

VOLUME 25, ISSUE 1

# Fintech

## AFRICA

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**Fintech** AFRICA  
MAGAZINE

## EDITOR'S NOTE

### CHARTING THE FUTURE OF FINTECH IN 2025

As we step into 2025, the fintech industry stands at the confluence of innovation and transformation. Over the past decade, fintech has evolved from a niche disruptor to a mainstream driver of financial inclusion, economic growth, and technological advancement. Fintech Magazine is dedicated to exploring the trends, challenges, and opportunities shaping the financial technology landscape as we navigate this pivotal year.

### THE ERA OF HYPER-PERSONALIZATION

With the advent of AI and machine learning, fintech companies are increasingly tailoring services to individual needs. From personalized financial advice to adaptive credit scoring, the possibilities for consumer-centric innovation are boundless. In this issue, we delve into how startups and established firms alike are leveraging data to deliver exceptional value.

### DRIVING FINANCIAL INCLUSION

Fintech's role in bridging the financial gap cannot be overstated. Across Africa, Asia, and other emerging markets, mobile money platforms, digital wallets, and microloan providers are empowering millions previously excluded from traditional banking systems. In our feature articles, we celebrate the success stories of fintech pioneers breaking down barriers and creating opportunities.

### REGULATION AND COLLABORATION

As the sector matures, the relationship between fintechs, regulators, and traditional financial institutions becomes increasingly symbiotic. This year, we anticipate significant regulatory developments designed to balance innovation with consumer protection. Our legal insights section highlights the key policies to watch in 2025 and their potential impact on the industry.

### SUSTAINABILITY IN FINTECH

Sustainability is no longer a buzzword; it's a necessity. From green bonds facilitated through blockchain to eco-friendly lending practices, fintech has a critical role to play in advancing the global sustainability agenda. This edition features thought leaders who share their visions for a greener, more sustainable financial ecosystem.

### The Road Ahead

At Fintech Magazine, our mission is to provide a platform for the ideas, debates, and collaborations that will shape the future of financial technology. In 2025, we invite you to explore the transformative power of fintech, celebrate its milestones, and anticipate its next breakthroughs.

Here's to a year of innovation, inclusion, and impact. Welcome to Fintech Magazine 2025—where the future of finance technology takes shape.

Warm regards,  
Ajetunmobi Olumayowa

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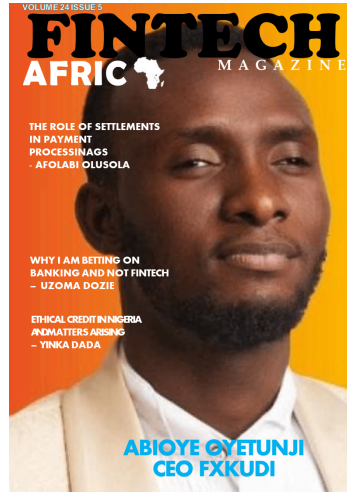
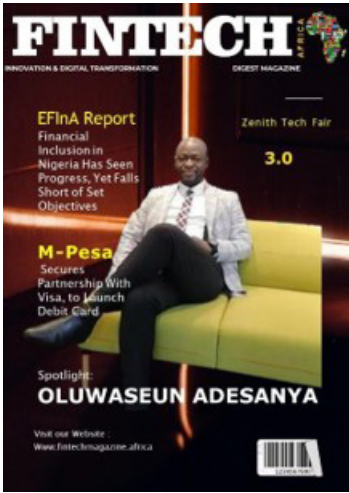
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...it is central to how we reach our customers. The app allows users to manage accounts, access loans, and perform transactions conveniently from







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# ADVERT

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# Educatly Raises \$2.5 Million to Expand Across the Middle East and Africa

**E**ducatly, an innovative Egyptian student-recruitment platform, has secured \$2.5 million in a recent funding round to support its expansion throughout the Middle East and Africa. This round was led by TLcom Capital and Plus VC, with additional participation from Egypt Venture and the HBAN syndicate.

The new funding follows Educatly's rapid growth, previously accelerated by a \$1 million pre-seed round that included backing from Enterprise Ireland and Falak Startups.

Commenting on the investment, CEO and Founder Mohammed El-Sonbaty stated, "This investment marks a pivotal moment for Educatly. Our initial goal was to bridge the gap between students' educational needs and the opportunities available, aligning these with their capabilities and ambitions. With this new investment, we are committed to continuing our ambitious growth plans, enhancing our services, and expanding our operations across Africa and

the Middle East to help more students achieve their educational goals."

Founded in 2020, Educatly aims to guide students in making informed decisions about their educational and professional futures. The platform offers comprehensive information on schools and universities worldwide, including program details and scholarship opportunities. Leveraging advanced artificial intelligence and large language models, Educatly ensures the accuracy and relevance of its information, helping students make well-informed choices. The platform currently features over 1,100 universities across 90 countries.

Educatly's wide range of services is built around three core pillars: assisting students in selecting their fields of study, finding the ideal programs and universities, and facilitating connections with other students and alumni globally.

## Jumia Appoints Ex-PalmPay Executive Anthony Mbagwu to Lead Fintech Arm Jumia Pay

**E**-commerce giant Jumia has appointed former PalmPay executive Anthony Mbagwu as the managing director of its Nigerian fintech arm, JumiaPay.

Anthony's appointment brings in a seasoned professional with a strong background in financial services to steer the company's payment platform. Mbagwu brings over 15 years of experience in the financial services sector to his new role.

Prior to PalmPay, he was previously the head of business support at Unified Payments, Nigeria's premier payments and fintech company, and head of service operations at the multinational commercial, Access Bank. His appointment is seen as a strategic move to revitalize JumiaPay, which has been struggling with significant operational losses in recent

years.

In 2023, JumiaPay saw transactions fall 38% year-over-year to 2 million, while the number of orders completed using the JumiaPay app also dropped from 34% to 29% year-over-year. Its transactions reached 2 million, an increase of 52% year-over-year.

Besides, streamlining the user experience and the introduction of the Pay on delivery service, the fintech company has increased cashless orders, boosting its records in the eCommerce market.

JumiaPay plays a crucial role in the Jumia ecosystem, serving as an integrated payment method on Jumia's online platforms. Additionally, JumiaPay offers a standalone app that enables users to perform various financial transactions, including bank transfers, bill payments, loans, and merchant payments.



# Egypt-based B2B E-commerce Marketplace Cartona Raises \$8.1 Million in Series A Extension

Cartona, an Egyptian leading B2B e-commerce platform digitizing and empowering stakeholders of Egypt's traditional trade market has announced the successful completion of \$8.1 million Series A extension fundraising.

The round was led by Algebra Ventures – the leading Egyptian tech venture capital firm, with Cartona's existing investors – Silicon Badia and the SANAD Fund for MSME, also participating.

This round includes \$2.5 million in debt capital

secured \$12 million in Series A funding led by Silicon Badia, with participation from the SANAD Fund for MSME, to scale in Egypt.

Speaking on the recent funds raised, Mahmoud Talaat, CEO and Co-Founder of Cartona, said,

“We are delighted to complete a Series A extension which we have done from a position of strength. Our operational and financial metrics are all progressing very positively which has helped us to attract capital from existing and new investors. We are committed

to delivering our strategy which includes transforming the traditional trade market and creating value for all stakeholders in the marketplace.

“Our product rollout, verticals, and offerings will continue to grow as will our penetration of the Egyptian market. We have an exciting future ahead, replicating the successful execution of our business model in other regional markets all making trading as easy and accessible as possible for retailers and suppliers.”

Cartona is dedicated to digitizing the supply chain for small and medium-sized enterprises (SMEs) across Egypt.



from leading debt providers ( Camel Ventures and GlobalCorp) as part of Cartona's strategy to have diversified sources of capital. The debt was raised in local currency with competitive terms and will help in fulfilling working capital needs for local retailers for whom – otherwise – capital access would have been difficult.

Notably, Equity capital of \$5.6 million is earmarked to further accelerate growth in Cartona's different verticals, including FMCG and HORECA; grow its market share; establish firm foundations for regional expansion into new large markets in MENA; and explore exciting possible B2B2C opportunities.

This additional funding comes a year after Cartona

The platform streamlines the distribution process, enabling efficient direct connections between retailers and key suppliers in the FMCG and HORECA sectors. By 2022, the platform had expanded its presence to 11 Egyptian cities, up from 3 in 2021. The company aimed to cover Egypt's governorates, enhance its product, technology, and services, and explore new verticals beyond FMCG.



# Central Bank of Nigeria to Utilise Dormant Accounts For Investment

The Central Bank of Nigeria (CBN) has issued a clarification regarding its policy on dormant accounts, specifying that only those inactive for more than a decade will be classified as dormant and eligible for investment purposes. This announcement is part of the newly released document, “FAQs Guidelines on Dormant Account and Unclaimed Balances – July 25, 2024,” available on the CBN’s website.

Under these guidelines, the CBN will establish a



dedicated office to manage dormant accounts and unclaimed balances, thereby operationalising Section 72 of the Banks and Other Financial Institutions Act, 2020. The policy aims to standardise the handling of these accounts across financial institutions.

The CBN had previously indicated that funds from dormant accounts and unclaimed balances might be invested in Nigerian Treasury Bills and other government securities. The bank assures that these funds will be managed in trust, with the principal and any accrued interest refundable to beneficiaries within 10 working days upon receiving a reclaim request from the relevant financial institution.

“Dormant accounts are those that have been inactive for more than 10 years,” the CBN document states.

“Eligible accounts include current, savings, term

deposits in local currency, domiciliary accounts, deposits for shares and mutual investments, prepaid card accounts and wallets, and government-owned accounts, among others specified in the guidelines.” Financial institutions are required to notify customers as soon as their accounts become inactive and to continue notifications quarterly thereafter. The document further states, “The CBN shall establish a dedicated office for this purpose, supervised by a management committee.”

Interest on these dormant accounts will be determined periodically by the CBN. For non-interest-bearing accounts, the profit and loss will also be set by the CBN. The apex bank will refund both the principal and interest within 10 working days of a reclaim request.

To manage these dormant accounts, the CBN will create an “Unclaimed Balances Trust Fund Pool Account.” Reactivating a dormant account requires account owners to complete a reactivation form at their

financial institution, providing evidence of ownership and valid identification.

Certain accounts are exempt from being classified as dormant, including those subject to litigation, judgment debts under active court cases, accounts under regulatory investigation, and encumbered accounts such as collaterals and liens.

CBN Governor Yemi Cardoso justified the new policy by noting that dormant accounts in Nigeria are particularly vulnerable to fraud. The latest measures, he explained, are designed to safeguard the funds in these accounts, ensuring their security and proper management.

# Flutterwave Gains Ground in Ghana with Enhanced Payment Service Provider License

Flutterwave, a leading payments technology company, has recently been granted a Payment Service Provider license (Enhanced Category) by the Bank of Ghana. The milestone marks a significant expansion of Flutterwave's operations in

license translates to more seamless and secure money transfers across the country. Businesses will benefit from direct collection and payout services, automated invoicing, payment links, and a checkout solution that supports multiple payment methods including cards,

mobile money, and bank transfers.

Commenting on the license approval, Olugbenga 'GB' Agboola, Founder & CEO of Flutterwave said, "When we started this journey, our goal was to unite the fragmented payment infrastructure in Africa, and securing this license in Ghana brings us a step closer to achieving that mission. At Flutterwave, we are committed to using our platform to promote economic growth to the nation, while also providing unparalleled service to all our prospective customers in Ghana and in the diaspora "

The Payment Service Provider license (Enhanced Category) allows Flutterwave to operate without the need for third-party services, streamlining payment processes for businesses and customers alike. The Enhanced Category license further empowers Flutterwave to support other licensed



Africa, enabling the company to offer a comprehensive suite of payment services directly within, and through Ghana.

Ghana presents an exciting market for Flutterwave's innovative solutions. With a stable democracy, a tech-savvy youth population, and a high mobile internet penetration rate of 71%, Ghana is well positioned for rapid digital adoption. The country's digital payments market is projected to reach \$7 billion in 2024, with an anticipated growth rate of 15.78%, resulting in a total value of \$12.96 billion by 2028.

For potential customers in Ghana, Flutterwave's

fintech companies in Ghana by providing essential payment services, ultimately promoting a more integrated and efficient financial ecosystem.

Oluwabankole Falade, Chief Regulatory Officer at Flutterwave, said: "We are grateful to the Bank of Ghana for their trust and support in granting us this license. This milestone highlights our commitment to regulatory compliance and delivering secure, reliable payment solutions. We are excited to contribute to Ghana's dynamic business ecosystem and support the financial inclusion of Ghanaians, both locally and globally."

# Google For Startups Accelerator Africa Announces 8th Cohort Focused on AI Solutions

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Accelerator

Africa

Meet our new class



Triply.co

RANA

fixxr

LIFESTEN

robuk collect

Next COUNSEL

nakili

DIAL

Earthbond  
The power of the collective

FACTCHECK AFRICA

Google for Startups Accelerator Africa has announced its 8th cohort, featuring 10 innovative startups from Kenya, Nigeria, Rwanda, and South Africa.

These companies are leveraging artificial intelligence to address key challenges in sectors such as healthcare, cargo mobility, and energy solutions.

The African tech ecosystem continues to thrive, characterized by a dynamic group of startups tackling local and global issues with ingenuity and perseverance. This wave of tech-savvy entrepreneurs is not only fostering economic growth but also shaping a brighter future for the continent.

Among the selected startups, Clafiya and Ridelink stand out for their impactful solutions. Clafiya connects patients with healthcare practitioners, offering fast and affordable on-demand primary care services. This technology-driven approach is crucial in Africa, where healthcare access can be limited. By bridging the gap between patients and providers, Clafiya ensures timely medical care for a wider population.

Ridelink, on the other hand, is revolutionizing cargo

mobility for small businesses. With a simple tap, Ridelink makes transporting goods more accessible and cost-effective. This service alleviates logistical challenges for small enterprises, streamlines operations, and boosts overall efficiency, contributing to economic development.

Since its inception in 2018, the Google for Startups Accelerator Africa program has been a dedicated supporter of the region's burgeoning startup landscape. This year, nearly 1,000 applications were received, and the 10 selected startups exemplify the program's mission: to harness AI in solving pressing challenges across the continent. These startups are not just building businesses; they are crafting a future where technology empowers and uplifts communities.

**Meet the Google for Startups Accelerator Africa: Class 8:**

**Triply (Kenya):** Building Africa's travel operating system, connecting travellers with seamless booking experiences and travel businesses with powerful management tools. technology empowers and uplifts communities, paving the way for sustainable progress.

**CDIAL AI (Nigeria):** Transforming multilingual



communication across Africa with the power of artificial and collective intelligence.

**Earthbond (Nigeria):** Lighting up homes and businesses across Africa with affordable, reliable energy solutions, bolstered by carbon accounting and development finance.

**Fixxr (South Africa):** Putting car owners and businesses in the driver's seat with transparent and convenient on-location vehicle maintenance and repair services.

**Lifesten Health (Rwanda):** Innovating health and wellness through cutting-edge screening and incentive-based programs focused on physical, mental, and nutritional health.

**MyAIFactchecker (Nigeria):** Equipping users with an AI-powered tool to combat misinformation and promote informed decision-making through fact-checking.

**Nakili (Kenya):** Bringing salons, barbershops, and

spas into the digital age with a mobile-based app for streamlined management and enhanced customer experiences.

**NextCounsel (Nigeria):** Supercharging lawyer productivity with an AI-powered tool for contract management, solicitor engagement, compliance, and more.

**Nobuk Africa (Kenya):** Simplifying financial management for groups and collectives across Africa with a seamless platform for collecting funds, reconciling payments, and generating reports.

**Rana Energy (Nigeria):** Providing clean, reliable energy solutions to SMEs and communities through a data-driven ecosystem.

## ADVERT



# Nigerian NeoBank OurPass Acquires MFB License From CBN to Offer Comprehensive Financial Services

OurPass, a Nigerian neobank providing businesses of all sizes with access to every banking, payment, and business management tool they need, has obtained a Microfinance Banking (MFB) license from the Central Bank of Nigeria.

Set to launch operations in September 2024, OurPass aims to offer comprehensive financial services, including business accounts, loans, and business management tools.

The company's CEO, Samuel Eze, highlighted that all major system integrations have been completed, with only one final integration with the Nigeria Interbank Settlement System (NIBSS) pending. However,



unlike its competitors, which primarily target small businesses, OurPass plans to focus on large corporates. The platform offerings will include credit facilities for large corporates, specifically targeting inventory financing, asset financing, and invoice discounting. Additionally, the company intends to establish a physical presence in all 774 local government areas across Nigeria, particularly in business hubs and open markets, setting it apart from competitors who largely operate digitally.

Furthermore, OurPass plans to introduce a banking-as-a-service product before the end of the year and develop specialized products tailored for creatives.

## MTN Nigeria's MoMo PSB Sees Surge in Active Wallets, Reaches 5.5 Million in Q2 2024

MTN Nigeria has reported a significant recovery in its MoMo Payment Service Bank (PSB) active wallets, reaching 5.5 million by the end of the second quarter of 2024.

This comes after a 9% decline in active wallets during Q1 2024, attributed to the National Identification Number (NIN) requirement for Know Your Customer (KYC) validation.

According to MTN's half-year 2024 financial results released on Wednesday, the number of MoMo active wallets increased by 701,000 in Q2, reflecting a strong rebound.

*"We are pleased with the momentum in wallet adoption in Q2 following the pressure in Q1 from the NIN requirement for KYC validation, which affected approximately a million active wallets,"* MTN Nigeria's CEO, Karl Toriola stated in the report.



This growth in mobile money users positively impacted the company's fintech revenue, which saw an 11% increase over the six months and a 22.2% rise in Q2 alone. Specifically, MTN's fintech revenue climbed to N48.6 billion for the first half of 2024, up from

N43.6 billion during the same period last year.

CEO Karl Toriola attributed the growth in fintech revenue primarily to the success of their airtime lending product, Xtratime, alongside a notable uptick in the adoption of MoMo services.

Despite the increase in digital wallet usage, the total number of MoMo agents, including those handling over-the-counter (OTC) transactions, decreased by 24,000 to 302,800 during the review period. This decline suggests a shift towards greater use of wallets and self-service channels among users.

# FBN Holdings Reports Record-Breaking H2 2024 Performance

**F**BN Holdings Plc, the parent company of Nigeria's oldest bank, First Bank, has announced its financial results for the second quarter of 2024, showcasing a remarkable pre-tax profit of N177.79 billion.

This figure represents an impressive 18.9% growth year-on-year, contributing to a record-breaking half-year profit of N411.9 billion. This achievement marks the bank's best-ever half-year performance, more than doubling the N205 billion pre-tax profit recorded in

- **Operating Profit:** Increased by 18.8% to N177.7 billion compared to N149.5 billion.
- **Pre-tax Profit:** Achieved a 14.2% growth, reaching N156.1 billion from N136.6 billion.
- **Earnings per Share:** Stood at 40 kobo.
- **Loans and Advances to Customers:** Grew by 42.8% to N9 trillion from N6.3 trillion.
- **Customer Deposits:** Increased by 42.4%, totaling N15.1 trillion compared to N10.6 trillion.
- **Net Assets:** Rose by 29.4% to N2.2 trillion from N1.7 trillion.



The robust growth in FBN Holdings' financial results is primarily driven by a significant rise in interest income, which more than doubled to N288 billion compared to N124.3 billion in Q2 2023. This surge was fueled by increased loans and advances to customers and higher income from investment securities. The bank also reported net foreign exchange losses of N66.45 billion, contributing to a total half-year loss of N165 billion. However, these losses were mitigated by net gains from instruments at fair value, totaling N433.2 billion for the first half of

the same period of 2023.

The strong financial performance comes under the new leadership of Femi Otedola as Chairman and Olusegun Alebiosu as the Acting Managing Director/Chief Executive. Otedola took over as chairman in January, while Alebiosu stepped into his role in April.

## Financial Highlights (Q2 2024 vs. Q2 2023):

- **Net Interest Income:** N288 billion, up from N124.3 billion, marking a 132% increase.
- **Net Fees and Commission Income:** Rose by 55.7% to N58.4 billion from N37.5 billion.

the year.

The commercial banking segment remained the dominant contributor to profits, adding N366.1 billion, while the Investment Banking and Asset Management group contributed N37.1 billion. This exceptional performance underlines FBN Holdings' strategic resilience and ability to capitalize on market opportunities, delivering value to its shareholders in a challenging economic environment.



# UBA Tops List as Nigeria's Most Visited Banking Website in June 2024



In June 2024, United Bank for Africa (UBA), a Nigerian multinational pan-African financial services group, achieved the distinction of having the most visited banking website in Nigeria with 2.36 million visits.

This ranking underscores UBA's strong digital presence and the effectiveness of its online platforms in attracting a significant number of visitors.

The bank's user-friendly website and comprehensive online services likely contributed to this high level of engagement, making it a preferred choice for customers seeking digital banking solutions.

UBA's position as the most visited banking website reflects the bank's commitment to providing accessible and efficient digital banking experiences.

This achievement highlights the growing importance of digital channels in the banking sector, as customers increasingly prefer online interactions for their banking needs.

Followed closely after UBA, is Nigeria's fintech

company Paystack, which accounted for 2.23 million visits, making them the second-highest visitors. Guaranty Trust Bank (GTB) occupied the third position with 1.25 million visits. Notably, some banks have seen significant increase in their digital channels due to online banking choices as their client base becomes more and more accustomed to using digital technologies.

The bank website visits are as follows:

1. Ubagroup.com – 2.36M
2. paystack.com – 2.23M
3. gtbank.com – 1.25M
4. zenithbank.com -1.17M
5. accessbankplc.com -1.15M
6. wise.com – 950.25K
7. firstbanknigeria.com – 855.36K
8. xe.com – 817.15K
9. providusbank.com -713.76K
10. mastercard.com – 400.1K

# Bank of Ghana Introduces Centralized Digital Platform to Streamline Forex Transactions and Enhance Regulation

The Bank of Ghana (BoG) has launched a centralized online foreign exchange trading platform, requiring all licensed Foreign Exchange Bureaux to utilize it for buying and selling foreign currencies.

This platform which was effective August 1, 2024, aims to enhance secure and efficient operations in the forex market, improve oversight for bureau directors and management, and bolster the BoG's monitoring

Recall that in May 2024, the BoG established a task force to ensure compliance among foreign exchange bureaus with regulatory standards. The task force's objectives include curbing illegal operations, promoting market transparency, reducing the appeal of unofficial exchange channels, and fostering a more regulated forex market.

The new platform will be integrated with the national payment platform to facilitate electronic payments

and the receipt of Ghana Cedis for forex transactions. All transactions at Foreign Exchange Bureaux will require electronic receipts. Furthermore, the system will integrate with the National Identification System, necessitating individuals to provide a Ghana Card or Passport (for foreigners) and undergo biometric verification for forex transactions. The BoG emphasizes that all currency exchanges must be conducted



and supervision in line with the Foreign Exchange Act, 2006 (Act 723), the Anti-Money Laundering Act (Act 1044), and other relevant regulations.

This initiative follows a national security operation that began on July 26, 2024, leading to the arrest of 13 individuals on July 31, 2024, for illegal foreign currency exchange. The operation seeks to curb the cedi's depreciation and regulate forex trading by targeting illegal activities.

through licensed dealers.

# Fintech Innovations: Bridging The Financial Inclusion Gap in Emerging Markets



In recent years, financial technology popularly known as fintech, has emerged as a transformative force in the financial sector, particularly in emerging markets. These regions, often characterized by underdeveloped financial infrastructures and limited access to traditional banking services, are witnessing a revolution as fintech innovations create new avenues for financial inclusion.

This article explores how fintech is bridging the gap in financial inclusion in these markets, the role, challenges faced, and the potential future developments.

## THE ROLE OF FINTECH IN ENHANCING FINANCIAL INCLUSION

Fintech companies are leveraging technology to provide innovative financial solutions, breaking down traditional barriers and offering services to previously underserved populations. Key innovations include:

1. **Mobile Money:** Platforms like M-Pesa in Kenya have revolutionized the way people transact, allowing users to transfer money, pay bills, and save, all through their mobile phones. This has been particularly impactful in regions with low banking penetration but high mobile phone usage.

2. **Digital Wallets:** Digital wallets provide a secure and

convenient way to store and transfer money. They are increasingly popular in countries where cash is still the dominant medium of exchange.

3. **Peer-to-Peer Lending:** Fintech platforms facilitate peer-to-peer lending, connecting borrowers with individual lenders, often at lower interest rates than traditional banks. This has been a boon for small businesses and individuals who might not qualify for traditional loans.

4. **Digital Identity and KYC:** Fintech innovations in digital identity verification and Know Your Customer

(KYC) processes have streamlined the onboarding of new customers, making it easier for individuals to access financial services without needing extensive documentation.

## CHALLENGES AND BARRIERS

Despite the promising advances, several challenges remain in achieving widespread financial inclusion through fintech, which include;

1. **Regulatory Hurdles:** Emerging markets often have complex and evolving regulatory landscapes. Fintech companies must navigate these regulations while ensuring compliance and fostering innovation.

2. **Digital Literacy and Trust:** Many individuals in emerging markets may lack the digital literacy needed to use fintech services effectively. Additionally, building trust in these new digital services is crucial, particularly in regions where financial scams are prevalent.

3. **Infrastructure Limitations:** Inadequate infrastructure, such as unreliable internet access and low smartphone penetration, can hinder the adoption of fintech solutions. Moreover, inconsistent power supplies in some regions further exacerbate these challenges.



## THE FUTURE OF FINTECH IN EMERGING MARKETS

The future of fintech in emerging markets is promising, with several emerging trends poised to further enhance financial inclusion:

1. **Digital Currencies:** The rise of digital currencies, both private and central bank-issued, could provide a new means of transaction and value storage, particularly in regions with unstable currencies.
2. **AI-Driven Financial Services:** Artificial intelligence is being used to provide personalized financial advice, credit scoring, and fraud detection, improving the efficiency and reach of financial services.
3. **Decentralized Finance (DeFi):** DeFi platforms offer decentralized financial services, such as lending and borrowing, without intermediaries. This could

democratize access to financial services, particularly in regions with weak traditional banking systems.

## CONCLUSION

Fintech holds tremendous potential to bridge the financial inclusion gap in emerging markets. By leveraging technology, fintech companies can provide affordable, accessible, and efficient financial services to millions who are currently underserved. However, achieving this potential requires overcoming regulatory, infrastructural, and cultural challenges. Through collaboration between governments, private sector players, and international organizations, fintech can be a powerful tool for economic development and social inclusion in emerging markets.

# MTN Nigeria Fully Acquires MoMo PSB in N6.95 Billion Deal

**M**TN Nigeria has acquired the remaining 7.17% stake in MoMo Payment Service Bank (MoMo PSB) from Acxani Capital for N6.95 billion, making MoMo PSB a wholly-owned subsidiary.

This purchase, disclosed on the Nigerian Exchange (NGX) website, followed Acxani's proposal to sell their 20% stake in May 2024, which had been diluted to 7.17%.

The total cost of the acquisition amounted to N16.35 billion. This included the N6.95 billion paid directly to Acxani Capital and an additional N9.4 billion invested in MoMo. As a result, MTN Nigeria's "Other Reserves" declined by N12.97 billion. The transaction also involved the acquisition of assets worth N3.38 billion from Acxani Capital. MoMo PSB, licensed by the Central Bank of Nigeria in 2022, has continued to record significant growth. By the end of the second quarter of 2024, it reported a significant recovery in its active wallets, reaching 5.5 million.

This comes after a 9% decline in active wallets during Q1 2024, attributed to the National Identification Number (NIN) requirement for Know Your Customer (KYC) validation.

According to MTN's half-year 2024 financial results released on Wednesday, the number of MoMo active wallets increased by 701,000 in Q2, reflecting a strong rebound.



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period last year.

CEO Karl Toriola attributed the growth in fintech revenue primarily to the success of their airtime lending product, Xtratime, alongside a notable uptick in the adoption of MoMo services.



# The Rise of Mobile Money Platforms and Their Impact on Financial Inclusion

## SECTION 1: BACKGROUND AND

### CONTEXT

1. *What inspired the rise of mobile money platforms in Africa, and what were the key success factors?*

The rise of mobile money platforms in Africa was largely driven by rural-urban migration. For instance, in Kenya, M-Pesa was developed to address the need for urban residents to send money to their families in rural areas.

#### Key success factors included:

- Widespread mobile connectivity.
- Convenience and safety of the service.
- Ease of use via SMS.
- Extensive agent networks.
- Relatively low transaction costs.

### A BRIEF HISTORY OF MOBILE MONEY AND ITS EVOLUTION

Mobile money services began in Kenya in 2007. Their adoption accelerated following the 2008 post-election violence, as people relied on the service to transfer money during the crisis.

Initially, M-Pesa offered simple money transfers.

Over time, it evolved into a comprehensive payments platform, adding services like bill payments and international transfers. The COVID-19 pandemic further cemented its role in e-commerce, with increased use for business transactions.

Notably, M-Pesa has become a key deposit mobilizer for banks, with more money flowing from M-Pesa to banks than vice versa.

2. *How has mobile money changed access to banking for underserved populations?*

Mobile money has transformed financial access by providing mobile wallets that function like bank accounts. These wallets enable individuals to:

- Send and receive money.
- Pay bills.
- Access loans.
- Save.

- Purchase financial products such as insurance and investments.

## SECTION 2: FINANCIAL INCLUSION

3. *How have mobile money platforms improved financial inclusion for underbanked and rural populations?*

By leveraging mobile phones—both feature phones and smartphones—mobile money platforms have made financial services more accessible, convenient and affordable for underserved populations.

Which demographic groups have benefited the most?

Beneficiaries include:

- Smallholder farmers.
- Informal sector workers.



-Emily Odindo  
Founder Pim Company

- Young entrepreneurs.
- Rural residents without access to physical banks.
- Micro and small enterprises.
- Women facing socio-economic barriers.
- Diaspora populations sending money home.

4. *What barriers to financial inclusion remain, and how do mobile money platforms address them?*



Barriers:

- Lack of identification.
- Low digital literacy.
- Limited infrastructure in rural areas.
- High transaction fees.

Solutions:

- User-friendly interfaces.
- Extensive agent networks.
- Lower transaction costs.
- Digital literacy programs.

### **SECTION 3: SOCIO-ECONOMIC IMPACT**

5. *How has mobile money impacted local economies, especially in rural and low-income communities?*

Mobile money has stimulated economic activities by enabling:

- Real-time transactions.
- Access to credit.
- Savings and business scaling.

These contributions have led to greater economic empowerment and financial resilience.

Examples of entrepreneurship and business growth enabled by mobile money:

- Real-time settlement of trade, facilitating faster purchases and sales.
- Access to credit for small-scale businesses.
- Fintech products that leverage Mpesa Statements to provide loans to small traders.

6. *What role does mobile money play in remittances and cross-border transactions?*

Mobile money has significantly reduced the cost and complexity of international remittances. For example, M-Pesa has brought fees down from 10–15% to just 3% within Africa, thanks to partnerships with global money transfer services.

### **SECTION 4: TECHNOLOGICAL ASPECTS**

7. *What are the key technological innovations driving mobile money success?*

**Collaboration's role in mobile money's future:**

Partnerships between telecoms, banks, and fintechs are crucial. Telecoms provide infrastructure, banks ensure compliance and risk management and fintechs drive innovation, creating a more inclusive ecosystem.

**Emerging innovations shaping the industry:**

Biometric authentication has enhanced security and improved the user experience.

- Interoperability has made services more seamless across providers.
- Blockchain, while still emerging is beginning to address issues of transparency and security.

**Future trends to watch:**

- AI-driven personalization.
- Embedded finance in online platforms.
- Expansion of financial health products like savings and insurance.

### **SECTION 5: CHALLENGES AND FUTURE OUTLOOK**

**Major challenges facing mobile money platforms:**

1. Cybersecurity threats: • Cybercrime in Kenya caused \$83M in losses in 2023 alone and 1.1 billion cyber threat events in the first 3 months of 2024.  
• AI is being used to enhance phishing, malware, and IoT device attacks.

2. Fraud: Fraud majorly touching on consumer and agent fraud

- Consumer fraud: Identity theft, phishing and erroneous transfers.
- Agent fraud: Float theft and impersonation scams.

3. Infrastructure issues:

- Poor network coverage and unreliable power in rural areas hinder seamless transactions.

**Mobile money's evolution over the next 5–10 years:**

The sector is poised to focus on financial health, enabling access to savings, insurance and investments while continuing to drive financial inclusion.

**Bridging the financial inclusion gap:**

A multi-stakeholder approach is necessary:

- Governments: Implement supportive policies and foster competition.
- Regulators: Enforce quality standards and consumer protection.
- Mobile money platforms: Lower transaction costs and invest in digital literacy and tailored products for underserved populations



# Insights From International Financial Inclusion Conference (IFIC) 2024

The recently concluded International Financial Inclusion Conference (IFIC) 2024, held on 12 – 13 November at Landmark Event Centre in Lagos, Nigeria, was a significant gathering of global financial leaders, policymakers, and innovators. The event focused on the theme “Inclusive Growth: Harnessing Financial Inclusion for Economic Development,” highlighting the critical role of financial inclusion in driving economic prosperity. The conference emphasized the importance of digital identity as a foundational element for financial inclusion. A robust digital identity system enables individuals to access financial services, conduct transactions, and participate in the formal economy. Mobile money services and innovative fintech solutions were identified as powerful tools to reach the unbanked and underserved populations. These technologies can provide affordable and accessible financial services, particularly in rural areas. While digital finance offers immense potential, it is crucial to address data privacy and security concerns. Strong regulatory frameworks and robust cybersecurity measures are essential to protect consumer data and build trust in digital financial services.

The conference underscored the need to empower women economically through financial inclusion. By providing women with access to credit, savings, and insurance, we can contribute to gender equality and social development.

Educating young people about financial literacy is vital to ensure their long-term financial well-being. Financial literacy programs can help young people make informed financial decisions, manage debt, and save for the future.

Collaborative efforts between governments and the private sector are essential to drive financial inclusion. Public-private partnerships can leverage the strengths of both sectors to develop innovative solutions and scale financial services to underserved populations.

A supportive regulatory environment is crucial for fostering financial inclusion. Clear and efficient regulations can facilitate innovation, attract investment, and protect consumers. Governments and financial institutions should prioritize financial education initiatives to raise awareness about financial products and services. Some of the challenges and opportunities in the Nigerian context include infrastructure, financial literacy and regulatory framework. Addressing infrastructure challenges, such as reliable internet connectivity and electricity supply, is essential for the widespread adoption of digital financial services. Improving financial literacy among the Nigerian population is crucial to empower individuals to make informed financial decisions and a conducive regulatory framework can accelerate the growth of the fintech industry and promote innovation. The International Financial Inclusion Conference 2024 provided a valuable platform for stakeholders to discuss the latest trends, challenges, and opportunities in the field of financial inclusion. By leveraging technology, fostering public-private partnerships, and prioritizing financial education, Nigeria and other African countries can accelerate their journey towards a more inclusive and prosperous future.



# Wealth Transfer to Gen Z Must Embrace Digital Strategies, Experts Urge

Investment experts have emphasised the necessity of prioritising digital strategies in the transfer of wealth to Generation Z. This insight emerged from the recent Cordros Summit in Lagos, themed ‘Wealth Revolution’, where top financial minds gathered to discuss innovative approaches to wealth transfer for the younger generation.

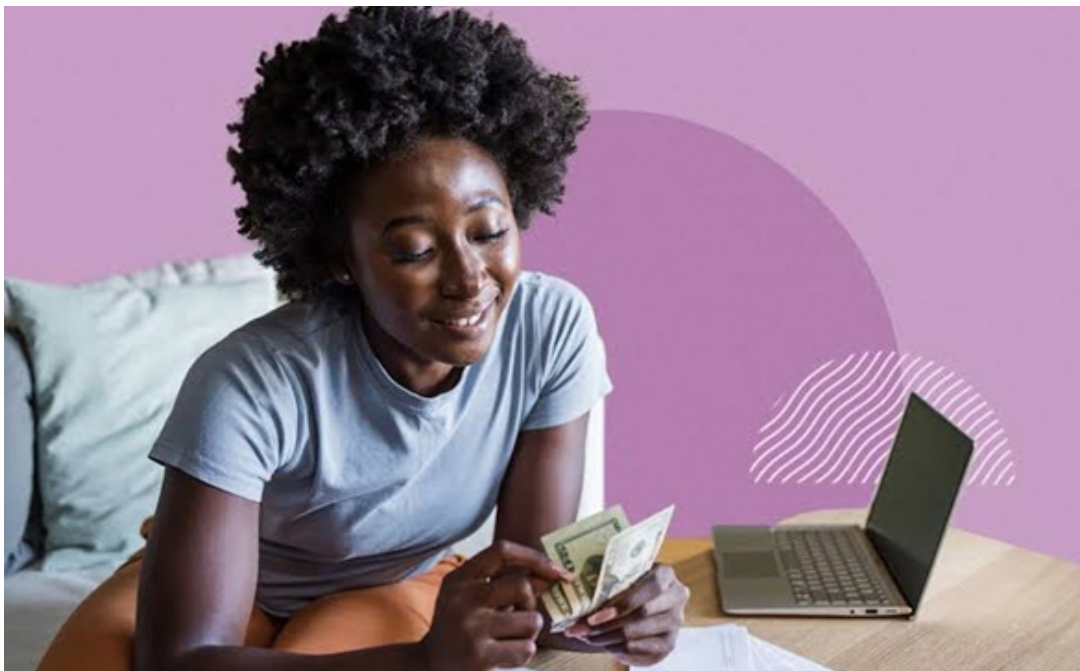
Reports indicate that Generation Z is poised to inherit trillions of dollars from their parents and guardians over the next decade, with a strong preference for digital assets. Experts underscored the importance of aligning wealth transfer methods with the financial behaviours and expectations of this tech-savvy cohort. In his keynote address, Elias Igbinakenzua, Chief Executive Officer of Globus Bank, highlighted that approximately \$90 trillion is set to be transferred to the next generation, primarily Gen Z, within the next

\$1 trillion in market cap in digital assets, and if we don’t understand how that works and impact the economy, we will be on the losing side because Gen Z are thinking global. We who will transfer the assets to them must think global. If we don’t, most of them will flee from our midst to the global realm.”

Discussing Nigeria’s economic outlook, Tilewa Adebajo, Chief Executive Officer of The CFG Advisory, questioned whether the country’s population is an asset or a liability. He argued, “Any population that does not have purchasing power is not an asset but a liability.”

Adebajo reflected on the global financial crisis of 2008, noting that prudent fiscal planning helped Nigeria navigate that period. However, he warned that current fiscal mismanagement is undermining wealth creation and preservation, asking, “How do you grow, preserve,

and even transfer wealth in an environment with bad fiscal management?” Gbolahon Aina, Managing Director of Cordros Asset Management, pointed out the significant investment by Nigerian youths in digital assets, particularly in Fintech. He expressed optimism about the future, provided there is government support, advising young Nigerians to seize the opportunity, invest in assets, learn about investment, and



ten years. He stressed the need to adapt to their digital mindset, stating, “They are not like what we used to know in time past. We must move with their thinking and create a framework that will sustain that wealth when it’s transferred.”

Igbinakenzua further noted, “Today, we have over

embrace risk-taking.

Wale Agbeyanji, Group Managing Director of Cordros Capital, called for the government to foster an enabling business environment for Nigerian youths to allow them to align with global economic trends.

# Bank Directors Distance Themselves from Chairmen's Views on Forex Windfall Tax

The Bank Directors Association of Nigeria (BDAN) has formally distanced itself from the individual opinions of certain bank chairmen regarding the proposed foreign exchange windfall tax. Mustapha Chike-Obi, the Chairman of BDAN, made this clear in a statement via his X (formerly Twitter) account, emphasising that the association would articulate its official position following its board meeting on August 12.

Chike-Obi stated, "I have read the personal views of

Otedola said, "The recent announcement of a windfall tax on the extraordinary profits earned by Nigerian banks is a significant first step towards achieving these goals. The consolidation of various foreign exchange rate systems into a single investors' and exporters' window led to the depreciation of the naira and substantial increases in the value of bank assets denominated in United States dollars. This extraordinary gain should be redistributed to fund critical infrastructure development, education, healthcare access, and public welfare initiatives, addressing the intense pressure on public finances and alleviating the cost-of-living crisis many Nigerians face."

He also noted that financial statements from manufacturing, telecoms, and SMEs indicated many companies may not be able to pay corporate tax for the next two years, showing negative equity. "It is essential for the government to step in and provide support to bridge

these gaps, ensuring revenue generation and fostering economic development," he added.

As the debate continues, BDAN's forthcoming board meeting on August 12 is anticipated to provide clarity on the association's stance on the proposed tax, marking a significant moment for Nigeria's banking community.

Similarly, Tony Elumelu, Chairman of the United Bank for Africa, after a meeting with President Bola Tinubu, underscored the importance of mutual prosperity to sustain the system. He said, "We believe in prosperity, in creating jobs and employment for our people, in democratising prosperity, and in ensuring that Nigerians have access to a good life. So today, we spoke about the Windfall Tax. We support the government. We believe that where extraordinary income has been made, it should go towards helping



some bank chairmen on the windfall tax issue. Those views do not represent the banking community. BDAN will communicate its views after our board meeting on the 12th (August), on this and other very important issues concerning our community." In the past week, at least three prominent bank chiefs have expressed their support for the Federal Government's move to impose a 70 per cent windfall tax on the foreign exchange earnings of banks from 2023 to 2025.

In a statement on Wednesday, FBN Holdings Chairman, Femi Otedola, remarked that revenue generated from the forex segments harmonisation policy, implemented in June 2023, could be channelled into essential public services such as healthcare, education, and infrastructure. This, he argued, would benefit all citizens and help reduce social inequalities.



to alleviate poverty in the country, which is what the government intends to do. We support that, and we just believe that we should ensure that no one segment suffers, that the government is able to continue to create jobs, and that businesses are also able to do well because we need mutual prosperity.”

Ladi Balogun, Chief Executive of FCMB Group, also shared his thoughts post-meeting, highlighting the need for the banking sector to align with the government’s reform agenda. He commented, “The purpose of the meeting was to ensure that this

government’s reform agenda is well transmitted to not only the banking sector but also the investment community. We sought to ensure that we were all on the same page. We also sought to ensure that we are also playing our role as a banking system and as an industry to channel back some of the gains we have made into the general economy. Now, we believe that this government and this administration are very much pro-investment and pro-growth, and they demonstrated that by listening to the concerns of the industry.”

## Fintech Association of Nigeria Appoints New Governing Council

**T**he Fintech Association of Nigeria (FintechNGR) has recently announced the appointment of new members to its board for the 2024-2026 term.

The current GovCo comprises 21 members, including 11 elected officials and 10 BOT-nominated ex-officio members.

**The newly elected members of the Governing Council are as follows:**

**President:** Dr. Stanley Jacob, bringing extensive experience in the fintech landscape, takes on the role of President.

**Vice President:** Dr. Jameelah Sharrieff-Ayedun, known for her leadership in fintech and finance, emerges as the Vice President.

**General Secretary:** Tiwa Osazuwa, who has played a crucial role in the advisory affairs of several franchises, will serve as the General Secretary.

**Treasurer:** Oluwaseun Adesanya, a financial expert, has been appointed as the Treasurer.

**The GovCo also includes returning members which are as follows:**

Yinka Edu

Odun Eweniyi  
Funmi Babington-Ashaye  
Yemi Keri

**Additionally, new members have been elected to the council:**

Abiola Jimoh  
Deremi Atanda

Gbenga Padeda  
These individuals bring diverse expertise and perspectives, contributing to a well-rounded governance structure aimed at fostering innovation and growth in Nigeria’s fintech ecosystem.

**Moving Forward**

The newly elected board is expected to drive the association’s strategic initiatives, focusing on enhancing Nigeria’s fintech regulatory framework, promoting financial inclusion, and supporting

innovation. This leadership transition marks a significant step in aligning FintechNGR’s vision with the evolving needs of the industry.



# Meta Unveils Llama 3.1 Impact Grants to Empower AI-Driven Organisations Across Africa, the Middle East, and Turkey

Meta is excited to announce the launch of the Llama 3.1 Impact Grants, continuing its commitment to supporting innovative use cases of open-source AI to address critical global challenges. Building on the success of previous grant programs, the Llama 3.1 Impact Grants will provide up to \$2 million USD in funding to organisations worldwide.

The Llama 3.1 Impact Grants program invites proposals from organisations with ideas for using Llama 3.1 to address social challenges in their

of life—and to accelerate economic growth while unlocking progress in medical and scientific research. The Llama 3.1 Impact Grants program presents an opportunity to further empower organisations to leverage AI for social good and to drive meaningful change.”

To support prospective applicants, Meta will host a series of regional events, including virtual events, in-person hackathons, workshops, and training sessions in Egypt, Hong Kong, India, Indonesia, Japan, the Kingdom of Saudi Arabia, Korea, Latin America,

North America, Pakistan, Singapore, Sub-Saharan Africa, Taiwan, Thailand, Turkey, the United Arab Emirates and Vietnam. These events will provide technical guidance and mentorship, fostering the development of impactful applications of Llama 3.1 in local contexts. Organisations participating in these events will be eligible for additional specialised awards of up to \$100,000 USD.



communities. Applications in areas such as economic development, science and innovation, public service and more will be given special consideration. Selected recipients will receive up to \$500,000 USD and winners will be announced early next year.

Speaking about the grant, Kojo Boakye, Vice President, Public Policy, Africa, the Middle East, and Turkey, Meta commented: “We’re inspired by the diverse projects we’ve seen developers undertake around the world to positively impact their communities by building with Llama. We believe AI has more potential than any other modern technology to increase human productivity, creativity, and quality

The inaugural Llama Impact Grants, announced in October 2023, received over 800 applications from 90+ countries. The 20 finalists have submitted their final proposals, and the grant recipients will be announced in September, alongside the recipients of the Llama Impact Innovation Awards.

The application window for the Llama 3.1 Impact Grants is open from Monday, August 5, 2024, to Friday, November 22, 2024. Meta encourages eligible organisations to submit their proposals and take advantage of this opportunity to drive social impact through AI.

# VertoFX Appoints Dr. Austin Okpagu as Nigeria Country Manager

VertoFX, the global financial technology firm delivering enterprise grade cross-border payments, FX and banking solutions across emerging markets, has announced the appointment of Dr. Austin Okpagu as its first Country Manager for Nigeria. The move reinforces the company's long-term commitment to the country and the broader West African region.

Most recently serving as Managing Director at JumiaPay, Okpagu brings a wealth of extensive experience from a number of

Nigeria's most prominent fintech platforms including OPay and Pagatech, where he drove partnership and business development efforts in both respective companies. In his new role at VertoFX, Okpagu will spearhead VertoFX's newly opened offices in Victoria Island, Lagos, to achieve on-ground business growth targets, foster strong relationships with local stakeholders and implement tailored solutions to Nigerian customers' needs and requirements.

Speaking on Okpagu's appointment and VertoFX's new physical presence in Nigeria, Ola Oyetayo, Co-Founder and CEO of VertoFX shared, "We are delighted to welcome Austin as our first Country Manager for Nigeria. Austin's proven expertise in the payments sector and deep understanding of the local economic market make him the ideal candidate to take charge of our operations in West Africa."

He continues, "With our on the ground presence in Nigeria, we are strongly positioned to better serve our customers, support local businesses, and contribute to the economic development of the region; moving in line with our vision to become the leading provider of B2B cross-border payment solutions in Africa."

VertoFX's cutting-edge technology enables businesses

of all sizes to make secure and seamless cross-border payments, convert between 50 currencies at competitive exchange rates and instantly send and receive money in over 200 countries. Since launching operations in Nigeria in 2017, the company has built an impressive portfolio of clients, including some of the largest enterprises doing business in Africa, who rely on the company's innovative and reliable financial services for their local and international business needs.



Commenting on his new role Dr. Austin Okpagu, Country Manager at VertoFX Nigeria, stated, "It's an honour to be joining the VertoFX team in their mission to become the go-to financial services partner for businesses operating in Nigeria and on the global scale."

He added, "During recent and especially complex macroeconomic conditions, VertoFX has stood out with its ability to provide urgently needed financial solutions to Nigerian enterprises, helping them stay resilient in the face of adversity. I look forward to working

closely with key public and private stakeholders in the Nigerian financial sector to further enhance our offerings, targeting a deep and lasting positive impact for local founders and business owners."

Over the past year, VertoFX has facilitated over \$2.7 billion in cross-border transactions for Nigerian corporations. During the same time period, the company experienced a staggering 75% increase in the number of Nigerian enterprises using its platform for their international payment needs.

At a time where the Nigerian market is affected by currency restrictions and local exchange controls necessitated by tough global economic conditions, currency devaluations and inflation, these figures reinforce VertoFX's focus on providing reliable solutions for its customers.



# Central Bank of Nigeria Approves Merger of Providus Bank and Unity Bank, Grants Financial Support for Stability

The Central Bank of Nigeria (CBN) has approved the merger of Providus Bank and Unity Bank.

In a statement signed by the acting Director of Corporate Communications, Hakama Sidi, the apex bank confirmed the approval in accordance with Section 42 (2) of the CBN Act, 2007. This marks the first merger approved following the central bank's mandate to increase the minimum capital base.

The CBN also announced the approval of financial support for the merger between Unity Bank Plc and Providus Bank Limited.

This strategic move aims to enhance the stability of Nigeria's financial system and mitigate potential systemic risks.

The statement read, "The Central Bank of Nigeria has granted approval for a pivotal financial accommodation to support the proposed merger between Unity Bank Plc and Providus Bank Limited.

This strategic move is designed to bolster the stability of Nigeria's financial system and avert potential systemic risks.

"The merger is contingent upon the financial support from the CBN. The fund will be instrumental in addressing Unity Bank's total obligations to the Central Bank and other stakeholders. It is unequivocal

to state that the CBN's action is in accordance with the provisions of Section 42 (2) of the CBN Act, 2007. This arrangement is crucial for the financial health and operational stability of the post-merger organisation."

Reports indicate that Providus Bank Limited has been

planning to acquire a majority stake in Unity Bank Plc for over a year. This development is part of Providus Bank's expansion strategy and a significant initiative to strengthen its capital base amid current recapitalisation challenges.



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# Sendsprint Acquires Nobel Financial to Drive Expansion Into The U.S

**S**endsprint, a money transfer startup based in the UK with operations in the U.S. and Nigeria has announced the acquisition of Nobel Financial Inc., a US-based global remittance service provider, to drive expansion into the United States.

Founded in 2014, Nobel Financial Inc. offers outstanding international remittance services that have enabled more than a million people to send money and gifts-in-kind to friends and family in Africa, Latin America, Asia, and the Middle East.

With this acquisition, Sendsprint is now able to support money transfers and gifting from customers in 16 US states, including New Jersey, Maryland, Georgia, and more, to recipients in Nigeria, Ghana, Kenya, and other African countries.

Commenting on the expansion to the United States, Sendsprint CEO Damisi Busari said, “The US presents a massive opportunity for us as a company and we are excited to bring our unique blend of people-focused technology solutions and nuanced understanding of Africans in the US market to make

this expansion into the US a remarkable success”.

What Sendsprint expansion mean for users in the US

- Fast, secure, and low-cost transfers into Africa.
- You can send gifts from over 3,000 retailers operating in Africa – including big names like Shoprite, Dapper Monkey, Jumia, and Cake City – to loved ones back home.
- Simplified user experience



- Exclusive deals and rewards
- No wallet deposit required

As part of the acquisition, Nobel Financial Inc.’s Chief Compliance Officer, Scott McClain, will join the Sendsprint team as Chief Compliance Officer.

Sendsprint’s journey began earnestly in July 2022 with a focus on the UK, where it targeted the 1.7 million Africans in the diaspora. Offering a \$5 flat transfer fee, it set out as a cost-effective alternative to traditional remittance services. The fintech is on a mission to make the diaspora experience of every African personalized, seamless, and convenient.



# Fintech Magazine Africa Hosts App Summit 2024: Empowering Digital Transformation in Nigeria

Fintech Magazine Africa successfully hosted its highly anticipated App Summit 2024, centered on the theme “Empowering Digital Transformation: Innovations, Opportunities, and Challenges.” The event brought together leading industry players, tech enthusiasts, and policymakers to discuss strategies for building a sustainable and thriving app ecosystem in Nigeria.

The summit’s keynote speech was delivered by Segun Adeniyi, Chief Digital Officer at Wema Bank,

education, infrastructure, and funding. He stressed the need for investments in incubators, accelerators, and talent development to address these issues effectively.

**Expert Insights and Panel Discussions**

The summit featured several thought-provoking speeches and panel discussions. Fredrick Adams, Product Consultant and Co-founder of Bankly, delivered an engaging presentation on “Monetization Strategies for Apps,” exploring freemium models, subscription services, and other revenue-generation



who spoke on the topic, “Building a Sustainable App Ecosystem in Nigeria.” In his address, Adeniyi highlighted the transformative journey of Wema Bank’s ALAT, Nigeria’s first fully digital bank, launched in 2016.

*“By delivering the first fully digital bank in Nigeria, Wema Bank sparked a Cambrian explosion of FinTechs, setting the stage for rapid innovation in the banking sector,”* Adeniyi noted. He emphasized the significant role Nigerian developers have played in creating solutions that are now celebrated globally, citing unicorns like Flutterwave and Paystack as prime examples.

While celebrating the growth of Nigeria’s app ecosystem, Adeniyi also pointed to critical challenges hindering its sustainability, including gaps in

techniques.

Yomi Ogunleye, CTO at Hervest, spoke extensively on how mobile apps can drive economic development, highlighting the importance of leveraging technology to address societal challenges.

A series of fireside panel sessions tackled diverse topics, which include:

- “The Future of Mobile Applications: Unveiling Emerging Trends and Technologies”
- “User Experience (UX) Design in the Mobile Era: Crafting Engaging and Intuitive Interfaces”
- “The Intersection of Apps and FinTech: Revolutionizing Financial Inclusion”
- “Fostering Innovation in the Nigerian App Ecosystem”



Among the lineup of speakers was Wumi Ariyo, a seasoned project manager with expertise in product safety certification testing and software development,

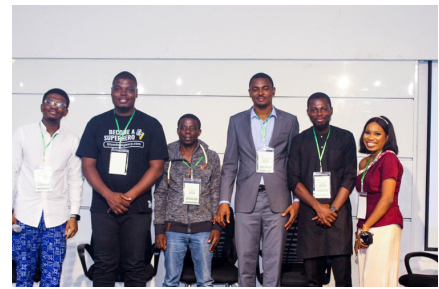
who spoke on “Privacy, Security, and Data Governance in App Development,” emphasizing the need for robust frameworks to protect user data.

The summit underscored Nigeria’s potential to build a robust app ecosystem capable of solving societal challenges in sectors like education and healthcare. With over 103 million internet users and 36.75 million active social media users in 2024, Nigeria’s app landscape offers immense opportunities for growth and innovation.

The event concluded on a high note, marking an important step toward overcoming Nigeria’s app ecosystem challenges and fostering innovative solutions. Fintech Magazine Africa’s App Summit 2024 not only inspired new ideas but also positioned itself as a catalyst for driving digital transformation in the country.



## The Gallery From The App Summit



# The Role of Encryption in Securing Online Payments

*Have you ever felt hesitant to enter your card details at the point of purchasing a product, wondering if it's safe to click that 'Pay Now' button?*

If you have, keep reading. But if you haven't, keep reading too. We have all heard stories of online fraud and hacking; this is where "encryption." plays a critical role in securing online payments.

## WHAT EXACTLY IS ENCRYPTION?

It is a hidden code that takes your payment data, like your credit card number, passwords, and personal details, and scrambles it into a form that only the right people (in this case, the payment processor or your bank) can understand. So, even if a hacker were to get their hands on your information, it would be completely useless to them because it would look like gibberish without the correct key to decode it.

When you're making a payment online, your sensitive information is travelling through the internet (servers and networks) before it reaches its final destination. Without encryption, anyone lurking on these networks could easily steal your information. But with encryption, your data locks up, ensuring it's protected until it reaches the right hands.

There are two main types of encryption used in online payments:

1. **Symmetric Encryption:** This is similar to locking and unlocking your data with the same key. The information is encrypted and decrypted using the same key by both the sender and the recipient. Although it's quick and effective, it's not always the best option for safe transactions.
2. **Asymmetric Encryption:** This is the most reliable method for online payments. Here, there are two keys: a public key and a private key. The public key

locks the data, but only the private key can unlock it. Therefore, the private key, which is kept secret by the recipient (such as your bank or payment processor), prevents anyone from opening your data, even if they manage to intercept it.

## HOW ENCRYPTION WORKS DURING AN ONLINE TRANSACTION

Now, let's consider how encryption actually works during an online transaction:

- **You Enter Your Payment Information:** When you type in your credit card details, this sensitive information is immediately encrypted. This means that even while you're typing, the data is being scrambled into that secret code.
- **The Data is Sent to the Payment Processor:** At this point, your bank or the payment processor receives your encrypted data via the internet. Even if a cybercriminal were to intercept the data, they would be unable to access it without the private key because it is encrypted.
- **The Payment Processor Decrypts the Data:** After receiving your encrypted data, the payment processor decrypts it using their private key and proceeds with the payment.
- **Transaction Complete:** After verifying that everything is in order, the payment is approved, and a confirmation is sent back to you, all while keeping your sensitive details protected.

In conclusion, encryption does the background work of ensuring transactions are secure from start to finish. I hope you find this helpful.

## WHY ENCRYPTION IS CRITICAL FOR BANK TRANSACTIONS

Did you know that even though banks use encryption, hackers can still breach their systems? But the thing is, they only get a jumble of scrambled characters—totally useless without the decryption key. This means that your bank details, even if stolen, are protected. Safe, right?

Without encryption, your banking information is left exposed to cybercriminals. However, banks that fail to encrypt their data face much worse outcomes. When cybercriminals gain access to readable customer data, trust in that bank evaporates. Customers feel betrayed, and financial losses follow.

As our world becomes increasingly digital, encryption will only grow more important for banks. Cybercriminals are constantly refining their tactics, but encryption evolves to stay one step ahead. New forms of encryption are being developed to tackle emerging threats, ensuring that even as hackers grow smarter, your banking information remains secure. So when you use online banking, always check for signs of encryption to make sure your information is

secure. Look for a padlock icon next to the website's address. That little lock tells you that your bank is using encryption to keep your data safe. If you don't see it, you should think twice about entering your personal details.



*Sola Afolabi  
(Group Head, Channel Services, Access Bank)*

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# Egyptian Fintech Lucky ONE Raises \$3 Million in Funding Round to Fuel Ambitious Growth Plans

Lucky ONE, an Egyptian-based consumer credit fintech, has successfully raised \$3 million in a convertible debt round to fuel ambitious growth plans. The round saw participation from existing backers including Lorax partners, KEM, and DisrupTech Ventures, which will be used to scale Lucky ONE's credit lending services and facilitate its entry into new regional markets. Momtaz Moussa, Co-Founder and CEO of Lucky ONE, expressed his excitement about the successful financing round.

He said, "We are thrilled to have successfully closed this round, which will fuel our ambitious growth plans and support our mission of providing accessible consumer credit solutions to underbanked Egyptians. This round reaffirms the trust our investors have placed in us and



solidifies our commitment to achieving sustainable profitability while creating true value in the Egyptian market".

Lucky ONE's latest financing round signifies a significant milestone in its growth potential, showing investors confidence in the company's vision. The latest round of funding follows the \$25 million Series A round in 2022. Founded in 2019 by Ayman Essawy, Momtaz, and Marwan Kenawy, Lucky ONE is a fintech company based in Egypt, offering various financial services from credit, and cash backs to discounts, applicable both in person and online.

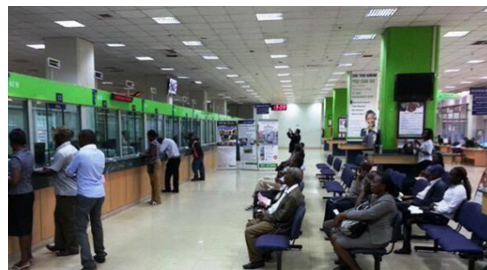
The startup plans to utilize the investment to enhance its credit offerings and solidify its position as a major player in Egypt's booming fintech sector, targeting Q1 2025 for this achievement.

# Kenyan Banks to Enforce New Transaction Monitoring Standards to Combat Financial Crimes

**K**enyan commercial banks are set to begin monitoring significant cash deposits and transfers, particularly those exceeding KES 1 million, following an October 2023 directive from the Central Bank of Kenya (CBK) to combat money laundering and terrorism financing.

This directive requires the use of "purpose of payment" (PoP) transaction codes, a step that may accelerate the adoption of ISO 20022 standards for transparent financial transaction processing.

Although CBK has not set a compliance deadline, the global implementation timeline is by the end of 2025. NCBA, Kenya's fourth-largest bank, recently informed customers of these new requirements, and other banks



are expected to follow by introducing PoP codes for Real-Time Gross Settlement (RTGS) transactions. The Kenya Electronic Payments and Settlement System (KEPSS) processed KES 10.7 trillion (\$82.3 billion) in RTGS transactions in Q1 2024, a slight decrease in

volume but a 6% increase in value from the previous quarter. PoP codes aim to enhance transparency and regulatory compliance, aligning with CBK and ISO 20022 standards. The initiative will also improve cross-border payment efficiency by standardizing

transaction data formats globally. Non-compliance with these regulations could result in fines of up to \$155,000 (KES 20 million).

# Network International Launches Payment Platform ‘Network One’ in Nigeria

**N**etwork International, a payment solutions provider, has launched its cutting-edge “Network One” platform in Nigeria, in compliance with Central Bank of Nigeria (CBN) regulations of data residency and data processing. Network One is a highly scalable, resilient, and cost-effective suite of technology capabilities for issuing physical and virtual debit, credit, prepaid, and commercial payment solutions (Amex, Mastercard, Verve, and Visa) supported by world-class risk management and loyalty solutions. The digital

the continent.”

For over 30 years, Network International has delivered innovative solutions that drive revenue and profitability for our customers and help businesses and economies prosper by simplifying commerce and payments. The company has grown from strength to strength to become the largest acquirer in the UAE and the leading enabler of digital commerce in the Middle East and Africa (MEA) region.

The company provides a robust suite of payment products and services that are on the cutting edge



payment platform is helping the local and regional markets to thrive in a challenging environment. Commenting on the launch of payment its platform in Nigeria, the company’s group CRO Nandan Mer said, “This major milestone took us only a few months to deploy thanks to a local team that worked tirelessly and seamlessly with cross-functional colleagues in various geographies to ensure we deliver on Network One’s promise of innovation, resilience, and agility. Taking Network One live in Nigeria is integral to our company’s continued commitment to the country and

of technology development. In 2023, it processed \$59+ billion in payment volumes for more than 130k merchants and processed over 1.6 billion transactions on 18+ million payment credentials for over 250 financial institutions.

With operation centers in the UAE, Egypt, Jordan, KSA, South Africa, and Nigeria, and the corporate head office in Dubai, Network is positioned to stay abreast of the fast-evolving payments industry and to continue developing solutions for emerging opportunities.

# Nigeria Ranked Ninth Most Investable African Country in 2024

**N**igeria has been ranked as the ninth most investable country in Africa in 2024, according to the latest “Where to Invest in Africa” report by Rand Merchant Bank (RMB).

The report, which offers a comprehensive assessment of investment climates across the continent, awarded Nigeria a score of 0.163 based on four key pillars: economic performance and potential, market accessibility and innovation, economic stability and investment climate, and social and human development.

In this year’s rankings, Nigeria was placed behind Seychelles, Mauritius, Egypt, South Africa, Morocco,

exports is evident in its 29th position for economic complexity. Petroleum and crude oils account for nearly 70 per cent of its trade flows.”

The report also highlights Nigeria’s politically challenging environment, which can be daunting for investors. However, it acknowledges the country’s progress in creating a more conducive business environment. Nigeria’s position on the World Bank’s Ease of Doing Business index improved from 169th out of 190 countries in 2016 to 131st in 2020, reflecting efforts to enhance its investment appeal. Despite the challenges, Nigeria was listed among the “Highflyer” countries in the report, a category that includes large, well-established economies offering stability and a range of investment opportunities. This group also features South Africa, Egypt, and Ethiopia. The report categorizes other African nations into groups such as “Cleared for Take-off,” “People Potential,” “Global Connectors,” and “Low-Base Boomers,” each representing different growth trajectories and investment risks.

Isaah Mhlanga, Chief Economist at RMB, elaborated on the complexity of analysing Africa’s diverse markets. “The richness of Africa’s diversity makes fully analysing its nuance and contrast a challenging task, but an important one when it comes to understanding the varied markets that make up this vast regional economy,” Mhlanga explained. “The 2024 RMB Where to Invest in Africa report aims to develop a balanced, robust and actionable view of the drivers, challenges, and opportunities that characterise each of the 31 African markets included in the analysis.”

As Nigeria continues to navigate its economic and political landscape, the report underscores both the opportunities and hurdles that define its place as a leading investment destination in Africa.



Ghana, Tunisia, and Senegal. Algeria rounded out the top ten.

The report provides a nuanced analysis of Nigeria’s investment climate. While the country has long held the position of Africa’s largest economy by GDP, it now ranks third after a significant currency devaluation. Despite its economic size, Nigeria’s overall investability is tempered by various factors, leading to its ninth-place ranking.

“Nigeria boasts \$375 billion a year in GDP and the continent’s largest population—nearly 220 million people,” the report notes. “However, this is countered by a middling score for GDP per capita, placing it just 15th in our model. Economic complexity also presents a significant challenge, as Nigeria’s reliance on oil



# NDIC Pays Out 82.36% of Insured Deposits to Heritage Bank Customers

The Nigeria Deposit Insurance Corporation (NDIC) has successfully disbursed 82.36% of the total insured deposits to customers of the now-defunct Heritage Bank, following the revocation of the bank's license by the Central Bank of Nigeria (CBN) on June 3, 2024.

In a statement released by Bashir A. Nuhu, Director of Communication & Public Affairs, the NDIC confirmed that payments to depositors have been initiated, with a maximum of N5 million per depositor being disbursed.

with balances exceeding Five Million Naira have been paid the initial insured sum of Five Million Naira, while the remaining balances (classified as uninsured deposits) will be paid as liquidation dividends upon realization of the defunct bank's assets and recovery of debts owed to the defunct bank.

“This unprecedented achievement of direct payment through BVN-linked alternate accounts without the need for depositors to visit NDIC offices or fill out forms marks a historic shift for the NDIC in the prompt reimbursement of depositors with payment



This significant milestone was achieved within just four days of the bank's closure, with the NDIC utilizing Bank Verification Numbers (BVN) to identify depositors' alternative accounts in other banks and ensure prompt payment.

The statement read: “In the discharge of its deposit guarantee mandate, the Corporation began the payment of the insured deposits of Five Million Naira (N5,000,000) maximum per depositor within a record time of four (4) days of the bank closure.

“This was achieved using Bank Verification Numbers (BVN) as a unique identifier to locate depositors' alternate accounts in other banks. However, depositors

of about 82.36% of the total insured deposit to date.”

Nuhu further stated that the corporation is actively engaging depositors through phone calls and text messages. He assured the public that the NDIC is working to recover assets and debts to facilitate payments to the depositors through liquidation dividends. According to him, once all insured and uninsured deposits are settled, the NDIC would proceed with payments to creditors

according to legal priority.

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# African Development Bank approves \$40 million Trade Finance Transaction Guarantee Facility to Ethiopia's Dashen Bank

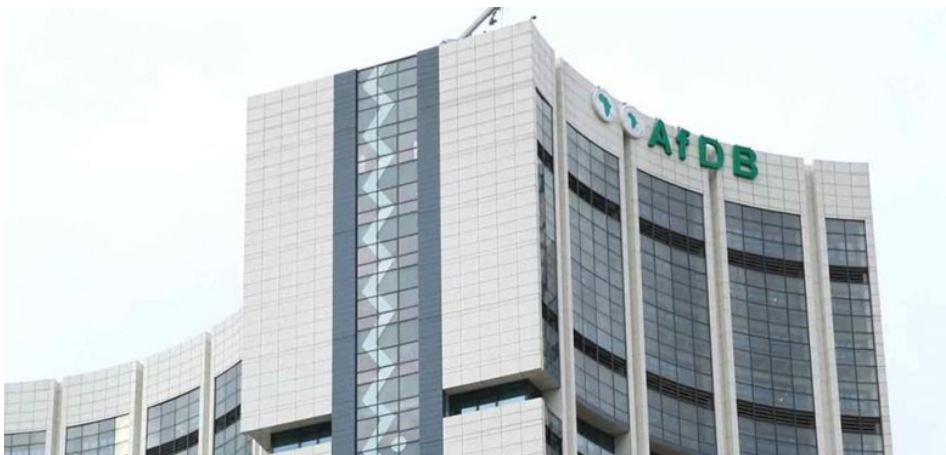
The Board of Directors of the African Development Bank Group has approved a \$40 million transaction guarantee facility to support Dashen Bank's trade finance activities in Ethiopia.

The Facility will provide support to Small and Medium Sized Enterprises (SMEs) and local corporates' import and export trade finance requirements. It will also support intra-Africa trade, thus directly contributing to the successful implementation of the African Continental Free Trade Area (AfCFTA) agenda.

support the region's Trade.”

Reacting to news about the approval, Asfaw Alemu CEO of Dashen Bank, said: “After fulfilling the stringent due diligence requirements of the African Development Bank, we are so delighted that its Board of Directors has approved a trade finance transaction guarantee facility of \$40 million. This much-needed guarantee facility will be instrumental in expanding our bank's trade services across the region and beyond.”

He added: “The best practices learned through our engagement and the due diligence exercise passed with the continent's premier development financier has been invaluable in pursuit of Dashen Bank's strategic aspirations to be a best-in-class bank in Africa. We look forward to further strengthening our partnership and benefiting more from the resources and extensive capabilities of the African Development Bank and its partners, as we endeavor to support Ethiopia's thriving small and



The Bank Group will provide a guarantee of up to 100 percent to confirming banks for the non-payment risk arising from the confirmation of Letters of Credit and similar trade finance instruments issued by Dashen Bank.

Following the approval, the African Development Bank's Director General for East Africa, Nnenna Nwabufo said: “Supporting Trade in Africa is a key priority at the African Development Bank. Trade finance is an important driver of economic growth and is critical for cross-border trade, particularly in emerging markets. We are delighted to work with Dashen, a strong partner with extensive knowledge and network in Ethiopia, on a shared ambition to

medium enterprises in productive economic sectors, including agriculture and manufacturing.”

The African Development Bank's Transaction Guarantee Product is an unfunded instrument that provides up to 100 percent non-payment risk cover to confirming Banks for trade finance transactions of eligible Africa-based Issuing Banks. By covering up to 100 percent non-payment risk, the transaction guarantee will enable the Bank Group to support local African banks operating in the continent, particularly in low-income countries and transition states.



# Conduit Expands into Africa After Raising \$6M in Seed Extension Round

Conduit, a fintech company specializing in cross-border B2B payments, is making its entry into the African market following a successful \$6 million seed extension round led by Helios Digital Ventures, the venture capital arm of Helios Investment Partners. Originally launched

After experiencing significant success in Latin America, Conduit identified similar opportunities in Africa, where the need for efficient and transparent cross-border payment solutions is rapidly increasing. The company has already started operations in Kenya and Nigeria, partnering with local banks to streamline cross-border transactions.

Conduit's annualized transaction volume has exceeded \$5 billion, with 20% of that volume now coming from its newly launched African markets. The company anticipates that Africa will surpass Latin America in terms of transaction volume by early next year. To lead its African expansion, Conduit has appointed Eric Wainaina, the former director of The Kenyan Wall Street, to oversee operations in the region. The company plans further expansion into Ghana and South Africa, where it will compete with established players such as Aza Finance, and YC-backed Verto and Waza. Conduit's entry into Africa represents a significant step in its global growth strategy, as it seeks to address the increasing demand for accessible and reliable cross-border payment solutions across emerging markets.



in Latin America in August 2023, Conduit enables businesses to conduct cross-border transactions in US dollars through ACH or SWIFT, even if they lack a U.S. entity.

This expansion marks a strategic shift for Conduit, which initially focused on providing API connections for fintechs and neobanks to offer crypto-backed earning products. However, following the downturn in the crypto market in 2022, Conduit pivoted to traditional banking services. This transition has proven highly effective, particularly in regions where businesses face challenges accessing reliable payment infrastructures.

# July Breaks Fundraising Records for African Start-Ups in 2024

In an impressive report revealed by Africa: The Big Deal, the month of July has emerged as a landmark month for fundraising within the African start-up ecosystem in 2024, surpassing previous periods and setting new benchmarks.

The month saw a staggering \$420 million raised, excluding exits, marking the highest monthly total in 14 months. This figure not only eclipsed the entire amount raised in Q2 but also amounted to 2.5 times the average monthly fundraising over the past year. During the month, 47 ventures successfully raised at least \$100,000, making it the second-best month of the year in terms of the number of companies funded. Among these 47 ventures, 16 secured over \$1 million each, aligning with the monthly average seen in the first half of 2024. The impressive fundraising total for July was largely driven by two substantial deals:

d.light's \$176 million securitization facility and MNT-Halan's \$157.5 million raise. NALA's \$40 million Series A round also played a significant role in the month's success.

Together, these three deals accounted for 90% of the total funds raised, underscoring their importance in the overall ecosystem. Additionally, the month saw four exits, with the most notable being Quicket's acquisition by Ticketmaster, although these exits were not included in the overall fundraising figures.

This exceptional performance has propelled the total funds raised by African start-ups in 2024 to \$1.2 billion, surpassing the amount raised in 2020. With the year's momentum, the ecosystem is now on the cusp of achieving the next major milestone: the \$1.4 billion raised in 2019.

## Equity Group Reports 12.5% Profit Growth in H1 2024 Amid Economic Challenges

Equity Group, Kenya's largest bank by market capitalization, has posted a 12.5% increase in net profit for the first half of 2024, despite facing challenging macroeconomic conditions that led to higher loan defaults among businesses and individuals.

On Monday, the bank reported a net profit of \$229 million (KES 29.6 billion), up from \$203.4 million (KES 26.3 billion) in the first half of 2023. This growth was driven by a strong performance in interest income, which rose by 22% to \$656 million (KES 84.8 billion), even as inflation and interest rates remained high.

Equity Group's robust performance comes at a time when leading Kenyan banks are focusing on regional expansion to counter the slowing growth in East Africa's largest economy. James Mwangi, the group's managing director and CEO, highlighted the bank's shift towards becoming a regional entity, noting that nearly half of the bank's balance sheet and profit and

loss now originate from outside Kenya.

Mwangi emphasized that the bank's regional subsidiaries have significantly contributed to its overall efficiency, accounting for 47% of the group's balance sheet in terms of deposits and loans, and driving a 55% growth in revenue.

The bank also recorded a 16% increase in non-interest income, reaching \$737.2 million (KES 95.1 billion). Customer deposits saw an 11% year-on-year growth to \$10 billion (KES 1.3 trillion), with the bank's customer base expanding to 20.7 million.

This growth in deposits led to a 55% increase in cash and cash equivalents, amounting to \$2.6 billion (KES 341 billion), along with a rise in investment securities to \$3.5 billion (KES 459 billion), strengthening the bank's liquidity position.

However, the bank's gross non-performing loans (NPLs) grew by 4.4% to \$929.4 million (KES 119.9 billion), prompting an increase in provisions for loan defaults by 35% to \$65.8 million (KES 8.5 billion).

# Ecobank to Host Inaugural Fintech Challenge Semifinal in Lagos, Nigeria

Ecobank, the pan-African bank, has announced that its inaugural Fintech Challenge semifinal event will take place in Lagos, Nigeria. Scheduled for Wednesday, August 14, the hybrid event will be hosted at the Ecobank Pan African Centre (EPAC) in Lagos. This year's Ecobank Fintech Challenge attracted over 1,550 applications from 70 countries, with only 40 semi-finalists making the shortlist. After a thorough review of their submissions, a jury has selected the top finalists, who will be revealed during the semifinal

market. Additionally, they receive priority access to Ecobank's Venture Capital partners for funding opportunities. Djiba Diallo, Senior Fintech Advisor at Ecobank Transnational Incorporated (ETI), expressed admiration for the caliber of this year's applicants, acknowledging the talent and innovation emerging from Africa. "I congratulate the semi-finalists and eagerly anticipate the semifinal event in Lagos, Nigeria, where we will announce the top finalists," she stated.



Bolaji Lawal, Managing Director/Regional Executive of Ecobank Nigeria said he is glad that Nigerian affiliate was hosting the semi-finals, announcing an inspiring and thought-provoking panel of discussion with the Nigerian fintech community as a prelude to the hybrid event. According to him, "Hosting this year's Fintech Challenge semifinal is a great honour for us. We are thrilled to welcome prominent fintech players

event. These finalists will advance to the Grand Finale, where they will compete for a \$50,000 prize and a coveted spot in the Ecobank Fintech Fellowship program—a significant opportunity for advancing their innovations.

Ecobank Fintech Fellows stand to gain numerous benefits, including collaboration opportunities with Ecobank and its partners, and the potential to integrate their solutions with Ecobank's extensive 35-country Pan-African network. Selected fintechs may also become Pan-African service partners within the bank's ecosystem. Fellows enjoy exclusive access to Ecobank's state-of-the-art APIs, which they can use to test and develop their products for the Pan-African

from across the continent and are particularly proud of the strong participation from Nigerian fintechs. Their efforts contribute to Africa's financial integration and economic growth. We invite Nigerian fintechs to take advantage of the panel discussions, while also using the opportunity to network and explore partnership opportunities that will support their growth".



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# Klasha announces multi-currency accounts for businesses

**K**lasha, a leading global cross-border payments company, is thrilled to announce the launch of its multi-currency accounts for businesses. The multi-currency accounts are designed to simplify cross-border payments for African and global

name that can be funded through transfers, deposits, cards, and other local payment methods.

With Klasha's multi-currency accounts, merchants can pay to over 120 countries and transact in over 50 currencies, making global trade frictionless. These

transfers are fast and without transaction limits, making them a time-efficient and convenient solution for businesses of all sizes.

*"We are excited to launch multi-currency accounts to optimise cross-border payments for merchants," said Jess Anuna, CEO of Klasha.*

*"Multi-currency accounts make it easy for our merchants to do business without currency limitations. They can create foreign currency accounts within minutes and track all inflows and outflows from a single dashboard. Our goal*

*is to facilitate global trade in emerging markets, and our multi-currency accounts will help local businesses scale beyond borders."*

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## Multi-currency virtual accounts for businesses



merchants.

Multicurrency accounts allow merchants to create USD, ZAR, NGN, and other accounts in their business

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# Kenyan Fintech PrivPay Shuts Down After Safaricom Revokes M-PESA API Access

In May 2023, PrivPay, a Kenyan fintech that allowed users to conduct M-PESA transactions without revealing their personal details, was forced to cease operations after Safaricom terminated its access to the M-PESA APIs. According to sources close to the situation, Safaricom's decision stemmed from concerns that PrivPay's services raised several compliance issues.

Launched in 2022, PrivPay marketed itself as a privacy-centric solution, addressing concerns that names and phone numbers shared with merchants are often used for marketing purposes. PrivPay

once PrivPay began attracting media attention. In addition to cutting off API access, Safaricom also suspended PrivPay's pay bill account in May 2023. This account, which facilitated the startup's transaction processing, was critical to its operations. Safaricom argued that PrivPay, which reported having 30,000 users, was in violation of Kenya's Anti-Money Laundering regulations and suggested that the company obtain a Payment Service Provider (PSP) license from the Central Bank of Kenya (CBK). Acquiring this license typically takes up to six months. PrivPay, in a response to Safaricom, emphasized



that it meticulously records every transaction and stores these records for a minimum of seven years to monitor for any suspicious activity. Safaricom indicated that in the absence of a PSP license, a letter of no objection from the Central Bank of Kenya would be required for PrivPay to continue its operations. A former PrivPay executive admitted to TechCabal, "We chose not to pursue a PSP license at the time due to the substantial resources required and the lengthy process involved." As PrivPay considers a potential return, it must recognize that meeting regulatory

empowered individuals to safeguard their own personal information, and to remind them that they have a responsibility to protect their personal information in mobile money transfers by choosing to take advantage of solutions that embody data privacy. The startup relied on Daraja, M-PESA's free payment APIs, to power its platform.

PrivPay asserted that it had engaged in discussions with Safaricom regarding its business model and had received approval before launching. However, the startup claims that Safaricom withdrew its support

standards will be essential, as good intentions alone won't suffice.



# Nigeria Tops List as 53 African Startups Shut Down Between 2013 and 2024

Africa's startup ecosystem has seen a remarkable surge in recent years, driven by innovation, the rise of digital technologies, and the growing demand for solutions tailored to the continent's unique challenges. Countries like Nigeria, Kenya, South Africa, and Egypt have emerged as key hubs for entrepreneurial activity, attracting considerable attention from investors and stakeholders worldwide.

However, the environment remains harsh and unpredictable for many startups, leading to a high mortality rate among young businesses. According to a recent report, between 2013 and 2024, Africa witnessed the closure of 53 startups across seven countries, with Nigeria leading the pack in these unfortunate business outcomes. Of the total number, 25 startups that once showed promise in Nigeria have shut their doors, highlighting the significant challenges entrepreneurs face in the region.

The startups affected were involved in sectors like fintech, health, e-commerce, logistics, agriculture, transportation, and media among others. Experts have argued that underfunding may not really be the

main reason for the closure of the startups as most of them were heavily funded in the past years. Nigeria is followed by Kenya and South Africa, which saw a total of 12 and 7 startups shut down respectively. Checkout the list of African Startups that shutdown between 2013-2024

Rank	Country	Closed Startups
1	Nigeria	25
2	Kenya	12
3	South Africa	7
4	Egypt	4
5	Ghana	4
6	Uganda	2
7	Tanzania	1

The closure of these 53 startups across Africa underscores the broader challenges faced by entrepreneurs on the continent. While there is no shortage of innovative ideas and ambitious founders, the harsh realities of the business environment in many African countries make it difficult for startups to survive, let alone thrive. While the closure of these 53 startups is a sobering reminder of the difficulties faced by African entrepreneurs, it also presents an

opportunity for stakeholders to address the systemic issues that contribute to high failure rates.



# Mastercard Partners with Scale to Accelerate Fintech Market Deployment Across Africa and the Middle East

**M**astercard has teamed up with Scale, an issuer orchestration partner, to streamline market entry for fintech companies across Africa and the Middle East. This collaboration aims to overcome key technical and commercial challenges that fintechs, aggregators, enablers, payment service providers (PSPs), and telcos face when launching payment programs. By focusing on core business activities and efficiently bringing new products and services to market, these companies can benefit significantly from this partnership.

Mastercard and Scale will assist fintech firms and

across the region with the aim of bridging the digital gap, enhancing financial inclusion and improving access to financial services. With its in-depth knowledge of the fintech landscape, Scale is our ideal partner in achieving these goals”.

Also speaking, Miranda Perumal, Co-Founder & CEO, Scale said, “Fintech companies move at speed and require commercially viable collaborations with experienced companies that cater to a cost-sensitive market. Through our exciting partnership with Mastercard, we are solving a major pain point and providing a single point of contact while absorbing

the complexities of seeking a bank BIN sponsor, third-party processor and other payment solution providers. This combined ecosystem service allows fintech players to focus on their core business, and us to focus on ours – streamlining processes, enabling payments and supporting the program’s growth to earn revenues faster“.

As this collaboration progresses, it will evolve into a technology solution, allowing

other ecosystem participants in securing BIN sponsorships, creating sustainable unit economics, designing and commercializing card and other payment programs, evaluating profitability models, and delivering exceptional customer experiences. The partnership will also foster the co-creation of inclusive value propositions designed for long-term growth. Commenting on this partnership, Amnah Ajmal, Executive Vice President, Market Development, EEMEA, Mastercard said, “At Mastercard, we are committed to working with local ecosystem players to drive the growth of innovative payment solutions

any tech company to acquire Mastercard issuing capabilities through Scale. Mastercard will integrate its managed services into the partners’ systems, overseeing the entire end-to-end implementation of their card programs. Following the launch, Scale will support partners in expanding their portfolios, driving revenue growth, and achieving profitability by providing insights into consumer behaviors, market dynamics, and competitor strategies.



# Transfers and Cash Continue to Dominate Cross-Border Payments in Africa Despite Fintech Growth -Report

According to a new Duplo report, traditional banking channels such as bank transfers and cash payments, continue to dominate the African cross-border payment landscape, even with the increasing presence of fintech companies. The report, titled “The State of Cross-Border B2B Payments in Africa and its Impact on Trade, highlights that cash payments remain a significant component of informal cross-border trade in parts of West and East Africa, accounting for 40% of payments. While traditional channels still handle large-value

anticipates that the demand for efficient, low-cost cross-border B2B payment solutions will grow, presenting both a challenge and an opportunity for financial institutions and fintech companies. The report suggests that this growing demand could lead to significant changes in the financial landscape, especially with fintech introducing innovative services tailored to the diverse needs of African businesses, ranging from small traders to large corporations. Furthermore, the report emphasizes the critical role cross-border B2B payments play in driving intra-



business-to-business (B2B) transactions, they are often hindered by high fees and extended processing times. This, according to the report, presents an opportunity for fintech companies to offer alternative solutions, particularly for small and medium-sized enterprises (SMEs) engaged in cross-border trade. The report also underscores the scale of the B2B retail payments market in Sub-Saharan Africa, which the World Bank estimates at \$1.5 trillion. Duplo

African and extra-African trade. As businesses increasingly seek efficient and cost-effective payment solutions, fintech companies may be well-positioned to capitalize on this evolving market, potentially reshaping the future of cross-border trade in Africa.



# Egypt Leads in Startup Funding in MENA Region in July 2024

In July 2024, Egypt emerged as the leader in startup funding across the MENA region, securing the highest investment inflows. The country's thriving startup ecosystem attracted significant attention from investors, outpacing other nations in the region.

This achievement highlights Egypt's growing prominence as a hub for innovation and entrepreneurship in the Middle East and North Africa, reinforcing its position as a key player in the region's economic landscape.

Egyptian entrepreneurs led the way, securing \$185

million across 16 startups. The Web3 sector followed with \$85 million invested in two startups, while deeptech and cleantech took third and fourth positions, respectively. E-commerce remained strong in deal volume, with six startups raising \$15.7 million.

Seed-stage startups attracted the most capital, raising \$96 million across eight deals, followed closely by Series A funding, which garnered \$91.7 million across eight deals. Pre-seed startups, however, managed to raise only \$1.8 million across five deals.

The business-to-business (B2B) model continued to



million across seven deals, with \$157.5 million of that amount coming from a single transaction by MNT-Halan. This represents a significant leap from Egypt's previous month's \$15 million raised through four deals. The UAE came in second with \$96 million invested in 12 startups.

Saudi Arabia experienced a sharp decline in investment, attracting just \$31 million across seven deals, placing it fourth behind Oman. The fintech sector was the most lucrative, drawing \$181 million

dominate, attracting \$345 million across 27 startups for the second consecutive month. In contrast, just nine business-to-consumer (B2C) startups raised nearly \$8 million, while the remaining funds were split between two B2B2C startups.

In terms of gender dynamics, only two female-led startups secured \$270,000 in July 2024. Meanwhile, four co-founded startups (male and female) raised \$20.5 million, with the remainder of the funds going to male-led startups.

# Waza Emerges From Stealth, Secures \$8 Million to Expand B2B Payment Solutions Across Emerging Markets

**W**aza, a Nigerian B2B payment and liquidity provider for emerging markets, has emerged from Stealth to secure \$8 million

in equity and debt funding to fuel its expansion beyond its current operations in Ghana and Nigeria and to introduce new trade finance solutions.

The funding round includes a \$3 million seed equity investment from notable investors such as Y Combinator, Byld Ventures, Norrsken Africa, Heirloom VC, Plug and Play Tech Center, and Olive Tree Capital, along with \$5 million in debt funding from Timon Capital aimed at piloting trade financing for large enterprise clients.

CEO and co-founder of Waza, Maxwell Obi, highlighted that this milestone brings the startup closer to its mission of revolutionizing B2B payments and enhancing liquidity access for businesses across Africa.

He said, “By providing a more efficient settlement infrastructure, we are bridging the foreign exchange and liquidity gap, empowering African businesses

to tap into global trade opportunities that will drive economic growth and development in the markets we serve.”

This development comes amid growing demand for cross-border payments, driven by increased remittance flows and global trade.

Waza which began operations in January 2023 after participating in Y Combinator’s winter batch that month, will aim to capitalize on this trend and make its mark in the global payments market, starting with Africa.

Since its launch, the startup has served hundreds of businesses, processing over \$700 million in annualized payment volume and facilitating business transactions across six continents, with a monthly growth rate of 20%.



# World Bank Forecasts Significant Growth in Nigeria's Diaspora Remittances for 2024

The World Bank has forecasted a substantial increase in diaspora remittances to Nigeria in 2024, signaling a positive economic outlook for the nation. This anticipated growth is particularly timely, as it promises to provide crucial foreign currency inflows while Nigeria navigates several



economic challenges.

Historically, Nigeria has benefited significantly from diaspora remittances, averaging around \$20 billion annually over the past decade. In June 2024, the World Bank reported that Nigeria emerged as a leading recipient of diaspora remittances in Sub-Saharan Africa, capturing approximately 35% of the region's

total inflows in 2023. The report highlighted that Nigeria received around \$19.5 billion last year, the highest in the region.

Despite this leading position, diaspora remittances to Nigeria saw a 3% decline in 2023, totaling \$19.5 billion, down from over \$20 billion in 2022. The World Bank attributed this decline to a broader trend of slower recovery from the impacts of the coronavirus pandemic. Remittance flows to Low and Middle-Income Countries (LMICs), including Nigeria, grew modestly between 2022 and 2023, reaching an estimated \$656 billion—an increase of just 0.77%, compared to the 8.3% growth seen between 2021 and 2022.

Looking ahead, the World Bank projects a recovery in remittance inflows to Nigeria. “The growth of remittance flows to LMICs is expected to recover to 2.3% in 2024 and 2.8% in 2025, reaching \$690 billion by 2025,” the bank noted. This anticipated increase in remittances could provide a much-needed boost to Nigeria's economy as the country continues to address its economic challenges.

## ADVERT





# Zone Partners NIBSS to Revolutionize Nigeria's PoS Payment Infrastructure With Blockchain Technology

**Z**one Payment Network Limited has partnered with Nigeria Inter-Bank Settlement System (NIBSS) Plc, the National Central Switch, to launch Nigeria's first Payment Terminal Service Aggregator (PTSA).

This collaboration is set to transform the POS payment value chain by leveraging advanced blockchain technology to enhance interoperability. To address challenges related to transparency and to streamline payment processes in Nigeria's Payment

banks and other financial service providers. It will significantly enhance the reliability and security of transactions, ensuring efficient and secure processing. Additionally, with the introduction of decentralized card routing, banks and fintechs will be able to route cards between POS terminals and cardholder banks while remaining fully compliant with both payment switching and PTSA regulations established by the Central Bank.

Speaking on this, Managing Director and CEO of



NIBSS, Premier Oiwoh said, "These partnerships and collaborations with key industry players represent a significant milestone in our mission to drive innovation and enhance the efficiency of the payment system. The strategic alliances will revolutionise the ecosystem, offering improved operational efficiency, cost savings and enhanced financial inclusion, ultimately positioning Nigeria at the forefront of the global payment space".

Also speaking CEO and Co-founder of Zone, Obi

Emetaron said, "This partnership with NIBSS reflects our unwavering commitment to transform the payment landscape in Nigeria. By harnessing the power of blockchain technology, we are setting a new standard for reliable, frictionless, and universally interoperable payments in the industry."

System, the Central Bank of Nigeria (CBN) introduced the PTSA license category. Under this regulation, all licensed financial service providers are required to connect and route their POS transactions through a PTSA.

The objective is to improve the payment experience for individuals and merchants, optimize reconciliation processes, and reduce financial losses and operational costs for banks and other financial institutions. This strategic partnership aims to strengthen the POS payment infrastructure by utilizing blockchain technology for transaction processing between

# UCEE Microfinance Bank Launches Operations, Unveils Mobile App, and Plans USSD Rollout

**U**CEE Microfinance Bank, a subsidiary of United Capital Plc group, has officially launched its operations and introduced a mobile app to enhance financial accessibility across Nigeria.



This announcement was made by the bank's Chief Executive Officer, Esther Adeola-Balogun, during the grand opening event held on Monday 19, 2024, in Lagos State.

As a hybrid microfinance bank, UCEE is dedicated to bridging the gap between traditional and digital

banking, ensuring that financial services are easily accessible to a diverse customer base.

Adeola-Balogun highlighted the pivotal role of technology in the bank's operations, she said, "Our mobile app serves as a one-stop shop for all our products and services. We encourage everyone to download it because it is central to how we reach our customers. The app allows users to manage accounts, access loans, and perform transactions conveniently from anywhere."

She also highlighted the bank's strategy to serve semi-urban and rural areas by introducing a USSD code to provide financial solutions to more Nigerians, particularly those in underserved areas.

"The USSD platform will be crucial for those without access to smartphones, ensuring financial inclusion even in underserved regions," she noted.

Also, the Chairman of UCEE Microfinance Bank, Stephen Nwadiuko, reiterated the bank's focus on reaching every segment of society.



# Africa's Leading Venture Capital Leader, Kola Aina Joins EFINA Board

**E**nhancing Financial Innovation & Access (EFInA) Limited has announced the appointment of Kola Aina, Founding Partner and General Partner of Ventures Platform, Africa's leading seed-stage venture capital firm, to its board of directors.

EFInA is a financial sector development organisation committed to promoting financial inclusion in Nigeria, with the vision of becoming the leader in facilitating an all-inclusive, growth-promoting financial system.

New Board Member Kola Aina has been instrumental in advancing financial inclusion across Nigeria and Africa. His venture capital firm's investments in fintech companies, such as PiggyVest, have provided financial services to over 5 million underserved individuals, contributing to a 13.5% increase in financial inclusion in Nigeria. In addition to financial inclusion, Aina and

digital transformation across the continent's startup ecosystem.

Commenting on Aina's pivotal role in the enhancement of financial innovation and access in the Nigeria tech ecosystem, Dr. Agnes Olatokunbo Martins, former Director at the Central Bank of Nigeria, and Chairman of the Board, said that Aina's venture capital firm – Ventures Platform strategically invests in fintech innovations that can deepen financial inclusion across the continent and his appointment to the board is pleasant and strategically beneficial decision that the African financial sector will forever be grateful for.



his team at Ventures Platform foster entrepreneurship, create jobs, optimise supply chains, and empower founders to develop market-creating innovations that address Africa's complex challenges while accelerating



“We are delighted to welcome Kola Aina to the EFINA Board. Kola has been a pivotal figure in the African tech ecosystem, funding financial innovations that align with our mission to promote income growth for the bottom 40% of the population and foster social and economic inclusion, as outlined in SDG 10 on Reducing Inequalities. Kola’s experience in entrepreneurship, mentorship, and backing fintech giants that have significantly improved financial inclusion will be invaluable as we strive to create a more inclusive financial sector.”

On his appointment, Kola Aina said, “I am thrilled to join the EFINA board. EFINA is a critical market enabler that has been a key driver of financial inclusion and a champion of the unbanked. The organisation’s reports and research have been credible sources of information for key stakeholders of the economy, and I’m proud to be part of a gathering of intellectuals that are committed to steering the nation’s approach to financial inclusion in the right direction. I look forward to working closely with my fellow board members and contributing to the achievement of our goal in Nigeria and across Africa. I remain committed to our collective ambition of promoting an inclusive financial sector that serves the excluded and underserved in Africa.”

A significant portion of Aina’s venture fund (37.5%)

is currently dedicated to fintech companies, aiming to increase access to financial services, credit, and digital banking solutions for underserved populations. Through these investments, Aina and his team at Ventures Platform are bridging the financial inclusion gap and reducing inequalities.

Portfolio companies like PiggyVest, Moni, Traction App, and Shekel Mobility, currently backed by Ventures Platform, serve over 4.5 million users, providing increased access to savings accounts, capital, credit histories, and financial management tools primarily for underserved, unbanked, and underbanked individuals and entrepreneurs across Africa.

Kola Aina joins other distinguished EFINA board members, including Dr. Agnes Olatokunbo Martins, former Director at the Central Bank of Nigeria; Olu Akanmu, former President and Co-CEO of OPay-Nigeria; Professor Janice Olawoye, Professor of Rural Sociology, University of Ibadan; and Saude Amina Atoyebi, former Deputy Chief of Staff (Administration) in Kaduna State Government.

EFINA continues to collaborate with experts across the public and private sectors to promote financial inclusion in Nigeria. The organisation is funded by the Bill & Melinda Gates Foundation.

# ADVERT



# Flutterwave Expands Payment Options for Nigerian Merchants with American Express Integration

Flutterwave, a leading fintech company in Africa, has integrated American Express into its payment platform, enabling Nigerian merchants to accept payments from American Express cardholders.

This strategic move is expected to significantly enhance the ability of Nigerian businesses to conduct seamless transactions with international customers, thereby broadening their global reach. In addition, Flutterwave has revealed plans to extend this feature to merchants in several other African countries, including Tanzania, Rwanda, Ghana, and Uganda, in the near future.

Commenting on the partnership, Olugbenga



Agboola, CEO and Founder of Flutterwave, stated, “At Flutterwave, we’re always looking for ways to connect the world to Africa through payments. This initiative is part of our efforts to ensure that more people across the world can pay using Flutterwave in Africa. We recognize the importance of offering payment methods that meet the needs of shoppers while helping businesses expand their customer bases. By integrating American Express as a payment option, we are making transactions faster and simpler for American Express cardholders and improving the overall experience for e-commerce businesses using Flutterwave.”

Briana Wilsey, Vice President and General Manager

of Global Network Services EMEA at American Express, also expressed her enthusiasm for the collaboration. “American Express continues to expand in Africa to provide more payment choices for businesses and consumers. Through our partnership with Flutterwave, a trusted payment provider, we are offering e-commerce merchants in Nigeria the opportunity to connect with American Express Card Members globally. This collaboration is mutually beneficial, as it increases the number of places where our Card Members can use their Cards in Nigeria.” The partnership between Flutterwave and American Express is set to facilitate online transactions and provide numerous benefits for both merchants and shoppers.

## KEY ADVANTAGES INCLUDE:

**Expanded Customer Base:** Flutterwave merchants can now attract business from American Express Card Members in Africa and around the world, including those with personal, business, or corporate cards.

**Enhanced Payment Options:** Shoppers will have more choices when selecting their preferred payment method when transacting with Flutterwave merchants. This collaboration strengthens the American Express global network and increases the number of locations across Africa where American Express Card Members can purchase a wide range of goods and services. Terms and conditions apply.

# Tony Elumelu Urges UCEE Microfinance Bank to Drive Prosperity Through Digital Microfinance at Launch Event

**A**t the official launch of UCEE Microfinance Bank in Lagos, Tony Elumelu, Chairman of Heirs Holdings, called on the bank's management to focus on improving lives and creating prosperity in society through digital microfinance. Elumelu commended the leadership of UCEE for their commitment to reaching both banked and unbanked customers, highlighting their efficiency and execution-focused approach. In his words,

collective expectations, and I know you will go beyond the shores of Nigeria.”

In response, UCEE's Chief Executive Officer, Esther Adeola Balogun, expressed gratitude for Elumelu's encouragement and outlined the bank's mission. She said,

“As a digital-first microfinance bank emerging from the strength of Africa's leading investment bank and financial services group, United Capital, we are here to bridge the gap between traditional and digital

microfinance. We are a hybrid microfinance bank dedicated to giving everyone in Nigeria access to financial services by democratizing banking. Whether you are elite or less privileged, educated or not, we have a product and service for everyone. We are here for everybody.”

Echoing this vision, the Group CEO of United Capital PLC, Peter Ashade, emphasized the bank's commitment to transforming the lives of its customers and stakeholders.

“Our aim is to deliver an unrivaled experience, offer the best financial products, and provide seamless services. Ultimately, we want to build a sustainable, world-class financial institution that serves as a gateway to prosperity in the Nigerian ecosystem.”

“I am very pleased that the group CEO and his team get things right and they get things done,” Elumelu remarked. “They are highly execution-focused, so when you share an idea with them, you don't need to follow up. They run faster than you ever imagined. I was not in doubt, and I didn't lose sleep about what they had put together. The CEO is going to help realize the assignment by making sure they improve lives, create prosperity, and make everyone in society live a more comfortable life. We know you will surpass our

best financial products, and provide seamless services. Ultimately, we want to build a sustainable, world-class financial institution that serves as a gateway to prosperity in the Nigerian ecosystem.”





# Yellow Card Partners With Fireblocks to Revolutionize Cross-Border Payments Across Africa

**Y**ellow Card, a pan-African Fintech company that focuses on cryptocurrency transactions and financial services, has announced a strategic integration with digital asset infrastructure provider Fireblocks.

This partnership aims to enhance cross-border transactions for businesses and individuals across the continent. By leveraging Fireblocks' advanced technology, Yellow Card seeks to overcome significant barriers faced by global corporate treasuries when accessing African markets, offering secure and efficient on-chain solutions.

One of the key components of this collaboration is Fireblocks' Wallets-as-a-Service (WaaS). This feature enables Yellow Card to create, manage, and secure up

transactions." Through this collaboration, Yellow Card aims to revolutionize how businesses manage their treasury operations, make payments, and drive innovation across the continent.

Fireblocks, known for its user-friendly platform for blockchain-based products and secure digital asset operations, has facilitated the transfer of over \$6 trillion in digital assets. The partnership will address the challenges faced by multinational corporate treasuries, such as regulatory compliance, currency volatility, and the inefficiencies of legacy banking systems.

Ran Goldi, SVP of Payments and Network at Fireblocks, emphasized the transformative impact of this collaboration, noting that Africa is experiencing

a shift from traditional payment methods to alternative payments driven by new technologies. Despite the growing remittance flows into Africa, cross-border payments remain costly and inefficient. By working together, Yellow Card and Fireblocks aim to introduce streamlined and secure financial operations across Africa, benefiting businesses



to 14 million multi-party computation (MPC) wallets at scale, ensuring the safety of customer assets. The integration will also support stablecoin transactions, which are increasingly important for managing foreign exchange risks and facilitating cross-border payments in Africa.

Chris Maurice, CEO and co-founder of Yellow Card, highlighted the significance of this partnership, stating, "We're excited to work with Fireblocks to enable real-world use cases for stablecoins, solving the complex challenges of international and pan-African

and the broader economy.

With operations in 20 African countries, Yellow Card is at the forefront of helping organizations mitigate FX risk through stablecoin transactions, utilizing currencies such as USDT, USDC, and PYUSD. This partnership marks a significant step forward in transforming cross-border transactions and enhancing financial operations across the continent.

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