



# Unlocking the future

**An overview of the FinTech opportunity in Saudi Arabia**

KPMG Professional Services  
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# Foreword

The financial landscape of Saudi Arabia is undergoing a significant transformation, propelled by an ambitious Vision 2030 that seeks to position the Kingdom as the a leading global financial hub. As the Kingdom diversifies its economy away from oil dependency, FinTech has emerged as a pivotal and strategic sector, driving innovation, efficiency, and inclusivity within the financial ecosystem.

Driven by the Financial Sector Development Plan (FSDP) and the FinTech Strategy Implementation Plan, Saudi Arabia has made leaps in developing FinTech into a flourishing industry. The sector has already begun to experience growth and momentum, marked by a surge in investments, a rise in the number of FinTech startups, and an increasing adoption rate of digital payments solutions. The FinTech ecosystem is expanding rapidly, attracting global players, and nurturing homegrown startups that cater to a vast range of financial needs for the growing consumer and business population.

The role of the regulatory bodies, such as the Saudi Central Bank (SAMA), the Capital Market Authority (CMA) and government agencies like FinTech Saudi, has been instrumental to this growth. The introduction of regulatory sandboxes, open banking initiatives, the investment into talent and payments infrastructure, are just a few of the forward-looking measures that underscore the Kingdom's commitment to creating an environment conducive to FinTech experimentation and development.

As we move forward, the potential for FinTech in Saudi Arabia is immense. All these initiatives are just the beginning with the ongoing digital transformation set to unlock new opportunities for financial inclusion, enhance the efficiency of financial services, and

contribute to the overall economic diversification agenda. The growth of FinTech in the Kingdom is not just an opportunity—it is a testament to the power of visionary leadership and strategic planning in shaping the future of finance.

The KPMG Unlocking the future: An overview of the FinTech opportunity in Saudi Arabia delves into the various facets of the FinTech opportunity in the Kingdom, exploring the key drivers of growth, the emerging trends, and the challenges that lie ahead. It aims to provide an overview of the current landscape and offers insights into the future trajectory of FinTech. We hope it serves as a valuable resource for stakeholders looking to understand and capitalize on the fast-growing FinTech ecosystem in Saudi Arabia.



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# Vision for FinTech



## Vision for a vibrant society, thriving economy, and ambitious nation

### Saudi Vision 2030

Saudi Arabia's Vision 2030 is a transformative and ambitious blueprint to unlock the potential of its people and create a diversified, innovative, and world-leading nation. It is an audacious roadmap that seeks to reshape the country's economic landscape, reduce its reliance on oil, and foster a dynamic and varied economy. At its core, Vision 2030 is driven by three pivotal themes: cultivating a vibrant society, fostering a thriving economy, and building an ambitious nation.

As the world's attention has largely focused on innovation hubs in Asia, Europe, and the US, the Middle East and North Africa (MENA) region, Saudi Arabia has emerged as a powerhouse of growth and opportunity. The Kingdom's commitment to Vision 2030 is paying off. Despite a global slowdown in venture funding, Saudi Arabia attracted a remarkable 33% more investment in 2023 compared to 2022. The Kingdom's strategic focus on nurturing a competitive environment and enhancing financial infrastructure has catalyzed an unprecedented growth in its venture capital (VC) ecosystem, positioning Saudi Arabia as second globally for VC availability in the IMD World Competitiveness Yearbook 2024, and a leader in the MENA region based on total VC funding as of H1 2024. This reflects the success of Vision 2030 in fostering a competitive environment and a surge in foreign investment in its technology sector, which has encouraged new entrants and enabled SMEs, including FinTechs, to secure capital to fund their growth.<sup>1</sup>

This surge is no coincidence. Saudi Arabia, poised to become the world's fastest-growing major economy, is now a beacon for FinTech founders and investors seeking untapped potential.<sup>2</sup> Saudi Arabia is not just keeping pace; it's setting new benchmarks. The Kingdom's young, tech-savvy population—63% of its 32.2 million residents under the age of 30 in 2022—serves as a powerful catalyst for innovation, ideas, and progress.<sup>3</sup> The take-up of digital wallets has grown 70 times in five years to 14 million customers registered by the end of 2022, reflecting the country's rapid digital transformation and journey to a financially included society.<sup>4</sup> The adoption of digital financial services in Saudi Arabia is further amplified, with a 130x growth in Buy Now Pay Later (BNPL) customers from 76,000 BNPL customers in 2020 to over 10 million.<sup>5</sup>

For FinTech startups and investors, Saudi Arabia presents a landscape ripe with opportunities. The alignment of supportive regulations, ample patient capital, and a burgeoning talent pool is creating a fertile ground for innovation. Local FinTechs are driving economic inclusion, generating high-value jobs for the youth, and significantly improving gender equality.

As we move further into 2024, Saudi Arabia is not just a market to watch—it is the stage where the future of financial services is unfolding. For those ready to be part of this transformative journey, now is the moment to seize the extraordinary opportunities that Saudi Arabia has to offer.



Saudi Arabia has built an ecosystem that is very conducive for FinTechs to come in and flourish; there are strong regulator-backed enablers, access to capital and willingness of the incumbent banks to collaborate. Also, the demographics of the Kingdom are in favor of continued growth of the sector—a space to watch. 



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## Financial Sector Development Program

Launched as a pivotal initiative of Saudi Arabia's Vision 2030, the FSDP is dedicated to transforming the Kingdom's financial sector. Its core objectives encompass enhancing the banking, insurance, capital markets, and debt markets to bolster financial institutions and stimulate sectoral growth. The FSDP is built upon four principal pillars: empowering financial institutions to bolster private sector growth, ensuring the formation of an advanced capital market, promoting and facilitating financial inclusion, and advancing the FinTech Strategy.

Figure 1: Vision 2030 and its FinTech-focused transformation blueprint



## Strategic FinTech goals

### FinTech Strategy

In May 2022, the Council of Ministers approved the Kingdom's FinTech Strategy. The FinTech Strategy is executed by FinTech Saudi, the body launched by SAMA in collaboration with CMA, mandated to support growth of FinTechs in Saudi Arabia.

Successful execution of the FinTech Strategy will result in Saudi Arabia being recognized as a premier hub for financial technology. It will facilitate enhanced access to markets and financing opportunities and establish a strong technical infrastructure to support the sector. Additionally, the strategy will lead to the development of a comprehensive regulatory framework, the cultivation of essential competencies within the local workforce, and the strengthening of both local and international partnerships, all of which will drive significant growth and innovation in the FinTech industry.<sup>6</sup>

### FinTech Strategy goals for 2030

**525**  
FinTech companies

**18K**  
FinTech jobs

**SAR13.3**  
billion direct GDP

**SAR12.2**  
billion cumulative VC investments

### Key government stakeholders in the FinTech Strategy

The FinTech Strategy was designed through collaboration among government agencies, each with a distinct role and influence on the Kingdom's FinTech sector, illustrated in Figure 2.

Figure 2: Key government stakeholders in the FinTech Strategy

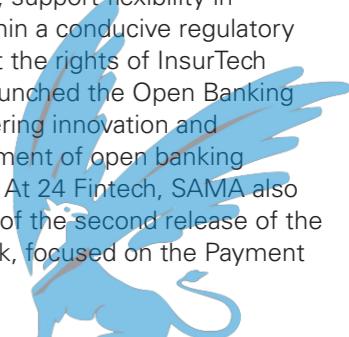
<b>Ministry of Finance</b> Ensures achieving harmony fiscal policies for the sake of serving the national economy	<b>Ministry of Investment</b> Facilitates local and international investment
<b>Saudi Central Bank</b> Regulates banking, finance/credit, insurance and payments	<b>Capital Market Authority</b> Regulates fintechs involved in capital markets activities
<b>SME General Authority</b> Supports small and medium enterprises development	<b>Financial Sector Development Plan</b> Supports the development of the financial services industry
<b>Ministry of Communications and Information Technology</b> Governs communications and IT sectors	<b>Fintech Saudi</b> Supports the development of the Fintech industry

### Notable progress of the FinTech Strategy

In 2024, the number of FinTech companies reached 226, exceeding the targets set by FSDP for the year.

SAMA continues to enhance regulatory frameworks and support the sector by implementing new rules for BNPL companies, issuing guidance on aggregation activities, and digitizing supervisory processes, among other measures.

In July 2024, SAMA approved the InsurTech Rules, which provide comprehensive regulations to foster fair competition, support flexibility in InsurTech operations within a conducive regulatory environment, and protect the rights of InsurTech clients. Further, SAMA launched the Open Banking Lab with the aim of fostering innovation and accelerating the development of open banking services in the Kingdom. At 24 Fintech, SAMA also announced the issuance of the second release of the Open Banking Framework, focused on the Payment Initiation Service (PIS).<sup>7</sup>



# FinTech market overview



## Sector transformation

### FinTech continues to grow strongly

Saudi Arabia's financial sector, once reliant on cash due to underdeveloped digital payment infrastructure and cultural preferences, has undergone a remarkable transformation. The implementation of the FinTech Strategy, along with recent government and regulatory initiatives and the entry of local and global payment providers, has driven significant progress and innovation. The Covid-19 pandemic further accelerated the shift to digital payments, boosting the adoption of digital wallets like stc pay. This growth was further supported by increasing VC investment.

With this momentum, the FinTech landscape in Saudi Arabia has shifted dramatically, with 60 in 2020 to 226 in 2024 (61% CAGR), surpassing FSDP's target.<sup>8</sup> PayTech leads the sector, representing 30% of all registered FinTechs, followed by crowdfunding platforms in lending and finance. While RegTech, InsurTech, and digital banking are still emerging, they show strong growth potential.

Despite this impressive growth, the true potential for transformation in Saudi Arabia's FinTech market is just beginning to unfold.

While FinTechs that support market infrastructure experienced the highest growth in anticipation of open banking initiatives, only a proportion of FinTechs are in market and operational. As these early-stage companies mature and launch, the full impact on consumers and businesses is yet to be realised, offering ample opportunities for future development and change.<sup>9</sup>

Figure 3: FinTech segment breakdown (2022)

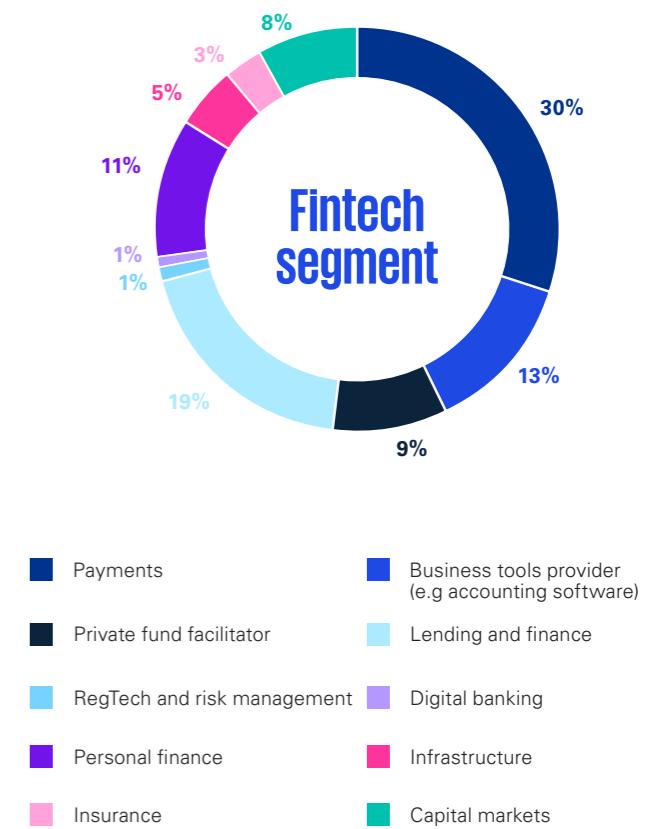
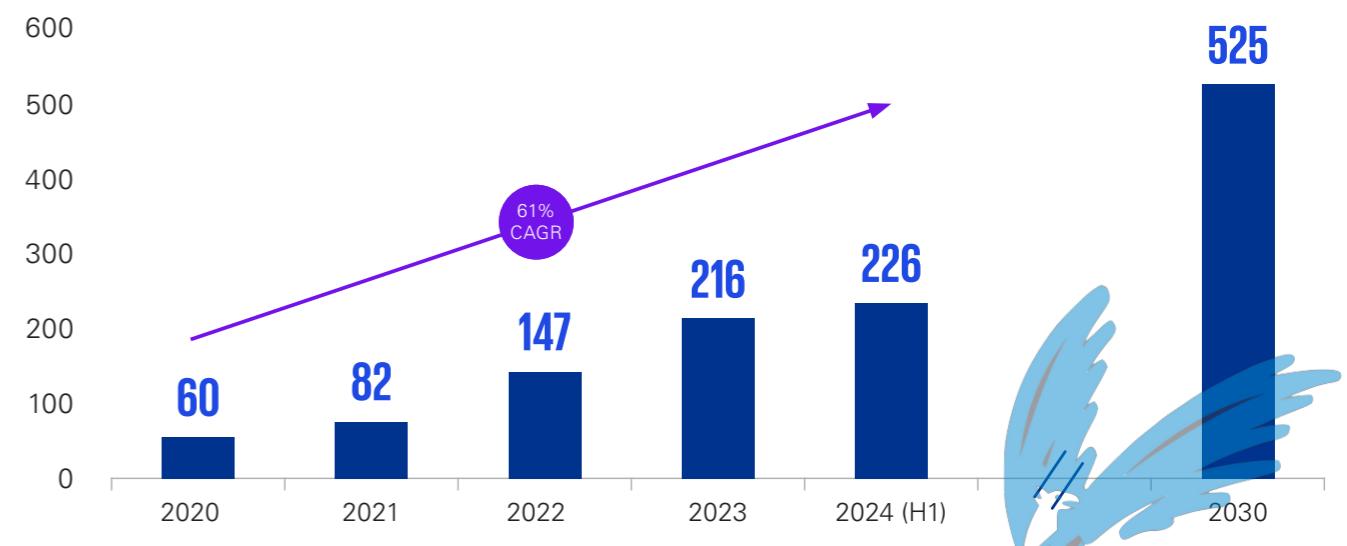


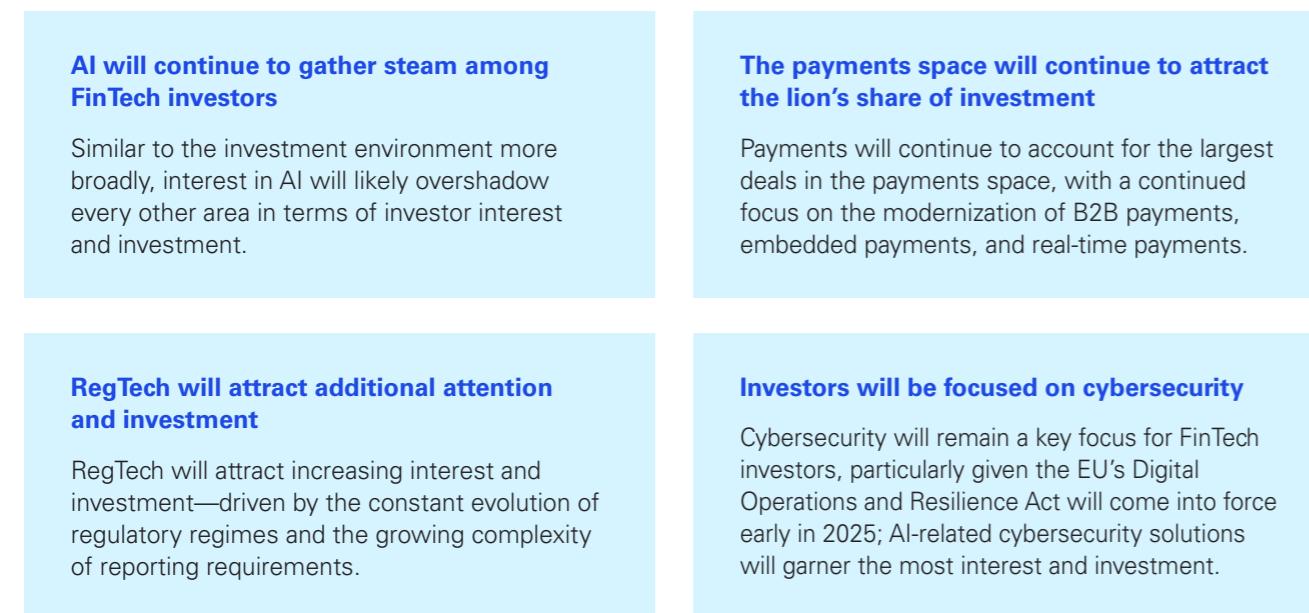
Figure 4: Number of FinTechs



Source: FinTech Saudi Annual Report (21/22), Saudi Vision 2030, Financial Sector Development Plan, Saudi Arabia (Program Charter 2022)

Although the Kingdom's FinTech market is still nascent in terms of the number of active FinTechs and those headquartered in the country relative to its global peers, the country is highly receptive to FinTech adoption, making it a fertile ground for growth due to its strong digital adoption. FinTech adoption rates in 2021-2022 stood at 72%, surpassing global FinTech markets such as the United Kingdom (71%), Singapore (67%) and United States (46%) during the same period.<sup>10</sup>

Figure 5: Global top predictions for FinTech in 2025



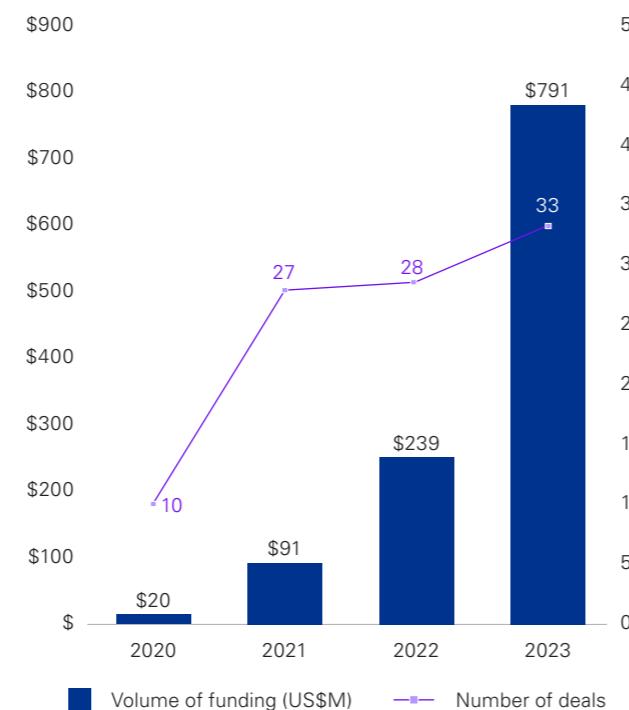
Source: KPMG FinTech Pulse H1'2024

#### FinTech investment in Saudi Arabia on the rise despite global downturn

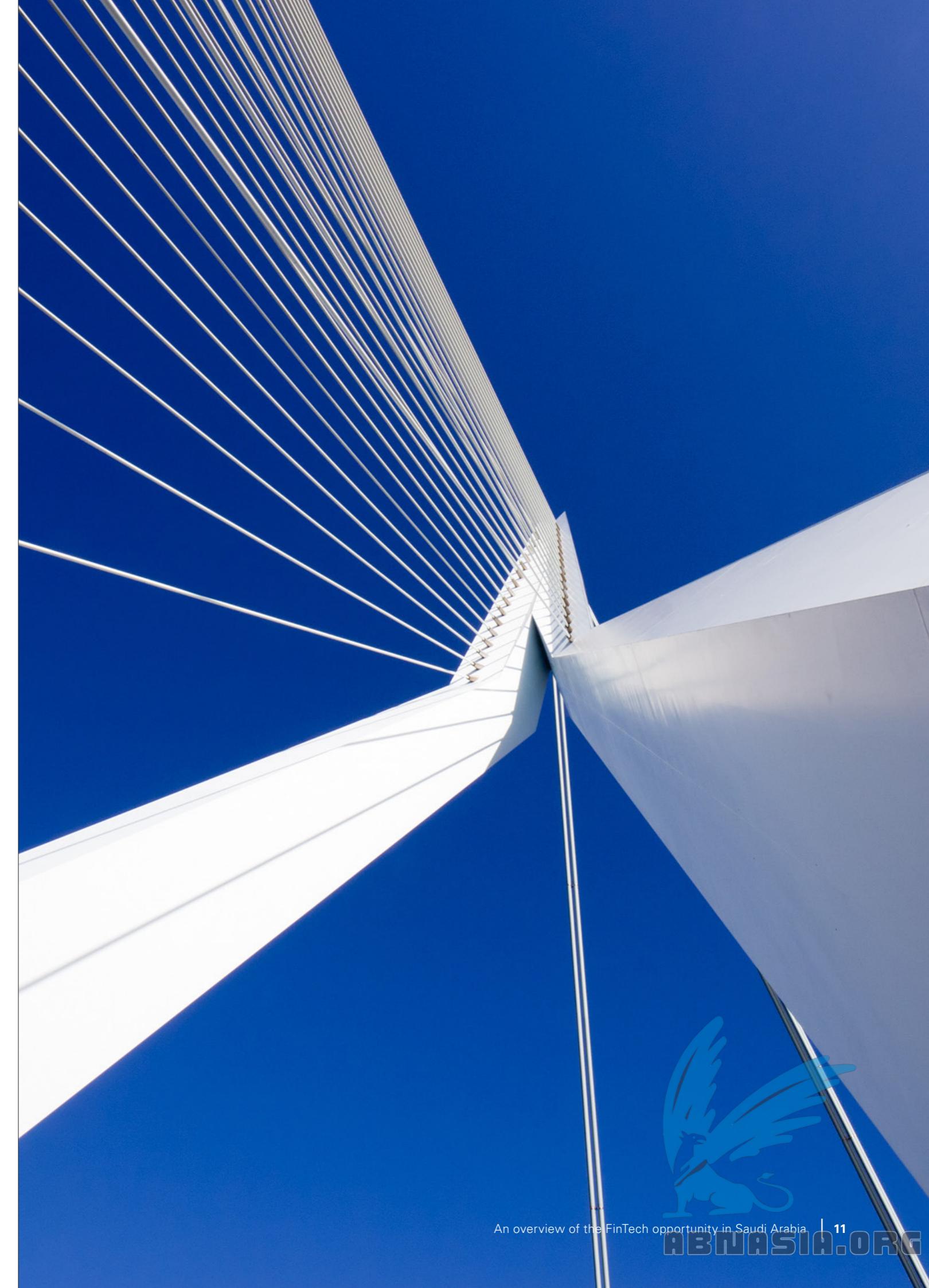
Global FinTech funding has faced substantial decline, falling 42% year over year to US\$35 billion in 2023. In the first half of 2024, the global FinTech market encountered significant challenges largely due to geopolitical uncertainty and persistently high interest rates. Despite the overall decline in global investment activity, FinTech investment in Saudi Arabia continued to surge. Between September 2020 and December 2023, Saudi FinTechs attracted more than US\$1.14 billion, with US\$791 million invested in 2023 alone—a 231% increase from the prior year.<sup>11</sup>

Regionally, EMEA collectively saw a 62% decrease to US\$8 billion in 2023. This decline was mitigated in the final quarter, driven by major deals in Saudi FinTech. Investments in firms like Tamara (US\$340 million) and Tabby (US\$250 million) pushed the Middle East to record its highest quarterly funding value ever at US\$800 million, underscoring Saudi Arabia's commitment to accelerating growth in the FinTech sector despite global challenges.<sup>12</sup>

Figure 6: FinTech funding in Saudi Arabia



Source: SVC reports, Saudi FinTech Reports and FinArabia research



## Key trends and market development

Looking forward, as the FinTech landscape in Saudi Arabia continues to advance, there are several key trends and developments that are shaping the way financial services are delivered. These trends not only mirror the global shift but also offer a unique, forward-looking perspective on the forces driving the change within the Kingdom's financial sector.

Notable sectors and developments include:

Segment	Trends	Number of FinTechs (2023) <sup>13</sup>	Market developments
<b>Cybersecurity and data protection</b>	<ul style="list-style-type: none"> <li>Valued at US\$3.68 billion in Saudi Arabia in 2023.</li> <li>Projected growth of 12.98%, compounded annually, from 2024 to 2023.<sup>14</sup></li> <li>Key drivers such as stringent regulatory environment for data protection, pervasive adoption of cloud computing and AI, and escalating severity of cybercrimes.</li> </ul>	9	<ul style="list-style-type: none"> <li>The National Cybersecurity Authority (NCA) introduced regulations and framework including Data Cybersecurity Controls and the Operational Technology Cybersecurity.</li> <li>NCA launched Haseen, the national portal of cybersecurity services, to enhance and automate the process of providing and delivering cybersecurity services and solutions to national entities.</li> <li>NCA opened applications for obtaining a license of Managed Security Operations Center (MSOC) services.<sup>15</sup></li> </ul>
<b>Regulation</b>	<ul style="list-style-type: none"> <li>Global RegTech spending is estimated to increase by 124% from 2023 to 2028, from US\$83 billion in 2023.<sup>16</sup></li> <li>Regulators emphasizing use of digital solutions for reporting, compliance, and financial sector supervision.</li> </ul>	2	<ul style="list-style-type: none"> <li>In 2019, SAMA launched the Regulatory Sandbox.</li> <li>The Digital Government Authority (DGA) conducted a study on RegTech to help government agencies organise their work and develop technical solutions to support regulatory compliance.<sup>17</sup></li> </ul>
<b>SME lending</b>	<ul style="list-style-type: none"> <li>Saudi government push for financial institutions to allocate 20% of their loan portfolio to SMEs.</li> <li>Credit offerings to MSMEs grew 16% to SAR293.43 billion in the first quarter of 2024, with Saudi banks providing 94% of these facilities.<sup>18</sup></li> </ul>	8	<ul style="list-style-type: none"> <li>Monsha'at launched Funding Gate, a platform that connects SMEs seeking funding to government and private financiers.</li> <li>SME Bank, affiliated with the National Development Fund (NDF), disbursed SAR1 billion across December 2022 and January 2024.<sup>19</sup></li> </ul>
<b>Trade finance</b>	<ul style="list-style-type: none"> <li>The trade finance sector is projected to reach US\$134.85 billion by 2026.</li> <li>Key drivers such as Technology blockchain and digital platforms, enhancing efficiency and reducing paperwork.<sup>20</sup></li> </ul>	2	<ul style="list-style-type: none"> <li>Local financial institutions have actively expanded their trade finance offerings and investment in digital trade finance platforms leveraging blockchain. Saudi Awwal Bank (SAB) partnered with Contour and Saudi-based FinTech Bwatech to digitise letter of credit and guarantee procedures for enterprises' international business.<sup>21</sup></li> </ul>

Segment	Trends	Number of FinTechs (2023)	Market developments
<b>Climate</b>	<ul style="list-style-type: none"> <li>Focus continues on green financing products that support renewable energy projects and investments in sustainable technologies remains.</li> <li>From 2018 through to first half of 2023, Saudi Arabia attracted US\$68 million in VC investment in climate technology startups.<sup>22</sup></li> </ul>	12	<ul style="list-style-type: none"> <li>The Ministry of Finance launched the Green Financing Framework focused on developing green financing solutions that support sustainable projects.</li> <li>Saudi Arabia has the highest share (42.7%) of Fitch-rated ESG sukuk issued in H1 2024.</li> <li>The Saudi Green Initiative (SGI) emphasizes sustainability and aims for net zero emissions by 2060 through a circular carbon economy and has initiated 77 projects with over US\$186 billion in investment.<sup>23</sup></li> </ul>
<b>Open banking</b>	<ul style="list-style-type: none"> <li>SAMA continues to drive innovation with a focus on open banking.</li> <li>Open banking initiatives have led to a 30% increase in the FinTech services adoption.<sup>24</sup></li> </ul>	11	<ul style="list-style-type: none"> <li>SAMA launched the Open Banking Framework, outlining legislations, regulatory guidelines and technical standards for banks and FinTechs.<sup>25</sup></li> <li>SAMA launched its Open Banking Lab in January 2023 with a sandbox environment.</li> </ul>
<b>Capital markets and savings</b>	<ul style="list-style-type: none"> <li>CMA continues its efforts to develop the sukuk and debt capital market as an alternative form of financing for public and private sector projects.</li> </ul>	17	<ul style="list-style-type: none"> <li>The size of the corporate sukuk and debt capital market reached SAR125 billion by the end of 2023, an approximate 32% increase from the prior year.<sup>26</sup></li> <li>CMA approved the Implementing Regulations of the New Companies Law for Listed Joint Stock Companies, aimed at raising the level of governance and enhancing investor confidence.</li> </ul>
<b>Digital banking</b>	<ul style="list-style-type: none"> <li>Digital banking is gaining traction with SAMA's aspiration to propel commercial launch of the licensed digital banks.<sup>27</sup></li> </ul>	3	<ul style="list-style-type: none"> <li>Two out of three licensed digital banks (STC Bank and D360 Bank) were pilot launched in 2023, with Vision Bank expected to follow suit shortly. Additionally, SNB announced the launch of NEO as its digital banking arm..</li> <li>MISA signed a partnership agreement signed with Gulf International Bank and Bank Albilad earlier this year to deliver digital banking services for investors.<sup>28</sup></li> </ul>

## FinTechs examples and business models

### tamara • Tamara

#### **Valuation: US\$1 billion**

Founded in 2022, Tamara is a Sharia-compliant BNPL platform based in Saudi Arabia, allowing customers to shop and split payments. Serving customers in the GCC, including Saudi Arabia, UAE, and Kuwait, Tamara partners with major brands like SHEIN and IKEA, and integrates with e-commerce platforms such as Shopify and WooCommerce. In Q4 2023, Tamara secured US\$340 million in Series C funding led by SBN Capital and Sanabil Investments, achieving unicorn status of US\$1 billion valuation. The funds will be used to expand beyond BNPL and explore new opportunities in shopping and financial services across the GCC.<sup>29</sup>

### tabby • Tabby

#### **Valuation: US\$1.5 billion**

Tabby, another BNPL platform in Saudi Arabia, has become the first FinTech company in MENA to achieve unicorn status after securing US\$200 million of funding in a Series D round led by US-based independent investment management firm Wellington Management. Supported by its ability to offer interest-free instalment payments and its easy-to-use platform avoiding credit checks, Tabby resonated with the tech-savvy and financially conscious consumers in the Kingdom. Fueled by substantial funding, Tabby has strategically expanded its operations in the Middle East, focusing on Saudi Arabia, solidifying its position as a key player in the region's rapidly growing FinTech ecosystem.<sup>30</sup>

### Lendo • Lendo

#### **Valuation: not publicly disclosed**

Lendo is a digital lending marketplace for Sharia-compliant consumer and business loans, secured loans, credit cards and mortgages, enabling SMEs to convert their outstanding invoices into immediate cash. Utilising cloud-based infrastructure, Lendo handles large volumes of transactions and assess the credit risk, while ensuring security and transaction integrity through encryption and multi-factor. Its success is driven by its technology agility and integrity, and ability to meet Sharia compliance in the region.

### HALA • Hala

#### **Valuation: not publicly disclosed**

Founded in 2018, HALA started as one of the first mobile wallets in Saudi. From 2020, Hala expanded to a wide range of financial services SME businesses, including POS systems, invoicing tools, and business accounts. HALA is one of the first Saudi FinTechs to receive a crowd-funding license from SAMA to pivot itself as digital banking and secures US\$6.5 million in Series A included the participation of Impact46 Growth fund, Wamda and strategic investors. In 2023, the company serves 80,000 active users across Saudi Arabia and the U.A.E. Enterprises and merchants on the platform completed US\$4 billion worth of transactions.<sup>31</sup>

### Malaa • Malaa

#### **Valuation: not publicly disclosed**

The Saudi Arabia-based FinTech enables business through data-driven financial services. With Malaa, users can connect their accounts, manage, save, invest, and apply for loans in one single place. In 2022, the company gained permission from SAMA to conduct open banking operations with the intention of using artificial intelligence to assist people with their financial decisions. In the same year, Malaa raised US\$1.7 million in seed funding led by Impact46 to unlock its full potential in the open banking and finance sector.<sup>32</sup>

### Emkan Alarabiya

#### **Valuation: not publicly disclosed**

In 2019, Emkan Alarabiya, the pioneering FinTech firm based in Saudi Arabia, gained a FinTech ExPermit from CMA to experiment the crowdfunding FinTech, allowing investors to contribute to funding SMEs in exchange for share in those businesses. The company formed strategic partnerships with financial institutions to offer new digital financing solutions. In 2024, Emkan continues to expand operation by obtaining a Shariah compliance certification to streamline sukuk issuance processes, enabling eligible companies financing up to SAR30 million and qualified investors return rate of up to 18%.<sup>33</sup>

# Strategic opportunities for industry participants

## Opportunities for investors

Saudi Arabia presents abundant opportunities for FinTech investment, particularly in high-growth sectors and advanced technologies. As the Kingdom advances its FinTech ecosystem and modernizes its regulatory frameworks, there exists substantial potential for investors to play a pivotal role in the country's transition to a digital economy.

### 2023 FinTech funding in Saudi Arabia

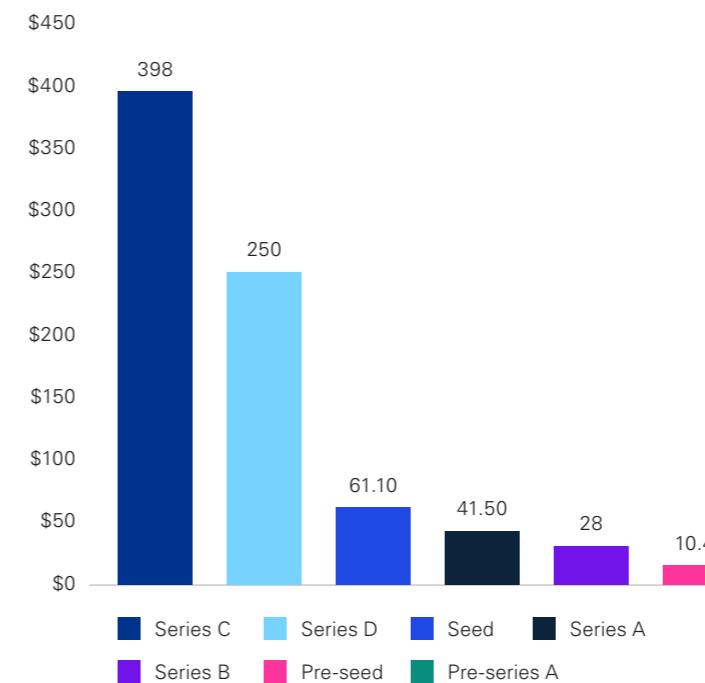
Venture capital and private equity investments in the Kingdom's technology sector have experienced consistent growth in recent years, achieving the highest ranking in the MENA region in 2023. In that same year, Saudi Arabia saw a total of 33 FinTech transactions, aggregating to US\$791 million in FinTech investment. While Series C funding attracted the largest share of this investment, totaling US\$398 million, more than half of the transactions were directed towards early-stage FinTech companies. Specifically, 46% of the deals were allocated to start-ups at the pre-seed stage, and 27% were focused on those at the seed stage.<sup>34</sup>

Venture debt also gained traction with many start-ups turning to alternative capital raising options, particularly in the SME lending and BNPL sectors. FinTech accounted for 61% of total venture debt funding and 33% of the total number of deals in MENA between 2018 and 2022. For example, Tamara successfully secured additional debt financing in 2023 of up to US\$250 million, including US\$200 million of senior debt arranged by Goldman Sachs, and US\$50 million mezzanine tranche led by Shorooq Partners.<sup>35</sup>

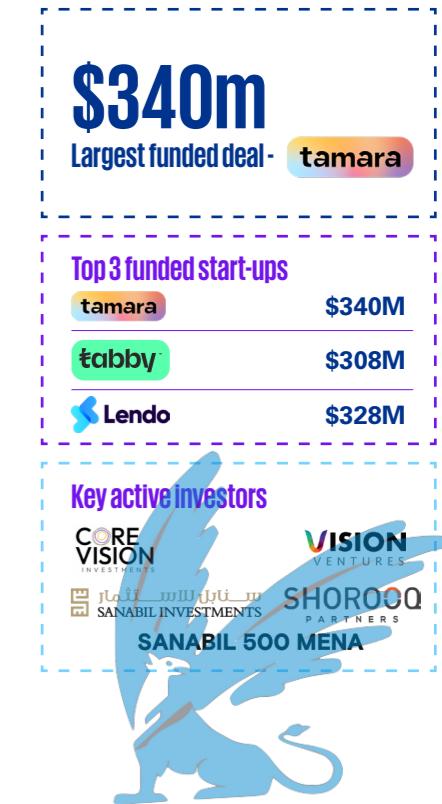
Initial public offerings (IPOs) offer investors a valuable exit strategy to realize their returns. The recent activity in FinTech IPOs in the Kingdom underscores the importance of this strategy. A notable example is the recent IPO of Saudi FinTech Rasan Information Technology on the Saudi Exchange (Tadawul) that was 129 times oversubscribed.<sup>36</sup>

Figure 7: Funding breakdown and key active investors (2023)

### Funding breakdown across series



Source: FinArabia Fintech funding report (2023)



## High-growth sectors

The FinTech landscape is set to continue evolving further across different FinTech sub-sectors that have consistently illustrated high growth and proven demand. Sector growth has been driven by a combination of:

- 1** Consumer and business adoption
- 2** Strong prior sector investment and interest from investors
- 3** Strong government support and pro-innovation regulation

## Digital payments

The development of the payments sector has been a primary focus for the Kingdom, with the objective of fostering a cashless society. Non-cash payments have risen from 62% in 2021 to 70% in 2023, reflecting the shift towards cashless transactions.<sup>37</sup> This rapid adoption has been facilitated by the integration of various payment solutions, including digital wallets such as stc pay and Alinma Pay, payment networks such as mada, SADAD, and Sarie. Additionally, the expansion of e-payments in the Kingdom is supported by the burgeoning e-commerce sector, which is projected to surpass US\$13.2 billion by 2025. This growth has spurred demand for cashless payment options, with approximately 95% of customers considering digital wallets, electronic payments.<sup>38</sup>

Figure 8: Next wave of technological trends with potential to disrupt the investment landscape in Saudi Arabia

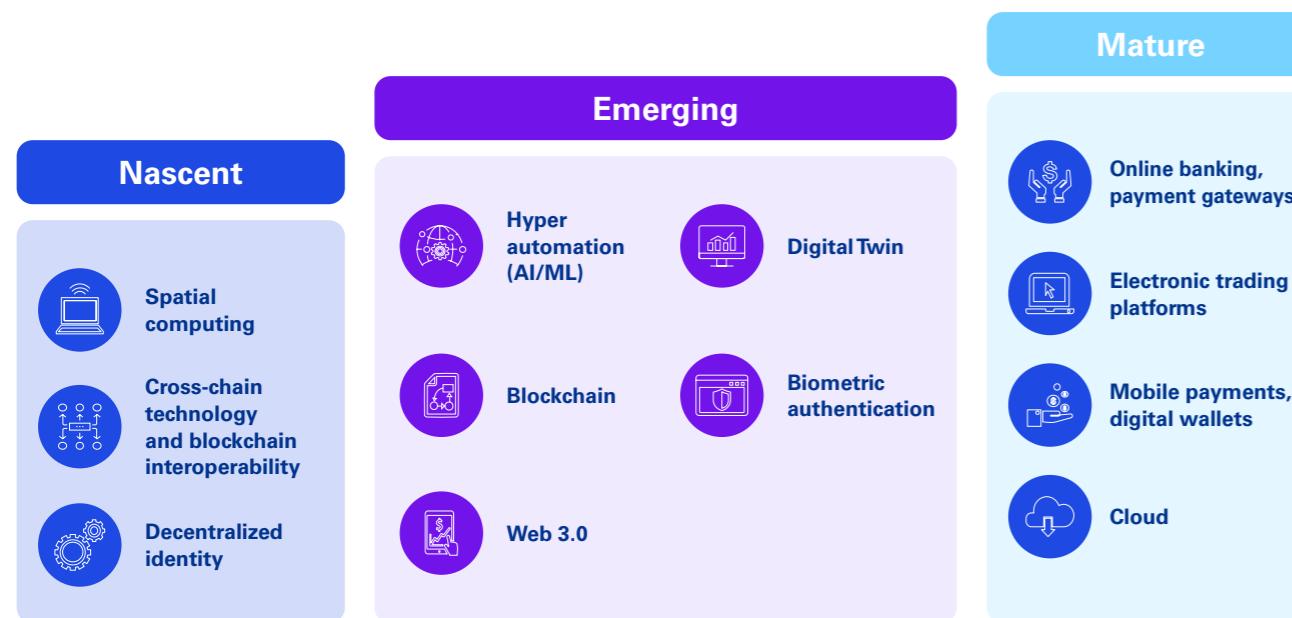


Figure 9: Examples of prominent cloud providers

Microsoft	AWS	Google
<p>Microsoft is planning to open an Azure cloud region in Saudi Arabia to provide cloud services and data residency options, while also bringing training programs and educational partnerships. Microsoft is teaming up with stc pay to integrate cloud technologies into financial services to help scale demand and deliver on privacy expectations.<sup>44</sup></p>	<p>Amazon Web Services (AWS) announced in March 2024 it would invest US\$5.4 billion toward opening an AWS infrastructure region in Saudi Arabia.<sup>45</sup></p>	<p>Google Cloud Platform (GCP) launched a new cloud region in Dammam in November 2023. GCP will focus on serving SMEs in the Kingdom, with the dedicated Google for Startups Cloud Program adding benefits for emerging FinTechs. GCP is partnering with SNB to build its presence in the financial domain.<sup>46</sup></p>
Oracle	Alibaba	Huawei
<p>Oracle announced an investment of US\$1.5 billion to boost cloud capacity in the country and opened its second public cloud region in the Kingdom in August 2024.<sup>47</sup></p>	<p>Alibaba Cloud entered the market through a joint venture, namely the Saudi Cloud Computing Company (SCCC), in partnership with stc Group, eWTP Arabia Capital, Saudi Company for Artificial Intelligence (SCAI) and the Saudi Information Technology Company (SITE).<sup>48</sup></p>	<p>Huawei announced in September 2024 its plans to open a third data center in Riyadh, building on its earlier commitment to invest US\$400 million in the Saudi Arabia cloud region over five years. As part of its ambition to support government, it will focus on AI applications and Arabic language models.<sup>49</sup></p>

## Financial product aggregation

Financial product aggregation services, which bring together various financial products and services into a single platform, are becoming increasingly popular in the Kingdom. Insurance aggregation is leading this trend, with SAMA reporting 387,000 downloads of insurance aggregation apps and over 20 million visits to insurance aggregation websites.

These platforms help users compare and access a wide range of financial products from different providers, enhancing consumer awareness and financial inclusion. SAMA has also issued guidelines for aggregation activities and granted its second finance aggregation license to Intelligent Solutions.<sup>50</sup>

## B2B solutions and SME financing

The SME sector in the Kingdom has seen accelerated growth, driven by the launch of 23 initiatives by Monsha'at that contributed to a 20.4% YoY growth in SME financing, amounting to US\$73.5 billion in Q4 2023.<sup>51</sup>

SMEs are a critical part of Saudi Arabia's economy, with the number of SMEs growing to over 1.3 million in Q4 2023. However, many SMEs continue to face challenges that may impede their growth, such as difficulty accessing credit from traditional banks, payment processing, increasing customer reach, managing their supply chain that ultimately affects profitability.<sup>52</sup>



The government continues to focus on improving their access to financial services, with notable initiatives in place to encourage financial institutions to lend to SMEs, including the Kafalah program that provides loan guarantees for SMEs seeking funding.

#### Emerging technologies in Saudi Arabia

Signals of change can be observed as regulatory development, strategic partnerships as well as investment are increasingly spilling over to other emerging technologies. The government continues to actively explore new and emerging technologies, such as SAMAs recent collaboration with the Central Bank of the UAE on Project Aber for a single dual-issued digital currency for domestic and cross-border payment settlement, exploring and experimenting with cross-chain technology and blockchain interoperability for cross-border payments.

#### Cloud

With the rise of streaming services, Internet of Things (IoT) devices, and the expansion of digital content in the country, there is a growing demand for cloud technology and computing for storage and information processing. This trend is highlighted by a 40% year-over-year increase in cloud computing registrations, according to the Saudi Ministry of Commerce. Between October and December 2023, 1,759 cloud computing permits were issued.<sup>53</sup> Additionally, leading cloud service providers have expanded into Saudi Arabia and invested in infrastructure development. There has also been significant progress in developing

cloud talent in the country. For instance, Google Cloud has set up a center of excellence in the country to provide learners with access to develop in-demand skills in emerging cloud technologies.<sup>54</sup>

#### Web3 and Digital Twin

Saudi Arabia is advancing its Web3 ambitions with a notable initiative signed between Naver and the Ministry of Municipal and Rural Affairs and Housing to develop digital twins for the five major cities Riyadh, Medina, Jeddah, Dammam, and Mecca. Further, NEOM committed US\$50 million to Animoca Brands to drive global Web3 business service development, while the Public Investment Fund's (PIF) venture arm, Sanabil, invested in nearly 40 US firms specializing in blockchain and Web3, and the National Technology Development Program partnered with UK-based Outlier Ventures to launch a Web3 accelerator.<sup>55</sup>

#### Spatial computing

Spatial computing, encompassing augmented reality (AR), mixed reality (MR), and virtual reality (VR), represents a significant area of advancement for the Kingdom. From education to retail, AR is gaining momentum in the country with support from the Vision 2030 programs. The PIF invested \$750 million in the AR startup Magic Leap. Additionally, Snapchat users in Saudi Arabia engaged with AR lenses over 210 million times daily. Furthermore, the Ministry of Culture partnered with Snap Inc., the creator of Snapchat, to bolster the local talent and content creation ecosystem through AR skills development.<sup>56</sup>



## Opportunities for founders

**Building a successful FinTech company necessitates an understanding of customer needs, leveraging technological agility, securing necessary government and regulatory support, and having the capacity for rapid scalability. By emphasizing these factors, founders can navigate scaling challenges and achieve sustainable growth in both regional and global markets.**

#### Demographics and internet penetration

Saudi Arabia's predominantly young and tech-savvy population creates a strong market for digital financial solutions, with a significant proportion under the age of 30. As of 2024, Saudi Arabia boasts one of the highest internet penetration rates in the region, supported by widespread connectivity, high smartphone adoption, and extensive use of mobile internet. The robust and extensive digital infrastructure provides fertile ground for FinTech solutions that leverage mobile platforms, ensuring a broad and engaged user base for FinTech innovations.

#### Technology agility and innovation

Saudi Arabia's robust technological infrastructure, including extensive broadband networks, advanced data centers, and sophisticated cloud computing capabilities support the development and deployment of FinTech solutions. Continuous investments by both the government and the private sector in digital infrastructure, such as smart cities and technology hubs, provide an optimal environment for FinTech innovation and growth. FinTechs can differentiate themselves by leveraging agile technologies such as cloud computing, microservices, and APIs to handle increasing transaction volumes, rapid onboarding of new users, and expansion of services beyond traditional system constraints. Additionally, data analytics, artificial intelligence (AI), and machine learning enables personalization of financial services, disrupting conventional business models.

#### Government support

The Saudi government has prioritized FinTech development as a core component of its Vision 2030 strategy. The regulatory environment is conducive to experimentation through availability of regulatory sandbox and streamlined licensing processes for FinTechs. Additionally, there are numerous government-backed incentives, including grants and funding schemes, designed to assist investors and entrepreneurs.



#### Scalability across GCC and wider MENA region

Saudi Arabia's central position within the GCC makes it an ideal base for FinTechs seeking to expand regionally. The GCC is advancing towards economic integration and a unified regulatory framework for FinTech, which facilitates smoother regional expansion. Furthermore, Saudi Arabia's favorable relations, demographic similarities, and cultural alignments with other GCC countries enhance its scalability potential across the broader MENA region. Integrating with the broader financial ecosystem across MENA can also enhance the accessibility and usability of a FinTech's solutions, facilitating rapid scaling.

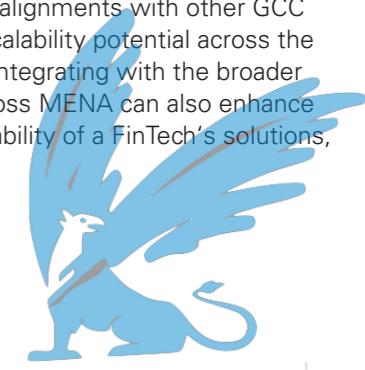
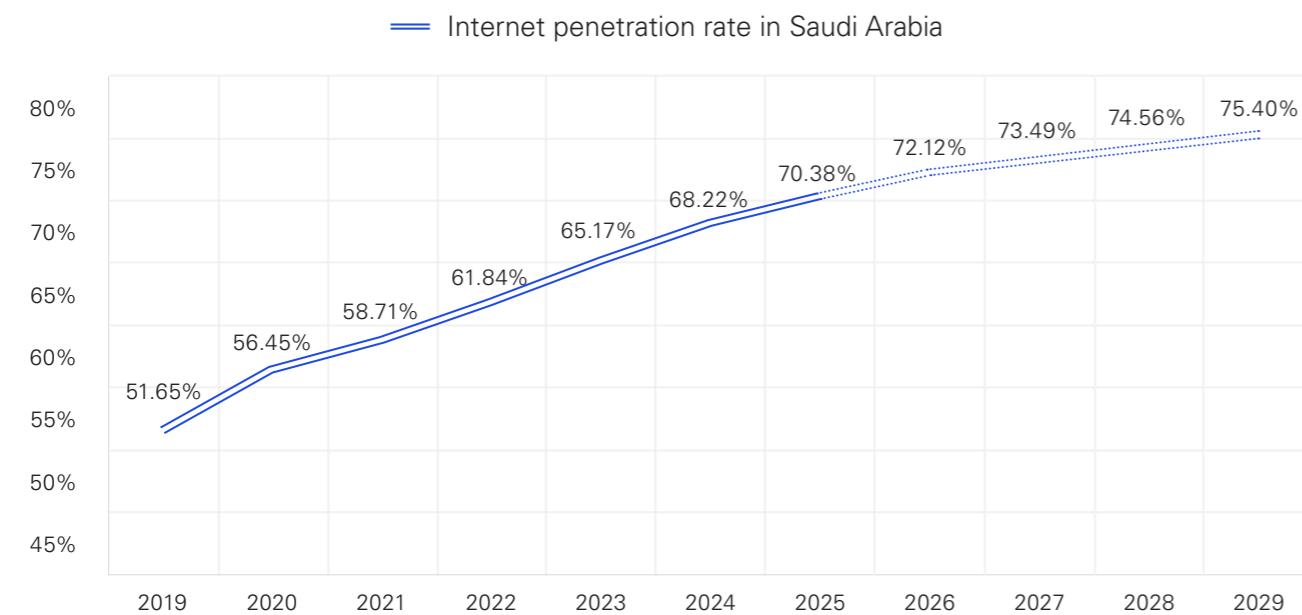


Figure 10: Demographics and internet penetration



#### Key insights

- Internet access in Saudi Arabia is expected to increase by 7.2 percentage points from 2024 to 2029.
- Internet penetration is expected to reach a new peak of 75.4% in 2029.



**PayTabs** delivers B2B payment infrastructure solutions, encompassing digital invoicing, QR code payments, social media payments, point-of-sale (POS) systems, and switching platforms. PayTabs currently has seven BNPL partners across Saudi Arabia, UAE and Egypt, and is preparing to expand beyond MENA this year.<sup>57</sup>



**Foodics** is a comprehensive restaurant management system offering cloud POS and online ordering to boost sales. Since its inception in 2014, Foodics has reportedly processed over six billion orders through its platform, and has successfully scaled across GCC and MENA through its deliberate focus on regional expansion.<sup>58</sup>



**Geidea** has rapidly grown to become a leading provider of payment solutions in the MENA region. The company's innovative technology and tailored solutions cater to a diverse range of industries, including retail, hospitality, and e-commerce.<sup>59</sup>

## Opportunities for established organizations

Despite their technological agility and innovation, FinTechs often encounter challenges when scaling, such as navigating complex regulatory and compliance landscapes, building customer trust and expanding market reach—areas where traditional financial institutions have an advantage with their long-standing reputations. Collaborating with established organizations can provide FinTechs with crucial industry knowledge and regulatory expertise, while FinTechs bring innovation, speed, and fresh perspectives to traditional organizations.

By collaborating with FinTechs, traditional organizations can tap into cutting-edge technologies and fresh perspectives, enhancing their own offerings and staying competitive in a rapidly evolving market. Conversely, FinTechs benefit from the stability, regulatory guidance, and market presence of their established partners.

In the Kingdom, these partnerships have been pivotal in driving FinTech growth. For instance, the collaboration between Mastercard and FinTech Saudi has significantly advanced the digital economy, while the partnership between Finshape and Arab National Bank has enhanced personalized banking services.

Moreover, private sector entities have been proactive in fostering innovation. SAB, for example, has achieved Innovation Accreditation from the Global Innovation Institute, underscoring its commitment to driving progress through initiatives like workshops, training, and hackathons. Similarly, Riyad Capital backed 1957 Ventures to strategically support and advance Saudi FinTechs. These efforts illustrate how traditional organizations can leverage their resources and expertise to drive innovation and growth in partnership with FinTechs.<sup>60</sup>

#### Global examples



**APIX** was launched in 2018 by the ASEAN Financial Innovation Network (AFIN) aimed to foster innovation and collaboration between financial institutions and FinTechs. It is the first cross-border, open-architecture, collaborative innovation platform with sandbox and API marketplace capabilities, that enables established organizations to collaborate with FinTechs and developers to solve real problem statements. Since its inception, APIX has enabled 225 industry problem statements to be addressed, with over 2000 sandboxes created for collaboration and testing between financial institutions, regulators, organizations and FinTechs.<sup>61</sup>



**FCA Digital Sandbox** in 2023, the FCA inaugurated a permanent digital sandbox aimed to be a platform that encourages interaction within the ecosystem and facilitates collaboration between innovators, regulators, and financial institutions. By providing coupled with access to mentorship, and an observation deck for showcasing ongoing product testing to regulators and other stakeholders, the Digital Sandbox fosters active engagement among cohort developers.<sup>62</sup>



# Support and resources for FinTechs

## Regulatory support and frameworks

SAMA and CMA have been key in developing the FinTech industry to become a forward-looking hub. They focus on fostering innovation by engaging in regulatory discussions on emerging topics like blockchain, digital banking licenses, and creating supportive frameworks.

SAMA has been actively driving innovation within the realm of open banking, through the roll out of the Open Banking Framework and launch of the Open Banking Program to provide a testing environment for banks and FinTech companies to improve, test, and license open banking services.

However, adapting to evolving regulations will remain a challenge. Saudi Arabia must align its regulatory framework with international standards, particularly for emerging sectors like open banking, to attract global FinTech firms and support the growth of local startups.<sup>63</sup>

## Government support

### Nurturing and scaling high-potential start-ups

To nurture and scale high-potential startups, the FinTech Saudi Makken program is supporting 200 national FinTech companies over three years. It offers technical assistance, cybersecurity tools, and guidance on compliance, emerging business models and the use of cutting edge technology such as cloud computing.

The Saudi Unicorn Program, backed by MCIT, the Misk Foundation, and the National Technology Development Program (NTDP), aims to help startups achieve unicorn status. It provides support in market expansion, talent development, mentoring, and access to late-stage investors and potential partnerships.<sup>64</sup>

Monsha'at has enhanced SME funding through various initiatives that connect FinTechs with public and private funding, including the Effective Mechanisms for Financing FinTech SMEs program, which enables financial institutions to support private sector growth and contribute to achieving the objectives of the Fintech Strategy.<sup>65</sup>

The government also supports global startups and investors. The Ministry of Investment (MISA) helps international firms navigate the requirements for setting up in Saudi Arabia, including licensing. For example, MISA signed an MoU with ANT International to aid its expansion into the Kingdom.<sup>66</sup>

### Promoting the Saudi FinTech industry globally

Part of FinTech Saudi's mandate is to raise the profile of the Kingdom's FinTech industry, and organize several events, activities and initiatives to transform the Kingdom into an innovative and thriving FinTech Hub. FinTech Saudi has catalyzed the sector's expansion and has seen over 100,000 individuals participate in FinTech-related events, training courses, and internships to-date.<sup>67</sup>

### Bridging the FinTech talent gap

As the Kingdom's financial services industry undergoes structural and operational changes driven by an increased adoption of technology, entrance of new players, and new business models for deploying products and services results in a disruptive impact on talent requirements for all the key stakeholders in the financial services industry.

An industry-wide initiative was launched to establish the framework for upskilling and reskilling for the future of the Kingdom's financial services industry. FinTech Saudi initiatives include career fairs and internship programs.

### Investments into market infrastructure

Saudi Arabia's payments and ICT infrastructure has rapidly evolved in recent years largely driven by Vision 2030, underpinned by significant investments in digital infrastructure, regulatory reforms, and the adoption of advanced technologies. Whilst existing infrastructure is robust, opportunities remain for further enhancement.



## ICT infrastructure

A high-speed mobile internet and fixed-line connections provide a solid foundation for FinTech development.<sup>68</sup> The Kingdom has established data centers and 5G network, partnered with global cloud providers like Amazon Web Services (AWS), Google Cloud, and Microsoft Azure to ensure the availability of cloud services.<sup>69</sup>

## Payment infrastructure

Opportunities exist for FinTechs to leverage Saudi Arabia's trusted, reliable, and scalable payment networks and platforms to enable innovation and quickly offer new services to consumers securely.

The Saudi Payments Network (SPAN) and Saudi Arabian Riyal Interbank Express (SARIE) systems facilitate efficient cross-bank transactions and settlement, driving the flourishing FinTech ecosystem.

mada, the national payment network and backbone for electronic payments, connects all POS terminals, ATMs, and e-commerce platforms within the country to allow seamless transactions across these channels, with mada cards representing over 90% of all cards issued in the country and account for more than 95% of the total transactions. In Q1 2024, e-commerce transactions using mada cards surged by 22% with an increase of approximately SAR7.89 billion, reaching a total of SR44.42 billion.<sup>70</sup>

SADAD, launched in 2004, is a national electronic bill presentment and payment service system that streamlines the payment process for various bills and fees, offering a centralized and efficient platform that connects consumers, banks, and billers.<sup>71</sup>

## Digital government

A key component of Vision 2030 is the development of a digital society aimed at enhancing the efficiency, accessibility, and transparency of public services. This objective is primarily advanced by the Digital Government Authority (DGA), which is responsible for establishing a proactive e-government framework that delivers efficient services.

A significant part of this effort involves leveraging platforms such as Absher, a key government e-service platform that allows citizens and residents to securely access a wide range of government services and Nafath which is an initiative to issue and manage digital identities of constituents to provide a highly secured, trusted and reliable identity platform. The

implementation of a standardized and reliable digital identity system, supported by platforms like Absher, also facilitates FinTech companies in streamlining the know-your-customer (KYC) processes.

The Kingdom has demonstrated significant progress in the realm of e-government, securing the top position in the Government Electronic and Mobile Services Maturity Index published by the UN Economic and Social Commission for Western Asia (ESCWA) in 2023. This achievement marks the second consecutive year the Kingdom has maintained its leadership, with a commendable maturity score of 93 percent in the overall index.<sup>72</sup>

## Data protection and privacy

Several robust policy frameworks have been launched to protect data privacy, ensure security, and promote the responsible use of data across various sectors. For example:

- The Saudi Data and Artificial Intelligence Authority (SDAIA) issued the **Personal Data Protection Law** (PDLPL) in 2023, to safeguard the privacy of individuals' personal data—coming into effect progressively on 14 September 2024.<sup>73</sup>
- A new **Data Sovereignty Policy** is drafted and expected to be released soon, emphasizing data localization, security, and privacy, and ensures that critical data remains within national borders unless specific conditions permit its transfer, which promotes national security, regulatory compliance, and economic growth and control.<sup>74</sup>
- Accelerating **Cloud for FinTech** through a cloud computing regulatory framework requires cloud service providers to obtain appropriate licenses from the Communication, Space & Technology Commission (CST) to operate, and to adhere to strict security standard, including encryption, access controls, and incident response protocols.<sup>75</sup>

## Cybersecurity

In the past year, the Kingdom has released several cybersecurity regulations such as the Data Cybersecurity Controls, Operational Technology Cybersecurity Controls, the Cybersecurity Toolkit 2.0, and the Guide to Essential Cybersecurity Controls Implementation, signaling its strengthened posture on cybersecurity. Additionally, the government is heavily investing in initiatives to enhance digital skills, including a US\$1.2 billion plan to train 100,000 youths in fields like cybersecurity.<sup>76</sup> Government initiatives, technological advancements, and a skilled workforce will continue to drive this growth in the cybersecurity.

## China's journey to a cashless society

China has transitioned toward a cashless society from a cash-first society in less than two decades, with mobile payments penetrating 86% of the market today. At the onset, the Chinese government provided ease to the regulatory environment for digital payments, enabling early players to innovate and grow rapidly.<sup>77</sup>



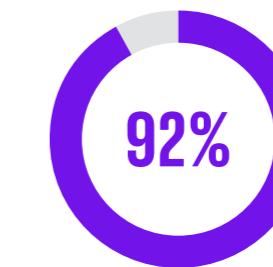
The move was largely enabled by **Alibaba's Alipay** and **Tencent's WeChat Pay**, having created entire ecosystems beyond payments. For example, Alipay's integration with financial services and WeChat Pay providing convenience to users to manage their lifestyle needs such as transportation, food delivery, and entertainment. Both platforms have driven financial inclusion even in rural China where traditional banking services are limited, and enabled millions to participate in the digital economy.<sup>78</sup>

**PayNow** offers an enhanced funds transfer experience, allowing retail customers of participating banks and non-bank financial institutions (NBFIs) to send and receive funds instantly between bank or e-wallet accounts in Singapore. Transfers can be made using just a mobile number, NRIC/FIN, or Virtual Payment Address (VPA) through the FAST system, making it highly secure and users also benefit from the convenience of not needing to share sensitive bank account details. As of 2023, PayNow has seen a surge in total number of registrations and has more than 5 million users.<sup>79</sup>

Figure 11: Penetration indicators for internet, cloud adoption and national ID in Saudi Arabia (2022)



Internet penetration rate



Percentage of executives who expect at least a 50% shift to cloud over the next three years

27+ million

Population registered on national digital ID system, Absher

Source: CST.Gov, Edge Middle East



# 24 FinTech in Riyadh

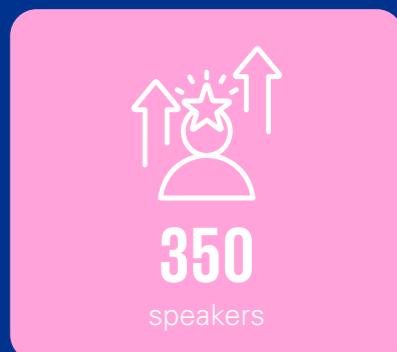
The 24 FinTech event, hosted by FSDP, SAMA, CMA and the Insurance Authority (IA) from 3 to 5 September showed the breadth of development, the scale of innovation and the interest of the global business community to propel the industry forward. It reflected the Kingdom's position as a growing FinTech hub, showcasing its efforts to create a supportive environment for startups and established organizations alike.<sup>80</sup>



## Key announcements

- A significant agreement was signed between SAMA and Samsung to launch **Samsung Pay** in Saudi Arabia at the end of 2024. The introduction of Samsung Pay provides users with yet another method for managing digital payment cards through the Samsung Wallet application, advancing digital payments and reducing cash dependence.<sup>81</sup>
- SAMA also announced the release of the second part of the Open Banking Framework focused on **Payment Initiation Services** (PIS), aiming to enhance payment efficiency and security in the Kingdom.<sup>82</sup>
- BNPL player **Tabby** announced the acquisition of **Tweeq**, a Saudi-based and SAMA-licensed digital wallet, expanding Tabby's service offerings and integrating Tweeq's capabilities into its platform.<sup>83</sup>
- **1957 Ventures**, a newly established fund with a focus on building and investing in venture technology firms, has exceeded US\$200 million in fund size, and committed to work with 2 – 3 FinTech start-ups from scratch, adding up to fifteen companies with direct investments over the coming four years.<sup>84</sup>
- **OneDegree**, a leading insurer for digital assets, announced its partnership with **Walaa Cooperative Insurance** to offer digital asset insurance in Saudi Arabia.<sup>85</sup>
- **SNB Capital** played led a SAR65 million Series A investment round for **Malaa Technologies**, a Saudi FinTech firm specializing in robo-advisory services and open banking technology.<sup>86</sup>

## In numbers



## Highlights of the keynote by His Excellency Ayman M. Al-Sayari, Governor of SAMA

**01** The emergence of a thriving FinTech sector has been driven by technological innovation and national initiatives through Vision 2030.

**02** FinTech sector growth led to notable benefits, including expansion of access to the financial system and improved speed and reduction of transaction costs.

**03** SAMA's focus remains on stabilizing growth, while enabling a conducive environment for market innovation.

**04** SAMA aims to optimally balance emerging risks with enablement of innovation via its Risk-Based Supervision Framework.

**05** The FinTech industry has the potential to play an even greater role in the Kingdom's financial sector and as an engine of economic growth.

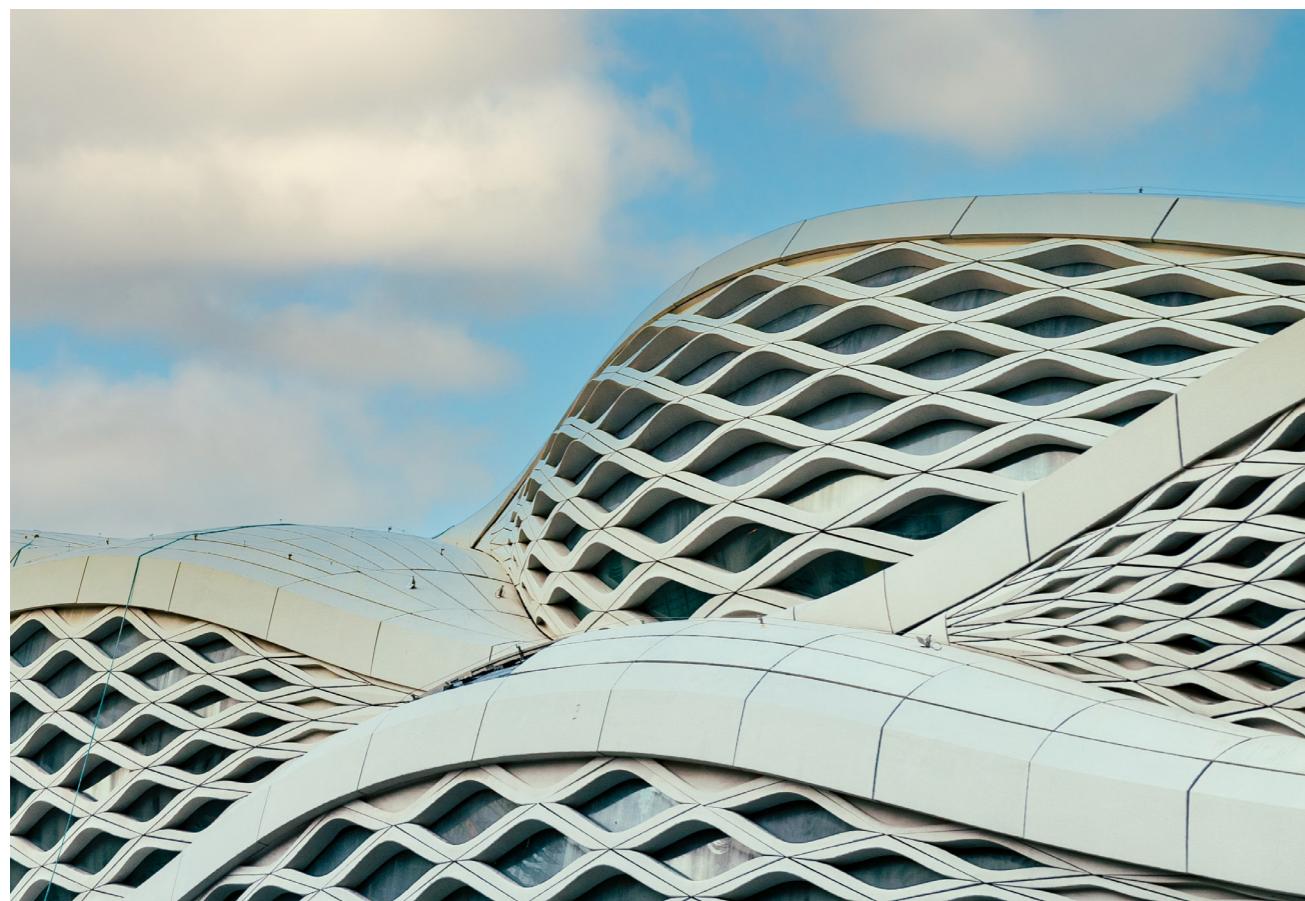
## Industry collaboration

As part of the FinTech Strategy, the Kingdom has been actively launching programs to strengthen collaboration between the FinTech sector and other industries, both locally and internationally. This includes fostering strong cooperation between the public and private sectors to drive innovation and demand for FinTech.

### Accelerators and incubators

Accelerators and incubators are crucial in providing FinTechs with essential resources and mentorship to help them scale and succeed in the evolving and competitive FinTech landscape. They also provide networking opportunities to stimulate collaboration between FinTechs and the industry. Notable accelerators include:

- **FinTech Accelerator by FinTech Saudi:** Designed to help FinTechs accelerate their growth through support services, workshops, coaching and mentorship sessions, and engagement with the SAMA and CMA. The program concludes with a demo day providing FinTechs with access to investors.



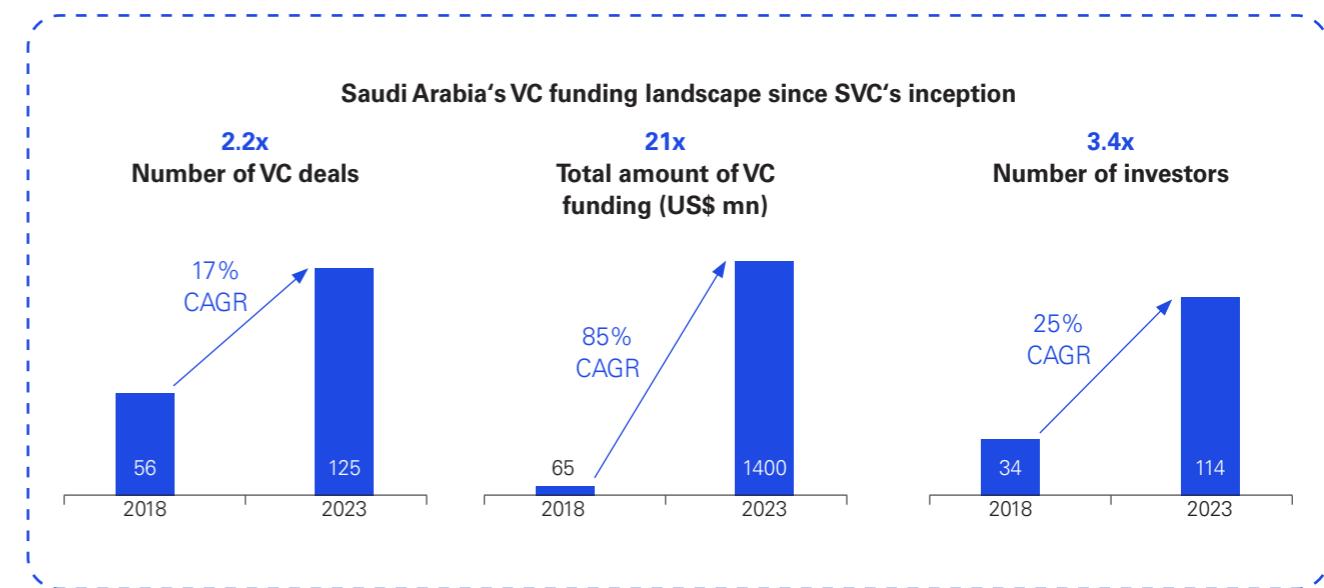
- **Monsha'at FinTech Accelerator:** Monsha'at launched various accelerator programs focused on FinTech, offering comprehensive support, including funding, business development services, and connections to potential partners and customers.

### Innovation hubs and ecosystems

The establishment of innovation hubs by the government promotes an environment conducive for cross-industry innovation, as these hubs often host FinTechs alongside start-ups from other industries, facilitating collaboration and the development of integrated solutions.

An example is **King Abdulaziz Centre for Service and Technology** (KACST), science and technology institution established to drive the growth of science and technology in Saudi Arabia, fostering innovation, and promoting international collaboration to advance the Kingdom's growth across critical sectors.

Figure 12: Impact of SVC on funding landscape



### Government support in VC ecosystem

The Saudi Venture Capital Company (SVC) is a government investment company operating as a subsidiary of the SME Bank. It aims to develop the VC and PE ecosystem in Saudi Arabia to catalyze financing start-ups and SMEs. SVC assesses co-investment opportunities and has invested in 50 private capital funds (including VC, PE, and debt funds), collectively supporting over 700 startups and SMEs with US\$2.2 billion in assets under management. Focused on impact-driven investments, SVC targets strategic sectors, with FinTech a key area of focus. In 2023, SVC launched an US\$80 million FinTech-focused VC fund in partnership with CMA and FSDP to encourage regional and global funds to invest in Saudi FinTechs.

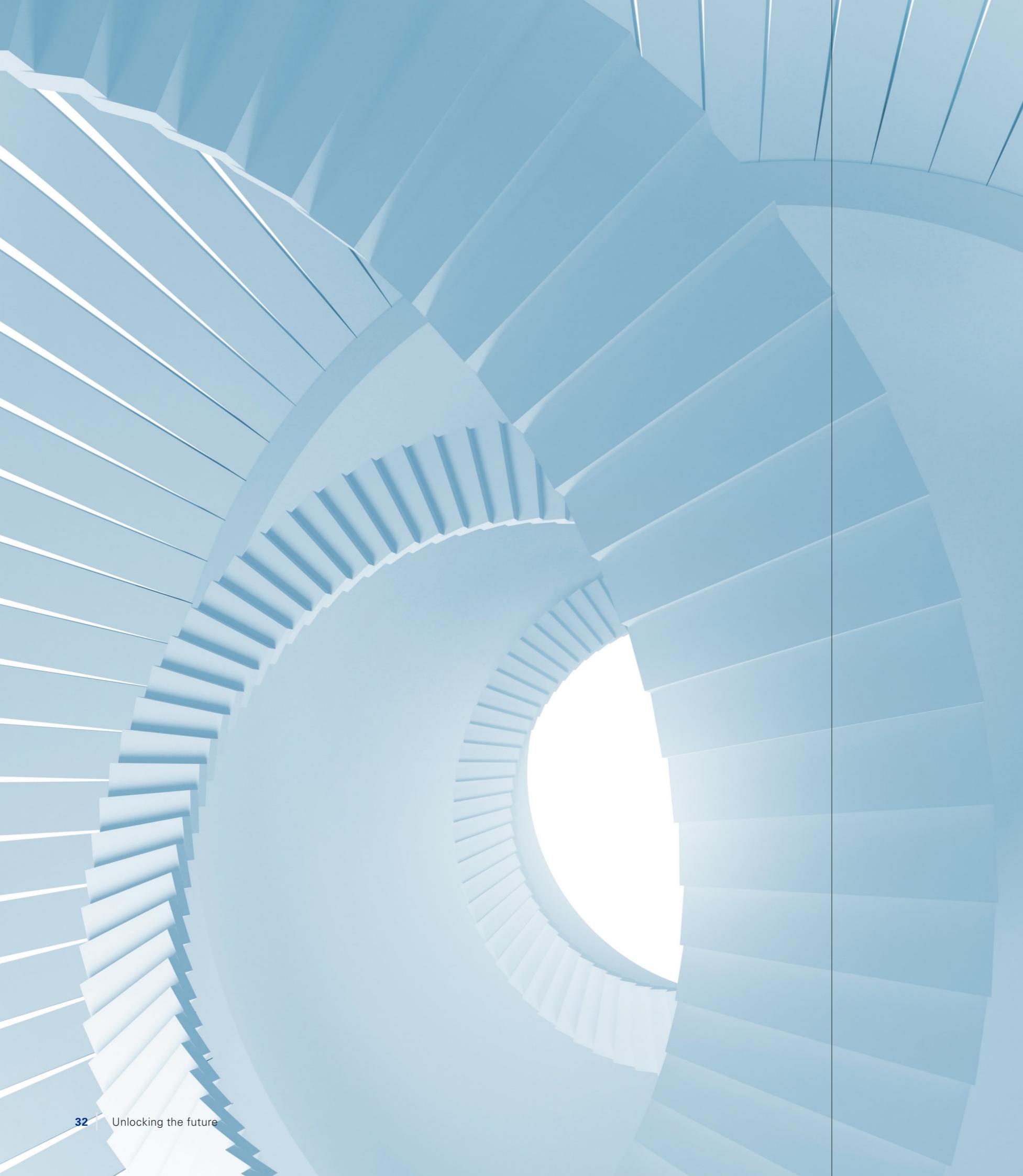
Complimentary to SVC, Jada, a fund of funds company backed by the PIF with a capital of SAR4 billion, serves as a catalyst of development for the VC and PE ecosystem in the Kingdom. Jada supports SMEs through commercially sustainable investments in VC and PE funds and has currently committed SAR3.1 billion in 36 funds, including 500 Global, Hala Ventures and Oryx Fund, which are active in early stage and seed investments in different sectors.<sup>87</sup>

### Providing a launchpad to scale business from zero to one through venture builders and studios

Venture builders, or venture studios, have also been instrumental in supporting the FinTech ecosystem in the Kingdom by providing the right resources, operational support, mentorship, technical expertise, and network to nurture early-stage startups and FinTechs.

Unlike traditional VC firms that invest in existing startups, venture builders actively create and develop new companies, by identifying market opportunities and assembling the right teams to address them. For instance, BIM Ventures has supported the development of twelve ventures from the ground up by providing support on brainstorming and market research, product and strategy build and the launch of ventures through full-fledged spun off businesses.<sup>88</sup> Similarly, Fintactics Venture that has built over twelve in-house ventures and Value Makers Studio have been able to accelerate the growth of FinTech companies by providing market access as well as legal, marketing and sales, and technology development support to FinTech startups and founders to scale their business operations.<sup>89</sup>





# Future outlook

Since the launch of the FSDP and the FinTech Strategy, Saudi Arabia has made remarkable progress in shaping a diverse and effective financial services sector. This advancement is vital for the national economy, helping to diversify income sources beyond oil and fostering growth in savings, finance, and investment. Notable milestones to date include the establishment of a dynamic FinTech ecosystem with more than 216 active companies and total venture capital investments surpassing SAR6.9 billion.<sup>90</sup> With the collaborative efforts of key government agencies like SAMA, CMA, and FinTech Saudi, the Kingdom is building a solid foundation for ongoing growth and innovation in its financial ecosystem.

The momentum from these achievements is expected to propel the Kingdom into a new era of growth. The forward-thinking approach and robust governmental support suggest a promising future for FinTech, paving the way for new advancements and positioning the Kingdom as a leading player in the global financial ecosystem. The ambitious goals of the FSDP are reshaping the financial landscape, driving innovation, and creating new opportunities for growth and investment.

Looking ahead, Saudi Arabia's economy is poised for significant expansion, with the IMF projecting a 6% growth rate by 2025, driven by strong non-oil economic activities.<sup>91</sup> Government initiatives such as the FinTech Accelerator, FinTech Tour, and various infrastructure projects like the Open Banking Lab and Regulatory Sandbox are fueling this transformation. Regulatory advancements, including the Open Banking Framework and new rules for BNPL services, are stimulating activity across digital payments, open banking, debt crowdfunding, BNPL, and SME financing. Companies like stc pay, Tamara, and Hala are already capitalizing on these emerging opportunities.

Several key trends are expected to shape the future of the sector. Technological innovations driven by projects like NEOM will likely spearhead advancements in emerging tech solutions such as Web3, the metaverse, digital twins, and augmented reality. The digital banking sector is anticipated to grow stronger, with increased competition from newly licensed digital banks likely to drive innovation and enhance customer experiences. Additionally, the government's focus on ClimateTech and sustainable finance aims to balance oil production with advancements in clean energy.<sup>92</sup>

Despite these positive developments, Saudi Arabia faces challenges that must be addressed to sustain long-term growth and establish itself as a global FinTech leader. Further enhancing regulatory frameworks will be crucial to keep pace with rapid technological changes and aligning with international standards. Strengthening collaboration with central banks, regulators, government agencies, and the private sector will bring valuable external perspectives and best practices. Continued investment in foundational infrastructure and promoting financial literacy and inclusion are essential for supporting innovation and balancing supply and demand.

Saudi Arabia is on the cusp of a transformative era in its financial sector, driven by innovation, strategic partnerships, and visionary government initiatives. **As the Kingdom progresses with its ambitious FSDP goals and continues to embrace cutting-edge technologies, it is well-positioned to become a global FinTech hub and set a benchmark for financial sector innovation.**



# Glossary

<b>AI</b>	Artificial Intelligence
<b>AML</b>	Anti-Money Laundering
<b>ASPAC</b>	Asia Pacific
<b>B2B</b>	Business-to-Business
<b>BNPL</b>	Buy Now, Pay Later
<b>CAGR</b>	Compound Annual Growth Rate
<b>CMA</b>	Capital Market Authority
<b>EMEA</b>	Europe, Middle East, and Africa
<b>ESG</b>	Environmental, Social, and Governance
<b>FSDP</b>	Financial Sector Development Program
<b>GCC</b>	Gulf Cooperation Council
<b>KACST</b>	King Abdulaziz City for Science and Technology
<b>KYC</b>	Know-Your-Customer
<b>ICT</b>	Information and Communications Technology
<b>IMF</b>	International Monetary Fund
<b>M&amp;A</b>	Mergers and Acquisitions
<b>MENA</b>	Middle East and North Africa
<b>PDPL</b>	Personal Data Protection Law
<b>PIF</b>	Public Investment Fund
<b>PE</b>	Private Equity
<b>PSD2</b>	Payment Services Directive
<b>SAMA</b>	Saudi Central Bank
<b>SME</b>	Small and Medium-Sized Enterprises
<b>SVC</b>	Saudi Venture Capital
<b>UAE</b>	United Arab Emirates
<b>VC</b>	Venture Capital
<b>WEF</b>	World Economic Forum
<b>YoY</b>	Year-over-Year

# Appendix

## FinTech overview in Saudi Arabia (2023)

Alinma Pay	stc pay	ZidPay	Enjaz Payment Services Company	Dukkantek	Tameed	Circlys	Money Loop	AlRaedah Finance
Mobily Pay (Etihad Fintech Company)	Marn POS	URWAY Technologies	Geidea	Ulend (Nayifat)	Tamara	Spare Arabian Financial	Drahim	MIS Forward
HALA	PayTabs	Moyer Financial	Noon Payments Digital Company (Noon Pay)	Tabby	Lendo	Mozn (Focal)	SingleView	Selaa
eMcREY	Express Pay	Looped				Moltazim	Wafeer	FAL (VAL Insurance Brokerage)
Momkn Payments Company	Mastercard PGS	Cash Insurance	ePaid (formerly ITS)	Lamaa	FORUS	stc Digital Bank	Thriftplan	Afaq Company
Inter Soft	X Pay	Inclusive Financial Solutions Company (Digital Cash International)	Checkout.com	Sulfah Financing Company	Tayseer Arabian Company	D360	Noon Hakkah	Ezdehar Osool
KartNGo	KSB IT Solutions		Wazen			Vision Bank		
Amazon Payments Services	Payzaty	Arab Sea Financial Company	Neo Leap (UrPay) (International Financial Digital Solutions Company)	Sahlah	Tamam	Tree Digital Insurance Agency		
	Paid Financial	Modern Distribution				Tameeni - (Bayt Altaamin Insurance Brokerage)	DFN RoAd Company	Sahem Financial Company
CashIN	Brightware Company	MyFatoorah	Key Financial Company	Finzey	Positive Facilities	GoNsue (Damen Insurance Brokerage Company)	Green Bill	Smart Savings
Direct Pay	Paylink - Unigulf (Waslah al-Daf)	Sure Pay Company	Nami (formerly LUNA, formerly Skyband)	Manafa - Wafer Invest	Raqamyah Platform			
Sanad Pay	Tiqmo (Smart Digital Payment Company)	Dal Seen	Quara Pay	Quara Finance	Bcare - (Einayat Alwasit Insurance Brokerage)	Desaisiv	SANAM	Makassb Company
Rasid Payments						Tahaluf Capital		
Amwal Tech	CyberSource	Sites Way	Telr	Tamra Capital	Dinar Investments	Rakeez Capital Company	Wally Global	Mekyal Financial Technologies Company
		SFTC		Mohlel Financial	Tahaluf Capital			
Tweeq International Financial Company	Foodics	Marta Financial Company	STS Pay one	Yaqeen Financial Services Co (Yaqeen Capital)	Arat Capital Company	Competitiveness Financial Company CFC	Trh Capital	Fundly (Osool & Bakheet Investment Company)
Loop - Digital Payments Company (Formerly Bayan Pay)		HyperPay			Rehan Capital			
Digital Pay	InterPay	AU (Al Hamrani)	Tap Financial	Mudaraba Capital Company	Awaed Alasool Financial Company	Creative Future for Digital Brokerage	Booklet	Multi Financial Technology Company
	NearPay	ClickPay		Madkhol				
GCCPay	GoPay	SNB Payment Gateway	AZM Fintech Company	Derayah	Sukuk Capital Company	Maysan Financial Technology Company (Dawul)	WALA PLUS	Emkan Alarabiya Company
Rabet Technologies	Data Insights	Ateon		Tarmeez Capital	Mala'a			
Mod5r	Lean Technologies	Tarabut Gateway	Bwadl (formerly BWATech) (Dual SAMA/CMA)	Abyan Capital	Ajdar Fintech	Wethaq Capital Markets Platform Company	VÔM	Invest Aseel (Aseel Capital)
Birdme (shadowtech)	Prexle	Mohasby		Clevr	Penny Software	Ahad Network	LazyWait	Cloud Sales
Qoyod	AI Jeddah Solutions for IT – Teem	Pi Flow	Ebana	Nugtah	Flexxpay	Sanad Cash	RasMal	Tamweel Alawwal (Alawwal Capital)
								Safqah Capital Company

█ Payments (69)  
█ Infrastructure (7)

█ Business tools (26)  
█ Digital banking (3)

█ Capital markets (21)  
█ Private fundraising (18)

█ InsurTech (5)  
█ Lending and finance (0)  
█ RegTech and risk management (2)  
█ WealthTech and personal financial management (16)

Source: Provided by SAMA with the latest data by May 2023.



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