



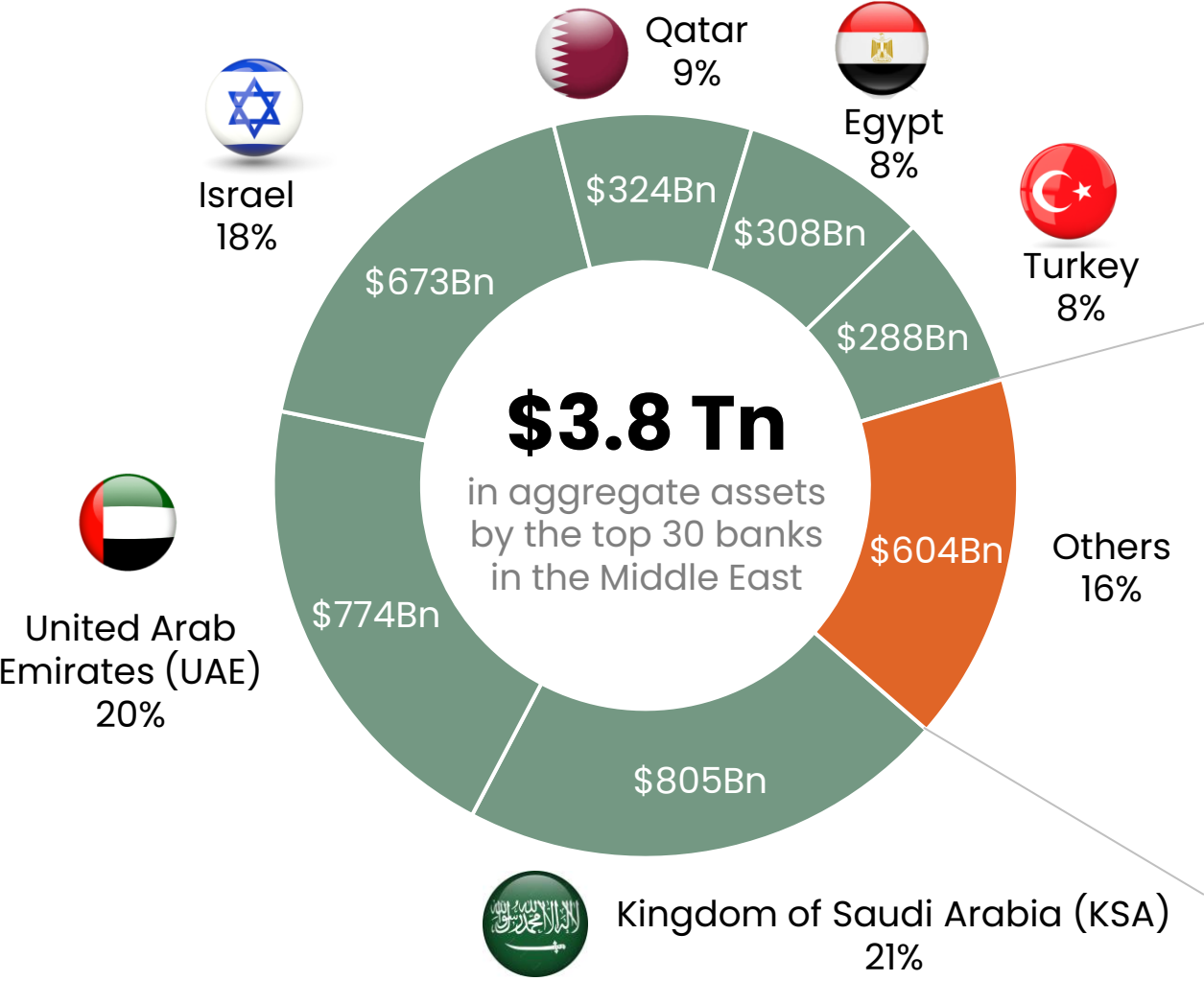
Countries Shaping Middle East's Financial Landscape



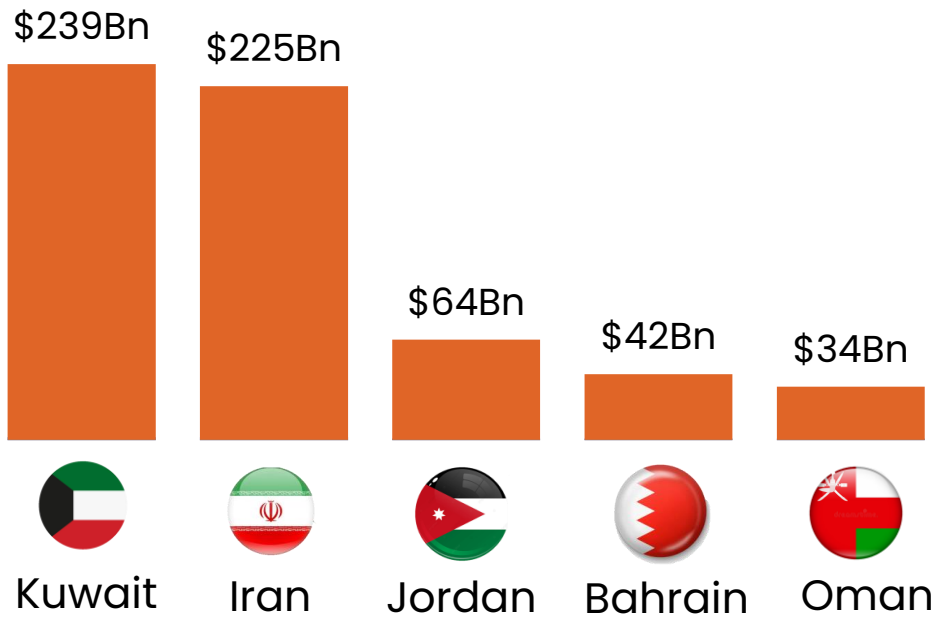
Saudi Arabia

Middle Eastern top banks hold combined assets worth €3.8 trillion.

Aggregate assets of top 30 largest banks in the Middle East



UAE and KSA collectively account for about 40% or \$1.5Tn of the total banking assets of the Top 30 banks in the Middle East.

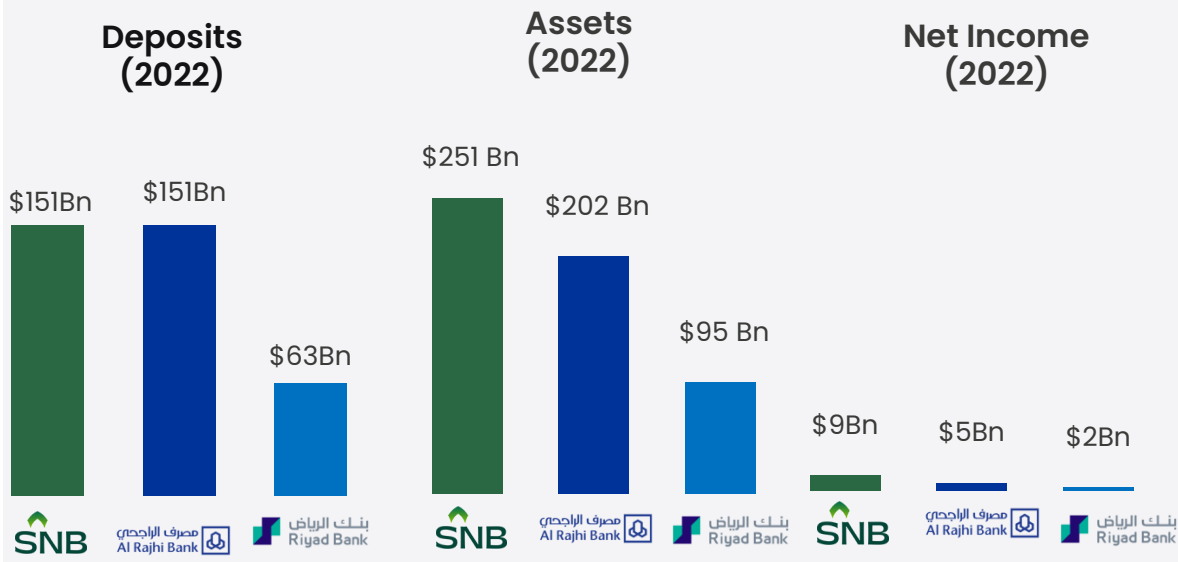


Country Profile

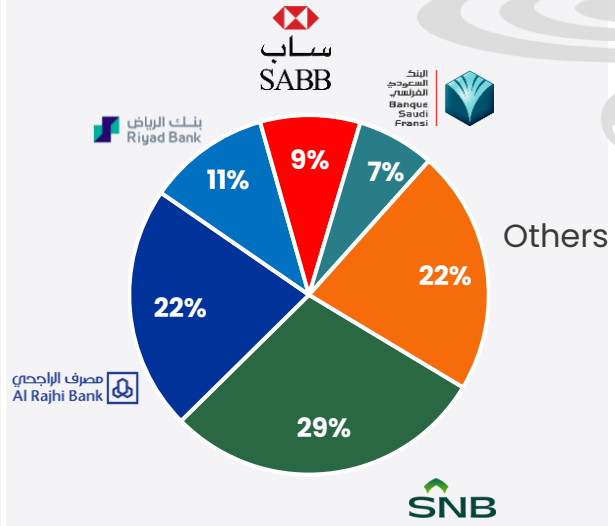
Saudi Arabia

TOTAL POPULATION 35 m
ACTIVE POPULATION 16 m
GROSS DOMESTIC PRODUCT US\$833 Bn
GDP GROWTH 8.7%
GDP PROJECTION (2023) 3.1%
WORLD ECONOMY RANKING 31st

Top Banks in Saudi Arabia Key Figures (\$USD)



Market share (2022)



Total loans (2022)
US\$664 Bn +1.4% YoY

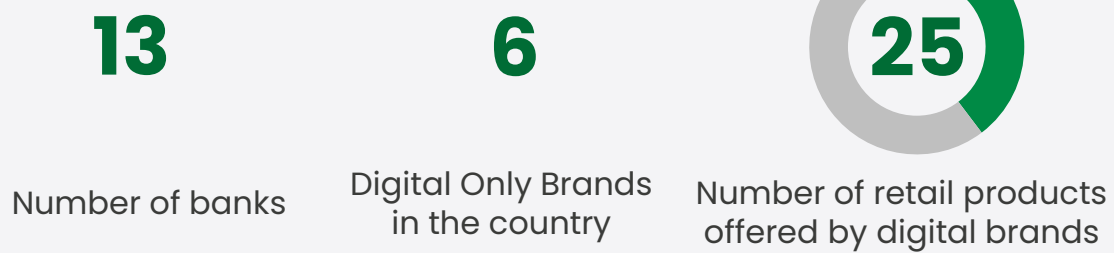
Financial assets (2023)
US\$1.02 TR +8.55% YoY

Total Deposits (2023)
US\$657 Bn +8.78% YoY

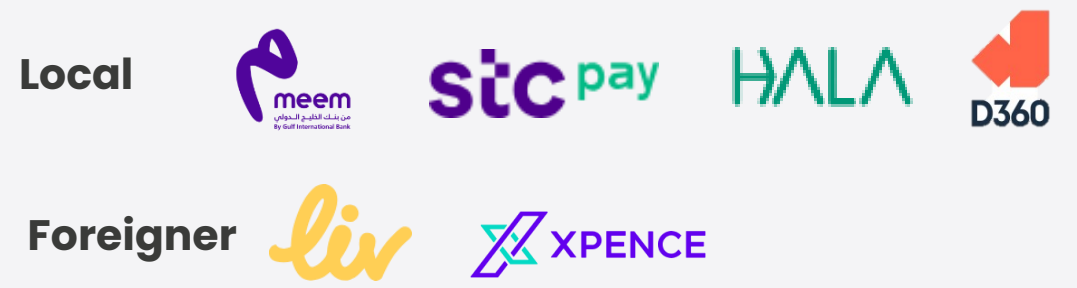
Return on equity (2022)
13.1% +2,2% YoY

Share of assets held in the ME (2022)
21%

Competitive landscapes

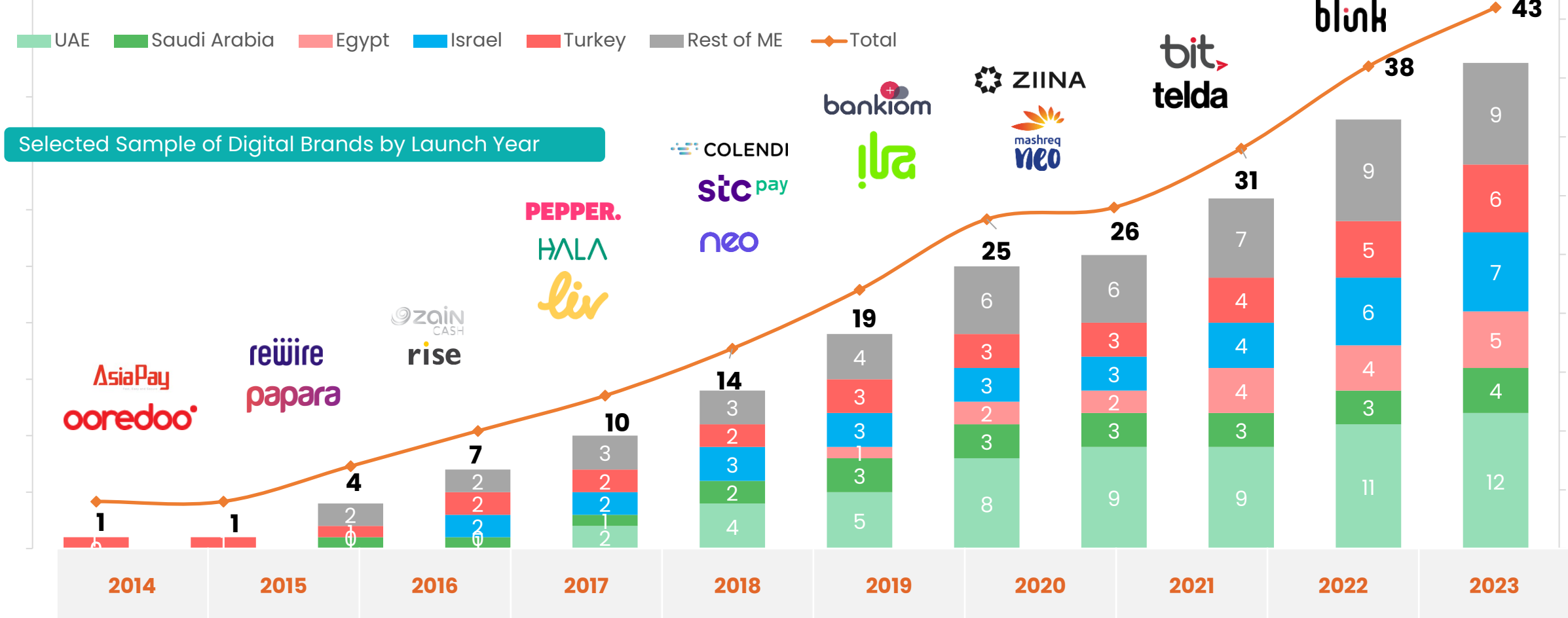


Prominent Digital Brands



The UAE shows a leading position in this expansion, with Saudi Arabia and Egypt also contributing significantly to the regional growth in the number of institutions over time.

Trajectory of Digital Banking In The Middle East




Our updated research shows, additional entities that have secured banking licenses, two new banks that are poised to launch imminently and E20 that has ceased operations this year.

Israel




lili ONE ZERO DIGITAL BANK
FIDO
Neema bit
rewire by Remitly PEPPER.

Turkey



en para.com
COLENDI
tosla papara
PeP ininal

Jordan



blink

Iraq




zain CASH
neo
AsiaPay

Iran

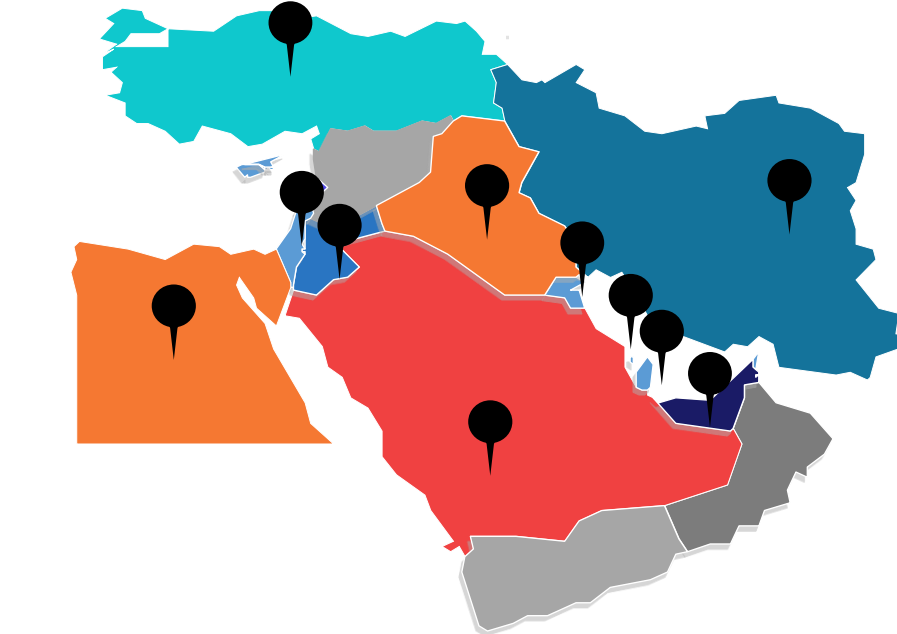


بانکینو
Bankino

Egypt



mnt halan
telda
KASHAT
بنک بلنک
vapuluz




43+
Digital banks

60m+
Digital-only Banks' Users

440 M+
Population in the Middle East.

Bahrain



BEYON Money

Kuwait



Weyay

Saudi Arabia



meem
stc pay HALA
Saudi Digital Bank
D360
(To open soon) (To open soon)

United Arab Emirates

now money
jingle pay
rise
liv
Zand
YAP
bankiom
ZIINA
verity
Wio
XPENCE

Qatar



ooredoo

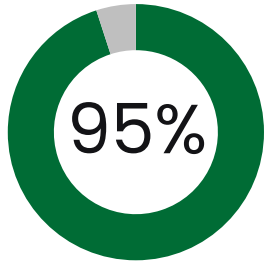
E20
Closed
September 2023

Neo-bank additions to our previous list

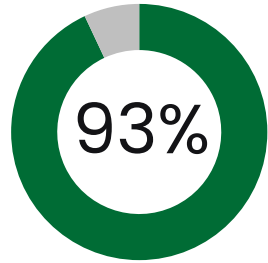


Saudi Arabia displays strong preference for digital banking – due to high digitalization levels, but trust issues persist. Customers prefer electronic banking, yet they seek quicker, more cost-effective payment solutions

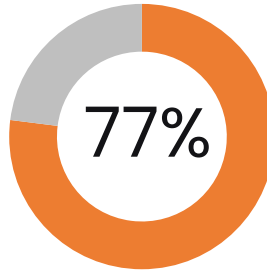
Customer Digital Banking Preferences in Saudi Arabia



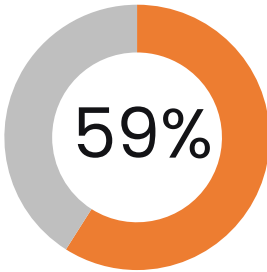
Have used Digital Banking Channels



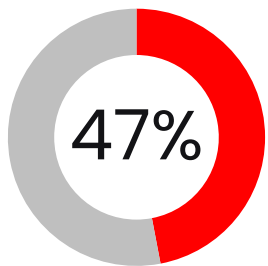
Conduct Banking activities through electronic banking



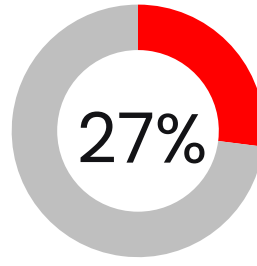
Access Digital Services once a week



Preferred Mobile Banking Application

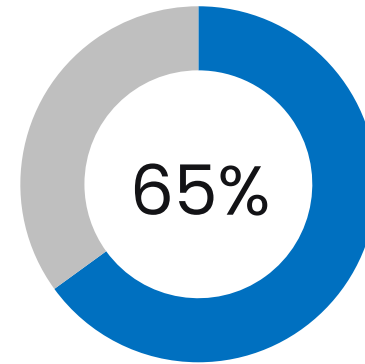


Trust in Mobile Service Providers

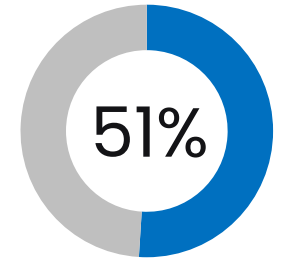


Trust in Online-Only Banks

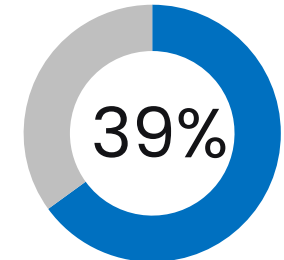
Domains for Enhanced Offering



Make payments faster, cheaper and easier.



Invest more easily

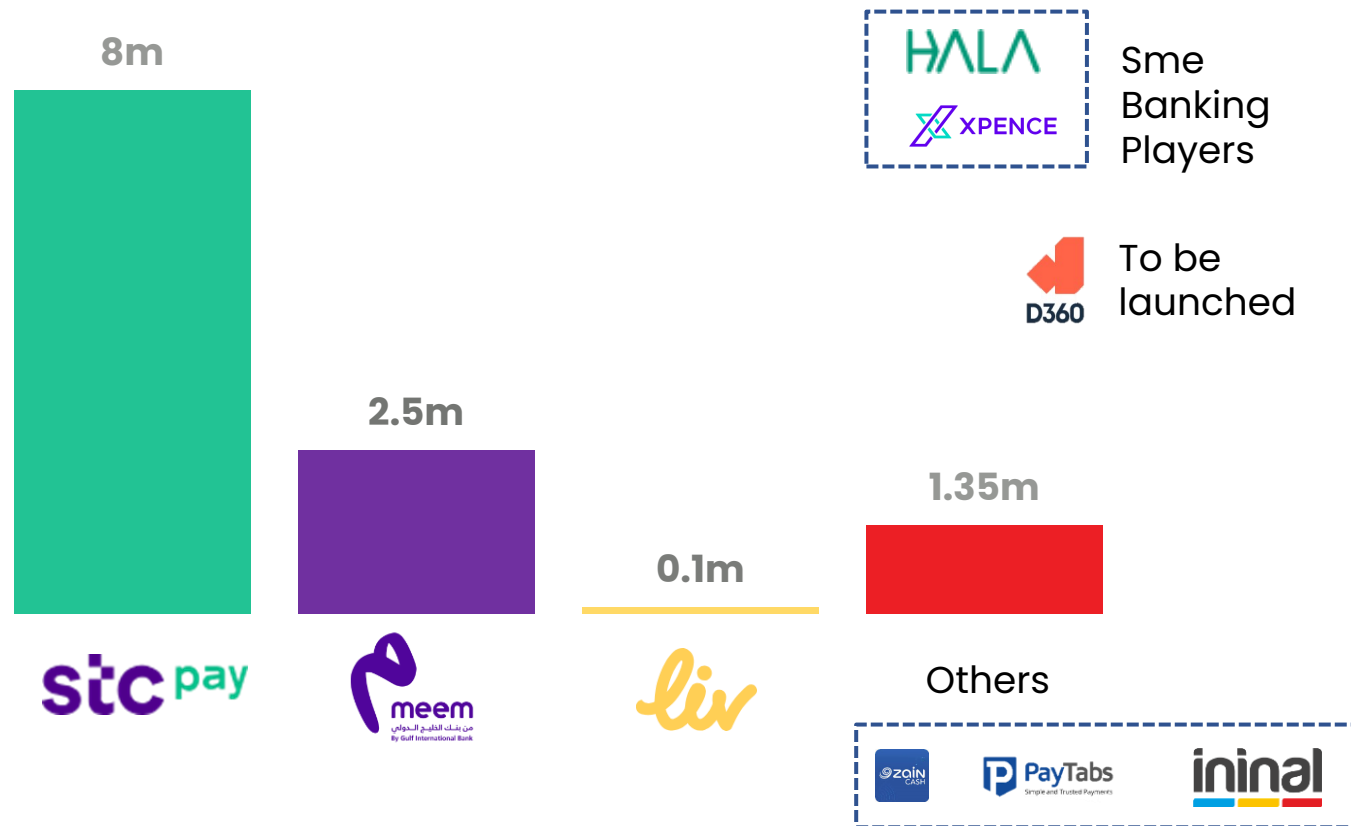


Support with budgeting & saving

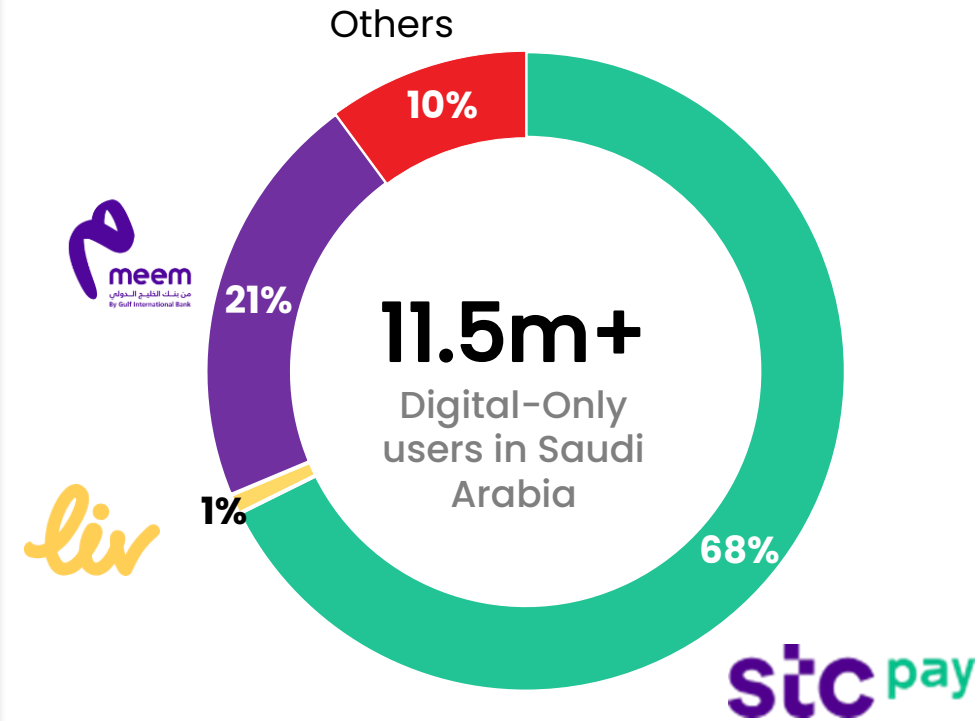


Saudi Arabia, digital banking is rapidly expanding - with over 11m users. Leading the market, STC Pay has 8 million users, followed by Meem Bank with 2.5 million. Liv and other digital banking services are also emerging highlighting a growing and diverse digital banking sector in the region.

Number of Users by Digital Only Banks in Saudi Arabia
(Million of users)

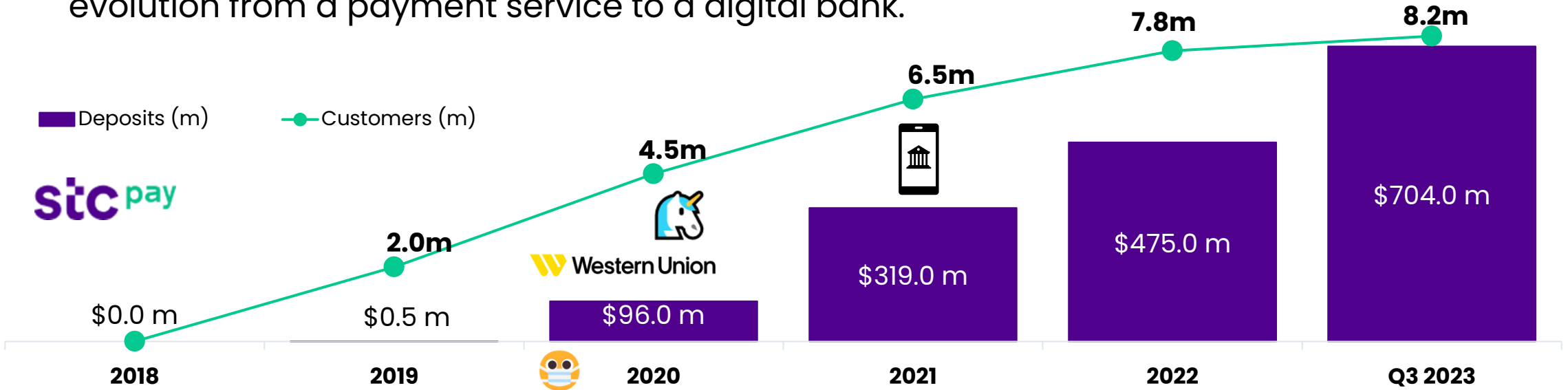


Digital-Only Banks Market Share in Arabia Saudi





Case Study – STC Pay has seen a significant customer and deposits growth. Milestones include Western Union's investment, reaching a \$1.3 billion valuation, acquiring a digital bank license, and launching in Bahrain, indicating robust expansion and regulatory support for its evolution from a payment service to a digital bank.



STC Pay Milestones

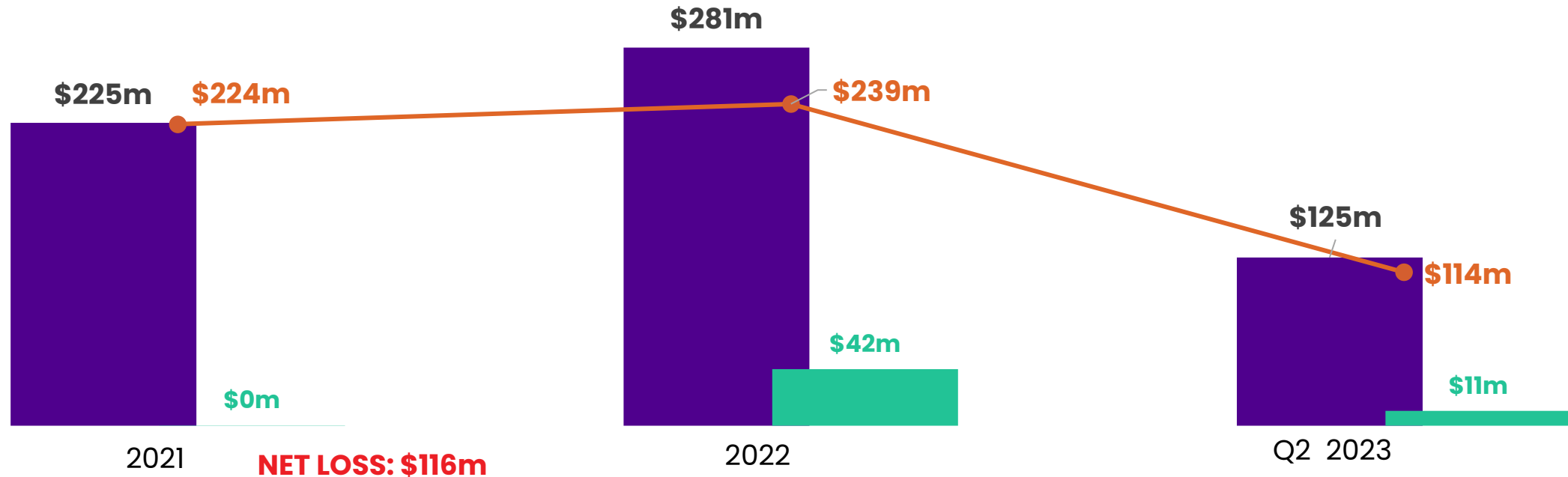
- Founded in Riyadh, Saudi Arabia
- Electronic Money License
- After one year of launching it reached 2 million customers
- Merchant app for business is launched.
- Launched in Bahrain
- Western Union buys 15% stake
- Reaches valuation of \$1,3bn, becomes a unicorn.
- **Obtained licensed as a digital bank** from the council of ministers of Saudi Arabia.
- STC PAY share financial statements with Losses of \$116m
- \$413k Frozen money till completion of conversion to bank
- Revenue grows in 25% compared to 2021.
- Qattah was launched. (split payments)
- STC Pay Bahrain is licensed as mobile wallet
- Saudi Central Bank removed restrictions on frozen money for the conversion to bank.



Case Study – STC Pay is on its path to profitability, dedicating substantial resources to enhance its payment infrastructure and merchant relations. As the premier fintech unicorn in Saudi Arabia, it has captured Western Union's interest, evident from their acquisition of a 15% interest for \$200 million. STC Pay functions autonomously as a fintech venture, providing a diverse suite of services tailored to consumer needs.

STC Pay Revenue, Gross Profit and Costs (Values in US Dollars)

■ Revenue (\$) ■ Gross Profit ● Costs (\$)



Company Overview

STC Pay, launched by Saudi Telecom Company, is a digital bank offering mobile payments, peer-to-peer transfers, and bill payment services, addressing modern financial needs.



2018

Founded



\$200m

Total Funding Raised



\$1,2B

Valuation



8m

Customers



800+

Employees



2

Countries



\$281m

Revenue

Products offered:



PERSONAL:

International transfers, business payments .



PERSONAL:

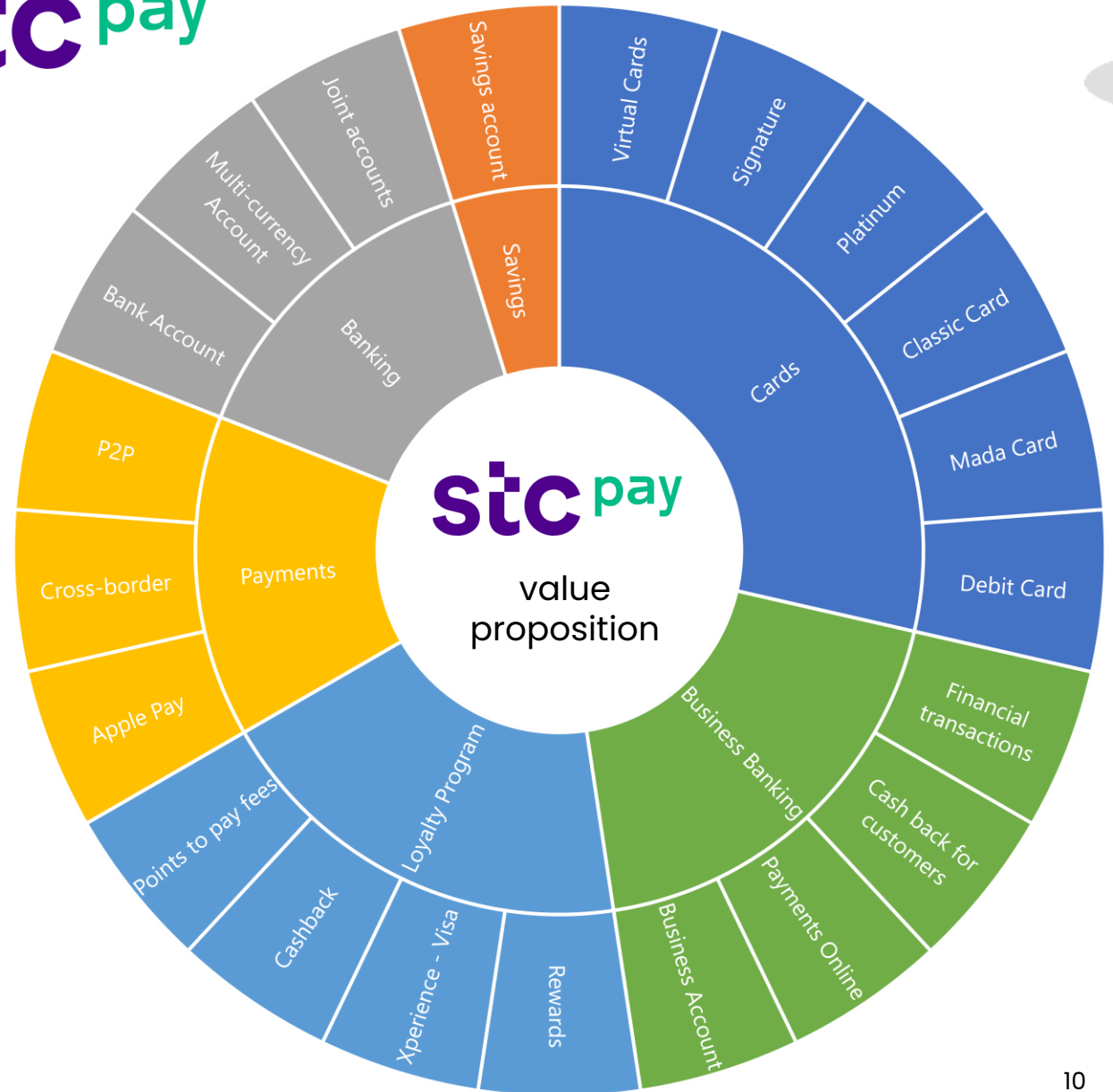
Savings, debit cards, salary transfer with Musaned.



BUSINESS:

Digital payment , merchant app, Financial management.

stc pay



Company Overview

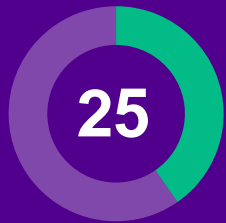
Success Factors

- **Pioneering Market Presence:** STC PAY's early entry into the mobile wallet landscape granted it a first-mover advantage, enabling rapid growth and establishing a strong foothold in the market.
- **UX and features based:** STC pay focus on customer experience, strong marketplace and new features every year, has made them the main digital bank for Saudi Arabia.

Opportunities / Risks

- **Expansion into Financial Services:** Building on its success as a mobile wallet and payment platform, STC PAY has an opportunity to further expand its offerings into comprehensive financial services.

Retail products



Out of 63

Business products



Out of 10

stc pay



By: stc

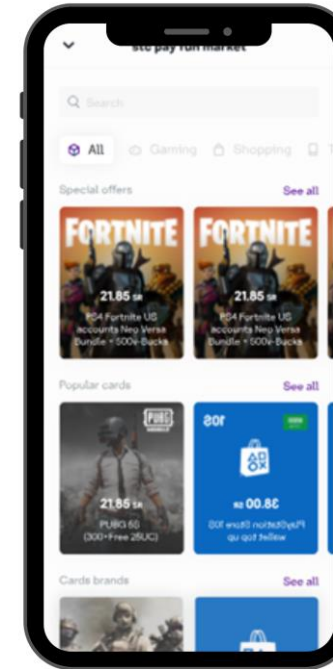
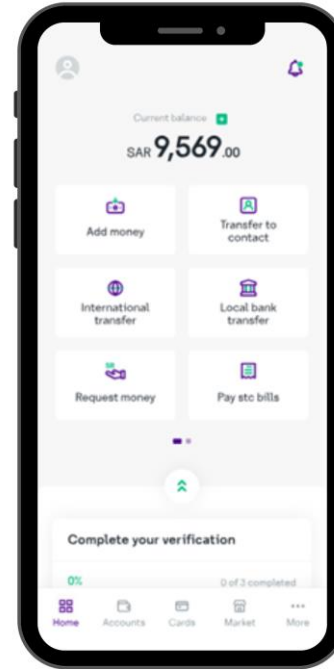
APP FEATURES

Budgeting and analytics

- Spending limits
- Notifications on spending
 - Split bills
- Insights of spending habits
- Control subscription

Lifestyle

- Travel
- Qitaf points
- Send Gifts



Banking

- Send money phone to phone
- Transfer to local banks
- International transfers
- STC Pay bills
- Request Money
- Cardless ATM withdrawal
- Shared account

Marketplace

- Restaurants
- Local stores
- Games

Wallet to Wallet

- Send and receive money to and from customer's contact list.

Purchases through QR code

- Stores
- Restaurants
- Gas stations

C-innovation Analysis

The pandemic year presented a strategic alignment with STC Pay's long-term vision of achieving a cashless society by 2030. This unique circumstance provided an opportune moment for STC Pay to advance towards its goal. The company's trajectory remains on track, propelled by the evolving landscape and increasing digital adoption trends.



C-INNOVATION
EMPOWERING STRATEGY

[stcpay website](https://stcpay.com)

*Score based in the research of 13 digital Banks in Middle East. See products and banks selection in the appendix of the document.



Emerging Trends | Digital brands in the Middle East are increasingly incorporating personalized features such as loyalty programs and accounts targeted at specific demographics like teenagers. Innovative products like multi-currency accounts and those catering to expatriate communities exemplify this expansion.

Personal Banking – Extension of Product offering

Insurance

Represents a potential revenue stream, yet their adoption of such services remains limited



Investment

Investment opportunities are evolving, still a limited number of banks providing investment features



Dual banking system

Ila stands as a prime example by aligning with Sharia law principles



Digital banking apps

Prioritize ease of money transfer and financial self-management.



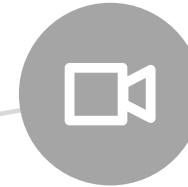
Wide range of cards

To personalised the banking experience



Loyalty programs

Have gained significant importance, aimed at ensuring customer satisfaction.



Lifestyle Approach

that centers on the customer, giving precedence to features shaped by customer preferences and needs



Diversifying account offerings

Focus on teen accounts multi-currency and Mashreq Neo has introduced an innovative Non-Resident Indian account.



Stay tuned for more!



C-INNOVATION

EMPOWERING STRATEGY

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report now!



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