



E-Payments

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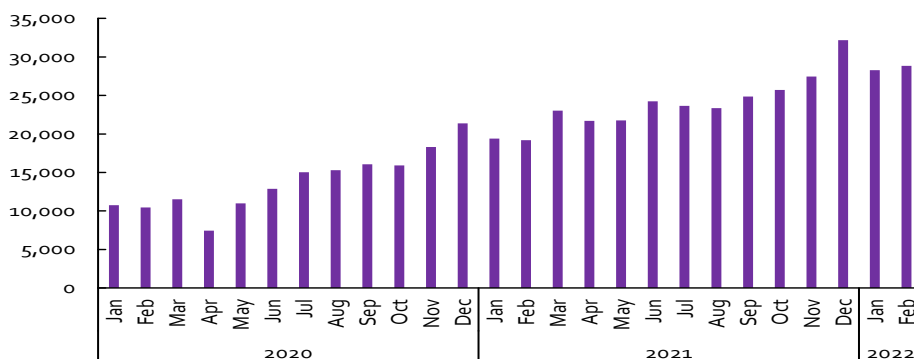
E-Payments: Still Nigeria's growth frontier

The latest data from the Nigeria Inter-Bank Settlement System (NIBSS) showed that the strong growth recorded across the various e-payment channels in 2021 continued into 2022. Specifically, NIBSS Instant Payment (NIP) transactions recorded a solid 46.2% y/y and 53.4% y/y increase in transaction value and volume to N53.8tn and 704.m, respectively, in the first two months of the year. For POS transactions, total transaction value and volume grew 19.9% y/y and 25.6% y/y, respectively, to N1.1tn and 179.0m in the same review period. The highest growth was recorded in the mobile transactions category where transaction value was more than twice as tall, beating that of 2021 by 168.8% y/y to N2.1tn. Likewise, transaction volume was up by 126.5 y/y to 68.5m in the first two months.

The pandemic which allowed for the blossoming of digital payments has paved the way for the continued growth in e-payments transaction volume and value in Nigeria, reflecting the enduring shift away from cash. This has also been driven by the increasing internet & mobile penetration and investment by banks and other payment-based fintech companies in payment technology infrastructure. Furthermore, the growth in POS transactions shows the increase in agency banking services. Likewise, the increase in mobile inter scheme transactions, also reflects more coverage in capturing the population. Also, we believe the newly launched e-Naira, though still at the nascent stage, if fully integrated into e-payment channels, will spur growth.

Notwithstanding the growth, the Nigerian e-payments industry is still poised for further growth as alternative payment channels evolve. We have seen the development of Nigeria Quick Response (NQR) code by the NIBSS, even with more players keying into facilitating contactless payments. The country's favourable demographics and regulatory support continue to inform our expectation of accelerated growth of the Fintech industry in Nigeria. This expectation has received much attention from investors, which has led to significant investments as existing players look to position for future growth.

Sum of E-payment transactions via POS, Mobile & NIP (Jan 2020 - Feb 2022)



Source: NIBSS, CSL Research

MARKET UPDATE

	1 year	31-Dec-21	1 day
NSE - Index*	38,930.68	42,716.44	46,777.37
Naira/ US\$	409.30	435.00	416.83
Brent, US\$/bbl	64.86	77.78	106.64
MPR %	11.50	11.50	11.50

Source: Nigerian Stock Exchange, Central Bank of Nigeria, Bloomberg. *Nigerian Stock Exchange All-Share Index

CONTACT INFORMATION

Head of Research: Gloria Fadipe

+234 (0)1 448 5436 ext.4516

gloria.fadipe@fcm.com

Banks: Gloria Fadipe

+234 (0)1 448 5436 ext.4516

gloria.fadipe@fcm.com

Industrial, FMCGs & Brewers: Oluwasesan Adeyeye

+234 (0)1 448 5436 ext.4512

oluwasesan.adeyeye@fcm.com

Research Team: csresearch@fcm.com

Retail Team: cslsru@fcm.com

Sales Team: cslrmt@fcm.com



Today's news headlines

SIM-NIN: Deactivated subscribers storm telecom outlets, queues mount: Some telecommunication subscribers were left stranded on Tuesday after telecom companies barred their lines from making calls following a directive from the Federal Government. The Federal Government had on Monday directed telecom companies to enforce compliance with its National Identification Number-Subscriber Identity Module policy by blocking outgoing calls on all unlinked lines after the deadline for the SIM-NIN verification expired on March 31. While giving the directive, the government revealed that 125 million SIMs had submitted their NINs for linkage. The Nigerian Communications Commission stated that there were 197.77 million active telecom subscribers as of February 2022. Source: [punchng.com](https://punchng.com/sim-nin-deactivated-subscribers-storm-telecom-outlets-queues-mount/)
<https://punchng.com/sim-nin-deactivated-subscribers-storm-telecom-outlets-queues-mount/>

Nigeria's imports rise by N12.11tn despite forex shortage: Between 2016 and 2021 Nigeria's import bill rose from N8.73tn to of N20.84tn, according to the Central Bank of Nigeria and the National Bureau of Statistics data. This implies that within the five-year period, imports into the country rose by N12.11tn or 129.10 per cent. The CBN data show that the nation's imports have been rapidly increasing since 1980. The CBN stated that Nigeria's import bill rose from \$16.65bn in 1980 to \$67.05bn in 2014, a development that has had negative impact on the country's exchange rate. According to a financial report released last month, Nigeria's rapidly growing appetite for imported goods, among other things, creates a large demand for the United States dollar while supply remains poor. Source: [punchng.com](https://punchng.com/nigerias-imports-rise-by-n12-11tn-despite-forex-shortage/)
<https://punchng.com/nigerias-imports-rise-by-n12-11tn-despite-forex-shortage/>

Senate Extends 2021 Budget Implementation to May 31: The Senate yesterday extended the implementation of the 2021 Appropriation Act from March 31st to May 31st, 2022. The extension was approved following the consideration of a bill to amend the 2021 Appropriation Act. Equally, the Senate Committee on Finance yesterday directed the Nigerian Upstream Petroleum Regulatory Commission, (NUPRC) to stop international oil companies evading taxes from lifting crude oil from Nigeria. On the other hand, the House of Representatives yesterday mandated its Committees on Petroleum Resources (Downstream), (Upstream) and Gas Resources to investigate the astronomical increase in the price of diesel and gas, with a view to ensuring that reasonable prices were fixed to alleviate the sufferings of Nigerians. Source: [thisdaylive.com](https://punchng.com/thefts-account-for-six-month-oil-production-reps-order-nuprc/)
<https://punchng.com/thefts-account-for-six-month-oil-production-reps-order-nuprc/>

Thefts: Account for six-month oil production, Reps order NUPRC: The House of Representatives Committee on Finance, on Tuesday, asked the Nigerian Upstream Petroleum Regulatory Commission to provide details of crude oil production for the fourth quarter of 2021 and the first quarter of 2022. The committee said the information would help the House to determine the revenue accrued to the Federation through the NUPRC within the period. The Chairman of the committee, James Faleke, made the request at the continued investigative hearing of the panel in Abuja on Tuesday. The NUPRC, in its written presentation to the committee, said out of total sum of N695.617bn revenue realised in the period under review, the sums of N616.182bn, N19.556bn, N39.085bn, N3.502bn, N6.693bn and N10.599bn were generated from oil royalty, gas royalty, gas flaring penalty, concession rentals, MISC oil revenue and signature bonus, respectively. Source: [punchng.com](https://punchng.com/thefts-account-for-six-month-oil-production-reps-order-nuprc/)
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Coverage universe	17	10	5	3	35
% distribution	49%	29%	14%	9%	
Investment banking clients	0	1	1	0	2
% distribution	0%	50%	50%	0%	

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Member of the Nigerian Stock Exchange	A trading name of CSL Capital (UK) Ltd
PO Box 9117	43-44 New Bond Street
Lagos State, NIGERIA	London
	W1s 2SA
	United Kingdom