



Mergers and Acquisitions loom in the fintech sector, says Niyi Toluwalope, CEO eTranzact

The competitive Nigerian fintech market appears set for an imminent transformation which may eventually culminate in mergers and acquisitions amongst the players and gladiators in the industry believed to be worth several billions of dollars. Specifically, the Nigerian fintech landscape, which consists of about 210-250 fintech companies all engaged in different services and product solutions, may eventually merge with bigger players or get acquired with a view to consolidating for greater profitability and growth as well as bigger competition

Dropping the hint recently during a live Instagram chat with **MARKETING EDGE**, a leading brand and advertising focused magazine, the Managing Director of eTranzact, Mr. Niyi Toluwalope said the transformation has become necessary in view of the growing numbers of fintech companies in Nigeria and the need to evolve into mega companies.

The eTranzact boss whose company remains a pathfinder in the sector with over seventeen years of outstanding records of performance also hinged the looming mergers and acquisitions in the fintech market on regulation. He stated that the Central Bank of Nigeria, which is the chief regulator for all financial services, including financial technology has been putting together regulatory guidelines on how to regulate and manage fintech companies.

His words: “The industry is growing. It’s relatively new and passing through the stage of several entrance depending on what part you want to play.”

Continuing, the eTranzact boss said: “I am seeing a lot of new entrants and lots of services/products solutions in so many fragmented ways”, adding that “consolidation will come. When it comes, you will see mergers and acquisitions of small players by big

players or you will see Mergers of Equals (MOE), where similar corporations in size and strength come together to take bigger competitions”.

He further stated that “once the CBN guidelines are out and ready, there could be stipulated capital requirement which would be the minimum operating standard capitalisation that most of the fragmented companies may or may not be able to afford. This, he reasoned would force them into mergers, a development which he foresees would be a healthy development for the industry in not too distant future.

The eTranzact chieftain, who disclosed that the Nigerian fintech market is huge, however, lamented the dearth and decadence of requisite infrastructure for the growth of the market. He specifically challenged the government and the regulatory agencies to do something about the current state of infrastructure in the industry now that there is a new paradigm shift that has been forced on the people of the world with Covid-19 global pandemic.

According to Frost and Sullivan, Nigeria's fintech revenue is expected to gross USD543.3 million in 2022 from the USD153.1 million three years ago. Key stakeholders in this emerging critical sector are banks, telecoms companies and the government enablers and funding partners (i.e Universities and research institutions, investors, incubators technology, consumers).

The Nigeria fintech industry continues to evolve on the crest of technology advancement and demographic support as 50% of the population is expected to be less than 25 years of age by the end of 2020. Besides, the prevailing financial exclusion has resulted in low access to complex financial products for the masses. Now that the government and the various stakeholders have been promoting financial inclusion, the industry may soon begin to witness an exponential growth in all aspects and ramifications.

Meanwhile, eTranzact is Nigeria's first award-winning multi-application and multi-channel electronic transaction switching and payment processing platform.

eTranzact has operations in Nigeria, Ghana, Kenya, Zimbabwe, South Africa, Cote d'Ivoire, and UK and the pioneering fintech company is currently expanding operations to more and more countries of the world. The company handles billions of dollars yearly, supporting millions of forward thinking businesses and individuals who believe that their financial transactions would be properly taken care of by eTranzact daily.

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