Factoring Market: Unlocking Access to Working Capital for Businesses

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Table of Contents

Executive Summary

This report critically evaluates the factoring and supply chain market, with focus on how to unlock access to working capital for companies with high trade receivables and how Factoring and Supply Chain Finance (FSCF) can assist the suppliers of companies with high trade payables. The report shows that the largest factoring markets are dominated by Europe, Asia and America. The global financing market grew by 5.6% to €2.92 trillion in 2019. Also, the global market grew at a Compound annual growth rate (CAGR) of about 12% between 2014 and 2019. The European factoring market has the largest market share of 68% and worth €1.98 trillion in 2019 (2018: €1.83 trillion). This is almost the triple of Asian factoring market of €696 billion (2018: €683 billion), which is the second largest factoring market in the world. The value of factoring market in America is about €221 billion in 2019 (vs. €211 billion in 2018). Although the American factoring market is small, compared to the factoring market in Europe and Asia, it is about ten times the factoring market in Africa, which is about €24 billion in 2019 (2018: €22 billion). However, South Africa has about 80% of the total market share in Africa. Middle East has market share of €10 billion in 2019 (2018: €9 billion). Although, Middle East and Africa have the lowest share of factoring market in the world, they had the best performance in 2019 as they grew by 10.0% and 10.2% respectively.

The impacts of COVID-19 on Factoring Market shows that many businesses were adversely affected in the world as many countries restricted movement and locked down business activities across different sectors. With the temporary closure of businesses in many countries, the factoring market in different regions experience weak performance, especially in the first half of 2020. In terms of performance, the factoring market in Asia recorded the highest setback in the world in the second half of 2020. The performance of factoring market in South & SE Asia fell by 76.0% in the first half of 2020. In addition, the performance factoring market in Northeast Asia fell by 62% in the first half of 2020, due the halt of many businesses in China and South Korea. Also, the factoring market in America and Africa dropped by 29% and 18% respectively in the first half of 2020.

This report also examines the late payment and dispute in factoring market. One of the key risks in factoring business is late payment, which many smart factoring companies consider before determining the factoring rate. The invoices usually have their redemption date, but this date may not be honoured after the factoring transaction has taken place. However, the default in honouring the invoice payment as at when due may be attributed to major two factors - inability and unwillingness of producer to honour the invoice payment. Unwillingness to honour the invoice is less common in the factoring market, due to the strong regulation and attracted penalty in some countries. The unwillingness to pay usually result to dispute and it may damage the reputation of the firm involved. Dispute is another risk that is associated with supply chain financing and factoring business all over the world. According to FDI Edifactoring, the dispute rate has decline significantly over the last 10 years. The dispute rate was 9.3% in 2009 and this has declined to 4.8% in 2019. The improvement in the dispute rate over time may be attributed to the improvement in technology, enhanced regulations, improved due diligence and awareness in the clauses or conditions around the invoices.

Technology is important in factoring and supply chain business as it will enable supply chain finance businesses to transit from paper-based transactions to electronic invoicing. Supply Chain Finance companies are currently adopting the use of blockchain technology to streamline processes in invoice financing, ensures data validity, reduces risks incurred and gives access to real-time information. In addition, blockchain also enables international transactions, that is, value can be shared rapidly and across borders by using tokens.

There are so many opportunities for Factoring & Supply Chain Finance (FSCF) in Nigeria. This report identifies the trade receivables and trade payables of 50 listed companies in Nigeria for FSCF. Julius Berger Nigeria Plc has the highest trade receivables of ₦107.23 billion in 2020, closely followed by Transnational Corporation of Nigeria Plc (₦97.62 billion) and Seplat Petroleum Development Company (₦96.77 billion). However, Airtel Africa has the highest trade payables of ₦961.64 billion in 2020 and this is almost three times the trade payables of Dangote Cement Plc (₦349.39 billion) - the company with the second largest payables in 2020.

1.0 Introduction to Factoring Business

Factoring is not well known in the financial services, especially in Africa, due to the wider role of commercial banks and microfinance banks in supporting the growth of businesses in Africa. Factoring services is well known in developed countries and have contributed immensely to the development and growth of micro, small and medium enterprises (MSMEs) in many counties. It is not difficult to understand factoring; It is the process of purchasing a debt or invoice from an organization at discounted prices. The provision of factoring service offers working capital loans to help mitigate credit risks by creating dynamic incentives. Factoring has emerged as an upcoming source of finance, especially for MSMEs, in both emerging and developed economies. Receivable financing, bills discounting, and factoring can substitute the prerequisites of working capital financing, in turn, catering for the special needs of MSMEs.

The provision of factoring service offers working capital loans to help mitigate credit risks by creating dynamic incentives.

There are various derivatives under the factoring services which provide opportunities for different sectors of the economy to thrive. The services include invoice discounting, receivable financing, vendor's finance, asset-based lending, working capital management, among others. One thing that is common about these services is that they relieve businesses in paying off the debts and provides them with the essential working capital to continue trading or production, while the buyer or factor, capitalizes on the profits when the debt is paid. The increasing requirement for alternative sources of financing for MSME in recent times has made factoring services one of the significant interventions in the financial services industry.

All over the world, factoring is the backbone of all the businesses as it enables them to obtain working capital loans and mitigate credit risks. In line with this, increasing awareness regarding the benefits of factoring and supply chain financing is also contributing to the market growth. Additionally, the advent of blockchain technology and cryptocurrency in factoring services in many countries is acting as another growth-inducing factor. These advanced solutions automate each invoice with unique identification for fast funding, complete transactional security and smart contract facilities. Other factors, including the increasing utilization of digital platforms in trade financing, along with the rising cross-border trade activities, are anticipated to drive the market further.

Factoring is categorised as international and domestic, and both try to help suppliers and producers of goods or services in strengthening their daily needs. International Factoring is an essential service for the companies engaged in the import and export of goods and services. International Factoring usually involves two factors – import and export factor. The export factor is responsible for collection of documents and ensuring payment to the exporter. Import factor, on the other hand, verifies the credibility of the importer and collect the dues on time. Companies engaged in international trade, regardless of their size and industry; often face a demand from the importers to open an account and agree on longer payment terms. This means, getting the payment weeks after the invoice date. It basically acts as export insurance.

The exporter hires the factor, who in turn guarantees the import price of the goods to the exporter. This simply means that factor is responsible for the cash flow from the importer to the exporter.

In domestic factoring, all the three parties, including the factor, the buyer, and the seller are in the same country and are subject to the same laws and regulations. Domestic factoring provides short-term working capital and cash to MSMEs for sales in their domestic region. With the increase in domestic business in various regions, the domestic factoring market is expected to grow at a faster rate than the international factoring market in the years ahead.

2.0 Factoring Vs Supply Chain Finance

There are multiples avenues that suppliers can take to facilitate early payment, with factoring and supply chain finance being two of the most common. It should be noted that factoring is basically a subset of supply chain financing and it is used to improve the cashflow of a business.

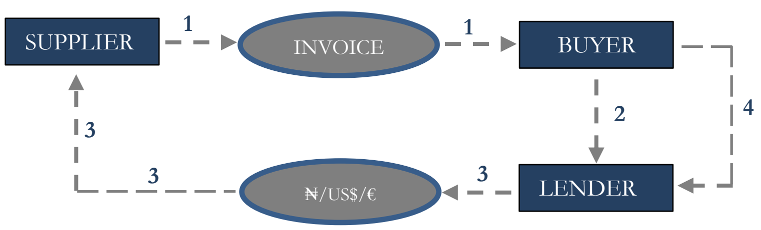
However, Factoring and Supply Chain Finance are two different strategies, though they share a few commonalities. These commonalities are:

1. Factoring and Supply Chain Finance facilitate early payment of a supplier's invoice.
2. Both are strategies used to optimise working capital (or cash flows).
3. Both also leverage outside sources of funding for payment.

…Factoring and Supply Chain Finance are two different strategies, though they share a few commonalities.

The difference between the two depends on the initiator of the above arrangement between the supplier and buyers. Factoring, a supplier-driven approach, enables a supplier to sell its invoices to a factoring agent (financial institution) in return for earlier, but partial payment. The supplier is the initiator of this arrangement, without the buyer's involvement. Once invoices are paid by the buyer, the supplier repays the factoring agent. On the other hands, supplier chain finance is a buyer-driven approach to early payment. A buyer establishes a supply chain finance program where selected suppliers are invited to participate. Once on board, a supplier can 'trade' or sell its invoices to a funder (usually a large bank or financial institution) for early payment. The supplier receives the full balance due of each invoice traded minus a small processing fee.

Fig. 1: Breakdown of Supply Chain Funding



Source: PAC Research

1. The supplier issues an invoice to the buyer.
2. The buyer confirms to the lender that the invoice has been approved for payment.
3. The supplier gets the value straight away (minus a small fee).
4. When payment is due, the buyer pays the lender.

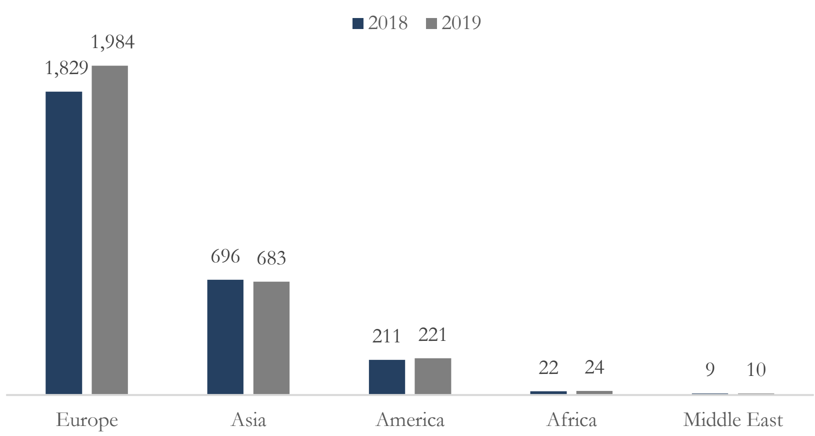
3.0 The State of Global Factoring Market

The global factoring, which consists of domestic and international, continue to grow in many countries. The global financing market grew by 5.6% to €2.92 trillion in 2019. The global market grew at a CAGR of around 12% during 2014-2019. Europe was the largest factoring market in 2019, and the region is expected to offer growth opportunities to market vendors in coming years. European factoring market worth €1.98 trillion in 2019. Impressively, the increasing stability of the economy will significantly drive factoring market growth of the continent in the coming years. However, the factoring market of Asia, which is the second largest market in the world, fell by 1.77% in 2019 to €683 billion in 2019 (vs €696 billion in 2018), due to the impacts of trade war between China and US.

The global financing market grew by 5.6% to €2.92 trillion in 2019. The global market grew at a CAGR of around 12% during 2014-2019.

The factoring market of America is about €221 billion in 2019 (vs. €211 billion in 2018). Although, the American factoring market is small compared to the factoring market in Europe and Asia, it is about ten times the factoring market in Africa, which is about €24 billion in 2019 (2018: €22 billion). However, South Africa has about 80% of the total market share in Africa. Middle East has the market share of €10 billion in 2019 (2018: €9 billion). Although, Middle East and Africa have the lowest share of factoring market in the world in 2019, they were the best performing during the period as they grew by 10.0% and 10.2% respectively.

Fig. 2: Factoring Market Share by Region (€'billion)



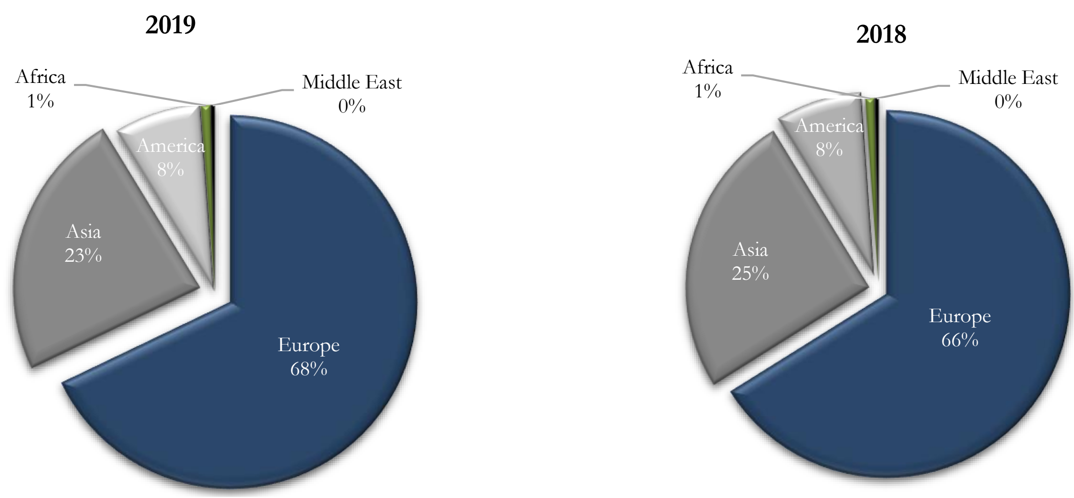
Source: CFI, PAC Research

Europe has the largest market share of 68% in 2019. And this is an increase compared to the market share of 66% in 2018. Asia, with a market share of 23% in 2019 (2018: 25%), is the second largest factoring market in the world.

The Chinese economy has contributed significantly to this market share. However, the trade war between the country and US has led to a decline in the factoring market of China, hence the reduction in the market share of Asia in the global factoring market in 2019. The market share of America is about 8% in 2019, and this is flat when compared to the market share of 2018.

Africa recorded a market share of about 1% in 2019, with largest percentage coming from South Africa. Middle East has the lowest market share of about 0.33% in 2019 (0.32% in 2018).

Fig. 3: Factoring Market Share by Region (in percentage)



Source: CFI, PAC Research

Over 65% of the market's growth will originate from Europe in the coming years. The UK, France, and Germany are the key markets for factoring in Europe. Market growth in this region will be faster than the growth in Middle East and Africa (MEA) and North America. Although the growing need for an alternative source of financing for MSMEs will offer immense growth opportunities, the lack of a stringent regulatory framework for debt recovery mechanism in developing countries will challenge the growth of the market participants.

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The leading factoring companies in the world are;

a) Advanon AG
b) Aldermore Bank Plc
c) BNP Paribas Cardif
d) Deutsche Leasing AG
e) Eurobank Ergasias SA
f) HSBC Holdings Plc
g) Mizuho Financial Group, Inc.
h) Riviera Finance of Texas Inc.
i) Societe Generale SA
j) The Southern Banc Co. Inc.

Supply chain finance is a broad category of financing with multiple products, and it contributes significantly to global trade finance, which has an estimated financing gap of $1.9 trillion annually around the world. According to the Aite Group, the estimated potential volume of reverse factoring, one of the common supply chain finance products, ranges from $255 to $280 billion, globally.

Growth in the supply chain finance sector is rising steadily. In the period between 2008 and 2014, domestic factoring volume increased on average by 6% per year across 70 countries in Europe, the Americas, Africa, Asia and the Pacific. International factoring volume grew on average of 16.6% per year. Moreover, research conducted by Demica shows that supply chain financing at major international banks is growing by a rate of 30% to 40% a year, and much of the expected future growth will be driven by local supply chains.

4.0 The impacts of on COVID-19 on Factoring Market

The outbreak of coronavirus affected many businesses in the world as many countries restricted movement and locked down business activities across different sectors, especially in 2020. With the temporary close of business in many countries, the factoring market in different regions experience week performance, especially in the first half of 2020. As an industry deeply rooted in serving SMEs with professional working capital solutions via factoring, it is expected that factoring business will struggle as many businesses remain inactive during the period of pandemic.

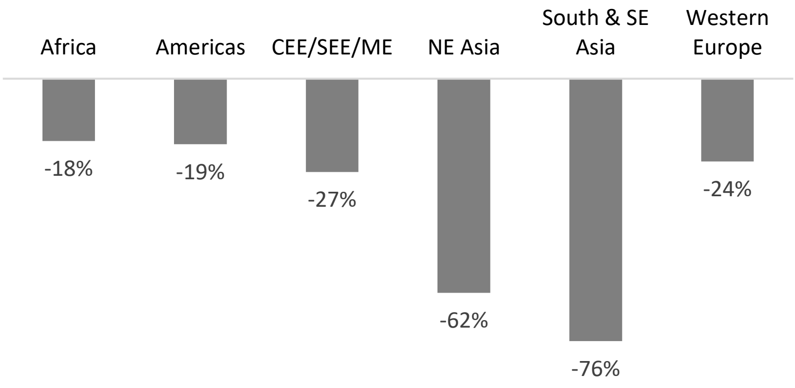
In terms of performance, the factoring market in Asia recorded the highest setback in the world during the pandemic period. It should be recalled that the pandemic started in China and the government restricted movement and locked down economic activities in order to contain the widespread of the pandemic. In the first half of 2020, the airport, borders, hotels, bars, event centres, casino, and some other businesses were shut down, and this adversely affected the productivity in this region. Consequently, the performance factoring market in South & SE Asia fell by 76.0% in the first half of 2020. In addition, the performance of Northeast Asia fell by 62% in the first half of 2020, due the halt of many businesses in China and South Korea.

The factoring market in America dropped by 29% in the first half of 2020. The drop in the factoring market of this region could be attributed to the widespread of coronavirus in United States as the country recorded was the second country with highest number of coronavirus, after China. Eventually, United States overtook China in the second half of 2020. The performance of factoring market in Europe was adversely affected in the first half of 2020, mainly driven by the lockdown of economic activities in Italy, Germany, Spain, England, France, among others, due to the widespread of coronavirus during the period. As a result, the factoring market of Western Europe and CEE/SEE/ME (Central & Eastern Europe/Southeast Europe) declined by 24% and 27% in the first half of 2020. South Africa, which contributes about 80% to factoring market in Africa, was the country with highest COVID-19 cases in Africa and this impacted factoring market in the continent during the period.

The performance of factoring market in Europe was adversely affected in the first half of 2020, mainly driven by the lockdown of economic activities in Italy, Germany, Spain, England, France…

As a result, the factoring market in Africa recorded a setback of 18% in the first half of 2020.

Fig. 4: First Half 2020 Regional Performance (Edifactoring)



Source: CFI, PAC Research

5.0 Late Payment in Factoring Market

One of the key risks in the factoring business is late payment, which many smart factoring companies consider in determining the factoring rate. It is important to state that invoices usually have their redemption date, but this date may not be honoured after the factoring transaction has taken place. The default in honouring the invoice payment as at when due may be attributed to major factors - inability and unwillingness of a producer to honour the invoice payment.

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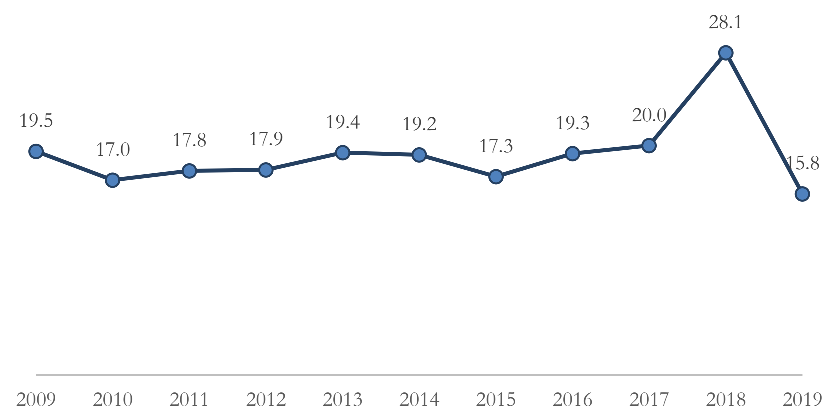
Inability of a producer to honour the invoice may be attributed to the low demand, breakdown of plant and equipment, natural disaster (such as earthquake, flood, tornadoes etc), government policy, among others. As we have seen during the pandemic period, many businesses could not honour their invoice payment, especially in the second half of 2020 due to the lockdown of economic activities and restriction of movement in various countries, which adversely affected the demand for their product. In 2020, several many companies in different countries could not honour the invoice payments to factoring companies, even after many days when invoices have matured.

Unwillingness to honour the invoice is less common in the factoring market, due to strong regulation and attracted penalty in some countries. The unwillingness to pay usually result to dispute and it may damage the reputation of the company (buyer) involved. In many countries, blockchain technology has made it possible for factoring companies to track all the previous factoring transactions of all the companies. Companies with good track records attract suppliers as they are expected to get favourable rates in factoring market. In addition, the company (buyer) usually get inputs (goods and services) at discount from suppliers. With the regulations, the application of technology and benefits to be derived (by the buyers) in the factoring market, the late payment is gradually reducing in the market as late payment of invoice due reduced from 28.1 day in 2018 to 15.8 days in 2019.

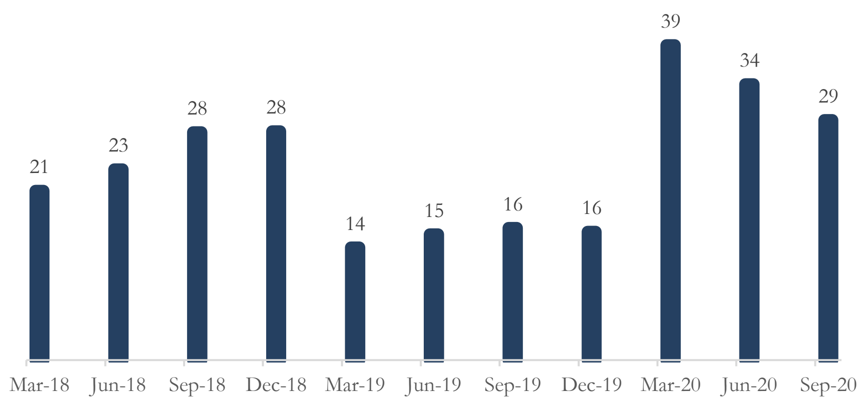
However, this increased to 39 days in March 2020, due to the negative impacts of coronavirus on businesses across the world.

Fig. 5: Late Payments 2009 – 2019 (In Days)



Source: CFI, PAC Research

Fig. 6: Average Payment Days Past Due Date



Source: CFI, PAC Research

6.0 Dispute in Factoring Markets

With the nature of the services provided under the factoring and supply chain financing, it is almost impossible not to record defaults or dispute among the party involved in the transaction. Dispute is one of the risks associated with supply chain financing and factoring business all over the world. Most times, the suppliers will have disagreement with the bank or factoring company in fulfilling the obligations in the invoice. Again, from the buyer-driven side (supply chain finance), the banks or factoring companies usually have disagreement or dispute with the producers or service providers when the invoices are due for payment. However, these disagreements are usually attributed to the clauses or conditions in the invoice, which may not be overt to the third party when initiating the factoring transaction. According to FDI Edifactoring, the dispute rate has decline significantly over the last 10 years. The dispute rate was 9.3% in 2009 and this has declined to 4.8% in 2019.

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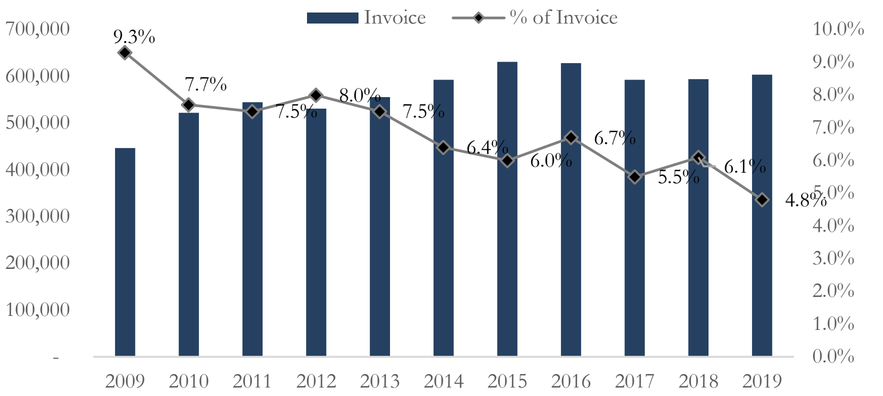
The improvement in the dispute rate over time could be attributed to the improvement in technology, improved regulations, improved due diligence and awareness in the clauses or conditions around the invoices.

Fig. 7: Total Disputes (2009 – 2019) and Dispute Rate (Edifactoring)



Source: CFI, PAC Research

To avoid dispute in factoring business, it is important for a factoring company and the suppliers (sellers) to properly define business dilution rate. When defining factoring advance rate, a factoring company will analyse the business dilution rate which considers the offsets that can affect the payment of receivables. Dilution is the difference between the gross value of the invoices and the payment that is collected from the customers. The difference can be represented by several factors such as returned goods, bad debt, write-off, discount offered, among others.

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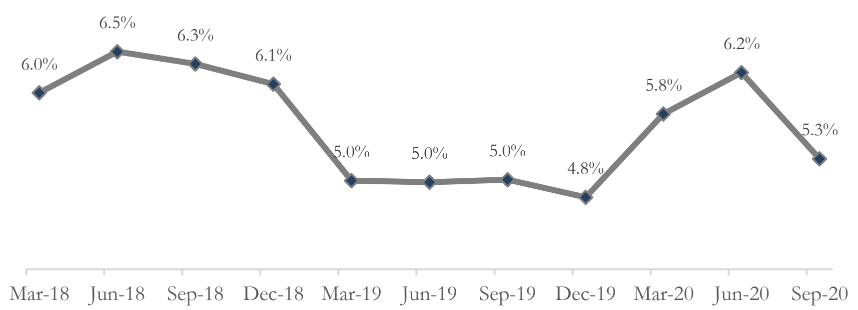
A lower dilution rate is always preferable in the factoring business. Impressively, dilution rate has been consistently declining over time (pre-pandemic period) as parties in the factoring business continue to mitigate the risks in factoring business in order to avoid dispute in factoring market. However, dilution rate picked up during the pandemic period as many businesses experienced lower demand while some locked up their goods due to the restriction of movement in many countries. According to FCI, dilution rate, which was 4.82% in December 2019 increased to 6.24% in June 2020. Meanwhile, many countries eased the lockdown for economic activities in September 2020, and this significantly impacted dilution rate as it declined to 5.62% in September 2020. Going forward, we expect a downward trend in dilution rate on the availability of COCID-19 vaccine and opening of markets for businesses.

Fig. 8: Dilution rate (Edifactoring)



Source: CFI, PAC Research

7.0 The Role of Technology in Factoring and Supply Chain Finance Market

Technology has played important roles in the financial services industry all over the world. The banking sector is the major beneficiary of technology in the financial space. In the financial services industry, technology has eased business transaction, reduced trade barriers, improved financial inclusion and reduced the world to a global village. In the factoring and supply chain finance market, technology has played important role in domestic and international factoring.

Small factoring firms will benefit from using technology to leverage on MSMEs transactions due to transaction limit usually display by the large factoring and supply chain finance company – mostly the international bank. In addition, the lack of adequate technology to improve access and expand coverage, has contributed to the sluggish growth, especially in Asian and African market. Specifically, the supply chain finance in many countries have traditionally been driven by international banks that focused more on cross border trade, but its adoption has been slow due to weak recourse environments, as well as scalability and origination costs. However, in recent years there has been a shift toward digitization and automation of both supply chain finance transactional flows and supply chain financial solutions. Leveraging the wide range of trade and transactional data, rapidly growing technology platforms are now playing crucial role in increasing transparency by providing risk profiling credit information for banks to gain a larger share of the market.

…the lack of adequate technology to improve access and expand coverage, has contributed to the sluggish growth, especially in Asian and African markets.

Technology will enable supply chain finance businesses transit from paper-based transactions to electronic invoicing. This will also enable supply chain businesses move from a buyer-centric model to a distributed network of buyers and suppliers with no defined central anchor. Technology will also assist supply chain finance firms to use transactional data to assess the credit worthiness of potential borrowers. Technology, either in-house or multi-bank platforms, is central to any successful supply chain finance program. However, when selecting the technology, three important factors need to be considered - automation, simplicity, and scalability:

Automation: This has to do with the speed of transactional flow which will encourage stakeholders to use the technology platform. The anchor of the technology platform needs to work on flows of data collection from physical supply chain. Most of the time, the technology platforms are integrated with the core banking system. The benefits to be derived from strong automation include increased productivity, timeless of invoice delivery, efficiency, and mutual-party transaction visibility.

Simplicity: The simplicity of the supply chain finance technology platform will enable all the parties (staff and trade counterparts) involved in the market to have a clear understanding of how the platform work without going for a training on how to transact on the platform. It must also have a flexible connectivity to various core systems.

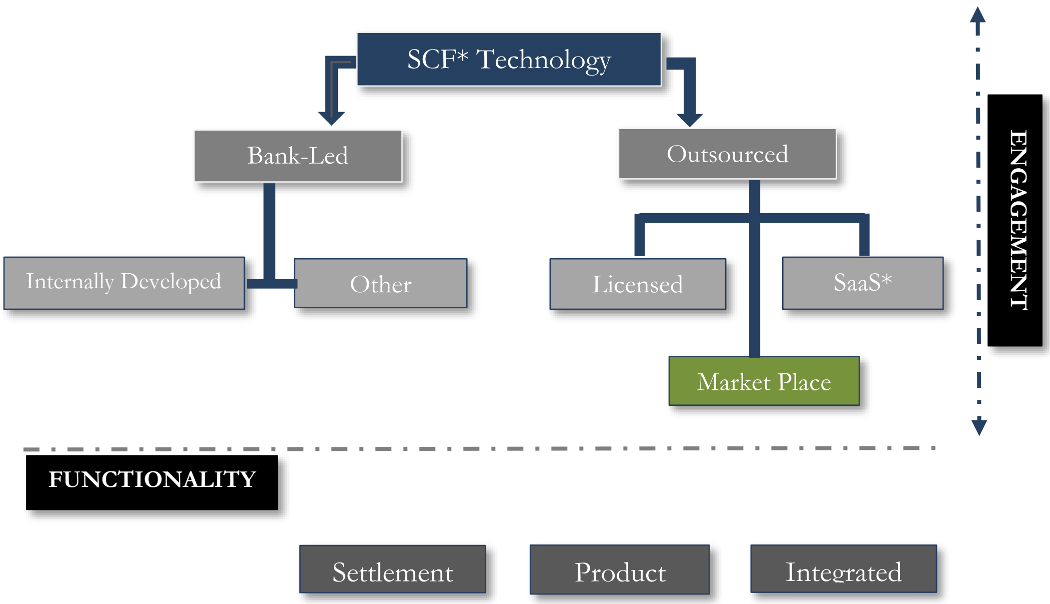
Scalability: Ability to scale up transaction volume is very important when creating supply chain finance technology platform. The anchor of the platform must be able to provide efficient platform with integration and operationalisation. The ability of the platform to expand offering to more than one product is very important.

Ability to scale up transaction volume is very important when creating supply chain finance technology platform.

The nature of supply chain finance platforms is quite diverse making selecting a well-suited supply chain finance platform a monumental task that requires banks to clearly understand the goals of the program, as well as current capabilities and gaps. Supply chain finance solutions can take various forms in order to address different challenges. A bank or supply chain finance firm considering launching or scaling up its supply chain finance business typically has the following two options:

(1) use a bank-led platform, either developing an internal IT infrastructure or adopting another bank's platform.
(2) contracting a bank-independent platform through: (a) licensing the technology solution from a technology platform; (b) outsourcing the automation services to a third-party platform such as Software as a Service; or (c) participating in a marketplace as one of multiple funders.

Fig. 9: Supply Chain Finance Technology solutions Engagement Categorization



SCF = Supply chain finance; SaaS = Software as a Service

Source: CFI, PAC Research

Bank Led Platforms: The bank-led platforms are very crucial in supply chain solution as it provides a high level of flexibility and can be highly configurable, enabling easy integration of treasury, procurement, and IT work streams. In this situation, the banks are the sole owner and financier of the program, which establishes exclusivity rights to the supply chain solution and strengthens its connection with clients, providing the bank with a competitive advantage.

However, developing such a platform from scratch can be highly complex, delaying the launch of a supply chain finance program and invariably requiring a substantial financial investment. Development, implementation and maintenance make this option expensive and less adaptive. Big banks such as Citibank, HSBC, ICICI Bank, Deutsche Bank, Santander, and JPMorgan Chase manage their individual proprietary supply chain finance platforms. However, these institutions are pioneers in supply chain finance and their systems are well integrated into their transaction banking capabilities.

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Smaller financial institutions may also choose to partner with another bank to use their technology platform. This allows the institution to provide additional financing while avoiding the credit process and the additional cost of hosting a platform. However, this option is exercised more in a syndicated supply chain finance transaction and is not prevalent due to data sharing issues.

The number of independent third-party platforms has increased significantly. The financing option provided by business-to-business platforms is an important development in the market. AP Ariba and Basware are among the largest Purchase-to-Payments networks facilitating financing. They collaborate with financial institutions to combine their transaction data with the participating bank's balance sheet to satisfy funding requirements. So, depending on the needs and goals of the supply chain finance program for the bank and the businesses, the external platforms can be contracted in three different ways: (1) licensed, (2) Software as a Service; or (3) marketplace.

Licensing: Financial institutions can buy a readily available solution and license it. The license agreement with an external supply chain finance platform may include installation, integration with the core banking system, and ongoing support and maintenance—all undertaken under the platform's brand. The financial institution can also white label the solution and present it under a new name. White-labelled solutions provide great marketing benefits, although they increase the cost of implementation. Platforms such as Premium Technology (FinShare), Orbian, and Demica work with banks on white label solutions, along with their own proprietary offerings. In addition, to ensure that first-comer benefits are fully explored in a given market, financial institutions could consider an exclusive relationship for a given time period, on a case-to-case basis with an external technology provider.

Software as a Service: The financial institution can also use an external software company's services on a 'Software as a Service' basis, where the provider is responsible for data aggregation and hosting, for managing the transactions, and for communication with stakeholders. In comparison to the licensed solution, this option features faster implementation, up-to-date technology, low integration requirements, and low costs.

Such a solution typically has a standardized set of functionalities and therefore may be less customized and tailored toward the specific needs of each financial institution. The bank also carries the business risk of the technology company by contractually hiring it to manage the supply chain finance related business processes. Some examples of the Software as a Service model used in the supply chain finance space include Kyriba, Taulia, and Prime Revenue.

Marketplace: Technology solutions can be enabled for stakeholders along the supply chain through the marketplace, providing them with access to a wide range of financial institutions and enabling them to sell invoices directly to investors, including banks, hedge funds, and private equity firms. In such a model, the suppliers and buyers can choose a funder among investors registered on the platform and based on the specifics of the transaction, geography, and price. The bank can also agree or disagree on finance specific transactions. The marketplace can also work as an auction, allowing various investors to bid and participate in the invoice auctioning. Platforms such as Prime Revenue, Ariba, Orbian, Nafin, Bolero, and the Receivables Exchange are examples of supply chain finance marketplaces. Blockchain technology falls under this and we will cover it extensively in this report.

7.1 Service Level Functionalities of Supply Chain Finance Platforms

A bank can select the technology platform best suited to its requirements from a range of vendors and at varying degrees of functional complexity. Market practitioners define various segmentation methodologies of the platforms depending on their functionality. Alexander Malaket, a member of the ICC Banking Committee, for example, defines three types of supply chain finance platforms: (1) payment processors for trade settlement, (2) package providers for standardized products and financing, and (3) global trade management providers for payment settlement, distribution of risk, cash management, and other comprehensive services. Banks can select platforms that best match their needs and fill the gaps of their own technology infrastructure.

A bank can select the technology platform best suited to its requirements from a range of vendors and at varying degrees of functional complexity.

Settlement processing: Platforms such as Ariba, Oxygen Finance, and GT Nexus support the electronic flow of trade documents and information, document exchange, automation of payments, e-invoicing, data matching, and reconciliation between buyers and sellers. Such platforms provide banks with transparency on buyer and supplier transactions, simplifying financing decisions and allowing buyers and suppliers to collaborate on a single platform.

Product offering: In addition to process management, platforms such as PrimeRevenue, GT Nexus, Premium Technology, GSCF, GTC, Misys, and Octet provide financial institutions with an automated system for managing their trade accounts through various structured supply chain finance products, including invoice discounting, purchase order financing, reverse factoring, and distributor finance.

Integrated services: To ensure a seamless and efficient supply chain finance program it is crucial that all participating parties – both the supplier and buyer treasuries, sales, procurement, IT, legal, and the financial institution – clearly understand the processes, responsibilities, and pricing involved. Technology providers such as Demica and Prime Revenue can provide an advisory role to stakeholders on various related matters, including assisting with the complicated onboarding process. Such services might lie in the following areas:

1. Cash management and treasury solution.
2. Onboarding and training of trade counterparts.
3. Advise on data extraction and reporting.
4. Structuring the SCF process and organisational set-up.
5. Collaborating with collection agencies
6. Continuous ad-hoc support
7. Advise in the area of legal frameworks/documentation.
8. Analytics on trade volumes, performance, and trends.

8.0 Blockchain Technology: An Important Tool to Unlock Value in Nigeria's Factoring Market

A blockchain, which is a decentralised ledger of all transaction in a network, is the best solution for invoice financing in Nigeria. With the use of blockchain, different participants in the network can confirm transactions without the need for a trusted third-party intermediary. Today, blockchain is an important technology that is gradually disrupting the landscape for invoice finance owing to its decentralised and transparent features. Blockchain helps to streamline processes in invoice financing, ensures data validity, reduces risks incurred and gives access to real-time information. By using tokens in blockchain, fraudulent incidences will be reduced because the information is available on a decentralised database. This will lead to greater transparency and better security among factoring companies and lenders. In addition, blockchain also enables international transactions, that is, value can be shared rapidly and across borders by using tokens. Blockchain also limits the barriers to entry for smaller companies that have access to tokens and want to buy invoices. According to PwC, factoring could unlock between US$1 billion and US$2 billion per annum in financing to MSMEs in Nigeria, with the use of blockchain technology. This will also increase the contribution of financial services to the Gross Domestic Product of the country.

…factoring could unlock between US$1 billion and US$2 billion per annum in financing to MSMEs in Nigeria, with the use of blockchain technology.

The user of blockchain technology in invoice financing in Nigeria is Interswitch and Microsoft Azure partnership. Interswitch Blockchain Services, which enables SMEs to access supply chain finance more efficiently in Nigeria, was launched by Interswitch and Microsoft Azure. On the service, the participating banks can reduce the risks incurred when providing loans to smaller companies. This shortens the delivery timeframe for SMEs to about three weeks.

In developed and emerging economies, blockchain has improved transactions in the factoring markets. For example, in Australia, Invox Finance is a decentralised invoice lending platform built on blockchain for solving cashflow problems for businesses. Other companies that use blockchain technology to drive factoring business are Populous World (United Kingdom), PayPie (Canada) and Acudeen (Philippines).

9.0 Opportunities in the Nigeria's Factoring and Supply Chain Finance Market

In Nigeria, there is ample opportunities for factoring and supply chain finance in the informal and formal sector of the economy. The state of formal sector is reflected on the 2020 audited financial statements of selected 50 listed companies (excluding financial services) on the Nigerian Exchange, with about ₦1 trillion trade receivables and about ₦3 trillion trade payables. The huge gap between the receivables and payables shows that payables provide some level of leverage for producing companies. However, suppliers are the ones who bear the burden of this payables as this is expected to affect their liquidity. Also, producers may have liquidity problem if receivables is huge or if it is not redeemed on time. Excitingly, the liquidity problems from both sides – receivables and payables – provide opportunities for Factoring and Supply Chain Finance.

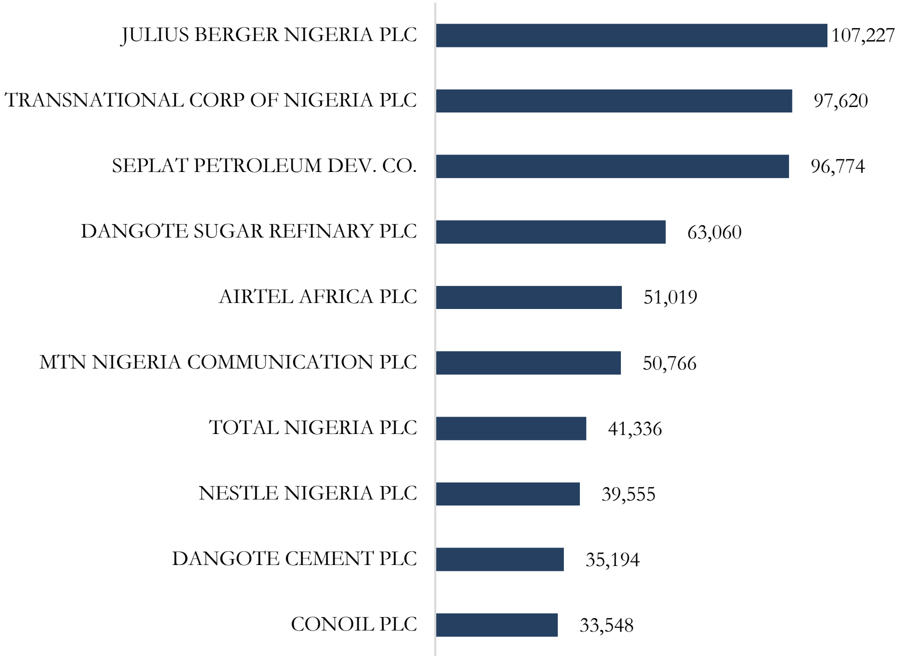
The huge gap between the receivables and payables shows that payables provide some level of leverage for producing companies.

10.0 Top 10 Listed Companies with Highest Trade Receivables in Full Year 2020

Looking at the listed companies on the Nigerian Exchange (NGX), Julius Berger Nigeria Plc has the highest trade receivables in 2020, closely followed by Transnational Corporation of Nigeria Plc and Seplat Petroleum Development Company. Julius Berger Nigeria Plc recorded trade receivables of ₦107.23 billion in 2020 (2019: ₦102.26 billion). However, Transnational of Nigeria Plc and Seplat Petroleum Development Company reported ₦97.62 billion (2019: ₦97.57 billion) and ₦96.77 billion (2019: ₦149.44 billion) respectively in 2020. Julius Berger Nigeria, which is a construction company, is notable for high trade receivables in Nigeria due to the nature of its business. The most important clients of Julius Berger in the country are the State governments and Federal Government of Nigeria. Most times, government always pay Julius Berger after they have fully constructed the roads. In the past few year, the government has improved on the area of capital expenditure and with the dwindling government revenue in recent years, the trade receivables of Julius Berger have increased tremendously. One common area with Transnational of Nigeria Plc and Seplat Petroleum Development Company is that they both operate in the upstream sector of the oil industry. It takes time to get the actual payment after crude oil sale in this sector.

Specifically, four (4) companies from the petroleum/energy sector made the list of the top 10 companies with highest trade receivables, followed by two (2) telecoms companies, two (2) consumer goods companies, one (1) industrial company and one (1) construction company.

Fig. 10: Top 10 Listed Companies with Highest Trade Receivables - FY 2020 (Million NGN)



Source: NSE, PAC Research

11.0 Top 10 Listed Companies with Highest Trade Payables in Full Year 2020

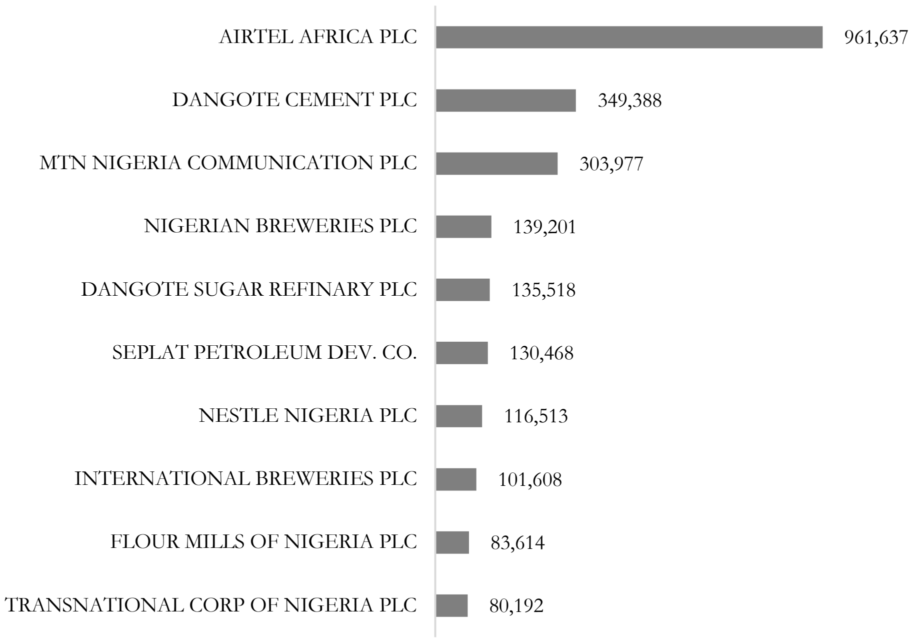
As expected, companies in the telecom sector, oil sector and consumer goods sector dominate the top listed companies with highest trade payables 2020. Airtel Africa has the highest trade payables of ₦961.64 billion in 2020 (2019: ₦1.12 trillion) and this is almost three times the trade payables of Dangote Cement Plc, which is the company with the second largest payables in 2020. Dangote Cement Plc recorded trade payables of ₦349.39 billion in 2020 (2019: ₦285.83 billion), closely followed by MTN Nigeria Plc, which recorded trade payables of ₦303.98 billion in 2020 (2019: ₦190.44 billion). Trade payables, which is usually driven by the volume of production, nature of business and business reputation, is very important for businesses as it provides leverage for them at zero interest rate. Airtel Africa Plc, Dangote Cement and MTN Nigeria generate high volumes and they have strong business reputation in Nigeria.

…companies in the telecom sector, oil sector and consumer goods sector dominate the top listed companies with highest trade payables 2020.

MTN and Airtel have mast in different locations across the country and these masts are maintained regularly by different contractors. These contractors are usually paid days after they provided the service. Also, Dangote Cement is a reputable company who makes use of trade payables, in addition to the issued Commercial Paper on FMDQ, to leverage their business.

Looking at the top ten (10) companies with highest trade payables in Nigeria, five (5) companies are from consumer goods sector, two (2) companies from telecoms companies, two (2) companies from energy/petroleum sector companies and one (1) company from industrial sector of the economy.

Fig. 11: Top 10 Listed Companies with Highest Trade Payables - FY 2020 (Million NGN)



Source: NSE, PAC Research

12.0 Historical Performance of Trade Receivables and Trade Payables of Selected Companies:

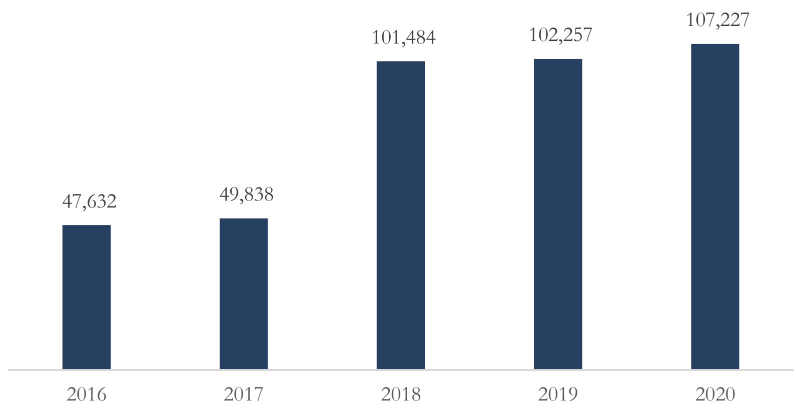
Trade Receivables

1. **Julius Berger Nigeria Plc**

   Trend analysis showed that trade receivables of Julius Berger increased by 125.12% over the past 5 years. In 2016, the trade receivables of Julius Berger was ₦47.63 Billion and increased significantly to ₦107.23 billion in 2020. This could be attributed to renewed focus of Nigerian government on infrastructural development. The company's trade receivables is majorly dominated by the contract and retention receivables. However, the trade receivables exposures are typically with the Federal and State governments which are the major customers of the Julius Berger and credit risk are greatly minimised through forward funding where achievable. With the increased spending of the Federal government and state government, as seen in the 2019 - 2021 budget of the Federation, the trade receivables of Julius Berger continue to increase. The recent government project under Julius Berger includes: Rehabilitation and reconstruction of major road connection (Lagos-Shagamu Expressway), Renovation and reconstruction of railway facilities (Railway village, Agbor), Expansion of independent power plant (Okpai Power Plant Phase II, Delta State), Rehabilitation and expansion of major road network connection, and utilizing asphalt recycling methodology (Abuja-Kaduna-Zaria-Kano Road).

…trade receivables exposures are typically with the Federal and State governments which are the major customers of the Julius Berger…

Fig. 12: Julius Berger Nigeria Trade Receivables – 2016 - 2020 (Million NGN)



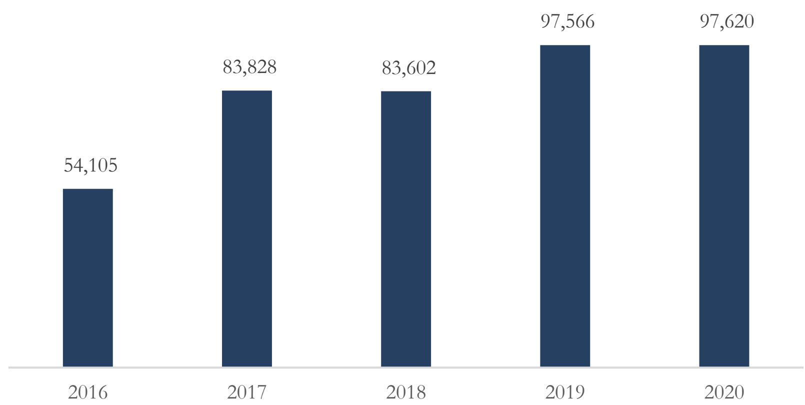
Source: NSE, PAC Research

2. **Transnational Corporation of Nigeria Plc**

With the additional lines of business, the receivables of Transnational Corporation of Nigeria Plc (Transcorp) continue to increase. The company has investment in hospitality, power and energy. With improved revenue overtime, the trade receivables of Transcorp increased by 80.43% to ₦97.62 billion in 2020 (vs. ₦54.11 billion in 2016). Transcorp has four generating power stations, and it takes time for them to get paid by the power distribution companies. In addition, the energy business of the company operates in the upstream petroleum energy sector and it takes time to get payment of sales from the customers. However, we assess the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Transcorp has four generating power stations, and it takes time for them to get paid by the power distribution companies.

Fig. 13: Transnational Corp of Nigeria Plc Trade Receivable – 2016 - 2020 (Million NGN)



Source: NSE, PAC Research

3. **Seplat Petroleum Development Company Plc**

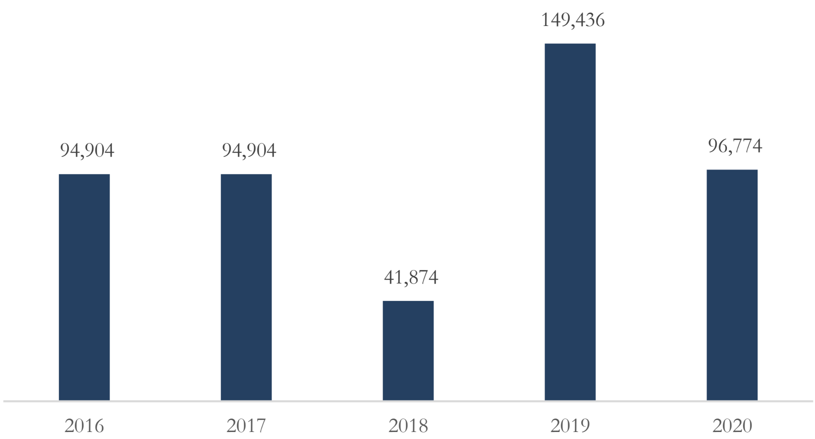
Although, the trade receivables of Seplat Petroleum Dev. Co. is very high, it has been relatively stable over time. In the last five years, the trade receivable of Seplat increased by 1.97% to ₦96.77 in FY 2020, from ₦94.90 billion recorded in 2016.

The outlier in the past five years was 2019 when the trade receivables was ₦149.44 billion. The major customers of Seplat are reputable institutions with credible records. The customers of Seplat Petroleum Development Company Plc are Nigerian Gas Marketing Company (NGMC), Central Bank of Nigeria (CBN), Mercuria, Pillar PanOcean. Geregu Power, Sapele Power, among others.

Included in trade receivables in FY 2020 (₦96.77 billon) is an amount due from Geregu Power ($22.9 million, ₦8.6 billion), Sapele Power ($7 million, ₦2.7 billion) and Nigerian Gas Marketing Company ($3.4 million, ₦1.3 billion) totalling $33.3 million (Dec 2019: $52 million) ₦13.6 billion (Dec 2019: ₦16 billion) with respect to the sale of gas. Also included in trade receivables is ₦7 billion (Dec 2019: ₦3 billion) and $19 million (Dec 2019: $9 million) due from Mecuria and Shell Western respectively for sale of crude

The customers of Seplat Petroleum Development Company Plc are Nigerian Gas Marketing Company (NGMC), Central Bank of Nigeria (CBN), Mercuria, Pillar PanOcean …

Fig. 14: Seplat Petroleum Dev. Co. Plc Trade Receivables – 2016 - 2020 (Million NGN)

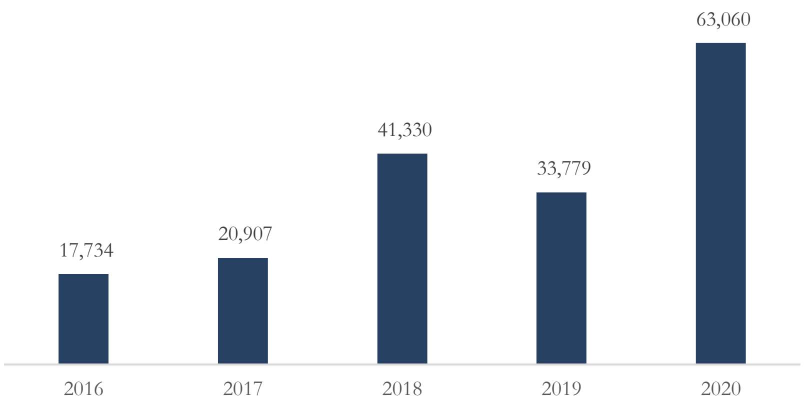


Source: NSE, PAC Research

4. **Dangote Sugar Refinery Plc**

Dangote Sugar has experienced impressive growth, in terms of revenue, in recent years. The stellar performance also impacted the trade receivables as it increased by 255.59% to ₦63.06 billion in 2020 (2016: ₦17.73 billion). The company has many distributors and consumer goods companies as the direct customers in many states in Nigeria. Most distributors have limited access to capital to meet their business obligation. Dangote Sugar relief them of this burden by supplying sugar in bulk, on credit, and get the full payment from the wholesalers after they have sold the sugar to the retailers and end users. Some retailers also buy the sugar from the distributors on credit and make payment after they have sold the sugar to the end users. In addition, most consumer goods companies, who are customers of Dangote Sugar, usually buy most of their inputs on credit as this provide them with some level of leverage. All these explain the reason Dangote Sugar Refinery usually has a huge number for trade receivables.

Fig. 15: Dangote Sugar Refinary Plc Trade Receivables – 2016 - 2020 (Million NGN)



Source: NSE, PAC Research

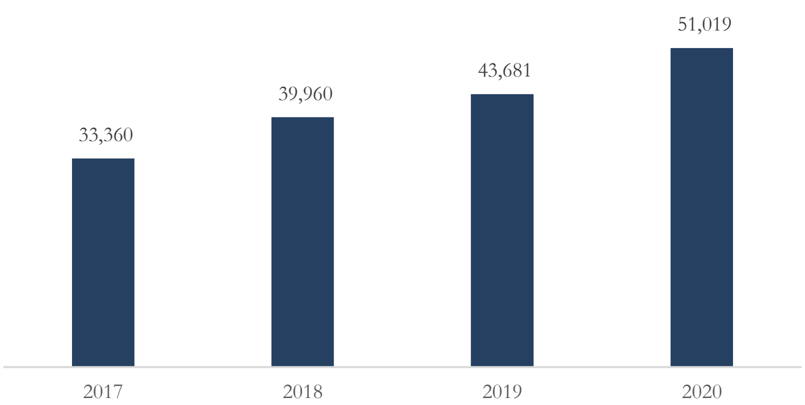
5. Airtel Africa Plc

Airtel Africa is a leading provider of telecommunications and mobile money services, with presence in 14 countries in Africa, primarily in East Africa and Central and West Africa. Airtel Africa offers an integrated suite of telecommunications solutions to its subscribers, including voice and data services, as well as mobile money services, both nationally and internationally. Airtel Africa was listed on the Nigerian Stock Exchange in 2019.

Due to the wider coverage across Nigeria, the company has many agents which enable the company to reach the large population of the country, irrespective of their locations. The agents, who are airtime vendors, includes banks, individuals, and companies. These airtime vendors assist Airtel in selling recharge card and/or virtual airtime, using different platforms. The banks have platform (app or USSD) which enables their customers to buy airtime and they remit to Airtel after an agreed period. In addition, other airtime vendors usually get recharge card/Airtime from Airtel on credit due large volume of the business. As a result, the trade receivables of Airtel Africa increased by 52.94% between 2017 and 2020.

These airtime vendors assist Airtel in selling recharge card and/or virtual airtime, using different platforms.

Fig. 16: Airtel Africa Plc Trade Receivables – 2017 - 2020 (Million NGN)



Source: NSE, PAC Research

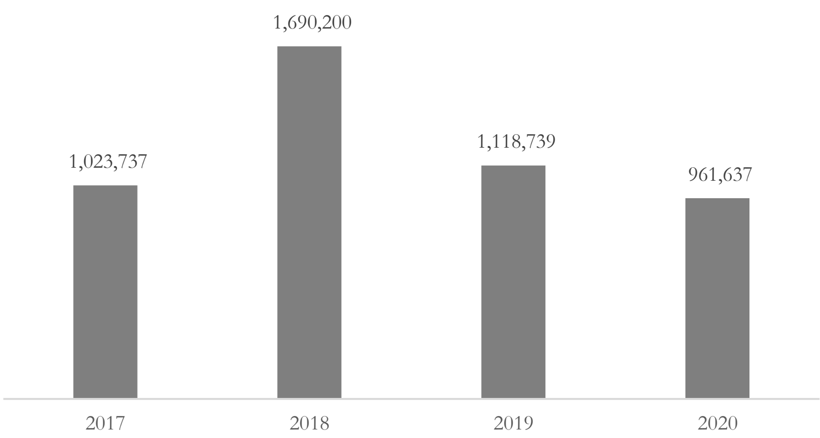
Trade Payables

1. **Airtel Africa Plc**

The company with highest trade payables in Nigeria is Airtel Africa, with trade payables of about ₦961.34 billion in FY 2020. This is a lower than the trade payables of ₦1.12 trillion reported in FY 2019. One of the major reasons for this huge figure is that the financial statement of Airtel Africa is a consolidated report, which comprises of figures from different countries. Another reason is traced to the nature of the business, which requires regular maintenance and upgrade of equipment. Most of the company's contractors provide services in stages and get paid after the completion of the service.

One of the major reasons for this huge figure is that the financial statement of Airtel Africa is a consolidated report…

Fig. 17 Airtel Africa Plc Trade Payables – 2016 - 2020 (Million NGN)

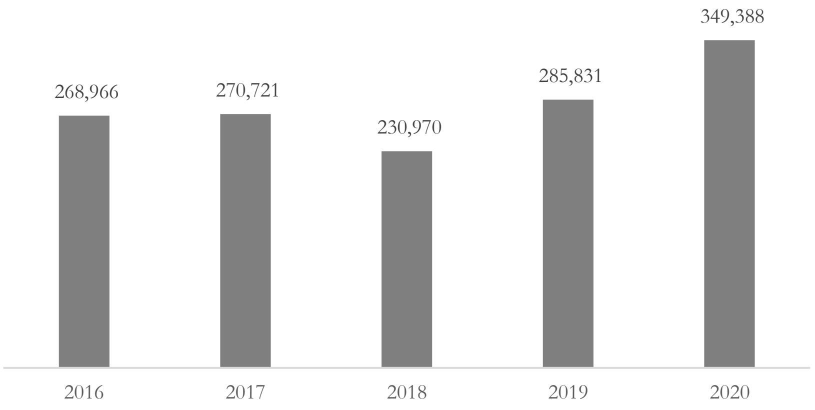


Source: NSE, PAC Research

2. **Dangote Cement Plc**

Dangote Cement is the leading cement company, with a capacity of 45.5 million tonnes per annum. The company has presence in many African countries, with major market in Nigeria. Of the company's cement capacity of 45.55 million tonnes per annum across Africa, a total of 25.72 million tonnes was produced in FY'20 (vs. 23.68 million tonnes in FY'19), driven by strong performance in Nigeria, Ethiopia, and Senegal. The strong reputation and the growth of the company reflected on the trade payables which has grown over time. The trade payables increased by 29.90% to ₦349.39 billion in FY 2020, from ₦268.97 billion in 2016. In 2020, the average credit period on purchases of goods is 63 days (2019: 67 days) for the company. However, no interest is charged on trade payables. The company has financial risk management policies in place to ensure that all payables are paid in line with the pre-agreed credit terms. The huge trade payables provide opportunity for Factoring Supply Chain Finance (FSCF) to provide liquidity assistance to the suppliers of Dangote Cement. Since Nigeria is a major market of Dangote Cement, Factoring and Supply Chain Finance may look inward and provide support for the suppliers of the leading cement company in Africa.

Fig. 18: Dangote Cement Plc Trade Payables – 2016 - 2020 (Million NGN)



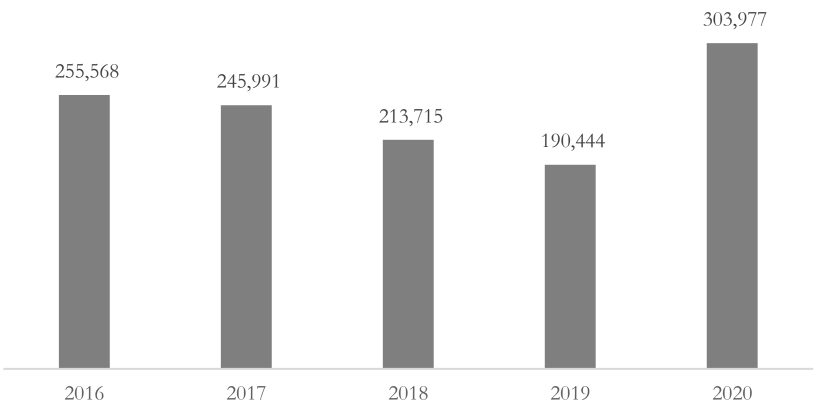
Source: NSE, PAC Research

3. MTN Nigeria Communication Plc

One of the top companies with highest trade payables in Nigeria is MTN Nigeria, with trade payables of about ₦303.98 billion in 2020 (2019: ₦190.44 billion). The trade payables for 2020 include unclaimed dividend returned and retention fee on purchase of Visafone. Being the telecom with highest number of subscribers (data and voice) in Nigeria, the company enjoys some level of leverage from the suppliers. Like other telecom companies, the nature of MTN's business requires regular maintenance and upgrade of equipment. Most of the company's contractors usually provide the services in stages and get paid after the completion of the service.

…the nature of MTN's business requires regular maintenance and upgrade of equipment…

Fig. 19: MTN Nigeria Plc Trade Payables – 2016 - 2020 (Million NGN)



Source: NSE, PAC Research

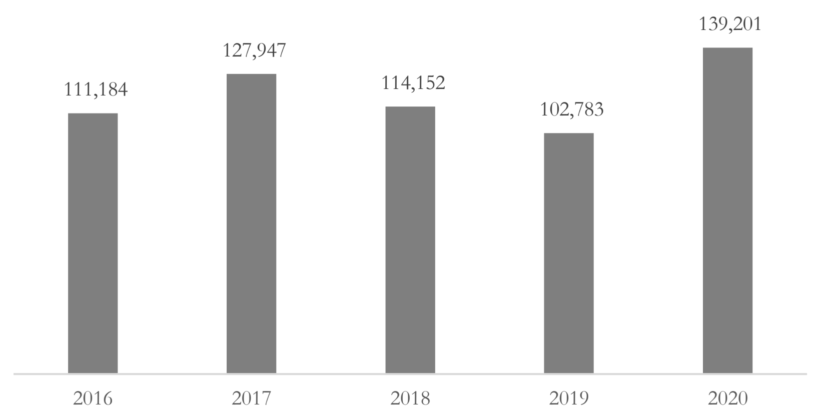
4. Nigerian Breweries Plc

Being a pioneer and largest brewing Company in Nigeria, Nigerian Breweries has built strong reputation in the Breweries segment of Nigeria. They have different brands of brewery products which enable customers to select in the market. Despite the impact of COVID-19 on their products, Nigerian breweries managed to increase their revenue in 2020 by 4.35% to ₦337.05 billion (2019: ₦323.01 billion).

The company has different suppliers of inputs such as grain, hops, yeast, among others. With the reputation of the Nigerian Breweries and volume they command in the market, the trade payables of the company has increased significantly in the past five years (as seen in the table below). The trade payables was ₦139.20 billion in 2020 - an increase of 35.43% when compared with trade payables of ₦102.78 billion in 2019.

With the reputation of the Nigerian Breweries and volume they command in the market, the trade payables of the companies has increased significantly in the past five years…

Fig. 20: Nigerian Breweries Plc Trade Payables – 2016 - 2020 (Million NGN)

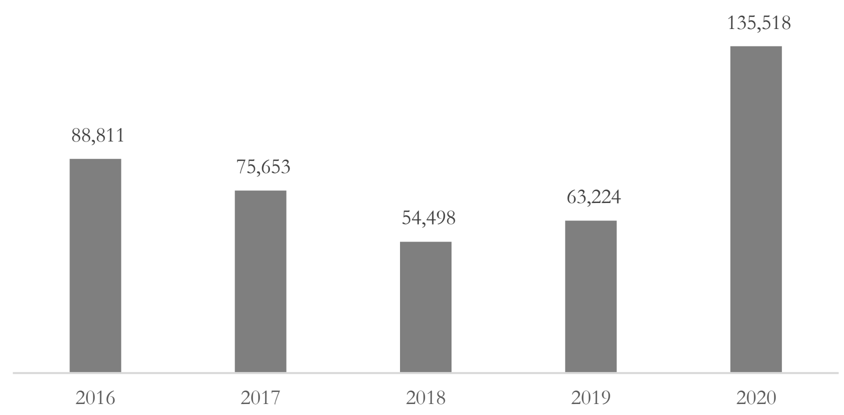


Source: NSE, PAC Research

5. **Dangote Sugar Refineries Plc**

Dangote Sugar is a leading brand that has made a remarkable impact on the Nigerian sugar sector. The sugar refining facility of Dangote Sugar at Apapa is the largest in Sub-Saharan Africa, with 1.44MT per annum installed capacity. The most important suppliers of the companies are sugarcane farmers who supply on credit at zero rate and get paid after a specific period of time. With improved capacity of the Dangote Sugar over time, the trade payables of the company increased by 114.35% to ₦135.52 billion in 2020 from ₦63.22 billion reported in 2019.

Fig. 21: Dangote Sugar Refinery Plc Trade Payables – 2016 - 2020 (Million NGN)



Source: NSE, PAC Research

Table. 1: Trade Receivables and Trade Payables of 50 Listed Companies in Nigeria – 2016 - 2020 (Million NGN)

		TRADE AND OTHER RECEIVABLES					TRADE AND OTHER PAYABLES				
S/N	COMPANY	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
1	11 PLC	8,629	19,543	8,212	11,455	10,646	9,837	11,991	11,514	24,025	24,919
2	AFRILAND PROPERTIES PLC	1,325	1,612	1,838	1,549	2,196	1,796	2,098	2,113	2,145	3,155
3	AIRTEL AFRICA PLC		33,360	39,960	43,681	51,019		1,023,737	1,690,200	1,118,739	961,637
4	BERGER PAINTS NIGERIA PLC	381	175.39	191	331	317	679	557	623	805	704
5	BETA GLASS PLC	10,392	14,378	13,438	13,730	12,747	5,348	5,282	11,598	9,087	8,179
6	C AND I LEASING PLC	6,056	6,584	7,755	8,701	6,557	5,301	6,621	7,021	7,204	4,771
7	CADBURY NIGERIA PLC	4,969	4,890	3,770	4,530	3,856	12,583	8,860	10,017	9,617	10,910
8	CHAMPION BREWERIES PLC	252	1,248	1,090	886	52	1,281	1,112	1,800	2,059	1,898
9	CHELLARAMS PLC	6,340	6,250	4,759	5,045	3,187	1,439	2,158	2,538	1,922	3,104
10	CONOIL PLC	16,384	25,867	30,295	40,441	33,548	37,359	36,573	35,066	31,578	28,567
11	COURTEVILLE BUSINESS SOLUT.	552.1	873.7	733.9	741	384	41.9	606.5	797.8	507	335
12	DANGOTE CEMENT PLC	26,279	30,155	44,468	31,093	35,194	268,966	270,721	230,970	285,831	349,388
13	DANGOTE SUGAR REFINARY PLC	17,734	20,907	41,330	33,779	63,060	88,811	75,653	54,498	63,224	135,518
14	ETERNA PLC	13,289	28,578	30,820	9,446	12,613	10,543	24,153	23,383	4,952	8,291
15	FLOUR MILLS OF NIGERIA PLC	18,966	21,403	19,083	26,085	25,731	50,417	94,567	56,994	79,040	83,614
16	FORTE OIL PLC	46,820	68,146	28,612	16,678	28,491	44,401	53,360	26,473	22,823	35,481
17	FRIESLANDCAMPINA WAMCO	10,213	11,413	18,921	14,797	17,987	46,623	53,807	55,548	68,532	92,319
18	GSK CONSUMER NIGERIA	5,375	6,811	5,740	6,680	4,650	9,178	9,246	6,244	8,643	13,580
19	GUINNESS NIGERIA PLC	26,510	22,967	23,890	26,019	18,719	37,530	43,053	31,176	31,921	31,945
20	HONEYWELL FLOR MILL PLC	1,169	872	6,519	3,983	5,008	3,118	7,479	12,331	20,444	21,487
21	INTERNATIONAL BREWERIES	4,072	6,939	28,021	27,803	15,790	6,479	12,477	53,995	88,187	101,608
22	JULIUS BERGER NIGERIA PLC	47,632	49,838	101,484	102,257	107,227	32,496	42,914	47,921	47,026	45,385
23	LAFARGE AFRICA PLC	9,766	25,110	21,164	8,193	5,029	114,457	113,000	80,538	69,718	76,858
24	MAY & BAKER NIGERIA PLC	1,493	764	1,345	1,611	1,366	-	1,853	1,779	2,011	1,343
25	MEYER PLC	162	185	147.7	355	176	525	651	701	2,937	585
26	MOBIL	8,629	18,048	11,514	13,876	10,646	9,837	19,543	8,212	18,874	24,919
27	MORISON INDUSTRIES PLC	29	112	91	57		145	259	216	229	
28	MRS NIGERIA PLC	43,245	30,581	25,238	18,000	12,364	32,157	20,579	18,090	18,409	12,364
29	MTN NIGERIA COMMUNICATION	39,550	33,425	38,617	52,824	50,766	255,568	245,991	213,715	190,444	303,977
30	NASCON ALLIED INDUSTRIES	10,178.80	5,603.50	8,887.90	10,706.70	13,362.10	14,252.70	14,630.00	13,764.20	15,797.30	23,097.50
31	NEIMETH INTL PHARM. PLC	799	498	590	1,028	1,026	281	281	364	466	692
32	NESTLE NIGERIA PLC	24,035.40	31,430.50	42,175.10	65,820.20	39,555.30	64,662.10	45,668.40	60,384.50	78,400.10	116,512.70
33	NIGERIAN BREWERIES PLC	19,974	20,384	35,154	21,307	11,417	111,184	127,947	114,152	102,783	139,201
34	NIGERIAN ENAMELWARE PLC	3,083	3,800	2,706	2,616	3,479	1,020	802	1,921	2,346	3,803
35	OKOMU OIL PALM PLC	-	465	744	57	10	641	488	1,548	1,253	2,251
36	PORTLAND PAINTS & PROD. NIG	463	407	476	512	291	845	498	502	553	461
37	PRESCO PLC	1,096	3,608	5,063	6,832	6,963	8,034	7,428	8,034	8,181	11,541
38	PZ CUSSONS NIGERIA PLC	15,587	15,672	15,053	13,282	8,017	25,716	39,723	40,205	29,348	37,201
39	SEPLAT PETROLEUM DEV. CO.	94,904	94,904	41,874	149,436	96,774	125,559	125,559	87,360	143,925	130,468
40	THE INITIATES PLC	173	383	287	143	126	48	276	155	53	47
41	TOTAL NIGERIA PLC	48,498	32,726	52,008	45,435	41,336	95,679	63,420	61,584	57,179	73,485
42	TRANSCORP HOTELS PLC	9,079	4,184	2,063	2,622	1,591	5,951	6,964	8,036	10,562	19,744
43	TRANSNATIONAL CORP OF NIG.	54,105	83,828	83,602	97,566	97,620	31,587	64,847	68,642	74,788	80,192
44	UAC OF NIGERIA PLC	15,187	16,359	10,234	5,015	6,500	17,919	16,239	15,438	9,760	9,830
45	UACN PROPERTY DEVELOPMENT	9,288	9,606	4,965	4,156	4,245	12,934	9,433	7,051	4,511	5,726
46	UBN PROPERTY COMPANY PLC	127	178	189	90		2,112	2,033	725	617	
47	UNILEVER NIGERIA PLC	18,946	27,622	30,188	24,131	12,957	32,477	33,409	38,611	34,720	27,422
48	UNION DIAGN. & CLINICAL SERV.	916.2	369	355	371	2,363	131.7	64	99	75	147
49	UNION DICON SALT PLC	22	8	3	9	0.4	760.30	812.1	898.80	2,063.57	1,345.28
50	VITAFOAM NIGERIA PLC	1,815	1,501	1,393	761	601	2,052	3,112	2,861	1,957	2,527
	TOTAL	**704,491**	**844,570**	**897,057**	**976,520**	**887,561**	**1,640,760**	**2,752,534**	**3,228,405**	**2,810,269**	**3,072,534**

IMPORTANT DISCLOSURES

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