EFInA Quarterly Review
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1 **Global Economy**

1.1 Growth

The International Monetary Fund raised its 2017 global growth forecast in Q2 2017 due to manufacturing and trade gains in Europe, Japan, and China, but warned that protectionist policies threaten to choke a broad-based recovery. The IMF forecasted that the global economy would grow 3.5 per cent in 2017, up from its previous forecast of 3.4 per cent in January 2017. In its latest World Economic Outlook, the Fund said that chronically weak advanced economies are expected to benefit from a cyclical recovery in global manufacturing and trade that started to gain momentum last summer. "The economic upswing that we have expected for some time seems to be materializing," IMF chief economist Maurice Obstfeld wrote in the report.

The IMF lifted Japan's 2017 growth projection by 0.4 percentage point from January, to 1.2 per cent, while the eurozone and China both saw a 0.1 percentage point growth forecast increase to 1.7 per cent and 6.6 per cent, respectively. Meanwhile, the IMF held its 2017 U.S. growth forecast steady at 2.3 per cent, which still represents a substantial jump from 1.6 per cent growth in 2016, partly due to expectations that President Donald Trump will cut taxes and increase government spending.

The IMF also revised Britain's growth forecast to 2.0 per cent for 2017, up a half percentage point from January 2017. Obstfeld said an anticipated pullback in consumer spending after last year's UK vote to leave the European Union had so far failed to materialize. He added that uncertainty over Britain's snap elections announced recently would not necessarily change the outlook, but a clear mandate from the British people could help Brexit negotiations.

Although growth looks to be strengthening broadly among advanced and emerging market economies as well oil and commodity exporters that are starting to benefit from a commodity price recovery, including Russia and Brazil, the IMF said the recovery remains fragile.

The IMF also said that risks to the global outlook also could come from a faster-than-expected pace of interest rate hikes in the United States, which could trigger a sharp rise in the dollar and disruptive capital outflows from emerging markets. The Fund also said China's strong growth was clouded in the medium term by "growing vulnerabilities" associated with its reliance credit-fueled growth

1.2 Employment

Digital disruptions are untapping the power of technology and unleashing economic value across countries and sectors. They are creating employment opportunities that increasingly rely on the digital skills available, the labour intensiveness of digital technologies, and the environmental factors that support digital entrepreneurship and industry-related supply chain development. The steady pace towards digital transformation holds enormous promise to address the youth employment challenge; a challenge that today translates into two out of every five young women and men across the world being unemployed or working but living in poverty. “The clock is ticking”, says Guy Ryder, the Director-General of the International Labour Organization (ILO), and “we need to act urgently to address this drama, to take advantage of the demographic dividend, while it is still possible”.

Tapping on the growth potential of the digital economy and demonstrating an unparalleled commitment to the promotion of youth employment, the ILO and the International Telecommunication Union (ITU) launched a campaign to equip young people with digital skills conducive to decent jobs.

The campaign seeks to advance the objective of the Global Initiative on Decent Jobs for Youth to scale up action and impact on youth employment at country and regional levels. This Global Initiative is the first United Nations system wide effort for the promotion of youth employment worldwide. It represents a unique collaboration platform to join hands to tackle the youth employment challenge and assist Member States in targeting a crucial goal of the 2030 Agenda for Sustainable Development. The campaign "Digital Skills for Decent Jobs for Youth" aims at mobilizing investments to equip five million youth with digital skills globally by 2030. This ambitious goal will be achieved by forging action-oriented partnerships within the platform of the Global Initiative on Decent Jobs for Youth, to extend and optimize digital investments for young people in the education system and on the job, across sectors and within and between countries.

Recognizing that there is more to achieving decent jobs than enhancing and accumulating skills, the campaign invites job creators in the public and private sectors to realize the potential of the Information and Communication Technology and other digitally-driven sectors to employ youth with decent jobs and foster an enabling environment for sustainable youth-led digital entrepreneurship.

"By investing in decent jobs for youth we can achieve an inclusive and development-oriented information society and the achievement of the Sustainable Development Goals", said Ryder.

1.3 Financial Inclusion

Malaysia has achieved one of the highest levels of financial inclusion among Southeast Asia countries, due in part to policies taking advantage of mobile phones and banking agents to expand access, according to a recent World Bank report. There are several lessons from Malaysia's experience in financial inclusion that could be useful for other countries, especially for low- and middle-income countries that are still in early stages of financial sector development and wish to make progress on financial inclusion. They include the following:

1. Adopting a long term strategy for financial inclusion: The Financial Sector Master plan 2001-2010 and the Financial Sector Blueprint 2011-2020 have been critical tools to advance financial inclusion. On the one hand, these strategic documents provided a clear and comprehensive diagnostic of the obstacles and bottlenecks, both of short- and long-term nature that hindered financial inclusion in Malaysia. On the other hand, they also prescribed concrete guiding principles, goals, objectives, and specific actions that needed to be executed in order to advance financial inclusion. The long-term strategies provided a framework for different stakeholders and institutions – such as Central Bank of Malaysia, the Securities Commission, Ministry of Finance, state-owned DFIs, to collaborate and do their part to advance financial inclusion. Moreover, the strategies provided the platform for authorities to carefully plan the timing and sequence of reforms and reconcile two different policy objectives, namely "financial stability" and "financial inclusion", in a successful manner.

2. Setting up a robust monitoring system to track progress: Malaysia has been a pioneer in the production of comprehensive data systems to track progress on financial inclusion. Every three years the Central Bank of Malaysia carries out a comprehensive national survey among the population to collect data on account ownership, usage, customer satisfaction with financial products, costs and fees of financial services, etc. The collected data are actively used to monitor progress at national, regional and local level and take actions where progress is slower than expected. Data are also used to monitor progress on the implementation of the Financial Sector Blueprint. Moreover, the Central Bank of Malaysia has created its own indexes and tools to set annual goals in financial inclusion and help in the formulation of financial sector policies.

3. Finding a champion institution for financial inclusion: Traditionally the mandate of central banks did not include financial inclusion. The Central Bank of Malaysia was one of the first central banks around the world to explicitly adopt a mandate on financial inclusion. In 2009, the Central Bank of Malaysia's legal mandate was amended to provide it with sufficient legal powers to drive and execute the agenda of financial inclusion, as its original mandate did not explicitly cover it. Having an institutional champion for financial inclusion has helped advance the agenda rapidly in the past years.

4. Carrying out large investments in the modernisation of the payment system infrastructure: Malaysia's high rate of financial inclusion has been feasible due to the existence of a modern national payment system infrastructure that enables banks to conduct a high volume of transactions at low costs and on a secure basis. Over the past two decades, Malaysia has invested heavily on the modernisation and expansion of its payment system network and infrastructure. The existing infrastructure supports a wide range of products such as agent banking, internet banking, the use of cards like "Touch 'n Go", credit cards, debit cards, ATMs, electronic-payment-ready POS terminals, etc. Without this modern infrastructure, it would be practically impossible for banks, utility companies, retailers, etc to roll out modern products and services for their customers.

5. Building and strengthening institutions to support financial inclusion: Historically, the National Savings Bank (BSN), a government-owned DFI, has played a critical role to advance financial inclusion in Malaysia. Although small in terms of assets, in terms of number of clients it serves it is the largest banking institution. BSN has historically served low-income households through a large branch network that enables it to reach out customers across the country. BSN is an example of a solid institution that targets the excluded population through innovative products. BSN has been a clear innovator on agent banking, ATMs, accounts for children, special savings for low income groups, microfinance, etc. Similarly, other government-owned institutions, such as PNB and the Pilgrim Fund Board, have helped Malaysians access their long-term savings at affordable rates.

6. Encouraging financial innovation: The Central Bank of Malaysia has encouraged and supported efforts by various institutions to adopt new products to target the financially excluded population. They include agent-baking, smart cards, ATMs, remittance services, mobile applications etc. Recently, with the emergence of the FinTech industry, Malaysia has adopted new regulatory approaches, such as the regulatory sandbox issued in October 2016 that enables new non-financial sector firms to test their products and operate in the financial industry in an environment with sound safeguards.

7. Adopting regulations that promote financial inclusion without compromising financial stability: The role of a conducive regulatory environment that encourages private-sector participants to lend to under-served markets has been crucial to give viability to the financial inclusion strategy of Malaysia. Malaysia has been successful in calibrating various prudential regulations in such a manner that they promote financial inclusion without compromising stability. An example of this type of regulation is the one applicable to agent banks, which allows third parties to provide basic financial services to the public on behalf of the banks without compromising compliance with basic AML/CFT international standards.

8. Advancing consumer protection and financial literacy: A key element for the success of financial inclusion in Malaysia has been the attention that authorities have put on consumer protection and financial literacy. In this area, Malaysia proactively takes steps to educate the population, helping them better manage their financial affairs, reduce the use of cash and adopt new technologies. At the same time, Malaysia provides an institutional framework to resolve consumer complaints rapidly. The institutions in charge of addressing financial services complaints are highly regarded by the Malaysian community and bankers. It is a good example that other institutions involved with the provision of services could consider in order to improve the quality of the products and services offered.

9. Maintaining a sound financial system: Financial sector stability has been a prerequisite to the well-functioning credit and payments markets in Malaysia. The initial efforts to consolidate the domestic banking system laid the foundations to foster competition within a deregulated environment, which eventually translated into a gradual process of integration with regional markets. Moreover, the Central Bank of Malaysia has taken adequate measures to ensure that DFIs involved in financial inclusion remain financially sound. In fact, the regulatory framework for DFIs involved in financial inclusion is similar to the one applicable to private banks. Furthermore, despite the rapid growth of credit and financial intermediation during the past two decades, the financial system has remained resilient so far.

10. Involving the private sector in any effort to advance financial inclusion: Active dialogue with the private-sector has been critical in advancing financial inclusion, especially in underserved communities where establishing brick-and-mortar bank branches is costly. Leveraging on private-sector infrastructure to offer affordable financial services tailored to the unbanked population was crucial in fostering the access and use of these types of products and services.

2 African Economies

2.1 Growth

The International Monetary Fund (IMF) has urged sub-Saharan African countries to implement strong and urgent policy action to boost growth in the region. According to its latest Regional Economic Outlook, growth in sub-Saharan Africa as a whole fell to 1.4 per cent in 2016; its lowest level in two decades and is projected to record a modest recovery of 2.6 per cent in 2017, although a number of countries, especially in Eastern and Western Africa, continue to grow robustly. “The overall weak outlook partly reflects insufficient policy adjustment,” said Abebe Aemro Selassie, Director of the IMF’s African Department. “The delay in implementing much-needed adjustment policies is creating uncertainty, holding back investment, and risks generating even deeper difficulties in the future.

Mr Selassie pointed to a modest growth recovery from 1.4 percent in 2016 to 2.6 percent in 2017, noting that this will barely put sub-Saharan Africa back on a path of rising per capita income. The uptick will be largely driven by one-off factors in the three largest countries—a recovery in oil production in Nigeria, higher public spending in Angola, and fading of drought effects in South Africa.

Nigeria

According to the World Bank’s newly-released Bi-annual Economic Update, Nigeria can build on the oil-driven economic recovery anticipated for it in 2017 by strengthening its macroeconomic policy framework and implementing the structural reforms needed to diversify the economy and break out of a boom and bust cycle. In 2016, Nigeria experienced its first full-year of recession in 25 years. Global oil prices reached a 13-year low and oil production was crushed by vandalism and militant attacks in the Niger Delta, resulting in the severe contraction of oil GDP. Although the oil sector represented only 8.4 per cent of GDP in 2016, lower foreign exchange earnings from oil exports had spill-over effects on non-oil sectors (industry and services) dependent on imports of inputs and raw materials, and overall real GDP contracted by 1.5 per cent.

Growth is forecast to return into positive territory in 2017, largely on the back of recovery in the oil sector as the government intensifies efforts to restore peace and stability in the Niger Delta, improve its Joint Venture (JV) relationships with international oil companies, and while strong growth in the agricultural sector continues. However, given the risks associated with the oil sector, recovery is fraught with a high degree of fragility and risks; notably from future shocks to the oil price or further unrest in the Niger Delta, which is not yet fully stabilized, as well as from the incomplete implementation of new JV cash call arrangements.

Kenya

According to the World Bank’s Kenya Economic Update, Kenya’s GDP growth is projected to decelerate to 5.5 per cent, a 0.5 percentage point from the 2016 forecast due to headwinds that are likely to dampen GDP growth in 2017. Firstly, the on-going drought which has led to crop failure, dying herds of livestock, and increased food insecurity. Further, with hydropower being the cheapest source of energy in Kenya, poor rains increase energy costs, their effects spilling over to other sectors. The rise of in food and energy prices drove inflation to a five-year high of 10.3 per cent in March.

Secondly, Kenya faces a marked slowdown in credit growth to the private sector. At 4.3 per cent, this remains well below the ten-year average of 19 per cent and is weighing on private investment and household consumption. Thirdly, as a net oil importer, the rise in global oil prices compared to the lows of 2016 has a dampening effect on economic activity. However, in the medium term, economic growth is projected to rebound to 5.8 per cent in 2018 and 6.1 per cent in 2019, consistent with Kenya's underlying growth potential.

2.2 Debt

Zimbabwe

Zimbabwe's domestic debt rose 40 per cent to $4 billion during the year while the budget deficit was $230 million in the Q1 2017, the national treasury reported. The southern African nation's economy is facing serious shortages of cash and foreign exchange but the treasury expects economic growth of 3.7 per cent this year, over double its previous forecast of 1.7 per cent, on the back of improved performances in agriculture and mining.

3 **Nigerian Economy**

3.1 GDP

In the first quarter of 2017, Nigeria's Gross Domestic Product (GDP) contracted by 0.52 per cent (year-on-year) in real terms, representing the fifth consecutive quarter of contraction since Q1 2016. This is 0.15 per cent higher than the rate recorded in Q4 2016. Quarter on quarter, real GDP growth was –12.92 per cent. During the quarter, aggregate GDP stood at N26.03 trillion in nominal terms, compared to N22.24 trillion in Q1 2016, resulting in a Nominal GDP growth of 17.06 per cent.

3.2 Inflation

The National Bureau of Statistics reported that in May 2017, the Consumer Price Index (CPI) which measures inflation decreased by 16.25 per cent (year-on-year), 1.01 percent points lower the rate recorded in March (17.26 per cent). Accordingly, this represents the fourth consecutive decline in the rate of inflation since January 2017.

3.3 Interest Rates

In May 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 Foreign Reserve

Nigeria's foreign exchange reserves decreased to $30.22 billion on June 21, 2017 from $30.30 billion on March 31, 2017.

3.5 Debt

The World Bank has disbursed a total of $13.63 billion in loans and grants to Nigeria as at March 31 2017; a summary of the country's debt portfolio provided by the bank revealed. The disbursement is out of a total of $21.44 billion that had been approved by the bank's Board of Directors. The total approval is made up of International Development Association (IDA) credit of $11.65 billion and the International Bank for Reconstruction and Development (IBRD) loan of $7.14 billion. The IDA is the

World Bank Group’s window for concessional lending to less developed countries, while the IBRD is the window for lending at commercial rates.

3.6 Human Development Index

The United Nations Development Programme released its 2016 Global Human Development Index report, with Nigeria ranking low at 152nd out of the 188 countries surveyed. The 2016 Human Development Report focuses on those communities that have been left behind, despite development progress over the last 25 years. It recognises that in most countries, certain groups remain acutely disadvantaged. These groups, according to the report, include women and girls, rural communities, and persons with disabilities. The country retained its 152nd position, which it occupied in 2015, with a human development index of 0.527 out of the possible index figure of one. Norway, Australia, Switzerland and Germany occupied the top four spots, respectively, while other countries like Belarus, Oman, Barbados and Uruguay had high human development index scores. The report listed the medium human development countries as Moldova, Botswana, Gabon and Paraguay, among others, while countries like Swaziland, Syria, Angola and Nigeria were listed among low human development countries. The Economic Adviser, Nigeria and ECOWAS, UNDP, Dr. Ojijo Odhiambo, said that despite Nigeria’s 152nd ranking, the country recorded some improvement in the number of points that made up the index.

3.7 Economic Recovery and Growth Plan

President Muhammadu Buhari has launched the Nigeria Economic Recovery and Growth Plan (ERGP) which seeks to restore the nation’s economic status following the high rate of inflation and recession. The president said the ERGP focuses on agriculture with a view to ensuring adequate food security as well as energy, industrialisation and social investment. He said the ERGP is an ambitious plan that seeks to achieve a 7 per cent economic growth by the year 2020. He said the aim is not just to remove the country out of recession, but to put it on the path of strength and growth, away from being an import dependent nation.

4 **Financial Sector**

4.1 Capital Markets

The Nigerian Stock Exchange (NSE) All-Share Index increased by 6,605.8 points in Q2 2017 to 32,122.14 as at June 23, 2017 as against 25,516.34 as at March 31, 2017. The market capitalisation was N11.11 trillion as at June 23, 2017.

4.2 Financial Inclusion

The Central Bank of Nigeria (CBN), in April 2017, suspended the nationwide implementation of the cash-less policy indefinitely. In a circular signed by Dipo Fatokun, Director, Banking and Payments System Department of CBN, the apex bank instructed banks to revert to old charges and refund customers who had been debited. CBN had earlier announced new charges on deposit and withdrawals above a threshold of N500, 000 for individuals and N3 million for corporate. The apex bank had directed banks to charge 1.5 per cent and 2 per cent for deposits and withdrawals ranging from N500, 000 and N1 million in the individual category; 2 per cent and 3 per cent for amount above N1 million to N5 million; and 3 per cent and 7.5 per cent for amount above N5 million. For corporate, CBN fixed 2 per cent and 5 per cent for deposit and withdrawals between N3 million and N10 million respectively; 3 per cent and 7.5 per cent for above N10 million to N40 million; and 5 per cent and 10 per cent for amount above N40 million.

4.3 Banking Industry

4.3.1 Central Bank of Nigeria

The CBN, has directed microfinance banks, mortgage banks and all other financial institutions, OFIs, to enrol their customers for the Bank Verification Number, BVN, before August 2017. Director, Other Financial Institutions Supervision department, CBN, Mrs Tokunbo Martins, gave this directive in a circular issued to all other financial institutions titled: “Bank Verification Number, BVN, enrolment for customers.” The circular stated: “The implementation of the BVN initiative, which started with the customers of deposit money banks, DMBs, has been very successful. However, to avoid a broken identification link in the banking system, it has become necessary to extend the BVN enrolment to the customers of other financial institutions especially as some OFIs are located in the rural areas of the country, and have customers that may not have enrolled with the deposit money banks. Effective August 1, 2017, all customers without BVN linked to their account shall not be allowed to make withdrawals from those accounts.

<u>Bank Charges</u>

The CBN has reviewed the Guide to Bank charges by banks and other financial institutions in Nigeria. The reviewed Guide provides for charges on various products and services that banks, other financial institutions and mobile payment operators offer to their customers. This guide takes effect from May 1, 2017 and replaces the Guide to Bank charges that came into effect in April 1, 2013.

<u>Foreign Exchange</u>

As part of its objectives to increase foreign exchange liquidity and make it accessible to small and medium enterprises (SMEs) and other retail businesses, the Central Bank of Nigeria (CBN) has introduced the use of Form X for SMEs that require basic documentation. CBN spokesman, Mr Isaac Okorafor, said the innovative measure is meant to ease the bottlenecks associated with documentation usually encountered by this category of businesses. He explained that the new form, which must be completed by all SME applicants, requires them to fill the form with a supporting application letter, as well as beneficiary invoice and bank wire transfer details. Okorafor reiterated the central bank’s determination to continue to ensure adequate supply of FX for genuine transactions in the coming days.

The Central Bank of Nigeria in its efforts to further develop the Nigerian FX market continues to embark on initiatives that serve to improve the FX market structure. In a new circular tagged, “Further liberalisation of the interbank foreign exchange market,’’ the CBN issued directives on the following:

- Inter-Bank trading
- On-boarding of FMDQ trading system

Fraud

The Central Bank of Nigeria said that Deposit Money Banks in the country lost a total of N2.19 billion to fraudsters in the 2016 fiscal period. The figure was contained in the Nigeria Electronic Fraud Forum Annual Report, which was unveiled by the CBN Governor, Mr. Godwin Emefiele, during a stakeholders' workshop on cybercrime. The report stated that 19,531 fraud cases were reported for the DMBs in 2016 as against 10,743 in 2015. It stated that although there was an 82 per cent increase in reported fraud cases as compared to 2015; the banking sector witnessed marginal reduction in the value of attempted frauds and actual losses. Attempted frauds' value dropped from N4.37 billion in 2015 to N4.36 billion in 2016, while actual loss value declined from N2.25 billion to N2.19 billion. A breakdown of the actual amount lost showed that across the counter transactions accounted for the highest with a total value of N511.07 million. This was followed by Automated Teller Machine transactions, with N464.5 million; Internet banking, N320.66 million; Point-of-Sale transactions, N243.32 million; and mobile banking transactions, N235.17 million. Losses from e-commerce transactions were put at N132.25 million; web transactions, N83.77 million; cheques, N4.55 million; kiosks, N10.19 million; and others, N190.97 million.

The governor stated that while the CBN and banking operators had made efforts to reduce the incidents of fraud and ensure consumer confidence in the payment system, the Cybercrime Act, if effectively enforced, would serve as a deterrent and constant reminder to those who might wish to engage in illicit activities targeting the financial technology infrastructure.

Financial Literacy

The Central Bank of Nigeria and Junior Achievement Nigeria have partnered Deposit Money Banks to sensitise over 80,000 pupils across the country about financial literacy as part of the activities marking the 2017 Global Money Week. The Executive Director, JAN, Mrs. Simi Nwogugu, said the programme was aimed at imparting children and youths with relevant financial knowledge early in life. She made this known at a forum organised by JAN in collaboration with the CBN's Bankers Committee in Lagos. Nwogugu, who noted that the programme had been designed such that each bank would visit five public schools across the country, said it was important for pupils to have knowledge of financial matters early in life. This, she said, would equip them with relevant skills needed to become good money managers and make sound financial decisions that would lead to a productive and successful life. She said, "We are grateful for the opportunity to develop the curriculum and implement this initiative with the CBN's Bankers Committee every year.

4.3.2 Deposit Money Banks

Deposit Money Banks in Nigeria have raised a total of N26 billion inline with their commitment to provide equity funding for agro-based Small and Medium-scale Enterprises. The Managing Director, Standard Chartered Bank Nigeria, Mrs. Bola Adesola, made the disclosure at the 333rd Bankers Committee meeting. The contribution followed the directive of the CBN to all commercial banks to set aside and remit five per cent of their annual profit after tax in support of a scheme aimed at enhancing the diversification drive of the Federal Government. This directive was part of the guidelines for the operations of the Agricultural/Small and Medium Enterprises Investment Scheme.

Fidelity Bank

As part of deliberate efforts to reduce youth unemployment levels in Nigeria, Fidelity Bank Plc. in partnership with Gazelle Academy and Federal Polytechnic, Oko executed an entrepreneurship training programme for 400 students in Anambra State. Organized under the Fidelity Youth Empowerment Academy stream 3, the week-long training programme was aimed at equipping the students with skills and capabilities needed to kick start businesses even whilst in school. Some of the skill areas participants were trained on include: fashion, accessories, cocktail, tailoring, and makeup, shoe making, digital marketing. Speaking at the closing ceremony of the Fidelity Youth Empowerment Academy (YEA), the Bank's Managing Director/Chief Executive Officer, Mr. Nnamdi Okonkwo noted that the initiative seeks to empower the Polytechnic community by creating thriving business owners amongst students.

First City Monument Bank

First City Monument Bank Limited has organised an interactive training sessions on financial literacy for students in 30 secondary schools in the country. The bank said the development, which was in line with its commitment towards enhancing sustainable education among youths, was part of the activities marking the 2017 Financial Literacy Day. The educative sessions were anchored by top officials of the bank and simultaneously took place in five secondary schools each in six states, namely, Anambra, Kebbi, Cross River, Ondo, Nasarawa and Taraba.

First Bank

As the banking business evolves, First Bank of Nigeria Limited, has remained committed to empowering the Nigerian populace with the *894# Quick Banking service as part of its financial inclusion drive. The service is set to deliver the power to bank anywhere and anytime. It is quick, convenient and easy to use and beneficiary accounts are credited instantly with alert notifications. Built on the innovative USSD technology, the *894# quick banking service transmits information through GSM network channels via mobile phones.

Heritage Bank

In a bid to expose the citizenry to financial literacy at a very early age in life, Heritage Bank Plc, introduced early lessons for teenagers on how to perform basic banking tasks as well as educate children on the cashless policy by showing them how prepaid card transactions work and how to use ATM cards to deposit and withdraw. This is coming on the heels of the commemoration of the May 27 to mark the Children Banking Month, with the theme, "Early Positioning for Global Relevance," which is part of Heritage Bank's children financial literacy initiative. Heritage Bank organised activities that will directly impact a minimum of 350 primary and secondary schools nationwide. Speaking on the importance of the celebration, the Managing Director of the bank, Ifie Sekibo stressed that for early positioning of your children for global and local relevance, there was need for parents to teach children on prioritize saving over spending, which is a valuable life lesson, one that takes time to learn.

Sterling Bank

Sterling Bank Plc is supporting LEAP Africa to train more than 1,000 operators of Small and Medium Enterprises (SMEs) at the 12th yearly CEOs' Forum. The programme is aimed at developing dynamic, innovative and upcoming African leaders. It is also intended for participants to gain key insights from leading industry professionals and entrepreneurs on effective growth strategies for growing highly profitable businesses. The Chief Marketing Officer, Sterling Bank, Henry Bassey, said the bank is particularly excited to partner with LEAP Africa on this programme because it decided to amplify its focus on SMEs, as it has been positioned as a start-up bank.

Sterling Bank Plc, trained over 17,000 secondary school students across the country on the key fundamentals of financial literacy and re-enforcing the need to encourage savings culture among the youth. The exercise, which is in commemoration with the 2017 Financial Literacy Day is in line with Central Bank of Nigeria (CBN) and Bankers' Committee led initiatives aimed at promoting financial literacy in Nigeria through the Financial Literacy and Public Enlightenment (FLPE) committee. The Managing Director and Chief Executive, Yemi Adeola, led the senior management team of the Bank that took part in the exercise as he taught students of United Community School, Ilorin to the delight of both students and teachers of the school. He also gave out various gift items including IPads and other branded items to outstanding students who took part in the exercise. Other locations where the bank was represented include Kwara, Taraba, Zamfara, Abia, and Ondo.

Union Bank

Union Bank Plc has announced the launch of "UnionAccelerate", a high-interest savings account with zero bank charges for medium-sized businesses. UnionAccelerate is a full featured innovative banking solution that helps manage the challenges of high overhead costs and restrictive bank deductions experienced by businesses across the country. Speaking about the product, Kunle Sonola, Union Bank's Executive Director, Commercial Banking, explained its benefits while reiterating the Bank's strategic approach of creating innovative banking services with a focus on products that truly meet the needs of customers. "Offering zero account maintenance fee, unlimited withdrawal on all account variants, and one of the highest interest rates compared to any competing product, UnionAccelerate provides an important opportunity for our medium-sized business customers to leverage on and grow their enterprise with adequate support from us" Sonola said.

United Bank for Africa

United Bank for Africa Group has introduced a full-fledged banking platform tagged 'UBA Magic Banking.' According to a statement by the lender, the platform is enabled by dialling *919# within Nigeria. It said the introduction of the service was in line with its determination to be a key player in the mobile banking space. The USSD code *919# enables customers to do a multitude of tasks such as: open UBA accounts, transfer funds to UBA and other banks, buy airtime, pay bills and access a mini statement." The bank's Group Head, Consumer and Digital Banking, Dr. Adeyinka Adedeji, said that the code works on all phone types; it is fast and convenient and does not require data on the phone to send money. It also allows a higher transaction limit of up to N 1million per day with the UBA Secure Pass (formerly token).

Wema Bank

Wema Bank Plc has announced the launch of ALAT, the first fully Digital Bank in Nigeria. This announcement was made by the Managing Director, Mr. Segun Oloketuyi, in a launch event in Lagos. He said that the bank is committed to satisfying its present and prospective customers by offering them an optimal banking experience through innovative digital technology. In addition, he said that ALAT will be accessed via app and web, which is targeting all existing and prospective customers who are tech-savvy and upwardly mobile and it is an app-only, no-physical-contact bank, which will be available to customers from today. ALAT offers customers many benefits that include a generous interest on their savings account, seamless and fully automated processes, and dedicated 24/7 support channels.

4.3.3 Agricultural Finance

CBN

The Governor of Central Bank of Nigeria (CBN), Godwin Emefiele said that the bank has decided to supplement the foreign investment of Valentine Chickens, a subsidiary of Shonga Farms Holdings Ltd. in Kwara State with a N2 billion loan for Commercial Agricultural Credit Scheme. Emefiele stated that the loan attracts a single digit interest rate of 9 per cent and Kwara has a comparative advantage in poultry business which makes it necessary to support Valentine Farms whose business had provided employment for scores of unemployed youths in the state. He added that the loan was meant to support value chain in chicken production at the farms with a potential of employing more youths.

Anchor Borrower's Scheme

The CBN has issued a statement saying that farmers who accessed the Anchor Borrower's Scheme facility had started repaying the loans. So far, a total amount of N33.34 billion had been released, about N15.13 billion disbursed to 73,941 farmers in Kebbi State had fallen due for repayment, with N7.11 billion or 47 per cent of the amount repaid and returned to the CBN. The apex bank said the balance of N18.20 billion of the 12-month tenured loans released to farmers in the other 20 states for wet and dry season farming had not fallen due for repayment. However, farmers in other benefiting states had also commenced repayment to the tune of N1.238bn.

The CBN noted that efforts were currently being made by the participating state governments to ensure that all outstanding loans were repaid by the farmers as soon as they were due before the commencement of the next dry season farming season. According to the apex bank, rice, wheat, maize, soya beans, cotton and fish have been cultivated by the farmers with appreciable yields achieved. It said Kebbi State alone accounted for about two million metric tonnes of rice out of the estimated four million metric tonnes so far realised under the programme nationwide.

Edo State

A total of 35,000 farmers have registered for the CBN's Anchor Borrower Programme in Edo State. The Permanent Secretary, Edo State Ministry of Agriculture and Natural Resources, Bashir Kadiri, disclosed this in Benin while speaking with journalists. He said there were about 2,000 cooperative societies in the state and that each of them was expected to cultivate a minimum of one hectare and a maximum of five hectares. He further explained that with the current Anchor Borrower Programme, farmers in the state would embark on cultivation of cassava, maize and livestock farming, while rice production would be added in the nearest future.

Bank of Industry

The Bank of Industry (BOI) has said that the N9.08 billion injected into agriculture in the South-eastern part of the country was in line with Federal Government's food programme for the country. The bank's Managing Director, Kabiru Mohammed said the move was part of efforts to diversify the economy and attain food security. Of the amount so far disbursed to farmers in the region, Abia got N1.4 billion, Anambra got N3.3 billion while Ebonyi got N578 million. Also, Enugu got N1.7 billion while Imo got N2 billion. Mohammed said that the bank had the mandate of providing agricultural credit and non-agricultural micro-credit with a view to curbing poverty. He, however, said that the amount so far disbursed fell below the expected target for the region considering the abundant opportunities there. "Our bank and its stakeholders are making concerted efforts to curb all known challenges to agro-entrepreneurship to widen the space for more participation," he said.

Oyo State

The Oyo State government has inaugurated a farm settlement and engaged 1,000 youth farmers to pioneer organic farming, modelled after the popular Songai Farms in Port Novo, Benin Republic. Representative of the farm, Salaman Setonji at the inauguration in Aawe, Afijio local council of the state, described the venture as a legacy that would outlast many administrations. While appreciating Governor Abiola Ajimobi in assisting the Oyo people through agriculture, Setonji, promised that his organisation would support the government in achieving the desired food security through integrated organic farming.

African Development Bank

African Development Bank (AfDB) has provided $280 million to support youths to go into Agriculture in Nigeria. The President of the bank, Dr. Akinwunmi Adesina disclosed this at the African Youth Agripreneurs (AYA) Forum. He stated that four other African countries namely Democratic Republic of Congo, Sudan, Cameroon and Zambia were also given the financial assistance in 2016 to enable their youths embrace agriculture. The bank mentioned that twelve other countries are on the line to get the assistance from the regional bank in 2017 while 33 countries in Africa are being targeted to benefit from the financial support. He revealed that 37,000 youths between the ages of 18 and 35 who are graduates are being targeted in Nigeria. "The $280 million that we have approved for Nigeria cannot be enough; we need $1.8 billion to accommodate the 37,000 youths. "This is why we are giving 80 per cent of the money to commercial banks so that they can lend from their own balance sheet and we expect that every dollar we put in would generate five dollars,'' he said. Adesina said the programme was for young graduates who could easily be trained on agriculture. He said that evidence had shown that youths could become the driving force of agricultural transformation in Nigeria if given access to the agribusiness enterprise.

Nigeria Incentive Based Risk Sharing System for Agricultural Lending

The Nigeria Incentive Based Risk Sharing System for Agricultural Lending (NIRSAL) is investing $200 million (about N63 Billion) in agricultural lending in 2017. This is in addition to $320 million the agency invested between 2013 and 2016. The NIRSAL Managing Director/CEO, Mr Aliyu Abdulhameed, disclosed this at an in-house activity to market the World Earth Day celebrated every April 22nd. Incorporated in 2013, NIRSAL is a public private partnership charged with the design, pricing and sharing in agric business related credit risks. It is designed with the objective of enabling the flow of affordable financing to all players along entire agricultural value chains. It reduces the risks of financing institutions while granting agricultural loans.

4.3.4 Non-Interest Finance

Central Bank of Nigeria

Further to its mandate of promoting a sound financial system in Nigeria, the CBN has issued the Guidelines on the Regulation and Supervision of Non-Interest (Islamic) Microfinance Banks (NIMFBs) in Nigeria. The guidelines were developed to provide a level playing field between the conventional and the non-interest Microfinance Banks and to address issues underpinning the operation of non-interest financial institutions (NIFIs). The guidelines are expected to enhance financial inclusion by bringing to the formal sector, individuals, communities and corporations that are not captured by the conventional microfinance Banks (MFBs). The minimum standard operating procedures, prudential ratios and other regulatory requirements are also properly specified in the guidelines.

Debt Management Office

Debt Management Office (DMO) has concluded arrangements to issue the maiden N100 billion Sukuk in the Nigerian capital market, a development the Securities and Exchange Commission (SEC). A Sukuk is an Islamic financial certificate, similar to a bond in Western finance that complies with Sharia –Islamic religious law. In 2013, the SEC had issued rules on Sukuk issuance in Nigeria following which the State Government of Osun raised N11billion (about $50 million) in Nigeria's first Sukuk issuance, which was oversubscribed.

The DMO issuance of the maiden Sukuk is a major mile stone for Nigeria as it will catalyse the development of non-interest capital market products. This historic proposed issuance of Nigeria's N100 billion, 7-year Sukuk, would not only facilitate the mobilisation and allocation of funds within the economy, would serve to position the country as a gateway for foreign and domestic investors. The issuance of this Sukuk follows diligent advocacy efforts from the Securities and Exchange Commission (SEC) on the need to issue the instrument in order to serve as an alternative product for investors.

4.3.5 Agent Banking

Innovectives has announced plans to roll out its agency banking services in six states of the federation, with over 1000 agents through its brand identity called Kesh Express. Agency banking which is another form of payment channel that will complement other channels of electronic payment system, designed to further drive cashless policy of the CBN.

4.3.6 Point of Sales (POS)

Nigeria occupies seventh position among African countries where the use of point of sale (PoS) forms part of banking transactions. According to a report by Indexmundi only 21 per cent of total transactions in the country are done through the PoS device. South Africa stands at the top with 91 per cent followed by Ghana 80 per cent while Tunisia is third with 79 per cent. Other countries ahead of Nigeria are Egypt, Morocco and Kenya in that order.

4.4 Microfinance

MoneyTrust Microfinance Bank Limited (MFB), a newly licensed multi-purpose MFB approved by the CBN has commenced operations. The bank was licensed as a unit MFB to accept deposits from members of the public (except public sector institutions) and to play a key role in ensuring that the CBN's financial inclusion policy is supported. Speaking during the branch opening ceremony in Lagos, the Chief Executive Officer of MoneyTrust MFB, Chike Memeh, said the bank would add value to its customers by being a dependable partner they can rely on. Memeh listed the product offerings of the financial institution to include mom-prenuer (MP), which is targeted at women empowerment; youth-preneur, which is targeted at innovation and enterprise; pool funds management; cooperative partnership plan; as well as micro health scheme. He said MoneyTrust has tailor-made account types suited for various cadres in the public, adding that the bank's operations would be largely driven by innovation.

4.5 Micro, Small and Medium Enterprises

<u>Government Enterprise and Empowerment Programme</u>

In line with Federal Government's Enterprise and Empowerment Programme (GEEP) initiative meant to encourage the development of Small and medium enterprises (SMEs) in Nigeria attain financial prosperity, 1,250 women have been trained to benefit from soft loans needed for their businesses.
To this end, non-interest soft loans of between N10,000 and N100,000 will be disbursed to the women wing of the National Association of Nigeria Traders (NANTS). The loan, which is payable within six months is meant to encourage women who constitute 65 percent of the association's membership profile to boost their small scale businesses and contribute to the economic revival of the country. The Bank of Industry (BoI) will be responsible for the screening of beneficiaries while the fund will be disbursed through commercial banks.

<u>Bank of Industry</u>

<u>Borno State</u>

The BoI has sealed a N2 billion financing agreement with the government of Borno State for the development of Micro, Small and Medium Enterprises. The Acting Managing Director of BoI, Mr. Waheed Olagunju, disclosed the figure during the signing of the agreement with the State Governor, Alhaji Kashim Shettima. Under the terms of agreement, BoI is expected to provide N1 billion which would be matched in equal sum by the state government. Olagunju said the matching fund scheme, which was being implemented in partnership with state government, was aimed at empowering youths by creating job and inculcating entrepreneurship development. He said the pact was hinged on the need to consolidate on the gains of restoration of peace in Borno State by engaging in activities that would engender sustainable economic activity.

Sokoto State

Sokoto State Government and the BoI are set to disburse N2 billion loans to small, medium and large scale entrepreneurs to boost industrial development. The state's Commissioner for Commerce, Industry and Tourism, Alhaji Aminu Bello said "The BoI has concluded arrangements to contribute a matching fund of N1 billion, plus the N1 billion the state government will contribute to make the total N2 billion. As soon as formalities regarding the facility are completed, disbursement will be made to the beneficiaries."

Rural Finance Institution Building Programme

The BoI; executor of MarketMoni, one of Federal Government's social intervention programmes, has sealed a pact with the Rural Finance Institution Building Programme (RUFIN) to provide access to soft loans to 100,000 small businesses. RUFIN is an initiative of the Federal Ministry of Agriculture and Rural Development (FMARD). The deal was part of the Federal Government's plans to stimulate the economy and deepen financial inclusion for the economically active rural poor. This also signals the commencement of events by BoI to reach 100,000 new beneficiaries of MarketMoni through RUFIN across Nigeria's six geopolitical zones within Q2 2017. Under the scheme, accredited individuals will have access to quick, easy and interest-free loans of between N10,000 and N100,000 for up to six months at no other costs except a one-time five per cent administrative fee. BoI said it hoped to leverage the success of RUFIN's financial empowerment efforts across 12 states to reach its target the Government Enterprise Empowerment Programme (GEEP) market. Already, the first phase of the loan disbursements is on-going across Katsina, Nasarawa, Zamfara, Edo, Oyo and Lagos states, driven by RUFIN-mentored microfinance banks (MFBs) and microfinance institutions (MFIs).

Lagos State

Over 1,430 business owners got about N925 million on June 15th, 2017 from the Lagos State Government through the Lagos State Employment Trust Fund (LSETF) to grow their businesses. Speaking at the cheque presentation ceremony, Governor Akinwunmi Ambode charged the board of the LSETF to ensure that about 20,000 businesses got a loan by the end of 2017.

Diamond Bank

Diamond Bank Plc, has supported more emerging entrepreneurs in its empowerment initiative called Building Entrepreneurs Today (BET). The bank recently presented a cheque of N3 million each to five budding entrepreneurs in the BET sixth series. It had previously given out N75 million to winners under the project. The Chief Executive Officer, Diamond Bank, Mr. Uzoma Dozie, while speaking at a ceremony organised for the BET winners, said each of the five winners, who are spread across different sectors of the economy and the six geo-political zones, received N3 million to invest in their respective businesses. He explained that the financial support by the bank was expected to help strengthen manpower, expand the product lines and create increased service and product values that would make the MSMEs competitive.

Keystone Bank

Keystone Bank Plc has partnered Enugu State government through its Ministry of Commerce & Industry to support 100 micro small and medium enterprises (MSMEs) in the state. This partnership was in line with the bank's continuous economic empowerment campaign aimed at raising the bar of small businesses. In the partnership, 100 entrepreneurs were recently endowed with a financial aid of N50,000 each to enhance their various trades which ultimately translates to a boost in the local businesses in the state and the economy at large.

4.6 Insurance

National Insurance Commission

The National Insurance Commission (NAICOM) has approved the 2016 financial accounts of 32 insurance companies. NAICOM stated that out of all the registered firms operating in the country, only 41 had so far submitted their 2016 accounts. According to the commission, five companies' accounts are undergoing review, while those of the remaining have been queried for various reasons. NAICOM said that it was awaiting the responses of the companies that had their accounts queried. By regulation, the commission requires that all insurance companies must submit their financial accounts for the previous year latest by the end of June of the following year. The commission noted that failure to meet the deadline would subject the concerned firms to various penalties, including fines.

Wapic Insurance

Wapic Insurance has announced the introduction of unique lifestyle insurance products into the market. The products which are classified under Wapic Smart Investment-linked Products are designed to cater for the protection and goal oriented needs of individuals, families, and businesses. The Wapic Smart Investment-linked products include the Smart Life plan, Smart Scholar plan, Smart Senior plan and the Smart Wealth plan. These plans come with the dual appeal of flexibility and convenience, focused mainly on the family, education, retirement, short and medium term plans. Speaking at the Launch of the Products, Yinka Adekoya, Managing Director of Wapic Insurance Plc stated that a good insurance plan is key to achieving successful living therefore a variety of insurance solutions have been developed to address critical customer needs.

4.7 Pensions

National Pension Commission

About 72,113 retirees who subscribed to the Contributory Pension Scheme have got refunds of N17.3 billion from their Pension Fund Administrators after they were declared not eligible for pension payment. According to a report obtained from the National Pension Commission, the affected retirees contributed from the public and private sectors and got their refunds as of the end of September 2016. The Commission disclosed that the ineligible retirees for pension were those who did not have more than N550,000 in their Retirement Savings Accounts upon retirement, and foreign nationals who were returning to their countries.

4.8 Housing

The Federal Government of Nigeria has secured a $300 million World Bank facility to support a new housing scheme designed to improve access to finance for housing projects in the country. Known as the National Housing Finance Programme (NHFP), the scheme is a Public Private Partnership (PPP) aimed at improving low-income earners' access to own personal homes with a guaranteed credit from the CBN. According to the CBN deputy director, Other Financial Institutions, Adedeji Adesemoye, the World Bank loan is an International Development Association (IDA) facility which has a repayment period of 40 years which would be managed by nine Microfinance Institutions (MFIs) across the country. "

5 **Telecoms Sector**

According to the Nigerian Communications Commission (NCC), in April 2017, the number of active telephone lines totalled 149,249,510 and teledensity reached 106.61 per cent. The table below provides a summary of telephone subscribers in April 2017.

	Number of active lines
Mobile GSM	148,774,015
Mobile CDMA	217,566
Fixed Wired/Wireless	153,804
VoIP	104,125
Total	149,249,510

Source: NCC

According to NCC, as at April 2017, MTN was the market leader in terms of GSM operators with 58,121,427 subscribers (market share of 39 per cent); followed by Globacom with 37,270,100 subscribers (market share of 25 per cent); then Airtel with 34,336,802 subscribers (market share of 23 per cent); and finally Etisalat with 19,045,686 subscribers (market share of 13 per cent).

5.1 Internet Users

The Nigerian Communications Commission stated that the number of internet users through mobile networks in the country in April 2017 was 90.1 million. Of the 90.1 million internet users connecting via mobile networks, 90.1 million were on GSM networks, while 0.03 million were on CDMA networks.

As at April 2017, MTN had 30.8 million internet subscribers; Globacom had 27.2 million internet subscribers; Airtel had 19.4 million internet users; and Etisalat had 12.7 million internet users.

6 **Mobile Money**

6.1 **Africa**

6.1.1 Kenya

Mobile money use in Kenya appears to have reached the peak and has now taken a downward trajectory, falling three months in a row. Data from the Central Bank of Kenya (CBK) received

Tuesday point to the latest trend, about 10 years after Kenyans started using the trans-formative technology. In December 2016, according to the CBK, Kenyans transacted 3.1 billion U.S. dollars, the highest level in the history of the technology. The amount was high due to the festive season as during the month, Kenyans send money back home using the platform, use it to buy goods and services and even gift each other. In January, however, use of the technology declined to 2.9 billion dollars, according to the Central Bank. But the marginal fall in January has been the trend in the past years following the December peak. What, however, points to a downward curve is the decline in February to 2.7 billion dollars, the apex bank data shows. Analysts attributed the decline to several factors that include rising inflation and the technology having hit a climax. According to the Central Bank, East African nation has 33 million mobile money subscriptions with monthly transactions averaging 140 million.

6.1.2 Tanzania

International Finance Corporation (IFC), a member of the World Bank Group, is launching a consumer education campaign to raise awareness about interoperable mobile money services that help to promote financial inclusion in Tanzania. In September 2014, IFC, with the support of the Bank of Tanzania, the Bill & Melinda Gates Foundation, and the Financial Sector Deepening Trust facilitated an interoperability agreement within Tanzania's four major mobile phone operators—Vodacom, Tigo, Airtel and Zantel to allow their customers interact with each other. Through the interoperability agreement, customers can make payments from the mobile money account of one provider to the mobile money account of another provider. This initiative has led to an industry-agreed interoperable market for mobile financial services.

6.1.3 Uganda

The International Fund for Agricultural Development (IFAD), Postbank of Uganda (PBU) and Posta Uganda have signed a grant agreement aimed at expanding the role of postal networks in the delivery of remittances and access to financial inclusion across the country. The new project, "Scaling Up Remittances and Financial Inclusion in Uganda," will provide remittance services in poor rural communities and refugee settlements, many of which are taking in refugees fleeing conflict and food insecurity in neighbouring South Sudan. Under the agreement, Postbank Uganda will leverage Posta Uganda's broad network of rural post offices to expand access to financial services for the rural population. By March 2019, the project aims to increase the number of remittance recipients it serves by 50,000. In addition, it expects to provide remittance delivery services to 20,000 refugees as well as training in financial literacy.

6.1.4 Ghana

The Chief Executive Officer of the Ghana Interbank Payment and Settlement Systems (GhIPSS) Mr. Archie Hesse has indicated that the institution will intensify efforts to encourage the usage of its new mobile interoperable platform when it is rolled out. According to him, the new system will introduce incentives to attract more patronage and increase competition among the players in the sector leading to the benefit of consumers. Mr. Hesse was optimistic that the interoperability platform will usher the financial sector into an era that will speedily enhance financial inclusion.

aYo

Micro-insurance solutions provider, aYo has made it possible for MTN subscribers to now enjoy insurance services when they conduct mobile money transfers. aYo, a joint venture between MTN Group and MMI Holdings launched its first product “Send with Care” that provides insurance cover for funds sent via MTN Mobile Money. The aYo-MTN insurance package pays triple the amount of funds sent to beneficiaries over the last 4 months which can be paid out as a lump sum or in 12 equal monthly instalments, depending on the subscriber’s cover level. The Country Lead for aYo Ghana, Francis Gota described the product as one that offers MTN Mobile Money clients a sense of comfort. MTN subscribers who send monies to beneficiaries via mobile money can benefit] when hospitalized for a night or more due to an accident or in the unfortunate event of their death. These commitments are to be honored for up to a year.

Remittance Grant Facility

Ghana, in collaboration with Switzerland, launched a Remittance Grant Facility (RGF) of $2.6 million to provide financial assistance to companies to develop innovative remittance products and services at a relatively low cost. The project plans to support companies to develop affordable and accessible products and services that extend remittances to the rural areas and benefit Ghanaians in the diaspora. Also, the project aims to facilitate the development of remittance-backed financial products such as deposits and savings accounts, insurance and forms of investment to increase financial inclusion. The Government of Switzerland’s State Secretariat for Economic Affairs (SECO), is providing the $2.6 million for the pilot phase of the project. Mr Ken Ofori-Atta, the Finance Minister, who inaugurated the project, said, “the scheme was projected to address operational constraints associated with remittance flow channels into the country and to encourage innovative product and service development”. Eligible organisations such as banks, non-financial institutions, money transfer operators, mobile network operators and other commercial entities that have the capability and are licensed will be given grants to develop products and services on remittances to meet the objectives of the scheme.

6.1.5 Cameroon

Express Union

The Cameroonian microfinance outfit Express Union (EU) has promised up to 40% in commission on charges in the form of micro credits to develop subscriber activities. With this capability, traders, credit retailers (call-boxes), dealers, hairdressers, shop keepers and economic operators can join the network of franchise/retailers of the service "Express Union Mobile Money". The offer of EU appears enticing because it is higher than the percentage of 5% that call-boxes receive from MTN and Orange for the different types of transfers. The Telecoms Regulatory Body in Cameroon indicates that since the launch of the sector between 2011 and 2014, it has recorded transactions totalling FCfa 72 billion. This amount corresponds to 9 million transactions via SMS. Till date, more than 6,000 Mobile Money payment points exist throughout Cameroon.

6.1.6 Egypt

MasterCard

MasterCard, a leading company in payments technology, has announced that it is adding Bee, the smart payment solutions provider, as a key player to its interoperable mobile ecosystem. Bee is now fully integrated on MasterCard ecosystem to expand mobile wallets payments options. The partnership with Bee offers complete integrated solutions that allows mobile wallet users to pay directly through the application and avail payments to more than 25 billers electronically simply by using their wallets supported by Bee retail network that consists of 32,000 outlets nationwide. Approximately 85 percent of the population lack access to formal banking products, although Egypt has more than 100 percent mobile penetration rate. Currently there are more than 4.5 million mobile wallet users, which represents a significant milestone towards scaling Egypt’s mobile ecosystem, and affirms the interoperability concept MasterCard brought to the Egyptian market. By taking advantage of MasterCard’s interoperable mobile ecosystem, mobile wallets have helped provide millions of banked or unbanked mobile users the ability to make utility bill payments, transfer funds, pay online and physical merchants, cash-in and cash-out from Agent networks and ATMs by simply using their phones.

6.2 Nigeria

Nigerian Postal Service

In line with their shared goal to drive deeper financial inclusion in Nigeria, the Nigerian Postal Service (NIPOST) and Paga have announced a partnership aimed at making financial services available to all Nigerians by leveraging on all the NIPOST offices across the country as robust financial services points. This will be done on the back of the Shared Agent Network framework approved by the Central Bank of Nigeria. Through their partnership with NIPOST, Paga will continue to expand its mobile money agent network to include post offices in all the Local Government Areas of Nigeria while giving priority to areas where banking services are limited or otherwise difficult to access. The initial set of services to be offered are deposits and withdrawals from bank accounts and mobile money wallets, utility bill payments, and airtime recharge for all telecom networks. Additional services, including savings and loans products, are scheduled for launch in partnership with banking partners. Speaking on the collaboration with Paga, Mr. B.M Mukhtar, General Manager Financial Service, NIPOST said “There is a post office location within reasonable distance of almost every community in the country today, so we see an opportunity for NIPOST to play a leading role in enhancing financial inclusion for the betterment of Nigeria.

PAYU

PAYU is intensifying efforts to connect businesses to Nigeria’s online payment market. Manager of PayU Nigeria, Mrs. Juliet Nwanguma, who disclosed said, “In order to pursue PayU’s aggressive expansion in the online payment market in Nigeria, we have identified businesses that can benefit from our global expertise across 16 markets where we offer over 250 payment options.” With over 2.3 billion users world-wide, PayU is confident it can help businesses grow their market share and help them to achieve their business objectives. “PayU has succeeded in successfully assisting small, medium and large organisations with their online payments. In particular, the robust and flexible features of PayU Plus and PayU Enterprise have assisted merchants to grow and expand their online payment business.”

Paga

Paga and MFS Africa have announced the launch of a partnership connecting Paga users and Nigerian bank account holders to remittance senders from around the world. Owing to this collaboration, anyone with a Paga wallet can receive transfers from millions of other mobile money users across Africa, or from any money transfer operator connected to the MFS Hub.

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