



Interswitch and Visa enter into strategic partnership

- **Visa to acquire a significant minority equity stake in Interswitch**
- **Partnership expected to expand the digital payments ecosystem across Africa, the world's most underpenetrated market**
- **Interswitch and Visa share a vision to drive financial inclusion across the African continent**

(Tuesday 12th November, Nigeria): Interswitch Limited ("Interswitch" or the "Company"), a leading technology-driven company focused on the digitisation of payments in Nigeria and other countries in Africa, and Visa Inc. ("Visa"), the world leader in digital payments, today announced a strategic partnership that will further advance the digital payments ecosystem across Africa.

As part of the agreement, Visa will acquire a significant minority equity stake in Interswitch. The investment makes Interswitch one of the most valuable African FinTech businesses with a valuation of US\$1 billion. Visa will join globally renowned investors, Helios Investment Partners, TA Associates and IFC, as shareholders in Interswitch, alongside Company management.

Founded in 2002, Interswitch disrupted the traditional cash-based payments value chain in Nigeria by introducing electronic payments processing and switching services. Today, Interswitch is a leading player in Nigeria's developing financial ecosystem with omni-channel capabilities across the payments value chain, processing over 500 million transactions per month in May 2019.

In 2018, electronic payments in Africa accounted for only 12 per cent of transactions by volume, compared to 54 per cent in Europe and 79 per cent in North America. Sub-Saharan Africa is the fastest-growing digital payments market in the world, with electronic payment volume expected to grow at a CAGR of approximately 35 per cent from 2018 to 2023 in the region (excluding South Africa). This progress is expected to be driven by the deepening payments infrastructure, population and urbanisation growth, GDP growth above the global average, increased mobile and internet penetration, as well as a supportive regulatory landscape for electronic payments and financial inclusion.

Interswitch's core market, Nigeria, is the largest economy in Africa with a rapidly growing electronic payments market. Point of sale ("POS") and ATM transactions per adult grew at a CAGR of 94 per cent and 59 per cent from 2013 to 2018, respectively. In Nigeria, there were only 11 card transactions per adult per annum in 2018 compared to 92 in markets like South Africa, 126 in Brazil and 465 in the UK. Despite this market under-penetration, POS card transactions in Nigeria are expected to grow at a CAGR of 63 per cent between 2018 and 2023.

In addition to its switching and processing services, Interswitch owns Verve, the largest domestic debit card scheme in Africa with more than 19 million cards activated on its network as of May 2019. The business also operates Quickteller, a leading multichannel consumer payments platform, driving financial inclusion across Nigeria with over 270,000 access points, as of 2018, from which consumers can initiate peer-to-peer transfers, bill payments, airtime purchases, and other e-commerce transactions, processing over 42 million transactions monthly as of 31 July 2019 (equivalent to over NGN560 billion (US\$1.5 billion) through direct, indirect and Paypoint channels). Interswitch's unique market capabilities and strong consumer proposition, has enabled it to deliver consecutive years of sustainable profitable growth.



The partnership will create an instant acceptance network across Africa to benefit consumers and merchants and facilitate greater connectivity for communities. Both parties will also retain their respective independent solutions, and Interswitch will retain its scheme neutral strategy.

Mitchell Elegbe, Founder and Chief Executive of Interswitch, said; *“Sub-Saharan Africa is the fastest growing payments market in the world, with growth driven by a young and dynamic population, rapidly evolving consumer behaviour, and an increasing desire for payment solutions that can be accepted across the continent and abroad. I am delighted that Interswitch has formed a partnership with Visa, with whom we plan to drive the next phase of transformation in the African payments landscape.”*

Andrew Torre, Regional President CEMEA, Visa, said; *“Africa is a priority region for us, and we continually seek strategic partnerships with local players to further strengthen our leadership position and enhance the payments ecosystem across the continent. This partnership aligns with our global strategy to work with and invest in innovative partners, and we look forward to working with Interswitch to provide new consumer and merchant experiences and support the rapid growth of digital commerce across Africa.”*

Babatunde Soyoye, Helios’s co-founder and Managing Partner, added, *“A strategic investment by Visa, the world’s leader in digital payments, into Interswitch is a substantial endorsement of the Company’s expertise in African payments. As an active investor in leading African payments businesses, we see tremendous opportunities to digitise payments across the continent and have worked closely with Interswitch’s management team to build a high quality and scalable platform geared to address some of these opportunities. We look forward to further collaboration with the Company alongside Visa.”*

The transaction is subject to the relevant regulatory approvals and is expected to close by Q1 2020.

FT Partners acted as exclusive strategic and financial advisor to Interswitch on this transaction.

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About Interswitch

Interswitch is a leading technology-driven company focused on the digitisation of payments in Nigeria and other countries in Africa. Founded in 2002, Interswitch disrupted the traditional cash-based payments value chain in Nigeria by supporting the introduction of electronic payments processing and switching services. Today, Interswitch is a leading player with critical mass in Nigeria's developing financial ecosystem and is active across the payments value chain, providing a full suite of omni-channel payment solutions. Interswitch's vision is to make payments a seamless part of everyday life in Africa, and its mission is to create transaction solutions that enable individuals and communities to prosper across Africa. Interswitch's broad network and robust payments platform have been instrumental to the development of the Nigerian payments ecosystem and provide Interswitch with credibility to expand across Africa.

About Helios Investment Partners

Established in 2004, Helios Investment Partners is the leading Africa-focused private investment firm, led and managed by a predominantly African team and based in London, Lagos and Nairobi. Managing funds totalling \$3.6 billion, the firm's portfolio companies operate in over 30 countries in all regions of the continent. Helios has built a record that spans creating start-ups to providing expanding companies with growth capital and expertise, building African market leaders in core economic sectors and driving strong returns via portfolio operations. The firm's unique combination of deep knowledge of the African operating environment, a singular commitment to the continent and a proven capability to manage complexity, is reflected in its position as a partner of choice.

About TA Associates

TA Associates is one of the most experienced global growth private equity firms. Focused on targeted sectors within five industries – technology, healthcare, financial services, consumer and business services – TA invests in profitable, growing companies with opportunities for sustained growth, and has invested in more than 500 companies around the world. Investing as either a majority or minority investor, TA employs a long-term approach, utilizing its strategic resources to help management teams build lasting value in high quality growth companies. TA has raised \$32.5 billion in capital since its founding in 1968 and is committing to new investments at the pace of over \$2 billion per year. The firm's more than 85 investment professionals are based in Boston, Menlo Park, London, Mumbai and Hong Kong. More information about TA Associates can be found at www.ta.com.

This announcement contains "forward-looking statements". These statements represent Interswitch's opinions, expectations, beliefs, intentions, estimates or strategies regarding the future, which may not be realized. In some cases, forward-looking statements can be identified by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "believes," "estimates," "potential" or "continue" or the negative of these terms or other similar expressions that are intended to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond Interswitch's control that could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Interswitch's present and future business strategies and the environment in which it operates and will operate in the future. These forward-looking statements speak only as



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