



Financial Services & Capital Markets Sector Report

This is where Africa's capital
comes to work



South Africa



EXECUTIVE SUMMARY

Africa's Financial Nerve Centre

SOUTH AFRICA ANCHORS AFRICA'S FINANCIAL INFRASTRUCTURE with sophistication unmatched on the continent. The Johannesburg Stock Exchange reached US\$1.2 trillion in market capitalisation in July 2025—Africa's largest and a global top-20 exchange. The country manages R19.2 trillion in pension assets, making it the world's 5th largest pension market.

THIS IS MORE THAN SCALE: IT'S DEPTH. Four of Africa's safest banks, a 14% insurance penetration rate that leads emerging markets, and a fintech sector attracting 39% of Africa's venture capital. With yesterday's removal from the FATF grey list, regulatory confidence is restored. The Government of National Unity provides policy stability. The African Continental Free Trade Area unlocks cross-border expansion.

FOR INVESTORS, South Africa delivers liquid markets, global-standard regulation, skilled talent, and a proven platform to scale financial services across 20+ African markets



EXECUTIVE SUMMARY

Sector Highlights

R661B

CONTRIBUTION TO GDP

600,000+

DIRECT JOBS ACROSS BANKING,
INSURANCE, AND ASSET MANAGEMENT

US\$1.2T

JSE MARKET CAP (JULY 2025)

R19.2T

IN PENSION ASSETS
UNDER MANAGEMENT

5TH

LARGEST GLOBAL
PENSION MARKET

R6+T

IN BANKING ASSETS
BIG FOUR + DIGITAL BANKS

US\$600M+

IN FINTECH VC (2024, 39% OF
AFRICA'S TOTAL)

25M+

ACTIVE MOBILE MONEY USERS





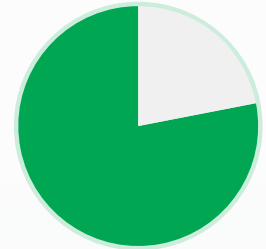
FULL SECTOR BRIEF

The Big Picture

South Africa's financial services sector contributes 9.4% of GDP, employing over 600,000 people directly and millions more across the value chain. The Johannesburg Stock Exchange (JSE) hit a market capitalisation of US\$1.2 trillion in July 2025, cementing its position as Africa's largest and a global top-20 exchange. With R19.2 trillion in assets under management, South Africa operates the world's 5th largest pension market.

The banking sector holds over R6 trillion in assets, led by the Big Four (Standard Bank, FirstRand, Absa, Nedbank) consistently ranked among the world's safest. Insurance penetration sits at 14%, leading emerging markets. Fintech attracted US\$600 million in 2024—39% of Africa's total fintech investment.

South Africa was removed from the FATF grey list on October 24, 2025, after successfully implementing all required anti-money laundering reforms. Combined with Government of National Unity policy stability and African Continental Free Trade Area protocols, the sector offers unmatched scale, sophistication, and continental reach.



9.4%

SECTOR CONTRIBUTION
TO GDP

14%

INSURANCE MARKET
PENETRATION

39%

CAPTURE OF AFRICA'S
TOTAL FINTECH INVESTMENT



FULL SECTOR BRIEF

Banking Without Borders

The Big Four banks hold combined assets exceeding R6 trillion, with operations spanning 20+ African markets. New digital entrants like TymeBank and Bank Zero expand financial inclusion, while Capitec has become Africa's largest retail bank by customer base.

South African banks consistently rank among the world's safest by Global Finance, reflecting Basel III compliance and rigorous prudential oversight.

INVESTMENT OPPORTUNITY

Deploy capital into SMEs and African expansion. R19.2 trillion in pension assets provides depth and exit liquidity. VC flows exceeded US\$600 million in 2024.





FULL SECTOR BRIEF

Insurance & Asset Management Leadership

With 14% penetration, South Africa leads emerging markets in insurance sophistication. Discovery, Sanlam, and Old Mutual pioneer insurtech and wellness-linked products, with reinsurance hubs serving continental clients.

Asset management depth is unparalleled: R19.2 trillion under management makes South Africa the world's 5th largest pension market. The Public Investment Corporation manages R2.6 trillion+, investing across Africa. Private equity and venture capital provide SME growth capital and continental expansion funding.

INVESTMENT OPPORTUNITY

Support insurtech and wellness platforms. With 14% penetration leading emerging markets, innovators like Discovery Vitality and Sanlam partnerships scale globally.





FULL SECTOR BRIEF

Capital Markets Innovation

The JSE lists equities, derivatives, and green bonds, with sustainability-linked instruments and private credit funds expanding in 2025. Foreign listings are rising. ETF inflows hit records.

South Africa's Green Finance Taxonomy (2022), aligned with EU standards, drives demand for climate-linked instruments, with over R15 billion in green bonds issued by 2025.

INVESTMENT OPPORTUNITY

Back ETFs, private credit funds, and dual listings. The JSE is globalizing products, with 2025 recording record ETF inflows and expanding foreign listings.





FULL SECTOR BRIEF

Fintech Scaling Regionally

South Africa captures 39% of Africa's fintech investment. Yoco, Jumo, and TymeBank scale regionally, supported by African Continental Free Trade Area protocols enabling cross-border services.

Mobile wallets, regtech, and open banking adoption accelerate. The Financial Sector Conduct Authority balances innovation with consumer protection.

INVESTMENT OPPORTUNITY

Back payments, regtech, and open banking platforms capturing 39% of Africa's fintech funding. Early-stage startups like Yoco and TymeBank secured US\$100 million+ rounds and are expanding regionally.





FULL SECTOR BRIEF

Regulatory Credibility Restored

The October 24, 2025 removal from the FATF grey list ends two years of enhanced scrutiny, restoring full regulatory confidence. The South African Reserve Bank maintains inflation-targeting independence.

The Prudential Authority enforces Basel III standards. Operation Vulindlela reforms improve capital flows while the continental free-trade agreement's financial services protocol unlocks cross-border expansion.

INVESTMENT OPPORTUNITY

Back ETFs, private credit funds, and dual listings. The JSE is globalizing products, with 2025 recording record ETF inflows and expanding foreign listings.





FULL SECTOR BRIEF

Regional Headquarters Magnet

Johannesburg and Cape Town host hundreds of multinational headquarters, providing a strategic base for pan-African financial services expansion.

This HQ magnetism, supported by continental free-trade protocols and deep financial talent pools, cements South Africa's role as the continent's financial nerve centre.

INVESTMENT OPPORTUNITY

Invest in JSE-listed green bonds and climate funds. South Africa's Green Finance Taxonomy aligns with EU standards, with over R15 billion in green bonds issued by 2025.





LOOKING AHEAD

Investment Opportunities

- 1 FINTECH SCALING**
Back payments, regtech, and open banking platforms capturing 39% of Africa's fintech funding. Early-stage startups like Yoco and TymeBank secured US\$100 million+ rounds and are expanding regionally.
- 2 GREEN FINANCE & ESG**
Invest in JSE-listed green bonds and climate funds. South Africa's Green Finance Taxonomy aligns with EU standards, with over R15 billion in green bonds issued by 2025.
- 3 PRIVATE EQUITY & VENTURE CAPITAL**
Deploy capital into SMEs and African expansion.
R19.2 trillion in pension assets provides depth and exit liquidity.
VC flows exceeded US\$600 million in 2024.
- 4 INSURANCE & HEALTHTECH**
Support insurtech and wellness platforms.
With 14% penetration leading emerging markets, innovators like Discovery Vitality and Sanlam partnerships scale globally.
- 5 CAPITAL MARKETS INNOVATION**
Back ETFs, private credit funds, and dual listings. The JSE is globalizing products, with 2025 recording record ETF inflows and expanding foreign listings.



LOOKING AHEAD

Challenges & Fixes

- ✓ **MARKET VOLATILITY** from FX and commodity exposure is mitigated through hedging instruments available on the JSE.
- ✓ **FINANCIAL INCLUSION GAPS** with millions still unbanked—are closing via fintech and mobile money scaling regionally.
- ✓ **GLOBAL COMPETITION** from Mauritius and Nairobi is countered by South Africa's unmatched scale, R19.2 trillion pension depth, and infrastructure sophistication.
- ✓ **GOVERNMENT SUPPORT** includes Operation Vulindlela capital flow reforms, the Financial Sector Conduct Authority's balanced innovation framework, and the South African Reserve Bank's credible inflation targeting.
- ✓ **THE DEVELOPMENT BANK OF SOUTHERN AFRICA** finances green infrastructure and blended-finance projects.



IN SUMMARY

The Bottom Line

South Africa combines scale (US\$1.2T JSE, R19.2T pensions), regulatory credibility (FATF delisting, Basel III compliance), and continental access (20+ market operations, free-trade protocols).

For investors, it's Africa's only platform offering liquid markets, global-standard oversight, and proven regional scalability—all backed by policy stability and restored international confidence.

GET IN TOUCH WITH BRAND SOUTH AFRICA

CONTACT DETAILS

+27 011 483-0122
+27 011 483-0124
info@brandsouthafrica.com

PHYSICAL ADDRESS

Brand South Africa
103 Central Street
Houghton, Johannesburg

POSTAL ADDRESS

PO Box 87168
Houghton 2041
Gauteng, South Africa

South Africa