he would have taken the lead in the clamour for many leadership positions in our country – University Vice Chancellorship or indeed sacred Obaship etc. to be neither compromised nor commercialized. This plea for Nigerians to openly reject vices must however not be exploited. It is not in the interest of the nation for anyone to, under the guise of exposing vices, deliberately indict innocent fellow citizens.

Only a few days ago, many Nigerians must have been shocked to watch our federal legislators on national television bullying and harassing the impeccable Professor Ishaq Oloyede, Registrar of the Joint Matriculation and Admissions Board, JAMB. At a budget defence session last Monday, the examination body was alleged to have among other things spent N1.1 billion on meals and N850 million for fumigation. Oloyede was even derided as having been fumigating mosquitoes. Any Nigerian who has followed the history of JAMB, must have been aware of not only the positive transformation of the body by Oloyede but also that it was him who ended the era of JAMB snakes swallowing huge funds of the organization. Legislators who claim to represent the people should know leaders more than the rest of us. Luckily, the National Assembly Joint Committee on Finance has since exonerated JAMB of the alleged misappropriation of funds in its 2024 budget implementation. Sani Musa Chairman of the committee, said in a statement that the board "was erroneously accused of reckless spending." According to Musa, the comprehensive report provided by JAMB indicated that the line items mentioned during Monday's hearing on revenue did not suggest any mismanagement or misuse of the board's funds. On the contrary, the report highlighted the responsible and prudent use of resources under the leadership of the registrar." It is hoped that moving forward, legislators would be encouraged by their presiding officers to make better use of the presence of television cameras during budget sessions instead of playing to the gallery. Consequently, committees of the National Assembly should diligently carryout their oversight functions as a basis for preventing poor performance by agencies rather than waiting for televised sessions to point out imaginary faults. Just like what the CBN has done to recalcitrant banks, it is only agencies that refuse to heed several warnings that should be chastised. In which case, agencies of government and oversight supervisors in the legislature must be working together in the interest of Nigeria