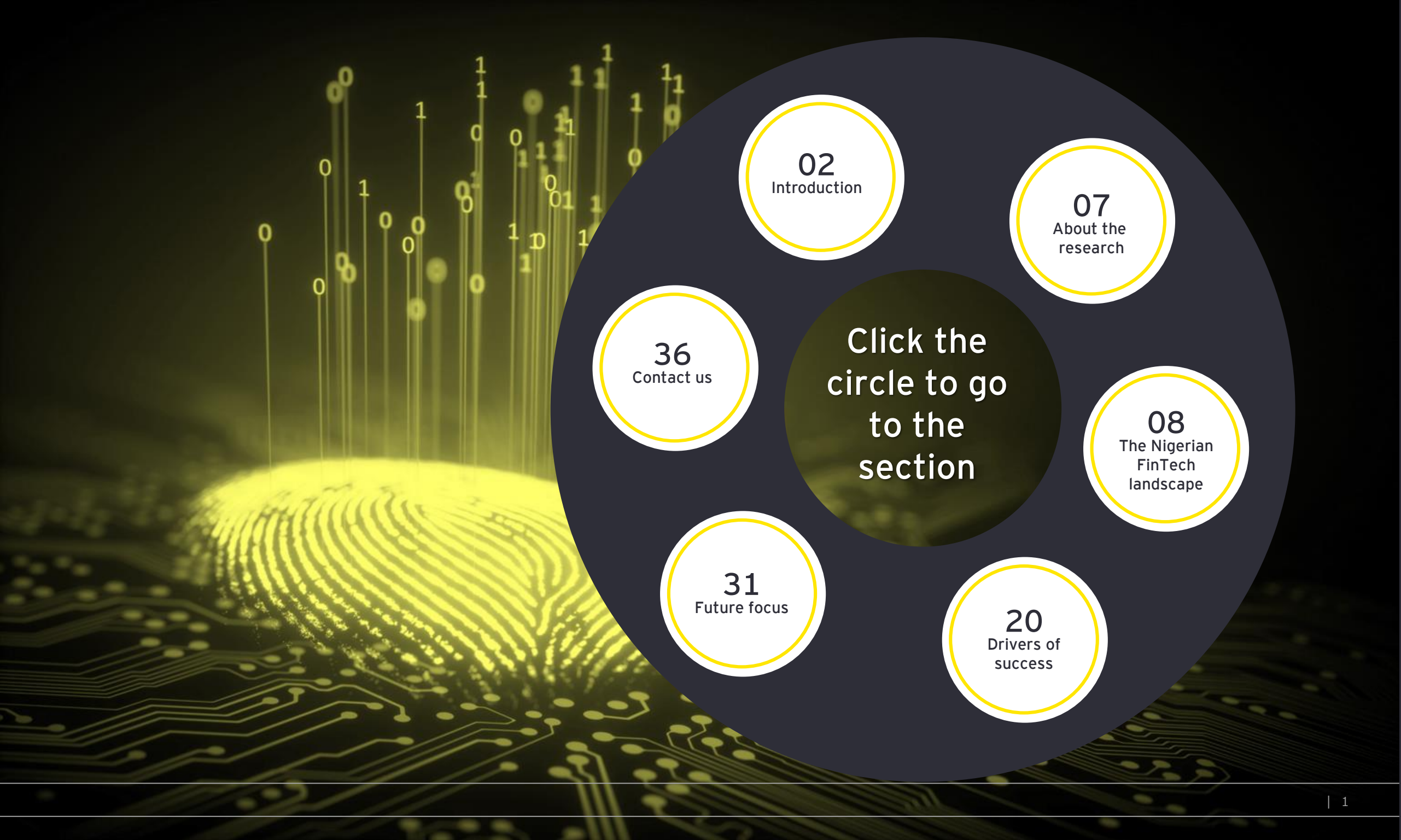


# NIGERIA FINTECH CENSUS 2020

## PROFILING AND DEFINING THE FINTECH SECTOR





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# Introduction



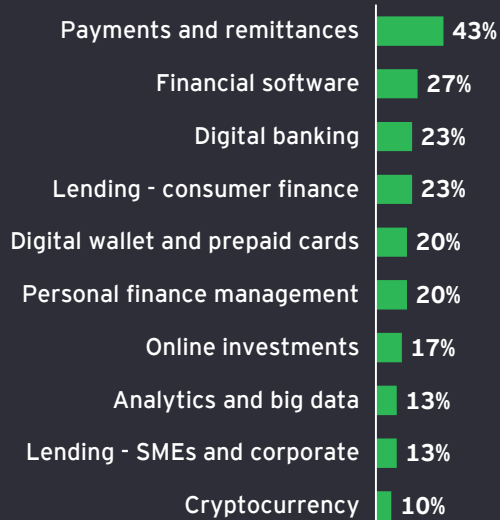


# Fast facts - The Nigerian FinTech Landscape in 2020

## Sector profile

c.290 Total FinTechs

### Top 10 focus sub-sectors

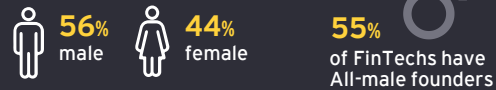


## End customer profile



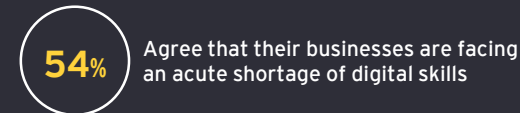
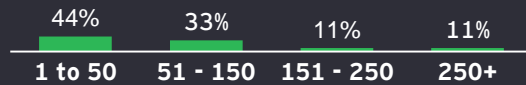
## Industry gender profile

### Gender (workforce participation)

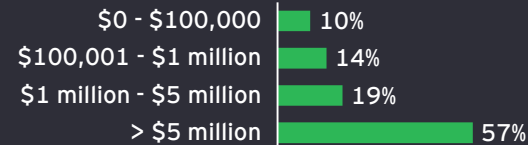


### Talent

#### # of employees



### Revenue (Post revenue - excl. N/A)

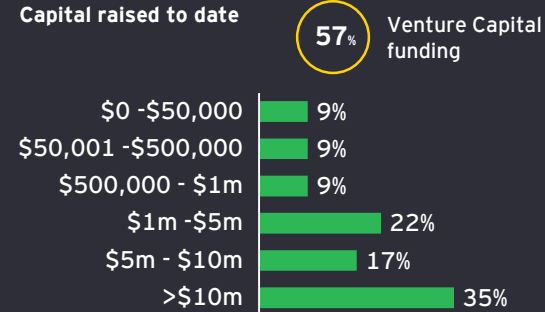


### Company stage



## Capital (multiple response - excl. don't know)

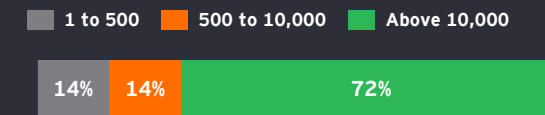
### Capital raised to date



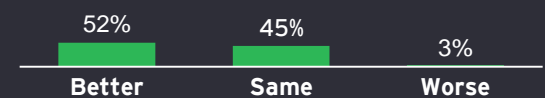
### Monthly burn rate



### Active customers

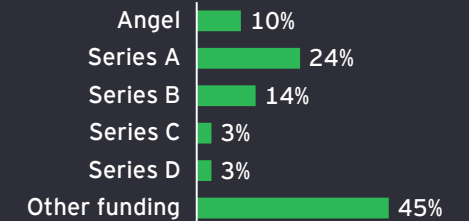


### Relationship with incumbents (past 12 months)



## Investment by deal stage

### Most recent funding round

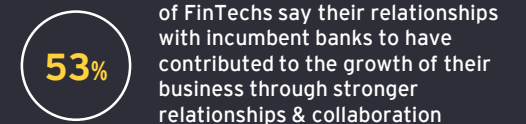


### Profitability in 2019 (Net Profit Margin)



### Regulatory outlook

- 53. Remain compliant as business grows / transforms
- 50. Ensure sufficient capital and liquidity
- 43. Manage high-frequency regulatory changes





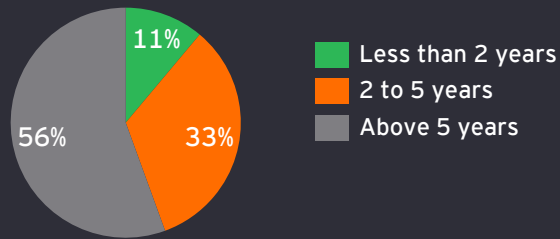
# The Nigerian FinTech Industry is maturing and increasingly attracting funding from local and foreign investors

## Key business challenges in 2020

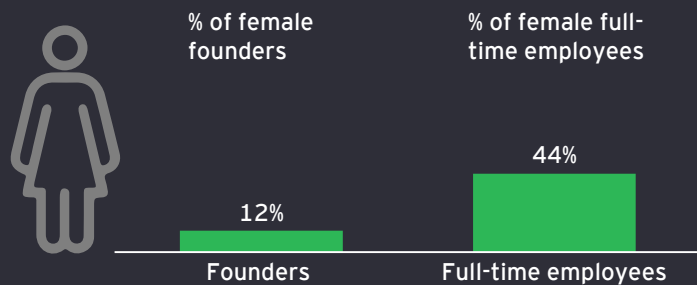
Top 3 challenges



## Age of company (excl. didn't answer)

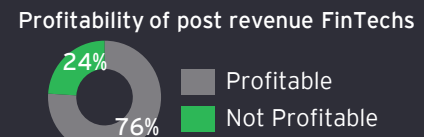
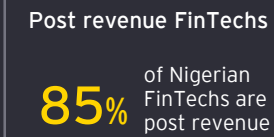
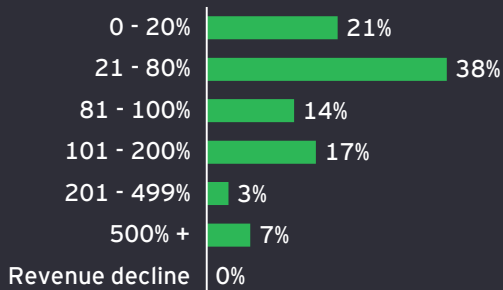


## Female participation in the FinTech workforce



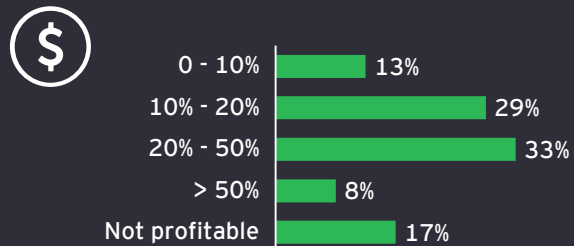
## Median revenue growth (excl. didn't answer)

Year on year post-revenue growth expected to improve significantly



## Profitability of FinTechs (post-revenue)

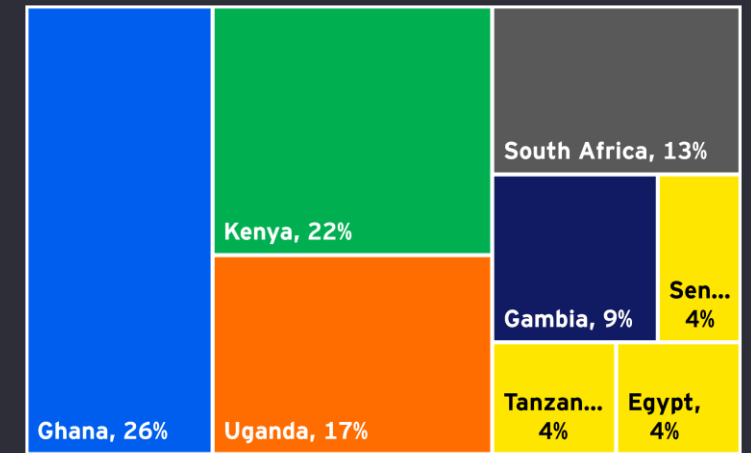
A large proportion of FinTechs are profitable this year



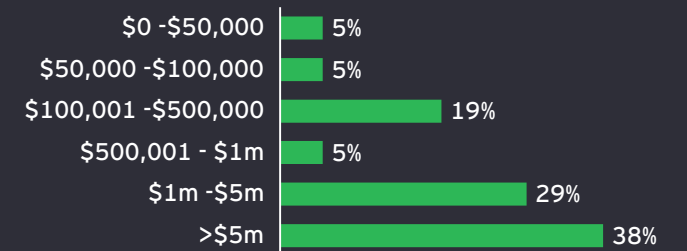
## Future outlook

Nigerian FinTechs continue to focus on overseas expansion and fund raising in the next 12 months

Top 8 markets for potential expansion (excl. don't know)



Size of next funding round (excl. don't know)





Welcome to the Nigeria FinTech Census 2020.

FinTech Association of Nigeria in collaboration with EY Nigeria have successfully delivered this first-of-its-kind piece of research work that attempts to provide detailed, industry-backed analysis of the Nigerian FinTech industry.

This report was commissioned to better understand the needs of the sector and to catalyze the next steps in the evolution of Nigeria's FinTech landscape. It also forms a critical part of FinTechNGR's efforts to foster a thriving FinTech ecosystem. Nigeria's FinTech industry has emerged as one of the most important FinTech ecosystems within the African continent and continues to attract attention globally.

The Nigeria FinTech Census report also attempts to define the overall shape of Nigeria's FinTech industry. It gives empirical detail about the established and emerging sub-sectors within Nigeria's FinTech community and helps track maturity of FinTechs across dimensions.

I am grateful for the important work undertaken by EY in producing this report. It provides essential insight and a helpful baseline for the industry. We hope you enjoy reading the report and learning about the dynamic FinTech industry we have here in Nigeria.

**Ade Bajomo**

President, FinTech Association of Nigeria



When FinTechNGR engaged us to work with them on the Nigeria FinTech Census 2020 project, we were honoured, excited and committed. We anticipated that the FinTech sector would be an engine of growth, and a driver of innovation and transformation across the financial services sector.

For the first year, the Nigeria FinTech Census provides an exciting contribution to this commitment and recognizes the strong global connection within EY supporting the FinTech industry. The Census provides insightful research conducted in collaboration with the Nigeria FinTech community by EY & FinTechNGR. It delivers a powerful fact base, combined with broader insight to inform and inspire those involved with the sector. We have also incorporated views from major Nigeria financial services organisations, investors and regulators.

The analysis, views and recommendations expressed in this report were produced by EY and informed by over 60 survey responses and interviews held with FinTech firms, incumbents, investors, regulators/ policymakers. The EY team is grateful to all who contributed their time and made the production of this report possible.

**Dapo Adewole**

Partner, Technology & FinTech Leader West Africa, EY





# Executive Summary

The research in this report shows that the Nigerian FinTech industry is nascent compared to FinTech ecosystems globally. However, it is maturing at an exponential pace. This is reflected in the profile of the firms, the breadth of coverage, the increasing level of global connection and rising levels of profitability. Confidence in the industry is rising, and this is underpinned by some flagship success stories recorded in recent time. It is estimated that Nigerian FinTechs raised \$439 million in 2020 alone, equivalent to 20% of the amount raised by all African tech startups<sup>1</sup>.

A key theme in this maiden edition of the Nigeria FinTech Census 2020 is that it was designed to gather key insights directly from FinTechs and the incumbent major players, charting key areas of growth, as well as potential challenges. Data was gathered on the specific areas of talent, capital, demand and policy & regulation.

We have explored in detail the dynamics around these four pillars that underpin the burgeoning success of the industry.

- ▶ **Talent (the availability of technical, financial services and entrepreneurial talent)...** Attraction and retention of talent emerged as a major top tier challenge for Nigerian FinTech organisations. Nigerian FinTechs thrive on recruiting onshore talent within the domestic market. Skills such as data

analytics, cybersecurity and software engineering are among the most difficult to find to a greater degree, presenting barriers to growth for FinTechs, and an area where many believe more support is required.

- ▶ **Capital (the availability of financial resources for start-ups and scale-ups)...** A FinTech's ability to raise funds is fundamental to its growth, and growing organically is a battle against time. Our findings suggest that foreign investors are more involved in the FinTech space than their local counterparts, with a higher percentage (57%) of FinTech funding coming from overseas. There is also a funding skew to the more established players, with higher percentage of post-revenue FinTechs receiving more funding.
- ▶ **Demand (end client demand for FinTech services across consumers, corporates, FIs and government)...** Consumption of FinTech services within the Nigerian ecosystem continues to grow and evolve at pace, with a number of FinTechs positioning themselves by offering credible B2B and B2C options across consumer parallels. Usage of FinTech services by incumbents also continues to rise, as notable banks continue to partner with FinTechs to cover the key customer segments.
- ▶ **Policy and regulation (all government**

**directives and initiatives including the presence of digital public infrastructure to facilitate financial services inclusion and innovation)...** More than 50% of the FinTechs interviewed say there is a need to amend regulations in certain areas such as capital, KYC and reporting requirements. Niche players also say their prevailing concern is around the lack of clarity and certainty on the regulation of emerging segments such as cryptocurrency, digital ledger technology, etc. In contrast, the Nigerian regulatory bodies posit themselves to be highly supportive of innovation. A notable update is the presidential assent in November 2020 to the Banks and Other Financial Institutions Act 2020, which provides regulatory guidance for financial services businesses that are conducted digitally, virtually, or electronically only. A large proportion of FinTechs say the financial industry in Nigeria is overregulated, and may stifle innovation and global competitive advantage.

The Nigeria FinTech industry is maturing and continues to grow. There remains a high degree of optimism, however the industry is facing some scale-up challenges. Two fundamental foundations for continued success will include the level of effective collaboration with major players and the level of government support.



# About the Research

## Background

As part of our common innovation agenda, EY and FinTechNGR have collaborated to conduct a census of the Nigerian FinTech landscape. This exercise was aimed at capturing a detailed view of the size, challenges and opportunities associated with both established and emerging sub-sectors within this space.

This study culminated in the development of focused and insightful thought leadership

targeted at:

- Providing an overview of the FinTech landscape and its enablers;
- Identifying the top challenges FinTechs must navigate to succeed; and
- Highlighting development/growth levers for FinTechs;

The Nigeria FinTech Census report covers all of the key findings from the research program, providing comprehensive insights into the sector.



### Quantitative research

- ▶ 40 online surveys of 10 - 15 minutes
- ▶ Conducted with people currently working in the FinTech industry



### Qualitative research

- ▶ 23 Interviews with Executives of FinTechs, major banks, investors and regulators by EY and FinTechNGR



### Desk research

- ▶ Alongside the qualitative and quantitative research, we reference publicly available research and the EY FinTech Adoption Index





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# The Nigerian FinTech Landscape





## The Nigerian FinTech Landscape

The Nigerian FinTech Industry was in its infancy stage a few years ago, but has matured to become a major player in Africa. However, Nigeria is classified as a developing FinTech economy compared to its more mature global peers such as the UK, Singapore, Australia, Sweden and India. It is estimated that Nigerian FinTech revenues will reach \$543million by 2022, driven by increasing smartphone penetration and the unbanked populations.

In 2019, Nigeria officially recognized its first FinTech unicorn, with Interswitch achieving a valuation of \$1billion based on a \$200million investment from VISA. Following shortly in 2020, Stripe, a US based financial services company, agreed to buy Paystack in a \$200m deal, just five years after Paystack was founded.

For this maiden edition of the Nigeria FinTech Census, we see an industry that has definition, is gradually gaining international recognition, and increasingly embraced by consumers and with stronger collaboration between FinTechs and incumbents.

The strength of the Nigeria FinTech ecosystem is underpinned by individual and interconnected strengths across each of the key attributes investigated throughout this report:

- ▶ **Capital...** access to capital (both domestic and international) has improved markedly since 2018. Despite the considerable increase in investment, our research indicates that access to late stage and growth capital remains a challenge for Nigerian FinTechs.
- ▶ **Demand...** Demand is directly related to the success of FinTechs and we have seen an increased adoption of Digital Financial Services particularly with the Covid-19 Pandemic.
- ▶ **Talent...** the quality and volume of FinTech talent in Nigeria is limited and insufficient. Attracting and retaining talent remains the biggest challenge faced by FinTechs in Nigeria.
- ▶ **Policy and Regulation...** Some progress has been made to create a supportive environment for FinTechs, however, there is a unique opportunity to improve the FinTech policy landscape and make it a differentiator in Africa.

With the COVID-19 pandemic and the impact it has had on the Nigerian economy, it has created an opportunity for FinTechs to contribute to economic growth. For this to happen, it is important that entrepreneurs are able to scale-up, improve their value propositions and deliver on Nigeria's FinTech potential.

*What is FinTech?*

**Organisations combining innovative business models and technology to enable, enhance, and disrupt financial services**

*EY Definition of FinTech*













The FinTech landscape is largely misunderstood. Banks will not become technology companies, but technology companies can provide financial services. This is what is driving the evolution

*Nigerian FinTech*



There are six broad FinTech segments supported by an ecosystem of enablers; Payments, Mobile Money and Lending jointly constitute c.60% of the FinTech population

FinTech Segments	 Payments, Mobile Money & Digital Banking	 Lending	 Savings, Investment & Crowdfunding	 Enterprise Services & Infrastructure	 Cryptocurrency	 InsurTech	
Value Proposition	Provide payments and account solutions for consumers and financial institutions. Includes mobile money and wallets, digital banks, payment processors, and payments back-end infrastructure providers.	Provide loans to consumers and SMEs online. FinTech lenders assess borrowers' credit worthiness and automate the underwriting process. Some FinTechs in this segment further provide lending platforms.	Provide solutions to help consumers save money. Also help private and institutional investors to buy, sell and manage assets and securities. FinTechs in this segment may also provide crowdfunding platforms.	Provide enterprise software and solutions for the financial sector. Includes tools for managing accounts, finance processes. Providers here also provide core infrastructure and platforms to enable and enhance banks' services.	Provide access to digital cryptocurrency markets and exchanges to enable users pay or accept cryptocurrency.	Provide access to insurance for consumers either directly or through marketplaces. Also provide new technologies to enable traditional insurers.	
% of FinTechs	38%	23%	15%	13%	8%	3%	
Sub-categories	<ol style="list-style-type: none"> <li>Digital payments</li> <li>Mobile money &amp; wallets</li> <li>Payments processing &amp; switching</li> <li>Digital banks &amp; accounts</li> <li>Global transfers &amp; remittances</li> <li>Terminal &amp; infrastructure providers</li> </ol>	<ol style="list-style-type: none"> <li>Retail lending</li> <li>SME lending</li> <li>Credit data analytics &amp; loan assessments</li> </ol>	<ol style="list-style-type: none"> <li>Digital wealth &amp; asset management</li> <li>Automatic savings platforms</li> <li>Alternative investments</li> <li>International investment platforms</li> <li>Crowdfunding</li> </ol>	<ol style="list-style-type: none"> <li>Financial services solutions</li> <li>Credit Infrastructure</li> <li>APIs and Connectors</li> </ol>	<ol style="list-style-type: none"> <li>Cryptocurrency exchanges &amp; wallets</li> </ol>	<ol style="list-style-type: none"> <li>Digital insurers</li> <li>Insurance comparison services</li> <li>Digital agents and distribution platforms</li> <li>Insurance system providers</li> </ol>	
Enablers	<b>Venture Capital &amp; Private Equity</b> 		<b>Associations &amp; Facilitators</b> 		<b>Accelerators &amp; Incubators</b> 		<b>Regulators</b> 
	Venture Capital & Private Equity firms are Investors providing capital to startups at various stages of growth.		Associations & Facilitators promoting collaboration among FinTechs and the broader financial services industry.		These organisations assist with seed-funding, business operating models and workspaces, and link the startups to investors and influencers.		These are policy-making organisations that enable the services of FinTechs by providing guidelines and enforcing these policies and guidelines.



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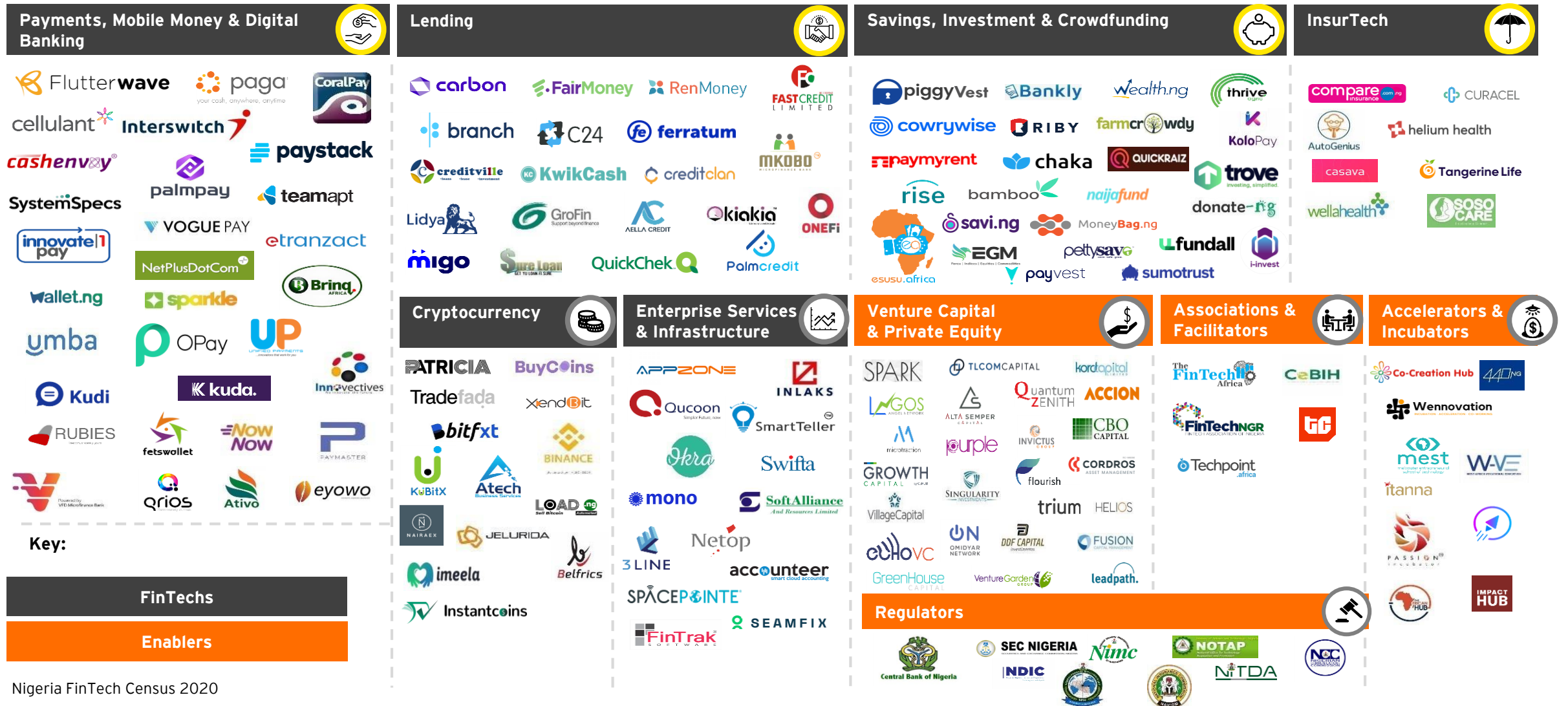
Future focus

Contact us



# The Nigerian FinTech market map covers a wide range of FinTechs across each category

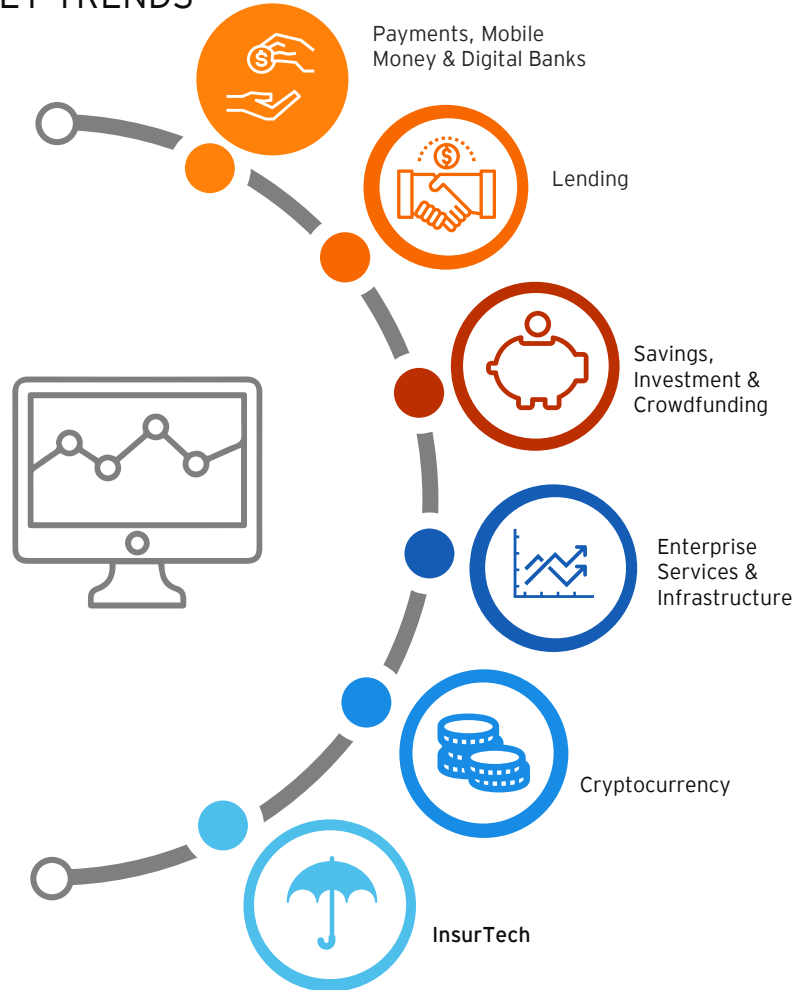
**NOT EXHAUSTIVE**





Payments continue to be a major focus area for investors with demand driven by favorable policies promoting financial inclusion, and growth in infrastructure supporting mobile payments

KEY TRENDS



Payments, Mobile Money & Digital Banks

- ▶ Nigeria has become an increasingly cashless economy largely due to the regulatory drive for financial inclusion promoting growth in digital payments (the volume of e-payment transactions was 366 million in Q1 2020 up 57% from 232 million in Q1 2019 while the value of transactions stood at ₦31.2 trillion, up 28% from ₦24.2 trillion).
- ▶ Growth in this segment has been fueled by favorable fiscal policy supporting adoption of mobile payments, as well as growth in mobile penetration (c.87% in 2020); ~400% growth was recorded in mobile payments between May 2019 and May 2020.
- ▶ Poor user experience on traditional products has been a driving factor for FinTech adoption especially among younger digital savvy demographics.
- ▶ Similarly, an unfavorable FX policy regime is promoting the adoption of alternative cross border payments outside traditional banks.
- ▶ There is an increased investor focus on payments and digital banking; recent investments include Paystack (\$200m), Interswitch (\$200m), Branch (\$170m), Flutterwave (\$35m Series B), Kuda (\$10m), etc.
- ▶ The Payment Service Bank (PSB) regulation holds promise for potential challengers and FinTechs, however stringent regulatory requirements for issuance of this license have been restrictive for smaller FinTechs.

There is an increased investor focus on payments and digital banking

\$200m

PAYSTACK

\$200m

INTERSWITCH

\$170m

BRANCH

\$53m Series B

FLUTTERWAVE

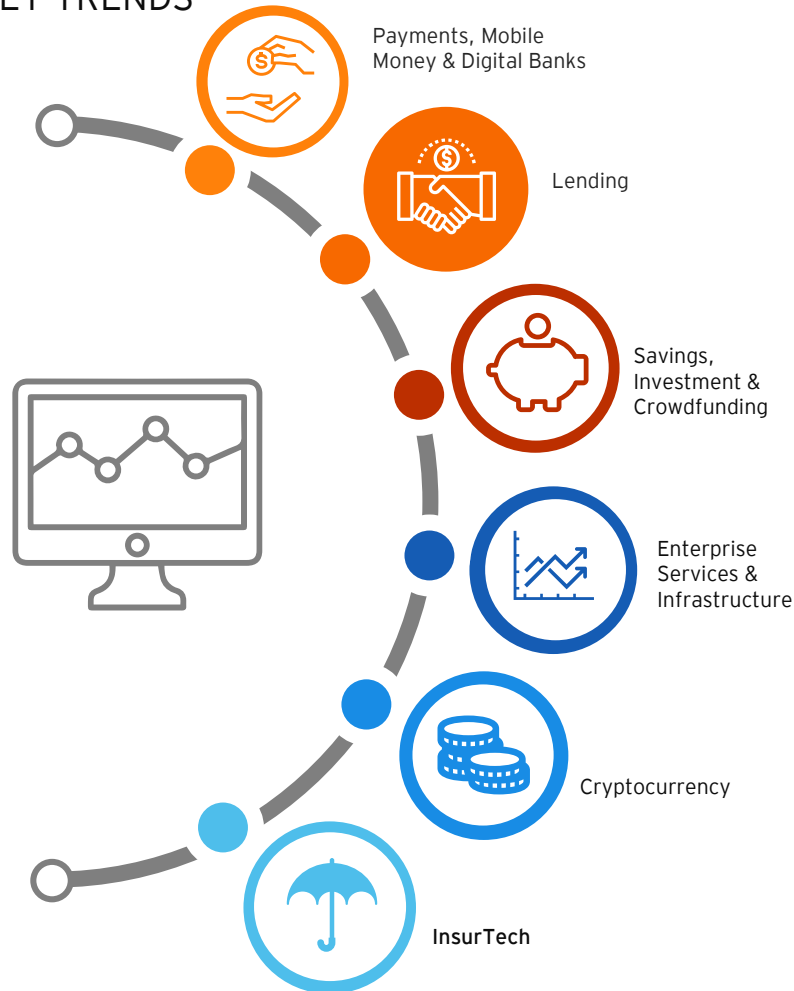
\$10m

KUDA



# Digital lending remains a thriving FinTech sub-sector driven largely by retail lending; MSME segment remains underserved

## KEY TRENDS



## Lending

- ▶ There is a rapidly growing base of FinTechs in Nigeria that offer digital loans (c.50); Instant unsecured loan offerings are gaining popularity.
- ▶ A large number of FinTechs are leveraging payments data to create unique credit scoring models to enable retail lending. Some examples include Carbon, Fairmoney, Aella Credit and Branch.
- ▶ Commercial banks are responding by developing strong digital retail lending propositions to compete with FinTechs (e.g. GTBank QuickCredit, Access Bank's QuickBucks and Sterling Bank's Specta).
- ▶ There is also an increased investor focus on lending; recent investments include Branch (\$170m), Aella Credit (\$10m debt), CredPal (\$1.5m), Swipe (\$150k).
- ▶ Global Standing Instruction (GSIs), a circular issued by the CBN in 2020 offers lenders' protection by providing lenders with the ability to recover a borrower's debt from any or all accounts maintained by that borrower across financial institutions through a direct set-off from deposits/investments.
- ▶ Despite the significant contribution to GDP (~49%), the MSME segment remains underserved. This is largely due to funding, insufficient cashflows and infrastructure challenges. However, offerings are increasing; examples are GroFin and Lydia who provide business loans to finance SME growth needs

There is also an increased investor focus on lending; recent investments include

**\$170m**

BRANCH

**\$10m**

Debt

AELLA CREDIT

**\$1.5m**

CREDPAL

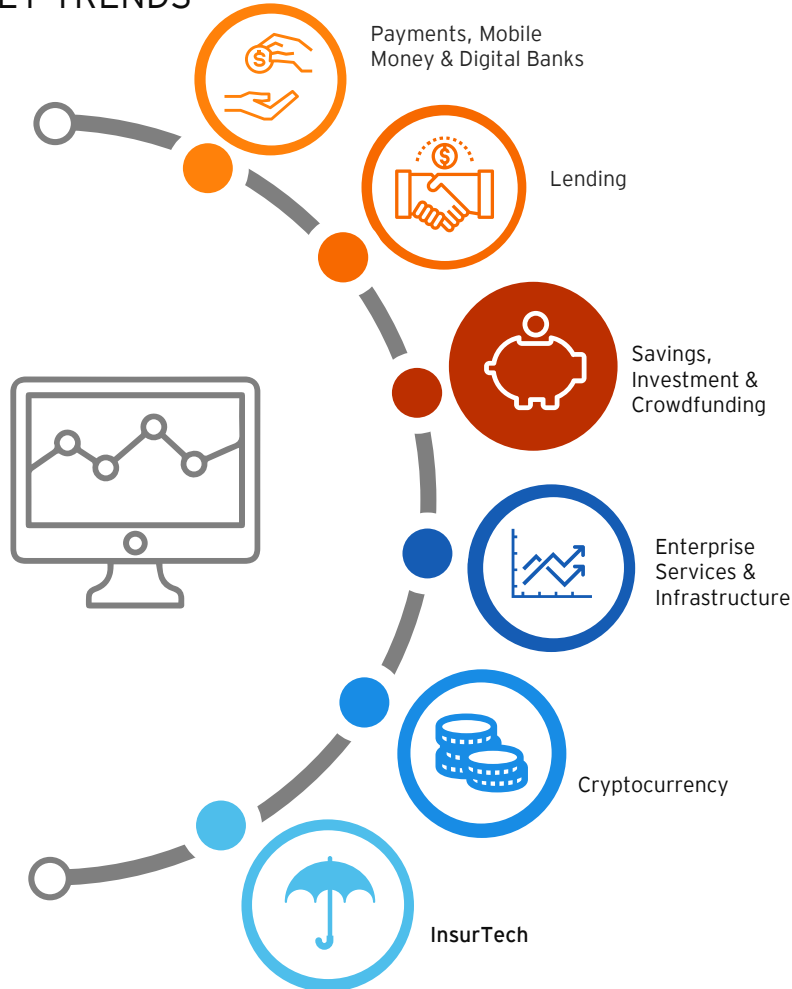
**\$150k**

SWIPE



# Savings, investments and crowdfunding are growth opportunity areas for FinTechs, however recent regulation expected to spur significant industry changes

## KEY TRENDS



## Savings, Investment & Crowdfunding

- FinTechs in this space offer an attractive bouquet of products often with better interests and return on investments compared to traditional banks. Examples include PiggyVest, Wealth.NG SumoTrust, CowrieWise amongst others
- The provision of value added services and tools (such as gamification) to help consumers achieve personal financial goals and better manage their finances helps drive adoption, especially among younger digital-savvy demographics.
- Provision of alternative investment classes helps differentiate FinTechs in this category. Some FinTechs facilitate investment in Agriculture (e.g. FarmCrowdy, Thrive Agric), Real Estate (e.g. Rise Vest), and capital markets (e.g. Chaka)
- Crowdfunding startups have grown in prominence, chiefly driven by local agri-tech startups who are addressing agricultural financing gaps by pooling funds from individual investors (e.g. Thrive Agric)
- Recent SEC guidelines on Crowdfunding are expected to decentralize the crowdfunding process by introducing Crowdfunding Intermediaries (CFIs) who are required to facilitate transactions, while also placing a cap on consumers' investible assets.
- Recent investments include Cowrywise (\$15m), Bamboo (\$150k), Rise (\$140k pre-seed), etc.

Recent investments include

**\$15m**  
COWRYWISE

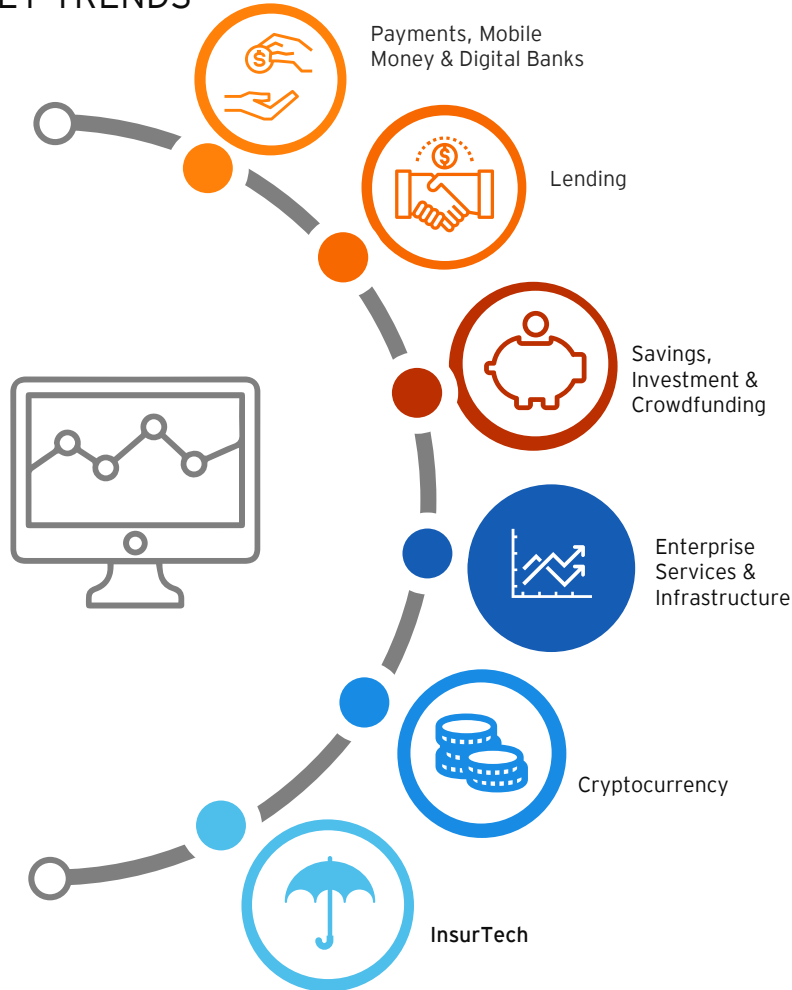
**\$150k**  
BAMBOO

**\$140k** Pre-seed  
RISE



# FinTechs are also providing solutions and infrastructure to help banks digitize and extend their services

## KEY TRENDS



## Enterprise Services & Infrastructure

- ▶ FinTechs in this space are providing critical infrastructure to help banks digitize and extend their services. This includes API providers who connect bank accounts to third-party applications (e.g. Okra, OnePipe, Mono), credit infrastructure providers (Migo, Pngme), and banking enterprise solution providers (e.g. AppZone, FinTrak, Seamfix).
- ▶ FinTechs providing enterprise solutions have seen increased commercial partnerships as commercial banks have sought to increase spend on technology. Solution offerings include Core Banking Systems, Channels, Identity Management, Reporting solutions, Enterprise Resource Planning, Card management, among others.
- ▶ Over the past 2 years, a growing crop of FinTechs have emerged to bridge infrastructure gaps by providing APIs to connect banks' data to other services, as well as credit infrastructure for lenders. Despite being recently established, these FinTechs have garnered significant early stage attention given the broad applications and use cases for their infrastructure.
- ▶ According to the Disrupt FinTech Funding report, more early stage capital was provided to FinTechs in this category in 2020. Recent investments include Okra (\$1m), OnePipe (\$950k), Mono (\$500k pre-seed), Pngme (\$500k pre-seed), Evolve Credit (\$325k pre-seed).

Recent investments include

**\$1m**

OKRA

**\$950k**

ONEPIPE

**\$500k**

Pre-seed

MONO

**\$500k**

Pre-seed

PNGME

**\$325k**

Pre-seed

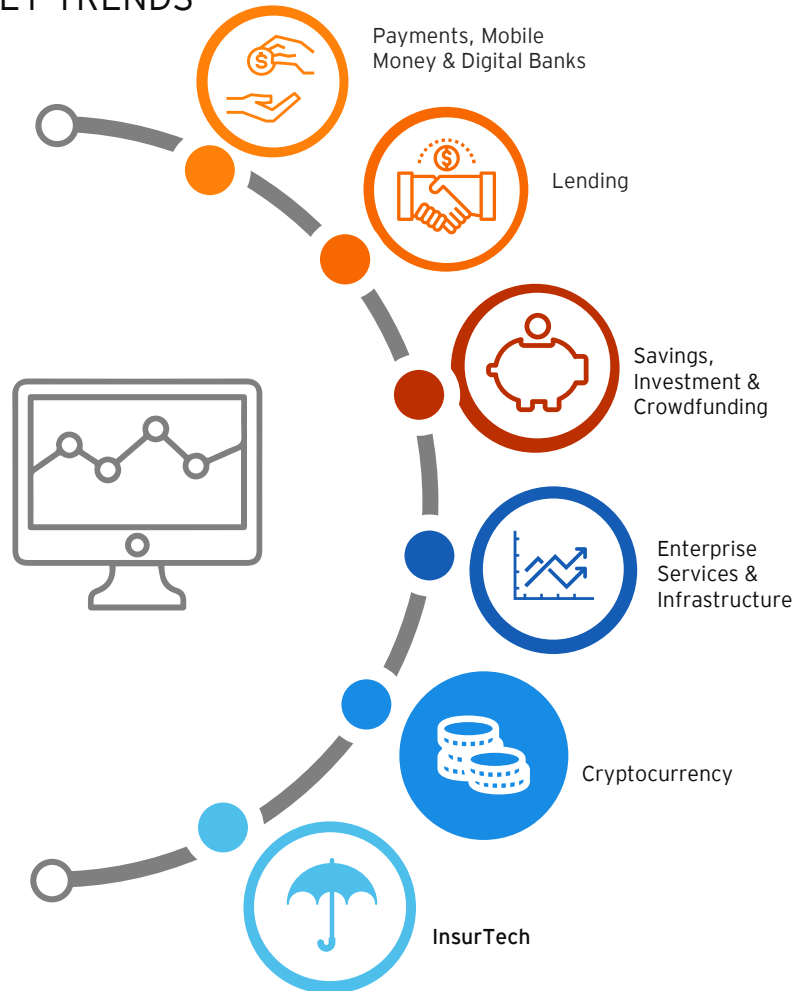
EVOLVE CREDIT





# Strong growth in local cryptocurrency adoption has evolved a new crop of Crypto-FinTechs, however recent CBN circulars on cryptocurrency adversely impact short-term sustainability

## KEY TRENDS



Source: Techpoint, Techcabal, Mondaq, EY FinTech Insights

## Cryptocurrency

- ▶ Nigeria has witnessed growing cryptocurrency adoption, driven by a predominantly young digital-savvy population, inflationary local currency, stringent foreign exchange policies on both inflows and outflows, and a high demand for remittances among Nigeria's diaspora.
- ▶ Crypto user growth has increased significantly in Nigeria with some peer-to-peer Bitcoin marketplaces reporting up to 140% growth in 2020. For instance, Paxful reported that Nigeria had the world's second largest Bitcoin trading volume, having traded 60,215 Bitcoins in the last five years, with over 20,500 coins in 2020 alone (c.\$451 million USD). The Chainalysis' 2020 Global Crypto Adoption Index further ranks Nigeria at number 8 out of 154 countries in the use of cryptocurrency.
- ▶ Regulatory stance on cryptocurrency recently moved from cautious to antagonistic as the CBN prohibited local financial institutions from dealing in cryptocurrencies and facilitating payments for cryptocurrency exchanges. In response to these restrictions, some exchanges have switched to peer-to-peer trading, enabling them to bypass institutional arrangements.
- ▶ Cryptocurrency platforms exist from both local players (e.g. Buycoins, Bitfxt, Bitsika, Xend) and international players (e.g. Luno, Paxful, Cryptofully). Platforms may offer wallets, exchanges, P2P marketplaces, crypto payment services or infrastructure.
- ▶ Recent investments include Bitfxt (\$15m), Yellow Card (\$1.5m), Xend (\$1.5m), Bundle Africa (\$450k).

Recent investments include

**\$15m**

BITFXT

**\$1.5m**

YELLOW CARD

**\$1.5m**

XEND

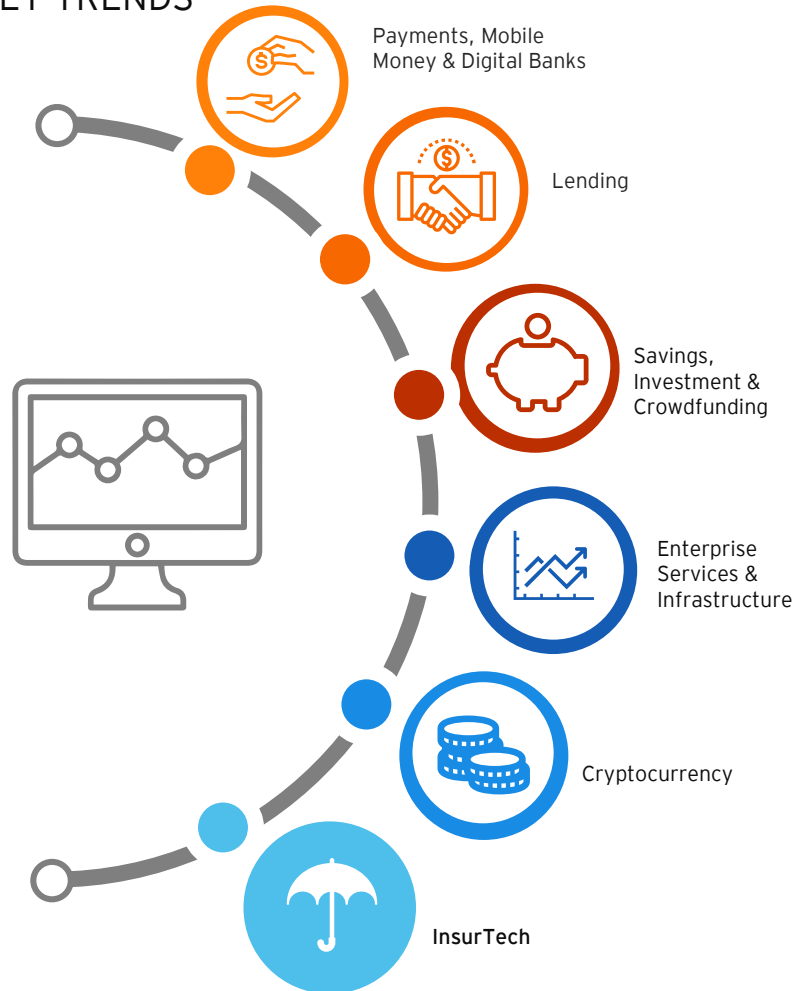
**\$450k**

BUNDLE AFRICA



# InsurTech remains a nascent but emerging segment of the Nigerian FinTech industry

## KEY TRENDS



## InsurTech

- ▶ Nigeria's InsurTech segment is a relatively small but growing sub-sector of the FinTech industry, with less than 15 FinTechs estimated to be playing in this space.
- ▶ Initial InsurTech solutions focused on improving access to insurance by providing marketplaces for insurance (e.g. Compare Insurance, Autogenius). These platforms provided improved customer experience, and have since extended their offerings towards providing more value added services to consumers. For instance, Autogenius enables renewal and registration of vehicle documents.
- ▶ With insurance uptake estimated at c.1.6% in 2019, subsequent InsurTechs have focused on direct digital distribution, especially for microinsurance targeted towards low-income individuals, in a bid to expand the base of insured Nigerians. Prominent examples include Casava, WellaHealth and Soso Care.
- ▶ Another crop of InsurTechs are focusing on providing critical infrastructure to help insurers better serve customers. For instance, Curacel provides intelligent claims management infrastructure for insurers, Ark Insurance provides agent sales solutions, while Helium Health provides HMO management software.
- ▶ Further opportunities exist as NAICOM has outlined key initiatives towards achieving 40% insurance uptake, citing the digitalisation of insurance as a key imperative.
- ▶ Recent investment includes Helium Health (\$10m).

Recent investments include

**\$10m**  
HELIUM HEALTH

**\$37k**  
WELLAHEALTH



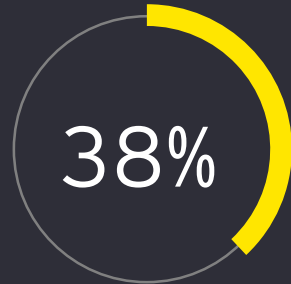
# Collaboration

The collaboration dynamics in the Nigerian FinTech industry has taken a significant turn for the better over the past few years. There has been noteworthy recognition by the incumbents on the need to collaborate better, and to work more effectively for the benefit of the consumer and the financial services industry as a whole. We looked at the topic of 'collaboration' from both the FinTech perspective and the incumbent major organisations in the industry. What we established is that at an overall level, relationships have improved tremendously and collaboration has gained positive momentum.

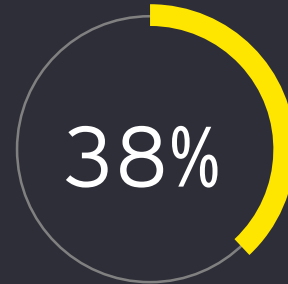
From the point of view of FinTechs who have interacted with incumbents in the past year, the vast majority of FinTechs view the relationship as either better (52%) or unchanged (45%). Only 3% of FinTechs perceive that their relationship with incumbents has worsened over the past 12 months.

Amongst those who considered an improvement in the relationship with the incumbents, a variety of reasons are provided, most notably around:

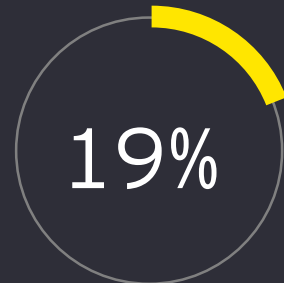
Amongst the few (9) who say that their relationship with banks has worsened in the past 12 months, the biggest driver of this negative perception appears to be the traditional mindset of these incumbents and unwillingness to take risks with something new.



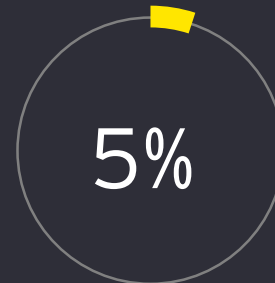
Stronger relationships/collaboration



Growth of our business

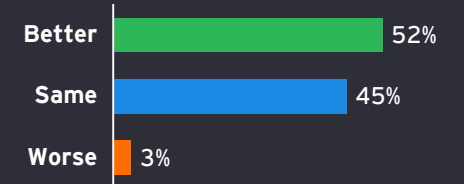


More access/engagement

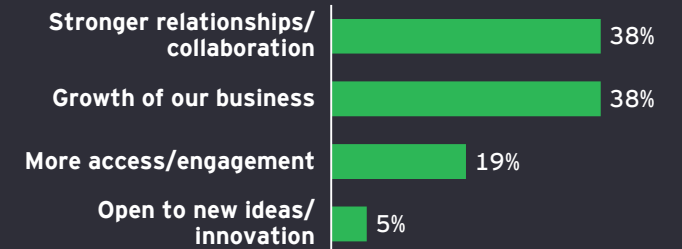


Open to new ideas/innovation

## Change in relationship with incumbents in the past 12 months



## In what way has this improved? (top 5)



Base: Organisations perceiving improvement with incumbents (21)

## Top 5 issues with incumbents

- 61% Non-progressive or legacy mindsets
- 57% Unwillingness to take a risk with something new
- 50% Unwillingness to commit financially to a partnership
- 46% Difficulty integrating into technology platforms
- 39% Lengthy procurement processes



Incumbents and FinTechs need to collaborate and communicate to understand each other, and achieve a common goal for the benefit of the financially excluded - Nigerian FinTech



## FinTech Industry Voice: Relationship with incumbents



### What FinTechs say has improved

“

More meetings, face-time, more willingness and openness to discussions and application of pilot solutions

“

A greater amount of trust from banks, as the industry continues to mature and grow, hence a more favorable view on the capability of both emerging and matured FinTechs

“

General awareness, approval and adoption of FinTech solutions have increased dramatically over the past 12 months

“

Greater acceptance of less conventional finance methods. Success elsewhere has decreased suspicion of new approaches and technologies

“

The banks and other financial institutions are more concerned about disruption and becoming more willing to collaborate



### What Incumbents are saying

“

CBN is here to encourage the inclusion of FinTechs to upgrade the industry and not eliminate traditional bankers

“

FinTechs can motivate the incumbents to be more aware, responsive to customer needs, and provide customers with a variety of services

“

FinTechs will help in widening the variety of choices that Nigerians have access to

“

Real winners are the ones that play in spaces that banks are not active in which leads to exponential growth in business

“

The reality is that FinTechs do better on technology platform; speed to market; and innovation

“

If FinTechs bring value, there is every reason to partner with them



### What the Regulators are saying

“

It is in the interest of FinTechs and the regulators that there are appropriate guidelines

“

Evolution of the FinTech industry has happened ahead of regulations

“

Banks should partner with FinTechs that already understand the market they intend to play in, which in retrospect extends their reach thereby co - creating value

“

Regulators and FinTechs need to collaborate and communicate to understand where both parties are coming from



Introduction

About the research

The Nigerian FinTech landscape

Drivers of success

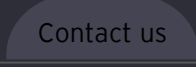
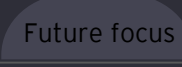
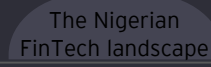
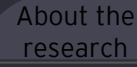
Future focus

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# Drivers of success





# Drivers of success - Capital

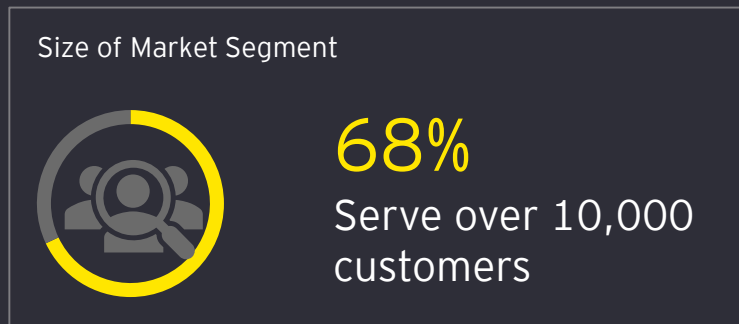
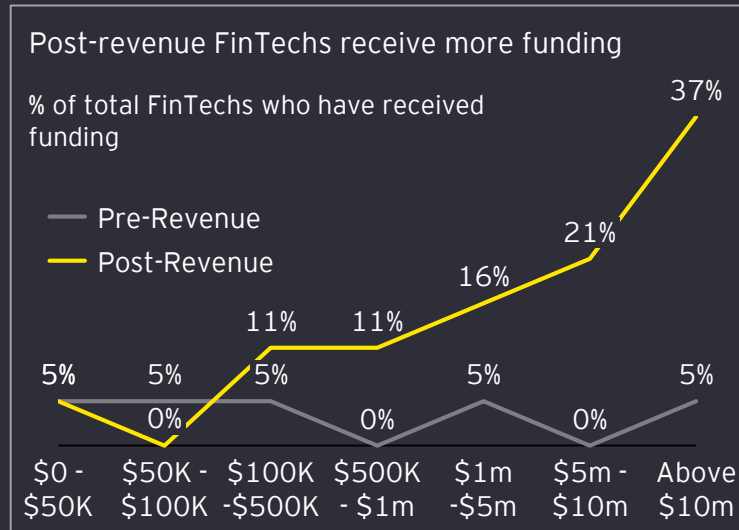
Access to capital (both domestic and international) remains essential to the growth and success of FinTech businesses. Despite the considerable increase in investment, our research indicates that access to late stage and growth capital remains a challenge for Nigerian FinTechs.

In 2019, the Nigeria FinTech sector attracted \$122m in investment, representing an annual increase of 28% in FinTech investment activity from 2018 at \$95m. These investments accounted for 25% of Africa's FinTech investment in 2019.

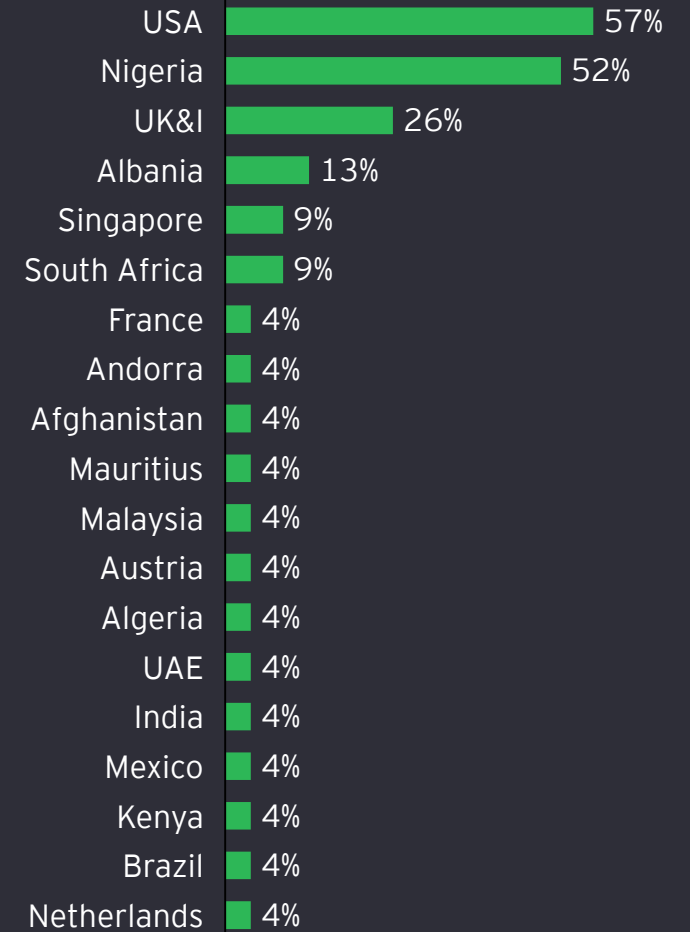
FinTechs in Nigeria have demonstrated a high reliance on external funding. In Nigeria, three main observations can be made about FinTechs' access to capital investments:

- ▶ **FinTechs are 'investment-attractive'...** Our analysis indicates that 86% of FinTechs arrive at the post-revenue funding stage within four years, on average. Although the bulk of capital for the pre-revenue stage is usually privately funded, we noticed, that 21% of the FinTechs at this stage receive funding of \$50,000 at the minimum.
- ▶ **Support from international investors...** FinTechs' access to international funding is vast. FinTechs report obtaining investment sources from 20 countries across Africa, America, Asia and Europe. 57% of the FinTechs report the USA as a source of capital investments, higher than 52% who received locally-sourced funding.

- ▶ **Growth in customer base is promising...** 68% of FinTechs have over 10,000 customers, with 80% comprising of retail customers. This indicates high adoption of FinTech by consumers, and provides signals to investors on the market attractiveness of the Nigerian FinTech landscape.



## Sources of Capital for Nigerian FinTechs



While Nigerian FinTechs have investors from a considerable number of countries, the largest investments come from USA, UK and Albania.



# Capital

In evaluating the nature of capital inflows for FinTechs in Nigeria, the following points are considered:

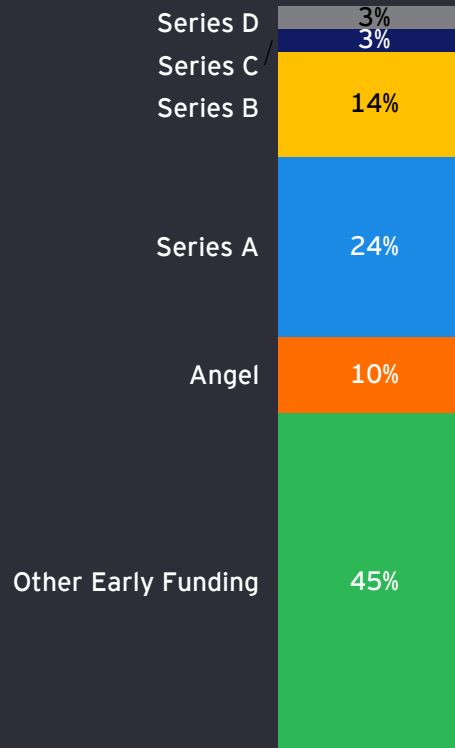
**Types of investment sources...** We observed that most FinTechs leverage at least 2 sources of funding. While there are a sizable number for self-funding founders of FinTechs (41%), most FinTechs (73% of those who rely on external funding) leverage commercial sources to raise capital. Primary sources of such funding include venture capital, bank loans, grants; and other personal sources such as family and friends.

**Stages of startup funding...** 24% of the startups surveyed have developed a consistent customer base and have raised Series A Venture Capital funding as a result. This is followed by a 10% that have raised Angel investment, with 45% raising other early funding

**IPO Event Likelihood...** Although only 3% of FinTech leaders indicated having made it to the Series D funding stage, 53% are optimistic that their businesses will initiate an Initial Public Offering (IPO) event in the near future. It is estimated that one in two FinTechs plan for an IPO within the next three to five years.

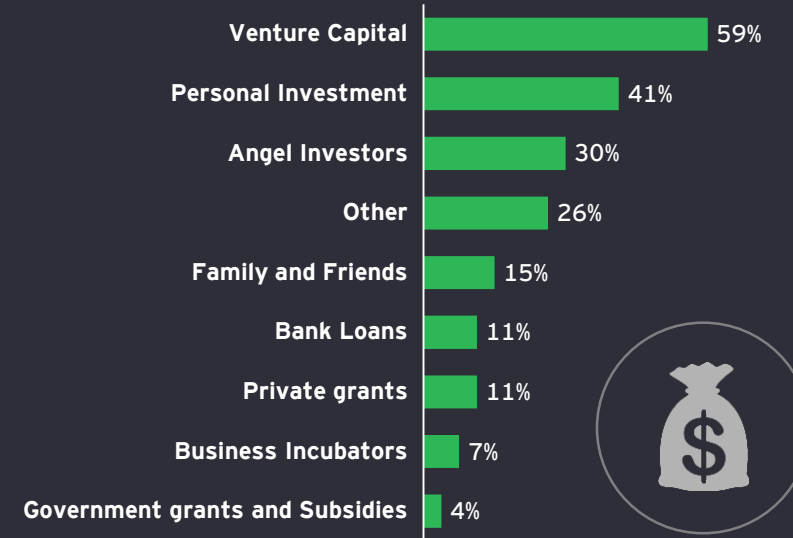
**Average burn rate for more than half of the FinTechs surveyed was greater than \$50,000...** 56% of FinTechs surveyed maintain an average monthly burn rate of over \$50,000. Meanwhile, 26% report burn rates below \$10,000 monthly, and 19% between \$10,000 to \$50,000.

## Most Recent Funding Round

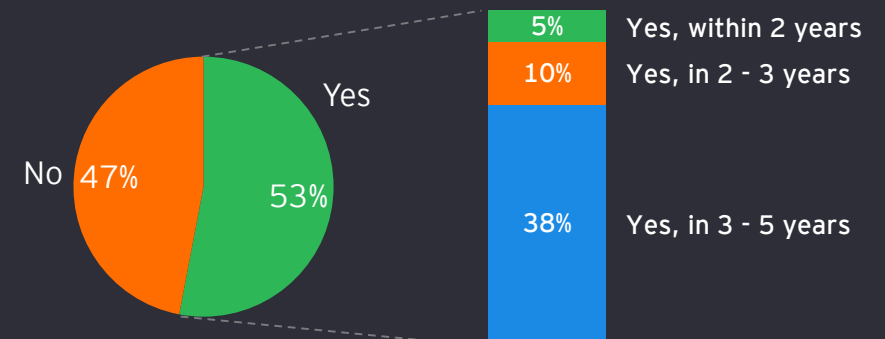


“A FinTech with a good idea that solves real problems, a good management team and the required operating structures will attract capital with ease”  
- Nigerian Investor

## Investment Sources



Do you consider an IPO to be a likely event for your company in the next 5 years?





# Capital

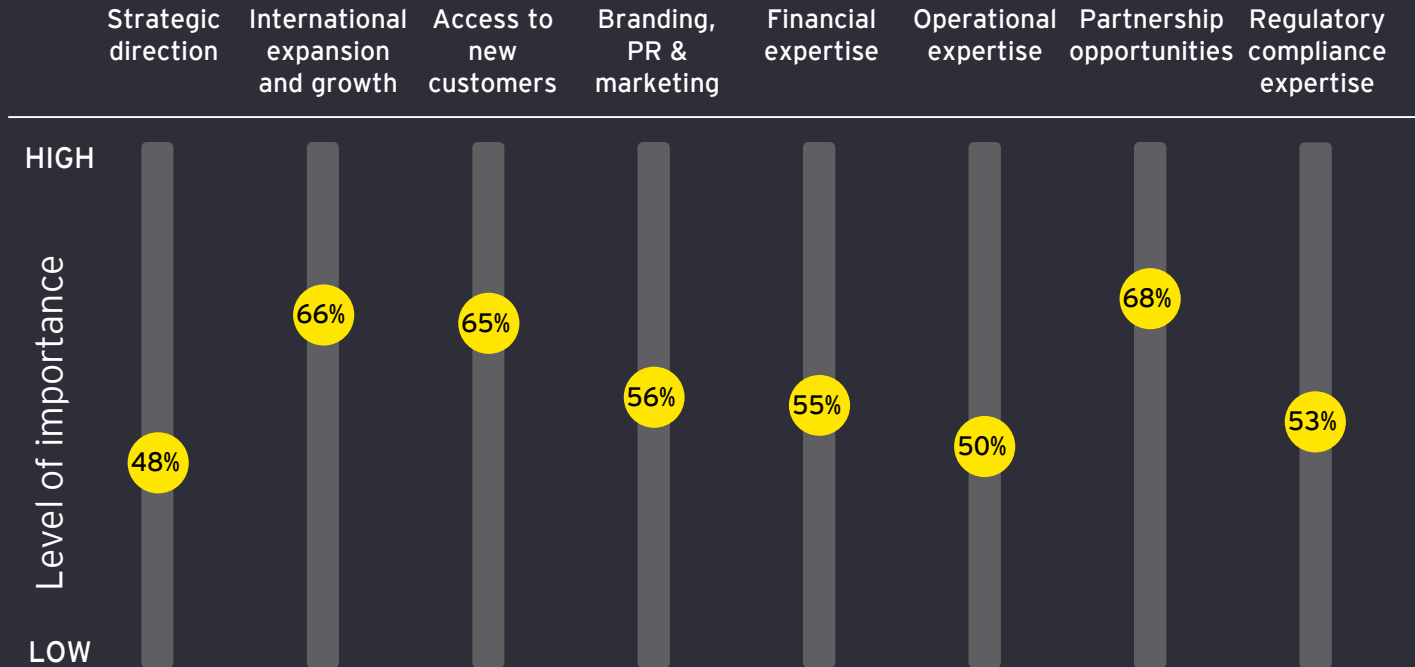
While capital raising remains an active area of focus for FinTechs in Nigeria, some findings indicate potential to improve:

- ▶ **Available investor funds...** Only about one-third (33%) of Nigerian FinTechs report receiving over \$10million in capital investments to date. Despite reporting high access to external funding (73%), FinTechs report that access to larger investment sizes are limited. Considering the average burn rate for FinTech being relatively high, this signals a financial inadequacy to support operations.
- ▶ **Burn rate management could be better for startups...** Analysis from the data suggests that more unprofitable FinTechs have lower monthly burn rates compared to the profitable FinTechs. It is implied that the profitable FinTechs with higher burn rates have access to more funds. Of the FinTechs that reported receiving between \$1m and 'above \$10m' in capital funding, an estimated 25% were not profitable in the preceding year. However, 48% of the leaders who recounted an average monthly burn rate of over \$50,000 were profitable nonetheless.

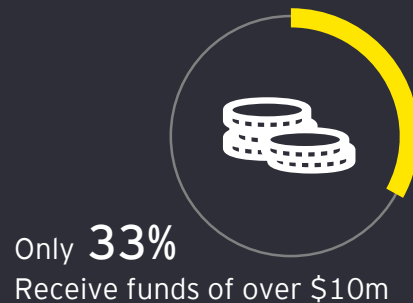
### Looking forward:

- ▶ **FinTechs require more from investors than financial support ...** Startup FinTechs may require support in non-financial areas that boost annual revenue generation and optimize operations. We noticed more (68%) of the FinTechs indicated requiring support in areas such as obtaining more partnership opportunities and access to new customers (65%), 66% require support with international expansion and growth, and 56% in branding and marketing.

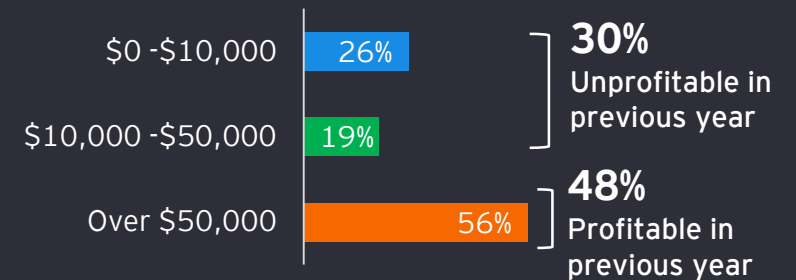
## Required non-financial areas of support



Note: Level of importance calculated as weighted average of all response contributions for each non-financial area assessed.



### Burn rates in relativity to profitability







# Demand

In Nigeria, demand for FinTech services is largely driven by financial literacy, a youthful, digitally savvy population and increasing smartphone penetration which stood at 50% (100 million unique subscribers) at the end of 2019. While FinTech emergence is relatively new compared to other developed economies, we have seen a swift adoption of FinTech services particularly with the emergence of Covid-19, which increased the demand for technology enabled financial products and services.

FinTechs in Nigeria are largely seen as the major drivers of financial inclusion, with the percentage of financially-excluded adults in Nigeria reducing from 41.6 per cent in 2016 to 36.8 per cent in 2018. Some factors buttressing the adoption of FinTech services include:

- ▶ **Faceless onboarding processes....**Nigerian consumers are moving towards seamless digital transactions, with minimal verification bottlenecks
- ▶ **Personal finance management...** The customer landscape is starting to focus on management of personal finance and micro-investing opportunities
- ▶ **Backward Integration...** FinTechs are increasingly consolidating products and service as they seek to provide services across the FinTech value chain. Some FinTechs are acquiring Microfinance Banks enabling them to provide expanded services such as micro-savings, micro-credits, and other financial products
- ▶ **Agency banking and mobile money solutions...** The industry has seen an increased focus in FinTechs using the agency

banking platforms to serve the banked and unbanked population

- ▶ **Payment service banking (PSB)...** The licensing of Payment Service Banks by the regulator has seen some FinTechs use this platform to facilitate low-value transactions in micro-savings and payment services through secure technology platforms.

Despite these adoption levers and increase in digital activity, a considerable portion of the population remains financially excluded, giving expansionary room for more FinTech infiltration In the retail space.

Corporate customers also make up a sizeable portion of Nigerian FinTechs' customer base, and demand among this class of consumers has been largely driven by:

- ▶ **Corporate mandate to educing the spend on technology...** The incumbent FIs are gradually collaborating with FinTechs for corporate solutions instead of building proprietary applications. However, many other FIs have adopted the strategy of developing their own 'FinTech-like' propositions that are competing directly with existing FinTech offerings.

Lastly, the Nigerian Government can also facilitate FinTech demand by consuming FinTech products and services, as well as promoting FinTech offerings among its corporate suppliers. While Government has provided some support in the creation of innovation hubs around the country, access to government support by FinTech's is relatively limited compared to Kenya and South Africa.

## Global FinTech Adoption

	China Mainland	87%
	India	87%
	Russia	82%
	South Africa	82%
	Colombia	76%
	Peru	75%
	Netherlands	73%
	Mexico	72%
	Ireland	71%
	UK	71%
	Argentina	67%
	Hong Kong	67%
	Singapore	67%
	South Korea	67%
	Chile	66%
	Brazil	64%
	Germany	64%
	Sweden	64%
	Switzerland	64%
	Australia	58%
	Spain	56%
	Italy	51%
	Canada	50%
	USA	46%
	Belgium and Luxembourg	42%
	France	35%
	Japan	34%

# Average Global Fintech Adoption 64%

Source: EY Global FinTech Adoption Index 2019



# Talent

Attracting and retaining talent stands out as the biggest challenge faced by FinTechs in Nigeria. For many FinTechs, the pandemic has resulted in tightened budgets and a freeze on hiring. Despite these challenges, there's potential for FinTechs to re-evaluate their hiring strategies. As the transition to remote working is likely to become more prevalent, this provides opportunities to hire from a wider talent pool (local and international). It is also an opportunity to reduce employee costs.

Three major findings were observed on talent retention for FinTechs in Nigeria:

- ▶ **Advanced digital skills are essential for success...** 77% of FinTech leaders point to data analytics as "critical" to strategy and operations, compared to other digital skills. Insights from FinTechs interviewed also highlight CFO's and Administrative talent as "very important" but scarce skills necessary for the overall success of FinTechs.
- ▶ **Talent pool is mostly local...** Despite the rise in digital skills acquisition across the globe, most of the FinTech players use in-country talent to execute their strategy, albeit with some support from international resources. It is estimated that one in two FinTechs currently employs at least one international talent.
- ▶ **Remote working could redefine the talent landscape,..** The COVID-19 pandemic has prompted businesses to relook their business models, where remote working could become the norm. As the physical location of talent becomes less important, this could present an opportunity for FinTechs to

recruit talent in a wider talent pool and in a more cost-effective manner.

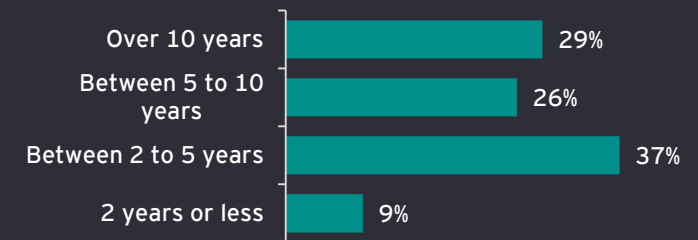
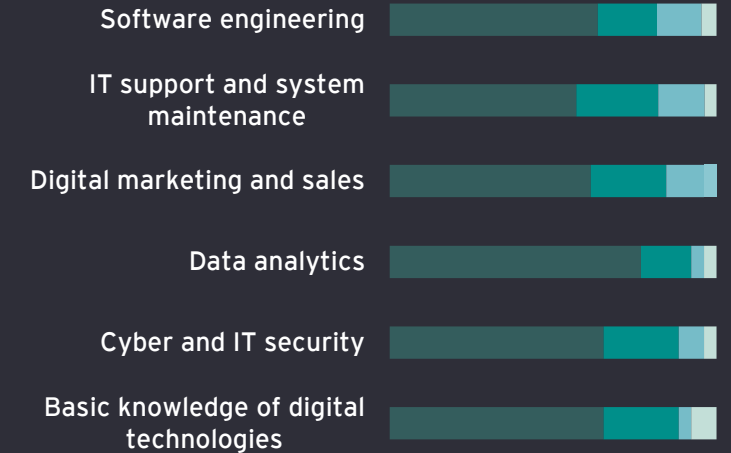
### FinTechs leverage part-time and international talent...

About 70% of FinTechs report using part-time employees, with 53% of this group reporting using between 1 - 10 employees. 48% of FinTechs further leverage international employees reflecting thinner barriers for technology talent.

When we looked at the profile of people working in the FinTech industry, the following insights were drawn:

- ▶ **A characteristic measure of the Barriers to Entry for new entrants...** The Nigerian landscape shows an upward trend in entrepreneurial activity in the FinTech sector. The leaders' professional profiles indicate that 37% of Nigerian FinTech leaders have just less than 5 years experience before starting up a FinTech. This trend is reflective of the ease of entry into the Nigerian FinTech industry.
- ▶ **Diversity challenges in FinTech...** The gender imbalance in the STEM space (32% female and 68% male) in Nigeria is connected more broadly to diversity challenges within FinTech. Only 35% of FinTechs, report having at least one female founder. Female representation in FinTech continues to be out of kilter with the wider population, particularly at senior levels; Over 50% of the FinTechs under review have only male founders, while 16% of the FinTechs surveyed have all-female founders. It is estimated that this will improve over the next 5 years, considering the growing involvement of female talent in technology.

■ Critical ■ Important ■ Neutral ■ Not Required ■ Unimportant



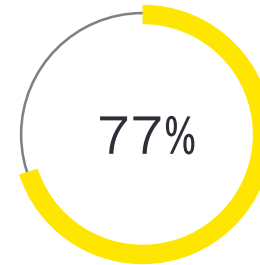
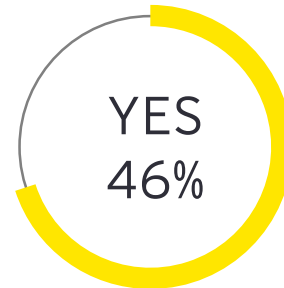


# Talent

Challenges encountered by Nigerian FinTech organisations are explored below:

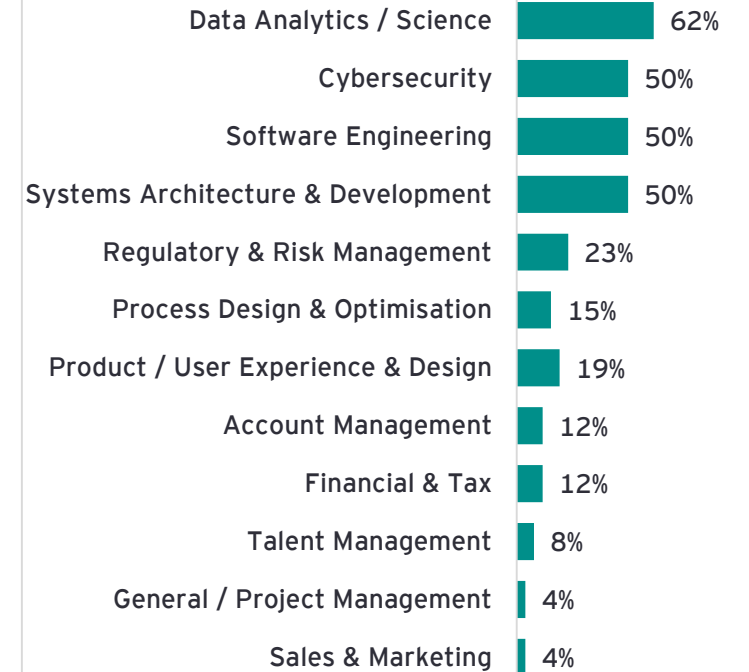
- ▶ **The main issue...** 35% of respondents say attracting qualified or suitable talent tops the list of challenges facing FinTechs in Nigeria. This gap may continue to widen, as more talents emigrate or work in other markets.
- ▶ **Finding essential skill sets...** Leaders suggest that the skill areas which are the toughest to acquire are mostly technology capabilities including Data and Analytics, Cybersecurity, Software Engineering and Systems Architecture & Development, however, skills such as Business Management, Marketing and Communication are becoming more essential.
- ▶ **Tackling skills shortage...** 46% of respondents admit to a growing shortage of skillsets in the required areas. However, 77% of them are actively looking at ways to mitigate the skill dearth within their organizations, through partnerships with other SMEs, suppliers / contractors, constant re-training to upskill current workforce, and collaboration with academia to develop modern and relevant digital course content including off-taking standout candidates from this process.

## Skills Shortage

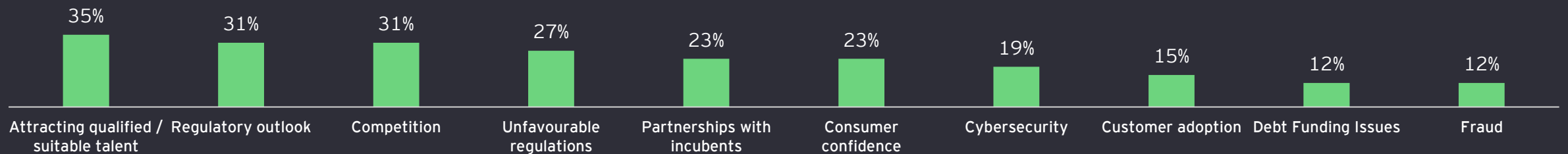


FinTechs are engaging in talent & skill accelerator programs

## Rarest Skill Areas



### Attracting qualified / suitable talent remains the top issue for FinTechs in Nigeria





# Policy & Regulation

Policy and regulation stands out as a major hurdle for FinTechs in Nigeria relative to other FinTech markets. Our survey and interviews indicate that some progress has been made to create a supportive environment for FinTechs (regulatory sand-boxes, new license requirements, etc.), however, there is a unique opportunity to improve the FinTech policy landscape and make it a differentiator in Africa.

As the FinTech environment advances and the complexity of disruptive technology intensifies (blockchain, artificial intelligence, digital banking), the strength and maturity of Nigeria’s policy and regulatory environment will be critical to protecting the nation’s financial system as well as consumers, while creating an enabling environment for FinTechs to thrive.

Regulatory bodies in Nigeria have begun to position reassuring outlooks with their policy directions and open lines of communication, in a bid to supportively regulate Fintech operations in Nigeria.

Enabling organizations such as the FinTech Association of Nigeria have worked strategically to synergize FinTechs collaborations, as well as creating a coalescing voice between FinTechs, incumbents and regulators in the industry.

## Some notable policies recently released by regulators include:



**Tiering of payment licenses:** CBN Introduced 3 license categories to guide the setup of FinTechs, enable oversight of their operations and protect consumers



**Payment Service Banks:** Setup to advance the financial inclusion goals, PSBs provides the structure for mobile network operators, mobile money operators, and banking agents to offer banking services. CBN approved 3 new PSBs in 2020



**Regulatory Sandbox:** CBN has deployed a controlled testing environment for innovative FinTechs to test ideas and business models



**Open Banking Regulation:** The Apex Bank has released regulations for open banking framework in Nigeria. Nigerian FinTechs are poised to take advantages of the resultant opportunities as Nigeria becomes the pioneer of open banking in Africa

## Regulatory timeline: Positive policy developments

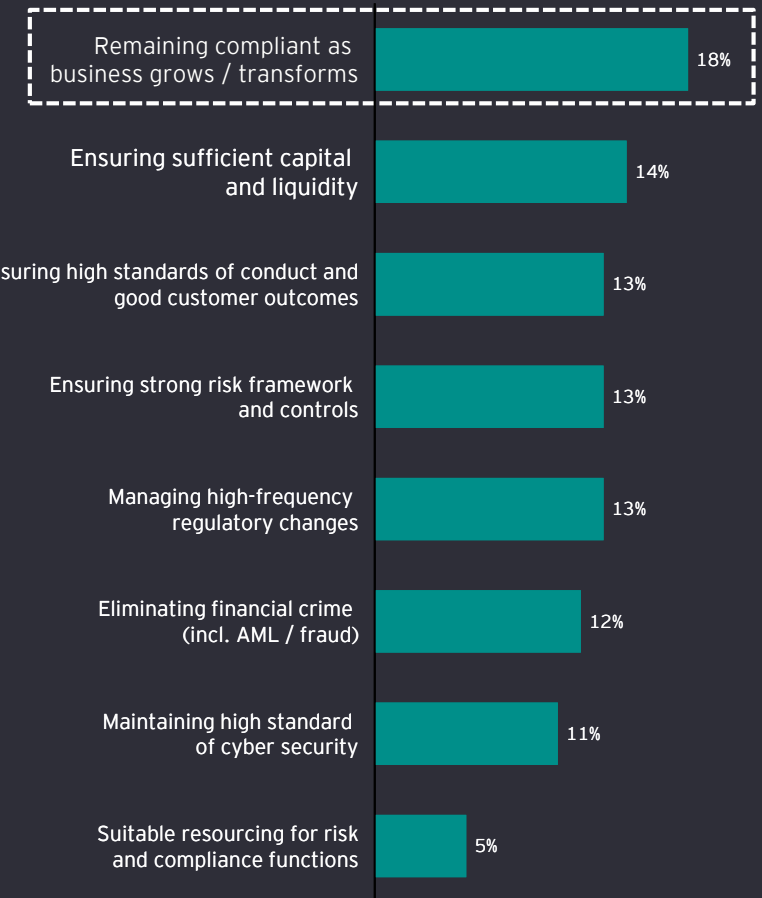
- 2015** Guidelines on Mobile Money Services
- APR 2018** The Circular on the Regulatory Framework for the Use of Unstructured Supplementary Service Data (USSD)
- JUNE 2018** Cybersecurity Framework and Guidelines for Deposit Money Banks and Payment Service Providers
- JUNE 2018** CBN Licensing Regime (License Tiering For Payment System Providers)
- NOV 2018** Inauguration of The FinTech Roadmap Implementation Committee of SEC Nigeria
- DEC 2018** New Licence Categorisation for Nigerian Payments Service Providers
- JUN 2020** Implementation of the CBN cashless policy
- AUG 2020** Guidelines for licensing and regulation of payment service banks
- JAN 2021** Issuance of the Framework for Regulatory Sandbox Operations
- FEB 2021** Issuance of Regulatory Framework for Open Banking in Nigeria



# Policy & Regulation

Regulatory Body	Function	Role in the FinTech Industry	FinTech Segments
CBN	The CBN is the principal regulator mandated to issue licenses to banks and other FIs by virtue of the Banks and Other Financial Institutions Act, 2020 ("BOFIA").	Administering operating licenses to FinTechs	Banks, All FinTech Segments
SEC	To develop and regulate a capital market that is dynamic, fair, transparent and efficient, to contribute to the nation's economic development	Deploying innovative products or processes in the Nigerian Capital Market	FinTechs playing in the Capital Market
NDIC	Protects depositors and guarantees the settlement of insured funds when a deposit-taking financial institution can no longer repay its deposits, thereby helping to maintain financial system stability	Identifies, develops and promotes technology solutions that will protect depositors with Insured Financial Institutions	Deposit-receiving FinTechs
NOTAP	Evaluation/Registration of technology transfer agreements; promotion of intellectual property; oversight over R&D commercialization, activities, and industry linkage	Issues permits for the transfer of technology	FinTechs with foreign shareholders
NCC	Responsible for the economic and technical regulation of the communications industry	Regulates FinTech services leveraging mobile phones pursuant to the License Framework for Value Added Service (VAS) issued by the NCC	Mobile Money Operators
NITDA	To operate and implement the National IT policy and to give effect to provisions of the National Information Technology Development Agency Act (NITDA Act) of 2007	Regulates the use of policies such as Data Privacy and protection across the nation	All FinTechs

## What are the most challenging considerations for your business in the current regulatory environment? (%)





## Policy & Regulation (cont'd)

Regulatory Body	Function	Role in the FinTech Industry	FinTech Segments
NAICOM	Overseeing the ministration, supervision, regulation and control of insurance business in Nigeria and protection of insurance policyholders, beneficiaries and third parties to insurance contracts.	Oversight of the activities of InsurTechs that overlap with the mandate of NAICOM	InsurTech
NFIU	National agency responsible for the receipt of disclosures from reporting organisations, the analysis of these disclosures and the production of intelligence for dissemination to competent authorities.	Monitoring money laundering and terrorist financing risks within the ecosystem	All Fintechs
NIMC	Regulates matters of national identity in Nigeria with services covering National Identification Number (NIN) enrolment and issuance, National e-ID card issuance, identity verification as well as data harmonization and authentication	Identity verification and authentication, KYC processes	Mobile Money and Digital Banking, Lending, Wealth management and Investech
NSE	Regulated by the Securities and Exchange Commission (SEC) of Nigeria. The Exchange offers listing and trading services, licensing services, market data solutions, ancillary technology services and more	Provides access to capital	FinTechs seeking listing on the capital market
NIBSS	Deliver payment/settlement services to financial institutions, mitigate operational and credit risks in funds transfer across financial institutions	Provides infrastructure for the automated processing and settlement of transactions between financial institutions	FinTechs leveraging Inter-Bank Transactions
SANEF	Deepen Financial Inclusion in Nigeria through a robust ecosystem with strong regulatory oversight, consumer protection and interoperable system.	Providing support to super agents, banks and other stakeholders to acquire agents in the 6 geo-political zones	Mobile Money and Digital Banking, Lending

“

Innovation and regulation needs to be merged and balanced in such a way that the end users benefit from it

- Nigerian Regulator



## Policy & Regulation

The impact of the relationship between regulators and stakeholders in the industry is pivotal to the success of financial services in Nigeria. It is critical for key challenges to be resolved as they emerge.

Insights from the interviews and surveyed FinTechs show that the major challenges faced in the industry are broadly around four areas:

- **Rate of change of regulations:** Respondents mentioned that while regulation continues to progress, the pace at which these changes occur currently limits available growth potential and strategic planning
- **Flexibility of capitalization costs:** FinTechs expressed concerns about the historic rigidity of regulations, especially around the capitalization requirements for

FinTechs. The regulatory bodies in response have created channels of discussions to better engage and register buy-ins of all parties.

- **Regulator participation:** Some FinTechs believe that Industry platform providers/self regulators such as NIBSS are allowed to compete unhindered within the ecosystem, thereby undermining or limiting the field of play for FinTech organisations
- **Transparency :** While regulators continue to open lines of communication and issue exposure drafts to enable industry participation, FinTechs remain cautious. For example, the CBN “regulatory sandbox” requires disclosure to the regulator for approval in an industry where ideas are seen as competitive advantages

Key stakeholders have explored various options to develop holistic strategies in addressing these difficulties. While foundational work has begun in this area, it is clear that there is a need for greater collaboration between regulators, incumbents and FinTechs for existential synergy.

Notable steps in this regard include ongoing efforts by the apex bank to release a number of exposure drafts designed to attract industry participation. Examples include, releasing a framework with sandbox to enable FinTechs test their business models without the significant investments in licenses.

While FinTechs try to navigate the dynamic business and regulatory terrain in Nigeria, the regulatory bodies have begun to provide guidance and guidelines required for success.

## Survey Snapshot:



24% of surveyed FinTechs consider regulatory outlook / landscape and the unfavorable regulatory environment to be amongst the top challenges they face as business.



Compliance with regulation was identified as the most challenging policy area in the current business environment (at 18%) while the subject of insufficient capital and liquidity, a fiduciary requirement for a larger percentage of FinTechs stood at 14%



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# Future focus







## Future focus -Outlook and Optimism

Based on our analysis of challenges and opportunities, as well as learnings from international ecosystems, we propose the following set of themes and considerations to propel the next stage of Nigeria FinTech development. These considerations have not undergone an impact or business case assessment and should be taken as a basis for further analysis.

**Increased collaboration with incumbents and FinTechs...** When compared to 12 months ago, FinTechs are experiencing better access to and more collaborative relationships with incumbents. This will continue in the near future.

**Newer business models by Incumbents:** As much as incumbents partner and collaborate with existing FinTechs, some incumbents are adopting various models to entering the market themselves. Some banks have spun-off FinTech entities while others are opting to digitize their operations to compete.

**Regulatory support will improve...** We suggest that regulators provide a bit more dedication and focus to supporting the FinTech players. For example, the CBN may consider how regulatory support can be extended beyond the regulatory sandbox. A regulatory 'scale-box' concept, including formal and

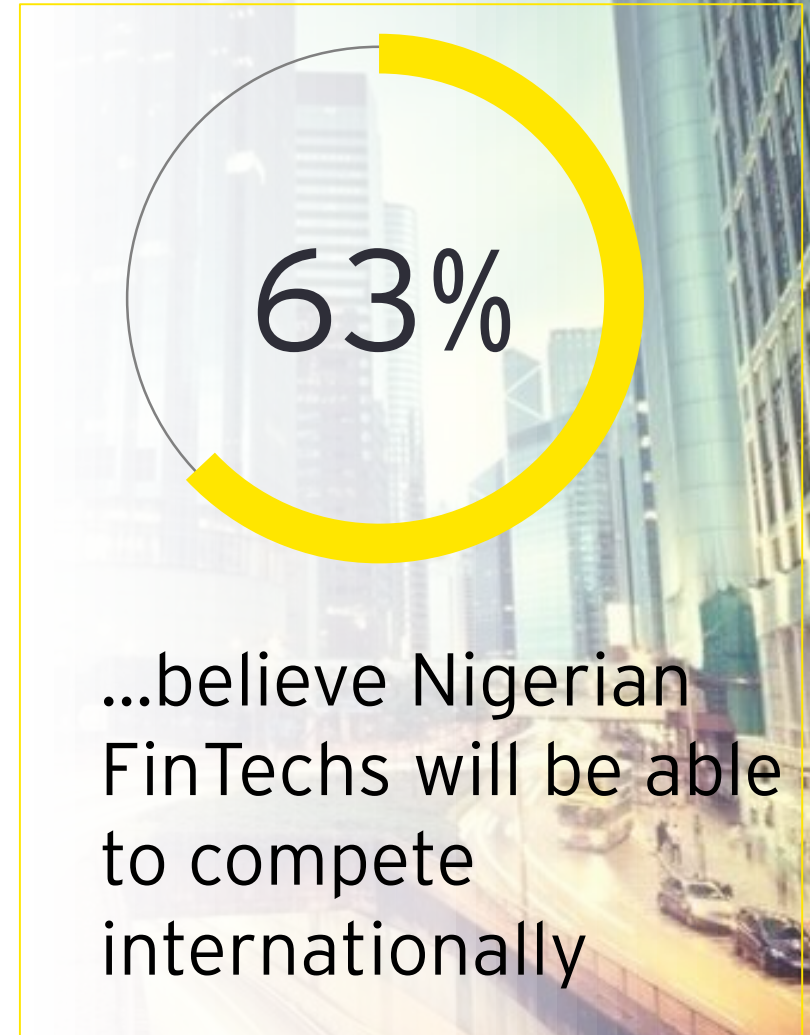
informal support, could help scaling FinTechs navigate regulatory changes, build resilience and embed best-in-class practices to support sustainable growth

**We can make Nigeria a destination of choice for overseas FinTechs and support Nigeria FinTechs in accessing overseas demand, talent and capital...**

Survey respondents credit Nigeria as a fast growing FinTech economy but agree that more needs to be done to deliver tangible outcomes, particularly for Nigerian FinTechs in the scale-up phase

**Exploration of the African Market ...** A majority of surveyed FinTechs believe Nigerian FinTechs will be able to compete internationally (63%). This belief is particularly evident amongst FinTechs who have experience venturing to other markets

**Increasingly diverse industry-** Progressing towards a more diverse and inclusive industry... The positive trend in female participation within and at the helm of the FinTech startups heralds a promising outlook for gender equality within the industry





## Future focus -Talent

**FinTechs will have improved access to the world-class talent that they need to set up and scale....**

The market for FinTech talent is competitive. Talent policy must be shaped to deliberately develop local talent (through educational policy shifts) and strengthen its access to domestic and international talent. This will improve access to talent as well as increase confidence in the local talent pool.



To attract and retain talent, FinTechs need to have a good brand and undertake projects that will make the lives of their talents better

- Nigerian FinTech

Some initiatives which the FinTechs say can transform the FinTech talent landscape include:

- Development of a national skills and talent strategy to increase and diversify the supply of talent within financial services and FinTech
- Working with education policymakers and providers to consider how school curricula can best support young people to develop sought-after STEM capabilities and create a 'digitally minded' pipeline of talent.
- Collaborate with universities and schools to increase awareness of FinTech and financial services innovation, and consider the use of channels such as apprenticeships and work placements to attract talent to the sector.
- Consider the diversity of the talent pipeline, noting that diversity gaps may originate as early as the schooling system. Employers also play a key role in attracting and retaining a diverse workforce.

Based on results from surveyed FinTechs (40); EY Report - UK FinTech Report, 2020

### Looking Forward: Fintech Strategies



Regulation: Proactive disposition to regulation, anticipate and prepare for different scenarios



Build strategic partnerships with licensed incumbents and regulators



Set up training programs, offer internships to fresh graduates and young talent



Drive adoption through responsive customer centric strategies



Deploy strategies to reduce of the customer acquisition costs



## Future focus -Growth and Expansion

As the Nigerian FinTech industry continues to grow, there is enormous potential for the industry to mature into a compelling force within the African FinTech landscape, as well as become a significant player on the global stage.



As FinTechs, we see massive opportunities for technology to unlock enormous economic value in Nigeria

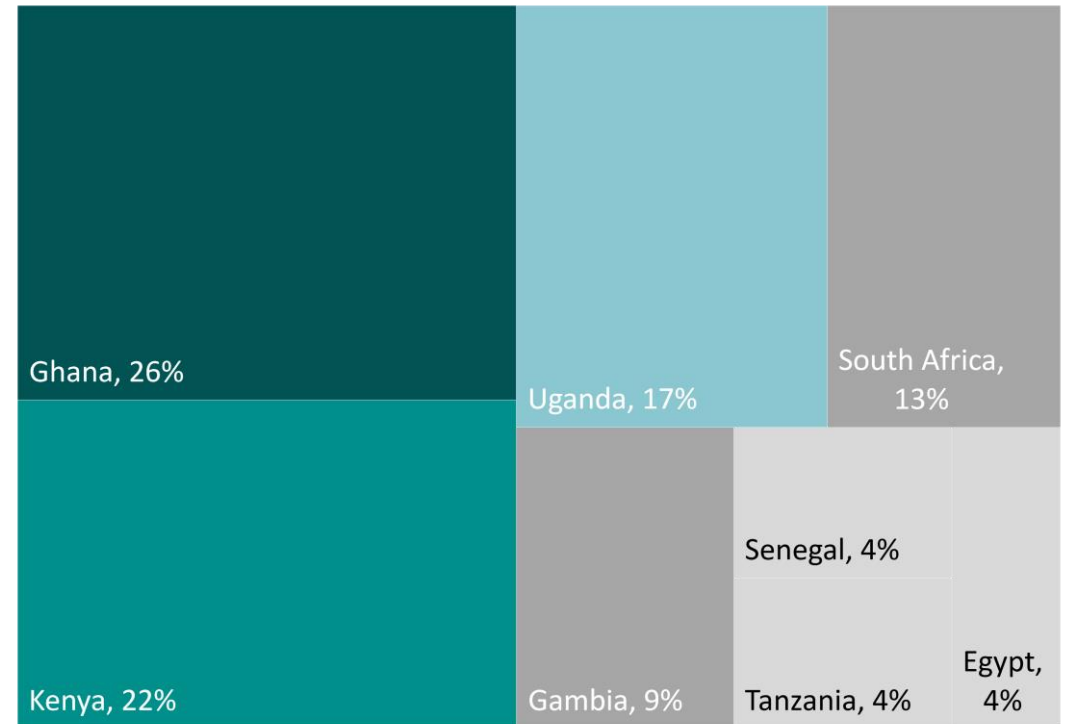
- Nigerian FinTech

The COVID-19 pandemic has also presented unique opportunities for FinTechs to accelerate innovation and transformation across financial services and beyond, with emergent cross-boarder considerations such as:

- ▶ Increasing digital adoption due to heightened physical restrictions
- ▶ Potential changes to work habits with remote working as the new norm
- ▶ Opportunity for collaborative partnership between FinTechs and incumbents to deliver enhanced digital value to customers

Reflecting on highlights from the 2020 census data, a number of FinTechs surveyed remain optimistic about opportunities to venture into other markets. While a growing number of FinTechs already have their headquarters in overseas jurisdictions, many FinTechs having already established presence in major African countries. The outlook therefore remains optimistic for the Nigerian FinTech industry.

Top 8 international operation areas for Nigerian FinTechs



We expect newer business models by Incumbents to compete against FinTech propositions but also anticipate increased collaboration

- Adedapo Adewole, Technology Partner, EY West Africa



# Stakeholders consulted

## FinTech Interviews

### Payments & Digital Banking

Interswitch	Chief Executive Officer
Flutterwave	Cofounder/Chief Executive Officer
Paystack	Cofounder/Chief Executive Officer
Kuda Bank	Founder/Chief Executive Officer
System Specs	MD/Chief Executive Officer Executive Director

### Lending

Fairmoney	General Manager
Carbon	Head of Product
Branch	Operations Director Head Legal and Compliance
FastCredit	Chief Executive Officer

### Enterprise Services

Appzone	Chief Executive Officer
TeamApt	Founder/Chief Executive Officer

### Cryptocurrency

Buycoins	Product Manager
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## Industry Interviews

### Regulators

Securities & Exchange Commission	Head Market Infrastructure & Innovation Department
Central Bank of Nigeria	Director Payment Systems Management Department
National Information Technology Development Agency	Director General

### Investors

Lagos Angel Network	Cofounder
TLcom	Senior Partner
Flourish	Venture Partner
Accion Venture Lab	Senior Investment officer
BFA Global	Country Manager

### Incumbents

First Bank	Group Executive eBusiness & Retail Products
GTBank	ED Digital Banking
Access Bank	ED Operations & IT
Providus Bank	Chief Financial Officer

### Enablers

NIBSS	MD/Chief Executive Officer
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## FinTech Survey Respondents

### Cryptocurrency

- ▶ Belfrics
- ▶ Binance
- ▶ Bitpesa
- ▶ Buycoins
- ▶ Jelurida
- ▶ Luno

### Enterprise Services

- ▶ Appzone
- ▶ Chams
- ▶ Inlaks
- ▶ Qrios
- ▶ Smarteller

### Investment/Savings/Wealthtech

- ▶ Bankly
- ▶ Cowrywise
- ▶ EGM
- ▶ Esusu Africa
- ▶ Piggyvest
- ▶ Riby

### Lending

- ▶ Aella Credit
- ▶ Branch
- ▶ C24ng
- ▶ Fairmoney
- ▶ Fast Credit
- ▶ Lidya
- ▶ Migo
- ▶ Page
- ▶ BeeLend

### Payment/Mobile Money/Digital Banking

- ▶ Ativo
- ▶ Bring Africa
- ▶ Cellulant
- ▶ Eyowo
- ▶ Fets Ltd
- ▶ Flutterwave
- ▶ Global Accelerex Limited
- ▶ Innovate1Pay
- ▶ Interswitch
- ▶ Kuda Bank
- ▶ Netplusdotcom
- ▶ Paystack
- ▶ Systemspecs
- ▶ VoguePay



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# Contact us

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