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SWIFT’s 26th African Regional Conference (ARC) was the largest yet, gathering more than 600 participants from 55 countries in Accra, Ghana, to talk about the future of Africa’s financial services sector.
He noted that technological innovation has immense potential to transform economies across the world. Just in the last two decades, he said, fundamental changes to payments and settlement systems have been aided largely by the application of information and communications technology to create more cash-less and cash-lite economies.

While technological innovation brings many benefits, there is also a downside, the President stressed – the prevalence of cyber-attacks on digitised platforms.

“It is important that we close ranks to deal with these new, emerging threats, lest we risk the erosion of confidence in our financial payment systems. Just as technology offers opportunities to grow our economies and bring progress to our peoples, there are criminal syndicates who will always be bent on exploiting it for their selfish interests,” he said. “I am aware that SWIFT has been working with Ghana, just as it is doing in other countries, to reduce vulnerabilities to these external risks.”

“"It is important that we close ranks to deal with these new, emerging threats, lest we risk the erosion of confidence in our financial payment systems.”
— His Excellency Nana Akufo-Addo, the President of Ghana

His Excellency Nana Akufo-Addo, the President of Ghana, opened ARC 2019 and explained the steps being taken by Ghana to enable the digital economy.

In another keynote, Dr Ernest Addison, the Governor of the Bank of Ghana, stressed that the financial industry is witnessing significant growth in Ghana; with mobile money penetration the second highest in Africa, Addison highlighted the potential for financial inclusion. He anticipates that, with continued reforms to the country’s payment systems, Ghana will have a strong competitive edge in the region for financial innovation and access to credit.
Our first discussion focused on the role of intra-African trade in driving economic growth in Africa. Speakers agreed that developments such as the Continental Free Trade Area (CFTA) agreement are crucial in supporting this, but will not be a silver bullet.

Moono Mupotola, Director of Regional Integration at the African Development Bank, stressed that success will only follow "if all countries [in Africa] sign the agreement and implement the terms," adding that "other policies and instruments will also need to be leveraged on a national and regional level to support the CFTA."

Payment market infrastructures will also play a role, said Alain Raes, Chief Executive for EMEA & APAC, SWIFT. "While the free flow of goods and services is crucial in boosting intra-regional trade, the movement of financial flows across borders is equally important to support this trade," he said.

Regional harmonisation is also seen as a way to foster intra-Africa trade flows and attract foreign direct investment from within and beyond the continent, he continued. Initiatives such as the Banque Centrale des États de l’Afrique de l’Ouest, the East African Payment System and Southern African Development Community’s Real Time Gross Settlement system are good examples of this.

The use of local currencies can help to minimise foreign exchange charges and therefore regional payment initiatives that promote the use of local currencies will become increasingly important."

Nyame Baafi, Director, Ministry of Trade & Industry, Ghana

“I believe that having the right payment systems in place will build efficiencies and ultimately be critical in helping boost intra-Africa trade,” said Raes.

Nyame Baafi, Director at the Ministry of Trade & Industry of Ghana, agreed that reducing friction in cross-border payments is critical to support SMEs since costs can be high. "The use of local currencies can help to minimise foreign exchange charges," he argued, “and therefore regional payment initiatives that promote the use of local currencies will become increasingly important.”
Banks, too, play a role in trade as the intermediary between the importer and the exporter, said Thomas Attah John, Managing Director at GTBank Ghana. He sees many opportunities for banks to support SMEs to carry out trade across the continent, including the digitisation of trade finance.

Additionally, John continued, banks need to enhance their trade finance functions. Digitisation of the trade process will shorten the time and the cost of doing business and provide transparency at the same time. “In the era of money laundering and terrorist financing,” he said, “digitisation is critical as it will make payments easier to track.”

Mupotola concluded, stressing the significance of the CFTA. “The CFTA is the first time we have come to an agreement in Africa to encourage countries to trade across regions, reduce their tariffs and agree on market conditions,” she said. “If we can fully implement the CFTA, we can move the continent forward.”

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— Moono Mupotola, Director of Regional Integration at the African Development Bank
Supporting sustainable economic growth

Dr Maxwell Opuku-Afari, First Deputy Governor at the Bank of Ghana, highlighted what the Bank is doing to support economic growth.

“Financial stability is key to ensuring sustainable economic growth,” said Opuku-Afari. “That’s why financial stability is part of the Bank of Ghana’s mandate.”

Opuku-Afari gave an overview of the recent bank recapitalisation exercise in Ghana, which is underpinning financial stability efforts. He explained that the Bank of Ghana looked at the solvency of all banks in the country and revoked the licenses of those that are insolvent.

“This exercise has helped the remaining banks strengthen their balance sheets and therefore better support economic activity in the country,” he said. “Additionally, the banks have better governance and a better risk management framework, which means they are attractive partners for international correspondent banks.”

He also noted that the Bank of Ghana has rolled out many policies over the last few years to support financial inclusion. One of these is interoperability. “We’ve seen growth of 400% in the use of mobile money in Ghana within one year,” he stressed. “Ghana is one of the only countries that has complete interoperability not just between telecommunications companies (telcos), but between telcos and banks. We are now able to bring people from the informal financial sector into the formal.”

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— Dr Maxwell Opuku-Afari, First Deputy Governor, Bank of Ghana
Financial Inclusion and the transformation of the payments sector

Financial inclusion is one of the building blocks of inclusive growth, enabling and empowering communities and driving development by bridging economic opportunities and outcomes.

Elly Ohene Adu, Financial Inclusion Expert, pointed to the fact that financial inclusion in Africa has increased substantially in recent years, particularly in East Africa. In Kenya, for example, financial inclusion rates have reached more than 81%.

Willy Tchiengue, Commercial Director at YUP, a mobile money solution set up by Societe Generale, sees innovation and the implementation of new technology in the financial sector as the main factors improving levels of financial inclusion. “The implementation of new technologies in product development helps reduce costs and therefore helps institutions attract new customers that previously could not afford financial services,” he said.

“So who is leading this ecosystem in Africa? Elly noted that it was led by the telcos in Kenya, which initially meant that regulators chose not to regulate the industry, instead monitoring and testing the water.”

“‘They allowed mobile companies to work in payments, and brought in the regulation later,’ she said. ‘In Ghana, mobile money was initially led by the banks, but many were not truly invested. As soon as mobile operators began taking the lead, with a supportive regulatory environment from the Bank of Ghana, mobile payments started taking off.’”

That said, Ohene Adu stressed that banks are not just sitting back and watching. “Banks have started moving thanks to the telcos,” she said. “Mobile money has challenged traditional banking. It is more convenient for the unbanked population so captures lots of transactions. Banks are, however, trying to keep up and are partnering with telcos to achieve this.”

“Better internet, mobile reception and the digitisation of the rural economy will help drive financial inclusion.”
— Elly Ohene Adu, Financial Inclusion Expert, Ghana

So what are the most important things that governments and the financial industry can do to increase financial inclusion? Tchiengue pointed to education. “There are people in rural areas, women especially, who are carrying their families, running business and facing huge hurdles,” he said. “Education would empower them further.”

Ohene Adu believes that better infrastructure is paramount. “Better internet, mobile reception and the digitisation of the rural economy will help drive financial inclusion,” she concluded.
While the push for greater levels of intra-Africa trade and financial inclusion has led to change in financial services across the continent, the expectations of business customers are equally important.

Our next session heard directly from a key banking customer – a corporate treasurer, Mona Lockett, Head of Treasury for Webcor Group, a family business specialising in soft commodities and consumer goods and trading out of Angola, highlighted the different challenges she faces when dealing with cross-border payments.

She stressed that cash visibility is critical to treasury operations, “We are connected to 47 banks in Angola,” she said. “We need daily status updates on our liquidity, which requires receiving an account status message from each bank (MT940). Not all banks are able to provide this.”

She added that corporates are moving very quickly when it comes to digitisation and the use of new technology, and banks need to keep up. The speed of transactions is important for a company like Webcor, she said, since they are distributing non-durable consumer goods from wholesale to distribution to the informal market. As these goods are sold and distributed quickly, the payments to support this need to move just as fast.

However, the challenge of compliance that banks face is shared by corporates, she continued. Managing financial crime compliance requires a lot of administration. At Webcor, they have had to hire a compliance officer to manage this
The digital reinvention of payments

The implementation of new technology is also having a profound impact on the financial industry. Our next discussion looked at how technology is reshaping the payments landscape in Africa and how banks are reacting to the rapid transformation of the industry.

Speakers agreed that APIs are a game changing technology, since they help connect all players in the banking system without having to create new systems and infrastructure. “Nedbank is embracing APIs as a business in order to remain relevant,” said Chipo Mushwana, Division Executive of Emerging Payments at Nedbank. “There is a huge opportunity in South Africa to access the informal market – up to 16 billion Rand – and APIs will enable this.”

“Universities need to educate youth about new technologies. And for the talent that is already employed today, continuous improvement needs to be embraced to keep up with advancing technologies.”

— Dr. Kasirim Nwuke, Chief of the Green Economy, Technologies and Innovation Section, United National Economic Commission for Africa

However, Jack Ngare, Executive Director of FinservAfrica, believes that the cloud is the most important technology from a cost cutting perspective. “The cost of running IT infrastructure is significant,” he said. “You have to regularly ‘refresh’ data centres. Moving to the cloud means investment can be done on a pay per use model. It means fixed costs are lower.”

While new technologies provide opportunities, they also deliver fresh challenges for the financial sector. Dr. Kasirim Nwuke, Chief of the Green Economy, Technologies and Innovation Section at the United National Economic Commission for Africa, stressed that, due to the fast pace of change, finding and retaining tech talent can be difficult.

“Universities need to educate youth about new technologies,” he argued “And for the talent that is already employed today, continuous improvement needs to be embraced to keep up with advancing technologies.”

“Products should be launched when the market is ready, not when then technology is ready.”

— Chipo Mushwana, Division Executive of Emerging Payments at Nedbank

However, panellists also agreed that for new technologies to succeed, financial institutions need to keep a close eye on their customers and the market, and ensure that technology fixes a problem or matches a need. “Products should be launched when the market is ready, not when then technology is ready,” argued Chipo.
DAY 1: DRIVING CHANGE

Master of Ceremony, Olayinka David-West, from Lagos Business School, addresses delegates

Sido Bestani, Regional Director of Middle East, Turkey & Africa, SWIFT, welcomes delegates to ARC

ARC delegates attend SWIFT product-focused work sessions
Day two of ARC was all about action. The move to a digital economy can be a challenge, but there are also plenty of opportunities for banks to create new products and services by embracing new technologies or adopting new business models.

"Change will come when we bring all players together to create interconnected platforms. The competitive advantage doesn’t come from owning a platform, but from leveraging that platform and adding value, so that the customer has everything they might want and need."

— Julian Opuni, Managing Director, Fidelity Bank Ghana

Julian Opuni, Managing Director of Fidelity Bank Ghana, opened the day by stressing the significance of collaboration for the future of financial services.

“Change will come when we bring all players together to create interconnected platforms,” he said. “The competitive advantage doesn’t come from owning a platform, but from leveraging that platform and adding value, so that the customer has everything they might want and need.”

When it comes to the mobile economy, he noted that Ghana is catching up with the likes of Kenya and Tanzania – but it is more about moving money around than using mobile for making transactions. For example, 90% of transactions in Ghana are still cash – people move money electronically, but take the cash out of the system in the end. It is a similar phenomenon with cards; Similarly, 80% of card use in Ghana is to take cash out of ATMS, not using the cards for payments.

“If we can create digital platforms and interconnectivity between them, and make people comfortable to spend on that digital platform, we create a whole new world,” he said. “The days of thinking that customers want a traditional bank account are gone, and any financial institution that wants to think into the future has to change their strategy.”
Re-engineering international payments for a fast, digital age

The customer is forcing the transformation of the payments industry. Our next discussion therefore focused on how the banking industry should address these evolving customer needs, especially when it comes to international payment services.

Speakers agreed that digital transformation is one of the most pressing issues for banks in the era of mobile payments. However, Kevin Rudahinduka, Director of the Transformation Programme at Bank of Kigali, agreed with our opening speaker about the power of collaboration and the richness of platform offerings: “To support the digital economy, banks need to support mobile payments and partner with other players in the market.”

Whether partnering with third parties or developing their own digital platforms and services, there is no doubt that banks must adopt new models and ideas to remain relevant. Aly Abdel-Raouf, Head of Operations for QNB Alahi Egypt, said that banks can use digitalisation to attract new customers at the same time as retaining the old. He says that SWIFT’s Global Payments Innovation service (gpi) is a central plank of QNB’s digital strategy.

“We believe that if banks do not embrace digitalisation they will get left behind,” said Abdel-Raouf. “SWIFT gpi, with its transparency and tracking, offers us a huge advantage.”

Rudahinduka agreed that banks need to change their operating model. Big tech companies can roll out hundreds of products a week, he said, but banks do not do this since new and changing products have to be negotiated across different departments.

While strategies need to evolve with the times, so too should infrastructure, argued Sean Mouton, Chief Technology Manager, ABSA. “Monolithic mainframes were not built for change, which is why we are still using them. But since change is coming, it is all about how we adapt to it. You need to build infrastructure that can change with evolving technologies.”

“Since change is coming, it is all about how we adapt to it. You need to build infrastructure that can change with evolving technologies.”

— Sean Mouton, Chief Technology Manager, ABSA

“We believe that if banks do not embrace digitalisation they will get left behind. SWIFT gpi, with its transparency and tracking, offers us a huge advantage.”

— Aly Abdel-Raouf, Head of Operations for QNB Alahi Egypt
While the consumer is driving the agenda when it comes to financial services, many of our speakers have stressed that there is no use in implementing technology if there isn’t a customer demand for it. So is there a demand in Africa for instant payments? And is Africa ready?

“Africa is not just ready for instant payments; it is already delivering it,” said Tomisin Fashina, Group CIO for Ecobank, a pan-African bank with a presence in 33 African countries. Ecobank offers instant payments across borders and it is all accessible through its front-end application. Tomisin stressed that the bank has invested a lot in platforms to offer this service.

Christabel Onyejekwe, Executive Director of Business Development at the Nigeria Interbank Settlement System, added that Nigeria introduced the first instant payments system in Africa in 2011, and volumes have been increasing exponentially ever since, proof that there is demand for instant. This, she says, has been underpinned by political will, with the Central Bank of Nigeria playing an important role.

“The introduction of bank verification numbers has helped bring 38 million people onto the instant payments platform today,” said Onyejekwe. “Additionally, there has been a push for agency services to further facilitate uptake. This will propel growth.”

Dale Morris, Research & Development Lead at BankservAfrica, agreed that political will and a regulatory push is critical, and this has been clear from their research. “Many African markets are cash-driven and cash is hard to displace,” he said. “Just putting instant payment systems in place without engaging communities may not work.”

Many African markets are cash-driven and cash is hard to displace. Just putting instant payment systems in place without engaging communities may not work.”
— Dale Morris, Research & Development Lead, BankservAfrica

Cross-border, real-time payments in Africa also remain a challenge. Onyejekwrestressed that when sending money from one African country to another, even as close as Togo to Nigeria, funds still need to be transmitted via the US.

Morris added that another challenge is the difference in regulation in different markets. “For cross-border instant payments to progress in Africa, regulation will need to be simplified and harmonised across markets,” he said. “Therefore you need a body to bring the regulators and ministries together to create solutions.”

While the African Union has plans to introduce something like the Single European Payments Area, this is not likely to come into force anytime soon, said Fashina. He stressed that the industry should not wait for regulators to push them along, but continue to invest in infrastructure and innovate to speed up this change.
FinTechs in Ghana

The financial landscape is evolving in Ghana. There are now 70 fintechs operating in the country. We spoke to the Second Deputy Governor at the Bank of Ghana, Elsie Addo Awadzi, about how the Bank is supporting them.

“The Bank of Ghana has over the years laid out a regulatory framework that embraces fintechs,” said Addo Awadzi. “fintechs are encouraged to partner with licensed financial institutions to deliver financial services. Additionally, Ghana recently introduced a new transparent regulatory framework for infrastructure and service providers that will help fintechs scale up their operations.”

Mobile payments are also seeing great uptake in Ghana, with 30 million people across the country holding mobile money accounts. “We see that this has a great impact on economic growth,” said Addo Awadzi, “and is improving the livelihoods of people across the country.” To support this, she added, the Bank of Ghana introduced an interoperability framework that connects mobile money accounts with bank accounts to ensure that users can get the most benefit.

Many of the fintechs in Ghana are supporting the effort to increase financial inclusion by helping banks to deliver financial services to the unbanked. We brought together the best and brightest fintechs from Ghana to showcase their products and services. Five very different companies, Dreamoval, Emergent Payments, Fido Credit, Pennysmart and Westcape pitched to the ARC audience and explained their value proposition and the benefits they are bringing broader society.
The case for cross-border payments interoperability in Africa is building and pressure on central banks continues to mount to reach consensus around regulation and infrastructure. Research conducted by the Centre for Financial Regulation and Inclusion (Cenfri) shows that in Sub-Saharan Africa alone, regulation and infrastructure remain the main barriers for domestic and cross-border remittances.

“The key to Africa’s success in financial inclusion could lie in the sharing of infrastructure between different jurisdictions, increasing demand and lowering operational costs,” said Antonia Esser, Senior Associate at Cenfri.

This view was supported by BankservAfrica’s Chief Payments and Innovation Officer, Jan Pilbauer, who stressed that “regional payments integration, or the payments highway of Africa, should support both domestic payments needs and cross-border enablement.” Regional payments hubs would significantly reduce the cost of building new infrastructure in each jurisdiction while also allowing existing infrastructure and technology to be integrated, he added.

According to Dale Morris, who leads research and development at BankservAfrica, collaboration amongst stakeholders is key to achieving this and the Transactions Cleared on an Immediate Basis (TCIB) case study demonstrates what is possible at a regional level when there is collaboration.

An overwhelming response from the audience showed the desire for regional integration and support for its viability.
GALA DINNER

SWIFT African Regional Conference 2019
Special Report
While new technologies are delivering new opportunities for the financial industry, they also come with their own set of challenges – cybercrime is rife and fraud becomes even more difficult to prevent in a real-time world. Our last day at ARC focused on how to manage risk in this digital age.

The evolution of cyberattacks

Cybercrime has changed dramatically over the years, said our opening speaker, Aprielle Oichoe, Managing Director of Infosphere, a cyber security consultancy. She stressed that, where in the past criminals were lone wolves targeting infrastructure and hardware and trying to cause disruption, cyber criminals now work in organised groups, gathering intelligence and looking for significant financial gains, usually through institutions or individuals.

The numbers say it all. There has been a 67% increase in security breaches over the last five years, and there is expected to be $6 trillion in cybercrime damages by 2021. “Not only are attacks getting more frequent,” said Oichoe, “they are also becoming more encrypted. In the past you could trust an ‘https’ website. Now attackers can get their own trusted websites.”

This poses challenges for individuals and institutions alike. “Companies that have an IT strategy must have an information security strategy too,” said Aprielle. “Information is the most valuable thing a company owns and therefore it is a target. Only with a strong security strategy, a substantial budget to support it and highly skilled professionals will companies be ready to fight the cyber threat.”

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— Aprielle Oichoe, Managing Director, Infosphere
Managing risk in a real-time world

Technology is helping us to deliver better products and services but it also opens financial institutions up to more cyber risk. Our next discussion looked at how to manage risk in a real-time world, and asked whether it should lead to a change in risk strategy.

Hackers are always one step ahead, said Victor Rugeiyamu, Chief Risk & Compliance Officer at NMB Bank Tanzania, and this is because you have some of the best minds out there working for the bad guys. “While banks are constantly innovating for their customers, cybercriminals too are innovating the way they approach attacks,” he said. “There is always something new coming at us, and we have to make sure we are prepared for anything.”

Rakiya Shuaibu Mohammed, CISO at the Central Bank of Nigeria, believes that the biggest challenge is interconnectivity. With the connection of mobile to banking, banking to fintechs and fintechs to the cloud, everything is connected in real-time and third-party risk is a reality.

Additionally, she continued, the competitive nature of business does not help fight cybercrime. Institutions are not willing to share details of attacks so others in the community will not learn.

With cyber criminals constantly ahead, what can financial institutions do to secure payments systems and banking applications successfully?

Rugeiyamu believes that good policies and good procedures are the key building blocks for a successful security strategy. A strong cyber security team is also critical. Information security professionals are rare so attracting talent is a challenge, as is retaining it.

“From my experience, you have to create what you want from within,” he said. “There are a number of ways to achieve this. Resources have to be deployed for upskilling, training and certification. You also need to create awareness and build responsibly across the rest of the organisation. Make sure there are simple, clear messages going out from the security team.”

The right infrastructure is also important, said Connie Mkhize, Technology Delivery Manager at BankservAfrica. “When designing and implementing IT infrastructure, it needs to fit the purpose of the organisation but also be resilient, cyber secure and ready to manage the specific risks that the institution will face. The cost of damage far exceeds the cost of securing your environment.”

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― Victor Rugeiyamu,
Chief Risk & Compliance Officer,
NMB Bank Tanzania

“When designing and implementing an IT infrastructure, it needs to fit the purpose of the organisation but also be resilient, cyber secure and ready to manage the specific risks that the institution will face.

― Connie Mkhize, Technology Delivery Manager, BankservAfrica
While individual institutions and individual countries have implemented their own strategies and frameworks around cyber security, we cannot forget that payments move across borders, stressed Shuaibu Mohammed. She noted that cooperation needs to take place across the continent. “We need one policy and strategic plan for incidences across different nations,” she said.

“We need one policy and strategic plan for [security] incidences across different nations.”
— Rakiya Shuaibu Mohammed, CISO, Central Bank of Nigeria
Arguably, the biggest cybersecurity risk is simply ‘people’.

Cyber security needs to be embraced not just by cyber security professionals but by the whole company. However, as our next speaker Dr. Alfred Musarurwa, Chief Information Officer at Nedbank Zimbabwe, pointed out, financial institutions are not looking at cyber security skills when hiring most of their staff. Therefore, on-the-job training is required to ensure that cybersecurity is part of the culture for all employees.

One of the biggest challenges for institutions today is the insider threat – that an existing employee will take advantage of their position to infiltrate a company’s security and carry out an attack. So how can banks manage this? Musarurwa reiterated that banks must ensure that basic cyber hygiene measures are in place.

“Separation of roles and controlling access is critical,” said Musarurwa. “We need to provide access only to those that need it and there should be a framework around managing access privileges. This increasingly becomes a human resources issue.”
Embracing technology to optimise compliance

Remaining compliant is increasingly challenging: regulations is evolving and more requirements being introduced that increase the cost of compliance. Can smart technology play a role here? Is it a silver bullet?

Bahiyya Kara, Head of Compliance, Corporate and Investment Banking at Standard Bank, argued that artificial intelligence is an invaluable tool for financial crime compliance because it replaces onerous procedures with data analytics and algorithmic capabilities - it empowers the first line of defence, the IT team, to understand financial crime and compliance (FCC) risk.

Danny Luswili, Chairman of the board of Zamtel Telecommunications, agreed that data analytics can help institutions understand suspicious transactions and support the process of reporting back to the regulator. However, when members of the audience were asked whether they have plans to introduce smart strategies, most were not ready, and only a few had proof of concepts underway.

Pattison Boleigha, Chief Conduct and Compliance Officer at Access Bank Nigeria, stated that his bank has rolled out a risk strategy that puts digitisation at its heart, with compliance functions expected to be digitally-led.

“Compliance is not just for the few in the bank. It must be embraced across all staff. Everyone should therefore be trained in capturing data.”
— Danny Luswili, Chairman of the board, Zamtel Telecommunications

“We have been encouraged to introduce machine learning in compliance. Our first proof of concept is in the area of sanctions screening. We want to get to the level where artificial intelligence can flag something correctly that we can then investigate.”

Speakers highlighted that the introduction of smart technology may be a challenge in much of Africa, since data still isn’t digitised. Luswili stressed that many banks may find it challenging to bring their data up to speed. “Compliance is not just for the few in the bank,” he said. “It must be embraced across all staff. Everyone should therefore be trained in capturing data.”

Additionally, institutions will need buy-in from multiple departments for smart technology to be implemented, said Boleigha. “Getting IT on-board requires some lobbying,” he said. “You have to sell the idea through a strong business case, and argue that compliance goes beyond the financial cost – not complying will be far more costly.”
Kara concluded, arguing that the most important thing is to ensure that people do not get scared of smart technology. “I think that there is a misconception around compliance staff being made redundant,” she said. “It is a cultural and paradigm shift for compliance staff to realise that they will no longer need to spend time on manual and menial tasks. They have an opportunity to direct their energy to specialisation and expertise of complex compliance issues, supporting the business with product development.”

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— Bahiyya Kara, Head of Compliance, Corporate and Investment Banking, Standard Bank
The future of banking in Africa

Risk and opportunity go together, and therefore our ability to support local businesses based on the perception of risk is different from an international bank.”
— Ade Ayeyemi, Group CEO of Ecobank

For our final discussion at ARC, we were delighted to talk to Ade Ayeyemi, Group CEO of Ecobank. He highlighted that Ecobank was established in 1985 in West Africa to create a bank that understood the people of the region and supported their businesses. He stressed that Ecobank is neither Anglophone nor Francophone, nor does it “belong” to one country. Instead, it represents the collective interests of everyone across West Africa and beyond.

“Ecobank has an advantage over international banks since we are African and we have the local knowledge,” he said. “Risk and opportunity go together, and therefore our ability to support local businesses based on the perception of risk is different from an international bank. We want to provide leadership of the collective interest of Africa’s people, and help ensure that the continent is able to rely on its own activities.”

Ayeyemi noted that de-risking is an issue that affects all of Africa. “People are moving away from supplying services to the continent as they are concerned about the compliance risk,” he said. “Africans need to understand that if we want to be part of the global financial system, we need to play by its rules. If that includes following certain laws and implementing reporting mechanisms that reduce the risk of money laundering and terrorist financing, then we must do it. It’s not just for Ecobank, but for every bank across the continent. We can only be successful if everyone else around us is also successful.”

Another challenge that Africa faces is that it is not considered as a single market, said Ade. “People do not look at the collective value and potential of Africa as a whole,” he said, “but at 55 individual small markets with small economies and GDPs. Small markets don’t attract much business.”

“Our ability to create future unicorns cannot be on the basis of a fragmented market but on the basis of one that is addressable,” he argued. “Only then can we attract investment in a big way.”

When it comes to the evolution of financial services in Africa, Ayeyemi argued that banks must embrace change. “As a bank, our job is to ensure that every person that wants to have a bank account is able to,” he said. “We consider this a rights issue. People must have the opportunity in 2019 to have savings and make payments.”
That’s why Ecobank introduced a bank account that can be set up through a mobile phone within five minutes, he said. Ecobank also has a funds transfer mechanism that can transfer money to any account in any country worldwide, instantly.

“We should use every medium to ensure that financial services are delivered to everyone,” he concluded. “If wealth is distributed, we will have a better society. And Ecobank was created to support society.”

— Ade Ayeyemi, Group CEO of Ecobank
Enabling the digital economy

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