

Unity Bank Digest

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Finance

Economic News

Lifestyle

Poverty
levels to
worsen in
Nigeria

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Burning Issues

FG's tax reform bills to ease the cost of living

The proposed tax reform bills, introduced in October 2024 and passed by the House of Representatives in March 2025, aim to alleviate financial pressures on Nigerian workers and promote economic stability, particularly for small businesses and traders operating in the informal sector. These reforms focus on enhancing disposable income, reducing the cost of essential goods, and creating an environment that supports microenterprises and small businesses.

A significant feature of the reforms is the full exemption from Pay-As-You-Earn (PAYE) tax for workers earning up to ₦1.3 million annually, roughly ₦100,000 per month. This exemption, which will benefit at least 35% of workers in public and private sectors, directly impacts low-income earners and small-scale traders who typically earn below this threshold. By removing the tax burden, these workers will see an increase in their net income, which can be reinvested into their businesses or spent within their communities, stimulating local economies.

The VAT exemption on essential items such as food, healthcare, and education, which make up over 80% of household spending, will significantly lower operational costs for traders dealing in these goods. This reduction will make products more affordable to consumers while allowing business owners to maintain profitability. For small and medium-sized enterprises (SMEs), which are central to Nigeria's informal economy, the tax reforms provide crucial support. SMEs with annual turnovers of up to ₦100 million will be exempt from corporate taxes, alleviating financial pressure in an environment where high operating costs and limited access to financing are common challenges. Moreover, the VAT exemption on rent for properties under ₦1 million offers further relief to small business owners, enabling them to reinvest savings into growth or employee compensation.

The tax reforms also include incentives for businesses to hire more workers, directly addressing the country's struggle with unemployment and underemployment. By encouraging small enterprises to expand their workforce, the reforms are poised to create more jobs in the informal sector, helping to alleviate one of Nigeria's most pressing economic challenges.



Money supply hits ₦114tn despite CBN's tightening measures

Nigeria's broad money supply rose to a record N114.22 trn in March 2025, reflecting a 24% year-on-year growth, despite the CBN's aggressive monetary tightening. The expansion in the money supply, driven by a 38.9% surge in net foreign assets and elevated government borrowing, has continued to inject liquidity into the system, even as the CBN maintains the world's highest cash reserve ratio (50%) and a monetary policy rate of 27.5%.

This rising liquidity is occurring alongside persistently high inflation, which rose to 24.23% in March. The CBN's measures, including liquidity mop-ups through OMO auctions, have yet to curb price pressures significantly. Meanwhile, over 91% of Nigeria's N5 trillion currency in circulation is held outside the formal banking system, indicating the dominance of cash in the informal economy.

This environment poses a dual challenge for small businesses and traders. High inflation erodes purchasing power, pushing up the cost of inputs and reducing consumer demand. At the same time, tight monetary conditions have not translated into lower interest rates for borrowers. Credit to the private sector grew by just 6.8% year-on-year, highlighting limited access to finance for small enterprises, many of which remain outside formal financial structures.

Moreover, the cash-dominant economy reflects both low banking penetration and a lack of trust in digital systems. Small traders, especially in rural areas, rely heavily on cash for daily transactions. As inflation drives up cash requirements, these businesses face liquidity constraints, and their inability to access affordable credit exacerbates operational pressures. Consequently, the strain on consumers, through higher food and transport costs, feeds back into reduced patronage for small businesses, threatening their sustainability in an already fragile economic climate.





Entrepreneurs need to be protected from burnout too

Culled from 'The Conversation'¹

Entrepreneurship has long been hailed as a springboard of innovation, creativity and economic growth. Governments actively promote entrepreneurship as a vehicle for boosting employment with policies designed to make it easier for people to start their own businesses.

But the allure of building something from scratch and being your own boss can hide a serious struggle: the mental health toll on those who dare to go it alone. For many entrepreneurs, the benefits of being their own boss comes at a large cost – burnout.

Burnout, a condition typically associated with prolonged stress, has become increasingly prevalent in the entrepreneurial world. While the triumphs of start-ups and visionary leaders are often celebrated, the psychological toll on entrepreneurs is rarely discussed.

Burnout is more than just feeling tired or stressed. It is a psychological syndrome characterised by emotional exhaustion, depersonalisation (a sense of detachment or cynicism), and feeling less satisfied by your accomplishments.

For entrepreneurs, there are very specific challenges. The demands of facing up to financial risk, relentless workloads and the constant uncertainty of running a business make these workers particularly susceptible to burnout. Unlike

employees in traditional workplaces, entrepreneurs often work alone and shoulder every responsibility, from leadership to bookkeeping. This can amplify the psychological burden.

The financial pressures of maintaining cash flow and ensuring profitability add to the stress, as these risks often involve the entrepreneur's own money and assets. We found that the diverse roles entrepreneurs must play, from marketer to product developer, often create conflicting demands and unclear priorities.

This ambiguity and conflict between roles can exacerbate feelings of overwhelm and frustration. Compounding these issues is the isolation many entrepreneurs experience, as they lack the camaraderie and support systems found in traditional workplaces.

Even passion – a defining trait of successful entrepreneurs – can become a double-edged sword. When unchecked, it can lead to entrepreneurs overcommitting, neglecting their self-care and, ultimately, exhaustion.

The impact of burnout extends beyond the individual. We found that entrepreneurs who are struggling with the problem often said their creativity and productivity declined. But both of these elements are critical to driving a successful business.

1. <https://theconversation.com/entrepreneurs-need-to-be-protected-from-burnout-too-246921>

Chronic stress can lead to physical health problems, including sleep disturbances, headaches and cardiovascular issues. On a business level, reduced performance may result in missed opportunities, lower revenues or even failed ventures.

Personal relationships can also suffer as the pressures of entrepreneurship consume time and energy that might otherwise be devoted to family and friends.

The way forward

Although the entrepreneurial journey is inherently demanding, burnout is not inevitable.

Entrepreneurs can take steps to protect their mental health by setting clear boundaries between work and personal life. Establishing dedicated time for rest and avoiding the “always on” mindset is essential.

Delegating tasks and outsourcing non-core activities can reduce workloads, while building a supportive network of peers and mentors offers a sense of community and shared understanding.

The same simple self-care practices that are recommended for employees – such as regular exercise, healthy eating and mindfulness – can provide powerful buffers against stress. In more severe cases, seeking professional help from a counsellor or coach can offer tailored strategies for managing challenges.

The organisations that support entrepreneurs with training, mentoring and funding (known as incubators and accelerators) also have a role to play. By integrating mental health resources and promoting work-life balance, they can support a healthier entrepreneurial landscape. Training programmes that teach stress management and techniques for building resilience are particularly beneficial.

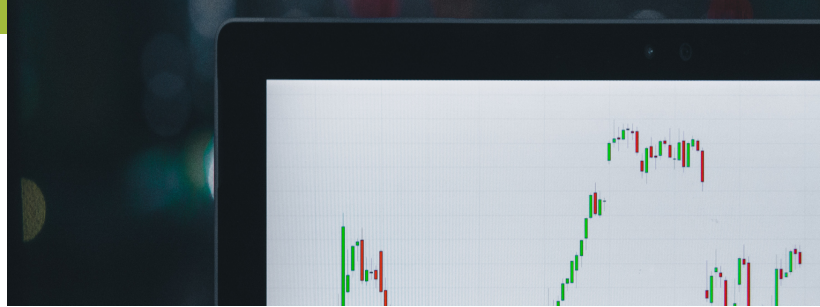
Importantly, shifting the narrative around entrepreneurship from glorifying hustle culture to celebrating sustainable growth can encourage healthier practices.

Policymakers, too, hold the power to create change. Offering grants or tax incentives for businesses that invest in mental health initiatives can make resources more accessible. Promoting research into entrepreneurial wellbeing can highlight best practice and helpful responses, as can ensuring affordable mental health care is available for entrepreneurs and their teams.

Ultimately, entrepreneurship is a cornerstone of economic innovation and growth, but it cannot thrive without prioritising the wellbeing of those at its heart.

Addressing burnout is not only an ethical imperative but also an economic one. Entrepreneurs fuel progress and create opportunities for others, so they should be able to succeed without sacrificing their wellbeing. Waiting until their tank is empty is bad news for everyone.

The Macro



Small businesses caught in the middle of Nigeria's oil revenue crisis

In May 2025, global oil prices dropped below \$60pb, well beneath Nigeria's 2025 budget benchmark of \$75pb. Compounding fiscal pressures, domestic oil production in 2025 has averaged below 1.8 million barrels per day, underperforming relative to the 2.06 million bpd benchmark projected in the budget. This shortfall in both price and volume is expected to significantly widen projected revenue losses, deepening the fiscal deficit and heightening Nigeria's financing pressures at a time of mounting macroeconomic strain.

For small businesses and informal sector players, the concern lies not only in the federal revenue losses. One of the more immediate areas of impact is petrol pricing, which is primarily influenced by exchange rate dynamics and international crude prices. Despite the decline in global oil prices, domestic petrol prices in Nigeria remain high. In Lagos, prices have dropped to approximately ₦860/litre, influenced by competition from the Dangote refinery and adjustments by the Nigerian National Petroleum Company (NNPC). However, these prices are still elevated compared to historical levels, affecting transportation and logistics costs.

For many informal traders and microenterprises, transportation is not a marginal cost—it is central to daily operations. High fuel prices compress already thin margins, reduce mobility, and erode competitiveness, particularly for those serving cost-sensitive customers. Looking ahead, the trajectory of oil prices and exchange rate stability will determine whether the cost of living eases or worsens. A prolonged dip in oil prices could deepen pressure on the naira, worsening inflation, which already stands above 25%. For small businesses that rely heavily on imported goods or raw materials, this would translate into higher input costs. At

the same time, weakened household purchasing power—especially among low-income earners—could dampen demand, forcing traders to scale down, adjust product offerings, or absorb losses. Those relying on microfinance institutions may struggle to repay loans, while others might postpone expansion or cut labour to stay afloat.



World Bank flags rising poverty despite Nigeria's oil wealth

The World Bank's Africa Pulse report projects that poverty in Nigeria will increase by 3.6 percentage points between 2022 and 2027. In 2024, Nigeria accounted for 19% to the global share of extreme poverty, affecting approximately 129 million people. This increase in poverty highlights the vulnerability of resource-rich countries that are also fragile and conflict-prone, where oil wealth often fails to translate into sustainable development.

The primary drivers of Nigeria's worsening poverty are the country's dependency on oil revenues and deep-rooted governance challenges. While the economy is forecasted to grow at 3.6% in 2025 and 3.8% by 2027, this growth will not be inclusive. Small business owners and traders will bear the brunt of this stagnation as poverty suppresses consumer spending power. With diminishing disposable income, demand for goods and services will fall, directly affecting small businesses that rely on local consumption. For informal sector traders, whose economic activities are often directly

tied to domestic demand, this shift will deepen the economic strain they face. The informal sector, a cornerstone of Nigeria's economy, is particularly vulnerable as reduced spending hampers its revenue generation.

Inflationary pressures further complicate the business environment, raising the cost of doing business and leaving small business owners with fewer resources for growth or even basic operations. These challenges, coupled with Nigeria's weak regulatory environment, limit entrepreneurial capacity, hindering investment and expansion. Without a stable environment conducive to business growth, many small enterprises will face an existential threat, while the broader economy stagnates.

The intertwined nature of the informal sector and the overall economy means that when small businesses struggle, wider economic conditions also deteriorate. As consumption contracts, businesses suffer from a drop in sales, which further weakens the economic cycle. While sectors like finance, ICT, and transportation may experience some growth, this will not be sufficient to address the needs of small

businesses or lift large segments of the population out of poverty.

The World Bank emphasizes the need for Nigeria to shift away from its overreliance on oil exports and diversify its economy to achieve sustainable growth. Reforming fiscal management, improving public sector governance, and fostering inclusive growth are critical to mitigating the risks of prolonged poverty. However, without a comprehensive economic transformation that reduces vulnerability and promotes resilience, Nigeria is likely to continue facing significant challenges.



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Social Story

The Headies 2025

- The 17th edition of the Headies Awards marked a significant return to Lagos after two years in the United States, with the theme Back to Base underscoring the event's homecoming at the Landmark Event Centre.
- Hosted by media personalities Nancy Isime and IK Osakioduwa, the ceremony combined elegance, humour, and stage presence to guide audiences through a dynamic night of recognition and performance.
- The awards celebrated excellence across 30 categories, with Ayra Starr and Odumodublvck leading the nominations at eight each, followed closely by Tems and Asake with six.
- Rema had a standout night, taking home Album of the Year for HEIS and earning a Producer of the Year nomination for the track "HEHEHE," alongside Producer X, Cubeatz, Deatz, and Klimperboy.
- Chike and the late Mohbad were jointly celebrated for Egwu, which won both the Viewers' Choice Award and Music Video of the Year. Mohbad was also posthumously honoured with Best Street-Hop Artiste for his single Ask About Me.
- Tems secured Best Recording of the Year for her song Burning, while also being recognised with a Humanitarian Award for her impact beyond music.
- Davido was awarded Best Digital Artiste of the Year, while Tanzanian singer Juma Jux won Best East African Artiste of the Year and delivered a memorable live performance that captivated the audience.
- This year's Headies didn't just mark a return to Nigerian soil—it reignited the vibrant pulse of the local music scene. With heartfelt tributes, electrifying performances, and a surprise hint at another ceremony on the horizon, the 17th edition set the tone for what could be a landmark year in African music recognition.



How to spot Ponzi schemes before investing

Culled from Punch²

Over the years, Nigerians have painfully learned that not all that glitters is gold. From MMM, which collapsed in 2016 after fleecing millions of their life savings, to newer schemes like CBEX that lure the public with high returns and vague business models, Ponzi schemes have only gotten more sophisticated.

Yet, the playbook remains the same: promise big, deliver little, crash eventually.

So, how do you stay ahead and avoid becoming the next victim?

Greed, ignorance

Ponzi schemes thrive on two key ingredients: greed and ignorance. The masterminds behind them promise unrealistically high and consistent returns, far beyond what genuine investments like mutual funds, real estate, or treasury bills can deliver. To make their scam look legitimate, they often cloak it in complex jargon, pseudo-business models, or fancy presentations that confuse rather than clarify.

Many go a step further, leveraging religion, community affiliations, or the influence of popular figures to build

credibility and manipulate trust. And when early investors, often friends or family, appear to make quick profits, skepticism gives way to blind faith.

Too good? too risky

The first rule when evaluating any investment is: if it sounds too good to be true, it probably is. Ponzi schemes typically promise unrealistically high returns with little or no risk. In the world of finance, risk is inevitable. All legitimate investments, whether in stocks, real estate, or bonds, carry some degree of risk. A genuine investment opportunity may offer solid returns over time, but it will never guarantee an endless, risk-free profit. If you hear someone boasting about returns that are significantly higher than the market average, especially without detailing how the money is made, be skeptical. In fact, if an investment offers more than you can reasonably expect from a legitimate venture, it's likely an illusion designed to attract your money.

Do your research before parting with your hard-earned money. Legitimate investment platforms are typically regulated by national financial authorities. In Nigeria, for example, the Securities and Exchange Commission

2. <https://punchng.com/how-to-spot-ponzi-schemes-before-investing/>

and the Central Bank of Nigeria oversee the activities of financial institutions and can confirm whether a company is properly licensed. A quick search on their websites can provide you with the relevant details. When you look into an investment, ask yourself: Where is the proof of their business model? How do they make money if it's not coming from new recruits? If the company cannot provide clear, verifiable information about how it generates income beyond participant fees, it is likely a Ponzi scheme. Many people overlook this simple yet crucial step and end up losing their life savings.

Recruitment means trouble

One of the classic warning signs of a Ponzi scheme is the focus on recruitment. In Ponzi schemes, the real money comes not from actual business operations, but from the new money invested by recruits. If you are promised commissions or bonuses for signing up new investors, you're likely being drawn into a pyramid structure.

These schemes rely on constant new recruitment to keep the money flowing, and once the influx of new investors slows down, the entire operation collapses. This is what happened in the MMM debacle and is currently happening in various schemes like CBEX. When recruitment becomes the main source of income, rather than selling a product or providing a service, you should immediately question the sustainability and legitimacy of the platform.

Look deeper

In today's digital age, many Ponzi schemes have adapted by hiding behind the allure of cryptocurrency and forex trading. While both of

these are legitimate financial markets, scammers exploit their complexity to confuse investors and seem credible. Ponzi operators will often promise extraordinary returns from crypto investments or forex trading without explaining how it works, which is an immediate red flag.

While there are legitimate businesses in these sectors, scam platforms often operate without regulation and prey on the excitement surrounding digital currencies. They might ask you to invest in a "new crypto" or "exclusive forex opportunity," offering huge returns. However, legitimate crypto and forex platforms are transparent, have clear business operations, and are regulated by financial authorities. If the company cannot explain its operations or is overly secretive, it's likely a scam.

Ignore hype, testimonials

Don't be swayed by glowing testimonials or social media posts claiming "easy profits" or "success stories." In many cases, the early participants in Ponzi schemes are paid with the money invested by new recruits, which creates the illusion of success.

These testimonials are not proof of legitimacy, they are simply part of the marketing strategy to draw in more victims.

Fraudulent platforms may feature stories from happy customers who "made thousands in just a few weeks," but once the recruitment slows down, those very investors lose everything. Instead of relying on testimonials, look for audited financial reports or regulatory oversight. A legitimate company will have clear, verified financial statements that show how profits are made and where the money is coming from.

Excuses = exit plan

When you notice that payments are delayed or that the company is constantly offering excuses for why your withdrawal isn't processed, it's time to act. "Technical issues," "system upgrades," or "pending approvals" are classic stalling tactics used by Ponzi schemes when they're on the verge of collapse. Once the money coming in from new recruits no longer covers the payouts to earlier investors, the scheme falls apart.

It's critical to be vigilant at this stage; if the company is consistently postponing withdrawals or giving vague explanations for payment delays, it's a clear sign the business model is unsustainable. These excuses are often used to buy time as the company prepares to shut down.

Fear of missing out

Ponzi schemes often rely on psychological pressure to get people to act quickly. If you hear phrases like "don't miss out" or "this is a once-in-a-lifetime opportunity," take a step back and think carefully. These are emotional manipulation tactics designed to make you feel like you'll regret not participating. Many scammers play on FOMO (fear of missing out) to push people into rushing decisions without doing proper research. Take your time. Good investment opportunities are built on facts, not fear. Always remember that an investment that requires urgency is likely too risky or fraudulent to be worth your time.

Quick money trap

Building wealth is a long-term process that requires patience, planning, and informed decision-making. There's no shortcut to financial success. Ponzi schemes, however, lure people with the promise of

quick profits, often in just a matter of weeks or months. Unfortunately, the quick gains are rarely sustainable, and once the scheme collapses, the losses are often devastating. If an opportunity promises fast returns with little effort, it's usually a sign that it's too good to be true. Sustainable wealth is built over time, not in a hurry.

Stay smart, safe

The most important defense against Ponzi schemes is financial literacy. Educate yourself about how investments work and how to identify potential scams. Always ask questions, research thoroughly, and verify the legitimacy of any platform before you invest. If something feels off or too good to be true, it's better to walk away. Informed decision-making is the key to protecting your finances and building a secure future. The promise of quick wealth might sound tempting, but the long-term consequences are not worth the risk.

In a world where the promise of quick riches often clouds judgment, it's essential to approach any investment opportunity with caution and diligence. Ponzi schemes thrive on the allure of high returns, the lack of transparency, and the pressure to act quickly. However, by staying informed, conducting thorough research, and being skeptical of promises that sound too good to be true, you can protect yourself from falling victim to these scams.

Remember, building wealth is a gradual process that requires patience, knowledge, and informed decisions. Legitimate investments come with risks, but they also offer the potential for sustainable returns over time. By staying vigilant and prioritising financial literacy, you ensure that you make decisions based on solid principles, not the fleeting temptation of fast money.

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