



Central Bank of Nigeria

# CBNUPDATE

ISSN No. 2695-2394, Vol. 6, No 9, September 2024

## Team **Cardoso** First 365 Days



## Building the Foundation for a New Era

▶▶ Special Edition ◀◀

### Inside this edition :

- Repositioning for Impact
- Ensuring Monetary and Price Stability
- Understanding Banking Sector Re-capitalization
- A Central Bank for All Nigerians



## CBN UPDATE EDITORIAL CREW

### Editor -in-Chief

Hakama Sidi Ali

### Managing Editor

Obibia Edere

### Editor

Ali Abubakar

### Assistant Editors

Kerma Mshelia

Ify Nwankwo

### Senior Staff Writers

Pearl Ogbonna

Daba Olowodun

### Staff writers

Louisa Okaria

Chioma Udeogu

Mukhtar Maigamo

Ogochukwu Ikeagwuonu

Blessing Uzoagbado

Tina John

Khadeejah Bello

### Contributing Editors

Olalekan Ajayi

Mohammed Haruna

## LETTERS TO THE EDITOR

We welcome your contributions and comments. Please forward them to the Editor via: [alabubakar@cbn.gov.ng](mailto:alabubakar@cbn.gov.ng)

## CBN SOCIAL MEDIA

 @cenbank

 cenbankng

 @centralbankng

 @cenbank

## CBN CONTACT CENTRE

[contactcbn@cbn.gov.ng](mailto:contactcbn@cbn.gov.ng)

07002255226

## CONTACT DETAILS

Corporate Communications Department,  
CBN Head Office: 6th Floor Wing "B"  
Plot 33, Abubakar Tafawa Balewa Way,  
Central Business District,  
P.M.B. 0187, Garki, Abuja.

## Contents

Prologue-----	03
Chronicling the Past 365 Days Under Cardoso's Watch at the CBN-----	05
Profile of Mr. Olayemi Cardoso-----	11
Profile of DG, CS, Dr. Bala Bello -----	13
Profile of DG, EP, Mr. Muhammad Abdullahi-----	15
Profile of DG, FSS, Mr. Philip Ikeazor-----	17
Profile of DG, Ops. Ms. Emem Usoro-----	19
Era of Compliance -----	21
Repositioning for Impact: A New Strategy for a New Vision--	23
Photo Section: The Beginning-----	28
Photo Section: Strategic Engagements-----	29
Inflation Targeting: A Fresh Start for Monetary Policy-----	32
Ensuring Monetary and Price Stability in Nigeria-----	35
Understanding Banking Sector Recapitalisation in Nigeria----	39
A Central Bank for All Nigerians-----	42
Photo Section: Deepening Business Ties Between Canada and Nigeria-----	45
Photo Section: Governor's Town Hall Meeting with CBN Staff-----	46
Photo Section: The 8th CBN Board Retreat-----	47
From the Stakeholders -----	49
Building a Respected Central Bank-----	52
Photo Section: Governor Cardoso's Visit to the Minister of Agriculture and Food Security-----	56
Epilogue-----	57
COMMITTEE OF GOVERNORS-----	59





## Editor's Note

### A Prologue....

On September 15, 2023, President Bola Ahmed Tinubu, submitted to the Senate of the Federal Republic of Nigeria for confirmation the names of Mr. Olayemi Cardoso and four others as the nominees for the positions of the Governor and Deputy Governors of the Central Bank of Nigeria (CBN). The announcement marked the end of an era at the Bank and the nation's financial industry.

Thus, many industry players, analysts, and observers received the news of the presidential announcement with bated breath.

Media reports in the country suggested that the nomination immediately affected market sentiments following the announcement. The Nigerian stock market closed the week's trading session on a positive note, even as investors ended a volatile week, which preceded the announcement.

Saturday, October 5, 2024, thus marks exactly 365 days since Mr. Cardoso was appointed and confirmed as the ship's captain at the nation's apex bank. Administrators usually use the first year of their reign to prepare and unveil their policy thrust, which sets the tone for their leadership. This is more so for an institution as pivotal as the CBN.

Upon assuming the reins as CBN Governor, Mr. Olayemi Cardoso inherited a landscape fraught with challenges that demanded immediate and decisive action. Fortunately, he faced inflationary pressures, which began to ease with the National Bureau of Statistics' announcement on Thursday, August 15, 2024, marking the first slowdown in inflation in nearly 18 months. He also inherited the pressing need for broad financial sector reforms alongside monetary instability. The Nigerian economy stood at a crossroads. It was a moment for reflection, but more importantly, a time for bold action.

This special publication, "Team Cardoso First 365 Days: Building the Foundation for a New Era," chronicles the journey of Mr. Cardoso's first year as CBN Governor, a year characterised by strategic shifts, renewed focus, and

a commitment to repositioning the CBN as a beacon of stability and integrity. From laying down a new vision for compliance and operational excellence to spearheading initiatives aimed at correcting the course in monetary policy, this publication captures the essence of leadership determined to pave the way for a prosperous future.

Mr. Cardoso's policy thrust is anchored on "compliance", a word the Governor echoes repeatedly in his public engagements, to underscore its significance in his administration. It points to his readiness to work strictly according to the law, as provided in the CBN Act 2007. "I believe that the Central Bank under our watch will have no choice but to embrace a culture of compliance," he assured the Senate while responding to questions during his screening.

As we explore the narratives of the past 12 months in this publication, we have segmented it into three parts: 'Turning a New Page,' 'A Season of Course Correction,' and 'As the Future Beckons.' Each section provides an in-depth look at the key policies, strategies, and decisions defining this administration's early tenure. We introduce the "Head Boy," Mr. Cardoso, and the four management team members, whose profiles highlight the diverse expertise and leadership styles shaping this new era.

As we journey through these pages, we will witness the steps taken to recalibrate the nation's monetary policy, stabilise prices, and rebuild trust within the banking sector. The future beckons, we will hear from stakeholders and reflect on our collective responsibility in building a respected central bank that serves every Nigerian.

This is not merely a look back at the past year; it is an exploration of the foundation being laid for the years to come—a foundation built on transparency, accountability, and a steadfast commitment to Nigeria's economic well-being. Welcome to the new era of the Central Bank of Nigeria under the leadership of Governor Olayemi Cardoso. ■



**Hakama Sidi Ali**  
Editor-in-Chief

# Chronicling the Past 365 Days under Cardoso's Watch at the CBN



The Committee of Governors at an MPC briefing.

When Mr. Olayemi Cardoso assumed office as the Governor of the Central Bank of Nigeria (CBN) in the last quarter of 2023, it was clear he meant business. Given his reputation as an advocate for compliance, stakeholders anticipated that it would not be business as usual.

Cardoso unveiled his vision for a new CBN on September 26, 2023, while he and his new deputies, comprising one lady (Ms. Emem Usoro) and three gentlemen (Dr. Bello Bala, Mr. Muhammad Abdullahi, and Mr. Phillip Ikeazor), were being screened and confirmed by the Nigerian Senate. While acknowledging the Bank's challenges at the time, he proposed potential solutions to help both the Bank and the economy emerge from the difficulties.

Cardoso declared that the primary objective of the reforms he was championing was to restore confidence in the Central Bank of Nigeria's ability to support economic growth effectively. According to him, "A refocused CBN will better serve the country through monetary policy interventions and advisory roles that sustain the implementation of the administration's

fiscal proposals."

## The Cardoso Agenda

Standing before a 108-member Senate at a screening broadcast live on all major television stations across Nigeria, Cardoso outlined a 10-point reform agenda, which included the following:

1. Compliance with the CBN Act 2007 to ensure monetary and price stability.
2. Instituting a zero-tolerance policy regarding corporate governance in the financial system.
3. Exiting quasi-fiscal functions with effect from October 2023.
4. The CBN will catalyse the creation of specialised institutions and financial products to support emerging sectors of the economy.
5. Facilitating new regulatory frameworks to unlock dormant capital in land and property holdings.

6. Enhancing Nigeria's payment systems and protecting customers' rights.
7. Accelerating access to consumer credit and expanding financial inclusion for the masses.
8. De-risking instruments to increase private sector investment in housing, textiles and clothing, the food supply chain, healthcare, and educational supplies.
9. Exercising the CBN's convening power to bring key multilateral and international stakeholders to participate in government and private sector initiatives.
10. Collaborating with fiscal authorities to enhance accretion to Nigeria's foreign reserves and ensure sustainable liquidity in the foreign exchange market.

He expressed hope that the reforms his team was embarking on would engender trust between the CBN and its various stakeholders and stimulate the growth of a strong economy for the overall good of the average Nigerian through new investments and job creation.

In his first major public engagement at the 2023 Annual Bankers' Dinner, organised by the Chartered Institute of Bankers of Nigeria (CIBN), Mr. Olayemi Cardoso pledged: "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."

### Cardoso's Scorecard, 365 Days Later...

In the past 365 days, Cardoso and his team have walked the talk regarding monetary policy. Under their watch, the CBN has adopted "Compliance" as the watchword in all its policy actions. Consequently, over the past 12 months, the Bank has initiated a series of measures to rebuild trust with stakeholders and provide a conducive platform for investments to thrive and jobs to be created.

Cardoso would be the first to admit that neither

the CBN nor the economy is where he and his team desire it to be. However, an objective assessment of the past year's activities underscores that improvements have been recorded and that the future looks bright for financial stability.

Speaking at the 2023 Annual Bankers' Dinner, Mr. Cardoso noted that the CBN, in line with its strategy to refocus on the Bank's core mandate, would discontinue direct quasi-fiscal interventionist activities and instead utilise orthodox monetary policy tools to implement monetary policy.

True to his word, and in compliance with the CBN Act 2007 to ensure monetary and price stability, the Cardoso team has made concerted efforts to curtail inflation, which was triggered by an excessive money supply before they assumed office. To curb high inflation levels, the CBN has taken an aggressive stance since Cardoso's maiden Monetary Policy Committee (MPC) meeting in February 2024, raising the monetary policy rate consecutively.

This monetary policy intervention seems justified, following a decline in inflation for the first time in 19 months in July and August 2024, respectively. The Bank is also gravitating toward inflation targeting to enhance the effectiveness of its monetary policy. The Bank now provides forward guidance, improves transparency, and maintains effective communication with the public to anchor expectations and build trust among stakeholders.

When Cardoso discussed instituting a zero-tolerance policy regarding corporate governance in the financial system, stakeholders expected he would wield the big stick against erring players. Therefore, not many were surprised when he and his team took decisive action to revoke Heritage Bank Plc's license due to the bank's persistent financial decline, despite numerous measures and directives to enhance its governance and operations. The CBN's action followed a prolonged period of severe financial instability, non-compliance with regulatory standards, and several interventions

by the CBN.

Before now, a significant burden on the CBN was its deep involvement in quasi-fiscal matters, which was a source of concern to many stakeholders. It was, therefore, a relief when Mr. Cardoso announced the Bank's exit from quasi-fiscal functions, effective from October 2023. True to his word, aside from the donation of fertiliser to the Federal Ministry of Agriculture and Food Security to boost food production and address prices, the Bank has ensured it remains focused on its monetary policy.

The forex liquidity issue, further exacerbated by limited dollar inflows and a volatile national currency, was a significant challenge that the Cardoso team encountered upon assuming office. However, following a deliberate effort by a task force personally chaired by Cardoso to engage with operators in the International Money Transfer space, Nigeria has recorded over a 130% increase in inflows into the country. As of the last count in August 2024, over \$553 million had come into the country through remittances.

During this period, the Bank stabilised the foreign exchange market by unifying rates, which has primarily reduced arbitrage opportunities. By clearing the verified backlog of \$7 billion, the Cardoso team was able to reduce volatility in the foreign exchange market. It also increased external reserves to \$37.9 billion as of July 2024, up from \$33.6 billion in October 2023.

The actions of the CBN Management with local and international stakeholders have also helped attract foreign investors and promote business growth. Enhanced communication and strategic actions have contributed to reducing economic uncertainties and establishing trust among the public and investors.

Indeed, the actions of the Cardoso team have provided transparency and created a market environment that allows for fair determination

of exchange rates, ensuring stability for businesses and individuals alike.

In its determination to bolster the banking system, safeguard the sector against risks, and realign the banks in line with the nation's overarching objective of establishing an economy worth a trillion dollars within the coming years, Cardoso's team, on March 28, 2024, unveiled new minimum capital requirements for banks. The minimum capital base for commercial banks with international authorisation was set at N500 billion, while those with national authorisation were set at N200 billion. The new requirement for regional banks was pegged at N50 billion.

Over the past year, the CBN has also approved the licence of one bank to operate as a non-operating financial holding company, while another transitioned from a merchant bank to a national commercial bank. Additionally, two banks received Approvals-in-Principle (AIPs) for regional commercial licenses, and one for regional non-interest banking. In the microfinance sector, 16 new banks were licensed, while 53 previously revoked microfinance bank licences were reinstated. The CBN also approved five new finance companies.

To enhance oversight in the Bureau de Change (BDC) space, the Bank updated licensing requirements, and capital standards, and introduced a franchise model to improve FX distribution and oversight. Coordination with other regulators has also improved through regular inter-agency meetings and collaborations on issues like cryptocurrency frameworks and infrastructure financing. The CBN also developed the Carbon Market Framework with the Nigerian Climate Change Council to attract sustainable finance and foreign investment.

Cardoso and his team have also focused on protecting customer rights. In just one year, they have addressed 19,988 customer complaints within eight months. Of these, 15,306 complaints—representing 76.58%—were



Members of the CBN Monetary Policy Committee seated (L-R) Deputy Governor, Corporate Services, Dr. Bala Bello; Deputy Governor, Economic Policy, Muhammad Abdullahi; Governor, Central Bank of Nigeria, Mr. Cardoso Olayemi; Deputy Governor, Operations, Ms. Emem Usoro; Deputy Governor, Financial System Stability, Mr. Philip Ikeazor and standing (L-R) Mustapha Akinkumi; Yuguda Lamido Abubakar; Aloysius Uche Ordu; Aku Pauline Odinkemelu; Murtala Sabo Sagagi; Jafiya Lydia Shehu; Bandele A.G. Amoo.

successfully resolved. During this time, the Bank facilitated refunds totalling approximately N7.05 billion and \$714,569.03 to customers in disputes with financial service providers, underscoring its commitment to fair treatment. The CBN has also rigorously enforced sanctions to ensure compliance, deter unethical behaviour, and enhance transparency within the financial sector.

Furthermore, the CBN has embraced digital transformation in the past 365 days through the implementation of the Unified Complaints Tracking System (UCTS) and the development of a USSD code (\*959#) for the verification of licensed financial institutions. The Bank also launched the Women Entrepreneurs Finance Initiative (We-Fi) Code, aimed at closing the 9% gender gap in financial inclusion by improving access to financial services for women-owned MSMEs. The Financial Education Curriculum (FEC) in Nigerian schools has been updated and benchmarked against global standards to improve financial literacy and decision-making among youth, promoting financial inclusion.

From October 2023 to September 2024, the CBN intensified its Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), and Cybersecurity measures. It

enhanced supervision and conducted spot checks on Nigerian banks and their foreign subsidiaries to expedite Nigeria's removal from the Financial Action Task Force (FATF) Grey List. These efforts aim to create a more secure investment environment, attract foreign investment, and bolster Nigeria's global financial reputation.

In July 2024, the CBN introduced guidelines to improve the management of dormant accounts, unclaimed balances, and other financial assets. The objective is to identify and reunite these assets with their rightful owners, holding the funds in trust until they can be claimed. Additionally, to improve financial system resilience, the CBN prohibited banks from distributing unearned income, such as foreign currency (FCY) revaluation gains, for the financial year ending December 31, 2023. This measure strengthens banks' countercyclical buffers, ensuring investors receive a clear picture of bank performance, fostering informed investment decisions, and promoting market integrity.

The CBN has also improved its Early Warning Systems to monitor systemic risks and vulnerabilities. These measures facilitate timely interventions to manage potential contagion risks, ensuring the safety and soundness of the

financial sector.

Another area where the Bank has made great strides is in data-driven decision-making. The Bank has utilised big data for more informed monetary policy decisions through tools like Dynamic Integrated Analytic Modeling (DIAMoND) and the Macro Diagnostic Framework. It has maintained high forecast accuracy and developed news-based indices to gauge policy uncertainty.

Commendation from global partners such as the International Monetary Fund (IMF) and other top rating agencies highlights the Bank's efforts to position Nigeria as a leading financial hub in Africa, driving long-term economic development and growth.

On the global stage, the Bank's leadership has maintained a tradition of quality representation among financial experts. From Cardoso's maiden engagement at the Annual Meetings of the International Monetary Fund and the World Bank held in Marrakech, Morocco, in October 2023, to the Spring Meetings of both institutions in Washington, D.C. in April 2024, the Governor has strengthened ties between the Bank and its global partners.

Recently, Governor Cardoso participated in the "Bretton Woods at 80" Forum, organised by the IMF and World Bank Group (WBG). This exclusive gathering included former executives of major global institutions and key figures shaping the future of markets, climate action, and social development, who came together to address the most pressing challenges facing the global economy.

Back home, the Bank has sought to improve the synergy between monetary and fiscal policies to ensure better economic management. The Bank developed the Fiscal and Monetary Policy Coordination Framework (FMPCF) to deepen this relationship. Over the period, monetary and fiscal authorities have worked together to address national and international financial and economic issues concerning Nigeria.

In August 2024, the Minister of Finance and

Coordinating Minister of the Economy, Mr. Wale Edun, and the Governor of the Central Bank of Nigeria jointly hosted the 2024 African Caucus Meeting of Governors of the International Monetary Fund (IMF) and the World Bank Group (WBG) in Abuja.

The meeting attracted Ministers and Governors of Central Banks from 50 African countries, alongside other distinguished panellists, including the Deputy Secretary General of the United Nations, Mrs. Amina Mohammed; Secretary General of the African Continental Free Trade Area (AfCFTA), Wamkele Mene; the Rt. Hon. Lord Paul Boateng of the UK House of Lords; members of Nigeria's Federal Executive Council, and delegates from across Africa and beyond, including representatives from the Bretton Woods Institutions (BWIs).

In line with the Central Bank of Nigeria (CBN) Act of 2007, Governor Cardoso's leadership has actively engaged with the National Assembly to fulfil its mandate of maintaining price and financial system stability. These engagements have involved regular briefings and consultations with key committees of both the Senate and the House of Representatives on critical economic issues such as monetary policy decisions, exchange rate management, and inflation control.

Since becoming Governor, Mr. Cardoso has championed the cause of improved communication of monetary policy decisions. He has pushed for enhanced communication with both international and domestic audiences to moderate expectations and strengthen stakeholder engagement. Beyond expanding coverage of the Bank's policies and programmes, the Bank's Corporate Communications Department has introduced podcasts and enhanced its social media presence to provide timely updates and engage the public effectively.

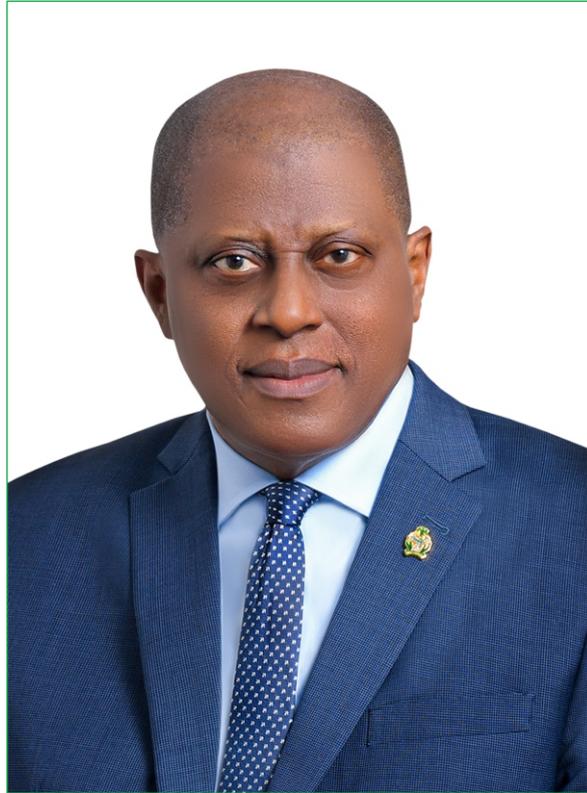
As the CBN commences its second year under Cardoso's leadership, Nigerians at home and abroad remain hopeful that his team will continue to implement policies that positively impact their lives. ■

## Team Cardoso



## Turning a New Page

# Mr. Olayemi Michael Cardoso Governor, Central Bank of Nigeria



The Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso

**M**r. Olayemi Michael Cardoso, a distinguished Nigerian professional, assumed office as the Governor of the Central Bank of Nigeria (CBN) on October 5, 2023. Born on July 10, 1957, in Lagos State, Mr. Cardoso hails from a lineage deeply rooted in Lagos. His early education at Corona Primary School, Ikoyi and St. Gregory's College, Lagos, set the foundation for a remarkable academic journey. He obtained a Bachelor's in Managerial and Administrative Studies from Aston University, United Kingdom, in 1980. Driven by an enduring commitment to public service and governance, he furthered his education at the Harvard Kennedy School of Government, earning a Master's Degree in Public Administration as a Mason fellow in 2005.

With a career spanning over three decades, Mr. Cardoso has demonstrated a profound

expertise in banking and finance, chartered stockbroking and public policy. His professional journey began in London with Howard Tilly & Co., a firm of Chartered Accountants, before he joined Citibank in 1981, which was then the world's largest bank. At Citibank, he underwent rigorous credit training in Athens, Greece. He worked in the Abidjan, Ivory Coast regional office, focusing on the bank's Financial Institution and Non-Presence country portfolio. Upon his return to Nigeria in 1982, he joined Chase Merchant Bank, an affiliate of Chase Manhattan, where he played a pivotal role in the credit and marketing team across the trading, construction and oil and gas sectors.

In 1984, Mr. Cardoso became a founding staff member of Nigeria International Bank (now Citi Nigeria Limited), where he led the World Corporation Group, managing key global

relationships and serving on the bank's credit committee. His exceptional leadership abilities were further demonstrated when he established Citibank's first branch outside Lagos, in Kano State, becoming its inaugural Branch Manager and earning a promotion to Vice President.

Mr. Cardoso's influence extended beyond the private sector into public service. In 1999, he was appointed the first Commissioner for Budget and Economic Planning for Lagos State. In this role, he spearheaded transformative financial reforms that significantly enhanced the state's tax revenue capabilities, driving economic growth in one of the world's largest megacities. His dedication to transparency, accountability, and fiscal discipline earned him the nickname "Headmaster," as he chaired several cabinet-level committees and implemented stringent budgetary measures.

His extensive experience in corporate governance complemented his tenure in public service. In 2007, he chaired the audit committee of Citibank's board, later serving as Chairman for 12 years. Under his leadership, Citibank championed diversity and gender inclusion. Mr. Cardoso also founded the Africa Institute for Leadership and Public Administration, fostering private-public partnerships. He contributed significantly to African urban development policies through his work with the Cities Alliance Think Tank.

Mr. Cardoso's distinguished career is marked by his commitment to financial stability and macroeconomic policy. He has served on numerous boards, including those of the Nigerian subsidiaries of Texaco and Chevron Oil PLC. He has chaired EFINA, a financial sector development organisation supported by the Bill and Melinda Gates Foundation. His advisory roles with international organisations, such as the World Bank, Ford Foundation, UN

Habitat and the World Health Organization, further underscore his influence in global economic and development circles.

President Bola Tinubu appointed Mr. Cardoso Governor of the Central Bank of Nigeria on September 15, 2023. Consequently, he received Senate confirmation on September 26, 2023. In his inaugural address, he pledged to uphold the highest compliance and governance standards, emphasising the CBN's adherence to its core mandate as outlined in the CBN Act of 2007. He committed to addressing critical economic issues by restoring corporate governance, strengthening financial regulations and implementing prudent policies to foster price stability and economic growth.

Under his leadership, the CBN has launched several initiatives to stabilise Nigeria's economy amidst significant challenges, including a forex liquidity crisis, a depreciating naira and rising inflation. Within nine months of his tenure, the CBN cleared a foreign exchange backlog of approximately \$7 billion. Governor Cardoso's strategic focus on inflation control, foreign exchange market reforms, and liquidity management reflects his commitment to fostering a stable and resilient financial environment conducive to economic growth.

In addition to his professional accomplishments, Mr. Cardoso is recognised for his integrity, leadership, and commitment to public service. His tenure at the CBN is marked by a dedication to implementing reforms that promote economic stability and growth, with a vision of positioning Nigeria as a robust economy on the global stage. Married with five children and three grandchildren, Mr. Cardoso inspires confidence in Nigeria's financial system through his principled leadership and unwavering commitment to the nation's economic development. ■

*"In 2007, he chaired the audit committee of Citibank's board, later serving as Chairman for 12 years. Under his leadership, Citibank championed diversity and gender inclusion."*

## Dr. Bala Mohammed Bello, (MON) Deputy Governor, Corporate Services



Dr. Bala Mohammed Bello (MON), Deputy Governor, Corporate Services

**B**ala Mohammed Bello (MON), the Deputy Governor, Corporate Services Directorate, has brought a wealth of experience and leadership to the institution since assuming office on October 5, 2023. Born in 1975, Dr. Bello hails from the picturesque Mambilla Plateau of Sardauna Local Government Area, Taraba State, where he began his journey toward becoming a distinguished figure in Nigeria's financial sector. His educational path commenced at Kakara Central Primary School and Government Secondary School in Gembu, before advancing to the prestigious Ahmadu Bello University, Zaria. There, he earned a Bachelor of Science Degree in Accounting and an MBA between 1992 and 1997, laying a solid academic foundation for his future career.

Dr. Bala Muhammed Bello's commitment to continuous learning is evident in his impressive

qualifications from globally renowned institutions. He has completed the High Potential Leadership Programme at Harvard Business School and the Executive Development Program at Wharton Business School, Pennsylvania, USA, demonstrating his commitment to leadership excellence.

Further enhancing his credentials, Dr. Bello holds a certificate in Operations Leadership from the Richard Ivey School of Business, University of Western Ontario, Canada and a Portfolio Management Academy Certificate from the New York Institute of Finance. His strategic acumen is fortified by certification in Strategic Management Performance Systems from LBL Strategies/George Washington University Centre for Excellence in Public Leadership. He is proud to hold a Stanford Graduate School of Management Certificate in Leading Change and Organizational Renewal.

Dr. Bello's professional journey began as an Executive Trainee at Guaranty Trust Bank plc, where he honed his skills in currency trading and marketing. His career trajectory continued at the Securities and Exchange Commission (SEC), where he served as a Financial Analyst. In 2005, Dr. Bello joined Sigma Pensions Ltd, beginning a nearly decade-long tenure. His strategic vision and leadership skills quickly propelled him to the first Indigenous Executive Director/Chief Operating Officer role, where he oversaw \$1.5 billion of pension funds and assets. His responsibilities included budget preparations and other critical financial activities, underscoring his role in shaping the company's strategic direction.

His affiliations with various professional bodies further prove Dr. Bello's contributions to the financial sector. He is a Fellow of the Chartered Institute of Forensic and Certified Fraud Investigation of Nigeria (CIFCFIN). He is also an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria, a Fellow of the Institute of Credit Administration and a member of the Institute of Directors, the Certified Pension Institute of Nigeria and the Nigerian Institute of Management. His expertise has been recognised through numerous awards, including the prestigious Doctor of Business Administration (Honoris Causa) from Commonwealth University in conjunction with London Graduate School and a Doctor of Philosophy (Honoris Causa) in Leadership and Management from ESAE University, Republic of Benin.

An expert in Candlesticks (Technical Analysis), Dr. Bello has attended numerous courses on investment management, wealth creation,

portfolio construction, strategic management systems and financial sector surveillance, both locally and internationally. His certifications span institutions such as the Beaufort Institute in South Africa, the West African Capital Market Institute in Ghana and the European Management Development Institute in Belgium. His professional achievements are complemented by his entrepreneurial spirit, as evidenced by his co-founding of Marine Capital Limited, a firm specialising in finance, real estate development and strategic business advisory.

Dr. Bello's leadership extends beyond the boardroom. He was appointed Executive Director (Corporate Services) at the Nigerian Export-Import Bank (NEXIM) in 2017, where he continued to influence the financial landscape of Nigeria. His contributions have not gone unnoticed, as he has been honoured with the National Honours Award as a Member of the Order of the Niger (MON) and the Ambassador for Peace award by the Universal Peace Federation, recognising his dedication to living for the sake of others.

Since joining the CBN, Dr. Bello has played a pivotal role in supporting Governor Olayemi Cardoso in achieving the Bank's mandate. His extensive experience, coupled with his strategic insight, continues to drive the development and stability of Nigeria's financial sector. Dr. Bala Mohammed Bello's career is a testament to his unwavering commitment to excellence, innovation and the advancement of Nigeria's economy. His support for the Management of the Bank has impacted the nation's financial stability and growth. ■

*“His affiliations with various professional bodies further prove Dr. Bello's contributions to the financial sector. He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria, a Fellow of the Institute of Credit Administration, and a member of the Institute of Directors, the Certified Pension Institute of Nigeria, and the Nigerian Institute of Management. “*

## Mr. Muhammad Abdullahi, Deputy Governor, Economic Policy



Mr. Muhammad Sani Abdullahi, Deputy Governor, Economic Policy

**M**r. Muhammad Abdullahi is the Deputy Governor of the Central Bank of Nigeria (CBN) responsible for the Economic Policy Directorate. Appointed by President Bola Ahmed Tinubu on September 15, 2023, his role was confirmed by the Nigerian Senate on September 26, 2023. Since then, Abdullahi has become a pivotal figure in shaping the economic landscape of Nigeria.

Born on October 26, 1979, in Kaduna State, Mr. Abdullahi hails from Zaria Local Government Area. His formative education was at Essence International School, Kaduna, where his early potential shone. He pursued higher education at Ahmadu Bello University, Zaria, from 1998 to 2002, earning a BSc in Economics. His academic journey continued with a Master's degree in International Relations and Affairs from the same university between 2005 and 2007, reflecting his keen interest in global affairs and economic policies.

Muhammad Sani Abdullahi's quest for knowledge took him to Marquette University in Wisconsin, USA, where he studied Government, Governance and Leadership in 2008. He attended the University of Manchester in the UK to broaden his expertise, earning a Master's degree in Development Economics and Policy in 2009. He also obtained a certificate in Project Management from the University of Oxford in 2009 and a certificate in Public Finance from the London School of Economics and Political Science. He is pursuing doctoral research at Henley Business School, Reading University, UK, focusing on Global Value Chains, Informality, and Development in Sub-Saharan Africa, which positions him as a thought leader in economic development.

His career trajectory is as impressive as his academic background. His professional journey began during his mandatory national

youth service as a Research Assistant at the ECOWAS Commission, where he was involved in significant research on regional development and public policy across West Africa. He then joined Ecobank Nigeria as a Credit and Risk Officer from 2004 to 2006. His strategic acumen was further developed at the National Democratic Institute (NDI), where he contributed to establishing the National Assembly Budget and Research Office (NABRO) from 2005 to 2008.

His role as an adviser to the Senior Special Assistant to the President on Millennium Development Goals (MDGs) between 2009 and 2012 marked a significant phase in his career development. Muhammad Sani Abdullahi provided vital policy advice, focusing on the Conditional Grants Scheme in Local Government Areas. As the Economic Adviser to the Nigeria Governors' Forum, Sani championed using data and statistics for informed policy making.

His international experience was honed during his tenure with the United Nations as an Economist at the Executive Office of the Secretary-General Ban Ki-moon. From 2012 to 2015, he was a part of the team that was instrumental in designing the post-2015 global development agenda, which led to the creation of the Sustainable Development Goals (SDGs). His promotion to Policy Advisor further underscored his role in shaping global economic policies, showcasing his ability to influence high-level decision-making on an

international scale.

Returning to Nigeria, Mr. Abdullahi served as Commissioner for Budget and Planning in Kaduna State, where he spearheaded economic growth initiatives, fiscal strategy and budgetary processes, making Kaduna a model state in governance and transparency. His leadership stewardship ensured that Kaduna State was the first in Nigeria to subscribe to the Open Government Partnership. He later served as the Chief of Staff to the Governor of Kaduna State from 2019 until 2023, further solidifying his reputation as a dedicated public servant.

His published work, "Disruption: Rethinking Governance to Work for the Poor," captures his vision and chronicles his journey, reflecting his commitment to transformative governance and social equity.

Since assuming his role as Deputy Governor of the CBN's Economic Policy Directorate on October 5, 2023, Abdullahi has supported Governor Olayemi Cardoso in achieving the Bank's mandates. His vast domestic and international experience and profound understanding of economic policy make him a critical asset to the CBN.

Mr. Muhammad Sani Abdullahi is a devoted family man. He is married with four children. His life and career continue to inspire, demonstrating a profound commitment to public service and economic development that will benefit Nigeria for years. ■

*"His international experience was honed during his tenure with the United Nations as an Economist at the Executive Office of the Secretary-General Ban Ki-moon. From 2012 to 2015, he was a part of the team that was instrumental in designing the post-2015 global development agenda, which led to the creation of the Sustainable Development Goals (SDGs). His promotion to Policy Advisor further underscored his role in shaping global economic policies, showcasing his ability to influence high-level decision-making on an international scale."*

## Mr. Philip Ikeazor, Deputy Governor, Financial System Stability



Mr. Philip Ikeazor, Deputy Governor, Financial System Stability

**M**r. Philip Ikeazor, the Deputy Governor, Financial System Stability, Central Bank of Nigeria (CBN), brings a wealth of experience that spans over thirty years in the banking and financial sectors. His career is a testament to his commitment to advancing Nigeria's financial system and economy.

Mr. Ikeazor holds a B.Sc. in Economics, specialising in Accounting and Financial Management, from the University of Buckingham, England. His professional qualifications include being a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Taxation of Nigeria (CITN), underscoring his solid academic and professional foundation.

Before his appointment at the CBN, Mr. Ikeazor held several senior positions in prominent financial institutions. He served as Managing

Director/CEO of Keystone Bank Limited; Managing Director/CEO of Ecobank Kenya Limited; Executive Director at Union Bank Nigeria PLC; Director at Union Bank, United Kingdom; and Director at Orient Bank, Uganda. Additionally, he served as the General Manager of Corporate Investment Banking and Director of Wholesale Banking at the United Bank for Africa, Plc. His diverse roles have equipped him with extensive knowledge and experience, enabling him to effectively navigate and lead complex financial environments.

Mr. Ikeazor's commitment to continuous professional development is evidenced by his participation in executive programmes at globally recognised institutions such as Harvard Business School, Wharton Business School, Pennsylvania, USA, and Henley Business School in the United Kingdom. He is also an alumnus of the Wharton-CEIBS-IESE

Business School Global CEO Programme, which has further honed his leadership and strategic skills.

As Deputy Governor, Financial System Stability, Mr. Ikeazor's leadership is driven by principles of transparency, innovation and inclusivity. He has been instrumental in modernising the CBN's operations, incorporating advanced technology to streamline processes and enhance service delivery. His focus on creating a more inclusive financial environment reflects his belief in the transformative potential of accessible financial services for all Nigerians.

Beyond his professional roles, Mr. Ikeazor is dedicated to mentoring the next generation of

financial leaders and is actively involved in community engagement and philanthropic initiatives. His commitment to social and economic development is evident in his support for programmes that foster growth and development across various sectors of society.

Mr. Philip Ikeazor's tenure at the Central Bank of Nigeria is marked by his visionary leadership and dedication to driving economic progress. His strategic insights and innovative solutions are instrumental in shaping Nigeria's financial landscape's prosperous future under the CBN Governor, Mr. Olayemi Cardoso. As he continues to guide the CBN through the complexities of Nigeria's economy, Mr. Ikeazor remains a pivotal figure whose leadership promises a secure and thriving financial system ■

**“Mr. Ikeazor's commitment to continuous professional development is evidenced by his participation in executive programmes at globally recognised institutions such as Harvard Business School, Wharton Business School, Pennsylvania, USA, and Henley Business School in the United Kingdom. He is also an alumnus of the Wharton-CEIBS-IESE Business School Global CEO Programme, which has further honed his leadership and strategic skills..”**

## Ms. Emem Usoro Deputy Governor, Operations



Ms. Emem Usoro, Deputy Governor, Operations

**A**s the Deputy Governor in charge of Operations at the Central Bank of Nigeria (CBN), Ms. Emem Usoro oversees critical areas essential to the Bank's functioning, including Banking Services, Branch Operations, Currency Operations, Information Technology and Reserve Management. Her leadership ensures the seamless execution of the CBN's operational responsibilities, contributing to the stability and efficiency of Nigeria's financial system.

Before her esteemed role at the CBN, Ms. Usoro served as the Executive Director, Abuja/North Operations at the United Bank for Africa (UBA), where she distinguished herself as an expert in retail, commercial, public sector and corporate banking. Her career spans over 23 years and is marked by a series of achievements in business development, financial advisory and strategic planning and

execution.

Her expertise is further demonstrated by her role in managing large portfolios of assets and leading transformative initiatives across multiple segments of UBA's business.

A Fellow of the Chartered Institute of Bankers of Nigeria (CIBN), Ms. Usoro's passion for banking and finance has driven her to achieve numerous academic and professional milestones. She holds an MBA from the Obafemi Awolowo University. She has participated in various international courses on Leadership, Marketing and Management, including Lagos Business School (LBS) and Harvard Business School programmes.

Additionally, her commitment to lifelong learning has seen her attend executive education programmes at prestigious institutions such as Harvard University,

Wharton University, Pennsylvania, USA and the University of Pretoria, South Africa.

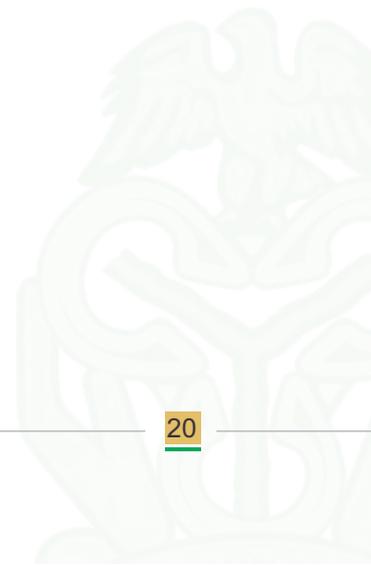
Ms. Usoro is a seasoned banker and a strategic leader who focuses on innovation and inclusivity. Since she was appointed Deputy Governor, Operations, she has championed initiatives that emphasise financial inclusion, digital banking advancements and regulatory reforms.

Her strategic vision has led to the development and implementation of policies that empower individuals and businesses, thereby fostering a more inclusive economic environment. Under her supervision, the CBN has positioned itself as a leader in digital finance within Africa, thanks to her dedication to integrating technology into banking operations.

Her leadership style is defined by collaboration, transparency, and a strong commitment to diversity and inclusion. Ms. Usoro believes in bringing together diverse perspectives to enhance decision-making processes within the institution. She is a strong advocate for creating a resilient and innovative financial system that meets the needs of all Nigerians.

Ms. Emem Usoro's impact in the past twelve months at the Central Bank of Nigeria has been profound. Her dedication to enhancing the financial sector and her inclusive and visionary leadership position her as a transformative figure in Nigeria's banking industry. As she continues to drive progress, Ms. Usoro remains an inspiration, exemplifying her unwavering commitment to excellence and service. ■

“Before her esteemed role at the CBN, Ms. Usoro served as the Executive Director, Abuja/North Operations at the United Bank for Africa (UBA), where she distinguished herself as an expert in retail, commercial, public sector, and corporate banking. Her career spans over 23 years and is marked by a series of achievements in business development, financial advisory, and strategic planning and execution. ”



# Era of Compliance



The Governor, Central Bank of Nigeria, Mr. Olayemi Cardoso, addressing participants during a "Compliance Matters" Workshop.

"I believe that the Central Bank of Nigeria under our watch will have no choice but to embrace a culture of compliance."

These words above, spoken by Mr. Olayemi Cardoso, Governor of the Central Bank of Nigeria (CBN), assured the Senate of the Federal Republic about the direction of his administration. This statement also marked the first time Governor Cardoso publicly articulated his management's core policy thrust—unwavering commitment to compliance.

In the annals of the Central Bank of Nigeria, Governor Olayemi Cardoso's tenure marks a profound shift towards stringent regulatory compliance, accountability, and transparency. This period, decisively termed the "Era of Compliance," is not just a policy shift but a significant cultural transformation within the institution. Aligning with global financial

standards, this era is engineered to restore international and domestic trust in Nigeria's banking sector, facilitating economic growth and stability.

### Defining the Era of Compliance

The "Era of Compliance" was heralded by Governor Cardoso during his vetting process at the National Assembly, where he pledged an unwavering commitment to upholding and enforcing the principles laid out in the CBN Act of 2007. His governance philosophy is anchored on a zero-tolerance policy for deviations from compliance, emphasising a holistic overhaul of the Bank's operational ethos. This era is distinguished by its focus on reinstating the CBN's integrity, ensuring that all financial institutions operate within a

framework that guarantees transparency, accountability and adherence to the law.

### Key Initiatives and Policies

**Strengthening Regulatory Oversight:** Governor Cardoso has initiated several regulatory measures to strengthen the banking sector's oversight mechanisms. These include introducing stricter controls on dormant accounts and enhancing cybersecurity protocols to shield the financial infrastructure from digital threats and systemic risks.

**Promoting Transparency and Accountability:** This new era prioritises transparency, with the CBN mandating more frequent and detailed disclosures from financial institutions. Implementing rigorous auditing ensures that these entities comply with regulatory expectations and engage in ethical and transparent practices.

**Innovative Regulation of Fintechs:** Recognising the disruptive potential of fintech companies, the CBN, under Cardoso's leadership, has established a regulatory sandbox. This framework allows fintech to innovate in a controlled environment where risks can be managed effectively, ensuring that technological advancements benefit the broader financial ecosystem without compromising stability.

**Comprehensive Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Frameworks:** The CBN has significantly strengthened its AML and CTF measures to combat the challenges of illicit financial flows and terrorism financing. These measures are critical in aligning Nigeria's financial sector with international standards and enhancing its global reputation.

**Enhanced Stakeholder Collaboration:** Governor Cardoso has prioritised an inclusive approach to policy formulation, fostering strong collaborations between the CBN, commercial banks and other financial entities. This strategy ensures that policies are robust,

forward-thinking, inclusive and represent all stakeholders' interests.

**Addressing Challenges and Building Capacity:** The rigorous standards outlined in this new era pose significant challenges, particularly for smaller banks, which might struggle with the costs and complexities of compliance. To address these issues, the CBN, under Cardoso's direction, provides targeted support and training programs designed to build capacity and facilitate compliance. Additionally, the Bank is actively working to adapt its frameworks in response to technological advancements and global financial trends, ensuring that Nigeria remains responsive and competitive in a rapidly evolving financial landscape.

### Future Outlook

The policies and reforms instituted under Governor Cardoso are expected to lay down a robust foundation for the future of Nigeria's financial system. By reinforcing the structural integrity of the banking sector and fostering a culture of compliance, the CBN is positioning itself as a bulwark against financial instability. Looking ahead, the focus will increasingly be on refining these policies to adapt to global economic shifts and technological innovations, which will continue to shape the operational realities of financial institutions.

Governor Olayemi Cardoso's leadership has catalysed transformative changes at the Central Bank of Nigeria. His commitment to fostering an "Era of Compliance" reflects a deep-seated dedication to transparency, accountability, and rigorous governance principles. As this era unfolds, it promises to strengthen the banking sector and elevate Nigeria's entire financial landscape, driving towards a future characterised by sustainable growth and enhanced economic stability. The enduring legacy of this era will undoubtedly be one of renewed confidence and robust institutional integrity, securing the CBN's role as a pivotal player in Nigeria's economic recovery and growth. ■

# Repositioning for Impact: A New Strategy for a New Vision



(L-R) Deputy Governor, Operations, Ms. Emem Usoro; Lateef Fagbemi (SAN), Attorney General of the Federation; Governor, Central Bank of Nigeria, Mr. Olayemi Cardoso; Deputy Governor, Corporate Services, Dr. Bala Bello and the Deputy Governor, Economic Policy, Mr. Muhammad Abdullahi.

January 16th, 2024, marked a pivotal moment for the Central Bank of Nigeria (CBN) as the Governor, Mr. Olayemi Cardoso, unveiled the Bank's New Strategy for 2024-2028, aptly named "Repositioning for Impact." This strategic initiative, announced at the CBN Head Office in Abuja, reflects a critical shift towards enhancing the Bank's effectiveness and relevance in Nigeria's evolving economic landscape. The launch was led by Mr. Cardoso, alongside Deputy Governors Dr. Bala Mohammed (Corporate Services), Mr. Muhammad Sani Abdullahi (Economic Policy), Mr. Philip Ikeazor (Financial System Stability), and Ms. Emem Usoro (Operations).

During the unveiling at the CBN Head office, Mr. Cardoso said that the CBN's vision was to be a trusted and respected central bank promoting confidence in the economy. This vision was driven by five strategic themes

addressing the five focal areas identified as the most critical to achieving the Bank's objectives. No doubt, the Central Bank of Nigeria's (CBN) 2024-2028 strategy, "Repositioning for Impact," signifies a deliberate and strategic shift in the Bank's approach to achieving its mission and vision. It is a comprehensive plan to refocus and realign the Bank's efforts and resources toward generating tangible, meaningful and lasting effects on Nigeria's economy and the lives of its citizens.

## Strategy of Transformation

Strategy is the 'BLUEPRINT' designed to achieve a shift to the desired future state. It outlines the path to economic growth and financial stability. Key components include: 'Strategic Themes'. These are 'what' the Bank must do to achieve the overall outcome (Vision), while the 'Strategic Intent' explains the focus of the theme and helps to define the strategic objectives for the theme.

The 'Strategic Objectives' state 'How' to achieve the stated themes, while the 'Strategic Economic and Stakeholder Outcomes' outline what the Bank needs to achieve for the economy and stakeholders. That is the expectation of the Central Bank. It is important to note that the new Strategy, the fourth in the history of the Central Bank of Nigeria, aspires to reposition the Bank to its core mandate and to be an institution at the forefront of economic transformation. Since 2012, the Bank has gone through three (3) different strategy cycles: 2012 – 2015; 2015 - 2019; 2021 – 2024; and currently, 2024 – 2028.

### Why Repositioning?

Repositioning refers to the CBN's intention to realign its priorities, resources, and operations to address evolving challenges and opportunities in Nigeria's economic landscape. It involves critically assessing existing strategies and identifying areas that require transformation or improvement to ensure that the Bank remains relevant and effective as a regulator and a catalyst for economic development. This realignment is essential for adapting to the dynamic global and domestic economic environments, ensuring that the Bank's policies and actions are responsive and proactive in fostering economic resilience.

### Impact Defined

IMPACT emphasises achieving substantial, positive changes that benefit Nigeria's economy and people. The strategy aims to deliver outcomes that are not only significant but sustainable, focusing on real-world effects such as improved financial inclusion, monetary policy effectiveness, and a robust financial system. The impact-oriented approach underscores the Bank's commitment to maintaining stability and actively contributing to inclusive growth, poverty reduction, and economic empowerment. By concentrating on impact, the Bank intends to measure its success through the real-world effects of its policies — whether in terms of improved financial inclusion, enhanced monetary policy effectiveness or a more robust financial system.

## Key Elements of “Repositioning for Impact”

### 1. Strategic Realignment

The CBN recognises that the economic landscape constantly evolves, and Nigeria's challenges require a fresh and innovative approach. “Repositioning for Impact” involves realigning the Bank's strategic priorities to better address these challenges. This means reassessing existing policies, processes, and initiatives to ensure they are relevant and highly effective in driving economic stability and growth.

### 2. Enhanced Focus on Outcomes

The term “Impact” emphasises the importance of outcomes over mere outputs. The CBN is shifting its focus from simply implementing policies to ensuring that they lead to measurable improvements in key economic indicators, such as inflation control, financial inclusion, and economic growth. The ultimate goal is to create a positive and sustainable economic impact that benefits all Nigerians.

### 3. Adopting a Results-Oriented Approach

“Repositioning for Impact” reflects a commitment to a results-oriented approach. The CBN sets clear, actionable goals under its five strategic themes, focusing on delivering real, quantifiable results. This approach ensures that every initiative the Bank undertakes aims to achieve specific outcomes contributing to national development.

### 4. Leveraging Innovation and Technology

In today's fast-paced world, innovation and technology are crucial drivers of impact. The CBN's strategy includes leveraging cutting-edge technologies and innovative practices to enhance the efficiency and effectiveness of its operations. This involves adopting new tools, techniques and methodologies to improve monetary policy, financial stability and the overall functioning of the financial system.

### 5. Strengthening Institutional Capacity

To reposition effectively, the CBN must strengthen its institutional capacity. This means building a high-performance organisation with

skilled and motivated personnel, robust governance structures and efficient operational processes. The strategy focuses on empowering staff, fostering a culture of excellence and ensuring that the Bank is equipped to meet the demands of a rapidly changing economic environment.

## 6. Building Stakeholder Confidence

The success of the CBN's repositioning efforts is closely tied to the confidence of stakeholders, including the government, financial institutions, businesses, and the general public. By promoting transparency, accountability and professionalism, the CBN aims to build and sustain trust in its operations and decisions, reinforcing its role as a central pillar of Nigeria's economic stability.

## 7. Addressing Systemic Challenges

"Repositioning for Impact" also involves a proactive approach to tackling systemic challenges historically hindering Nigeria's economic progress. Whether dealing with inflation, foreign exchange volatility, or financial exclusion, the CBN is positioning itself to address these issues head-on, intending to create a more stable and inclusive economy.

### CBN's Mandate

The new strategy reaffirms the CBN's core mandate: ensuring monetary and price stability; issuing legal tender currency in Nigeria; maintaining external reserves; promoting a sound financial system; acting as a banker, and providing economic and financial advice to the Federal Government. At the unveiling of the new strategy, the Governor of the Central Bank of Nigeria, Mr. Cardoso, affirmed that it was necessary to reposition the Bank to its core mandate of ensuring price stability and effective monetary policy.

### Mission

The Central Bank of Nigeria's mission defines the Bank's purpose as ensuring monetary, price, and financial system stability as a catalyst for inclusive growth and sustainable economic development. The Mission is anchored in the Bank's Mandate. It translates its purpose by

giving a solid foundation for solving Nigeria's problems.

### Vision

"To be a trusted and respected Central Bank promoting confidence in the economy." CBN's Vision is an articulation of a desirable and measurable future state. With clarity on its meaning, it serves to provide focus on the STRATEGIC DIRECTIONS. The Central Bank of Nigeria's Vision aims to INSPIRE the collective to generate IDEAS and be mobilised to implement POLICIES to deliver MEASURABLE IMPACT for the country and its citizens through our ROLE as the Central Bank of Nigeria.

### Values

The Central Bank of Nigeria's values are rooted in ideal BELIEFS. They form the foundation and guide every interaction. The Values translate into IMPACT within the organisation and externally. They CONVEY what binds staff together internally and externally with stakeholders and communities. The values define and guide specified working principles

### The Vision is:

- Characterised by INTEGRITY: We act impartially. The essence of our professionalism is delivering on our promise by being honest, candid, fair, and responsive in all our interactions.
- Built on MERITOCRACY: What sets us apart is our belief that, as an organisation, we constantly demonstrate the ability to recognise and honour deserving individuals of the Bank.
- Committed to PROFESSIONALISM: We are dedicated to performing our duties legitimately and competently. We exhibit the right behaviours, and practices that influence people and create a harmonious working environment that encourages partnerships built to solve problems and develop impactful solutions.
- Action with ACCOUNTABILITY: We take ownership to act and execute the Bank's strategy. We are diligent and



Governor Cardoso, signing the New Strategy.

transparent and have a strong bias for results in our commitment to achieving the Bank's mission and vision.

- **Founded in COURAGE:** We bravely share and speak the truth. We speak up with ideas, raise questions and highlight concerns that need attention without fear of consequences.
- **Rooted in the Essence of TENACITY:** We are self-disciplined, forward-looking, and determined professionals with strong intellectual curiosity. Our persistent desire to learn, combined with the quest to make a difference, propels each of us to do better.

### CBN's Strategic Themes

Highlighting the themes, the CBN Governor, Mr. Olayemi Cardoso, underscored the first strategic theme area - **PRICE STABILITY & MONETARY POLICY EFFECTIVENESS**. This would guide leveraging established monetary policy instruments and rigorous data analysis to pursue the unwavering commitment to price stability. The strategic intent emphasises maintaining low inflation, a stable exchange rate, and growth in foreign reserves as catalysts for accelerated and sustainable economic growth. The strategic objectives are to

strengthen coordination with fiscal authority to explicitly target the agreed inflation range, ensure effective monetary policy communication to anchor economic expectations, enhance and optimize growth in foreign reserves to build resilience against shocks and enhance stability and liquidity of the foreign exchange. The strategic economic and stakeholder outcomes are entrenched in price stability that stimulates economic growth and stability in the value of Naira.

The second theme focuses on building a **ROBUST AND RESILIENT FINANCIAL SYSTEM** to deliver a resilient financial sector and ensure that financial inclusion objectives are integral to policy design to broaden access to financial products that promote sustainable economic growth. The strategic intent stresses promoting a robust, sound, and inclusive financial system that enhances the nation's competitiveness, while the strategic objectives excel at macro-prudential policy and micro-prudential risk-based supervision that strengthens the financial system, attaining universal financial access with enhanced financial inclusion while strengthening consumer protection; leveraging technology

and innovation to ensure a secure, efficient, transparent, reliable and scalable payments and financial system, that positions Nigeria as a key financial centre, and enable the attraction of private-sector financing and credit to the productive sectors. The strategic economic and stakeholder outcomes are entrenched in a robust financial system and enhanced payments system that supports economic growth, depositors' confidence in the Banking System, and easy access to financial services.

Governance, Compliance and Advisory to Government was adopted as the third theme, stemming from the Bank's commitment to being a transparent, reliable, and trusted advisor to the Federal Government. The strategic intent includes embedding sound corporate governance, compliance, internal controls and effective risk management in delivering the Bank's mandate.

The strategic objectives are to ensure effective adherence to corporate governance in the Bank; integrate strong internal controls and adopt compliance to defined guidelines and standards to promote efficiency; strengthen monitoring, evaluation, and reporting mechanisms for strategy execution, policy impact, and operational activities and engender effective collaboration with relevant internal and external stakeholders. The strategic economic and stakeholder outcomes are projected to improve the reputational brand that promotes confidence coordination with stakeholders while maintaining the Bank's autonomy in delivering its mandate.

The fourth thematic drive is anchored on EXCELLENCE IN CENTRAL BANKING OPERATIONS, which delivers excellence in the Bank's operations through innovation and technology to achieve efficient service delivery as its strategic intent. The strategic objectives consist of enhancing efficiency in service delivery, supervisory oversight and transparency with the accelerated shift to a technology-powered and digitally operated

Central Bank; building and sustaining excellence in the delivery of all activities, processes, and actions of the Bank; optimise the cost of currency, IT, policy management and central bank operations, and strengthen adherence to defined guidelines, internal control measures and standards while promoting efficiency in core processes. The strategic economic and stakeholder outcomes incorporate a transparent and credible Central Bank toward a responsive and excellent service delivery.

Conscious of the importance of the role of people, processes, and technology in the attainment of the Bank's objectives, the fifth strategic theme, IMPACT FOCUSED HIGH-PERFORMANCE ORGANISATION strings on the strategic intent of empowering a highly skilled and professional team equipped and dedicated to achieving excellence in a collaborative and result focused organisation.

The strategic objectives are to foster high performance and year-round productivity; embed the Bank's values and entrench the culture of professionalism at all levels; enhance human capital to improve productivity; ensure effective internal communication and mobilise collective effort for the Bank's goals and sustain effective organisation readiness to achieve the mandate. The strategic stakeholder outcomes reinforce engaged and motivated staff in a high-performance organisation.

"Repositioning for Impact" signifies the Central Bank of Nigeria's commitment to reorient its strategies and operations towards achieving high-impact outcomes that drive economic growth, stability, and development. By adopting a results-driven approach and embracing innovation, the CBN aims to make a significant, lasting impact on Nigeria's economy and improve the quality of life for its citizens. It reflects a proactive stance, where the Bank adapts to changing circumstances and sets the stage for transformative progress that benefits Nigerians. ■

## The Beginning



Governor Cardoso at the Senate Screening.



Governor Cardoso and the Deputy Governor, Financial System Stability, Mr. Philip Ikeazor at the Senate Screening.



Governor Cardoso being ushered in at the Senate Screening.

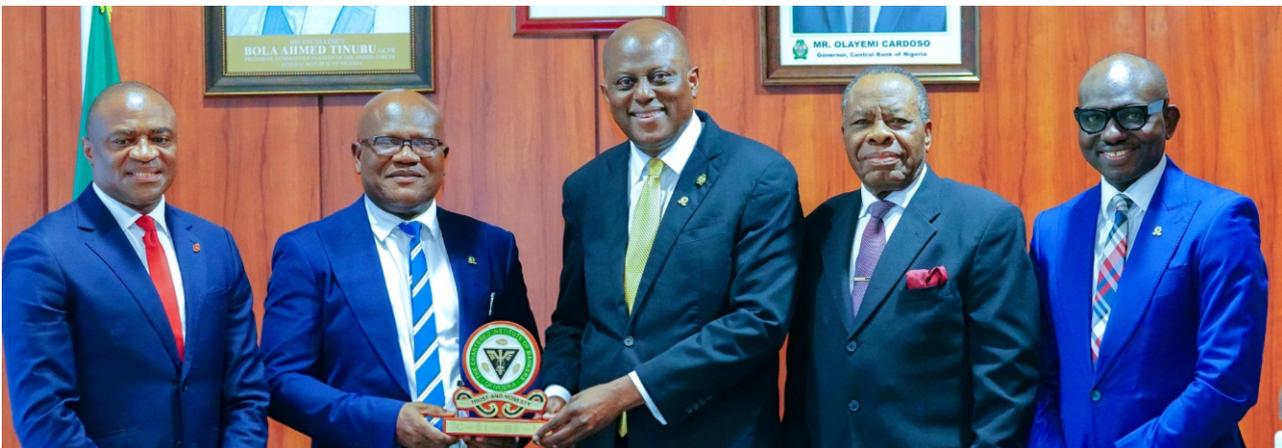
## Strategic Engagements



The Governor, Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, flanked by the President/Chairman of Council, Chartered Institute of Bankers of Nigeria (CIBN), Prof. Pius Deji Olanrewaju, FCIB (left) and the Group Managing Director/Chief Executive Officer, United Bank for Africa (UBA) and Chairman, Body of Bank CEOs/Member, CIBN Governing Council, Mr. Oliver Alawuba, FCIB, during a strategic meeting on Wednesday, August 28, 2024, ahead of the Institute's Annual Banking and Finance Conference .



Governor Cardoso (middle) with dignitaries at the 58th Annual Bankers Dinner in November 2023.



The Governor, Central Bank of Nigeria (CBN), receiving award from the CIBN .

## Strategic Engagements



Governor Cardoso flanked by Dignitaries at the 8th CBN Board Retreat.



Participants at the 8th CBN Board Retreat.



Deputy Governor, Economic Policy, Central Bank of Nigeria (CBN), Mr. Muhammad Abdullahi flanked by the Executive Director, Loan & Mortgage Service, Federal Mortgage Bank of Nigeria (FMBN), Hon. Muhammed Sani Abdu (left), and the MD/CEO, FMBN, Mr. Shehu Usman Osidi during a strategic visit to the CBN on Monday, August 12, 2024.



## – A Season of Course Correction

# Inflation Targeting: A Fresh Start for Monetary Policy



The Governor, Central Bank of Nigeria, Mr. Olayemi Cardoso, addressing the press at an MPC briefing.

When Olayemi Cardoso assumed office on September 22, 2023, he assured Nigerians and President Bola Ahmed Tinubu of his Management's commitment to addressing critical economic issues. Cardoso stressed that his leadership and the Central Bank team would prioritise tackling institutional deficiencies, restoring corporate governance, strengthening financial regulations and adopting prudent policies to foster price stability and growth. He also assured investors and the business community that Nigeria's economy would achieve greater stability in the short-to-medium term through recalibrated orthodox policies and strategic measures.

Governor Cardoso further outlined key initiatives to enhance the country's investment climate. One of his primary goals is to implement a framework that encourages investments, ensures a strategic and

transparent approach to the foreign exchange market to minimize volatility, while positively impacting Nigerians' livelihoods. His vision is rooted in promoting price stability conducive to economic growth while addressing some of Nigeria's most pressing challenges.

## Policy Details

In November 2023, Governor Cardoso announced plans to introduce an Inflation-Targeting Framework, marking a major shift in Nigeria's monetary policy mechanism. This framework is designed to tackle the country's persistent inflation problem, which has significantly eroded consumer purchasing power.

Inflation targeting, the cornerstone of Cardoso's strategy, is a monetary policy approach in which a central bank sets an explicit inflation target and adjusts interest rates and other tools to achieve this goal. This

approach provides a structured method for controlling inflation, especially in countries like Nigeria, where inflation has been a longstanding obstacle to economic stability.

### Linking Cardoso's Monetary Policy to Inflation Targeting

Governor Olayemi Cardoso's Management has been characterised by an aggressive monetary policy stance aimed at tackling Nigeria's persistently high inflation rates. The inflation-targeting framework adopted under his leadership is reflected in the series of decisions made by the Monetary Policy Committee (MPC) from February to July 2024. Here's a synthesis of the MPC's measures and their alignment with the inflation-targeting framework:

#### February 2024 MPC Meeting Decisions:

- Raised the Monetary Policy Rate (MPR) by 400 basis points to 22.75%.
- Increased the Cash Reserve Ratio (CRR) to 45%.
- Adjusted the asymmetric corridor around the MPR to +100/-700 basis points.

#### Context and Rationale:

- These measures were taken in response to rising inflation and exchange rate pressures, focusing on reversing the inflation trend.
- The significant hike in MPR and CRR was aimed at tightening liquidity to curb inflationary pressures, demonstrating a direct application of the inflation-targeting framework.

#### March 2024 MPC Meeting Decisions:

- Increased the MPR further by 200 basis points to 24.75%.
- Retained the Cash Reserve Ratio at 45%.

#### Context and Rationale:

- Continued concerns over high inflation, particularly driven by food prices, prompted further tightening.
- The decision underscored the CBN's commitment to price stability, a core objective of inflation targeting.

#### May 2024 MPC Meeting Decisions:

- Raised the MPR by 150 basis points to 26.25%.

#### Context and Rationale:

Despite a moderate rise in headline inflation, inflation metrics declined significantly month over month, suggesting that previous tightening measures were beginning to yield desired outcomes.

- The continued rise in MPR reflects a consistent strategy to anchor inflation expectations within the target range.

#### July 2024 MPC Meeting Decisions:

- Increased the MPR by 50 basis points to 26.75%.
- Adjusted the asymmetric corridor to +500/-100 basis points to provide more flexibility in liquidity management.

#### Context and Rationale:

- The decision was influenced by a slight uptick in headline inflation but with expectations of moderation.
- Ongoing fiscal measures to address food inflation, alongside monetary tightening, highlight a coordinated approach to inflation management.

#### Overall Strategy and Effectiveness

- **Tightening Monetary Policy:** The consistent increase in the MPR across the meetings is a testament to the CBN's proactive stance in combating inflation through high interest rates, which is central to the inflation-targeting framework.
- **Liquidity Management:** Adjusting the CRR and the asymmetric corridor around the MPR helps manage the money supply effectively, crucial for controlling inflation.
- **Coordinated Approach:** The acknowledgement of fiscal policy's role in complementing monetary efforts, especially in tackling food inflation, shows a holistic approach to macroeconomic stability.

Since taking office, Governor Cardoso has overseen a cumulative increase in the MPR by 800 basis points. The asymmetric corridor has

shifted from +100/-700 to +500/-100, and the CRR has risen by 12.5%. These measures aim to tackle rising inflation, discourage excessive borrowing, and curb price increases, which, in turn, are expected to foster economic growth in Nigeria.

Governor Cardoso's Management has improved transparency in its communication with the public by enhancing his monetary policy communication framework. He has strengthened the coordination between fiscal and monetary policies and enhanced data collection to better forecast inflation trends. The structure, language, and style of the MPC communiqués have become clearer and more focused on the Central Bank's objectives and decisions, making the public more aware of the CBN's actions.

### Challenges

However, the road ahead remains challenging. Nigeria's economy is highly vulnerable to external factors such as oil price fluctuations, global market dynamics, and security challenges. Combined with structural imbalances, these factors could complicate efforts to reduce inflation. There are concerns about the potential trade-offs between inflation control and economic growth.

Nigeria's inflation battle is part of a broader global trend of inflationary pressures and monetary tightening. According to the International Monetary Fund (IMF) in its World Economic Outlook (WEO) report for April 2024, global economic growth is projected to slow down from 3.5% in 2022 to 3.0% in 2023 and further to 2.9% in 2024 as central banks worldwide adopt tighter monetary policies to curb inflation. Advanced economies are expected to experience a sharper slowdown, while emerging markets and developing economies, including Nigeria, face a modest decline in growth.

Global inflation is forecasted to decline steadily, with rates expected to drop from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024, and tighter monetary policies lower international commodity prices and tighter monetary policies drive these reductions. However, core inflation is likely to decline more gradually, and in many countries, inflation is not expected to return to target levels until 2025.

In line with this global context, Governor Cardoso has called for greater coordination among regulatory bodies to ensure a harmonised approach to economic policy. He emphasised that effective policy synchronisation is vital to fostering domestic prosperity and upholding sound economic governance.

Despite the challenges associated with inflation targeting, Governor Cardoso's approach holds significant long-term potential. By focusing on stabilising prices, inflation targeting could create a more predictable economic environment, encouraging investment and boosting growth. While some trade-offs between inflation control and economic expansion may exist, the benefits of inflation targeting, including price stability, enhanced consumer confidence, and improved investor sentiment, will likely outweigh the risks.

Inflation targeting represents a bold and promising shift in Nigeria's monetary policy framework. By remaining committed to this strategy, Nigeria could lay the groundwork for a more stable and prosperous economic future, benefiting all Nigerians. Through prudent monetary management, enhanced transparency, and strategic intervention, Governor Cardoso aims to steer Nigeria toward sustainable growth while tackling inflation head-on. ■

**“Despite the challenges associated with inflation targeting, Governor Cardoso's approach holds significant long-term potential. By focussing on stabilising prices, inflation targeting could create a more predictable economic environment, encouraging investment and boosting growth.”**

# Ensuring Monetary and Price Stability in Nigeria



The Committee of Governors at an MPC briefing.

Upon his appointment as the 12<sup>th</sup> substantive and 11<sup>th</sup> indigenous Governor of the Central Bank of Nigeria, Mr. Olayemi Cardoso faced the daunting task of taming the nation's monetary and price instability.

The nation had been bedevilled with a combination of debilitating economic challenges ranging from high Inflation rates driven by increases in food and energy prices, currency depreciation and exchange rate volatility, which further fuelled inflation and eroded the purchasing power of the Naira and fiscal pressures due to reduced revenues, high debt service obligations and the need for social interventions.

The cumulative effect of these challenges was monetary and price instability, which reduced investor confidence, thus making Cardoso's task uphill.

## Understanding Monetary and Price Instability

Monetary and price instability refers to fluctuations in the value of money and the

general price level in an economy. These fluctuations in the monetary system, often characterised by significant variations in money supply, interest rates, and exchange rates, generally affect the investments, savings, and consumption decisions of individuals and businesses within the economy and foreign investors.

Price instability involves unpredictable or erratic changes in the general price level of goods and services in an economy. In Nigeria, this instability manifested both in high inflation and stagflation, where the cost of goods continued to increase despite a lack of corresponding economic demand.

Monetary and price stability are critical for economic growth and development. Stable prices allow consumers and businesses to make long-term plans, and stable monetary conditions reduce uncertainty in financial markets, promoting investment and economic activity.

## Policies and Regulatory Framework

Against this backdrop, the Cardoso-led administration immediately implemented several policies to address the nation's monetary and price instability. The first major policy was lifting the restriction on access to foreign exchange for 43 commodities, a move aimed at promoting orderliness and professional conduct in the economy.

It would be recalled that a restriction on access to forex had been imposed on 43 commodities that could be locally produced, to encourage local production. However, the restriction saw importers of these commodities relying heavily on the parallel market, inadvertently leading to distortions and price instability. Hinging on the theory of demand and supply, the Cardoso-led administration opined that aligning with free market principles and allowing the forces of demand and supply to allocate forex resources would eliminate market distortions caused by artificial controls. With the restrictions being lifted, businesses can procure foreign goods without undue delays or extra costs, thus stabilising market prices.

With the unification of the exchange rate windows, Cardoso's focus, as he reported to the joint committees on Banking, Insurance and Other Financial Institutions at the National Assembly, was on increasing autonomous foreign exchange supply, which would lead to market stability. By simplifying and standardising the exchange rate system and eliminating a system where different rates were offered for different transactions at multiple exchange rate windows, the policy was geared to enhance transparency, reduce speculation and improve investor confidence.

To address underreporting and market manipulation, the CBN warned authorised dealers to comply with published rules and guidelines, with threats of sanctions for non-compliance. Moreover, in recognition of the significant role played by virtual assets such as cryptocurrencies and their contribution towards monetary instability, the CBN activated regulatory economics as practised the world over by issuing guidelines for the

operation of bank accounts for Virtual Assets Service Providers (VASPs). The regulation of VASPs became necessary to mitigate systemic risk and ensure financial stability, as unregulated virtual assets could disrupt monetary systems.

The CBN also issued a framework for the licensing and operations of International Money Transfer Operators (IMTOs) and released an exposure draft of revisions to consumer protection regulations. Additional guidelines were issued to International Oil Companies (IOCs) to cap the repatriation of export proceeds at 50% in the first instance, with the balance of 50% repatriated 90 days after the initial inflow. This directive aimed to ensure that a significant portion of export earnings is retained in the domestic market, providing much-needed exchange rate stability while improving forex availability. As part of its regulatory efforts, the CBN revoked the operating licenses of 4,173 Bureau de Change (BDC) operators who failed to meet regulatory provisions. This singular action tightened regulatory control over the forex market, thus reducing BDCs' illegal or non-compliant activities.

The CBN also issued N1.053 trillion in short-term government securities, with 79% of the bids coming from foreign investors. This showcased the renewed confidence in Nigeria's financial sector from both native and foreign investors, further strengthening the financial markets while ostensibly providing funds for the government to pursue economic development.

To further promote monetary stability, guidelines were issued to Deposit Money Banks (DMBs) on the deposit of foreign currency, setting a maximum limit of \$10 million for deposits of \$100 and \$50 bills and \$1 million for lower denominations. DMBs were also warned against rejecting lower denominations of forex and mutilated naira notes, as these remain legal tender.

Furthermore, the Standing Lending Facility



The Governor, Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso and the Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, presenting the Abuja Declaration during the African Caucus meeting held in Abuja from 1-3, August, 2024.

(SLF), which allows Deposit Money Banks to borrow from the Central Bank to handle short-term liquidity needs, was lifted. This decision was taken at the 296th meeting of the CBN Monetary Policy Committee. Consequently, authorised dealers could access the SLF through the Scripless Securities Settlement System (S4) at an interest rate of 31.75%.

### Strategic Partnerships

Recognising the benefits of partnerships in maintaining monetary and price stability, the Governor Cardoso-led administration forged strategic partnerships with key stakeholders. In February 2024, the CBN announced closer collaboration with the Nigerian National Petroleum Company Limited (NNPCL), with the latter delegating a significant portion of its revenue and banking services to the CBN. This partnership was further strengthened by a directive from President Bola Tinubu, instructing the NNPCL to submit receipts of crude oil sales to the CBN for vetting and documentation.

The CBN also partnered with the International Finance Corporation (IFC) to chart a course for Nigeria's economic advancement, focusing on

empowering the private sector to contribute to financial system stability. Furthermore, the CBN held roundtable sessions with the Organised Private Sector (OPS) and the Nigerian Economic Summit Group (NESG) to ensure collective efforts in stabilising the monetary and price landscape.

### The Unfolding Results

The efforts of the Cardoso-led administration began to yield results by March 2024, with a substantial increase in overseas remittances, reaching \$1.3 billion. In July 2024, the Bank recorded an inflow of \$553 million, a 130% increase from the corresponding period of 2023. The country also saw heightened interest from foreign portfolio investments in Naira assets, reflecting increased investor confidence.

Nigeria's external reserves rose to \$34.11 billion on March 7, 2024, marking the highest level in eight months. Additionally, the CBN succeeded in selling government securities, with a significant portion of bids coming from foreign investors. In April, Goldman Sachs, an American multinational investment bank and financial services company, declared the Naira



The Governor, Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso (front row 5th from left) and the Minister of Finance and Coordinating Minister of the Economy, Mr Wale Edun (front row 6th from left) and members of the technical Team at the closing ceremony of the 2024 African Caucus meeting of Governors of the International Monetary Fund (IMF) and the World Bank Group (WBG) on Saturday, August 3, 2024.

the world's top-performing currency. Similarly, the award-winning international credit rating agency, Fitch, revised Nigeria's rating from stable to positive. The country also recorded a 136% increase in foreign inflows in the first quarter of 2024 compared to the total forex inflow in 2023.

To consolidate these successes, the CBN conducted spot sales of forex to authorised financial institutions, the results of which were published on the Bank's website in the interest of transparency. Similarly, the Bank sold forex to BDCs to meet retail forex demand for eligible invisible transactions. Additionally, the CBN discontinued the Price Verification System in response to developments in the foreign exchange market.

Furthermore, the CBN reintroduced the periodic publication of key economic reports such as the Business Expectation Survey (BES), Purchasing Managers' Index (PMI), Inflation Expectation Report, and other macroeconomic indicators. This decision is further to Cardoso's drive for transparency to provide stakeholders with timely and accurate insights into Nigeria's economic performance.

The recent PMI showed that the policies of the

Cardoso-led Central Bank are beginning to bear fruit. Though certain sectors are still experiencing contractions, others, like the services sector, have begun to experience expansions.

Addressing monetary and price instability is a complex and challenging endeavour, especially in an economy like Nigeria's, which is susceptible to external shocks. However, Governor Olayemi Cardoso's strategies, which combine monetary tightening with structural reforms, promise to stabilise prices and foster sustained economic growth. Though the path forward may be arduous, past experiences indicate that with meticulous implementation and oversight, these measures could lead to a more stable and prosperous Nigerian economy.

The results recorded in his first 365 days in office demonstrate the positive impact of Governor Cardoso's policies and partnerships. They have paved the way for a more stable economic environment, lower inflation, a robust financial sector, and a stronger currency. The long-term benefits of price stability are expected to lead to increased investor confidence, higher economic growth, and improved living standards for Nigerians. ■

# Understanding Banking Sector Recapitalisation in Nigeria



Governor Cardoso at the Spring Meetings of the International Monetary Fund (IMF)/ the World Bank

**A**s Nigeria's central bank and monetary authority, the Central Bank of Nigeria's (CBN) core functions, as outlined in the Bank's Act, include maintaining price stability, sustaining external reserves, acting as a banker of last resort, and promoting a sound financial environment. In line with its mandate to ensure a stable financial environment, Governor Olayemi Cardoso announced a new Banking Sector Recapitalisation Programme at the 58th Annual Bankers' Dinner on November 25, 2023. This initiative requires banks to increase their minimum paid-in common equity capital to strengthen the banking sector and ensure its resilience in economic challenges.

## The Need for Recapitalisation in Nigeria

The recapitalisation programme is a regulatory initiative aimed at raising banks' operating capital to a level that ensures stability in the banking system. This measure is crucial for addressing Nigeria's current economic challenges, such as inflation, currency depreciation and financial instability. The programme is designed to strengthen banks against external and domestic shocks, enabling them to better support economic growth and

development. By requiring banks to increase their capital, the CBN aims to create a more robust banking sector capable of absorbing unexpected losses and contributing to Nigeria's economic resilience.

Further, as part of its long-term strategy for strengthening the Nigerian economy, the Central Bank established a specific theoretical framework for bank recapitalisation reform, generally encompassing various key economic and financial theories that inform the design, execution, and evaluation of these reforms.

## Historical Context and Previous Efforts

The journey toward robust banking systems through recapitalisation isn't new but part of a global initiative across sub-Saharan Africa and beyond. Many countries have turned to recapitalisation as a strategic response to bolster their financial sectors, especially during economic turmoil or banking crises. This trend gained momentum in the early 2000s, following the financial disturbances of the 1990s that prompted a worldwide push for better capital adequacy and improved risk management.



Governor Cardoso ( right) and Deputy Governor, Economic Policy, Mr. Muhammad Abdullahi; briefing joint committee of the Nigerian Senate.

One landmark in global banking reform was the 1988 Basel Agreement, which introduced harmonised capital adequacy rules to reduce the risk of bank failures. This agreement has guided many nations, including about six in sub-Saharan Africa—Ghana, Kenya, Nigeria, Sierra Leone, South Africa and Uganda—in implementing similar measures.

Ghana and Kenya's banking sectors have undergone significant evolution, particularly in terms of recapitalization. Ghana's journey began with early banking institutions in the late 19th century, with major regulatory advancements in the 1970s, 1980s, and 1990s to strengthen financial stability and address challenges like non-performing loans. A notable milestone was the introduction of the Universal Banking Business License in 2003, followed by a substantial recapitalization phase in 2017. Similarly, Kenya's banking sector has seen progressive capital threshold increases by the Central Bank of Kenya to promote stability, competition and enhanced service delivery across its commercial banks.

Nigeria has seen its transformative journey in banking sector reform, starting with the 2004 recapitalization initiative under then Governor Professor Charles Soludo. These reforms were critical in addressing the inefficiencies and governance challenges of the time, leading to a significant consolidation within the sector.

The current recapitalization program under Governor Cardoso continues this legacy, aiming to fortify banks against external and domestic pressures and secure the financial system's overall stability. The continuous increase in capital requirements ensures that banks survive and thrive in challenging economic conditions, contributing meaningfully to Nigeria's growth. This historical overview not only highlights the efforts within Nigeria but also situates these actions within a broader, international context of banking sector reform, underscoring the ongoing commitment to financial stability and economic prosperity.

Key Features of the Current Recapitalisation

## Programme.

The current recapitalisation programme, initiated by Governor Cardoso, requires banks to increase their capital within 24 months, from April 1, 2024, to March 31, 2026. The programme targets commercial, merchant, and non-interest banks to ensure that each institution maintains adequate capital commensurate with its risk profile, scale, and scope of operations. For example, international banks must increase their capital from 50 billion Naira to 500 billion Naira, while national banks must raise their capital from 25 billion Naira to 200 billion Naira. This reform aims to create stronger, healthier and more resilient banks capable of supporting Nigeria's goal of achieving a US\$1 trillion economy by 2030.

## Stakeholder Perspectives and Reactions

The recapitalisation initiative has received support from various stakeholders. The banking community has recognised the importance of this move, with many acknowledging the need for stronger capital bases to absorb potential shocks. During a recent event, Governor Cardoso emphasised that the recapitalisation process was carefully designed considering macroeconomic conditions, headwinds, and rigorous stress tests. Stakeholders, including financial institutions and regulatory bodies, have expressed optimism about the

programme's potential to enhance the stability of Nigeria's financial system.

Speaking recently in Abuja, Professor of Economics at Babcock University, Olusegun Ajibola, said that while the banking sector recapitalisation could result in tighter lending conditions, particularly for SMEs, it might strengthen the overall banking sector. According to Professor Ajibola, a bar member, "Let all stakeholders sit down, look at the facts, and ask ourselves, not only about the desirable figures but the obtainable figures, given the state of the economy. The Central Bank is right in saying this exercise is now due."

Finally, the recapitalisation programme under Governor Cardoso is a strategic effort to strengthen Nigeria's banking sector and ensure its resilience in a challenging economic environment. By increasing capital requirements, the CBN aims to create a more robust and stable financial system that supports economic growth and development. The CBN remains optimistic that all banks will comply with the new capital requirements and is committed to working closely with financial institutions to achieve these goals. In the event of non-compliance, the CBN will take appropriate measures to maintain confidence in the banking system and safeguard the interests of depositors and the broader economy. ■



Deputy Governor, Financial System Stability, Mr. Philip Ikeazor with some Dignitaries at the Financial Inclusion Leadership Roundtable Meeting.

# A Central Bank for All Nigerians



Board members (L-R) Mr. Philip Ikeazor, Mrs. Lydia Shehu Jafiya, Mrs. Muslimat Olanike Aliyu, Mrs. Oluwatoyi Madien, Robert Agbede, Mr. Olayemi Cardoso, Mr. Ado Yakubu Wanka, Ms. Emem Usoro, Dr. Bala Bello, Prof. Murtala Sabo Sagagi and Mr. Muhammad Abdullahi.

**T**he quote below by Mr. Olayemi Cardoso has been the guiding philosophy of the current leadership of the Central Bank of Nigeria. This commitment has guided the Cardoso-led team since they took office at the Central Bank of Nigeria (CBN) on September 22, 2023. His team includes the Deputy Governor, Corporate Services, Dr. Bala M. Bello; the Deputy Governor, Economic Policy, Mr Muhammad Sani Abdullahi; the Deputy Governor, Financial System Stability, Mr Philip Ikeazor and the Deputy Governor, Operations, Ms. Emem Usoro.

## The CBN's Mandate and Vision

According to Section 2 of the CBN Act, 2007, the Central Bank of Nigeria is tasked with ensuring monetary and price stability and promoting a sound financial system. The Cardoso administration has been committed to enhancing these functions to improve the economy and the lives of Nigerians through

inclusivity and national development. This involves regulating and monitoring the banking sector to ensure that key players contribute to a stable and sound financial system.

## A Renewed Focus on Price Stability

After their Senate confirmation in October 2023, the new CBN Management team focused on stabilising consumer prices and the foreign exchange market. They aimed to build confidence in the Nigerian economy and reposition the CBN as a key economic stability and growth driver. Governor Cardoso, speaking at the Chartered Institute of Bankers in Nigeria (CIBN) Annual Bankers Dinner in November 2023, emphasised the CBN's role in supporting investments and private sector participation, improving access to finance for Micro, Small and Medium Enterprises (MSMEs), and enhancing financial services for the underbanked.

*"We are committed to implementing policies that will ensure a stable macroeconomic environment and guarantee improved livelihoods for all Nigerians,"*

Mr. Olayemi Cardoso, Governor of the Central Bank of Nigeria (CBN), 2024.

## Financial Inclusion and Social Impact

Governor Cardoso has acknowledged the importance of addressing the needs of the average Nigerian, particularly youth and women, to ensure economic advancement. He further noted the role of technology in delivering financial services and enhancing financial inclusion. The CBN's financial inclusion goals include improving access to financial products and services, fostering inclusive growth, and addressing indicators of the human condition such as food, shelter, healthcare, education and skills training opportunities. Cardoso emphasised the need for stronger frameworks to measure the human condition and ensure policymakers give as much attention to these measures as they do to macroeconomic indicators.

## Challenges and Strategic Approaches

Nigeria has faced significant macroeconomic and social challenges, exacerbated by global events like the Russia-Ukraine conflict and the ongoing effects of the COVID-19 pandemic. These factors have contributed to inflation and other economic disruptions. The Cardoso team addressed these issues through a strategic refresh, focusing on upholding the CBN's mandate and restoring confidence in the institution. This included compliance as a catalyst for institutionalising a culture of excellence and compliance.

## Collaborations and Technological Advancements

The CBN under Cardoso has focused on strategic collaborations to support economic growth and financial inclusion. These efforts include partnerships with international organisations like the Alliance for Financial Inclusion (AFI), and domestic stakeholders to enhance financial services, especially for vulnerable groups such as forcibly displaced persons. The CBN has also embraced digital technologies to improve financial inclusion, productivity, and innovation.

The CBN's partnerships have advanced financial inclusion and made a difference in areas that impact Nigerians daily, such as food production. For instance, as part of its collaborative efforts with the Ministry of Agriculture, the CBN, in March 2024, announced the allocation of 2.15 million bags of fertiliser, valued at over N100 billion, which was handed over to the Federal Ministry of Agriculture and Food Security. This move aimed to amplify food production capabilities and foster price stabilisation within the agricultural sector. The fertilisers were donated by the CBN to Nigerian farmers and distributed free of charge to farmers across the country via the Federal Ministry of Agriculture and Food Security (FMAFS). The Bank's collaboration with the Ministry of Agriculture helped mitigate the food price surge.

The CBN's strategy also involves deploying advanced digital infrastructures to enhance processes and achieve optimal performance. This is crucial to securing Nigeria's future economy by leveraging technology to ensure more robust financial inclusion. The Bank stresses its dedication to harnessing the transformative power of digital tools to boost productivity and ensure that more Nigerians have access to financial services.

## Economic Impact and Future Outlook

The Cardoso administration's efforts have begun to show results. By early 2024, overseas remittances increased significantly, boosting foreign exchange inflows. Nigeria's economy demonstrated resilience, with notable improvements in GDP growth and the services sector. Reforms in the foreign exchange market have led to greater transparency and reduced market distortions. The CBN has also prioritised financial literacy, particularly among the youth, to ensure a well-informed public that can contribute to economic stability. This is demonstrated through its Financial Literacy Fairs and hosting educational visits for students nationwide.

Nigerians have also directly felt the CBN's impact on customer satisfaction at the CBN Branches, where customers' issues are resolved. The introduction of a Customer's Forum to enhance customer engagement and satisfaction, as well as the review of the Service Charter to provide more responsive and citizen-friendly governance, also show continuous efforts by the Bank to positively impact Nigerians' lives.

From enhancing the Know-Your-Customer (KYC) guidelines to create a secure banking environment and boost financial inclusion for the underbanked to undertaking various Corporate Social Responsibility projects across states, the CBN's influence is evident in many Nigerians.

### A Commitment to All Nigerians

The CBN's role in fortifying the banking sector

and fostering a secure financial system to promote widespread financial inclusion is crucial. The CBN's impact is profoundly significant through its regulatory guidelines, oversight functions, financial literacy initiatives, ongoing engagement with Nigerians, and strategic collaborations with relevant stakeholders.

One year into their tenure, the Cardoso-led team's impact is evident. With ongoing efforts to stabilise the economy and promote inclusive growth, the CBN strives to be a central bank that truly serves all Nigerians. Governor Cardoso remains committed to policies that benefit the average Nigerian, recognising that collaboration from all stakeholders is essential for achieving sustained and inclusive growth. The CBN's dedication to enhancing the livelihoods of Nigerians underscores its goal to be a central bank for all. ■



(L-R): Deputy Governor, Operations, CBN, Ms. Emem Usoro; MD/CEO, Bank of Industry, Dr. Olasupo Olusi; Governor, CBN, Mr. Olayemi Cardoso; MD, Development Bank of Nigeria (DBN), Dr. Tony Okpanachi; Lead Country Economist, World Bank Group, Ms. Bertine Kamphuis; and Deputy Governor, Financial System Stability, CBN, Mr. Philip Ikeazor, after the landmark Declaration of Commitment to the Women Entrepreneurs Finance Code (We-Fi) at the CBN Head Office, Abuja.

## Deepening Business Ties between Canada and Nigerian Businesses



Governor Olayemi Cardoso (middle), flanked by the Co-founder and Chairman of African Capital Alliance (ACA), Okey Enelamah (4th from left); and the President and CEO of Canadian Imperial Bank of Commerce (CIBC) and Chairman of the Business Council of Canada, Victor Dodig (Fifth from right); when Enelamah led the Canadian delegation on a visit to the CBN Governor on Tuesday, June 18, 2024, to deepen business ties between Canada and Nigeria/African businesses.



## Governor's Town Hall Meeting with CBN Staff



Governor Cardoso and Deputy Governor, Corporate Services, Dr. Bala Bello connecting with Staff



Governor Cardoso addressing Staff at the Town Hall meeting



Cross section of CBN staff at a town hall meeting with the CBN Governor

## The 8th CBN Board Retreat



(L-R) Deputy Governor, Financial System Stability, Mr. Philip Ikeazor; Deputy Governor, Operations, Ms. Emem Usoro; Former CBN Governor, Chief Joseph Sanusi; CBN Governor, Mr. Olayemi Cardoso; Former CBN Governor, Emir Muhammad Sanusi II; Deputy Governor, Economic Policy, Mr. Muhammad Abdullahi and Deputy Governor, Corporate Services, Dr. Bala Bello at the 8th CBN Board Retreat.



Deputy Secretary General of the United Nations, Amina Mohammed addressing participants at the 8th CBN Board Retreat.



– As the Future Beckons

## From the Stakeholders



Governor Cardoso, Deputy Governor, Economic Policy (3rd from left), CBN Board Member, Mr, Robert Agbede (2nd from left) and Executive Governor of Niger State, Mr. Muhammed Bago (2nd from right) with other dignitaries at the US-Nigeria Business Roundtable held at the International Monetary Fund (IMF)/World Bank Spring Meetings in May, 2024.

**W**hen Governor Olayemi Cardoso and his deputies assumed leadership at the Central Bank of Nigeria (CBN) in September 2023, they were immediately thrust into a turbulent economic environment. Global challenges like the Russia-Ukraine conflict, residual effects of the COVID-19 pandemic, and escalating tensions in the Middle East have severely disrupted supply chains, plummeted commodity prices and stifled international trade. Within Nigeria, these global upheavals compounded existing economic vulnerabilities—spiralling inflation, a devalued Naira, constricted foreign exchange supplies, and rampant unemployment. Amidst these crises, stakeholders from diverse sectors harboured substantial expectations for transformative solutions from the new CBN leadership.

### Government and Regulatory Bodies

From the onset, Governor Cardoso exhibited an unwavering commitment to confronting these challenges through strategic policy reforms aimed at economic stabilisation and

growth. In his inaugural address at the Chartered Institute of Bankers of Nigeria's (CIBN) 58th Annual Bankers' Dinner, he articulated a comprehensive strategy that included recapitalising the banking sector, stabilising monetary and price levels, and effectively managing liquidity through Open Market Operations (OMO).

His policy directions quickly garnered the endorsement of key governmental bodies. During a budget presentation to the Senate and House Committees on Banking, Insurance, and Other Financial Institutions held on December 13, 2023, Senator Tokunbo Abiru, the Chairman, commended the CBN's proactive measures, stating, "The measures implemented by the CBN so far to stabilise the economy are commendable." Furthermore, during a mid-year review on July 19, 2024, he praised the administration's effective management of inflation and exchange rates, which he noted had "led to favourable ratings from global rating agencies and enhanced foreign portfolio inflow."



Governor Cardoso flanked by Chief of Defence Staff, General Christopher Musa (6th left); Deputy Governor, Economic Policy, Mr. Muhammed Abdullahi (4th Right); Deputy Governor, Operations, Ms. Emem Usoro (5th left); and members of Chief of Defence Staff's team during a visit to the Bank.

### Financial Institutions' Feedback

The financial sector responded positively to Governor Cardoso's early interventions, particularly his decisive actions against non-compliance within some Nigerian banks. Speaking on January 10, 2024, Mr. Akin Morakinyo, Chief Executive of the CIBN, supported the governor's tough stance, reassuring stakeholders that "The CBN under Cardoso is committed to ensuring a stable financial system." This sentiment was echoed by the Nigerian Deposit Insurance Corporation (NDIC), which lauded the CBN's decision to increase minimum capital requirements. The NDIC's Managing Director, Bello Hassan, who spoke on Friday, April 12, 2024 during the NDIC's Special Day at the 35th Enugu International Trade Fair said, "This Strategic Recapitalisation Initiative will strengthen the Banking System and enhance its ability to withstand financial shocks."

### Industry Leaders and Private Sector Perspectives

Governor Cardoso's tenure has also been marked by increased engagement with industry leaders and the private sector, which is crucial for aligning economic policy with market realities. The Nigerian Economic Summit Group (NESG) and the Manufacturers Association of Nigeria (MAN) have been vocal in their support. Otunba Francis Meshioye, President of MAN, noted, "The collaborative efforts between the CBN and the private sector

are vital for creating a stable and growth-oriented economic environment."

Dr. Ayo Teriba, CEO of Economic Associates, commended President Tinubu's nomination of Mr. Yemi Cardoso, saying, "Nigeria urgently needs to restore probity and integrity to the CBN. Mr. Yemi Cardoso would do that. We should commend the President for nominating him for the role."

In an article he contributed to Thisday newspaper on September 28, 2023, seasoned investment banker Mr. Sonny Iroche highlighted that former CBN governors like Paul Ogwuma, Chief Sanusi and Lamido Sanusi, who all came from commercial banking backgrounds, were well-prepared for their roles. He noted that Yemi Cardoso's prior experience as Chairman of Citibank and in public sector budgeting makes him exceptionally qualified to lead the CBN effectively.

### Economic Analysts and Academia

Economic analysts and academic circles have offered critical insights into the CBN's policy framework under Governor Cardoso. The Nigeria Economic Society (NES) has particularly supported the Governor's emphasis on refocusing the CBN to its core mandates. Professor Adeola Adenikinju, President of NES, expressed this support during a visit to the CBN: "We are committed to collaborating with the CBN to deliver a

strong post-COVID-19 and post-oil Nigerian economy.”

### Expert Opinions and Analysis

Financial experts have also praised Governor Cardoso's clarity in handling foreign exchange obligations. Dr Chijioke Ekechukwu from Dignity Finance praised the Governor's transparency: "His comments have clarified certain hazy issues, thereby enhancing investors' confidence." He said, "Mentioning the outstanding amount owed creditors gives investors confidence and hope. The interview clarified a good number of sketchy issues. And he clearly stated that they would concentrate on stabilising prices and reducing inflation."

Further reinforcing this sentiment, Ibrahim Shelleng, a noted Wealth Management Consultant, remarked on this clarity's positive impact on foreign investment, particularly in Nigerian securities. He said Cardoso's forex policy will buoy Nigerians and foreign investors. In his words, "Undoubtedly, the FX situation has been a major concern to the Nigerian economy, given its rapid devaluation in recent times."

He said, "Foreign portfolio investors who may have hitherto shied away from investing in Nigerian securities may be more encouraged to do so now. The much-highlighted backlog of FX demand has hopefully been deconstructed

to provide a more positive outlook. With the greatly reduced backlog figures promoted, it is undoubtedly more palatable. It's easier to see how the government can resolve it, especially given the anticipated return of FPIs.

### Public and Civil Society Organizations

The broader public and various civil society organisations have shown robust support for the CBN's initiatives, particularly those to enhance the financial system's stability. Commenting on the necessity of the recapitalisation program on one of the CBN's programmes, a spokesperson for a coalition of civil society organisations, Alesta Wilcox, said, "It is germane to say that the recapitalisation exercise was to make the banks healthy and stronger, which is crucial for the overall economy."

Governor Olayemi Cardoso's first year at the helm of the CBN has been a period of significant economic reform, marked by widespread stakeholder engagement and a series of strategic interventions that have stabilised and poised Nigeria's economy for future growth. As the CBN continues to navigate complex global and domestic landscapes, the continued collaboration and dialogue with these diverse stakeholders will be essential for sustaining economic stability and achieving broader national economic objectives. ■



L-R: Mr. Taimur Samad, Lead Economist, World Bank; Mr. Alex Sienaert, Lead Economist for Nigeria, World Bank; Ms. Emem Usoro, Deputy Governor, Operations, CBN; Mr. Olayemi Cardoso, Governor, CBN; Mr. Ndiame Diop, World Bank Country Director for Nigeria; Mr. Muhammad Sani Abdullahi, Deputy Governor, Economic Policy, CBN; and Ms. Bertine Kamphuis, Senior Private Sector Specialist, World Bank on a Courtesy visit of the new World Bank Country Director for Nigeria on Tuesday, 9th July 2024.

# Building a Respected Central Bank: Our Collective Responsibility



(L-R) Dr. Bala Bello, Deputy Governor, corporate services, CBN; Shubham Chaudari, Former country Director of World Bank, Nigeria; Governor of the Central Bank of Nigeria, Mr. Olayemi Cardoso; and Ms. Emem Usoro, Deputy Governor, Operations, CBN, during the Country Director of World Bank visit to the CBN.

In the evolving and intricate landscape of global finance, the role of a Central Bank has become a fundamental pillar of national economic stability and expansion. The Central Bank of Nigeria (CBN), under the adept leadership of Governor Olayemi Cardoso, exemplifies how robust governance frameworks have substantially bolstered the Bank's operational effectiveness and overall reputation. Reflecting on the principles explored in notable discussions such as "The Main Tendencies in Modern Central Banking," by David Archer and Gavin Bingham, and "The Three Pillars of Central Bank Governance" by Dr. Fabian Amttenbrink, the CBN has embraced governance structures that ensure independence, accountability, transparency, and proactive policy formulation, complemented by meaningful engagement with stakeholders.

The stature of the CBN is shaped not just by its policies or the calibre of its leadership but also by the collective dedication, professionalism,

and integrity of every individual associated with it. From the upper echelons of Management to frontline employees, and extending to government entities, financial institutions, the private sector, international organizations, and the general public, each group plays a crucial role. The cumulative contributions of these diverse actors have been vital in cultivating an environment of trust, credibility, and respect for the CBN.

In the context of the CBN—a critical entity in propelling Nigeria's economic prosperity—the concept of collective responsibility has always transcended internal governance and operational efficiency. This approach aligns each individual's actions with the Bank's overarching mission and values, ensuring that every decision and action consistently reflects a commitment to transparency, accountability, and excellence. By nurturing a culture of collaboration, mutual respect, and shared purpose among all internal and external stakeholders, the CBN has significantly

enhanced its capacity to execute its mandate effectively and maintain public confidence.

Throughout its history, the interconnectedness of various entities within and around the CBN has been pivotal to its stability and effectiveness. Continuous professional development, adherence to ethical standards and proactive communication have all been emphasized as essential components. By focusing on these elements, the CBN has inspired a strong sense of collective ownership and responsibility among all stakeholders, reinforcing the notion that building and sustaining a respected central bank is a shared responsibility that requires active participation and commitment from every citizen.

Reflecting on Governor Cardoso's transformative leadership and the evolving roles within the CBN, this section testifies to the dynamic and collaborative efforts that have upheld the Bank's integrity and efficacy in today's complex financial landscape. The CBN continues to set a benchmark for excellence in central banking through a comprehensive approach, showcasing the profound impact of collective effort on institutional success and societal economic well-being.

### The Goal of Collective Effort

The efforts of its entire network have fundamentally shaped the CBN's respectability. This collective endeavour has enabled the Bank to effectively navigate the complexities of modern financial systems and global economic pressures. By aligning efforts across various levels of the Bank and with its external partners, the CBN has established a holistic approach to governance and policy implementation, solidifying its reputation as a model of stability and integrity.

For example, in 2010, during a conference on "Gas to Power: Prospects and Challenges," the Emir of Kano and former Governor of the Bank, Muhammad Sanusi II, emphasized collective effort within the CBN. He highlighted the collaborative roles of various stakeholders in

the financial ecosystem, demonstrating how different sectors and entities have historically worked together under the CBN's initiatives, such as forming the Technical Committee on Power. This initiative, which includes banks, regulators, federal government representatives, technical experts, industry operators and private financiers, exemplifies the CBN's collective approach to addressing Nigeria's power and energy challenges.

Additionally, the CBN has collaborated with various government agencies and development partners to improve infrastructure financing. This underscores the theme of collective effort and shared responsibility in enhancing the nation's economic framework. Recently, the Bank collaborated with the Federal Ministry of Finance and Agriculture to intervene in the nation's farming season, with factors such as banditry threatened. It distributed fertiliser to farmers in agrarian communities battling banditry and other forms of criminality.

Moreover, the CBN's partnerships with government entities, financial institutions and international partners to stabilize the Nigerian currency and manage inflation rates further underscore the importance of collective responsibility. These partnerships have been crucial in aligning monetary policy with broader economic objectives, demonstrating how the CBN leverages collective expertise and resources to achieve its goals.

This holistic involvement reinforces that maintaining and enhancing the effectiveness and credibility of a Central Bank like the CBN is a shared responsibility. It extends beyond the confines of the institution itself, involving various stakeholders in the financial system who contribute to the legacy of a robust and respected Central Banking system.

### Roles and Responsibilities

1. Leadership: The leadership at the CBN has consistently set the tone for ethical behaviour and operational excellence. The commitment of top Management



L-R: Mr. Jonny Baxter, British Deputy High Commissioner to Nigeria; Ms. Morayo Adekunle, Deputy Country Director, Department for Trade ; Mr. Philip Ikeazor, Deputy Governor, Financial Systems Stability, CBN; Mr. Muhammad Sani Abdullahi, Deputy Governor, Economic Policy, CBN, Mr. Olayemi Cardoso, Governor, CBN, Mr. Richard Montgomery, British High Commissioner to Nigeria; Mrs. Kemi Badenoch, (former) Secretary of State, Business and Trade Dr. Bala M. Bello, Deputy Governor, Corporate Services, CBN; Ms. Chim Chalemera, Country Director, UK, UK DBT Nigeria, during a Courtesy visit to the CBN, Abuja, on Tuesday, February 13, 2024.

to transparency and integrity cascades to every tier of the Bank, cultivating a culture of accountability and ethical conduct.

2. **Employee Impact:** Every CBN employee contributes to the Bank's reputation. Their daily activities and decisions reflect core values and mission, fostering a stable and reliable banking environment.
3. **Stakeholder Collaboration:** The CBN's collaboration with government bodies, financial institutions, and international partners has been crucial for broad-based support and credibility. These relationships have enhanced the Bank's capacity to fulfil its mandate while adhering to global best practices.

### Components of Building Respect

Maintaining the CBN's respected status involves navigating a complex landscape of challenges that can impact its credibility and effectiveness. These challenges, stemming from various internal and external pressures, require adept management and proactive strategies to ensure stability and public confidence.

### Internal and External Challenges

1. **Political Influences:** The CBN has maintained its ability to operate independently of political influence, effectively managing monetary policy. Navigating pressures from government entities with differing economic priorities, the Bank has successfully balanced these demands with long-term monetary stability goals, such as inflation control, which enhances its reputation for independence and credibility.
2. **Economic Fluctuations:** In response to global market fluctuations and changes in the economic landscape, such as commodity price volatility, the CBN has effectively utilized tools like interest rate adjustments, reserve requirements, and direct market interventions to maintain economic stability.
3. **Public Scrutiny:** In today's digital age, the CBN's actions are closely monitored by the public and media. The Bank's effective communication and public relations strategies have upheld its respectability and trust.

The CBN's role in maintaining economic stability involves carefully managing various challenges, including navigating political pressures, responding to economic fluctuations, and managing public expectations. The Bank's ability to make informed decisions, maintain operational independence, and communicate effectively has been crucial in sustaining its credibility and respect as a central institution in Nigeria's financial landscape.

### Case Study: The Publication of MPC Individual Member Statements

The CBN holds its Monetary Policy Committee (MPC) meetings bimonthly, allowing the Committee to regularly assess economic developments and make timely decisions regarding monetary policy. These meetings have been critical for setting the direction of monetary policy to achieve macroeconomic stability. During these meetings, committee members discuss various economic indicators, including inflation rates, exchange rates and economic growth projections, to decide on actions like adjusting the interest rate or modifying reserve requirements.

Publishing individual member statements has been a practice that enhances transparency and accountability within the CBN. By releasing these statements, the CBN allows the public and market participants to understand the rationale behind each member's voting

behaviour, whether they voted for maintaining, increasing, or decreasing the interest rates or other policy measures. This practice clarifies the diversity of views within the MPC and helps predict future monetary policy directions based on its members' assessments and biases.

Such transparency has been beneficial as it provides insights into the policy-making process, contributing to better-informed and more predictable market reactions. It also strengthens the Bank's credibility, as stakeholders can see the thought process behind decisions that impact the economy. Additionally, it fosters a deeper understanding among economists, analysts, investors and the public about the economic challenges and the Central Bank's considerations when formulating policies.

As the Central Bank of Nigeria continues to navigate the challenges of an evolving economic landscape, the commitment of its staff, leadership and stakeholders to uphold the highest standards of conduct and professionalism remains paramount. This section underscores the critical nature of collective responsibility in maintaining and enhancing the Bank's stature as a revered institution in the global financial system. Let us all continue contributing actively and conscientiously to the legacy of a robust and respected CBN. ■



Governor Cardoso flanked by members of Corporate Council in Africa and some departmental Directors during the visit of Members of the Corporate Council to the Bank

# Governor Cardoso's Visit to the Minister of Agriculture and Food Security



## Editorial Epilogue

# Reflecting on a Year of Transformation and Resilience



The Governor, Central Bank of Nigeria, Mr. Olayemi Cardoso addressing participants at the 8th CBN Board Retreat.

**A**s we close the pages of this special publication, "Team Cardoso First 365 Days: Building the Foundation for a New Era," we reflect on a year marked by profound transformation and steadfast resilience under Governor Olayemi Cardoso's leadership. This journey through the past 12 months has been about recounting events and understanding the shifts and impacts of strategic leadership and robust policy making at the Central Bank of Nigeria (CBN).

Governor Cardoso's tenure began amid significant challenges—economic disruption, inflationary pressures and a pressing need for systemic reforms. The various themes treated in this publication have chronicled how these challenges were met with decisive actions and strategic realignments to stabilise and propel

the nation's economy forward. The Governor's policy directions have been visionary and grounded in practical realities, from rigorous compliance to inflation targeting and stakeholder engagement to strategic recapitalisations.

The narratives of change and progress detailed across this publication provide a glimpse into the foundational shifts within the CBN and the broader Nigerian financial landscape. These stories testify to the potential of well-crafted policies and the enduring power of committed leadership.

As we look to the future, the groundwork laid during Governor Cardoso's first year in office offers a blueprint and a beacon of hope for continued economic growth and stability. The

path ahead will undoubtedly hold new challenges and opportunities. However, the past year's endeavours assure us that under Governor Cardoso's stewardship, the CBN is well-equipped to navigate these with the same integrity, dedication, and foresight that has characterised his first year in office.

Thus, as we turn this final page, we do so with a

sense of accomplishment and anticipation. The foundation for a new era at the CBN has been laid; now, the journey continues towards building a resilient, inclusive, and prosperous Nigeria. Let us move forward, drawing strength from our shared achievements and remaining ever-committed to the ideals of service and excellence that define our collective journey. ■



(L-R) Former CBN Governor, Chief Joseph Sanusi; Financial Analyst, Sir Bismark Rewane; the Governor, Central Bank of Nigeria, Mr. Olayemi Cardoso; and former CBN Governor, Emir Muhammad Sanusi II, during the 8th CBN Board Retreat.



(L-R) Deputy Governor (Economic Policy), CBN, Mr. Muhammad Sani Abdullahi; Permanent Secretary, Federal Ministry of Finance, Mrs. Lydia Jafiya; Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun; Managing Director, International Monetary Fund, Ms. Kristalina Georgieva; Governor, CBN, Mr. Olayemi Cardoso; and Director General, Debt Management Office (DMO), Nigeria, Ms. Patience Oniha at an IMF meeting recently.

# Committee of Governors



**Mr. Olayemi Cardoso ,  
Governor, Central Bank of Nigeria (CBN)**



**Dr. Bala Mohammed Bello,  
Deputy Governor, Corporate Services**



**Mr. Muhammad Sani Abdullahi,  
Deputy Governor, Economic Policy**



**Mr. Philip Ikeazor,  
Deputy Governor, Financial System Stability**



**Ms. Emem Usoro,  
Deputy Governor, Operations**



# BOLD REFORMS

## STABILITY | IMPACT



### Economic Growth & Stability



**Bank Recapitalization:** Unveiled recapitalisation plans, boosting banks' capacity to support economic growth.



**Monetary Policy:** Effectively waived cash deposit fees, promoting financial intermediation and aiding monetary policy effectiveness.



### Financial Inclusion

**MFB Licenses & Fintech Initiatives:** Expanded financial services through new Microfinance Bank licenses and innovative Fintech solutions, enhancing access for underserved populations.



### Consumer Protection

**Regulatory Strengthening:** Enhanced consumer protection measures, reinforcing trust in the financial system.



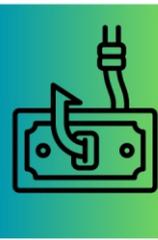
### Innovation & Fintech Oversight

**Regulatory Balance:** Promoted Fintech innovation while ensuring financial system stability through comprehensive new regulations.



### Financial Literacy

**Youth Empowerment:** Revised the National Financial Literacy Framework, positioning the next generation for financial success.



### Anti-Money Laundering & Counter-Terrorist Financing

**FATF Grey List Delisting Efforts:** Made strides in implementing AML/CFT measures aimed at removing Nigeria from the FATF Grey List.



### Cybersecurity

**Cybersecurity Enhancements:** Prioritised the adoption of ISO 27001 and a Risk-Based Framework, significantly improving cybersecurity in financial institutions.



### Transparency & Market Conduct

**Promotion of Responsible Conduct:** Banned the distribution of unearned income by banks, fostering transparency and accountability in the financial sector.



### Women's Economic Empowerment

**We-Fi Code Implementation:** Launched the We-Fi Code, boosting financial access for women-owned businesses and promoting economic empowerment.



### Foreign Exchange Market Stabilisation

**Unification of Rates:** Successfully unified exchange rates, helping to stabilise the forex market and reduce arbitrage opportunities.



### Economic Confidence

**International Endorsements:** Restored confidence in the Nigerian economy, evidenced by positive endorsements from international agencies and financial institutions.



### Inflation Control

**Inflation Targeting:** Achieved a decline in inflation for the first time in 19 months, demonstrating effective monetary policy interventions.

