



THE FUTURE IS HERE

ACCEPTANCE SPEECH

BY

KEN OPARA, Ph.D, FCIB

**22nd PRESIDENT AND CHAIRMAN OF COUNCIL
THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA (CIBN)**

SATURDAY MAY 21st, 2022.

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BEING THE ACCEPTANCE SPEECH BY KEN OPARA, Ph.D, FCIB, ON HIS INVESTITURE AS THE 22ND PRESIDENT/CHAIRMAN OF COUNCIL OF THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA (CIBN) ON SATURDAY, MAY 21st, 2022

1.0 PROTOCOLS

The Executive Governor of Lagos State, Mr Babajide Sanwoolu

Two (2) times Governor of Anambra State and a Presidential hopeful, Mr. Peter Gregory Obi

The Governor of Central Bank of Nigeria, Mr. Godwin Emefiele, CON, FCIB and the Committee of Governors

The Managing Director of NDIC, Mr Bello Hassan, FCIB and the Executive Directors

The Chairman of the occasion, Mr Ernest Ebi, MFR, FCIB

The Immediate Past President/Chairman of Council, Dr. Bayo Williams Olugbemi, FCIB.

The 1st Vice President, Prof. Pius Deji Olanrewaju, Ph.D, FCIB

The 2nd Vice President, Mr. Dele Alabi, FCIB

The National Treasurer, Mrs Moji Bakare-Asieru, HCBI, ACIB, FIB

The Registrar/CEO, Oluseye Awojobi, Ph.D, FCIB

All Past Presidents

All Special Guests of Honour

All Past Registrars/CEOs

Chairmen and Managing Directors/CEOs of Banks and Other Financial Institutions

Chairmen and Managing Directors/CEOs of Development Financial Institutions (DFIs)

Fellows, Associates, Honorary Senior Members, Micro Finance Certified Bankers and all other categories of memberships of CIBN

Captains of Industries

Management and Staff of CIBN

My Lords, Temporal and Spiritual

Gentlemen of the Press

Ladies and gentlemen

2.0 INTRODUCTION

Today is the day the Lord has made. Glory be to His holy name. He has made everything to be beautiful in His time. It is indeed with great gratitude for His mercies that I stand before you all today on behalf of all the newly elected Office Holders and members of the Governing Council as the 22nd President/ Chairman of Council of the Chartered Institute of Bankers of Nigeria (CIBN).

I would like to sincerely appreciate our Past Presidents for all their efforts and roles in ensuring that the Institute remains a foremost Professional body to be reckoned with. It is also important that I recognize and acknowledge our members and all those who have served on the Governing council at various times for their selfless services.

My appreciation will not be complete if I do not specifically acknowledge the outstanding performance of the immediate Past-President, Dr. Bayo Olugbemi, FCIB, whose record

achievements have become a positive set-up for this new administration. You have left a good legacy reflected in strong corporate governance with a vision and strategy suited to the times. I promise that the incoming administration will strive to raise the bar of excellence further in line with the Institute's tradition of continual improvement and building on the solid foundations of previous administrations.

I also congratulate and welcome the new team, the Office Holders and other elected members of the Governing council who will join me in building an Institution charged with promoting banking and finance education, standards, ethics and professionalism.

To all our critical stakeholders, the regulators (CBN and NDIC), council members, serving and former Bank CEOs, Captains of Industries, Senior Executives of financial institutions, I say a very big thank you for your unflinching support and cooperation.

I thank the Management and Staff of the Institute ably led by the Registrar/Chief Executive, Oluseye Awojobi, Ph.D, FCIB, the success of today could not have happened without you and your team's enviable spirit of service and sacrifice. I most sincerely appreciate you all.

I would like to thank the Board of directors of Fidelity bank, ably led by the chairman, Mr Mustapha Chike-Obi for their unalloyed support and the great opportunity given to me.

Also, my special thanks to the group managing director of Fidelity bank, Mrs Nneka Onyeali-Ikpe for her visionary leadership and great support.

I express my gratitude to my dear family members – the Opara family who are ably represented today by Mr Benjamin Opara and Chief & Mrs Lambert Opara, the Nduibusi family ably represented by my mother-in-law, Mrs Love Nduibusi for your unflinching support and encouragement.

My appreciation also goes to my pastor in charge of region 11 RCCG, Pastor Charles Kpandei and his lovely wife for their spiritual support and guidance.

To my mentors, friends and associates who have stood by me during my high and low times, your support means much to me.

I want to sincerely appreciate my lovely wife, Mrs Ngozi Opara who has been a pillar of support to me over the years and to my wonderful children for the sacrifices you have made over the years. It is awesome to have a strong safety net, and I certainly look forward to more, while on this journey.

3.0 OVERVIEW OF THE BANKING AND FINANCIAL SERVICES OPERATING LANDSCAPE

3.1. Technology and Fintech Evolution - the Changing Banking/Finance Landscape

The Nigerian banking landscape as part of the global financial web has undergone significant transformation in response to the wave of technological innovation in recent times spurred by the lessons from COVID-19 and the need to have a more agile system and structure capable of withstanding economic shocks and headwinds.

In addition to providing regulation and guiding these changes and innovation, the Central Bank of Nigeria (CBN) has also assisted in driving the industry's cashless policy, deepen financial inclusion and the digitisation of financial services, leveraging Fintechs and other financial agents as well as acting as catalyst for the development of the economy via various funding intervention programmes.

But Nigeria still has about 35% of its adult population financially excluded and the ultimate goal is to ensure that the gap is closed by 2025.

Lack of access to financial services, especially in rural areas, issues of affordability, and poor user experience all contribute to the frustration consumers experience right across the customer spectrum. These and more shall shape the focus of this

administration towards living up to our role as a strategic partner to the operators and regulators for an effective and ethical banking and finance industry.

Fintechs on their part have seized this opportunity, with many stepping out to develop enhanced proposition across the value chain to address pain points towards affordable payments, quick loans, and flexible savings and investments, among others.

The positive disruption which Fintech evolution has brought to the industry is still unfolding and players especially the incumbents have to brace up to this new challenge. As an institute, our role shall be the bridge that will engender a positive handshake between all players for the good of the industry through capacity building programmes, seminars, training, workshops, sensitization programmes, content development, advocacy and sound corporate governance policy.

3.2. Brief Socio-Economic Overview

The Nigerian Banking industry has witnessed relative stability in recent times amidst economic headwinds. We have seen significant transformation especially in the digital payment system, improved support to the real sector and deepening of access to financial services. However, to stay ahead of the curve, industry operators must be constantly innovative, agile, proactive, nimble in structure, collaborative in synergy optimization and decisive in capacity building while adopting sound corporate governance.

Distinguished ladies and gentlemen, permit me to talk a little about what will shape the future of financial intermediation which is our primary business. With globalization, largely the future is defined by technology, innovation, efficiency, functional optimization and fast changing lifestyle. It is important that we note that the youthful segment of our society is more characterized by these changes.

Nigeria has one of the highest youth populations in the world out of which 62.26% are within the age of twenty-four years (24) or younger. This demography is aspirational, inquisitive, exploring, innovative, internet-savvy, outspoken, confident, cherishes independence, abhors rigidity as opposed to flexibility, spontaneous and they engage in self-love and expression.

It becomes therefore imperative that practitioners should wake up to the smell of this coffee and weave strategy, operations and practice around the youths. While concerns around safety, control, stability and processes are quite germane, ignoring the existence of this phenomenon whose time has come will be at the peril of any operator. This segment provides opportunity for value creation, employment generation, economic growth and improved social security. CIBN under my administration will play a pivotal role as critical stakeholders/partner between the practitioners and the regulators while ensuring adherence to sound corporate governance and ethical behaviour.

The development of the Nigeria Payments System Vision 2030 also seek to influence strategic areas including open banking, new technology, combating new risks, emerging cyber threats, ensuring financial system stability and consolidation of the Fintechs space.

Our role in making these initiatives a success cannot be overemphasized, especially by creating capacity in the industry including certifications, as well as constantly playing our role as the conscience of the industry through encouraging ethical behaviour.

4.0 ACCEPTANCE

Our distinguished Ladies and Gentlemen, let me unequivocally state that I do appreciate that this is a call to duty. My team and I recognize the enormity of the task ahead of us. I, therefore, with every sense of responsibility and utmost reverence, accept your mandate as the 22nd President and Chairman of Council of our great Institute. Mindful of the sacrifices borne by our founding fathers and the immense contributions of our Past Presidents, our mission within the two-year period of my presidency, is to be that dependable partner to the operators and regulators towards embracing the critical challenge the future of banking has posed while building upon the solid structure which our leaders have led over the years as well as supporting sound ethical practice.

This acceptance speech will not be complete if I do not share with you an outline of what will be our focus and the core initiatives that the Governing Council will work on under my leadership for the next two years. Understandably, some of these initiatives are derived from some programmes of previous Governing Councils, since the Presidency and the Council are institutions with interlocking tenures that guarantee seamless continuity in the affairs of the Institute. Other initiatives have been identified after wide consultations and engagements with various subject matter experts and stakeholders of the Institute.

Having situated the context of our reality, we shall focus on six key strategic pillars with the acronym **FUTURE**:

F – Financial innovation and transformation

U – Dealing with industry Uncertainties

T – Trade and finance collaboration

U – Unveiling pathways for membership growth

R – Reengineering and **Rebranding** the industry's business model around Gen

Z

E – Ethical conduct and governance

5.0 AGENDA

5.1. Financial Innovation and transformation

5.1.1. As a membership economy, CIBN should strive at constantly re-inventing itself via innovation and transformation. To encourage financial innovation in the industry, the following initiatives will be driven:

1. Digital transformation as key driver of our strategy
2. Institutionalize fintech certification in collaboration with the Fintech Association of Nigeria and other credible bodies to sharpen the minds and awareness of industry players in optimizing technology for financial inclusion and growth
3. Drive collaboration with the Shared Agency Network and Expansion Facility (SANEF), Fintechs and the incumbents (DMBs)

5.2. Dealing with Industry Uncertainties

Uncertainties in socio-political and economic variables are constants that continue to impact the performance of our financial system. To support the players and regulators, we plan to engage in the following activities and more:

- 5.2.1.** Partner with various government agencies in making quality contribution towards budget and planning.

5.2.2. Capacity revamp – strengthen and equip our centre for financial studies to fill human resource gaps and build capacity through training.

5.3. Trade and Finance Collaboration

5.3.1. Institutionalize Trade certification -collaboration with AFREXIM, IFC and other relevant agencies to position banks and Nigeria business community to take advantage of emerging opportunities, especially around AFTCA corridor

5.3.2. Leverage Afreximbank (African Export Import Bank) for their \$500 million trade support by creating training platforms for banks, importers and exporters

5.3.3. Approach IFC and other international agencies like the World Bank that have strong support for research for sponsorship in key research areas.

5.3.4. Increased participation and leadership role in relevant global bodies: World Conference of Banking Institute (WCBI), Global Banking Education Standards (GBESTB); West African Bankers Association (WABA) Alliance of African Institutes of Bankers; AAIIOB; Digital Institutes; etc.

5.4. Unveiling Pathways for Membership Growth

5.4.1. Currently there are about 140,000 employees working in the commercial banks, merchant banks and non-interest banks of Nigeria. This number excludes hundreds of thousands that will work in the microfinance, finance houses and the Fintechs firms in Nigeria. As a membership economy, our membership drive should be strengthened to achieve significant growth from where we are currently. To achieve this, we need to:

- a. Enhance the quality and the content of our programs by ensuring that our critical business processes are supported by up-to-date IT infrastructure and applications.
- b. Revitalize and actively drive membership through the practitioner's route.
- c. Create new categories of members and affiliates
- d. Partner with all Bank Academies to refer their graduates.

5.4.2. Industry HR Support

Create a CIBN pool of talents digital hub through which financial institutions can plug in for their human resource needs.

5.5. Reengineering and Rebranding the Industry's Business Model around Gen Z

5.5.1. Again, our demographic reality of youth dominance can simply not be ignored. The future of banking which revolves around Gen Z is therefore a focal strategic goal for our administration, we plan to drive initiatives that would attract the Gen Z to the industry both as customers and employees. To this effect, we plan to do the following:

- Take our services to the Millenia. We will create a department to be called GenZ and Innovation department with a committee dedicated to its oversight.
- Develop a digital roadmap for the banking and finance industry and offer certifications on digital skills.
- Organize annual conference for higher institutions targeted at attracting the GenZ with lead discussions on different subject areas on the future of banking and finance in Africa
- Create digital hubs for the institute exams to enhance accessibility
- Launch/revamp our digital media platforms (Telegram, WhatsApp, Mobile App, YouTube channel, LinkedIn, Couseara, etc.)

5.6. Ethical Conduct and Governance

As an Institute, ethics and professionalism remain our buzzwords. We cannot therefore pay lip service to ethical behaviour and professionalism. Based on the institute's Presidency which is a continuum and the interlocking nature of our projects, while initiating new projects, we shall also complete the existing legacy projects. The Institute shall achieve our stronger ethics and professionalism initiatives by:

- a. Institutionalizing Governance and Ethics Certification
- b. Entrepreneurship Certification in collaboration with related bodies
- c. Enhanced collaboration with banks and other financial services organizations to accredit and certify learning and development programmes that meet the Institute's high standards and are aligned with the principles and values that the Institute espouses.

5.6.1. To further maintain ethics as the conscience of the industry, we need to; enthrone high governance structure and work with the EFCC and other relevant agencies for certification of senior staff of banks.

5.6.2. Completion of on-going projects. Some of the key projects include; Legacy projects:

The immediate past administration resolved to endow lecture auditorium in six (6) linked institutions across the six (6) geo-political zones in Nigeria. Four (4) of the projects namely: The Polytechnic Ibadan (South-West Zone), Abubakar Tafawa Balewa University (ATBU), Bauchi (North-East Zone), Federal Polytechnic,

Nekede (South-East Zone) and Rivers State University, Port-Harcourt (South-South Zone) have been completed and commissioned.

My administration hopes to complete and commission the remaining projects namely: Kano State Polytechnic (North-West Zone) and the Federal Polytechnic, Nasarawa (North-Central Zone). We shall also be doing additional legacy projects in some other linked institutions.

Furthermore, we would fast track the implementation of the Lagos Business School partnership programme, as well as completion of the on-going staff restructuring/succession plan and filling up of senior level vacancies.

5.6.3. Set up SMART goals and deliverables to enhance the performance of our various committees.

6.0 CONCLUSION

It is obvious that the shape and dynamics of the global financial services is fast-changing with the emergence and evolution of the Fintech ecosystem. The Fintech space is a very interesting one to watch and follow by the minute because it is buzzing with ground breakers. The competition for traditional banks has shifted in the past 7 years from fellow banks and peers to these asset light, efficient and daring small but mighty adventure seeking entities called Fintechs.

The Fintech neighbours have built businesses that require the customers to just own a phone/tablet/laptop/PC and data. Technology has created a headwind for banks and

rightly so. Hence, we have approached a dead end where traditional banks must rethink their strategy, IT architecture, human resources, and leadership.

We also know the disruptions Block chain, Cryptography, IoT, Machine Learning and Cloud Computing has already caused and will continue to cause.

What we consider now as the banking industry may in the foreseeable future be renamed “Tech-Finance Industry”. Hence, in the years to come, sharing the views of one of the industry practitioners, Azubuike C. (2021), I see the following:

1. An industry whose competitors will be Telcos, Fintechs, Platforms (Google, Amazon, etc.) and Retail Giants.
2. An industry whose competitors will transcend continents because customers will become ubiquitous and digitalized.
3. An industry whose performance and accounting processes might change drastically. We might see the introduction of some items in the balance sheet of banks sooner than later.
4. An industry where leadership will become much more important than it is today.

Let me also add that we would have an industry where customer touch and service points would be 80% virtual and only 20% physical with implication on de-emphasising of building assets and the promotion of remote working as the new normal. In addition, banks would leverage more on shared services, crowd sourcing and open talents. CIBN on its part would continue to play its role as the aggregator, innovator and executor.

May I conclude by aligning with the critical realism and philosophical paradigm which states that phenomena exist and individuals living in ignorance of their existence do so at their own perils. Ladies and Gentlemen, the future is here, we either embrace/shape it or it will take us unaware and possibly out of relevance. I therefore solicit the support of all stakeholders to join me in actualizing these lofty aspirations in our journey of the now future.

Thank you.