

MAKING CAPITAL COUNT: UNLOCKING GROWTH THROUGH AFRICAN FINANCE

Twenty years after M-Pesa showed how innovation built around African realities could reshape an industry, African finance faces a different challenge: having built profitable, sophisticated institutions, can they now acquire the scale to finance Africa's next phase of growth?

The industry starts from strength: banking revenues topped \$100bn in 2024, at a 19% return on equity - almost twice the global average, though growth is slowing to roughly 5% a year as rates fall. Yet African finance can be highly profitable even as African economies remain short of capital, with penetration remaining low and asset allocation skewed toward government deficit financing. Loans account for only around 30% of bank assets continent-wide, and WAEMU banks extend thirteen times more credit to commerce than agriculture. Millions of SMEs remain too fragmented or informal for traditional banking models.

The next decade will need deeper markets, not just higher returns from existing ones if Africa is to mobilize more private investment, expand productive sectors and create jobs at scale.

Scale will matter: Jeune Afrique's Top 30 ranking shows that banks hold around \$1,200bn in cumulative assets, less than a third of the balance sheet of their Latin American peers. Bigger, better-capitalized institutions can often absorb more risk and finance the projects that would overwhelm smaller lenders. But size will not be enough on its own.

The next generation of African financial champions - banks, insurers, asset managers, payments and infrastructure companies alike - will also be defined by their reach and expertise: the capacity to compete internationally while financing transformation at home.

African policymakers are already responding to the challenge. Recent initiatives, including the New African Financial Architecture for Development, have highlighted the need for stronger coordination among national, regional and continental institutions to mobilise and deploy African capital more effectively.

For AFIS 2026, the central question is not how African finance grows, but what growth model comes next - and whether the industry can turn financial strength into economic power.

Six strategic priorities will shape that answer for the next decade:

- **Finance that reaches the real economy** - scaling agriculture, MSME, housing and infrastructure finance by aggregating fragmented demand, mobilizing private capital and strengthening partnerships.
- **Scale with purpose** - judging consolidation by its capacity to finance transformational projects, not size alone.
- Technology on African terms - building AI, digital banking and fintech around African data and use cases to leapfrog legacy systems.
- **Turning African savings into African investment** - channeling pension, insurance and sovereign wealth pools towards productive assets by leveraging distribution platforms and combining resources across institutions.
- **Integration that makes scale possible** - cross-border payments and capital-market links to reconnect markets still split by more than 40 currencies and inconsistent regulation.
- **Agency in the rules of finance** - ensuring prudential and risk frameworks remain fit for purpose in African markets while keeping pace with technological change.

AFIS 2026 in Luanda will bring together more than 1,250 African and global financial leaders and regulators on 3-4 November to turn financial strength into economic power - and start building the next decade of growth.