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## Professor Segun Ajibola, Ph.D, FCIB

Invested as the  
CIBN 19<sup>th</sup> President/Chairman of Council



### Other Features

- The Nigerian Economy and the Banking and Finance Profession: The Role of Ethical Education
- Capacity Building for the Nigerian Economy: The Role of Regulatory Institutions in Banking and Finance



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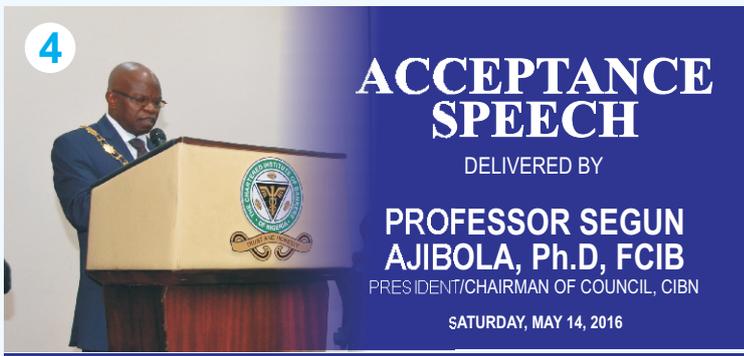
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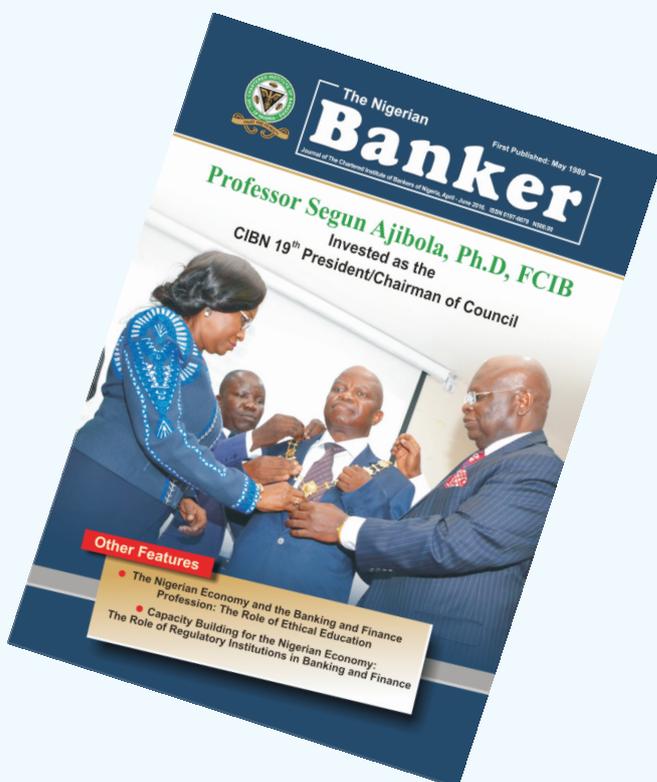
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(May 2016 - May 2018)

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# From The Editor's Desk



**S**aturday, May 14, 2016 was indeed another historic day in the annals of The Chartered Institute of Bankers of Nigeria. After an eventful and successful tenure of Otunba (Mrs.) 'Debola Osibogun, FCIB, the immediate former President/Chairman of Council of our revered Institute, Professor Segun Ajibola, Ph.D, FCIB was invested as the 19<sup>th</sup> President and Chairman of Council. Needless to say that the event was a gathering of the elites from all walks of life, renowned professionals within and outside the banking and finance industry and our highly esteemed members.

The inspiring Acceptance Speech of Professor Ajibola, Ph.D, FCIB, laced with nuggets of wisdom, is not a piece to be forgotten quickly by those who were in attendance at the Institute's 2016 Annual General Meeting/Elections/Investiture programme. I would therefore implore all our stakeholders and readers of this Journal to savour once again the content of the President and Chairman of Council's Acceptance Speech which he has graciously obliged us to publish in this edition of The Nigerian Banker.

One, and incidentally the first, of the cardinal points raised by Professor Ajibola in his speech code-named the 7 Cs Mandate of his administration is the need to provide a platform for bridging the identified skills and knowledge gaps of banking and finance industry practitioners – capacity building. The Institute, in its continued drive towards capacity building in the Industry, organizes a biennial Conference for Educators in banking and finance in the country's institutions of higher learning. The Conference, a collaboration with the National Universities Commission (NUC) and the National Board for Technical Education (NBTE), has as its primary objective the achievement of a seamless marriage between the “town and gown” expectations in providing efficient financial services products to consumers.

Banking and finance as a discipline and profession has evolved over the years with the incursion of technology disruptively redefining it. Hence, the principles and methods of banking few decades ago would not be able to meet the challenges of the current digital age. There is therefore a compelling need to regularly update the curriculum, teaching and practice of the banking and finance discipline to be able to meet the country's expectations of the sector's role in stabilizing the entire economy.

In addition to the building of technical capacity, ethics and professionalism is also of critical importance in the industry. Staff and entrants into the banking and finance industry should imbibe the culture of high ethical standards in all transactions. This should be inculcated in practitioners right from the teaching of the discipline in the country's institutions of higher learning. In this edition, we have critically looked into the role of ethical education in the Nigerian economy and the banking and finance profession.

Let me on behalf of the Editorial Board of The Nigerian Banker, ably led by the Chairman, Mr. 'Seye Awojobi, FCIB, congratulate the President/Chairman of Council, CIBN, Professor Segun Ajibola, Ph.D, FCIB on his assumption of the leadership role of this Institute. While we acknowledge the fact that these are challenging times in the country as a whole and the banking and finance sector in particular, we are confident that his versed experience from both the practice and teaching of banking and finance would indeed be of great benefit to the Institute and the industry.

We wish the President and Chairman of Council, the other Office Holders and the entire Governing Council of the Institute a fulfilling tenure.

■ Rukayat Yusuf

# ACCEPTANCE SPEECH

DELIVERED BY

**PROFESSOR SEGUN  
AJIBOLA, Ph.D, FCIB**

PRESIDENT/CHAIRMAN OF COUNCIL, CIBN

SATURDAY, MAY 14, 2016



I am highly grateful to the Almighty God for letting me see this day in my life when I am privileged to stand before you all to accept this call to serve as the 19<sup>th</sup> President and Chairman of Council of our revered Institute, The Chartered Institute of Bankers of Nigeria. In the words of Chief Obafemi Awolowo, “those who desire to reach and keep their places at the top in any calling must be prepared to do so the hard way”. It is therefore stating the obvious that the journey to this exalted position is not an easy one. . That a day like this finally comes in the life of a man is indeed the Lord's doing and it is marvelous in our eyes (Psalm 118: 23).

I salute the doggedness, determination, courage and faith of our founding fathers who in the midst of uncertainties began this journey over fifty years ago and piloted the affairs of the Institute to an enviable height. I believe heavens have recognized the sacrifice you made as one of your greatest services to Him and humanity in general. “A good man leaves an inheritance for his children's children (Prov. 13: 22). In the words of Thomas Alva Edison, “success is one percent inspiration and ninety nine percent perspiration”. I am appreciative of your hard labour and sacrifices towards

promoting the ideals of the Institute over the years. Again General De Gaulle once said “a man of character finds a special attractiveness in difficulty, since it is only by coming to grips with difficulty that he can recognize his potentialities”.

Let me specially recognize the Immediate Past President, Otunba (Mrs.) Debola Osibogun. A woman of steely qualities and of unqualified passion for this great Institute and its ideals, Mrs. Osibogun worked assiduously and traversed the entire landscape of Nigeria and beyond, preaching the gospel of CIBN to all and sundry. On behalf of myself, other Office Holders and the entire members of the Institute, I thank you most sincerely for all your contributions to the uplift of our great Institute. I have no doubt in my mind that you will continue to avail us your wealth of experience as we strive to move our revered Institute to the next level.

Ladies and gentlemen, it is a new dawn and I am delighted to present to you the key focus of my regime as the President and Chairman of Council of the Institute. On behalf of my colleagues in the Office Holders Committee and myself, I hereby unfold the Agenda of this Regime saddled with the responsibility of piloting the affairs of our beloved CIBN for the next two years.

Our focus code-named THE 7 Cs MANDATE touches on every aspect of our life as a frontline Professional Body and a revered Institution in Nigeria. Biblically, seven connotes Perfection. Let me say upfront that a distinct feature of this regime would be its openness to new ideas and the adoption of superiority of ideas and arguments as a cardinal instrument of management. In the words of Clement Stone “whatever the mind of man can conceive and believe, he can achieve with a positive mental attitude”.

**“those who desire to reach and keep their places at the top in any calling must be prepared to do so the hard way”**

The use of Cs of Credit as a tool of credit appraisal has been popularized since 1863 when Hugh McCulloch issued what he termed Bankers Creed. As a trained credit analyst, I had adopted this tool to accept or reject tons of credit proposals in

the past. My conclusion is that faithful adherence to the simple rules of Cs of Credit caused me to "err on the side of caution" on countless occasions. Unfortunately, when our colleagues attempt to outsmart those simple rules, the consequences are usually very dire. In pursuing our goals therefore, we will adopt the conservative posture of a Credit Analyst and Risk Manager, combined with the doggedness of a Marketer in taking the best of decisions for the Institute.

In summary, the 7Cs MANDATE will take the following form

- C - Capacity Building
- C - Certification
- C - Codification
- C - Constructive Engagements
- C - Communication
- C - Creativity
- C - Consolidation

#### 1) CAPACITY BUILDING

The principal goal here is two-fold:

- to provide a platform through which the identified skills and knowledge gaps of industry practitioners at all levels can be bridged;
- to enhance the Institute's technical, mental, physical and managerial capacity to deliver on its mandate to the banking and finance industry.

We will do everything possible to key into the dynamics of the global environment so as not to fall prey to the postulation of Mark Twain who said "twenty years from now, you will be more disappointed by the things you did not do than the things you did"

Accordingly, all the necessary machinery will be set in motion to commence the implementation of the Competency Framework.

More attention would be devoted to the Compulsory Continuous Professional

Development Programmes to ensure they are in tune with the demand of the time. A new template to measure the effectiveness and relevance of our Programmes under the CCPD will be evolved.

The Institute will continue to provide hands-on tailor-made training programmes to the various stakeholders and explore the possibility of introducing cross sector training modules, with main focus on public and real sectors of the Nigerian economy.

We will look at the possibility of harnessing cross-border training opportunities especially within the West African sub-region

We will strengthen the physical capacity of the Institute by:

Reassessing the architectural and structural viability of the Lagos Bankers House given our recent not-too-pleasant experience. As a matter of urgency, qualified, competent hands will be engaged to harmonise the structural strengths of the building with the recent upgrade to avert any further dislocation

The old secretariat on 7 Turton Street, Yaba is no doubt in need of attention. We will review the options available to us to upgrade the building and make it more useful given its attractive location.

The Abuja Project is top priority for this regime. In the light of this, the Abuja Land Development Committee would be encouraged and given the necessary support to commence work in earnest. It is our desire to put up a befitting Bankers House Abuja before the end of this tenure. The immediate past regime has already set the stage for this.

It is hoped that we will be able to take physical possession of the newly allocated land in replacement of the one subject matter of an on-going litigation. I am sure the Institute is not guilty of 'caveat emptor, qui ignorare non debuit quod jus alinenum emit' (let the buyer beware, for he ought not act in ignorance when he buys what another has right to). I am aware that to the best of its ability, the Institute observed due diligence in committing to the new offer. The good thing however, is that the old litigation remains hence, head or tail the Institute is very likely to come out unscathed. We will be awaiting the recommendations of the star-studded Committee on Abuja Land.

Due attention will be paid to staffing in our quest to strengthen capacity to deliver on our mandates.

Staffers of right quantity and quality will continue to be engaged at all levels to provide the needed human capital requirements

CIBN staff must serve as its ambassadors. CIBN Staff must buy into the Institute core values. **Hence .loyalty, commitment, dedication, integrity and self-development are virtues we cannot afford to negotiate away among our staffers.**

Staff productivity will be appropriately measured using modern age template and duly rewarded accordingly

The issue of adequate remuneration for the staff, commensurate with best practices will be an important one for this regime

In FITC of old, the maxim 'if you don't train them, don't blame them' used to be our popular acronym for marketing. Training and manpower development

for the staff of the Institute will occupy prime of place under this regime. We will do all within our resources to improve on the capacity of the staffers to enable them deliver on agreed Key Performance Indicators.

### LEGAL CAPACITY

Ladies and gentlemen, CIBN is a creation of law. According to Lord Denning, law is an instrument of social change. The last two regimes made attempts to revisit the subsisting law – CIBN Act 2007. This regime will take bold steps to progress the proposed amendment to the next level.

There are compelling reasons for wanting to revisit the Act. Time is changing and law, being an instrument of social engineering must also change with time. For example:

- *Clausula generalis non refertur ad expressa* (a general clause does not refer to things expressly mentioned).
- Likewise, *expressio unius est exclusion alterius* (the expression of one thing is to the exclusion of another).

The above clauses are applicable to some of the provisions of the CIBN Act 2007 with their attendant delimiting impact on the legal capacity of the Institute to deliver on its mandate in a contemporary competitive local and global market of today.

The report of the CIBN Act 2007 Review Committee, as already presented to the immediate past Governing Council, will be subjected to further scrutiny through an in-house hearing.

Recommendations therefrom will form the basis for further action on the review exercise.

In the meantime, we will continue further exploits of the subsisting Act with a view to harnessing the opportunities presented to the Institute to deliver on its core mandates.

### SUBSIDIARIES

Another platform through which the capacity of the Institute to deliver on its core mandate is the use of the CIBN subsidiaries. The immediate past regime did a lot to refocus the subsidiaries. But I must confess, the problems are still monumental. They range from conceptual issues to organizational structure, administrative set up and modus operandi to supervisory modalities.

### CIBN Centre for Financial Studies

CIBNCFS can and should be a very powerful thought-led arm of the Institute. It should be a springboard for promoting the intellectual capacity of CIBN family. CIBNCFS should be able to help this Institute overcome the age-long handicaps in delivering on its research objectives. With the quality of its Board, we believe the duly registered subsidiary will deliver. This regime will adopt multi-pronged approaches to rejuvenate the CFS, including the following:

- Connect with Universities, other higher institutions to promote intellectual-based programmes for the industry,

Collaborate with other professional bodies such as the Nigerian Bar Association, the Chartered Institute of Taxation of Nigeria, the Association of Professional Bodies of Nigeria, Nigerian Institution of Estate Surveyors and Valuers, etc. to deliver cross professional training modules.

- Dreaming of a Banking University? Perhaps a future agenda

can be contemplated from today. A University of such can offer certificate, diploma, degree and postgraduate programmes and serve as one of the routes to ACIB qualification.

### CIBN Bookshop

By the nature of the Institute's mandate, a bookshop is desirable. Again, a lot was revealed through the review exercise conducted by the last regime about the inadequacies of the CIBN Bookshop as presently configured.

This regime will follow through the resolutions of the immediate past Governing Council aimed at repositioning the Bookshop.

### CIBN Press

Also, the CIBN Press serves the Institute needs and makes efforts to operate as business outfit. But the present structure of the Press makes it impossible to operate as a viable commercial entity.

The immediate past Governing Council mandated the newly inaugurated Board of the CIBN Press to come up with a proposal towards repositioning the Press. This regime will ensure that the repositioning of the Press is accomplished in no distant time.

### Library

A state of the art Library is sine qua non to the mandates of the Institute. Frontline professional bodies across the globe boast of the state of the art library with e-library and virtual library facilities as appendages. I do know also that a few of CIBN contemporary professional bodies in Nigeria have embraced quality, well-stocked, adequately equipped libraries even with attractive branding and ambience

This regime will therefore set in motion plans for upgrading the physical state of the library (relocation as an option?) and provide facilities that would serve our various stakeholders in this time and age.

## 2) CERTIFICATION

Certification goes to the very heart of our mandate as a professional body. It is the enabler our members and would-be members need to galvanise them into the next level in their career track. It is the very key mandate of the Institute that springs from its nature as an Educational Body. In the words of Nelson Mandela "education is the great engine of personal development. It is through education that the daughter of a peasant can become a doctor, that the son of a mine worker can become the head of the mine, that a child of a farm worker can become the President of a great nation".

In revisiting this mandate therefore, this regime will

Review the existing routes to ACIB qualification and assess their effectiveness under the current realities.

- Assess the existing certifications and the performance to date
- Examine the desirability of introducing new certification programmes to cover more specialized skills.

### International Collaborations

Likewise, we will review and encourage existing collaborations, suggesting innovations where necessary;

Such collaborations as with Bangor University, GARP, Lafferty, CISI, CIB

UK, etc. would be consolidated and the scope expanded where appropriate.

We will continue to play our frontline role in Association of African Institute of Bankers (AAIOB).

## 3) CODIFICATION

As a membership organization, the law allows CIBN to enter into agreements with other legally competent bodies to further its mandate. Subsisting arrangements include the executed code of conduct with staff of banks in Nigeria; the Linkage Agreements with Universities and Polytechnics, etc. Under this regime:

**"...It is through education that the daughter of a peasant can become a doctor, that the son of a mine worker can become the head of the mine, that a child of a farm worker can become the President of a great nation".**

Efforts would be made to extend the signing of the code of conduct to staff of other financial institutions which are purveyors of credit.

-Adequate publicity will be given to the subsisting code of conduct as part of education of members of the public on the role of the Institute in promoting ethics and professionalism in the banking and finance sector of the economy.

The Institute role as Secretariat to the Bankers Committee Sub-Committee on Ethics and Professionalism will

continue to receive priority attention from this regime.

The Institute will continue to cooperate with all regulatory institutions and agencies with a view to fighting corruption and crime in the country. After all, *crimen Omnia ex se nata vitiat* (crime taints everything that springs from it).

## LINKAGE AGREEMENTS

We will continue to enter into agreement with our universities, polytechnics on B.Sc./ACIB and HND/ACIB Programmes. Likewise, we will exploit the newly introduced M.Sc./ACIB with more and more Universities. In addition:

- This regime will further the discussion on HND/B.Sc/ACIB route with the relevant bodies to cater for the research-inclined members of the Institute who are HND holders. This route, when floated, will enable HND holders to spend the statutory minimum period in a University to earn a first degree as well as ACIB, then pursue post graduate academic qualifications subsequently.

However, beyond the ceremonial signing of Linkage Agreements and the game of number, this regime will be more particular about the dividends of such Agreements to all the concerned parties. Accordingly:

Management will immediately be mandated to provide Office Holders with a clear template to measure the performance of each Linkage Arrangement entered into by the Institute. A report on each of the existing Agreement of at least one

year old will be demanded showing potential number of student members, number so far registered, number of subscription paying students, number registered for examinations and the results, number of academic staff and the proportion, if any, that are holders of the Institute's flagship qualification, ACIB, etc.

The outcome of this performance assessment will enable a holistic overview of the structure of the Linkage Agreement as conceived today and the need, if at all, for retouching some aspect of it.

### INTERNATIONAL COLLABORATIONS

Likewise, collaborations with international organisations that are governed by formal agreements will be subjected to the steps outlined above to determine if the initial dreams are still in vogue.

### 4. CONSTRUCTIVE ENGAGEMENT

CIBN stakeholders' base is very broad. This is because banking goes to the very heart of the society. The need for constant dialogue cannot therefore be overemphasized. This regime will make it a point of duty to continue with the traditional visitations to regulators, operators, past presidents, government agencies and other opinion leaders in the society to rub minds together on how to move the nation forward. In addition, much attention would be focused on

Harnessing the benefits of such visitations by coming up with a template for post visitation reports immediately after each visit showing agreed milestones and progress report capturing state of accomplishment of the milestones three months thereafter.

Visitation to international agencies and bodies to strengthen CIBN ties with global institutions and benchmark international best practices.

### 5. COMMUNICATION

It was Abraham Lincoln who said "let the country know the truth and the country will be free"

The importance of communication in the life of an Institute like ours cannot be underplayed. We are under obligation to communicate effectively to all stakeholders the happenings in this critical sector of our national economy. We have a new Communication Plan that must be faithfully implemented. Our key strategies under this would include the following:

- Introduction of (Closed User Group) CUG to accommodate staff, council members, past presidents, committee members and/or as found desirable. The modalities for entering into this arrangement will be worked out by Management in due course. It is believed that the use of CUG will reduce cost of communication, draw stakeholders closer and hasten decision making process.
- Regular but guarded press interviews by the Office Holders to educate the public.
- Possible introduction of Radio and Television programmes to be tagged 'You and Your Banker' wherein leading members of the profession including the academia would be on air to relate with members of the public.
- Office Holders visitation to not only higher institutions but secondary schools to preach banking and finance profession with a view to catching them young and arresting

the observed decline in enrolment for the courses in our higher institutions.

- Prominence in national and intellectual discourse.
- Engagement in intellectual assignments and communication of the findings to the relevant authorities.

### 6. CREATIVITY

Ladies and gentlemen, a popular saying is to the effect that small minds discuss people, average minds discuss issues but great minds discuss ideas because ideas rule the world.

We will welcome new ideas, fresh thinking and constructive criticisms that will challenge the status quo. James Whittaker once said "man is at his best when reaching for something beyond his grasp".

Albert Einstein said "anyone who has never made a mistake has never tried something new". Also Victor Hugo stated that "nothing in this world is so powerful as an idea whose time has come".

We will encourage new ideas, we will be creative in the way we approach even the traditional functions of the Institute. We will look at new ways of doing old things. We will reason with anyone whose strength of argument can dwarf the entrenched ways of doing things. We will welcome paradigm shifts where the demand of the time calls for one.

**"...small minds discuss people, average minds discuss issues but great minds discuss ideas because ideas rule the world.**

Accordingly, an Ideas Portal will be created to warehouse fresh thinking after the box is discarded, brain waves, whoa suggestions, new dreams. They will be subjected to thorough evaluation by relevant committees and bodies for adoption or as the case may be.

If taken advantage of, our stakeholders with beautiful ideas but lacking in accessibility to the Institute functionaries will not have such ideas perished inside them.

## 7. CONSOLIDATION

Ladies and gentlemen, quite a number of tasks in the life of our great Institute are as constant as day and night. They engage the attention of every regime. Others are work in progress at any point in time.

### Membership

We will consolidate up to date efforts at broadening and drawing closer the membership of the Institute.

Chapters and Branches of our Institute will be encouraged to serve as rally points for new members.

Zonal offices will be performance driven. Management must come up with clear Key Performance Indicators for the Zonal offices, one of which must be membership drive.

The existing Branch Competition will be reviewed. We will endeavor to introduce other categories of award, in addition to the overall best branch. For instance, awards for membership drive, growth in enrolment for examination, attendance at CIBN functions, etc. can be helpful.

International branches will be encouraged to submit their programmes of activities on a six monthly basis, the accomplishment of which will be reviewed and discussed

with the branches on a regular basis. These branches can provide an effective link for international collaborations.

Association of Professional Women Bankers will continue to be encouraged to expand female membership of the Institute and their participation in Institute's programmes.

My fellow members, let us continue to proof our relevance as professionals. Napoleon Hill once said "the world has a habit of making room for the man whose words and actions show that he knows where he is going". John F. Kennedy was once quoted as follows "my fellow citizens of the world; ask not what America will do for you, but what together we can do for the freedom of man".

The CIBN Project belongs to us all. We need your support, encouragement, loyalty to move to the next level.

We will continue to explore value additions to our members by enhancing the acceptability of our flagship qualification in the government scheme of service. Where opportunities present themselves, assist our members accessibility to employment and appointments;

The use of CIBN Practice Licence to offer services in proven areas of competence;

I have been thinking of a Bankers Centre for ages. How I wish space would allow us create this point of relaxation now.

I would like to appeal to you our distinguished members to endeavor to pay up your annual subscriptions to enable us pursue our core mandates as outlined above.

We will soon update the Membership Directory to make it more meaningful and helpful.

Management will be directed to deliver to all members the notice of annual subscription not later than January of every year.

## 2017 21<sup>st</sup> WORLD CONFERENCE OF BANKING INSTITUTES

Kudos to the immediate past regime for winning the hosting rights for the WCBI. It is already slated for April 25-28, 2017. We aim at:

- Using the occasion to project Nigeria as a country and the banking industry.
  - Making this conference a record breaker in every department, compared with the previous twenty editions;
  - Launching the Global Standard Board for Banking Education during the Conference through consistent dialogue with other key members of the Body.
  - Making use of the best hands in the chosen areas of discussion as guest speakers and other facilitators during the Conference;
- Ensuring the buying-in of all the stakeholders, locally and abroad, so as to have a seamless, highly impactful outing.
- Creating local and international awareness for the Conference.

## OTHER INITIATIVES

This regime will lend support and continue to honour subsisting relationships with local and international organisations;

We will continue to do this to enhance value additions to the Institute.

Mentoring scheme will be promoted by this regime;

E-learning, the use of study packs, introduction of Computer Based Tests will all receive a boost from this regime;

We will continue to request NUC and NBTE to involve the Institute in accreditation visit to Universities and Polytechnics;

We will encourage linkage institutions to provide facilities for practical training for their students.

We will do all that is within our competence to strengthen the relationship between the town and gown.

### **Continuity**

Ladies and gentlemen. The above 7 Cs are by no means exhaustive of our plans for the next two years. I cannot cover every subject matter here. There are several other routine and standard rules and policies that are followed from time to time.

In continuing with any existing rule of engagement, policies and programmes, we will be guided by three small letter c:

**Currency:** how current is the subsisting policy or practice in the face of today's reality;

**Capacity:** As an Institute, do we still have the technical and legal capacity to continue to rely on the policy or rule or convention as initially crafted;

**Contribution:** On balance, what is the net contribution of the policy, rule, etc. towards attaining the core mandates of the Institute.

One thing is certain. We will avoid a change of policy unless it is absolutely necessary. I am aware that policy somersault is one of the attributes of underdevelopment.

Ladies and gentlemen, I am persuaded by the words of John Maxwell that "the reality is that leadership intuition is often the factor that separates the greatest leaders from the merely good ones". It is a new dawn and we must run with the ball. Oliver Wendell Holmes once said "you ought to be afraid to die until you have contributed something great back to humanity".

I am convinced that God has adequately prepared me for this task. I have been privileged to rise through the ranks in this revered Institute, same as in banking as well as in the academia. My initial contact with the Institute was in the mid-1980s as Lecturer in monetary economics in Ile-Ife Branch of the Institute. Thereafter, I was in FITC looking at CIBN from afar even though we were neighbours in Turton Street. I became involved in the Institute's affairs as Assistant Secretary in Kano Branch in 1990. Ten years later, my involvement in Lagos branch commenced as 2<sup>nd</sup> Vice Chairman, then 1<sup>st</sup> Vice Chairman, then the branch Chairman. The journey at the National Secretariat began at the F&GPC. I later contested and won election to the Council in 2004. Then National Treasurer, then 2<sup>nd</sup> Vice President, then 1<sup>st</sup> Vice President and to God be the glory, the President today.

I am aware that the stakes are very high and the expectations are great. But I am confident that indeed this new dawn would yield bountiful dividends to our great Institute. After all, the word of God assures me that I can do all things through Christ who strengthens me (Phillipians 4: 13).

As we settle down to real business, I readily remember the admonition of Dr. Nnamdi Azikiwe. He was tutoring his political followers and said "my

tutor told me that politics is like a game of football, never score from an offside position. Politics is like a game of boxing, never hit below the belt. Politics is like a game of sprinting, never run before the sound of the gun". The admonition of the Great Zik is summed as "never outsmart the rules". Those who do almost certainly fall by the wayside. I assure you on behalf of all my colleagues that we will always keep to the rules in pursuing our mandate.

Ladies and Gentlemen. I was never born with any spoon in my mouth. Not even wooden spoon. I therefore know where the shoe pinches (even though I was shoeless until age 13 when I bought my first pair of shoe with my salary as a house boy in Ile-Ife). Somebody once said that to succeed when already adjudged an underdog in the field of play, one must learn how to score a hat trick or from an impossible angle. In my own case, it is all glory to the Almighty God.

My father and mother toiled day and night to see me to school. While I buried my father close to thirty years ago at an age just over eighty, my mother bade the world farewell on 19<sup>th</sup> February 2016 at the age of 109 years. June 18 has been fixed for her burial in her country home, Ipoti Ekiti. In the words of Abraham Lincoln, "all that I am or ever hope to be, I owe to my angel Mother". Let me confess that I share Lincoln sentiment whole heartedly. Curiously too, we will be burying my father in law by this time next week.

Ladies and gentlemen, words cannot be enough to thank you for turning out this way to witness this Investiture. I am hopeful that you will be there for us as we call upon you to join us in our resolve to take this institute to the next level.

Thank you all and God bless.

**2016 CIBN PRESIDENTIAL VALEDICTORY ADDRESS DELIVERED BY OTUNBA (MRS.) DEBOLA OSIBOGUN, FCIB, IMMEDIATE FORMER PRESIDENT/CHAIRMAN OF COUNCIL, CIBN**



Otunba (Mrs.) 'Debola Osibogun, FCIB, immediate former President/Chairman of Council, CIBN delivering her Presidential Valedictory Address



Front Sit: L-R: Mazi O.C.K Unegbu, FCIB, Past President, CIBN; Dr. 'Segun Aina, OFR, FCIB, Past President, CIBN; Dr. Uju M. Ogunbuka, FCIB, Past Registrar, CIBN; Mr. Kalu Eke, MFR, HCIB, Group Managing Director, FBN Holdings Plc; Mr. J. O. Ekundayo, FCIB, Past President, CIBN; Dr. Uche Olowu, FCIB, 1<sup>st</sup> Vice-President, CIBN; Professor Segun Ajibola, Ph.D, FCIB, President/Chairman of Council, CIBN; Mr. Bisi Onasanya, FCIB, Former Group Managing Director/Chief Executive Officer, First Bank of Nigeria Limited; Mrs. Ibukun Awosika, Chairperson, First Bank of Nigeria Limited and a cross section of guests at the CIBN 2016 Presidential Valedictory Address



L-R: Dr. Uche Olowu, FCIB, 1<sup>st</sup> Vice-President, CIBN; Otunba 'Deji Osibogun; Otunba (Mrs.) 'Debola Osibogun, FCIB, immediate former President/Chairman of Council, CIBN; Professor Segun Ajibola, Ph.D, FCIB, President/Chairman of Council, CIBN; Mr. 'Seye Awojobi, FCIB, Registrar/Chief Executive, CIBN



Dr. Oba Otudeko, CFR, FCIB, Chairman of the occasion proudly embracing his mentee, Otunba (Mrs.) 'Debola Osibogun, FCIB, immediate former President/ Chairman of Council, CIBN during the Presidential Valedictory Address



Erelu (Dr.) Olusola Obada, Former Deputy Governor, Osun State and Former Minister of State for Defence having a chat with her sister Otunba (Mrs.) 'Debola Osibogun, FCIB, immediate former President/ Chairman of Council, CIBN during the Presidential Valedictory Address



Mr. Adebayo Adelabu, FCIB, Deputy Governor, Corporate Services, Central Bank of Nigeria felicitating with Otunba (Mrs.) 'Debola Osibogun, FCIB, immediate former President/Chairman of Council, CIBN during the Presidential Valedictory Address



Otunba (Mrs.) 'Debola Osibogun, FCIB, immediate former President/Chairman of Council, CIBN being presented with bouquets by her granddaughters during the Valedictory Address



Otunba 'Deji Osibogun, in his characteristic jocular manner, handing over the CIBN Act to the President/Chairman of Council, CIBN, Professor Segun Ajibola, Ph.D, FCIB for the Institute's "release" of his wife, Otunba (Mrs.) 'Debola Osibogun, FCIB, immediate former President/Chairman of Council, CIBN



L-R: Mr. 'Seye Awojobi, FCIB, Registrar/Chief Executive, CIBN; Professor Wole Adewunmi, FCIB, Past President, CIBN; Dr. Uju M. Ogunbuka, FCIB, Past Registrar, CIBN; HRH Eze Prof. G.O. Nwankwo, OON, FCIB, Past President, CIBN; Mr. J. O. Ekundayo, FCIB, Past President, CIBN; Otunba (Mrs.) 'Debola Osibogun, FCIB, immediate former President/Chairman of Council, CIBN; Mazi O.C.K Unegbu, FCIB, Past President, CIBN; Professor Segun Ajibola, Ph.D, FCIB, President/Chairman of Council, CIBN; Dr. 'Segun Aina, OFR, FCIB, Past President, CIBN; Dr. Uche Olowu, FCIB, 1<sup>st</sup> Vice-President, CIBN

# OPENING REMARKS

by the

IMMEDIATE FORMER PRESIDENT/CHAIRMAN OF COUNCIL  
THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA  
OTUNBA (MRS.) 'DEBOLA OSIBOGUN, FCIB

at the

## 2<sup>ND</sup> NATIONAL CONFERENCE OF EDUCATORS IN BANKING AND FINANCE IN NIGERIA

Held from April 28 - 29, 2016 at the Aganga Hall, International  
Conference Centre, University of Ibadan, Oyo State



### Protocols

I deem it a privilege to address this august audience at the 2<sup>nd</sup> National Conference of Educators in Banking and Finance in Nigeria organized by The Chartered Institute of Bankers of Nigeria (CIBN), the National Universities Commission (NUC) and the National Board for Technical Education (NBTE).

The first edition of this Conference, with the theme Banking and Finance Education in Nigeria: The 21st Century Perspective, was held at the Idris Abdulkadir Auditorium, National Universities Commission, Abuja from July 2 – 3, 2014. The theme for this edition "The Dynamics of Stabilizing the Nigerian Economy through Banking and Finance Education" is auspicious considering the daunting challenges facing the global economy as a whole and the country in particular. Unarguably, the Banking and Finance sector is critical to tackling these challenges and for ensuring the effective functioning of the whole economy. It is therefore important to purposefully look at the teaching of this vitally important discipline in our different academic institutions.

It is against this background that I consider it a privilege to have the Honourable Minister of Education, Mallam Adamu Adamu, in our midst to deliver the Keynote Address. Also, Goodwill Messages will be delivered by

our distinguished Guests of Honour: Professor Idowu Olayinka, The Vice Chancellor, University of Ibadan; Alhaji Umaru Ibrahim, FCIB, mni, Managing Director/Chief Executive, Nigeria Deposit Insurance Corporation (NDIC); Mr. Godwin Emeziele, CON, FCIB, Governor, Central Bank of Nigeria (CBN); and our Chief Host, The Executive Governor of Oyo State, Senator Isiaq Ajimobi.

The four (4) knowledge sessions at this two-day Conference would be chaired by seasoned professionals who have proven their mettle, particularly in the teaching and practice of banking and finance, and garnered both local and international experiences. Similarly, the choice of the Guest Speakers is indeed a rich blend of the teaching and practice of banking and finance. I am confident that the Conference would engender a cross-fertilization of ideas that would generate positions to effectively achieve the national and undying longing of stabilizing the Nigerian economy in the face of global economic volatilities.

Robert T. Kiyosaki said and I quote "...*In today's fast-changing world, it is not so much what you know anymore that counts, because often what you know is old. It is how fast you learn. That skill is priceless...*". The trueness of this assertion could not be more apt for the banking and finance profession. Just like any other discipline, established banking and finance theories and principles are being challenged and replaced with new standards. The spate

and speed of change have been unprecedented with technology disruptively impacting on business dynamics. The banking and finance sector is also being confronted with the problems of ethics and professionalism.

Considering all these developments, it would not be out of place to collectively call for a revamping, to reflect current realities, of the teachings of the banking and finance courses in our various academic institutions. Such a collective decision should, nevertheless stem from a thorough deliberation and critique of existing methodologies as well as proposing improved ones that would positively impact on our economy. This would, however, be achieved if participants at this Conference actively contribute to the discussions as every idea raised would be germane to the realization of the objectives of the Conference.

It is important for me to place on record the different initiatives and programmes of our partners, the NUC and NBTE, at promoting a globally competitive educational system in the country. The recent partnering of the NUC with the United Nations Industrial Development Organization (UNIDO) to assess the employability status as well as, on the job satisfaction of Science and Engineering graduates is indeed a welcome initiative. It is also worthy of note that the NBTE is currently carrying out a similar Pilot Tracer Study for Polytechnic and Monotechnic graduates in Nigeria. The Central Bank of Nigeria (CBN) and the

Nigeria Deposit Insurance Corporation (NDIC) are also in the vanguard of promoting financial literacy at the different cadres of our educational system. Efforts of some Deposit Money Banks and other financial institutions in this regard are equally acknowledged.

In line with one of the CIBN's mandates which is to enhance the quality of competencies through accreditation, certification and continuous professional development, we have worked tirelessly over the years to increase the Institute's B.Sc/ACIB and HND/ACIB linkage arrangements with our tertiary institutions. To further advance this initiative, we have now established the MSc/ACIB linkage with three Universities in the country. Many more are expected to be linked very soon. This initiative, no doubt, is aimed at enhancing academic research excellence and to provide a veritable platform for banking professionals who have a knack for academics to grow their desires up to doctoral degrees. The number of tertiary institutions had increased in the last two years from twenty-one (21) to forty (40).

This arrangement is one of CIBN's contributions, as a stakeholder, to the development of the banking and finance profession in our tertiary institutions and the country at large. We have equally expanded the frontiers of our linkage to a world class level by collaborating with one of the foremost and indeed the first University in Europe for Banking research programme. Bangor University is ranked in the top 20 in the world. They have established a Scholarship Award for any outstanding Banking and Finance Nigerian student to pursue the Chartered Banker MBA programme at the University in the UK. This programme is an innovative one that allows participant gain award of a top degree, Masters in Business Administration (MBA), Bangor University and the prestigious "Chartered Banker" status of the Chartered Institute of Bankers, Scotland and Chartered Institute of Bankers of Nigeria.

Distinguished Ladies and Gentlemen, may I formally announce to you that as a major milestone in our pursuit to attract

international value add into the Nigerian banking system, CIBN shall on April 24-28, 2017, host the 22<sup>nd</sup> World Conference of Banking Institutes (WCBI) here in Nigeria. This feat was achieved after winning the bid for the hosting rights at Seoul, South Korea in the 2015. Interestingly, the World Conference theme is **"Re-Thinking the Future of Banking and Finance & Life-Long Learning"**.



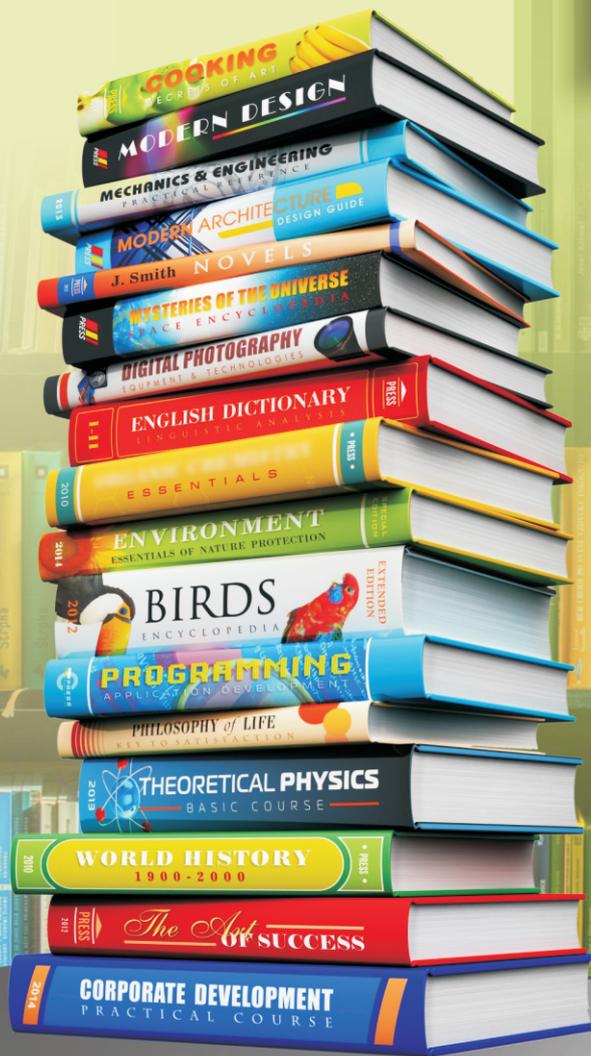
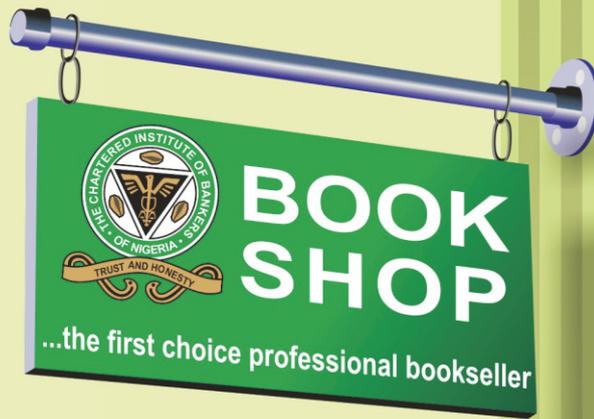
We have started receiving local and global support from highly reputable academic and training institutions; professional bodies, government agencies; regulatory institutions; embassies and so on. The Conference, apart from its intellectual rewards, creates opportunities for networking. The ever-busy nature of lecturers and bankers requires a retreat of this nature where different ideas, from "the gown and town" dichotomy, would crystallize under a very relaxed and interactive atmosphere. I have no doubt that this Conference would make it possible for each professional group to see the other's perspective with a

view to achieving a healthier banking and finance profession. I pray we all save this date in our diaries.

Permit me to end by saying that for our country to remain relevant on the trajectory of world economic growth and development, all of us in the banking and finance sector must embrace a new culture of learning and human capital development strategies to be able to meet the challenges and requirements for Banking of the future. Therefore, we must begin to review, rethink and revolutionise our curriculum, learning delivery platforms, collaborative partnerships, talent management and impact meaningfully on government policies and private sector business decisions.

I therefore, on behalf of the National Universities Commission (NUC), the National Board for Technical Education (NBTE) and The Chartered Institute of Bankers of Nigeria (CIBN), welcome you most heartily to this Conference and wish you fruitful deliberations.

Thank you for your attention.



Retail and bulk purchases are available at reasonable prices

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# 2<sup>ND</sup> NATIONAL CONFERENCE OF EDUCATORS IN BANKING & FINANCE IN NIGERIA

BY

THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA, NATIONAL UNIVERSITIES COMMISSION & NATIONAL BOARD FOR TECHNICAL EDUCATION

VENUE: UNIVERSITY OF IBADAN DATE: APRIL 28 – 29, 2016

WELCOME ADDRESS BY PROFESSOR JULIUS A. OKOJIE, Executive Secretary,  
National Universities Commission Abuja, Nigeria

Distinguished Ladies and Gentlemen it is my pleasure to convey to you the very warm greetings and goodwill of Prof Julius A. Okojie, the Executive Secretary of the National Universities Commission, Abuja and to warmly welcome you all to the 2<sup>nd</sup> National Conference of Educators in Banking and Finance in Nigeria organized by the Chartered Institute of Bankers of Nigeria (CIBN). He is very delighted to be invited as a Special Guest of Honour at this Conference.

The Conference with the theme - *The Dynamics of Stabilizing the Economy through Banking and Finance Education*, and designed to give educators a platform for the exchange of ideas and development of strategies aimed at improving the quality and effectiveness of Banking and Finance education in Nigeria, could not have been better chosen. Indeed, it is apt at this moment as Nigeria grapples with challenges of economic downturn and quest for knowledge-based economic base. This Conference is organized by CIBN in partnership with the National Universities Commission and National Board for Technical Education, thus interfacing with regulatory Institutions with the mandate to control and ensure quality training in their different fields. May I, therefore, hasten to say that NUC will continue to support and collaborate with CIBN in its quest to promote high standards and quality delivery of professional training, and to enthrone professional excellence in the banking sector of the economy.

The National Universities Commission (NUC) was established

in 1962 as a regulatory agency with the mandate to ensure quality higher education delivery in Nigeria. Over the years, the Commission has continued to act as a catalyst for positive change and innovation for the delivery of quality university education in Nigeria by ensuring that new universities are established on merit according to global best practices and quality assurance is enhanced in the running of the Universities. As a regulatory body, the National Universities Commission, in response to the overwhelming demand for university education for national development, has set Minimum Academic Standards and has constantly been reviewing curricula of universities and other degree awarding institutions in the Country, spelling out the regime of knowledge, skills, as well as resource requirements for running academic programmes, taking into consideration contemporary national issues and advancements in the frontiers of knowledge. The Commission has

over the years maintained high academic standards through accreditation of universities and courses they offer and ensuring that every university abides by the rules and regulations of accreditation, policies, procedures and guidance related to quality assurance, learning and teaching enhancement and academic standards. All Universities are expected to meet the demands of NUC Quality Assurance tenets and ensure their constant accreditations.

With a conscious effort, the Conference which will address such issues as the future of Banking, the role of Banking and Finance in the Nigerian economy, the role of regulatory institutions in Banking and Finance and building capacity for the Nigerian economy, etc, will proffer solutions to help Nigeria overcome its present economic challenges, and attain its rightful position in history. I am confident that, with the caliber of persons participating at this Conference, the subject will be appropriately addressed for us to re-examine our efforts at nation building and the extent to which our flaccid image has affected our development as a nation over time.

Finally, permit me, once again to express my sincere appreciation to the Organizers of this Conference.

Above all, I thank each one of you here for your kind attention.



# WELCOME ADDRESS

*by*

**DR. M.A KAZAURE, mni**

EXECUTIVE SECRETARY  
NATIONAL BOARD FOR TECHNICAL EDUCATION

*at the*

2<sup>ND</sup> NATIONAL CONFERENCE OF EDUCATORS IN  
BANKING AND FINANCE IN NIGERIA

*held on*

APRIL 28 - 29, 2016 AT THE AGANGA HALL,  
INTERNATIONAL CONFERENCE CENTRE,  
UNIVERSITY OF IBADAN,  
IBADAN, OYO STATE



and with many more having sent in applications for our approval to start the programme. All this is laudable.

Distinguished ladies and gentlemen, permit me to use this platform to mention the issue of complaints by Polytechnic rector regarding what they consider as double accreditation which, according to them, occurs when the CIBN revisits Banking and Finance programmes in the institutions even after a joint assessment has been carried out by the two bodies. I think that this calls for even greater collaboration between the Board and the Institute through the signing of an Accreditation Memorandum of Understanding (MOU) and for other sundry issues of common interest.

In conclusion, may I restate that our door at the NBTE remains wide open to receive and to partner with all, both within and outside Nigeria, to ensure the growth, advancement and sustenance of the state of technology in Nigeria in particular and Africa in general.

Once again, I wish to express my sincere gratitude to the President, the Registrar and the Council Members of this great Institute for the great privilege to address you all.

While wishing you a fruitful and rewarding deliberation, I again thank you for listening.

with her executive members, was an august visitor to us in Kaduna. The courtesy visit further strengthened the existing harmonious relationship between the two bodies.

In addition to the above, I wish to recall the excellent working relationship which subsists between the National Board for Technical Education and The Chartered Institute of Bankers of Nigeria in the areas of Quality Assurance and Programmes' Accreditation in order to set standards as well as determine, raise and sustain the quality of Banking and Finance Programmes in Nigerian Polytechnics.

Since my assumption of office at the Board and with the support and collaboration of stakeholders like the CIBN, Banking and Finance Programmes in our Polytechnics have witnessed tremendous growth in both numbers and in quality of programmes. There are currently Forty-one (41) Federal, State and Private polytechnics offering Banking and Finance programmes in Nigeria.

Permit me therefore to authoritatively state that the collaboration between the NBTE and the CIBN has yielded great dividends. For the records, some of the Innovation Enterprise Institutions (IEIs) and Vocational Enterprise Institutions (VEIs) have joined the polytechnics in offering courses in banking and finance

## PROTOCOL

I feel honoured by this rare privilege given to me on this platform to welcome all stakeholders, participants and visitors to this special Conference organized by the Chartered Institute of Bankers of Nigeria (CIBN). The Institute has wisely chosen a topic which I consider timely and relevant to the advancement of the Banking and Finance profession in particular and the Nigerian economy in general.

No time is more appropriate than now for our esteemed experts to deliberate on this very important topic "The Dynamics of Stabilizing the Nigerian Economy through Banking and Finance Education". It is my hope that the exchange of ideas which will arise from the various discourses on this topic will go a long way to further enlighten Nigerians about the state of our economy as well as prepare their minds on official strategies being put in place towards its stabilization.

It is my pleasure to report that the Institute has been a valuable collaborator with us, having partnered with the National Board of Technical Education (NBTE) under my watch in various capacities. Only recently, the esteemed President of the Institute, in company

**2<sup>ND</sup> NATIONAL CONFERENCE OF EDUCATORS IN BANKING AND FINANCE IN NIGERIA ORGANIZED BY THE CIBN IN COLLABORATION WITH THE NATIONAL UNIVERSITIES COMMISSION (NUC) AND THE NATIONAL BOARD FOR TECHNICAL EDUCATION (NBTE)**



Group Photograph of participants at the Conference



L-R: Mrs. Rukayat Yusuf, Group Head, Learning and Development, CIBN; Mr. M.D. Suleyman, Director, FSS 2020, Central Bank of Nigeria; Mrs. Roseline Udochukwu, Deputy Director, Finance & Accounts, NBTE; Mr. Umar Bashir Dada, Director, Assets Management, NDIC; Otunba (Mrs.) 'Debola Osibogun, FCIB, immediate former President/Chairman of Council, CIBN; Professor Oladipo Aina, visiting Professor to NUC; Professor Segun Ajibola, Ph.D, FCIB, President/Chairman of Council, CIBN; Professor Bello Sabo, Dean, Faculty of Administration, Ahmadu Bello University; Mr. 'Seye Awojobi, FCIB, Registrar/Chief Executive, CIBN, singing the National Anthem



Otunba (Mrs.) 'Debola Osibogun, FCIB, immediate former President/Chairman of Council, CIBN delivering her Welcome Address



Professor Oladipo Aina, visiting Professor to NUC and former Vice Chancellor of Ekiti State University delivering the Welcome Address on behalf of the Executive Secretary, NUC, Professor Julius A. Okojie, OON



Mrs. Roseline Udochukwu, Deputy Director, Finance & Accounts, NBTE delivering the Welcome Address on behalf of the Executive Secretary, NBTE, Dr. Masa'Udu Adamu Kazure, mni



A cross section of participants at the Conference



Syndicate Session at the Conference

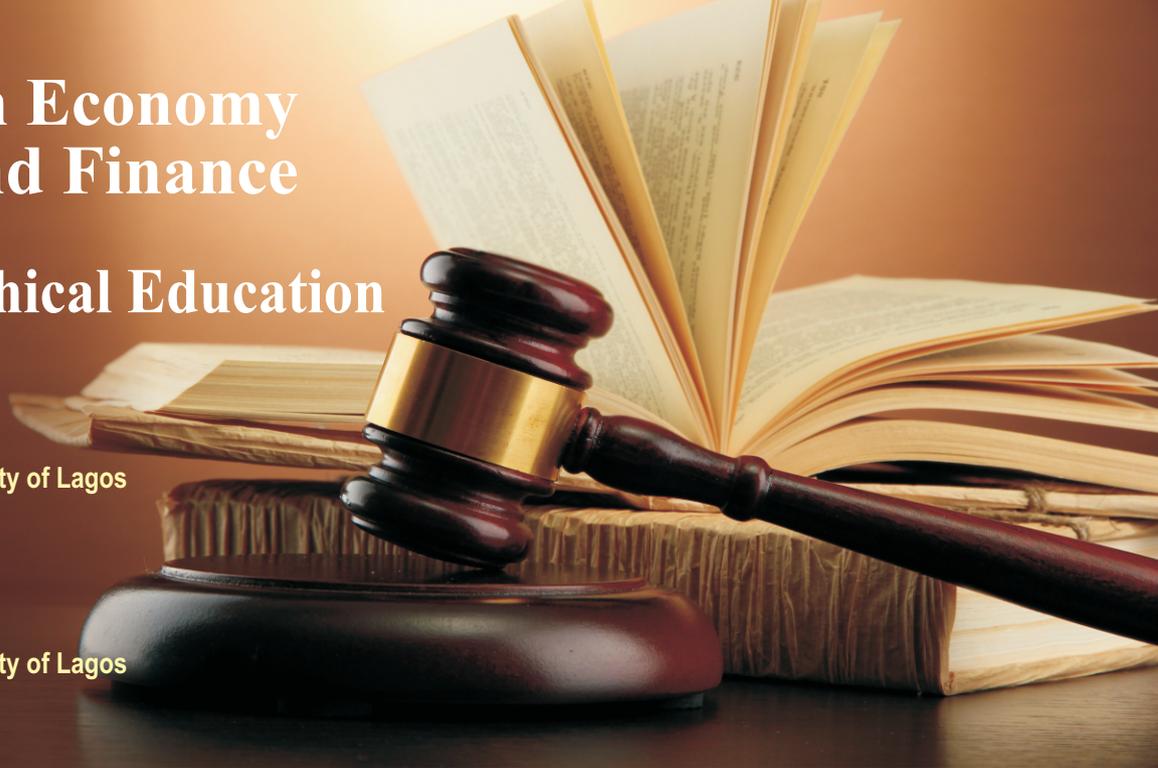
# The Nigerian Economy and the Banking and Finance Profession: The Role of Ethical Education

by:

**Esther O. Adegbite**  
Professor and Head,  
Department of Finance, University of Lagos

and

**Owen Arasomwan**  
Fellowship Lecturer  
Department of Finance, University of Lagos



A paper delivered at the Chartered Institute of Bankers of Nigeria 2<sup>nd</sup> National Conference of Educators in Banking and Finance in Nigeria on "The Dynamics of stabilizing the Nigerian Economy through Banking and Finance Education" Held at Aganga Hall, International Conference Centre, University of Ibadan, Ibadan, Oyo State April 28-29, 2016

## 1.0 Introduction

We will like to start by first of all appreciating the organizers of this Conference for giving us the opportunity to present a paper at this very important Conference where issues of such **critical national importance** are being discussed. A conference to deliberate on the education of the banking and finance professionals is indeed speaking to **the quality of the future of the Nigerian financial institution**. It cannot be over-emphasized.

We recently came to the conclusion that one of the greatest challenges facing our country's development is not just a leadership challenge but the lack of appropriate education at all levels of our everyday life. We therefore congratulate the

visionaries of this Conference because it shows an appreciation of the heart of the issues facing us as a people. Our prayer is that the Conference will yield its desired goal.

## 1.1 The Nigeria Economy

The Nigerian economy is currently in a dilemma. At no time in its 55-year history has it come face to face with this many destabilizing challenges in its economic, political and social life. Some schools of thought claim the country is finally reaping the consequences of many years of mismanagement and leadership indiscipline. Over the years, the Nigerian economy has become over-dependent on the 'black gold' (crude-oil), feeding fat on its revenue. The monthly federal

revenue allocation was synonymous with funfair and celebration as the various states gather round the table to share the 'national cake'. There was no thought for tomorrow - no savings and no investments for the rainy day. Rent seeking and jostling for government positions became the pre-occupation of our political elite and even military generals while the industries and factories were closing down. Leaders looted the public coffers without any sense of decency. Corruption among public officers became the norm.

In the midst of all these feasting, the 'resource curse' began to work on our economy. As at today the crude oil continues to remain the country's largest source of foreign exchange. In recent times, the

international crude oil prices have tumbled massively, throwing the Nigerian Naira into critical conditions. With high insatiable taste and dependence on imported goods, the country's currency has recorded its highest level of devaluation since it was first introduced on January 1, 1973.

Many socio-economic indicators show that the country's economy is currently in very severe and critical condition. Increasing double digit inflation rate of over 12% in March 2016, the highest in four years (NBS, 2016), rising foreign and domestic debt, massive capital flight, low capital market activities, high youth unemployment, high crime rate and increased incidence of kidnapping are the order of the day. In addition to the above is the worsening condition of national infrastructures such as roads, inadequate power supply, poor state of hospitals etc. Our industries grappling with all these infrastructural deficits are struggling to stay competitive in a market flooded with cheap and substandard products from China and other East Asian countries.

### **Structure of the paper**

The paper is structured to first of all carry out a more detailed chronological review of the Nigerian economy – the past and the present. Then we will look at the role the Nigerian financial system has played. Then in the fourth section we will look at the ethical dilemma the banking and finance industry faces today in the light of changes facing the country. We also consider the need for increased focus on teaching of ethics in our tertiary institutions and the impact it can have on the future of the profession. Then we conclude.

## **2. Nigeria Economy – Past Present and Future**

### **2.1 The Past**

Apart from being the most populous country in Africa, Nigeria has the world's tenth largest crude oil reserve. The discovery and the exploration of crude oil has contributed significantly to Nigeria's being the largest economy in Africa. This fortune, however, has come with a toll as the country has an unhealthy dependence on crude oil, whilst neglecting other sectors of her economy i.e. the Dutch-disease syndrome As of 2008, oil and gas exports accounted for more than 90% of

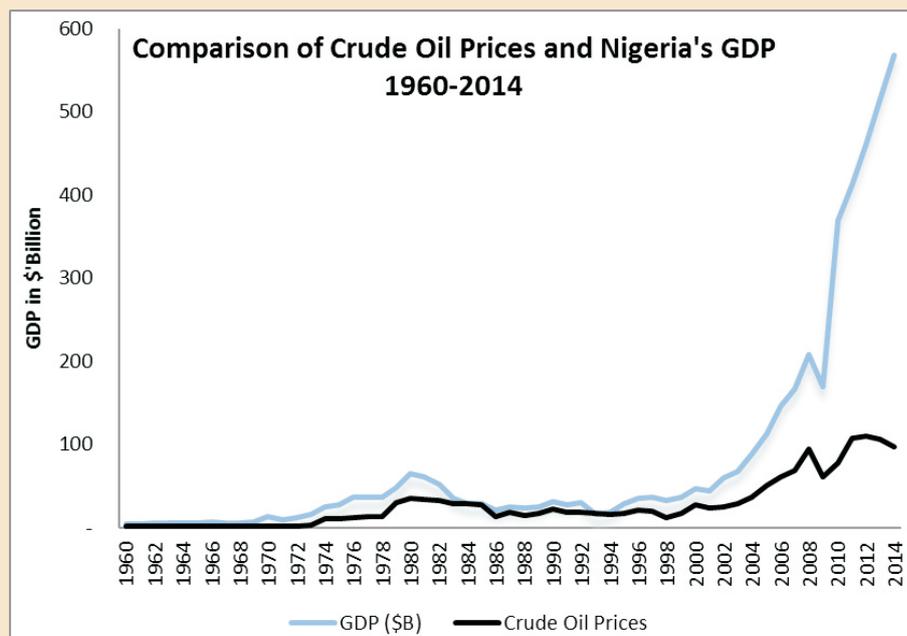
export earnings and over 80% of federal government revenue (Edo, 2013).

At the centre of Nigeria's economy has been an evolving banking system that has been in existence prior to the country's independence as far back as 1892 (Nwokoma, 2005). From Nigeria's colonial era to present day fourth republic, the banking industry has witnessed vast transformations in character, structure and organization.

Prior to all of these, the amalgamation of the territories to be later known as Nigeria was carried out in 1914 by the British Empire, the then colonial rulers of the region. A region with vast arable land crisscrossed with vast rivers such as the Niger and Benue rivers and beautiful vegetation in the south. Indeed the land was the proverbial 'Promised Land', the land flowing with milk and honey. Prior to the merger, the north already had its own highly developed and robust economy with major trading cities such as Kano, Zaria, Maiduguri etc en-route the Sahara. Likewise the economies of the southern regions were already well established in the business of trading in cash crops and other export commodities such as cocoa,

rubber, oil palm etc. Economically, the merger of the regions was promising and looked desirable. The north was supposedly to benefit from the waterways in the south which will enable the commodities up north to be transported to sea for export to Europe.

With political independence in 1960 also came the responsibility of managing the economy. The discovery of crude oil in 1956 in Oloibi and the eventual export in 1958 was to change the course of this young nation. With increase in oil prices, the more the oil-revenue and the more dependent on oil the country became. The country later joined the Organization of Petroleum Exporting Countries (OPEC) consolidating its position as the largest exporter of crude in Africa. The Figure below shows how the GDP over the years has responded to changes in crude oil prices. Period of oil crisis and the oil embargo in the 1970s led to significant oil price hikes flooding the economies of oil exporting countries with petrol dollars. The gulf war of the early 1990s resulted in major hikes in prices, with significant crude oil proceeds making its way into the Nigeria economy.



While this period could easily have been Nigerian golden years, it became what has now come to be known as the “wasted years”. Some of the factors that have further exacerbated the challenges that have faced the development of the Nigerian economy include:

1. U n c o o r d i n a t e d developmental efforts since independence by different governments evidenced by many uncompleted and abandoned white elephant projects that litter every nook and corner of the country.
2. Inability of successive governments to diversify the economy using the excess crude revenue generated across the years.

3. Low strategic investment in the human capital development in all sectors including the petroleum industry that was laying the golden egg. Today after 50 years of exploring crude, the National Oil Company cannot compete with its peers in other oil exporting countries such as Statoil of Norway, Petrobras of Brazil and Petronas of Malaysia.
4. Inadequate investment in critical infrastructure to support the exploding population increase
5. Lack of adequate investment in education.

The Next Generation Report surmises the situation that the past 30 years, the Nigerian economy has stagnated, in

sharp contrast to the fortunes of natural comparators such as Indonesia. The 1990s was a lost decade for Nigeria with per capita GDP falling to below 1980 levels.

## 2.2 The Present

Nigeria as a nation is facing one of the toughest periods in its history. Crude revenue has dwindled significantly, with oil prices hitting a 13 year low of \$27 in February 2016. The 2016 national budget is premised on estimated debt borrowing of N1.884 trillion. The country continues to have significant infrastructural deficit such as an all time low power supply, bad roads, housing deficit etc. The country is ranked 117 globally in terms of access to electricity with 166.4 kwh/cap compared to 5,131 kwh/cap in South Africa (GII, 2014). Youth unemployment keeps growing with new graduates joining the unemployed population every year. The challenges appear insurmountable.

However, the entrepreneurial spirit of Nigerians remains strong. Nigeria was ranked 8<sup>th</sup> in Innovative Efficiency ratio

in the 2014 Global Innovation Index (GII). This shows high capacity by the population to start-up businesses despite the harsh environmental conditions. This is further buttressed by the large number of small and medium scale industries in Nigeria. The 2012 Enterprise Baseline Survey reported that there are about 17 million Small and Medium Scale Enterprises in Nigeria, employing 32.41 million persons. These groups are often unaccounted for as they are classified as informal sector. They represent the engine of growth that can be tapped into as Nigeria seeks to diversify and industrialize its economy. However, this

**“...the entrepreneurial spirit of Nigerians remains strong. Nigeria was ranked 8<sup>th</sup> in Innovative Efficiency ratio in the 2014 Global Innovation Index (GII)”.**

group continues to be neglected and they also face other challenges. Some of the peculiarities of the Nigerian economy that are of interest to us at this moment will

include: high cost of capital and poor access to capital, low human development index, low quality of education, multiple taxation and high level of corruption.

## 3.0 The Nigerian Banking and Finance Industry

Over the past decades, the Nigerian banking and finance industry has experienced significant growth, transformation and changes. A number of industry-wide restructuring has taken place over the years with resultant changes in the number of institutions, ownership structure, at one time proliferation of new generation banks, recurring banking failures, as well as significant changes in the complexity and scope of operations of the financial sector. Also noteworthy has been various spate of changes in the regulatory framework of Nigerian financial sector such as the era of bank liberalization of the late 1980s, implementation of universal banking, increase in capital base of Nigerian banks resulting in the banking sector consolidation of the 2000s etc. This era also witnessed the emergence of super mega banks in Nigeria.

Banks play major roles in

economic development. Some of the roles of the banking and finance institutions include acting as financial intermediaries that pool funds from savers and channels to investors and productive sectors of the economy; it also provides the payments system that facilitates trade and exchange and also provides the platform for working of government's monetary policy to provide macroeconomic stability for all economic agent (Adegbite, 2005). However, it is in doubt how effective Nigerian banking and financial institutions have been in contributing to the economic growth over the past decades. While the argument of whether the financial system should be at the forefront of economic growth also known as 'supply leading' or following as in 'demand following' financial system; it has been argued widely the Nigerian financial system is not contributing enough to the growth of the productive capacity of the economy.

With regards to contributing to economic aspirations of the country, the Nigerian financial system has also been slow in adapting to the economic growth needs of the country. According to Sanusi (2010) Nigeria's economic aspirations have remained that of

altering the structure of production and consumption patterns, diversifying the economic base and reducing dependence on oil, with the aim of putting the economy on a path of sustainable, all-inclusive and non-inflationary growth. Over the years, Nigeria's productive capacity has dwindled resulting in low industrialization, overdependence on crude oil as our source of foreign exchange, massive importation of all manner of consumer commodities, high unemployment etc.

While the financial system cannot be solely blamed for all economic woes of Nigeria; the financial sector's inability to live up to its true creed of mobilizing funds from surplus household and government sectors to productive sectors for capital formation have indeed accentuated the dire economic quagmire the country is currently in. Ojo (2010) described the inability of our financial system to positively impact on the economic system through operational and allocation efficiencies as a 'maladaptation'. High interest rates, inability of many entrepreneurs to access much needed funds from banks, pursuit of quick returns and short term approach to banking have all contributed to killing many

businesses and local industries. Invariably, the banking system has contributed to making Nigeria a 'ka-ra ka-ta' (buying and selling) economy without an industrial base, all in a bid to make quick and maximum profit.

In studying the past of the Nigerian economy, one cannot ignore the various boom and doom or near crisis that the economy have faced. The role of the Nigerian financial industry in this various instabilities cannot be overlooked. Ogunleye (2010) in the Nigerian Deposit Insurance Corporation (NDIC) handbook reported that from 1989 to 2000, a total of 332 banks were distressed according to the NDIC Annual reports while a further 19 banks were recorded to have been distressed between 2000 and 2006 on the Corporation's website. During this same period, 103 microfinance banks were also closed by NDIC. The recorded bank distresses especially in the 1990s led to significant instabilities in the entire economy.

At the heart of the dismal account of the banking and finance industry's failure to perform its role of effective financial intermediation is our inability to

entrench banking ethics and core values in the profession. The ancient profession of banking is built on the pillars of trust and honest. Today, the banking profession in Nigeria is viewed with deep suspicion and mistrust among the banking public. Many of the bank failures that have been recorded in Nigeria bordered mostly on dishonesty, unethical practices and mismanagement (Ogunleye, 2010). Unethical conduct and weak corporate governance which manifested itself in various ways, including insider abuse, fraudulent dealings, irregularity/inaccuracy in the rendition of statutory returns, window dressing of accounts etc.

In recent times, many reports have been received of various sharp practices by banks against their customers. The Central Bank of Nigeria (CBN) recently announced that it received over 6,000 complaints against various banks. The results of CBN's investigations lead to the banks refunding excessive charges and illegal deductions of over N6.2 billion in 2015 alone. This is not to mention other various forms of abuse of the banking profession. Unwholesome and unconventional business and marketing practices have become

prevalent in the industry. The Sun newspaper article of March 19, 2016 is a case in point, in which a female ex-banker narrated her ordeal of how new generation banks give condoms to ladies to lure male clients to bring in deposits.

The role and prominence of banking and finance institutions and profession in the Nigeria economy have transformed over the years. However, in recent times, the activities of banks have come under heavy scrutiny due to questionable practices of Nigerian banks and financial institutions. The general concerns often question the role of Nigerian financial institutions and the contributions they are making towards economic growth and development. One of the obvious challenges the banking profession in Nigeria faces is the depth of suspicion and mistrust among the banking public.

### **3.0 Ethics and Professionalism in Banking and Finance**

#### **3.1 Theoretical framework**

Ethics can be defined as the integrity measure, which evaluates the values, norms and rules that constitute the base for individual and social relationships, from a moral perspective (Smith and Smith, 2002). Ethics is concerned with

the code of values and principles that enables a person to choose between right and wrong, and therefore, select from alternative courses of action” (Kumar,2007)

The Webster Dictionary (1913) defines ethics as “The science of human duty; the body of rules of duty drawn from this science; a particular system of principles and rules concerning duty, whether true or false; rules of practice in respect to a single class of human actions; as political or social ethics; medical ethics”. Ethics can be said to be rooted in Greek word “ethos” which means character (David, 1998). It is concerned with what is morally good and comprises other standards expected from individuals or corporate entities. Ethics is also defined by (David, 2002) as special morally permissible standards of a group or profession. Here, standards are referred to as guidelines and or principles of good behavior pattern of a group or profession. David further posits that “a profession comprises a number of individuals in the same occupation voluntarily organized to earn a living by openly serving a moral ideal in a morally permissible way beyond what law, market and morality would otherwise require”. He further said that groups especially

professions tend to formulate their standards of conduct in writing as “code of ethics”. This code however serves as the laws governing the profession and they are important for teaching ethics.

Ethics focus on issues of practical decision making, including the nature of ultimate value, and standards by which a human action can be judged right or wrong, good or bad (Erondu et al, 2004). Nilsson & Westerberg (1997) state that ethics and business not only can, but must go together; for to do business without concern to ethics is the surest way to fail. Bowie (1982, 2001), Jones, Wicks and Freeman (2001), Egels-Zandén and Sandberg (2010) all attest to the necessity of ethics in business communities and practices. In their view, business ethics is about how the nature of business is understood as a morally compelling domain of human activity as cited in Francis (2010).

In studying business ethics a number of theories have evolved over the years. Some of the prominent ones are the Shareholders theory, the System theory approach, Caux roundtable and the Stakeholder theory. For the purpose of this paper we will focus on the stakeholder theory.

### 3.1.1 Stakeholder theory

The stakeholder theory is credited to R. Edward Freeman who is regarded to be the father of stakeholder theory. For Freeman, acting ethically in business demands that business firms and managers recognize their purpose as that of fulfilling obligations to stakeholders and not just stockholders. He goes further to say that stakeholder theory, as an approach in business ethics should be about how we understand the nature of business, as a morally compelling domain of human activity that could never be devoid of morality.

**“... acting ethically in business demands that business firms and managers recognize their purpose as that of fulfilling obligations to stakeholders and not just stockholders.”**

The stakeholder theory implies that every individual must be treated equally regardless of the fact that some individuals will contribute more than others to the organization (Giola, 1999).

The contemporary stakeholder theory is used to encompass

parties such as government bodies, trade unions and associations, communities, prospective employees and consumers, as well as the public. Thus, every stakeholder in any organization is interested directly or indirectly in the effective management and performance of the organization. This could be in the form of employees, directors and management that are interested in their salaries, benefits and reputations, or shareholders who expect return on capital invested. It could also be in the form of customers who pay for products and services, or suppliers who receive compensation for their products and services. In the case of Nigerian banks, it will mean a wide range of various stakeholders' consideration other than just the bank's shareholders and management. In return, these individuals provide value in the form of natural, human, social and other forms of capital. The need to ensure that the management of organizations adopt measures and policies aimed at promoting in equal measure, the well-being of every stakeholder prompted suggestions for a redefinition of the complex relationship existing between business organizations and society (Sharplin and Phelps

1989:4)

However, Francis (2010) argued that the stakeholder theory is still developing and has multiple interpretations, i.e. it still lacks a convergent single theory, but will still subsist as a cogent theoretical orientation in business ethics because “stakeholders theory” plays a crucial role. Its uniqueness as an ethical theory lies in its normative focus where the moral underpinnings of businesses require organizations and their managers to fulfill their obligations to a broad array of stakeholders rather than stockholders only.

Jones, Wicks and Freeman (2001) criticize the traditional notion of the firm put forward by the Nobel Prize winner Milton Friedman that the ethical obligation of business managers is to seek profits for the stockholders only, a single set of stakeholders. For Jones, Wicks and Freeman, this traditional notion (seeking profits for stockholders only) of the firm or business organization is myopic as it places too much emphasis on shareholders to the exclusion of other stakeholders.

For Donaldson and Preston (1995) the stakeholder theory requires anyone managing or

affecting corporate policies to possess, as a key management attribute, the simultaneous attention to the legitimate interests of all appropriate stakeholders, both in the establishment of organizational structures and general policies and in case-by-case decision making.

According to Freeman the owners of the firm want high financial returns, customers want more money spent and employees want increased wages and better benefits. In other words, the stakeholder theory holds that making profits for the firm and its shareholders, as well as fulfilling other duties to other groups associated with the firm are the essence for which a firm exists. This is to say that the stakeholder theory involves balancing the multiple and conflicting claims of all legitimate stakeholders.

### **3.2 The Role of Ethics and Professionalism in Nigeria Banking Industry**

The importance of ethical behaviour in the financial sector cannot be over-emphasized as businesses survival depends as much on reputation as on performance (Carse, 1999). Behaving in an ethical manner is part of the social responsibility of

a business. Since the banking and finance industry plays a vital role in the economy system of any nation, it is therefore expected that they will apply the highest level of ethical standards.

In relation to the role banking and finance plays in the economy, the application of ethics cannot be overemphasized because it forms its bedrock. Ethics in the banking and finance profession is one of its great pillars because it gives support to the notion that banking and finance is a noble profession and the profession is governed by its own standard and not by the government (Verschoor, 2002). The nature of the banking and finance profession requires one of the highest levels of ethical values.

The need for ethics in banking stems from the critical importance of banking and finance to the economy. Banking and finance is primarily a financial service of intermediation. Of necessity banks mobilize funds from the public at large to perform this role. Consequently, banking and finance is built on **trust and confidence which can be easily eroded by unethical practices** and it is for this reason that banking and finance is the most

regulated industry in the economy (Ogunleye, 2010), be it market or command economy.

Every organization derives its ethical values from a combination of corporate and professional ethics. While corporate ethics are derived from organization's own values and culture (i.e. standard industry practice), professional/occupational ethics are for members (individual or corporate).

According to Yidawi (2005), Professional ethics are the moral standards, principles and regulations that guide the course of professional behavior. Some examples of professions with established professional ethics include law, medicine, banking and finance, accounting and teaching. Professional ethics are both individual and institutional in nature. **Banking and finance profession is not just about making money and impressing people, but it involves fundamental values of integrity, accountability, transparency, commitment and respect for oneself and the wider community.** The consequence of non-compliance would bring dishonour to the profession. In Nigeria, the Chartered Institute of

Bankers of Nigeria (CIBN) is responsible for the professional training of bankers.

Despite the standards and ethical codes guiding banking and finance profession, morality, trust and ethics have gone down the drain based on the occurrence of illegal and fraudulent financial practices in the banking sector and government agencies such as accepting bribes in return for loans, lending to connected parties, cheating customers e.t.c.

In a joint CBN/NDIC study carried out in 1995 on the distress in the Nigerian financial sector, one of the major findings of the study revealed that endogenous factors were more profound in the causes of distress than exogenous factors. Some of the endogenous factors included management ineptitude, insider abuses and malpractices, meddlesome interference by principal shareholders, weak internal controls, under-capitalisation and so on (Ogunleye, 2010). This necessarily calls for a re-orientation of banking and finance practitioners through formal education.

In 2009, three Nigerian banks were listed among the largest banks in Africa. In 2008, one of such mega banks –

Intercontinental bank plc won 3 international awards including 2008 Financial Time London, Bank of the Year Award barely a month after it clinched the African Bank of the year and Financial Brand of the year by two leading international media groups. Between August 14 and October 2, 2009, the chief operating officers (CEOs) and board of directors of eight banks were fired and replaced with CBN appointed CEOs and board of directors (Chiejine, 2010). One of these banks whose board was disbanded was the multiple award-winning Intercontinental bank. Among the four reasons highlighted by CBN for the intervention, two speak to the issues of poor ethics and corporate governance of these banks. The two are:

1. The absence of corporate governance regimes and practices in the affected banks
2. The prevalence of unethical practices by the management of the affected banks.

#### **4.0 Teaching Banking and Finance Ethics**

The growth and development of any nation is hinged on the level of education attained by its citizens. In other words,

education is the bridge to the development of any nation. Education is the key for positive change in a society because of its far-reaching effects on growth and development in all sectors of the economy (Peter, 2010).

The need for financial services arise in response to the desire to make judicious use of modern dynamic and monetized *economy*. This poses challenges and uncertainties for decision-making for the financial system to perform its roles. Hence, bankers and financiers are needed both in reasonable number and in quality, and this is a function of the level of banking and finance education available (Armstrong, 2010).

In Nigeria tertiary institutions' banking and finance education should be involved in the **development of the character of the aspiring banker and financier**. This gives the aspiring professional a strong moral code, a sense of diplomacy, totality of obligation to the confidentiality of information and logical outlook, thereby equipping him/her with the required skills to provide high standard professional services to client. The issue of ethics is very much important in virtually all disciplines and walks of life. In

relation to banking and finance, the application of ethics cannot be overemphasized because it is the bedrock of the banking and finance profession.

#### 4.1 Prior Studies

There are mixed results in the literature relating to the inclusion of ethics in banking and finance curriculums and courses. As seen in Brands (2010), Blanthorne et al. (2007) research concluded that accounting and finance faculty overwhelmingly agreed with integrating ethics in courses. Jennings (2004) believes that banking and finance students should be taught ethics because of the role that bankers and financial analysts played in various scandals. Considering local examples where the Chief Executive Officers of some banks were implicated in unwholesome and unethical practices. However, Brands (2010) also observed that there were several opposing views about including ethics in the banking and finance curriculum. Breaux, Chiasson, Mauldin, and Whitney (2009) studied banking and finance recruiters who focus on entry level. The recruiters suggested that a better method for teaching ethics to entry level is not in the college classroom, but through on

the job training. Advance collegiate Schools of Business (AACSB) recommended that there should be an increased dose of ethics training and education at various levels of the curriculum for banking and finance students. The business school also buttressed the point of Breaux, Chiasson, Mauldin, and Whitney (2009) that ethical concepts can be taught, but ethical behavior cannot be taught but can only be learned through real-time and on-the-job experience.

#### 4.2 Ethics, Corporate Governance and the Banking and Finance Education

Since the first half of the 1990s, the issue of corporate governance has been the subject of significant interest and debate around the

**“... ethical concepts can be taught, but ethical behavior cannot be taught but can only be learned through real-time and on-the job experience.”**

globe due to increasing globalization, financial reporting and disclosure issues, the differential treatment of domestic and foreign investors, the current financial meltdown, the

increasing number of high profile corporate scandals and the collapse of some entities in the banking and finance sector which has had serious impact on the economy. A weak corporate governance issue is the managerial incompetence of the top management. Substantial losses incurred by many banks on their credit portfolio, frauds and forgeries and outright negligence have brought to the fore the importance of sound internal control system. A similar daunting story was to flood the market recently, following the indication that some banks were being considered as “Market Makers” in view of the meltdown that hit the nation's stock market. But for the vigilance and government's patience this time, a wave of panicky withdrawals would have hit some banks and would have got them derailed.

Corporate governance is an important concept, which has attracted a fairly good deal of public interest because of its great importance for the financial and economic health of corporations, and society in general (Nwakoma, 2005). Corporate governance is defined as “the organization and rules that affect expectations about the exercise of control of

resources in a firm (World Bank Report, 2002). Corporate governance as defined by the Organization for Economic Cooperation and Development (OECD, 2007) involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Similarly, the International Chamber of Commerce (2005) saw corporate governance as the relationship between corporate managers, directors and the providers of equity, people and institutions who save and invest their capital to earn a return. It ensures that the board of directors is accountable for the pursuit of corporate objectives and the corporation itself conforms to laws and regulations.

Bordean (2012) noted that corporate governance has been referred to in the literature from the point of view of its inclusive issues, among which scholars identified the following: ethics, management practices, owner's role and regulatory mechanisms. Bordean further noted that **ethics is viewed as one of the most important issues in corporate governance**. Bordean revealed that for most publications and researches that focus on business

ethics and corporate governance the main thematic clusters within these researches are ethical judgment analyses, violation of laws and regulations, national moral environments and corporate governance (Robertson & Athanassiou, 2009). The key points of interest in corporate governance therefore include issues of transparency and accountability, the legal and regulatory environment, appropriate risk management measures, information flows and the responsibility of senior management and the board of directors. The authors in agreement with Bordean (2012) believe that understanding the key points of interest of corporate governance will have a significant effect for the teaching and the practice of corporate governance in tertiary institutions all over the world and Nigeria in particular.

### **4.3 Teaching Banking and Finance Students for Corporate Governance**

Corporate governance has a dominant effect on the economy of the nation. Corporate governance is the system in which organizations use to direct, control and drive organizational performance. Since corporate governance involves the

distribution of responsibilities, outlines the criteria for making decisions, setting organizational objectives and monitors organizations performance, it is important for banking and finance students who will form part of the stakeholders in the organization in future to be educated on standard institutional activities that are undertaken with due diligence and accountability to meet organizational objectives.

Furthermore, engaging Students of banking and finance in Work-Based Learning will make a difference to performance in the banking and finance industry. Among others, the following authors Urquiola, Stern, Horn, Dornsife, Chi, Williams, Merritt, Hughes and Bailey (1997) agree with this claim. They identified five primary purposes for work-based learning:

1. acquiring knowledge or skill related to employment in particular occupations or industries;
2. providing career exploration and planning;
3. learning all aspects of an industry;
4. increasing personal and social competence related to work in general; and
5. Enhancing students'

motivation and academic achievement.

Stasz and Brewer (1998) supported the argument that through work-based learning, students can acquire occupational and social skills, as well as information about industries and possible careers. Work-based learning is a form of experiential learning, along with learning from experience in other settings such as the school, home, the community or recreational pursuits. The basic principles of experiential learning set out by Dewey (1938) infused not only work-based learning, but also areas such as adult learning, service learning and outdoor education (Billet, 200). The authors believe that engaging banking and finance students in work based learning will to a large extent improve their knowledge of corporate governance. Work-based learning is used in vocational education and training to develop basic work habits, occupational identity, and specific occupational competences. However because of its attractiveness as a powerful form of learning, it can also be used for a wider range of educational purposes. For example it is used as a way to motivate disadvantaged, disengaged and failing students

by giving them the opportunity to experience success through applied learning in practical settings, and the opportunity to come in contact with adult mentors and role models.

## 5.0 Conclusion and Recommendations

In 2006, the Federal Government of Nigeria set up entrepreneurship studies and made it compulsory for students of higher education institutions irrespective of area of specialization and in most universities. This was in response to the growing unemployment situation in the country.

In view of the increasing decadence in moral values among our youths and future professionals it is important that **the industry be protected by putting in place a banking education curriculum that emphasis ethical code of conducts expected in the industry.** It is no longer enough to teach a few topics under the course of "The principles of Banking" out of a four year course.

CBN should be stricter in punishing erring professionals and making them a public example; such public examples

should be used as materials for teaching and training new students. CIBN as the leading professional Institute for the sector should also take more leading roles in educating and enforcing professional ethics.

One other observation worth deliberating further on, is the issue of recruitments and filling of strategic positions in the banking and finance industry. Unlike in most other professions, the top management teams of most Nigerian banks are filled with non-banking professionals. You cannot own an accounting firm or even practice accounting without being a chartered accountant. Likewise other professions such as medicine, building, architecture etc. How come

banking is different? **CIBN needs to arise to the challenges.**

We as academicians and educators in the banking and finance industry have a responsibility of ensuring that the right quality of graduates and professionals with the right values are running the industry and not a set of charlatans who are out to swindle the masses of their hard earned income and in the process bringing disrepute and shame to the entire industry.

The days ahead of the banking industry and the banking profession will be more challenging. With the implementation of the Treasury Single Account (TSA) there are no more free funds from

government and its agencies. No more quick returns from foreign exchange speculation and unearned bank charges and illegal deductions. It has been demonstrated in many countries and regions that banking can be carried in conservatively with high ethical standards and still be profitable for all stakeholders and the economy as a whole. This is our opportunity to do banking as it was meant to be done; effectively moving the engine of the economy forward.

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# INVESTITURE OF PROFESSOR SEGUN AJIBOLA, PH.D, FCIB AS THE 19<sup>TH</sup> PRESIDENT/CHAIRMAN OF COUNCIL,



Otunba (Mrs.) 'Debola Osibogun, FCIB, immediate former President/Chairman of Council, CIBN congratulating her successor, Professor Segun Ajibola, Ph.D, FCIB, President/Chairman of Council, CIBN while Mr. 'Seye Awojobi, FCIB, Registrar/Chief Executive, CIBN shares the moment with them



Otunba (Mrs.) 'Debola Osibogun, FCIB, fmr. President/Chairman of Council, CIBN; Mr. 'Seye Awojobi, FCIB, Registrar/Chief Executive, CIBN and Dr. 'Segun Aina, OFR, FCIB, Past President, CIBN decorating the new President/Chairman of Council, CIBN, Professor Segun Ajibola, Ph.D, FCIB while Mazi O. C. K. Unegbu, FCIB, Past President, CIBN looks on.



Justice George Oguntade, CFR administering the Oath of Office on the 19th President/Chairman of Council, CIBN, Professor Segun Ajibola, Ph.D, FCIB



The President/Chairman of Council, CIBN, Professor Segun Ajibola, Ph.D, FCIB together with his wife, Mrs. Yemisi Ajibola receiving blessings from the Royal Fathers.



Cross Section of participants at the Institutes 2016 Annual General Meeting/Elections/Investiture

# CIBN, AND THE SWEARING IN OF OTHER OFFICE HOLDERS AND ELECTED MEMBERS OF COUNCIL



L-R: Mr. Keneth Opara, FCIB, National Treasurer, CIBN; Mr. Bayo Olugbemi, FCIB, 2<sup>nd</sup> Vice President, CIBN; Dr. Uche Olowu, FCIB, 1<sup>st</sup> Vice-President, CIBN; and Professor Segun Ajibola, Ph.D, FCIB, President/Chairman of Council, CIBN administering the Oath of Office on the other Office Holders



L-R: Dr. Gabriel Okenwa, MON, ACIB; Mr. Abdulrahman Yinusa, FCIB; Mrs. Tinuola Thompson-Ajayi, FCIB; Mrs. Mojisola Adebisi Bakare-Asieru, HCIB; Professor Segun Ajibola, Ph.D, FCIB, President/Chairman of Council, CIBN administering the Oath of Office on the other elected Governing Council members



L-R: Justice George Oguntade, CFR, Justice of the Supreme Court (Rtd); Otunba (Mrs.) 'Debola Osibogun, FCIB, immediate former President/Chairman of Council, CIBN; Professor Segun Ajibola, Ph.D, FCIB, President/Chairman of Council, CIBN; Mrs. Yemisi Ajibola; Dr. Uche Olowu, FCIB, 1<sup>st</sup> Vice-President, CIBN; Mr. Bayo Olugbemi, FCIB, 2<sup>nd</sup> Vice President, CIBN



Professor Segun Ajibola, Ph.D, FCIB, President/Chairman of Council, CIBN warmly embracing his wife, Mrs. Yemisi Ajibola after his swearing in as th 19th President/Chairman of Council, CIBN while Justice George Oguntade, CFR looks on.



Professor Segun Ajibola, Ph.D, FCIB, President/Chairman of Council, CIBN delivering his Acceptance Speech



Professor Segun Ajibola, Ph.D, FCIB, President/Chairman of Council, CIBN and his wife, Mrs. Yemisi Ajibola in a group photograph with traditional rulers who graced the Investiture



Professor Segun Ajibola, Ph.D, FCIB, President/Chairman of Council, CIBN with his immediate family, posing with the gift from HRM Oba Oladipupo James Kolade (Oluwademilade 1), The Olupoti of Ipoti Kingdom



# Capacity Building for the Nigerian Economy:

## The Role of Regulatory Institutions in Banking and Finance

by

Dr. (Mrs.) Sarah Alade, OON, FCIB,  
Deputy Governor (Economic Policy), Central Bank of Nigeria

**A paper Delivered at the 2<sup>nd</sup> National Conference of Educators in Banking & Finance, Held at the International Conference Centre, University of Ibadan from April 28 - 29, 2016**

### 1. Protocol

It is a great pleasure and honour for me to be a Guest Speaker at this 2<sup>nd</sup> National Conference of Educators in Banking and Finance with the theme “The Dynamics of Stabilizing the Nigerian Economy through Banking and Finance Education”. This Conference theme has come at a time when regulatory institutions are burdened with challenges arising from global integration and volatile global oil market. This has brought the issue of capacity building by regulatory institutions in the industry to the front burner. Indeed, a forum of this nature offers a unique opportunity to harvest ideas that challenge the status quo and evolve new ways of coping with the emerging issues in the industry. The Central Bank of Nigeria (CBN) is therefore readily disposed to new ideas

around its mandates, including those that would emanate from this Conference.

Banking and Finance is a knowledge-based service industry that is highly dynamic and increasingly demanding more sophisticated updated mix of skills. The implication for the economy is a more complex interconnection of the financial system with the real sector and the global economy. Overcoming these challenges requires concerted efforts to ensure that the system continues to efficiently play its role of supporting sustainable economic development by strengthening human capacity building.

The theme of this speech: “**Building capacity for the Nigerian Economy: The Role of Regulatory Institutions in Banking and Finance**”, would set the

stage for in depth discussion on the need for capacity building for efficient financial sector. It will also highlight CBN's arrangements, strategies, internal and external beneficiaries of capacity building initiatives as well as attendant challenges.

### 2. Introduction

Banking business contributes to economic growth by facilitating the efficient use of funds in the economy. The industry improves both the quantity and quality of real investment and thereby increases income per capita. William Gladstone, a former British Prime Minister, alluded to the importance of finance for the economy in 1858 as follows: “Finance is, as it were, the stomach of the country, from which all other organs take their tone.” (Mathew

... contd. on page 36



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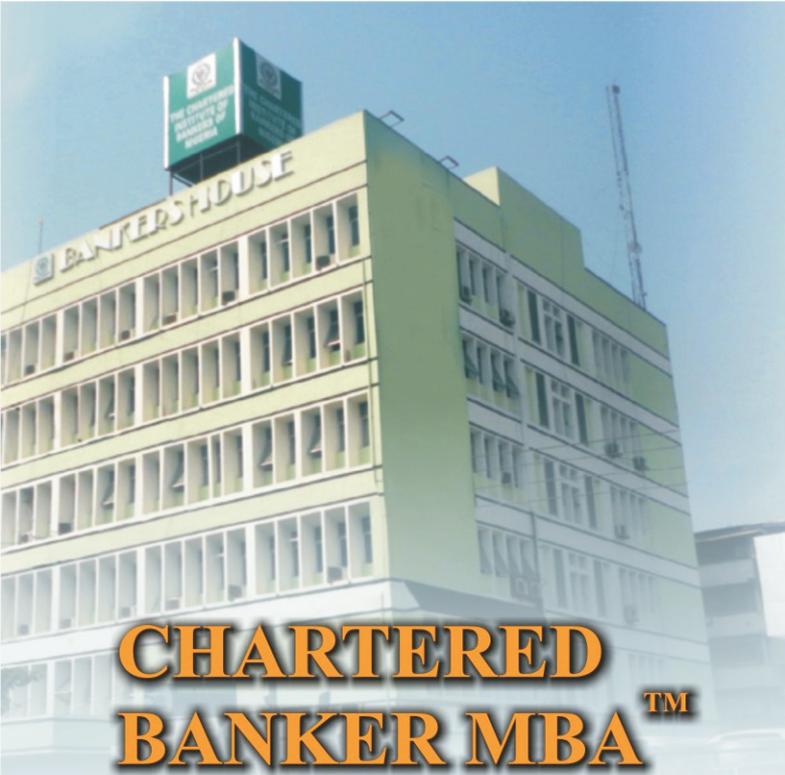
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For list of partnership Institutions, Please visit our website:  
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For List of **Partnering Institutions** and more details on the programme, kindly contact us through the following channels.

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**Tel:** 08023810109 **Care Centre:** 01-4617924

1991:113). An efficient financial sector reduces the cost and risk of producing and trading goods and services and thus, makes important contribution to raising the standard of living.

Regulation in banking and finance involves a series of processes of interventions aimed at preventing externalities that are bound to occur as consequences of market failures. Basically, there are two sets of institutions that are regulated in the Nigerian financial system namely: the banking and the non- bank institutions. The two sets of institutions are so intricately interdependent that failure in any may lead to systemic or economy-wide failure.

The banking sector comprises institutions that provide a stable payments and settlement system in addition to the normal banking services. The regulatory agency for this sector is the Central Bank of Nigeria (CBN). The non-bank institutions support the efficient functioning of the financial market by clearly delineating a system of property rights that protects the assets of investors and the returns on these assets; providing a regulatory system that limits fraud and anti-competitive behaviour; and facilitating economic, social and political institutions that mitigate risk and manage social conflicts. Securities and Exchange Commission (SEC), National Insurance Commission (NAICOM) and Pension Commission (PENCOM) are the main regulatory agencies for this group. The Ministry of Finance has some regulatory function over the two sets. The Financial Services Regulation Coordinating Committee (FSRCC), a statutory committee comprising of regulators in the Nigerian financial services industry, has the responsibility of ensuring that the entire financial system does not only function properly but also support economic growth and development. Of all these

regulatory institutions in the financial sector, CBN plays the leading role because its activities have the most persuasive effect on the economy.

Though the regulatory institutions are supported by laws, the quality of their outcomes and impacts depend on the effective and efficient management of people and processes. The emerging consensus, therefore, is that capacity building of these regulatory institutions significantly influences their performance and contributes to economic growth (Nsouli, 2000). This view has been supported by Rodrik (1997) who found that the quality of regulatory institutions explains growth differentials across countries when basic economic variables are controlled for. These conclusions define the significance of effective capacity building within regulatory agencies, and hence a high premium on the issues being addressed at this Conference. This importance is underscored by the realization that both the Asian financial crisis of 1997 and the 2008-09 global financial crises were consequences of regulatory failures.

The rapidly increasing expectations and requirement for technology-driven performance of oversight functions require new skills, change work practices and changed cultures, and explain the paradigm shift to a flexible and adaptable workforce. The Central Bank of Nigeria (CBN or the Bank), in recognition of its strategic position as the apex regulatory institution has continued to set the pace for capacity building within the sector. This informed its capacity building vision: "to make CBN the most adaptive and learning-agile public organization in the world" (CBN 2012).

## 3. CBN Capacity Building Initiatives

### 3.1 Rationale for CBN capacity Building

The Bank's capacity building initiatives aims at improved policy and regulatory frameworks, enhanced capacity of regulators to conduct their oversight function, and strengthen modalities for improving consumer protection and preservation of assets. This is derived from section 32 of the 2007 CBN Act, which empowers the bank to ".....do all such things as are incidental to or consequential upon the exercise of its power or the discharge of its duties under this Act". Capacity building initiatives have also been influenced by the report of Nigeria's Financial Sector Strategy 2020 (FSS 2020), which among others identified the current gap of existing workforce in the financial service industry; mass financial illiteracy; weak leadership and negative cultural values; collapse of the Nigerian education system; poor infrastructure and the need to leverage on information technology.

### 3.2 Institutional Arrangements for Capacity Building

As a strategy to accord capacity development its rightful place in CBN, the Bank established the Capacity Development Department, in addition to the Human Resource and Research Departments. This is a clear demonstration of the importance the Bank places on capacity building.

Capacity building is a critical source of skill and knowledge transfer for improved human and material development using a variety of activities and approaches. These approaches include internal and external trainings, short and long term courses, and scholarships for academic programmes leading to acquisition of first, second and doctorate degrees by

staff to fill identified capacity gaps.

In order to ensure that the quality of internal trainings meet best global standards, the Bank established internal capacity building platforms such as the International Training Institute (ITI), in addition to Lagos Training Centre. These institutions provide excellent training facilities that address wider audiences beyond the banking sector and the shores of Nigeria. This is aimed at providing the requisite skills needed by staff to compete favourably with their counterparts in developed countries. Thus, the Bank continues to improve its capacity to more effectively meet the challenges in the Industry.

At the regional level, CBN's co-owns and nurtures West African Institute for Financial and Economic Management (WAIFEM) which has contributed substantially to the attainment and sharing of knowledge in the West African region. These collaborations are necessitated by the need to ensure the acquisition and utilization of best practices for regulators and operators in the sector within the region. WAIFEM involves relevant institutions in the process of knowledge and experience sharing among member countries. In order to ensure that capacity building conforms to the needs of the industry, most of the training initiatives are user-driven. Similarly, the Bank engages with relevant stakeholders such as the Bankers' Committee's Sub-Committee on Competency Framework. Based on the recommendations from these bodies, the CBN has made substantial investments in staff capacity improvement over the years.

### **3.3 Collaborations with professional Institutions and Practitioners**

Building the capacity of the Financial Institutions Training Centre (FITC) to achieve its objective of training

employees of various financial institutions in the country has been CBN's priority. The Bank has been underwriting employees' annual subventions to FITC. In order to boost the capacity of relevant professional institutions in the country, the CBN renders assistance to professional bodies such as the Nigeria Economic Society (NES), Chartered Institute of Bankers of Nigeria (CIBN), Institute of Chartered Accountants of Nigeria (ICAN), the Nigerian Bar Association (NBA), amongst others. The objective is to enhance their effectiveness and efficiency in service delivery. The Bank also sponsors its employees, who are members of these professional associations, to the Annual General Meetings, and Conferences/workshops of these bodies. The Bank equally organizes and sponsors annual seminars for Finance Correspondents and Business Editors as part of the Bank's effort to improve the capacity of journalists to adequately report on contemporary financial as well as economic issues and the activities of the CBN.

### **3.4 Nurturing and Promoting Strategic Regulatory Institutions**

The CBN has also been instrumental in initiating, and often times sustaining, the capacity building of other regulatory institutions in the financial system to enable them play their critical roles in the system. The Bank established and nurtured the Nigeria Stock Exchange (formally Lagos Stock Exchange, precursor of SEC), Nigeria Deposit Insurance Corporation (NDIC), as well as the Abuja Securities and Commodities Exchange, which is expected to develop into a full commodity exchange market. The CBN facilitated a formal framework for the co-ordination of regulatory and supervisory activities in the Nigerian financial sector by establishing The Financial Services Regulation

Coordinating Committee (FSRCC). These efforts have tremendously enhanced capacity within the financial sector to meet the ever increasing demands for quality financial services in the economy. As a way of ensuring sustainability of capacity development in the entire financial sector, the CBN has continued to extend its sponsorship of capacity building to other regulatory agencies in the financial sector.

### **3.5 Interventions in Capacity Building of Tertiary Institutions**

In recognition of the critical role of adequate skilled manpower in development of the financial sector in particular and economy in general, the CBN invested #445.0 million under the Nigerian Universities Grant Scheme to enhance capacity building in 24 federal universities (CBN, 2013). This was in response to the 1998 National Policy on Education, which identified the need to contribute to national development through high-level relevant manpower training as well as develop and inculcate proper values for the survival of the individual and the society, among others. The programme plays a catalytic role of encouraging similar organizations, particularly, those in the private sector to support Nigerian universities in rehabilitating their deteriorating infrastructural facilities as well as provide new ones (Sanusi, 2004). Furthermore, the Bank in its second phase of direct intervention, initiated the collaborative postgraduate programme in Accounting, Banking, Economic, and Finance, to provide financial support to selected universities for training of postgraduate students for the financial industry. This is aimed at providing manpower for the financial sector as recommended by FSS:2020.

The Bank through its Corporate Social Responsibility (CSR), also engaged with nine universities across the six geo

political zones to establish Centres of Excellence Programmes dedicated to banking and finance as a way of addressing capacity building need in the sector.

### **3.6 Fostering Financial Literacy Education**

Central Bank has been very much alive to its responsibility of promoting financial literacy initiative, a prerequisite for financial inclusion. Financial literacy facilitates the possession of skills by individuals to manage financial resources effectively to enhance their economic wellbeing. To this end, the Bank launched the National Financial Literacy Framework in 2015 to promote greater participation in the formal financial system which is crucial to economic growth of the nation. The Bank also extended its financial literacy initiatives in capacity building to address the myriads of pitfalls facing young entrepreneurs and to aid the expansion of employment opportunities for Nigerians. Many of these entrepreneurs have graduated from the CBN Entrepreneurship Development Centres established in six geopolitical zones of the country.

### **3.7 Setting Capacity Standards for Bank Executives**

In acknowledgement of the current low level of competency in the industry due to insufficient manpower development, the CBN introduced a two-year competency framework which prescribed the minimum requirements for Directors and other officers to ensure that those engaged to perform certain processes have the requisite qualifications, skills and experience for the job. The bank continues to monitor the effective compliance with the framework by commercial banks and discount houses. The framework had anticipated that all competency gaps in the industry would be identified and filled by the end of 2014.

### **3.8 Capacity Building for Informal Financial Sector**

As a way of addressing the financing inadequacies of the informal financial sector, the Bank has been involved in capacity building alongside other collaborators to enhance financial inclusions. The Bank, through its Rural Business Plan (RBP), put a microfinance certification programme in place to build the capacity of the microfinance practitioners in order to deliver on their mandates. The CBN completed the curricula and certification arrangements with The Chartered Institute of Bankers of Nigeria (CIBN) for the RBP beneficiaries.

### **3.9 Alliances with International Institutions**

In order to enhance collaboration in capacity building in the financial system, the CBN entered into strategic partnerships with acclaimed world-class partners for standardization and quality assurance. These include the World Bank, International Monetary Fund (IMF), Federal Deposit Insurance Corporation (FDIC), and Centre for Central Banking Studies (CCBS) of Bank of England. The alliances include on-the-job training and facilitating the participation of staff in different training programmes. For example, CBN staff are regularly attached to World Bank for a considerable period to understudy and get attuned to quality assurance processes and procedures in most aspects of central banking. Similarly, staff are regularly trained in various programmes by the FDIC, which is an agency of the United States government that acts as a global forum for central bank and regulatory authority experts throughout the world to exchange views and share best practice concepts and designs in central bank and regulatory authority experts throughout the world to exchange views and share best practice concepts and designs in central bank policies and operations.

### **3.10 Enhancing Best Practices**

The Bank has also focused on enhancing institutional capacity efforts that mirror international best practices for Nigeria. Significantly impelled by globalization and response to users' needs, the CBN introduced strategies to support high level of compliance of Nigerian Banks with International Financial Reporting Standard (IFRS) framework. This move was necessary to integrate the banking system into the global best practice in financial reporting and disclosure. The strategies ensured the early compliance of Nigerian commercial banks with the IFRS. The high rate of success placed banks among the first companies to adopt IFRS in the Nigeria stock market (saidu and Dauda, 2014). With the introduction of IFRS, financial reports of Nigerian commercial banks have become more informative to investors and more relevant to share prices, including the determination of the value of banks (Umoren and Enang, 2015). This may explain why the sub-sector has remained the most robust sector in the Nigerian capital market for a considerably long period of time.

## **4. Challenges of Capacity Building within the financial Services Industry**

Designing and implementing capacity building programmes can be key to a regulatory institution's success. However, the following are crucial challenges:

### **Low National Education Standards-**

The precarious fall in standard of education in the country portends a very serious challenge to the availability of quality human capacity as well as the institutional capacity to upscale the given stock of human resource. According to 2015 University rankings, only one Nigerian university made the first 800 and 10 in the world and Africa, respectively. This situation does not only lead to low efficiency but also insufficiency in human quality in the

system. Unfortunately, the banking system draws most of its workforce from the general pool of Nigerian graduates.

**Static Academic Curricula-** Apart from the fallen academic standard in the country, the current curricula in accounting, banking, economics and finance is static and hence unable to keep pace with the frequent changes in the sector. This makes training of fresh graduates from Nigerian Tertiary institutions costly. For instance, the Bank had to give fresh graduate employees initial six months training to adopt them into the system.

**Paucity of Capacity Building Sponsorship-** poor funding of the educational system has remained a recurring problem with its attendant consequences on capacity building by CBN. To date, the country is yet to allocate up to 26 percent of its annual budget to education as recommended by UNESCO. This development has incapacitated Nigerian higher institutions from being actively involved in the capacity building process of the banking system. The consequence is that emphasis is made on donor-sponsored capacity building, relying much on overseas' and 'expert' trainings which have become the norm rather than exception. Without consciously involving indigenous educational institutions in capacity building process, very little will be achieved.

**Inadequate Investment in Capacity Building-** Funding has remained a major constraint in capacity building by the CBN. This has always accounted for a very high proportion of overheads such that the Bank is unable to finance as much as would be desirable to attain its level of expected investment in capacity building.

**Capacity Building on Ethical Banking-** There is need for continuous capacity

building on the application of ethical principles in banking in line with the growing emphasis on consumer awareness, social justice and environmental protection. The pressure on behaviour in the system is too great to be left to chance. Apart from learning on the job, capacity building process in the industry should be redesigned to properly instruct, instill, inculcate and inform ethics to the overall workforce in the system as a way of enhancing ethical reorientation in the industry.

**Adapting International Standards-** Trying to keep pace with constantly changing international standards in their entirety is surely challenging for a developing country like Nigeria. Oftentimes, some parts of the financial system are not yet developed and matured for the emerging standards and as such may be meaningless when adopted. However, financial integration compels the financial institutions to build capacity that is in excess to immediate requirements. The regulatory reforms standards that are more relevant in the Nigerian context should be prioritized and implemented (Aremu, 2010).

**Keeping pace with Technological advancements-** The dynamism of developments in IT calls for a rethink on how emerging technologies can help regulatory institutions to move forward. The pertinent question is: can technology facilitate effective capacity building or can capacity building help regulatory institutions to derive value from technology? The best capacity building programmes should do both. This is difficult in a dynamic IT world.

## 5. Concluding Remarks

Effective capacity building is essential for regulatory institutions in banking and finance for economic growth of modern economies. Regulatory institutions in banking and finance in Nigeria have

farred well in this regard. There is no doubt that the CBN, as the apex regulatory institution, is striving to stay ahead of capacity building initiatives in the sector. However, more needs to be done to meet the challenges of a modern financial system in a highly integrated and dynamic environment. A plan for regulatory capacity building must be preceded by assessment of current capacity needs that can be linked to the entire financial system assessment, and to policy making and planning. This is to ensure that the industry has a holistic strategic plan for capacity building that emphasizes regular assessment, and performance measurement. The strategic plan should target eventual domestication of the capacity building that enhances skills, rather than knowledge transfer can better improve the performance of regulatory institutions.



## COMMUNIQUE ISSUED AT THE END OF THE 2ND NATIONAL CONFERENCE OF EDUCATORS IN BANKING AND FINANCE IN NIGERIA HELD APRIL 28 - 29, 2016 AT AGANGA HALL, INTERNATIONAL CONFERENCE CENTRE, UNIVERSITY OF IBADAN, OYO STATE

The Second National Conference of Educators in Banking and Finance in Nigeria was organised by The Chartered Institute of Bankers of Nigeria in collaboration with the National Universities Commission (NUC) and National Board for Technical Education (NBTE) from April 28-29, 2016 at the Aganga Hall, International Conference Centre, University of Ibadan. The theme of the Conference was **"The Dynamics of Stabilizing the Nigerian Economy through Banking and Finance Education"**. Ninety-one (91) delegates from the academia, regulatory institutions and the Deposit Money Banks attended the Conference.

The **objective** of the Conference was to give educators a platform to collectively develop methodologies that would be ideal for tackling the challenges facing banking and finance education and practice in the country.

There were four (4) Knowledge Sessions each having a Chairman and Guest Speaker. The topics for the Sessions were:

- ▶ The Future of Banking: Drivers, Prospects and Challenges. The Nigerian Economy and the
- ▶ Banking and Finance Profession: The Role of Ethical Education
- ▶ Building Capacity for the Nigerian Economy: The Role of Regulatory Institutions in Banking and Finance
- ▶ Attracting Professional Interest in the Banking Industry: A Case Study

### The following are the highlights of the Conference:

- Considering the current economic situation in the country, it was agreed that banking and finance institutions should be re-positioned towards playing active roles in economic growth and development of the country.
- Major challenges facing the teaching and practice of banking and finance include inadequate basic infrastructure, poor funding of the country's educational system; corruption, fraud and unethical practices in all facets of the Nigerian economy; and inconsistent government policies and initiatives.
- Financial intermediation roles of the banking industry would not, on its own, produce value unless it is channelled to the productive sector of the economy. Hence, there is the need for a deliberate mechanism to connect the financial services sector to the productive sector.
- To successfully carry out the objective of financial intermediation and drive emerging Information Technology and Innovation in the banking and finance industry, well-equipped, committed and resourceful human capital are required.
- Though there has been a significant improvement in the products offered by the country's banking industry, there is the need to address the paucity of funds to finance long-term projects.

- It is necessary to change the philosophy of banking entrenched in depositors since independence where the focus was not on investments but rather on securing short-term loans.
- The government and regulatory institutions should commission a research project on the changing banking dynamics in the country with a view to understanding the prospects for the industry.
- Presently, Nigeria is suffering from the resource curse which emanated from long years of mismanagement of our major source of income, crude oil, as well as leadership indiscipline.
- Banking and finance is built on trust and confidence which can easily be eroded through unethical practices. Banking and Finance education in Nigerian tertiary institutions should include character development modules and ethical code of conduct for aspiring bankers.
- Academics and educators in the banking and finance industry have the responsibility to ensure that the right quality of graduates and professionals with the right values are running the industry and not a set of charlatans who are out to swindle the masses of their hard-earned income.
- The task of capacity building in the banking and finance industry is a continuous phenomenon that is dependent on the economic environment.

The resolutions reached and recommendations made at the end of the four (4) Sessions are as follows:

### Tertiary Institutions

- The HND, BSc. (for banking and finance) and CIBN Curricula should continually be reviewed to meet the dynamic requirements of not only the banking industry but the financial services industry in general. Similarly, the curricula should be revised to reflect the current fast-paced technological age.
- The Curriculum for the BSc. Degree in Banking and Finance must henceforth include a minimum of three months industrial training (as we have it in the polytechnics) preferably at the end of the third year of study in the university. Work-based learning should be emphasised for effective teaching of ethics and professionalism in the corporate finance arena.
- The teaching of banking and finance as a discipline should be more practical and not merely theoretical. Hence, banking and finance departments should have laboratories for practical sessions for students. The laboratories should simulate what happens in a typical bank.

### Deposit Money Banks

- The banking and finance sector of the economy should channel its resources to financing the real/productive sector of the economy with particular attention to the Small and Medium Enterprises (SMEs). Banks should develop programmes and products that would assist SMEs to improve the quality of locally-produced goods in order to encourage their consumption. The cross-purposes between banks' role of financial intermediation and the need to declare high profits should be avoided.
- The issue of Non-Performing Loans (NPLs) could be as a result of lack of adequate human capital to properly evaluate projects funded by banks. Hence, there is the need for banks to ensure that professionals are recruited who would be able to assess the profitability of funded projects.
- Banks should be encouraged to have strong research departments which would offer sabbatical leave opportunities for academics thereby fostering the relationship between the practice and teaching of banking and finance.
- Operators in the banking and finance industry should adhere to the rules and regulations of the profession.
- There is a disconnect between the expected professional requirements for employment in the banking industry and the entry-point test for job applicants to the industry. The emphasis placed by most banks on quantitative techniques in the entry-point examinations provide undue advantages for graduates of Engineering and other pure sciences disciplines.
- The concept of job fairs, where banks and new graduates of banking and finance can interact, should further be encouraged. This would serve as a way of reducing training costs for banks as Banking and Finance graduates who have been adequately trained, through industrial attachment, would not likely need intensive training on the basics of banking before they can be fully intergrated into the industry.

### Government

- Government should provide the enabling environment for banking business and education.
- Government should drive the diversification of the economy with greater vigour to reduce the adverse impact of the persistent fluctuations in the global price of crude oil.

- Government should adequately fund institutions of higher learning to strengthen their service delivery.
- Government should provide adequate infrastructural facilities to enable small and medium scale entrepreneurs operate successfully and competitively to encourage banks lending to the sector.
- The judiciary should also speedily try cases of abuse of bank facilities and dispense with banks request to recover loans through realization of collaterals expeditiously.

### Regulatory Institutions

- Policy inconsistency and weak regulatory oversight on the part of the regulatory institutions should be discouraged in order to ensure better service delivery. Also, regulators, including the CIBN, should appropriately sanction erring banks. The Sub-Committee on Ethics and Professionalism and the Investigating Panel of the CIBN should not relent in their efforts at promoting high ethical standards in the industry.
- The Central Bank of Nigeria should not limit its "Centres of Excellence" initiative to the Federal Universities but also extend to the Polytechnics and State Universities.
- The CIBN Certification should, henceforth, be a compulsory requirement for entry into Managerial Cadre (Assistant Manager and above) in the banking industry.
- There is the need to foster strategic alliances/collaborations between all stakeholders in banking and finance for human capital and infrastructural development.
- The Chartered Institute of Bankers of Nigeria (CIBN) should continuously review the process of awarding Honorary Fellowship and Senior Memberships. The current standard of awarding on a highly competitive basis should be sustained. Only professionals with untainted track records and with outstanding competencies should be honoured.
- The millenials in the country should, henceforth, be made to actively participate and contribute to programmes and policies aimed at addressing the challenges facing the banking and finance profession as the future of banking depends on their digital knowledge.
- The CIBN should aim at extending the Conference of Educators in Banking and Finance beyond Nigeria's boundary and make it a Pan-African Conference.

For Enquiries, Please Contact:

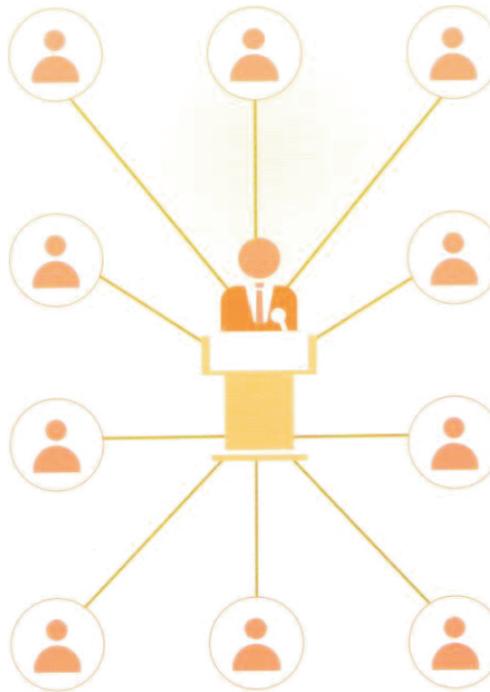
Mr. Seye Awojobi, FCIB, Registrar/Chief Executive, CIBN

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CENTRE for FINANCIAL STUDIES

# Knowledge Events. Research. Policy Advocacy and Collaborations



*“We provide participants at our events with evidence-based insights to challenge their current thinking. This may incorporate a broad range of areas such as operations, people management, innovation and leadership into decision making.”*

## ***Background***

The inadequacy of competencies in the banking and finance industry, especially at the executive level has amplified the need to engage, develop, and retain competent personnel to handle the business of banking. In the light of this, there became a need to establish an institution that would assist in bridging the identified gaps in competencies. The Chartered Institute of Bankers of Nigeria (CIBN) has established the Centre for Financial Studies (CFS) to provide relevant, research-based thought leadership, and capacity building opportunities to improve quality of executive-level management in the financial services industry across Africa with a view to equipping them better to drive change and make an impact.

## ***Who we are***

CIBN Centre for Financial Studies (CIBNCFS) is a research-based thought leadership, and knowledge sharing organization with a mission to facilitate knowledge-creation, knowledge transfer and thought leadership in the African financial services sector and provide evidence-based policy insights to industry, academics and governments.

## ***What we do***

CIBNCFS provides key management personnel in Banks and other Financial Institutions, States and Federal government establishments with an opportunity to be on the cutting edge of sound finance knowledge and research-based policy development. We use technology to partner with world-class institutions to strengthen our methods and faculty.

## ***How we work***

Leverage research output and hold knowledge events to improve quality of executive level management in the financial services industry, state and federal establishment.

Strategic collaboration with partners to conduct research in topical banking and finance issues

Produce sound occasional and policy papers in key sectors of the economy to benefit decision making operatives in the private and public sectors.

Advocate for strengthening of ethics and leadership in the financial services industry by creating unique knowledge sharing platforms for executive management.



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# 10<sup>th</sup> ANNUAL BANKING AND FINANCE CONFERENCE

## Theme

Innovation in the Financial Services Industry: Driving Nigeria's New Economy



Special Guest of Honour



**Muhammadu Buhari, GCFR**  
President & Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria

Keynote Address



**Mr. Godwin Emefiele, CON, FCIB**  
Governor,  
Central Bank of Nigeria

Chief Host



**Professor Segun Ajibola, Ph.D, FCIB**  
President/Chairman of Council,  
CIBN

### Day 1

**Tuesday,  
September 6, 2016**

#### SESSION 1

Top Ten Imports and Innovative Strategies for Substitution.

#### SESSION 2

Innovative Financing Structures for Micro, Small and Medium Enterprises.

### Day 2

**Wednesday,  
September 7, 2016**

#### SESSION 3

Payments System and Financial Inclusion

#### SESSION 4

Electronic Commerce: Role in Disrupting Modern Trade & Channels

**Date: September 6-7, 2016**



**Congress Hall  
Transcorp Hilton Hotel  
Abuja**

### Participation Fee Per Delegate

• Banks	- N50,000.00
• Microfinance and Mortgage Banks/Tertiary Institutions	- N25,000.00
• Retired Members, 60 years & above	- N25,000.00
• Other Sectors of the Economy	- N50,000.00
• International Delegates	- USD250.00

**All correspondences to:**

**'Seye Awojobi, FCIB**

Registrar/Chief Executive

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