



Advancing the Dynamics of ICT Policy Engineering for e-Government

The Use of E-payment Systems – the Nigerian Experience

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Outline



- Payment Systems as the Lifeblood of Economies
- Examining the Landscape
- Technology Leapfrogging in Nigeria to Bridge the Wealth Divide
- Advantages of e-Payment
- E-platforms Redefining the Banking Experience
- Constraints Imposed by the Landscape
- Revolution of e-Payment



Payment systems as the lifeblood of economies



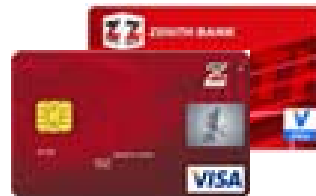
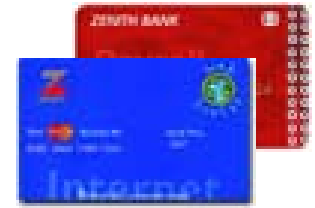
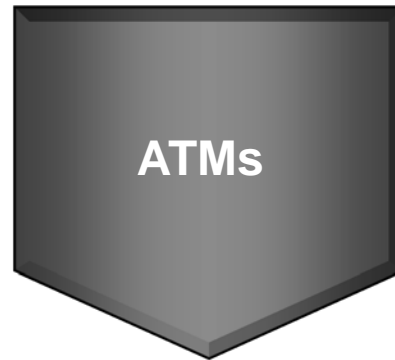
- Efficient, reliable and secure electronic payment system critical to
 - soundness of financial system
 - efficiency of financial markets
 - economic growth
 - development process
- Driving the engine of growth
 - Reduced barriers to trade
 - Increased geographical reach
 - Increased capital flows
 - Tool for engaging 70% of population that is unbanked
 - Additional savings of 1% GDP of move from paper-based to electronic payment system
 - Global competitiveness

Examining the landscape

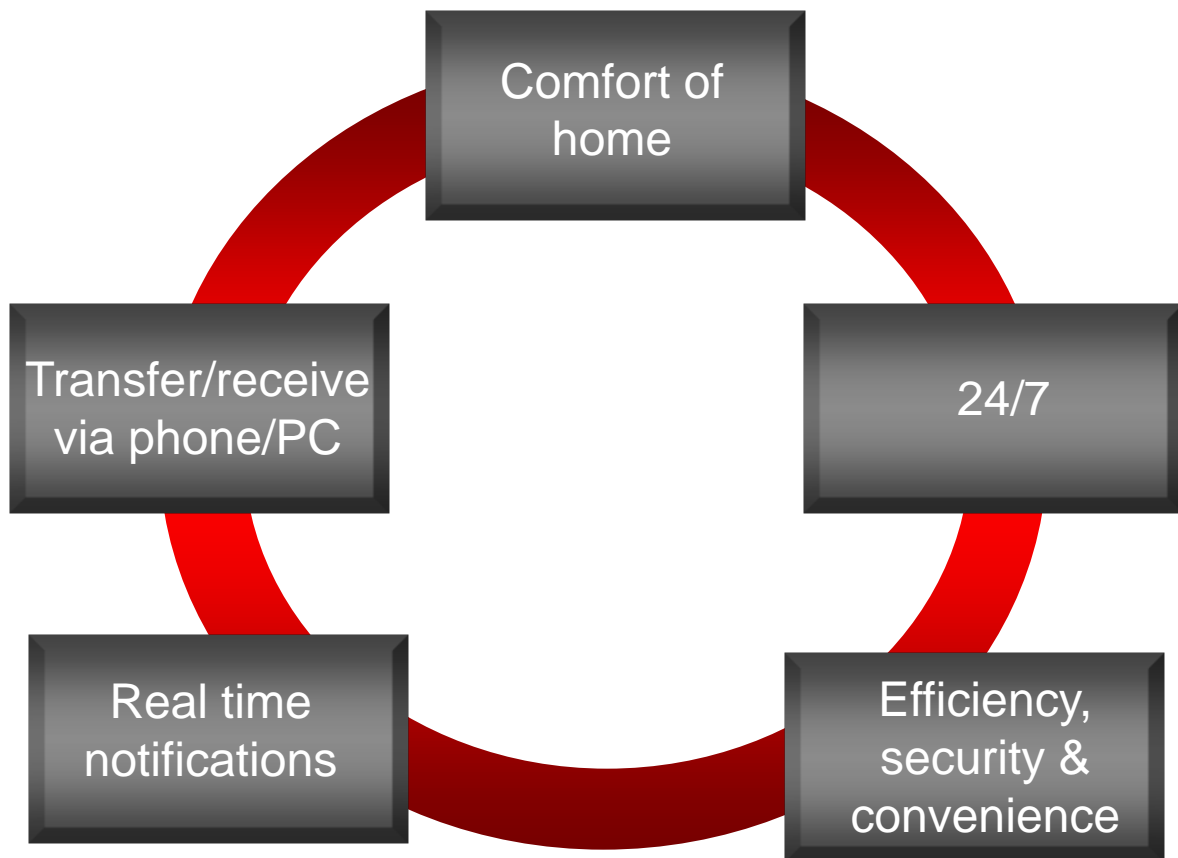


- Given rapid technological advancements and increasing consumer demand, positive transition towards increased acceptance of electronic payment systems and channels
- However, still high dependency on cash and cheques
- N1,035,882,000,000 in circulation as at 31 March 2009
- Potential cost saving of between 50-70% from scale effects and reduced friction from electronic payment systems

Technology Leapfrogging in Nigeria to Bridge the Wealth Divide



Advantages of e-Payment



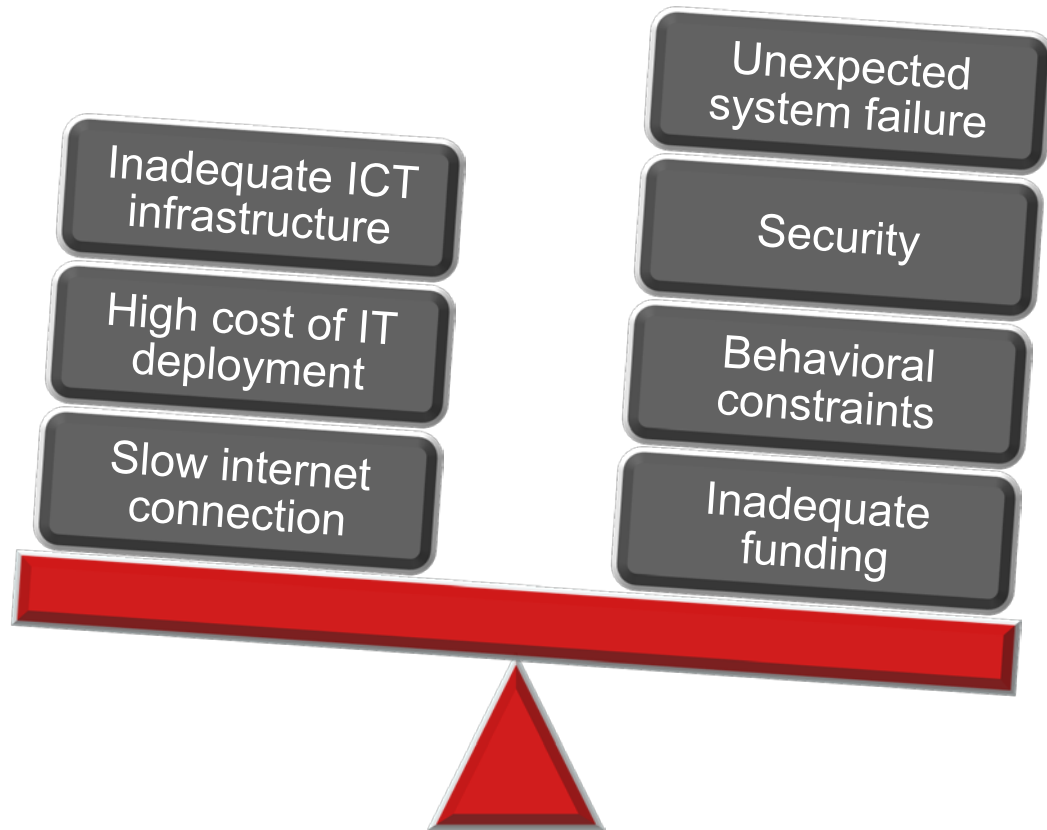
E-platforms redefining the banking experience – Interswitch example



No. of Cards Issued	22,498,428
No. of CashCards Issued	8,025,772
No. of ATMs Live	8,138
No. of POS Terminals Deployed	12,785
Transactions switched interbank	37,408,020
Total No. of Transactions	114,110,773
Switch Availability	99.61%



Constraints imposed by the landscape



Revolution of e-payment



- Convergence of networks supported by decreasing cost of ownership for mobiles will create a new platform that can disintermediate the banks
- Mobile banking, particularly in lower socio-economic groups will play an increasing role in transactions
- Deployment of smart cards with integrated social and financial information will feature on a national scale
- Voice pay – unique identification of user via voice activated services



“The successful companies of the next decades will be the ones that use digital tools to re-invent the way they work. These companies will make decisions quickly, act efficiently and directly touch their customers in positive ways. Going digital will put you on the leading edge of a shockwave of change that will shatter the old ways of doing business”

Bill Gates – Business @ the speed of thought

THANK YOU



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...in your best interest

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