



REMARKS BY THE CHIEF HOST, PRESIDENT/CHAIRMAN OF COUNCIL OF THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA, UCHE M. OLOWU, Ph.D., FCIB AT THE 2019 LAGOS BANKERS AND STAKEHOLDER NITE WITH THEME RETHINKING BANKING MODELS IN THE DIGITAL BANKING AGE FOR THE ECONOMIC DEVELOPMENT OF NIGERIA HELD AT THE MUSON CENTRE, LAGOS ISLAND ON AUGUST 29, 2019

Protocol

Distinguished ladies and gentlemen, I would like to warmly welcome you to the 2019 Lagos Bankers and Stakeholders Nite organized by The Chartered Institute of Bankers of Nigeria, Lagos State Branch. The aim of this event is for participants to exchange ideas on contemporary issues in the banking industry and economy as a whole in an informal setting.

Let me start off by congratulating our chief host, the Lagos State Branch of The Chartered Institute of Bankers ably led by Mr Peter Ashade, FCIB, for holding this notable event without any glitches. It may interest you all to note that this event was rescheduled due to my Courtesy/Study Visit to the Institute of Banking and Finance, Singapore last month. I applaud the Lagos State Branch for expertly rescheduling the event while maintaining the high quality of resource persons and content which would no doubt add value to our stakeholders.

Let me also take a moment to recognize Mr Ashade, FCIB who in a few short months after being elected as Chairman of the Lagos State Branch has shown a consistent commitment towards delivering high quality knowledge events and platforms for our stakeholders. Among these quality platforms is the recently launched e-Learning Platform which leverages on technology to improve knowledge and provide 5-star training and cost-effective solutions for professionals and would be professional bankers. I can assure you that the trajectory of growth of the Lagos State has not gone unnoticed. We are undeniably proud of this success story.

Tonight I am delighted as the pedigree of guests scheduled to share their experiences with us are second to none. I warmly welcome the Chairman of this event, Mr Akinwunmi Fanimokun, HCIB, Non-Executive Director, Nigerian Aviation Handling Company Plc (NAHCO). Mr. Fanimokun is a pioneer and seasoned banker with a wealth of experience spanning over 30 years. It is pertinent to mention that Mr Fanimokun, HCIB is a dear friend and member of the Institute who has consistently shown support for the Institutes activities. We are honored to have you with us.

We are also privileged to have in our midst as Special Guest of Honor, Mr Babajide Sanwo-Olu, the newly elected Governor of Lagos State. Sir, we greatly appreciate you taking the time out of your busy schedule to dine with us.

To tackle the pertinent topic for the evening, I am delighted to welcome our distinguished Guest Speaker – Dr Segun Aina, FCIB, OFR, Past President/Chairman of Council, CIBN he is also the Pioneer Chairman, the Global Council of the Global Banking Education Standards Board (GBESB) and President of the Fintech Associates Limited. Dr Aina as a consummate banker, community leader, Fintech envoy and social entrepreneur with over 3 decades of experience in



the banking and finance industry. I personally could think of no better speaker to tackle today's theme.

As often said, the traditional Banking Model has gone for good, Brick and Mortar has been disrupted to the extent that though a bank building would remain, the form and shape will change. As expertly suggested by Brett King in his latest book, *Bank 4.0 Banking Everywhere, Never at a Bank* “*your bank is no longer an island but a platform of services...*”

Digitization is gaining outstanding significance. Innovation in the technology space, Artificial Intelligence, Robotics & Machine Learning have birthed disruptive banking. Indeed the golden era of digital banking has gained so much significance that according to the 2018 report from Global Market Insight, the Digital Banking Market would cross the \$9 trillion mark by 2024.

To buttress this point, it is important to note that global payments and lending has witnessed the entry of new non-bank players such as Apple, Google, Amazon, or Alibaba that operate globally and have a large number of clients, and thus exert significant competitive pressure on banks.

In view of these developments, banks who wish to survive would need to rethink their business models in order to stay relevant. It is for this reason that the topic for tonight's event: **'Rethinking Banking Models in the Digital Age for the Economic Development of Nigeria'** is essentially relevant.

Besides the benefits of efficiency and cost effectiveness which arrive as a result of digitization, the issue of financial inclusion is also a step closer towards being resolved. As we all may already know, the Central Bank of Nigeria as part of its National Financial Inclusion Strategy aims to significantly increase financial inclusion rates from 58.4% recorded in 2016 to 80% in 2020. Banks who choose to operate under the current banking model would hinder the advancement of this policy. On the other hand, banks who choose to stay ahead of the curve can leverage on digital banking to further facilitate the efforts of the Apex bank.

The benefits of this proactivity are significant not only for survival in the changing banking terrain but for economic growth and development as well. According to the McKinsey Global Institute, digital financial services can add 1.6 billion unbanked people to the formal economy. As a result, this would create 95 million jobs and increase the GDP of developing countries by \$3.7 trillion by 2025. Though accurate statistics for opportunities available to Nigeria are hard to come by, the potential advantages cannot be denied.

In rethinking their banking models, the banking industry should consider the following:

- Further adoption of technological advancements such as Robotics and Artificial Intelligence, Machine Learning and collaboration with Fintech Firms in increasing coverage and access points.
- Going back to the basics. Banks must remember its core services and consider more innovative ways to offer such services outside of the traditional avenues (via physical branches) in order to achieve sustenance in the digital age. As expressly stated by Brett



King, *“If you want to be Bank 4.0 ready, you need to strip back to the basics and rebuild. If not, it is largely a matter of time before your business is no longer economically viable”*

I look forward to the contributions of our esteemed Guest Speaker, Dr Aina, FCIB, OFR who would shed more light with us on this topical issue.

I cannot end this address without reaffirming the Institute’s commitment towards building the capacity of professionals and would be professionals in the banking industry. You may recall that during my acceptance speech delivered in May, 2018 that Technology was named among the major objectives under my 5-Point agenda. To this end, I am pleased to inform this august audience that the **Community of Practice on Fintech (Processes & Technology Payment Systems)** was inaugurated in June 2019. The community contains a collaborative and interactive network of individuals and subject experts who would appraise the subject matter in order to enhance talent management and human capital development for the banking and financial services sectors.

It may also interest you all to note that the Institute is currently reviewing its entire syllabus for the Chartered Banker Certification Programme. Proposed modules to be added to the intermediate level include Digital Banking and Fintech. These modules would tackle themes in cryptocurrency, digitization of financial services and disruptive innovation.

Once again, I congratulate the Lagos State Branch of the CIBN for hosting this auspicious event, and to all our participants who have come from far and wide to dine with us, I warmly welcome you and wish you an eventful evening.

Thank you for your apt attention

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