

# The Power of Together

The role of ecosystems in enabling fintech growth across sub-Saharan Africa



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# Foreword

Over the past two decades, Africa's fintech sector has thrived; driving financial inclusion, fostering innovation and contributing to economic growth across the continent. In 2025, financial technology companies—or fintechs—accounted for eight of Africa's nine unicorns. These are startups less than 10 years old with valuations of US\$1 billion or more, backed by private investors or public markets. Notable examples include Flutterwave (Nigeria), Chipper Cash (Uganda), and TymeBank (South Africa).

Solutions like M-PESA and Interswitch have harnessed fintech's transformative power across Africa for over 20 years. Fintech has allowed Africa to leapfrog financial systems seen in other parts of the world, demonstrating leadership in both innovation and inclusion. In the last decade, fintech has moved further into the heart of Africa's economic evolution, particularly in Sub-Saharan Africa. For instance, mobile money services have had a major impact on total gross domestic product (GDP) in Sub-Saharan African countries. Mobile money's contribution to the region's GDP rose from about US\$150 billion in 2022 to US\$190 billion in 2023.<sup>1</sup> In 2024, there was double-digit growth in registered mobile money wallets, reaching around 1.1 billion accounts in Sub-Saharan Africa alone.

While Africa's fintech sector holds a powerful promise, there is still a lot to do. Continued progress relies on increased investment, supportive regulation, and robust ecosystem development to build infrastructure and nurture local talent. The sector's potential is grounded in advancing social inclusivity and economic opportunity—serving not just wealthy or urban populations but also rural communities, informal businesses, and marginalized groups. By improving access and affordability, fintech is transforming lives across the continent.

Dynamic enabling ecosystems are becoming increasingly significant in Sub-Saharan Africa's fintech landscape. Collaboration is deepening not only between fintechs but among banks (local, regional, international, and development), telcos, retailers, regulators, policymakers, investors and academia. These players are vital to driving innovation, scaling impact, attracting investment, and building inclusive financial systems.

Africa's startup ecosystem grew strongly up to 2022. However, the pace slowed as global economic headwinds, such as inflation, rising interest rates, and uncertainty affected capital flows. Between 2022 and 2024, venture funding on the continent declined by about 52%, reflecting broader global trends.<sup>2</sup> Despite these challenges, we are seeing more activity that connects different players to create new collaborations and alliances. Financial sector regulators are establishing sandboxes for fintechs to test new solutions, while incumbent financial services leaders like Visa are launching programs such as the Visa Accelerator Program in Africa to support and turbocharge fintech growth across the continent. A shared ethos is emerging we can do more when we do it together.

What does this newfound partnership look like in practice? It looks like South African fintech Open partnering with the South African Reserve Bank (SARB) to explore a potential eZAR multi-issuer stablecoin. The aim is to improve payments interoperability and financial inclusion, without sacrificing monetary sovereignty. It looks like Kenyan fintech and carbon credits provider Melanin Kapital building trusted relationships with development institutions like the African Development Bank and the African Guarantee Fund. These connections have helped channel more affordable funding from established banks. Finally, it looks like Nigerian fintech NearPays choosing a strategy of cooperation over competition that has resulted in key alliances with mobile money leaders such as Fidelity Bank Ghana and MTN. This paper explores how supportive ecosystems can harness fintech's power in Africa to drive innovation, attract investment, and foster inclusive growth. It highlights recent examples from the Visa Accelerator Program in Africa to illustrate the impact of strategic partnerships. By showcasing these collaborations, we aim to encourage engagement across the public and private sector to unlock unique opportunities for growth, sustainability, and inclusion.

EY is proud to partner with the Visa Accelerator Program in Africa to support startups in their portfolio through the EY Ripples global corporate responsibility program. By combining our complementary capabilities on a not-for-profit basis, we aim to unlock the potential inclusive fintech solutions and drive sustainable economic growth across Africa and beyond.



**Marius van den Berg**

EY Africa  
Financial Services  
Industry Leader



**Robert J Nyamu**

EY East Africa  
Cluster Consulting  
Leader



**Professor Vivienne Lawack**

Director of the Centre  
for Fintech, Innovation  
and Law at University  
of Western Cape (UWC)  
Faculty of Law

1 GSMA. (2025). The State of the Industry Report on Mobile Money 2025. Retrieved from: [https://www.gsma.com/sotir/wp-content/uploads/2025/04/The-State-of-the-Industry-Report-2025\\_English.pdf](https://www.gsma.com/sotir/wp-content/uploads/2025/04/The-State-of-the-Industry-Report-2025_English.pdf)

2 IFC. (2025). Venture Capital and the Rise of Africa's Tech Startups. Retrieved from: <https://www.ifc.org/content/dam/ifc/doc/2025/venture-capital-and-the-rise-of-africa-s-tech-startups.pdf>

# Executive Summary

EY Africa's work with the Visa Accelerator Program in Africa and its broader engagement across Africa's fintech ecosystem, including startups, banks, regulators, investors, and enablers, underscores the need for organisations to champion regulatory clarity, invest in interoperable infrastructure, and advance inclusive innovation aligned with Africa's long-term development goals.

- **FinTech as a growth engine:**

Africa's fintech sector is becoming a cornerstone of inclusive economic growth, driven by innovation, demographic momentum, and rising digital adoption.

- **Ecosystem collaboration is critical:**

Fintech cannot thrive in isolation; its success hinges on collaboration across an expansive ecosystem that includes regulators, financial institutions, telecommunication organizations, academia, and development partners. Visa's US\$1 billion commitment into the continent, through programs such as the Visa Accelerator Program in Africa exemplify how targeted private sector investment can catalyze innovation, gender inclusion, and financial services infrastructure development at scale.<sup>3</sup>

- **Structural challenges persist:**

Key barriers to fintech scalability and resilience persist, including regulatory fragmentation, infrastructure gaps, and limitations with the venture funding environment.

- **Positive policy momentum:**

Governments are rolling out agile, innovation-friendly frameworks (e.g., Kenya's Virtual Asset Bill, Nigeria's Securities Act), while fintech companies shape reforms through sandboxes and strategic alliances.

- **Strategic imperatives for stakeholders:**

Unlocking fintech's full potential requires investment beyond products, focusing on ecosystem architecture, regulatory clarity, interoperable infrastructure, and inclusive solutions aligned with Africa's development priorities.

- **Role of partnerships:**

Cross-sector collaboration remains essential. Collaborations like those between EY Africa and Visa are helping to build resilient financial systems that deliver scalable, sustainable impact across the continent.

<sup>3</sup> Visa. (2022). Visa Pledges to Invest \$1 billion in Africa to Accelerate Digital Transformation.

Retrieved from: <https://investor.visa.com/news/news-details/2022/Visa-Pledges-to-Invest-1-billion-in-Africa-to-Accelerate-Digital-Transformation/default.aspx>



# Fintech in Africa

# Fintech in Africa

By 2050, one in three young people globally will be African, and the continent's working-age population (20-64 years) will represent roughly 25% of the global workforce.<sup>4</sup> This demographic shift offers a major opportunity for economic transformation—if Africa's financial systems evolve to meet its people's needs. Access to secure, resilient, and inclusive financial services are crucial to drive the continent's growth and to create opportunities for the current and future generation of workers.

Over the past two decades, significant progress has been made, particularly through the mobile money revolution. In Sub-Saharan Africa, active mobile money accounts surged from 10 million in 2010 to 330 million in 2023, accounting for over half of the global share.<sup>5</sup> This expansion has been powered by increased mobile and smartphone use, setting the stage for wider fintech transformation.

Despite these gains, nearly 300 million adults in Sub-Saharan Africa remain unbanked, while an estimated 210 million people live in an area without broadband coverage.<sup>6</sup> Many still lack access to services beyond digital payments (e.g. relevant credit, insurance, and affordable savings or investment options).<sup>7</sup> This gap between population growth and financial inclusion underscores the need and urgency for supportive ecosystems to meet the continent's evolving needs.

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FinTech is a solution to financial access. It has the power to transform Africa's financial landscape by driving inclusive growth, enabling wealth creation, and addressing key economic challenges, but this must be balanced with smart regulation to protect investors and ensure market integrity.

**Dr. Emomotimi Agama,**  
Director General of the Securities and  
Exchange Commission of Nigeria,  
FCMA, CGMA, FCIS, PhD



4 UNECA. (2024). As Africa's Population Crosses 1.5 Billion, The Demographic Window Is Opening; Getting The Dividend Requires More Time And Stronger Effort. Retrieved from: <https://www.uneca.org/stories/%28blog%29-as-africa%E2%80%99s-population-crosses-1.5-billion%2C-the-demographic-window-is-opening-getting>

5 Our World in Data. (2025). There are now more than half a billion mobile money accounts in the world, mostly in Africa - here's why this matters. Retrieved from: <https://ourworldindata.org/mobile-money-why-it-matters>

6 GSMA. (2025). The state of mobile internet connectivity in Sub-Saharan Africa: why addressing the barriers to mobile internet use matters now more than ever. Retrieved from: <https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/blog/the-state-of-mobile-internet-connectivity-in-sub-saharan-africa>

7 World Bank. (2024). Financial Inclusion in Sub-Saharan Africa - Overview. Retrieved from: <https://www.worldbank.org/en/publication/globalindex/brief/financial-inclusion-in-sub-saharan-africa-overview>



Fintech can drive this change, but only with the right support. Fintech uses technology to improve and automate the delivery and use of financial products, encompassing applications like mobile money, digital payments, online banking, blockchain-based assets, robo-advisors, and artificial intelligence-powered fraud detection. Fintech is reshaping how businesses, startups, and consumers use financial services, often bypassing existing intermediaries and challenging legacy models. Mobile money and digital lending locally tailored financial tools are just a few rapidly evolving examples expanding around the world, particularly in emerging markets and developing economies (EMDEs). By lowering entry barriers and enabling access through mobile platforms, fintech has empowered millions to participate in the formal economy, facilitating savings, credit, insurance, and remittances in ways that were previously inaccessible.

In 2021 and 2022 fintech investment was strong, driven by mobile connectivity, successful platforms like M-Pesa, and investor interest in scalable digital solutions that addressed deep gaps in financial inclusion.<sup>8</sup> In 2022, African startups raised over \$6.5B, with fintech accounting for a significant share.<sup>9</sup>

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As CEO of the Nairobi Securities Exchange, I believe that by removing the structural barriers that isolate small savers and SMEs, fintechs and Africa's stock exchanges can work as one system, turning everyday savers into investors and promising enterprises into listed companies. Our capital markets must be engines of inclusion, not exclusion; exchanges should not guard the gates, they should light the way, deepening markets and broadening ownership across the continent. Africa's growth hinges on enabling every citizen to participate in finance by designing systems that welcome rather than gatekeep.

**Frank Mwiti,**

CEO of Nairobi Securities Exchange  
PLC



<sup>8</sup> European Investment Bank. (2024). Finance in Africa: Unlocking investment in an era of digital transformation and climate. Retrieved from: [https://www.eib.org/attachments/lucalli/20240033\\_finance\\_in\\_africa\\_en.pdf](https://www.eib.org/attachments/lucalli/20240033_finance_in_africa_en.pdf)

<sup>9</sup> Partech (2023). 2022 Africa Tech Venture Capital. Retrieved from: <https://partechpartners.com/africa-reports/2022-africa-tech-venture-capital-report>



However, since 2023, fintech investment in Africa has experienced a sharp downturn, in line with global trends. This shift stemmed from rising inflation, interest rates, and economic uncertainty. Funding fell to US\$3.5B, a 46% drop from 2022, and the number of active investors declined by 50%.<sup>10</sup>

Despite the investment slowdown, a paradox persists: there is still substantial undeployed capital in African-focused venture capital and private equity funds. In 2025, more than 140 venture capital funds are actively positioned to invest in the region. Major players include Partech Africa II (closed at US\$304M), Sawari Ventures (targeting US\$150M-US\$200M), and P1 Ventures (US\$50M).<sup>11</sup> Yet, investment remains cautious due to valuation gaps, extended due diligence, and geopolitical uncertainty. Investors are prioritizing fewer, larger deals and startups with strong revenue models, leaving many early-stage ventures facing longer fundraising cycles.

Beyond the investment environment, fintech's in Africa face several challenges. Many operate in low-income environments where monetizing customers is difficult, which affects profitability and discourages investment for many domestic and international investors in the fintech space.

Retaining talent in software development, data analytics, and compliance, is a persistent issue amid global competition for skilled professionals and stagnant wages. Moreover, regulatory environments are often fragmented, making scalability difficult. Overlapping mandates across agencies, at the regional, national, or local level, risk

undermining ownership and accountability and increase the compliance burden on the firms in the ecosystem.<sup>12</sup> These challenges are not confined to the fintech sector: traditional banking and allied financial services also navigating similar complexities.

Given the current investment climate, there is a clear opportunity for the wider ecosystem—banks, telecoms, and accelerators—to help fintechs attract customers, scale up, and support sustainable growth.

Local players are key in building ecosystems that promote innovation in inclusive, secure, and scalable fintech solutions. By cultivating robust local fintech ecosystems, anchored in forward-looking regulation, interoperable infrastructure, diverse funding, and active public - private engagement, countries can create tailored support. With this foundation, ecosystems can expand connectivity regionally and internationally, boosting Africa's economic resilience.



<sup>10</sup> Partech (2023). 2022 Africa Tech Venture Capital.

Retrieved from: <https://partechpartners.com/africa-reports/2022-africa-tech-venture-capital-report>

<sup>11</sup> Launch Base Africa. (2025). Tracking the Latest Investor Dry Powder Targeting African Startups in 2025.

Retrieved from: <https://launchbaseafrica.com/2025/03/17/tracking-the-latest-investor-dry-powder-targeting-african-startups-in-2025/>

<sup>12</sup> European Investment Bank. (2024). Finance in Africa: Unlocking investment in an era of digital transformation and climate.

Retrieved from: [https://www.eib.org/attachments/lucalli/20240033\\_finance\\_in\\_africa\\_en.pdf](https://www.eib.org/attachments/lucalli/20240033_finance_in_africa_en.pdf)

A man with long dreadlocks and a beard, wearing a dark jacket and light-colored pants, is kneeling in a greenhouse. He is focused on tending to a large green plant, possibly a herb, with his hands. The greenhouse is filled with rows of similar plants, and the background shows the structure of the greenhouse with some hanging plants. The overall atmosphere is one of diligent agricultural work.

# The role of ecosystems in enabling fintech growth

# The role of ecosystems in enabling fintech growth

Fintechs emerge and exist from, and within, complex ecosystems. Banks, financial service providers, policies, regulations, and advancing technologies all influence their establishment and sustainability. Both public and private sectors can support fintech success across the continent.

Policymakers and regulators are reimagining frameworks to shape the continent's digital future. The response to fintech in Africa is multifaceted, involving regional blocs like the East African Community, the Economic Community of West African States (ECOWAS), and the Southern African Development Community (SADC), as well as continental bodies like the African Union (AU).

A landmark regional-level agreement is the African Continental Free Trade Area (AfCFTA) Digital Trade Protocol (DTP), adopted by the AU in February 2024. It covers cooperation on emerging technologies, digital inclusion, and electronic transactions, among others. The agreement aims to reduce transaction costs and foster a more predictable environment for business and consumers engaged in online trade.<sup>13</sup>

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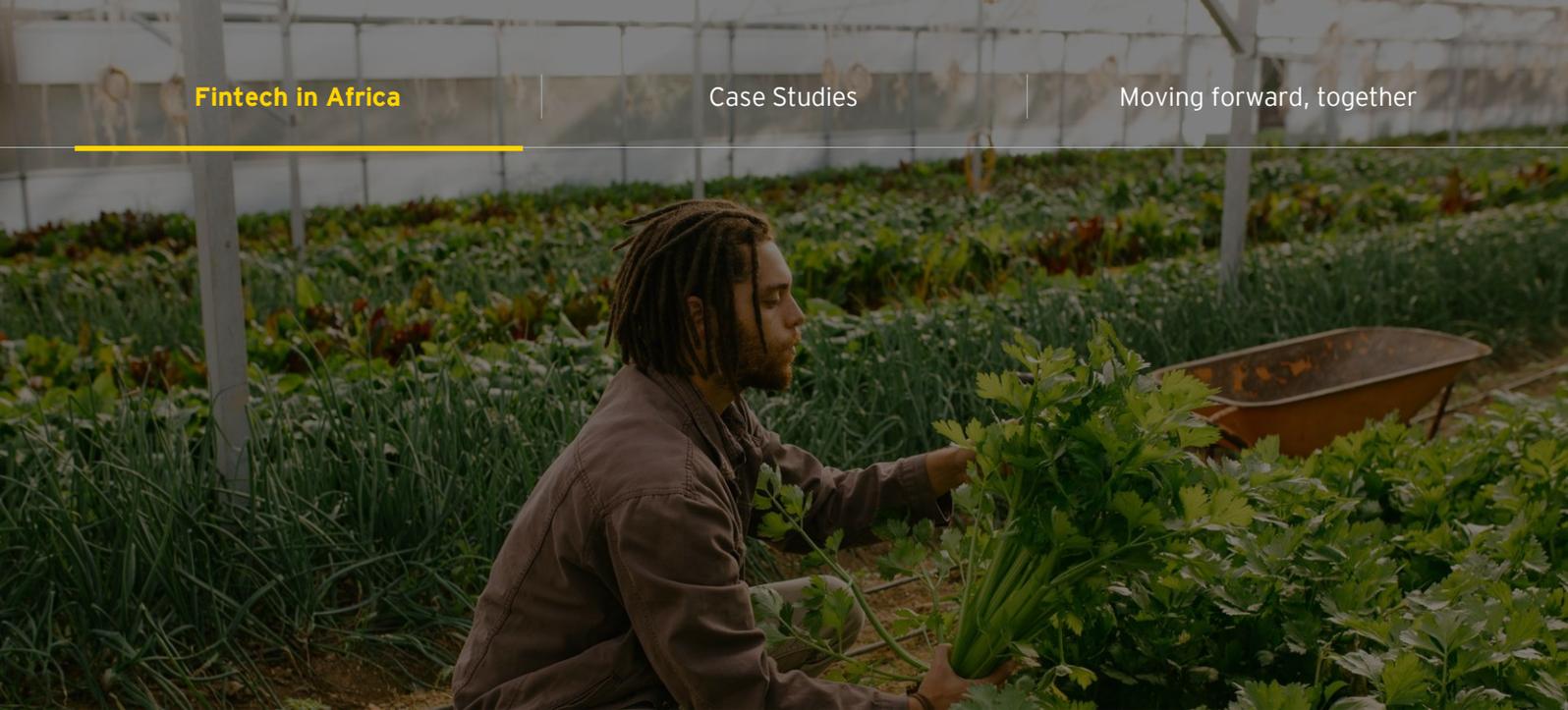
Fintech is reshaping Africa's financial landscape, expanding access to capital for SMEs, streamlining remittances, and empowering entrepreneurs to grow. To realise its full potential, a diverse ecosystem is essential, where fintechs can collaborate with banks, telcos, retailers, regulators, investors, and academia to build resilient, innovative financial infrastructure and drive inclusive economic growth across the continent.

**Hubert Danso**

Chairman & CEO of  
Africa Investor



<sup>13</sup> Stuart, J. (2025). The OECD's New Index of Digital Integration Shows Strong Gains from the AfCFTA's Digital Trade Protocol. Retrieved from: <https://www.tralac.org/blog/article/16912-the-oecd-s-new-index-of-digital-trade-integration-shows-strong-gains-from-the-afcfta-s-digital-trade-protocol.html>



At the national level, actions include launching national fintech strategies, open banking, sandboxes, innovation hubs, accelerators and developing bespoke licensing and market conduct rules. Examples include:

- Rwanda’s National Fintech Strategy (November 2024) which aims to increase fintech players, create jobs, attract investments, and boost adoption.
- Kenya’s Virtual Asset Service Providers Bill (2025), establishing a legal framework for virtual assets and service providers.
- Tanzania’s fintech regulatory sandbox (November 2024), allowing firms to test innovative financial solutions in a controlled environment.
- South Africa’s exploration of open finance and AI regulation, including a paper from the Financial Sector Conduct Authority (FSCA) in March 2024.
- Nigeria’s Investment and Securities Act 2025, modernizing capital market regulation, improving investor protections, and bringing digital assets under its Securities and Exchange Commission’s oversight.

As Africa’s fintech ecosystem matures, regulators are expected to focus on emerging technologies and trends. Several African countries are exploring or have launched Central Bank Digital Currencies (CBDCs), including Zimbabwe’s gold-backed ZiG (2024) and Nigeria’s eNaira (2022). CBDCs aim to increase financial inclusion, payment efficiency, and domestic competition, while also addressing cyber risks and interoperability challenges.

Regulatory frameworks are evolving to provide tailored licensing and clearer rules for fintech activities, supporting certainty for startups and investors. For instance, Nigeria, Mauritius, and Namibia are leading in crypto asset laws. The regulatory landscape will need further development to offer clear, reliable rules for different fintech activities. Without this, progress may be

slowed by weak protections, unclear environments, and slow decisions.

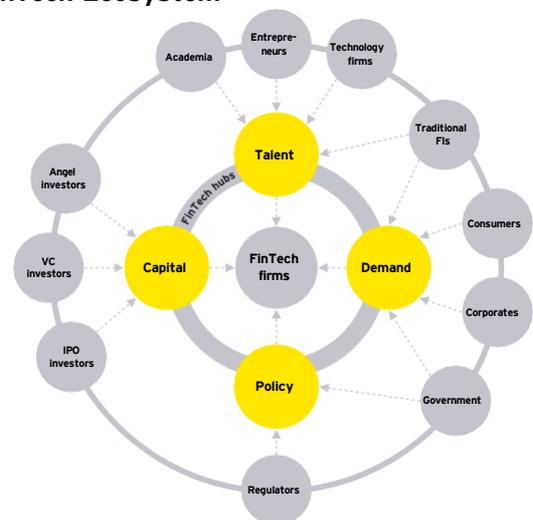
Artificial Intelligence (AI) in finance also needs attention, with issues like algorithmic bias, transparency, accountability, and cybersecurity. Regulators are preparing frameworks to balance innovation and risks.

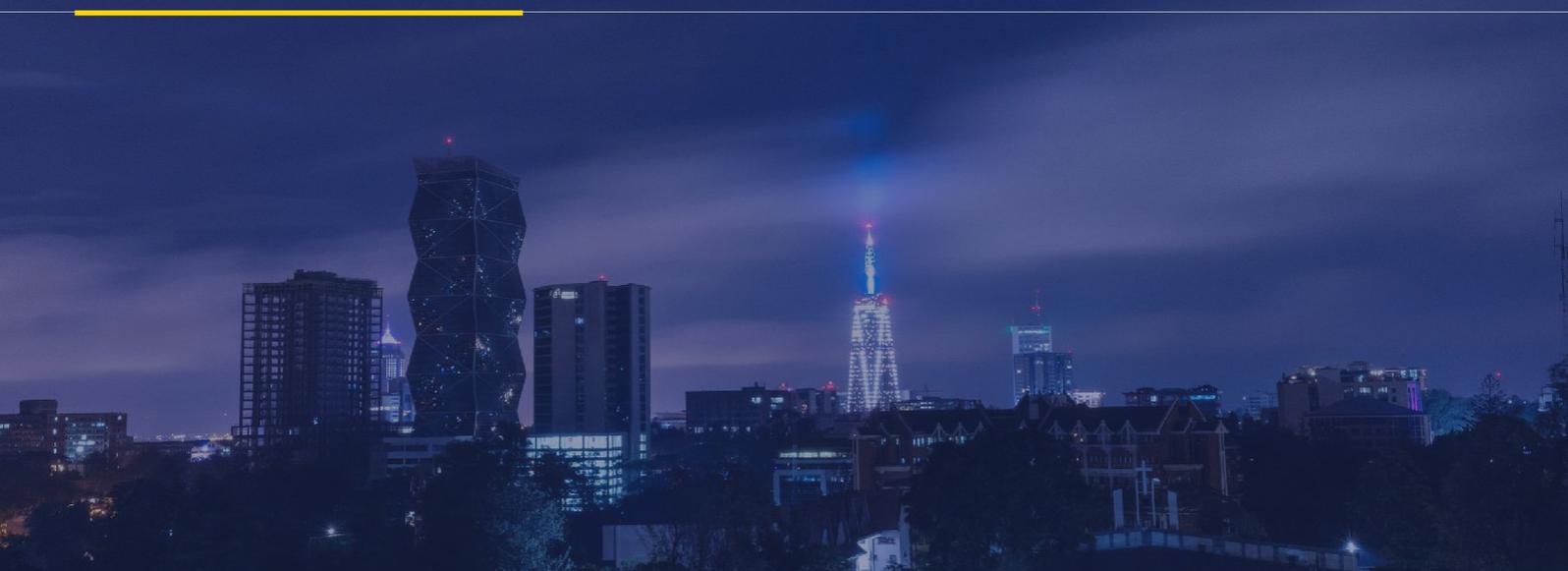
Data sovereignty is a growing priority, with regulations expected to mandate local data storage and tighter oversight of cross-border data flows, reflecting global trends and regional digital sovereignty concerns. The AfCFTA Digital Trade Protocol is expected to catalyze greater collaboration on cross-border fintech issues,

with initiatives like shared regulatory sandboxes and joint fintech hubs. Cybersecurity remains critical, with fintech companies expected to comply with

increasingly stringent resilience and consumer protection requirements. Finally, regulators also continue to promote open banking and open finance adoption to enhance inclusivity and broaden financial services access.

**The FinTech Ecosystem**





While the regulatory environment is an important signal to investors and fintech's to accelerate development and growth, regulation alone cannot unlock fintech's full potential. The private sector plays an equally important role in scaling innovation by helping access capital and expertise. Across the continent, incumbent banks and other financial service providers are recognizing opportunities to team up with early stage fintechs to deliver 'co-benefits.' Such partnerships can help incumbent financial services institutions and providers de-risk their own research and development (R&D) processes and gain visibility and insights into the most promising fintech solutions in their markets. Visa, through their Accelerator Program, is one such example of the private sector creating space to drive inclusive fintech innovation.

Visa is playing a transformative role in Africa's fintech ecosystem and offers a compelling example of how the private sector and incumbent financial services can catalyze growth. Visa made a bold commitment to invest US\$1 billion by 2027 to expand digital infrastructure and financial access across the continent.<sup>14</sup> A central pillar of this strategy is the Visa Accelerator Program in Africa, launched in 2023 to support early-stage startups (primarily those at Seed to Series A stages) by providing global payments expertise, Application Programming Interface (APIs), Software Development Kit (SDKs), innovation hubs such as the Nairobi Innovation Studio, and access to potential funding. The accelerator is intentionally pan-African in scope, with a conscious effort to include startups from North, East, South, and West Africa. As part of the program, Visa actively tracks gender inclusion, funding raised, and portfolio valuation to assess the broader socio-economic impact from each cohort.

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Africa's fintech journey is no longer just about potential—it's about progress. And Visa is proud to stand not only as a supporter, but as a co-creator of Africa's digital financial future. Through stronger ecosystem partnership across the public, private and academia sector, we can collectively drive financial inclusion.

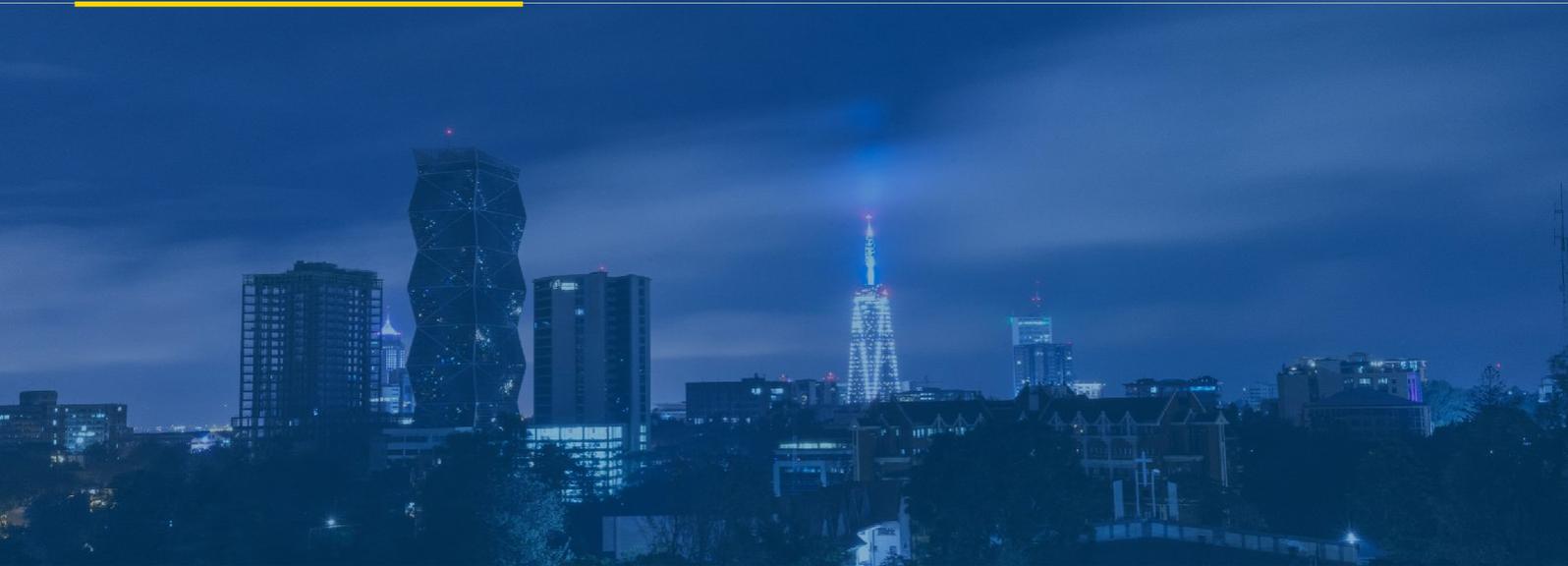
**James Ashton Smith**

Head of the Visa Accelerator Programme and Digital Partnerships and Ventures, CEMEA

**VISA**

<sup>14</sup> Visa (2022). Visa Pledges to Invest \$1 billion in Africa to Accelerate Digital Transformation.

Retrieved from: <https://investor.visa.com/news/news-details/2022/Visa-Pledges-to-Invest-1-billion-in-Africa-to-Accelerate-Digital-Transformation/default.aspx>



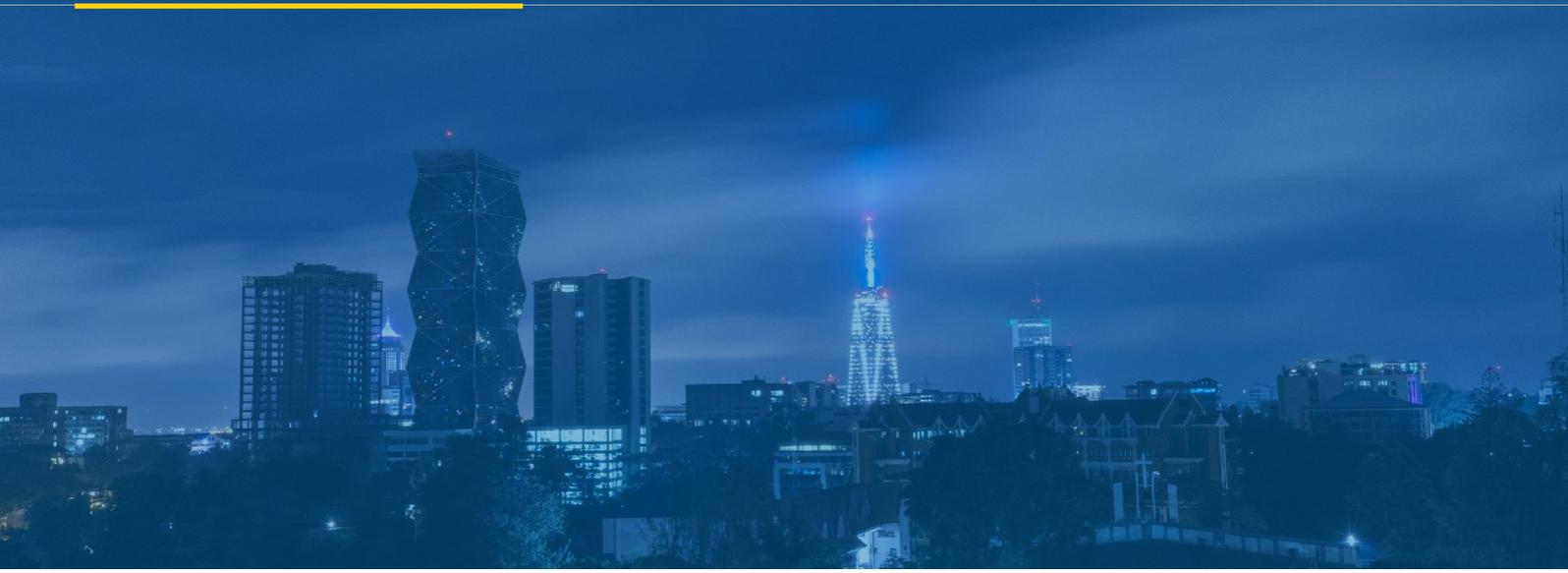
Now in its fourth cohort, the Visa Accelerator Program in Africa has received over 2,000 unique applications, which represents the majority of fintech's across Africa. Each year, two cohorts of 20-25 fintechs participate in a 12-week program that offers targeted support, mentorship, and ecosystem access.

Visa takes a differentiated approach to traditional acceleration models by embedding fintech's into its broader payments ecosystem. This includes strategic integration opportunities, real-world deployment, and collaborative product development. Alumni of the program have collectively raised over US\$90 million, including US\$22 million (Kredete) & US\$12 million (Chari) this September and October 2025 respectively. The combined portfolio valuation of these startups now exceeds US\$1 billion, and 64% of alumni include women in leadership roles, reflecting Visa's commitment to inclusive innovation.

The program fosters a strong network effect among participating fintechs, who often collaborate to launch new products and expand into new markets. Visa also facilitates connections with key ecosystem players, including regulators, central banks, investors, and innovation hubs. For example, during an Induction Week event in Kigali, Visa convened local and international stakeholders including the Kigali Central Bank, UNDP, and Norrsken House, to support dialogue and collaboration between supported fintechs.

From Cohort 4 onwards, Visa introduced a formal partnership structure to enhance ecosystem impact. Partners such as Bank of Africa, First Bank Nigeria, and Onafriq provide infrastructure, support networks, and market access. Visa also works with global players like a large cloud computing company for technical expertise and Plug and Play for program management of the accelerator.





As a leading global venture capital firm and innovation platform, Plug and Play brings deep experience in startup selection, acceleration, and ecosystem building. Their role within the Visa Accelerator Program in Africa includes identifying high-potential fintech's, managing the operational delivery of the 12-week program, ensuring alignment with global best practices in venture scaling, and investing in a percentage of the companies from each Cohort. Plug and Play's involvement helps maintain a high bar for quality, relevance, and strategic fit across participating startups, while also facilitating connections to a broader international network of investors and corporate partners.



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Our collaboration with Visa on the Africa Fintech Accelerator reflects a shared commitment to supporting diverse founders and scalable innovation across the continent. The depth of talent, the entrepreneurial energy, and the market need across the continent make this a compelling space for venture investment. We're proud to help shape the next wave of fintech growth in Africa.

**Michael Maylahn**  
 Plug and Play  
 Visa Accelerator Program Director



**PLUGANDPLAY**



EY, through the EY Ripples global corporate responsibility program, is an active participant in this ecosystem. EY people lend their knowledge, resources, and networks to support selected fintechs address key business challenges and pursue new growth opportunities. To do this, EY people, along with representatives from across the EY ecosystem of clients, provide capacity building workshops on effective engagement with regulators and collaboration with big banks and corporates. EY leaders also serve as mentors to participating fintech founders, providing guidance on team management, pricing strategies, and scaling operations. This collaboration reflects a shared commitment to building systems that are not only innovative, but inclusive, resilient, and ready for scale.

Visa is also engaging with emerging technologies that are shaping the future of financial services in Africa. These include cross-border payments powered by stablecoins and blockchain, virtual assets with partners like Yellow Card and HoneyCoin, and digital identity solutions through a new partnership with Tech5. Other technology areas of include embedded finance, AI-powered credit scoring, and agent networks for last-mile inclusion.

Looking ahead, Visa aims to evolve into an ecosystem orchestrator, fostering interoperability, shaping standards, and convening stakeholders around shared goals. The vision is not restricted to acceleration; it is about building systems that can scale sustainability across African markets.

It is evident that Africa's fintech journey will be defined by its ability to foster ecosystems that are collaborative, adaptive, and deeply rooted in the continent's development goals. The path to becoming a global fintech leader will require coordinated action, between regulators, corporates, innovators, and institutions each playing their part in building a future where financial services are accessible, inclusive, and transformative.

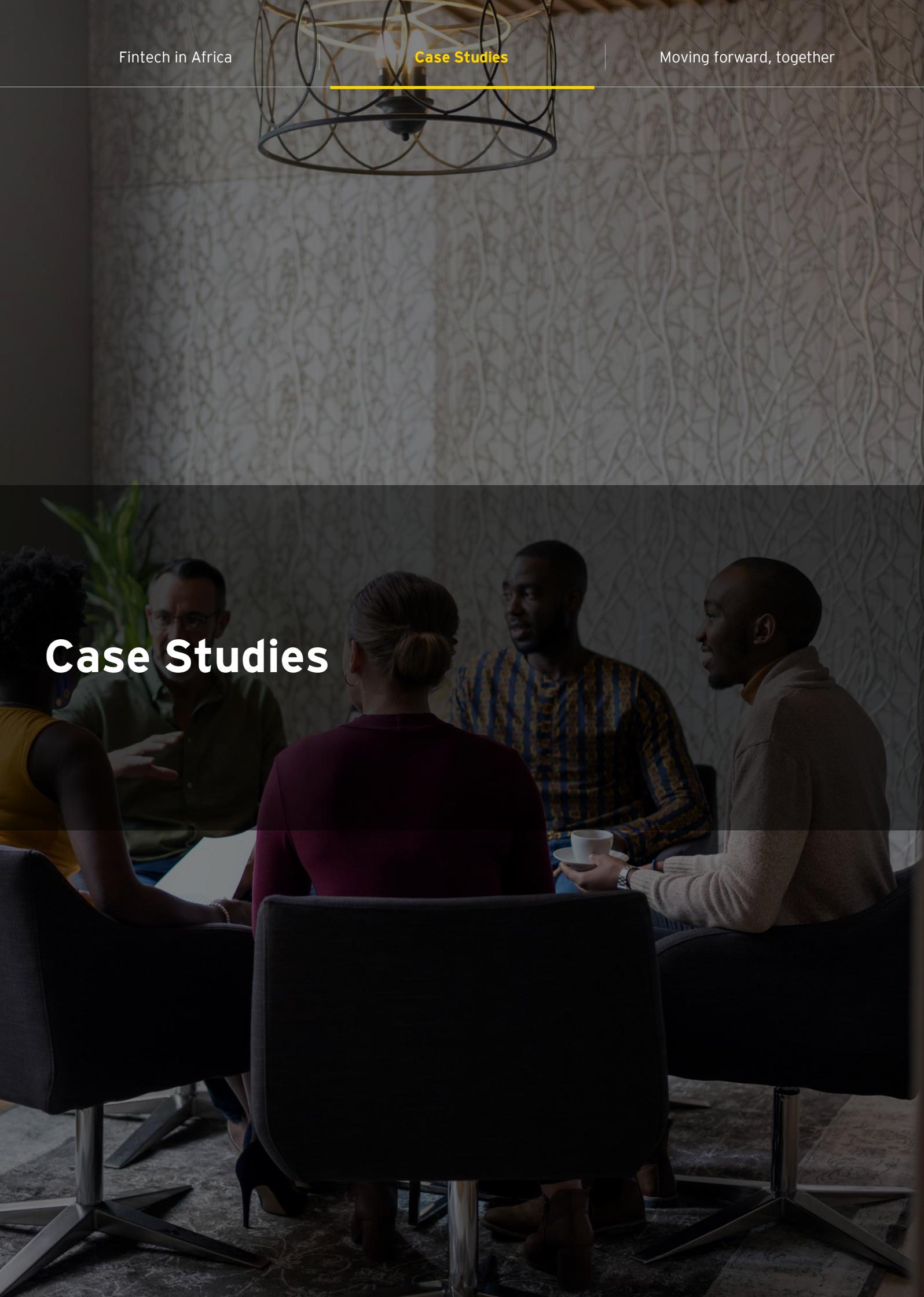
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Through EY Ripples, our people actively support fintech founders across Africa, sharing knowledge, building capacity, and fostering connections that help startups navigate regulatory landscapes, collaborate with major institutions, and scale with purpose. This is more than mentorship; it's a shared commitment to investing into the fintech ecosystem and economic growth on the continent.

**Jabulile Kubheka**

EY Africa Talent Leader and Ripples Sponsor





# Case Studies

# Case Studies – Kenya



Kenya's financial sector is a testament to the transformative power of collaborative ecosystems. With robust innovation, progressive regulation and broad financial access. Kenya has cultivated one of East Africa's most mature fintech landscapes. As of 2024, over 80% of Kenyan adults hold accounts with banks or other financial institutions.<sup>15</sup> Despite this, only 18.3% of Kenyans are considered financially healthy - able to consistently meet their financial obligations and future needs - underscoring the need for solutions that go beyond access to deliver true financial security.<sup>16</sup>

The traditional banking sector is dominated by nine major banks, such as KCB Bank, Equity Bank, and Co-operative Bank, which capture nearly 90% of the industry's profitability.<sup>17</sup> While these institutions contribute to financial stability, their significant market share presents opportunities for greater diversity and partnership. Fintech startups, supported by a forward-looking regulatory framework, are driving this shift.

Kenya's regulatory framework has evolved to foster fintech innovation while ensuring consumer protection and financial stability. The 2022 Digital Credit Providers Regulation introduced new standards for responsible lending and transparency. The Central Bank of Kenya oversees the financial sector under the National Payments System Act and has articulated a forward-looking vision through its National Payments Strategy, emphasizing the need for full interoperability across digital platforms to eliminate differential pricing between operators.

Regulatory innovation is further supported by the Capital Markets Authority's Regulatory Sandbox, launched in 2019, which enables fintechs to test innovative solutions under controlled conditions. Other key agencies—the Communication Authority, Insurance Regulatory Authority, Competition Authority, and Data Protection Commission—contribute to strong multi-stakeholder oversight and foster public trust by enforcing data privacy.

Nairobi, dubbed "Silicon Savannah," has benefited greatly from this regulatory support, helping position Kenya as an increasingly attractive hub for fintechs and supportive players, including investors. Nairobi hosts several prominent innovation hubs and accelerators, such as Visa's Nairobi Innovation Studio, iHub, Nailab, and Gearbox.<sup>18</sup> These hubs have been critical in nurturing early-stage fintechs and connecting them to global networks.

The transformative impact of fintech is exemplified by M-PESA, a mobile money platform launched in 2007 by telecommunications company Safaricom and the Commercial Bank of Africa.<sup>19</sup> M-PESA revolutionized person-to-person (P2P) payments by enabling cash conversion, transfers, and merchant payments through a vast agent network.

15 World Bank. (2025). The Global Findex 2025. Retrieved from: <https://www.worldbank.org/en/publication/globalfindex>

16 AFI Global (2024). Financial inclusion at record high in Kenya, Central Bank survey reveals. Retrieved from: <https://www.afi-global.org/old/newsroom/news/financial-inclusion-at-record-high-in-kenya-central-bank-survey-reveals/>

17 Omondi, D. (2025). Nine big banks increase their profit share to nearly 90pc. Retrieved from: <https://www.businessdailyafrica.com/bd/corporate/companies/nine-big-banks-increase-their-profit-share-to-nearly-90pc-5150158#:~:text=The%202024%20Banking%20Supervision%20Report,earnings%20in%20the%20review%20period>

18 ACET (2025). Macroeconomic Policies Supporting Startups in Africa: A Case Study of Kenya. Retrieved from: <https://acetforafrica.org/research-and-analysis/reports-studies/reports/macroeconomic-policies-supporting-start-ups-in-africa-a-case-study-of-kenya/>

19 Ndung'u, N. (2017). M-PESA: A success story of digital financial inclusion. Retrieved from: <https://www.bsg.ox.ac.uk/sites/default/files/2018-06/2017-07-M-Pesa-Practitioners-Insight.pdf>



M-PESA's success was enabled by a supportive regulatory environment, including the formal recognition of electronic units as money in the 2006 Communications Law and establishment of a trust account under the Central Bank of Kenya's regulatory oversight. Today, M-PESA processes over 61 million transactions daily and serves more than 50 million active users.<sup>20</sup> Competitors such as Airtel Money and Telkom's T-Kash have also gained traction, contributing to a vibrant mobile payments ecosystem.

Beyond mobile money, dozens of startups offer a range of other services in the fintech sector, including peer-to-peer transfers and lending, digital banking, remittances, and insurance.

Despite notable strengths, Kenya's fintech ecosystem faces challenges. Market competition is intense—especially in mobile payments and digital lending—resulting in saturation and limited differentiation among providers. Funding access remains uneven, with early-stage startups struggling to attract investment compared to established players. Equity funding for fintech declined from over 40% of the total investment in previous years to a modest 13% in 2024, corresponding with an overall drop in average deal sizes nationwide.<sup>21</sup> This downturn reflects shifting investor preferences and a global move towards sectors such as cleantech for portfolio diversification.

Regulatory fragmentation and overlapping agency mandates are increasing compliance burdens while slowing innovation. Infrastructure gaps, particularly in rural areas, restrict digital service reach. The shortage of skilled talent in fields like data science, cybersecurity, and product development continues to constrain sector growth. Consumer trust presents another challenge, with privacy concerns and potential misuse of personal data impacting adoption rates.

To combat these challenges, Kenya is progressing open banking reforms, enhancing data privacy safeguards, and regulating emerging technologies such as blockchain and digital assets. The Virtual Asset Service Provider (VASP) Bill, enacted in October 2025, established a regulatory framework for cryptocurrencies, stablecoins, and blockchain-based tokens, setting the stage for increased fintech investment. The yet-to-be-enacted Startup Bill 2022, could further boost the sector with incentives such as tax relief, grants, incubation programs, and credit guarantees. Collectively, these efforts aim to build resilience and inclusivity, preparing Kenya's fintech sector to meet evolving financial and technological demands.

The below case studies underscore Kenya's strengths in attracting and supporting fintechs. By showcasing positive success stories, we aim to inspire both domestic and international players to participate in Kenya's drive for inclusive growth.

20 Vodafone (2022). M-Pesa - Africa's leading fintech platform - marks 15 years of transforming lives.

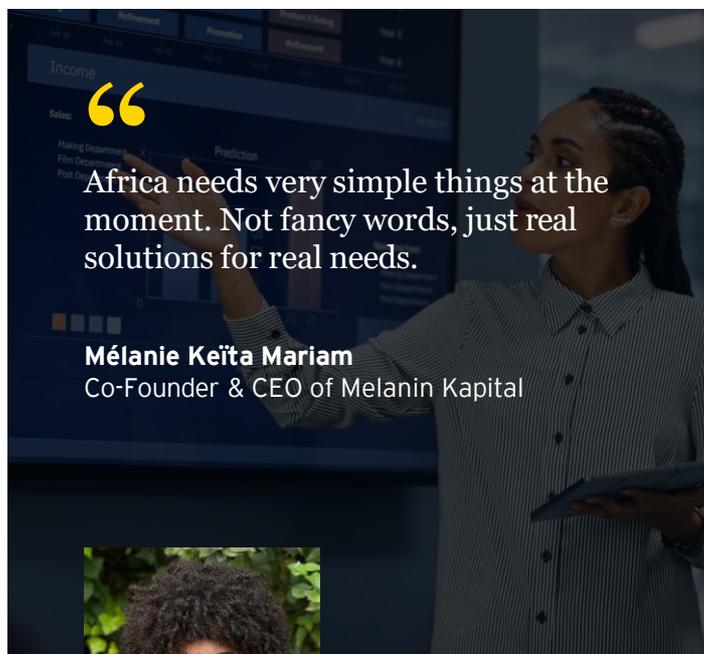
Retrieved from: <https://www.vodafone.com/news/empowering-people/mpesa-marks-15-years>

21 Malyshev, A. (2025). Fintech Kenya 2025: Landscape Overview, Growth Drivers, and Barriers.

Retrieved from: <https://sdk.finance/fintech-kenya-2025-landscape-overview-growth-drivers-and-barriers/>

## Case Studies – Kenya

# Melanin Kapital – Empowering SMEs through climate finance and innovation



“

Africa needs very simple things at the moment. Not fancy words, just real solutions for real needs.

**Mélanie Keïta Mariam**  
Co-Founder & CEO of Melanin Kapital



Melanin Kapital,<sup>22</sup> a Nairobi based fintech, is transforming access to finance for underserved Africa small and medium sized enterprises (SMEs). Founded in 2020, the company began its journey by digitizing lending workflows for banks, initially entering the textile sector and forming partnerships with Absa Bank, the African Guarantee Fund, and GIZ. However, it soon recognised the limitations of relying on traditional banks, encountering slow adoption rates and transactional inefficiencies.

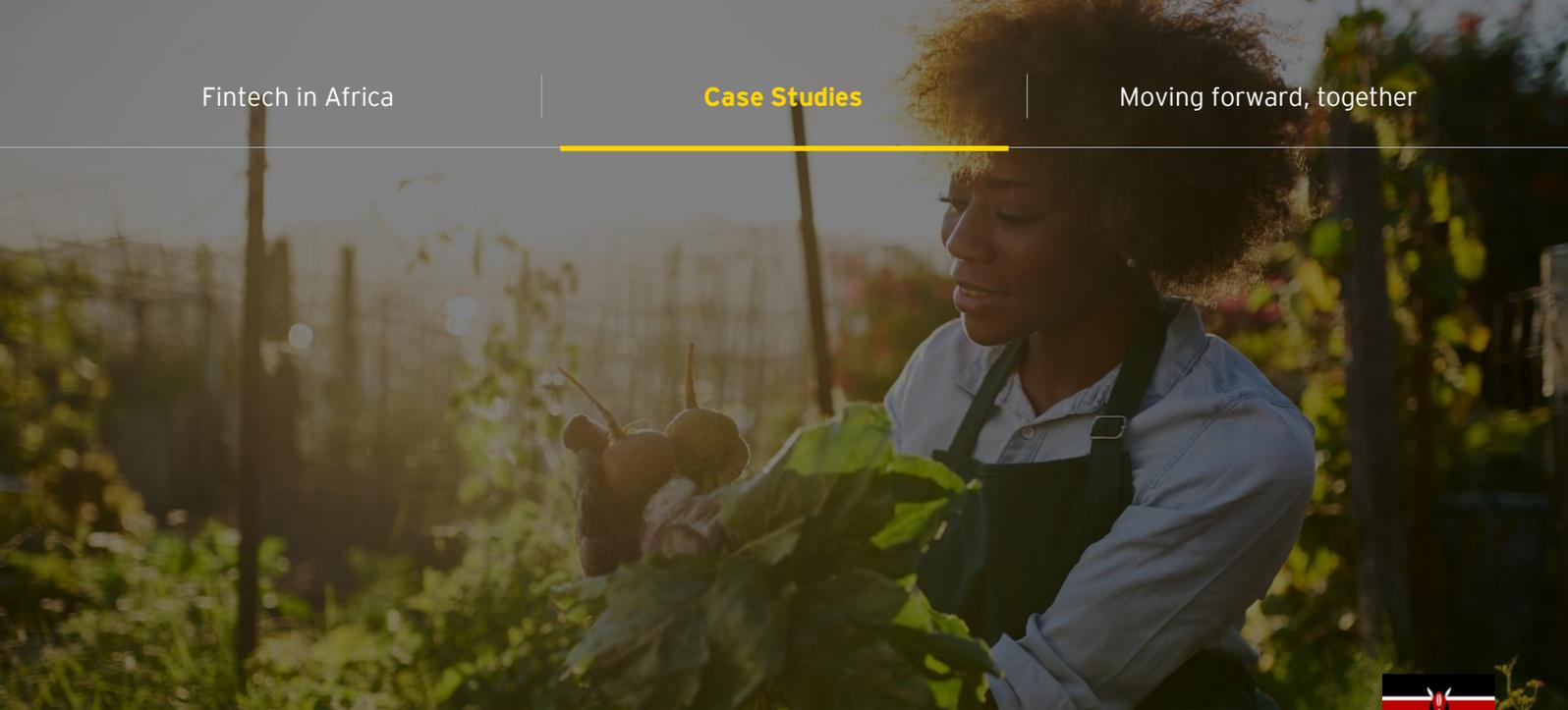
In response, Melanin Kapital undertook a strategic pivot in 2023, to become a direct digital lender, focusing on climate-smart agriculture. This innovation enables the company to offer low interest financing while generating a sustainable revenue stream. A pilot facility of €300,000 from GIZ has since grown to €1.5 million, supporting over 15,000 farmers in Kenya and Nigeria. The company is now achieving product market fit and preparing for its first certified carbon credit transactions with a leading technology provider.

The company's growth has been fueled by partnerships with development institutions – such as GIZ, the African Development Bank, and the African Guarantee Fund – encouraging banks' collaboration and providing access to affordable funding. Melanin Kapital has also secured strategic debt lines from banks such as Ecobank and is engaging corporates in the food and beverage sector for long term offtake agreements.

Keenly aware of a complex regulatory environment, Melanin Kapital invests in multi-stakeholder relationships, actively participates in industry regulatory sandboxes, and contributes to policy dialogues on tokenized carbon credits and virtual assets.

Participation in the Visa Accelerator Program has further enabled Melanin Kapital to leverage advanced payment infrastructure, exploring innovative solutions such as merchant specific cards and point of sale integrations.

<sup>22</sup> <https://www.melaninkapital.com/>



Operating under oversight from Kenya's Capital Markets Authority and Central Bank, the company leverages fintech association ties to support innovation and navigate regulatory evolution.

Focused on scaling impact, over the next three to five years, Melanin Kapital aims to double its loan book annually and targeting a portfolio of US\$15 million to achieve profitability. Top strategic priorities include securing long term carbon credit offtake agreements—with major corporates—including a leading technology provider and expanding operations across East, West, and Southern Africa. To support these ambitions, Melanin Kapital is shifting its fundraising approach from venture capital to strategic investors, seeking long term partnerships with banks and blockchain firms aligned with its expansion goals. This move is intended to reduce the distractions of frequent fundraising and foster more sustainable growth.

While acknowledging the successes of high-profile players such as Flutterwave and Paystack, Melanin Kapital recognises that fundamental infrastructure gaps, such as credit scoring, open banking, and cross border payments remain significant obstacles. The company believes that the future of African fintech lies in the development of simple, profit generating solutions that address genuine market needs, rather than overengineered products. The adoption of blockchain and open banking is seen as potentially transformative, but regulatory inertia must be overcome to realise their full potential.

## Case Studies – Kenya

# Sevi – Making credit accessible and affordable for micro-retailers



“

In this challenging investment environment, it's critical we can demonstrate a clear path to profitability, as well as the positive impact our affordable lines of credit have on shopkeeper livelihoods.

**Walter aan de Wiel**  
Founder of Sevi



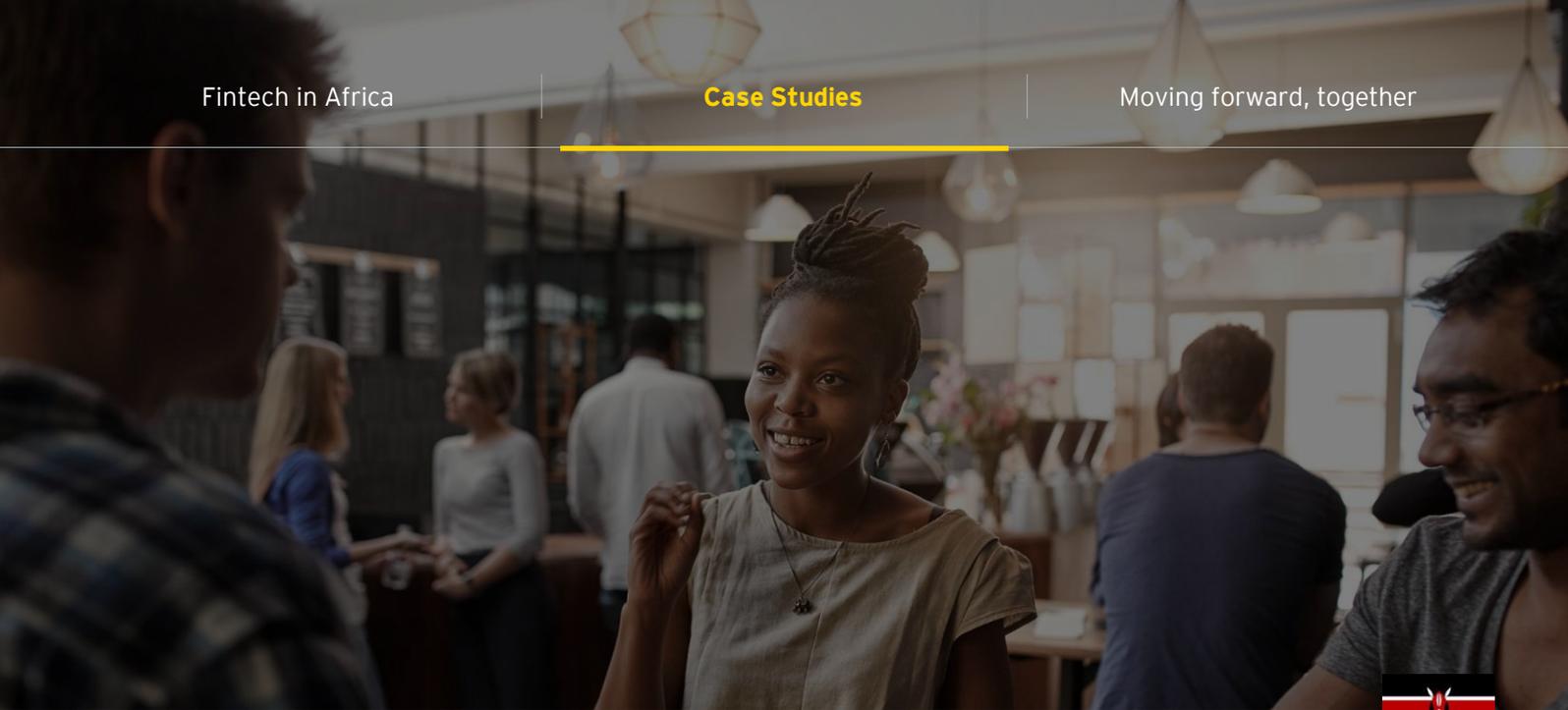
sevi

After launching in 2019 as a solution to digitize group lending schemes, Kenyan fintech Sevi<sup>23</sup> pivoted in 2021 and has found a sweet spot in localized stock financing. It serves as the intermediary platform providing short-term, low-interest loans for shopkeepers and micro-retailers to finance specific inventory purchase orders from their preferred distributors. This innovative approach ensures credit is used productively, fostering responsible borrowing and supporting business growth.

By embedding onboarding and know-your-customer (KYC) processes, Sevi has been able to rapidly scale its platform, now serving more than 6,000 retailers and disbursing over US\$1.2 million in credit each month with a default rate of just 1.5%.

Expanding from its origin in Nairobi to the rest of the country, Sevi has shifted its focus to larger local distributors, and has secured a partnership with Coca-Cola's distribution network, which has enabled more efficient and scalable retailer onboarding. Sevi empowers distributor sales representatives with its app, decentralizing the onboarding process and allowing new micro-retailers to access credit seamlessly as part of their regular procurement processes. Beyond its commercial partnerships, Sevi has also engaged with the broader fintech ecosystem by participating in the Visa Accelerator Program in Africa, where it sees the potential to engage with investors as well as leverage connected opportunities with global organizations like EY and a large cloud computing company.

<sup>23</sup> <https://www.sevi.io/>



Instead of resisting regulation, Sevi embraced it early, engaging legal expertise to ensure compliance ahead of the CBK's new Digital Credit Providers Regulation in 2022. Sevi became one of the first licensed digital credit providers just months after the regulation's introduction. This experience highlighted the importance of a unified industry voice; Sevi co-founded an association of licensed digital credit providers that successfully engaged regulators to clarify tax implications, demonstrating the power of collective advocacy.

Looking ahead, Sevi is poised for further expansion both within Kenya and across the broader East African region. The company's scalable, technology-driven model positions it well to address the persistent credit gap facing SMEs in markets with similar dynamics. The company aims to deepen integration with distributor networks, enhance data analytics, and explore partnerships to broaden its impact.

Sevi's management remains optimistic about East Africa's fintech prospects, citing the region's youthful population, growing digital adoption, and increasing openness to innovation as key growth drivers. At the same time, Sevi recognizes the importance of ongoing collaboration with regulators and industry bodies to foster a supportive environment for fintech innovation. The future of Sevi—and fintech in East Africa more broadly—will be shaped by the ability to balance rapid growth with responsible practices, ensuring that financial solutions remain inclusive, affordable, and aligned with the evolving needs of entrepreneurs across the region.

# Case Studies – Nigeria

Nigeria hosts one of Africa's largest financial systems and stands as a leading fintech hub on the continent. Its mature financial sector has helped the country evolve into one of Africa's most dynamic economies. Dominated by major banks such as Ecobank, Access Bank, First Bank, Zenith Bank, and United Bank for Africa, Nigeria benefits from a well-developed payments infrastructure and active capital markets. The regulatory environment is robust, involving multiple federal and state agencies including the Federal Ministry of Finance (FMoF), Central Bank of Nigeria (CBN), Securities and Exchange Commission (SEC), National Pension Commission (PenCom), and National Insurance Commission (NaiCom), overseeing a large and complex system of players. The Federal Government's vision is for Nigeria to have "the safest and fastest growing financial system amongst emerging markets," which rests on a sound institutional regulatory framework.<sup>24</sup>

Alongside South Africa and Kenya, Nigeria is recognized as a leading fintech destination, with significant financial inclusion gains in recent years. The launch of the global system for mobile communication in the early 2000s laid a strong foundation for fintech growth, further bolstered by the Nigeria Startup Act (Bill 32 of 2022), which provides a legal framework supporting the technology and digital landscape. Nigeria's regulatory approach emphasizes coordination among agencies to create a unified framework that advances innovation while ensuring consumer protection, financial stability, and digital inclusion. This is reflected in initiatives such as the SEC's Rules on Issuance, Offering Platforms and Custody of Digital Assets, and the CBN's Guidelines on Bank Accounts for Virtual Assets Service Providers.

Additional regulatory milestones include the 2021 Framework for Regulatory Sandbox Operations, the 2022 National Fintech Strategy alongside an updated National Financial Inclusion Strategy. The CBN also introduced frameworks for open banking—the Regulatory Framework for Open Banking (2021) and the Operational Guidelines for Open Banking (2023). In 2024, the Payment Terminal Service Aggregator (PTSA) Licensing was launched to enhance payment infrastructure with stricter integration standards. The 2025 Investments and Securities Act (ISA) provides clear rules for digital assets such as cryptocurrencies, NFTs, and tokenized securities, strengthening investor protections and enabling SEC licensing of Virtual Asset Service Providers (VASPs), aligning Nigeria with global best practices.

This enabling environment gave rise to foundational players like Interswitch, a leader in digital payments and card processing in Nigeria, and more recently PalmPay, which offers innovative financial inclusion solutions for customers without smartphone access.<sup>25</sup> Although device accessibility remains a challenge across Africa, the World Bank's Global Fintech Index reports significant growth in account ownership and digital transaction usage over the past decade, driven by greater mobile connectivity and device penetration. Despite continuing gaps in credit access and financial literacy, Nigeria's foundation for financial inclusion and inclusive growth is strong<sup>26</sup> and supported by a robust regulatory environment that allows fintech to thrive within the country's financial system. The following case studies illustrate how Nigeria's fintech ecosystem fosters inclusive growth by innovating in credit-building via remittances and mobile-first payment infrastructure.

<sup>24</sup> Lawack, V., Fintech Law and Regulation, An African Perspective (Juta, 2023).

<sup>25</sup> GSMA. (2025). The State of the Industry Report on Mobile Money 2025.

Retrieved from: [https://www.gsma.com/sotir/wp-content/uploads/2025/04/The-State-of-the-Industry-Report-2025\\_English.pdf](https://www.gsma.com/sotir/wp-content/uploads/2025/04/The-State-of-the-Industry-Report-2025_English.pdf)

<sup>26</sup> World Bank. (2025). The Global Findex 2025. Retrieved from: <https://www.worldbank.org/en/publication/globalindex>

## Case Studies – Nigeria

# Kredete – Helping African immigrants build credit through remittances

“

Those building the infrastructure layer for access, whether credit, payments, or real-time networks, will shape the future of fintech in Africa.

**Adeola Adedewe**  
Founder & CEO of Kredete



**kredete**

Founded in 2023, Kredete,<sup>27</sup> is tackling the challenge of credit invisibility for African immigrants. Inspired by founder Adeola Adedewe's personal experience of being rejected 17 times for a credit card in the US, due to being "credit invisible", Kredete enables users to build credit histories through remittance payments. The company's innovation is to treat the regular act of sending money home as a credit-building event, ensuring African immigrants are credit-visible from the outset of their financial journeys abroad. Kredete's philosophy is simple: just as rent payments can contribute to credit scores, so too should remittance transactions.

Kredete's infrastructure uses stablecoins to enable real-time, low-cost payments. Direct integrations with African

<sup>27</sup> <https://www.kredete.io/>

banks allow seamless transfers into mobile wallets and accounts. By eliminating liquidity management costs, Kredete offers a flat US\$1 fee per transaction, regardless of amount, ensuring affordability and full value delivery.

Participation in the Visa Accelerator Program provided access to product teams, compliance experts, and fundraising support. Kredete has grown to over 50 employees across Africa, the US, and Australia, and raised US\$2.25 million in seed funding (2024) and US\$22 million in Series A (2025), with strategic investors chosen for their deep regulatory and banking networks across Africa.

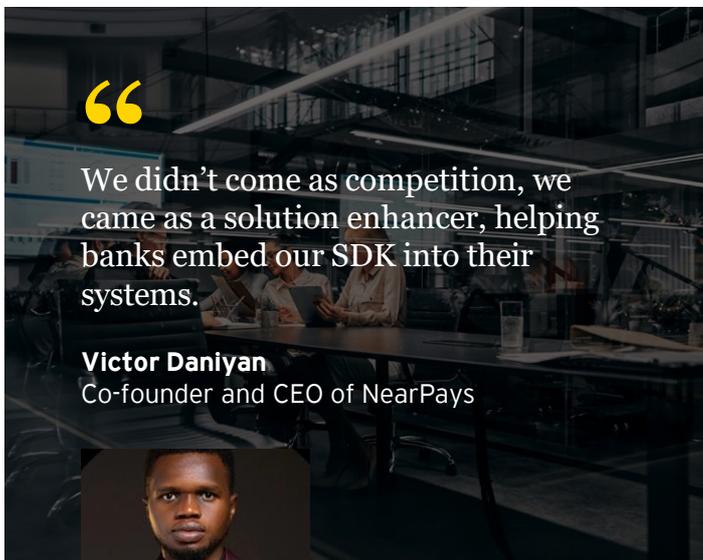
Kredete actively participates in policy development, providing feedback to regulators informed by its experience in African and US financial systems. The team has worked with central banks in 20 African countries, leveraging investor networks and local partnerships to clarify compliance frameworks. Despite this, navigating Africa's fragmented regulatory landscape remains challenging. Adeola calls for clearer, region-specific regulations to support fintech innovation and growth.

Looking ahead, Kredete's three- to five-year roadmap is ambitious. It plans to expand into markets including Canada, the UK, and Europe, while building B2B infrastructure to provide real-time, low-cost payment rails for traditional financial institutions. The vision is full pan-African coverage—scaling operations across all 54 African countries and positioning Kredete as the backbone for consumer and enterprise financial services. This infrastructure focus aims to accelerate digital transformation, making financial access faster, cheaper, and more reliable continent-wide.

Adeola's vision for African fintech is pragmatic and infrastructure-led. He advises founders to "build products people want and need," and stresses the importance of controlling core technologies to ensure agility and scalability.

## Case Studies – Nigeria

# NearPays – Powering Inclusive Payments



“

We didn't come as competition, we came as a solution enhancer, helping banks embed our SDK into their systems.

**Victor Daniyan**  
Co-founder and CEO of NearPays



 **nearpays**

NearPays,<sup>28</sup> founded in 2023, is a Nigerian fintech startup transforming digital payments across Africa. Its founding vision is to make financial services universally accessible, especially in regions with limited infrastructure. By digitizing point-of-sale terminals and enabling mobile-based contactless payments, NearPays eliminated the US\$150 hardware cost—bringing it down to US\$0. This innovation opened doors for merchants and consumers in underserved areas.

Recognizing Africa's connectivity challenges, NearPays developed offline transaction capabilities and integrated AI to support non-contactless cards, allowing users to scan and process payments without internet access.

<sup>28</sup> <https://www.nearpays.com/about-us>

These features reflect the company's commitment to rugged, low-data, locally tailored solutions.

In Nigeria, NearPays partnered with banks to enable offline account creation via Unstructured Supplementary Service Data (USSD) services, allowing users to open accounts without smartphones or internet. A standout example comes from Kaduna State, where NearPays helped farmers transition from risky cash-based transactions to secure digital payments. This initiative, replicated in other Nigerian states and Ghana, helped protect earnings and promote financial inclusion.

Strategic partnerships have fueled NearPays' growth. Through the Visa Accelerator Program in Africa, the company received mentorship, investor access, and product refinement. Victor Daniyan credits the program with helping NearPays “10X” its product vision and expand globally. The program also connected NearPays with CyberSource and other fintechs, enabling collaboration beyond West Africa.

Public sector engagement has been equally vital. In Rwanda, NearPays worked with the Ministry of ICT and Innovation and the Central Bank to support digital finance in rural communities. In Nigeria, the company collaborated with NITDA to co-develop the country's first contactless payment policy, demonstrating its proactive role in shaping regulation. NearPays designs adaptable products and partners with strong institutions to navigate evolving regulatory landscapes.

The company is now scaling across Africa, with active expansion into South Africa and Kenya, and plans to enter Europe and the US. Registered in the US, NearPays is preparing to localize its products for international markets. In response to Nigeria's 2026 tax bill, NearPays is launching an AI-driven product to automate tax filing for merchants, easing compliance and reducing administrative burdens.

NearPays sees fintech as the backbone of innovation across sectors—from agriculture to clean energy. Victor Daniyan urges founders to “learn, unlearn, and relearn,” and to build for their market.

# Case Studies – South Africa



South Africa's financial services sector is mature and sophisticated, anchored by well-established banks, strong capital markets, and a regulatory framework aligned with global standards. The sector is dominated by a handful of major banks, Standard Bank, FirstRand, Absa, Nedbank, and Capitec, which collectively account for over 85% of total banking assets. These institutions have demonstrated resilience in the face of economic headwinds, maintaining profitability and strong capital buffers despite challenges such as low GDP growth, inflationary pressures, and the lingering effects of the country's grey-listing by the Financial Action Task Force (FATF). However, increased operational costs, digital disruption, and evolving customer expectations are driving a pressing need for transformation, visible through the rise of digital banks, neo-banks, and fintech innovations.

Despite the maturity of the South African financial sector, financial inclusion remains a critical issue. As a country with the highest rate of inequality in the world, the South African population, and therefore its financial services customer base, is multidimensional:—rural and urban, culturally and linguistically diverse, and socioeconomically stratified.<sup>29</sup> While the wealthiest strata benefit from banking and other financial services comparable or superior to those in the most developed markets, the majority reside in a grey area between financial inclusion and exclusion. For example, while

81% of adults in South Africa have a bank account, it is estimated that only one in three banked adults use their account or make digital payments on a daily or weekly basis,<sup>30</sup> with many making only one transaction per month to withdraw in cash a full paycheck or social payment once it hits their account.<sup>31</sup> This suggests that many South Africans with bank accounts still operate in a primarily cash-based economy, cutting them off from deeper financial inclusion such as electronic payments and affordable credit.

This gap has been fertile ground for fintech growth, which has expanded from early mobile payments and remittances into digital lending, insurtech, wealthtech, regtech, and blockchain applications. Successful fintechs include TymeBank, a rapidly scaling digital-only bank targeting underserved communities; Yoco, offering point-of-sale and payment solutions to small businesses; and Stitch, improving payment infrastructure. The ecosystem benefits from innovation hubs like the University of Cape Town Financial Innovation Hub and LaunchLab in Stellenbosch. The newly launched Centre for African Fintech, Innovation, and Law at the University of the Western Cape is an important player in the ecosystem focused on how policy, law, and regulation have and can respond to fintech innovation across Africa.

<sup>29</sup> World Bank (2022). Inequality in Southern Africa: An Assessment of the Southern African Customs Union.

Retrieved from: <https://documents1.worldbank.org/curated/en/099125003072240961/pdf/P1649270b73f1f0b5093fb0e644d33bc6f1.pdf>

<sup>30</sup> World Bank (2022). South Africa: Financial Sector Assessment Program – Technical Note on Financial Inclusion.

Retrieved from: <https://documents1.worldbank.org/curated/en/09912500222218689/pdf/P1707070caa09c03a08feb09ebf52824b7a.pdf>

<sup>31</sup> South African Reserve Bank (2023). Payments Study Report 2023. Retrieved from: <https://www.resbank.co.za/content/dam/sarb/publications/media-releases/2024/payments/SARB%20Payments%20Study%20Report%202023%20Executive%20Summary.pdf>



South Africa's regulatory environment for fintech has evolved rapidly to keep pace with innovation. In 2020, led by the South African Reserve Bank (SARB) and the Financial Sector Conduct Authority (FSCA), formed the Intergovernmental Fintech Working Group (IFWG) Innovation Hub, was formed, operating a regulatory sandbox and guidance unit to facilitate engagement and alignment across emerging fintechs. Through the IFWG Innovation Hub, fintechs can engage directly and collaboratively with this consortium of regulators to discuss regulatory questions and requirements, minimizing the need to engage each regulator separately.

Additionally, both SARB and FSCA are advancing new regulations to clarify the fintech operating environment and enable responsible growth. As part of its Payments Ecosystem Modernization (PEM) strategy, SARB is allowing non-bank fintechs direct participation in the National Payment System (NPS) and refining the regulatory framework for payments providers. At FSCA, the anticipated enactment of the Conduct of Financial Institutions (COFI) Bill, aims to consolidate fragmented financial conduct laws into a unified framework. This will have significant implications for fintechs, particularly those operating in grey areas of the law.

Challenges remain despite progress. While sandbox collaboration between fintechs and financial regulators is strong, regulatory lag persists where updates have not always kept pace with responsible market innovations and sandbox-tested solutions.

Collaboration between incumbent banks and fast growing fintechs is nascent, with limited forums for meaningful exploration of new, mutually beneficial partnerships.

Furthermore, venture capital investment in South African fintech has plummeted from its high of US\$508.4 million in 2021 to only US\$260.5 million in 2024, pushing many promising fintechs to bootstrap or relocate, potentially stifling growth.<sup>32</sup> Talent shortages in advanced technologies and AI further challenge fintech competitiveness against larger, resource-rich players.

In this dynamic context, South African fintechs innovate to satisfy a diverse consumer base with more inclusive, accessible, and resilient financial services. The evolving relationships among fintechs, incumbent financial service providers, and regulators will be crucial in shaping South Africa's financial future towards sustainable growth.

The case studies below illustrate how new players reshape financial services through alternative cost-effective clearing and settlement platforms and banking and financial management tools.

<sup>32</sup> Retrieved from Tracxn dashboard. Data as of 13 October 2025.

## Case Studies – South Africa

# Open – Democratizing financial markets infrastructure



“

Financial infrastructure is social infrastructure.

**Tobie van der Spuy**  
Co-Founder & CEO of Open



Open Financial Market Infrastructure (Open),<sup>33</sup> formerly known as Block Markets Africa, was established in 2018 to provide cost efficient financial market infrastructure that truly meets the needs of Africa. Open has developed an alternative cost-effective clearing and settlement platform that empowers fintechs to provide full service, non-banking financial services independently of a banking partner using multi-issuer, interoperable Open Money. Historically, fintechs' reliance on banks has often been costly and limited their reach and impact. Through its blockchain-based infrastructure, Open aims to unlock access and efficiency for non-bank entities, democratizing the market and reducing costs and transaction times for consumers.

Unlike most blockchain initiatives, Open has led efforts to collaborate across private and public sectors to develop new market infrastructure as a first step toward a more democratic and competitively open financial services market. As Co-founder and CEO Tobie van der Spuy states, “You must first collaborate and then you can compete on the collaborated infrastructure.”

The idea of developing a smarter transaction platform not reliant on traditional clearance and settlement could be seen as threatening to core central bank functions. However, in 2021, it was the SARB that challenged Open to build a wholesale interbank settlement instrument not backed by central bank liability. Since then, Open has collaborated with the SARB and South African financial sector regulators in the IFWG Innovation Hub to develop more accessible transaction systems that support financial inclusion while maintaining legal protocols, adhering to regulatory standards, and protecting monetary sovereignty.

<sup>33</sup> <https://www.openfmi.network/>



Open has also partnered with the Fintech Association of South Africa (FINASA) and specifically its Payments Working Group (PWG) on these efforts, embracing collaboration to tackle innovative and transformative market opportunities.

Regarding financial inclusion, Open views market infrastructure as social infrastructure shaping dignity, access, and opportunity. By democratizing access to financial sector infrastructure, Open and fintechs on its platform reduce transaction speed and cost and develop new, context-relevant financial services accessible and affordable to all South Africans and across Africa.

Open's vision of inclusion extends beyond faster payments to the true democratization of value delivered by financial services, ensuring even those with minimal savings can diversify portfolios and invest in high-quality, long-term, high-yield assets like wealthier counterparts. A recent Bank for International Settlements (BIS) report suggests that a one-percentage-point increase in digital payments correlates with a 0.10 percentage point increase in GDP per capita growth over two years.

Open aims to round out its robust offerings with cards directly attached to wallets. From there, Open is keen to see the continued collaboration of fintechs on its platform enhancing their existing offerings of cross-border remittances, lending frameworks, savings products, insurance, and investment vehicles. This is how Open sees its role in creating the ecosystem infrastructure that helps build microcosms of fintechs and small businesses that operate in a community, that understand the problems of their constituents and dedicate the time and energy to come up with proper solutions designed to meet the needs of those constituents.

As regulatory engagement deepens and public-private collaborations grow, Open is part of a movement to empower Africa's fintech industry, where scalable, interoperable solutions are essential for meeting diverse community needs and fostering sustainable economic development.

## Case Studies – South Africa

# Zazu – Building a Pan-African SME Neobank



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Africa doesn't need more fragmented fintech solutions. The next decade will belong to those providing a platform that brings financial tools together, helping SMEs grow, trade, and scale with confidence.

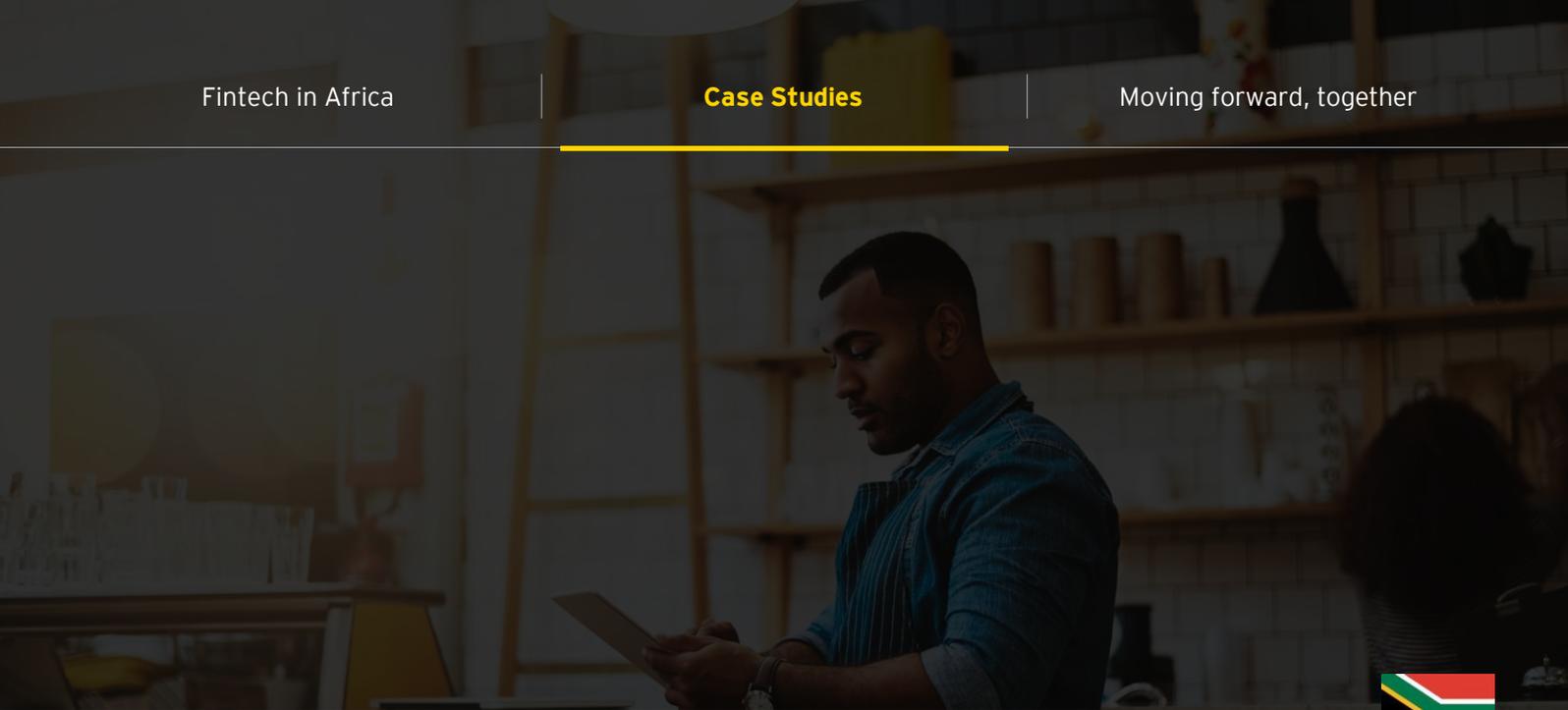
**Rinse Jacobs**  
Co-Founder & CEO of Zazu



Zazu,<sup>34</sup> founded in May 2024, is positioning itself as an emerging leader in the SME digital banking space. Co-founder and CEO Rinse Jacobs, who previously led commercial operations at German fintech Solaris, scaled that fintech from zero to over \$100 million in annual revenue. Drawing on this success, Jacobs and his team identified a significant gap in the African market. While digital banks like Tide, Qonto, and Novo have redefined SME banking in mature markets, Africa still lacks its category leader, even though 60% of the continent's 150 million SMEs being unbanked or underbanked.

Globally, the most successful SME banks are not simply modified consumer banks, they are ecosystem-led platforms that integrate embedded finance solutions such as payroll, cash flow management, and lending. Zazu aims to lead this rebundling wave to Africa—uniting fragmented financial tools into one seamless platform for SMEs. Uplifting the current fintech ecosystem from unbundled and specialized solutions to a partnership-driven ecosystem. The platform is designed around the realities of African entrepreneurship, offering a business bank account for freelancers and newly incorporated SMEs, and scaling up to support businesses with up to 50 full-time employees. These SMEs are often underserved by traditional banks, which struggle to profitably serve them and fail to offer tailored financial tools such as personalized insights, delegated card access, and multi-user financial management.

<sup>34</sup> <https://www.get-zazu.com/>



The founding team chose South Africa as it's proving ground, advanced enough to validate scale, but complex enough to test resilience before expanding across the continent. The team looked at three key reasons. First, the country offers a progressive and stable regulatory environment, particularly through the SARB's Fintech Unit, which has shown openness to innovation and dialogue. Zazu is not yet licensed but has proactively engaged with SARB, contributing insights from European markets and helping shape emerging frameworks for financial innovation. Second, South Africa has a tech-savvy SME sector, with founders more likely to adopt digital solutions. Third, the country sees the creation of over 400,000 SMEs annually, a figure that aligns with South Africa's National Development Plan to bolster entrepreneurship and digital inclusion.

Despite these advantages, Zazu has faced several challenges. Talent acquisition is difficult, especially in a market where youth unemployment is high and many prefer the stability of established employers over startup risk. Local suppliers, such as core banking providers, often lack startup-friendly pricing models, treating fintechs like traditional banks despite their limited resources. Additionally, regulatory fragmentation across African countries poses a barrier to pan-African expansion, unlike the more harmonized European market.

The company's vision is to become the leading pan-African SME neobank, enabling cross-border collaboration and unlocking efficiencies for SMEs. For example, enabling a South African retailer to instantly pay an Egyptian graphic designer, and facilitating payments, compliance, and documentation through the platform. This networked approach contrasts with traditional pan-African banks, which often treat each market in isolation, missing opportunities for synergy and shared infrastructure.

Participation in the Visa Accelerator Program has been instrumental. Zazu joined not only for strategic alignment including future Visa card issuance, but also for the credibility boost with investors. The program has provided access to C-level executives and consulting partners, including EY, and has helped Zazu refine its go-to-market strategy.

Looking ahead, Zazu sees opportunities to foster deeper collaboration mindset among fintechs, which is currently limited in Africa. The company aims to integrate fragmented financial services into a unified platform for SMEs, reducing the complexity of managing multiple providers. Zazu scales through precision with small, highly skilled teams, inspired by lean tech models like Telegram and 37Signals. This approach allows the company to deliver high-impact solutions without the overhead of large, traditional organizations.

Zazu isn't just building a neobank—it's building the financial backbone of Africa's next generation of entrepreneurs.

# Moving forward, together



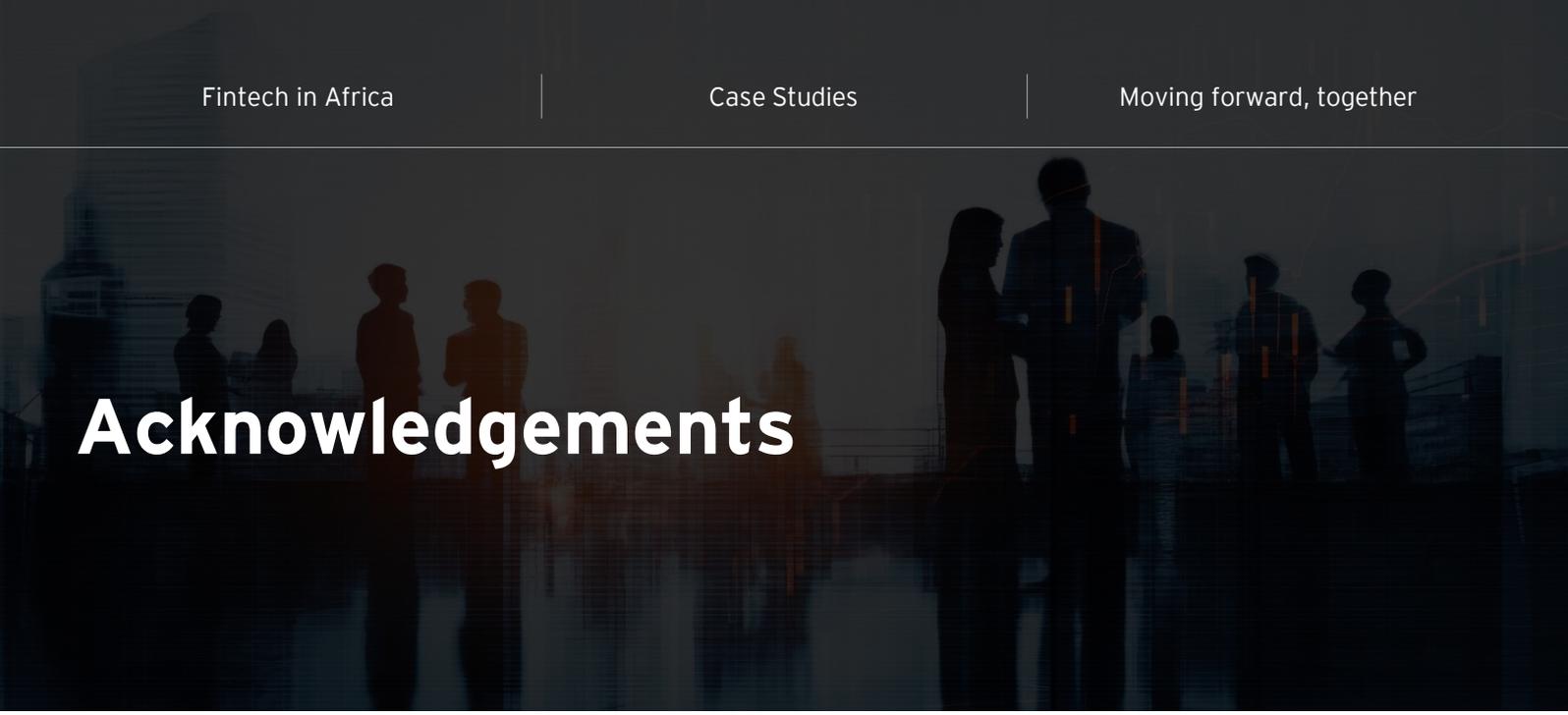
# Moving forward, together

The case studies showcased above are important success stories highlighting the opportunity that fintechs offer with the right support and ecosystem in place. Fintechs throughout Sub-Saharan Africa continue to show resilience amid a challenging investment landscape, scaling innovative solutions that promote greater financial inclusion across the continent. From the emergence of open, blockchain-based market infrastructures to the diverse applications of digital payment platforms and financial products adapted for Africa's often rugged environments, fintechs are making significant contributions to improving the livelihoods of individuals and small business owners as well as driving economic growth and GDP.

Nevertheless, significant challenges persist within Africa's fintech ecosystem. While these challenges are not unique to fintech or the African region, investment in African fintechs has declined since 2023. Paradoxically, despite this downturn, venture capital and private equity firms focused on African startups maintain strong interest, as shown by a sizeable pool of pledged but undeployed capital among African-focused investors. Regulatory complexity at both country and continental levels remains a major hurdle, with uncertainty deterring local players and diminishing confidence among local, regional, and international financiers. Furthermore, the variation in regulatory regimes across Africa complicates fintech expansion and service coordination. Enhanced regional and continental regulatory harmonization, mutual recognition, and passporting would improve operational efficiency, accelerate fintech growth, and demonstrate market support for these companies.

In this context, the power of doing more together could not be clearer. By aligning the strengths of policymakers, regulators, incumbent institutions, and agile fintech innovators, collaborative fintech ecosystems can help startups unlock investment and access the unused capital held by African-focused venture capitalists. This collective effort can fuel a more sustainable, inclusive, and resilient financial future for Africa.





# Acknowledgements

If you would like to learn more about the Visa Accelerator Program in Africa, please go to:  
[https://africa.visa.com/en\\_MW/visa-everywhere/innovation/visa-accelerator.html](https://africa.visa.com/en_MW/visa-everywhere/innovation/visa-accelerator.html)

To learn more about EY Ripples and how EY collaborates with clients and ecosystem partners on a not-for-profit basis to scale social impact, please go to:  
[https://www.ey.com/en\\_gl/about-us/corporate-responsibility/social-impact-collaboration](https://www.ey.com/en_gl/about-us/corporate-responsibility/social-impact-collaboration)

## Authors

**Marius Van Den Berg**  
 EY Africa Financial  
 Services Industry Leader

**Robert J Nyamu**  
 EY East Africa  
 Consulting Leader

**Professor Vivienne Lawack**  
 Professor of Fintech law and  
 regulation at the University of  
 Western Cape, South Africa

**Charlotte Weston**  
 EY Global Public Policy  
 Sustainability, Clients  
 and Markets Leader

**James Robertson**  
 EY Studio+  
 East Africa Lead

**Nina Emordi**  
 EY Global Regulatory  
 Network, Financial Services  
 Regulatory & Policy Affairs

## Contributors

**Gillian Hinde**  
 EY Global Corporate  
 Responsibility Leader

**Andrew Hobbs**  
 EY Global Public Policy,  
 EMEA Leader

**Sara Holloway**  
 EY Global Corporate  
 Responsibility

**Alyona Seth**  
 EY Global Corporate  
 Responsibility

**Cody Portin**  
 EY International  
 Development Finance

**Dayle Drennan**  
 EY South Africa  
 Sustainability and  
 Public Policy

**Duane Newman**  
 EY Africa Climate Change  
 and Sustainability  
 Services Leader

**Ellie Vaughan**  
 EY Global Public  
 Policy, Sustainability  
 and Business  
 Engagement

# Glossary

Key Terms	Definition
Agent Networks	Local representatives or outlets that provide financial services on behalf of banks or fintechs, especially in remote areas.
Algorithmic Bias	Systematic errors in AI decision-making due to flawed data or design, leading to unfair outcomes.
Application Programming Interfaces (APIs)	Application Programming Interfaces allow software systems to communicate and share data or functionality.
Blockchain-based Assets	Digital assets recorded and transferred using blockchain technology for transparency and security.
Carbon Markets	Trading systems where carbon emission allowances or credits are bought and sold.
Central Bank Digital Currency (CBDC)	A digital form of a country's fiat currency issued and regulated by its central bank.
Clearing and Settlement	Financial processes that finalize transactions by transferring funds and updating records between parties.
Data Sovereignty	The concept that data is subject to the laws and governance of the country where it is collected.
Digital Payments	Transactions conducted electronically using cards, mobile apps, or online platforms.
Digital Identity	A digital representation of a person's identity used to verify and authenticate access to services.
Embedded Finance	Integration of financial services into non-financial platforms or products, such as lending within e-commerce apps.
Financial Inclusion	Ensuring individuals and businesses have access to useful and affordable financial products and services.
Fintech	Fintech, or financial technology, refers to the integration of technology into financial services to improve and automate the delivery and use of financial products.
Innovation Hubs	Collaborative spaces that support startups and entrepreneurs through resources, mentorship, and networking.
Interoperability	The ability of different systems, platforms, or institutions to work together and exchange information seamlessly.
Mobile Money	Financial services offered via mobile phones, enabling transactions without a bank account.
Neobank	A digital-only bank that operates without physical branches, offering financial services via mobile or web platforms.
Online Banking	Accessing banking services via the internet, including transfers, payments, and account management.

# Glossary

Key Terms	Definition
Open Banking	A system where banks share customer data with third parties through APIs to foster innovation.
Remittances	Money sent by individuals working abroad to family or others in their home country.
Robo-Advisors	Automated platforms that provide financial advice or investment management using algorithms.
Sandboxes	Controlled environments for testing financial innovations under regulatory oversight.
Series A Funding	The first round of venture capital financing for a startup after seed funding, used to scale operations.
Software Development Kits (SDKs)	Software Development Kits are tools and libraries that help developers build applications for specific platforms or services.
Stablecoin	A cryptocurrency pegged to a stable asset like fiat currency to reduce volatility.
Tokenization	The process of converting rights to an asset into a digital token on a blockchain.
Unstructured Supplementary Service Data (USSD)	A communication protocol used by mobile phones to interact with service providers without internet access.
Virtual Assets	Digital representations of value that can be traded or used for payment, including cryptocurrencies and tokens.
Wallets	Digital tools or apps that store payment information and facilitate electronic transactions.

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