

E-Payments

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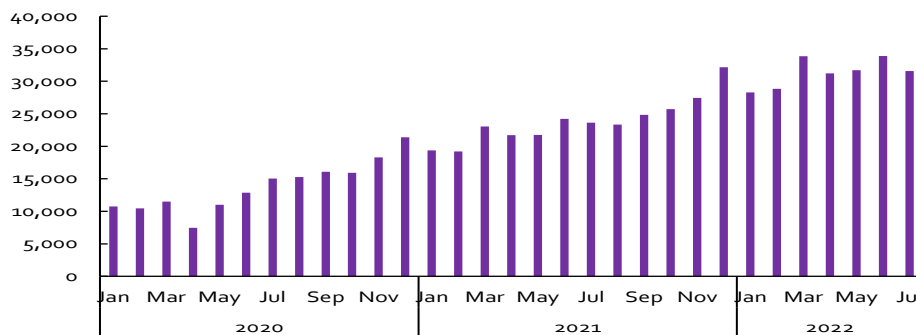
E-Payments: Sustained growth momentum

The latest data from the Nigeria Inter-Bank Settlement System (NIBSS) showed that the growth recorded across the various e-payment channels remained strong in the past seven months of 2022 (January-July). Specifically, NIBSS Instant Payment (NIP) transactions recorded a solid 40.9% y/y and 46.5% y/y increase in transaction value and volume to N205.5tn and 2.7bn, respectively, from January to July. For POS transactions, total transaction value and volume grew 29.3% y/y and 25.0% y/y, respectively, to N4.6tn and 679.8m 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 the equivalent period in 2021 by 159.0% y/y to N9.3tn. Likewise, transaction volume was up by 122.4 y/y to 300.6m in same period.

The pandemic which accelerated the adoption 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. The growth in e-payments 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. Also, we believe the newly launched e-Naira, though still at the nascent stage, if fully integrated into the e-payment channels, will not be elusive of significant growth.

Notwithstanding the growth, the Nigerian e-payments industry is still scratching the surface of its potential and poised for further growth as alternative payment channels evolve. We have seen the development of Nigeria Quick Response (NQR) code by the NIBSS and, more players are 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 - Jul 2022)



Source: NIBSS, CSL Research

MARKET UPDATE

	1 year	31-Dec-21	1 day
NSE - Index*	39,450.00	42,716.44	49,661.87
Naira / US\$	412.00	435.00	430.67
Brent, US\$/bbl	72.25	77.78	99.34
MPR %	11.50	11.50	14.00

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

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Today's news headlines:

DisCos' debt to GenCos hits N2tn – Group: Power generation companies have blamed low power generation for the inability of the utility firms, also known as the DisCos, to pay up the N2tn debt owed them. This was revealed by the Executive Secretary, Association of Power Generation Companies, Dr Joy Ogaji, at the Association of Energy Correspondents of Nigeria annual conference held in Lagos on Thursday. While speaking during the 'Power Sector Dilemma: Issues, Challenges, Opportunities And Strategic Key Solutions', she argued that the GenCos were not owed N500bn as being reported but N2tn. "GenCos are not owed N500bn as accepted by NBET. We are owed N2 trillion, while we owe suppliers N1tn," she said. She further explained that the GenCos had not been able to make power available due to the huge debts being owed them by the Nigerian Bulk Electricity Trading Plc. Source: punchng.com

<https://punchng.com/discos-debt-to-gencos-hits-n2tn-group/>

NUPRC: Nigeria Must Declare Emergency on Oil Theft, Underproduction, Others: Worried by the alarming oil theft, underproduction, high production cost, among others, the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has stressed the need for the declaration of emergency on the nation's oil and industry. The Chief Executive Officer of NUPRC, Mr. Gbenga Komolafe made the call yesterday in Lagos while delivering his keynote address at the 2022 annual international conference of the Nigerian Association of Energy Correspondents (NAEC). Similarly, the Group Chief Executive Officer of the Nigerian National Petroleum Company Limited (NNPCL), Mallam Mele Kyari, also at the event, stated that the resolution of security challenges in the nation's oil sector would bring back investments into the industry. The theme of the event chaired by the Managing Director of Falcon Corporation, Mrs. Audrey Joe-Ezigbo, was "Energy Transition: Shaping the Future of Nigeria's Energy Industry, an Appraisal of PIA, Evolving Benefits and Challenges." Source: [thisdaylive.com](https://www.thisdaylive.com)

<https://www.thisdaylive.com/index.php/2022/08/26/nuprc-nigeria-must-declare-emergency-on-oil-theft-underproduction-others/>

Debts incurred under Buhari justifiable – Fashola: The Minister of Works and Housing, Babatunde Fashola, has said that the Buhari administration has justified all its debts by constructing various infrastructures across the nation. Fashola stated this at the closing ceremony of the 28th National Council of Works meeting held in Kano on Thursday. He said the ongoing projects across the country had justified the debts, especially when compared with what the previous administrations had done. "Our first budget in 2016 was over N250bn, up from the N18 billion we met in 2015. That was an increase of over a thousand percent, even though the price of crude oil was dropping, we did not raise taxes." The Minister explained that the Federal Government had been able to deliver more than 1,800 kilometers of roads across the six geo-political zones so far. Source: punchng.com

<https://punchng.com/debts-incurred-under-buhari-justifiable-fashola/>

Battle against Hike in Telecom Service Delivery: Yesterday, former President Olusegun Obasanjo met with Peter Obi, the presidential candidate of Labour Party, and Nyesom Wike in London. The meeting, which added another piece to the puzzle of who the Rivers State governor will support during the next presidential election, was attended by Wike's allies: Governor Seyi Makinde of Oyo State; Samuel Ortom of Benue State; Okezie Ikpeazu of Abia State; and Donald Duke, former governor of Cross River State, among others. Recent developments in the Nigerian political space involving Wike have left many observers and watchers wondering what the first runner-up in the Peoples Democratic Party's (PDP) presidential election is up to ahead of the 2023 general election.. Source: businessday.ng

<https://businessday.ng/analysis/article/what-does-wike-want/>

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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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