

## OVERVIEW

The Chartered Institute of Bankers of Nigeria (CIBN) successfully hosted its 14th Annual Banking and Finance Conference at the Transcorp Hilton Hotel, Abuja, Nigeria from the 14th to 15th September 2021. The theme of the Conference, Economic Recovery, Inclusion and Transformation: The Role Banking and Finance was carefully chosen in recognition of the central role the banking industry plays in national development, and the need to reposition the industry to drive economic recovery, inclusion and transformation amidst grappling with the COVID-19 pandemic and struggles to rebuild disrupted economies. Thus, the conference held in a blended form of physical (Abuja and Lagos) and virtual.

The Conference had in attendance over 10,000 delegates, comprising two sitting national Presidents, His Excellency, President Muhammadu Buhari, GCFR, President and Commander-in-Chief of the Federal Republic of Nigeria and His Excellency, President Paul Kagame, President of the Republic of Rwanda; Nigeria's Vice President, Professor Yemi Osinbajo, GCON, SAN; the Honourable Minister of Finance, Budget & National Planning, Mrs. Zainab Shamsuna Ahmed; the Executive Governor of Lagos State, Mr. Babajide Sanwo-Olu; the Governor of Central Bank of Nigeria, Mr. Godwin Emefiele, CON, FCIB; Managing Director of the Nigeria Deposit Insurance Corporation (NDIC), Mr. Bello Hassan; Fellows and Associates of the Institute, Managing Directors/Chief Executive Officers of banks in Nigeria, members of staff of the Small and Medium Enterprises Development Agency (SMEDAN), members of the academia, operators within the Medium, Small and Medium-scale Enterprises (MSMEs), students of tertiary institutions, as well as other stakeholders in the banking industry.

The welcome address was delivered by Dr. Bayo Olugbemi, FCIB, the President/Chairman of Council, CIBN. In his address, he emphasized the role of the conference in proposing solutions to the current economic challenges facing the nation and the continent at large. He also stressed the role of the CIBN as the conscience in developing stakeholders that will provide sustainable solutions for long-term value creation to the nation. He emphasized that the conference would be a deviation from the norm as it would focus on the youth and how their contribution, especially in digital transformation that would lead to a bright new future of banking in the country. He stated the initiatives of various government agencies, particularly the development schemes that had taken the economy from a contraction of 6% in Q2 of 2020 to a 5% growth in Q2 of 2021.

The Executive Governor of Lagos State, Mr. Babajide Sanwo-Olu in his goodwill message, commended the choice of the theme as apt, especially as the country wrestles with the Coronavirus pandemic and struggles to rebuild disrupted economies. He acknowledged that the Nigerian banking community was playing that role already through the CBN, having in addition to various interventions in the critical sectors of the economy, disbursed more than N400 billion to over 600,000 persons, as loan facilities to help households cope with the impact of the pandemic at reduced interest rates with moratorium. CA-COVID, he said, was another very good example of what was possible when banks come together to support lives and livelihood. The investments made in healthcare and the distribution of palliatives during the pandemic also helped to make a difference.

The President, Republic of Rwanda, Mr. Paul Kagame highlighted the impacts of the COVID-19 pandemic on various sectors of the African economy and noted the opportunity that the pandemic presents to African banks in playing the leading role of making the continent more resilient to unprecedented shocks. In addition, he stressed on the need to integrate technology into the banking sector to increase financial inclusion, particularly for the marginalised. He also pointed out the importance of the African Continental Free Trade Agreement (AfCFTA) in achieving the financial inclusion. Finally, he highlighted trust as one of the backbones of the banking sector, and the need to win customers' trust to attain true financial inclusion. He rounded off his speech by expressing eagerness to a continued fruitful partnership with Nigeria.

Mr. Godwin Emefiele CON, FCIB, Governor of the Central Bank of Nigeria, in a goodwill message expressed his appreciation to the banking community for the support in tackling the challenges posed to the economy by COVID-19 in the preceding year through various initiatives such as CA-COVID and significant increase in the loan-to-deposit ratio. He reiterated several measures taken by the monetary authorities to ameliorate the impact of COVID-19 on the agricultural, SME and other sectors of the economy, which had resulted in the gradual reduction in inflation rate and positive GDP growth in the country. The Governor also disclosed plans by the apex bank to establish the Nigerian International Financial Centre (NIFC), which would act as an international gateway for capital and investments, driven by contemporary technology and payment system infrastructure. He explained that the new financial centre would be a 24/7 financial centre that would compare to London, New York and Singapore financial centers and enable an acceleration of homegrown initiatives such as the Infracorp Plc, the N15 trillion infrastructure fund which the Bank will launch in October 2021.

The Governor further explained that the NIFC would also complement the initiatives on the Nigerian Commodities exchange and the National Theatre hubs for youths as well as the e-Naira project, which would also debut in October 2021. He also informed delegates that the infrastructure company (InfraCorp) that would work with African Finance Corporation and the Nigerian Sovereign Investment Authority to raise N15 trillion, would be unveiled in October 2021. He added that, InfraCorp would enable the use of mostly private capital to support infrastructure investments that would have a multiplier effect on growth across critical sectors of the economy. According to the Governor, "we are all aware of the criticality of infrastructure in fostering economic growth. Yet Nigeria still has a huge gap to fill in this regard". On digital currency, the Governor said the deployment of the Central Bank Digital Currency (CBDC) would help the country attain its goal of fostering greater inclusion, using digital channels.

The Vice President, Federal Republic of Nigeria, Professor Yemi Osinbajo reiterated that the Nigerian economy had survived two external shocks in the last five years and still bounced back,

emphasizing the need to take poverty and unemployment as the major challenges that must be tackled. He highlighted the enormous contribution of the banking sector to economic growth but believed that more could still be done, especially in the areas of big financing for contributors to growth in the economy such as housing construction and transitioning to renewable energy using the solar power projects, which are channels for poverty reduction and job creation. He noted that though there were obvious challenges such as rates of mortgage loans and land title, the government had taken measures such as using the cash reserve ratio as a means of encouraging banks' participation. He also mentioned the role of the banking sector in financing the new medium-term expenditure plan, while complementing various government initiatives with the BOI, NDI and INFRACO. With respect to information technology, banks should leverage on the digital transformation of the government as it is expected to reduce the level of non-performing loans (NPL) in banks through the global standing instructions. He also applauded the banks for delivery of the federal government's social development programmes across the country to deserving individuals and households. However, he maintained that more needed to be done given that 39% of Nigerians in rural areas are still financially excluded, calling for greater collaboration of banks with government and other stakeholders to promote financial literacy. On the African Continental Free Trade Agreement (AfCFTA), the Vice President highlighted the opportunities and challenges to the country's membership of the African Continental Free Trade Area, and enjoined banks to be active and leverage on the negotiation process and take advantage of the various opportunities it portends. In conclusion, he opined that the introduction of technology in the financial sphere foretells a future of dynamism in banking and should be leveraged on.

In his opening address, President Muhammadu Buhari commended the CBN for the deployment of credit to critical sectors of the economy such as agriculture and manufacturing, which he said would help to prevent further decline in the economic activities in the country.

Dr. Herbert Wigwe, Chief Executive Officer of Access Bank Nigeria Plc, and the Chairman of the Conference Consultative Committee, in his vote of thanks, appreciated the support of the President of the Federal Republic of Nigeria, the President of Rwanda, the Vice-President of Federal Republic of Nigeria, the Governor of the Central Bank of Nigeria, the Governor of Lagos State, all CEOs of Banks and other financial institutions, participants, sponsors and delegates present. He appreciated the youths for whom the conference was majorly targeted and encouraged healthy discussion that would transform the banking system in Nigeria, while admonishing participants to avoid the danger of focusing on what we were rather than what we should become.

During the two-day conference and in keeping with the unprecedented times, 20 papers were presented to capture and cover the inter-connectedness of the issues confronting the industry, the nation, and our continent. The presentations by industry leaders consisted of five main business sessions and 16 breakout business sessions. The topics were:

1. Economic Recovery
2. Inclusion
3. Transformation
4. Nigeria's Economy Post COVID: Unlocking the Potentials for Transformation
5. Security, Trust & Leadership
6. Identifying Monetary and Fiscal Policies
7. Fuelling Trans-African Trade
8. Boosting Intra-Africa Trade: Challenges and Way Forward
9. Millennials, Digital Transformation and Future of Payments & Inclusion
10. Building an Agile Workforce
11. Millennials as Game Changers for Future of Payments
12. Leveraging Technology for Financial Inclusion
13. Diversity, Inclusion & Equity: Closing the Gap of Untapped Opportunities
14. Women in Leadership
15. Attracting Foreign Investments Through Diversity, Inclusion & Equity
16. Enhancing Corporate Performance and Sustainability Through Diversity
17. Advancing Digitization. Innovation & Inclusivity: Availability, Accessibility & Affordability of Digital Infrastructure
18. Infrastructure Upgrades Through Public-Private Partnership
19. Fintech & Banks as Catalysts for Inclusive Economic Growth; and
20. Creating a Workplace Culture of Innovation.

### Overarching Philosophies

- The need to take poverty and unemployment as the major challenges that must be tackled by every sector
- The need for banks to increase financing that contributes to growth in the economy such as housing construction and transitioning to renewable energy using the solar power projects, which is a channel for poverty reduction and job creation.
- The need for greater collaboration with the government and between competitors and other stakeholders to promote financial literacy and digital financial inclusion.
- The need to pay attention to every part of the hierarchy of digital infrastructure starting with power, data centres, networks, servers & other infrastructure, business applications, and finally performance, with power being the pillar.
- AfCFTA is a continent-wide opportunity to drive exponential growth that requires a focus on the opportunities it represents and not just on the challenges of building the largest global single market.
- The need, as a national imperative, to innovate in order to maintain relevance given the exponential pace of change in the global environment, and to review the institutional framework for the protection of innovation in Nigeria, given the level of innovation and existing patent laws.
- The need for millennials to take the lead in engaging with millennials and responding to their work and lifestyle needs
- The need to mainstream inclusion in all decisions. Inclusion in terms of all diversity dimensions – gender, age, disability,

ethnicity, background, qualifications, skills and thought processes

- What needs to be done to attract more foreign investment into the country:

- Adoption of a managed market-driven exchange rate by comparing with your 6 most important trading partners.
- Consistency in trade, investment, monetary, exchange rate policies and geo-political policies. e.g. AfCFTA, visa policies, security policies and more.
- Clarity in policy objectives, with a clear vision of where we want to go.
- Adopt an open-door policy – the border closure was not implemented effectively as the desired objective was unclear and ineffective.

## RESOLUTIONS

### 1. On Recovery:

#### Banks and other Financial Institutions

- i. More action from the banking and finance industry is required to achieve a real difference for structural transformation and the sustainable development agenda. This includes affordable and inclusive credit, especially for micro, small- and medium-sized enterprises, as well as attention to climate change and support for the just transition to a low-carbon economy.
- ii. And with less than 90 days to go before COP26, national development banks are also called upon to align their portfolios and activities with the Paris Agreement, including by re-directing funding away from fossil fuels and towards renewables.
- iii. On AfCFTA, concentration should be on the opportunities rather than focusing on the challenges.

#### Federal Government

- i. Technology and innovation need to support the national transition while building capacity is essential to ensure the absorption at the national and local levels.
- ii. The need to be clear and distinct about what will distinguish Nigeria and other countries is imperative to get the maximum benefit from AfCFTA.
- iii. Investment in digital infrastructure also needs to be rapidly expanded and scaled up, to ensure that no people, and no children, are left behind in this effort.

### 2. Inclusion:

#### Banks, Financial Institutions and Fintech Companies

- i. Need to actively participate in the agricultural value chain to drive inclusion.
- ii. Banks need to leverage technology to bridge the exclusion gap, which is expected to open the economy and lower the cost of doing business.

#### Federal, State Governments and SMEs players

- i. There is the need for SMEs, governments, and Banks to work together to achieve inclusion driven by innovation.
- ii. There is the need to incorporate access to healthcare, particularly through health insurance to reduce the negative impacts of health care spending on wealth, thereby ensuring the sustainability of economic and financial inclusion.

### 3. Transformation:

#### Banks and other Financial Institutions

- i. The need for banks to open an e-desk office for reporting online real-time reporting of crimes/fraud among customers.

#### Federal and State Governments

- i. Nigeria needs to begin a deliberate process of economic transformation through investment in infrastructure, access to finance, cost of doing business, and appropriate skills development.

### 4. Security, Trust & Leadership Effectiveness

#### Financial Institutions, States and Federal Government

- i. Need for effective collaboration of the security agencies in investigating financial crimes rather than the perceived double investigations by several agencies on the same issues.

#### Federal Government and Economic Financial Crimes Commission

- i. The need for sound training for staff of EFCC guide against high rate of losing cases by the commission.

### 5. Identifying Monetary and Fiscal Policies:

#### Federal Government and CBN

- i. For any meaningful recovery and transformation to happen, Government needs to formulate policies that address macroeconomic instability. Fiscal and Monetary Policy needs to correct the instability.
- ii. Policies should be a supply-side response to enable us to create jobs.
- iii. Restore macro stability first and further stimulate investment.
- iv. Need elite's consensus to make changes happen.
- v. Massive commercialization and privatization of infrastructure is required for the needed economic growth.
- vi. The investment to output ratio is low and inconsistent. We need to get an investment to output ratio of between 25 to 30 % consistently.
- vii. Since 2015, revenue has been insufficient to cover even the recurrent expenditure. We need to quickly devise means of getting more revenue.

- viii. The tax policy needs reforms, among other things, of about 60 sources of taxes, only 10 yield 98 per cent of revenue.
- ix. Need to take development in human capital as a primary tool for economic development.
- x. Review the CBN Act to enable more lending to the government because the existing stipulated 5% is inadequate.
- xi. Determination of policy around exchange rate needs clarity to attract investment and help build competitive export with a significant non-oil base.

#### 6. Fueling Trans-African Trade:

##### Federal and State Governments

- i. Overcoming supply-side constraints – especially increasing the production of manufactured goods
- ii. Aligning financial sector incentives with growth and structural transformation
- iii. There is the need to close infrastructure deficits for Nigeria to be able to close infrastructural deficit
- iv. Eliminating non-tariff barriers
- v. Transformation of African economies – increasing the role of African DFIs
- vi. In order to close trade financing gaps – overreliance on foreign currencies must be reduced.

#### 7. Millennials, Digital Transformation & Future of Payments & Inclusion:

##### CBN, Banks and CIBN

- i. Regulators and operators need to address the trust gap that exists. Advocacy is necessary to solve this.
- ii. The Digitization policy in the country needs to be addressed and updated.

##### Federal Government

- i. Macro-economic indices need to be improved sustainably.

#### 8. Building an Agile Workforce

##### Banks and Financial Institutions

- i. There should be periodic reviews of the business continuity plans of organisations.
- ii. Diversity alone is not sufficient and must be complemented with inclusion to drive productivity.
- iii. There is THE need to rethink leadership within organisations. Specifically, leaders/managers should be open to learning and unlearning.
- iv. Opportunities should be created for employees to be heard and to deepen inclusion in the workplace.
- v. Learning should be seen as a critical tool for talent development, hence the need for constant capacity development. Particularly, employees should be equipped with new skills to take up new positions and not just at their current positions.
- vi. There is the need to eliminate generational stereotypes as talent is ageless and leverage the value of a multigenerational workforce for growth.
- vii. Align talent and succession management strategies with the vision of the organisation.

#### 9. Millennials as game Changers for Future Payments

##### Federal Government and Fintech Companies

- i. Need to create opportunities and lower the cost of technology by the assembly, packaging, distribution of semi-knocked down (SKD) or Completely Knocked down (CKD) devices for the Nigerian Market and building capacity to provide after-sales support and maintenance.
- ii. The need to accelerate the deployment of digital infrastructure to serve as the bedrock of speed to markets.
- iii. Establishment of government-sponsored grants, investments, and training to drive Fintech growth
- iv. Encourage greater participation of millennials and below in decision making and build an active pipeline of technology talents
- v. Need to foster a strong partnership environment with Fintechs

##### Banks, Fintech Companies and other Financial Institutions

- i. Need to support the creation of regional Fintech hubs
- ii. Need for banks to increase financing that are contributors to growth in the economy such as housing construction and transitioning to renewable energy using the solar power project, which is a channel for poverty reduction and job creation.
- iii. The need for greater collaboration with the government and other stakeholders to promote financial literacy.

#### 10. Leveraging Technology for Financial Inclusion

##### Federal Government and CBN

- i. E-naira: There needs to be a reviewed approach about how the message is sold to the end-users. How the product is presented to the user will determine its ultimate acceptance.
- ii. We have a problem of literacy and financial literacy affecting a large number of unbanked and underbanked. There needs to be a concerted effort to improve digital literacy.
- iii. Continuous engagement between regulators and stakeholders is necessary for building the right ecosystem. Over-regulation can hinder innovation and under-regulation can lead to sharp practices that can drastically damage trust in the industry. Regulation will need to evolve as the players in the digital space also evolve. Citizens have a role in shaping our government, by holding the government accountable and engaging with the government.
- iv. Nigeria has the skillset, especially in the technology space. However, there needs to be more opportunity for this capacity to continue to develop. If not, talent will continue to be poached by foreign players.

##### Banks, Financial Institutions and Fintech Companies

- i. Digital financial service providers should improve their services and continue to build trust with their customers.
- ii. Organizations need to identify competency gaps and the overarching competency needs/goals.

#### 11. Diversity, inclusion, and Equity: the gap of untapped opportunities

##### Banks and CIBN

- i. Banks should key into various strategies and initiatives provided by the government to attract Nigerians in the diaspora.
- ii. The need to increase opportunities for women's participation in decision-making in the financial system and the country.

##### Federal Government

- i. The need to domesticate the good influence Nigerians in the diaspora are exhibiting in foreign countries.
- ii. Need for schemes whereby Nigerians in the diaspora could partner effectively with those in Nigeria in a formal way that would avoid financial fraud.
- iii. The need to sensitize States in reducing the bureaucratic bottlenecks negatively impacting investments from Nigerians in diaspora.

#### 12. Women in Leadership

##### Federal Government, Banks, and other Financial Institutions

- i. A system that identifies leadership traits in women should be set up. Also, a structure for coaching women leaders as an ongoing developmental strategy should be created.
- ii. The need to increasing women participation and equity in political representation in the country.

#### 13. Attracting Foreign Investments Through Diversity, Inclusion and Equity

##### Federal Government and Central Bank of Nigeria

- i. Adopt a managed market-driven exchange rate by comparing with your six most important trading partners.
- ii. There is the need for consistency in trade, investment, monetary, and exchange rate policies. Also, geo-political policies need to be consistent, e.g., AfCFTA, VISA policies, security policies and more.
- iii. Apart from policy consistency, there needs to have clarity in policy objectives, with a clear vision of where we want to go.
- iv. Adopt an open-door policy – the border closure was not implemented effectively as the desired objective was unclear and ineffective.
- v. Nigeria needs to diversify its sources of revenue and foreign exchange earnings. Nigeria has a comparative advantage in crude oil, Liquefied Natural Gas and Petrochemicals.
- vi. The business and investment environment needs to be made more conducive to attract more foreign investments.

#### 14. Enhancing Corporate performance and Sustainability through Diversity

##### Banks, Financial Institutions and Fintech Companies

- i. There is the need for deliberate efforts by corporate organisations to create more opportunities for women, in various roles, ranging from technical to non-technical positions.
- ii. Institutions should protect people, especially women from harassment, by enacting punishable laws.
- iii. There is need for a structured female mentorship program to deepen female inclusion.

##### Federal and State Governments

- i. Gender diversity needs to go beyond just financial institutions but also to other corporate organisations and the economy as a whole.

#### 15. Advancing Digitization, Innovation & Inclusivity: Availability, Accessibility & Affordability of Digital Infrastructure.

##### Federal Government

- i. Need to ensure the availability of a robust fibre optic transmission network infrastructure through the provision of counterpart funds to InfraCo licensees.
- ii. Inter-agency collaboration for digital penetration to achieve availability, affordability, of the intended digital economy.
- iii. Need for Government to incentivize local assembly and manufacture of digital devices and equipment to attract local investors and the need to massively promote digital skills and literacy.
- iv. The need for deliberate national policy shift From Financial Inclusion ((FI) to Digital Financial Inclusion (DFI).

##### Banks, Fintech and Telecommunications Companies

- i. The cost of USSD services has to be review in order to achieve inclusion through the platform

#### 16. Infrastructure Upgrades Through Public Private Partnership

##### Federal Government, Telecommunication Companies

- i. The crucial roles of government in reducing digital infrastructure deficits include assistance in securing optimal site locations, ensuring ease of doing business by facilitating transactions and speed of execution, setting the right optics and behaviours to attract local and international investments, creating an enabling broadband penetration in quantity and quality of service availability and driving optimal tax arrangements for underpinning infrastructure.

#### 17. Fintech & Banks as Catalysts for Inclusive Economic Growth

##### Federal Government, Telecommunication Companies, Fintech Companies, MSME Players

- i. More mobile adoption, coupled with government action to digitalize payments, could be a catalyst for low-income communities to adopt financial services.
- ii. MSME credit registries to address information asymmetry and reduce overall cost to serve.
- iii. Digital payment solutions hinge on digital data, therefore regulatory sandboxes that allow collaboration between Fintechs, governments and external partners is key.
- iv. Digital currencies lower transaction costs and drive financial inclusion but require the right regulation and linkage to fiat money.
- v. Responsible financial literacy programmes to help individual and MSMEs understand the value of having access to finance.
- vi. Regulatory incentives for banks to encourage financial inclusion.
- vii. Strong customer safeguards are necessary to prevent low-income customers from falling prey to digital predators.

#### 18. Creating a Workplace Culture of Innovation

##### Federal Government

- i. Need to review the institutional framework for the protection of innovation in Nigeria, given the level of innovation and existing patent laws.
- ii. A review of university curriculum and need to hire younger persons in the public service.
- iii. Need to see poverty, insecurity, digital transformation, and the pandemic as opportunities for transformation.
- iv. It is nationally imperative to innovate in order to maintain relevance given the exponential pace of change in the global environment.

**SIGNED**

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