



NIGERIA

Leading fintech hub in Africa

INTRODUCTION

Nigeria's non-bank consumer lending sector has become one of Africa's fastest-growing credit markets, driven by unmet consumer demand and rapid fintech adoption. Traditional banks serve only a fraction of borrowers, leaving millions reliant on agile digital lenders and microfinance institutions for quick, unsecured personal loans.

In 2023, non-bank lenders disbursed over 145M loans worth approx. \$2.1B, with more than 400 licensed digital lenders now active. The sector's rise has been fueled by high smartphone penetration, expanding internet access, and the growing need for short-term liquidity in a high-inflation economy.

While new regulations from the Federal Competition and Consumer Protection Commission (FCCPC) and the Central Bank of Nigeria aim to formalize the market and protect consumers, challenges persist – notably high delinquency rates and rising compliance costs.

Looking ahead, growth opportunities lie in digital financial inclusion and alternative credit scoring. With the right balance of innovation and regulation, Nigeria's non-bank lenders are well-positioned to play a central role in expanding financial access for millions.



Discover more

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NIGERIA IN NUMBERS

Nigeria offers one of the most promising markets for digital lending in Africa, driven by its large and youthful population. With over 238 million people and a median age of just 18, smartphone adoption and digital engagement are accelerating rapidly. Urbanization and a 45% internet penetration rate create fertile ground for online credit platforms.

Despite macroeconomic challenges such as high inflation and modest income levels, steady GDP growth – with a 3.9% year-on-year expansion in early 2025 – and improving fiscal indicators point to resilience in non-oil sectors and recovering external balances. Recent reforms in foreign exchange unification and subsidy removal have strengthened reserves and enhanced macroeconomic stability.

These dynamics position Nigeria as a high-potential market where fintech lenders can leverage data, mobile access, and behavioral analytics to meet rising consumer credit demand. But the dual burden of inflation and credit risk requires fintechs to tread carefully – missteps in underwriting or macro timing could lead to sharp losses.

238.9M

Population

\$187.8M

Nominal GDP, 2024

20.1%

Inflation rate, Jul 2025

54.9%

Urban population

\$807

GDP per capita, 2024

14%Non-performing loans
of microfinance banks,
2024**18.1 years**

Median age

3.9%

GDP growth, Q1 2025

45.4%% of internet users,
2024

CREDIT INSTITUTION LANDSCAPE

Nigeria's credit landscape is evolving rapidly, with digital lenders emerging as a key force in expanding financial inclusion. While traditional banks and microfinance institutions remain central to the system, fintech lenders are driving innovation, leveraging data, mobile platforms, and streamlined processes to reach underserved segments.

Supported by new regulatory frameworks from the FCCPC, this sector is shaping the future of consumer and small-business lending, offering faster, more accessible, and technology-enabled credit solutions across the country.

	Commercial banks	Microfinance banks (MFBs)	Digital lenders/fintech companies	Cooperative societies & credit unions
Regulators/licensing	Central Bank of Nigeria (CBN) under the Banks and Other Financial Institutions Act (BOFIA) 2020.	CBN under the Microfinance Bank Guidelines and supervised by NDIC.	Federal Competition and Consumer Protection Commission (FCCPC) under the Digital Lending Guidelines 2022/2025	Regulated by State Cooperative Societies Laws and sometimes by the Federal Ministry of Labour.
Approx. number (2025)	24	~900	437	Thousands of co-ops; reliable statistics are limited.
Loans disbursed / loan book	\$3.2B - Personal loans outstanding amount as of Dec 20204	\$1.1B - loans outstanding amount in 2023	\$2.1B loans disbursed in 2023	N/a

Source: [Rsisinternational](#), [CBN](#), [Ecofinagency](#)

CREDIT INSTITUTION LANDSCAPE

Nigeria has three credit bureaus: CRC Credit Bureau Limited, CreditRegistry Nigeria, and FirstCentral Credit Bureau – all fully licensed by the CBN.

How is the interaction with credit bureaus structured?

- To get a complete picture, a lender must query at least two of the three, as reporting can be inconsistent.
- While lenders are obligated to report defaults, they must still pay to access this data.
- This screening process typically makes only about 30-40% of applicants eligible for loans.
- However, many lenders do not report to any credit bureau at all.
- In Nigeria, in the case of default, information about a defaulter may go to one bureau or nowhere at all.

Nigeria's credit bureaus

3

Number of credit bureaus

€150

Signing up cost for each

€0.06

Search fees for basic check per applicant

€0.88

Search fee for in-depth profile per applicant

€180 - €2600

Search fee price range across all 3 bureaus per 1000 applicants

Source: [Techcabal](#), [CRC Credit Bureau Limited](#), [CreditRegistry Nigeria](#), [FirstCentral Credit Bureau](#)

REGULATORY POLICY

The introduction of the **Digital, Electronic, Online, or Non-Traditional Consumer Lending Regulation 2025** marks a significant step in strengthening oversight of Nigeria's digital lending sector. However, the Regulation is silent on the status of approvals previously granted. It remains unclear whether such approvals will automatically transition into the new regime or if affected entities will be required to undergo a new application process.

The Regulation seeks to promote transparency, curb unethical practices, safeguard consumers, and provide clarity for service providers by setting standardized compliance obligations.

It is possible for online lenders entering the market to structure digital loan products without a statutory cap under FCCPC rules, but charging extremely high effective rates could still trigger regulatory scrutiny, legal challenges, and reputational risk if state laws are invoked or if the FCCPC deems the pricing exploitative.

REGULATOR

The Federal Competition and Consumer Protection Commission (FCCPC)

DOCUMENT

Digital, Electronic, Online, or Non-Traditional Consumer Lending Regulation 2025

INTEREST RATE CAPS

Nigeria's state money-lending laws (derived from the old Money Lenders Act) often impose interest rate ceilings — for example, Lagos law presumes rates above 48% per annum to be excessive.

However, the new FCCPC Digital Consumer Lending Regulations (2025) do not impose a fixed interest rate cap. As a result, it remains uncertain whether state-level interest caps still apply to digital lenders regulated under the FCCPC's federal framework.

FEES

- a non-refundable application fee of ₦100,000 (\$67);
- an approval fee of ₦1,000,000 (\$680) payable upon the Commission's approval;

TERMS

Entities to which the Regulation applies are required to register/get approved with the FCCPC within 90 days.

STATE OF THE FINTECH

Nigeria leads Africa's fintech landscape by a wide margin, hosting over 2,300 companies – well ahead of South Africa and Kenya.

This dominance reflects Nigeria's strong entrepreneurial ecosystem, large consumer base, and supportive innovation culture.

The scale of activity underscores the country's role as the continent's fintech hub, driving digital financial inclusion and attracting both local and international investment.

Number of fintech companies in Nigeria
compared to other African countries



LEADING NIGERIAN FINTECHS

Company Name	Founded	Unicorn status	Primary Focus Area(s)	Total Funding Raised (Cumulative, as of 2025)	Latest Valuation (if disclosed, as of 2025)	Active User Numbers (Latest available)	Transaction Volume (Latest available)	Key Ranking/Recognition in 2025
Opay	Jul 10, 1905	Unicorn	Payments Infrastructure, Cross-Border Payments	\$570M	\$2.75B	10M DAU 50M registered users	\$12B in monthly transactions	Not specified
Flutterwave	Jul 8, 1905	Unicorn	Payments Infrastructure, Cross-Border Payments	\$489M	\$3B	Not specified	Not specified (market leader)	TIME100 Most Influential
Moniepoint	Jul 7, 1905	Unicorn	SME Payments, Personal Banking, Digital Banking, Credit	Over \$120M (Series C)	Over \$1B (Unicorn Status)	10M+ businesses and individuals	\$22B+	FT Fastest-Growing (Africa's fastest fintech, #4 overall), TIME100 Most Influential
Fairmoney	Jul 9, 1905	Soonicorn	Microlending	\$57M	\$500M	5M	10K daily loan disbursements	Not specified
Moove	Jul 12, 1905	Soonicorn	Revenue-based vehicle financing to mobility entrepreneurs	\$260M	\$750M Aimed for \$2B (2025 projection)	15000 drivers, Aug 2023	Recurring revenue 2024: \$360M	Not specified

LEADING NIGERIAN FINTECHS

Company Name	Founded	Unicorn status	Primary Focus Area(s)	Total Funding Raised (Cumulative, as of 2025)	Latest Valuation (if disclosed, as of 2025)	Active User Numbers (Latest available)	Transaction Volume (Latest available)	Key Ranking/Recognition in 2025
Paystack	Jul 7, 1905	-	Payment Processing, Consumer Payments	\$11.7M (Acquired by Stripe for \$200M in 2020)	Acquired by Stripe for \$200M (2020)	Not specified	\$250M+ monthly volume, 3B API requests (Q4 2024)	Acquired by Stripe
PalmPay	Jul 11, 1905	-	Digital Wallets, Consumer Payments, Credit, Savings, Micro-insurance	\$140M	Undisclosed (previous round among Africa's most valuable)	35M+ registered users	15M daily transactions (Q1 2025)	FT Fastest-Growing (#2 overall)
Paga	Jul 1905	Minicorn	Consumer Payments, SME Platform, Infrastructure/API	\$45M	Aimed for \$1B (2021 projection) \$300M	21M+ users	N1T+ monthly volume (2025 average)	FT Fastest-Growing (3rd consecutive year)
Kuda	Jul 9, 1905	Soonicorn	Digital Banking (Retail & Business), Overdrafts	\$91.6M	\$500M	Not specified	N14.3T (\$9.3B) in Q1 2025	Not specified
LemFi	2020	-	Cross-Border Remittances, Multi-currency Accounts, Credit	\$86M+ (incl. \$53M Series B in Jan 2025)	Undisclosed	2M+ customers globally	\$1B monthly volume	Not specified
Raenest	Jul 13, 1905	Minicorn	Cross-Border Payments, Multi-currency Accounts for Freelancers/Businesses	\$14.3M	Undisclosed	700K+ individuals, 500+ businesses	\$1B+ processed since inception	Not specified

EXPERT'S VIEW



Nigeria's fintech sector continues to demonstrate remarkable maturity and diversification, with multiple unicorns and soonicorns spanning payments, digital banking, lending, and cross-border finance. The ecosystem is characterized by strong funding inflows, rapid user growth, and increasing global recognition. Acquisitions by global players such as Stripe, recurring appearances on the FT's Fastest-Growing lists, and projections toward billion-dollar valuations underscore Nigeria's position as Africa's fintech powerhouse heading into 2025.

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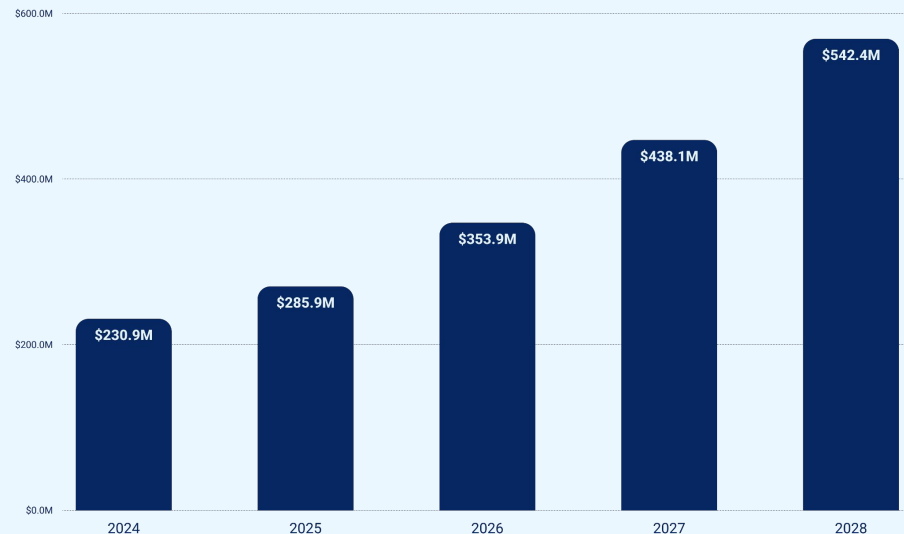
SNAPSHOT OF THE DIGITAL LENDING MARKET

Nigeria has witnessed a surge in the popularity of payday loans due to their accessibility and convenience, particularly among the unbanked population.

The alternative lending market is growing, driven by:

- increasing demand for short-term credit, largely from the unbanked population;
- limited access to traditional banking services;
- widespread adoption of mobile technology and digital payments, which has paved the way for the use of all digital financial services;
- policymakers' support for innovation (e.g., through policies or the establishment of innovation facilitators);
- increased access to capital due to heightened investor interest.

The growth of alternative lending market in Nigeria with CAGR of 23.8%



437

Digital lenders approved by FCCPC

146M

Number of issued loans by apps, 2023

\$2.1B

Volume of issued loans by apps, 2023

TOP SELECTED DIGITAL LENDING PROVIDERS

Legal name	Monthly users	Year launched	Max daily interest	Annual interest rate, %	Late payment daily interest rate, %	One-time processing fee	Min period, days	Max period, days	Product type	Min loan, €	Max loan, €	App
cashx.ng (Aventus Group)	89.0K	2023	<u>2.3</u>	<u>839.5</u>	3	-	65	65	Short	3	176	Android , 500K+
ng.o-kash.com (Opera Limited)	27.6K	2019	<u>1.2</u>	<u>438</u>	2	-	15	365	Short, Long	2	1176	Android , 10M+ iOS (#2 in Finance)
aidacredit.ng	66.0K	2024	<u>1.2</u>	438	N/a	-	91	365	Long	2	1176	iOS (#20 in Finance)
maywoodlendinglimited.com	5.5K	2024	<u>1</u>	365	0.16 penatly	-	90	360	Long	2	118	Android , 500K+ iOS (#14 in Finance)
fairmoney.io (FairMoney Group)	87.6K	2017	<u>0.9</u>	<u>324</u>	N/a	Yes	61	540	Short, Long	1	1764	Android , 10M+ iOS (#6 in Finance)
quickcheck.ng	58.5K	2016	<u>0.73</u>	268	1	-	15	60	Short	N/a	9	Android (now inactive)
branch.com.ng (Branch International)	18.1K	2017	0.77	280	N/a	-	62	365	Short, Long	4	588	Android , 50M+
tloanapp.com	5.1K	2021	0.10	36	N/a	-	91	365	Short, Long	1	588	Android , 1M+
flashcreditapp.com	N/a	2023	0.10	36	N/a	-	91	365	Short, Long	2	588	Android , 1M+
quickashapp.com	N/a	2024	0.10	36	N/a	-	N/a	180	Long	59	588	Android , 500K+

FINANCIAL PERFORMANCE OF SELECTED DIGITAL LENDERS

Legal name	Website	Year launched	Revenue 2024	Revenue 2023	Revenue 2022	Revenue 2021	Revenue 2020	Revenue 2019	Revenue 2018	Revenue 2017	Annual report
Credit Direct Finance Company Limited	creditdirect.ng	2006	N/a	€12.5M	€7.9M	€6.9M	€6.8M	€6.6M	€6.3M	€4.9M	2023 2021 2020 2018
ARVE LIMITED	quickcheck.ng	2016	N/a	N/a	€1.4M	€1.6M	€0.8M	N/a	N/a	N/a	2022 2021
FAIR MONEY MICROFINANCE BANK	fairmoney.io	2017	€71.7M	€44.3M	N/a	N/a	N/a	N/a	N/a	N/a	Openafricapod

Legal name	Website	Year launched	Net profit 2024	Net profit 2023	Net profit 2022	Net profit 2021	Net profit 2020	Net profit 2019	Net profit 2018	Net profit 2017	Annual report
Credit Direct Finance Company Limited	creditdirect.ng	2006	N/a	€2.6M	€1.5M	€1.2M	€1.2M	€1.5M	€1.6M	€0.9M	2023 2021 2020 2018
ARVE LIMITED	quickcheck.ng	2016	N/a	N/a	-€565.3K	€19.7K	€105.4K	N/a	N/a	N/a	2022 2021
FAIR MONEY MICROFINANCE BANK	fairmoney.io	2017	€3.4M	€0.5M	N/a	N/a	N/a	N/a	N/a	N/a	Openafricapod

RECENT DEVELOPMENTS

REGULATORY INTRODUCTION

On July 24, 2025, the Federal Competition and Consumer Protection Commission (FCCPC) introduced the Digital, Electronic, Online, or Non-Traditional Consumer Lending Regulation 2025 (the "Regulation").

In 2022, the Commission had issued the Limited Interim Regulatory/Registration Framework and Guidelines for Digital Lending, which sought to regulate the operations of all digital lenders through mandatory registration with the FCCPC. Subsequently, the Commission introduced the new Regulation, which applies to consumer lending transactions involving cash, airtime, data, and other forms of barter in exchange for specific or verifiable monetary value.

The Regulation provides comprehensive guidance on the requirements for registration of lending service providers, consumer protection measures, and penalties for default or unethical practices.

REGULATORY ENFORCEMENT

The CBN took decisive action in June 2024 by revoking the operating licenses of 132 microfinance banks, 4 primary mortgage banks, and 3 finance companies.

EXPANSION

Wandoo Finance selected Nigeria as its next market for expansion back in 2024, but there is still no evidence of its entry into the market.

FRAMEWORK LAUNCH

Nigeria's Central Bank (CBN) has approved the launch of open banking, mandating that banks begin sharing customer data with other financial institutions starting in August 2025. However, the initial nationwide go-live date did not materialize. The industry now awaits the next directive from the regulator, with expectations of a phased rollout in early 2026.

Nigeria will become the first African country to implement open banking, four years after CBN first released its regulatory framework for the initiative.

NOTABLE FUNDING ROUNDS IN FINTECH (2024-2025)

No.	Round Date	Company Name	Domain Name	Round Name	Round Amount (USD)	Total Funding (USD)	Overview	Founded Year
1	Jul 11, 2025	BFREE	bfree.io	Conventional Debt	\$3.0M	\$7.4M	Provider of credit management solutions for distressed assets and debt recovery	2020
2	Mar 11, 2025	Ivorypay	ivorypay.io	Seed	N/a	N/a	Blockchain-based platform for crypto payment solutions	2022
3	Feb 11, 2025	Raenest	raenest.com	Series A	\$11.0M	\$14.3M	Multi-currency platform for managing money	2021
4	Jan 24, 2025	CreditChek	creditchek.africa	Seed		\$240.0K	Developer of a credit data aggregating platform	2021
5	Dec 19, 2024	Regxta	regxta.com	Seed	\$0.2M	\$150.0K	Internet-first bank offering diversified banking services for under-banked population	2018
6	Dec 16, 2024	Juicyway	juicyway.com	Seed	\$3.0M	\$3.0M	Provider of cross-border payment and treasury management solutions	2021
7	Nov 13, 2024	Electronic Esusu	esusu.africa	Grant (prize money)	N/a	N/a	Cloud-based banking software suite	2016
8	Oct 2024	Moniepoint	moniepoint.com	Series C	\$110.0M	\$204.0M	Provider of payment processing, banking, and business management tools for businesses and individuals	2019
9	Sep 19, 2024	Regfyl	regfyl.com	Seed	\$1.1M	\$1.1M	AI-powered platform offering API solution for transaction monitoring, regulatory filings, and compliance management	2022
10	Aug 19, 2024	WAZA	waza.co	Venture Debt	\$5.0M	\$4.2M	Global cross-border payments and financial tools for businesses	2022

NOTABLE FUNDING ROUNDS IN FINTECH (2024-2025)

No.	Round Date	Company Name	Domain Name	Round Name	Round Amount (USD)	Total Funding (USD)	Overview	Founded Year
11	Aug 19, 2024	WAZA	waza.co	Seed	\$3.0M	\$4.2M	Global cross-border payments and financial tools for businesses	2022
12	May 22, 2024	Blackcopper	blackcopper.io	Seed	\$0.2M	\$850.0K	P2P marketplace for consumer and business loans	2020
13	May 7, 2024	Seamfix	seamfix.com	Series A	\$4.5M	\$4.5M	Provider of identity management solutions for banks and financial institutions	2007
14	Apr 15, 2024	Trove Technologies	troveapp.co	Seed	\$0.1M	\$120.0K	Platform to invest in public traded equity, bonds & crrypto assets	2018
15	Mar 19, 2024	Moove	moove.io	Series B	\$100.0M	\$259.5M	Provider of revenue-based vehicle financing to mobility entrepreneurs	2020
16	Mar 18, 2024	Zone	zonenetwork.com	Series A	\$8.5M	\$23.8M	Blockchain network that enables payments and acceptance of digital currencies	2008
17	Feb 14, 2024	Moove	moove.io	Venture Debt	\$10.0M	\$259.5M	Provider of revenue-based vehicle financing to mobility entrepreneurs	2020
18	Feb 06, 2024	BFREE	bfree.io	Seed	\$3.0M	\$7.4M	Provider of credit management solutions for distressed assets and debt recovery	2020
19	2024	Regfyl	regfyl.com	Seed	\$0.0M	\$1.1M	AI-powered platform offering API solution for transaction monitoring, regulatory filings, and compliance management	2022

KEY TAKEAWAYS

Nigeria's vibrant market – with over 238 million people, a median age of 18, and 45% internet penetration – is a hotspot for digital lending. Rapid smartphone adoption and urbanization are fueling demand for online credit platforms.

Digital lenders can capitalize on data, mobile access, and behavioral analytics to meet rising credit demand. However, high inflation and credit risks call for cautious, well-managed strategies.

Nigeria has three CBN-licensed credit bureaus: CRC Credit Bureau, CreditRegistry Nigeria, and FirstCentral Credit Bureau. Lenders must query at least two of them due to inconsistent reporting, with only 30-40% of applicants typically eligible for loans. While default reporting is mandatory, many lenders still fail to comply, and accessing data incurs additional costs.

The new Digital Consumer Lending Regulation by the Federal Competition and Consumer Protection Commission (FCCPC) strengthens oversight of Nigeria's digital lending sector, promoting transparency, ethical practices, and consumer protection while standardizing compliance requirements for providers. Although no statutory interest rate cap exists under FCCPC rules, high rates may attract regulatory scrutiny, legal challenges, or reputational risk if deemed exploitative or in conflict with state laws.

Nigeria dominates Africa's fintech scene with over 2,300 companies – far surpassing South Africa and Kenya. Its robust entrepreneurial ecosystem, vast consumer base, and innovation-friendly environment cement the country's role as the continent's fintech hub, driving digital financial inclusion and attracting significant local and global investment.

Alternative lending in Nigeria is projected to maintain strong momentum, expanding at a compound annual growth rate (CAGR) of around 24% as more consumers embrace mobile-based financial services. This growth is supported by limited access to traditional banking, widespread smartphone adoption, and growing investor confidence in digital finance.

Nigeria's digital lending app sector is thriving, with over 400 players, including international lending groups Aventus and Branch International, the Pan-African lender FairMoney, and Opera Limited, known for the Opera browser and its Nigerian payment unicorn, OPay.

KEY TAKEAWAYS

While data on the revenues and net profits of a broad number of players is limited, there are examples of already profitable non-bank lenders in Nigeria. Credit Direct Finance Company Limited, operating since 2006, demonstrates long-term stability but slow growth, with revenues rising only modestly from €4.9 million in 2017 to €12.5 million in 2023, and profits remaining small relative to its age – from €0.9 million in 2017 to €2.6 million in 2023. This suggests that traditional, payroll-based lenders face limits to scale and profitability despite early market entry.

In contrast, FairMoney Microfinance Bank, launched in 2017, represents a high-growth fintech model. Its revenues surged from €44.3 million in 2023 to €71.7 million in 2024, while net profit jumped from €0.5 million to €3.4 million over the same period, reflecting rapid digital scaling and broader customer reach.

ARVE Limited (QuickCheck), another newer entrant, shows a more volatile trajectory, with small revenues (around €1.4-1.6 million) and alternating between modest profits and losses – typical of early-stage digital lenders still pursuing scale.

Open banking, expected to launch in early 2026, will allow digital lenders to access verified customer data, improving credit decisions but increasing compliance obligations.

The CBN's recent license revocations signal tougher oversight of financial institutions.

Between 2024 and 2025, Nigeria's fintech sector experienced strong growth driven by innovation and investor confidence, with 20 funding rounds and a total of \$262 million raised.

Within the fintech lending segment, several companies secured significant funding to expand credit access for consumers, SMEs, and mobility entrepreneurs. Players such as BFREE, CreditChek, Blackcopper, and Regxta are leveraging technology to provide credit management, alternative credit scoring, and micro-lending solutions to the underbanked population. For example, Moove raised over \$110 million in Series B and debt funding, reinforcing the appeal of revenue-based vehicle financing in the mobility sector.

ABOUT MD FINANCE

We are a fast-growing technology company providing financial services across global markets, combining proven business models with AI-powered solutions. Since 2015, we have been serving thousands of people, empowering them through fast and simple financial products.

MISSION

We create easy-to-use financial products to address real-life needs as they come up — fast and without any hassle.

VISION

We envision a world where people move freely toward their goals, supported by financial solutions that are always ready, always simple, and always there when needed.

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