



NATIONAL TREASURER'S REPORT

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1.0 Introduction

Distinguished Members, Ladies and Gentlemen, it is a privilege for me to warmly welcome you all to the 2023 Annual General Meeting of our revered Institute, and equally present to you the consolidated audited financial statements for the year ended 31st December, 2022.

The audited financial statements of the Institute and that of its two subsidiaries; CIBN Press Limited and CIBNCFS Limited/gte were consolidated to give a global perspective of the financial performance and position of the Institute as at 31st December, 2022. In the year under review, it is important to disclose that one of the subsidiaries, CIBN Press Limited

has been liquidated to avert its continuous loss positions over the years.

The need for Institute's financial statements to be audited by an independent external auditor has been a cornerstone of confidence in global financial systems. It is to provide assurance that management has presented a 'true and fair' view of the Institute's financial performance and position. The audit exercise reinforces the trust and obligation of stewardship between the executive management and you, our esteemed stakeholders.

The audited consolidated financial statements revealed a comprehensive view of the Institute's performance, its financial position and condition, revenues and costs, assets and liabilities, and other obligations and commitments. The Financial Report also discusses important financial issues and significant conditions that may affect future operations, including the need to achieve sustainability over the medium and long term.

To enhance the degree of confidence in the financial statements, a qualified external party (an auditor); RoseWater Partners was engaged to examine the financial statements, including related disclosures produced by management, to give their professional opinion on whether they fairly reflect, in all material respects, the Institute's financial performance over the period ended 31st December 2022 (a comprehensive income statement) and financial position as at the same period (a statement of financial

position) audit examination was in accordance with relevant generally accepted accounting principles (GAAP), which are standards that encompass the details, complexities, and legalities of business and corporate accounting. Upon the completion of the exercise, the External Auditors, issued a clean audit report having carried out their duties as statutorily required and identified no deficiencies which would constitute a material weakness in the Institute's internal controls on the financial statements.

Independently, the Finance and General-Purposes Committee and Audit Committee of the Institute considered and endorsed the audited financial statements and recommended to the Governing Council. Subsequently, the audited financial statements were considered and approved by the Governing Council at its meeting on Monday, May 15, 2023.

2.0 Review of the Macroeconomic Environment

2.1 Global Economic Outlook

The global economy is facing an unprecedented mix of challenges which are bringing it to the brink of recession in 2023. Stubborn inflation is the direst challenge, which has far-reaching knock-on effects across the entire global economy.

We now find ourselves in a much-feared 'stagflation' reality - one characterised by low GDP, but high price growth. Central banks have undertaken an aggressive tightening path to prevent an entrenchment of high

prices and low growth. While this comes at a cost for global demand, it just may be enough to ensure 'stagflation light'.

As stagflation kicks in, we expect global GDP growth to decrease to 1.2% in 2023, down from 2.9% in 2022. The slowdown is broad-based, primarily driven by the cost-of-living crisis in advanced economies, tighter financial conditions, the ongoing war in Ukraine and lingering effects from the pandemic.

However, this downturn should be relatively short-lived, as contraction of demand allows prices to cool off and stagflation dissipates in the course of 2023. We expect global economic growth to pick up again in 2024, by 2.9%.

We expect GDP growth in emerging market economies (EMEs) to decelerate to 2.9% in 2023, down from 3.6% in 2022. EMEs in general have already been facing tighter domestic financing conditions and spill overs from the war in Ukraine (in particular higher energy and food prices). This will continue to drag on growth in 2023, as global demand weakens. The higher interest rate environment threatens the debt sustainability of EMEs with high private or government debt. Those are mainly low-income and developing countries.

2.1.1 Global Banking Sector Performance

The global banking outlook for the year under review showed strong indices of

growth, resilience and adaption to current challenges and regulations. The Mckinsey's Global Banking report 2022 reported that Banks profitability in 2022 reached a 14 year high with expected return on equity averaging between 11.5%, and 12.5%. Revenue globally grew by \$345 billion and driven by improved interest rates. Currently, the global banking system is resting comfortably on Tier 1 capital ratios ranging between 14% and 15%, which turns out to be the highest ever.

The accommodative monetary policy regime experienced by Global Banks in 2022 in the effort to rejig the global economy from the impacts of recession and pandemics, banks were able to accumulate capital reserves which reflected in the published results for the year.

2.2 Nigerian Economic Outlook

The National Bureau of Statistics released the Gross Domestic Product (GDP) performance of the country in the fourth quarter of 2022 and the report shown that economic performance in the year 2022 was mainly driven by the services sector, which recorded a growth of 5.69 percent and contributed 56.3 percent to the aggregate GDP. The financial and insurance sectors took the lead as the fastest growing sector in 2022. Other sectors such as agriculture, manufacturing and the extractive industry showed positive growth amid several challenges of flood experiences across the country, rising incidence of poverty, foreign exchange management issues as well as security challenges and sectarian violence. These factors contributed to the lesser growth recorded in 2022 when

compared to the fourth quarter of 2021 which stood at 3.58 percent.

2.2.1 Domestic Banking Sector Performance

The focus of the apex regulator of the financial system in 2022 was on sustaining the gains of the monetary controls and consolidating existing regulatory guidelines and policy frameworks. One of the key focal area of the drive was the 'Revised Guideline on Regulatory Capital' released in September 2021 to strengthen the resilience of the banking sector to absorb macroeconomic disruptions and enforce compliance with the provisions of Basel III which became fully operational in 2022.

In addition, the Anti-Money Laundering, Combating the Financing of Terrorism, and Countering Proliferation Financing (AML/CFT/CPF) Guidelines was issued in November 2022 to further drive the Central Bank of Nigeria's efforts toward promoting compliance with AML/CFT/CPF laws and regulations in Nigeria and guide the licensing of Banks and Other Financial Institutions in Nigeria.

In the same period to September 2022, the CBN in continuation of its unorthodox policy model wielded monetary policy tools and regulatory wand to seek to achieve six broad objectives; rein in inflation, stabilize exchange rate, curtail the erosion of foreign reserves, deepen financial inclusion, galvanize financial system stability and enhance non-oil export potentials.

3.0 Financial Position

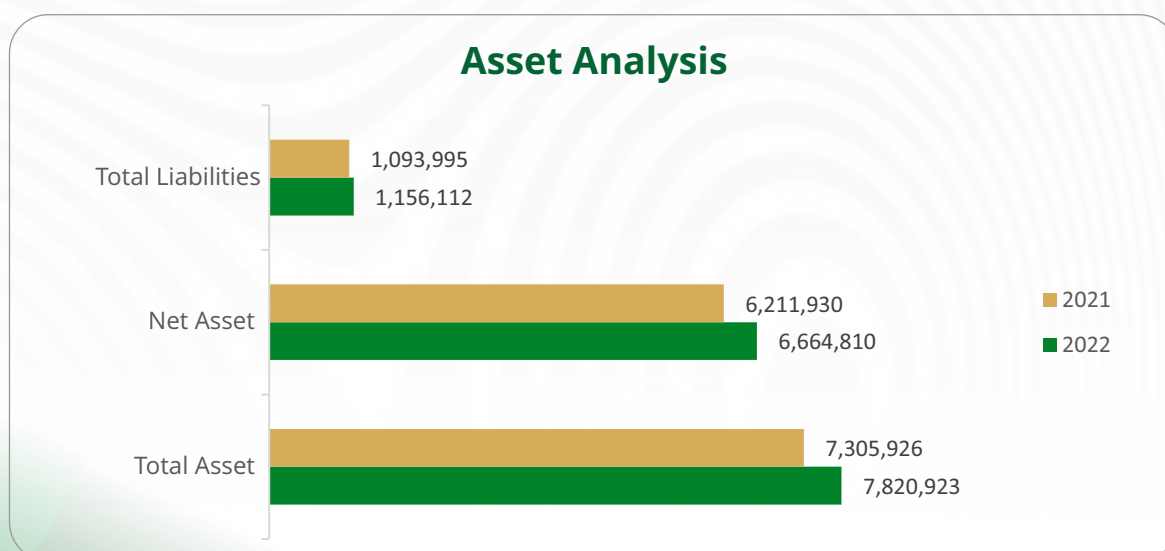
Highlight of Financial performance

	2022 (₦ 'Million)	2021 (₦ 'Million)	Variance (₦ 'Million)	Variance (%)
Total Revenue Generated	2,064,548	1,765,747	298,801	16.92%
Internally Generated Fund	1,716,371	1,436,702	279,669	19.47%
Operating Expense	1,226,467	966,573	259,894	26.89%
Net Operating Surplus	837,943	799,174	38,769	4.85%
Net Assets	6,664,810	6,211,930	452,880	7.29%
Cost to Income Ratio	59.41	54.71		4.7

The total revenue generated for the year ended 31st December 2022 increased to N2.06billion from the N1.76 billion figure recorded in 2021, resulting in an increase of 16.92%. This increase was attributable to the improved performance of the various Directorates. I must recognise the dexterity of the management of the Institute in achieving 93% of year 2022 budget of N2.216Billion and commit to posting a better performance in the current year.

The Institute recorded a net operating surplus before impairment and amortization of N837.94million compared to 2021 result of N799.17million. This growth in surplus of 4.86% was as a result of efficient utilization of resources and was above the 2022 budget of N711.02million. The percentage growth would have been more but for high rate of inflation during the year under review.

The recurrent expenditure of the institute increased to N1.22billion as against N966.57million recorded in the preceding year which translated into an increase of 26.89%. Besides the general inflation experienced in the country and all over the world, additional staff were employed at strategic levels to reinforce the operations of the Institute.



4.0 Operating Performance

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Other Financial Highlights

4.1 Capacity Building & Certification

The decrease in the Directorate's net performance from N391.10million recorded for the same period in 2021 to N204.44million

resulting in an unprecedented sharp drop of 91%. The major factors for this was due to low enrolment, students anxiety on the new syllabus deployed in 2022 and the transition from computer based testing to full proctored examinations. In 2023, it is expected that the Directorate will witness a drastic increase in both students' registration and enrolment.

4.2 Membership Services

The net surplus of the Membership Services Directorate for the period ended December 31, 2022 increased by 46.30% from N297.24million recorded in the same period in 2021 to N434.85million with a positive variance of N137.61million. This exceptional performance was due to an increase in the number of members showing interest in their elevation to the Fellowship and Associateship status of the Institute.

4.3 Learning & Development

The Learning and Development Directorate generated a net surplus of N420.12million in December 31, 2022 as against N326.79million recorded in the year 2021 representing a 28.56% increase in performance when compared with the 2021 actual figure. This leap was a result of collaborative efforts of the Institutes in the area of training which resulted in increased revenue.

4.4 Registrar Directorate

The Directorate recorded an increase in its net income from N150.94million in 2021 to N237.00 million in 2022 representing an increase of 57.02%. The income was generated largely from the Annual Bankers

Dinner organized by the Institute for the banking industry.

4.5 Fund Appropriations

The approved appropriations by the Governing Council have been considered and provided for in the various funds accordingly. A new fund appropriation was approved by the Governing Council to be treated as Benefit Fund to cater for expenses of the Past Presidents and serving Council members.

5.0 Future Plan

The Institute has made deliberate effort to digitise its operations for the purpose of creating new revenue streams and new customer segments, offering new personalised value propositions, establishing new relationships with prospects members, redefining new business models, embracing relevant partnerships and resources management as well as reducing costs.

The digitalisation process which has commenced would ensure that the Institute reposition its brand to attract the younger generation of bankers by integrating automation into the millennial banking experience and service process.

The impending digital transformation will cut across all facets of the Institute's activities ranging from membership drive to a robust payment system in addition to ensuring improved customer satisfaction, new data-

driven insights, improved user experience among other value additions and prospects.

We assure our esteemed members, that your Institute is prepared to facilitate the equipping and training of the new generation Bankers for the future.

6.0 Conclusion

I would like to express my profound appreciation to the President and Chairman of Council, Office Holders, Governing Council members and all individual and corporate members of our great Institute for their commitment, trust and unflinching support towards the advancement and evolution of our Institute. Though the future is challenging, we are confident that the Institute under the able and transformative leadership of Ken Opara, Ph.D, FCIB is prepared to face the future with a determination to achieve the dream of our founding fathers.

Once again, I wish you a successful deliberation at this year's Annual General Meeting.

Mrs. Mojisola Adebisi Bakare-Asieru, FCIB
National Treasurer