

HOW SPENN IS BANKING THE UNBANKED - PARTNERING WITH MASTERCARD

Who would have thought that what started as a casual conversation between SPENN and Mastercard in Norway a couple of years ago would lead to a solid partnership? A key enabler for this was the Lighthouse MASSIV program, which SPENN joined (and then won) in Spring 2021. The Lighthouse team caught up with Mitchell De Young, Chief Product Officer of SPENN, and Mats Taraldsson, Head of Innovation Fintech and Impact-tech Engagements at Mastercard Nordics & Baltics, to talk about SPENN's solution, the partnership with Mastercard and how participation in Lighthouse accelerated their success.



MITCHELL DE YOUNG

CPO OF SPENN

First, a short introduction to SPENN

Founded in 2014, SPENN has a vision of empowering people, "our mission is to give everyone equal financial opportunity" Mitchell tells us. The SPENN solution is accessed through a mobile phone app and combines chat, real-time payments, and bank accounts to enable users to manage their money, payments, and investments at zero cost. "SPENN is a wallet provider, leveraging blockchain

technology to make things work frictionlessly; our solution also solves KYC and AML requirements for bank accounts," Mitchell explains. "We want to create an ecosystem and therefore have one foot in the "traditional" world as well as one in fintech. We believe this is the best approach as we aim to bank the unbanked, which

requires contact and partnering with local banks to ensure we are doing things correctly." The approach is successful – the SPENN team has already grown to 160 full-time employees, over a million customers, and has enabled more than three million transactions. All of this while expanding to new countries, of which several are in Africa.

The founding story of SPENN - Mastercard partnership in Lighthouse

Although it took a couple of years to enter an actual partnership, the realization that the two companies could be a perfect fit was there from the beginning. "We were attracted to Mastercard from the beginning when meeting in Oslo. We share the vision of banking one billion people and we were both open to reach that target through innovative set ups", Mitchell says. Mats agrees and adds "it was love at first sight; the MASSIV program has further acted as a perfect platform for us to elaborate on how to work together". The opportunities for a collaboration soon crystalized, and the key was Mastercard's wide global presence. "I could see the potential to use our network to help SPENN reach new markets, and we then managed to bring together six





country managers of Mastercard in Africa for a conversation on how we could work together with SPENN," Mats says. The conversations bore fruit and the collaboration started in Zambia. "We needed a sponsor bank that had a licensing agreement with Mastercard to operate in the country; it only took 1.5 months to get this in place", Mitchell tells us. He has confirmed that development of a virtual card powered by Mastercard is already underway.

The Lighthouse participation also opened new doors for SPENN

Since the Lighthouse MASSIV program functioned as a bridge between the initial conversations and an actual partnership, we were curious to learn what other benefits came from SPENN's participation. Mitchell says that he has many clear examples of the benefit of having close contact with Mastercard. Firstly, coaching from the advisors of the Lighthouse program prompted a big shift in how SPENN thought about their own solution. One consideration they had before Lighthouse was how to balance the vision of helping the unbanked, while at the same time becoming a profit-making company. "The coaching we got from the advisors helped us to realize that we could do both. The product could stand on its own and be both a young hip urban banking app while simultaneously banking the unbanked. People don't want to think about themselves as a group in need of support, they just want to be banked and our solution enables this", he says. The participation in Lighthouse further gave SPENN the opportunity to pitch to the Bill and Melinda Gates Foundation, with whom they launched a digital vaccine credential delivered in an app called SPENN: Health. "We talked about a health pass product utilizing the security within the SPENN product. Now it is possible for the users to declare their vaccine status when paying for a show ticket for example."

The robust partnership with Mastercard is built on trust

As SPENN is now continuing to grow, they are not only looking at additional countries in Africa but also expanding their view to countries outside of Africa, such as in Asia. Mats expects that as

the company grows, it will be natural for him and Mastercard to continue to be involved, "I want to see a continued expansion of SPENN in Africa, in addition to a re-launch into the Philippines and more countries in Asia. Here, we would like to expand and deepen the collaboration even further; maybe we can develop more solutions together" Mats suggests. Mitchell further adds "I agree, for me, we deserve each other. We have put a lot of effort into cultivating this partnership and will not give it up. Going forward, when we enter a new country, we will offer the SPENN wallet with the Mastercard solution on top. Our solution will enable people to continue to pay with their local currencies but make international transactions with cryptocurrencies between countries. This is a reality thanks to our partnership."

Finally, do you have any advice for future Lighthouse participants?

SPENN:

- Choose one or two mentors and stick with them all the way through.
- Have achievable goals that can be accomplished within the timeframe of the program, otherwise you cannot show that you have successfully reached your targets. We focused on the user numbers and managed to onboard 80,000 new customers during the program.
- Do not be afraid to pivot.

Mats:

- Commitment to the program and delivering on that commitment.
- It is what you make of it – you will be successful if you are active in making use of the resources of the program.