


red\_mad\_robot



# State of Fintech in Middle East v1.01

## Executive summary

### Market Infrastructure

- Despite a fall in fintech investments globally, the Middle East has fared better than other regions: with total funding amounting up to \$1.5 bn, 130-150 deals — and 2000 new companies established.
- The Middle East fintech industry is developing rapidly — attracting numerous international investments, making up.
- The 21st century marks the era of smart phones and technology — the widespread use of smart phones calls for consumers who are constantly learning about new applications.
- Consumers are becoming more tech-savvy: active usage of digital banking services, non-cash payment methods and ready to use new digital services.
- Government Authorities (Central Banks and Regulators) in the Middle East show a strong commitment to developing the region's fintech by creating the necessary infrastructure (accelerators, incubators, fintech hubs and free zones) and implementing reforms (ex. developing open banking initiatives).
- DIFC is one of the most developed fintech hubs in the Middle East: best geographical location, conditions, offerings and services for local and international companies.

### Key players

- The market is dominated by companies within the digital payments, instant cross-border payments, BNPL-services, AIS and PIS products, KYC and digital banking space.
- Fawry, MadfooatCom, Optasia, MNT-Halan, Tabby, PayTabs, Tamara, HyperPay, MyFatoorah and Rasan are some of the most promised fintech startups in the Middle East.
- The Middle East has only three fintech unicorns: STCpay, Fawry and MNT-Halan.
- Tabby, Tamara, Yassir, Rain and Paymob are on the list of top-funded fintech startups in the Middle East.
- Shorooq Partners, VSQ, Wamda Capital and Middle East Venture Partners represent some of the most active fintech investors in the Middle East.

### Trends

- Digital payment solutions are growing rapidly.
- The Middle East is in the stages of approving virtual assets, DeFi and CBDC.
- Fintech startups see opportunities in cross-border payments and remittances space- to help cater to a large number of foreign workers.
- SMEs and merchants are using digital platforms to improve business processes and get access to capital.
- Rise of the tech ecosystem and superapps.
- Neobanking is an advanced trend — the market has different ways of developing: digital-only offering from leading incumbents and independent firms.
- BNPL services have potential of becoming more popular in this region.

## Market Analysis

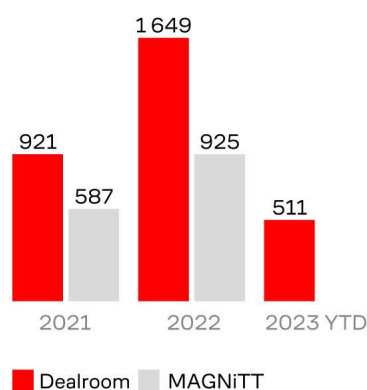
### Strong investment growth

Despite falling global fintech investment activity, the investment rounds in the fintech industry in the Middle East show positive trends. According to different reports, during the last two years (2021-2022) the total funding in Middle East fintech startups is estimated at around \$1-1.5 bn in 130-150 deals. It seems that investments in fintech startups in 2023 may show a better result than in 2022. In four months alone, companies were able to raise about \$600 mn (Exhibit 1).

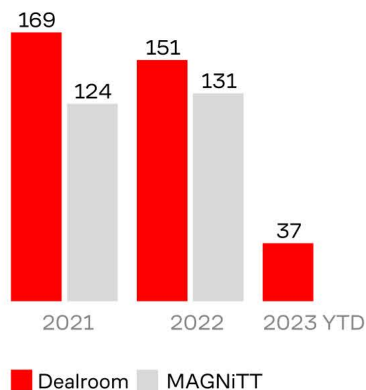
Market estimates vary from report to report. However, everyone agrees that the geography of investment is very diversified. The UAE, Saudi Arabia, Egypt and Bahrain have a large market share of funding in fintech startups in the Middle East. These markets seem to be consolidating their position as the most important fintech centers in the Middle East.

**Exhibit #1.** Fintech investments in the Middle East (2021–2023 YTD).  
Sources: [Dealroom](#), [MAGNiTT](#).

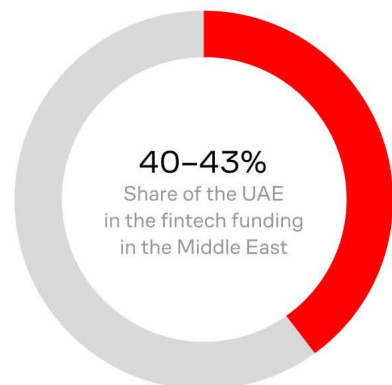
Fintech deal funding, mn \$



Fintech deal funding, number of deals



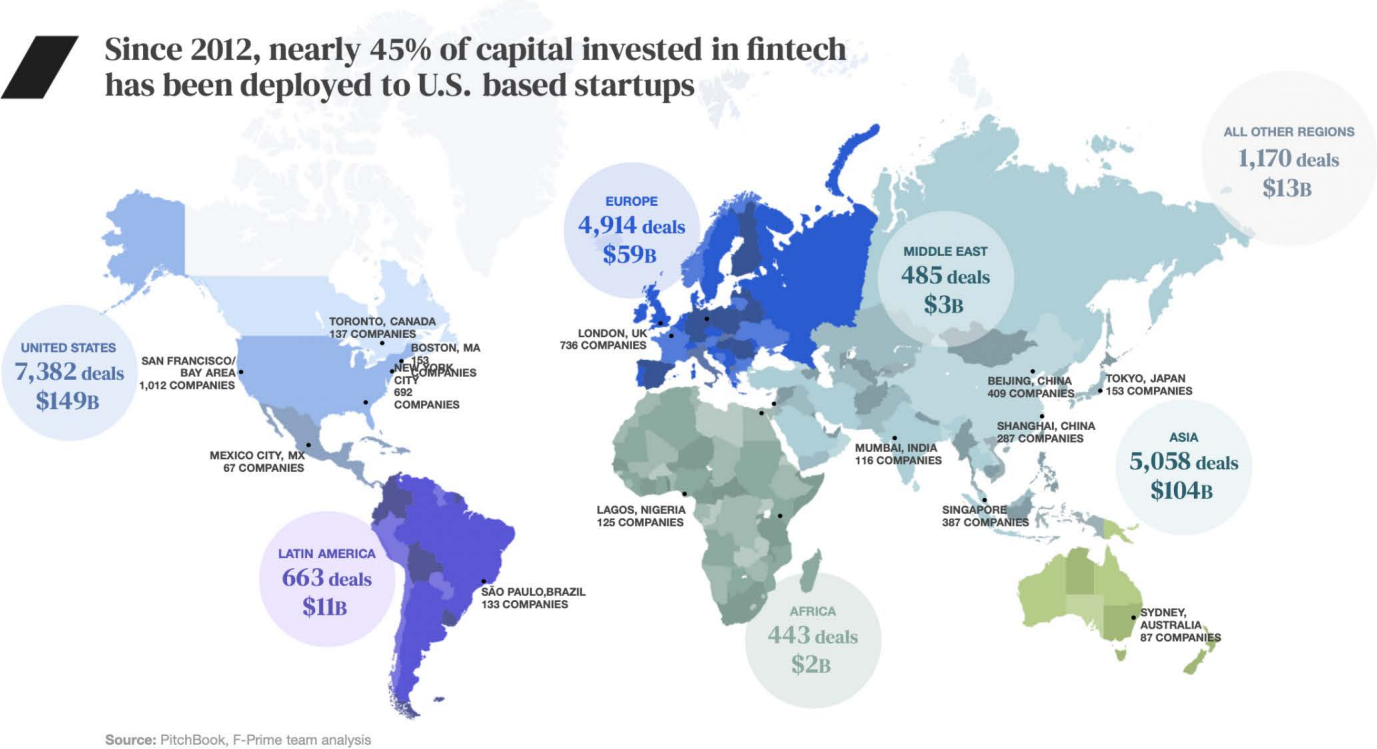
UAE is most active fintech countries



In global comparison, the Middle East is only developing. From 2012 to 2022, the fintech startups have attracted only \$3 bn. That is only around 1% of all global fintech investments. The Middle East is outpaced only by another developing region — Africa (Exhibit 2).



Exhibit #2. Comparison of fintech investments among different regions. Sources: [F-Prime](#).



The growth of the fintech ecosystem in the Middle East is also demonstrated by the number of fintech companies that operate in the region. There are at least 2000 companies (not counting the Israel ecosystem in this list). More than half of them are based in the UAE, specifically in Dubai (Exhibit 3).

Exhibit #3. Number of fintech companies in the biggest markets in the Middle East. Sources: [Tracxn](#), [Fintech Saudi](#), [Bahrain Fintech Bay](#), [Türkiye Fintech Guide](#), [Fintech Egypt](#).





### What the success of fintech in the Middle East is based on

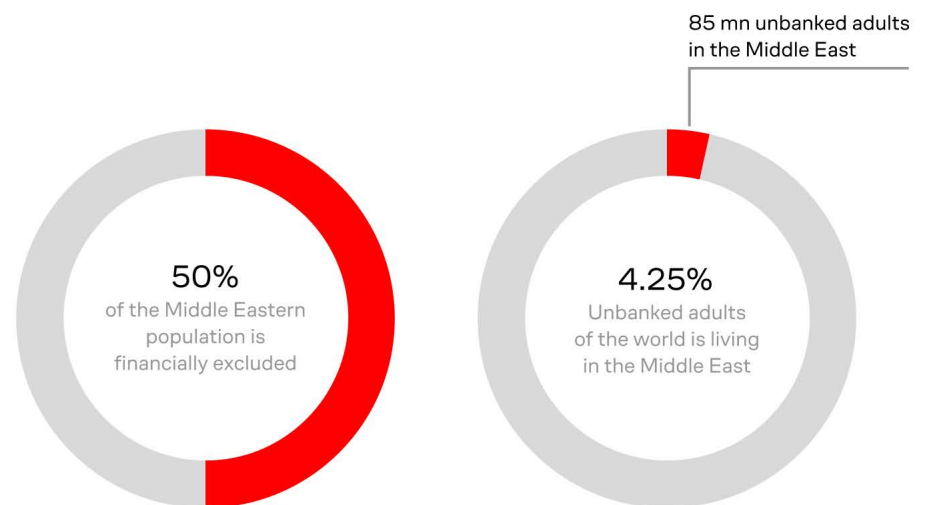
The region has a positive macroeconomic situation. Possibly, one of the important factors that allows the fintech sector's continued growth. We note several factors that allow the Middle Eastern fintech market to prosper.

First of all — a huge share of unbanked people among the population. Millions of people in the Middle East remain underserved by basic banking and payments, while open banking, cryptocurrency and stock trading are gaining ground in markets.

Beyond the tech hubs like Dubai or Abu Dhabi, the region is home for one the biggest unbanked population in the world (Exhibit 4).

#### Exhibit #4. Unbanked population in the Middle East.

Sources: [Arab Monetary Fund](#), [Fast Company Middle East](#).

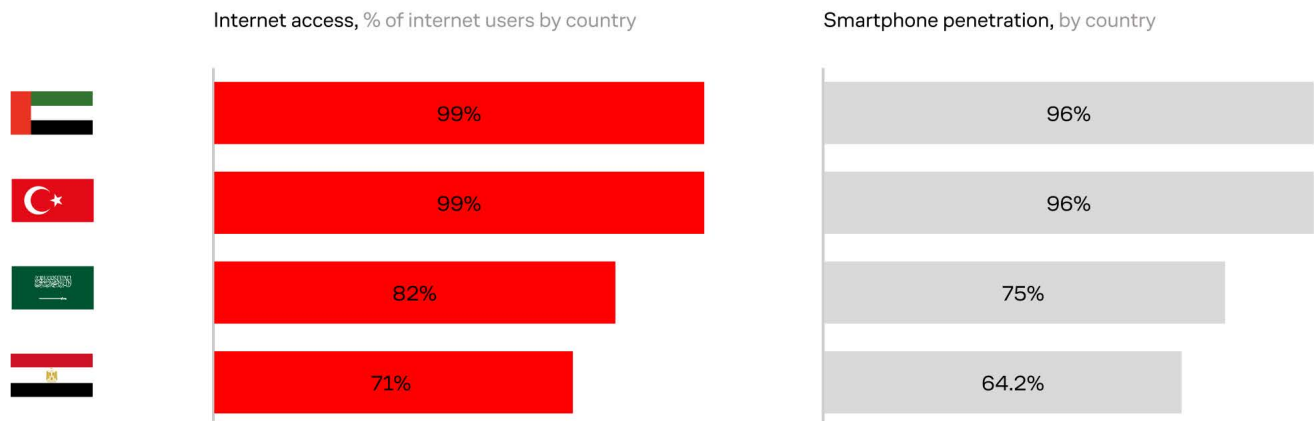


Second, the growth of penetration of the internet and smartphones at affordable prices. Middle Eastern countries offer different windows into the region, but each has different levels of Internet penetration and ways of access.

The United Arab Emirates and Saudi Arabia lead the pack: 99% of its consumers have access to the internet, compared with just 82% in Turkey and 71% in Egypt. So, among the biggest markets, Egypt has significant sources of potential growth in the coming years (Exhibit 5).



**Exhibit #5.** Digital landscape in the biggest markets in the Middle East.  
Sources: [World Bank](#), [Newzoo](#), [Data Reportal](#).



Third, the young population. The Middle East's greatest asset is the fact that the average age of the population is around 30-31 years old. They, born at the turn of the millennium, are statistically the most adaptive to technological innovations.

Fourth, government and regulatory support is driving the fintech boom in the Middle East. Authorities across the region also responded to the development of digital technologies with new standards and rules. Recent updates create the opportunity for fintech companies to build disruptive applications and services that are necessary for individuals and businesses (updating regulatory frameworks including open banking, crypto, digital banking and payments). Maybe one of the most important of all frameworks is a situation around open banking.

Nowadays, regional powerhouses moving towards open banking are UAE and Saudi Arabia. In 2022, the Central Bank of Saudi Arabia (SAMA) and the DFSA took steps towards promoting unrestricted growth in open banking. DFSA granted its first open banking license to Tarabut Gateway. Tarabut Gateway became the first open banking platform to secure AIS and PIS licenses from the DFSA.

Country	Launched	Regulator	Mandated institutions	Available regulated licenses <sup>1</sup>
	To be implemented in 2026	CBUAE, FSRA, DFSA	Banks, insurance, wealth management, asset management, TPP, fintech companies and neobanks	TPP, AISP, PISP, AIS, PIS
	November 2022	SAMA	All local and international retail and corporate banks	AIS, PIS
	October 2022	Central Bank of Bahrain (CBB)	Retail banks, PSPs operating e-wallets	AISP, PISP



In January 2023, the Saudi Central bank (SAMA) launched the Open Banking Lab. Bahrain has steadily grown its domestic fintech ecosystem. CBB's Financial Services Development Strategy maps out the sector's development goals between 2022 and 2026. CBB's five-year strategy includes the launch of open banking services 'in the first and second stages' as well as an open finance framework.

Central Banks are also updating support documents in order to modernize infrastructure to support digital products. The Central Bank of Egypt issued regulations for Payment Cards Tokenization on Electronic Devices' Applications (the "Tokenization Regulations") which come as a key step in achieving Egypt's vision for financial inclusion and a more heightened cash-free society. The new regulations will enable contactless payments through apps.

Fifth, fintech hubs and free zones. Several countries in the Middle East such as Saudi Arabia, UAE, Bahrain and Egypt today have fintech sandboxes. For example, in 2019 Saudi Arabia Bank (SAMA) issued a Regulatory Sandbox Framework. But also the building of fintech hubs. The existence of relative fintech hubs (Appendix 1) help startups to upgrade their skills, open up opportunities to meet new partners, or exit to different countries, etc. In the Middle East, there are several hubs that support the fintech ecosystem in the Middle East:

Hub	Country	Launch	Services and offerings				
			Fundings	Incubator	Training	Workspace	Events
DIFC		2017	+	+	+	+	+
ADGM		2019	+	+	+	-	+
Fintech Saudi		2018	+	+	+	-	+
Bahrain Fintech Bay		2017	+	+	+	+	-
Qatar Fintech Hub		2020	+	+	+	+	+
Fintech Egypt		2022	+	+	+	+	+

Some of these fintech hubs are positioned as free zones. Hence, they are attracting companies with business-friendly benefits: zero tax on business income, 100% foreign ownership, etc.

Among all fintech hubs in the Middle East, Dubai International Financial Centre (DIFC) is most developed. DIFC has an independent regulator and a judicial system with an English common law framework, as well as the region's largest financial ecosystem of more than 36,000 professionals working across over 4,300 active registered companies. DIFC also runs an accelerator program, venture studio, academy and family wealth centre.



Fintech hubs are continuing to appear in different Middle East countries (Jordan, Tunisia...). This, among other things, reflects the scaling of fintech in the region and the interest in its development and in attracting foreign companies and investors.

### Major Investors in the Middle Eastern Fintech Ecosystem

The fintech market in the Middle Eastern region continues to boom. Investors are also maturing, with corporates and large private companies taking risks and investing in fintech companies. VCs are growing in numbers and in size, and although the UAE is still the hub, KSA, Egypt and Turkey are also active (Exhibit 6).

Exhibit #6. Middle East fintech ecosystem investors. Sources: Crunchbase, Dealroom, Forbes.

#### Accelerators



#### Venture Capitals



According to funding rounds and deals during 2021-2023 YTD, we can say that Shorooq Partners, VSQ, Wamda Capital and Middle East Venture Partners represented some of the most active fintech investors in the Middle East:

SHOROOQ  
PARTNERS



Venture capital firm based in Abu Dhabi. The firm prefers to invest in fintech, software and mobile sectors. Invested in 45+ companies. Portfolio generated \$1.5+bn of equity value.

VSQ



Venture capital fund with a global portfolio. The firm manages thematic funds, with a current focus on fintech and climatech.

+wamda  
capital



Venture capital firm invests in high-growth technology and tech-enabled startups.

ME  
VP



Middle East-focused venture capital firm that invests in the early and growth stages of innovative companies. The firm manages more than USD 300 million in assets.

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NYMCARD

tabby® YASSIR  
Mamo Huspy™

BitOasis yallacompare  
tabby® ZIINA

HALA Mamo NOW  
Rain HyperPay





## Key Fintech Startups

In the Middle East there are popular fintechs that provide basic banking services (types of payments and transfers) for the population and SMEs who do not have access to banking services.

Exhibit #7. The Middle Eastern key fintech startups by categories.

Sources: Crunchbase, Dealroom, Forbes, CB Insights, Magnitt.

100+ startups that driving the Middle East's fintech sector.

### BNPL/Paylater

Type of payment method that allows customers to make purchases and pay for them over time.



### Payments, billing and money transfer/E-money

Digital wallets, online payment system, remittance, cross-bordering payments, super apps.



### Lending

Financial service that offers loan products for individuals and companies.



### Blockchain and crypto

Crypto-asset exchanges, Web3 startups and blockchain providers.



### Wealth management & capital markets

Digital solutions that democratizing investments and simplify wealth management.



### Insurtech

Startups provide value-added tech benefits for insurance industry.



### Digital banking

Banking platforms that operate solely online, simply without physical presence.



### Payment gateway

Startups providing payment solutions for B2B, merchants, ecommerce, etc.



### Accounting, payroll and benefits

Platforms are trying to help businesses with financial processes (accounting, payroll, etc.).



### BaaS (Banking-as-a-Servie)

Startups offer fintech companies and FI the infrastructure to plug and play finance into apps.



### Real estate finance

Fintech solutions that are changing how people bought, sold and manage real estate.



### Comparison

Platforms that help costumers compare and choose financial products from institutions.



The Middle East has more than 100 promising fintech startups that can drive the market (Exhibit 7). We put these companies in the list because they have later-stage deals and exits (including pairs of IPO and unicorn / pre-unicorn statuses), or they offer innovative service and have growing sustainable business models.



Also Forbes Middle East revealed its ranking of the region's top fintech startups and companies. This rating is highlighted the most innovative startups that digitise banking, investment and other financial directions.

KSA and Egypt comprise 46% of the fintech companies in this region (Egypt has nine projects, KSA — six). Of the companies that made it into Forbes' list and from the market map, the following are the ranking's top ten fintech companies in the Middle East:



Fawry is a digital payment service from Egypt. For consumers, Fawry provides electronic bill payments, mobile top-ups, cash deposits and withdrawals, investment products, rewards and loyalty and e-ticketing. Fawry serves 49.4 mn users and processed transactions of \$6.8 bn in 2022.



MadfoatCom provides real-time electronic bill and payment solutions. Company operates in Jordan, Egypt, Saudi Arabia, Oman, Palestine, the UAE, and Morocco, with 3.6 mn active users and over 1.4 mn app downloads as of March 2023.



Optasia operates in more than 40 countries, offering services such as airtime, data, real-time credit scoring and micro-loans.



MNT-Halan offers superapp to provide financial services for underbanked and unbanked population and businesses.



Tabby is a BNPL startup that allows customers to slip their purchases into four interest-free payments. The company claims more than 2 mn active users. Tabby is active in the UAE, KSA, Kuwait and recently launched in Egypt.



PayTabs Group is a processing company that offers B2B payment solutions for businesses of all sizes. The company currently operates in Saudi Arabia, the U.A.E., Egypt, Oman, Kuwait, Jordan, Palestine, Türkiye, and Azerbaijan.



Tamara is a BNPL-startup that allows customers to slip their payments interest-free at leading retailers. Tamara has over 3 mn customers and more than 4k partner merchants.



HyperPay is an online payment gateway that allows merchants to accept payments through various channels, such as credit cards, debit cards, and e-wallets.



MyFatoorah is an online payment gateway that allows businesses and individuals in Kuwait and other Gulf countries to easily accept and process online payments for their goods and services.



Rasan offers banking and insurance solutions. The company has over 10 mn users..

Some of the top fintech companies have attracted investments into the region, and improved the business environment in the Middle East, thus demonstrate great potential of growth in the near future:



- In August 2022, Tabby gets \$150 mn in debt financing from Atalaya Capital Management and Partners for Growth.
- In January 2023, the company raised \$58 mn round, at a valuation of \$660 mn.



- In August 2022, Tamara raised \$100 mn in a Series B round.
- In March 2023, Tamara raised a \$150 mn round from Goldman Sachs. This funding will help the company grow across new verticals.



In November 2022, Yassir raised \$150 mn Series B funding. Algerian startup founded in 2017 that has now become a full-fledged superapp. In the Yassir app, users order cabs, deliver groceries, goods, and get banking services.



In January 2022, cryptocurrency exchange Rain closed a \$110 mn Series B round. In 20219 the company became the first regulated cryptocurrency platform in the Middle East. Rain received a Crypto-Asset Module (CRA) license from the Central Bank of Bahrain.



Paymob closed a US\$50 million Series B in May. Paymob was raised by Paypal Ventures, London's Clay Point and New York's Kora Capital. The company will use this funding to expand into the Gulf and North Africa.

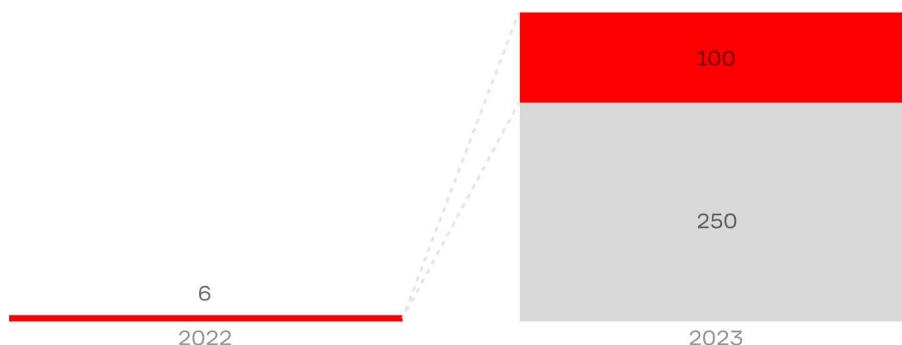


On top of this, successful startups already operate in multiple markets and have plans to continue expanding geographically. One example is digital bank Yalla, which was founded in Egypt and right now has an office in the UAE, and is set to expand to KSA and Kuwait.

### Fintech Unicorn Club in the Middle East

By 2030, it is expected that the Middle East (with North Africa) will create more than 300 unicorns, startups that have a valuation of over \$1 bn, and soounicorns, startups that have potential to become the unicorn in near future (Exhibit 8).






Exhibit #8. Potential growth of unicorns in the Middle East in next 8 years (2022-2023). Sources: RedSeer Strategy Consultants.





Currently, the region has up to six unicorns, with three of them operating in the fintech sector (Exhibit 9). All of them were born in the last three years (pandemic and pre-pandemic era). So in this period people are adopting digital technology and online platforms. We can say, they become more tech-savvy.

Exhibit #9. Unicorn fintech startups in the Middle East.

	2020		2023	
		\$1.4B		\$1B
		\$1.3B		

#### STCpay

STCpay is a leading fintech operator in MENA that provides banking and payment solutions. In 2020, STCpay becomes Saudi Arabia's first unicorn. This also makes STCpay the first Fintech Unicorn in the Middle East. The company is building an ecosystem to provide services for B2C and B2B, trying to satisfy their needs. Businesses can boost growth with digital platform that ease the payment processes. Individuals can easily manage their money: transfer to contacts (family and friends), split bills with them or request money.

#### Fawry

Egypt based e-payment company Fawry was the first tech unicorn in the country, saw its market cap surpass \$1 bn in August 2020, and \$1.4 bn as of 2021. The company also was the first Egyptian tech startup going through the IPO.

#### MNT-Halan

In 2023, the Middle Eastern fintech industry confirmed new unicorn status with Egyptian fintech MNT-Halan. MNT-Halan was formed when Dutch microcredit platform MNT and Egyptian superapp Halan merged in 2018. Halan, for its part, started as a ridesharing and delivery service. It then added digital wallet, bill payment, microloans, BNPL and became a superapp.

After the merger, MNT-Halan emphasised on financial services. The unit with delivery and ridesharing remained, but its development was no longer a priority due to competition with Uber and other international companies.



MNT-Halan connects buyers and small businesses on one platform through digital services. For businesses, MNT-Halan provides loans, ensures the payment of employees' salaries and organises the delivery of FMCG goods. For individuals, it provides loans, digital wallet, p2p payments, BNPL payment, delivery and travel

The company has already issued \$2 bn in loans to over 2 mn borrowers — individuals and businesses. Loans are now generating the bulk of revenue for the service, with the rest of the business providing infrastructure and engaging users in the ecosystem. The ecosystem has a total of 5 mn users. In 2022, the company generated \$300 mn in revenue.

### The product launches in H1'2023



- Savii, a financial platform for teenagers, has launched in the UAE. In partnership with Visa the company will offer prepaid cards for youth.
- UAE-based cryptocurrency exchange Bybit has launched an AI trading support tool with personalised investment product recommendations.
- ADIB became the first Islamic bank to capitalise on the KYC blockchain platform in the UAE.
- Visa, together with ecolytiq, launched Visa Eco Benefits and Sustainability-as-a-Service solution in the UAE to drive sustainable e-commerce.
- US-based crypto solutions provider Ripple is opening a new office location in Dubai. Bybit also opened an office in Dubai.
- Mastercard with payment service provider Foloosi launched Click to Pay in UAE.
- UAE-based PayTabs launched social commerce solution ReelsPay in MENA so that millions of freelancers, home business owners and micro sellers can sell more on social networks.



- Turkey has completed its first pilot transactions with the digital lira. In addition, biometric payment cards are planned to be rolled out in the country.
- Turkish QNB Finansbank introduces a bank account aggregation tool called “All Banks”. Türkiye İş Bankası has set up a company to develop agricultural technology. And Ak Yatırım, a subsidiary of Akbank, bought cryptocurrency trading platform Stablex.
- Turkish IT-company Architech launched a new product, BOACard. It offers an end-to-end holistic infrastructure solution by bringing together card, merchant and POS products on a single platform.



- The Egyptian Financial Regulatory Authority (FRA) in collaboration with the Egyptian Exchange (EGX) announced the launch of Corbeh — a platform for startups to transform the Egyptian capital market and the non-bank financial sector.
- Egyptian fintech Copal has launched the country's first payments and expenses management app for families. This service allows parents to control kids' funds and easily track and manage their finances. In addition, that can be a simple financial education tool to help kids learn how to manage money and savings as well as give back to the community.



- Dubai-based fintech Qashio is partnering with Alinma Bank to offer spend management services to customers in Saudi Arabia.
- Regtech provider Konsentus establishes its MENA regional base in the KSA to provide open data infrastructure and services to regulators and financial services providers.

## Trends in the Middle East

### Trend #1: Rapid Growth in Digital Payment Solutions

- Saudi Arabia is moving away from cash and toward a more digital payment landscape. Digital wallets continue to gain share in ecommerce. The wallet market is led by domestic offerings such as STC Pay and mada Pay from Saudi Arabia's Ministry of Finance. Consumers in the UAE prefer cards. They remained the majority payment method in e-commerce in 2022, with credit cards accounting for 41% of transaction value and debit cards representing 11%. Wallets are the second-leading payment method behind credit cards online, accounting for 24% of transaction value in 2022, up from 23% in 2021.
- The KSA, UAE and Bahrain are the leading real-time payment markets. The KSA is the biggest market when it comes to real-time transaction volumes, Bahrain leads in terms of consumer adoption, and UAE is launched as the national Instant Payment Platform is expected to turbo charge real-time payments growth. Other countries, including Qatar, Kuwait and Oman, are expected to launch domestic real-time schemes soon. Real-time transactions in the Middle East will grow from \$675 mn in 2022 to \$2.6 bn by 2027 – a CAGR of 30.6%.

## Trend #2: Building One of the Biggest Crypto hubs in the World

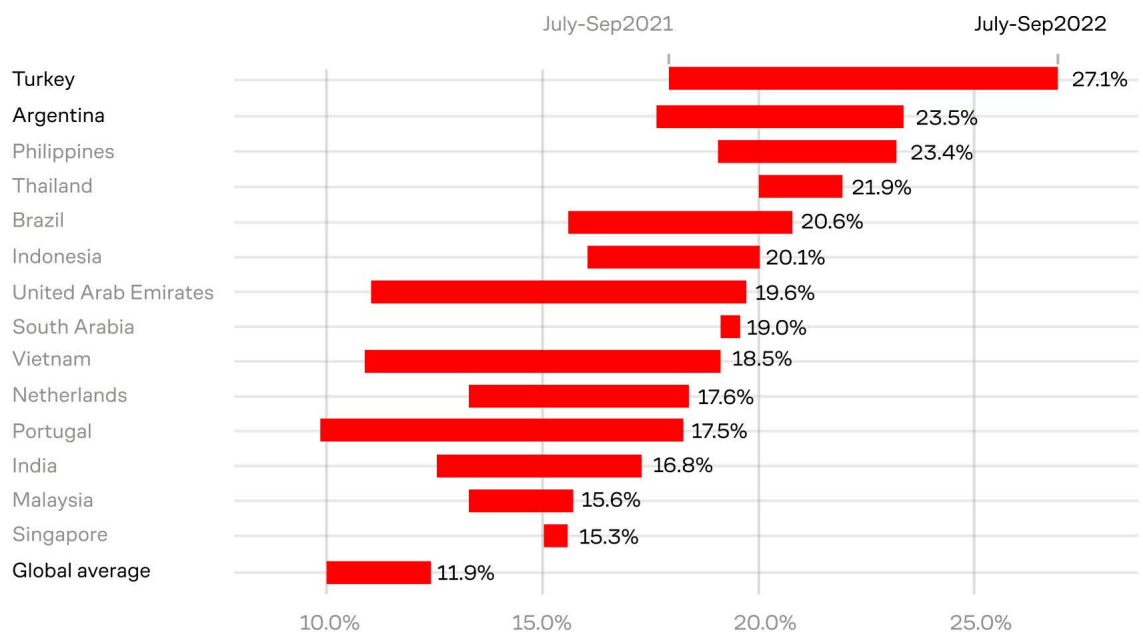
The MENA region is quickly becoming a hotbed for cryptocurrency adoption – from DeFi to NFT, the use cases for crypto are diverse. MENA-based users received \$566 bn in cryptocurrency from July 2021 to June 2022, 48% more than they received the previous year.

This growth can be attributed to several factors: consumers using digital assets for savings preservations and payments remittance, and the region has more favorable crypto regulations. For example, digital assets lure inflation-weary Egyptians and Turks. So Turkey has the highest ownership of digital currencies – 27.1%. The most developed and biggest fintech market – UAE ranks only seventh place with 19.6% (Exhibit 10).

Exhibit #10. Penetration of crypto ownership in different countries.

### Rise in crypto ownership

Share of internet users aged 16 to 64 who own some form of cryptocurrency in the July-Sep period. The 15 countries with the highest share of crypto users in July-Sep 2022 are depicted in the chart.



Source: GWI research | Reuters May 1, 2023 | By Sumanta Sen.



However, the UAE (specially, Dubai) wants to become a global hub for crypto startups and companies. The UAE's crypto ecosystem continues to grow at an unprecedented rate, with over 1.8k companies and more than 8.6k people employed to driving the crypto, blockchain, metaverse, and Web3 ecosystem of the UAE as of Q1 2023 (even one of the biggest crypto company Coinbase considers UAE for its international hub (Exhibit 11).

Exhibit #11. UAE's crypto hub.



Some of the authorities of countries in the Middle East are also interested in Central Bank Digital Currencies (CBDC). For example, CBUAE unveils CBDC strategy in collaboration with R3, G42 Cloud and Clifford Chance. The first phase of the Digital Dirham is expected to be completed over the next 12 to 15 months. These include initiating real-value cross-border CBDC transactions for international trade settlement, proof-of-concept work for domestic CBDC issuance covering wholesale and retail usage.

The Middle East also attracts a lot of global crypto companies. Crypto exchanges such as Binance, Bybit and Crypto.com are making moves to Dubai. They have all also received licensing by Dubai Virtual Assets Regulatory Authority (VARA).



### Trend #3: Cross-Border Payments Platform Supporting Migrant Workers

This is a vital category for the financial ecosystem in the Middle East region. For example, in Saudi Arabia and the UAE, migrants make up a large share of the unbanked population. Because of this, they rely heavily on exchange offices with high fees and informal networks to receive their wages and transfer household savings to support their dependents back home. According to the World Bank, the UAE and Saudi Arabia have become the world's second- and third-largest remitters, transferring \$43 bn and \$35 bn overseas, respectively, in 2020.

#### Hubpay

UAE-based Hubpay is an example of the fintech startup targeting this segment. The company is developing a service that enables people to make transfers and payments to friends and family in different countries.

### Trend #4: Various Payment Solutions for SMEs and Merchants

An increasing number of SMEs are adopting digital solutions by fintech companies. Businesses think to improve their business operations, accepting growing digital payments to set up online sales or get access to capital – the financial gap for SMEs is a serious problem around the world, and the Middle East is no exception.

Digital services for B2B transactions, lending and financial operations such as invoicing, employing benefits, tax payments, HR and legal support are actively developing. For example, Paymob is among the most-funded fintech startups in the Middle East and the region has scaled businesses such as Tarabut Getaway, Beehive or Bayzat.

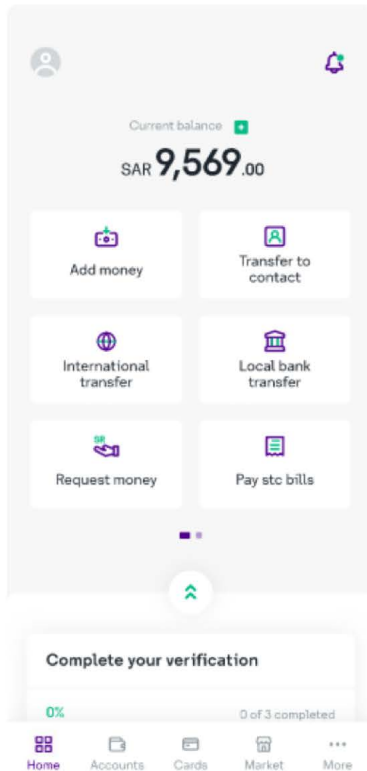
### Trend #5: the Middle East is Experiencing to rise an ecosystems and superapps

Successful superapps and ecosystems can come in the form of e-commerce marketplaces, delivery apps, or food delivery apps, but another key characteristic of a full-fledged ecosystem and superapp is the inclusion of payment and credit solutions that the traditional banking sector has not offered to audiences. In this way, they fill gaps in the developing world's financial system. They seek to create their own payment offerings to lock users into the ecosystem and optimize value-added offerings. The Middle East region has a range of different fintech companies and banks that are trying to provide a range of digital services or heading in this direction (Exhibit 12).

Exhibit #12. Example of ecosystem in the Middle East.

## STCpay's Ecosystem

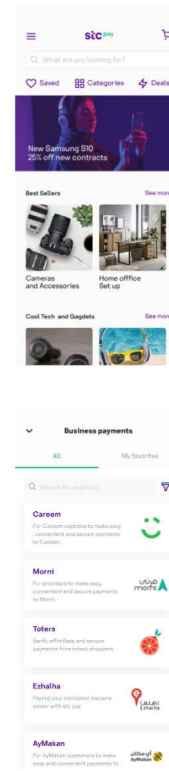
## B2C services



- Money split
- Remittance
- Pay bills
- Request money
- Send gifts
- Business payments
- Money analytics
- Digital&plastic cards
- Cashback
- Manage card
- Security
- Rewards&benefits



## B2B products



## Marketplace

- Merchant app
- Merchant portal
- Marketplace

## Business mobile app

- Control finances
- Business payments
- Print&pay bills
- Transaction history
- Management tools

## Trend #6: Neobanking

According to global definition, neobanks purely operate in digital. In other points, neobanks lack physical footprint in comparison with traditional. Neobanks are playing a key role in the Middle East, given the huge share of the unbanked population. They are also more open to customers, requiring more flexibility and ease of use. The Middle East is a more unique way of developing digital banking. The market has two different type of digital banking models:

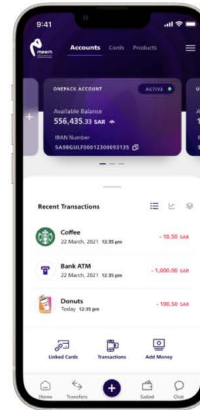
- First, traditional banks have somehow launched their own neobanks or acquired them. Examples include in the Middle East such as Weyay, a fully digital, youth-oriented bank by National Bank of Kuwait, Liv by Emirates NBD, Mashreq NEO by Mashreq Bank or Turkey's Tosla through its AkOde subsidiary of Akbank (Exhibit 13).
- Second, there are also independent companies. Some of them partner with banks to operate via the bank's license – Now Money with Commercial Bank.

Exhibit #13. Example of leading digital banks in the Middle East.



Liv. was launched in 2017 and positions itself as a neobank for millennials.

They offer a various products such as credit, insurance, cards



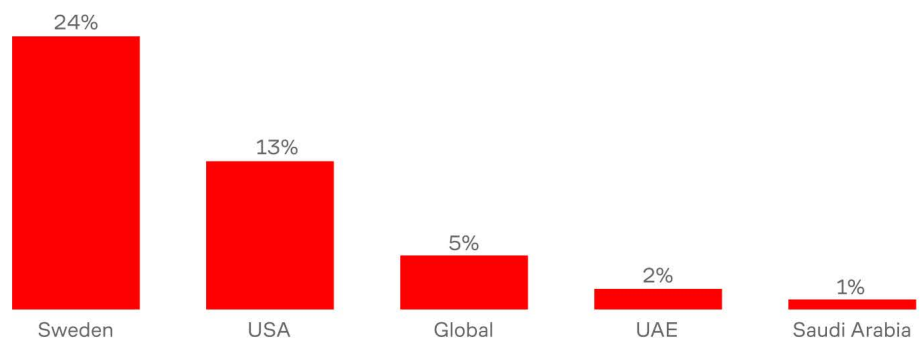
Meem is the first digital Shariah Compliant bank launched in KSA in 2014.

Service works with the Golf International Bank license and partners with Visa

### Trend #7: the Middle East is Ripe for BNPL Uptake

One of the recent trends in fintech initiatives is “Buy Now, Pay Later” (BNPL). This financial service provides customer opportunities to purchase goods, mitigating the financial burden. The region is experiencing growth in the number of BNPL players. Domestic companies such as Tabby, Cashew and Tamara are now well positioned to drive this growth and are attracting significant investment from investors. Their success can prompt other players to enter this market and offer similar services. But its use in the region is currently still in its infancy compared to Europe. According to the FIS, BNPL's market share in e-commerce payments was about 1-2% in Saudi Arabia and the UAE in 2022 (Exhibit 14).

Exhibit #14. Comparison BNPL penetration.



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red\_mad\_robot is a digital partner for major businesses in the fields of fintech, telecom, retail, insurance, e-commerce, medicine, and industry. The expertise of red\_mad\_robot covers the entire cycle of creating digital products: from conducting market research and consulting to direct development and launch on the market. The company creates marketplaces, ecosystems, mobile applications, and web portals for millions of people, as well as supports technological startups.

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