# CENTRAL BANK OF NIGERIA

## KEYNOTE ADDRESS

BY

**Mr. Olayemi Cardoso**
Governor,
Central Bank of Nigeria

*Delivered at the Chartered Institute of Bankers of Nigeria (CIBN) 58th Annual Bankers' Dinner and Grand Finale of the Institute's 60th Anniversary.*

*Eko Hotels & Suites, Victoria Island, Lagos, November 24, 2023.*

**Protocols**

1. Good evening distinguished guests, I am truly delighted to be here with you tonight at this esteemed Chartered Institute of Bankers of Nigeria Gala evening. It is an immense honor to to deliver the keynote address on this momentous occasion—the Grand Finale of the Institute's 60th Anniversary. This event holds great significance as it symbolizes the Institute's enduring legacy and the successful transition of leadership from one capable set of individuals to another. I would like to express my heartfelt appreciation to the President and Chairman of Council of CIBN, the members of the Dinner Planning Committee, and the 60th Anniversary Committee for their exceptional stewardship and leadership. To all the members of CIBN, I extend my warmest congratulations on this milestone, and I wish every one of you a delightful evening filled with joyous celebrations.

2. Permit me to make special mention of His Excellency, Vice President Kashim Shettima (GCON), who is also completely at home in this gathering as a former banker before he made his foray into public service and has, through his career, shown strong leadership on developing Nigeria’s economy.

3. Distinguished guests, allow me to take a moment to delve into the rich history of the Chartered Institute of Bankers of Nigeria (CIBN). The origins of this esteemed institution can be traced back to November 28, 1963, when a group of 124 visionary bankers came together and passed a resolution to establish an Institute that would promote banking education in Nigeria and foster a sense of camaraderie among professional bankers. Over the past 60 years, the Institute has flourished, leaving behind a legacy of remarkable achievements.

4. Today, the Nigerian banking industry stands as a testament to our homegrown excellence, with a lineage of accomplished bankers who have left their indelible mark not only in Nigeria but also across Africa, Europe, and America. We have witnessed banks initiated by CIBN members grow from humble beginnings into leading institutions that can proudly hold their own on the global stage. Moreover, countless CIBN professionals have risen through the ranks of banking to occupy towering positions of corporate leadership and public service.

*5.* I recently had the privilege of meeting a young banker who shared her journey of joining the institute as a fresh graduate and how the CIBN's commitment to professionalism and ethics shaped her career. She spoke passionately about the transformative power of the institute's programs and how it instilled in her a sense of purpose and dedication to serving her clients and community. Her story reminded me of the human aspect of the banking industry and the importance of organizations like the CIBN in nurturing talent and fostering an environment of integrity and innovation.

6. This annual event is critical as it is an opportunity for us at the CBN to interact with major players and the business communities and share our perspectives on burning issues affecting the banking and financial services sector, and the economy in general. Importantly, it avails key industry operators a platform to gain knowledge of regulators 'views on the underlying factors driving the state of our economy, the policy focus that would shape macroeconomic and financial markets conditions, and our understanding of the short-to-medium-term outlook of the economy.

## Global Economy

7. Distinguished Ladies and gentlemen. The global economy, much like our domestic economy, often experiences cyclical patterns. The recent Russia-Ukraine conflict, coupled with the ongoing disruptions caused by the COVID-19 pandemic, has had severe consequences for global supply chains, particularly in agriculture and energy sectors. These disruptions have resulted in a significant decline in commodity prices and international trade. The sustained high crude oil prices, exceeding $80 per barrel, have posed challenges for import-dependent countries like Nigeria in managing prices.

8. The prospects of a global economic recovery have been further dampened by the ongoing crisis between Israel and Hamas. The International Monetary Fund (IMF) warns that these conflicts have serious implications for global economic performance and leave little room for policy errors. In response to the inflationary pressures caused by the surge in energy prices resulting from the Russia-Ukraine conflict, monetary authorities worldwide have raised policy interest rates, leading to tighter global financial market conditions and significant outflows of funds from emerging market countries.

These developments have led to a strengthening of the US dollar, exacerbating inflationary pressures while weakening currencies and depleting external reserves in many emerging market countries. As a result, several central banks in emerging markets and developing economies have implemented restrictive policies to contain rising inflation and reduce capital outflows.

9. The widespread tightening of monetary policy, aimed at curbing inflation, has restrained economic activity and suppressed growth. According to the IMF, global growth is projected to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, well below the historical average of 3.8 percent (2000-2019). Advanced economies are expected to experience a slowdown from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as the impact of policy tightening takes hold. Meanwhile, emerging market and developing economies are projected to have a modest decline in growth from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024.

10. Global inflation is forecasted to steadily decline from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, thanks to tighter monetary policy measures and lower international commodity prices. However, core inflation is expected to decline more gradually, and inflation is not anticipated to return to target levels until 2025 in most cases. It is crucial to note that monetary policy actions and frameworks play a vital role in anchoring inflation expectations during these challenging times.

11. In response to these challenges, countries worldwide have adopted various conventional monetary policy measures. Available data indicates a gradual recovery in output in the US, UK, and some emerging market economies. GDP growth in the US, UK, and emerging market economies reached 2.2 percent, 1.4 percent, and 3.4 percent, respectively, in the second quarter of 2023, compared to the same period in 2022. In Africa, countries such as South Africa, Ghana, Egypt, and Kenya saw growth rates of 0.6 percent, 3.2 percent, 3.9 percent, and 5.4 percent, respectively, in the second quarter of 2023, thanks to complementary fiscal and monetary policy measures.

12. Furthermore, inflation rates have continued to moderate in advanced economies like the United States, the United Kingdom, and emerging market economies. This is largely due to the responsiveness of interest rates to adjustments in monetary policy parameters. However, countries such as Turkey, and Argentina have experienced upward inflationary pressures, mainly due to legacy supply shocks, despite several policy rate adjustments.

13. Considering these developments, it is evident that economic fundamentals play a crucial role in the effectiveness of monetary policy actions in addressing macroeconomic challenges. Therefore, it is imperative that we build a robust institutional framework to support monetary policy in achieving its objectives of ensuring price and monetary stability, which in turn guarantee financial system stability.

**Domestic Economy**

14. Considering recent developments within our domestic economy, it is evident that we are facing significant macroeconomic and social challenges. These challenges stem from a variety of factors, including adverse global shocks, unfavorable domestic imbalances, structural

rigidities, and the unintended consequences of certain corrective policy measures implemented to restore and realign our macroeconomic landscape.

15. In recent years, the continuous decline in Nigeria's crude oil production has further weakened our already inadequate economic diversification. This has led to a decline in government revenue and foreign exchange inflows, while simultaneously witnessing a growth in public expenditures and a deterioration in macroeconomic indicators, which has constrained our policy options. Consequently, we have seen the fiscal deficit and public debt increase, placing additional strain on external reserves and contributing to exchange rate instability.

16. The GDP growth rate has remained modest, declining to 3.1 percent in 2022 from 3.4 percent in 2021, and further dropping to 2.5 percent in the second quarter of 2023. The projection for 2023 stands at 2.9 percent. Despite this, the non-oil sector continues to be the main driver of growth, expanding by 3.58 percent in the second quarter of 2023 compared to 2.77 percent in the first quarter. This growth is attributed to the services, agriculture, and industrial sectors, which contributed 4.20 percent, 1.94 percent, and 1.50 percent,

respectively, to overall output growth in Q2 2023. Looking ahead, a growth rate of 2.36 percent is expected in the third quarter of 2023, with an anticipated increase to 3.97 percent in the fourth quarter as various reforms take effect.

17. The domestic factors affecting Nigeria's economic performance span a wide range, encompassing both social and economic aspects. Insecurity remains a pressing issue, affecting the agricultural, industrial, and services sectors simultaneously. The persistently high levels of insecurity have resulted in decreased national output and productivity, as many farmers have been unable to access their farmlands, disrupting supply chains and major economic activities. This has led to food shortages and inflation in various parts of the country.
18. Infrastructure constraints also pose significant challenges, undermining the production chain and distribution network of goods and services. Additionally, issues such as business bottlenecks and a culture of poor service delivery, particularly within the public sector, further hinder the fortunes of the Nigerian economy. Addressing these challenges requires a well-crafted structural policy, complemented by coordinated monetary and fiscal policies.

19. Permit me to pause here, and recognize the Hon. Minister of Finance and Coordinating Minister of the Economy, Mr. Olawale Edun who also emerged from the banking industry and with whom we are collaborating with on these critical issues on a continuous and regular basis.

20. A thorough assessment of the economy reveals significant challenges, including high and rising inflation, inadequate foreign exchange supply, depreciation of the exchange rate, limited external reserves, weakened output, and high unemployment. These challenges have led to increased interest rates, discouraging investments in productive activities. Within the banking system, high inflation has affected asset quality and solvency ratios. Additionally, the persistent depreciation of the naira poses a significant risk for domestic banks with foreign exchange exposures.

**Addressing the Challenges of the Banking System and the Economy**

21. Distinguished Ladies and gentlemen, I understand that many of you have concerns about the current state of our economy. I want to assure you that while it is indeed a formidable challenge, it is not insurmountable. With the right policy measures, we can overcome these obstacles and pave the way for progress and prosperity. I am

confident and optimistic that by taking appropriate corrective actions and strategic steps, we can restore macroeconomic stability and address fundamental flaws.

22. The removal of petrol subsidy and the adoption of a floating exchange rate, among other government policies, are anticipated to have positive effects on the economy in the medium-term. These measures are expected to enhance investor confidence, attract capital inflows, stimulate domestic investment, and ultimately improve the level of external reserves. Additionally, they are expected to contribute to the stabilization of the domestic currency.

23. Indeed, despite the challenging global and domestic macroeconomic environment, Nigeria's financial sector has demonstrated resilience in 2023, with key indicators of financial soundness largely meeting regulatory benchmarks. Stress tests conducted on the banking industry also indicate its strength under mild-to-moderate scenarios of sustained economic and financial stress, although there is room for further strengthening and enhancing resilience to shocks. Therefore, there is still much work to be done in fortifying the industry for future challenges, a topic that I will delve into later in my address.

24. In my recent speech at the 370th Bankers' Committee meeting, I highlighted the economic agenda of President Bola Ahmed Tinubu's administration. The administration, as outlined in the widely circulated Policy Advisory Council report on the national economy earlier this year, has set an ambitious goal of achieving a Gross Domestic Product (GDP) of $1.0 trillion over the next seven years, with clearly defined priority areas and strategies. Attaining this substantial target necessitates sustainable and inclusive economic growth at a significantly higher pace than current levels. The administration has already commenced this journey through fiscal reforms, including the removal of petrol subsidy and the unification of the foreign exchange market rate.

25. Esteemed guests, considering the policy imperatives and the projected economic growth, it is crucial for us to evaluate the adequacy of our banking industry to serve the envisioned larger economy. It is not just about the stability of the financial system in the present moment, as we have already established that the current assessment shows stability. However, we need to ask ourselves: Will Nigerian banks have sufficient capital relative to the financial

system's needs in servicing a $1.0 trillion economy in the near future? In my opinion, the answer is “No!” unless we take action. Therefore, we must make difficult decisions regarding capital adequacy. As a first step, we will be directing banks to increase their capital.

26. Technology will continue to play a critical role in delivering financial services and enhancing financial inclusion. However, recent developments in the payment services landscape have raised concerns regarding the use of technology and the existing licensing and regulatory framework. We have observed that some licensees are operating outside the approved activities, breaching the boundaries set for them. Any intentional or unintended non-compliance will be subject to sanctions, as operators have the responsibility to ensure that they are licensed for the activities they undertake.

27. Concurrently, as we conduct a comprehensive review of the licensing framework for payment services, we will engage in extensive consultations to develop a new regulatory and compliance framework that is suitable for the technology-driven payment services sector. Looking ahead for the industry, banks should reassess the responsible banking framework to ensure that the requirements are effectively integrated into their strategies. I am

aware that some banks have made commendable progress in this regard. Furthermore, the Central Bank of Nigeria is taking steps to enhance its in-house capacity so that it can assist other banks that still have progress to make in implementing their sustainability principles.

**Human Stories**

28. While macroeconomic indicators are valuable in assessing performance, I am equally concerned about the well-being of the average citizen.

29. The plight of the hardworking masses in our urban centers and villages is a pressing concern. We must ask ourselves if there is a potential future where a brilliant and motivated teenager from anywhere in Nigeria could attend a future anniversary dinner instead of being drawn into outlawed militant groups or extremist ideologies. Likewise, recognizing the pivotal role that women play as critical players in the economy, one cannot overlook the significant impact that providing them with opportunities can have on Nigeria's economic advancement. To address this, we need to develop stronger frameworks for measuring the human condition and ensure

that policymakers and business leaders pay as much attention to these measures as they do to macroeconomic indicators. This means tracking indicators such as access to food, shelter, and healthcare, as well as education and skills training opportunities.

30. We must also monitor daily wage rates in lower-income jobs, access to basic amenities like electricity, clean water, and sanitation facilities, and availability of public transportation. From a financial inclusion standpoint, we should track access to financial services, including consumer credit, and ultimately, the ability to finance home ownership on a large scale. By having accurate data on the human condition and implementing appropriate policies based on this data, we can expect inclusive economic growth that leads to tangible improvements in the lives of our citizens. It is crucial to give the same visibility to human condition data as we do to macroeconomic data to ensure that the expected economic progress benefits the masses and helps lift them out of their current dire conditions.

*31.* I recently met with a group of small business owners who expressed their concerns about the impact of inflation on their operations. They shared stories of struggling to maintain affordable prices for their customers while facing rising costs for raw materials and supplies. The instability caused by inflation not only affects their profit margins but also hampers their ability to plan for the future. These entrepreneurs stressed the need for price stability to create a conducive business environment that allows them to thrive and contribute to the economy.

*32.* In recent discussions with individuals from different walks of life, I encountered a young family trying to make ends meet in the face of rising prices. They shared their worries about the erosion of their purchasing power and the challenges of meeting basic needs within a tight budget. They emphasized the importance of stable prices to protect the well-being of ordinary citizens and ensure a fair distribution of resources. It is crucial that we prioritize price stability to safeguard the livelihoods of our fellow Nigerians.

*33.* Stabilizing the exchange rate is another critical aspect of our efforts to promote economic stability. I had the privilege of speaking with business owners engaged in international trade. They recounted the difficulties of navigating the fluctuations in the exchange rate, which often led to uncertainties and unexpected costs. The volatility in the foreign exchange market disrupted their planning and hindered their ability to make informed business decisions. It is imperative that we provide transparency and create a market environment that allows fair determination of exchange rates, ensuring stability for businesses and individuals alike.

34. To address these challenges, the Central Bank of Nigeria is committed to achieving monetary and price stability. This is not just a technical objective, but it has real-life implications for the well-being of our citizens. Through targeted policies, transparent market operations, and coordination between monetary and fiscal authorities, we can ensure a more stable exchange rate, control inflation, and create an enabling environment for businesses and individuals to thrive.

35. This is what I, together with my team at the Central Bank have been focused on doing in the past two months. We hace critcally reviewed the effectiveness of the Central Bank's monetary policy tools and have spent time fixing the transmission mechanism to ensure the decisions of MPC meetings actually result in desired objectives. For quite some time, there has been a dislocation of our monetary transmission mechanisms rendering the MPC meetings largely ineffective.

36. For the avoidance of doubt, the Central Bank of Nigeria Act 2007 requires that the meeting of the Monetary Policy Committee of the Bank holds at least four times a year, and the Bank has satisfied this requirement for 2023. Our focus has been on ensuring these meetings are useful and effective.

37. I am happy to report that our efforts over the past two months have begun to yield fruit. The activities include the following:

(i) Regular Open Market Operations (OMO) to mop up excess liquidity from the banking system. An OMO auction was recently held with a stop rate of 17.5% for the one-year tenor, attracting oversubscription of N350 billion. Another round of OMO has been approved to further reduce excess liquidity.

(ii) Offering N108.1 billion worth of Treasury Bills with three tenors to the investing public, which can help reduce liquidity in the banking system and support government fundraising.

(iii) Removal of the cap on the remunerable Standing Deposit Facility (SDF) to increase activity in the SDF window and manage liquidity.

(iv) Sustained Cash Reserve Requirement (CRR) debits, which have moderated liquidity in September and October 2023. Liquidity in the entire banking sector has been significantly reduced to under N100 billion in November.

(v) Inauguration of a new liquidity management committee within the Bank that meets daily at 8am to assess liquidity conditions and ensure optimal levels.

38. These measures have already started to yield results, as excess liquidity in the banking system has significantly reduced and the Overnight Bank Borrowing (OBB) rate has increased to a level consistent with the monetary policy program. Month-on-month inflation has also begun to decline, with a growth rate of 0.67% in October compared to 0.97% previously.

39. **While absolute inflation is still rising, the declining rate of growth indicates progress. The CBN is confident that with continued tightening measures for the next two quarters, we will be able to effectively manage inflation.**

## Building Back a Better Central Bank

40. Distinguished Ladies and Gentlemen, I am aware that events over the past few years have also put the CBN in bad light. These issues can be attributed to various factors, such as corporate governance failures, diminished institutional autonomy of the Central Bank of Nigeria, a deviation from the core mandate of the Bank, unorthodox use of monetary tools, an inefficient and opaque foreign exchange market that hindered clear access, a foray into fiscal activities under the cover of development finance activities. There was also a lack of clarity in the relationship between fiscal and monetary policies, among other challenges.

41. Hitherto, the CBN had strayed from its core mandates and was engaged in quasi-fiscal activities that pumped over 10 trillion naira in the economy through almost different initiatives in sectors ranging from agriculture, aviation, power, youth and many others. These clearly distracted the Bank from achieving its own objectives and took it into areas where it clearly had limited expertise.

42. Ladies and gentlemen, under my leadership, the Central Bank of Nigeria will vigorously address these issues. We will tackle institutional deficiencies, restore corporate governance, strengthen regulations, and implement prudent policies. We assure investors and the business community that the economy will experience significant stability in the short-to-medium term as we recalibrate our policy toolkits and implement far-reaching measures.

43. Esteemed guests, <u>the primary mandate of the CBN is to ensure price stability, in addition to other objectives such as issuing legal tender currency, safeguarding external reserves, promoting a sound financial system, and providing economic and financial advice to the government.</u> In line with our strategy to refocus on our core mandate, the CBN will discontinue direct quasi-fiscal interventionist activities and instead utilize orthodox monetary policy tools for implementing monetary policy. As part of this refocus, the CBN has just approved the adoption of an explicit inflation-targeting framework to enhance the effectiveness of our monetary policy. The details and requirements for this framework are currently being finalized alongside the fiscal authorities. Additionally, the CBN will provide forward guidance, enhance transparency, and maintain

effective communication with the public to anchor expectations and build trust among stakeholders.

44. Our monetary policies will aim to achieve price stability, foster sustainable economic growth, stabilize the exchange rate of the naira, and reduce interest rates to facilitate borrowing and investments in the real sector. In order to ensure the proper functioning of domestic and foreign currency markets, clear, transparent, and harmonized rules governing market operations are essential. New foreign exchange guidelines and legislation will be developed, and extensive consultations will be conducted with banks and FX market operators before implementing any new requirements.

45. We have already witnessed improvements in FX market liquidity in recent weeks, as the market responded positively to tranche payments which have been made to 31 banks to clear the backlog of FX forward obligations. We have been subjecting these payments to detailed verification to ensure only valid transactions are honored. In a properly functioning market, it is reasonable to expect significant FX liquidity, with daily trade potentially exceeding $1.0 billion. We envision that, with discipline and focused commitment, foreign

exchange reserves can be rebuilt to comparable levels with similar economies.

46. Significantly, the envisioned GDP target will put Nigeria in a position of much more favourable macro-economic indices, comparable to other economies of $1.0 trillion and above, with similar population and development characteristics. As with these countries, there is an expectation that driving to this target requires improvements in productivity, employment, and key macro-economic growth indices. In drawing a comparison with some of these countries, I had in the same address to the Bankers 'Committee audience referred to selected BRICS and MINT economies, such as Brazil, Mexico, and Indonesia for their capacity to absorb economic shocks and rebound from cyclical downturn. Significantly, Brazil with a population of 215 million, Mexico 129 million, and Indonesia 275 million, which have 2023 unemployment rates at 7.8%, 3.1%, 5.4%, respectively. These are unemployment levels that we in Nigeria should aspire to achieve, and with resolve can attain.

47. Further to the projected growth target, sectors including Agri-processing, Oil & Gas, Manufacturing, Solid Minerals, Fintech and Information Technology, Real Estate construction and Infrastructure,

among others are expected to attract significant capital investments. Having mentioned all these sectors, we must appreciate the soft power projected by the incredibly talented cohorts in the Creative Industries: Afrobeat, Nollywood, Food, Fashion, Design, and the Arts, continue to make strong impact in youth employment and contribution to Nigeria's international image. As these sectors expand, so will opportunities for incumbent players and new entrants alike, who are willing to make calculated bets as economic spaces open from expansion of the economy.

48. Therefore, key macro-economic indicators both on fiscal and monetary activities must be tracked, diligently evaluated, and necessary adjustments made if things are not pointing in the right direction or moving at the right pace. These indicators include GDP growth, Tax-to-GDP, per capita income, balance of payments, foreign exchange reserves, unemployment rate, consumer price indices, headline, and core inflation rates, as well as more granular measures that we as the regulator use in assessing stability of the financial system. In our assessment of these key ratios, they need to continue to improve, however we are aware of laudable efforts by the fiscal authorities on this and recognize that visible improvements will take time to manifest.

49. As the monetary authority, we are taking measured and deliberate steps to send the right signals to the market and achieve our mandate. To ensure stability, curb speculation, and restore confidence in the foreign exchange market, we have initiated the payment of unsettled forward foreign exchange obligations, and these payments will continue until all obligations are cleared. This intervention has already had a positive impact on liquidity and has led to a significant appreciation of the exchange rate at certain points. The CBN also recently lifted the ban on 43 items from accessing the official foreign exchange market, allowing market forces to determine exchange rates based on the Willing Buyer – Willing Seller principle. We are witnessing clear progress in stabilizing the Nigerian foreign exchange market.

50. Allow me to provide further clarification on the issue of the 43 items. Firstly, it is important to note that these items were never outrightly banned by the government. The CBN had imposed restrictions on their access to foreign exchange in the official market. However, these restrictions resulted in increased demand for foreign exchange in the parallel market, leading to the depreciation of the exchange rate in that segment of the Nigerian Foreign Exchange Market

(NFEM) and widening the premium between the parallel and official market. Studies have shown that during the period when the 43 items were restricted, there was a 51.0% increase in trade evasion by importers accessing the foreign exchange market, resulting in a revenue drop of approximately US$1.4 billion, or US$275 million annually, between 2015 and 2019.

51. Additionally, revenue from tariffs on goods decreased from a high of approximately US$920 million in 2011 to about US$250 million in 2017. In 2019, the actual tariff on goods stood at US$320 million, but counterfactual evidence suggests that as much as US$680 million could have been earned in the same year. Furthermore, evidence has shown that foreign exchange restrictions had an adverse impact on Nigerian households and contributed to inflationary pressures. The reduction in trade restrictions and levies on rice, sugar, and wheat by 50.0% had only a minimal impact on welfare, with a 0.8% improvement, and a mere 0.4% reduction in extreme poverty. Moreover, the benefits of trade gains for the general population were negligible, as the average industry in Nigeria pays 13.7% more for its inputs. Lastly, it is important to note that trade policy is primarily the responsibility of the fiscal authorities, and delving into such matters falls outside the purview of the CBN.

52. Ladies and gentlemen, as an adviser to the government, the CBN will be repositioned as a catalyst for economic stability and growth. Instead of direct interventions, we will collaborate with stakeholders and formulate policies that create an enabling environment for sustained economic growth and development. Our catalytic role will support increased investment and private sector participation in the economy, improve access to finance for MSMEs, and enhance financial services for the underbanked. This includes promoting specialized institutions and financial products to support emerging sectors, developing regulatory frameworks to unlock dormant capital in land and property holdings, facilitating accelerated access to consumer credit, and expanding financial inclusion to reach the masses. Furthermore, we will work with experts to develop de-risking instruments that encourage private sector investment in key industry verticals such as housing, textiles and clothing, food supply chain, healthcare, and educational supplies, which have high potential for local inputs and value retention. The CBN will leverage its convening power to engage multilateral and international stakeholders in government and private sector initiatives.

53. In conclusion, there is much work to be done, and collaboration from all stakeholders is essential as we rebuild trust.

54. Central banks are known as banks of last resort because they underpin the financial system. To do so effectively will require rebuilding and restoring trust in the Central Bank of Nigeria. Let me assure you that I am irrevocably committed to that calling.

55. In navigating these challenging economic times, the Central Bank of Nigeria is fully committed to ensuring price stability and financial system sustainability. We will stand by Nigeria and Nigerians. Our actions will be fully guided by the principles of transparency, responsibility, and a deep commitment to Nigeria's progress.

56. Throughout the CIBNs journey of growth and success, the principles of trust, honesty, integrity, and professionalism have been steadfast guiding lights. They have defined the essence of our profession and shaped the character of the industry. However, it is important for us to engage in introspection and acknowledge that in recent times, the reputation of the industry has suffered some setbacks, challenging the very principles that have underpinned our noble profession. It is incumbent upon us to look back into history and draw inspiration

from the rich heritage of the CIBN, learning from the countless examples of banking professionals who upheld these principles and contributed to the creation of a thriving industry—an industry that has become a unique, homegrown addition to the global financial system.

57. Once again, I would like to express my gratitude to the Chartered Institute of Bankers of Nigeria for organizing this event.

58. Thank you all for your attention, and I wish you an enjoyable evening ahead.

**Olayemi M. Cardoso**

**Governor,**

**Central Bank of Nigeria**

**November 24, 2023**