



Sector report

Aranca KSA Fintech Report

June 2020

Executive Summary

Fintech has been one of the hottest sectors in the Kingdom of Saudi Arabia (KSA), as reflected by deal volume during 2018 and 2019. The increase in deal activity is not only due to innovative financial solutions but is also a result of customer demand for simpler products and services. KSA has been one of the most expensive markets for financial services, and we expect the Fintech sector to churn out new and innovative solutions providing consumers better value for money.

Despite the immense demand in the market, the Saudi Fintech industry is still at a nascent stage with regard to infrastructure and regulatory framework. Regulatory authorities SAMA and CMA are working rigorously to provide opportunities for Fintech startups to commercialize and expand. KSA's Vision 2030, aimed at diversifying the economy from oil to advanced technologies, has increased awareness and the drive for digitalization. In addition, both public and private investment funds (PIFs) have made substantial investments in supporting and developing the Fintech ecosystem in KSA.

Payments/remittances segment has received the lion's share of funding in Fintech, a trend consistent with that in other regions of the world. However, innovative lending and business solutions are slowly bridging the gap.

The Fintech wave seems to be following a growth trend seen earlier in Ecommerce and mobility startups and, as such, is in a comparatively early stage; however, it certainly has massive potential to attract substantial investments and overshadow other technology sectors.

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Aranca

We are pleased to present the first edition of the Aranca KSA Fintech Report.

In this report, along with a brief overview of the Fintech industry across the globe, we have discussed the history and progress of the sector in Saudi Arabia, regulatory framework, drivers and challenges, and insights on existing Fintech companies in the country.

We believe that Saudi Arabia is poised to become the next Fintech hub of the GCC region, considering the efforts of the government and Fintech companies.

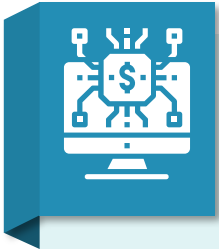
We hope this edition is an informative read and provides interesting insights.

The background features a dark gray grid of hexagons. Each hexagon contains a white icon related to finance or technology, such as a pie chart, a calculator, a lightbulb with a pound symbol, a magnifying glass over a person, a Bitcoin symbol, a smartphone with a dollar sign, a handshake, a globe, a key with a dollar sign, a magnifying glass over a bar chart, and a pie chart. White circuit lines with dots at the intersections are overlaid on the hexagonal grid.

Introduction to Fintech

History, sub sectors, global and MENA funding landscape

What is Fintech?



- Financial technology, also known as Fintech, is essentially an economic industry. It comprises innovative companies that leverage technology to improve financial services in terms of efficiency, customer experience or simplification of processes.

- It is inherently difficult to define Fintech, primarily because definitions change over time. Alternatively, traditional banking organizations have been hindered by legacy operating systems, coupled with limited capacity to innovate, agility and technology expertise.

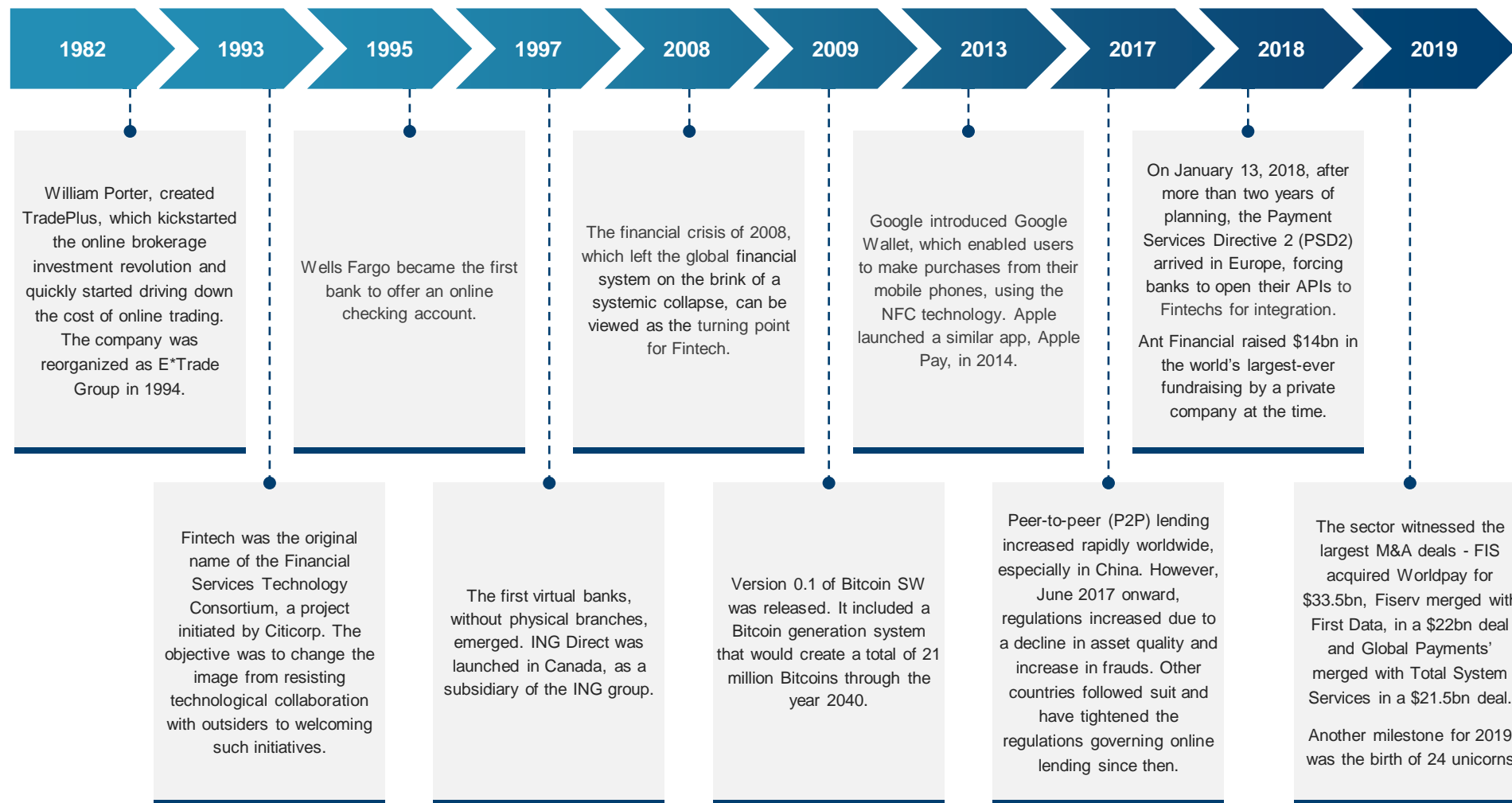


- Broadly, any company using the Internet, mobile devices, software technology or cloud services to perform or connect with financial services falls under the broader categorization of Fintech. Many Fintech products are designed to connect consumers' finances with technology for ease of use, although the term is also applied to business-to-business (B2B) technologies as well.

- Initially, Fintech referred to technology that was applied to the back-end systems of banks or other financial institutions, but now the scope has broadened to encompass a plethora of other applications that are more consumer-centric. In 2020, it is possible to manage funds, trade stocks, pay for food or manage insurance through this technology (and often on your smartphone). The driving force behind financial technology varies from project to project, application to application.



Evolved Significantly over the Last Two Decades



Essentially an Amalgamation of Diverse Product Offerings

Payments

Companies providing money transfer and payment solutions (systems, wallets, credit cards, etc.) at point of sale or POS



Lending

Companies providing loans or marketplace for lending, working capital and any other type of business financing, crowdfunding, P2P lending, etc.



Capital Markets

Companies providing portfolio management, financial data and analytics, trading or brokerage services, investment management, etc.



Personal Finance

Companies offering budget management apps, expense trackers, financial literacy apps, etc.



Blockchain / Crypto

Cryptocurrency - related and companies offering blockchain services or technology



Business Solutions

Companies providing business process enabling systems or technology such as accounting, payroll systems, etc.



Insurance

Companies offering insurance or technology/marketplace for all types of insurance products, insurance enabling solutions, etc.



RegTech

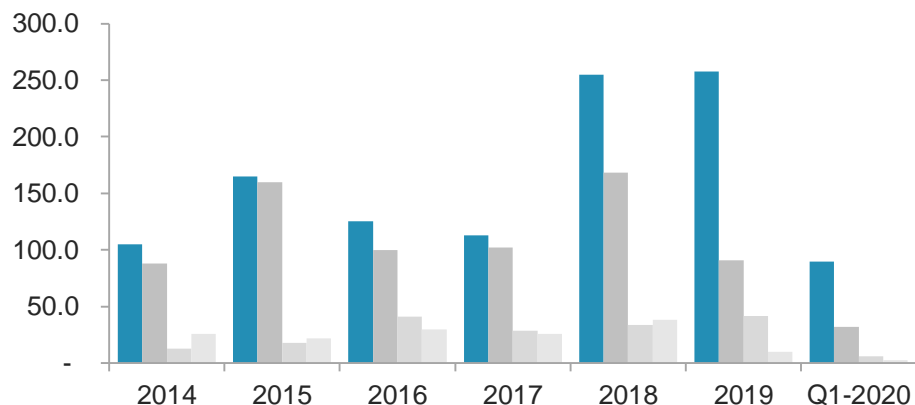
Companies providing solutions for risk management, regulatory compliance, assistance in audit, etc.



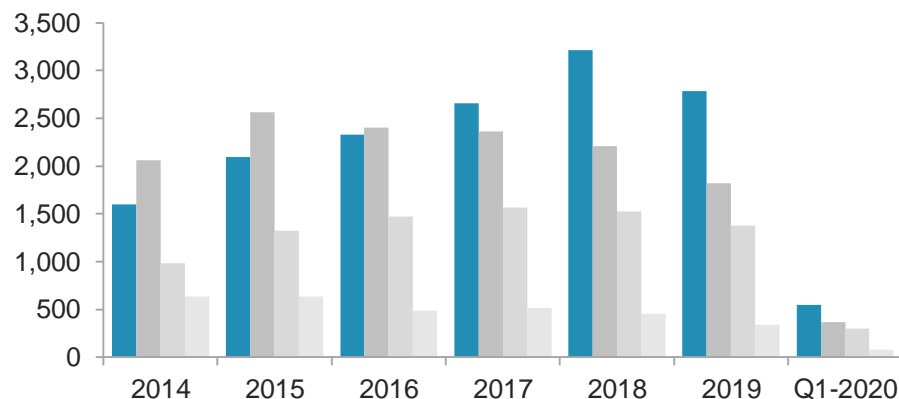
Favorite Among Investors Globally Over the Years

Global M&A, VC, and PE deal landscape

Capital Invested (US\$ bn)



Deal Count



Fintech



Ecommerce



HealthTech



AdTech

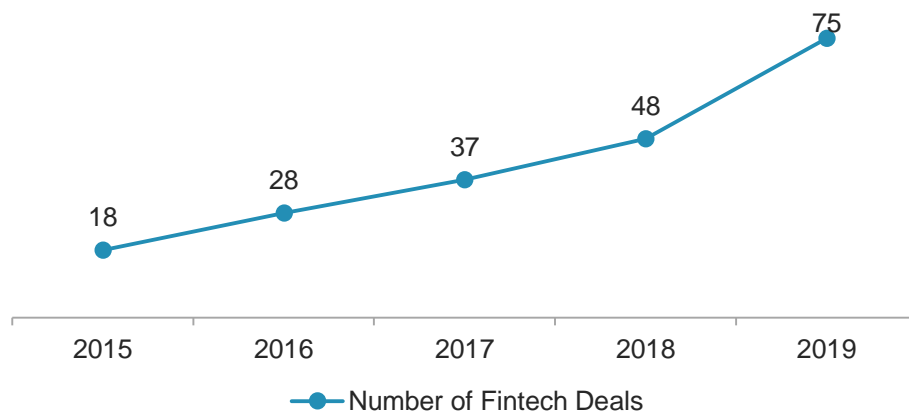
Since 2014, Fintech has been the most active sector compared to other technology sectors such as e-commerce, HealthTech and AdTech.

Growth in Fintech has facilitated the development of e-commerce as consumers, sellers and platforms have benefited from the simplification and integration of the payment infrastructure.

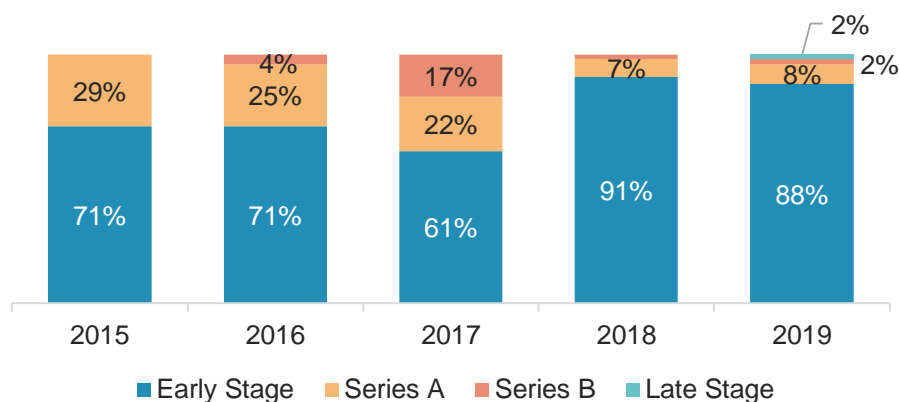
Source: Pitchbook

Stellar Growth in Fintech Funding in MENA

MENA Fintech Deals



MENA Fintech Funding Mix



Number of deals in the Fintech space has grown over four times in the last five years. Fintech is one of the most heavily funded spaces in MENA owing to the growing need among financial institutions to upgrade technology in order to enhance customer experience, such as real-time payments, multi-currency transfers, and automated processing fraud management.



Governments in MENA countries have recognized the dependence on the economies on cash. Aiming to transition to a digital economy and draw investors to this space, regulatory authorities are increasingly supporting Fintech firms by coming up with favorable policies.



Fintech has received significant interest from accelerators looking to invest in promising startups as well as banks looking to partner with capable fintech companies that can enhance their technology and customer experience.

Source: MAGNiTT Intelligence

Many Fintech Companies Globally have Leveraged the COVID-19 Crisis to their Advantage ... (1/2)



BenefitPay, a digital wallet in Bahrain, recorded 1257% growth in the number of remittance payments through its Fawry+ app in March 2020.



YallaCompare, a financial comparison platform in UAE, entered a partnership with AXA Green Crescent Insurance Company (GCIC) to sell online life insurance products.



Paytm, an e-commerce payment system in India, rolled out a Covid-19 insurance policy in collaboration with Reliance General Insurance to provide health insurance coverage to take care of most expenses that a Covid-19 patient might have to incur.



Aion Digital, a digital bank in Bahrain, collaborated with Qarar to increase the growth of digital lending in the Middle East region amidst global crisis.

Source: News Articles

Many Fintech Companies Globally have Leveraged the COVID-19 Crisis to their Advantage ... (2/2)



Aye Finance, a lending platform in India, raised Rs 180 crore in debt funding from leading lenders from India and abroad to address the credit requirements of micro enterprises during this financial crisis.



Stripe, an online payment processing platform in the US, raised \$600 million to enhance its online payment infrastructure to help customers make and receive payments efficiently during the current pandemic situation.



PhonePe, a digital wallet in India, launched Corona Care, an insurance policy in partnership with Bajaj Allianz General Insurance with a cover of Rs 50,000 for a person aged under 55 years applicable at any hospital offering COVID-19 treatment.



Mastercard, a global payment and technology company based in the US, partnered with DP World to digitize port ecosystem payments enabling cargo owners and small businesses pay their freight costs.

While some Fintech Companies are Facing the Heat due to the Pandemic...



Revolut, a UK based digital bank, laid off 60 employees during the COVID-19 pandemic.



Cadre, a real estate investment technology platform, laid off 28 employees i.e. 25% of its workforce.



Kueski, a micro-lending platform in Mexico, laid off approximately 90 employees due to the current pandemic situation.



Kabbage, an online lending platform in the US, laid down a significant number of employees and discontinued its operations in India.

Source: News Articles



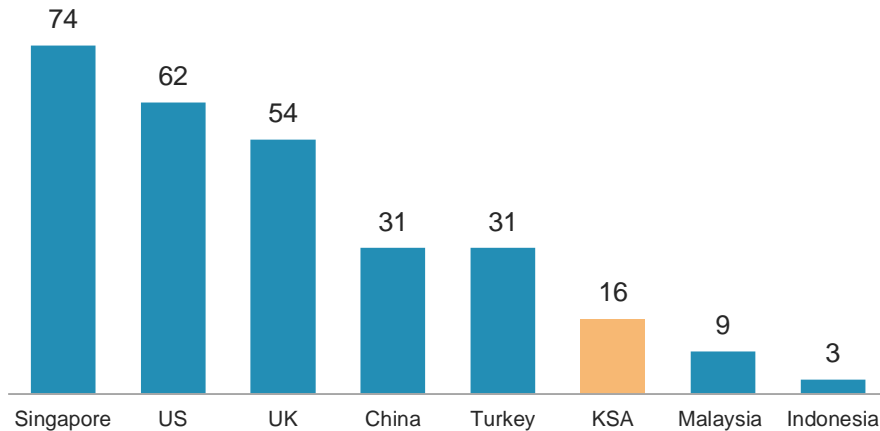
Fintech In Saudi

Key partnerships, regulatory framework, funding

Saudi Arabia Lagging Behind Other Nations in Digitalization of Financial Services

Saudi Arabia still depends primarily on cash transactions

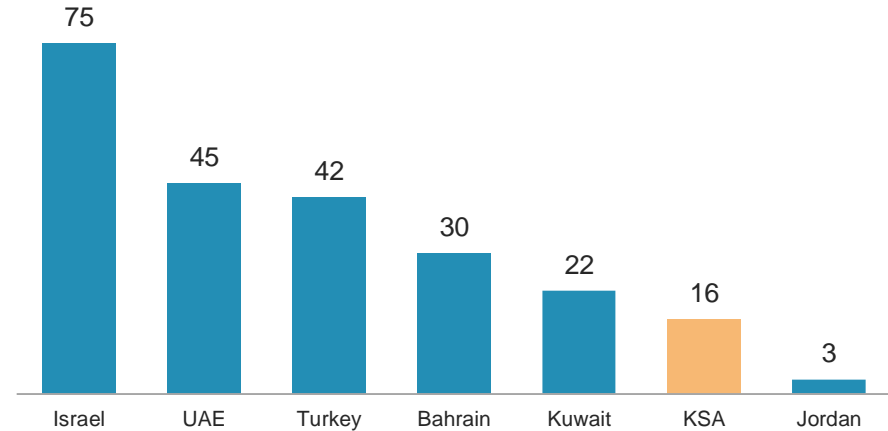
Non-cash transactions¹ as a percentage of total payments (2016)



Source: Financial Services Development Program Charter

Only 16% of the population owns a credit card

Credit card ownership (percentage of population above 15 years) (2017)



Source: Global Findex Survey 2017, World Bank

Saudi Arabia is in the process of creating a Fintech ecosystem with the active support of regulators.

- Under its Financial Services Development Program (FSDP), the government aims to transform the economy from being heavily dependent on cash to cashless:
 - Open the financial services sector to Fintech to stimulate innovation and growth:** The government has undertaken various initiatives in this regard.
 - Increase the percentage of non-cash transactions¹ to 28% by 2020 and to 70% by 2030:** The proportion had already increased to 36% at the end of Q3 2019.

Note 1: Number of card based, electronic and ACH transactions. Source: SAMA

Investment in Fintech: A Key Theme Under Economic Diversification (1/3)

Fintech innovation (under the FSDP) is part of Saudi Crown Prince Mohammed Bin Salman's Saudi Vision 2030 to transform (and thereby modernize) the Saudi economy from being dependent on oil to driven by technology.

Relevant Government Entities



- The Saudi Arabian Monetary Authority (SAMA) is the central bank of the Kingdom of Saudi Arabia.
- It regulates companies providing banking, financing and insurance services.



- The Capital Markets Authority (CMA) regulates activities related to the capital market and securities.



وزارة التجارة والاستثمار
Ministry of Commerce and Investment

- The Ministry of Commerce and Investment (MCI) governs the commercial sector in KSA; it sets policies, is responsible for commercial regulation, supervises the market, and issues licenses.



- Monshaat regulates the entrepreneurial ecosystem and supports, develops and caters to it as per the best practices.

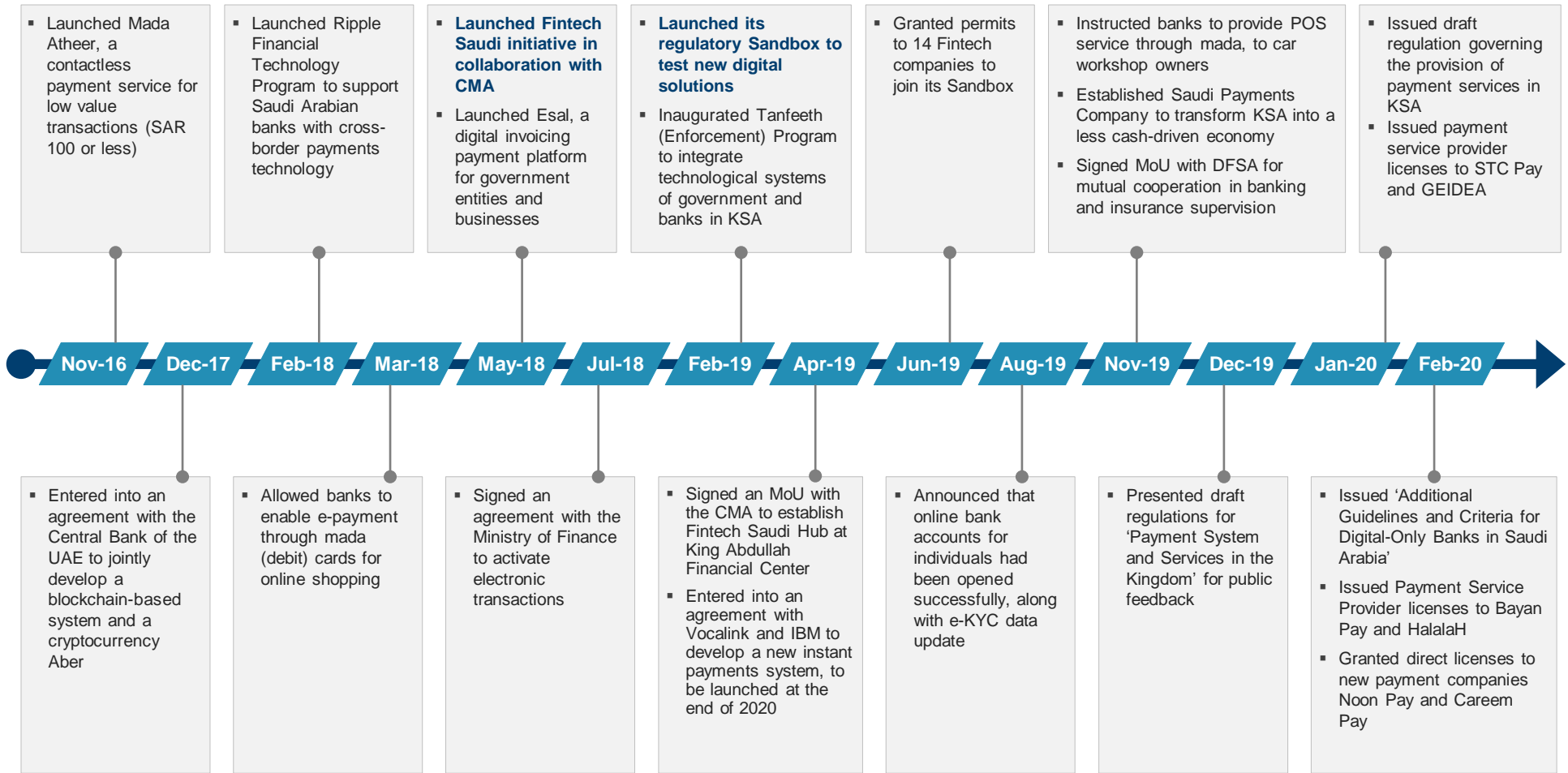


الهيئة العامة للاستثمار
General Investment Authority

- The Saudi Arabian General Investment Authority (SAGIA) provides investment licenses to international investors.
- It also provides the necessary support international investors need in complying with governmental procedures for establishing a company in KSA.

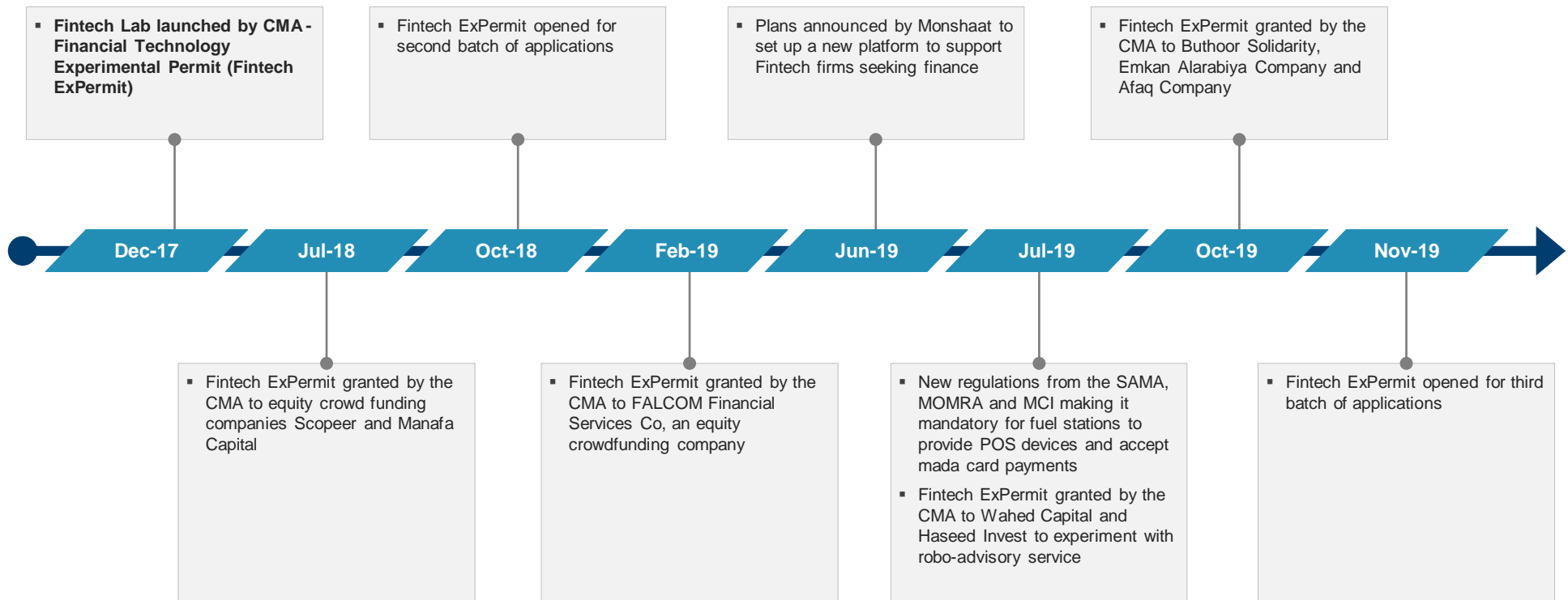
Investment in Fintech: A Key Theme Under Economic Diversification (2/3)

Key initiatives and actions undertaken by SAMA



Investment in Fintech: A Key Theme Under Economic Diversification (3/3)

Key initiatives and actions undertaken by the CMA and other regulatory authorities



Role of Public and Private Investment Funds in Supporting Fintech Investment Ecosystem

Investors	Short Description
	<ul style="list-style-type: none"> Public Investment Fund (PIF) is KSA's sovereign wealth fund, with planned investment value of \$2.0 trillion. It is central to the government's efforts to diversify the economy under Vision 2030. PIF partnered with Japan-based Softbank to launch a \$100.0 billion investment fund Softbank Vision Fund 1¹, focused on technology sector. It also launched a SAR4 billion (~\$1.1 billion) fund of funds, Jada, to invest in startups and SMEs².
	<ul style="list-style-type: none"> Riyad Bank invested SAR100 million (\$26.7 million) in its newly launched Digital Partnerships Program, a Fintech startup investment program³. The program is aimed at developing strategic partnerships with entrepreneurs and tech companies, providing solutions and support in the field of financial technologies, and creating new industries and innovative business models.
 <p>الشركة السعودية للاستثمار الجريء Saudi Venture Capital Company</p>	<ul style="list-style-type: none"> Saudi Venture Capital Company was established by the government in 2018 to minimize current equity funding gaps for startups by investing SAR2.8 billion (~\$750 million)⁴. It has invested in Fintech startups Hyper Pay and Qoyod in Saudi Arabia.
<p>Other Investors</p>	<ul style="list-style-type: none"> Waed Ventures is the entrepreneurial venture capital arm of Saudi Aramco. It offers financial support (loan financing, seed fund and venture capital), guidance and tools to promote entrepreneurship and encourage the development of technology and innovative businesses in the Kingdom of Saudi Arabia.

Other Investors



Source- Note 1: Softbank Company Website Note 2: Public Investment Fund website Note 3: Riyad Bank Press Release Note 4: Saudi Venture Capital company website

Fintech Saudi: A Government Initiative to Transform KSA into an Innovative Fintech Hub

Fintech Saudi was launched by the SAMA in collaboration with the CMA to boost the development of the financial services technology industry in Saudi Arabia, in line with the goal of transforming the Kingdom into a global Fintech hub.

Fintech Saudi supports the ecosystem...



- Supports development of infrastructure required by Fintech industry



- Assists in building skill and knowledge required for the growth of Fintech activity



- Supports entrepreneurs at every stage of development of their Fintech startup

... through various means and activities



Communication

- Spreads awareness and guidance related to Fintech through website, social media, podcasts and reports



Events

- Organized Fintech Tour 18 and 19 to spread knowledge and encourage entrepreneurship
- Tour includes events and activities hosted by Fintech Saudi's Partners across Saudi Arabia and GCC regions



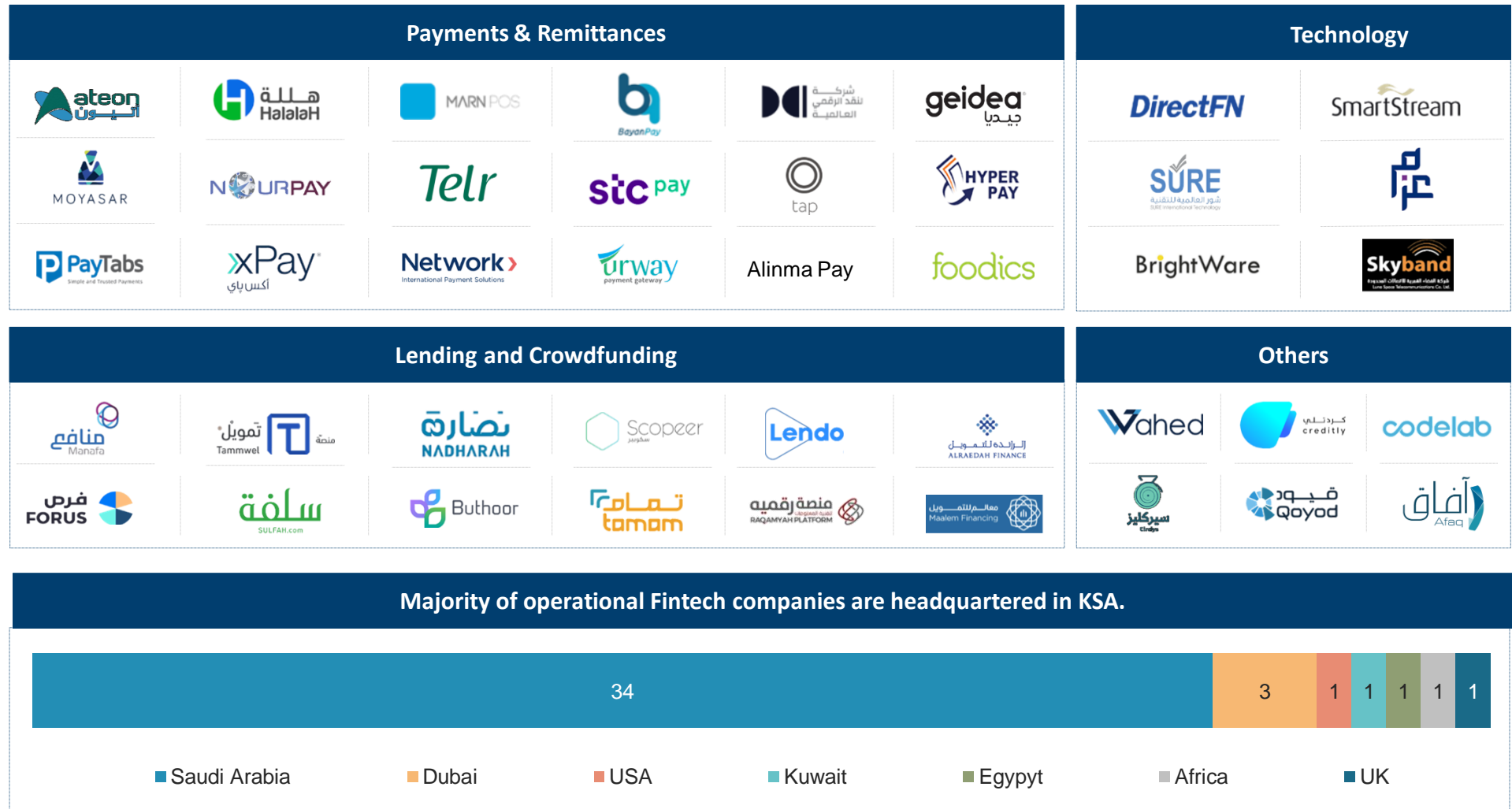
Initiatives

- Takes initiatives to support and encourage the growth of the Fintech industry in Saudi Arabia
- Include creation of Fintech accelerators space and other supporting infrastructure, and measures to attract international talent

Has 47 members, 54 partners and has impacted 8,000+ individuals through its initiatives¹

Source: Saudi Arabian Monetary Authority

Fintech Companies Operating in KSA are Members of Saudi Fintech



Note: Please refer to the Appendix section for detailed description of the companies

SAMA's Regulatory Sandbox

Regulatory Sandbox is a controlled environment where firms will be able to test their solution for a specified time period. After successfully testing the solutions, firms will be granted licenses to take their new solutions to market based on the guidelines defined by the SAMA.

1 | Objective

The aim is to attract local and international Fintech businesses looking to offer innovative technologies for the delivery of new financial products or services in KSA.

2 | Assistance

SAMA would provide assistance to innovators in testing their technologies, using the following tools:

- Sandbox license provided to non-licensed startups or firms for allowing them to test
- Guidance in interpretation of the SAMA's regulations applicable to the companies
- Waivers or modification of regulations for companies testing their solutions (only if consumer protection is not impacted); for example, relaxation of capital and liquidity, credit rating, board composition, license fees requirements

Sandbox License Provided to Firms Developing Innovative Products in Financial Services

Services and Products Allowed

- E-wallet services
- P2P transfers and purchases through QR codes
- Direct international transfers through financial technology companies
- Aggregators of POS devices, SADAD bills, SADAD account and mada online
- Crowdfunding platforms
- E-payment services and payment services for schools
- Exchange services

**License Not
Required**

**Currently
Tested**

**Not
Allowed**

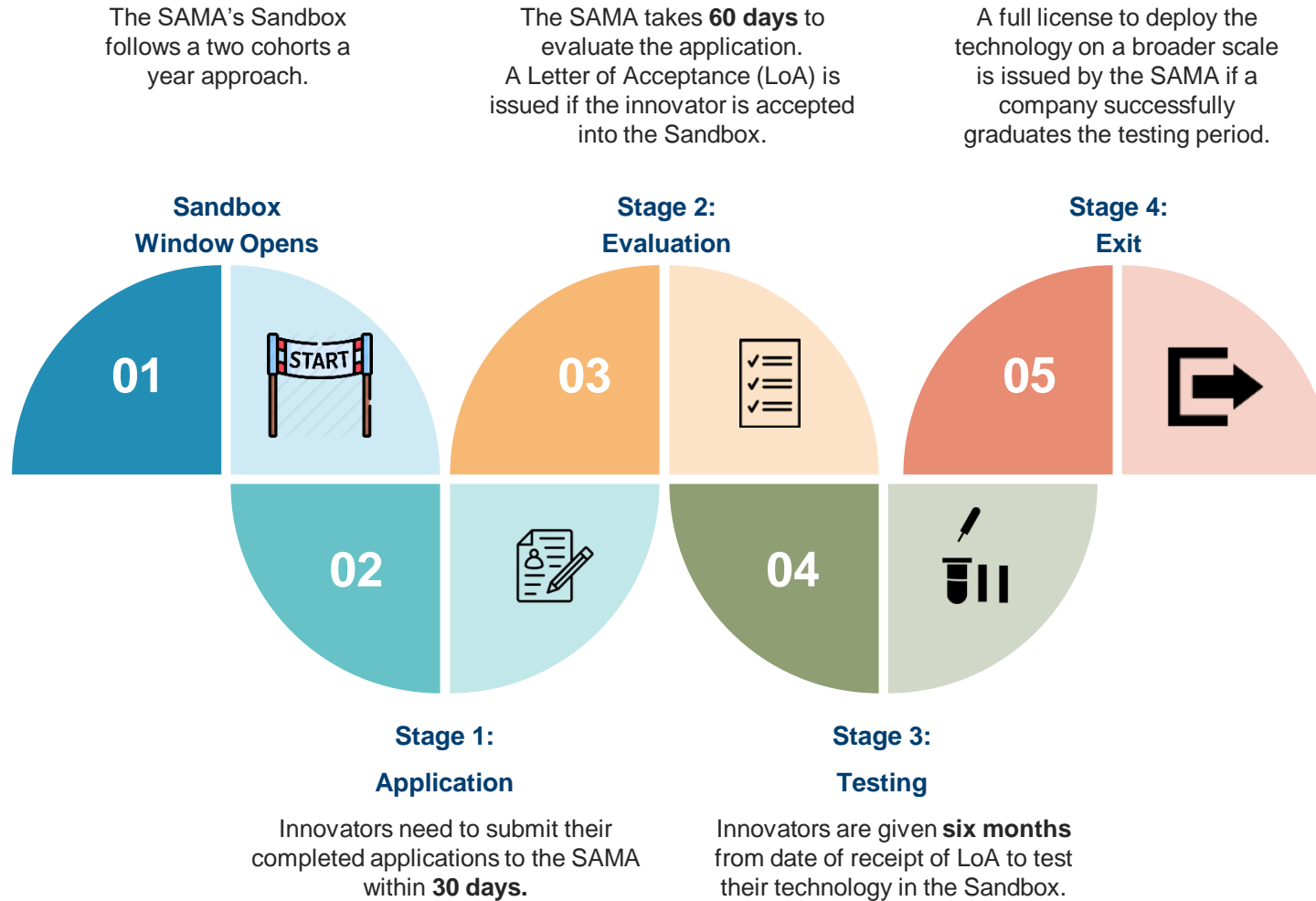
Areas that are not regulated

- Aggregation of publicly available financial information
- Business tools
- Back-office bank operations
- Enhancing bank's customer experience
- Personal management
- Regulation technology (RegTech)
- Gamification

Disqualified Offerings

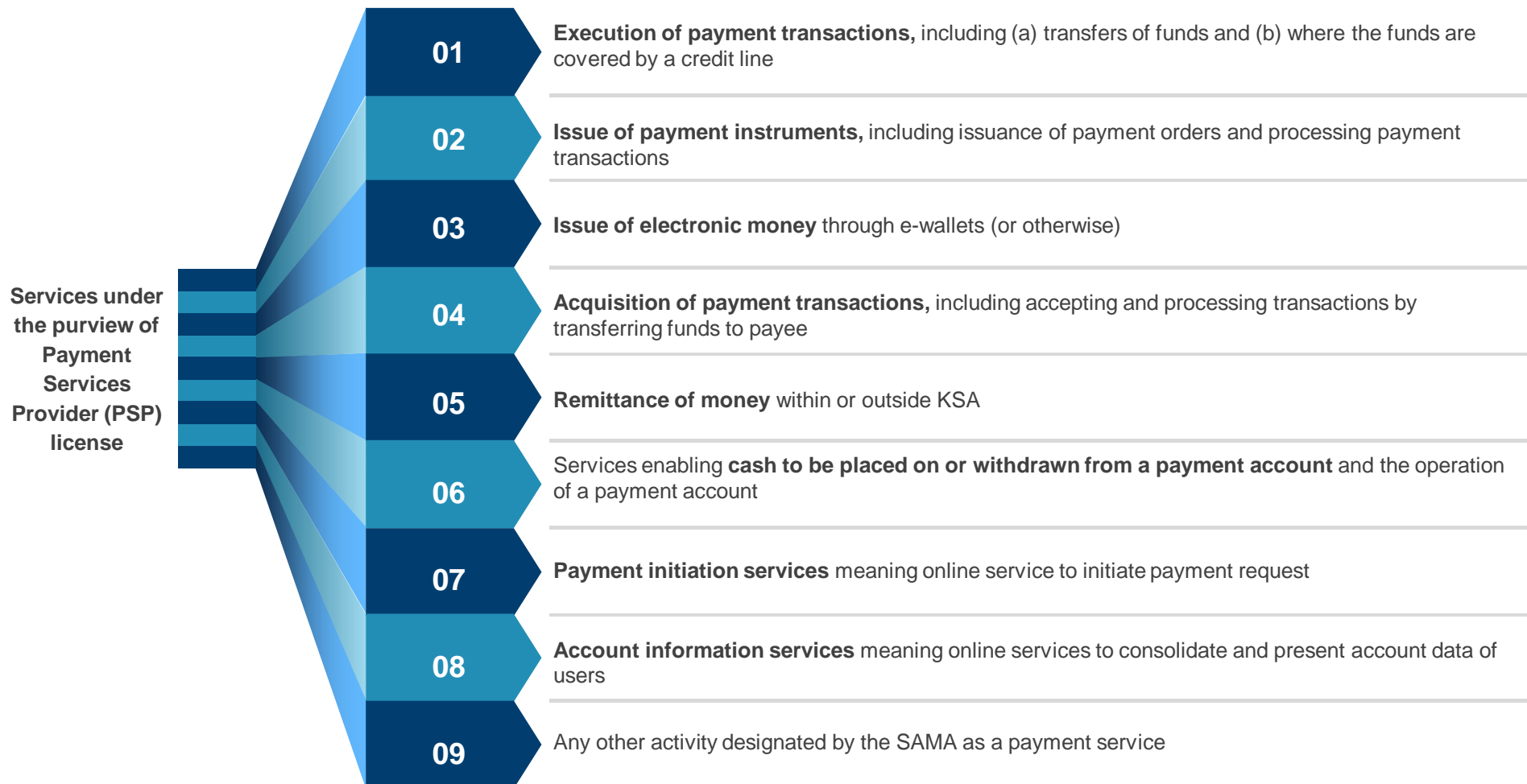
- Solutions that do not add significant material value to similar solutions already available in KSA
- Technologies that are not sufficiently mature
- Technologies for which testing plans have not been developed adequately
- Technologies not intended to be subsequently deployed in KSA

Sandbox Process Lifecycle: Four Stages With a Duration of Nine Months



Graduation From Sandbox Followed by Licensing

The SAMA drafted the regulations for provision of payment services in January 2020, and issued the Payment Services license to four entities in February 2020.













Requirements for PSP Licenses

Four types of PSP licenses can be issued to payment institutions and electronic money institutions.

Particulars		Payment Institution License (PI)		Electronic Money Institution License (EMI)	
		Micro	Major	Micro	Major
Applicability		Payment Institution License is applicable for payment service providers that provide one or more payment services, except issuing electronic money.		Electronic Money Institution License is applicable for payment service providers that offer electronic money services.	
Minimum Capital Requirement	Initial	Paid-up equity capital of SAR 1 million	Paid-up equity capital of SAR 3 million	Paid-up equity capital of SAR 2 million	Paid-up equity capital of SAR 10 million
	Ongoing	Equal to the initial capital requirement	Higher of: (a) Initial capital requirement, or (b) 1% of average monthly payment transaction volume	Equal to the initial capital requirement	Higher of: (a) Initial capital requirement, or (b) 2% of total average outstanding electronic money
License Issuance Fee to be paid after Approval of Application		SAR 20,000	SAR 50,000	SAR 20,000	SAR 50,000
Security Deposits Required before Approval		5% of capital required on an ongoing basis in (a) cash, or (b) investments in secure and liquid assets (which should be acceptable to the SAMA)			

Deal Activity of Fintech Startups Operating in Saudi Arabia (1/2)

Fintech funding activity in KSA in last 3 years

S. no	Date	Name	Verticals	Deal Size (\$M)	Deal Type	Post Money Valuation (\$M)
1	May-18	 Geidea		266.17	Buyout/LBO	266.17
2	Jun-19	 Most Caffine		50.00	Private Equity	-
3	May-17	 PayTabs		20.00	Early Stage Venture Capital	-
4	May-17	 Telr		3.70	Early Stage Venture Capital	-
5	May-18	 Sure		2.60	Later Stage Venture Capital	-



Payments



Blockchain













Business Solutions

Source: Pitchbook

Deal Activity of Fintech Startups Operating in Saudi Arabia (2/2)

Fintech funding activity in KSA in last 3 years

S. no	Date	Name	Verticals	Deal Size (\$M)	Deal Type	Post Money Valuation (\$M)
6	May-19	 Bayan Payments		2.80	M&A	-
7	Mar-18	 Rain		0.98	Angel	-
8	Jul-17	 Vapulus		0.30	Seed Stage Venture Capital	-
9	Sep-17	 Vapulus		0.25	Seed Stage Venture Capital	-
10	Feb-19	 Hafezah		0.13	M&A	1.33



Payments



Blockchain



Business Solutions

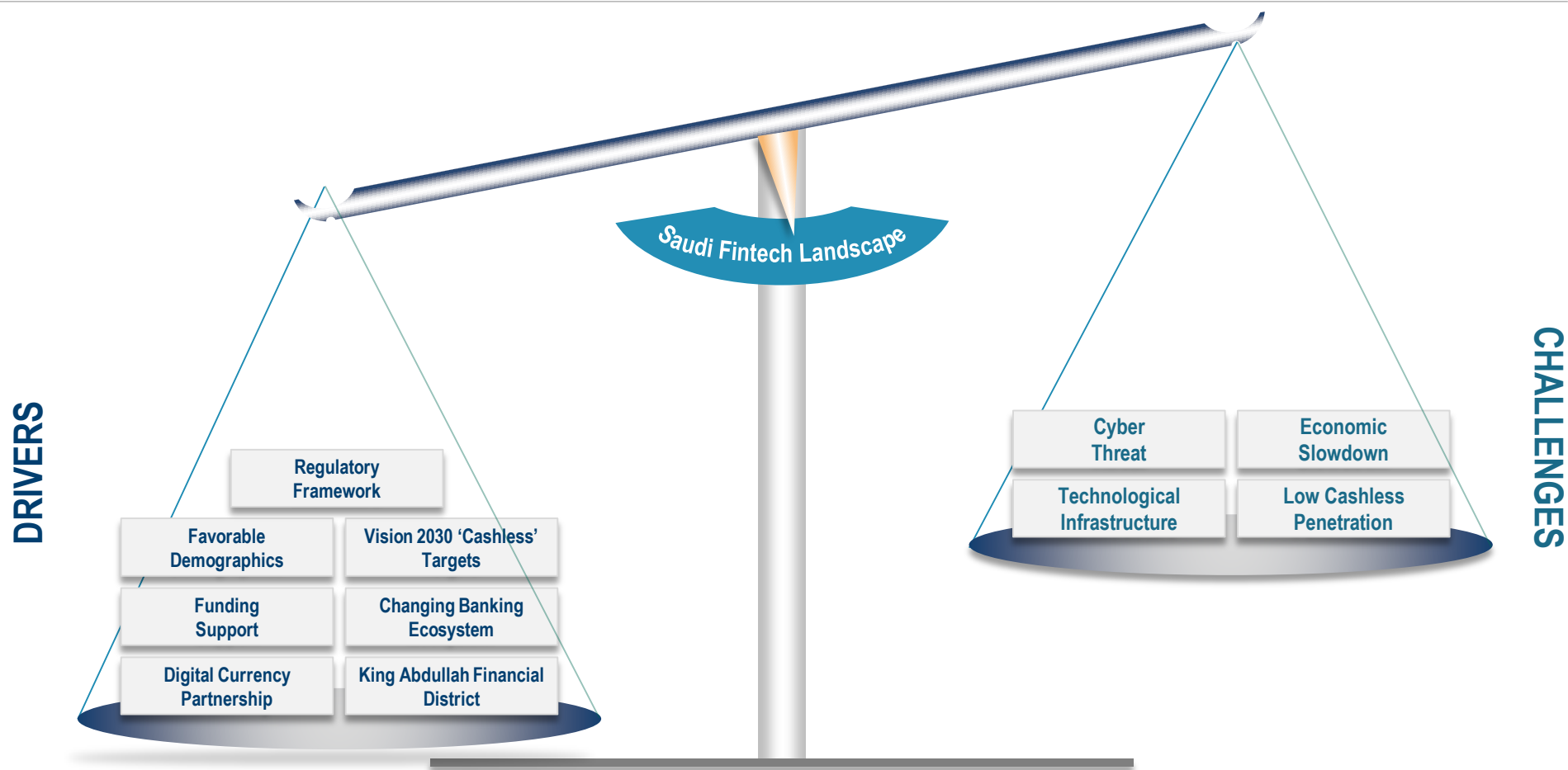
Source: Pitchbook



Fintech Future

Saudi fintech: Opportunities, challenges, outlook

Saudi Fintech Sector Poised to Flourish Despite Certain Roadblocks



Pro-Fintech Environment in Saudi Arabia

Regulatory Framework

The SAMA and government are working to create favorable business conditions for Fintech companies through initiatives such as regulatory Sandbox, Fintech Saudi, and Fintech Lab. This is in line with the goal of higher financial technology integration under the Kingdom's Vision 2030.

Vision 2030 'Cashless' Targets

Saudi Arabia's Vision 2030 aims to achieve 70% cashless transactions, while current levels are less than 30%. These goals indicate strong demand prospects for payment companies.

Funding Support

With the relaunching of the world's largest sovereign wealth fund, Saudi Arabia's PIF, along with Softbank, has set up \$100 bn for investments in the technology space, which is expected to boost Fintech funding activity. Besides PIF, VCs, accelerators and other financial institutions' interest in Fintech is increasing. For example, Riyadh Bank recently set up a SAR 100 million fund for Fintech startups.

Digital Currency Partnership

Saudi Arabia and the UAE have partnered to develop a digital currency, Aber, for interbank usage. This is a big step for KSA that previously deemed digital currency illegal.

Favorable Demographics

With 2.2 million youngsters between 15 and 19 years of age and over 20 million people below 35 years, Saudi Arabia's young population indicates huge market potential. An added advantage is that KSA's internet and mobile phone penetration stands at 93% and 116%, respectively.

King Abdullah Financial District

Establishing a financial district in Riyadh that will focus on encouraging Fintech activities depicts the Kingdom's dedication toward integrating Fintech extensively.

Changing Banking Ecosystem

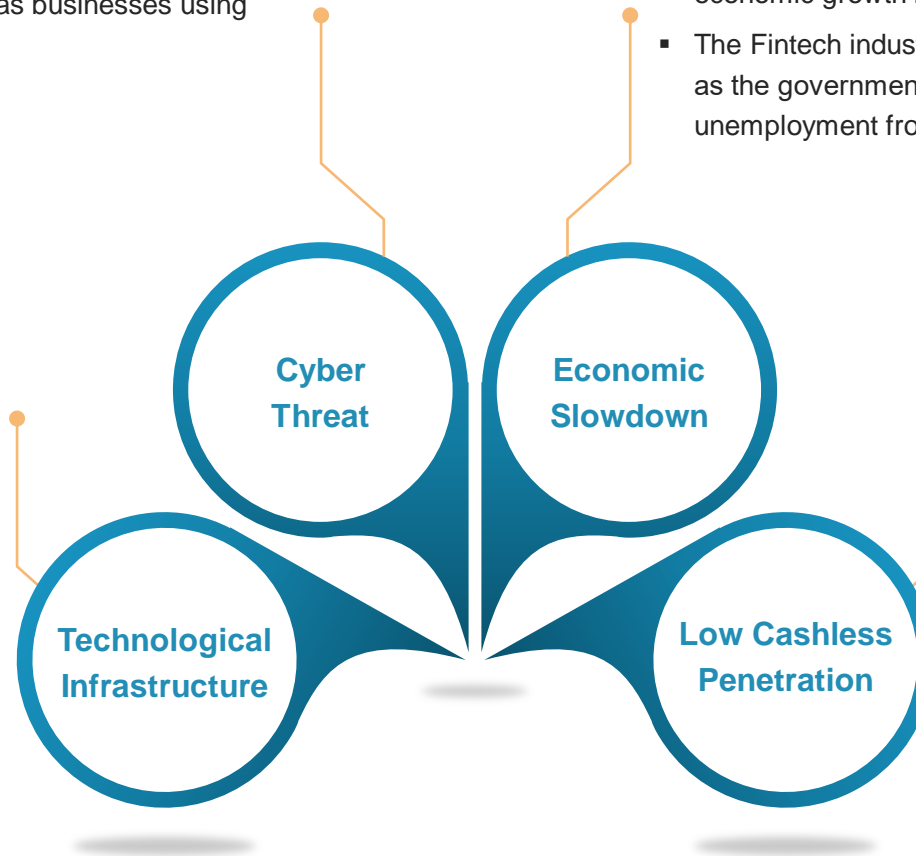
As the financial industry in Saudi Arabia undergoes a paradigm shift, banks acknowledge that in order to stay competitive they need to cater to changing customer needs. Accordingly, they are adopting new payment delivery modes and Shariah-compliant banking infrastructure by integrating with Fintech start-ups.



Source: Data Reportal, The National, SAMA

Challenges for Fintech Companies

- Companies in KSA have been highly vulnerable to cyber threats and lost considerable sums to such attacks.
- Fintech companies need to address this issue to provide security to both consumers as well as businesses using their platforms.
- While the Saudi Arabian government promotes Fintech integration in different aspects of finance, the infrastructure required for growth is still in preliminary stages compared to its other GCC counterparts such as Bahrain, the UAE and Abu Dhabi. For instance, open APIs are only available in Bahrain from all GCC countries.
- Sharp decline in oil prices, subdued demand for oil owing to the coronavirus outbreak, and nation-wide lockdown to deal with the pandemic have dimmed the outlook for economic growth in KSA as well as globally.
- The Fintech industry is likely to feel the repercussions too as the government's focus will shift on curbing unemployment from innovations.
- Currently, less than 30% of the population uses cashless medium of payments or owns a credit card.
- While Vision 2030 has an ambitious goal of 70% cashless penetration, transitioning to such levels will require behavioral changes in people and removal of any stigma related to digital payments.



Saudi Fintech Sector: On the Road to Success

Conclusion

The three biggest advantages for the Saudi Fintech sector are regulatory support for the adoption of Fintech, Vision 2030, and favorable demographics.

The Saudi Arabian government and regulatory authorities are working toward spreading awareness about the advantages of incorporating Fintech in day-to-day life. Several initiatives, such as the regulatory Sandbox, Fintech Saudi, and Fintech Lab, have been launched to help innovative entrepreneurs establish and grow their businesses.

Saudi Arabia's nascent Fintech industry already has over 40 startups. Given the country's Fintech-business friendly environment, the number is expected to grow manifold over the next few years.

Under Vision 2030, KSA aims to diversify its economy from oil-based to other sectors, with Fintech viewed as one of the core focus areas. Aiming to transform 70% of the economy into 'cashless' by 2030, the Kingdom is evidently ready to do whatever it will take to become the next Fintech hub in the GCC region.

From the perspective of adoption, Saudi Arabia has a favorable demographic profile. It has a young, technology-savvy population, the ideal target audience for technology companies. Even traditional banks and financial institutions have recognized the importance of having cutting-edge technological systems and enhancing customer experience; consequently, many banks in the region are partnering with Fintech startups.

There are challenges of course. Near-term concerns include the global economic slowdown due to the pandemic and the oil price war Saudi Arabia is embroiled in currently, while long-term challenges include cyber threats that Middle Eastern countries have faced since a long time. The government and companies need to address these effectively for a smooth transition to a Fintech-focused economy.






We remain bullish on the Saudi Fintech industry and believe it is poised to grow.



Appendix






Saudi fintech companies, global outlook

Appendix 1: Fintech Companies Operating in Saudi Arabia (1/9)

Sub-sector	Company	Business Description	Investment / Valuation	Location
Banking and Payments		<ul style="list-style-type: none"> Ateon is a solutions provider and systems integrator with focus on blockchain and cyber security. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Risk and Fraud Management		<ul style="list-style-type: none"> Circlys is a Saudi mobile app that aims to reduce the risk of failure by helping users to manage their ROSCAs and to join public ones. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Financial Information & Technology		<ul style="list-style-type: none"> DirectFN's offers multiple software and IT-related services such as desktop information workstations, transaction systems and order management systems. 	Last Financing: n.a. Deal Date: n.a.	United Arab Emirates
Payments		<ul style="list-style-type: none"> HalalaH is a digital payment platform for customers to consolidate their payment transactions on one platform. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
POS Solutions		<ul style="list-style-type: none"> MarnPOS has developed a POS system for retail businesses. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia






Source: Pitchbook

Appendix 1: Fintech Companies Operating in Saudi Arabia (2/9)

Sub-sector	Company	Business Description	Investment / Valuation	Location
Payments/Currency Exchange		<ul style="list-style-type: none"> BayanPay offers online payment, e-wallets and other payment services. 	Last Financing: USD 4.63 mn Deal Date: January 1, 2019 Post-money valuation: USD 4.63 bn	Saudi Arabia
Payments/Remittance		<ul style="list-style-type: none"> Digital Cash International Company is a Saudi company which has an exclusive right for digital cash with Saudi Information Technology Ltd. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Payments		<ul style="list-style-type: none"> Geidea develops and provides electronic payment systems and financial technologies. 	Last Financing: USD 266.17 Deal Date: May 7, 2018 Post-money valuation: USD 266.17 mn	Saudi Arabia
Funding/Crowdfunding		<ul style="list-style-type: none"> Manafa is a funding platform using which investors can invest in emerging companies in the region and thereby diversify their portfolios. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Payments		<ul style="list-style-type: none"> Moyasar offers ePayment solution. The company facilitates detail reporting of business and assists in integration with back-office systems. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia






Source: Pitchbook

Appendix 1: Fintech Companies Operating in Saudi Arabia (3/9)

Sub-sector	Company	Business Description	Investment / Valuation	Location
Payments Solution		<ul style="list-style-type: none"> The Nourpay Global Acquirer Platform helps merchants connect with around 40 leading acquiring banks across 30 countries. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
IT – Workflow Automation		<ul style="list-style-type: none"> SmartScreen offers lifecycle management services for cash, compliance and exception management. It also offers reconciliations, trade finance and trade process management as well as business consulting. 	Last Financing: Undisclosed Amount Deal Date: May 20, 2012 Post-money valuation: USD 321.82 mn	United Kingdom
Lending Marketplace		<ul style="list-style-type: none"> Tammwel is an online platform that links loan seekers to commercial loan providers. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Payments		<ul style="list-style-type: none"> Telr offers an online payment platform including multiple payment methods such as wallets, banking, debit cards and credit cards. 	Last Financing: USD 3.70 mn Deal Date: May 1, 2017	Dubai
Healthcare Financing		<ul style="list-style-type: none"> Nadharah & Siha offers healthcare financing services to applicants and partners. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia






Source: Pitchbook

Appendix 1: Fintech Companies Operating in Saudi Arabia (4/9)

Sub-sector	Company	Business Description	Investment / Valuation	Location
Crowdfunding	 Scopeer	<ul style="list-style-type: none"> Scopeer is a crowdfunding platform where entrepreneurs can offer shares of startups to the public and collect investments therefrom. It is authorized by the CMA. 	Last Financing: Undisclosed Amount Deal Date: August 13, 2019	Saudi Arabia
Payments	 stc pay	<ul style="list-style-type: none"> STCpay is a digital wallet for digital payments through smart devices. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Payments	 tap	<ul style="list-style-type: none"> Tap Payments offers an online payment & acceptance platform for businesses. 	Last Financing: n.a. Deal Date: n.a.	Kuwait
Payments	 HYPER PAY	<ul style="list-style-type: none"> Hyperpay has developed a digital financial platform for online payment processing solutions. 	Last Financing: Undisclosed Amount Deal Date: December 26, 2019	Saudi Arabia
Accounting Software	 قويد Qoyod	<ul style="list-style-type: none"> Qoyod is an online accounting software for SMEs. Users can issue invoices and manage expenses/budgets while automatically recording corresponding journal entries. 	Last Financing: Undisclosed Amount Deal Date: August 28, 2018	Saudi Arabia






Source: Pitchbook

Appendix 1: Fintech Companies Operating in Saudi Arabia (5/9)

Sub-sector	Company	Business Description	Investment / Valuation	Location
Payments	 PayTabs <small>Simple and Trusted Payments</small>	<ul style="list-style-type: none"> The company's online e-Commerce payment gateway is a payment processing and fraud prevention service platform. 	Last Financing: USD 20 mn Deal Date: August 21, 2017	Saudi Arabia
Lending	 Lendo	<ul style="list-style-type: none"> Lendo provides P2P crowdfunding and receivable financing in Saudi Arabia. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Financial Advisory	 Wahed	<ul style="list-style-type: none"> Wahed Invest is a registered investment advisor that aims to provide Shari'ah-compliant automated wealth advisory platform to investors across the world. 	Last Financing: n.a. Deal Date: n.a.	USA
Lending	 <small>الزائدة للموئل</small> ALRAEDAH FINANCE	<ul style="list-style-type: none"> AlRaedah Finance is a company specializing in financing small and medium enterprises. It is licensed by the SAMA and targets institutions and companies with daily/weekly/monthly sales. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Lending	 <small>فرص</small> FORUS	<ul style="list-style-type: none"> Forus is a lending marketplace using which investors can offer alternative loans to SMEs. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia






Source: Pitchbook

Appendix 1: Fintech Companies Operating in Saudi Arabia (6/9)

Sub-sector	Company	Business Description	Investment / Valuation	Location
Payments	 xPay أكس باي	<ul style="list-style-type: none"> xPay offers a finance platform to digitally manage payments and financial transactions. 	Last Financing: USD 0.25 mn Deal Date: December 6, 2019 Post-money valuation: USD 0.24 mn	Egypt
Lending	 سلفة SULFAH.com	<ul style="list-style-type: none"> Sulfah.com provides online cash funding using an online portal and mobile app. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
IT Consulting	 SURE شور الدولية للتقنية SURE International Technology	<ul style="list-style-type: none"> Sure provides technical and consulting solutions to the public and private sectors. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Financial Information Aggregator	 كريدتلي creditly	<ul style="list-style-type: none"> Creditly is an electronic financing brokerage firm licensed by the SAMA. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Restaurant Technology	 foodics	<ul style="list-style-type: none"> Foodics' cloud-based restaurant management system is aimed at offering POS tools to manage restaurant functions. 	Last Financing: USD 4 mn Deal Date: June 1, 2019	UAE/Saudi Arabia






Source: Pitchbook

Appendix 1: Fintech Companies Operating in Saudi Arabia (7/9)

Sub-sector	Company	Business Description	Investment / Valuation	Location
Crowdfunding	 Buthoor	<ul style="list-style-type: none"> Buthoor Solidarity enables investors to invest in shares in SMEs and thereby contribute to their funding. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
IT Software Management	 BrightWare	<ul style="list-style-type: none"> BrightWare provides IT solutions and services for clients in Saudi Arabia, from identifying requirements to implementing the appropriate solution. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Payments	 Network International Payment Solutions	<ul style="list-style-type: none"> The company provides a suite of technology-enabled payment solutions to merchants and financial institutions, including acquiring and processing services. 	Last Financing: USD 1.43 bn Deal Date: April 10, 2019 Post-money valuation: USD 2.86 bn	Dubai
Telecommunications	 Skyband شركة سكايباند للاتصالات Skyband Telecommunications Co. Ltd.	<ul style="list-style-type: none"> Skyband is a telecommunication and GSM provider in the Middle East. 	Last Financing: n.a. Deal Date: n.a.	Malawi, Africa
Business Automation Solutions	 codelab	<ul style="list-style-type: none"> Codelab has developed technical solutions for process automation for various sectors, including education, health, and human resource management. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia


Source: Pitchbook

Appendix 1: Fintech Companies Operating in Saudi Arabia (8/9)

Sub-sector	Company	Business Description	Investment / Valuation	Location
Financial Solutions		<ul style="list-style-type: none"> Azm Saudi Arabia provides advanced services in building, developing and integrating financial solutions with modern technology. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Lending		<ul style="list-style-type: none"> Tamam offers individuals instant loan facility, eliminating the need to physically visit a bank. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
P2P Lending		<ul style="list-style-type: none"> Raqamyah is a regulated peer to peer (P2P) financing platform offered by the SAMA. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Lending		<ul style="list-style-type: none"> Maalem Financing is a non-banking finance company (NBFC) delivering Shariah-based finance services to individuals and SMEs in Saudi Arabia. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Website and App Development		<ul style="list-style-type: none"> Afaq Technologies offers development and design services for mobile applications and websites. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia/India

Source: Pitchbook

Appendix 1: Fintech Companies Operating in Saudi Arabia (9/9)

Sub-sector	Company	Business Description	Investment / Valuation	Location
Payments		<ul style="list-style-type: none"> Urway Payment Gateway provides an online payment platform for businesses. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia
Payments	Alinma Pay	<ul style="list-style-type: none"> Alinma Pay is an e-commerce payment gateway service that accepts both domestic and international credit and debit cards. It was launched by Alinma Bank. 	Last Financing: n.a. Deal Date: n.a.	Saudi Arabia

Source: Pitchbook

Appendix 2: Glossary

Abbreviation Used	Full Form
Crypto	Crypto currency
Fintech	Financial Technology
GCC	Gulf Cooperation Council
KSA	Kingdom of Saudi Arabia
M&A	Mergers and Acquisitions
P2P	Peer to Peer
PE	Private Equity
POS	Point of Sale
PSP	Payment Service Provider
RegTech	Regulatory Technology
SADAD	SADAD Payment System
SAMA	Saudi Arabian Monetary Authority
VC	Venture Capital

500+

strong team professional team
across multi-disciplinary domains

2500+

global Clients

120+

sectors and sub-sectors
researched by our analysts

80+

countries where we have delivered
projects

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