



PRESIDENT'S REPORT

REPORT OF THE PRESIDENT/CHAIRMAN OF COUNCIL

1.0 INTRODUCTION

Dear Esteemed Members of our great Institute, it is with immense joy that I welcome you all to the 2021 Annual General Meeting (AGM) of our highly revered Institute. There is no gainsaying that the year gone by was a very challenging and tumultuous one. We began the year with very high hopes and expectations as individuals and corporates. Little did we know that we were stepping into a year like no other, a year that presented unprecedented challenge to public health, food systems the world of work, the economy as well the social life of humanity across the globe. COVID-19 pandemic led to a dramatic loss of human life worldwide, Indeed, the disruption caused by the pandemic was devastating. But in all these, we thank the Almighty God for sparing our lives to witness yet another AGM. May I on this note, reverently request that we observe a minute silence in honour of our departed members and indeed every individual across the globe, who lost their lives to the pandemic... May their souls rest in perfect peace (Amen).

In the past year, beyond COVID-19, our country Nigeria experienced a plethora of disruptions which included the Oil Price war between Russia and Saudi Arabia, the civil unrest that Climaxed the #EndSars protests and of course the second economic recession that plagued our country in the last five years. Indeed, the year 2020 was a devastating one.

However, despite the disruptions, the year under review ushered in lots of opportunities, businesses were forced to rethink their operational models, digital platforms gained unprecedented prominence. The adoption of digital platforms grew exponentially, as business activities moved to the digital space, helping SMEs and large corporates reach a wider audience. Several reports corroborate the fact that the COVID-19 crisis has accelerated the digitization of customer interactions. According to a 2020 Report by Mckinsey & Company, the average share of customer interactions that are digital have increased globally from 36% in 2019 to 58% as of July 2020.



There has also been greater efficiency, the report also indicates that in the case of remote working, companies moved 40 times more quickly than they thought possible before the pandemic. It is instructive for me to note that, your Institute was also a gainer during the pandemic as we grew in leaps and bounds riding on the wings of change to bring about the reality that we desired.

Given that this is the first AGM I will be presiding over as the 21st President/Chairman of Council of our great Institute, let me thank you all for entrusting me with the mandate of leadership of our highly revered Institute. It is pertinent for me to say that I do

not take this responsibility lightly. You will recall that during my Presidential Investiture, I outlined five strategic focus which encapsulates my vision for the Institute over the course of my 2-year tenure. I will attempt to spotlight some of our modest achievements on each of the five focus areas code named A-TEAM. But before then, permit me to quickly reflect on the Global and National Economic trends in the year under review.

2.0 GLOBAL AND NATIONAL ECONOMIC TRENDS IN 2020

The global and national economies were greatly impacted by the outbreak of the Novel Coronavirus known as COVID-19 which originated from Wuhan China in December 2019. The crisis which essentially began as a health challenge rapidly escalated and was declared by the World Health Organisation as a pandemic on March 11, 2020.

This development led to the imposition of partial or complete lockdown on economic activities in most parts of the world if not all, in order to curtail the spread of the lethal virus. However, more challenges erupted when governments around the world struggled to balance the task of saving lives with keeping the economy running.

No doubt the pandemic and attendant lockdown had far-reaching implications on households, businesses and economies of countries as they struggled for survival. According to the United Nations, over 1.5 million people lost their lives to the pandemic in 2020. Meanwhile, the Johns Hopkins University, Coronavirus Resource Centre, reported that total cases recorded surpassed 80 million as at December 2020.

Across the globe, the pandemic occasioned unprecedented economic crisis resulting in widening supply chain gaps and a decline in productivity and profitability of organisations. For example, the Chinese PMI shrank to 35.7% and according to the Yelp Local Economic Impact Report, 2020, with over 150,000 business temporarily closed in the United States alone.

There were also big shifts in stock markets. For example, the FTSE, Dow Jones Industrial Average, and the Nikkei all saw huge falls as the number of Covid-19 cases grew in the early months of the crisis. The FTSE in particular dropped to 14.3% in 2020, the worst performance since 2008. This consequentially led to global job losses totalling about 114million.

Based on the World Economic Outlook (WEO) Report released by the

IMF in April 2021, the global economy contracted by 3.3% in 2020. This is the worst contraction since the Great Depression of the 1930s. As mentioned earlier, businesses struggled to survive during the crisis.

The Nigerian economy was not exempted from this turbulence. According to the Nigerian Centre for Disease Control (NCDC), over 87,000 cases with 1000 deaths were recorded. As a result of the pandemic, the Nigerian economy entered its second recession in 4 years contracting by 6.1% in the second quarter and 3.6% in the third quarter of the year. (National Bureau of Statistics) The economy however bounced back albeit modestly in the fourth quarter of 2020 with a 0.11% growth.

In the fourth quarter of 2020, an average daily oil production of 1.56 million barrels per day (mbpd) was recorded. This was lower than the daily average production of 2.00mbpd recorded in the same quarter of 2019 by -0.44mbpd and the third quarter of 2020 by -0.11mbpd.

The Inflation rate also rose every month consistently over the year from a low of 12.13% in January to a peak of 15.75% in December 2020.

The official exchange rate which was originally pegged at N306/US\$1 by the Central Bank of Nigeria was revised to N379/US\$1 in December 2020.

Harsh economic conditions also saw Nigerians switching to the acquisition of stocks rather than fixed income securities due to the low yields. This explains why the Nigerian Stock Exchange was among the best performing in 2020.

Aside the major effects of the Coronavirus Pandemic in Nigeria, it is pertinent to note that the COVID-19 pandemic represents the third major shock to the Nigerian economy in 12 years. The Nigerian economy had been contending with a set of pre-existing conditions such as Stagflation – stagnant growth and rising inflation, weak consumer power

and falling external revenue because of the Saudi-Russian Oil Price War. More specifically, given lower oil prices, OPEC quantity restrictions on Nigerian output, and longstanding impediments to investment in the sector was also a major driver of the recession. It is also worth noting that social unrest which climaxed the EndSars protests further exacerbated an already troubled economic environment. Due to the violence, several businesses and places of monumental interest were destroyed and this further heightening the level of insecurity across the country. According to news reports, the Lagos state government estimated cost of repair of the battered government installations exceeded the state's N920.5 billion revised 2020 budget.

However, towards the end of the year, the Nigerian economy showed some signs of improvement. According to the Nigerian Bureau of Statistics, Nigeria's Gross Domestic Product (GDP) grew by 0.11% (year-on-year) in real terms in the fourth quarter of 2020, representing the first positive quarterly growth in the last three quarters. Though weak, the growth reflects a gradual return of economic activities following the easing of restriction of movements and limited local and international commercial activities in the preceding quarters.

In response to such adverse economic effects experienced, the governments across the globe sought to keep their economies afloat through various intervention policies. For example, the United States Government signed a \$2.2 trillion stimulus package for businesses, the largest in its history; the Bank of England reduced interest rates to a record low of 0.1%. As a global multilateral organization, the IMF deployed finance to struggling economies; facilitating a flexible credit line for Peru and Chile worth \$11billion and \$23.93billion respectively while rendering technical assistance in the area of governance and capacity development.

With exuberance around the invention of the COVID-19 vaccine, the Nigerian economy is expected to solidify its growth numbers and expand on its foreign reserve base in 2021. Policymakers are expected to emerge with the right framework and establish certain structures to mitigate the widespread unemployment, poverty, insecurity, challenges around the health and education sector as they play pivotal roles in unlocking Nigeria's potentials.

3.0 DEVELOPMENTS IN THE BANKING INDUSTRY IN 2020

The Nigerian banking industry has been resilient and innovative in the

period under review, despite its exposure to diverse shocks ignited by the global pandemic and its connectivity to all sectors of the economy.

Regulators have been quite proactive in addressing key issues affecting the industry. The CBN released policy responses to tackle effects of Covid-19. Some of the interventions of the apex bank are as follows:

- A 1-year extension of a moratorium on principal repayments for CBN intervention facilities.
- The reduction of the interest rate on intervention loans from 9 percent to 5 percent.
- Strengthening of the Loan to Deposit ratio policy (i.e. stepped up enforcement of directive to extend more credit to the private sector)
- Creation of NGN50 billion target credit facility via NIRSAL Microfinance Bank for affected households and small and medium enterprises. The fund was subsequently increased to NGN100 billion to accommodate more beneficiaries."
- Granting regulatory forbearance to banks to restructure terms of facilities in affected sectors.
- Improving FX supply to the CBN by directing oil companies and oil servicing companies to sell FX to the CBN rather than the Nigerian National Petroleum Corporation
- Additional NGN100 billion intervention funds in healthcare loans to pharmaceutical companies and healthcare practitioners intending to expand/build capacity.
- Identification of few key local pharmaceutical companies that will be granted funding facilities to support the procurement of raw materials and equipment required to boost local drug production.
- N1 trillion in loans to boost local manufacturing and production across critical sectors.

- The CBN has adopted a unified exchange rate system for Inter-Bank and parallel market rates to ease pressure on FOREX earnings as oil prices continues to plummet.
- Provision of credit assistance for the health industry to meet the potential increase in demand for health services and products "by facilitating borrowing conditions for pharmaceutical companies, hospitals and practitioners".

During the year, other significant developments in the banking industry include the following:

- President Buhari Assented to the revised Banks and Other Financial Institutions Act (BOFIA)
- The Central Bank of Nigeria (CBN) in January released the Nigerian Payment Systems Risk and Information Security Management Framework to guide the management of risks associated with payment systems in the country.
- The CBN released guidelines for the launch of the Global Standing Instruction Policy effective 1st August 2020.
- The CBN also introduced new capital requirements for Microfinance Banks. Compliance to this new policy was required by April 2020.
- The Central Bank of Nigeria (CBN) and the Bankers' Committee of Nigeria launched its cybersecurity & fraud awareness campaign, called 'Moni Sense'; to educate the public on protecting themselves against cyber fraud and scams.
- Fitch Ratings downgraded the three-highest rated banks in Nigeria, Zenith Bank (Zenith), Guaranty Trust Bank (GTB) and United Bank for Africa (UBA), to Long-Term Issuer Default Rating (IDR) 'B' and Viability Rating (VR) 'b'.
- The Central Bank of Nigeria (CBN) released revised guidelines for the Nigeria Uniform Bank Account Number (NUBAN) to include Other Financial Institutions (OFIs) effective April 2020 and with a deadline of March 15, 2021 for full compliance.
- The CBN in collaboration with EFINA launched a framework to advance women's financial inclusion in Nigeria.
- The year also saw a significant number of new appointments. Among them include the following:
 - The Board of Directors of Fidelity Bank Plc announced the retirement of Mr. Nnamdi J. Okonkwo, FCIB the Managing Director/Chief Executive Officer (MD/CEO) of Fidelity Bank Plc and the appointment of Mrs. Nneka Onyeali-Ikpe, the Executive Director, Lagos and South West Directorate as the MD/CEO Designate. She has since resumed office effective 1st January, 2021.
 - Keystone Bank Limited announced the appointment of

Mr. Olaniran Olayinka as its Managing Director/CEO, effective November, 2020

- The Board of Union Bank Nigeria Plc also announced the appointment of Mr Emeka Okonkwo as its incoming Chief Executive Officer.
- President Muhammadu Buhari appointed Mr. Alwan Hassan as the acting Managing Director of the Bank of Agriculture (BoA)
- President Muhammadu Buhari renominated Mr Ahmed Kuru as Managing Director, of the Asset Management Corporation of Nigeria (AMCON) for the final term of five years.

4.0 FINANCIAL PERFORMANCE OF THE INSTITUTE

I am delighted to report that the financial position of the Institute continues to soar with a primary focus of being financially independent. In spite of the modest economic growth in the year under review, the Institute recorded a slight decline in Internally Generated Revenue (IGR) of N1.47 billion in 2020 from N1.58 billion in 2019, representing a decrease of 7%.

The year closed with a net operating surplus of N 570.27 million in 2020, this reflects a 7% decrease from N 573.7 million in 2019.

Let me use this opportunity to assure you that under the remainder of my tenure as President/Chairman of the Council, the Institute would continue to jealously guard its financial resources while at the same time ensuring that the implementation of our vision and goals for this great Institute are not hampered by financial constraints.

5.0 STRATEGIC FOCUS

Distinguished Ladies and Gentlemen, you would recall that in my acceptance speech delivered on May 16, 2020 as the 21st President/Chairman of Council of our noble Institute, I outlined my agenda in line with the strategic initiatives of our Institute. The agenda, encapsulated in the acronym A- TEAM are as follows:

- A** - Accelerated Development
- T** - Technology and Digital Enhancement
- E** - Engagement for Growth
- A** - Accountability and Transparent Leadership
- M** - Membership Drive for Value

Consequently, I am pleased to share with you some of the achievements recorded on the agenda in the year under review:

5.1 ACCELERATED DEVELOPMENT

a. Branches and Chapters Leadership

Recall that in my acceptance speech, I promised that we would give necessary attention to the issue of Leadership of Branches at both local and International levels in order to ensure that the Branches are strong, vibrant, agile and able to deliver on their mandates.

In line with this agenda, I am pleased to inform you that we have had engagements with the leadership of Branches across the country despite Covid-19 restrictions and the engagements were very fruitful and rewarding. Quarterly meetings of branch leadership have been introduced at the Zonal level and the meetings have been very productive.

Furthermore, the criteria for emergence of leaders at the branch level have been reviewed and communicated to the branches. The subvention to branches has been upwardly reviewed from N300,000 to N500,000 so that the Branches can have something substantial to run with. Consequently, the Key Performance Indicators (KPIs) for branches were reviewed as a basis for Performance Management.

b. Infrastructural Development

The overarching objective of this administration is to explore the possibilities of developing physical structures for the various branches where we have land or landed properties. Mindful of limitations in terms of resources, we have resolved to embark on the

process in phases. Consequently, a detailed proposal was presented to the Governing Council on the status of CIBN land and landed properties and the Governing Council approved as follows:

- Development of the Institute's land in Owerri and Osogbo which will serve the South-East and South-West Zonal offices respectively.
- Governing Council approved that financial support be given to Kwara State Branch to upgrade the CIBN facility in Ilorin, Kwara State. The branch is expected to submit its plan for the upgrade of the building and the total cost after which the approved sum may be disbursed.
- Council also approved that financial support be given to Lagos State for the construction of the CIBN Lagos State branch permanent Secretariat located at 310, Murtala Muhammed Way, Yaba, Lagos.
- The North-West Zonal office has been directed to source for a property that can serve the purpose of the New Nigeria Development Company Ltd (NNDC) project as well as accommodate the Zonal Office in Kano.

c. Abuja Bankers House Development

As part of efforts towards positioning the Institute for continued relevance and impact, the Governing Council approved the purchase of a landed property for the Institute at No. 12, Oro Ago Crescent, off Muhammadu Buhari Way, Garki II Abuja, Federal Capital Territory. The said property will be known and called The Chartered Institute of Bankers of Nigeria, Abuja Bankers House. It is believed that having such a presence in the Federal Capital Territory will project and create more visibility for the Institute. The building is expected to host the CIBN National Secretariat Annex and the Alliance of African Institutes of Bankers (AAIOB) Secretariat. The newly acquired property requires renovation to bring it up to a state-of-the-art edifice that befits the

status of the Institute. The firm of Beecon Ama & Associates Ltd has been engaged to carry out the renovation of the building while an Estate Management firm J.Ajayi Patunola & Co. has also been engaged to manage the rental/letting and facility management of the Abuja Property after the renovation of the building.

d. Educational Development

i. Linkage Programmes

We have reviewed the entire Linkage programme with a view to determining the impact of the scheme as well as initiatives that can be implemented to enhance the programme. In doing this, the Governing Council constituted a Committee to review the entire scheme and make recommendations. The Committee's recommendations have been considered by Council with far reaching resolutions that will enhance the performance of the scheme.

ii. Banking-Related Legacy

Given the deteriorating state of facilities in most Universities and Polytechnics, the Council approved that a mini hall be constructed in selected Linkage institutions across the six geo-political zones of Nigeria and donated to the Banking & finance department as a Legacy project from the Institute. The proposed hall will have a 150 - 200 seating capacity fully furnished with air conditioning and will be equipped with modern multi-media communication gadgets.

iii. Banking Museum Project

Aimed at preserving the rich Educational history and the historical heritage of the Evolution of Banking and Finance in Nigeria, the Institute has commenced the development of the Banking Museum project beginning with the Gallery Phase which will be at Bankers House Adeola Hopewell, Victoria Island Lagos.

e. CIBNACT Review

As outlined in my agenda, priority attention has been given to pushing the revised CIBN Act through the necessary organs of Government to get it repealed and re-enacted in order to align with the current day realities in the banking and finance industry. The Act has gone through several reviews based on the lacunas observed and has been transmitted to the Ministry of Justice from the Ministry of Finance.

f. Staff Training and Development

During the period under review, I am pleased to inform you that amidst the Covid-19 pandemic, staff from the Secretariat as well as

the various zonal offices were enrolled for and participated in various local and international structured online training to ensure their continuous capacity development and performance improvement on the job.

5.2 Technology and Digital Enhancement

As you all know, the COVID-19 pandemic and the total lockdown imposed by Governments across the globe brought to the fore, the importance of technology and digitization. Indeed, only businesses that leverage technological advancements would survive the effects of the pandemic. I am indeed happy to inform you that during the period under review, the Institute pulled the lever of technology to run its programmes/ operations and the result has been overwhelming.

5.2.1 Membership / Stakeholders Engagement

Recall that in my acceptance speech, I noted the need for digital transformation, particularly in the manner we serve our members and do business with stakeholders. This we have taken on board and throughout my tenure, we will strive to intensify efforts to reach and engage our stakeholders using best-in-class digital platforms with maximum efficiency. So far, our achievements in this area include, Launch of a new CIBN Mentoring Application, Upgrade of CIBN Meeting Platform, Development of Mobile App Annual Banking & Finance Conference etc

5.2.2 Examination Services

In line with our resolve to strengthen our examination processes, we have adopted the implementation of Remote Online Proctoring Examinations. This is a digital form of assessment which allows students to sit for examinations from any location of their choice with advanced security and monitoring features.

5.3 ENGAGEMENT FOR GROWTH

As part of efforts to reach out to our various stakeholders with a view to enlisting their support for

the Institute as well as expand our prominence, we have embarked on series of engagements, despite the restrictions occasioned by the pandemic. Below are some of the engagements we have embarked upon:

- Minister of Communications and Digital Economy, Dr. Isa Ali Ibrahim (Pantami), FNCS, FBSC, FIIM
- Director-General, Nigerian Television Authority (NTA)
- Daily Trust Newspaper.
- National Association of Microfinance Banks
- The newly appointed Managing Director of Nigeria Deposit Insurance Corporation (NDIC)
- Chairman, Independence Corrupt Practices Commission (ICPC)
- The Chartered Institute of Secretaries and Investment, United Kingdom.

We have also had engagements with our branches both local and international with a view to empowering them for enhanced performance. The list of the branches we have engaged are as follows:

- CIBN Lagos State Branch
- CIBN Kwara State Branch
- Association of Professional Women Bankers (APWB)
- CIBN Abuja FCT Branch
- CIBN Ondo State Branch
- CIBN Ogun State Branch
- CIBN Borno State Branch
- CIBN Cross River State Branch
- CIBN Anambra State Branch
- CIBN Niger State Branch
- CIBN UK Branch

To mark this administration's one year in office and engage stakeholders in the capital market, a delegation of the Institute was hosted by the Nigerian Exchange Limited (NGX) to a virtual Closing Gong Ceremony on Tuesday, May 11, 2021, where I had the privilege to sound the closing gong, to bring the day's trading activities to a close.

5.4. ACCOUNTABILITY AND TRANSPARENT LEADERSHIP

The need for accountability and transparency in the financial services industry cannot be over emphasized. As such, we have continued to lift the banner of ethics and professionalism ensuring that staff of banks attest to the Code of Conduct. A total of 10,592 staff of banks attested to the Code in the year under review, bringing the total number of staff that had attested to the Code of Conduct to 125,545.

The CIBN Investigating Panel continued to perform its statutory role by considering cases presented against members of the Institute. Those

found culpable of unethical/unprofessional conduct were referred to the Disciplinary Tribunal for necessary action in line with the provision of the CIBN Act.

The Disciplinary Tribunal also considered and delivered judgements on Four (4) cases in the year under review. Judgements on the four cases have been approved by the Governing Council at its meeting of March 2021.

5.5 MEMBERSHIP DRIVE FOR VALUE

As a membership-based organisation, the life blood of the Institute remains its membership base. To this end, we have reviewed our membership value proposition with a view to ensuring that we build a compelling value offering that will attract and keep members. Some of the initiatives embarked upon in the year under review are as follows:

5.5.1 Compulsory Continuing Professional Development (CCPD)

The Compulsory Continuing Professional Development (CCPD) programme has been revamped and enhanced in line with current realities with a view to upskilling members in the various areas of banking and finance. A number of initiatives were also put in place to ensure that members participate and attain the required credit points annually. Strategies employed to achieve this goal are as follows:

- 20% discount on CCPD programmes to members who met their minimum CCPD credit points in the previous year.
- 90% of CCPD programme are executed online thereby attracting high number of participation of members from within and outside the country.
- Introduction of specialised/customised programmes for different categories of members
- Automation of members' CCPD credit units and communication of earned CCPD credit.

5.5.2 Community of Practice

The Community of Practice (CoP), which is a forum

for members to share knowledge, skills and network has been activated. A platform for Community members to relate regularly has been created and the infrastructure for the deployment of the programme was developed in-house. I therefore enjoin members to take advantage of this initiative by joining a CoP group

5.5.3 Internship

As parts of efforts to nurture talent and sharpen the skills of students under the linkage programme, the Governing Council has approved the introduction of Internship scheme to expose students to industry experience that will enhance their employability when they graduate. The Internship programme helps Interns to develop both hard and soft skills whilst giving them workplace experience and greater industry knowledge. The programme is currently open to students under the linkage programme of the Institute.

5.5.4. Mentoring Scheme

The banking industry is central to the economy and as such maintaining high ethical and professional standards is of paramount importance towards ensuring sustainability, safety and soundness of the industry. One potent way of achieving this is by mentoring and grooming the upcoming professionals. Our mentoring scheme has been revamped with the acquisition of a mobile responsive, user friendly technology and we currently have over 600 mentors and mentees nominated from various deposit money banks on the scheme.

5.5.5 Inclusion of Banking and Finance Degree in Government Schemes of Service:

I am highly elated to inform you that the efforts of the Institute at ensuring the inclusion of ACIB and Banking and Finance Degree certificates in Government Schemes of Service yielded a positive result as the Inclusion of Banking and Finance Degrees in the Schemes of Service was announced via a memo dated 12th April 2021 with an effective date of 4th December, 2021, from the Office of the Head of Service of the Federation. According to the communique, the National Council on Establishments (NCE) at its 42nd meeting held from 30th November – 4th December 2020 in Ikeja, Lagos State approved the inclusion of Banking and Finance Degree Certificate in the Schemes of Service for Industrial/Investment; Procurement/Commercial Officer and other relevant cadre. The approval represents a major milestone in the Institute's efforts at ensuring the inclusion of the ACIB as this would equally open doors for the members who have their background in banking and finance. I wish to equally note that the cadres suggested by the Institute was fully adopted for the Banking and Finance degree.

6.0 CONCLUSION

In closing this report, I want to sincerely appreciate the tireless efforts of the management and staff of The Chartered Institute of Bankers of Nigeria ably led by Mr 'Seye Awojobi, FCIB, without their commitment, the achievements recorded would not have been possible. Permit me also to acknowledge and appreciate the members of the Governing Council and my dear colleagues the Office Holders of the Institute for their ever-enduring support of the various initiatives and activities of the Institute.

To all our members and stakeholders across the globe, may I encourage you to remain steadfast and not be moved by the challenges confronting the world at this time. In the words of Napoleon Hill, **"Every adversity, every failure and every heartache carries with it, the seed of an equivalent or a greater benefit"**. Remember the words of Robert Schuller **"Tough times never last, but tough people do"**.

I would like to end my remarks by asserting my steadfast and unwavering commitments to not only achieving the targets set out in my agenda but also to ensure that the Institute upholds the standards of ethics and professionalism as established by our founding fathers.

I thank you for the opportunity to serve you, although it is a daunting task, I count on your continued support as we strive to achieve our mandates. With your support, I am sure that by this time next year, I will have bigger achievements to report.

Thank you for your rapt attention.

Dr. Bayo Olugbemi, FCIB

21st President/Chairman of Council
The Chartered Institute of Bankers of Nigeria