

The Digital Transformation Journey Continues



BANKING TRANSFORMATION AFRICA

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South Africa



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Payments Innovation for Impactful
Financial Inclusion through a Re-
imagined Digital Customer Journey

www.bankingtransformationafrica.com



Talking Points



#Payment Innovation – Evolution of Payments in Nigeria: The main drivers

#Financial Inclusion: The 9PSB Journey, Status

#Payment Technology

#Payment Channels

#Digital Revolution

The Evolution



Nigerian economy is historically cash-driven, most especially in the consumer sector.

The CBN and the commercial banks have been at the front of adopting the use of payments system innovations in the banking business, which has significantly moved the payments ecosystem from the early days of banking operations to the present state of digitalization

Covid-19 pandemic has boosted the use of digitalized payments system and made a striking impact on electronic payments

The Evolution



Payments system technology products provide opportunity to banks to have momentous cost advantage, enhancing profitability, ease processing and minimize risk than traditional banking system.

Despite enormous advantage associated with payments system innovations in Nigeria, it is not in place without some challenges such as infrastructure deficit, high level of financial illiteracy, low level and high cost of internet access.

Major Drivers



Some of the notable platforms enabling Payment in Nigeria are:

NACS (Automated Clearing System) made possible the Cheque Truncation System where physical clearing instruments are dematerialized into electronic format at a stage within the bank of first deposit (Presenting Bank) while only the electronic format (images/MICR data) is transmitted electronically to the Clearing House. This has improved turn around time for cheque clearance from T+2 to T+1

NIBSS Instant Payments (NIP) is an account-number based, online-real-time Inter-Bank payment solution developed in the year 2011 by NIBSS. It is the Nigerian financial industry's preferred funds transfer platform that guarantees instant value to the beneficiary.

Interswitch Card processing Infrastructure which connect Banks to facilitate card transaction across banks on different payment platforms such as ATM, PoS, Web etc.



9 Payment Service Bank (9PSB) is a Payment Service Bank licensed by the Central Bank of Nigeria.

The main objective of establishing 9PSB is to leverage on mobile and digital channels to enhance financial inclusion and stimulate economic activities at the grassroots through the provision of financial services.

Our Mission is to leverage digital financial technology and innovation to provide simple, affordable and efficient payments and services accessible through our nationwide agent banking network.



Advertisement for the 9PSB mobile app. The image shows a smartphone displaying the app interface with various service icons. Above the phone, the text "Bills Airtime Data Utilities" is repeated in a stylized, overlapping manner. The 9PSB logo is in the top left corner. Below the phone, the text reads "Enjoy digital banking at its best with **9PSB**". At the bottom, there is a "DOWNLOAD NOW" button and icons for Google Play and the App Store.

Our PSB mandate



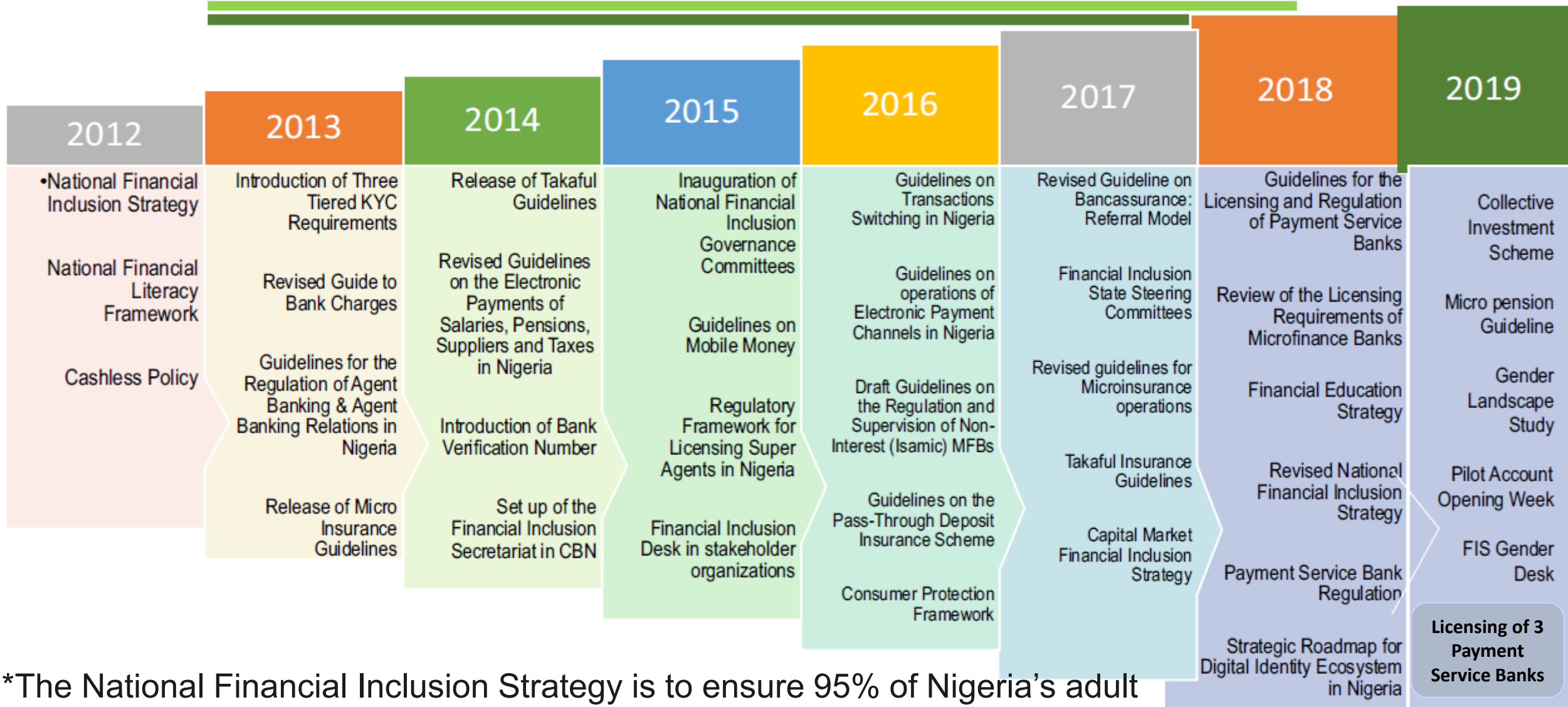
- To operate mostly in the rural areas and unbanked locations targeting financially excluded persons, with not less than 25% financial service touch points in such rural areas as defined by the CBN from time to time;
- To enter into direct partnership with card scheme operators. Such cards shall not be eligible for foreign currency transactions;
- To deploy ATMs in some of these areas;
- To deploy Point of Sale devices;
- To be at liberty to operate through banking agents (in line with the CBN's Guidelines for the Regulation of Agent Banking and Agent Banking Relationships in Nigeria);
- To roll out agent networks with the prior approval of the CBN;

Our PSB mandate – cont'd



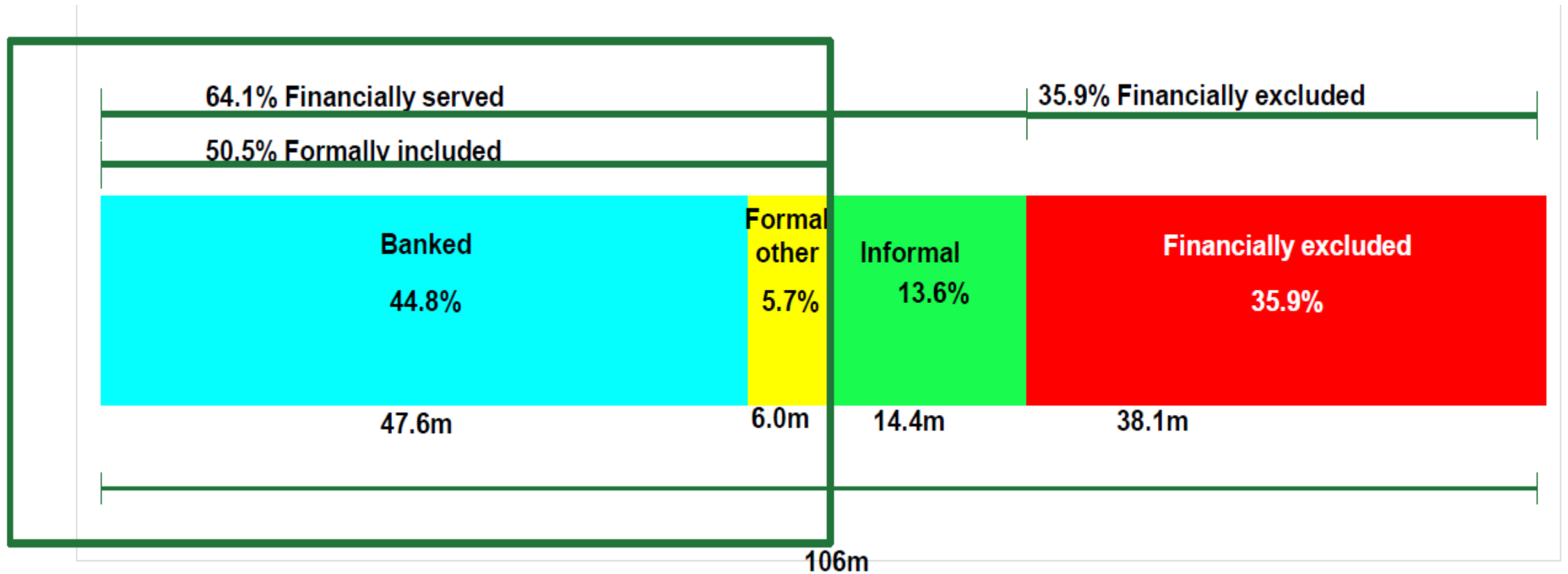
- To use other channels including electronic platforms to reach-out to its customers;
- To establish coordinating centres in clusters of outlets to superintend and control the activities of the various financial service touch points and banking agents;
- To be technology-driven and shall conform to best practices on data storage; security and integrity; and
- To set up consumer help desks (physical and online) at its main office and coordinating centres.

Nigeria's Financial Inclusion Implementation Journey



*The National Financial Inclusion Strategy is to ensure 95% of Nigeria's adult population have access to formal and/or informal financial services by 2024

Financial Inclusion Status



- Nearly 1 in 2 Nigerian adults do not use any formal (regulated) financial services
- More than 1 in 3 Nigerian adults remain completely financially excluded
- Just above half of adults (50.5% of adults, or 53.6 million adults) now use formal financial services, up from 48.4 million

Profile of the Financially Excluded

36.6 Million

Adult Nigerians (18 years and older) are excluded



55.9%

44.1%



34%
(18-25 years)



78.5%

21.5%



North West 38.4%

North East 18.3%

Median income N15000



71.3%



23.5%

Small scale farming



Remittances

Family/friends 18.3%



Save money at home

22.4%

- Not aware of mobile money (95.9%)
- Not aware of banking agents (89.4%)
- No access to any financial institutions (76%)

Source:
EFInA
Access to
Financial
Services in
Nigeria
2018
Survey

Take-Away:

- ✓ Most unbanked are rural dwellers. North being the highest. Insecurity has been attributed to low Agent penetration, especially in the North East
- ✓ Awareness of financial services is still very low amongst the unbanked.

Financial Inclusion Indicators



FI KEY INDICATORS:

USAGE

AFFORDABILITY

ACCESS

FINANCIAL LITERACY

CONSUMER PROTECTION

PRODUCTS FOR THE UNBANKED

Key Players in the Nigeria Payment Space



Current Payment Channels



USSD



Cashout on ATM



Cashout @ Agent's location



Mobile



Online purchase



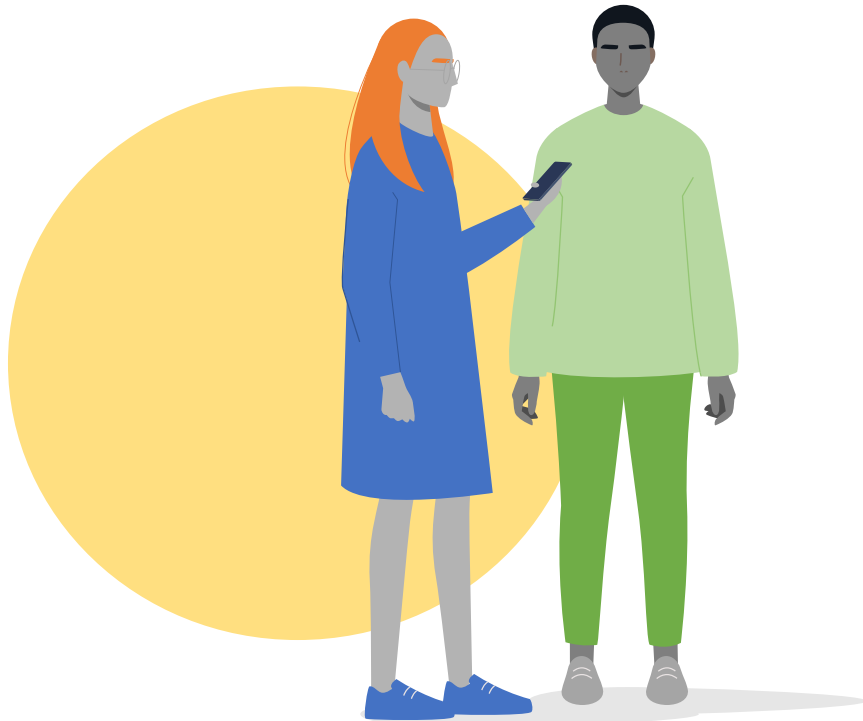
Offline (in-store) purchase

Our banking services are being delivered across a mix of physical and digital channels

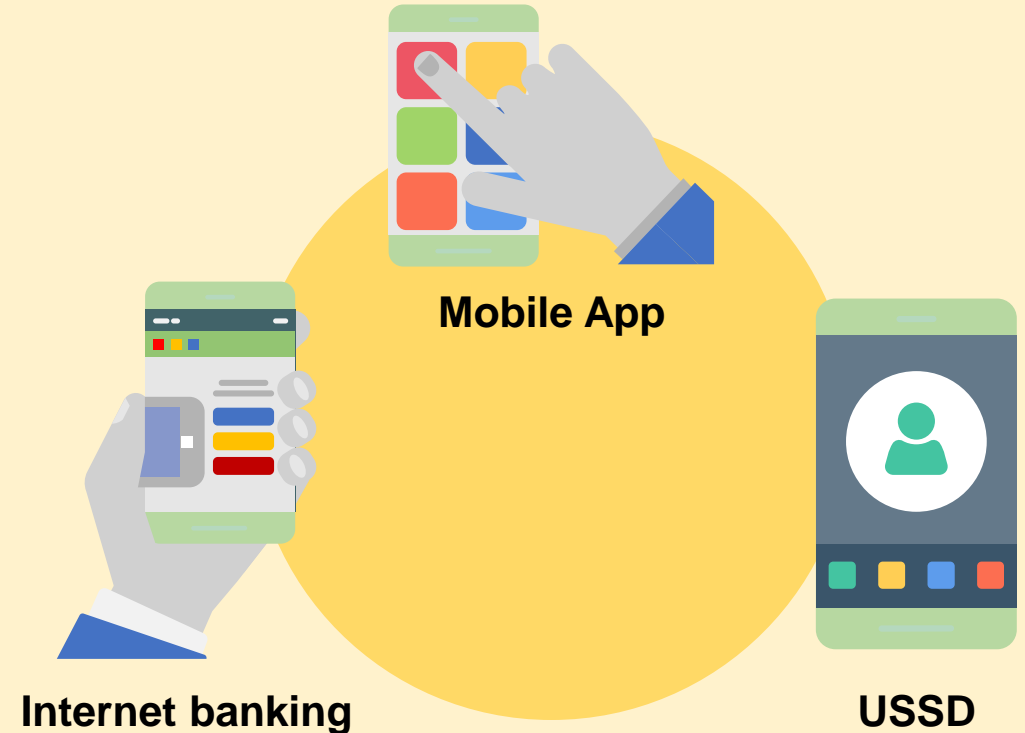
With agents being a core lever for mass market reach, to cater to different channel preferences

Physical channels

Agents



Digital channels



Digital Channel – Bank9ja (9PSB Bank-agnostic Mobile App)



Faster Login with Fingerprint



Seamless, secure onboarding



Send Money

- To Bank Account
- To Phone Number



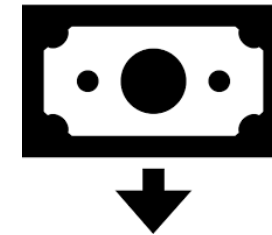
Download/Share Transaction Receipt



Request/Buy Airtime/Data



Request/Pay Bills



Request Money from family & friends

User Onboarding on Bank9ja Mobile App



User Onboarding on Bank9ja Mobile App



November 2022



User Onboarding on Bank9ja Mobile App – Cont'd



Enter **Mobile Number and Date of Birth**

A screenshot of the Bank9ja mobile app onboarding screen. The screen is white with a blue header bar containing a back arrow. Below the header, the text reads "Welcome, enter your Mobile Number to get started" and "We may save and send verification code to this number". There is a "Mobile Number" input field with a dropdown menu showing "+234". Below that is a "Date of birth" section with three input fields for "Day", "Month", and "Year". At the bottom, there is a checkbox labeled "I agree to 9PSB's Privacy Policy and Terms & Conditions" and a large green "Continue" button.

- ✓ Read Privacy Policy & Terms & Conditions
- ✓ Tick the T & C box and click **Continue**
- ✓ *Verify your details*
- ✓ *Create **Passcode and PIN***
- ✓ *Create **Generate 9PSB Wallet** to complete your profile setup*

Digital Channel – *990# - Bank9ja Code

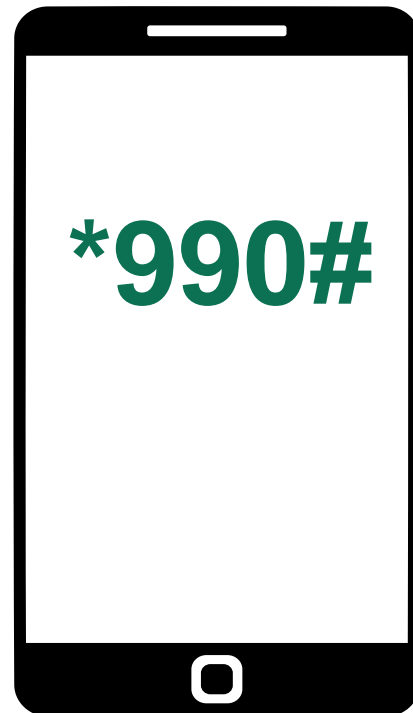


Send Money

- To Bank Account
- To phone number



Buy bills for self and others



Faster transactions with short codes



Seamless, secure onboarding

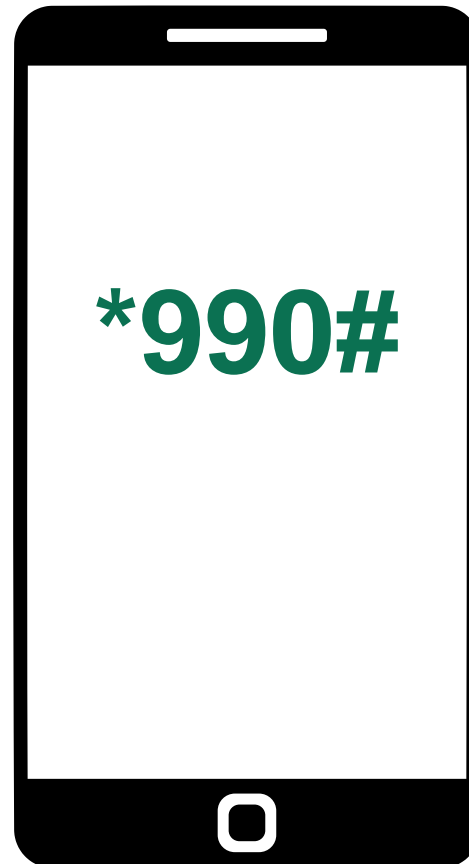


Buy airtime/data for self and others

Onboard with *990# USSD Code



Onboarding with *990# USSD Code



Option 1 : Open a 9PSB Wallet with Phone Number + Date of Birth (1/2)

1



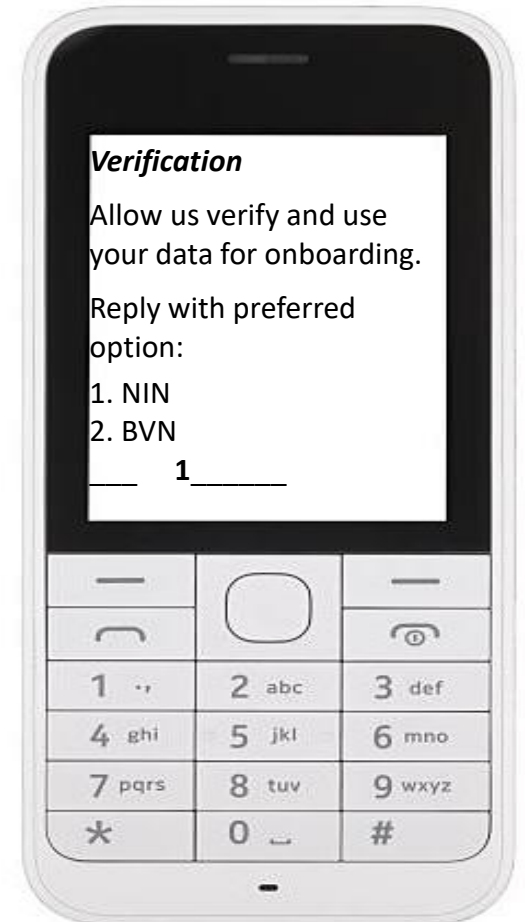
2



3



4



Option 1 : Open a 9PSB Wallet with Phone Number + Date of Birth (1/2)

1



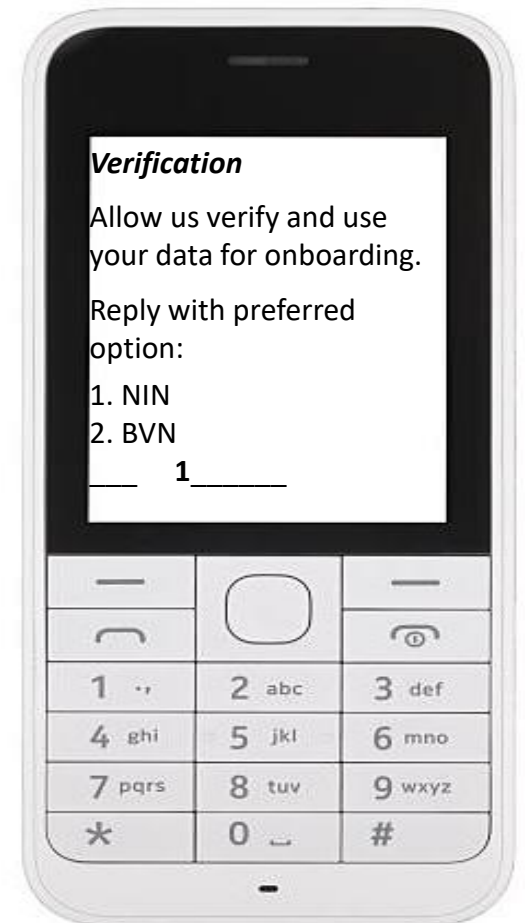
2



3



4



Option 1 : Open a 9PSB Wallet with Phone Number + Date of Birth (2/2)

5



6



7



8



Human-Assisted Channel – 9PSB Agents



Send Money

- To Bank Account
- To phone number



Pay Bills



Cashout/Cashin



Buy airtime/data

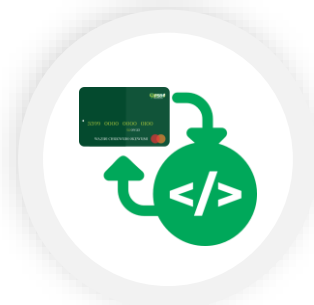
9PSB Focus – Our Payment Customer Journey



Cash To Codes

*Introduce Transaction Codes (*990#).*

Reduce Cash Dependability.



Codes to Cards

Leverage code acceptance and utilization and introduce debit cards as a payment option.

Enhance this with POS deployments through agents for Card, Transfers, Airtime Purchases and Cash-in/Cash-Out Transactions.



Cards to Bank9ja

Through enhanced financial education and penetration by POS agents, upscale the customer journey for payments into Mobile App adoption & usage.



App To Contactless

- *Create Digital Natives eventually from once financially excluded.*
- *Contactless Payments introduction and adoption.*
- *Transition further to NFCs, Barcodes, Online payments etc.*

9PSB Focus – Our Payment Customer Journey



**BANKING TRANSFORMATION
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With Bank9ja Mobile App and USSD or at an Agent terminal, you can:

Buy airtime for self ***990*Amount#**

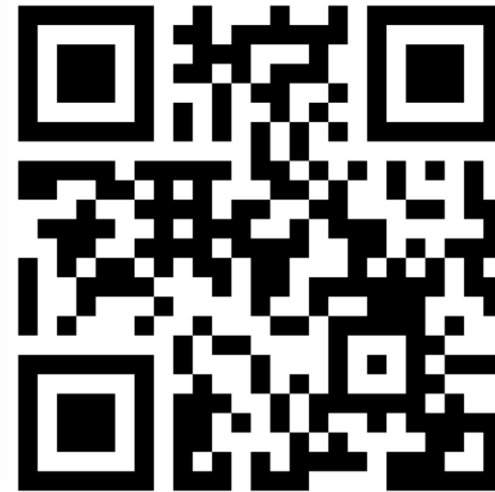
Buy airtime for others ***990*Amount*PhoneNumber#**

Buy data for self ***990*2#**

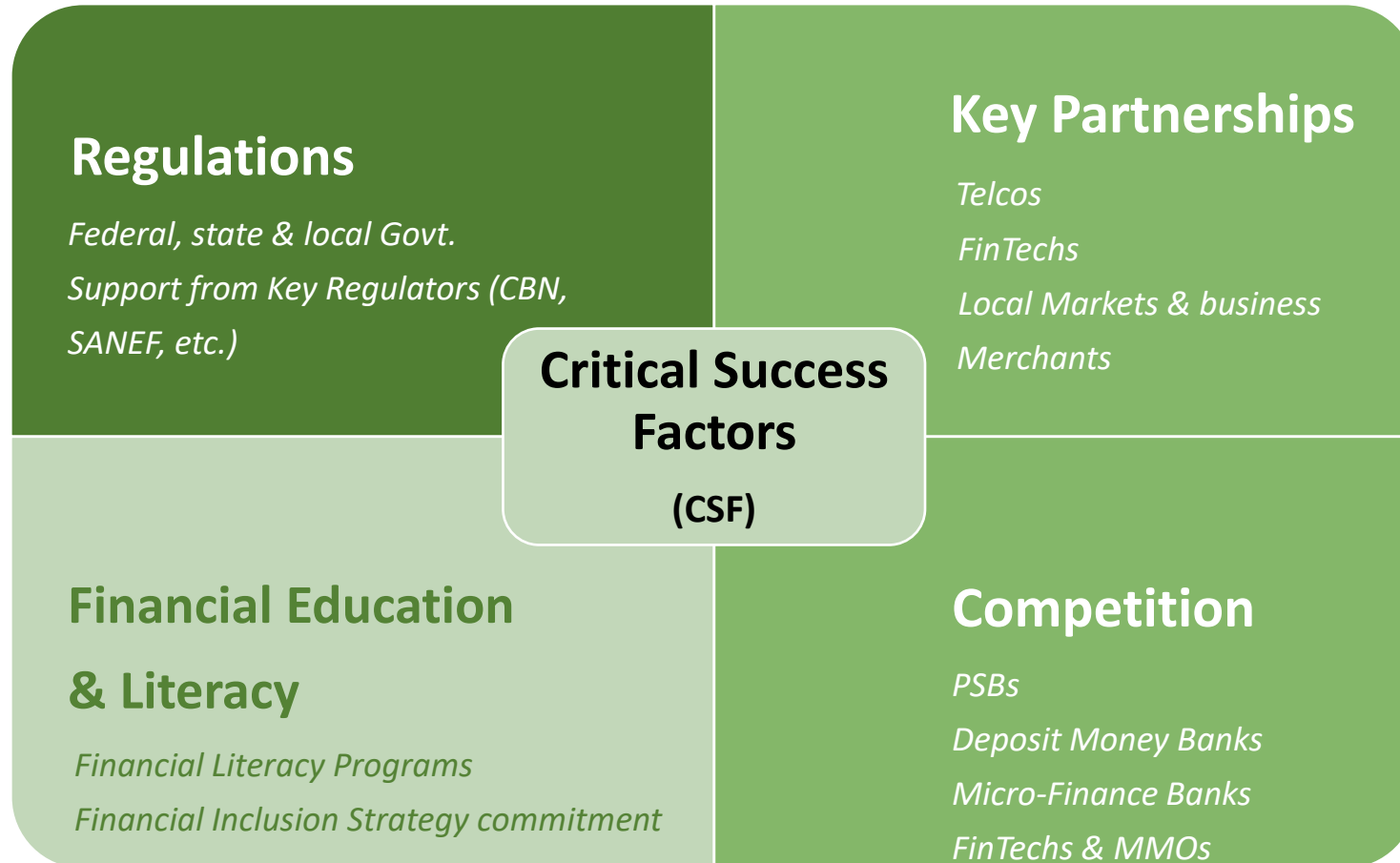
Buy data for others ***990*2*PhoneNumber#**

Send money to a **mobile phone number** or **bank account**.

SCAN TO BANK WITH US



9PSB Focus – Our Payment Customer Journey (CSF)



9PSB Focus – Conclusion- Future of Financial Inclusion



1. Financial Literacy Programs.
2. Bridging the infrastructure gap for the underserved by ensuring access to financial services.
3. Supporting economic growth and nationwide development.
4. Contributing to driving cash to cashless economy through grassroot initiatives and activities.
5. Providing customer service excellence adjusted to the financially excluded population.
6. Social Objective – empowerment of women, youth and other vulnerable groups.

THANK YOU

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