

VOLUME 24, ISSUE 7

Fintech

AFRICA

MAGAZINE

■ Digital Transformation for African Banks .Pg8

■ African Startups Raise \$187 Million in May 2024 .Pg23

■ Blockchain and AI: Tools to Combat Illicit Financial Flows .Pg49

■ Prioritize Being Profitable Before Seeking Investment /Funding .Pg51

Revolutionizing the Future of Fintech with:

AI & MACHINE LEARNING

-Tech Talk with Derick Kazimoto

Chief Executive Officer Tausi Africa Technologies Ltd.

EDITORIAL

Publisher: Fintech Africa Magazine

Editorial Team

Executive: Ajetunmobi Olumayowa

Editorial Lead: Ojukwu Emmanuel

Contributor: Dr. P.G Duncan Obuobi

Editorial Support:

Dr. Gbenga Abimbola,

Jide John Olajide,

Femi Olabode

Contact Us

Phone: +2348022113247,

+2347065155688

Email: editor's@fintechmagazine.africa

Reach Out to Us For:

Adverts, Articles, News, Events,

Awards, Ceremonies and Supports.

EDITOR'S NOTE

In today's rapidly evolving financial landscape, the integration of Artificial Intelligence (AI) and Machine Learning (ML) is transforming the very foundations of the fintech industry. These cutting-edge technologies are not just enhancing the efficiency of traditional financial systems; they are also driving innovation in areas such as fraud detection, personalized financial services, credit risk assessment, and customer engagement.

As we explore how AI and ML are revolutionizing the future of fintech, we must also consider the ethical implications, the regulatory landscape, and the importance of inclusive financial innovation. This issue dives into the groundbreaking work being done at the intersection of AI and fintech, offering insights into how these advancements are shaping the future of finance for individuals, businesses, and economies alike.

We invite you to explore the profound impact AI and ML are having and will continue to have on the financial ecosystem—ushering in a new era of smarter, faster, and more secure financial services.

Warm regards,
Ajetunmobi Olumayowa

Fintech AFRICA
M A G A Z I N E

CONTENT



7

Nigerian Fintech Startup Brass Acquired by Investment Consortium Led by Paystack

This could involve integrating Brass's existing product suite credit and payment processing, payroll,...

14

Navigating Co-Founder Conflicts in Startups – Barr. Uyi

The four (4) common mistakes early-stage founders make, which often lead to the shutdown of the company

27

Rwanda Set to Launch Digital Currency by 2026

An aim to offer a secure, accessible, and cost-effective alternative to physical cash...

38

Flutterwave Partners EFCC to Establish Cybercrime Research Center in Nigeria

A major step forward in the fight against cybercrime and sets a new standard for financial security in Africa.

45

AwaCash is Revolutionizing Financial Management for Nigerian Freelancers

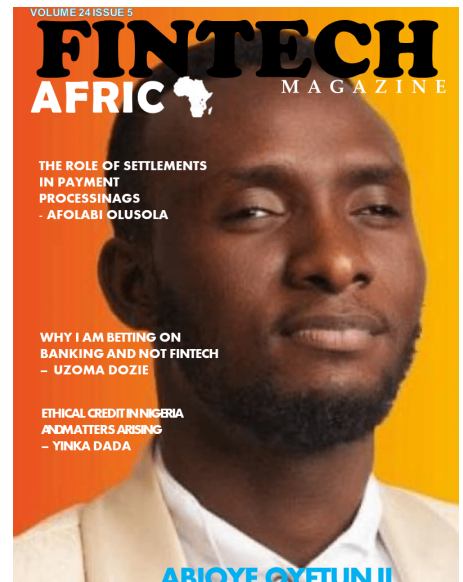
A significant strides to cater to underserved communities across the continent, particularly focusing on freelancers

53

dLocal Partners with Wakanow...

This collaboration aims to broaden Wakanow's operational footprint on the continent, enhancing payment flexibility and accessibility for African travelers.

Previous Editions



Fintech AFRICA
MAGAZINE

ADVERT



APP SUMMIT NIGERIA 2024

**EMPOWERING DIGITAL
TRANSFORMATION:**
Innovations, Opportunities
and Challenges

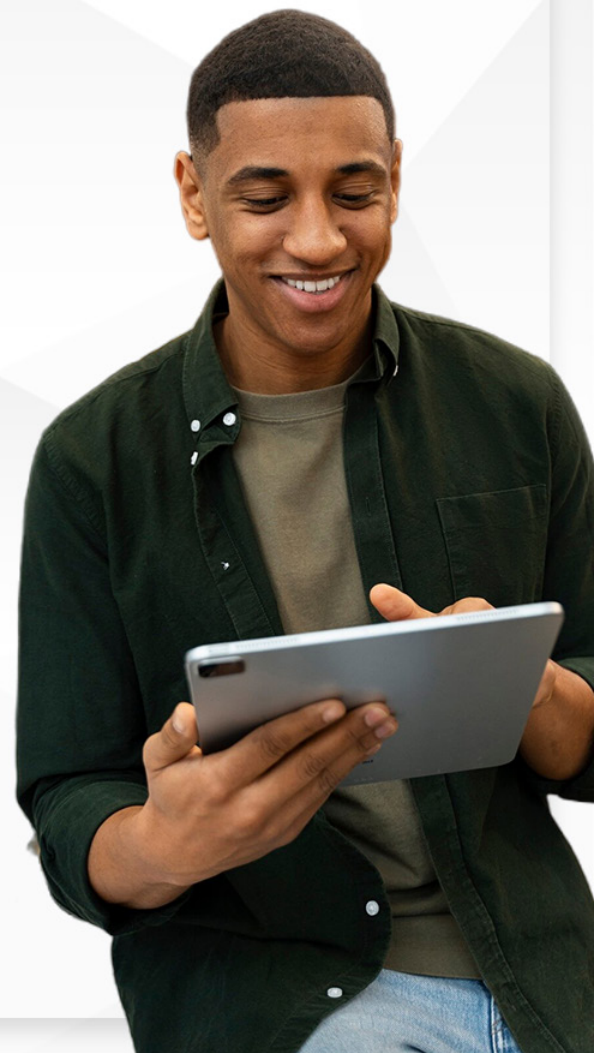
▶ **26TH - 27TH NOV. 2024**

📍 **Plot 9, Gbagada Industrial
Scheme, Beside UPS, Gbagada
Expressway, Lagos**

Register Here



<https://inclusivehub.net>



MTN Group Fintech CEO Reaffirms Unwavering Commitment to Enhance Financial Inclusion Across Africa



Serigne Dioum, CEO of MTN Group Fintech, has reaffirmed the company’s unwavering commitment to enhancing financial inclusion throughout Africa. By harnessing innovative solutions, MTN aims to empower both individuals and businesses across the continent.

Dioum highlighted the group’s impressive journey, which now includes over 70 million customers and a network of more than 2 million merchants spanning 16 countries.

He also pointed to MTN’s significant success in the lending market, with over \$2 billion in loans disbursed to customers in the past year alone.

Dioum underscored MTN’s vision of establishing Africa’s premier fintech platform, uniquely developed by Africans to serve the needs of the African population.

In his words,

“Our FinTech journey began in 2007 in Uganda, and since then, we have expanded our footprint across 16 operations. From humble beginnings as a wallet business, we have diversified our services to include

payment, international remittance, lending, and insurance... And now we have a business with more than 70 million users and more than 2 million merchants across our footprint, which is 16 operations.”

Despite significant growth, Mr. Dioum pointed out that 90 percent of transactions in Africa are still cash-based, indicating the vast untapped potential for digital financial services. As such, he emphasized MTN’s role in addressing the prevalent cash-based transactions and low

penetration of credit and insurance services through innovative solutions and strategic partnerships. He added that MTN Group Fintech is leveraging new technologies such as blockchain and AI to enhance services and improve credit scoring.

“Our vision is to create a seamless ecosystem where anyone, from anywhere, can access financial services with ease. We think that the future for Africa, when it comes to Fintech is bright, because the African population is still growing, and the penetration of Fintech is still low. When it comes to fintech penetration, I think the number that comes to mind is that 90% of transactions are still cash-based.

“For us, we do not compete against any bank, but we compete against cash. And our work every day is to identify the use cases that are still touch base, and see how we can digitalize them for our platform,” he noted.

Nigerian Fintech Startup Brass Acquired by Investment Consortium Led by Paystack

Nigerian fintech startup Brass has been acquired by an investment group led by Paystack, with participation from PiggyVest, Ventures Platform, P1 Ventures, and angel investors Oo Nwoye and Olumide Soyombo, for an undisclosed amount.



This was revealed by the startup in a blog post. This acquisition brings together prominent players in the Nigerian fintech space, highlighting a continued trend of consolidation within the industry.

Speaking on the acquisition, the COO at Paystack, Amandine Labelle said,

“Each member of the investment group brings extensive experience in financing and developing reliable financial service products. With this new infusion of capital, we’re excited for Brass’s next stage of growth”.

Following the acquisition, Brass will continue to build and support its customer base while growing under a new leadership team.

The current co-founders, CEO Sola Akindolu and CTO Emmanuel Okeke will be stepping down.

Speaking about the acquisition, the CEO Akindolu

said he believed the consortium would continue the good work they had started.

In his words,

“Paystack has led a consortium with members like Piggytech, Ventures Platform, and P1 Ventures to acquire Brass to continue the work we started. Brass

has been product-led since its founding days, building incredible products with a great brand and leading an amazing team”.

While the specific impacts on Brass’s product offerings and customer base remain to be seen, the involvement of key fintech entities like Paystack and PiggyVest suggests a potential focus on enhancing financial services for Nigerian entrepreneurs.

This could involve integrating Brass’s existing product suite credit and payment

processing, payroll, expense management, and business banking services with Paystack’s advanced payment infrastructure and PiggyVest’s robust savings and investment solutions.

Brass will continue to build and support its customers and grow with a new leadership team as he and CTO will leave the company following the acquisition to pursue other opportunities.

This acquisition follows Brass’s announcement two months ago that it had resolved transaction delays that had plagued the platform since late 2023.

Digital Transformation A Top Priority for African Banks Amidst Growing Competition – Report

A recent report reveals that 76% of banks surveyed across 35 African countries rank digital transformation among their top three growth strategy priorities, with 24% considering it important.

The report, titled “The African Banking Digital Transformation Report 2024,” was published on May 31, 2024, by digital banking technology provider Backbase and African Banker magazine.

KEY FINDINGS FROM THE REPORT

The report, based on a survey of executives from 155 banks of various sizes operating in different sub-regions of Africa, highlights the following key findings:

1. Digital Transformation Priority:

- A significant 76% of banks view digital transformation as one of their top three priorities for growth, underscoring the critical role of technology in the future of banking in Africa. An additional 24% of banks consider it an important aspect of their strategy.

2. Competitive Pressure:

- Facing fierce competition from fintechs, neobanks, and telecom operators venturing into financial services, 60% of active banks claim to have digitized most of their operations. This competitive landscape is driving traditional banks to accelerate their digital initiatives.

3. Extent of Digital Adoption:

- Slightly less than half of the banks surveyed have digitized more than 75% of their operations. Meanwhile, 28% have digitized between 25% and 50% of their activities, and 12% have undertaken minimal digital transformation, affecting less than 25% of their operations to date. This indicates significant room for further digital adoption across the continent’s banking sector.

IMPLICATIONS FOR THE BANKING SECTOR

The findings suggest that while many African banks have made substantial progress in their digital transformation journeys, there is still considerable scope for further digital integration. Key implications include:

1. Enhanced Customer Experience:

- Banks that continue to invest in digital technologies can offer improved customer experiences, including faster transactions, personalized services, and enhanced security.

2. Operational Efficiency:

- Digitizing operations can lead to greater operational efficiency, reducing costs and enabling banks to serve a larger customer base more effectively.

3. Innovation and Growth:

- Digital transformation enables banks to innovate and introduce new products and services, helping them to stay competitive in a rapidly evolving financial landscape.

4. Financial Inclusion:

- By leveraging digital technologies, banks can extend their reach to underserved populations, promoting financial inclusion and contributing to broader economic development.

CONCLUSION

The “African Banking Digital Transformation Report 2024” underscores the critical importance of digital transformation for African banks as they navigate an increasingly competitive landscape.

While many banks have made significant strides, there remains ample opportunity for further digital adoption. By prioritizing digital initiatives, African banks can enhance customer experiences, improve operational efficiency, and drive innovation, ultimately positioning themselves for sustainable growth in the digital age.



Zenith Bank's Ebenezer Onyeagwu Wins Best Banking CEO of the Year in Africa



Dr Ebenezer Onyeagwu, the Group Managing Director and Chief Executive Officer of Zenith Bank Plc, has

been honoured as the Best Banking CEO of the Year in Africa at the International Banker 2024 Banking Awards.

This accolade, which marks the second consecutive year Onyeagwu has received the award, was announced in the Spring 2024 issue of the International Banker Magazine, United Kingdom, coinciding with the conclusion of his five-year tenure. In a statement released on Monday, Dr Onyeagwu expressed his gratitude for the recognition. “It is indeed an honour to be recognised as the ‘Best Banking CEO of the Year in Africa’ for a second consecutive year. This award is a testament to our team’s collective efforts and our commitment to innovation, growth, and delivering value to our customers and stakeholders. It also reflects our dedication to sustainability and high ethical standards, which are integral to our overall strategy,” he said. He dedicated the award to the founder and Chairman of Zenith Bank, Dr Jim Ovia, acknowledging his mentorship, and to the bank’s management team and staff for their unwavering commitment. He also expressed gratitude to the bank’s customers for their loyalty. As Onyeagwu prepares to hand over leadership to his successor, Dr Adaora Umeoji, he reflects on the significant milestones achieved during his tenure. Under Onyeagwu’s leadership, Zenith Bank has seen

remarkable growth in financial performance, financial inclusion, corporate governance, and sustainability. These achievements have garnered numerous local and international accolades, including being named the best bank in Nigeria four times within five years by the Global Finance World’s Best Banks Awards, and Best Bank for Digital Solutions in Nigeria by the Euromoney Awards 2023.

In 2023, Zenith Bank was listed in the World Finance Top 100 Global Companies and was recognised as the number one bank in Nigeria by Tier-1 Capital for the 14th consecutive year in the Top 1000 World Banks Ranking published by The Banker Magazine. The bank also received the honour of being the best commercial bank in Nigeria for three consecutive years from 2021 to 2023 by the World Finance Banking Awards, and Best Corporate Governance Bank in Nigeria by the World Finance Corporate Governance Awards in 2022 and 2023.

Further accolades include Bank of the Year (Nigeria) by The Banker’s Bank of the Year Awards in 2020 and 2022, and Best in Corporate Governance Financial Services Africa for four successive years from 2020 to 2023 by Ethical Boardroom. In addition, Zenith Bank was named the Most Sustainable Bank in Nigeria at the International Banker 2023 Banking Awards, and Best Commercial Bank in Nigeria and Best Innovation in Retail Banking in Nigeria at the International Banker 2022 Banking Awards.

Onyeagwu, who was appointed as the Group Managing Director and Chief Executive Officer on June 1, 2019, will hand over to the bank’s first female GMD, Dr Adaora Umeoji. Last Thursday, the Chartered Risk Management Institute of Nigeria conferred its fellowship on Onyeagwu in recognition of Zenith Bank’s outstanding risk management practices and contributions to the broader financial community.

Flutterwave Receives Payment Aggregator License Approval in Principle in Mozambique

Flutterwave, Africa's Fintech unicorn, has announced that it has received an approval-in-principle for its payment aggregator license from the Central Bank of Mozambique. This license enables Flutterwave to offer its comprehensive payment services within Mozambique and strengthen its operations in southern African markets. The expansion into Mozambique aligns with Flutterwave's strategic vision of deploying its infrastructural reach, multiple licenses, and network of global partnerships to make doing business in and expanding across Africa seamless for global enterprises from all over the world. With the payment aggregator license, Flutterwave can offer a comprehensive suite of payment solutions, including processing payments for e-commerce, remittances, and other financial services. This will not only enhance the convenience of digital payments in

Mozambique but also support the growth of the digital economy. Expressing gratitude Olugbenga "GB" Agboola, Founder and CEO of Flutterwave said, "We are grateful to the Central Bank of Mozambique for this approval. It comes at the right moment when Mozambique's digital payment ecosystem is experiencing tremendous growth. As individuals' and businesses' payment needs evolve across the country, we are ready to leverage our technology, extensive industry experience, and comprehensive solution to meet their diverse payment needs. Our goal is to empower local businesses and open doors for global enterprises across all industries by providing them with a secure and convenient payment solution that drives inclusive growth."



Wema Bank Targets Tier-1 Status Amid Recapitalisation Drive



Wema Bank's Managing Director and Chief Executive Officer, Moruf Oseni, has announced the bank's strategic plans to retain its national licence and aim for tier-1 banking status following the fresh recapitalisation of the banking sector.

Speaking on Tuesday at the bank's Annual General Meeting, held virtually, Oseni outlined the progress towards meeting the Central Bank of Nigeria's (CBN) recapitalisation target of N200bn.

"The apex bank has done its due diligence and approved our N40bn rights issue, which is currently undergoing Securities and Exchange Commission approval to be listed on the Nigerian Exchange. Our capital base now stands not at the current N15bn but, with the rights issue, at N55bn—significant headway towards N200bn," Oseni stated.

Oseni assured shareholders that the bank is poised to meet the N200bn target within the 24-month timeline through public placements and a public offer. "Following the shareholders' and board's approval, we are set to raise the N200bn within the 24-month timeline. We are confident that we will achieve this

before the timeline expires. We have shared our plans with the CBN, and we will work assiduously to balance our capital base in the nearest future," he added.

He reaffirmed Wema Bank's commitment to maintaining its national bank status while striving to become a systemically important bank. "At a minimum, Wema Bank will remain a national bank. We will keep working tenaciously to become a systematically important bank, reattain tier-1 status, and continue providing

optimum value for every shareholder and stakeholder of Wema Bank," Oseni affirmed.

During the AGM, shareholders approved a N0.50 dividend for 2023 and the appointments of two new non-executive directors, Yewande Zaccheaus and Yusuf Kazaure, along with new executive director Segun Opeke, to the Board of Directors.

Wema Bank's 2023 financial performance was highlighted by a 196% increase in profit before tax, rising from N14.75bn to N43.59bn, and a 220.4% increase in profit after tax, from N11.21bn to N33.66bn. Gross earnings surged from N132.30bn to N225.75bn, marking a 70.63% increase.

Commending the bank's performance, shareholder Mr. Badmus Tunde remarked, "Since 1945, Wema Bank has seen the good, the bad, the beautiful, and the ugly. Through thick and thin, it has gotten to where it is today. The results are overwhelming, and profitability has been maintained. Kudos to the board and management."

Adaora Umeoji Assumes Office as The First Female Group Managing Director of Zenith Bank



Newly appointed group managing director of Zenith Bank Plc, Dr. Adaora Umeoji has assumed office as the first

CEO and group managing

director of the bank. She takes over from Dr. Ebenezer Onyeagwu, who on June 1st 2024, passed the baton of excellent service delivery, group synergy, transformation and innovation recorded by the bank in his five-year reign. Before her appointment, Adaora was the Deputy Managing Director of the bank since October 28, 2016, and with nearly 30 years of banking experience of which 26 years has been with Zenith Bank. She is an alumnus of Harvard Business School, where she attended the Advanced Management Programme. Umeoji is also an alumnus of Columbia Business

School with a Certificate in the Global Banking Program. She holds a bachelor's degree in Sociology from the University of Jos, a Bachelor's degree in accounting, and a first-class honours degree in law from Baze University, Abuja.

She holds a Master of Laws from the University of Salford, United Kingdom, a Master in Business Administration from the University of Calabar, and also has a doctorate in business administration from Apollos University, USA.

Umeoji also holds a Certificate in Economics for Business from the prestigious MIT Sloan School of Management, USA, and has attended various management programmes in renowned Universities around the world including the strategic thinking and Management programme at Wharton Business School, USA.

CBN Lifts Ban on New Customer Onboarding For Major Fintech Companies

The Central Bank of Nigeria (CBN) has lifted a six-week-long ban on onboarding new customers, which was imposed on five of the country's leading fintech startups: Paga, OPay, Kuda, Palmpay, and Moniepoint.

The directive to halt new customer signups was issued on April 29, 2024, shortly after over 1,000 accounts were blocked due to peer-to-peer (P2P) crypto trading. The National Security Adviser (NSA) labeled cryptocurrency as a security concern, urging fintech companies to enhance their Know Your Customer (KYC) protocols and fraud prevention measures to block crypto transactions.

On May 20, 2024, the fintechs were given specific

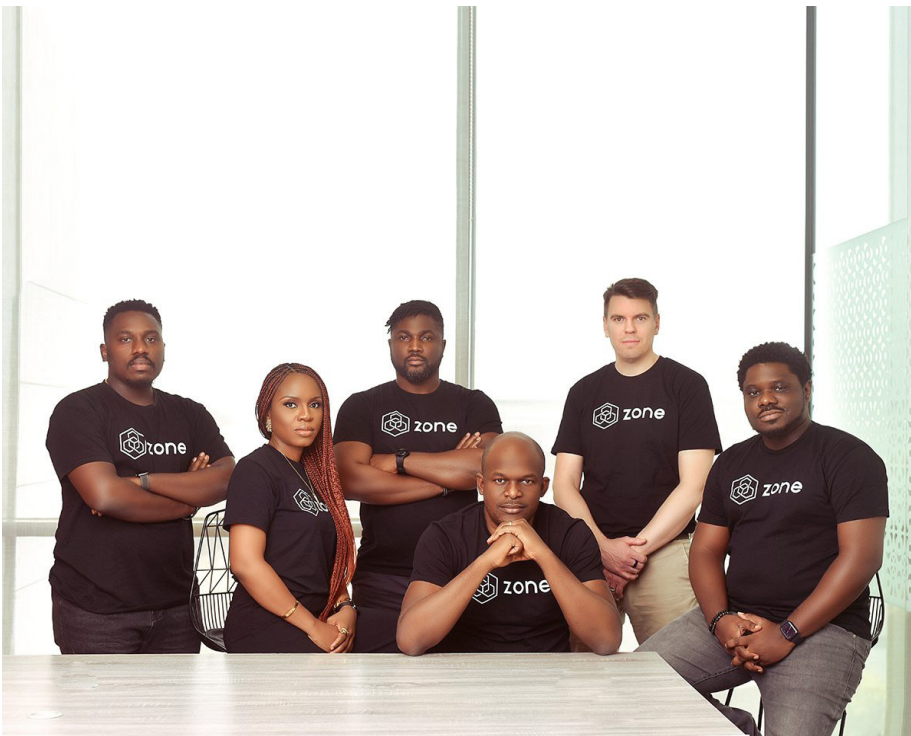
conditions to meet in order to lift the onboarding freeze. These included blocking P2P crypto transfers, verifying physical addresses for all account tiers, and updating facial verification systems for customers.



The fintech startups have faced significant criticism for allegedly inadequate KYC measures, contributing to fraud. However, recent reports indicate that combating fraud is a challenge affecting the entire industry.

Despite these challenges, the fintech startups are likely relieved by today's decision, which had significantly hindered their growth and prevented them from onboarding thousands of new customers.

Nigeria Fintech Zone Launches Blockchain-Powered PoS Solution



Zone, a leading fintech company in Nigeria and Africa, has introduced its blockchain-powered Point of Sales (PoS) solution aimed at providing seamless payments. This innovative PoS is built on the latest iteration of Zone’s next-generation payment infrastructure, marking a significant step forward in enhancing the African payment landscape. As Africa’s first regulated blockchain network for payments, Zone is pioneering decentralized solutions that support cross-border transactions and multiple currencies. This new product is set to improve transaction reliability by directly routing transactions to issuers, offering same-day settlements for beneficiaries and their financial institutions, and establishing a robust framework to eliminate chargebacks and chargeback fraud. Importantly, Zone ensures that direct transaction routing to issuers complies with regulatory guidelines on inter-bank payments.

CEO’s Vision and Commitment

Zone’s CEO, Obi Emetarom, emphasized that the launch of this PoS solution is aimed at enhancing

financial inclusion and facilitating seamless fund transfers. He stated: “Today marks a pivotal moment not just for us at Zone, but also for the financial institutions we enable, and the esteemed customers they serve. Our PoS Payment Gateway Product is a commitment to financial inclusion and the digital future of all payments in Africa.

“With this new offering, we are excited to have taken yet another major step towards our vision for a world where individuals and businesses can make and receive instant payments to and from anyone in the world, through any payment method and in any currency.”

Key Features of Zone’s PoS Payment Gateway

Direct Card Routing: Zone’s decentralized payment switching network connects acquirers directly to issuers, optimizing the PoS transaction route and eliminating failure points. This ensures increased speed and reliability for merchants, agents, and cardholders.

No Chargebacks: The advanced PoS payment gateway eliminates chargebacks and chargeback fraud by auto-refunding customers for unsuccessful transactions and auto-declining fraudulent chargebacks in real time. This builds trust and satisfaction among all parties involved.

Same-Day Settlements: Payments from PoS terminals using Zone are settled on the same day and separately for each transaction. This ensures faster availability of funds for agents and merchants and simplifies the determination of value received for every transaction.

Navigating Co-Founder Conflicts in Startups – Barr. Uyi

Startups often thrive on the collaboration and shared vision of their co-founders. However, conflicts between co-founders can arise, threatening the stability and success of the business. Understanding the common causes of these conflicts and developing strategies to manage and resolve them is crucial for the health of the startup.



In a thread shared on his X handle, leading startup Attorney Barrister Uyi shared four (4) common mistakes early-stage founders make, which often lead to the shutdown of the company.

He wrote,

“I have advised over 300 startups and seen too many promising businesses crumble due to disagreements between co-founders.”

Here are 4 common mistakes he noted that early-stage founders should take cognizance of to prevent conflict from killing their idea

Mistake 1: Avoiding difficult conversations

He wrote that co-founders need to have an open conversation from the beginning.

- Define specific duties & decision-making authority.

- Regularly review & adjust as the startup evolves. Difficult conversations now can prevent major clashes later.

Mistake 2: Focusing too much on equity

- Co-founders should unite, not split over equity.
- Equity should be fair and motivating, not necessarily equal.

- Commit to shared goals, not just equity.

“If your commitment is based solely on the equity you own, you’re not a co-founder”.

Mistake 3: Not drafting an air-tight co-founder’s agreement

- Engage a legal expert, for clarity & fairness

- Should cover roles, commitment, profit-sharing, decision-making, duties during investment & expansion phases, etc.

Update regularly as the business grows.

Mistake 4: Losing control & vision with investor equity

- Co-founders should always retain at least 55% combined shareholding
- Raising? Ensure shareholder agreements uphold co-founders’ leadership & decision-making powers. Smart handling of equity leads to long-term success. Bonus Tip: Learn from experienced founders and experts.
- Join programs for practical guidance on co-founder relationships and conflict resolution.
- Study others’ failures and successes Mentorship provides invaluable insights for sustaining co-founder relationships.

Credit: UyiDLaw

EBANX And Ozow Expand Strategic Partnership to Enhance Digital Payment Solutions in South Africa

EBANX, a global leader in cross-border payments, has announced an expanded strategic partnership with Ozow, South Africa's premier provider of instant EFT payments.

This collaboration aims to streamline transactions, support merchants of digital products and services, and cater to the country's young, tech-savvy population.

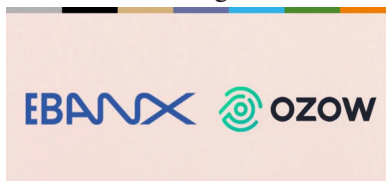
Speaking on the partnership, Wiza Jalakasi, director of Africa market development at EBANX said,

"Our enhanced collaboration with Ozow is a testament to our belief in the potential of the South African market. By integrating these advanced payment solutions, we aim to deepen our service offerings and deliver a superior user experience. South Africa's digital economy is on a rapid growth trajectory, and we are excited to be a part of this evolution, creating access through technology."

Also speaking, Lyle Eckstein, chief product officer and co-founder of Ozow said,

"Ozow's mission has always been financial inclusivity. By joining forces with global powerhouse EBANX, we are taking a giant leap towards that goal. This groundbreaking partnership unlocks the doors to international e-commerce for South African shoppers, empowering them to securely access global brands using our trusted solutions."

Ozow links businesses of all sizes in South Africa with 47 million bank account holders to transact simply and securely. Thousands of South Africa's businesses trust Ozow as a payment solution. The firm's partnership with EBANX comes as South Africa's digital economy continues to expand, fuelled by increasing demand for digital services and the creative economy.



Mastercard And OPay Extend Partnership to Offer Customized Banking Solutions in Egypt

Mastercard has extended its strategic partnership with fintech solutions provider OPay, to provide innovative customized banking solutions to meet the Egyptian market's needs.

In order to promote OPay's expansion in the Egyptian market, Mastercard will offer advisory services via its team of advisors to further leverage the digital banking products and financial services sector.

This collaboration is an extension of the previous one, which aimed to promote digital financial inclusion.

Recall that both companies announced a strategic partnership in May 2022, to grow a cashless ecosystem and advance digital financial inclusion for millions.

The collaboration enables OPay consumers and merchants in the region – including Algeria, Morocco, Egypt, Nigeria, Ethiopia, Kenya, Pakistan, South Africa and the UAE – to engage with brands and businesses anywhere across the globe, thanks to a Mastercard virtual payment solution linked to the OPay eWallet.



Flutterwave Recognized as ‘Fintech of the Year’ at The African Banker Awards

Flutterwave, Africa’s fintech unicorn, has been named ‘Fintech of the Year’ at the African Banker Awards, for recognition of its significant contributions to the financial technology sector in Africa.

The award ceremony took place at the JW Marriott Hotel in Nairobi, Kenya, with over 300 of Africa’s top banking and finance professionals in attendance. This is Flutterwave’s third international recognition in 2024, coming after its inclusion in CNBC’s Disruptor 50 list and Fast Company’s Most Innovative Companies.

Speaking on the award, Flutterwave CEO and Founder Olugbenga Agboola said, “We are incredibly honored to receive this prestigious award. This recognition is a testament to the hard work, dedication, and creativity of the entire team at Flutterwave. It also reaffirms our mission to simplify payments for endless possibilities, and we

remain committed to building solutions that enable multinationals to expand in and within Africa, and also supporting African companies to compete globally”.

This award celebrates Flutterwave and other innovators setting new standards and driving the growth and development of Africa’s banking sector over the past year. Recently, the fintech giant has undergone significant changes with the addition of new high profile executive members to fortify its board.

It also recently received approval in principle for a payment aggregator licence from the Central Bank of Mozambique today as it looks to expand into the southeastern African region. The licence, if approved, will allow Flutterwave to support businesses expanding into Mozambique and global enterprises expanding into Africa.



ADVERT



Fintechs Key to Bridging Nigeria’s Financial Inclusion Gap – World Bank

According to a World Bank report, Fintechs can use mobile money, digital payment platforms and wallets to reach underserved populations and bridge Nigeria’s financial inclusion gap.

The bank disclosed that Nigeria’s fintech sector makes up about one-third of Africa’s financial services market, which is predicted to grow at about 10 percent per annum, reaching around \$230 billion in revenues by 2025.

Despite the growth, the global bank disclosed that

Bank disclosed that fintechs are collaborating with traditional banks to tailor services to the evolving needs of Nigerian consumers and businesses.

“These offerings pair a range of traditional banking products such as savings accounts and bill payments with innovative tech solutions such as lending platforms, virtual investment advisors, digital insurance products, and digital remittance solutions,” it stated.

According to a GSMA report, Sub-Saharan Africa



about half of Nigeria’s adults remain unbanked or underserved, primarily due to the limitations of traditional banking infrastructure.

“This is especially true in rural and underserved areas, where physical bank branches are scarce or nonexistent,” it said.

The global body highlighted Quickteller Paypoint, an agency banking platform launched by Interswitch, as an enabler of financial inclusion. According to the International Finance Corporation, agency banking is a model where traditional banks partner with local businesses or individuals, known as agents, to provide essential financial services, including cash deposits, withdrawals, and payments.

To reach a much larger client base, the World

(SSA) has continued to lead global mobile money adoption because of Nigeria, Ghana, and Senegal. In 2023, SSA’s mobile money market was worth \$912 billion.

The global body for telcos noted that mobile money growth has contributed to a rise in digital payment use in the country and has improved access to digitally enabled services.

“Today millions of users are making or receiving payments, taking out productive credit to meet short-term financing needs, paying for government services or accessing savings and insurance products to protect themselves from shocks,” said Mats Granryd, director general of GSMA.



How AI and Machine Learning Are Revolutionizing Fintech: Innovations And Applications

SECTION 1: INTRODUCTION TO AI AND MACHINE LEARNING IN FINTECH

1. What initially sparked your interest in exploring the intersection of AI, machine learning, and Fintech?

I was initially intrigued by how understanding data could benefit Africa, which led me to pursue an MPhil in FinTech at the University of Cape Town.

There, I studied a mix of Computer Science, Statistics, and Finance. The program's emphasis on start-ups and building disruptive solutions really ignited my passion for the intersection of AI, machine learning, and FinTech.

2. Can you provide an overview of how AI and machine learning are currently being applied in the Fintech industry?

In Africa, AI and machine learning are revolutionizing Fintech by improving *decision-making and risk management, personalizing customer experiences, and enhancing operational efficiency and compliance.* These technologies enable better credit assessments, customized financial services, and streamlined processes, while also helping with regulatory adherence.

3. In what ways are AI and machine learning fundamentally changing the landscape of Fintech?

In Africa, AI is fundamentally changing the Fintech landscape by transforming our relationship with money. As a predominantly cash-based society, AI is shifting financial processes and interactions, making them more digital and integrated in ways that were previously not possible.



*-Derick Kazimoto,
Chief Executive Officer of Tausi Africa Technologies Ltd.*

SECTION 2: INNOVATIONS IN AI AND MACHINE LEARNING

4. What are some of the most groundbreaking AI and machine learning innovations in Fintech that you've observed recently?

In Africa, a groundbreaking Fintech innovation is the use of mobile money to bank the unbanked. Digital wallets linked to SIM cards have included millions who lack access to traditional banking. Machine learning now enables phone numbers to function like credit cards, offering micro-credit and financial services.

With credit card penetration in Africa is under 5%, mobile money effectively acts as a "credit SIM card," making financial inclusion more accessible and suggesting a potential shift in terminology to reflect this new reality.

5. How are AI-driven algorithms enhancing the accuracy and efficiency of financial services?



AI-driven algorithms are enhancing financial services by removing human biases and automating repetitive tasks. For example, AI simplifies the onboarding process with

technologies like fingerprint and facial recognition, allowing users to verify their identity and complete KYC requirements directly from their smartphones. This speeds up the process, reduces errors, and makes accessing financial services more convenient.

6. *Could you share examples of how predictive analytics powered by AI is being used to improve financial decision-making?*

One notable example of predictive analytics powered by AI improving financial decision-making is in credit risk management. In Africa, AI is now used to power billions of dollars in unsecured micro-loans disbursements, particularly in mobile money countries. This technology has transformed a sector that previously lacked widespread adoption and understanding of AI, enabling more effective and data-driven lending decisions.

7. *What role does natural language processing (NLP) play in improving customer service within the Fintech sector?*

NLP improves customer service in Fintech by making support teams more efficient through AI chatbots and virtual assistants that handle routine tasks.

In Africa, NLP tools are essential for understanding local languages and dialects, such as Sarufi by Neurotech, which provides Swahili-speaking chatbots for a more personalized and effective service.

SECTION 3: APPLICATIONS IN FINTECH

8. *How are AI and machine learning being utilized to enhance fraud detection and prevention in financial services?*

AI and machine learning are already making a big impact in financial services by spotting unusual spending patterns and transaction spikes to detect fraud. But there's a real gap when it comes to mobile money, where SMS scams are a major issue. If we

could use AI to flag and block these fraudulent messages, just like spam filters do for emails, it would make a huge difference in protecting customers from these scams.

9. *In what ways are these technologies being leveraged to improve credit scoring and lending decisions?*

To improve credit scoring and lending decisions, start with a privacy-respecting data collection strategy. AI can then build robust credit models by analyzing financial behaviors, such as transaction history and past repayments, and by exploring alternative data sources like mobile transactions. Integrating credit bureau data further refines these models. To make effective lending decisions, it's essential to also have a solid loan collection and repayment strategy in place.

10. *How are AI-powered robo-advisors changing the landscape of wealth management and investment?*

Traditionally, investment and wealth management in Africa have relied heavily on personal relationships, trust, and word-of-mouth recommendations. However, the landscape is gradually evolving as technology and digital solutions become more prevalent.

One notable example is the UTT Amis App in Tanzania, which, although not AI-driven, represents an initial step towards integrating technology into investment practices. By allowing users to invest in bonds and stock markets through an app, it reflects the beginning of a broader trend where technology is starting to reshape how Africans engage with investment and wealth management.

11. *Can you discuss the role of AI in personalized financial planning and the creation of tailored financial products?*

Just like Netflix suggests movies you'll enjoy, AI can now recommend financial products tailored to your needs. In Africa, where insurance is often seen as a luxury and has low market penetration, these advancements—like personalized risk premiums



are key to reaching more people and making these essential services more accessible.

SECTION 4: CHALLENGES AND ETHICAL CONSIDERATIONS

12. *What are the biggest challenges that Fintech companies face when integrating AI and machine learning into their operations?*

Assuming the technology alone can solve all problems often overlooks the importance of domain expertise and human insights in the design process. To succeed, it's important to clearly define the problem and be ready to iterate along the way.

13. *How do you address the ethical concerns related to bias and fairness in AI-driven financial services?*

Fairness and bias can be tricky because a model's true results might seem biased, even if they're just reflecting the data. That's why having inclusive data is key to reducing bias and promoting fairness.

14. *What steps are being taken to ensure data privacy and security when deploying AI and machine learning in Fintech?*

In Africa, many countries are introducing data protection laws inspired by the GDPR to help us protect user data and comply with regulations.

SECTION 5: REGULATION AND COMPLIANCE

15. *How are regulatory bodies responding to the rapid adoption of AI and machine learning in Fintech?*

Regulatory bodies in Africa are responding to the rapid adoption of AI and machine learning by setting up regulatory sandboxes. These sandboxes allow Fintech companies to test and innovate with new technologies under a controlled environment, helping regulators understand and address the challenges posed by AI while ensuring compliance with privacy and security standards.

16. *What challenges do Fintech companies face in ensuring compliance with regulations while still leveraging AI for innovation?*

Fintech companies often face the challenge of developing innovative solutions before regulations catch up. This creates a gray area where regulations may be unclear. Regulatory sandboxes are crucial in these situations, as they provide a controlled setting where Fintechs can test and refine their AI-driven solutions while navigating regulatory uncertainties.

SECTION 6: THE FUTURE OF AI IN FINTECH

17. *What emerging trends in AI and machine learning do you believe will shape the future of Fintech?*

Natural language processing is playing a big role in streamlining compliance in financial services. Additionally, I'm excited to see how machine learning and generative AI will transform our relationship with money in Africa, as we shift from a cash-based to a cashless society.

18. *How do you see the role of AI evolving in the Fintech sector over the next 5 to 10 years?*

In the next 5 to 10 years, AI will likely drive major advancements in FinTech, like boosting credit (SIM) card penetration in Africa, which is currently under 5%. With AI managing credit risk, this can become a reality.

For this to happen, regulators need to understand and support these innovations to fully unlock their value.

19. *What potential does AI have in driving financial inclusion in underserved markets globally?*

Even with strict regulations in financial services, AI can help by making compliance easier and managing risk better, which helps reach underserved areas more effectively.

20. *What advice would you give to Fintech startups looking to harness AI and machine learning to gain a competitive edge?*

Start by focusing on the problem you want to solve and then use technology as a tool to address it. It's important to deliver value to the market rather than getting too caught up in the technology itself. It's easy to get lost in the tech side and miss the real goal of making a meaningful impact.

Egyptian Payment Provider Banknbox Expands Fintech Partnerships Across 8 Countries in H1 2024



Banknbox, an Egyptian payment processor and banking solutions provider, has announced strategic partnerships with banks and fintech firms in eight countries during the first half of 2024. This expansion aims to solidify Banknbox’s position as a regional hub for financial and banking services, leveraging Egypt’s growing fintech sector. With support from the Central Bank of Egypt (CBE), Banknbox has partnered with leading companies and financial institutions in diverse markets such as Iraq, Libya, Bangladesh, Moldova, Qatar and several African countries. These collaborations seek to provide a range of services through Banknbox’s digital platform in Egypt.

Bassem Mahmoud, Chairperson and Managing Director of Banknbox, acknowledged the challenges of global expansion, highlighting the need for meticulous market analysis and tailored service offerings. He emphasised that partnerships with local agents and international institutions have been crucial in

ensuring the successful delivery of integrated services in each new market.

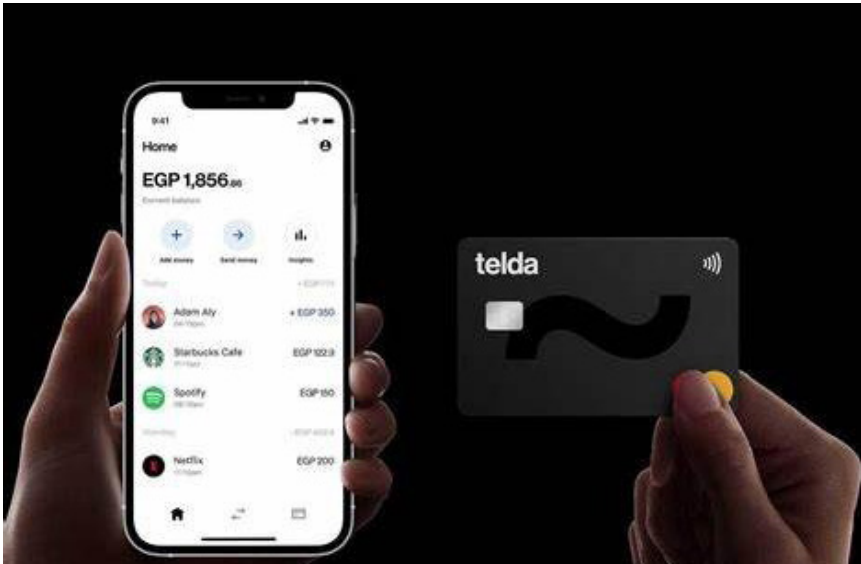
“We would like to thank the CBE for its continuous support in ensuring that Banknbox achieves its vision of transforming Egypt into a regional hub,” said Mahmoud, citing the country’s recent regulatory advancements for fintech companies.

Mahmoud further emphasised Banknbox’s significant investments in developing innovative services, adhering to international security standards, and establishing exclusive partnerships with global partners to provide comprehensive technical support and tailored solutions.

MDP and Telda Unveil Groundbreaking Prepaid Cards in Egypt

MDP, a leading issuing and payment processing powerhouse in the Middle East and Africa, along with Telda, a prominent financial technology company, have announced the launch of two exclusive Telda prepaid cards in

Telda's commitment to innovation and customer-centricity in the rapidly evolving financial landscape. By addressing the specific needs and preferences of modern consumers, they are setting new standards in the financial technology sector and reinforcing their



leadership in the market.

Speaking on this, Ahmed Nafie, CEO of MDP said,

“We are thrilled to provide a comprehensive solution for the next-generation innovators in the Fintech industry. Our core values drive us to stay ahead of the curve in the payments sector, remaining customer-centric and adapting to evolving consumer behavior. MDP is proud to empower Telda with sleek and modern distinctive cards and streamlined transactions in the market.

Our collaboration with Telda on the Plus

Egypt: Plus and Premium. These innovative cards are pioneering in the fintech industry within Egypt and the region, being the first to offer customization options.

This launch represents a significant milestone in the successful five-year partnership between MDP and Telda. The Premium customized prepaid cards allow customers to personalize their cards according to their preferences, including the choice of color, figure, and font. Meanwhile, the Plus transparent prepaid card features a sleek, modern design previously unseen in the market.

With a keen insight into the evolving needs of Egypt's vibrant and tech-savvy population, MDP and Telda have accelerated their joint efforts to anticipate market trends and introduce these unprecedented card designs. These new cards are meticulously crafted to meet the dynamic and digital requirements of younger generations and Gen Z, one of the fastest-growing consumer groups.

The introduction of these cards symbolizes MDP and

& Premium Prepaid Cards is a significant step towards expanding our Fintech services, delivering quality and speed, and becoming a one-stop payments provider shop in Egypt, the Middle East, and Africa.”

Also speaking, CEO & Co-founder Telda, Ahmed Sabbah said,

“At Telda, our motive was to build the first Gen Z & Millennial-focused fintech app for the Middle East, offering all our users the easiest way to send, spend, and save money. Achieving an exceptional milestone with MDP in launching our two products, Plus & Premium prepaid cards, reinforces our commitment to delivering a seamless customer experience and promoting financial inclusion. This partnership has allowed us to bring our design vision to reality, with MDP's production and support playing a crucial role. This collaboration inspires us to set ambitious goals and strive for excellence in everything we do.”

African Startups Raise \$187 Million in May 2024, Marking Significant Rebound

In a notable rebound from the previous month, African startups raised \$187 million in funding in May 2024, according to a report by Africa: The Big Deal. This marked a substantial increase from the \$75 million raised in April, representing a 149% surge in funding for the continent's startups.

SECOND-HIGHEST FUNDRAISING MONTH IN SIX MONTHS

The \$187 million raised in May made it the second-highest month for fundraising in the past six months. A total of 64 ventures secured at least \$100,000 in funding, a significant increase compared to previous months.

BREAKDOWN OF FUNDING

The funding in May was distributed across different financial instruments:

- Grants: 4%
- Equity: 31%
- Debt: 65% (\$122 million, including \$51 million for M-KOPA and \$50 million for Spiro)

NOTABLE EXITS

May also saw three notable exits:

1. Lesaka's Acquisition of Adumo: Lesaka acquired the online payment platform Adumo for \$85 million.
2. Busbud's Acquisition of Ratality: Busbud, a travel booking platform, acquired Ratality in South Africa to integrate revenue management capabilities into its services.
3. Paystack-led Consortium Acquisition of Brass: A much-discussed acquisition that highlights the strategic movements within the fintech sector.

YEAR-TO-DATE FUNDING

Since the beginning of the year, African startups have

announced \$729 million in funding (excluding exits). While this figure demonstrates robust activity, it still lags behind previous periods.

The significant increase in funding in May reflects growing investor confidence in African startups and underscores the dynamic nature of the continent's tech ecosystem. This capital influx is expected to fuel further innovation, support business expansion, and contribute to economic growth across Africa.

Part of the report reads,

“As numbers can fluctuate quite heavily on a monthly basis, it is more significant to compare numbers over

longer periods, for instance 2024 ‘year to date’ to previous comparable periods (Jan-May, ‘J-M’), to account for seasonality.

“Since the beginning of the year, \$729m have been announced in funding (excluding exits), a total still lagging behind previous periods: \$1.7b in J-M 2023, \$2.7b in I-M 2022 and \$1.1b in J-M 2021. However, in

terms of number of ventures raising at least \$1m, 2024 so far compares rather well to some previous years: 90 vs. 95 in J-M 2023 and 91 in J-M 2021 (2022 was exceptional though with 200 ventures involved in \$1m+ deals in Jan-May)”.

While the recent uptick in funding is a positive sign, the African tech startup ecosystem still faces challenges in attracting the levels of investment seen in prior years. Continuous efforts to innovate, attract diverse investment sources, and foster a supportive entrepreneurial environment will be crucial for sustaining growth and closing the investment gap.



Cairo-Based Fintech Sahl Raises \$6 Million to Transform Utility Bill Payments

Cairo-based fintech startup Sahl, which specializes in helping households pay their utility bills, has successfully raised \$6 million in a combined seed and Series A funding round. This substantial investment will enable Sahl to refine its current offerings and develop new services as it aims to evolve into a comprehensive financial services provider.

STRATEGIC INVESTMENT TO DRIVE INNOVATION

The funding round was led by Ayady for Investment and Development, a prominent Egyptian investment



firm known for its support of innovative startups. The round also saw participation from existing investors, including Egypt Pay, Delta Electronic Systems, and E-Finance.

LEADERSHIP AND VISION

Hazem Kamel, Managing Director of NI Capital—Private Equity and Investment Manager at Ayady for Investment and Development, highlighted the strategic nature of the investment. He said, “Our investment in Sahl reflects our strong belief in the startup’s potential to revolutionize bill payments in Egypt. Sahl has demonstrated significant promise in simplifying utility payments, and we are excited to support its journey towards becoming a full-fledged financial services provider.”

FUTURE PROSPECTS

With the new funding, Sahl plans to enhance its technological infrastructure, improve user experience, and introduce a range of new financial products. This move aligns with the company’s broader vision to offer a seamless and comprehensive suite of financial services to its customers, making everyday financial transactions more accessible and efficient.

The successful funding round underscores the growing confidence in fintech solutions that address everyday challenges and highlights the dynamic nature of Egypt’s startup ecosystem. As Sahl continues to innovate and expand, it is well-positioned to make

a significant impact on the financial landscape in Egypt.

“We are excited to announce our investment in Sahl. This strategic move reflects our firm belief in Sahl’s capacity to redefine the landscape of bill payments in Egypt, fostering greater financial accessibility and convenience for all,” Mr Kamel said.

Founded in 2020 by Ahmed Othman, Ibrahim Assal, and Abdullah Assal, Sahl is a fintech startup revolutionizing bill payments in Egypt. The platform allows users to recharge

prepaid cards and aims to become a one-stop shop for household bills through strategic partnerships with government entities. Sahl distinguishes itself as one of the few Egyptian companies directly integrating with several government bodies.

STRATEGIC VISION AND MARKET POSITION

Sahl’s strategic vision is to become the leading facilitator of digital payment transactions within Egypt’s rapidly expanding EGP 2.5 trillion digital payments sector. The company plans to achieve this by capturing a significant portion of collections on behalf of utility companies, a segment that represents a substantial EGP 250 billion annually. By integrating with multiple government entities, Sahl aims to streamline the bill payment process, making it more efficient and accessible for households across Egypt.

Banker 2024 Awards: Zenith Bank Named “Most Sustainable Bank in Nigeria”

One of Nigeria’s leading financial institution, Zenith Bank Plc, has been named the “Most Sustainable Bank” in Nigeria, at the International Banker 2024 Banking Awards, retaining the title for the second consecutive year. Commenting on the award, the Group Managing Director/Chief Executive Officer of Zenith Bank, Dame (Dr.) Adaora Umeoji, OON, said, “We are deeply honoured to be recognised as the Most Sustainable Bank in Nigeria for the second time in a row. This prestigious award underscores our steadfast commitment to sustainability and reinforces our belief that responsible banking is essential for long-term success and societal impact”. She further dedicated the award to the Founder and Chairman of Zenith Bank Plc, Dr. Jim Ovia, CFR, and also lauded the Bank’s stakeholders for their commitment and unwavering support in ensuring that Zenith remains a highly successful institution. “This remarkable achievement is a testament to the

visionary and impactful leadership of our Founder and Chairman, Dr. Jim Ovia, CFR. His exceptional foresight and dedication have been the cornerstone of our success. His ability to inspire and guide with strategic acumen has been instrumental in steering Zenith Bank to new heights.

“Along with the strategic guidance of our esteemed Board members, the unwavering commitment of our ever-diligent staff, and the steadfast support of our loyal customers, Dr. Ovia’s leadership has been pivotal in transforming our sustainability initiatives into a reality. We owe this success to his relentless pursuit of excellence and his deep-seated commitment to redefining the banking landscape in Nigeria”, she added.

Zenith Bank’s award recognition, positions it as a trailblazer in sustainable banking practices, setting a benchmark for excellence within the Nigerian banking industry and beyond.

ADVERT



Access Bank Announce Acquisition of ABCT Bank in Tanzania as it Deepens East African Presence



Nigerian multinational commercial bank Access Bank, has acquired African Banking Corporation of Tanzania (ABCT) Limited, deepening its roots in East Africa and continuing a continent-wide expansion.

In a statement, Roosevelt Ogbonna, Access Bank's Managing Director/Chief Executive Officer said, "This strategic move represents a notable step towards setting a railroad in Tanzania for intra-African trade within the East African region, Africa and the rest of the world. It underscores our commitment to creating a robust East African banking network, driving positive change and innovation. We are excited about the opportunities this acquisition presents for our operations in Tanzania."

Following the completion of the acquisition, Access Bank will merge ABCT with the consumer, private, and business banking business in Standard Chartered, another bank it recently acquired.

Also speaking on the acquisition, John Imani, Managing Director, African Banking Corporation

(Tanzania) Limited, said,

"The completion of our transaction with Access Bank Plc, not only underscores the strong confidence of Access Bank in our operations and the Tanzanian market but delivers new and exciting opportunities for our customers, employees, and stakeholders. We look forward to an exciting and prosperous future as part of the Access Bank family, driving economic growth and financial inclusion across Tanzania."

This acquisition aligns with Access Corporation vision of becoming the Most Respected African Bank in Africa and the entry into Tanzania brings the bank closer to a near-term strategy of targeting local, regional, and international revenue opportunities across trade, payments, and specialized commerce for business and retail customers within the East African region.

Rwanda Set to Launch Digital Currency by 2026

Rwanda has unveiled its ambitious plan to introduce its national digital currency, the “digital franc,” by 2026. The initiative, spearheaded by the National Bank of Rwanda (BNR), aims to offer a secure, accessible, and cost-effective alternative to physical cash, with a focus on driving financial inclusion and modernizing the country’s financial infrastructure.

Deputy Governor Soraya M. Hakuziyaremye highlighted the growing trend of central bank digital currencies (CBDCs) in Africa, underlining the necessity for Rwanda’s move in this direction. The project will kick off with a proof-of-concept phase to test technology, design, and transaction speed on a small scale, followed by a six-month international pilot focusing on cross-border payments. Subsequently, individuals and businesses will participate in testing before a broader rollout. The Rwandan government’s interest in digital currencies stems from a desire to enhance financial

services for its population, with a comprehensive feasibility study conducted in May 2024 laying the groundwork. This study identified numerous benefits, including resilience against disruptions, fostering innovation and competition, advancing the cashless economy initiative, and improving cross-border remittances’ efficiency and inclusivity.

As Rwanda proceeds with its digital currency plans, it positions itself as a leader in financial innovation in Africa, underscoring its commitment to leveraging technology for a modern, inclusive, and resilient financial system. Success in implementing a digital currency could pave the way for other African nations, showcasing the transformative potential of digital currencies in driving economic development across the continent.



Fintech Startups Face Costly Compliance with New KYC Regulations in Nigeria

In response to recent changes mandated by the Central Bank of Nigeria (CBN), fintech startups must now physically verify the addresses of their POS agents (if they offer agency banking services) and all other customers.

While these companies have accepted the new requirements as a condition for lifting a six-week freeze on new customer onboarding, several executives have voiced concerns about the significant costs involved.

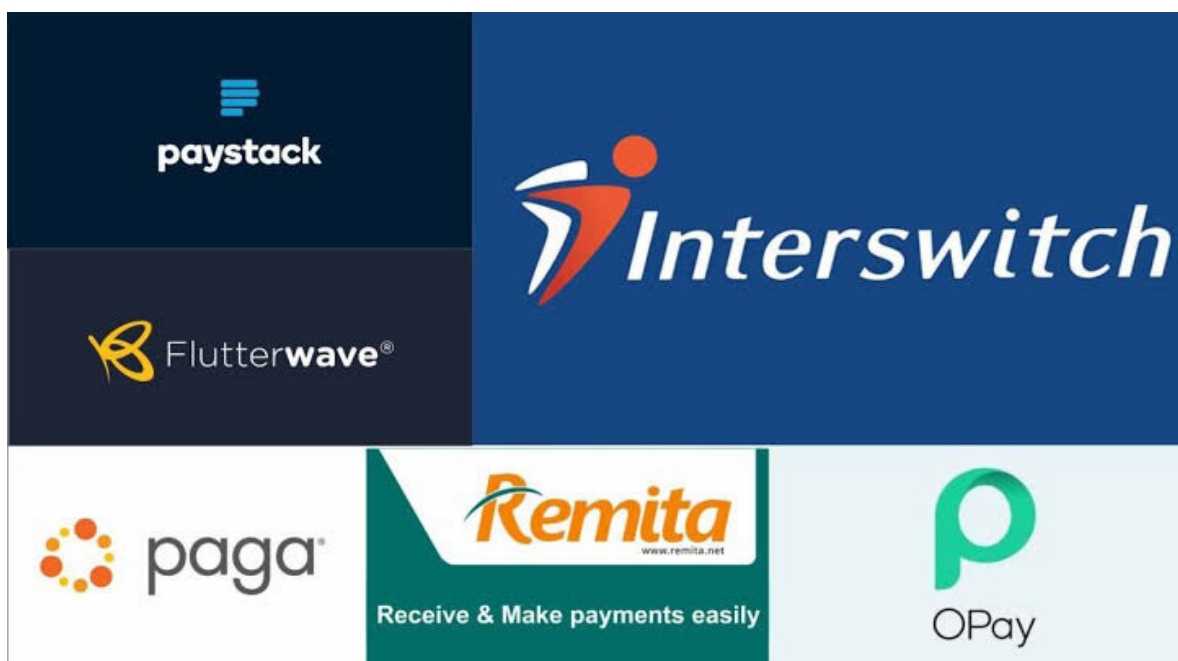
For instance, to physically verify the addresses of POS agents, fintech startups could incur costs up to #1000 (\$0.40) per agent. This expense could quickly add up for leading startups that have hundreds of thousands of agents. Based on publicly available data on registered agents, OPay could face costs of at least #563 million (\$376,000), PalmPay around #500 million (\$333,883), and Moniepoint approximately #304 million (\$196,000).

Overall, the fintech industry could spend #1.5 billion (\$1 million) to verify 1.5 million POS agents. These figures could potentially be higher since several fintech executives have not disclosed the exact amounts they

pay to verification service providers. Additionally, since many POS agents work for multiple fintech startups, the actual total might be somewhat lower. Moreover, these expenses do not account for the costs of verifying retail customers, which would likely surpass the costs for POS agents given that the combined retail customer base of these fintech companies exceeds ten million.

To manage these costs, fintechs like Moniepoint, OPay, and PalmPay, which have extensive networks of agents, could leverage their agent managers to verify retail customers' addresses. This strategy might be more economical, as the managers—spread across Nigeria—are already on the fintechs' payrolls, though they would still require additional compensation for the extra work.

Physical address verification is a crucial measure to increase transparency and reduce the opportunities for fraud that bad actors exploit. According to the Financial Institutions Training Centre (FITC), POS fraud accounted for 8.8% of the total amount lost to fraud in the fourth quarter of 2023. This underscores the importance of robust KYC processes in safeguarding the financial system.



For fintechs like Kuda and Paga, which do not operate extensive cash-in and cash-out networks, collaborating with identity management startups may be a viable solution for address verification. Although the exact costs of these services are confidential, they are expected to impose a significant financial burden on these companies.

The CBN's decision on April 29 to halt new customer onboarding was driven by concerns over lax KYC practices that could be exploited by bad actors. Physical address verification will also provide authorities with greater oversight of peer-to-peer cryptocurrency transactions, which are seen as a significant factor in currency manipulation. Regulators might point to the Nigeria Inter-Bank Settlement System's (NIBSS) Q1 2024 fraud report, which indicated a decline in fraud incidents and amounts lost. However, the long-term effectiveness of

these measures remains to be seen.

Beyond the financial burden of address verification, the six-week freeze has resulted in a missed opportunity to enhance financial inclusion in Nigeria. Fintech startups have been instrumental in bringing banking services to underserved areas with limited bank and ATM access, according to an industry report. The new KYC requirements, while necessary for security, have temporarily slowed this progress. In conclusion, while the physical address verification mandate by the CBN aims to enhance the security and transparency of Nigeria's financial system, it presents significant cost and operational challenges for fintech startups. Balancing these new requirements with their mission to expand financial inclusion will be crucial for these companies moving forward.

Number of Approved Loan App Companies in Nigeria Reaches 284 in May 2024

In a recent report, the Federal Competition and Consumer Protection Commission (FCCPC) and the Central Bank of Nigeria (CBN) have approved a total of 284 loan app companies as of May 2024. This represents an increase from the 266 companies approved in March of the same year. According to the FCCPC's updated list of authorized digital lenders, 232 companies have received full

approval, while 41 have been granted conditional approval. Additionally, several companies are licensed by the CBN to operate as digital lenders in Nigeria. The FCCPC listed 11 other companies licensed by the CBN to operate loan apps, making a total of 284 approved digital lenders operating in the Nigerian market.

The latest figures for approved loan apps in Nigeria highlights the FCCPC's role in approving more digital lenders even as it struggles to bring the existing players under control.

It is however worth noting that with the increase in the number of approved digital lenders, there has been a corresponding increase in the number of loan apps offering instant loans to Nigeria. This is because many of the approved digital lenders operate multiple loan apps.



Visa Partners With ThriveAgric to Expand Digital Payments For Kenyan Farmers

Visa has announced a new partnership with ThriveAgric, a startup dedicated to revolutionizing the payments landscape for smallholder farmers through technology. ThriveAgric, the global winner of the 2022 Visa Everywhere Initiative, is set to expand its operations into Kenya as part of this collaboration.

The Visa Everywhere Initiative is an open innovation

goal of expanding the digital payments ecosystem to benefit these crucial agricultural stakeholders. Eva Ngigi-Sarwari, Visa's Country Manager for Kenya, expressed her enthusiasm for the project, stating, "Through this partnership, we aim to establish a robust network that will directly benefit these farmers. Additionally, we are thrilled to collaborate with a start-up that has risen from our Visa Everywhere Initiative



program designed to help startups unlock new opportunities and scale their solutions. As part of the partnership, ThriveAgric will establish local hubs in five Kenyan counties: Busia, Homabay, Migori, Nandi, and Narok. These hubs, particularly those in Homabay and Busia counties, will serve as learning centers where farmers can attend training sessions and access essential agricultural inputs. The initiative aims to impact up to 10,000 farmers, providing them with the tools and knowledge needed to enhance their productivity and financial stability.

Smallholder farmers are a vital component of the Kenyan economy. This partnership aligns with Visa's

contest, showcasing the significant value it provides to participating start-ups."

By leveraging ThriveAgric's innovative solutions and Visa's expansive digital payments network, this partnership is set to drive significant economic growth and inclusion for smallholder farmers in Kenya. The establishment of local hubs will not only provide training and resources but also facilitate easier access to digital payment systems, enabling farmers to manage their finances more efficiently and securely.

Kenyan Central Bank to Issue Payment License to Fintechs Following Amends of National Payment Act



The Central Bank of Kenya (CBK), has announced plans to issue payment licenses to Fintech firms that operate in the country, following the amendment of the National Payment Act.

The move signifies a huge shift from CBK's previous stance, opening up Kenya's payment market. Recall that in 2022, CBK via a circular ordered local financial institutions including banks and mobile money service providers to cut links with fintechs, citing unspecified threats to the country's financial systems. The regulator emphasized that the firms were operating without authorization.

Part of the circular reads,

"It has come to the attention of the Central Bank of Kenya (CBK) that Flutterwave Payments Technology Limited (Flutterwave) and Chipper Technologies Kenya Limited (Chipper) have been engaging in Money Remittance and Payment Services without licensing and authorization by CBK. You are therefore directed to immediately cease and desist from dealing with Flutterwave and Chipper"

However, the latest amendment is poised to unlock opportunities for fintech companies, streamlining their operations and enhancing their ability to innovate and expand.

Speaking on the amendment, CBK's governor Kamau Thugge disclosed that the regulator is working to amend the National Payment Systems Act of 2011. This is aimed at establishing a legal framework that will allow fintech firms to operate legitimately.

In his words,

"We are in the process of updating and amending the Payments Act, basically coming up with a new act. We hope to be able to finish that soon and also the regulations and that would guide our way forward in terms of payments service providers space"

The proposed changes are poised to be a big win for remittance and payment providers who have faced investigations by Kenyan authorities on allegations of money laundering.

Also, CBK's proposed changes to the National Payment Systems Act to allow the registration and licensing of fintech startups could solve a legal gray area that has slowed down the expansion of fintech in the country.

Notably, the amendments to the National Payment Systems Act will no doubt introduce a more flexible and comprehensive regulatory framework for payment services. Key aspects of these changes include; a streamlined licensing process, Enhanced regulatory clarity, and consumer protection.

Airtel Africa Partners with Network International to Enhance Payment Processing

Airtel Africa has formed a strategic partnership with Network International, a leading digital commerce enabler in the Middle East and Africa (MEA), to significantly improve its payment processing capabilities.

This collaboration is set to provide Airtel Africa users with a seamless and enhanced customer experience, encompassing both traditional mobile services and

The partnership with Network International will enhance Airtel's services in its major markets, offering a wide range of services such as card issuance, transaction processing, card hosting and management, online fraud prevention, internal reconciliation and settlement, and online access for Airtel users.

Ian Ferrao, Group CEO of Airtel Money, expressed his excitement about the collaboration: "We are thrilled

to join forces with Network International to boost our payment processing capabilities. This partnership will allow us to offer an enhanced customer experience and promote digital financial inclusion throughout Africa." He highlighted that Network International's extensive knowledge of the African market would help Airtel innovate and expand its services more effectively. Network International emphasized that their solution would enable Airtel's subscribers to access both traditional mobile services and new digital payment services seamlessly. Dr. Reda Helal, Group Managing Director of Processing in Africa and Co-Head of Group Processing at Network International, stated, "Our partnership with Airtel is a significant achievement for our outsourced payment services in Africa. It

demonstrates our capability to effectively serve Mobile Network Operators (MNOs) with our comprehensive processing solutions, reaffirming our commitment to the African region. We are excited to support Airtel's growth strategy and business development initiatives across the continent."

This partnership marks a pivotal step in enhancing Airtel Africa's payment processing infrastructure, aiming to deliver superior digital financial services to millions of users across the continent.



innovative digital payment solutions.

Headquartered in the United Arab Emirates, Network International operates in over 50 countries, including 40 in Africa. The company serves more than 200 financial institutions and processes over 1.6 billion transactions annually. Network International's extensive experience and strong presence in the African market make it an ideal partner for Airtel Africa.

Airtel Africa, operating in 14 countries across the continent with a focus on Central and West Africa, serves over 140 million customers, including more than 36 million users of its Airtel Money platform.

Safaricom Partners with Pezesha to Launch New Credit Product for Small Businesses

Safaricom, Kenya's leading mobile network operator, has teamed up with Pezesha, a digital lending platform, to offer credit to small business owners. This new product, called Mkojo wa Pochi, is set to enhance Safaricom's existing suite of loan services, which includes M-Shwari and Fuliza. With Mkojo wa Pochi, small business owners can now borrow funds directly through their M-PESA business accounts. The Mkojo wa Pochi service is available via an update on Safaricom's M-PESA super app, and it complements Pochi la Biashara, Safaricom's business wallet tailored for small enterprises.

Mkojo wa Pochi offers loans with a one-time access fee of 2.76% on the borrowed amount. Borrowers are given a 7-day term with an optional 7-day extension. Extending the loan incurs a one-time fee of 3.85% for the entire 14-day period, while late repayments are subject to a 1% daily penalty for up to 7 days. Pezesha will determine the creditworthiness of Pochi la Biashara customers using various assessment tools, including credit bureaus that track loan defaulters. According to Safaricom's terms and conditions for the product, Pezesha's credit assessment will consider factors such as the business transaction history



This partnership marks Pezesha's entry into Kenya's mobile money market by leveraging Safaricom's extensive customer base of over 32.4 million active M-PESA users. The collaboration combines the strengths of both companies: Safaricom's Pochi la Biashara boasts over 632,000 active merchants and processed \$564 million (KES 73 billion) in transactions, generating \$6 million (KES 800 million) in revenue from March 2023 to March 2024. Pezesha brings its expertise in digital lending, having previously partnered with Marketforce, Kysok App, and Rocket Health.

with Safaricom, the user's mobile money account transaction history, credit information from the Credit Reference Bureau, and the user's previous interactions with the product, alongside prevailing market conditions.

This strategic partnership aims to provide small business owners with more accessible and flexible financing options, ultimately supporting the growth and sustainability of small enterprises across Kenya.

Climate Tech Surges Ahead of Fintech in African Startup Funding for 2024

A recent report by Africa: The Big Deal, highlights a significant shift in the African startup ecosystem, with climate tech startups now attracting the majority of funding in 2024. This marks a notable change, as fintech has traditionally

\$1.1 billion in 2023. Despite an overall investment boom in 2021 and 2022, climate tech's share of total investments decreased during those years, dropping from 25% in 2019 and 32% in 2020 to 14% in 2021 and 21% in 2022. However, this trend reversed in 2023,

with climate tech capturing 36% of total investments, and continuing to grow to 45% in 2024.

While climate tech is on the rise, other sectors are experiencing a slowdown. The logistics and transport sector has raised \$215 million so far in 2024, whereas fintech, previously the leading sector, has seen a significant drop with only \$158 million in funding, representing 22% of total investments. This is a sharp decline compared to last year, where fintech accounted for more than half of the total funding, with \$852 million out of \$1.7 billion.

BROADER CONTEXT OF FUNDING SLOWDOWN

The report indicates that the overall startup funding in Africa has not reached the levels seen in previous years,

dominated the investment landscape.

CLIMATE TECH'S GROWING INFLUENCE

According to the report, climate tech startups in Africa have raised \$325 million so far in 2024, accounting for 45% of all startup funding on the continent. This rise in climate tech funding is part of a broader trend over the past five years, with investments growing steadily: \$340 million in 2019, \$344 million in 2020, \$613 million in 2021, \$959 million in 2022, and

reflecting a global context of economic uncertainty.

The notable decline in fintech investments is a key factor contributing to this 'funding winter.' Despite some positive signs, the funding environment remains challenging for many startups across the continent.



Fintech Crucial to The Growth of MSMEs For Sustainable And Inclusive Economy – Experts

Experts in Nigeria have emphasized the pivotal role of Micro, Small, and Medium Enterprises (MSMEs) in fostering sustainable and inclusive economies, highlighting their contributions not only through job creation but also as catalysts for innovation. The adoption of fintech is deemed crucial for the growth of Small and Medium Enterprises (SMEs).

These insights were shared at the Nigeria SMEs Confab 2024 held in Lagos, organized by

the demand for fintech solutions tailored for SMEs is expected to soar, driving further innovation and competition in the market.”

IMPORTANCE OF FINTECH FOR SMES

The experts at the conference pointed out several ways in which fintech can support the growth of SMEs:

- **Enhanced Access to Financial Services:** Fintech solutions can bridge the gap between SMEs and traditional financial services, providing easier access to credit, payments, and financial management tools.



SUPERNEWS under the theme, ‘Bringing SMEs into the Financial Services Network via Fintech’. In his keynote speech, Dr. Biodun Adedipe, founder of B. Adedipe Associates Limited, underscored the essential role of MSMEs in economic development. He remarked, “MSMEs are pivotal to sustainable and inclusive economies, not only through job creation but also as sparks of innovation.”

Dr. Adedipe highlighted the increasing importance of fintech in empowering SMEs within Nigeria’s evolving digital landscape. He stated, “As Nigeria continues to embrace digital transformation and foster innovation in the financial sector, the role of fintech in empowering SMEs will only grow in significance. With a young and dynamic entrepreneurial ecosystem,

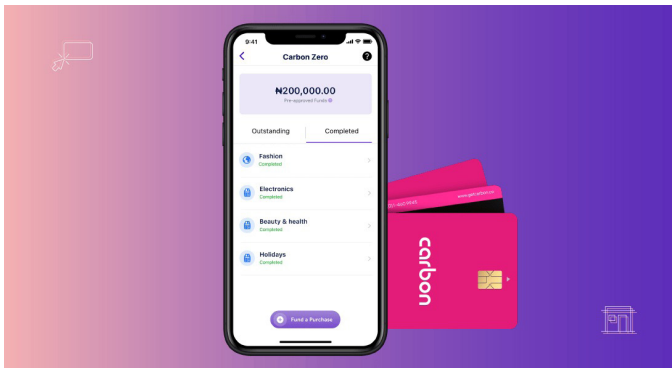
- **Innovation and Efficiency:** By adopting fintech, SMEs can leverage innovative technologies to streamline operations, reduce costs, and improve efficiency.
- **Market Expansion:** Fintech enables SMEs to expand their reach and access new markets through digital platforms, fostering growth and scalability.

Conclusion

The Nigeria SMEs Confab 2024 highlighted the critical intersection of fintech and SME development. As Nigeria continues on its path of digital transformation, the integration of fintech solutions tailored to the needs of SMEs will be essential for driving sustainable economic growth, fostering innovation, and ensuring a more inclusive financial ecosystem.

Nigerian Fintech Carbon Announces The Discontinuation of Its Debit Card Operation

Carbon, a prominent Nigerian fintech company, has announced the discontinuation of its debit card operations in Nigeria. This decision signifies a shift in the company's service offerings within the highly competitive financial technology landscape.



Nairametrics reported that the discontinuation was revealed by Carbon's Co-founder Ngozi Dozie, though he did not provide specific reasons for the move. He wrote: "When I take a step back with the benefit of hindsight

(and a card operation bill denominated in USD\$), I question why practically all neobanks are pushing cards or even getting into it. Was this the right strategy for all of us, or was Carbon just unlucky?"

Formerly known as Paylater, Carbon has been a key player in Nigeria's fintech sector, offering various financial services including personal loans, bill payments, and investments. In June 2021, the company announced a five-year partnership with Visa to offer both digital and physical Visa card issuance to its customers. This partnership followed a year after the digital lending company transitioned into a digital bank, offering a range of financial services including savings and payments.

Carbon aimed to enhance its customer base by offering a more complete banking experience, catering to various needs such as saving money at high-interest rates, sending money at no extra cost, making payments online and offline, and spreading payments for essential purchases.

ADVERT

Explore Our Business Magazines:

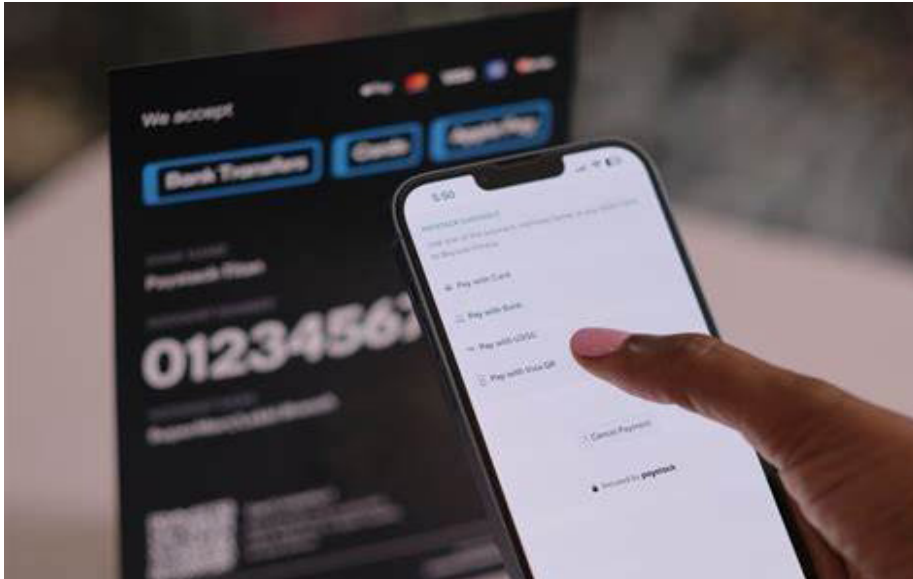
Step into the world of business innovation with our magazine, where industry leaders and entrepreneurs share insights, strategies, and trends shaping the future of commerce. From market analysis to success stories, we provide the knowledge and inspiration to drive your business forward.



Nigerian Fintech Paystack Launches Virtual Terminal Payment Feature in Ghana, Kenya, Côte d'Ivoire, And South Africa

Paystack, a Nigerian fintech company known for its payment processing services, has launched its virtual terminal payment feature

- Côte d'Ivoire: MTN MoMo, Wave, Orange Money, Visa, Mastercard, Apple Pay
- Ghana: MTN MoMo, Telecel Cash (formerly



- Vodafone Cash), AirtelTigo Money, Visa, Mastercard, Apple Pay
- Kenya: M-PESA, Visa, Mastercard, American Express, Apple Pay
- South Africa: Scan to Pay, SnapScan, EFT, Visa, Mastercard, American Express, Apple Pay

BENEFITS FOR BUSINESSES

Increased Accessibility: The virtual terminal eliminates the need for physical POS hardware, allowing businesses to accept payments in various settings, including pop-up shops, markets, and remote locations.

in Ghana, Kenya, Côte d'Ivoire, and South Africa. This innovative solution is designed to enhance payment efficiency and convenience for businesses in these regions.

The Paystack Virtual Terminal is a hardware-free solution tailored for businesses that handle in-person payments, such as retail stores, restaurants, and pay-on-delivery services. It integrates Paystack's seamless online checkout experience into physical locations, providing real-time payment notifications for each transaction.

With the virtual terminal, merchants can generate unique QR codes for customer-facing staff, such as cashiers, delivery riders, or sales agents. Customers can scan these QR codes and choose from multiple payment channels, including Mobile Money, Cards, and Apple Pay. Upon successful payment, staff members receive instant confirmations via WhatsApp, allowing for a smooth and efficient transaction process.

PAYMENT METHODS BY COUNTRY

Cost-Effective: By reducing the costs associated with traditional POS equipment, the virtual terminal offers a more economical solution for businesses.

Enhanced Customer Experience: Customers enjoy a quick and convenient payment process, improving their overall satisfaction. Each virtual terminal account includes a beautifully designed, auto-generated poster that can be printed from the Paystack dashboard to inform customers about the available payment methods.

Launched in October 2023, Paystack's virtual terminal aims to expand the company's presence in offline payments and accelerate the growth of its "pay with bank transfer" feature.

The introduction of the virtual terminal in Ghana, Kenya, South Africa, and Côte d'Ivoire represents a significant advancement in the payment landscape of these countries. By providing a versatile and secure payment solution, Paystack is playing a crucial role in the growth and development of the digital economy across Africa.

Flutterwave Partners EFCC to Establish Cybercrime Research Center in Nigeria

Flutterwave, Africa's leading fintech company, has partnered with the Economic and Financial Crimes Commission (EFCC) to establish and lead a state-of-the-art Cybercrime Research Center. This collaboration represents a significant advancement in enhancing cybersecurity measures and tackling the growing threat of cybercrime in the country.

Mr. Olugbenga Agboola, Founder and CEO of Flutterwave, said:

“As the largest payments infrastructure company in Africa, we are committed to promoting secure and



safe transactions. This initiative underscores our dedication to creating a fraud-free financial ecosystem and leading the charge in safeguarding transactions across Africa. We applaud the EFCC's relentless efforts to combat internet fraud and other illicit activities in the financial sector.”

Also speaking, Mr. Ola Olukayode, Executive Chairman of the EFCC, expressed enthusiasm for the partnership. In his words,

“The EFCC is impressed with the strides and expanse of Flutterwave across Africa. This partnership marks a significant leap forward in our efforts to combat financial crimes and ensure a secure financial landscape for Nigerians. The Cybercrime Research Center will significantly enhance our capabilities to prevent, detect, and prosecute financial crimes.”

KEY FOCUS AREAS OF THE CYBERCRIME

RESEARCH CENTER:

1. Advanced Fraud Detection and Prevention:

- Developing and implementing cutting-edge technologies to detect and prevent financial fraud.
- Providing comprehensive training for law enforcement and industry professionals to combat modern financial crimes effectively.

2. Collaborative Research and Policy Development:

- Conducting joint research initiatives and policy formulation to enhance the understanding and regulation of financial crime.
- Offering a platform for the exchange of ideas and

best practices between the public and private sectors.

3. Youth Empowerment and Capacity Building:

- Offering high-end training and research opportunities for 500 youths, equipping them with the skills needed to navigate and excel in the digital economy.

4. Technological Advancement and Resource Enablement:

- Facilitating the development and deployment of advanced technological resources to bolster cybersecurity efforts.

Flutterwave partnership with EFCC, signifies a major step forward in the fight against cybercrime and sets a new standard for financial security in Africa.

Nigeria Fintech Eyowo Regains Full Central Bank of Nigeria License

Nigerian fintech firm Eyowo has marked a pivotal achievement with the full reinstatement of its license by the Central Bank of Nigeria (CBN). This milestone signifies a major turnaround for the company, which has recently faced substantial challenges.

CEO Yomi Adedeji announced the news on social media platform X, expressing both gratitude and optimism. He promised more details in the coming weeks and underscored the company's perseverance with the phrase "Impossible is nothing!"

Eyowo's journey has been fraught with difficulties. In

due to issues such as inactivity, insolvency, failure to submit returns, or cessation of licensed banking activities for over six months.

Nevertheless, in 2024, Eyowo announced a favorable development; the CBN had provisionally restored its microfinance license. The company met the CBN's requirements and concentrated on reorganizing its internal processes and integrating its systems.

With its license fully reinstated, Eyowo can now resume offering its full range of products, including digital banking, payment solutions, and financial management tools for both individuals and businesses.



2023, the company confronted serious setbacks that threatened its operations, causing concern among users and industry stakeholders. Amidst rumors of a potential shutdown, Eyowo clarified its strategic shift towards becoming a financial technology platform focused on providing "financial connectedness and intelligence" for smartphone users.

The situation worsened when the CBN revoked the licenses of Eyowo and 46 other microfinance banks

This development is crucial for Eyowo's ongoing operations and its growth in the highly competitive fintech industry.

GTCO Recognized as Nigeria's Top Banking Brand And Strongest Brand

Guaranty Trust Holding Company Plc (GTCO), a premier financial services institution in Africa, has recently been honored with two prestigious awards: Nigeria's strongest brand and the Best Banking Brand in Nigeria by Global Brands



Magazine.

These accolades underscore GTCO's leadership in the financial services sector and its strong reputation for prioritizing customer satisfaction.

Over the years, GTCO has been a trailblazer in revolutionizing financial services in Africa, earning acclaim for its innovative customer service and proactive stakeholder engagement. The strength of the GTCO brand is rooted in its commitment to delivering state-of-the-art financial solutions, building lasting customer relationships, and supporting enterprise through its unique free business platforms. Reflecting on the awards, Segun Agbaje, Group Chief Executive Officer of Guaranty Trust Holding Company Plc, remarked: *"These achievements are a reflection of our unwavering commitment to excellence, innovation, and customer satisfaction, as well as to building a truly international brand from our proudly African roots. We are delighted to receive these recognitions and inspired to continue delivering our promise of enriching lives with every opportunity."*

First Bank of Nigeria Appoints Olusegun Alebiosu as Managing Director and CEO

First Bank of Nigeria (FBN) Limited has officially announced the appointment of Olusegun

Alebiosu as its new Managing Director (MD) and Chief Executive Officer (CEO). This significant leadership change was disclosed in a statement filed with the Nigerian Exchange Limited (NGX) on Wednesday. However,

Alebiosu's appointment is still pending approval from the Central Bank of Nigeria (CBN).

Alebiosu has been serving as the Acting Managing Director since April 22, following the resignation of Adesola Adeduntan, who stepped down eight months before his contract was due to end. His tenure as acting MD has been marked by a steady hand in guiding the bank through a transitional period.



In addition to Alebiosu's appointment, FBN Holdings, the parent company of First Bank, also announced the

appointment of Ini Ebong as the Deputy Managing Director (DMD). Ebong has been an integral part of the bank's leadership team, having served as the Executive Director in charge of Treasury and International Banking since January

2022. His extensive experience and leadership in these areas are expected to further strengthen the bank's executive management.

These appointments signify a new chapter for First Bank of Nigeria as it continues to navigate the dynamic banking landscape and strive for excellence in service delivery and innovation.

Place Your Advert Here



NIBSS Appoints Mastercard's Former VP Ebehijie Juliet Momoh as MD/CEO of AfriGOPay

The Nigeria Inter-Bank Settlement System (NIBSS) has announced a pivotal leadership change with the appointment of Ebehijie Juliet Momoh, formerly a Senior Vice President at Mastercard, as the new Managing Director/CEO of its subsidiary, AfriGOPay Financial Services Limited (AFSL).

Additionally, NIBSS has named Ugo Obasi as the Chief Operating Officer (COO) of AfriGOPay.

country's digital payment revolution.

In her new role, she will lead the development, operations, and acceptance of the AfriGO Card Scheme, designed to deliver a seamless, secure, and efficient payment system that meets the diverse needs of the populace. The scheme aims to position Nigeria at the forefront of the digital payment revolution.

On the other hand, Obasi brings over 20 years of exceptional leadership experience in banking,



In their statement, NIBSS highlighted that these strategic appointments represent a significant milestone in their ongoing efforts to transform the payments landscape, aiming to enhance the financial experiences of businesses and consumers not only in Nigeria but throughout Africa and beyond.

Momoh holds a Master of Business Administration (MBA) from Bangor University and a Bachelor of Science (BSc) in Chemistry from the University of Lagos. Her broad experience and educational background make her well-suited to lead AfriGOPay Financial Services Limited's mission to enhance Nigeria's payment infrastructure and drive the

information technology, and payments across West Africa. His career is distinguished by his work implementing commendable payment solutions throughout the region.

As COO, he will drive operational excellence and innovation, overseeing the development and implementation of strategic initiatives to enhance the efficiency, security, and user experience of the AfriGO Card.

Egyptian Fintech Connect Money Secures \$8 Million Seed Funding to Launch New Business Verticals

Connect Money, an Egyptian fintech company specializing in banking-as-a-service and embedded finance solutions, has successfully secured \$8 million in a seed funding round. This funding will support the launch of five new business verticals.

The \$8 million seed round was led by Disruptech

Connect Money provides a robust white-label card issuing platform that allows businesses to offer debit and credit cards to their customers without the need for developing their own fintech infrastructure or obtaining regulatory licenses. Their advanced solutions include digital payments, instant financing, and access to a network of over 20,000 marketplace



Ventures and Algebra Ventures. The funds will be used to introduce five new business verticals, which will be announced separately, targeting North African markets and positioning Connect Money as the premier platform for businesses seeking seamless banking services.

Ayman Essawy, co-founder and CEO of Connect Money, expressed his pride in closing the seed funding round and highlighted the strong support from investors such as Disruptech Ventures, Algebra Ventures, Lorax Capital Partners, One Stop, and MDP. He emphasized that this significant investment validates Connect Money's potential for rapid growth as they work to eliminate existing challenges for businesses aiming to become financially empowered.

partners.

Launched early this year, the fintech is now plotting growth within and outside Egypt, including in markets like Morocco and Kenya, backed by \$8 million seed funding from a round co-led by Egypt-based VCs Disruptech Ventures, Algebra Ventures and Lorax Capital Partners, with participation from One Stop Capital and MDP.

Mama Money Partners Paymentology and Access Bank to Launch WhatsApp-Enabled Bank Card Service

Mama Money, a prominent African cross-border money transfer operator, has teamed up with Paymentology, a leading global issuer-processor, and Access Bank to introduce an innovative bank card service leveraging WhatsApp banking. The Mama Money Card, priced at R100 with a R25 monthly fee, exemplifies the company's shared commitment to leveraging technology for social good by enhancing access to vital financial services for underserved communities.

payments, encourages savings, and ultimately contributes to the financial well-being of its users. By catering to the specific needs of a diverse customer base, Mama Money continues to dismantle financial barriers and promote inclusivity.”

This integration simplifies financial accessibility, especially for Mama Money's customers in South Africa, who hail from countries such as Zimbabwe, Malawi, Ghana, Nigeria, and India. Unlike traditional banks, which often require proof of address for

account setup, the Mama Money Card offers a hassle-free solution, empowering users to obtain a bank card easily and access essential financial services.

“At Paymentology, we are drawn to working with organisations that share our core values.

That is incredibly true of our partnership with Mama Money who are trailblazers in delivering inclusive financial solutions,” said Drisha Kirkman, head of programme management and sustainability at Paymentology.

Additionally, Paymentology's

This new card integrates seamlessly with WhatsApp, enabling users to conduct international money transfers, purchase electricity and airtime, download bank statements, check account balances, and manage their finances using the data-friendly messaging platform.

Mathieu Coquillon, co-founder of Mama Money, emphasises the partnership's impact: “The Mama Money Card represents a significant step in empowering communities, particularly in aiding migrants. It provides a platform for secure employer

advanced payment solution enhances the card's security features, allowing users to instantly freeze their card via WhatsApp in case of loss or theft. This next-generation functionality ensures that users can manage their accounts securely and efficiently, reinforcing the collaboration's goal to make financial services more accessible and secure for all.



Nigerian Fintech Startup AwaCash is Revolutionizing Financial Management for Nigerian Freelancers

As African populations increasingly turn to fintech solutions for financial services, Nigerian fintech startup Awacash is making significant strides to cater to underserved communities across the continent, particularly focusing on freelancers. The groundbreaking fintech solution, offers a comprehensive suite of financial services designed to meet the unique needs of

ever-evolving needs,” said Dayo Okunfolami. AwaCash features a mobile application available on both iOS and Android platforms, which has already been downloaded over a thousand times from the PlayStore. Freelancers can easily create an account in just a few clicks to access a variety of services. These include paying electricity bills and subscriptions, purchasing airtime and mobile data, saving money,



Nigerian freelancers.

Founded in 2021 by Dayo Okunfolami, Bonaventure Igboanugo, and Oladele Dada, the platform enables users to make payments, transfer money, and manage their finances seamlessly through a mobile application, revolutionizing how freelancers handle their financial transactions.

The primary aim of AwaCash is to simplify the lives of Nigerian freelancers by providing a customized, on-demand banking experience. The founders understand the challenges freelancers face in accessing credit and managing their finances efficiently. “We understand the obstacles encountered by the average Nigerian freelancer in obtaining credit and efficiently managing their finances. Our primary objective is to streamline their lives by offering an on-demand banking experience that is tailor-made to meet their

accessing loans, and obtaining virtual bank cards for online purchases.

By providing these essential services through an intuitive and user-friendly mobile application, AwaCash is revolutionizing financial management for Nigerian freelancers. The startup continues to expand its range of services, ensuring that freelancers have the tools they need to manage their finances effectively and focus on their work without financial stress.

Central Bank of Kenya Issues Licenses to Seven New Digital Credit Providers, Raising Total to 58

The Central Bank of Kenya (CBK) has issued operating licenses to seven new Digital Credit Providers (DCPs). This recent addition raises the total number of licensed DCPs in Kenya to 58, following the issuance of 19 licenses in May. The newly licensed credit providers in June include:

1. UbaPesa Limited
2. Stride Credit Limited
3. Senti Capital Limited
4. Progressive Credit Limited
5. Payablu Credit Limited
6. Mogo Auto Limited
7. Mint Credit Limited

Part of CBK statement reads,

“CBK has engaged other regulators and agencies pertinent to the licensing process, including the Office of the Data Protection Commissioner. The focus of the engagements has been inter alia on business models, consumer protection and fitness and propriety of proposed shareholders, directors, and management,“.

The digital credit sector in Kenya, heavily reliant on mobile loan applications, has been expanding. An amendment to the Central Bank of Kenya Act (CBK Act) in 2021 allowed these loan service providers to be licensed under Section 59(2).

This legislative change was aimed at regulating the DCPs and establishing standardized operating procedures following public concerns about the unfair practices of unregulated providers. Data privacy issues were a significant factor in pushing for the 2021 amendment, as mobile loan providers had been criticized for aggressive loan recovery tactics. Since March 2022, the CBK has received over 550 applications and has collaborated with applicants to review their submissions.



Nigerian Investment App Bamboo Expands to South Africa, Democratizing Investment Opportunities

Bamboo, a well-known Nigerian investment app that allows users to invest in US stocks, has recently extended its operations to South Africa. This expansion marks a pivotal step in Bamboo's mission to democratize investment opportunities across Africa.

South African users can now access Bamboo's platform to invest in fractional shares of over 3,000 US stocks and exchange-traded funds (ETFs), including major companies like Apple, Amazon, and Tesla. The app's intuitive interface and low minimum investment thresholds make it appealing to both novice and experienced investors.

"We are thrilled to bring Bamboo to South Africa and provide individuals with access to the US stock market," said Richmond Bassey, CEO and co-founder of Bamboo. "Our goal is to empower Africans to

technology and expertise to offer South African investors a seamless and secure investment experience. The reception has been overwhelmingly positive, with industry experts and investors alike recognizing Bamboo's potential to transform South Africa's investment landscape by offering a modern alternative to traditional investment avenues.

With a solid track record in Nigeria, Bamboo is poised to significantly influence the South African investment scene. This expansion is anticipated to boost the growth of the African fintech sector and contribute to the continent's economic development.

As the trend of Africans seeking to diversify their investments and engage with global markets continues, Bamboo's move into South Africa is a substantial step towards making international investing more accessible and affordable. Bamboo's



build wealth and achieve their financial goals through diversified investment opportunities."

The decision to enter the South African market aligns with Bamboo's strategic goals, capitalizing on the rising interest in international investments and the growing demand for digital financial services in the region. The company aims to utilize its established

focus on financial inclusion and innovation promises to reshape the investment landscape in Africa, empowering individuals to take charge of their financial futures.

CBN Governor Warns of Financial Stability Risks From Rising NBFi and Fintech Transactions

The Governor of the Central Bank of Nigeria (CBN), Yemi Cardoso, has expressed concerns over the increasing transaction volumes of Non-Bank Financial Institutions (NBFIs) and Other Financial Institutions (OFIs), highlighting significant



innovations. While overall this may appear small in relation to the size of credit by DMBs, some jurisdictions globally, have noted a growing trend in the volume of these loans. In many cases, fintech credit is provided via electronic platforms that connect lenders to borrowers

in which case the platform takes the role of a financial auxiliary.

“In some cases, however, loans are taken on the balance sheet of these platforms (even if it is short-term), in which case the platforms are akin to new types of financial intermediaries. These entities are typically fintech firms that offer applications, software, and other technologies to streamline mobile and online banking.

“In many jurisdictions, these digital firms have a banking license and are subject to prudential requirements or they

may just be regulated as Fintech payment service firms. Innovations linked to crypto or stablecoin assets were also reported by some jurisdictions.”

He however stressed that while these innovations present significant opportunities for enhancing financial inclusion and efficiency, they also bring considerable risks to financial stability if not adequately regulated.

In a bid to address this, the CBN has been proactively developing frameworks to effectively monitor and manage these emerging risks.

risks to financial stability.

This was disclosed by Abayomi Arogundade, Acting Director of the Other Financial Institutions Department at the CBN, who represented the CBN Governor at the 10th Meeting of the College of Supervisors for Non-Bank Financial Institutions (CSNBFI) held in Abuja on Monday.

The CBN governor said that NBFIs, which include entities offering financial services without banking licenses, have been growing in transaction volume. These institutions are however unable to accept deposits, differentiating them from traditional banks.

In his words,

“We reiterate the importance of monitoring trends, risks and innovations of NBFIs/OFIs as their increasing transaction volumes pose major financial system stability risk.

“Fintech loans are one of the most commonly reported

Blockchain and AI Highlighted as Tools to Combat Illicit Financial Flows in Africa



As Africa continues to grapple with illicit financial flows (IFFs), experts are increasingly pointing to blockchain and artificial intelligence (AI) as critical tools in the fight against these illegal activities.

Olanipekun Olukoyede, the chairman of Nigeria's Economic and Financial Crimes Commission (EFCC), underscored the potential of blockchain technology and artificial intelligence (AI) in tackling illicit financial flows (IFFs) in Africa. Speaking at the Pan-African Conference on Illicit Financial Flows and Taxation, he emphasized the annual loss of \$88.6 billion due to IFFs across African nations.

COMBATING ILLICIT FINANCIAL FLOWS

The conference, a key annual event organized by the African Union, gathers stakeholders from across the continent to address the issues of IFFs and taxation. It serves as a platform for exchanging insights,

strategies, and best practices to combat these financial challenges.

Olukoyede stressed the importance of establishing robust legal frameworks and enhancing capacity at national, regional, and international levels. He advocated for the adoption of advanced technologies such as data analytics, blockchain, and AI to improve asset tracking and recovery efforts. He highlighted the significant impact that recovered funds could have on infrastructure, healthcare, and education across Africa. As an example of successful international cooperation, he cited the recovery of \$311 million from the United States in 2020, funds linked to former Nigerian dictator Sani Abacha.

Funding Winter: African Tech VC Funding Declines in H1 of 2024



According to the ninth edition of the African Tech Startups Funding Report, tech startups in Africa, experienced a significant decline in funding, as the funding winter continues to bite. Tech startups in the region, raised US\$530 million in the first six months of 2024, down by 56 percent on the total from the corresponding period in 2023. Early-stage rounds were the hardest hit plummeting by 70%, and seed funding dipped 15. There were no late-stage funding rounds in the half. Late-stage funding completely dried up in the first six months, a stark shift from the \$67 million and \$55 million raised in H2 and H1 2023 respectively as investors seem to tighten their belts.

Part of the report reads,

“Any hopes that 2024 would see an uptick in investment were dashed by a disappointing Q1, with funding totalling just US\$310 million in the first three

months of the year, down 52.3 per cent on the US\$650 million raised by startups in the corresponding period of 2023.

“These figures have essentially been mirrored when it comes to H1 2024, with funding 117 startups marginally less than 131 last year – raising US\$530,155,000 in funding, down 56 per cent on the corresponding period last year. Q1 2023 and H1 2023 also saw falls of just over 50 per cent, so an annual halving in total investment has now been a trend for two years now.”

Focus on Profitability: Nigerian Fintech Startups Advised to Prioritize Being Profitable Before Seeking Investment/Funding

Financial experts have advised fintech companies in Nigeria, especially those seeking to raise funds, to prioritize profitability in their business strategies before approaching investors.

During the 2-day TechnNovation FINTECH Conference organized by FITC, themed “Building Trust in the Digital Age: Balancing Performance with Compliance,” industry leaders emphasized that the era

generating substantial revenue, ideally reaching profitability,” he explained.

Alabede further recommended that fintech companies diversify their funding sources. Beyond traditional venture capital and private equity, they should consider debt financing and strategic partnerships. “While continuing to pursue traditional venture capital and private equity, focus on attracting investors



of securing funding based solely on pitching ideas is over.

Dipo Alabede, CEO of the mobile payment company Clane, highlighted in his presentation that investors now demand clear prospects of profitability before committing funds to any startup. “Between 2020 and 2023, many investors were willing to fund mere ideas. Today, you must have a market-ready product

with experience in emerging markets and fintech,” he advised. “Additionally, explore debt financing options such as convertible notes and venture debt to supplement equity funding without diluting ownership. Partner with strategic investors who can offer not only capital but also valuable strategic guidance, industry connections, and operational support.”

Nigeria's Identity Verification Company Prembly, Merges Kenyan Peleza to Become Prembly Group



Nigeria's identity verification company, Prembly has merged with Peleza, an East African background checks and KYB company, to form the Prembly group. According to Prembly, the strategic alliance will leverage synergies to enhance service delivery across multiple sectors, including finance, telecommunications, e-commerce, and more. By streamlining digital solutions for emerging companies and some governments in Africa, Prembly helps them navigate local markets and surmount adoption challenges. Peleza, on the other hand, will bring its experience in the East African region having partnered with companies like Uber, Bolt, and FedEx—guaranteeing opportunities for uninterrupted growth. Speaking on the Merger, Lanre Ogungbe, founder and CEO of Prembly said, “The merger with Peleza deepens our industry knowledge and elevates our strengths and technologies, empowering us to exceed our clients’ expectations worldwide. We are also very excited to have Marita, with over 15 years of experience, join

our leadership team at the newly formed Prembly Group to drive innovation and enhance our strategic initiatives”.

Also speaking, Marita Mutemi of Peleza said, “This is a once-in-a-lifetime transformational opportunity to combine two great companies with great cultures, histories, and a promising future. The strength in both our numbers as one unified team, with both enterprises coming together to serve global markets and creating a combined culture that supports our single global vision of driving excellence in data integrity and regulatory compliance quite excites us”. Founded in 2021, Prembly has emerged as a key player in the digital security and infrastructure space, serving enterprises and global companies by helping them expand into emerging markets and positioning the continent as the next hub for growth.

Since its inception, the identity verification company has processed over 40 million verifications, projected to triple with its recent merger with Peleza.

dLocal Partners with Wakanow to Enhance Payment Options for African Travelers

dLocal, a Latin America-Based financial technology company that provides cross-border payments connecting global merchants to emerging markets, has partnered with travel technology company Wakanow Group, to enable travel customers across Africa to pay in their local currencies.

This collaboration aims to broaden Wakanow's operational footprint on the continent, enhancing

dLocal was a clear choice," explained Bayo Adedeji, group CEO of Wakanow. "Their strong presence and expertise within the continent, alongside their scalable solutions, made them an ideal partner. We are eager to accelerate our growth with the support of dLocal's robust platform and team."

Also speaking on the partnership, Agustin Botta, head of EMEA from dLocal, said,

"As Wakanow continues to dominate the travel

The logo for dLocal, featuring the lowercase letters 'd' and 'local' in a bold, black sans-serif font, with a small purple square between the 'd' and 'local'.The logo for Wakanow, featuring the word 'Wakanow' in a bold, blue sans-serif font, with an orange arrow pointing upwards and to the right, positioned above the 'a'.

payment flexibility and accessibility for African travelers.

Currently, only 30 percent of travel bookings in Africa are conducted online, significantly lower than the global average of 50 percent. Through its partnership with dLocal, Wakanow seeks to address this gap by allowing customers to book travel services and pay in their local currencies or preferred payment methods on the Wakanow website.

This initiative is expected to facilitate smoother transactions and promote greater online engagement within the African travel industry.

"When we sought a payment solution that could handle the complexities of African travel markets,

industry in Africa, and particularly Nigeria, our collaboration will serve as a pivotal bridge between the continent and the global economy. Offering local payment options not only simplifies transactions but also makes global travel more accessible and convenient for millions across Africa, enhancing the customer experience and opening up new markets for business."

The partnership was facilitated by Wakanow's travel fintech subsidiary, Kalabash, which also aims to empower travellers by simplifying cross-border payments and offering flexible payment solutions that cater to the unique needs of the African travel market.

The logo for Fintech Africa Magazine. The word "Fintech" is written in a large, bold, yellow font with a stylized 'F'. To its right, the word "AFRICA" is written in a smaller, white, bold, sans-serif font. Below "Fintech" and "AFRICA", the word "MAGAZINE" is written in a white, bold, sans-serif font, with each letter spaced out.

Fintech AFRICA
MAGAZINE

Contact Us

Phone:

+2348022113247, +2347065155688

Email:

editorial@fintechmagazine.africa