

CEO Report 2018

To quote from a recent article in Business day by Chris Gilmour

“Consumers love brands. Brands make a promise about the quality and integrity of the underlying product (service /entity) and hence brand value is something to be proud of, something that with judicious curatorship grows over time. Brands engender customer loyalty.”

IOBSA Brand

Last year we changed to IOBSA logo to something more modern and which visually depicted how we are guiding members towards building their professional capital through a variety of building blocks. The IOBSA brand has a 114 year history and although its role is very different from the original one, nevertheless it now has a legislated role as laid down in SAQA legislation. The IOBSA brand still has loyal support from members, although the sector has still to come fully behind the new IOBSA. We are confident that the role we will play under Twin Peaks and specifically for FAIS will be significant.

IOBSA is an organisation of professionals in the banking and the broader financial services sector. The purpose of the affiliation is to demonstrate their professionalism, their corporate belonging, have an opportunity to network across sectors and channels and be held accountable to the highest professional values and ethics through a Code of Conduct. Preferably that membership body should be one which is recognised in the sector, as well as in the broader financial services and regulatory landscape and internationally. The IOBSA is a trendsetter as it is the only Institute on the African continent which has this new model and has moved away from the traditional role of offering industry qualifications which to a large extent have passed their sell-by-date. **In other words, a new, broader and different skills set required to be an all-round banker.** A new Institute model needs to be developed to speak to the needs of banking in the 4th industrial revolution which is driving the world through innovation in robotics and automation. This includes the aspects of artificial intelligence and sciences. It also needs to take into consideration the concept of Disruptology which is the *“unintended ripple effect across unrelated industries of changes made in one.”* Banking is by no means immune from this and professionals need to be constantly informing themselves through continuous development.

The IOBSA also moved to larger premises as **our** current lease had run its course and additional space was needed to accommodate the CEO and other potential future employees.

Re- accreditation as a Professional Body

During 2017 SAQA undertook an audit of the IOBSA to determine whether it should be re-accredited as a Professional Body. This audit considered all aspects of the IOBSA's operations and also its policies and operating procedures. The conclusion was positive and the IOBSA was re-accredited as the Professional Body, one of 105 in the country for a further 5 years from March 2018. We are proud of this independent vote of confidence. Professional body speaks to an organisation of professionals in a sector. There are a myriad of ways of defining the meaning of "professionalism" but the key definition encompasses three key features:

- 1) specialised knowledge,
- 2) a strong service ethic and,
- 3) a capacity to act autonomously.

With change being the new constant that meaning of professionalism can be extended to include remaining current / relevant with a strong focus on values, ethics and governance.

CPD

Building on the statement before, professionalism should reflect the on-going professional development that stimulates personal growth, creativity and innovation. Professional standards are important as they are the first steps to building a highly qualified workforce which would ensure competency in a profession. Therefore CPD is important in building and maintaining a high degree of professionalism. But to be effective, CPD must be seen to go beyond box-ticking and become part of the standards of knowledge and behaviour of the individual. CPD can be used as marketing your **personal** professional capital.

The IOBSA has introduced CPD effective from 1 June 2018 as per the requirements of the Fit and Proper Amendment Act. Our dedicated CPD platform enables members to capture their credits regardless of where they

were obtained. It also allows for easy verification of compliance against the FAIS requirement for CPD. The platform is currently being finalised and external accredited providers being loaded. Active members will receive their log in details next week. In addition to just CPD we now also have online membership applications from the website and this is already working well. We aim to shortly also include a secure pay function to the platform.

In addition, the IOBSA verifies programs offered by providers for the purpose of granting CPD credits. We have received queries and applications from many providers seeking this recognition. Again this requirement comes directly from the Act. IOBSA members need to obtain a total of 30 credits of which 5 are in Ethics and Governance alongside any FAIS credits they require. The IOBSA has not imposed any cost to individual offerings but it will **regrettably** be increasing its fees, partially to fund the development of the platform and its ongoing maintenance as well as enabling it to extend its service offering.

In May the Institute established a CPD committee which approves all applications from providers and allocates the appropriate CPD credits. This committee reports to the Board.

Membership

Our membership numbers continue to remain static. We receive regular applications for membership but by the same token there are members who do not renew their membership when the annual invoices are sent out. We believe that the reason for the static membership is twofold:

1. Firstly many banks no longer pay the annual subscription membership as they remain under the incorrect assumption that the IOBSA closed down!
2. Members have not perceived sufficient value in the IOBSA offering to date. This is in a large part due to the fact that the IOBSA with its limited resources was using these sparingly, but also because it was awaiting the introduction of the new Fit and Proper Amendment Bill which finally came into force on 1 April 2018. As a Professional Body there is a distinct role which needs to be undertaken by Professional Bodies in the financial services sector. **The institute** has been unable on the limited budget to arrange any membership events outside of Johannesburg.

It deserves noting that most applicants who apply for membership now also apply for a designation. Our designations are linked to academic levels of the NQF and we will be considering bringing one on for level 4 as this is where some of the sector are employing. Currently the first designation is at level 5.

NCA examinations

We have signed SLA's with 6 training providers for F&I agents in motor dealerships. These accredited agents act on behalf of the banking sector to provide advice on financing and insurance to clients wishing to purchase motor cars. An NCA Card is issued to them on their being declared competent having passed the relevant examination. We operate examination centres countrywide to ensure that the agents are able to obtain the required accreditation. These examinations are approved by the NCR. The IOBSA has a flawless record in running the examinations with a turnaround time for results of 48 hours. This continues to provide good revenue for the IOBSA whilst at the same time delivering a necessary service

Critical skills visa letters

There continues to be an ongoing steady demand for letters in a variety of categories. Many of the applicants hold or are offered senior positions in our banking system and Letters are only provided to applicants with experience in the financial services sector and generally **subject to the applicants** holding current positions in the sector.

RPL

This is a new process which the Institute **introduced** as a result of the SAQA audit. It allows members to obtain designations for incomplete qualifications and thus progress up the designation ladder. It remains important to stress that the IOBSA does not offer the underlying qualification but assesses whether the member has the level of knowledge required for a specific designation. Designations are recorded on the SAQA database and are a matter of public record. Furthermore, they were introduced to promote levels of professionalism in the sector with the Professional Banker designation [or PB(SA)] currently being the highest designation linked to an NQF level.

We have had many requests from members and have undertaken RPL for more than 10 members since April this year. The sector is the **ultimate** winner in this process as we are seeking to ensure that it retains its status as a world class financial sector.

Youth Committee

The Board is establishing a youth committee which will be chaired by Joel Ncube one of the Board Directors. The purpose for this is to ensure that we engage across the member spectrum and that we engage with younger members to ascertain their needs and ideas. We want to ensure that the IOBSA remains relevant and provides services which members seek. This committee will draw representatives from across the country and will be of members younger than 35. The intention is to engage them to obtain their views on the sector and the role of a professional body in servicing them. Events aimed at the target market will be organised and they will also develop the concept of the Young Banker of the Year award to be introduced from 2019. Members of the committee will be eligible for possible nomination to the main Board after a period of two years. The Institute is committed to ensuring it has relevance across sectors and generationally.

Members will be invited to nominate themselves to serve on the committee

Institute of Business Process Engineers in the financial services sector

There is a current project which has started which seeks to create a chapter within the Institute of Bankers for Business Process Engineers in financial services. There appears to be a desire to create a more formal career and development stream for people within or wishing to enter this area of specialisation.

There is a need for greater understanding of banking as well as to ensure continuous improvement for those entering the services sector as Business

Process Engineers. This is integral to becoming a valued member of the banking sector.

It is believed that people in this specialisation area would benefit from more formal accreditation possibly through industry wide recognised designations which would also speak to a level of professionalism thereby enhancing their profile of the sector.

Business Process Engineers will remain integral to financial services and their importance and need may escalate as digitization and its related processes advance. Articulation into the industry would add a valuable source of appropriate recruits within the sector.

Access to ongoing professional development (CPD) would further develop the skills of the professional.

Furthermore, alignment with international organisations for like professionals would be appropriate as well as with the Engineering council of SA. This can then be pursued through the Institute of Bankers in SA.

This currently remains an initiative of Business Process Engineers in their personal capacity within the financial services sector and not an initiative on behalf of the organisations in the sector.

Member communication and events

Newsletters have been sent out on a more regular basis to keep members informed.

We introduced the Speakers corner 63 in May this year. Speakers are given 30 minute presentation slots and the topics have been varied. These are then videotaped and available to members as well as being posted on Youtube. The various presentations are eligible for CPD.

We have also decided to run occasional evening sessions focusing on a particular topic which will allow for networking. We are looking to run such an event in September which will cover the topic of blockchain and cryptocurrencies.

The website has been given a new look and feel and the information is constantly being upgraded. In addition we use the social media platforms as well and in particular LinkedIn.

Members are encouraged to send through submissions for the IOBSA sites. These should relate to items for publication as well as information on personal accolades received in the industry.

CB (SA)

It is with great pleasure that I am able to announce that the Institute will be introducing its apex designation that of the “Chartered Banker South Africa” from January 2019.

The ‘Chartered’ designation indicates that a person has gained a specific level of professional competency. This status originates from the Royal Charters issued to professional bodies in the UK by the British Monarch, but has since gained prestige and credibility outside of the UK, and as such is awarded by professional bodies or learned societies worldwide.

A total of 17 professional bodies in South Africa have registered a ‘chartered’ designation.

The Chartered designation is seen as the highest achievement in the specific career field. Professional bodies choose to use this designation to convey a certain level of ‘professional status, prestige and power’, which professionals obtain through their professional skill and expertise.

The Chartered Accountant (CA) is currently linked to a level of proficiency and licence to practice and is one of the best known.

Another (new) chartered designation is that of Chartered Director (Institute of Directors SA) – this designation is described by the IoDSA as:

‘... a sought-after and highly prestigious certification, awarded through a rigorous assessment process. This esteemed designation is a commitment to deliberate career path building, the recognition of excellence, and ethical leadership in all spheres of business in South Africa.’

The Chartered designation can in most cases be achieved through a combination of a suitable qualification at NQF Level 8 or even 9 (Honours or Masters degree or equivalent), supported by substantive experience in the field, a board exam to prove theoretical knowledge as well as competency, and signing the Code of Ethics of the particular body. It is also required of Chartered members, to

maintain their continuous professional development (CPD) in line with the requirements of the particular professional body.

It seems that most South African professional bodies recognise the importance of the Chartered designation to form the capstone of career development in their particular fields, and to offer the same professional recognition that for example the Chartered Accountant receives.

We are pleased to announce that we have partnered with both Monash South Africa and Business School Nederland in offering this designation, not only is it a designation, but there is also an underlying post graduate qualification which will be offered by the two reputable **international** tertiary institutions.

The attainment of this designation will require the member to undertake the following:

4 modules and a research paper. This will then lead both to a qualification and a designation. The Research paper will be on a topic related to banking of the members' choosing and this will then be considered as a Board examination.

Both organisations are present this evening and we will be introducing the designation as of 2019. Members will be kept apprised of the developments, costs and registration process over the next few months. We hope that this will also set banking on a different trajectory and that the designation will indeed gain traction in the sector. It will be offered across the African continent to members in those countries who are members of IOBSA.

The registration of the new designation is currently being undertaken with SAQA.

Staffing

In conclusion I would like to comment on the staff of the Institute. Martie, Niekie and Juan have effectively been with the Institute since it was re-established and these are the people our members engage with daily. They are the engine of the IOBSA and their striving to give excellent and efficient service is noteworthy. The Institute depends heavily on their commitment and the huge institutional knowledge which they hold which is not to be underestimated. I would like to thank them for their continued dedication to the Institute and their desire to always see the IOBSA brand held high.

In conclusion I thank the Board for their ongoing support and direction. They have committed of their valuable time and expertise monthly over the past year to ensure the IOBSA positions itself strategically for longevity.

Tom Peters states: “If you don’t like change, you’re going to like irrelevance even less.”

The IOBSA has determined for the past 6 years that it will be and is an organisation with relevance for members and the sector.

It requires a team effort and all the different parties work interconnectedly to create a holistic view for the IOBSA going forward. The primary goal remains to create a viable, meaningful and vibrant members organisation which has the support of the sector and serves the promote the motto of Building Professional Capital for members of our financial services sector.