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# Beyond Payments: Unlocking Africa's Second FinTech Wave

From Transactional Inclusion to Scalable Financial Depth

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## Africa's FinTech Momentum Is Real

Africa has emerged as the fastest-growing FinTech market globally. By 2030, revenues are projected to expand roughly 13x to approximately \$65 billion (the highest growth multiple of any region). This expansion reflects structural change in how financial services are delivered and consumed across the continent.

**Figure 1:** Projected FinTech revenue growth by region (2021–2030)

Payments have been the clear engine of this growth. More than half of African FinTech firms operate in payments and lending, and over 60% of equity funding has flowed into these segments. Africa now accounts for roughly 74% of global mobile money transaction volume, reflecting both innovation and structural necessity.

**Figure 2:** Distribution of African FinTech activity by product

The first wave of African FinTech was defined by consumer-facing payment platforms that scaled rapidly across underserved markets. M-Pesa and MTN MoMo demonstrated the power of mobile wallets at national and regional scale, while fintech challengers such as Wave in West Africa, PalmPay and OPay in Nigeria, and Chipper across multiple markets expanded access by lowering costs and embedding digital payments into everyday transactions. Together, these platforms proved that consumer payments could scale at speed and reach mass adoption.

## Inclusion Has Expanded but Adoption Models Diverge and Financial Depth Remains Limited

With 40% of adults in in Sub-Saharan Africa using mobile money, Africa now accounts for 74% of global mobile transaction volumes globally. Simplified onboarding, agent networks, and digital KYC have brought millions into the formal financial system for the first time.

**Figure 3:** Mobile money usage by regions in Africa

However, adoption has not followed a single path. The continent exhibits structurally different market models. In parts of East Africa, telco-led ecosystems achieved very high mobile money penetration, with multi-segment usage spanning C2C, merchant payments, and increasingly C2G transactions. In other markets, bank-led models have produced lower mobile money penetration

and usage concentrated primarily in person-to-person transfers. Several markets remain at an early stage, with limited mobile banking integration and narrow use cases.

These divergent models have created uneven levels of ecosystem maturity. Even in advanced mobile money markets such as Ghana, Kenya, and Uganda, formal credit penetration remains shallow, and a significant share of borrowing (>50%) continues through semi-formal or informal channels based on World Bank data. Africa has achieved transactional inclusion through distinct structural pathways. Yet across models, depth remains constrained.

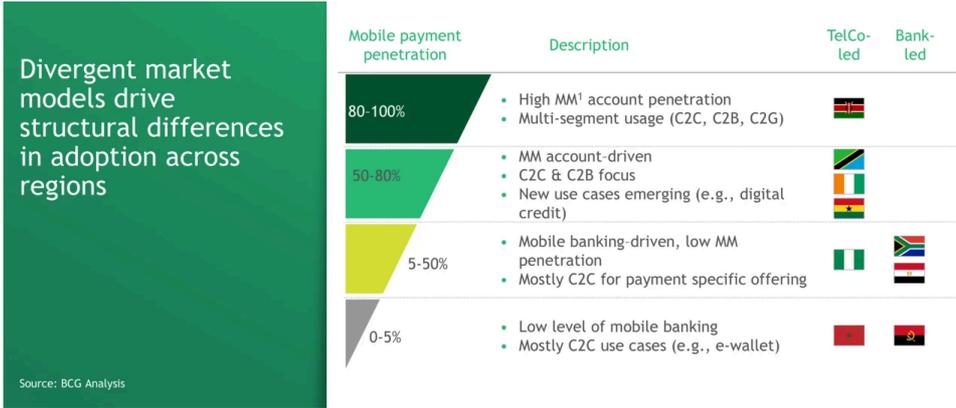


Figure 4: Mobile money market models across Africa

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# The Next Phase Requires Moving Beyond Peer to Peer (P2P) Scale

Africa's first wave built robust domestic rails. The second must make those rails economically productive. Ubiquitous mobile money platforms, real-time switches such as the Nigeria Inter-Bank Settlement System Instant Payment (NIP) and Kenya's PESALink Instant Payment Service, and dense agent networks have enabled strong P2P adoption across multiple markets. These foundations are meaningful and durable; the task now is to make them productive — extending beyond consumer payments to B2B and public-sector flows, and building credit markets anchored in risk-based lending.

Incremental P2P growth alone will not materially shift productivity or credit access. The next stage requires deeper digitization of B2B flows, broader merchant integration, and embedding financial services directly into value chains. Domestic transaction scale must translate into business scale.

Cross-border ambition is also rising. Initiatives such as PAPSS signal intent to support AfCFTA integration, yet high FX spreads, fragmented compliance regimes, and limited real-time interoperability continue to constrain seamless flows. Trade remains more costly and less fluid than infrastructure ambitions suggest.

Monetization is likewise shifting beyond payments. Large transaction datasets, expanding digital ID programs, and emerging alternative lenders provide the raw material for scalable credit. However, weak credit bureaus, thin-file SMEs, and high capital costs continue to limit risk-based lending at scale.

**Figure 5:** Three structural shifts shaping Africa's second FinTech wave: domestic deepening, cross-border integration, and expansion beyond payments

## Five Institutional Priorities to Turn Payment Scale to Financial Depth

Africa's second FinTech wave will require deliberate institutional action to strengthen and align existing foundations:

- First, digital public infrastructure must be fully interoperable. Wallet–bank–switch integration, universal digital ID, and standardized APIs should be treated as core economic infrastructure,

not optional enhancements. Fragmentation raises cost-to-scale and limits competition.

- Second, transaction data must become credit infrastructure. Secure data-sharing frameworks, AI-enabled underwriting, and emerging open banking reforms (e.g. in Nigeria and Kenya) can expand data portability and competition. Without stronger data rails, scalable SME lending and risk-based pricing will remain constrained.
- Third, regulatory clarity must replace fragmentation. Proportional licensing, consistent KYC standards, and predictable supervision reduce uncertainty and lower risk for investors and operators alike.
- Fourth, trust and resilience must scale with adoption. Consumer protection, fraud controls, and cybersecurity talent/capabilities are prerequisites for sustained ecosystem growth.
- Finally, capital depth must expand beyond early-stage funding. Growth-stage and local-currency capital will determine whether FinTech ecosystems mature sustainably or stall prematurely.

**Figure 6:** Five structural enablers required to translate transaction scale into financial depth

## Regulatory Design Ultimately Shapes Market Outcomes

Global benchmarks make clear that scale follows regulatory design, demanding proactive, clear, and intentional action from regulators and governments.

Brazil's PIX illustrates the power of infrastructure-led coordination. The Central Bank built and operates the instant payment system, mandated interoperability across banks and FinTechs, and ensured low-cost transfers. Adoption surpassed 140 million users within three years.

India's UPI reflects a different but equally deliberate model. Public rails under RBI oversight combined with open API access enabled FinTechs and platforms to compete at the interface layer. Adoption now exceeds 300 million users and has catalyzed broad ecosystem expansion.

Africa today reflects elements of each. Rwanda has advanced coordinated digital public infrastructure and a forward-looking regulatory posture. Kenya enabled market-led innovation first, with interoperability evolving subsequently. Nigeria has built strong domestic rails while refining FinTech regulatory clarity.

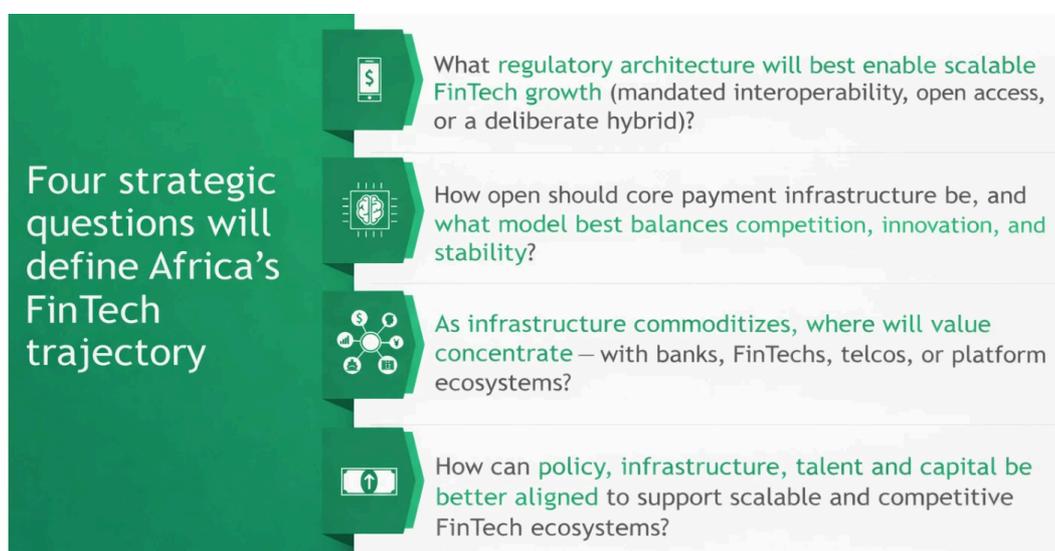
**Figure 7:** Regulatory archetypes driving FinTech scale: Brazil’s PIX, India’s UPI, and Africa’s emerging hybrid

Across much of the continent, central banks increasingly shape core rails, while FinTechs dominate customer experience. The emerging model is hybrid. What remains unresolved is the long-term architecture for access, competition, and scale.

## The Strategic Questions Now Facing Africa’s Leaders

The next decade will be shaped less by start-up velocity and more by institutional choice. Africa has demonstrated its capacity to innovate and scale digital payments at speed. What remains uncertain is the long-term architecture that will govern access, competition, and integration across markets.

The four questions that follow will determine whether Africa’s financial ecosystem evolves toward coordinated scale or embeds fragmentation:



**Figure 8:** Four strategic choices that will determine Africa’s financial architecture

Regulators and policymakers therefore hold the decisive levers. The opportunity is not simply to expand FinTech penetration, but to design a financial system capable of sustaining inclusive growth

at scale. Africa has already built the rails. The strategic task now is to ensure those rails lead to depth.

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