# AFRICA FINTECH OVERVIEW

## PUBLIC MARKETS

**The Imara African Opportunities Fund, investing in listed fintech and payment companies, is up 5.4% in January.**

In our last report I noted that the set-up in African listed equities is the **best I have seen in my 21 years** of investing on the continent:

- Company earnings are **strong**,
- valuation multiples are still **attractive**, and
- macro data is solid, with improved policy and FX reserves at **all-time highs**.

Over and above this, a key source of optimism for sustained appreciation in local stock markets is structural improvements in liquidity. Low liquidity has been a source of volatility and an enduring concern for foreign investors. The major cause of this has been the low participation of domestic institutional funds, which serve as the deep pocketed dip-buyers when foreigners exit. Very positive developments in Nigeria and Egypt are clear signs this is changing....for the **GOOD**!

Domestic pension assets in Nigeria **increased by 22% in 2025**, but more importantly the amount allocated to local equities **increased by 80%** and now represent 14% of total pension assets. In Egypt, over and above a raft of fiscal incentives aimed at improving stock exchange liquidity, insurance companies have been directed to allocate a **minimum of 5% of investments** to local equity funds, with a generous **upper cap of 30%**. This type of structural change, sets off a positive reinforcing cycle, where foreigners feel assured by locals putting their money where their mouths are, while locals feel vindicated by foreigners coming in.

These are extremely positive developments that underpin our thesis that we are in the early innings of a strong and sustainable rally in listed African equities. **GET IN NOW**!

*For more insights and developments, please our detailed country sections in the body of the report.*

## VENTURE CAPITAL AND PRIVATE EQUITY DEAL UPDATE

MyCredit, a digital lender, raised $3 million in debt from an international microfinance lender, bringing its total debt capital to $13.6 million. The funds will expand lending to microbusinesses, private schools, and entrepreneurs often left out of traditional banking.

OneDosh, a fintech tackling global payment headaches, has raised a $3 million in pre-seed to build stablecoin infrastructure connecting wallets, cards, and markets. The startup's first corridors run between the U.S. and Nigeria, with plans to scale, letting users send, hold, and spend money without the usual bank friction.

Moniepoint pumped over ₦1 trillion (~$670 million) into Nigerian small businesses in 2025. The fintech disbursed loans to about 70,000 businesses, with recipients seeing an average 36% jump in transaction value after accessing credit.

Nedbank is eying East Africa with an $856 million NCBA bid. The South African lender is targeting 66% of Kenya's NCBA in a cash-and-stock deal, keeping the bank on the Nairobi Exchange and its brand intact. NCBA would keep its management, and operate as a Nedbank subsidiary.

Zenith Bank is on its way to Kenya. The Nigerian banking giant got regulatory clearance to acquire 100% of Kenya's Paramount Bank, with a key condition: all 78 Paramount employees must stay for at least a year. The deal positions Zenith to compete with UBA, GTBank, and Access Bank while shoring up Paramount's capital and compliance.

## CONOMIC AND POLITICAL OVERVIEW

### NIGERIA

The federal government has unveiled the Nigerian Industrial Policy (NIP) aimed at driving value addition, industrial growth, employment creation across the country, and ensuring that the manufacturing sector contributes up to **25% of GDP**.

Nigeria's non-oil export sector recorded a major achievement in 2025, reaching a **total value of USD 6.1bn**, an 11.5% increase from the USD 5.4bn recorded in 2024. The milestone underscores the country's ongoing efforts to diversify its economy away from oil dependence and integrate more robustly into global trade networks.

The International Monetary Fund (IMF) has **upgraded its growth forecast for Nigeria to 4.4%** in 2026, citing improved macroeconomic conditions and reform momentum.

Nigeria's private sector ended 2025 on a solid footing, as stronger customer demand supported continued growth in business activity and pushed the Stanbic IBTC Bank Nigeria Purchasing Managers' Index to 53.5 in December 2025. The Ministry of Solid Minerals Development recorded a 337% increase in revenue, rising to over N70bn in 2025 from N16bn in 2023.

Nigeria's external reserves have climbed past the USD46bn mark for the first time in nearly eight years. This signals a renewed strengthening of the country's foreign exchange position and underscoring a steady accumulation trend that has gathered momentum since 2025.

**Macro releases included (December Stats):**

- Inflation increased to 15.5% y/y (Nov: 14.5%).
- FX reserves increased to USD 45.0bn (Nov: USD 44.6bn).
- PMI was 53.5 (Nov: 53.6.2).

| 15.5% y/y | US$ 45.0bn | 53.5 |
|---|---|---|
| INFLATION RATE | FX RESERVES | PMI |

### EGYPT

Egypt's **non-oil exports hit an all-time high of USD48.6bn in 2025**, rising 17% y/y. Building materials led non-oil exports, with USD 14.9bn in exports, followed by USD 9.4bn in chemical products. Food came in third place, at USD6.8bn, while gold was fourth at USD7.6bn, registering the strongest growth vs USD3.2bn last year. Engineering exports stood at USD6.5bn, agriculture at USD4.7bn and readymade garments at USD3.4bn.

The IMF revised **upwards its growth forecasts for Egypt to 5.4%** in FY26/27 (from an earlier estimate of 4.7%), citing a positive shift in economic indicators. In its January 2026 World Economic Outlook Update, the IMF also raised Egypt's GDP growth projection for the current FY25/26 to 4.7%, up from 4.5%.

**Macro releases included (December Stats):**

- Inflation was 12.3% y/y (Nov: 12.3%).
- FX reserves were USD 51.5bn (Nov: USD 50.29bn).
- PMI decreased to 50.2 (Nov: 51.42).

| 12.3% y/y | US$ 51.5bn | 50.2 |
|---|---|---|
| INFLATION RATE | FX RESERVES | PMI |

### KENYA

Kenya is lining up investment deals worth **more than USD 2bn in the first quarter of 2026**, as the government moves to sharply raise Foreign Direct Investment inflows in the short term.

Kenya Pipeline Company has set its IPO price at KSh 9.00 per share, valuing the State-owned fuel transporter at about KSh 163.6bn ahead of its planned listing on the Nairobi Securities Exchange in March.

Kenya has rebuilt its external buffers to their **strongest level on record**, with foreign exchange reserves held by the

Central Bank of Kenya reaching USD 12.5bn in the week ended January, 15, 2026.

Kenyan startups raised close to **USD 1bn in funding in 2025, the largest amount raised by any African market since 2022**, driven overwhelmingly by debt financing into energy and asset-heavy companies.

Moody's Ratings has **upgraded Kenya's sovereign rating** to B3 from Caa1 on January 27, citing a sharp fall in near-term default risk after stronger foreign-exchange reserves, successful Eurobond refinancing, and improved access to both external and domestic funding markets.

**Macro releases included (December Stats):**

- Inflation was 4.6% y/y (Nov: 4.5%).
- PMI slide to 53.7 (Nov: 55.0).
- The Central Bank of Kenya (CBK) anticipates GDP growth for 2023 at 5.7%.

| 4.6% y/y | 5.7% | 53.7 |
|---|---|---|
| INFLATION RATE | GDP GROWTH | PMI |

## MOROCCO

The **Consumer Price Index decreased by 0.1%** in December 2025 as compared to November 2025, translating a 0.3% decrease in the food consumer price index, as well as, a stagnation in the non-food consumer price index. Therefore, CPI recorded a 0.3% decrease as compared to December 2024. As for the underlying inflation indicator, which excludes volatile price products and regulated ones, it decreased by 0.2% as compared to November 2025.

Cement deliveries stood at 1,099kT in December 2025, down 15.0% compared with December 2024. Cumulatively, **cement deliveries rose by 8.2% to 14,817kT in 2025**.

**Macro releases included (December Stats):**

- Inflation was -0.3% y/y (Nov: -0.3%).
- FX reserves were USD 33.0bn (Jan: USD 32.8bn).
- Gross investments into Morocco slowed, down -3.1% in 2q23 (2q22: -8.4%).

| -0.3% y/y | US$ 33.0bn | -3.1% |
|---|---|---|
| INFLATION RATE | FX RESERVES | GROSS INVESTMENT |

## MAURITIUS

**Macro releases included (December Stats):**

- Inflation was 4.5% y/y (Nov: 4.0%).
- Bank of Mauritius (BoM) moved the interest rate to 4.5%.

| 4.5% y/y | 4.5% |
|---|---|
| INFLATION RATE | INTEREST RATE |

# COMPANY UPDATES

Key to brackets: ( Country | Industry )

# MARKET OUTLOOK

Africa is expected to outperform the rest of the world with an improved outlook in 2026. We continue to allocate to high quality businesses; those that score highly on our internally developed, Likert Q-scoring system, both currently and over time. We have two additional quantitative overlays, valuation and growth. We also have two qualitative overlays being management and ESG. What is particularly exciting is that we have a number of businesses across Africa that fit these criteria. The key transformational trends of financial inclusion, urbanisation and economic formalisation underpin a robust African consumer story that is taking shape regardless of global volatility. We allocate to the best companies in the sectors that tap into this transformation. At the moment, we have a bias towards financial inclusion and fintech themes as they do particularly well on our growth metrics.

**Nigeria –** The new President is taking reforms seriously, a hugely positive signal to the markets. The communications, fintech and banking sectors are growing strongly, yet high quality companies exploiting these, are at all time low valuation multiples.

**Egypt –** The short term outlook for Egypt is extremely positive on the back of the UAE real estate deal, the IMF and the World Bank deals. The tourism outlook has improved, wheat prices have halved, and strong remittance growth has returned. With the bulk of household consumption in cash, the investment opportunity for us in fintech is immense in this 100m population country and it will also drive economic formalisation and increased government revenue through widening of the tax net.

**Morocco –** Morocco's key economic drivers are mining, agriculture and tourism. Tourism is rebounding with positive indicators for 2026. In terms of outlook, it remains a stable, mid-growth country with excellent opportunities in retail, manufacturing and fintech.

**Mauritius –** Tourism rebounded and growth prospects are positive.

**Kenya –** Continued recovery in tourism, lower soft commodity import prices and a rebound in food exports should provide tailwinds. Corporate expansion into neighbouring countries such as the DRC and Ethiopia, provide significant opportunities for Kenya. Safaricom and Equity Group are the two main drivers. IMF and World Bank support will also allow the country to maintain a strong growth trajectory.