



Ministry of Foreign Affairs

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Entlaq Egyptian Fin-Tech Landscape 2024

Authors

Mohamed Merdan

Project Lead, Strategy Analyst
mohamedmerdan@entlaq.com

Dima Fakahany

Strategy Lead
dima@entlaq.com

Other Contributors

Mostafa Abdelghafar

Marketing Associate
mostafa.abdelghafar@entlaq.com

Amr Wahsh

Marketing & Outreach Executive
wahsh@entlaq.com

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About Entlaq

Entlaq is a dynamic Cairo-based think tank dedicated to reshaping Egypt's entrepreneurial landscape through advisory and capacity-building programs. Our mission is to provide a unique perspective and innovative solutions to the challenges faced by governmental, investor, and entrepreneurial stakeholders across the ecosystem.

At Entlaq, we leverage our extensive network of governmental and ecosystem partners to deliver research-driven insights, strategic guidance, and policy recommendations that create a supportive environment for startups and promote sustainable economic growth. Our advisory arm is committed to fostering a data-driven ecosystem, ensuring that all stakeholders have access to critical information for informed decision-making.

Our capacity-building initiatives are crucial in nurturing early-stage businesses, enhancing entrepreneurial skills, and accelerating startup growth, thereby strengthening the overall ecosystem. Through these efforts, Entlaq plays a pivotal role in advancing Egypt's position as a regional innovation hub.

Our Mission

Curate talent, sustainable practices, and data driven solutions to cement entrepreneurial growth.

Our Vision

Catalyzing Egypt's positioning as the region's innovation hub through fostering an innovative, inclusive, and impactful ecosystem.

About Entlaq

Advisory



Policy and Legislative
Advisory



Market Access and
Expansion



Research-based
Products



Strategy Advisory

Programs



Investment
Readiness Programs



Accelerators &
Incubators



Corporate Innovation
Programs



Capacity Building &
Upskilling Programs

Methodology

This report employs a multi-faceted approach to provide a thorough assessment of the Egyptian FinTech sector, integrating both qualitative and quantitative research methodologies. The research began with a detailed analysis of secondary data sources, including industry reports, government publications, and relevant databases. This phase provided the economic and demographic context of the region, identifying key trends in FinTech skillsets and investment patterns that are driving the industry's growth.

To gain deeper, ground-level insights, extensive primary data collection was conducted. In-depth interviews with FinTech experts, startup co-founders, regulatory bodies, and ecosystem enablers offered valuable perspectives on specific challenges and opportunities within the sector. Semi-structured interviews and surveys distributed among stakeholders across the FinTech ecosystem further explored their experiences with current support mechanisms and the policy environment, highlighting gaps and areas for improvement. Additionally, interviews with development partners provided a detailed understanding of their roles in advancing FinTech in Egypt, including their support for projects, partnerships, future plans, and the challenges they face in promoting FinTech initiatives.

The research extended its focus to the broader FinTech ecosystem, engaging FinTech-enabled startups to evaluate their potential impact on both the FinTech sector and adjacent industries. These discussions uncovered cross-sectoral linkages and the startups' contributions to ecosystem growth. By synthesizing insights from qualitative and quantitative datasets, the research identified key patterns, trends, and interconnections within the sector. This integrated approach provided a nuanced understanding of the FinTech landscape, capturing the perspectives of diverse stakeholders, including startups, regulatory bodies, and development partners.

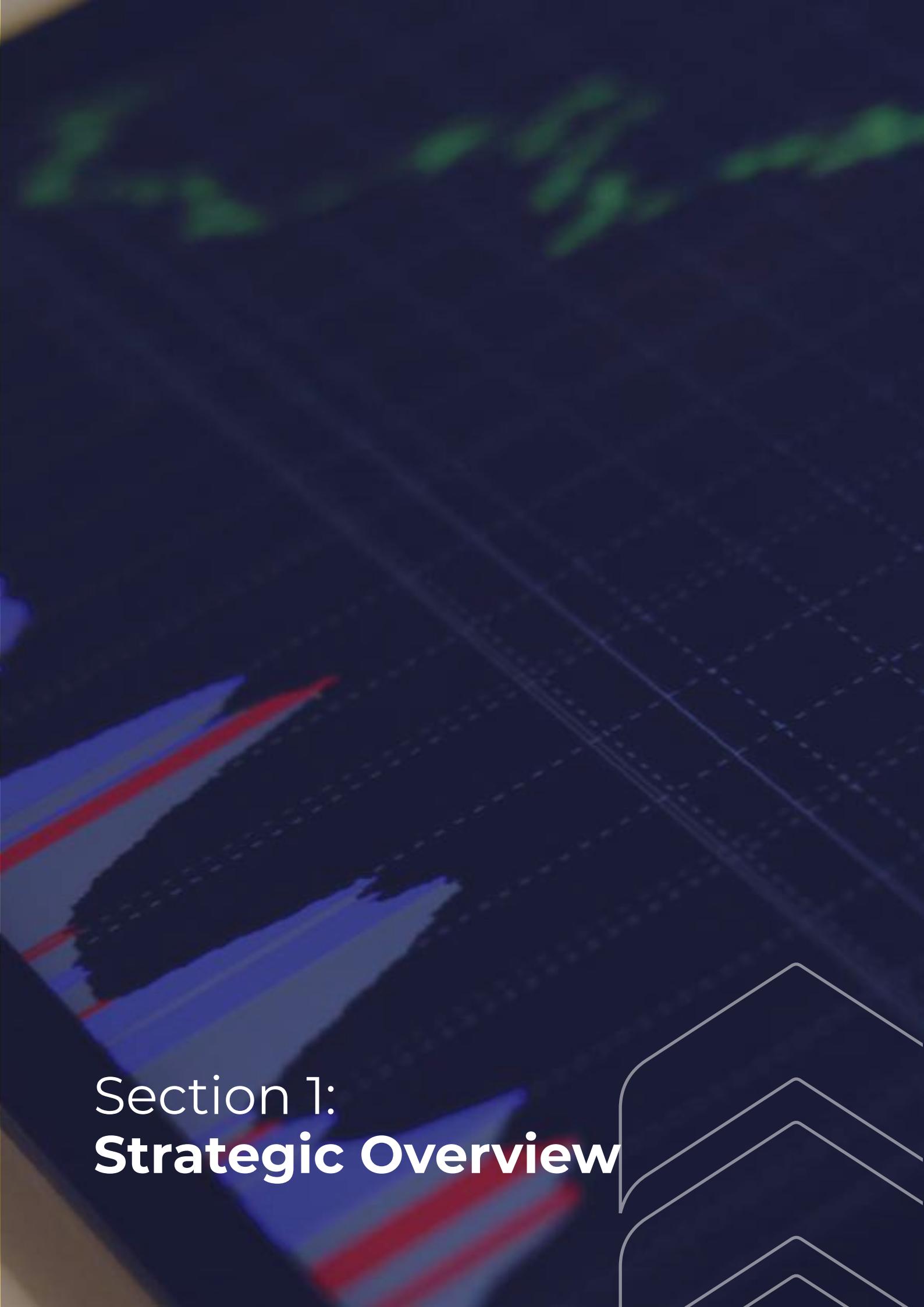
The report consolidates these findings into a clear and actionable analysis of the current state and future potential of the Egyptian FinTech sector. It offers evidence-based recommendations to enhance data accessibility, strengthen sectoral linkages, and benefit the broader financial and entrepreneurial ecosystems. Ultimately, the report presents a roadmap for fostering innovation, driving sustainable growth, and reinforcing Egypt's position as a regional leader in FinTech. This comprehensive approach ensures a comprehensive understanding of the sector's dynamics while delivering practical strategies for stakeholders to leverage its opportunities.

Introduction

The rapid evolution of financial technology (FinTech) is redefining the financial landscape in Egypt, driven by innovative solutions, government support, and a dynamic entrepreneurial spirit. As the largest Arab nation with a predominantly young and tech-savvy population, Egypt stands at the forefront of digital transformation in the Middle East and North Africa (MENA) region. The implementation of strategic initiatives, such as the Central Bank of Egypt's (CBE) FinTech & Innovation Strategy, has catalyzed significant growth, positioning the country as a regional leader in FinTech adoption.

Egypt's FinTech ecosystem is vibrant, featuring over 177 startups and a wide range of payment service providers that are revolutionizing sectors such as digital payments, lending, and alternative finance. Pioneering companies like Fawry, MNT-Halan, and valU have demonstrated the potential for homegrown innovation to achieve global recognition. Despite these advancements, challenges such as regulatory complexities, a persistent skills gap, and uneven infrastructure distribution remain critical areas for development.

This report provides a comprehensive analysis of Egypt's FinTech ecosystem, examining its current state, growth potential, and strategic opportunities. By addressing key challenges and leveraging untapped opportunities, Egypt can further solidify its position as a hub for financial innovation and inclusive economic growth. Through a multi-stakeholder approach encompassing public sector initiatives, private sector investments, and startup innovation, this report outlines actionable recommendations to drive sustainable progress in Egypt's FinTech journey.



Section 1: **Strategic Overview**

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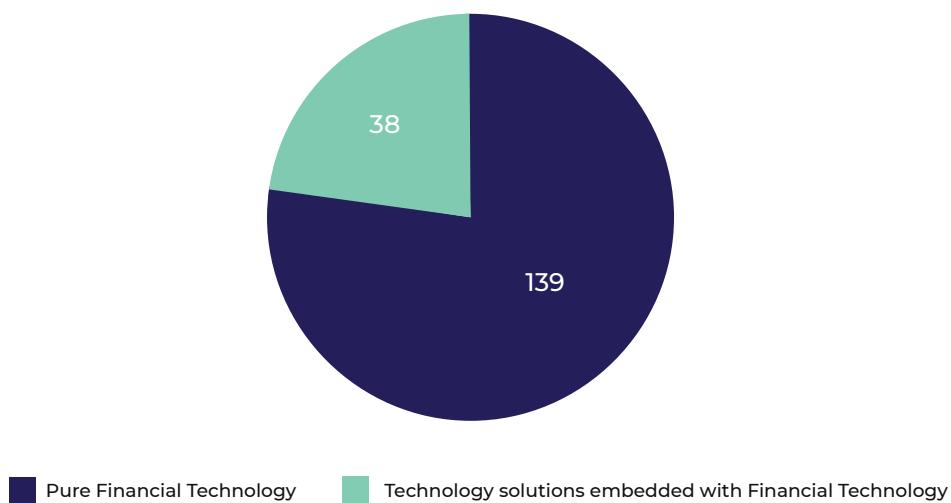
Uncovering the Economic Power of Egypt's Fin-Tech Market

Uncovering the Economic Power of Egypt's Fin-Tech Market

As of today, Egypt is home to a vibrant ecosystem of over **177+** startups and Payment Service Providers (PSPs) that are actively shaping the local financial technology sector. Of these, **139** startups focus exclusively on delivering innovative Fintech solutions, while **38** companies offer technological services that incorporate embedded financial capabilities. Over the past five years, Egypt has experienced a remarkable **5.5-fold increase** in Fintech companies and payment service providers (PSPs).

These financial technology startups cover 14 subsectors, highlighting the sector's diversity and innovation. Notably, around **60%** of Fintech companies in Egypt focus on lending and alternative finance, payments and remittances, and business-to-business (B2B) marketplaces. Additional segments that enhance the sector's diversity include data analytics and artificial intelligence (AI), open banking, health tech and insur-tech, as well as personal finance management. This dynamic ecosystem reflects Egypt's increasing adoption of digital financial services, positioning it as a key player in the regional Fintech industry.

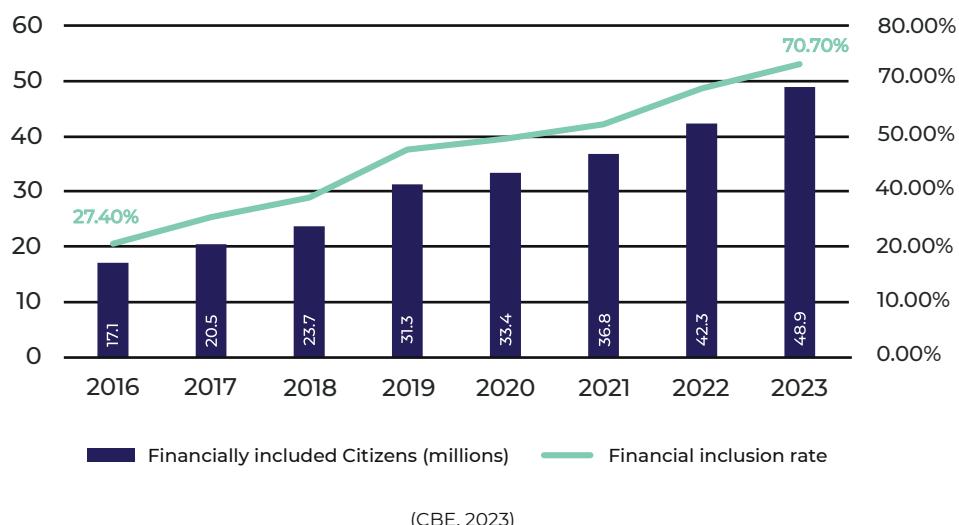
Fin-Tech Startups in Egypt



(CBE, 2023)

In 2014, Egypt exhibited one of the world's lowest levels of financial inclusion, with only **12%** of Egyptians and **14%** of adults possessing a bank account, as reported by the World Bank. However, between 2016 and 2022, the country witnessed a substantial improvement, marked by a **147%** growth in financial account ownership. By the end of this period, **42.3** million citizens, or **64.8%** of the **65.4** million eligible adults (16 years and older), held transactional accounts—including bank accounts, Egypt Post accounts, mobile wallets, and prepaid cards.

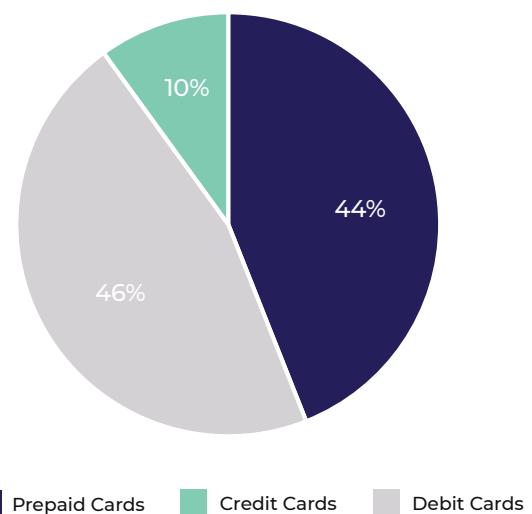
Egypt Financial Inclusion 2016 - 2023



As of 2023, financial inclusion rates in Egypt have continued to expand significantly. By the end of the year, the number of adults (16 years and older) with transactional accounts rose to approximately 46.9 million, representing **70.7%** of the total adult population of 66.4 million. This indicates an annual growth rate of 9%, positioning Egypt's financial inclusion rate in close alignment with global trends. As of 2023, **71%** of adults in developing countries own financial accounts, underscoring Egypt's rapid progress. Looking ahead, the number of users in Egypt's digital payments market is projected to reach **56.74 million by 2028**, reflecting the country's ongoing shift toward digital financial services.

Prepaid card ownership in Egypt has shown remarkable growth, with **43.8 thousand cards issued per 100,000 citizens**, reflecting a **31% increase** from 2020 to 2022. This trend is underscored by the rising market value of prepaid cards, which recorded a **compound annual growth rate (CAGR) of 13.6%** between 2019 and 2023. Looking ahead, the prepaid card market is projected to grow at an even faster pace, with a forecasted CAGR of **15.2%** from 2024 to 2028. This expansion is expected to elevate the market's value from **\$2.75 billion in 2023 to an estimated \$5.69 billion by 2028**.

Citizens' Ownership of Cards

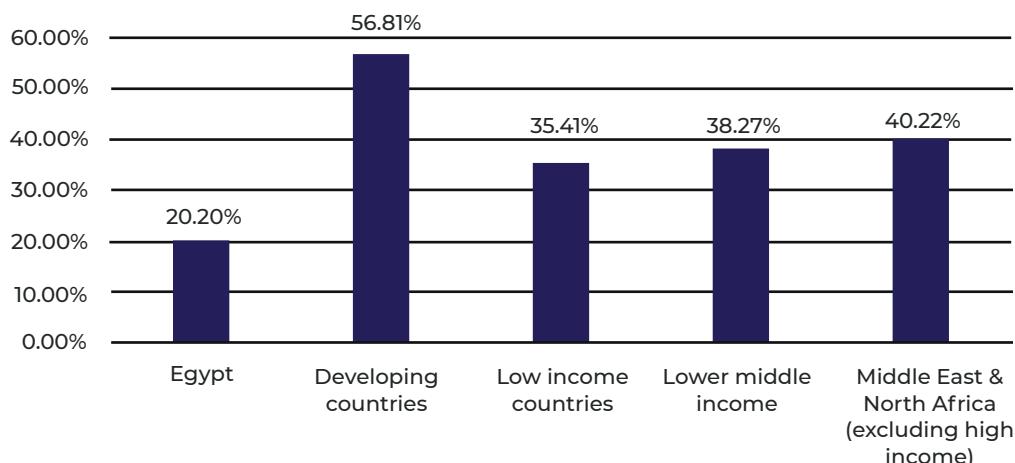


(CBE, 2024)

Similarly, the adoption of mobile wallets has surged significantly, with **46.5 thousand wallets per 100,000 adults**—an impressive **54% increase** over the same period. This rapid adoption of digital financial tools highlights the increasing demand for accessible, digital-first financial services among Egyptian consumers, reinforcing the Fintech sector's role in driving financial inclusion and economic modernization.

Mobile payment solutions, digital wallets, and microfinance platforms have played a pivotal role in integrating individuals and small businesses into the formal financial system. These innovations have facilitated greater access to financial services, enabling previously underserved populations to engage more actively in the economy. By providing secure and convenient methods for transactions, savings, and credit, these digital solutions have not only increased economic participation but have also contributed to broader financial growth and development in Egypt.

Made or received a digital payment (% age 15+) 2021



(World Bank, 2021)

Meanwhile, according to the World Bank Findex Report of 2021, Egypt lags behind other developing and low-income countries in the adoption of digital payments—a finding that signaled the need for action to the Egyptian government. In response, Egypt launched the Instant Payment Network (InstaPay) in March 2022, marking a significant step toward enhancing digital financial services. This new network aligns with the Central Bank of Egypt's overarching vision for a robust national payment system, supporting the country's efforts to increase financial inclusion and modernize its financial infrastructure.

The growth of Egypt's digital connectivity landscape is evident in several key metrics. Mobile subscriptions have reached an impressive **108.34 million**, achieving a mobile penetration rate of **100.44%**. This extensive mobile access forms a solid foundation for the expansion of digital financial services across the country. In addition, **78.09 million active broadband subscriptions** highlight the significant reach of internet connectivity, while **2.92 million active mobile data subscriptions** further illustrate the rising demand for mobile internet access.

As of 2024, **82.01 million Egyptians** are internet users, accounting for **72.2% of the population**—a figure that highlights the nation's preparedness for digital financial solutions. This high level of digital connectivity is supported by Egypt's robust financial infrastructure, comprising **over 1.3 million financial access points**, including **more than 23,800 ATMs** and **1.3 million+ POS terminals**, equating to **1,238 access points per 100,000 citizens**. Collectively, these metrics underscore Egypt's strong foundation for extensive Fintech adoption, fostering deeper financial inclusion and contributing to the development of a resilient digital economy.

In addition, Egypt is prioritizing workforce development in Fintech. In 2023, **50% of banks and financial infrastructure providers** invested in workforce training focused on Fintech and investment fields, strengthening the nation's skills base and enhancing its competitive stance in the global financial sector.

The Egyptian Fintech ecosystem is projected to grow **at an annual rate of 12% in financial services through 2025**, further underlining its expansion potential. According to the Global Fintech Startup Ecosystem Index, Egypt ranked **10th among emerging Fintech startup ecosystems** and **ranks 3rd in the MENA region** in Fintech talent and experience. Together, these achievements illustrate Egypt's strategic advancements in the Fintech sector, positioning it as a promising hub within the global Fintech and investment landscape.

The advantages of Fintech extend across all users of financial services, contributing significantly to economic growth through its direct impact on GDP and financial inclusion. By providing individuals, as well as small, medium, and large enterprises, with accessible entry points to a wide range of financial products and services—including credit facilities—Fintech enhances overall economic activity. This accessibility fosters increased consumption, which in turn drives GDP growth in digitized economies. Additionally, digital finance promotes economic stability by facilitating more efficient financial intermediation. By streamlining the connection between savers and borrowers, Fintech not only benefits individual clients but also supports broader economic resilience and development.

Banks are foundational to Egypt's financial ecosystem, overseeing the majority of the market's assets and capital flows. According to the Central Bank of Egypt's Annual Report for the 2023/2024 fiscal year, the number of active banks in Egypt has risen to **37**, with a substantial network of over **2,800 branches** nationwide. Of these, **22 banks** offer comprehensive e-banking and mobile financial services, supporting **29 e-wallet applications** with a circulated amount of over **40 million EGP**, thereby enhancing financial accessibility. Additionally, **32 of Egypt's 37 banks** provide online banking services, underscoring the sector's commitment to digital transformation and fostering greater financial inclusion.

While some banks initially viewed Fintech as a potential disruption, most now recognize it as a powerful complementary technology that enhances operational efficiency and better serves underserved populations. The number of incumbent banks that view Fintech as an enabler vastly outpaces those that see it as a threat. As Fintech gains acceptance, its impact is becoming increasingly visible, with even those institutions once considering themselves immune to its influence now acknowledging its potential to reshape their operations.

As a result, most banks have taken a pragmatic approach, actively incorporating fintech solutions into their business models to stay competitive and meet evolving market demands. For example, in 2022, **14.4 million internet banking users** could apply for credit and debit cards, secure loans, and conduct both internal and external transactions. Additionally, **13.2 million users** utilized mobile banking services for similar needs. Banque Misr further exemplifies this collaborative approach, partnering with fintech startup Money Fellows to provide the startup with essential support and resources, showcasing the growing synergy between traditional banks and fintech firms.

Egypt's e-government platform could greatly benefit from collaboration with Fintech companies to enhance and streamline its services. A survey conducted with **400 respondents** revealed that **70%** of participants encountered significant challenges, including difficulties navigating the website, inefficiencies among employees, substandard service quality, transaction delays, and slow internet speeds. These findings indicate a strong need for Fintech partnerships to address these issues effectively. Moreover, **30%** of respondents reported that they do not use e-government services, highlighting the importance of an awareness campaign to build public trust in digital governance.

The study also explored how bank account ownership influences user experiences with e-government services. Interestingly, possessing a bank account showed no significant impact on core service dimensions; rather, other factors played a more substantial role in shaping users' experiences. Key factors include **perceived risk**, as users often anticipate potential negative outcomes or unsatisfactory results, and **security concerns**, with many worried about their data being accessed by other public entities, potentially impacting eligibility for certain grants or benefits. Additionally, **technological risk** emerged as a concern, with apprehensions about digital payments not correctly linking to accounts or failing to transfer as intended. These risks are largely psychological and culturally rooted in the Egyptian mindset, though they are anticipated to decrease in future generations. These findings highlight the potential for fintech solutions to address these specific challenges, ultimately enhancing user satisfaction and accessibility within Egypt's e-government ecosystem.

Fintech companies have significantly enhanced customer access, convenience, and efficiency across multiple financial services:

1. Online Trading:

Digital trading platforms now enable anyone with internet access to invest, analyze risks in real-time, and engage in knowledge sharing within the platform, democratizing market participation.

2. Digital Banking:

Fintech has transformed personal banking, allowing customers to manage their finances online. Through online wallets and personalized digital profiles, banks and Fintech startups offer faster, more user-friendly experiences that drive the global shift toward digital finance.

3. InsurTech Innovations:

Insurance technology solutions simplify and streamline customer interactions, enabling users to register for services and submit claims directly via mobile apps, eliminating the delays previously experienced in traditional settings.

4. Personal Wealth Management:

Fintech applications for wealth management provide tools for individuals and businesses to streamline and enhance financial planning, supporting better decision-making and financial growth.

5. Blockchain Technology:

Blockchain introduces a transparent, secure way to track financial transactions throughout their lifecycle, adding accountability and efficiency to financial processes.

6. Reg-Tech:

Initiated by the Financial Conduct Authority in 2015, RegTech improves regulatory compliance through innovative solutions that enhance transparency, standardize processes, and partially automate functions like risk management and transaction monitoring, reducing costs and ensuring security.

7. Digital Lending and Payments:

Mobile technology now supports global loan applications and instant access to credit reports, fostering transparency in the lending sector. Additionally, digital payment solutions offer alternatives to traditional credit cards, allowing users to send and receive money and manage payments more affordably, bypassing conventional banking systems.

02

Navigating the Current Landscape & Identifying Key Players and Trends

Navigating the Current Landscape and Identifying Key Players and Trends

Public Sector Trends: Policies and Initiative Shaping the Fin-Tech Landscape

The transformation of Egypt's Fintech landscape has been a carefully orchestrated journey, marked by progressive initiatives and strategic partnerships aimed at fostering financial inclusion, innovation, and digital infrastructure.

2019: CBE Foundational Strategies

Egypt's journey toward becoming a regional fintech hub began in 2019 with the launch of the Fintech & Innovation Strategy by the Central Bank of Egypt (CBE). This comprehensive plan aimed to develop a robust fintech ecosystem while positioning Egypt as a leader in the MENA region. The strategy unfolded across three key stages: ecosystem assessment, vision and strategy development, and the creation of an implementation roadmap. To ensure global competitiveness, the strategy was benchmarked against eight prominent fintech hubs—Mexico, Brazil, the UK, Kenya, India, China, the Philippines, and Singapore—providing valuable insights and aspirational guidance.

A cornerstone of the strategy was the creation of Fintech Egypt, an online platform designed to connect key stakeholders, including fintech startups, financial institutions, regulators, service providers, mentors, and investors. This platform has fostered collaboration and innovation, laying the foundation for a digital ecosystem that encourages sustainable growth in Egypt's fintech sector.

The strategy was built around five key pillars, addressing critical areas of the ecosystem:

1.Demand: Assessing the needs of consumers, SMEs, corporations, and financial institutions, while evaluating their digital readiness and appetite for adopting fintech solutions.

2.Funding: Ensuring access to capital across all stages of the fintech lifecycle, from pre-seed to scale-up, while promoting investment in digital financial service infrastructure.

3.Regulation: Creating a supportive regulatory environment, including sandboxes, fintech-specific laws, licensing frameworks, and policies that encourage innovative solutions.

4.Governance: Enhancing collaboration among ecosystem stakeholders, with public and private sector support to sustain long-term development.

5.Talent: Building a pipeline of skilled professionals, fostering a conducive environment to attract and retain local and international talent.

To accelerate the strategy's implementation, **32 strategic initiatives** were identified for completion by 2021, alongside several impactful measures, including:

- Establishing an EGP 1 billion Innovation Fund to fuel ecosystem growth and invest in youth talent development.
- Mandating the CBE to set up a Fintech and Innovation Department to oversee and drive the sector's progress.
- Launching the CBE Regulatory Sandbox to provide a controlled environment for testing and advancing fintech innovations.

2019: Empowering Entrepreneurs with NilePreneurs

Launched in 2019 by the Central Bank of Egypt (CBE) in collaboration with Nile University and Egypt's banking sector, the NilePreneurs Initiative aims to foster entrepreneurship and innovation across Egypt. To date, the initiative has delivered over 430,000 non-financial services to more than 147,000 projects and facilitated EGP 6.7 billion in financing for 9,000+ projects.

A standout feature of the program is its strong emphasis on empowering women entrepreneurs, who account for 33% of its beneficiaries, reflecting its commitment to inclusivity and gender equity. The initiative is structured around four flagship programs, each addressing critical aspects of entrepreneurial development:

1. NilePreneurs Incubate

- Creative Design Incubator: Sponsored by QNB Al-Ahli Bank, the Creative Design Incubator is a dedicated hardware-focused initiative aimed at embedding innovative design into product development processes. The incubator seeks to cultivate a new generation of professional designers equipped with the skills to create cutting-edge products capable of competing in both local and international markets. Through its comprehensive support, the incubator fosters creativity and innovation, driving the development of high-quality, market-ready solutions across various industries.
- Engineering Incubator: Sponsored by Housing and Development Bank (HDB), the Engineering Incubator is a hardware-focused initiative designed to support innovative, technology-driven startups. Its primary goal is to promote sustainable strategies that drive creative industrial solutions while enhancing production efficiency. By fostering such advancements, the incubator contributes to boosting Egypt's economic competitiveness and positioning startups as key players in industrial innovation.
- LaunchSaaS Incubator: Sponsored by Suez Canal Bank (SCB), the LaunchSaaS Incubator is dedicated to supporting software as a service (SaaS) startups in Egypt, particularly those targeting the B2B sector. The incubator focuses on empowering startups to develop solutions that help small and medium enterprises (SMEs) automate their workflows, driving digital transformation across industries. Additionally, it equips incubated startups with gamification modules to create engaging, user-friendly software that achieves high adoption rates and minimizes churn, ensuring long-term success and impact.

- TechSpace Incubator: Sponsored by the Central Bank of Egypt (CBE) and Nile University, the TechSpace Incubator is a technology-driven business incubator designed to support Egyptian startups in developing sustainable business models. It empowers startups to compete in high-potential industries such as banking, retail, insurance, corporate applications, and health tech. The incubator also provides specialized support for leveraging advanced technologies, including machine learning, artificial intelligence, deep learning, and blockchain, enabling startups to create innovative solutions and thrive in competitive markets.

2.NilePreneurs Innovate

- I&D Technologies : Established in collaboration with Nile University, Innovation & Design Technologies (I&D Technologies) serves as an innovation consultancy and R&D as a Service (R&DaaS) entity. Supported by a consortium of sponsors who recognize the transformative power of design in driving economic growth, I&D Technologies offers a range of services through three specialized programs. These include consultancy, new product development, product re-engineering, prototyping, and production, enabling businesses to innovate, optimize, and strengthen their market competitiveness.

3.NilePreneurs Compete

- NilePreneurs Accelerator: The NilePreneurs Accelerator (NP Accelerator), sponsored by HSBC Bank, is a fully-funded educational startup accelerator designed to empower business founders. Through a 6-month intensive program, participants collaborate closely with technical experts to identify and address pain points in their businesses. The accelerator focuses on enhancing founders' capabilities and fostering sustainable growth, providing the tools and guidance needed to scale their ventures effectively.

4.NilePreneurs Professionals

- NilePreneurs Explore: is a premier capacity-building program tailored for undergraduates and fresh graduates, designed to bridge the gap between job seekers and market opportunities. The program equips participants with the skills needed to seamlessly enter the job market and launch their careers professionally. By fostering internships and creating job opportunities in startups and SMEs, the program ensures that promising, skilled talents connect with roles that align with their potential, contributing to a more dynamic and inclusive workforce.
- Guru: is the first e-learning platform introduced by NilePreneurs, designed to provide personalized learning experiences for entrepreneurs. The platform customizes learning tracks based on self-assessments that identify individual vulnerabilities and needs. In addition to tailored education, Guru facilitates connections between entrepreneurs, startup founders, and seasoned experts, enabling them to share experiences, success stories, and valuable lessons learned, fostering a collaborative and growth-oriented entrepreneurial community.

2019: Digital Egypt Strategy and Infrastructure Development

To support Egypt's Fintech ecosystem with a solid digital foundation, the Ministry of Communications and Information Technology launched the Digital Egypt Strategy in 2019. This strategy aligns with Egypt's Vision 2030 and focuses on positioning Egypt as a leader in ICT through promoting digital inclusion, advancing a knowledge-based economy, and ensuring cybersecurity. These objectives lay the groundwork for Fintech enterprises to flourish by creating a digital infrastructure essential for financial technology growth.

Recognizing the need for a skilled workforce to power its digital transformation, the Ministry launched the Digital Egypt Builders Initiative (DEBI) in 2020. DEBI offers specialized programs—DEBI Senior (12 months) and DEBI Professional (8 months)—that equip participants with leadership, management, English proficiency, and entrepreneurial skills, ensuring that Egypt's Fintech ecosystem has a steady pipeline of skilled talent.

The program outlined specific requirements for graduates from designated educational fields aligned with the targeted tracks. The initiative covers a wide range of tracks, such as Software Development, Data Science and Artificial Intelligence, Cybersecurity, Embedded Systems, Digital Arts, Business Analysis, Enterprise Resource Planning, and Electronics Design.

2020: Youth Engagement and Innovation through FinYology

Expanding on its digital literacy efforts, CBE launched the FinYology - Fintech for Youth competition in February 2020, a program aimed at university students in collaboration with the Egyptian Banking Institute (EBI) and 25 universities, banks, and Fintech startups. Students were encouraged to develop Fintech business models under the mentorship of local bank executives, and winning teams presented their projects to the CBE and Banque Misr. This program not only fostered innovation but also built a foundation for the next generation of Fintech leaders in Egypt.

2022: Funding Innovation through the Nclude Fund

In March 2022, Egypt's three state-owned banks—*National Bank of Egypt, Banque du Caire, and Banque Misr*—collaborated with *Global Ventures* to create the USD 85 million *Nclude Fund*. This initiative was designed to accelerate Fintech innovation and financial inclusion by attracting regional and international investment to Egypt. Supported by additional investors, such as *Egyptian Banks Company for Technological Advancement (EBC)* and *e-Finance*, and reinforced by Mastercard's investment in October 2022, the fund positions Egypt as an increasingly competitive Fintech destination in the Middle East and Africa.

As of December 2022, Nclude's portfolio included diverse companies such as *Khazna* (financial services), *Lucky* (consumer loans and rewards), *Paymob* (online payments), *OneOrder* (F&B wholesaler), and *FlapKap* (revenue-based financing). This investment diversity highlights Nclude's commitment to advancing financial inclusion and digital transformation across Egypt.

2022: Supporting Early-Stage Innovation with FINTEKRS

Further broadening its support for emerging Fintech talent, Fintech Egypt introduced *FINTEKRS* in November 2022. This pre-accelerator program provides Fintech startups with mentorship, training, and business development guidance in six-week cycles, targeting diverse regions across Egypt. Since its inception in Alexandria in February 2023, the program has expanded to Assiut and Mansoura in 2024, graduating 38 startups to date and fueling regional Fintech growth.

2023: Building Fintech Skills through the Digital Academy

In January 2023, *Fintech Egypt* launched Egypt's first *Digital Academy*, an initiative designed to equip professionals in banking, finance, and Fintech with advanced skills through internationally accredited training. *The Innovator Program*, the Academy's inaugural course, began in Q1 2023 in collaboration with the *EBI* and *Centre for Finance, Technology and Entrepreneurship*. This six-month intensive includes workshops focused on artificial intelligence applications in finance, banking, and digital payments, preparing participants to thrive in Egypt's rapidly advancing Fintech landscape.

Private Sector Trends: Key Players and Market Innovations

2016: 1864 Accelerator – Egypt's Pioneering FinTech Program

The **1864 Accelerator** stands as Egypt's first dedicated **fintech startup accelerator program**, marking a transformative milestone in the country's financial technology landscape. Launched by **Flat6Labs** in partnership with **Barclays Bank Egypt**, this initiative provides a robust platform for nurturing innovation in fintech. It empowers entrepreneurs to turn disruptive ideas into commercially viable solutions, driving advancements in the financial services sector.

The program invites ideas and startups from across the fintech spectrum, covering diverse areas such as **payments, digital banking solutions, banking relationships, machine learning, lending, trading, cybersecurity, data analytics, cryptocurrency, insurance, wealth and asset management, and capital markets**.

2016 - Present: AUC Venture Lab FinTech Accelerator

The AUC Venture Lab FinTech Accelerator (V-Lab), launched in partnership with Commercial International Bank (CIB) and VISA, has been a driving force in Egypt's fintech ecosystem. Since its inception, the program has graduated 18 fintech startups, contributing significantly to the sector's growth and innovation.

This **four-month program** offers intensive business and technology support, mentorship, and networking opportunities. It is tailored to help startups refine their solutions and prepare for investment. Over the past six years, the accelerator has built strong partnerships with a diverse network of regulatory and financial organizations, providing participants with critical insights into navigating Egyptian regulations and strategic advice from top industry leaders.

The accelerator supports startups across various fintech sectors, including payments, insurtech, wealth management, lending, savings, and infrastructure, fostering a well-rounded and robust fintech ecosystem.

2017: CIB and AUC Launch Egypt's FinTech Accelerator

The American University in Cairo (AUC) partnered with the Commercial International Bank-Egypt (CIB) to launch the AUC Venture Lab FinTech Accelerator, marking a significant milestone in supporting entrepreneurship and innovation in Egypt. This 12-week accelerator program, powered by CIB, provides fintech startups with tailored support to help them launch and scale their businesses. Participants gain access to specialized mentorship from industry leaders, valuable insights from experts in the fintech and startup ecosystem, and opportunities to enhance their impact on the Egyptian economy.

2018 - Present: EFG EV FinTech

EFG EV FinTech is a leading fintech-focused accelerator and investment platform in Egypt, established as a joint venture between EFG Hermes, a prominent financial services corporation, and Egypt Ventures (EV), a government-backed venture capital initiative. This program is dedicated to empowering fintech startups by providing funding, mentorship, and strategic support to foster innovation and scalability. It targets early-stage startups operating across various fintech domains, including **digital payments, lending, insurtech, wealth management, and blockchain solutions**.

2018 - Present: MINT Incubator by EGBANK

The **MINT Incubator**, launched by **EGBANK**, is a comprehensive **three-month program** tailored for early-stage startups. The program is designed to equip selected startups with the tools, knowledge, and resources needed to scale their businesses and become investment-ready. The program provides entrepreneurs with a unique opportunity to accelerate their growth, refine their business models, and prepare for long-term success in a competitive market.

2020: "Startupbootcamp FinTech Cairo" – Accelerating FinTech Innovation Across the Region

Startupbootcamp FinTech Cairo is a premier accelerator program tailored to support fintech startups in Cairo and the broader Middle East. **Startupbootcamp**, recognized as the largest fintech accelerator in the world, operates **25 world-class programs globally**, solidifying its reputation as a key player in empowering fintech startups. As part of the renowned **Startupbootcamp global network**, this program connects participants with expert mentorship, investment opportunities, and an extensive network of industry leaders.

2021: "Yalla Xtech" – Advancing Cross-Border Startup Growth in Egypt and Jordan

UAE-based **Fintech Galaxy** partnered with the **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)** to launch **Yalla Xtech**, a cross-border accelerator program aimed at empowering startups in Egypt and Jordan. This initiative supports entrepreneurs in expanding their businesses into both markets, fostering regional collaboration and innovation.

Over a two-month period, participating startups receive tailored mentorship, access to networking opportunities, and a suite of tools designed to help them craft effective market expansion strategies. The program equips entrepreneurs to navigate the complexities of cross-border growth, ensuring their readiness to scale and succeed in new markets.

2023: "Plug and Play Innovation Platform"

In 2023, **Plug and Play** partnered with the **Information Technology Industry Development Agency (ITIDA)**, the **Economic Governance Activity (EGA)** (a USAID-funded initiative), the **National Bank of Egypt (NBE)**, and **Egypt Post** to launch the **Egypt Innovation Platform**. This initiative capitalizes on the exponential growth of Egypt's tech startup ecosystem, aiming to position the country as a leading hub for innovation-driven entrepreneurship in the MENA region.

This **three-month free program** is designed to empower Egypt-based entrepreneurs by providing the tools, resources, and mentorship necessary to grow and scale their businesses. The platform focuses on startups in high-impact sectors, including **GovTech, supply chain, healthcare, IoT, energy and sustainability, mobility, FinTech, and insurtech**, fostering innovation across diverse industries.

2024: "Xcelerise Program" by Endeavor Egypt

Launched by **Endeavor Egypt**, the **Xcelerise Program** is designed to support startups driving innovation and job creation across sectors such as **fintech, ed-tech, health-tech, logistics, and smart-city solutions**. The program emphasizes fostering fair and sustainable supply chains while empowering startups to scale globally.

The initiative is structured into **three strategic phases**:

1. Matchmaking with Investors: Facilitating connections between startups, industry peers, and experts to unlock growth opportunities.

2. Addressing Key Challenges: Exploring critical issues in global expansion, including market dynamics and regional pillars for sustainable growth.

3. Implementation Strategy: Equipping startups with actionable strategies to effectively expand their operations across the MEA region.

With **two successful cohorts**, the program has graduated several notable startups, including **Amenli, Sokna, Freshly, Hatla2ee, and Glide**. The program targets **Pre-Series A or Series A** startups generating a minimum of **USD 250K annual revenue** and actively seeking capital to scale internationally. **Xcelerise** stands as a pivotal platform for startups aiming to transform regional markets and compete on a global stage.

2024: AAIB "FinTech Minds Challenge"

The **FinTech Minds Challenge** is a 6-weekend intensive bootcamp designed to foster tech-driven financial solutions tailored to the needs of individuals and businesses. Targeting developers, fintech experts, entrepreneurs, designers, and product managers, the program encourages participants to create adaptive technologies that deliver personalized financial products and customized business strategies, enhancing user satisfaction and promoting long-term engagement.

2024: INVESTIT – Empowering ICT Startups for Investment Readiness

InvestIT, launched by **ITIDA, TIEC, and Flat6Labs**, is a groundbreaking program designed to prepare ICT-enabled startups for investment. Targeting startups at the **seed or pre-Series A** stages from various governorates across Egypt, the program focuses on equipping 12 startups with the tools and connections needed to attract local and international investors. InvestIT supports startups leveraging **Information and Communication Technology (ICT)** to innovate, enhance, or deliver impactful products and services, fostering growth and scalability in the digital economy.

03

Egypt's Fin-Tech Frontier: Challenges and Untapped Opportunities

Egypt's Fin-Tech Frontier: Challenges and Untapped Opportunities

Addressing Key Obstacles:

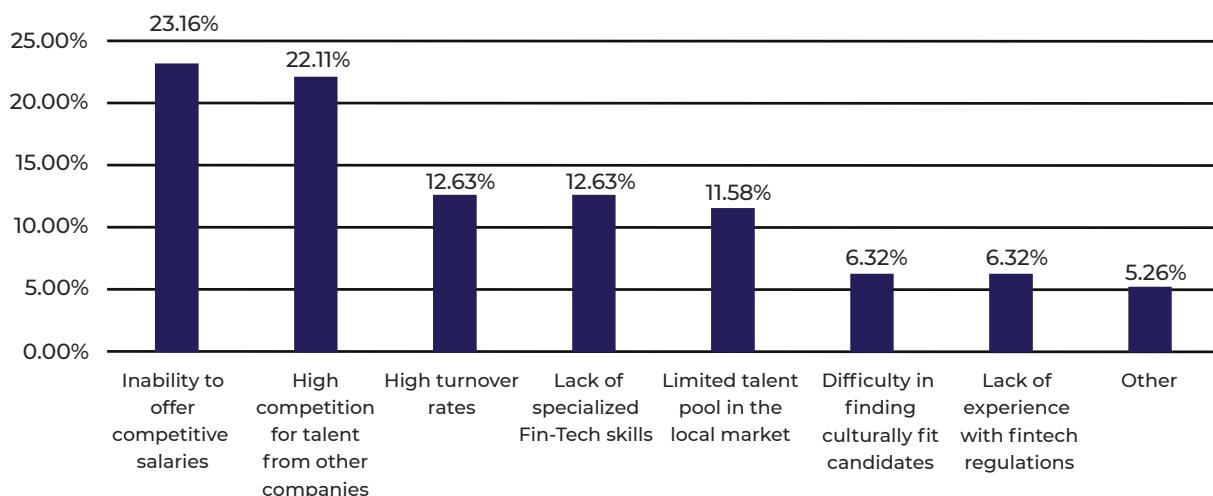
Consumer Preference for In-Person Banking: A significant challenge facing the Egyptian Fintech ecosystem is the strong consumer preference for in-branch banking over digital financial services. Many individuals feel that conducting transactions in person offers greater privacy and security, leading to hesitancy in adopting Fintech solutions. This preference limits the potential reach and adoption of digital financial technology, posing a barrier to the ecosystem's growth and financial inclusion efforts.

A substantial **skills gap** in Egypt's workforce presents a critical challenge for Fintech startups, particularly impacting the employability of youth and women. While educational reforms have made progress, the World Bank reports that a lack of high-level skills remains a persistent barrier, restricting the talent pool necessary for Fintech innovation. This skills deficiency not only limits the adoption of advanced technologies but also underscores the need for foundational awareness and training in technology's value, applications, and effective usage. Addressing this gap is essential for Egyptian Fintech startups to realize their growth potential and drive the sector forward standing of technology's value, usage, and practical applications within the workforce.

The skill gap in Egypt is analyzed through both financial and technical factors. One key issue is the salary discrepancy, as Egyptian startups struggle to attract skilled talent due to uncompetitive salary offerings that often fall short of the level required for high-demand skills. The graph titled "Challenges in Sourcing Qualified Talent for the FinTech Sector" reinforces this trend, revealing that 23.16% of the FinTech ecosystem identifies the inability to offer competitive salaries as the leading challenge in attracting talent. This finding directly reflects the financial pressures faced by Egyptian fintech startups, particularly in the context of recent economic shifts. The currency devaluation in Egypt has significantly weakened the Egyptian pound against the U.S. dollar, exacerbating the salary gap between local firms and global competitors. As a result, many skilled professionals are opting for freelance opportunities with international startups, which offer higher compensation and greater financial stability, rather than committing to local firms.



Challenges in Sourcing Qualified Talent for the Fin-Tech Sector



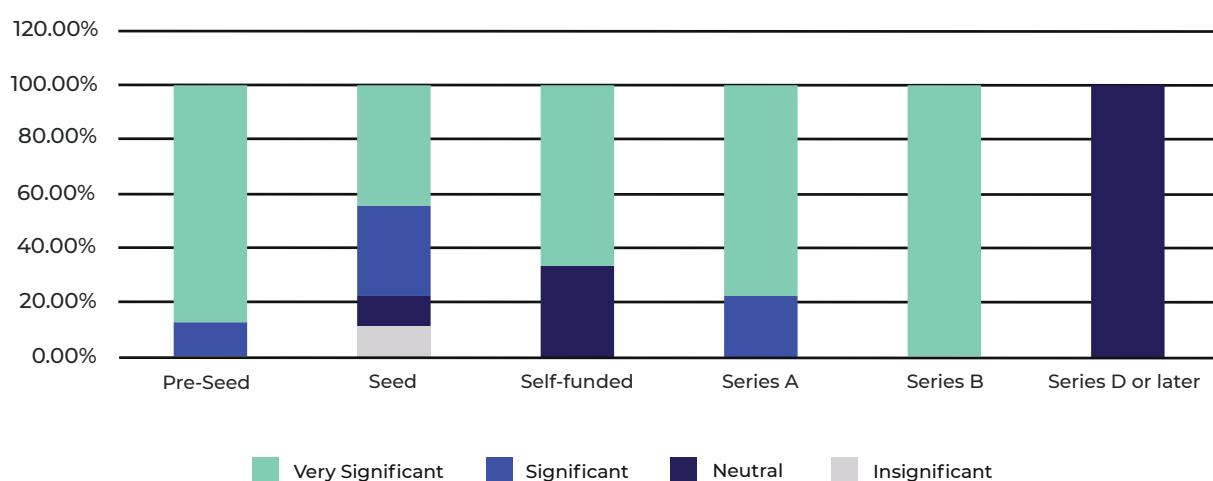
In addition to financial challenges, high competition for talent from other companies, highlighted by 22.11% of FinTech ecosystem insights in the graph, underscores another significant hurdle for Egyptian fintech startups. The competitive landscape creates immense pressure for firms to not only attract but also retain skilled workers who are in high demand. Moreover, the graph highlights other barriers, such as high turnover rates (12.63%) and the lack of specialized fintech skills (12.63%), which point to deeper structural issues within the talent market. The limited talent pool in the local market (11.58%) further compounds these challenges, leaving startups with fewer options to source qualified professionals. These issues collectively emphasize the need for Egyptian fintech firms to strengthen their value propositions, both in terms of financial compensation and professional development opportunities, to effectively compete in a globalized talent marketplace.

A **lack of digital financial literacy** among key consumer groups presents a significant hurdle for Fintech startups in Egypt. Low-income consumers and underserved populations often lack essential knowledge about digital financial services, while millennials may struggle with personal financial management. Similarly, entrepreneurs and retailers are frequently unfamiliar with banking services, many individuals are unaware of the benefits of insurance, and small and medium-sized enterprises (SMEs) often lack the skills to effectively manage financial risks. This widespread gap in financial education hinders the adoption of Fintech solutions, underscoring the need for targeted financial literacy initiatives to support sustainable growth in Egypt's Fintech sector.

Cybersecurity and data privacy pose significant challenges for Fintech startups in Egypt, as safeguarding digital transactions and protecting user data are essential for building consumer trust. Additionally, a lack of financial literacy and consumer awareness hinders the widespread adoption of Fintech services, making targeted educational initiatives vital. The limited collaboration between traditional financial institutions and Fintech startups further complicates efforts to create a cohesive and integrated financial ecosystem. Addressing these obstacles is critical for the sustainable growth and acceptance of Fintech in Egypt.

The **regulatory complexity** within Egypt's Fintech sector poses a significant barrier to growth. Both the Central Bank of Egypt (CBE) and the Financial Regulatory Authority (FRA) oversee Fintech operations, yet there is no clear delineation of regulatory mandates between these bodies. This ambiguity creates challenges for various Fintech sectors, as both the CBE and FRA have introduced Fintech-specific regulations and separate sandboxes but have yet to issue permanent operating licenses. Instead, only temporary licenses are available, adding uncertainty and limiting the ability of Fintech startups to operate with long-term security. Addressing these regulatory overlaps is essential for enabling a stable environment conducive to Fintech innovation and expansion in Egypt.

Impact of Currency Devaluation on Fin-Tech Startups



Currency devaluation is one of the major obstacles facing Egyptian fintech startups, as reflected in the chart titled "**Impact of Currency Devaluation on FinTech Startups**." The data reveals that startups across all stages—particularly **pre-seed, seed, self-funded, and Series A and B**—experience the most significant impact, with the vast majority of respondents identifying the effect as either "**Significant**" or "**Very Significant**." For early-stage startups, currency instability directly increases operational costs, reduces access to affordable imports of essential technologies or software, and complicates fundraising efforts, as local capital loses value against foreign currencies. For mid-stage startups, the devaluation impacts expansion plans, cross-border operations, and the ability to attract global investors who may perceive additional risks in an unstable currency environment.

This challenge is further exacerbated by the sector's reliance on imported technology and global partnerships, which become more expensive as the Egyptian pound depreciates. Startups often have to adjust pricing strategies, optimize resources, or delay growth plans to manage the economic uncertainty. Addressing this issue will require macroeconomic stabilization efforts and targeted policies to support startups, such as access to foreign exchange facilities or incentives for local innovation, ensuring fintech firms can weather currency fluctuations and sustain their growth trajectories.

Seizing Growth Opportunities:

In Egypt's banking sector, Fintech offers a strategic opportunity to integrate IT and financial operations, strengthening infrastructure and enhancing programming capabilities. By adopting Fintech business models that emphasize flexibility and adaptability, financial institutions can meet varied business demands while minimizing costs and preparatory requirements. This approach enables banks to implement advanced technological solutions without the high expenses often linked to infrastructure upgrades, positioning Fintech as a driving force for efficient, cost-effective digital transformation in Egypt's financial landscape.

Currently, **digital payment services, mobile cash, and smart wallets** represent the most developed segments within Egyptian Fintech startups. Additionally, sectors such as **savings and investments, insurance, financial management, crowdfunding, and blockchain** are expanding, illustrating the diversity and growth potential within Egypt's evolving Fintech ecosystem.

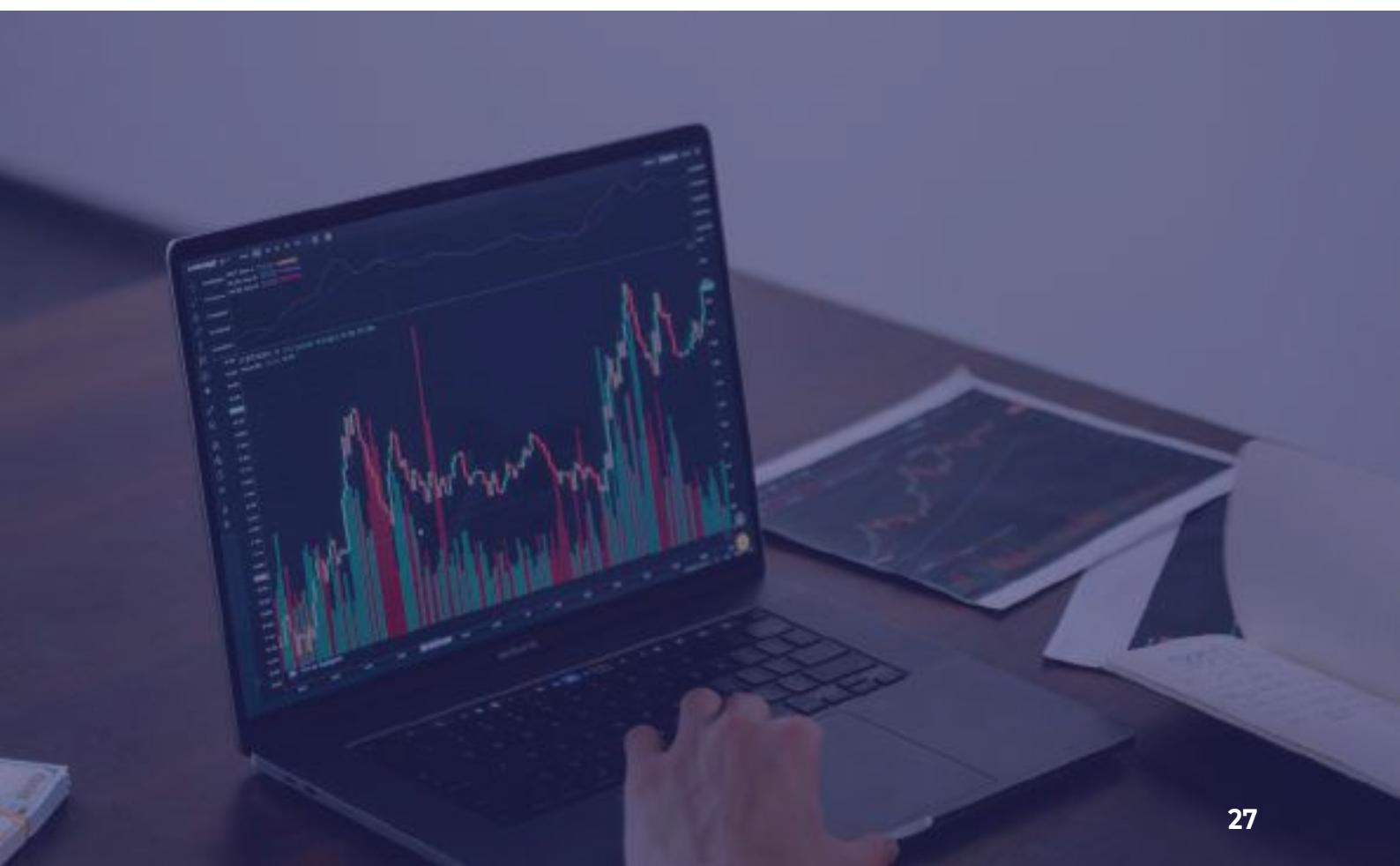
Although there is a growing variety of cards and digital wallets in the Egyptian market, the limited availability of point-of-sale (POS) terminals presents a substantial market opportunity. This gap creates ideal conditions for innovative and cost-effective acceptance solutions, such as soft POS mobile applications, to thrive. By enabling mobile devices to function as POS systems, these solutions can significantly expand digital payment acceptance, making financial transactions more accessible and supporting the broader adoption of cashless payments across Egypt.

In a surprising turn, Egypt's Global Business Services (GBS) sector surged by approximately **65% from 2020 to 2023**, far exceeding the global services industry's growth rate of around **25%**—a figure slowed by the impacts of COVID-19 and global recessionary pressures. This impressive expansion underscores Egypt's strategic rise within the GBS landscape. Notably, **43% of high-tech organizations** now prioritize Egypt as their preferred GBS hub in the region, attracted by its distinctive blend of cost-effectiveness and access to a highly skilled, multilingual workforce with strong technical expertise. These competitive advantages position Egypt as an increasingly attractive destination for GBS investment, highlighting a significant market opportunity for continued growth and regional leadership.

From 2020 to 2023, the **Egyptian global services market** has experienced consistent growth, underpinned by a strong talent pipeline and minimal geopolitical disruptions in the Middle East and Africa (MEA) region. These favorable conditions have contributed to the market's robust performance, with Egypt's global services sector achieving a compound annual growth rate (CAGR) of 16.7% during this period. This growth reflects the country's increasing prominence as a hub for global services, driven by its skilled workforce and stable regional dynamics. (Andresen report).

One notable success story highlighting Egypt's potential as a global business hub is Tech Mahindra's Cairo center, which serves as a cornerstone of the company's expansion strategy in the MEA region. Tech Mahindra is an Indian multinational information technology services and consulting company, and operates in over 90+ countries. And they are part of the Mahindra Group, founded in 1945, one of the largest and most admired multinational federation of companies with 260,000 employees in over 100 countries. This facility is expected to play a pivotal role in delivering digital transformation services and solutions to both local and international clients. Tech Mahindra has outlined an ambitious growth plan, aiming to hire 1,000 full-time employees within the first three years of operation. The Cairo center will support delivery across key sectors such as Telecom, Oil and Gas, BFSI (Banking, Financial Services, and Insurance), Energy & Utilities, and the Public Sector, utilizing cutting-edge technologies like Artificial Intelligence, Big Data & Analytics, Cloud, and 5G.

What sets Egypt apart as a highly attractive landscape for the Fintech and IT sectors is the availability of a skilled and dynamic young talent pool, capable of supporting innovation at both regional and global levels. This abundance of technical expertise underscores Egypt's significant potential as a hub for technological innovation and presents a remarkable opportunity for expansion in the IT and tech industries.



04

Driving Financial Technology: **Strategic Insights for Expanding Access**

Driving Financial Technology: Strategic Insights for Expanding Access

- **Enabling Cardless ATM Transactions:** Transition ATMs to cardless operation through long-range communication technology, allowing customers to withdraw cash directly from their bank balances via digital wallets or the bank's mobile app. Customers would simply bring their phones near the ATM to initiate cash withdrawal, eliminating the need for a physical card or password for identity verification.
- **Developing User-Friendly Training Programs:** Offer easily accessible educational modules within Fintech applications to guide users, particularly elderly customers who may find digital banking challenging, on effectively utilizing electronic banking services.
- **Adopting International Fintech Models:** Consider successful international Fintech examples, such as Finom in the Netherlands, which provides financial solutions tailored to entrepreneurs, self-employed individuals, and freelancers. As entrepreneurship and freelancing have surged in Egypt, particularly post-COVID-19, similar Fintech solutions would meet a growing need for financial inclusion.
- **Investing in AI Collaboration:** Egyptian Fintech startups should invest in or partner with artificial intelligence (AI) companies. With AI-driven customer segmentation and insights based on shared data, early adopters can leverage advanced analytics to enhance customer experiences. Integrating quantum computing innovations may further strengthen these efforts, positioning companies at the forefront of Fintech technology.
- **Encouraging Sector Consolidation:** In 2023, the Egyptian Fintech sector saw signs of consolidation. As the market matures, successful startups may pursue mergers or acquisitions to broaden their services and expand their customer base. This trend toward consolidation could foster more integrated and comprehensive Fintech ecosystems to support Egypt's evolving financial landscape.

05

Spotlight on Success: **Egypt's Leading Fin-Tech Innovators**

Spotlight on Success: Egypt's Leading Fin-Tech Innovators

Fawry: Egypt's Fin-Tech Pioneer Success Story



Over the past decade, Fawry has redefined omni-channel payment solutions across Africa and the Middle East, establishing itself as Egypt's leading e-payment provider and the first Egyptian startup to reach unicorn status. Founded in 2008, Fawry offers a comprehensive digital payments platform that enables users to handle a wide range of transactions, from electronic bill payments to mobile top-ups, making financial processes more accessible and efficient for millions.

Fawry's journey to its billion-dollar valuation reflects years of strategic growth and a clear vision for digital transformation. In a landmark achievement in 2019, Fawry became Egypt's first Fintech IPO success by listing 36% of its shares on the Egyptian Exchange (EGX) at EGP 6.46 (US\$0.21) per share. The initial public offering was met with tremendous interest, being oversubscribed 30.3 times.

In 2022, Fawry's accomplishments earned it a spot on Forbes' list of the top 25 Fintech companies in the Middle East, celebrated for its advancements in banking and payment technologies. A significant point of pride for Fawry's founder and CEO is the company's commitment to local talent, with 100% of its technology developed in Egypt by Egyptian professionals.

Fawry's extensive network includes partnerships with 36 banks and over 280,000 agents, alongside a user-friendly app that has enabled more than 50 million users to handle payments, collections, reconciliations, and other financial operations seamlessly. In February 2023, Fawry expanded its reach by partnering with UAE-based e-payment app BOTIM, enabling Egyptian expatriates in the UAE to pay Egypt-based bills, manage invoices, and send remittances back home through BOTIM.

By the first quarter of 2024, Fawry achieved revenues of EGP 1,087.2 million, marking a 60.9% year-over-year growth, with a gross profit of EGP 715.6 million, representing a 70.9% increase year-over-year and a margin of 65.8%. The company processed 441.6 million transactions during this period, underscoring its continued expansion and impact on Egypt's Fintech landscape.

A photograph of a person's arm and hand pointing upwards towards a large, dark-colored screen. The screen displays a grid of flight information, likely at an airport. The person is wearing a dark long-sleeved shirt. In the bottom right corner of the image, there are three white, stylized arrows pointing upwards and to the left.

Section 2: **General Context**

General Context

Egypt's fintech sector is growing within a promising landscape shaped by favorable demographics, economic resilience, and supportive policy frameworks. With a young, tech-savvy population and a diversified economy, Egypt is well-positioned for digital financial growth. Government-led initiatives, including those by the Central Bank and Ministry of Communications, emphasize digital transformation and financial inclusion, reinforcing Egypt's role as a fintech leader in the MENA region.

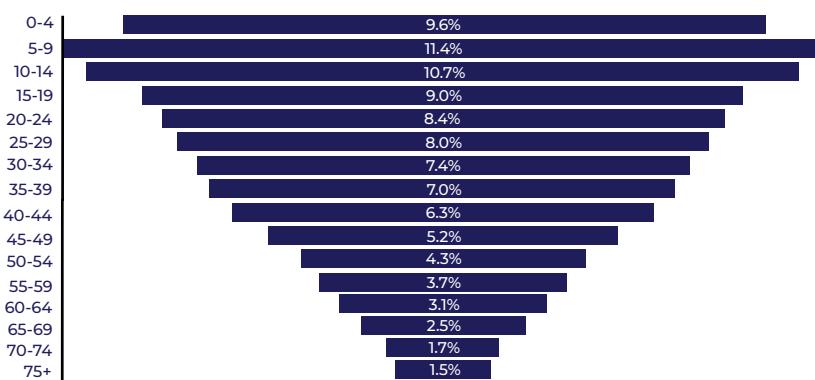
01

Egypt's Demographic Advantage:
**Unlocking the Potential of a
Youthful Nation**

Egypt's Demographic Advantage: Unlocking the Potential of a Youthful Nation

Egypt, the most populous country in the Arab world and the third-largest in Africa, has a population exceeding 105 million. With a median age of 24.2 years and a youth literacy rate of 93.28%, the nation's demographic profile is largely youthful and increasingly educated. This young population, especially Generation Z, has captured the attention of the fintech sector, which views them as a key demographic. Gen Z's strong preference for branded and luxury products sets them apart from other generational groups, making them a focal point for targeted fintech innovations and services.

Population by Age Group
1/1/2024



(CPMAS,2024)

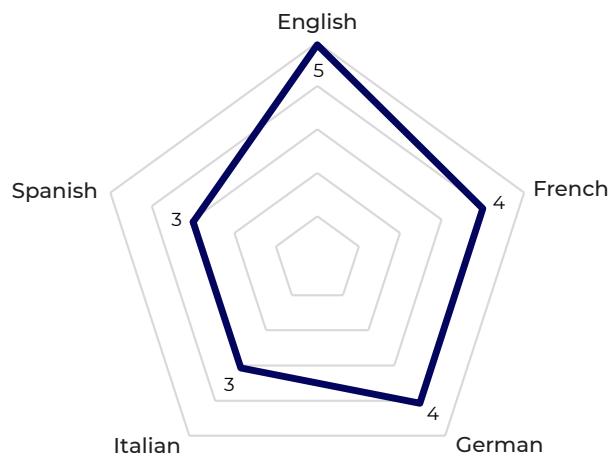
The population distribution of Egypt, as of January 2024, reflects a pyramid-shaped structure that highlights the country's young and dynamic demographic profile. The largest segments are children and early adolescents, with the **5-9 age group accounting for 11.4%** and the **10-14 age group making up 10.7%**. The **0-4 age group contributes 9.6%**, emphasizing high birth rates and a growing younger population. This youth-dominated demographic forms a strong foundation for Egypt's future workforce.

A significant proportion of the population falls within the **15-39 age range (40.8%)**, which represents a robust working-age group. This segment highlights the potential for economic productivity and innovation. However, realizing this potential requires sufficient investments in employment opportunities, skill development, and education to harness the capabilities of this active and sizable workforce.

In contrast, the older age groups, particularly those aged **60 and above**, represent a much smaller share of the population. For instance, the **75+ age group accounts for just 1.5%**. This relatively low proportion of elderly individuals suggests a lower dependency ratio compared to younger groups. While this alleviates immediate pressures on healthcare and social security systems, it also underscores the opportunity for Egypt to focus its resources on the younger population.

Additionally, Egypt's multilingual diversity plays a crucial role in its demographic and workforce profile. Among the five assessed languages, English stands out with the highest score of **5**, reflecting its dominance as the primary medium of communication in education, business, and technology sectors. This strong English proficiency aligns with Egypt's global integration efforts, making it a key driver for attracting international businesses and fostering cross-border collaborations.

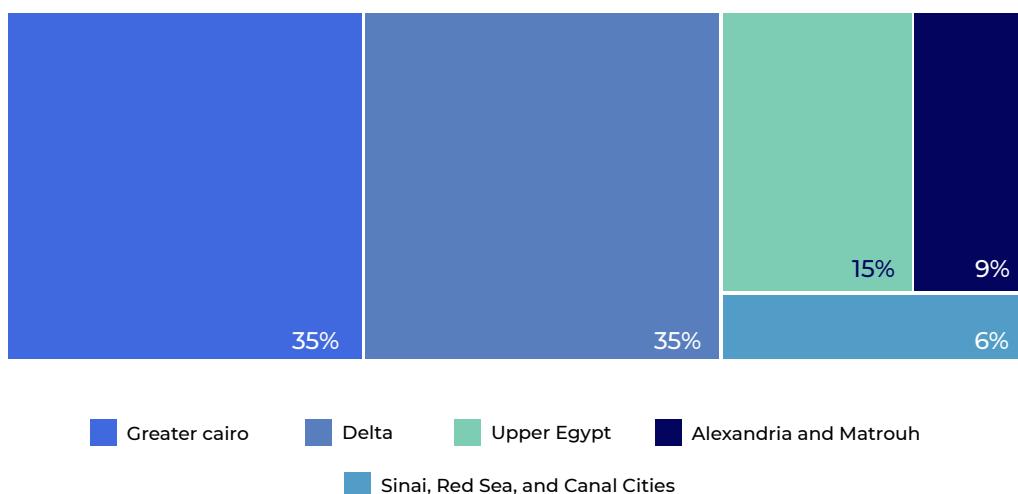
Egypt Multilingual diversity



French and German follow with a score of **4**, indicating a solid multilingual capacity rooted in historical and economic ties with Francophone countries and Germany. French proficiency can be attributed to Egypt's membership in the Francophone community and its historical connections, while German reflects the growing educational and trade partnerships with Germany. Meanwhile, Spanish and Italian both score **3**, representing moderate levels of proficiency. This suggests opportunities for growth in language education and cultural exchange programs to further diversify Egypt's linguistic skill set.

Overall, Egypt's demographic profile and multilingual capabilities are a competitive advantage, strengthening its position as a hub for multinational corporations seeking a skilled and linguistically diverse workforce. At the same time, this youthful population creates a growing consumer base, increased demand for innovation, and entrepreneurial potential. This demographic advantage and linguistic diversity, known as the "**youth bulge**," positions Egypt to reap substantial economic benefits, fostering broader international connectivity and enhancing its attractiveness as an investment destination.

ADSL Regional Distribution



The ADSL regional distribution in Egypt reveals significant disparities in internet connectivity, closely tied to population density and regional development levels. **Greater Cairo** and the **Delta region**, which together account for **70%** of ADSL subscriptions (35% each), dominate due to their high population densities, urbanization, and more developed infrastructure. These regions are home to a substantial portion of Egypt's young and tech-savvy population, as highlighted in the population age demographic data, where youth aged 5-29 represent nearly **40%** of the population. This younger demographic drives demand for internet access, making these areas hubs for digital activity.

Upper Egypt, with 15% of ADSL subscriptions, reflects moderate connectivity levels. While this figure underscores efforts to extend internet access to more rural areas, it also highlights the challenges of reaching underserved populations. A similar pattern is observed in **Alexandria and Matrouh (9%)** and **Sinai, Red Sea, and Canal Cities (6%)**, where connectivity remains low, likely due to geographic dispersion and lower population densities. These regions, which also include a significant portion of Egypt's youth population, have untapped potential for growth in digital connectivity.

This distribution, when viewed alongside Egypt's predominantly young population, underscores a critical opportunity for enhancing internet access in underserved regions. Expanding ADSL infrastructure to Upper Egypt, Alexandria, Sinai, and other remote areas would not only bridge the urban-rural digital divide but also enable millions of young Egyptians to access educational, entrepreneurial, and employment opportunities, fueling further digital and economic growth.

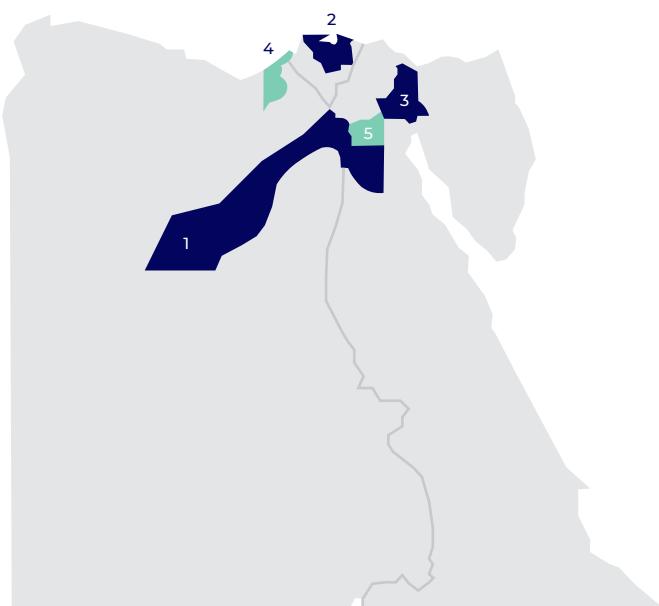
Mapping Egypt's FinTech Landscape: Opportunities Across Regions

The concentration of fintech startups and payment service providers (PSPs) in Cairo and Giza closely mirrors the **ADSL geographic distribution**, where **Greater Cairo and the Delta region collectively account for 70% of subscriptions**. The strong presence of **67% of fintech startups in Cairo** and **30% in Giza** is indicative of the correlation between high internet connectivity, urban density, and the growth of the fintech sector. These areas serve as hotspots for digital activity, supported by a young, tech-savvy population that drives demand for digital financial solutions.

The remaining **3% of fintech companies operating in other governorates**, along with the 17 Cairo-based startups establishing offices in these regions, highlight the fintech sector's gradual expansion into underserved areas such as **Upper Egypt, Alexandria, and Sinai**. However, these regions, with lower ADSL penetration and less developed infrastructure, face challenges in fostering fintech adoption. Strengthening digital infrastructure in these underserved regions—where many Egyptians still lack access to robust internet services—could significantly unlock growth opportunities for the fintech industry and accelerate financial inclusion.

This overlap between ADSL coverage and fintech concentration underscores the need for targeted investment in digital infrastructure, particularly in regions like Upper Egypt and Alexandria, to enable the fintech ecosystem to reach untapped markets, bridging geographic and socioeconomic divides. Below is a geographic heat map illustrating the distribution of fintech presence across Egypt.

Fin-Tech Startups Geographical Distribution



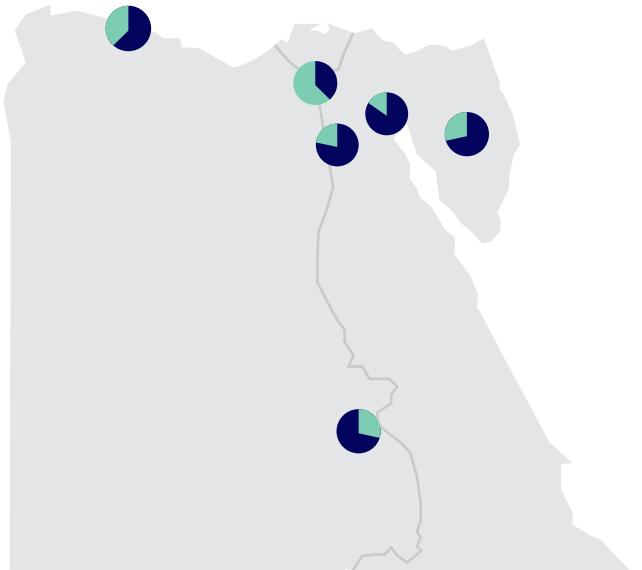
(1) Al Jizah - 30% (2) Kafr Ash Sheikh - 0.50% (3) Al ismailia - 0.5% (4) Al iskandariya - 2% (5) Qahirah - 67%

(CBE FinTech Landscape, 2023)

Greater Cairo and Alexandria regions are at the center of Egypt's urbanization, and both regions are well-served by ADSL infrastructure, indicating high levels of internet connectivity. Cairo, being the capital and Egypt's largest urban center, naturally houses a significant portion of the country's population and economic activity. As aforementioned, Cairo has dense ADSL coverage, which is crucial for enabling businesses and urbanization, including fintech startups, to thrive. Meanwhile, Alexandria, as Egypt's second-largest urban region and a key economic hub, also benefits from robust connectivity, supporting both residential and business activities. These urban centers form the backbone of Egypt's digital economy and are critical for the growth of sectors like fintech, which rely on fast and reliable internet access.

The Nile Delta region, a key agricultural area, has seen significant urban growth, especially in cities like Damietta and Gharbia. This area also benefits from high ADSL infrastructure. The growing number of urban centers in the Delta region, driven by population growth and industrial expansion, indicates potential for future development in sectors such as fintech. As the Delta continues to urbanize, its residents and businesses will increasingly demand digital services, including those offered by the fintech sector.

Upper Egypt and Sinai regions are less urbanized and show limited ADSL coverage. Upper Egypt, home to a large portion of the rural population, lags in digital connectivity compared to urbanized regions. Similarly, Sinai and remote areas in the Eastern and Western Deserts show less extensive ADSL infrastructure. The restricted availability of ADSL in these regions presents a significant barrier to digital inclusion and creates challenges for sectors like fintech, which depend on reliable internet access for their operations. Consequently, rural and underserved populations are at risk of being excluded from the digital economy, particularly in key fintech services such as digital payments. This is especially critical in areas like South Sinai, a major tourist destination, which requires up-to-date infrastructure to stay aligned with global technology advancements.



Legend

	Rural Rate
	Urban Rate

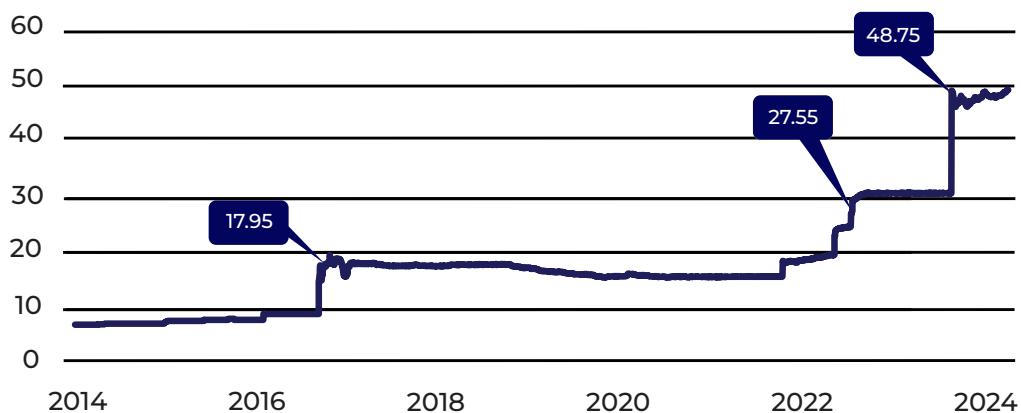
Economic Landscape: Unlocking Opportunities for Growth and Resilience

Egypt, classified as a Lower Middle-Income country, recorded a GDP per capita of USD 3,512.6 in FY23 (July 2022–June 2023). The country boasts significant economic potential, leveraging its robust manufacturing and services sectors, large domestic market, and strategic geographic position as a gateway to Africa, Asia, and Europe. These competitive advantages position Egypt to attract both domestic and foreign investments.

Despite its potential, Egypt has been navigating a challenging economic landscape, heavily impacted by global disruptions such as the COVID-19 pandemic, the Russian-Ukrainian conflict, and the ongoing Gaza war. A primary issue has been a severe scarcity of dollar liquidity, coupled with extreme exchange rate volatility. Between May 2022 and January 2023, the Egyptian pound depreciated within the parallel market exchange rate, nearly doubling the official bank rate.

In response, the Central Bank of Egypt (CBE) adopted a flexible exchange rate regime in March 2024, unifying exchange rates as part of a shift toward a liberalized foreign exchange system. This reform aims to address macroeconomic imbalances, restore investor confidence, and attract foreign funding, particularly critical for startups. Prior to the devaluation, securing foreign investment proved challenging due to discrepancies between official and parallel market exchange rates. The transparent exchange rate regime is expected to create a more stable investment climate.

USD-EGP Exchange Rate



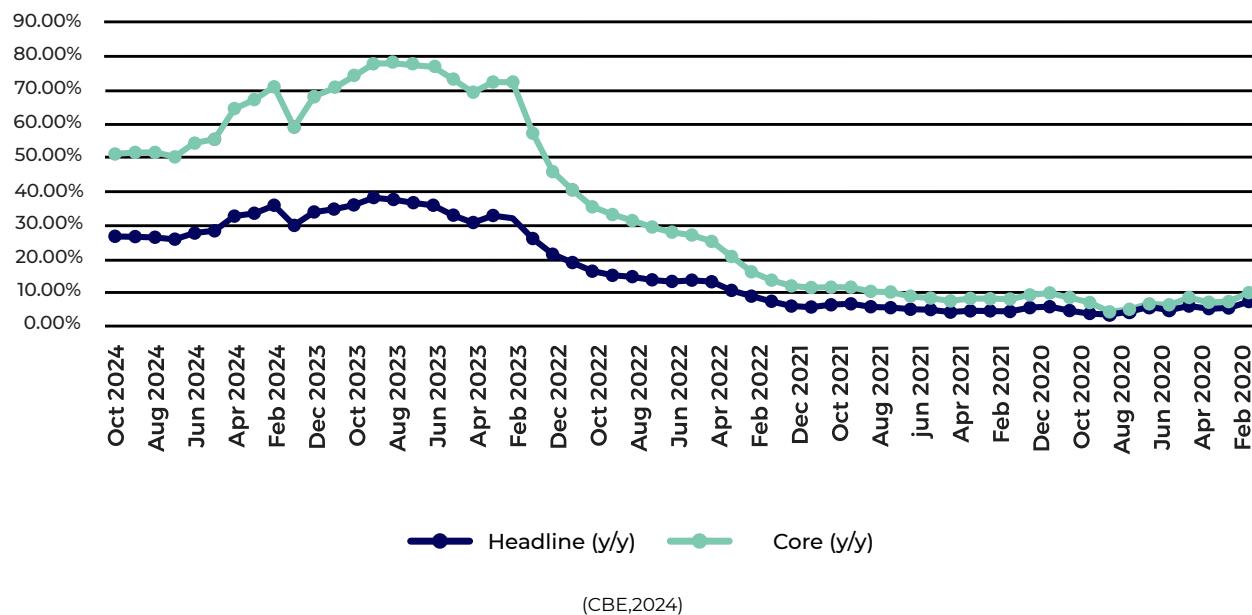
(CBE,2024)

In February 2024, Egypt signed a USD 35 billion agreement with the United Arab Emirates to develop the North Coast area (Ras El Hekma).

Additionally, the country is implementing an economic reform program, supported by a USD 8 billion IMF loan under the Extended Fund Facility (EFF). The program focuses on reducing state intervention, encouraging private sector growth, improving trade facilitation, and enhancing transparency to unlock Egypt's growth potential. Meanwhile, net international reserves grew from USD 34.2 billion in January 2023 to USD 46.1 billion by May 2024, reflecting enhanced economic resilience.

To combat inflation and stabilize the economy, the CBE's Monetary Policy Committee (MPC) has raised key policy rates by a cumulative 1,900 basis points (19%) since March 2022. This includes 800 basis points in 2022, 300 in 2023, and 800 in 2024. The recent hikes aim to move real interest rates into positive territory, curb inflationary pressures, and support monetary tightening. These rate changes have significantly impacted the fintech sector, especially in lending and ROSCA (Rotating Savings and Credit Associations) subsectors, as rising inflation drives consumer demand for accessible financing solutions. Fintech companies have responded by tailoring innovative products to bridge income gaps and meet consumer needs.

Egypt Inflation Rates



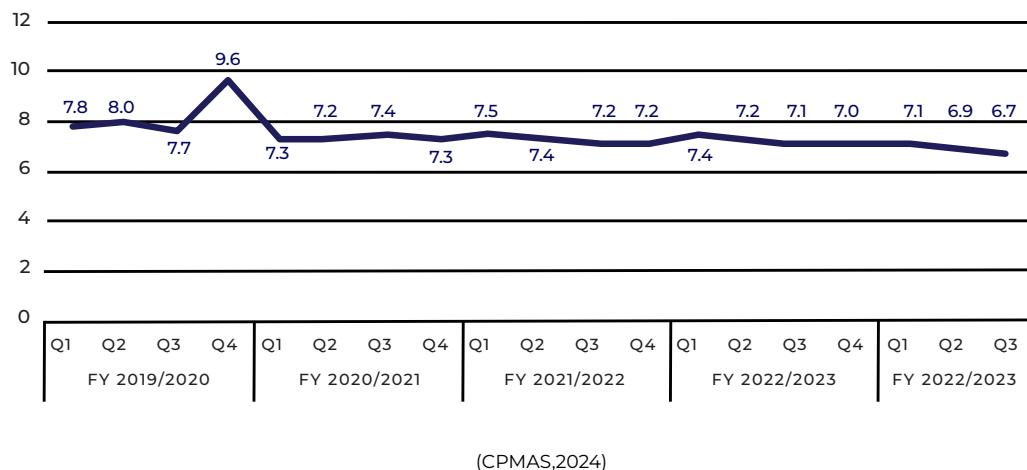
Egypt's banking system remains robust, with capitalization levels exceeding the CBE's minimum threshold of 12.5%. Nonperforming loans improved from 3.4% in 2022 to 3.0% in 2023, reflecting stronger financial stability. Government spending on subsidies and social protection programs increased to 20.4% of total expenditures in 2022/23, mitigating the impact of inflation on household purchasing power. While headline inflation showed consistent improvement, declining from 29.8% in January 2024 to 27.4% by May 2024.

Between 2020 and 2024, Egypt's unemployment rate exhibited notable stability despite global and domestic economic challenges. In 2020, the unemployment rate stood at **7.97%**, slightly higher than in 2019, reflecting the economic disruptions caused by the **COVID-19 pandemic**. However, the impact was relatively contained compared to many other countries, showcasing the resilience of Egypt's labor market.

By 2021, the unemployment rate declined to **7.44%**, indicating a gradual recovery as pandemic-related restrictions eased and economic activity resumed. This trend continued through 2022 and 2023, with the unemployment rate stabilizing at **7.34%** and **7.3%**, respectively. This sustained improvement aligns with Egypt's strategic focus on economic reforms, job creation initiatives, and investments in high-growth sectors such as technology and infrastructure.



Unemployment Rate (%)



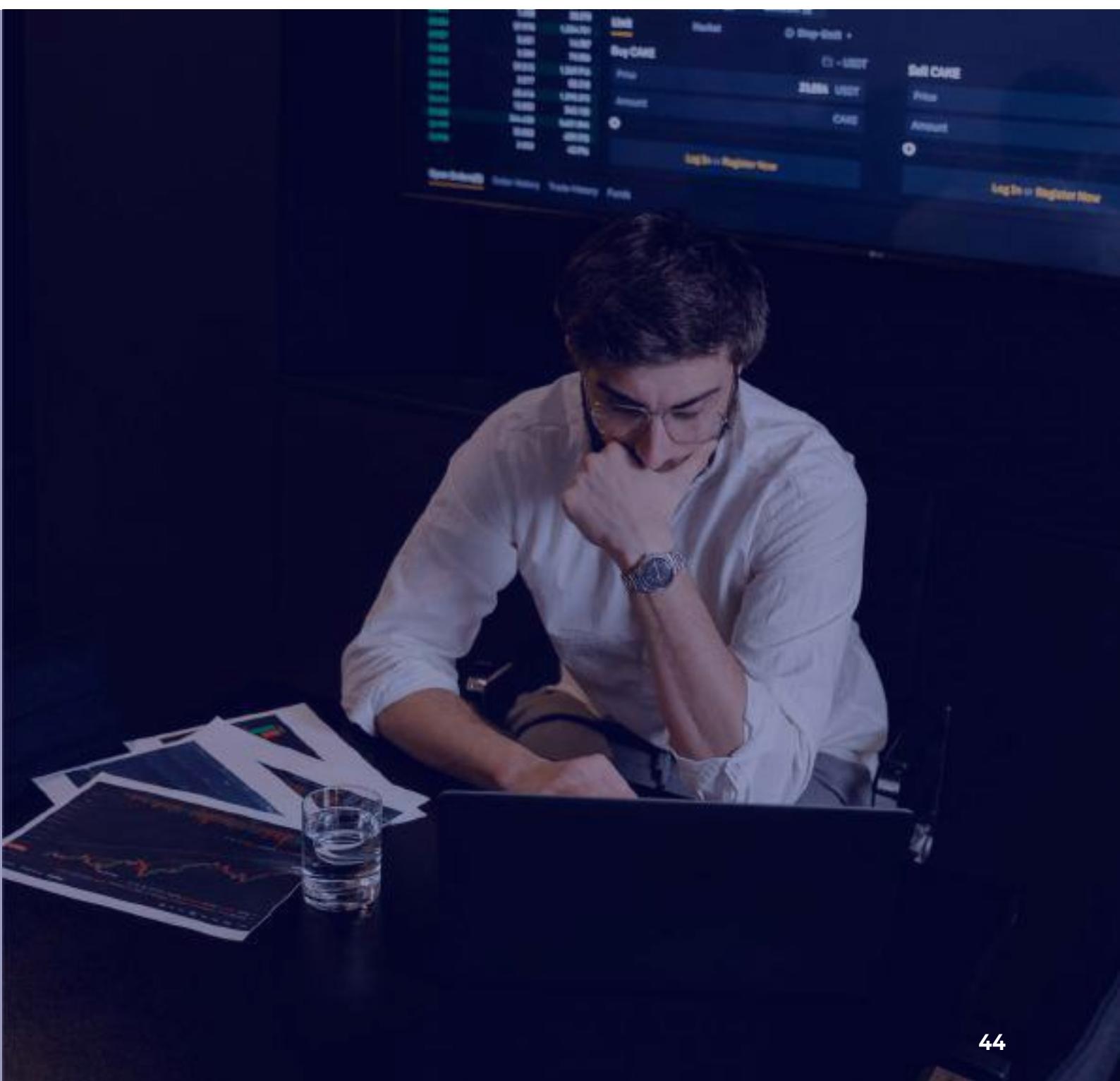
In 2024, Egypt's unemployment rate showed slight fluctuations. It declined to **6.5% in Q2**, a **0.2% drop** from Q1, reflecting the impact of economic recovery efforts. However, Q3 saw a modest rise to **6.7%**, up by **0.2%**, likely due to seasonal dynamics or short-term adjustments. Despite these changes, the rate remains low, underscoring steady labor market progress amidst ongoing reforms.

However, ongoing global conflicts, particularly in the Middle East, continue to challenge key economic activities, including manufacturing, Suez Canal revenues, and the energy sector. The current account deficit is projected to widen slightly due to these disruptions, though medium-term prospects remain optimistic.

Egypt's economic trajectory is bolstered by strong support from international financial institutions and development partners. While GDP growth in Egypt for the fiscal year 2023/24 recorded 2.4%, it is projected to rebound to 4.5% in FY24/25, supported by a more favorable economic context. Inflation rates rose to 35.8% in FY23/24 due to exchange rate movements before moderating to 22.7% in FY24/25. The fiscal deficit expanded in FY23/24 due to rising interest payments but is expected to improve in subsequent years.

Despite the challenges faced in recent years, Egypt's economy demonstrates resilience and promising potential for sustained growth. Strategic reforms, including the adoption of a flexible exchange rate, fiscal stabilization efforts, and targeted investments in key sectors, have laid a solid foundation for economic recovery. The nation's strategic location, robust domestic market, and strong international partnerships position it as a regional hub for trade, technology, and financial services.

With inflation expected to moderate, GDP growth projected to rebound, and structural reforms fostering private sector participation, Egypt is poised to unlock new opportunities across various industries. The thriving fintech ecosystem, coupled with increasing investor confidence and support from international financial institutions, underscores Egypt's potential to emerge as a dynamic, innovation-driven economy in the MENA region and beyond.





02

Building the Future: **Policy Foundations Shaping Egypt's Fin-Tech Ecosystem**

Building the Future: Policy Foundations Shaping Egypt's Fin-Tech Ecosystem

The Egyptian Presidency



National Payments Council Establishment Decree (Presidential Decree No. 89) - 2017

- **Promote Digital Payment Adoption:** Reduce reliance on cash outside the banking sector by encouraging the use of alternative digital payment methods and channels.
- **Enhance Payment System Security and Efficiency:** Develop and oversee national payment systems to minimize associated risks, ensuring they remain secure, efficient, and effective.
- **Drive Financial Inclusion:** Expand banking access to more citizens, integrate the informal economy into the formal sector, lower fund transfer costs, and boost tax revenues.
- **Protect User Rights:** Safeguard the rights of users of payment systems and services.
- **Foster a Competitive Market:** Build a competitive payment services market while regulating and overseeing the entities operating within it.

Key Achievements:

1. **Foundation of Meeza:** Launched as a national payment scheme, Meeza serves as the backbone for processing all government payments.
2. **Comprehensive Financial Access:** The Meeza card system provides cardholders with access to a wide array of financial services, promoting financial inclusion.
3. **Card Replacement and Upgrades:** Pension cards and government employees' payroll cards are being replaced with Meeza cards, offering enhanced functionality and additional banking services for government employees.

Central Bank of Egypt



Law No. 194 - 2020

- Under Article 50 of the New Banking Law, the CBE stated that the President of the Arab Republic of Egypt will establish the "National Payments Council" with the objective of reducing reliance on cash and promoting the use of electronic payment systems.
- Under Article 64, "digital banks" and "specialized banks" may be exempt from the minimum capitalization requirements.
- Digital banking licensing must include regarding the law:
 - A financial institution must hold at least 30% of the capital in the Digital Bank as a shareholder.
 - The financial institution must have a proven track record in similar businesses and activities, though exemptions may be granted with the approval of the CBE's Board of Directors.
 - The ownership structure, including all related parties, must be transparently disclosed to clearly identify the ultimate beneficial owner, ensuring the legality of the funds' source.
 - To establish a Digital Bank or a foreign bank branch, an application must be submitted to the CBE with a fee of EGP 1,000,000 for local banks or USD 50,000 for foreign branches.
- Under Article 184 - 206, Electronic payment service providers must be licensed by the CBE and adhere to its specified requirements, including depositing a security amount determined by the CBE.
- The Central Bank of Egypt (CBE) is empowered to take all necessary measures to advance the adoption of modern technology in financial, banking, and supervisory services. This includes technologies used by licensed entities to deliver their services or ensure compliance with regulatory requirements.
- The law established the **CBE Sandbox**, a regulatory framework designed to foster innovation by allowing fintech companies to test new technologies and business models in a controlled environment. This initiative aims to support the development of modern financial solutions while ensuring compliance with regulatory standards and minimizing potential risks.

Financial Regulatory Authority



Law No. 5 - 2022

- The law assigns the FRA as the regulator responsible for licensing Fintech companies engaged in non-banking financial activities and for overseeing their compliance with the Law.
- The FRA board will determine the Fintech license fee, but will be capped at EGP 50,000.
- The Law requires the FRA to establish **a regulatory sandbox** where license applicants can test their Fintech solutions in a live regulatory environment.
- The FRA will issue temporary licenses to startups for up to two years and will exempt them from the license fee.
- The FRA will set the requirements for issuing these licenses, including a minimum capital of EGP 250,000 for startups.
- A Fintech company and its affiliates must strictly adhere to the Egyptian Personal Data Protection Law No. 151 of 2020, ensuring the confidentiality of their customers' personal data.

Law No. 58 - 2022

- **The decree outlines several key requirements for Fintech companies, including:**
 - Prerequisites for incorporation,
 - Steps to obtain a Fintech license,
 - Procedures to receive FRA approval to begin operations, and
 - Guidelines for outsourcing Fintech services.
- **Application Process for Incorporation:**
 - Incorporation applications must be submitted through the FRA's online platform.
 - **Required documentation includes:**
 - Shareholders' data,
 - A detailed business plan, and
 - An acknowledgment of the company's ability to sustain Fintech operations and ensure security.
 - The FRA will issue an incorporation approval within 30 days of submission. If approval is not granted within this period, the application is considered rejected.
- **Shareholding and Structural Requirements:**
 - **Fintech companies must have a shareholding structure that includes:**
 - At least 50% juristic persons
 - 25% financial institutions.
 - Employment and management structures must be appropriate for the intended business activities.
- **Requirements for Existing Companies:**
 - Companies already in operation that wish to expand into Fintech must submit documentation to the FRA via its e-portal.
 - Necessary documents include proof of meeting all relevant requirements, along with foundational documents like the articles of incorporation and tax registration.

Decree No. 139 - 2023

- **Enabling Fintech Operations:** The Decree ensures the establishment of essential facilities, technological infrastructure, advanced information systems, and robust protection mechanisms to support the integration of fintech in the non-banking financial sector (NBFSA).
- **Technical Framework of the FinTech in NBFSA:** The decree introduces comprehensive guidelines for critical frameworks, including the Information Technology Governance Framework (ITG-F), Information Technology Service Management (ITSM), Cybersecurity Management, and Technology Risk Management (TRM). These frameworks are foundational to the secure and efficient use of fintech technologies within the NBFSA.
- **Data Localization Requirement:** Companies operating under the law are required to maintain their customer databases within the geographical borders of Egypt, ensuring compliance with local data sovereignty regulations.
- **Regulatory Notification:** Companies must notify the FRA within 30 days of taking any measures related to relocating their headquarters or data centers, ensuring regulatory oversight of operational changes.
- **Customer Support Standards:** The law mandates the provision of a 24/7 customer service center to address client inquiries promptly and resolve any issues efficiently, emphasizing customer-centric operations.

Decree No. 140 - 2023

The decree establishes a regulatory framework for **digital identity, digital contracting, and digital registers**, outlining requirements for authentication and ensuring secure operations within the non-banking financial sector (NBFSA). Below is a summary of each process:

1. Digital Identity

- Core Elements: Digital identity is established through a three-step process:
 1. **Identification:** Credentials such as a username and password.
 2. **Verification:** Identification like an ID, email address, or payment account.
 3. **Authentication:** Features such as facial recognition or fingerprints.
- Risk-Based Identification: The Digital Identification Process must align with the transaction's risk level (low, medium, or high), ensuring that appropriate safeguards are applied.

2. Digital Contracting

- Identity Verification: Service providers must verify the user's identity following the Digital Identification Process.
- **Recognition of Digital Contracts:**
 - The decree officially recognizes Click-to-Accept contracts and smart contracts for specific transactions, subject to FRA guidelines in future decrees.
 - Validity requirements for digital contracts must be met as detailed in the decree.
- **Blockchain Integration:**
 - The use of blockchain technology is permitted for e-registration, e-signatures, and the enforcement or automatic amendment of smart contracts, provided that security and compliance measures are adhered to.

3. Digital Register

- Storage and Encryption: Once a contract is executed, it must be electronically stored along with related transactions, using encryption technology approved by the FRA.

Reporting Obligation: Fintech entities in the NBFS sector must submit a biannual report detailing work outcomes and error rates, ensuring transparency and regulatory compliance.

Decree No. 141 - 2023

The decree establishes an **Outsourcing Registry** for companies engaged in fintech activities **offering outsourcing services**, setting forth conditions and requirements for registration. Key aspects include:

1. Legal Structure

- Entities applying for registration must either be joint-stock companies or operate in another legal form with a commitment to transition to a joint-stock structure within 12 months of registration.
- The Financial Regulatory Authority (FRA) will determine the minimum required capital and relevant experience for these entities.
- The FRA will review registration applications within 30 days and base its decision on the completeness of the supporting documents provided.

2. Technological Requirements

Registered companies must possess adequate technological capabilities to ensure:

- Data security and protection of customer privacy.
- Operational efficiency, including robust systems to address and resolve any technical issues.

3. Insurance Coverage

- Entities must secure an insurance policy covering technological and professional liability to safeguard against potential risks.
- A registration fee of EGP 25,000 is required for each sector of activity.

Decree No. 268 - 2023

This applies to startups within the fintech sector, particularly those involved in non-banking financial activities such as mortgage financing, SME financing, microfinance, financial leasing, factoring, and consumer finance.

Application Submission: Startups aiming to obtain a license must submit a detailed application to the FRA. This application should include information on the business model, technology infrastructure, risk management strategies, and financial projections. Additionally, it must comply with the requirements outlined in Article 2 of Board of Directors Resolution No. 58 of 2022. All submissions are to be recorded in a designated register and accompanied by a dedicated file containing incorporation documents and procedural records.

Key Regulatory Requirements:

1. **Legal Structure:** The company must be established as a joint stock company.
2. **Capital Requirement:** A minimum issued and paid capital of EGP 15 million is mandatory or its equivalent in any foreign currency.
3. **Specialized Ownership:** At least 25% of the shareholding must be owned by technology or fintech specialists.
4. **Funding Requirement:** The company must be financed by venture capital firms or funds, either incorporated in Egypt or abroad, as long as they are regulated by an authority equivalent to the FRA or CBE.

Decree No. 163 - 2024

The decree establishes the first regulatory sandbox within the non-banking financial sector, in accordance with FRA Law No. 5 of 2022.

Complementary Laws Driving Innovation and Security in the Fintech Ecosystem

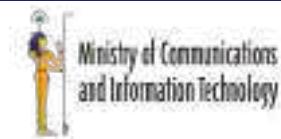
The People's Assembly



Intellectual Property Law No.82 - 2002

Egypt's Intellectual Property (IP) Law aligns the country's legal framework with its obligations under the WTO Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement. Comprising 205 articles, the law unifies and replaces previous intellectual property rights legislation. It is structured into four key sections: trademarks, copyrights, patents, and new plant varieties, providing a comprehensive and modern framework to protect intellectual property in Egypt.

Ministry of Telecommunications and Information Technology



Anti-Cyber and Information Technology Crimes Law (No. 175) - 2018

This law serves as the cornerstone of cybercrime legislation in Egypt, focusing on preventing theft, damage, and unauthorized use of electronic data. It outlines strict measures to protect digital assets, ensuring the integrity, confidentiality, and availability of all forms of electronic information while addressing the acts that compromise them.

1. Legal Framework for Cybercrime Prevention

- The law criminalizes unauthorized access, data breaches, and cyberattacks targeting information systems, personal data, or government platforms.
- Hacking, phishing, and identity theft are punishable offenses under the law, ensuring strict accountability for digital violations.

2. Data Protection and Privacy

- Personal Data Protection: The law prohibits unauthorized collection, storage, or dissemination of personal data without consent.
- Mandatory Consent: Individuals or entities processing personal data must obtain prior approval from the data owner.

3. Obligations for Technology Service Providers

- Service providers must retain user data for a specified period and provide it to authorities upon request.
- Providers are required to maintain the confidentiality and security of the data they handle, with strict penalties for breaches or misuse.

4. Critical Infrastructure Protection

- Special provisions safeguard critical information infrastructure, including banking systems, telecommunications, and national security platforms, against cyber threats.

5. Penalties for Violations

- Fines: Penalties for cybercrimes range from EGP 50,000 to EGP 5 million, depending on the severity of the offense.
- Imprisonment: Severe cases, such as cyberterrorism or compromising national security, may result in imprisonment, with sentences ranging from six months to life imprisonment.

6. Cybersecurity Standards

- The law requires public and private entities to implement robust cybersecurity measures, ensuring compliance with international security standards.
- Regular assessments and audits are mandated to identify and mitigate vulnerabilities.

7. Jurisdiction and Enforcement

- The law applies to offenses committed within Egypt and also extends extraterritorially to cybercrimes targeting Egyptian nationals, institutions, or interests from outside the country.

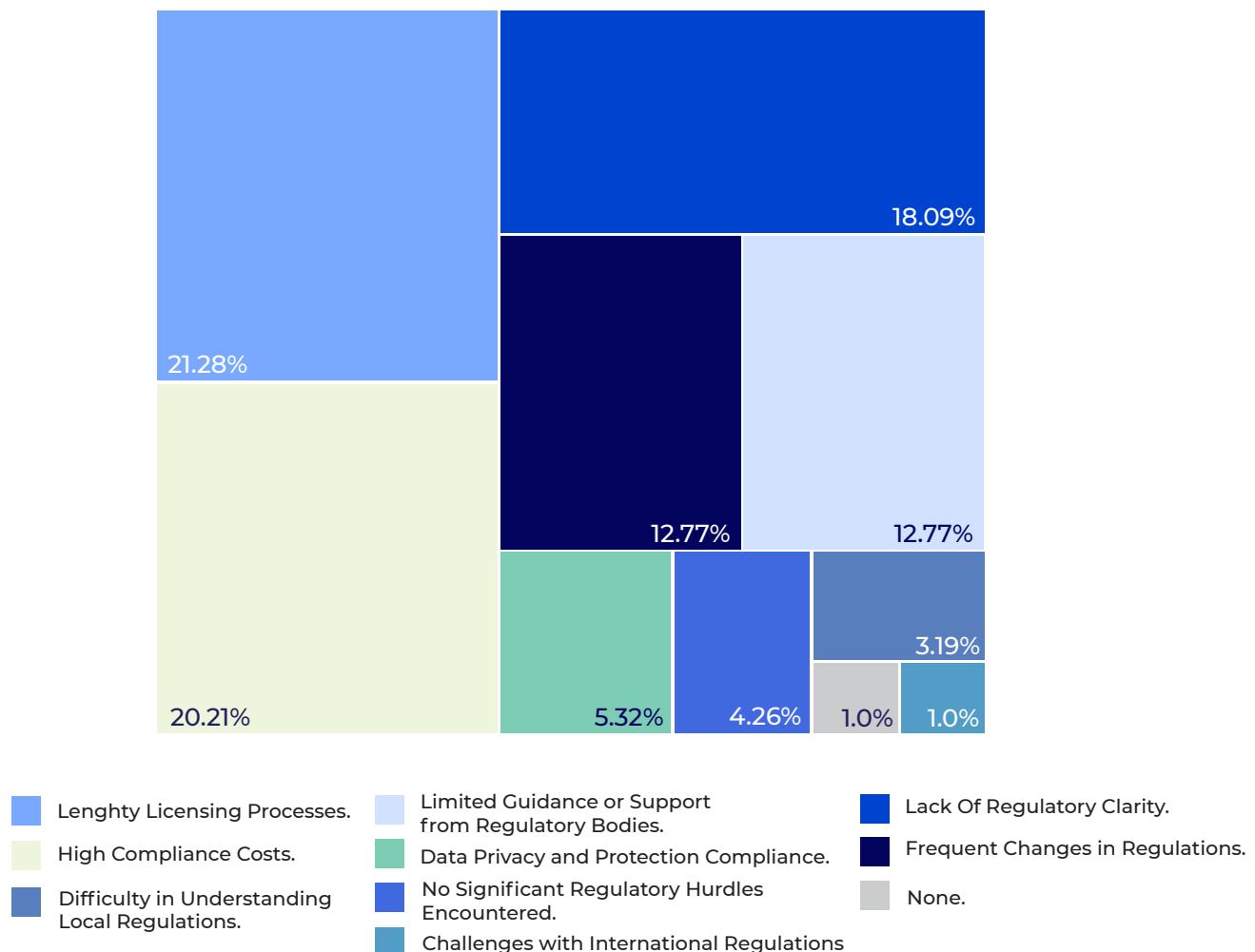
Data Protection Law No.151 - 2020

- The Law applies extraterritorially, extending its jurisdiction to crimes involving personal data committed outside Egypt by both Egyptians and non-Egyptians, as long as the data pertains to Egyptians or non-Egyptians residing within Egypt.
- The Law establishes the Personal Data Protection Centre (PDPC) as a public economic authority tasked with overseeing and enforcing the law. The PDPC is responsible for regulating personal data protection, supervising compliance, granting licenses, and ensuring the effective implementation of the law's provisions. The Center is affiliated to the Minister of Communications and Information Technology.
- The Law establishes a framework requiring licensing, permits, and security accreditation for data processing, data control, handling sensitive data, electronic marketing, and cross-border data transfers.
- Sensitive personal data may only be collected, stored, processed, or transferred with the **explicit consent of the data subject** and **authorization from the Personal Data Protection Centre (PDPC)**.
- Controllers and processors of personal data must appoint a Data Protection Officer (DPO) as the primary liaison with the Regulator, with all DPOs registered in an official record, and no exemptions are granted, even for small companies.
- Data controllers based outside of Egypt must designate a local representative to serve as the primary contact for Egyptian data subjects and the Regulator.
- The maximum fee for applying for a digital protection license will be 2 million EGP.
- Non-compliance with the **Data Protection Law** exposes organizations to severe consequences, including **administrative fines of up to EGP 5 million** and **criminal penalties**, which may include imprisonment for more than six months.

Egypt's regulatory ecosystem is evolving rapidly, reflecting a strong commitment to fostering innovation and supporting the fintech sector. Both the **Central Bank of Egypt (CBE)** and the **Financial Regulatory Authority (FRA)** play pivotal roles in this effort. Each entity has established a regulatory sandbox designed to empower fintech startups and provide a controlled environment for testing innovative solutions. These sandboxes help assess and mitigate the risks associated with disruptive technologies before their products reach the mass market.

However, there are noticeable discrepancies between the domains regulated by the CBE and those under FRA supervision. This overlap creates ambiguity regarding which fintech sectors align with each regulatory body. Both the CBE and FRA enforce similar laws and decrees governing fintech startups, addressing areas such as minimum invested capital, legal company structures, and technological infrastructure. While these efforts indicate strong institutional support, greater clarity in jurisdictional responsibilities could further streamline fintech operations.

Key Regulatory Hurdles Faced by FinTech Startups



Despite notable advancements, the regulatory landscape for Egyptian fintech startups remains fraught with persistent challenges, as highlighted in the "**Regulatory Hurdles Faced by Egyptian FinTech Startups**" analysis. The most pressing issue is **lengthy licensing processes**, cited by 21.28% of the fintech ecosystem as a significant barrier. Close behind are **high compliance costs (20.21%)** and a **lack of regulatory clarity (18.09%)**, both of which underscore the complexities that startups face in adhering to regulatory requirements. These challenges point to an urgent need for streamlined licensing frameworks and improved communication from regulatory bodies to foster a more supportive environment.

Additionally, **frequent changes in regulations (12.77%)** and **limited guidance or support from regulatory authorities (12.77%)** exacerbate uncertainty, further complicating startups' ability to operate and scale effectively. While initiatives such as regulatory sandboxes demonstrate a commitment to innovation and provide a testing ground for new ideas, the persistence of these hurdles underscores the critical importance of developing **consistent, transparent, and accessible regulatory frameworks**. By addressing these issues, Egyptian fintech startups will be better positioned to innovate, grow, and compete in an increasingly dynamic and globalized market.

Beyond fintech, Egypt has demonstrated proactive measures in areas such as cybersecurity, data protection, and **intellectual property (IP)**, creating an entrepreneurial environment that is both supportive and conducive to innovation. The country's commitment to IP protection is exemplified by its adherence to the **Paris Convention**, which allows patent applicants in member countries or nations offering reciprocal treatment to benefit from Egypt's legal framework. However, as reflected in the graph, compliance with data privacy and protection standards (5.32%) remains a minor but noteworthy challenge. These initiatives highlight Egypt's dedication to creating a business ecosystem that promotes sustainable growth and innovation, but further reducing regulatory hurdles would solidify its standing as a fintech hub in the region.

A photograph showing several hands holding smartphones. The screens of the phones are illuminated, displaying different financial applications such as QR code scanners, payment interfaces, and investment platforms. The background is slightly blurred, showing more people and what appears to be a modern office or event setting.

Section 3:

FinTech Sector Dynamics: Driving Innovation and Transformation in Financial Services

Fin-Tech Sector Dynamics: Driving Innovation and Transformation in Financial Services

The fintech sector in Egypt is rapidly evolving, marked by unique opportunities, growing investment, and an increasingly skilled workforce. As Egypt positions itself as a regional fintech hub, understanding the sector's current landscape is crucial to recognizing the potential for growth and innovation. Sector analysis reveals that digital payment solutions, lending platforms, and business-to-business (B2B) marketplaces are key areas of expansion, driven by both local demand and supportive regulatory frameworks. Fintech funding has seen an upswing, with investments flowing into early- and growth-stage startups, underscoring investor confidence in Egypt's market. However, skill gaps remain a challenge, as startups compete to attract talent proficient in advanced technology and financial literacy. Addressing these skill trends will be essential to sustain growth, with targeted training and workforce development initiatives playing a critical role in shaping Egypt's fintech future.

01

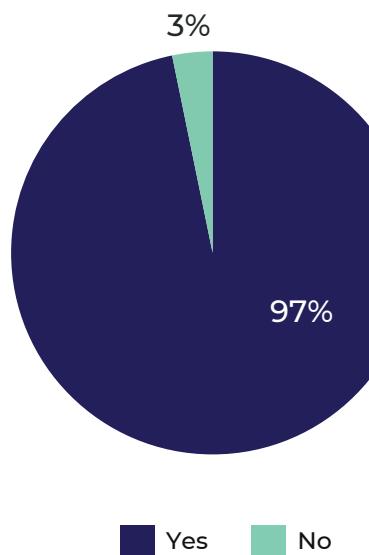
Exploring The Current Landscape: **Unlocking Opportunities in Fin-Tech**

Exploring the Current Landscape: Unlocking Opportunities in FinTech

Egypt's fintech sector is rapidly gaining global and regional recognition, establishing itself as a key player in the digital finance landscape. According to the **Global FinTech Startup Ecosystem Report**, Egypt ranks **10th among 100 emerging fintech startup ecosystems**, reflecting its growing prominence. Domestically, fintech has emerged as the leading sector for venture capital investment, accounting for **18% of total funding**, showcasing its pivotal role in driving the country's startup ecosystem. On a regional scale, Egypt ranks **3rd in the MENA region** for both **fintech venture capital investments** and **fintech talent and experience**, underscoring its competitive edge in attracting funding and fostering expertise in this dynamic sector.

The growing demand for digital financial solutions is underscored by 2023 consumer trends, where **88% of consumers have adopted at least one emerging payment method**, and **27% rely on digital money transfer apps**. These adoption rates reflect Egypt's rapid digital transformation and the increasing reliance on fintech innovations to meet evolving consumer needs. This trend is further supported by the **Perceived Growth Opportunities in Egypt's FinTech Ecosystem**, which reveals that **97% of stakeholders within the ecosystem believe in its potential for growth**, with only 3% expressing skepticism. Such optimism demonstrates a strong foundation for further innovation, positioning Egypt as a regional leader in fintech development.

Perceived Growth Opportunities in Egypt's FinTech Ecosystem



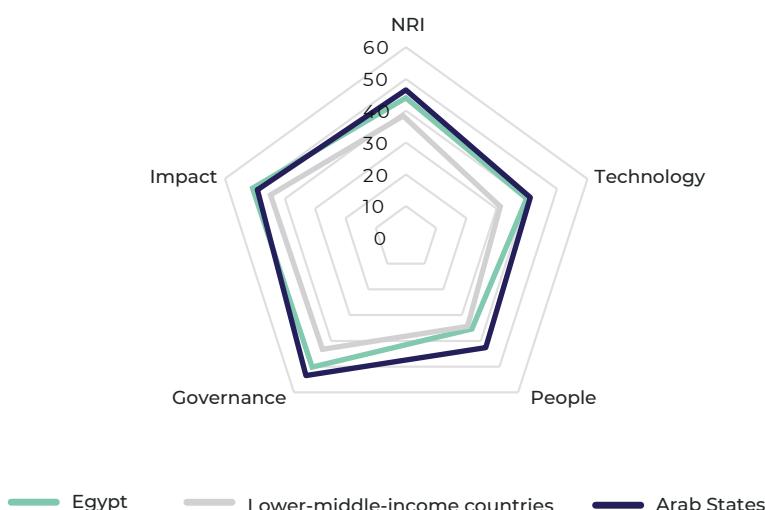
This momentum creates significant opportunities for investment and expansion, driven by increasing consumer acceptance of digital financial tools. As Egypt continues to build on its digital adoption rates, the fintech ecosystem is poised for accelerated growth, attracting both domestic and international stakeholders seeking to capitalize on this vibrant market.

Egypt holds the 9th position in the **Network Readiness Index (NRI)** among lower-middle-income countries and Arab states, reflecting its steady progress in leveraging information and communication technology (ICT) to drive economic and societal development. The NRI is one of the most recognized global indices for assessing the application and impact of ICT on a country's economy, analyzing 134 economies worldwide. It provides a comprehensive evaluation across four foundational pillars: **Technology, People, Governance, and Impact**. These pillars collectively capture the readiness and capability of economies to use ICT for sustainable development and competitiveness in a digital era.

Egypt's performance in the NRI is particularly notable within its income group. The country achieves scores above the average for lower-middle-income economies across all four pillars. At a more granular level, Egypt outpaces its peers in ten out of twelve sub-pillars, highlighting its strengths in critical areas such as **Access, Content, Individuals, Governments, Trust, Regulation, Inclusion, Economy, Quality of Life, and SDG Contribution**. This underlines the country's efforts in building a robust ICT infrastructure, promoting inclusivity, and aligning its digital initiatives with the United Nations' Sustainable Development Goals (SDGs).

When benchmarked against other Arab states, Egypt also demonstrates encouraging progress. While it scores above the regional average in the **Impact** pillar, the country shows competitive advantages in five out of twelve sub-pillars: **Access, Content, Regulation, Economy, and SDG Contribution**. These achievements underscore Egypt's commitment to advancing its digital ecosystem, enhancing regulatory frameworks, and ensuring ICT-driven economic growth.

Egypt's Performance Compared to Income Group and Regional Averages



Egypt has demonstrated significant competitive advantages across various sub-pillars, earning notable rankings in the **Global Network Readiness Index (NRI)**. The country stands out particularly in areas such as **E-commerce legislation**, where it ranks 1st globally, and the **prevalence of the gig economy**, where it holds an impressive 7th place. Additionally, Egypt ranks 18th for both **international internet bandwidth** and **domestic market size**, and 21st for annual investment in **telecommunication services**, highlighting its strong infrastructure and market potential.

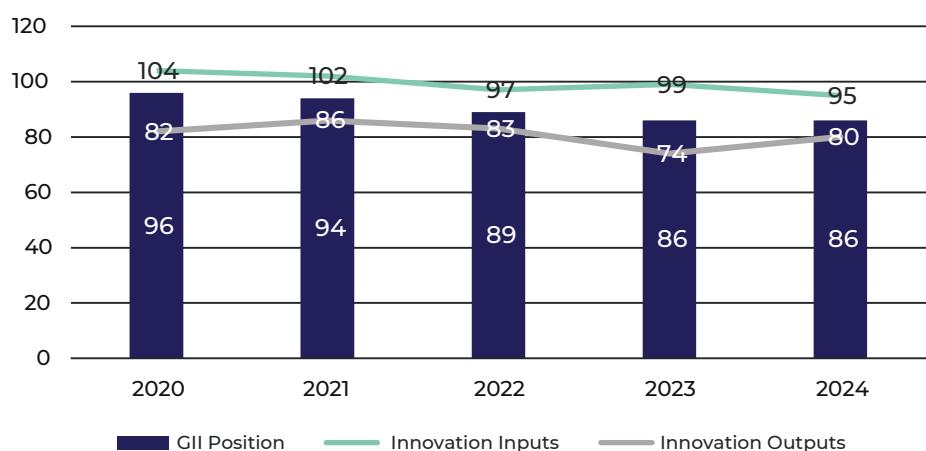
However, there are critical areas where Egypt faces challenges and needs sustained focus for improvement. Its weakest indicators include **SDG 5: Women's Economic Opportunity** (ranked 125th), **online access to financial accounts** (ranked 125th), and **internet shopping** (ranked 120th). Addressing these gaps is essential to ensuring more inclusive digital transformation and strengthening the overall ICT landscape.

In contrast to its challenges, Cairo has demonstrated notable progress in global ecosystem rankings, further solidifying its position as a rising hub for innovation and entrepreneurship. In 2024, Cairo advanced from the **51-60 range** to the **41-50 range** globally and secured **3rd place in the MENA region** in the **Emerging Ecosystems Ranking**. This builds on its prior achievements, where it climbed from the **71-80 range in 2021** to the **51-60 range in 2022**, reflecting its growing significance as a dynamic and evolving ecosystem. This consistent upward trajectory underscores Cairo's increasing importance in the global and regional digital landscape.

This progress coincided with a significant milestone in November 2022, when the American venture capital fund **500 Global** announced the opening of its first African office in Cairo. The move reflects growing confidence in Egypt's entrepreneurial ecosystem and includes the launch of several targeted programs aimed at supporting and accelerating the growth of Egyptian startups.

Egypt's position in the **Global Innovation Index** reflects its growing role in the global Fintech landscape, ranking **86th overall** and **11th among 38 lower-middle-income countries**, showcasing a strong position within its income category. Furthermore, Egypt ranks **42th globally** in terms of venture capital received as a percentage of GDP, highlighting its appeal to investors and its emerging influence in the global venture capital ecosystem.

Egypt Global Innovation Index

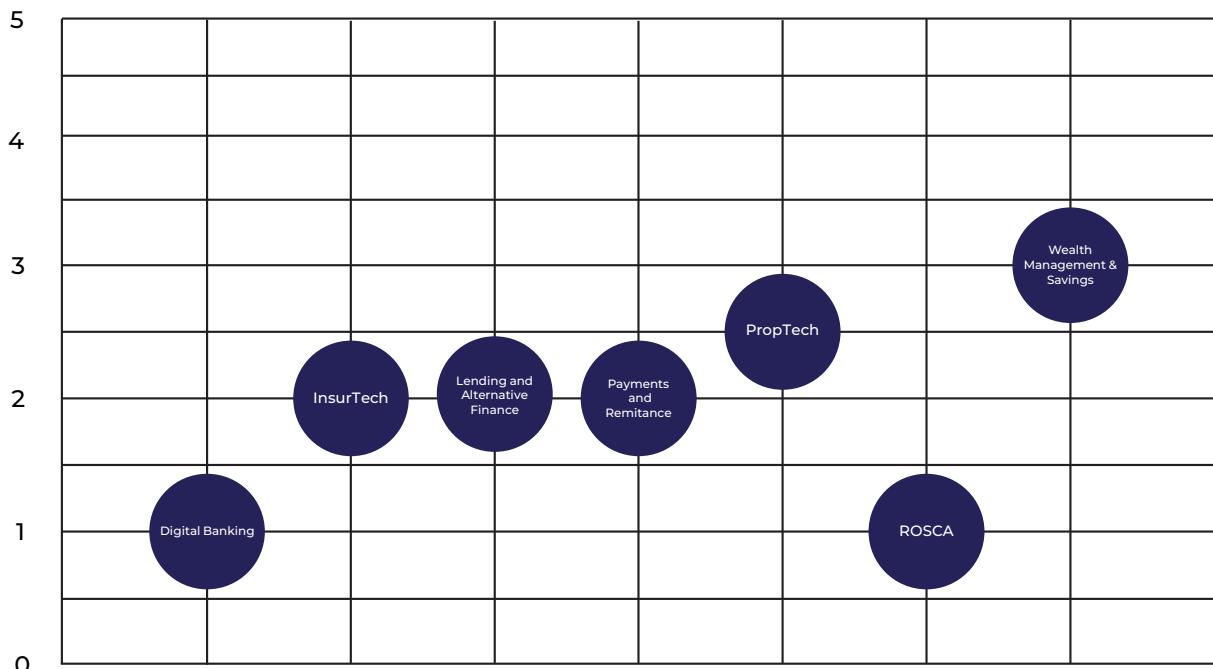


Innovation Inputs, which encompass resources such as expenditure on education, VC funding received, and Gross expenditure on R&D, also improved incrementally, rising from **104th in 2020** to **95th in 2024**, indicating a consistent focus on building the foundations of innovation inputs. Meanwhile, **Innovation Outputs**, which measure tangible outcomes like patents, high-tech manufacturing, and knowledge diffusion, experienced some fluctuations. While outputs improved from **82nd in 2020** to **80th in 2024**,

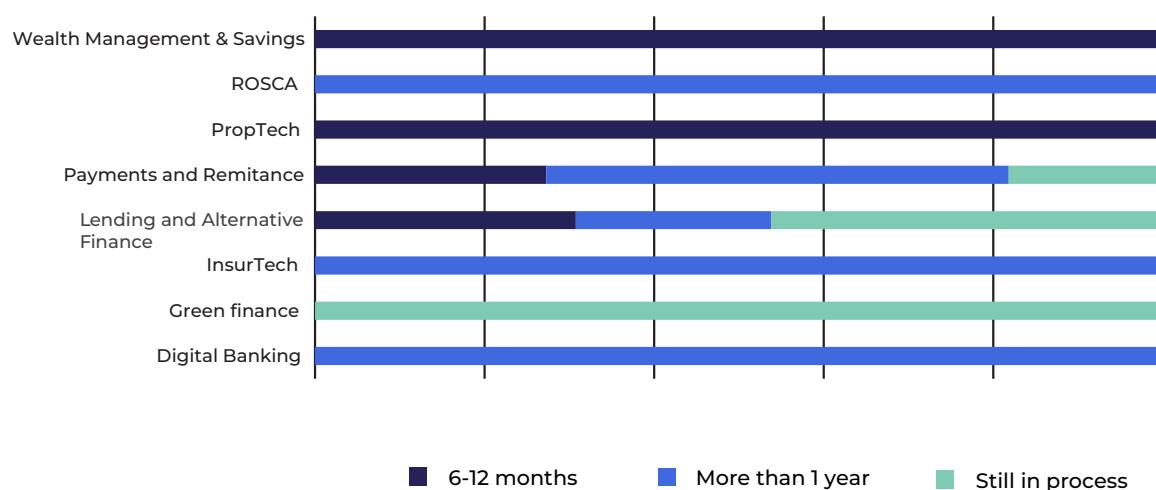
Egypt's key strengths in innovation lie in its **state of cluster development, domestic market scale, and labor productivity growth**, where the country ranks **9th, 18th, and 20th**, respectively. These rankings highlight Egypt's competitive advantage in fostering industrial clusters, leveraging its large domestic market, and driving productivity improvements.

However, Egypt faces significant challenges in certain areas of innovation. Its main weaknesses include **gross capital formation, regulatory quality, and the percentage of firms offering formal training**, with rankings of **120th, 112th, and 99th**, respectively. These areas indicate a need for greater investment in capital infrastructure, improved regulatory frameworks, and stronger initiatives to enhance workforce skill development. Addressing these gaps will be critical to further strengthening Egypt's innovation ecosystem and sustaining long-term growth.

Ease of Obtaining Licenses Across FinTech Sub-Sectors (Scale 1-5)



Average Duration of the Licensing Process Across Fin-Tech Subsectors



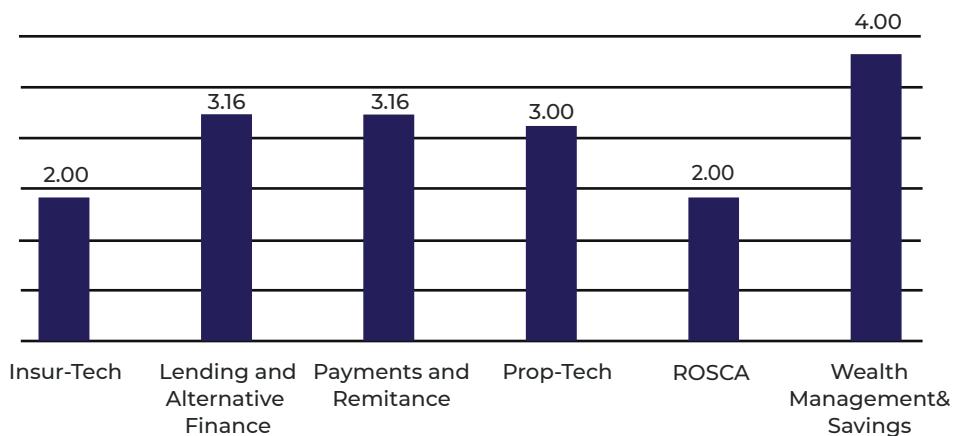
The "Average Duration of the Licensing Process Across FinTech Subsectors" and "Ease of Obtaining Licenses Across FinTech Sub-Sectors" charts together provide critical insights into the licensing challenges faced by Egypt's fintech startups. The first chart highlights the lengthy licensing timelines across various fintech subsectors, with significant portions of applications taking more than one year or still being in process. Notably, **digital banking**, **InsurTech**, and **ROSCA (Rotating Savings and Credit Associations)** show the longest durations, with most licensing processes taking over a year or remaining unresolved. These findings align with the **Ease of Obtaining Licenses** chart, where digital banking and ROSCA score below 2, reflecting significant barriers to entry caused by complex regulatory requirements and inadequate support. These delays and difficulties discourage innovation and create bottlenecks for early-stage fintech startups trying to establish themselves in these critical sectors.

In contrast, **wealth management & savings** and **PropTech** emerge as subsectors with comparatively better licensing processes. Both score closer to 3 on the ease scale, indicating moderate challenges, and have shorter licensing timelines, with a substantial portion completed within 6–12 months. Similarly, **payments and remittance** and **lending and alternative finance** occupy mid-range positions in both charts, reflecting moderate inefficiencies but fewer hurdles compared to subsectors like digital banking.

Despite these relative variations, the overall licensing landscape remains inefficient, with no subsector scoring above 3.5 on the ease scale and significant delays persisting across the board. This underscores systemic weaknesses within Egypt's regulatory framework, such as inconsistent policies, limited transparency, and slow processes, which hinder the growth of fintech startups and the broader innovation ecosystem. These challenges correlate with Egypt's broader regulatory inefficiencies, as reflected in global rankings, where the country struggles with regulatory quality (ranked 112th).

Moreover, the reliance on banks for partnerships directly impacts the ease of obtaining fintech licenses. Licensing authorities often require startups to demonstrate financial backing or institutional partnerships to ensure operational stability and compliance with regulatory standards. Since the majority of financial backing for fintech startups comes from the banking sector, low acceptance rates in subsectors like InsurTech and ROSCA exacerbate licensing difficulties, further hindering their ability to scale. Conversely, subsectors with higher bank acceptance, such as wealth management & savings, are better positioned to meet licensing requirements and navigate the regulatory landscape.

Average bank Acceptance for Fin-Tech subsectors



Average Bank Acceptance for FinTech Subsectors highlights the level of acceptance fintech startups receive from banks, which plays a critical role in their success. The data underscores the importance of collaboration with financial institutions, particularly banks, as most fintech startups rely on these partnerships to validate their business models, access financial infrastructure, and secure the trust of consumers and regulators. Substantial disparities in bank acceptance rates across fintech subsectors reveal the challenges startups face in securing these essential partnerships.

Wealth management & savings stands out with the highest average bank acceptance score of 4.0, indicating a strong alignment between this subsector and banking institutions. This may be attributed to the relatively low-risk nature of wealth management services, which complement traditional banking operations, making it easier for banks to support such startups. Similarly, lending and alternative finance and payments and remittance score moderately high at 3.16, reflecting their growing importance in digital financial services and their ability to integrate effectively with banking systems.

In contrast, subsectors like InsurTech and ROSCA (Rotating Savings and Credit Associations) score significantly lower, at 2.0, suggesting greater challenges in gaining acceptance from banks. This could be due to the perceived complexity, regulatory uncertainties, or misalignment of these business models with traditional banking frameworks. PropTech, with an average score of 3.0, occupies the mid-range, indicating moderate acceptance as it often intersects with mortgage and real estate financing services provided by banks.

02

Key Sectors and Market Leaders **Shaping the Fin-Tech Ecosystem**

Key Sectors and Market Leaders Shaping the FinTech Ecosystem

Payments and Remittance



Lending and Alternatives



Reg-Tech



Wealth Management and savings



Key Sectors and Market Leaders Shaping the FinTech Ecosystem

Payroll and Benefits



Personal Finance Management and Financial Literacy



ROSCA



Data Analysis and AI



Key Sectors and Market Leaders Shaping the FinTech Ecosystem

Insur-Tech and Health-Tech



Prop-Tech



03

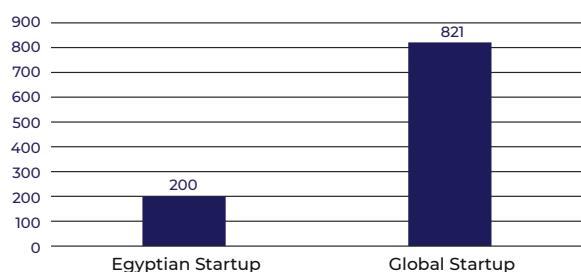
Fueling Innovation: **Trends and Opportunities in FinTech Funding**

Fueling Innovation: Trends and Opportunities in FinTech Funding

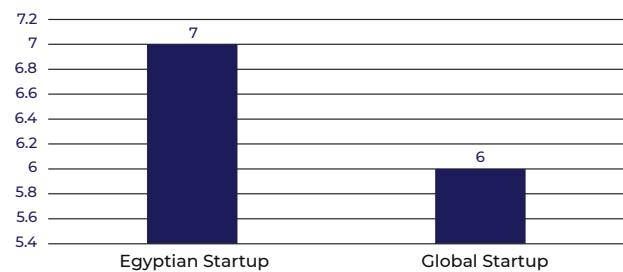
The Egyptian fintech sector has witnessed remarkable growth in recent years, attracting significant investment across various funding channels. According to **FinTech Egypt**, an initiative by the Central Bank of Egypt (CBE), local fintech and fintech-enabled startups, along with PSPs, secured a total of **\$796.5 million in funding in 2023**. This included **\$437.7 million in private equity investments** and **\$358.8 million in venture capital**, with venture capital funding multiplying by an impressive **28.7 times over the past three years**. In **2022**, fintech investments reached USD 259 million, representing a **13% increase from 2021**. However, this growth was achieved across fewer deals, with only **37 investment agreements**, reflecting a **23% decline in deal volume compared to 2021**. Over the past three years, **venture capital and angel investments accounted for an average of 65% of total fintech funding**, while **private equity investments surged in 2022, comprising 55% of total fintech funding**.

Despite these fluctuations in deal volume, Egypt's fintech sector continues to attract strong investor interest, driven by its growing market demand and innovative ecosystem. The funding dynamics further underscore the sector's maturity, as private equity becomes increasingly prominent alongside venture capital. This robust funding growth sets the stage for a deeper analysis of Egypt's overall startup funding landscape and the critical role fintech plays as one of its most dynamic and promising sectors.

Egypt's Median Seed Round vs. Global Average, H2 2020-2022



Egypt's Median Series A Round vs. Global average, H2 2020-2022



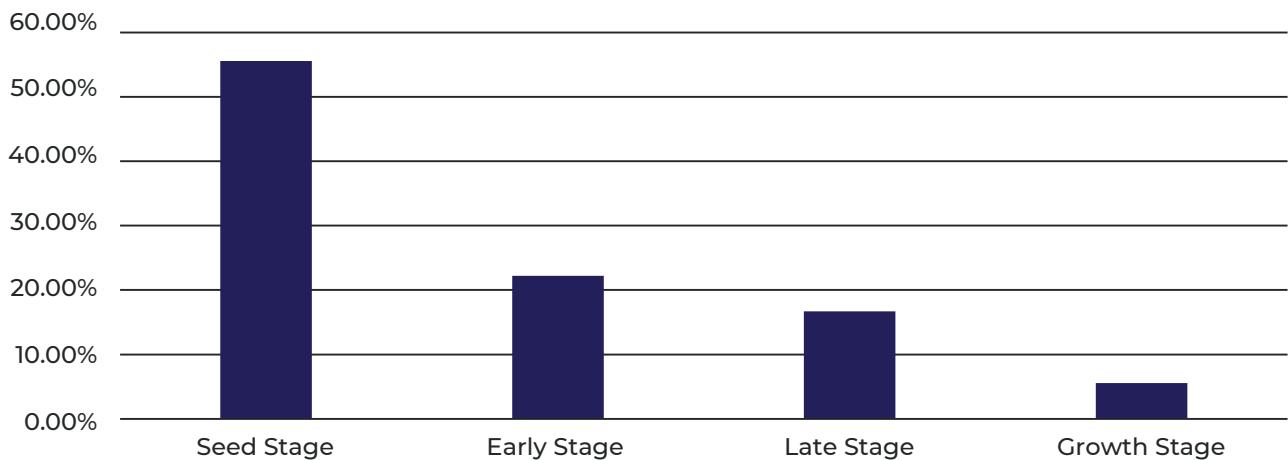
The funding landscape for Egyptian startups reflects both opportunities and challenges, as illustrated by the two charts. At the seed stage, **Egypt's median seed round size** stands at **USD 200,000**, significantly lower than the global average of **USD 821,000** for the period H2 2020–2022. This disparity highlights the challenges faced by Egyptian startups in securing substantial early-stage funding compared to their global counterparts. However, Egypt's cost-efficient operating environment, characterized by lower labor costs and reduced operational expenses, allows startups to stretch limited funding effectively. For the **fintech sector**, this lower seed funding may limit initial expansion but provides an opportunity for startups to operate lean and innovate within budget constraints.

In contrast, Egyptian startups outperform their global peers in **later-stage funding rounds**, where the **median series A round size is USD 7 million**, surpassing the global average of **USD 6 million**. This suggests that while early-stage startups may struggle with funding gaps, those that successfully navigate the seed stage are able to secure significant investment as they grow. This trend reflects increasing investor confidence in the scalability of Egyptian startups, particularly in sectors like **fintech**, which has become a cornerstone of Egypt's entrepreneurial ecosystem. With fintech accounting for **18% of total venture capital funding** and Egypt ranking as the **3rd largest fintech ecosystem in the MENA region**, the sector demonstrates strong growth potential and appeal for investors.

These funding dynamics align with the thriving demand for fintech solutions in Egypt. With **88% of consumers adopting at least one emerging payment method** in 2023, the sector enjoys a robust market for digital finance. The combination of growing consumer demand and larger funding rounds at later stages makes fintech a promising area for growth. However, to fully realize its potential, Egypt must address the challenges of **limited seed-stage funding** by strengthening investor networks, encouraging local and international venture capital participation, and leveraging its competitive cost advantage to attract global players. By bridging the early-stage funding gap, the fintech sector can accelerate its growth and cement Egypt's position as a leader in digital finance within the region and beyond.

A notable gap remains in early-stage financing, as 55% of startups identify pre-seed and seed funding as the most challenging stage for investment, highlighting limited investor focus on early ventures. Egypt's investor landscape, however, is expanding, with a 7% increase in the number of unique investors in H1 2024, driven by an **82% year-over-year rise in local investors**—a trend contrasting with markets like Nigeria and South Africa, where investor participation dropped by 46% in the same period. This increase underscores local investors' growing commitment to supporting Egypt's startup ecosystem amid global uncertainties.

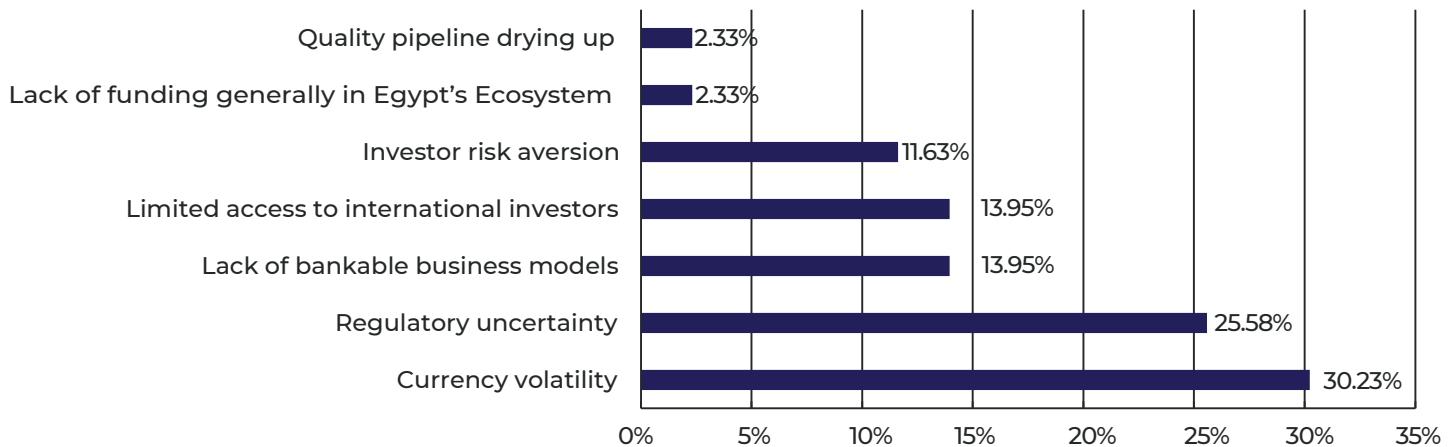
Most Challenged Stages of Fin-Tech startups: According to Enablers



The most challenged stages of fintech directly reinforces the challenges highlighted regarding the limited availability of seed-stage funding in Egypt's fintech ecosystem. With over 50% of enablers identifying the seed stage as the most challenging, the data underscores the critical funding gap startups face during this pivotal phase. This finding aligns with the urgent need for stronger investor networks, greater participation from venture capital firms, and enhanced support mechanisms to help startups navigate this bottleneck effectively.

Challenges persist into the early stage, where approximately 25% of enablers report significant difficulties, further underscoring the importance of sustained funding and operational support as startups transition to scaling their operations. However, as the graph illustrates, these challenges decline markedly in the late stage and are minimal during the growth stage, reflecting the advantages of larger funding rounds, greater investor confidence, and established market traction at these later phases. Closing the seed-stage funding gap is therefore essential to empowering fintech startups to progress through their most vulnerable stages and fully capitalize on Egypt's burgeoning demand for digital financial solutions.

Funding Challenges for Fin-Tech Startups: Insights from Ecosystem Enablers



Several critical obstacles, particularly for early-stage fintech startups, align closely with the challenges identified in the seed and early stages of funding. The most prominent challenge, cited by **30.23% of respondents**, is **currency volatility**, which disproportionately impacts early-stage startups. These businesses typically have limited financial reserves and rely heavily on local funding, making them more vulnerable to fluctuations in the value of the Egyptian pound. Such volatility increases operational costs, deters foreign investors, and complicates long-term financial planning.

Another significant obstacle is **regulatory uncertainty** (25.58%), which creates barriers for early-stage fintech startups trying to establish themselves in a complex and evolving regulatory environment. This challenge is compounded by **limited access to international investors** (13.95%) and **investor risk aversion** (11.63%), both of which restrict the availability of funding needed to navigate these early stages. Without strong international networks or a track record of success, early-stage startups struggle to secure external capital, leaving them reliant on local investors who may be hesitant due to perceived risks or insufficiently developed business models.

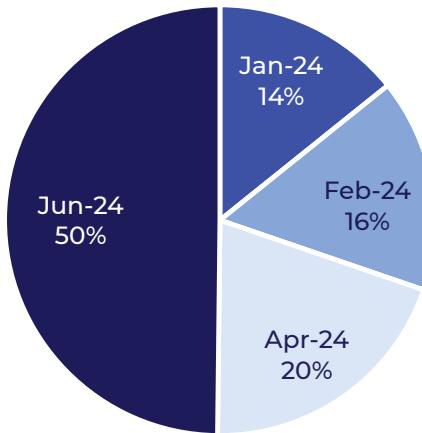
Additionally, **lack of bankable business models** (13.95%) poses a unique challenge to early-stage startups that often experiment with innovative but unproven concepts. These startups face difficulty convincing investors of their potential profitability, further exacerbating the funding gap at the seed and early stages. Interestingly, challenges such as **quality pipeline drying up** and **lack of funding generally in Egypt's ecosystem** are cited by only 2.33% of respondents, suggesting that while funding is available, the main issue lies in startups' ability to attract and secure it.

However, this directly correlates with the previously discussed **most challenged stages of fintech startups**. The seed stage, identified as the most difficult, aligns with the heightened impact of currency volatility, regulatory hurdles, and limited investor access. Early-stage challenges, which affect around 25% of startups, are similarly tied to these barriers, particularly the struggle to prove business models and mitigate investor risk aversion. Conversely, challenges diminish in later stages as startups secure more funding and establish a stronger market presence.

In the first half of 2023, fintech funding in Egypt reached **\$291 million**. However, by H1 2024, fintech funding had significantly declined, totaling just **\$39 million**. Despite a downturn in H1 2024, with fintech capturing **USD 39 million** and representing 45% of total funding (an 87% decline due to the absence of mega-deals such as Halan's \$260 million funding), the IT Solutions sector saw a 100% increase, propelled by significant investments in tech. This diversification within Egypt's startup ecosystem indicates a broadening investment focus beyond fintech.

The Egyptian fintech sector ranks **second in Africa** for venture capital investments, solidifying its position as one of the top four African hotspots for VC activity. This strong ranking highlights Egypt's growing appeal as a prime destination for fintech investment on the continent.

Fin-Tech Funding in Egypt H1, 2024

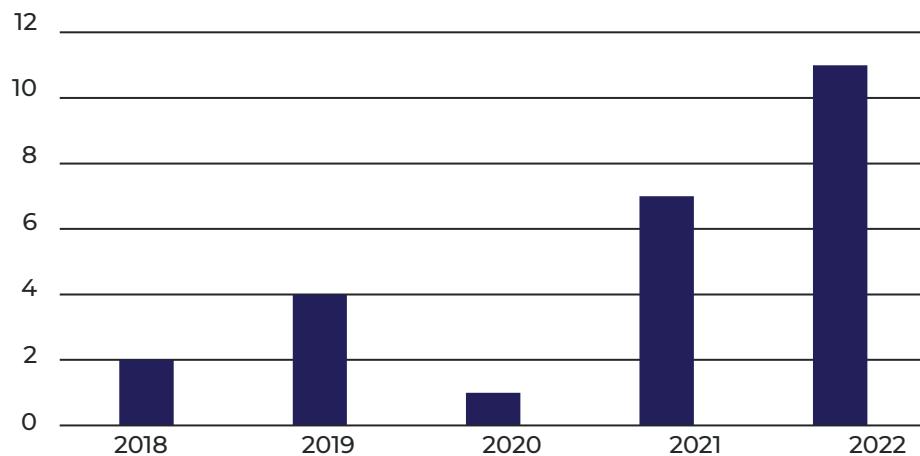


Global deal flow, in 2024 H1, has been on a downward trend for the past eight quarters, following a peak in Q2 2022 across Emerging Venture Markets (EVM). EVM funding has now reached its lowest point, falling below levels seen in 2019 and 2020. This decline impacted Egypt's venture capital market, where total funding plummeted by 75% year-over-year to **\$86 million**, largely due to the absence of mega deals. Despite this downturn, Egypt remained the third most funded country in the MENA region, capturing **11% of the region's total funding**. Notably, Egypt experienced only a **15% decline in deal numbers**, indicating a relative stability in deal activity even amid a steep drop in funding. This resilience reflects sustained investor confidence in Egypt's expanding startup ecosystem.

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The **Exit Count** illustrates a significant upward trend in the number of Egyptian startup exits from **2018 to 2022**, reflecting the growing maturity of the ecosystem. Starting with just **2 exits in 2018**, the number climbed steadily, reaching **11 exits in 2022**. This consistent rise demonstrates the increasing ability of Egyptian startups to achieve successful exits, whether through acquisitions and mergers. Notably, Egyptian startups, on average, achieve exits in **5.5 years**, far faster than the **global average of 9 years**. This highlights the efficiency and agility of Egypt's entrepreneurial ecosystem, as startups are able to scale, expand, and generate returns for investors within a shorter timeframe.

Exit Count



This accelerated exit cycle is further supported by the rapid regional expansion of Egyptian fintech companies. Currently, **around 30 Egyptian fintech firms** are serving customers in key MENA markets such as the **United Arab Emirates, Saudi Arabia, and Nigeria**, showcasing their ability to penetrate high-growth regional markets. This expansion not only underscores Egypt's growing influence in the fintech space but also reflects the strategic importance of its startups within the MENA region. The combination of faster-than-average exits and regional growth signals that Egyptian fintech companies are successfully leveraging their home market as a launchpad for broader influence, providing strong returns for investors while strengthening Egypt's position as a fintech leader.

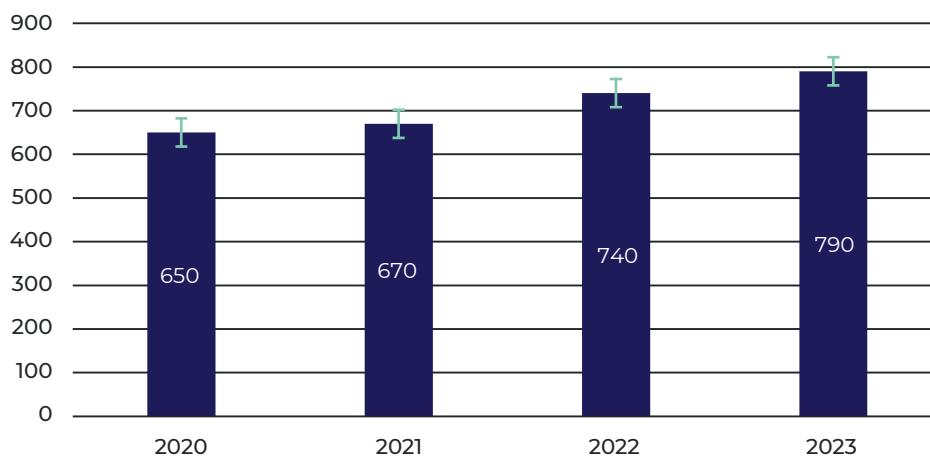
04

Skill Trends: Building a Workforce for the Future of FinTech

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Egypt has a robust talent pipeline, producing approximately more than **650,000 graduates annually**, with a **compound annual growth rate (CAGR) of ~7%**. This steady growth in the graduate pool reflects the effectiveness of government policies aimed at enhancing education and fostering human capital development. The continuous expansion of the talent base underscores Egypt's commitment to building a skilled workforce, which is critical for driving innovation, supporting economic growth, and meeting the demands of an evolving job market.

Egypt Entry-Level Graduate Pool (000's)

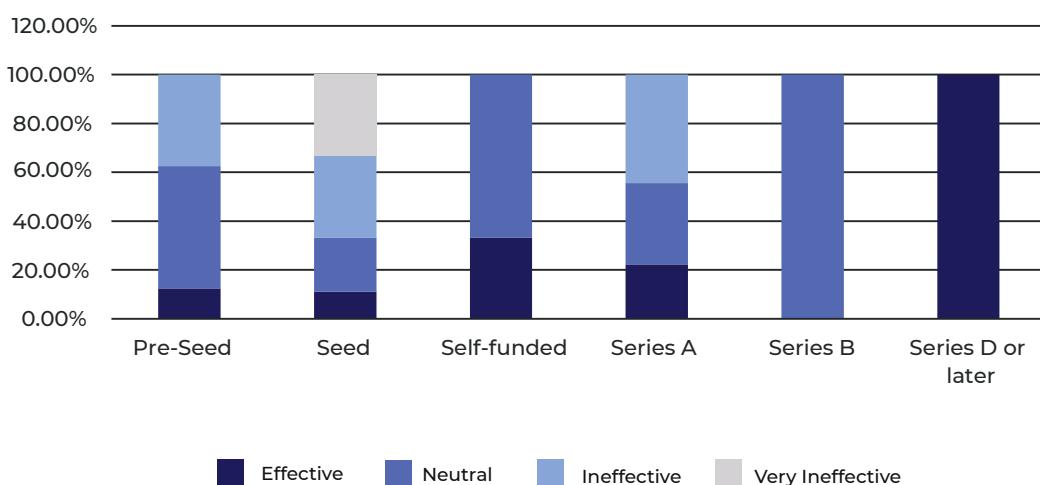


Furthermore, Egypt's workforce includes **6 million remote workers**, comprising **10% of the total workforce**, reflecting the country's growing adoption of flexible work models and digital transformation. Egypt ranks **4th globally** in the density of freelancers as a proportion of the population (2023), emphasizing its strategic position as a hub for remote and freelance work. Combined with its expanding graduate base, these dynamics highlight Egypt's capacity to support both traditional and emerging industries, making it a critical player in global service delivery and innovation ecosystems.

In Egypt's fintech sector, 69% of founders have obtained a bachelor's degree prior to launching their businesses. These founders bring diverse educational backgrounds, with approximately half holding technical degrees in fields like Computer Science or Engineering, and the other half coming from non-technical areas such as Business and Entrepreneurship. Nearly 50% of these founders are aged between 31 and 40, suggesting that many accumulate substantial corporate experience before embarking on their entrepreneurial journeys in fintech.

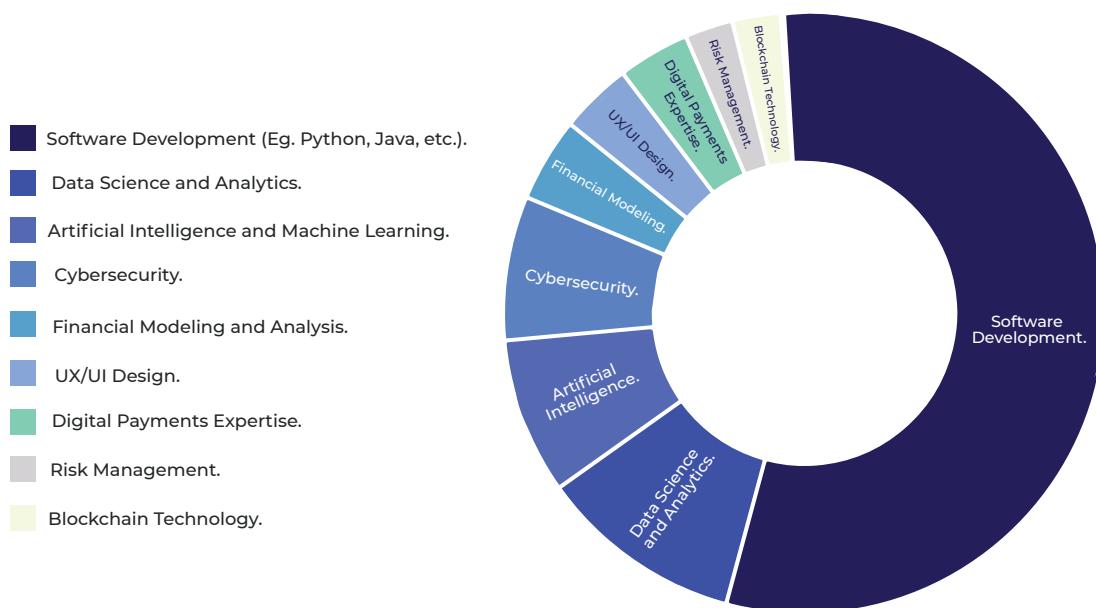
Building on Egypt's innovation strengths, one of its key competitive advantages lies in its **low labor compensation costs**, which have become a significant driver of its attractiveness as a business and IT services hub. Entry-level compensation across various functions has decreased to an estimated **USD 3,000–6,000 per annum**, positioning Egypt as a cost-effective destination for global businesses. This competitive cost structure is particularly advantageous in the **IT services sector**, where companies can achieve savings of **60–70%** compared to neighboring countries in the Middle East and Europe. By combining this cost advantage with its growing innovation ecosystem and large, skilled workforce, Egypt offers a compelling value proposition for organizations seeking efficiency and scalability in their operations.

Effectiveness of Current Educational Programs in Shaping Fin-Tech Talent



The **Effectiveness of Current Educational Programs in Shaping FinTech Talent** provides valuable context for evaluating Egypt's growing fintech talent pool, particularly in light of its strategic position as a global hub for remote and freelance work. The chart reveals that across all funding stages, a substantial portion of respondents view existing educational programs as **effective** or **neutral** in preparing talent for the fintech sector. Moreover, a noticeable improvement in perceptions of educational program effectiveness as startups progress into later funding stages, such as **Series B** and **Series D or later**. In these stages, the proportion of respondents rating programs as "effective" increases significantly. This trend suggests that as startups mature, they may benefit from more specialized training opportunities, corporate partnerships, or access to global educational resources, which help bridge the gaps left by local institutions.

Hard-to-Find Skills in FinTech Recruitment: Key Insights



Startups highlight the critical skill shortages in Egypt's fintech sector, emphasizing the need for a workforce equipped with specialized technical and analytical expertise. While Egypt's young and educated workforce offers significant potential, the fintech sector faces challenges in sourcing talent with the highly specialized skills required for success. This graph underscores the most sought-after yet scarce competencies, further validating the need for targeted workforce development initiatives.

Software development, particularly in programming languages such as Python and Java, stands out as the most challenging skill to recruit, representing the largest portion of the chart. This reflects the foundational role of software engineering in building fintech platforms, applications, and infrastructure. However, the shortage of skilled developers creates a bottleneck for startups attempting to scale their technology-driven solutions. Similarly, **data science and analytics** and **artificial intelligence (AI) and machine learning (ML)**, both integral to the development of predictive models and personalized financial services, are also highlighted as critical yet hard-to-find skills. These gaps reflect the insufficient alignment between current educational programs and the demands of fintech employers, as discussed earlier.

Other essential but scarce skills include **cybersecurity**, which is vital for ensuring the integrity and safety of financial platforms, and **financial modeling and analysis**, a core competency needed to create viable business strategies.

Emerging areas such as **blockchain technology**, **digital payments expertise**, and risk management also feature prominently in the chart. These skills are essential for fintech firms aiming to innovate and compete in areas like cryptocurrency, real-time payment systems, and compliance with regulatory requirements. The demand for **UX/UI design** further highlights the industry's focus on delivering intuitive and user-friendly interfaces to enhance customer experiences.

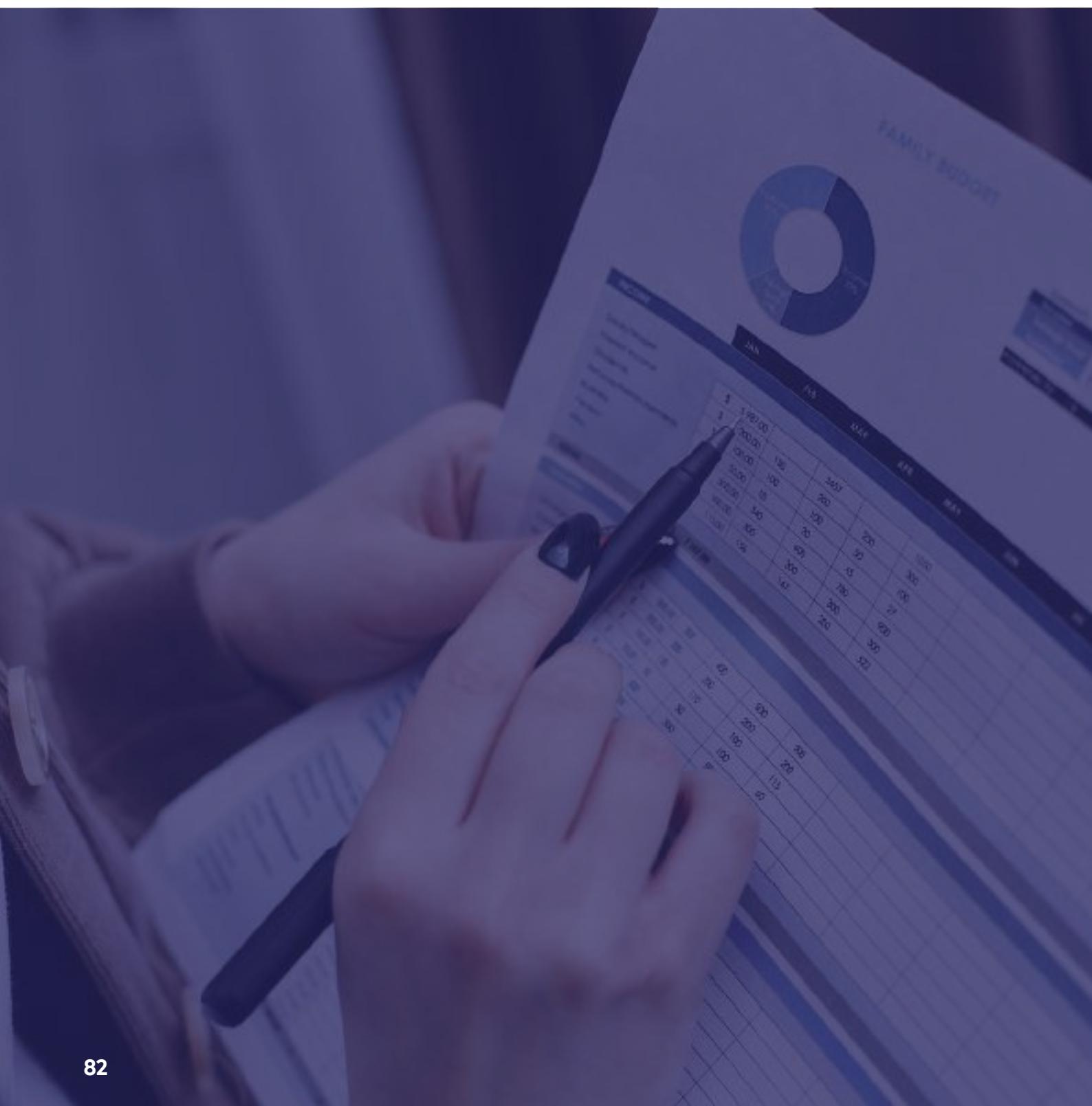
This shortage of critical skills creates a significant hiring gap, further illustrating the fintech sector's pressing need for a more robust and targeted talent pipeline. While Egypt has a large base of young professionals and a global reputation as a hub for freelancers, the chart demonstrates that the current workforce does not yet meet the specific technical and analytical demands of the fintech industry. This gap reflects earlier findings suggesting that current educational programs could be more effective in equipping talent for fintech roles, particularly during the pre-seed and seed stages.

Meanwhile, The future of fintech startups hinges on acquiring a workforce equipped with key emerging skills essential for innovation and growth. Among these, **artificial intelligence (AI) and machine learning (ML)** (nearly 25%) and **cybersecurity for financial systems** stand out as the most in-demand, reflecting their critical role in driving predictive analytics, fraud detection, and secure digital transactions. Additionally, expertise in **advanced data analytics**, **API development**, and **blockchain technology** is increasingly required to support data-driven decision-making, system integration, and the rise of decentralized finance (DeFi).

Emerging Skills Shaping the Future of the Fin-Tech Sector



These skill demands align with the previously highlighted talent shortages in Egypt, where educational programs lag behind the industry's needs, particularly in the early stages of startup development. Emerging fields such as **RegTech** and **sustainable finance** further signal a shift towards advanced, compliance-focused, and scalable financial solutions, making it crucial to address these gaps in the talent pipeline.



MNT-Halan: From Ride-Hailing to Egypt's Fastest-Growing Fintech Leader



Founded in 2017 by Mounir Nakhla and Ahmed Mohsen, MNT-Halan began as a ride-hailing platform, supported by a US\$2.5 million seed round raised between November 2017 and March 2018. This early funding paved the way for rapid growth, with a \$4.4 million Series A round closing in late 2018, followed by a \$15 million Series B round in 2020. The company's transformation took a pivotal turn in 2021 with a strategic share swap merger with Dutch lender MNT Investments BV, which infused an additional \$120 million in funding. This merger marked the beginning of Halan Inc.'s evolution into a comprehensive digital payment and Fintech provider, rebranded as MNT-Halan.

With its Fintech expansion, MNT-Halan introduced a diverse range of financial services, including loans, buy-now-pay-later (BNPL) options, e-commerce, digital cards, and wallets, all supported by its proprietary payment-processing platform, Halan Neuron. In its first year post-merger, MNT-Halan quickly added B2C and B2B on-demand logistics solutions and soon ventured into food delivery, evolving into a super app by 2023. The company further fueled its aggressive expansion by securing \$150 million in debt financing in June 2022.

By the end of 2022, MNT-Halan had achieved significant milestones, processing over \$1.8 billion in transactions and reaching a monthly throughput exceeding \$100 million—a growth of more than 20 times in five years. Today, MNT-Halan serves more than 7 million customers, solidifying its status as Egypt's fastest-growing Fintech company.

July 2024, MNT-Halan has raised a total of **US\$157.5 million**, with **US\$40 million** from the *International Finance Corporation (IFC)* and additional backing from *Development Partners International (DPI)*, *Lorax Capital Partners*, funds managed by *Apis Partners LLP*, *Lunate*, and *GB Corp*. This funding follows prior raises of **US\$400 million** in January 2023 and **US\$120 million** in September 2021, positioning MNT-Halan for continued regional expansion as a leading force in Egypt's Fintech landscape.

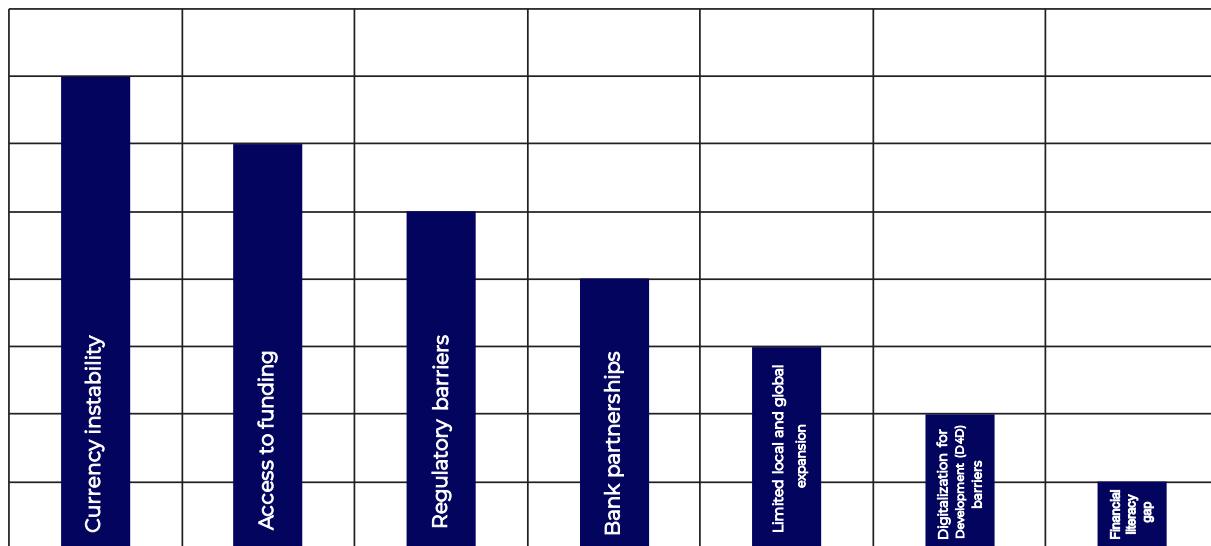


Section 4:

Conclusion: Charting the Path Forward for Fin-Tech Growth and Innovation

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Navigating Obstacles: Key Challenges for Fin-Tech Startups



The key barriers hindering the growth of Egypt's fintech ecosystem form a critical foundation for this report's conclusion. Foremost among these challenges is currency instability, which stands out as the most significant obstacle. Its pervasive impact on startup operations is particularly pronounced in Egypt's volatile economic environment, where fluctuations in currency value complicate financial planning, increase operational costs, and deter foreign investment. This issue poses a considerable threat to startups across all stages of development.

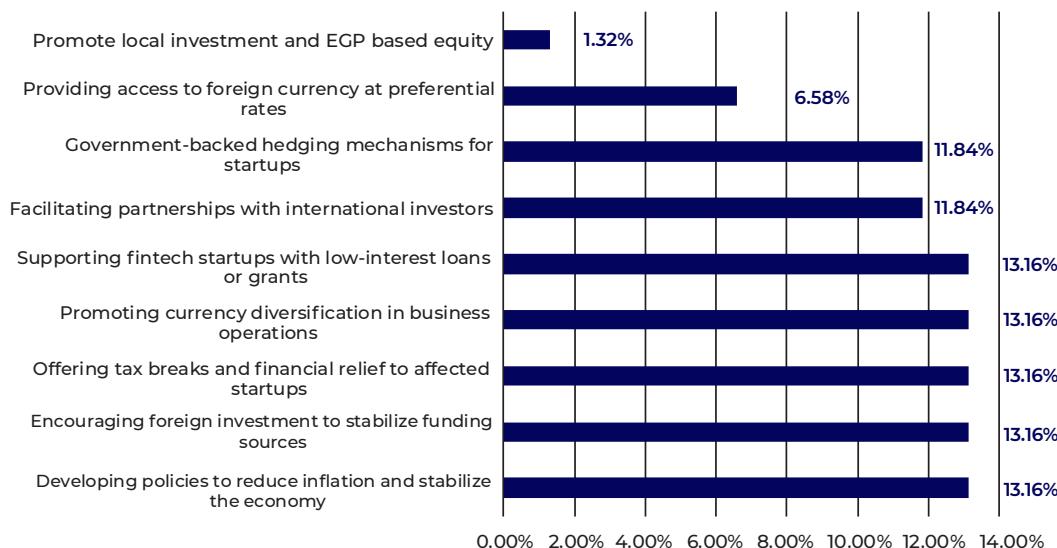
Access to funding ranks as the second most pressing challenge, reflecting a persistent funding gap that heavily affects early-stage fintech startups. Limited opportunities for seed and early-stage funding restrict startups' ability to develop scalable solutions and gain the market traction necessary for growth. Closely tied to this is **regulatory uncertainty**, the third most significant barrier, which creates additional hurdles by fostering compliance complexities and ambiguity within Egypt's evolving legal and regulatory framework.

Other challenges, such as difficulties in forming **bank partnerships** and **limited local and global expansion opportunities**, further highlight the structural and operational constraints facing the fintech ecosystem. Additionally, **digitalization for development (D4D) barriers** and **the financial literacy gap** emphasize broader ecosystem inefficiencies, including insufficient consumer awareness and the lack of institutional collaboration necessary to foster innovation and widespread adoption.

Addressing these challenges requires a holistic and coordinated approach. Stabilizing the economic environment, enhancing access to funding, streamlining regulatory processes, and cultivating strategic partnerships are essential steps to empower Egypt's fintech startups. By tackling these barriers, the ecosystem can unlock its full potential, positioning fintech as a pivotal driver of economic growth, innovation, and financial inclusion in the region.

However, tackling the major challenge facing FinTech Startups and impeding their growth and expansion currency devaluation and instability. There are a comprehensive range of strategies to address the challenges posed by currency devaluation in Egypt's fintech ecosystem. The findings emphasize a collaborative approach between government, venture capitalists, and startups to create a stable and resilient operating environment. Among the recommendations, several strategies stand out as high-priority measures, each receiving equal emphasis.

Strategies to Mitigate Currency Devaluation: Recommendations for Government, VCs, and Fin-Tech Startups



At the top of the priority list (13.16%) are five key strategies. **Encouraging foreign investment to stabilize funding sources** is seen as a crucial step to provide fintech startups with access to more stable currencies and diversified funding pools, reducing reliance on the volatile Egyptian pound.

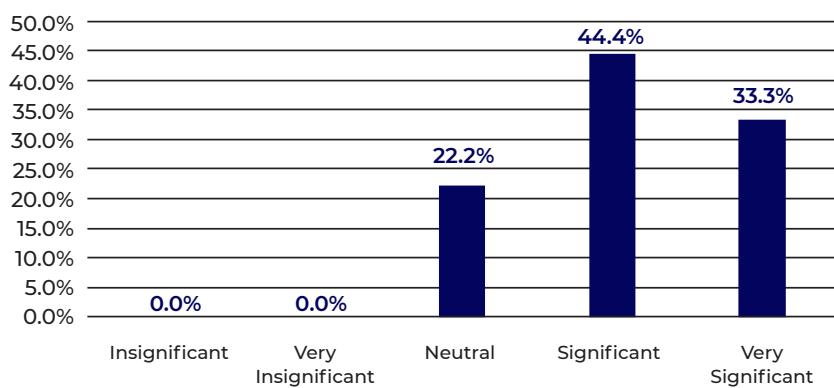
Similarly, **developing policies to reduce inflation and stabilize the economy** addresses the root causes of currency devaluation, creating a more predictable environment for startups to operate in. **Offering tax breaks and financial relief to affected startups** emerges as another critical measure, helping startups manage cost pressures exacerbated by devaluation. Additionally, **promoting currency diversification in business operations** encourages startups to transact and operate in multiple currencies, thereby minimizing risks associated with the pound's depreciation. **Supporting fintech startups with low-interest loans or grants** is also highly emphasized, as these financial tools can provide much-needed liquidity for startups to navigate economic uncertainty and maintain growth.

The second tier of recommendations (11.84%) focuses on fostering international collaborations and providing tools to manage financial risks. **Facilitating partnerships with international investors** can open doors to funding, expertise, and global market access, helping startups overcome funding limitations within the local ecosystem. Likewise, **government-backed hedging mechanisms for startups** can serve as a safeguard against adverse exchange rate fluctuations, enabling startups to mitigate currency risks more effectively.

Lower-priority strategies, such as **providing access to foreign currency at preferential rates (6.58%)**, are considered useful but less scalable or sustainable compared to other measures. Meanwhile, **promoting local investment and EGP-based equity (1.32%)** is the least emphasized, likely reflecting the limitations of relying on a volatile local currency for equity financing in an unstable macroeconomic environment.

To fully harness the potential of fintech as a catalyst for Egypt's **Digitalization for Development (D4D)**, it is imperative to address the key obstacles hindering the sector's growth. Fintech startups are uniquely positioned to drive financial inclusion, enhance digital payment adoption, and support economic resilience by providing innovative solutions. However, persistent challenges such as **currency instability, limited access to funding, regulatory uncertainties, and barriers to global and local expansion** undermine their ability to scale and innovate. By systematically removing these obstacles, Egypt can empower its fintech ecosystem to play a central role in advancing the country's digital transformation agenda, fostering sustainable economic development, and cementing its position as a leader in the regional digital economy.

Navigating Obstacles: Key Challenges for Fin-Tech Startups



The survey responses underscore the critical importance of fintech in driving the country's digital transformation. With **44.4% of respondents** identifying fintech's contribution to D4D as **significant** and 33.3% considering it **very significant**, it is evident that the sector holds immense potential to accelerate financial inclusion, digital payment adoption, and economic resilience. However, as highlighted, this potential cannot be fully realized without addressing the persistent challenges facing fintech startups.

01

SWOT Analysis: **Evaluating Strengths, Weaknesses, Opportunities, and Threats in Fin-Tech**

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S

strengths

- **Thriving Ecosystem**

Over 177 fintech startups and PSPs showcasing robust innovation across 14 subsectors.

- **Digital Connectivity**

Extensive mobile and internet penetration, with 72.2% of the population as internet users.

- **Government Support**

Progressive policies such as the Central Bank of Egypt's (CBE) Fintech & Innovation Strategy and regulatory sandboxes.

- **Talent Development Initiatives**

Programs like the Digital Academy and NilePreneurs strengthen fintech skillsets.

- **Regional Leadership**

Egypt ranks 3rd in fintech talent within MENA, establishing itself as a key player.

W

weakness

- **Regulatory Overlaps**

Ambiguity between CBE and Financial Regulatory Authority roles, complicating licensing and operations.

- **Skills Gap**

Shortages in high-demand fintech skills and uncompetitive salaries in local startups.

- **Consumer Hesitancy**

Strong preference for in-person banking limits digital financial adoption.

O

opportunities

- **Untapped Markets:**

Expanding fintech services into underserved areas like Upper Egypt.

- **Consolidation Trends:**

Mergers and acquisitions to enhance service offerings.

- **Tech Innovations:**

AI, blockchain, and RegTech can provide solutions for financial inclusion.

- **Evolving Consumer Preferences:**

Increasing demand for mobile wallets, BNPL, and alternative payment methods.

T

threats

- **Economic Instability:**

Currency devaluation and inflation pose challenges for fintech startups reliant on imported technologies.

- **Cybersecurity Risks:**

Increasing reliance on digital platforms heightens concerns over data breaches.

- **Global Competition:**

International fintech firms may outcompete local startups.

02

PESTLE Analysis: Assessing the Macro Environment Impacting Fin-Tech Growth

PRESTLE Analysis Assembling the Macro Environment Impacting Fin-Tech Growth

Political



• Supportive Policies

Initiatives like the Digital Egypt Strategy and the establishment of the National Payments Council promote fintech growth.

• Regional Tensions

Ongoing conflicts in the Middle East could impact economic activities and investor confidence.

Economic



• Rising Financial Inclusion

Rapid increase in bank account ownership from 12% in 2014 to 70.7% in 2023.

• Macro Challenges

High inflation and volatile exchange rates impact investment and operational costs.

• GDP Contribution

The fintech sector's potential to significantly boost GDP through financial accessibility and innovation.

Social



• Youthful Demographics

Median age of 24.2 years with strong digital adoption among Gen Z.

• Digital Literacy Gaps

Need for targeted financial education campaigns for underserved populations.

Technological



• Rapid Digitalization

High mobile and broadband penetration provides a foundation for fintech expansion .

• Innovative Models

Opportunities to implement global fintech solutions like soft POS applications.

Legal



• Comprehensive Regulations

Frameworks like CBE's sandbox and FRA's licensing standards support innovation .

• Compliance Costs

Small startups may struggle with the financial and administrative burden of adhering to stringent legal requirements .

Environmental



• Sustainable Practices

Potential for green fintech initiatives aligned with global environmental goals.

• Infrastructure Challenges

Regions like Sinai and Upper Egypt require better digital infrastructure to support fintech expansion .

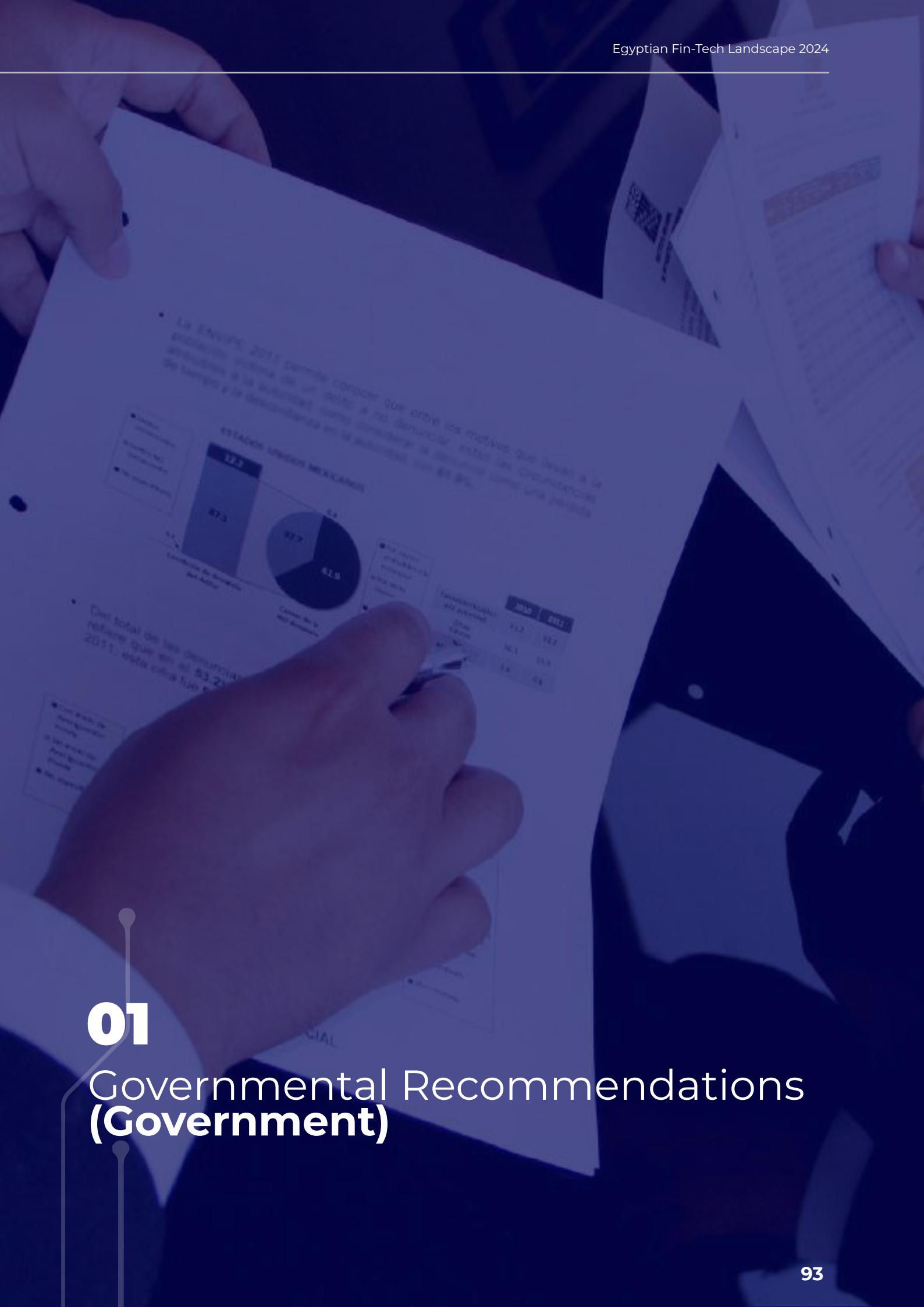


Section 5:

Strategic Recommendations for Advancing Fin-Tech Ecosystems and Stakeholder Collaboration

01

Governmental Recommendations **(Government)**



Governmental Recommendations (Government)

The public sector's role involves creating an enabling environment through policy, infrastructure, and financial support.

1. Establishing a Unified Regulatory Framework for Streamlined FinTech Development:

The overlapping mandates of the Central Bank of Egypt (CBE) and the Financial Regulatory Authority (FRA) create compliance complexities for FinTech companies, hindering their growth. To address this:

- Establish a FinTech Council as a unified regulatory body to provide clear guidelines, streamline licensing processes, and ensure coordination between CBE and FRA.
- Develop a FinTech Regulatory Handbook modeled on successful frameworks like Singapore's MAS, offering startups a one-stop resource for compliance.
- Introduce tiered licensing systems to accommodate startups at different growth stages, ensuring regulations are proportional to their scale and risk.

2. Advancing Financial Literacy Through Targeted Education Initiatives:

A significant barrier to FinTech adoption is the limited understanding of digital financial services among underserved populations. This can be tackled by:

- Partnering with schools and universities to integrate digital financial literacy modules into curricula, focusing on practical tools like mobile wallets and cybersecurity.
- Launching localized awareness campaigns using community influencers to reach rural populations, women, and SMEs, demonstrating the tangible benefits of digital finance.
- Creating mobile-friendly e-learning platforms with gamified content to make financial education accessible and engaging for diverse demographics.

3. Implementing Strategic Incentives to Retain Top Talent:

Egypt's FinTech sector faces a skills gap exacerbated by uncompetitive salaries and limited training opportunities. To counter this:

- Offer tax breaks or grants to FinTech companies that invest in employee upskilling or establish in-house training programs.
- Launch an Egyptian FinTech Talent Portal to connect graduates and professionals with job opportunities, helping startups attract and retain talent.

4. Advancing Growth Through Strategic Infrastructure Development

The concentration of digital infrastructure in urban centers limits FinTech expansion into rural areas. To bridge this gap:

- Develop "FinTech Zones" in underserved regions with subsidized internet access, co-working spaces, and mentorship opportunities for startups.
- Partner with ISPs and global tech firms to deploy low-cost broadband solutions in regions like Upper Egypt and Sinai, enabling broader access to digital services.
- Pilot mobile digital kiosks equipped with internet and FinTech resources to introduce digital financial tools to remote communities.

5. Enhancing Public Awareness Through Targeted Campaigns for Greater Engagement:

Cultural and psychological barriers prevent many Egyptians from trusting digital financial services. To build confidence:

- Launch a nationwide public awareness campaign featuring testimonials from trusted figures and showcasing the security and convenience of FinTech solutions.
- Focus on cybersecurity education, highlighting measures that protect user data and prevent fraud.

6. Support Cashless Transition through POS Subsidies for Micro and Small business:

Subsidize POS terminal installations for small businesses in Upper Egypt to promote cashless transactions. This initiative will enhance financial inclusion, support digital adoption, and stimulate economic growth in underserved areas.

7. Leveraging Public-Private Partnerships for Driving Innovation and Economic Growth:

Facilitate collaborations between government entities and FinTech companies to enhance public services such as e-government platforms and digital payments.



02

Private Ecosystem Recommendations **(International Organizations, Ecosystem Enablers, and Commercial Banks)**

Private Ecosystem Recommendations **(International Organizations, Ecosystem Enablers, and Commercial Banks)**

The private sector's role includes providing funding, strategic partnerships, and innovation opportunities.

1. Empowering Startups with Comprehensive Support for Sustainable Growth:

Currency fluctuations and limited funding avenues hinder the scalability of Egyptian FinTech startups. To address these challenges:

- Expand seed funding programs for startups focused on financial inclusion and rural outreach, encouraging innovation in underserved markets.
- Set up blended finance mechanisms in collaboration with international agencies, combining grants, loans, and equity to support early-stage FinTechs.

2. Tech Skills Capacity building Programs

Egypt's FinTech sector faces a skills gap exacerbated by uncompetitive salaries and limited training opportunities. To counter this:

- Collaborate with international organizations to create certification programs in emerging fields like blockchain, AI, and cybersecurity, ensuring global-standard skill development.

3. Driving Growth Through Strategic Funding and Investment Initiatives

- Increase collaboration with global funding bodies (e.g., IMF, IFC) to secure more investments like the Nclude Fund for fintech innovation.

4. Strengthening Partnerships Between Banks and Startups for Financial Innovation

- Develop white-label FinTech solutions for startups, enabling faster market entry while benefiting from banks' customer bases and compliance frameworks.

03

Fin-Tech Startups Recommendations

Fintech Startups Recommendations

1. Integrating Green FinTech Solutions for Sustainable Financial Innovation

As sustainability becomes a global priority, integrating green finance into Egypt's FinTech sector can unlock new opportunities. To encourage this:

- Provide tax incentives and grants to startups developing platforms for carbon credit trading, renewable energy financing, or eco-friendly investments.
- Promote the integration of green metrics into existing financial tools, enabling users to track and reduce their environmental impact.
- Partner with international organizations to pilot green finance initiatives, reinforcing Egypt's commitment to sustainable development.

2. Expanding Digital Payment Ecosystems for Greater Accessibility and Inclusion

Although digital wallets and payment solutions are growing, infrastructure gaps such as limited POS terminals constrain wider adoption. To address this:

- Scale up soft POS solutions, enabling merchants to accept payments through smartphones, particularly in informal markets.
- Deploy cardless ATM technologies to allow withdrawals and deposits via mobile apps, enhancing access for unbanked populations.
- Innovative Product Development for Advancing Fin-Techin Upper Egypt
- Focus on underserved sectors such as microfinance, digital insurance, and SME credit.
- Design intuitive mobile applications aimed at non-tech-savvy users, particularly in rural areas, by leveraging the widespread landline network in Upper Egypt. These apps should prioritize accessibility and incorporate features that align with the communication habits of these regions.

3. Innovative Product Development for Advancing Fin-Techin Upper Egypt

- Focus on underserved sectors such as microfinance, digital insurance, and SME credit.
- Design intuitive mobile applications aimed at non-tech-savvy users, particularly in rural areas, by leveraging the widespread landline network in Upper Egypt. These apps should prioritize accessibility and incorporate features that align with the communication habits of these regions.

4. Enhancing Customer Engagement Strategies for Meaningful Connections

- Build trust by emphasizing data privacy and security features.
- Run awareness campaigns highlighting the benefits of using FinTech products like e-wallets and BNPL (Buy Now, Pay Later) options.

5. Empowering Youth: Introducing Early Financial Literacy and FinTech Solutions for Future Readiness

- FinTech startups can capitalize on the significant demographic segment aged 5-14, which constitutes 22.1% of the population, by developing innovative financial management applications tailored to this tech-savvy group. Introducing early financial literacy tools and foundational FinTech solutions at this stage can foster familiarity with modern financial practices, positioning them as early adopters of future financial technologies and management techniques.

01 Retention

Customer Service 02

03 Profitability

Section 6: **Fin-Tech Ecosystem Map**

Fin-Tech Ecosystem Map

Private Sector and Ecosystem Enablers

Member of
SA Worldwide

Public Sector



Fin-Tech Ecosystem Map

International Organizations



Banks

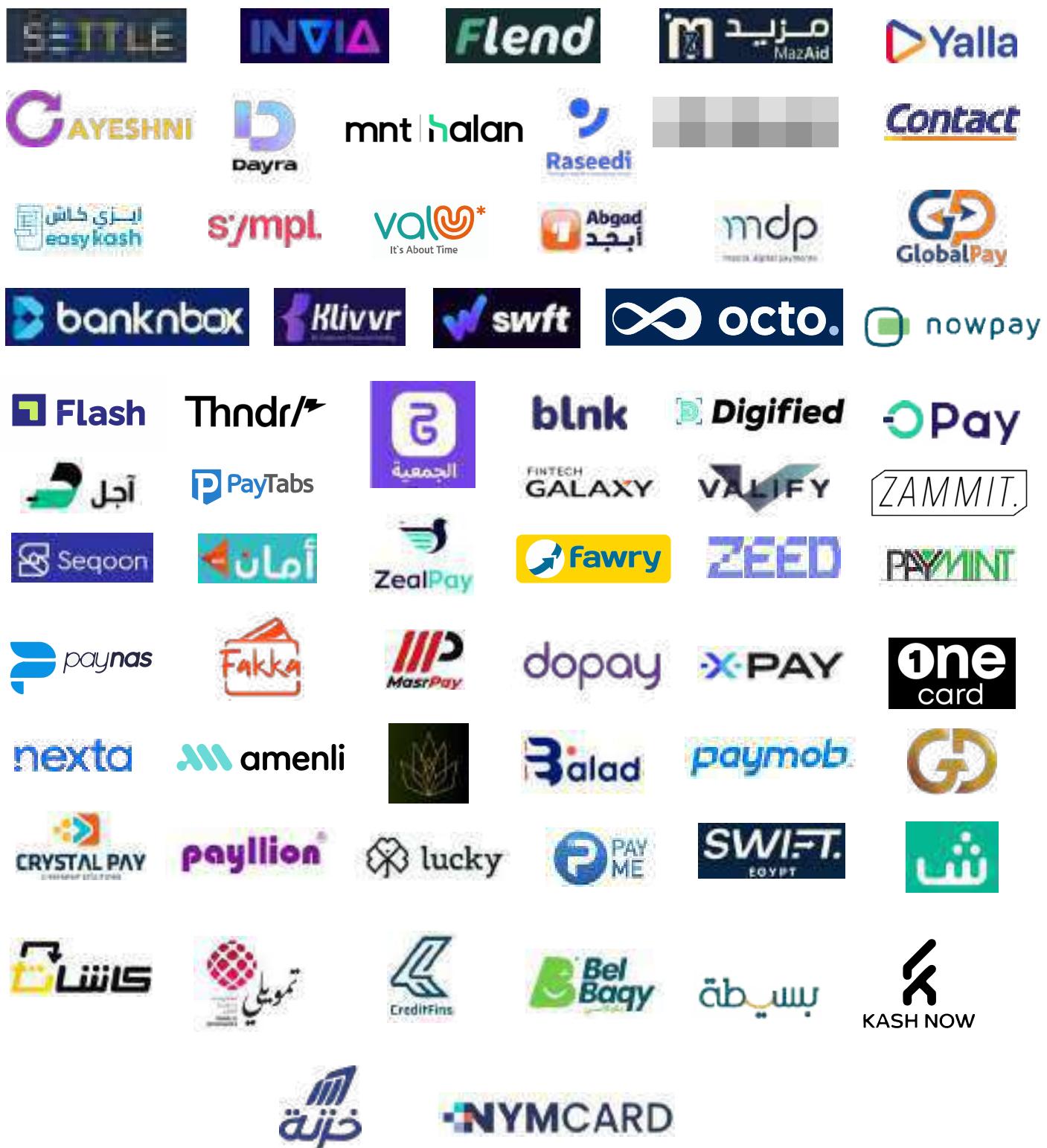


Startups



Fin-Tech Ecosystem Map

Startups



ValU: A Success Story in Transforming Financial Technology in Egypt



Founded in 2017 as a subsidiary of EFG Hermes Holding, valU quickly emerged as the leading Buy-Now, Pay-Later (BNPL) platform in the MENA region, redefining the consumer finance landscape. Offering flexible and customized financing plans up to 60 months, valU provides access to an extensive network of over 5,000 retail points and 1,500 websites spanning categories such as electronics, home appliances, healthcare, education, travel, and fashion. As the first BNPL platform of its kind in the region, valU empowers customers to receive instant credit decisions and seamlessly connect with a growing list of retail partners.

In 2019, just two years after its founding, valU expanded its network to include over 1,500 retailers across Egypt and formed partnerships with global brands like IKEA and Uber. This expansion, along with its impact on the financial sector, earned valU the "Fintech Innovation of the Year" award at the Seamless Awards. By 2020, valU had experienced substantial growth, with a three-fold increase in its user base, reaching 170,000 registered users and facilitating 265,000 transactions with a value exceeding EGP 1.5 billion.

ValU's momentum continued in 2021, when the company recorded over 450,000 transactions totaling EGP 2.3 billion and achieved operating revenue of EGP 302 million. The platform's pioneering role in the Fintech space garnered additional recognition, including three awards at the Leaders in Fintech Awards hosted by Entrepreneur Middle East and the title of best BNPL platform at the Tech Innovation Awards.

In 2022, valU expanded its customer base to 500,000 consumers and established partnerships with 5,000+ vendors. The platform's Gross Merchandise Value (GMV) reached EGP 5.8 billion. ValU also secured a \$10 million investment from EFG Hermes GDRs, enabling further growth, and signed a landmark partnership with Amazon Egypt to deliver BNPL solutions. In a strategic move to broaden its offerings, valU acquired Paynas, a digital HR and payroll platform, and invested in two Fintech startups—Hoods, a live shopping platform, and Kiwe, a social payment app.

By 2023, valU's transaction volume soared to 1.9 million with a GMV of EGP 9.2 billion and over 3 million app downloads. Rebranding as a universal financial technology provider, valU expanded its services beyond BNPL and was recognized by Forbes as one of the top 15 Fintech companies in the Middle East. The company received further accolades, including the "Best Tech-Driven Firm" and "Best Data Center Modernization Organization" awards in collaboration with UC Solutions and Dell Technologies.

In the first quarter of 2024, valU continued to innovate by launching a co-branded credit card and a prepaid card, both in partnership with Visa. These advancements underscore valU's commitment to diversifying its offerings and solidifying its position as a Fintech powerhouse in the MENA region, setting the stage for continued success and regional leadership.

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Address

Founder Spaces
22 El-Sheikh Rihan St.
Cairo, Egypt

info@entlaq.com

