



THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA

COMMUNIQUÉ ISSUED AT THE END OF THE 7TH ANNUAL BANKING AND FINANCE CONFERENCE ORGANISED BY THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA (CIBN) FROM 10TH TO 11TH SEPTEMBER, 2013 AT TRANSCORP HILTON HOTEL, ABUJA, NIGERIA

1.0 INTRODUCTION

The 7th Annual Banking and Finance Conference, organised by the Chartered Institute of Bankers of Nigeria (CIBN), was held at the Congress Hall, Transcorp Hilton Hotel, Abuja from the 10th to 11th of September, 2013. The theme of the Conference was “**Upholding Professionalism in the Financial Services Industry: Supporting the Economy**” while the sub-themes were as follows:

- I. Post-Global Financial Meltdown: Lessons and Applications for the Financial Services Industry;
- II. Positioning the Nigerian Financial Services Industry for Global Competitiveness: Issues and Challenges;
- III. The Financial Services Industry as a Catalyst for Financial Inclusion in Nigeria; and
- IV. Enhancing Customers’ Confidence and Trust in the Financial Services Industry.

The Conference was declared open by the President and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria, His Excellency, Dr. Goodluck Ebele Jonathan, GCFR, represented by the Honourable Minister of State for Finance, Dr. Yerima Lawan Ngama, while the Governor of the Central Bank of Nigeria, Mallam Sanusi Lamido Sanusi, CON, FCIB, represented by the Deputy Governor, Corporate Services Directorate, Alhaji Suleiman Barau, OON, FCIB presented the Keynote Address. The President and Chairman of Council of the Chartered Institute of Bankers of Nigeria, Mr. Segun Aina, OFR, FCIB delivered the Welcome

Address while the Chairman Conference Consultative Committee & MD/CEO Zenith Bank Plc. Mr. Godwin Emefiele, HCIB gave the Vote of Thanks.

2.0 OBSERVATIONS

The sub-themes were extensively discussed at four plenary sessions by Nigerian and International experts drawn from the banking, finance, legal, academic, government, and real sectors. Consensus of the Panelists on issues discussed are listed below:

- (i) A key lesson arising from the global financial meltdown was that the Nigerian economy and its banks are not insulated from the vagaries of the international financial system.
- (ii) For current positive developments within the Nigerian financial services industry to be sustainable, its financial institutions should:
 - a. Benchmark the skills of staff and product offerings to international standards.
 - b. Provide mechanisms for individuals, SMEs to utilize intervention funds usually provided by the government.
- (iii) There is an acute need for proper coordination between monetary and fiscal policy authorities.
- (iv) Financial services industry participants should uphold the values of trust, integrity and honesty.
- (v) The regulatory authorities and other financial services industry players/practitioners should develop models for predicting and managing unusual events such as capital market bubbles.
- (vi) The Central Bank of Nigeria (CBN) should continue to evolve prudential guidelines that would provide for robust capital adequacy, liquidity and asset quality.
- (vii) Self-regulation and risk-based supervision should be encouraged and implemented for all financial service industry institutions. This provides proactive time indicators for risk identification, measurement, monitoring and control.
- (viii) To engender confidence in the banking and financial sector, financial institutions should focus on mobilizing long-term deposits at low

interest rates, in order to deepen their funding base and diversify their portfolio.

- (ix) The Central Bank of Nigeria (CBN), Nigeria Deposit Insurance Corporation (NDIC), Chartered Institute of Bankers of Nigeria (CIBN) and other financial sector participants should promote financial literacy by simplifying complex financial jargons.
- (x) CBN, NDIC and other safety net participants should promote the implementation of Basel II and III (A set of banking regulations put forth by the Basel Committee on Bank Supervision, which regulates finance and banking internationally) with emphasis on adequacy of capital and liquidity.
- (xi) There is a need for regulators to develop the "living will" methodology (a contingency plan that provides a roadmap for unwinding a financial institution in the event of financial crisis) for supervising significant important financial institutions; this will further proactively deepen customers' confidence.
- (xii) CBN and other safety net players should develop framework for monitoring and supervising "shadow financial institutions" currently defrauding all categories of savers.
- (xiii) Microfinance banks, insurance companies, and stock broking firms should reduce their operating cost and minimize interest charges on credit facilities so as to deepen financial inclusion.
- (xiv) Ongoing identity management schemes such as those being undertaking by NIMC, Bankers Committee, NPC, and INEC, should be coordinated or consolidated

3.0 RECOMMENDATIONS

Participants arrived at the following recommendations:

3.1 Government

Governments at the state and national levels should:

- a. Provide enabling infrastructure (such as steady power supply, motorable road network and transportation links), to support the growth of financial services, the real sector, and reduce cost of doing business.

- b. Pursue diversification of the economy to agriculture and mining from its current dependence on oil.
- c. Resuscitate diversified sectoral lending and enforce a significant portion of lending being channeled into agriculture.
- d. Ensure relative stability of fiscal and other economic policies by avoiding policy inconsistencies and reversals.
- e. Accelerate work on the national identity card project to enhance financial inclusion for all Nigerians.

3.2 Banking and Finance Regulatory Institutions in Nigeria

Banking and Finance Regulatory Institutions (particularly the Central Bank of Nigeria and the Nigeria Deposit Insurance Corporation) should:

- a. Embrace and encourage capacity building efforts for their employees and other banking and finance operators to bridge the knowledge, skill, and systems gap and to enable players in the industry compete favorably globally.
- b. Promote and enforce implementation of the Competency Framework within the banking industry.
- c. Enhance the Credit Bureau System with the use of Agencies that will provide adequate and timely information.
- d. Ensure effective implementation of the Code of Conduct and Code of Corporate Governance and Whistle Blowing Guidelines.
- e. Strengthen the capital base of Nigerian financial institutions to enable them mitigate the various risks associated with globalization.
- f. Effectively adopt and implement international best practices e.g. Financial Reporting Standards, Basel II and III.
- g. Encourage financial institutions to make banking services available and credit facilities easier to access by the physically challenged.
- h. Speed up implementation of Agency Banking initiative, especially in the rural areas.

- i. Further develop the non interest banking framework to encourage all forms of non interest banking and hence deepen our Financial System.
- j. Improve the awareness on Financial Inclusion especially through non-conventional means, for example, combining education with entertainment through the use of social networks, road shows, and exhibitions.
- k. Ensure consistency in policy pronouncements, implementation and enforcement by avoiding constant policy reversals and inconsistencies.
- l. The Central Bank of Nigeria should encourage real sector growth, development and access to funding, by introducing additional relevant policies, such as increasing the capital base for specialised banks; concessionary interest rates to small and medium-sized enterprises, provision of more intervention funds at low interest rates in support of the real sector, and reduction in current interest rates.

3.3 Operators (Financial Institutions)

Banks and Other Financial Institutions in Nigeria should:

- Implement best risk management practices.
- Invest in Information Technology infrastructure and robust, secured systems to reduce incidences of fraud and enhance all electronic channels such as ATMs, POSs, and internet banking work efficiently.
- Use all the major local languages to continue effective enlightenment of consumers, on such current initiatives as Agency Banking, Financial Inclusion, Financial Literacy, Cashless Economy, and Alternative Dispute Resolution opportunities.
- Intensify human capacity building within their institutions by ensuring that all their staff embrace professional banking and finance education, training, and certification as well as Compulsory Continuing Professional Development.
- Enforce greater level of good governance, ethical and professional conduct among their Directors, Managers and

indeed, all employees in order to earn and sustain customers' and public confidence.

3.4 Chartered Institute of Bankers of Nigeria

The Chartered Institutes of Bankers of Nigeria should:

- a. Intensify efforts at producing professionally qualified, ethical, and competent persons to work within the banking and finance industry in particular and the economy in general.
- b. Ensure that employees in the financial services industry and indeed, all their members who fall short of compliance with existing legal, governance, professional and ethical codes are swiftly sanctioned to serve as deterrent to others.
- c. Diligently implement the Competency Framework within the banking industry.
- d. Ensure that its new initiatives meant to up-scale professional knowledge, skills and competence in the economy are pursued with vigour and supported by all stakeholders.

Dated this 11th Day of September, 2013 at Abuja, Nigeria.