



EFInA Quarterly Review
(July 2017 to September 2017)

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1 Global Economy

1.1 Growth

In 2017 the global economy started strong with real GDP growth gaining momentum and rising to 3.6 per cent in Q1 2017. The global real GDP growth forecast is still maintained at 3.5 per cent for 2017-2018. Despite standing above the annual 3.2 per cent growth in 2016, the forecast is still considerably below the pre-crisis growth levels. For advanced and emerging economies, economic activity is forecast to accelerate, reaching 2.0 per cent and 4.7 per cent growth, respectively, in 2017. Emerging markets, however, will remain a principal driver of the global economic growth, accounting for as much as 74 per cent of the world's real GDP expansion, and this share is predicted to surge further up to 79 per cent by 2020. However, some of the most urgent global risks presently are stemming from the unexpected US policies, rising geopolitical tensions, uncertain outcome of Brexit negotiations, or the possibility of a sharper than estimated China growth slowdown. These changes could complicate the macroeconomic situation in major economies with negative spillovers to other countries and result in damage to their private confidence, investments and overall economic growth.

At the conclusion of the Group of 20 (G20) Summit in Germany, Ms. Christine Lagarde, Managing Director of the International Monetary Fund (IMF), emphasized five key priorities, countries need to focus on in the bid to ensure that global economic recovery continues. They are:

- **Step up trade reforms.** An essential part of this effort must be to reduce barriers, subsidies, and other measures that distort trade. The global trading system can be strengthened by the reaffirmation of commitment to well-enforced rules that promote competition while creating a level playing field.
- **Increase productive infrastructure investment.** This would boost employment and growth in the short-term and productivity over the medium-term.
- **Promote financial inclusion.** Increased access to finance, especially for women, is critical to support sustainable growth and will create millions of more jobs.
- **Invest in human capital.** To better equip populations to deal with the challenges of technological and structural economic shifts. This is especially important in the context of increased automation and the use of artificial intelligence.
- **Accelerate labour market reforms.** This includes expanding people's access to the labour market, improving flexibility and reducing informality. A crucial dimension is to close the gender gap in terms of female labour force participation; which is good for increasing growth, reducing inequality, and diversifying economies.

1.2 Employment

The International Labour Organization (ILO) has established a high level Global Commission on the Future of Work. The global body is expected to undertake an in-depth examination of the Future of Work that can provide the analytical basis for the delivery of social justice in the 21st century. The Commission will focus in particular on the relationship between work and society, the challenge of creating decent jobs for all, the organisation of work and production and the governance of work. Speaking at the launch, ILO Director General Guy Ryder said that these were key issues of our time which increasingly occupy political life and define hopes, and sometimes fears, of families across the world.

A new global partnership called the Equal Pay International Coalition (EPIC) will actively challenge one of the most persistent barriers to women’s success at work and to economic growth which is unequal pay. With the launch of EPIC, the International Labour Organization (ILO), UN Women and the Organization of Economic Cooperation and Development (OECD) bring together a diverse set of actors at the global, regional and national levels to support governments, employers and workers and their organisations, and other stakeholders, to make equal pay between women and men for work of equal value a reality. The Director General of the ILO, Guy Ryder said that one of the most visible, tangible and pervasive manifestations of discrimination is that women across the globe are still being paid less than men for work of equal value.

1.3 Financial Inclusion

World Bank

The World Bank Group has launched the Financial Inclusion Global Initiative; a new global program to advance research in digital finance and accelerate digital financial inclusion in developing countries. Supporting the Initiative is the International Telecommunication Union (ITU), the Committee on Payments and Market Infrastructures (CPMI) and the Bill & Melinda Gates Foundation. The three year program focuses on three different “model” developing countries; China, Egypt and Mexico and consists of two complementary operational and knowledge work streams.

The operational work stream supports each country’s national authority – countries in which digital financial inclusion can significantly improve access to financial services for a large number of people without access to financial services. On the other hand, the knowledge work stream is designed to advance research and develop policy recommendations in three key areas of digital finance: security of information and communication technology (ICT) infrastructure and trust in digital financial services; digital IDs for financial services; acceptance & use of e-payments by micro and small-scale merchants and their customers

Consultative Group to Assist the Poor

The Consultative Group to Assist the Poor (CGAP) has launched the Customer-Centric Guide, a web-based collection of toolkits and experiments to help financial service providers deliver products and services that better meet the needs of low-income customers. The CGAP Customer-Centric Guide is designed to help bridge this gap between financial access and usage. Lead Financial Sector Specialist at CGAP, Gerhard Coetzee said that in a world where low-income customers make little use of financial services, providing value is the missing part of the puzzle. The CGAP Customer-Centric Guide provides a wealth of knowledge; practical resources and real-life case studies on ways businesses can improve the customer experience, better serve low-income customers, and at the same time improve their business performance. Its four main sections are:

- Why Go Customer-Centric: Put customers at the center and move your organization toward long-term competitive advantage
- Learn from Customers: Learn how to understand your customers’ behaviors, needs and wants and generate the insights you need to start delivering the right solutions

- Design Solutions: Build products and services with customers in mind. Once you draw insights from your customers, you can design for better adoption and use
- Organize for Delivery: When customer insights drive strategy, products, and experiences, your organization can be fully customer-centric.

1.4 Women Empowerment

On the occasion of the G20 leaders' summit, the World Bank Group announced the creation of an innovative new facility that aims to enable more than \$1 billion to advance women's entrepreneurship and help women in developing countries gain increased access to the finance, markets, and networks necessary to start and grow a business. The United States initiated the idea for the facility and will serve as a founding member along with other donor countries.

1.5 Poverty

IFC, a member of the World Bank Group, has mobilised \$1 billion in credit capacity from private sector insurance companies for a pioneering emerging market lending platform that will help fight poverty. IFC's Managed Co-Lending Portfolio Program (MCP) is an innovative syndication platform that allows institutional partners to participate in the loan portfolio. A first of its kind approach, MCP Financial Institutions will tap \$500 million apiece in unfunded credit insurance from Munich Re and Liberty Specialty Markets, part of Liberty Mutual Insurance. This will enable IFC to provide at least \$2 billion in loans to commercial banks, offering additional capacity for on-lending to small and medium enterprises, women-owned businesses, and climate change strategies.

1.6 Smart Phone Connections

According to a new research by the intelligence unit of GSMA, countries such as Nigeria, India, China, Indonesia and Pakistan will account for 40 per cent of the projected 1.6 billion new smartphone connections by 2020. In its latest report "Global Mobile Trends 2017", the firm noted that smartphones account for over half of total connections globally, as two-thirds of the global populations are now mobile subscribers. GSMA Intelligence projects that an additional 620 million subscribers will be added by 2020. The emerging markets will be responsible for 40 per cent of the increase. Lower cost smartphones from local manufacturers such as Huawei, Oppo, One Plus and Xiaomi in China are seen to be addressing the affordability problems in these markets. The researchers at GSMA projects that nearly one billion people will connect their mobile phones to access the internet by 2020. The report acknowledges that despite near saturation of smartphone adoption and data usage in many advanced markets, half of the world still lack access or are not on the internet at all. The developing countries accounts for majority of the estimated 3.7 billion people that are not using the internet. According to the report, India and Sub-Saharan Africa share the bulk of 42 per cent of the world's unconnected.

2 African Economies

2.1 Growth

According to the World Economic Outlook (WEO) Update for July 2017, in Sub-Saharan Africa, the outlook remains challenging. Growth is projected to rise in 2017 and 2018, but will barely return to positive territory in per capita terms this year for the region as a whole and would remain negative for about a third of the countries in the region. The slight upward revision to 2017 growth relative to the April 2017 WEO forecast reflects a modest upgrading of growth prospects for South Africa, which is experiencing a bumper crop due to better rainfall and an increase in mining output prompted by a moderate rebound in commodity prices. However, the outlook for South Africa remains difficult, with elevated political uncertainty and weak consumer and business confidence, and the country's growth forecast was consequently marked down for 2018. However, policy choices will be crucial in shaping the outlook and reducing risks.

2.2 Employment

Youth unemployment rates remain relatively low in sub-Saharan Africa, as the vast majority of employable active youth cannot afford not to work. Yet within the next 15 years, some 375 million young people will become of working age in the region, equivalent to the current population of Canada and the United States combined. By the year 2050, sub-Saharan African youth age 15 to 24, will account for 30 per cent of all youth around the globe. According to Bruno Losch, Co-Director of the Center for the Study of Governance Innovation, at the University of Western Cape, South Africa, and lead political economist at Cirad (Centre de Coopération Internationale en Recherche Agronomique pour le Développement), a major obstacle affecting the rapidly expanding young workforce is that 80 to 90 per cent of the labor force in sub-Saharan Africa are still engaged in informal activities; a result of structural challenges including limited economic transformation in most countries in the region. The major part of the work force is in agriculture, which accounts for around 60 per cent of the total economically active population, and in household enterprises.

North Africa

The International Labour Organization (ILO) has warned that countries need to adopt a more concerted global response to tackle the youth employment crisis in North Africa as the youth unemployment rate is at 28.8 per cent, twice the global average. ILO Deputy Director General for Policy, Deborah Greenfield said that In order to fill the youth employment gap in the North African region, social partners, governments, workers' and employers' need to work together with development partners, to renew their commitment and action on youth employment. A strong policy response is needed to reverse these trends. "Comprehensive and coordinated policy responses, implementation and action based on evidence, social dialogue and global partnerships, should lead a more proactive international action to respond to high levels of youth unemployment and underemployment, increasing informality, and slow productivity growth", Greenfield said.

2.3 Agricultural Finance

African Development Bank

Dr. Akinwumi Adesina, the President of the African Development Bank (AFDB) said that the bank will invest \$24 billion in agriculture in Africa over the next 10 years. Adesina made the disclosure at the 50th-anniversary celebration of the International Institute of Tropical Agriculture (IITA). The AFDB president said the Bank was committed to turning agriculture into a business across Africa and to ensure that the continent fed itself within the next 10 years.

2.4 Policy and Institutional Performance

According to the latest annual World Bank Country Policy and Institutional Assessment (CPIA) Africa analysis, the quality of policies and institutions weakened in Sub-Saharan Africa in 2016 amid challenging economic conditions. This weaker trend was observed in 40 per cent of the region's International Development Association (IDA) countries, notably commodity exporters and fragile states. This analysis scores the progress Sub-Saharan African countries are making on strengthening the quality of their policies and institutions. Since 1980, CPIA ratings have been used to determine the allocation of zero-interest financing and grants for countries that are eligible for support from the IDA, the concessional financing arm of the World Bank Group.

2.5 Point of Sales (PoS) Transactions

Statistics from ZimSwitch revealed an increase in the value of transactions through the point of sale (PoS) terminals beyond \$1 billion from January 2017 to April 2017. According to the figures, there has been an exponential increase in the value of PoS transactions since the beginning of 2017, with the month of January recording \$241 million, February \$232 million, March \$289 million and April \$329 million. Number of PoS transactions for the period under review totalled 31.9 million while Automated Teller Machines transactions for the period stood at 8,000. Statistics show that the value of ATM transactions for the period was \$336 556, as there was limited movement due to the prevailing cash challenges.

2.6 Private Sector Investment

African Export-Import Bank

The African Export-Import Bank (Afreximbank) said its \$300 million offer in depositary receipts to private investors is expected to boost capital for lending to industries on the continent. The depositary receipts offer investors the same rights as normal shareholders, but issuing them does not come with the same regulatory requirements as issuance of normal shares. According to Reuters bank's Executive Vice President for Governance and Legal, George Elombi, the fresh capital would help Afreximbank to secure further funds through borrowing to lend to investors who wish to process African commodities.

3 Nigerian Economy

3.1 GDP

In the Second Quarter of 2017, Nigeria's Gross Domestic Product (GDP) grew by 0.55 per cent (year-on-year) in real terms, indicating the emergence of the economy from recession after five consecutive quarters of contraction since Q1 2016. This growth is 2.04 per cent higher than the rate recorded in the corresponding quarter of 2016 (-1.49 per cent) and higher by 1.46 per cent points from rate recorded in the preceding quarter, (-0.91 per cent). Real GDP increased by 3.23 per cent quarter on quarter. During the quarter, aggregate GDP stood at N27 trillion (in nominal terms) at basic prices compared to N23.5 trillion in Q2 2016, resulting in a Nominal GDP growth of 14.6 per cent.

The International Monetary Fund (IMF) has projected that Nigeria's economy will grow at a faster pace than South Africa's in 2018. According to its World Economic Outlook (WEO) for July 2017, the IMF said Nigeria will grow at 1.9 per cent in 2018, while South Africa will only climb by 1.2 per cent. In 2016, the Nigerian economy contracted by 1.6 per cent, while South Africa expanded by 0.3 per cent. Projections for 2017 put South Africa's growth at one per cent, while Nigeria is expected to muster just 0.8 percent. The Bretton Woods institution, which held global growth projections at 3.5 per cent in 2017 and 3.6 per cent in 2018, said growth was marked down in South Africa due to elevated political uncertainty.

3.2 Inflation

The National Bureau of Statistics reported that in August 2017, the Consumer Price Index (CPI) which measures inflation, decreased by 16.02 per cent (year-on-year), 0.04 percentage points lower than the rate recorded in July 2017 (16.05 per cent) making it the seventh consecutive decline in the rate of headline year on year inflation since January 2017.

3.3 Interest Rates

In September 2017, the Monetary Policy Committee (MPC) voted to retain interest rates at 14.00 per cent. The Committee also voted to retain the Cash Reserve Ratio (CRR) at 22.50 per cent, the Liquidity Ratio (LR) at 30.00 per cent and the Asymmetric Window at +200 and -500 basis points around the MPR.

3.4 Debt

Nigeria's public debt stock as at June 30, 2017 was N19.64 trillion and \$64.19 billion, compared to N16.29 trillion and \$61.44 billion as of June 30, 2016

3.5 Foreign Reserves

Nigeria's foreign exchange reserves increased to \$32.16 billion on September 22, 2017 from \$30.23 billion on June 30, 2017.

3.6 Employment

In Q4 2016, the working age population increased from 108.03 million in Q3 2016 to 108.59 million. The labour force population increased to 81.15 million from 80.67 million in Q3 2016, representing an increase of 0.6 per cent in the labour force. The number of underemployed in the labour force increased by 1.1 million resulting in an increase in the underemployment rate from 15.9 million persons in Q3 2016 to 17.03 million persons in Q4 2016. Furthermore, the number of unemployed in the labour force, increased by 0.4 million persons, resulting in an increase in the national unemployment rate to 14.2 per cent in Q4 2016, slightly up from 13.9 per cent in Q3 2016.

Labour productivity increased to N783.51 in Q4 2016 from N713.77 in Q3 2017 and N636.30 in Q2 2017 N605.27 in Q1 2017. Thus, for the period under review, labour productivity increased by 9.8 per cent on quarterly basis and 10.8 per cent year on year. The estimated total number of hours worked increased by 0.48 per cent between Q3 2016 and Q4, 2016, and increased by 1.9 per cent between Q4 2015 and Q4 2016.

3.7 Mobile Broadband Subscriptions

According to a report from Ericsson, there will be about 300 per cent increase in mobile broadband subscriptions in the Middle East and Africa by the end of 2022. The President, Middle East and Africa, Ericsson, Rafiah Ibrahim, linked the rise in mobile broadband subscriptions across the two continents to the growth of Artificial Intelligence. He said, "Mobile broadband subscriptions in the Middle East and Africa are expected to grow by almost three times between 2016 and 2022.

3.8 Electronic Payment Transactions

According to a report by the National Bureau of Statistics, a total volume of 327,366,042 electronic payment channels transactions valued at N19.78 trillion was recorded in Q2 2017 as against a total volume of 304,307,931 transactions valued at N22.01 trillion recorded in Q1 2017. ATM transactions dominated the volume of transactions recorded as there were 187,805,431 ATM transactions while NIP had the highest value of transaction valued at N13.36 trillion.

3.9 E-Commerce

According to a research by the Economist Intelligence Unit (EIU), Nigeria is in a favourable position to take advantage of the Africa region's e-commerce potential projected to reach \$50 – \$75 billion within the next 5-10 years. Using a metric of per 100 people, Nigeria scored 80.4 out of 100 to lead the entire continent as the country with the greatest potential opportunity within the wider African e-commerce market. Leading the change for Nigeria, are the three main online retailers such as Jumia, Konga and Jiji which serve a mass-market clientele.

3.10 Human Capital Index

The World Economic Forum (WEF) has ranked Nigeria 114th out of 130 economies in the overall ranking of its Global Human Capital Index for 2017. The WEF disclosed this in its Global Human Capital Report 2017. Also, Nigeria was placed in the bottom 10 in two of the WEF's pillars – development (122) and

Know-how (124). According to the report, Nigeria which recently climbed out of recession still has plenty of work ahead to do in order to build a more resilient, future-proof workforce.

The Global Human Capital Index 2017 ranks 130 countries on how well they are developing their human capital on a scale from zero (worst) to 100 (best) across four thematic dimensions; capacity, deployment, development and know-how and five distinct age groups or generations: 0–14 years; 15–24 years; 25–54 years; 55–64 years; and 65 years and over; to capture the full human capital potential profile of a country. It can be used as a tool to assess progress within countries and points to opportunities for cross-country learning and exchange. In addition, the report stated that with an overall average score of 52.97, sub-Saharan Africa was the lowest-ranked region in the index.

The report also ranked Rwanda (71), Ghana (72), Cameroon (73) and Mauritius (74), stating that the respective countries developed more than 60 per cent of their human capital. The top 4 in the ranking were Norway (1), Finland (2), Switzerland (3), United States (4). Globally, the report found that countries' failure to adequately develop people's talents was underpinning inequality by depriving people of opportunity and access to a broad base of good quality work. It further noted that investments in education often fail due to inadequate focus on lifelong learning, failure to develop high-skilled opportunities and a mismatch of skills required for entering and succeeding in the labour market. Precisely, it showed that 62 per cent of human capital has now been developed globally, while only 25 nations have tapped 70 per cent of their people's human capital or more. With the majority of countries leveraging between 50 per cent and 70 per cent of their human capital, 14 countries remain below 50 per cent, it stated.

3.11 Identification

The National Identity Management Commission (NIMC) says it has registered no fewer than 21.4 million Nigerians into the National Identity Database and issued them the National Identification Number (NIN). Mr Aliyu Aziz, the Managing Director of the commission said that the new enrolment figure was as at September 6, 2017. According to him, the commission has also set up more enrolment centres across the 36 states of the federation and the FCT, bringing the number of such centres to about 805. He said that with the deployment of additional enrolment centres, NIMC was currently active in 556 local government areas. Aziz said that the commission was also working to activate the dormant centres in the remaining 218 councils to expand the enrolment coverage. He said that this was in line with his goal to register 28 million Nigerians into the database by the end of December, 2017.

4 Financial Sector

4.1 Capital Markets

The Nigerian Stock Exchange (NSE) All-Share Index increased by 2322.58 points in Q3 2017 to 35,439.98 as at September 29, 2017 as against 33,117.4 as at June 30, 2017. The market capitalisation was N12.22 trillion as at September 29, 2017.

The Securities and Exchange Commission (SEC) has unfolded plans to complete the installation of a technology infrastructure portal that would enable it capture investors' data forms for

dematerialisation, e-dividend, and Direct Cash Settlement (DCS) in one centralised data base by January 2018. The Director, Market Development of SEC, Henry Adegunle Rowland during the Investors' Clinic held at the Nigerian Stock Exchange (NSE), said the mechanism is part of the Commission's effort to boost market development, and restore confidence in retail investors. With the infrastructure, the pains investors go through while completing various data forms in the nation's capital market would be eliminated. Furthermore, he noted that the initiative would enhance turnaround time for investors' completion of data form, thereby attracting more retail investment into the market. He added that once the data of an investor is captured in the centralised database, which would be held by the central depository, all qualified stakeholders handling such investment would have direct access to the investors' data form.

4.2 Financial Inclusion

Ahead of the planned infusion of financial education into the curricula of basic and senior secondary schools in Nigeria, the Nigerian Educational Research and Development Council (NERDC) and the Central Bank of Nigeria (CBN) have jointly organised a workshop for the development of a teachers' guide for the programme. As part of the measures to key into financial inclusion, the NERDC was given the mandate to infuse financial education into the curricula of basic and senior secondary schools in Nigeria from the next academic session. This was done in collaboration of the CBN and other financial institutions in the country.

4.3 Banking Industry

4.3.1 Central Bank of Nigeria

Fraud and Unethical Practices

As part of efforts towards ensuring financial stability, the Central Bank of Nigeria (CBN), in collaboration with the Bankers Committee, has put in place a Framework on Watch-list for the Nigerian Financial system. The move is to address the increasing incidence of frauds and other unethical practices with a view to engendering public confidence in the financial system. The Central Bank stated this in its exposure draft "Regulatory Framework for BVN Operations and Watch-list for Nigerian Financial System," posted on its website. The Watch-list is a database of bank customers identified by their Bank Verification Numbers (BVNs), who have been involved in confirmed fraudulent activities.

Ponzi Schemes

The CBN has warned Nigerians to desist from unwholesome financial engagements in Ponzi schemes. It also revealed that investors in such schemes lost the sum N11.9 billion as at December 2016. The Acting Director, Corporate Communications Department of the CBN, Mr. Isaac Okorafor, said this during a 2-day Bank-Wide sensitisation campaign on CBN initiatives and programmes. According to the CBN spokesman, since 2015, the Bank had been adequately educating Nigerians on its banks activities in order to create awareness.

Financial Reporting Standard

The CBN has asked commercial banks to implement the International Financial Reporting Standard 9 on or before the January 1, 2018 deadline. The Director, Banking Supervision, CBN, Ahmad Abdullahi, stated this at a breakfast roundtable organised by the Risk Managers Association of Nigeria, in collaboration with Olisa Agbakoba Legal Limited in Lagos. Abdullahi said that all Deposit Money Banks were expected to commence parallel run of a new loan impairment system from July 1, 2017 in order to ensure a seamless transition to IFRS 9 by January 1, 2018.

Crypto Currency Initiative

Following cautious considerations, the CBN has commenced arrangements to introduce a digital currency in a move to key into the global adoption of Crypto currency initiative. The Deputy Director/Head, Payments System Policy and Oversight, CBN, Musa Jimoh, disclosed this at the Crypto currency conference recently held in Lagos. Crypto currency is a digital currency in which encryption techniques are used to regulate the generation of units of currency, and verify the transfer of funds, operating independently of a central bank. Jimoh said that the Apex bank cannot stop the tide of waves generated by the blockchain technology and its derivatives. Before now, the CBN had been wary of adopting digital currency until it had concluded assessment on its transaction methodology, especially as it has been said that decentralised crypto currencies such as bitcoin now provide an outlet for personal wealth that is beyond restriction and confiscation.

Bank Verification Number (BVN)

The CBN has issued a letter to other financial institutions (OFIs) extending the deadline of the Bank Verification Number (BVN) enrollment for OFIs customers to December 31, 2017 from July 31, 2017. Furthermore, from January 1, 2018, all customers without BVN linked to their account will no longer be allowed to withdraw from their accounts.

Collateral Registry

The CBN Governor, Mr. Godwin Emefiele has revealed that movable assets valued at N392 billion have been registered on the National Collateral Register (NCR) as at August 24, 2017. According to him, 136 financial institutions, 22 commercial banks, 106 microfinance banks, one non-bank financial institution, three merchant banks, three development finance institutions and one non-interest bank have registered 16,236 financing statements for 20,684 movable assets on the NCR as at August 24, 2017.

The NCR is expected to unlock access to credit, which has always been a major concern to Nigerian MSMEs, The registry allows financial institutions, bank and non-bank, to register their priority interest in movable assets as collateral for loans. It is an on-line, real time notice based registry that allows borrowers to prove their creditworthiness and potential lenders to assess their ranking priority in potential claims against particular collaterals. Furthermore, the CBN Governor anticipated that it would boost production and create employment, adding that increased access to credit would increase productive capacity and generate employment. "The Registry will cut down the cost of verifying borrowers by 35 per cent and therefore reduce the cost of credit and non-performing loans," he added.

4.4 Deposit Money Banks

According to the CBN's money and credit statistics for July 2017, the banking sector credit to the private sector increased year-on-year to N22.17 trillion at the end of July 2017, compared with N21.98 trillion as at June 2017. Also, broad money (M2), which generally is made up of demand deposits at commercial banks and monies held in easily accessible accounts climbed year-on-year to N22.20 trillion as at July, from N21.67 trillion at the end of June 2017. Similarly, narrow money (M1), which includes all physical monies such as coins and currency along with demand deposits and other assets held by the Central Bank edged higher year-on-year to N10.33 trillion in the review month, as against the N9.88 trillion recorded in the previous month. However, the currency-in-circulation dropped to N1.77 trillion at the end of July, compared with the N1.87 trillion as at June 2017.

Diamond Bank

Diamond Bank Plc. in collaboration with MTN and three other financial services provider: JazzCash, Bima and Women World Banking (WWB) have converged to brainstorm on how to attract more women to digital finance banking in Nigeria and boost financial inclusion through products development. With support from Women's World Banking and other partners, the partnership seeks to make digital financial services work for low-income women. The synergy would also help develop a global model for expanding women's access and usage of digital financial services through simplified steps in account opening and banking transactions, using digital banking.

Ecobank

Ecobank Transnational Incorporated Plc. has unveiled Xpress Cash service to address the needs of the unbanked and the general populace. Xpress Cash allows customers to withdraw cash from any Ecobank ATM using e-Tokens generated from the Ecobank mobile app. The e-token generated can also be redeemed at agent locations within any of Ecobank's 33 territories across middle Africa. Additionally, customers can send e-tokens to third parties via SMS, email or social media. The Bank's Chief Executive Officer, Ade Ayeyemi, said that Xpress Cash is a fast, convenient and innovative mobile banking solution.

Keystone Bank

Keystone Bank Limited officially launched a new mobile banking solution to make banking simpler and interesting for its customers. The bank's *553# Unstructured Supplementary Service Data (USSD) banking solution would enable its customers to perform financial transactions on all known mobile phones (Feature, Smartlite or Smart), without having to go on the net or download a mobile app. Speaking at the launch of the product in Lagos, the acting Managing Director, Keystone Bank, Mr. Hafiz Bakare, said some of the bank's products have been revised to align with market trends and our continued passion for service excellence. The bank CEO explained that the new banking solution was introduced considering the over 100 million non-internet users as well as the need to promote financial inclusion.

Skye Bank

Skye bank Plc. has expanded its digital financial offerings by launching SkyeXperience, a unique banking solution. Speaking about the solution, the Bank's Group Managing Director/CEO, Adetokunbo Abiru, said the overriding objective of launching SkyeXperience is to simplify service delivery and personalise the customer experience. The unique features of the SkyeXperience digital solution include its overriding benefit of providing for the customer an Omni-channel experience and seamless navigation on multiple platforms. The solution is also self-service; enabling the customer to do several transactions on the go and to manage time better. "For our worthy individual customers, who need to pay school fees from their home or office to our SME customers and retail entrepreneurs who need to make instant payments to suppliers and vendors in distant cities, this solution is for you," Abiru added.

Union Bank

Union Bank of Nigeria has unveiled a plethora of digital banking solutions. The bank explained in a statement that the solutions include a new version of its mobile banking app UnionMobile, and *826#, a unique USSD code which will allow customers perform banking transactions through short code messaging on their mobile phones. The bank also revealed that it has upgraded the online banking platform, UnionOnline, with aesthetic improvements, new features and targeted offers for its customer segments.

Branch Network

The National Bureau of Statistics has revealed that Nigerian banks have put a hold on branch network expansion in the last five years. The NBS data shows that banks added 110 new branches between 2011 and 2012 to increase total bank branch network across the country to 5,564 in 2012 from 5,454 in 2011. In 2013, banks added 75 branches to bring total branch network across the country to 5,639 and this was the highest number of bank branches in the last five years. However, since 2013, the number of bank branches has been on steady decline, to 5,470 in 2015 despite the fact that the number of licensed commercial banks in the country have increased from 21 in 2012 to 25 in 2015.

Fraud

According to the Nigeria Deposit Insurance Corporation, the banking industry recorded a decline of 48.12 per cent in the rate of successful fraud incidences, forgery and theft in 2016 compared to 2015. The Managing Director/Chief Executive of NDIC, Alhaji Umaru Ibrahim, disclosed this while delivering a lecture at the general meeting. Ibrahim, who was represented by a Deputy Director in Research, Policy and International Relations Department, Mr. Hashim Ahmad, said the reported cases of fraud, forgery and outright theft involving bank staff dropped from N18.02 billion in 2015 to N8.68 billion in 2016. He said the actual losses to the nation's banking industry dropped by 24.29 per cent from N3.17 billion in 2015 to N2.40 billion in 2016.

4.4.1 Non-Interest Banking

According to the Debt Management Office (DMO), the Federal Government has begun the sale of a N100 billion (\$326m) debut sovereign sukuk on the local market to fund road infrastructure. The seven

year Islamic bond, which is structured as a lease, will yield a 16.47 per cent rental rate, payable semiannually. Subscription for the bond is guaranteed by the Federal Government. The sukuk issue is targeted at retail and institutional investors, with First Bank of Nigeria Limited and an Islamic wealth manager-Lotus Capital-managing the sale. The DMO said the bond would be tradable on the Nigerian Stock Exchange and on the FMDQ over-the-counter platform. The Islamic bond sale is part of plans to develop alternative funding sources for the government and to establish a benchmark curve for corporates to follow.

Central Bank

In a bid to aid liquidity management and deepen the financial system, the Central Bank of Nigeria (CBN) has introduced two new financial instruments known as Funding for Liquidity Facility (FfLF) and Intra-day Facility (IDF), at its window, for access by non-interest financial institutions (NIFIs) under its regulation. The Central Bank stated this in a circular signed by its Director, Financial Markets Department, Dr. Alvan Ikoku. The bank listed some of the features of the FfLF to include that it would provide liquidity facility on overnight basis only and is to be terminated on the next business day. Some other features include: "Authorised non-interest financial institutions to provide eligible securities to the CBN as collateral for the facility.

4.4.2 Agricultural Finance

According to the National Bureau of Statistics (NBS), Nigeria's money deposit bank credit to farmers in the country has risen to N501 billion in Q2 2017 from N481 billion Q2 2016, showing a 5 per cent increase year-on-year. On a quarter on quarter basis, loan from the banking sector to farmers decreased by 10 per cent from N557 billion in Q1 2017 to N501 billion in Q2 2017.

Central Bank of Nigeria

In order to enhance the effectiveness of the Commercial Agriculture Credit Scheme (CACS) as well as mitigate the risk faced by participating financial institutions in financing the agriculture sector, the Central Bank of Nigeria (CBN) has reviewed the guidelines for the scheme. According to a circular signed by the Director, Financial Policy and Regulation Department, Kevin Amugo, the review affected section 16 and 17 of the guidelines and introduced significant changes, including a requirement that henceforth, the Nigeria Agriculture Insurance Corporation (NAIC) should provide insurance cover for all agricultural facilities/projects under the CACS in line with the NAIC Act.

Nigeria Incentive Based Risk Sharing for Agricultural Lending (NIRSAL)

The Nigeria Incentive Based Risk Sharing for Agricultural Lending (NIRSAL) and the Katsina State government have launched a landmark agricultural mechanisation financing programme in which NIRSAL is to provide 75 per cent bank guarantee for N1.6 billion to enable the state purchase 225 tractors for lease to farmers. The partnership, which is in continuation of NIRSAL's mandate to boost agricultural production, stimulate inclusive growth and job creation in the sector will enable Access Bank provide the funds for the purchase of 225 tractors for lease to farmers at affordable rates.

NIRSAL an agency wholly-owned by the Central Bank of Nigeria, has commenced moves to boost rice production with the provision of N1.83 billion to 24,732 rice farmers in Kebbi State. The move, according to the Managing Director of NIRSAL, Aliyu Abdulhameed, is in line with the focus of the agency in supporting the government's efforts to achieve self-sufficiency in rice production as well as ending the importation of the product. He said the N1.83 billion, which was approved for the current planting season, was expected to produce a significant increase in rice production from the current yield average of four metric tonnes per hectare to seven metric tonnes per hectare.

Bank of Agriculture

The Bank of Agriculture (BOA) and the Nigeria Postal Service (NIPOST) are collaborating to provide financial services to five million farmers across the country over the next two years to increase food production. Managing Director of BOA, Kabir Adamu, made the disclosure on Tuesday in Kaduna after the bank signed a Memorandum of Understanding (MoU) on Policy and Multi-Sector partnership with a consultancy firm, e Worldwide Group. The collaboration will provide them with the services needed for financial inclusion and would support multiple small and medium entrepreneurs especially for women and the youth in the agriculture sector, Adamu said. Dr. Salma Abbasi, who signed for e Worldwide, said the company would provide the technology and finances for the bank to support production in communities across the country. Abbasi said that the company would also attract foreign investments both in finances and ICT, to support SMEs, women and youth.

Bank of Industry

The Bank of Industry (BOI) has signed an agreement with OXFAM for the disbursement of N200 million to OXFAM's Village Saving and Loan Associations (VSLA) in Nassarawa, Benue and Plateau states. The funding was part of the Federal Government Enterprise and Empowerment Program (GEEP) is aimed at strengthening the livelihoods, capacity and resilience of poor households in rural communities. Oxfam Deputy Country Director, Constant Tchona, in a statement, said the partnership was borne out of the need to target the most marginalised and hard to reach in the rural communities in line with the objectives of the Federal Government Social Intervention policy.

Stanbic IBTC

Stanbic IBTC has committed an initial N10 billion for the take-off of a N50 billion Agriculture Finance Scheme that was launched and signed with the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) for the 2017/2018 dry and wet season farming in Abuja. The scheme is expected to boost agricultural productivity, jobs creation, improving living standards of rural farmers and contribute to the economic diversification agenda of the Federal Government administration. Aliyu Abdulhameed, the Managing Director and Chief Executive Officer of NIRSAL said the scheme is designed to ensure that individuals, cooperatives, companies, organised investment groups that have bankable agricultural projects have access to finance. "Under the terms of the partnership, Stanbic IBTC will give loans to bankable agric projects while NIRSAL on the strength of its \$300 million risk sharing facility will provide credit guarantees. The credit guarantees will range from 50-70 per cent depending on the aspect of the agricultural value chain that the loan is given", Aliyu Abdulhameed said. Dr. Demola Sogunle, the Managing Director and Chief Executive of Stanbic IBTC said the partnership is the

beginning of the march towards diversification of the country's economy and regarded the relationship as a natural partner.

LAPO

The Lift Above Poverty Organisation (LAPO) through one of its subsidiaries, the LAPO Agricultural and Rural Development Initiative (LARDI) has spent a total of N2.2 billion in empowering 92,156 farmers between January and May 2017. The beneficiaries are clients of the financial institution that are engaged in agricultural activities.

Abia State

Abia State government, through its Ministry of Agriculture disbursed N2.5 million each to 300 Abia youths trained in agriculture entrepreneurship under the Fadama Guys Agripreneur Grant. Abia paid its counterpart fund of the programme from the 2016 commercial agriculture credit scheme (CACCS) loan, to make possible the participation of the state in the Fadama programme.

Ogun State

The Ogun government has trained 5,000 women and youths in different fields of agriculture. The Commissioner for Agriculture, Mrs. Adepeju Adebajo, spoke at the commencement of the two-week exercise organised in collaboration with the Federal Ministry of Agriculture under the FADAMA III project. She advised the first batch at Eweje Farm Settlement in Odeda Local Council of the state to avail themselves of the various "windows of opportunities in policies, programmes and projects which the Governor Ibikunle Amosun-led administration has initiated for economic recovery."

4.5 Micro, Small & Medium Enterprises

Bank of Industry

The Bank of Industry (BOI) plans to inject N1 trillion into the Nigerian economy through collaboration with financial institutions in the country and development institutions in Africa. The Managing Director of BOI, Mr. Olukayode Pitan disclosed this at the inauguration of the governing board of the bank. Pitan said that the synergy was to further deepen the bank's involvement in the development of the economy as well as providing necessary impetus in revitalising key sectors that have been stressed by the global economic downslide.

The Bank of Industry's support to the micro, small and medium enterprises (MSMEs) in Nigeria will have hit N1.2 trillion by 2019. BOI says achieving this will require leveraging on its existing partnership with commercial banks to bring its risk assets from current N600 billion to N1.2 trillion. Olukayode Pitan, BOI's Managing Director who stated this at the African SME expo 2017 in Lagos, said the bank had budgeted about N310 billion for MSME development with an average of N60 billion per annum, but was yet to process loans worth N50 billion to small businesses in account of poor viability.

Following the execution of a Memorandum of Understanding with the Bank of Industry (BOI), Unity Bank Plc. is set to partner with BOI in the execution of the Government Enterprise and Empowerment Programme (GEEP), one of the social intervention programmes of the Federal Government of Nigeria.

GEEP provides access to affordable micro credit to Nigerian micro business owners who hitherto were unable to access loans to grow their businesses. Under this partnership, Unity Bank will provide account opening services to qualified beneficiaries of GEEP nationwide. These individual bank accounts will serve as channels for beneficiaries to receive loans disbursed by BOI. Beneficiaries will also make loan repayments through these bank accounts. Unity Bank will also provide BVN registration services for beneficiaries who require such, thereby increasing the financial inclusion in Nigeria.

Kaduna State

The Bank of Industry has disbursed loans in excess of N47 billion to support the Micro, Small and Medium scale Enterprises in Kaduna State. The Managing Director of the bank, Mr. Olukayode Pitan, said that the loan facility had enabled the bank to create over 84,500 direct and indirect jobs. He said the funds spanned across various sectors of the state's economy such as agro-business, petrochemical and gas, metal fabrication, infrastructure and solid minerals. Pitan called on the governor of the state to intervene to further vary the collateral condition to enable the intervention funds to achieve their desired objective of ramping up activities in the real sector of the state.

Ogun state

The Bank of Industry (BOI) under the Government Enterprise and Empowerment Programme (GEEP) in Ogun State has disbursed N450 million microcredit to 7000 beneficiaries across 130 associations. "We are issuing credit alerts and loan certificates to members of cooperatives who have successfully met the eligibility criteria for the Marketmoni loans," said Olukayode Pitan, Managing director of Bol, during Bol's presentation of loan certificates to beneficiaries under the GEEP initiative in Ogun State. Represented by Toyin Adeniji, Executive Director, Micro enterprise, Pitan said the loans have tenor of six months, grace period of 2 weeks, weekly payment and a 5 per cent administrative fee payable in arrears.

Lagos State

Lagos State Governor, Akinwunmi Ambode, has revealed that over 4000 small and medium businesses have been empowered and supported since 2015, as efforts to create boisterous commercial activities and boost the state economy. According to the Governor, this was achieved through the N25 billion Employment Trust Fund (ETF). Speaking when he received a delegation from Legatum Centre for Development and Entrepreneurship, Massachusetts Institute of Technology (MIT), U.S.A., on a courtesy visit at the Lagos House in Ikeja, Ambode said deliberate efforts have been made by his administration to aid businesses and encourage budding entrepreneurs in the State.

United Nations Industrial Development Organisation

The United Nations Industrial Development Organisation (UNIDO) is set to empower over 500,000 Small and Medium Enterprises, especially operators in the non-oil sector, with adequate skills to enhance their operations and contribute significantly to the nation's Gross Domestic Product in the next two years. The Chief Technical Adviser, Investment Promotion Division, United Nations Industrial Development Organisation, Mr. Stanislaw Pigon, said for the Nigerian economy to be competitive, the non-oil sector must be equipped with adequate investment and training in technology

Fidelity Bank

In a bid to strengthen its support for the Small and Medium Enterprises (SMEs) and commercial activities in Nigeria, Fidelity Bank has deepened its collaboration with the Nigerian-British Chamber of Commerce (NBCC). This development is coming at a time when the government has reiterated commitments in supporting Made-in-Nigerian products and SMEs in Nigeria. Speaking during the inauguration of Nnamdi Okonkwo, managing director and CEO of Fidelity Bank, a member of the national executive committee of NBCC said that what the investiture means is that the bank will be getting more involved in helping grow commercial activities.

The Managing Director/Chief Executive Officer, Fidelity Bank Plc, Nnamdi Okonkwo has disclosed plans to partner with the Anambra State government in renewed efforts to assist and grow the Micro Small and Medium Enterprises (MSMEs) in the state. This move perhaps, is driven by the increasing role of MSMEs in the transformation of economies. Providing valuable insights into Fidelity Bank's unique approach to supporting MSMEs in the country, the Fidelity boss said that the lender established the Managed SME Division to provide one-on-one advisory access to market for its teeming customers.

In line with its promise to help stimulate and grow a strong and viable small and medium scale enterprises sector, Stanbic IBTC Bank, a member of Stanbic IBTC Holdings PLC, has concluded plans to host the fourth edition of its capacity building workshops across eight cities in the country. The bank said the rationale behind its sustaining the capacity building series, stems from its deep understanding of the important role enterprises play in providing linkages to industries, employment generation, and the enthusiastic participation by operators over the last three years since the initiative was inaugurated. Expanding the scope, reach and impact of the specialised training, the bank explained, is to benefit more businesses as part of its contribution to building capacity and deepening knowledge essential to business success and continuity in the sector.

Speaking on modifications made to this year's series to further drive value, enrich the training as well as the course content, Executive Director, Personal and Business Banking, Stanbic IBTC Bank, Mr Babatunde Macaulay, said the bank has engaged the services of the renowned China Europe International Business School (CEIBS), which offers a range of functional and integrative general management Executive Education programmes. The forum is open to both Stanbic IBTC customers and other interested enterprise operators.

Citi Bank Nigeria

Citi Bank Nigeria has granted a loan of N500 million to Accion Microfinance Bank to drive the development of the microfinance sector and bridge financial inclusion in the country. In a statement issued by the Citi Bank said the loan aimed at funding Accion's loan portfolio and to support the development of approximately five thousand micro and small enterprises in the country.

4.6 Insurance

National Insurance Commission

The National Insurance Commission (NAICOM) has introduced four different forms of operation guidelines in the insurance sector. They are

- Web Aggregators Operational guidelines
- State Government's Implementation of Compulsory Insurance (or State Financial Advisers) guidelines
- Independent Agents Operational guidelines
- Mutual Organisations, Associations, Community Based, Micro guidelines

The Commissioner for Insurance, Alhaji Mohammed Kari, said that NAICOM decided to expose the draft guidelines to address the issue of low insurance penetration in the market. He said that NAICOM has considered and agreed to create additional distribution channels in the market as well as include using the services of state governments to enforce compulsory insurance at the state level. He also observed that the industry had concentrated on servicing only government and corporate clients to the detriment of the retail and micro consumers.

The Commissioner for Insurance, Alhaji Mohammed Kari, has said that NAICOM has ceased to issue new operational licenses to insurance firms as the industry needs to embrace consolidation rather than to start new companies. Kari spoke during the Annual Insurance Professional Forum of the Chartered Insurance Institute of Nigeria with the theme: 'Solvency, stability and growth-exploring possibilities', in Abeokuta, Ogun State. The commissioner said that after the Nigerian Insurers Association (NIA) confirmed that there was dearth of professionals for all classes of insurance in the industry, it would not be wise to continue to issue new licenses because it was better for the operators to engage in training and development of professionals.

Oyo State

The Oyo State Government has begun the sensitisation of public and civil servants in the state on the benefits and advantages of the newly introduced N650 monthly health insurance scheme. It also disclosed that pregnant women and children under the ages of five are exempted from paying the stipulated amount. The Executive Secretary of Oyo Health Insurance Scheme, Sola Akande, in his address, said that the scheme will reduce mortality rate among residents of the state as well as give them access to basic health care delivery through easy and affordable monetary commitment of N650 naira per month or N7800 per year.

4.7 Pensions

The Lagos State Government has disbursed N742 million to 255 retirees in August 2017, Governor Akinwunmi Ambode said. The Governor, who was represented by the Commissioner for Establishments, Training and Pensions, Dr. Akintola Benson Oke, at the 42nd Retirement Bond Certificate Presentation in Lagos, said Lagos cares, and is committed by being up-to-date in pension payment, while imploring the retirees not to live extravagantly. He noted that in two years from August

2015 to August 2017, the Lagos State Pension Commission (LASPEC, has paid over N30 billion to retirees into the RSA of 7,232 retirees in the form of accrued pension rights.

4.8 Mortgage

The Federal Mortgage Bank of Nigeria (FMBN) is collaborating with the Federal Inland Revenue Service (FIRS) to enlist all corporate organisations to key into contributing to the National Housing Fund (NHF) Scheme. Towards increasing remittances and collections for NHF, the FMBN is to access the FIRS’s database to obtain the comprehensive list of all corporate organisations operating in the country with a view of discovering non-contributing organisations and enforcing compliance with the assistance of relevant government agencies. The FMBN Managing Director, Ahmed Musa Dangiwa, who disclosed this, explained that the FIRS database is required to expand its client base, boost NHF collection, and increase the Bank’s liquidity. This will enable it provide long term housing finance to Nigerians.

5 Telecoms Sector

According to the Nigerian Communications Commission (NCC), in August 2017, the number of active telephone lines totalled 139,144,227 and teledensity reached 99.60 per cent. The table below provides a summary of telephone subscribers in August 2017

	Number of active lines
Mobile GSM	139,027,283
Mobile CDMA	217,566
Fixed Wired/Wireless	142,478
VoIP	56,900
Total	139,144,227

Source: NCC

According to NCC, as at August 2017, MTN was the market leader in terms of GSM operators with 50,051,572 subscribers (market share of 36 per cent); followed by Globacom with 37,304,367 subscribers (market share of 27 per cent); then Airtel with 34,321,613 subscribers (market share of 25 per cent); and finally 9mobile (former Etisalat) with 17,349,731 subscribers (market share of 12 per cent).

5.1 Internet Users

The Nigerian Communications Commission stated that the number of internet users through mobile networks in the country in August 2017 was 92.2 million. Of the 92.2 million internet users connecting via mobile networks, 92.2 million were on GSM networks, while 0.03 million were on CDMA networks. As at August 2017, MTN had 32.2 million internet subscribers; Globacom had 27 million internet subscribers; Airtel had 21.2 million internet users; and 9mobile had 11.8 million internet users.

6 Mobile Money

6.1 Africa

Sub-Saharan Africa accounts for more than half of all mobile money services worldwide, with 140 active products across the region, according to a report. According to a report by GSMA, Sub-Saharan Africa accounts for more than half of all mobile money services worldwide, with 140 active products across the region. The adoption of mobile money in sub-Saharan Africa has grown significantly over the past 10 years as it gives millions of people e-access to financial services for the first time.

6.1.1 Uganda

Interoperability

Digital financial service providers want telecommunication companies and banks to open up their software such that they can transact on their platforms. The software; Application Programming Interface (APIs) allows software programmes to talk to one another to enable the delivery of a given service. Mr Richard Ndahiro, the United Nations Capital Development Fund (UNCDF) digital finance expert, while addressing journalists during an API workshop, said APIs connect third parties; developers and financial services to established payment platforms enabling delivery of innovative services that address needs of customers. This means that the costs of transactions such as paying utility bills will reduce as a result of bypassing aggregators who have been selling the APIs to digital service providers at a fee.

MoKash

MTN Uganda has given out Shs 30 billion in loans through MoKash, a product where customers can save and borrow through their phones. MoKash was launched in August 2016 in partnership with Commercial Bank of Africa (CBA). It works on their mobile money platform. "Since the launch of MoKash a year ago, 2.5 million customers have enrolled onto the service," said the MTN press statement. At least 1.2 million people are active users. Mobile money customers borrow up to a maximum of one million and the minimum is Shs 3,000. One can save on the platform from as low as Shs 50 to Shs 1 million.

6.1.2 Kenya

The Central Bank of Kenya's revealed that mobile money transactions hit Sh3.574 trillion between July 2016 and June 2017 in about 1.7 billion transactions. Cash transacted through mobile money platforms equaled nearly half of the national production, according to latest official statistics. The value was 15.8 per cent higher than the previous year's Sh3.086 trillion. This means the transactions were an equivalent of 48.76 per cent of Kenya's estimated Gross Domestic Product (GDP) of Sh7.33 trillion (\$70.53 billion) as of December 2016 going by the World Bank Group data. Between January and June this year alone, about Sh1.81 trillion was moved through mobile platforms representing a 13.84 per cent rise.

Pesa Link

The interbank money transfer platform Pesa Link transacted Sh8 billion in five months from when it was launched in February 2017 to August 2017. The platform is offered by Integrated Payment Services Ltd (IPSL), a fully-owned subsidiary of Kenya Bankers Association (KBA), and can handle person-to-person transfers from as low as Sh10 to a high of Sh999,999. According to Jennifer Theuri, CEO of IPSL, the platform's subscriber base has continued to grow with the number of banks adopting it rising to 28, with other unnamed banks lining up to join.

Safaricom

Kenyan mobile phone operator Safaricom is working on the introduction of an international business-to-business cash transfer service, which would enable local companies and importers to pay for goods internationally. Brian Wamatu, Head of mobile money product, M-Pesa service that using new lessons learnt from Chinese mobile money product, Alipay, which does not depend on agents to run its business but creates a payment platform, using mobile phones, mostly smart phones and cards to facilitate payments, the Kenyan firm would improve its customer experience.

Telecoms operator Safaricom's mobile money agents will soon start using photos to identify those withdrawing or depositing money on the M-Pesa platform in a new push to curb fraud. Safaricom said it has distributed about 25,000 pre-programmed smartphones to its mobile money agents to be used in registration of new SIM cards. The process involves capturing faces of SIM card owners and storing digital copies of the same for retrieval during M-Pesa transactions. Safaricom, which has 28.1 million registered customers and 19 million active M-Pesa users, said the special phones in use for registration are linked to the Registrar of Persons' database, helping verify the data as it is fed into the system.

Western Union

Global payments firm Western Union is in plans to revamp operations in Kenya with the aim of simplifying transactions to mirror mobile money and increase its distribution points through use of banking agents. It expects the move to help it tap into growing regional remittances, noting that Kenya is emerging as a critical hub and source of remittances to other countries.

6.1.3 Ghana

A record number of Ghanaians are saving money using mobile phones as lenders push products to lure deposits. The Central bank of Ghana revealed that deposits with mobile money providers jumped 25 per cent to 1.57 billion cedis (\$360 million) from January – April 2017. Lenders including Fidelity Bank Ltd. and AFB Ghana Plc began offering savings products to mobile-phone users in 2017, while Ecobank Ghana Ltd. in 2016 allowed customers to buy government Treasury bills over their devices. The value of transactions over mobile phones reached 11.5 billion cedis during April 2017.

Interoperability

The Ghana Interbank Payment and Settlement Systems (GhIPSS) has disclosed that it has advanced processes of meeting the November deadline for mobile money interoperability. The CEO of GhIPSS, Archie Hesse says his outfit has already finalised the systems specification awaiting the completion of other requirements by the various mobile money agents. According to Mr. Hesse, the process which is

expected to be completed by the end of August should also translate into a pilot of the interoperability system in September.

GN Bank

The Bank of Ghana (BoG) has given authorisation to GN Bank to introduce mobile money to the public. The Central Bank's authorisation paves the way for the bank to introduce this unique service which combines mobile money with mobile banking. GN Mobile Money is unique because it is available on all networks which mean that every mobile phone subscriber or the user can open an e-account or wallet with GN Bank.

MTN

MTN Ghana has made payments of over GH¢ 25 million in interest to about 7.8 million Mobile Money customers for the first half of 2017. The GH¢ 25 Million comprises of GH¢ 13.6 million paid in May for quarter one and GH¢ 11.5 million paid in August for quarter two this year. MTN made the payment in collaboration with the 16 partner banks of MTN Mobile Money. The second half 2017 payment brings the total to over GH¢ 70 million in interest payments made by MTN to subscribers since January 2016.

Vodafone

Vodafone Ghana, in collaboration with CARE International, has launched Project Revive, a flagship financial inclusion project for women in the Ga West and East Municipalities. The project would see groups of women under the Village Savings and Loans Scheme and Rural Project Support Network, introduced to financial inclusion opportunities including the use of Vodafone cash. Commenting on the project, Chief Executive Officer (CEO) of Vodafone, Yolanda Cuba reiterated that, empowering women is very important for the growth of the country.

6.1.4 Cameroun

Like the pricing of telephone communication and other SMS, telephone companies operating in Cameroon will henceforth have to submit to the regulator, for validation, pricing for access to USSD (Unstructured Supplementary Service Data) codes. This came as a result of a complaint that was lodged with the government accusing the Mobile network operators of anticompetitive practices through an upward adjustment increasing the pricing of the code.

6.1.5 Zimbabwe

Internet and mobile based transactions reached \$1.56 billion in May 2017, nearly double from \$814 million in January 2017 driven by massive uptake of the electronic payments. ICT, Postal and Courier Services minister, Supa Mandiwanzira said that this has gone a long way at reducing reliance on hard cash by business and individuals and it is no coincidence therefore that mobile banking transaction values have continued to increase. Internet banking transaction volumes increased to 323,000 in May 2017 from 82,200 in May 2016. Point of Sales volumes stood at 16.6 million as at May 2017 compared to 2.8 million over the same period in 2016. Mobile money transactions dropped 1,6 per cent to 3.2 million in Q1 2017 from 3.3 million in the Q4 2016, with Econet Wireless holding 98 per cent of the market share.

6.2 Nigeria

Central Bank of Nigeria

The CBN has reviewed the daily mobile money wallet transaction and balance limit, as well as the Bank Verification Number (BVN) requirement for mobile money wallet holders. In a circular to all mobile money operators, signed by the Director, Banking and Payments System Department, CBN, Mr. Dipo Fatokun, the apex bank explained that it was reviewing the requirements in line with its initiative to enhance access to financial services through the Mobile Money Services. The revised limits on transaction and balances are in the table below;

Tier	Daily Transaction Limit	Cumulative Balance Limit
Tier 1	N50,000	N300,000
Tier 2	N200,000	N500,000
Tier 3	N5,000,000	Unlimited

Also the Apex bank clarified that the Mobile Money wallet holders on Tiered KYC level 1 are not required to provide Bank Verification Number as part of the KYC documentation, while BVN is mandatory for Mobile Money wallet holders on KYC levels 2 and 3.

Unstructured Supplementary Service Data

As part of efforts to mitigate risk by bank customers that carry out transactions through Unstructured Supplementary Service Data (USSD), the CBN has unveiled to members of the public an exposure draft on the regulatory framework for banking platform. The Central bank in the draft framework pointed out that the implementation of the system in Nigeria has created multiple USSD channels to customers, thereby increasing their exposure to risk, without common standard for all. The proposed framework, therefore seeks to establish rules and risk mitigation considerations when implementing USSD for financial services offering in Nigeria. It noted that USSD based financial transactions require end-to-end encryption to protect the integrity of the financial information. To this end, it stated that all providers of USSD-based financial services shall among other things, put in place a proper message authentication mechanism to validate that request/responses are generated through authenticated users; use secure USSD communication channels with a strong encryption mechanism; and not use USSD service to relay details of other electronic banking channels (in case of banks), to their customers, to prevent compromise of other electronic banking channels through the USSD channel.

Verve International

Verve International has announced its strategic partnership with Nigerian banks and Mobile Money Operators to deploy Cardless transaction infrastructure across all states in the country. Known as Paycode, this infrastructure makes it possible for Nigerians to withdraw money at ATMs and POS merchants, and make payments at PoS merchants without using cards. Financial institutions who have already adopted this ground-breaking technology include GTBank, Fidelity Bank, FCMB, Wema Bank, Heritage Bank, Union Bank, Zenith Bank, Stanbic IBTC Bank, Unity Bank, Sterling Bank, Skye Bank, UBA and Access Bank, as well as Paga, ReadyCash, Quickteller Paypoint and FETS. Other financial institutions are currently being implemented and service should be ready to be accessed by customers in the next

few months. This technology shows clear understanding on the part of the adopting institutions and Verve of the plight of their customers. Customers sometimes forget or lose their cards which could leave them stranded, but with Paycode these customers would still be able to get cash at the ATM without the need for a physical card.

END OF REPORT