

# MENA FINTECH VENTURE REPORT

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2019 EDITION

**MAGNiTT**



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**MAGNiTT** report in collaboration with  
**Abu Dhabi Global Market (ADGM)**

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## FOREWORD

ABU DHABI GLOBAL MARKET (ADGM)

“ FinTech in MENA has seen immense growth in a very short period of time. ”



**RICHARD TENG,**  
CEO OF FINANCIAL  
SERVICES  
REGULATORY  
AUTHORITY (FSRA),  
ABU DHABI GLOBAL  
MARKET (ADGM)

Digitalisation of financial services is happening at an unprecedented pace. From payments, banking, financial advisory, capital market and insurance, deployment of financial technology (Fintech) via artificial intelligence, data analytics, cloud and blockchain have reimagined the financial services sector resulting in innovation, efficiency and greater financial inclusion.

Against this backdrop, FinTech in MENA has seen immense growth in a very short period of time. Based on the MENA FinTech Venture Report by ADGM/MAGNITT, FinTech is the top industry across MENA by deals in 2018 and 2019. The statistics also revealed that the UAE is MENA's largest FinTech Hub and accounts for the highest amount of funding in the same period.

This year, we sit on the precipice of ADGM's fourth anniversary as an International Financial Centre and FinTech hub. ADGM has put innovation and technology at the forefront of its entire regulatory framework and business. As a progressive financial services regulator, ADGM remains resolute in enabling FinTech to realise its full potential and also in providing modern and effective markets.

Treading on uncharted territory in the region, ADGM made the region's first move into FinTech with the launch of its Regulatory Laboratory, a FinTech licencing regime to permit live testing in 2016. To boost the FinTech ecosystem, ADGM initiated the region's first venture capital fund framework in 2017, a proportionate and risk-based approach to regulate this space. Year after, we introduced a comprehensive crypto-asset regime in 2018, which puts a robust framework around crypto activity. This year, we launched regulatory frameworks for digital banking, digital securities, robo-advisory, and the use of APIs. We are also excited to launch out first batch of applications for the ADGM Digital Lab, a cloud-based platform to facilitate collaboration and FinTech trials between incumbents and startups. On the talent development and professional development front, the ADGM Academy has and will continue to partner with strategic international and local academic institutions and professional associations to support the FinTech ecosystem.

The Abu Dhabi government and major entities have also made several significant developments this year. Mubadala, Softbank and Microsoft set up Hub71, a global technology ecosystem that brings together key enablers for startups to succeed. Additionally, as part of the Ghadan 21 initiative, the Abu Dhabi Investment Office has launched the AED 535 million Ghadan Ventures Fund to attract startups and venture capital funds to Abu Dhabi. The MENA FinTech Association, an industry champion for the MENA FinTech community, is headquartered in ADGM.

Collectively, all our efforts have created visible results as shown by this report, which underlines the UAE's role as the regional FinTech hub. Abu Dhabi, as the capital of the UAE and ADGM as its financial centre are at the heart of these financial industry transformation and FinTech developments in the region. ADGM will do what it takes to maintain an innovative, well-regulated and sustainable marketplace for investors and FinTechs to succeed.

## FOREWORD

MAGNITT

“ FinTech has many similarities to transport & logistics: a large addressable market, the ability to disrupt historical business models and solutions that can cross borders.”



**PHILIP BAHOSHY,**  
CEO & FOUNDER  
OF MAGNITT

Fintech has become somewhat of a buzzword in the region. Everywhere you go, FinTech is the hot subject – this wasn't historically the case. As with any emerging startup ecosystem, infrastructure industries are the first to get disrupted. The Middle East and North Africa region is no different, as technology allows for efficiency in what have historically been inefficient sectors.

When you look at the big tech solutions of the region, Careem solved for the problem of picking up and dropping off people. Souq, an e-commerce website, saw huge success because of their delivery service, providing last-mile delivery to your door. In e-commerce, transport and logistics, we have historically seen the highest number of deals and the largest amount of funding.

With time, these industries got crowded – nowadays, we see further specialization and M&A taking place in these industries. This has opened the way for a FinTech. At its core, FinTech in the region has many similarities to transport and logistics: a large addressable market, the ability to disrupt historical business models using technology, and solutions that can cross borders.

With other industries, there are examples of international solutions that can be adopted regionally. Not surprisingly, this is where we have seen the most growth in FinTech as well: payments and remittances are – understandably – the most invested in solutions. Not blockchain and crypto, but large identifiable problems that can be solved with tech adoption.

The best part for FinTech startups is that the industry is at the top of all government and central bank agendas. They understand the importance of modernization of processes, and are providing sandboxes and other incentives to work with them and grow their solutions. However, similar to all MENA startups, scale is the name of the game. Founders need to navigate multiple regulatory and jurisdictional challenges to build successful companies in this space. The ground, however, is currently fertile and the interest is extremely high.

This report serves as an overview of the growing FinTech space as it continues to grow across MENA.

# EXECUTIVE SUMMARY

**\$237M** INVESTED IN MENA  
FINTECH STARTUPS  
2015 – 2019 YTD

**181** N. OF DEALS IN MENA  
FINTECH STARTUPS  
2015 – 2019 YTD

**1<sup>ST</sup>** INDUSTRY RANKING  
BY N. OF DEALS  
2018 AND 2019 YTD



**FINTECH RANKED 1<sup>ST</sup> ACROSS MENA BY NUMBER OF DEALS IN 2018 AND 2019 YTD**

1

- **Ranking** – FinTech surpassed e-commerce and logistics in 2018 as the most invested industry by number of deals
- **Total Funding** – Total funding still lags behind others, however, with most investments at the early stage



**REGIONAL DEMOGRAPHICS AND GOVERNMENT SUPPORT PROPEL FINTECH GROWTH**

2

- **Drivers** – 6 key drivers to FinTech growth incl. internet penetration, regulatory sandboxes & government funds
- **Government Support** – Regional initiatives include 9 regulatory sandboxes and 5 FinTech funds across MENA



**PAYMENTS AND REMITTANCES IS THE TOP SUB-INDUSTRY WITHIN FINTECH**

3

- **Top Verticals** – Payments & remittances startups have historically received the highest share of FinTech deals
- **Emerging Trends** – Other FinTech technologies, including blockchain, are high on government agendas



**THE UAE IS MENA'S LARGEST FINTECH HUB**

4

- **Regional Hub** – The UAE houses the largest number of FinTech startups & accounts for the most amount of funding
- **High Growth** – 39% yearly growth in FinTech startups since 2012 highlights interest from founders & investors alike



**75+ DIFFERENT ENTITIES INVESTED IN MENA-BASED FINTECH STARTUPS IN THE LAST 5 YEARS**

5

- **Accelerators** – 57% of FinTech investments in 2018 & 2019 YTD have been by accelerators
- **International Interest** – 14% of investors in FinTech have come from outside of the MENA region





1.

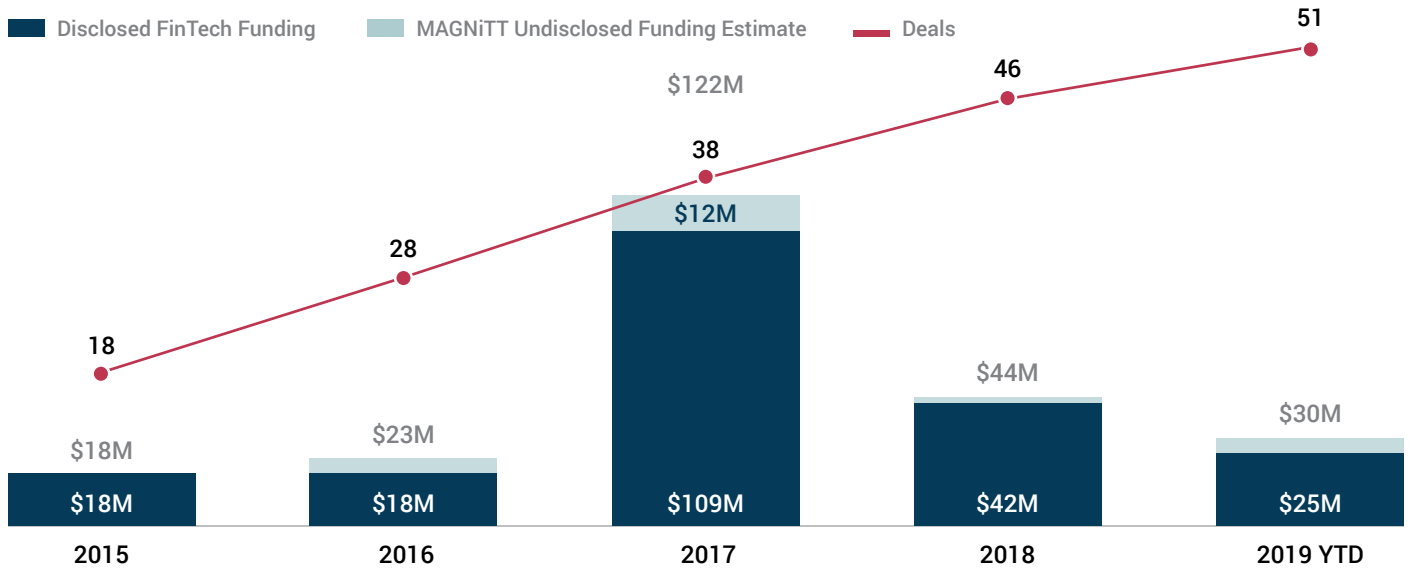
**FINTECH VENTURE  
FUNDING TRENDS**



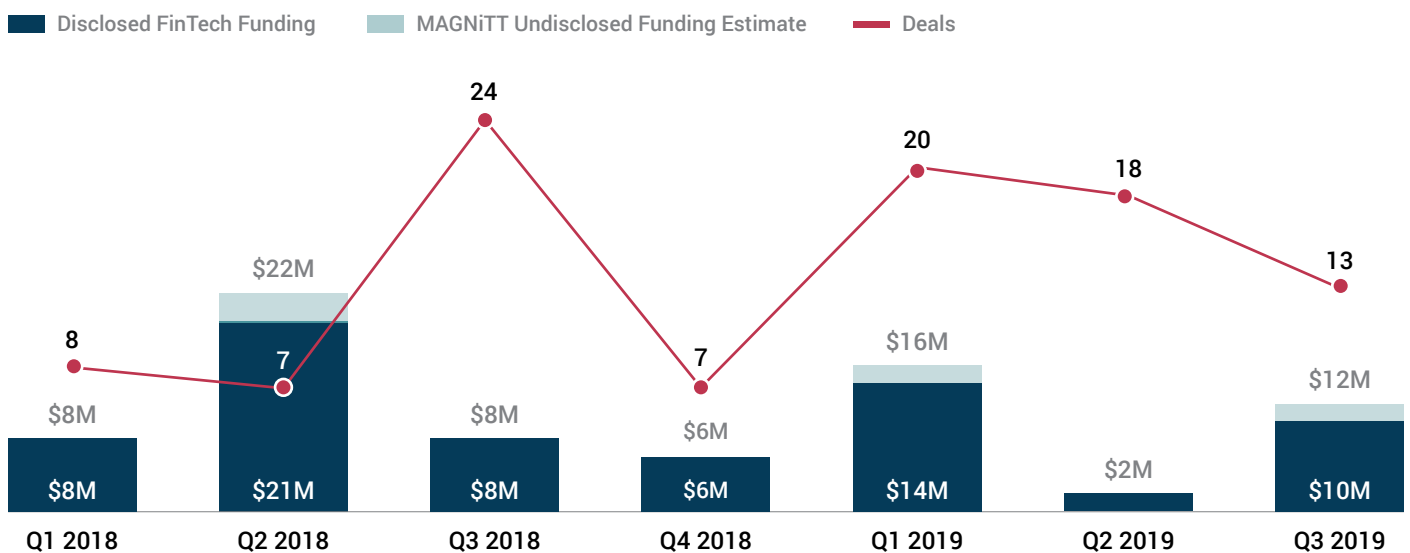
# 1. FUNDING EVOLUTION

A total of \$237M has been invested in 181 deals since 2015 in MENA-based FinTech startups. 2017 was the breakout year for FinTech venture investment across MENA, with large investments including Network International (\$30M), PayTabs (\$20M) and Souqalmal (\$10M).

Annual number of deals (#) and total funding (\$) in MENA-based FinTech startups, 2015 – 2019 YTD



Quarterly number of deals (#) and total funding (\$) in MENA-based FinTech startups, Q1 2018 – Q3 2019



## KEY TAKEAWAYS

# 2019 YTD has seen more FinTech investments than any previous year

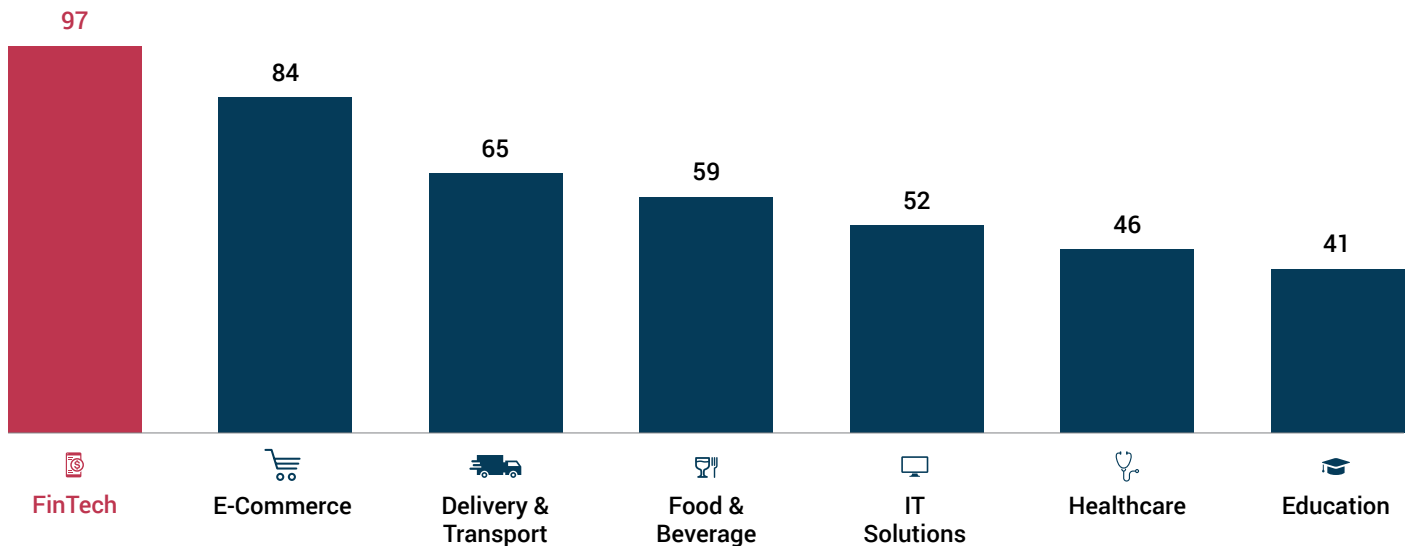
**\$1.8M** The average deal size for FinTech Investments between 2015 and 2019 YTD

**7%** Percentage of total MENA startup funding attributable to FinTech between 2015 and 2019 YTD

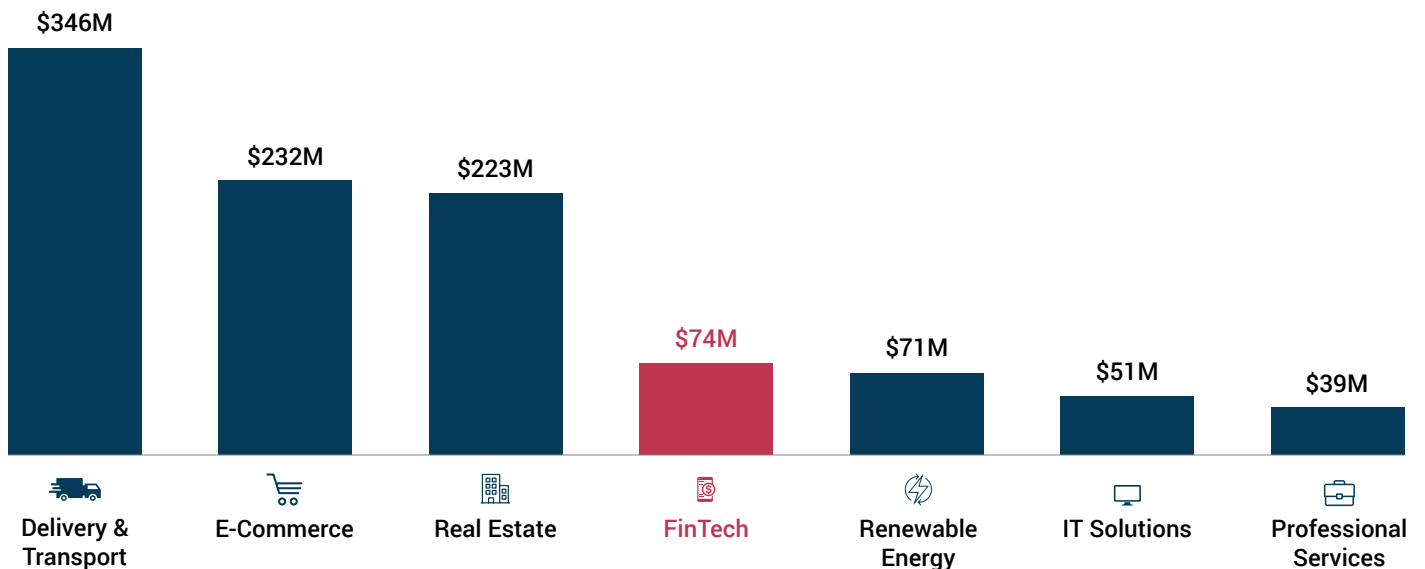
# 1. INDUSTRY COMPARISON

In 2018, FinTech overtook more traditionally invested industries, such as e-commerce and transport, and became the most popular by number of deals across MENA. Despite this, funding amounts are still low, given that investment has predominantly been at the early stage of investment.

Top 7 industries by number of deals (#), 2018 – 2019 YTD



Top 7 industries by total funding (\$), 2018 – 2019 YTD



## KEY TAKEAWAYS

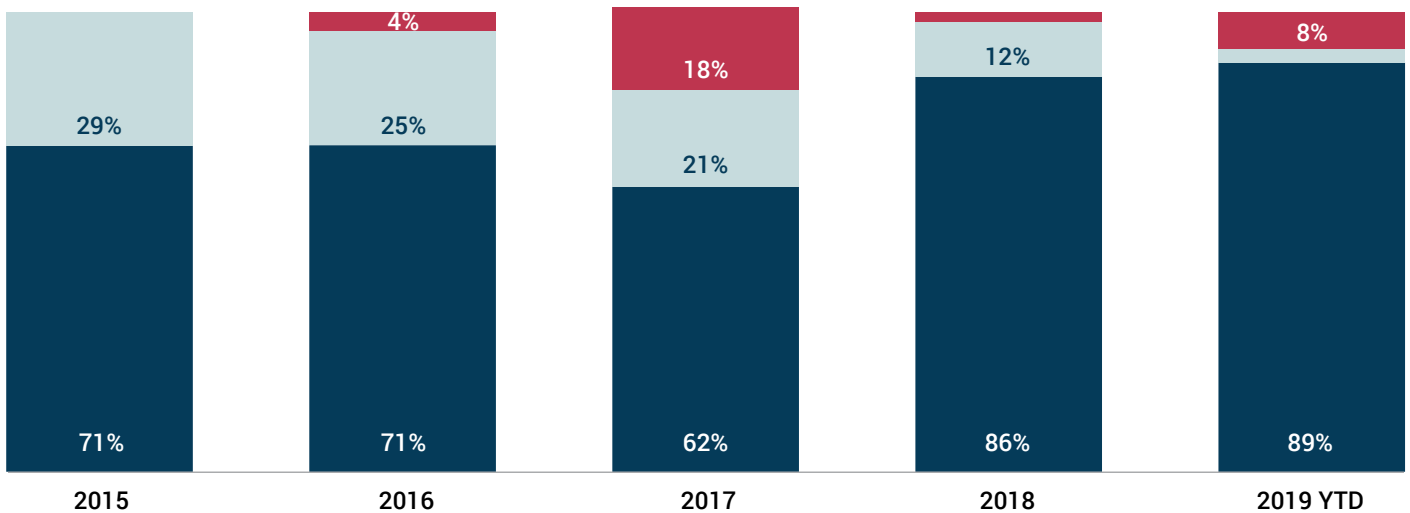
- 1<sup>st</sup>** With saturation in the e-commerce and logistics industries, FinTech has now surpassed all other industries by deals since 2018
- 4<sup>th</sup>** FinTech ranks only 4th by total funding, however, driven by the fact that these deals have predominantly been made by earlier-stage accelerator programs
- 13%** Percentage of all deals in 2018 and 2019 YTD attributable to FinTech, while the industry accounts for only 5% of total funding

# 1. FUNDING STAGE BREAKDOWN

FinTech, while quickly developing, is still a nascent industry within MENA startup scene. The majority of deals have been at early stage. However, notable later stage transactions include: \$30M for Network International, \$20M for Paytabs and \$10M for Souqalmal.

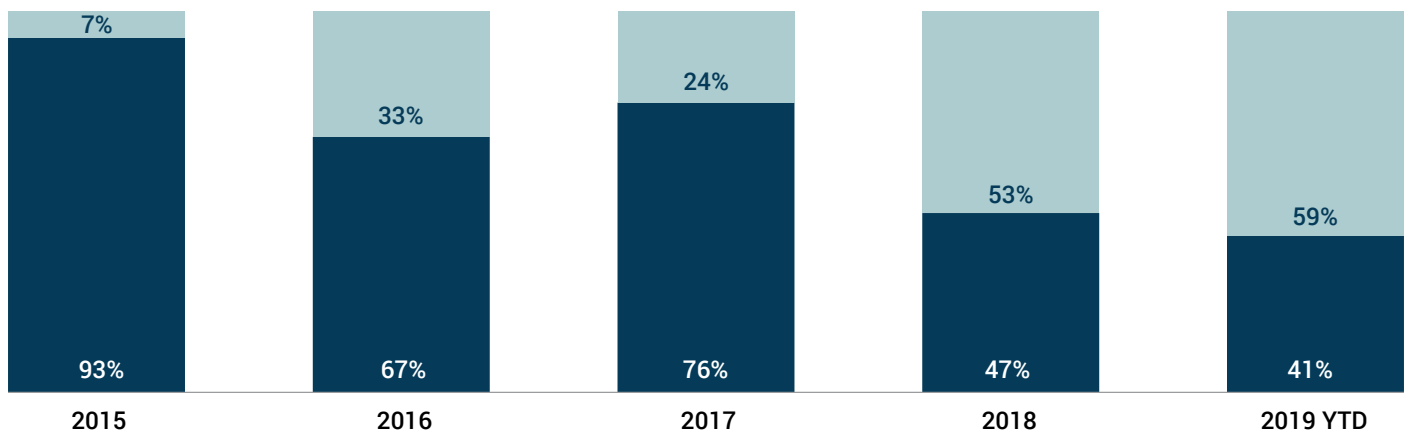
Percentage (%) of total FinTech deals by funding stage, 2015 – 2019 YTD

- **Early Stage** - Investments in small, newly established startups
- **Series A** - Investments in startups that gain traction after early stage investment
- **Series B+** - Investments in quickly scaling later-stage startups, after Series A



Percentage (%) of total FinTech deals by accelerator and non-accelerator, 2015 – 2019 YTD

- Accelerator Deals
- Non-Accelerator Deals



## KEY TAKEAWAYS

- 81%** Percentage of all FinTech deals between 2015 and 2019 YTD that were early stage investments
- 59%** Percentage of all FinTech deals attributable to accelerators in 2019, which is a significant increase from just 7% in 2015
- 8%** Series B and later stage deals accounted for 8% of total deals in 2019 YTD, as more FinTech startups are reaching later stages



# 2.

## MENA FINTECH DRIVERS



ABU DHABI GLOBAL MARKET  
سوق أبوظبي العالمي



## 2. FINTECH DRIVERS

### 6 KEY DRIVERS OF FINTECH ADOPTION AND STARTUP GROWTH ACROSS THE MENA REGION



#### 1. CONSUMER DEMOGRAPHICS

**Large market size:** MENA is over 300 million people, making for a large addressable market for FinTech startups

**High GDP per capita:** GCC countries have a nominal GDP per capita of \$29.1K, among the highest in the world



#### 2. INTERNET & PAYMENTS ADOPTION

**High internet penetration:** The GCC countries have an average internet penetration of 94%

**Growing payment penetration:** GCC sees online payments penetration of 76%, which is expected to increase



#### 3. CONSUMER ATTITUDES

**Weary of traditional banks:** 76% of UAE consumers trusts at least 1 tech company more than their bank with their money

**Open to FinTech:** 83% of UAE residents are open to adopting FinTech solutions by non-financial institutions



#### 4. REGULATORY SANDBOXES

**Regulatory sandboxes:** 9 regulatory sandboxes and RegLabs launched for the development and adoption of FinTech

**Licensing initiatives:** Several governments have launched licenses for startups



#### 5. FINTECH FUNDS & ACCELERATORS

**Government FinTech Funds:** 5 regional investment funds open to FinTech startups, amounting to \$1.4B in cumulative capital

**FinTech focused accelerators:** 4 government FinTech accelerators and incubators have been set up as well



#### 6. PRIVATE CAPITAL AVAILABILITY

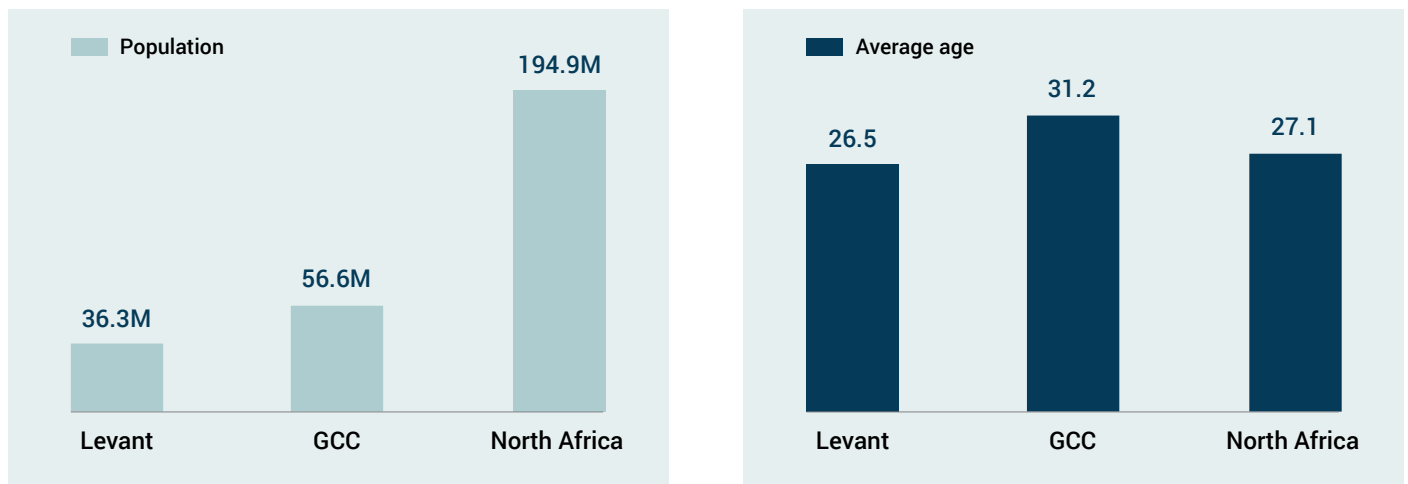
**Growing investor interest:** 75+ investors have invested in MENA-based FinTech startups, with an upward trend emerging

**Mostly regional appetite:** With 86% of total institutions, regional investors account for the lion's share of FinTech investors in 2019

# 2. CONSUMER DEMOGRAPHICS

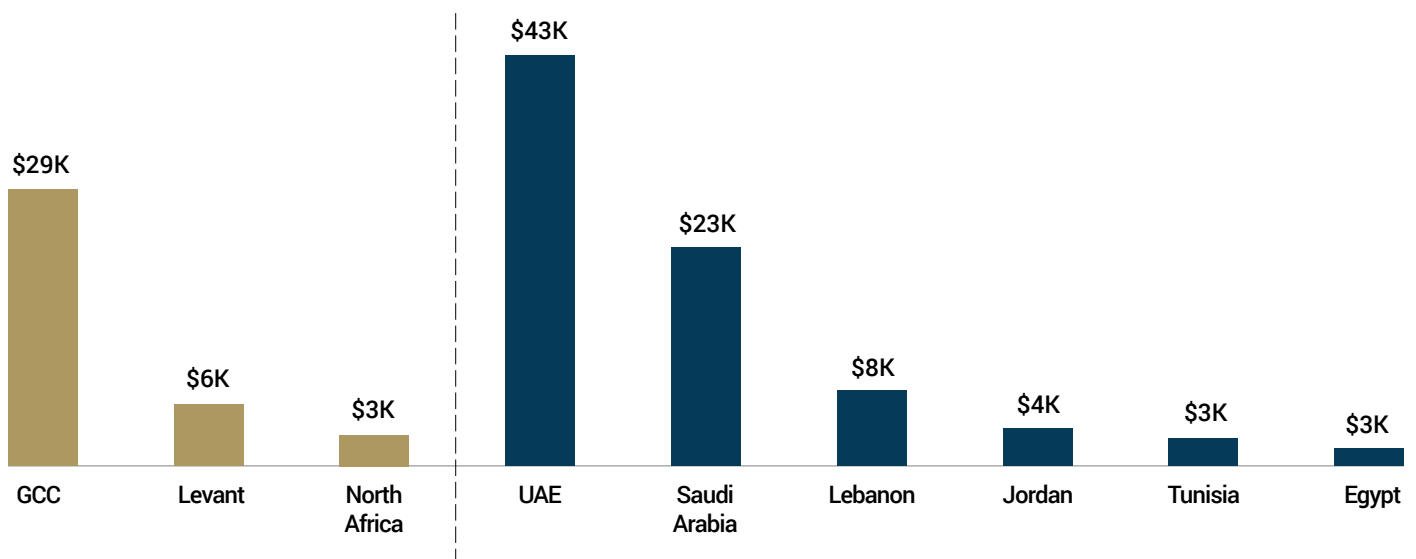
For any startup seeking venture investment, including FinTech startups, a large market size is key to attract funding. The MENA region has key characteristics that make it interesting, with a young, large population, a high GDP per capita, or a combination of the three.

Population (millions) and average age (years) of select MENA countries, 2018



Source: World Bank

Nominal GDP / capita of select MENA countries, 2018



## KEY TAKEAWAYS

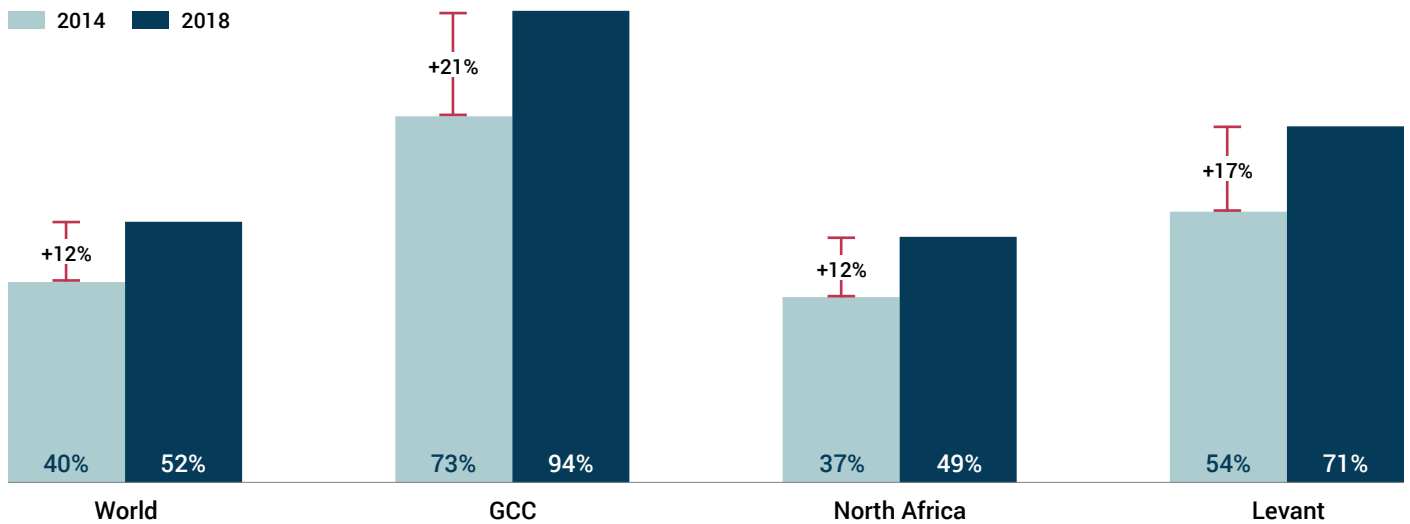
- 195M** Population size in North Africa, providing a large potential market for FinTech startups
- <30** The majority of countries across MENA have an average population that is less than 30 years old
- \$29K** Nominal GDP per capita in GCC countries, the highest in MENA, providing higher revenue potential



# 2. INTERNET & PAYMENTS ADOPTION

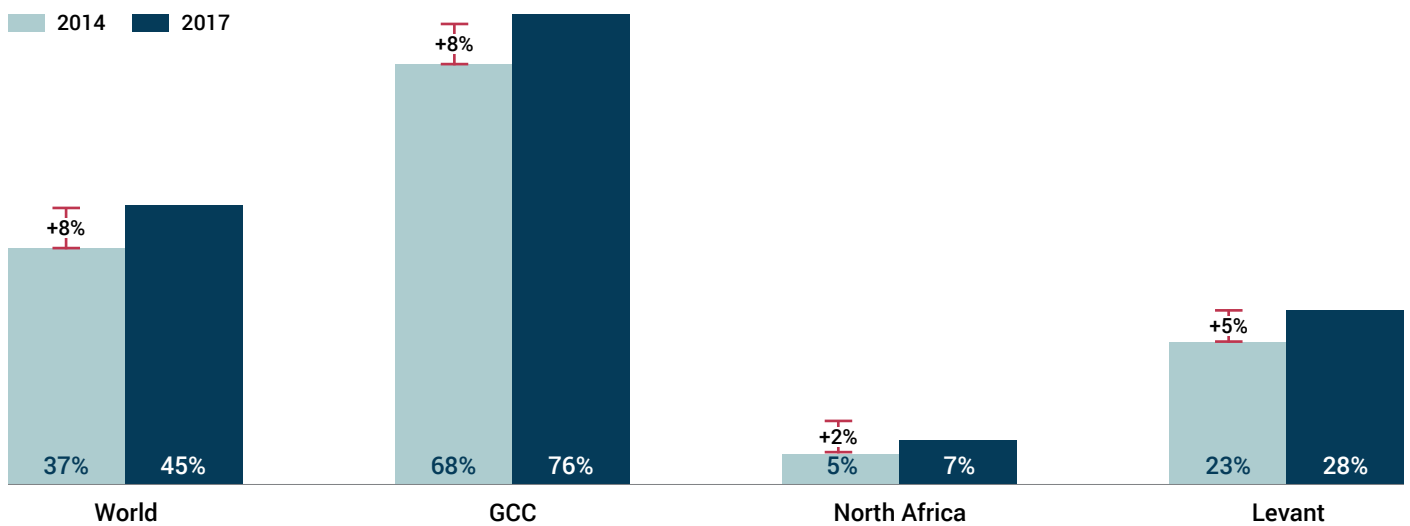
For technology disruption, digital adoption is key. The population in many countries across MENA is very tech-savvy, combined with a moderately high internet penetration, which is expected to increase considerably by 2025. Moreover, the online payments space still leaves a large opportunity, as more consumers are able and comfortable to pay online.

Percentage (%) of population that has internet access



Source: World Bank

Percentage (%) of population that has made a digital payment in the past year



Source: World Bank

## KEY TAKEAWAYS

**2<sup>nd</sup>** The MENA region saw the 2nd highest increase in internet penetration worldwide between 2014 & 2018

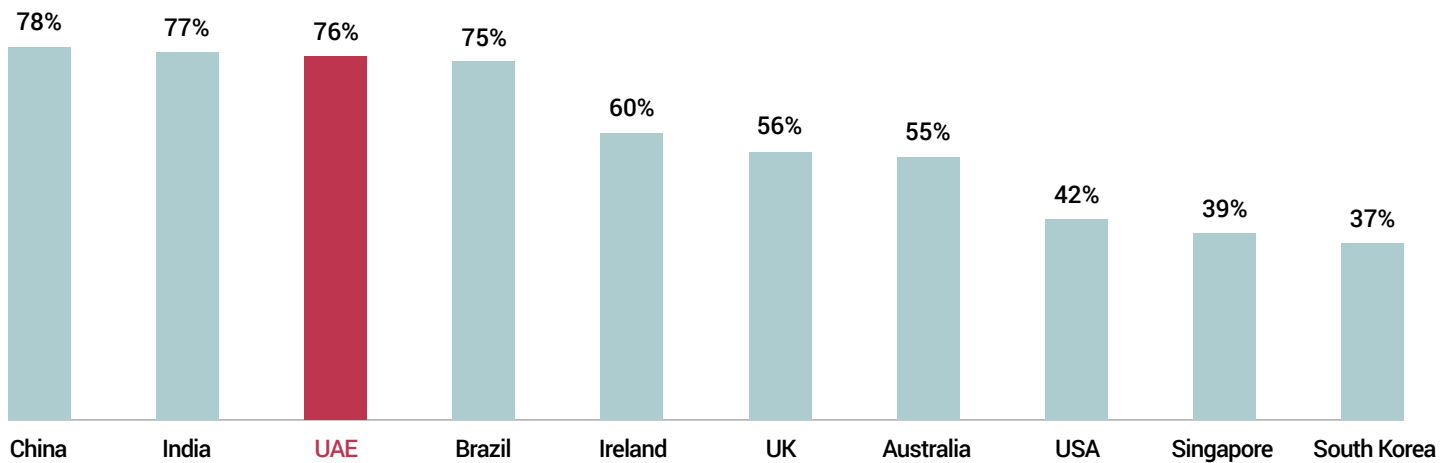
**21%** The increase in internet penetration in GCC countries from 2014 to 2018

**31%** GCC countries have a 31% higher online payment penetration than the world average, laying the infrastructure for FinTech startups

# 2. CONSUMER ATTITUDES

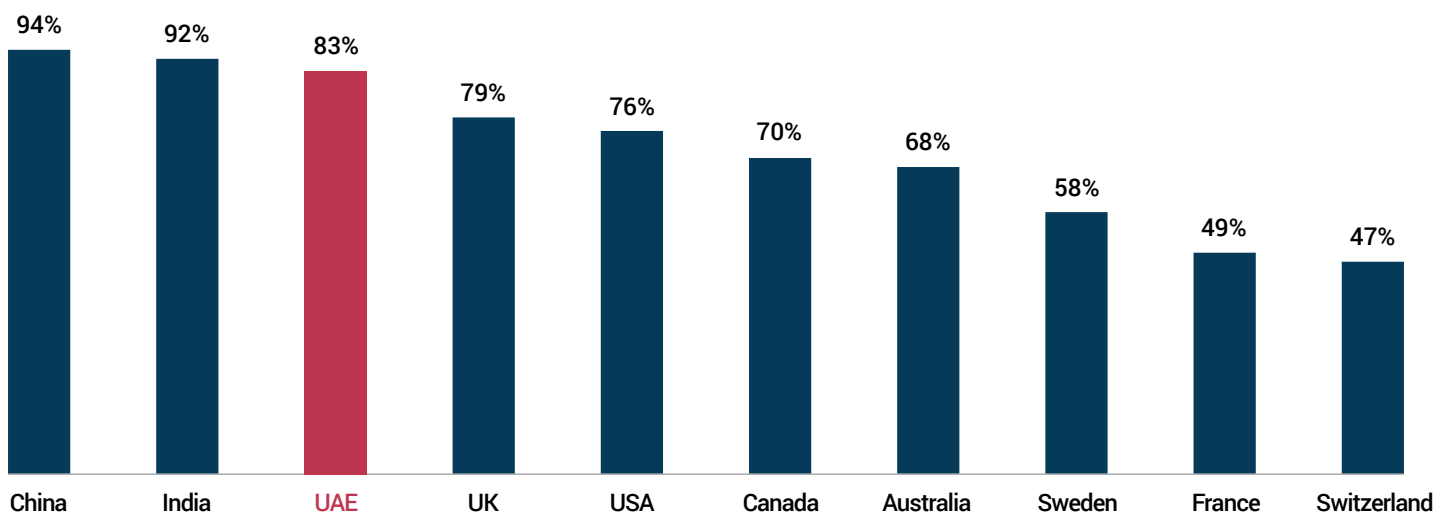
Financial services across the MENA region have been ripe for disruption for a while. In many cases, existing platforms are antiquated, and consumers have limited choice. Consumers are hungry for FinTech solutions that can help them with their day-to-day needs.

## Percentage (%) of respondents that trust at least 1 tech company more than banks with their money



Source: Bain/Research Now SSI Retail Banking NPS Survey, 2018

## Percentage (%) of respondents open to banking with technology companies



Source: Bain/Research Now SSI Retail Banking NPS Survey, 2018

### KEY TAKEAWAYS



Trust is key for FinTech solutions, and consumers identify brand recognition as a key factor to adoption

**76%**

Consumers in the UAE are weary of the banking system, with 76% trusting at least 1 tech company more than their bank with their money

**83%**

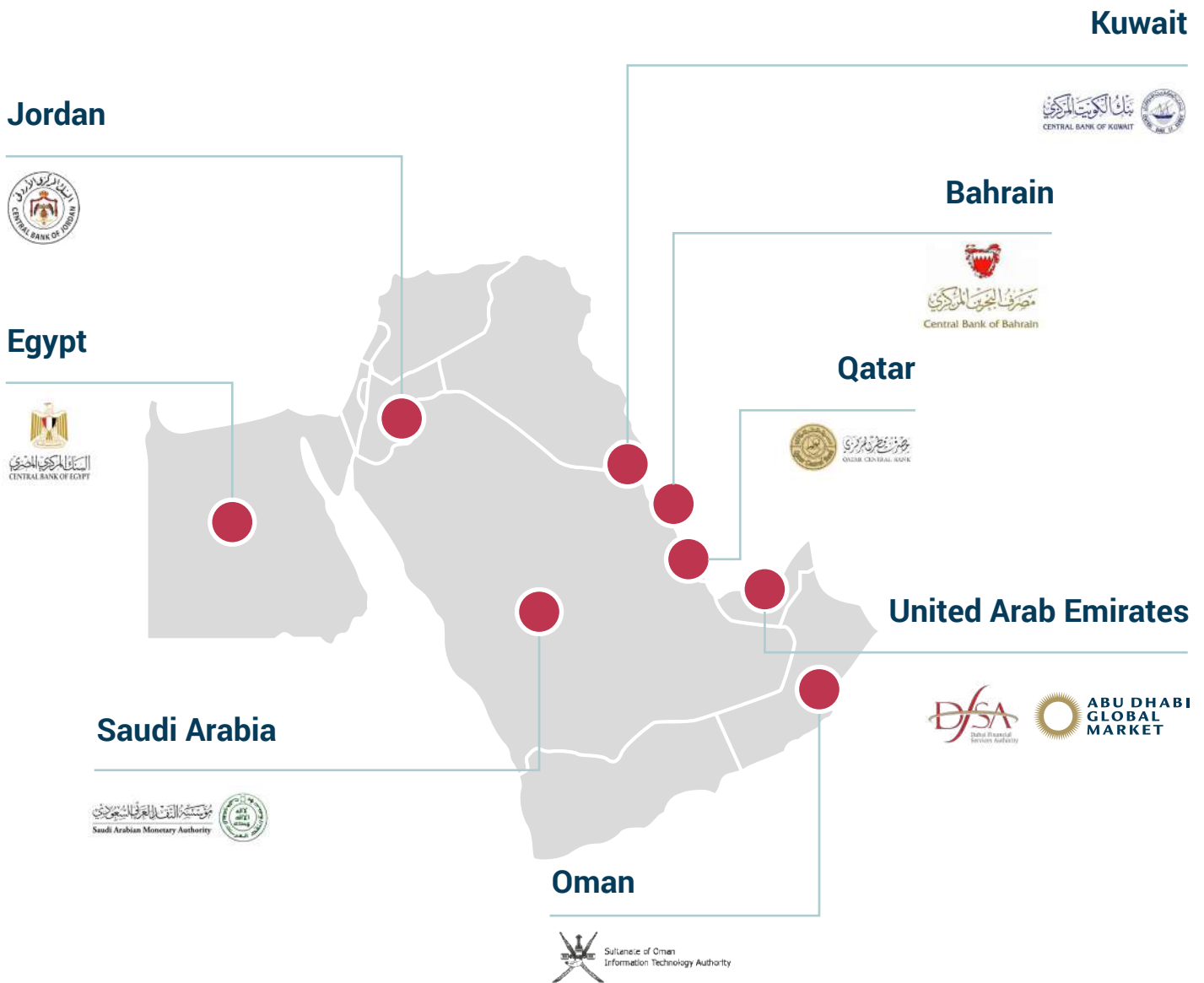
Percentage of respondents in the UAE open to banking with a technology company, higher than many other countries worldwide

# 2. REGULATORY SANDBOXES

FinTech is the top of many governments across the region. Many governments have increasingly become active, looking to support startups through regulations, licenses, sandboxes and other regulatory efforts. In many cases, coordination across countries is key for mass scale FinTech implementation and effectiveness.

## Government Sandboxes & Regulatory Environments

A regulatory sandbox is a framework set up by a financial regulator to allow small scale, live testing of innovations by firms in a controlled environment.



### KEY TAKEAWAYS

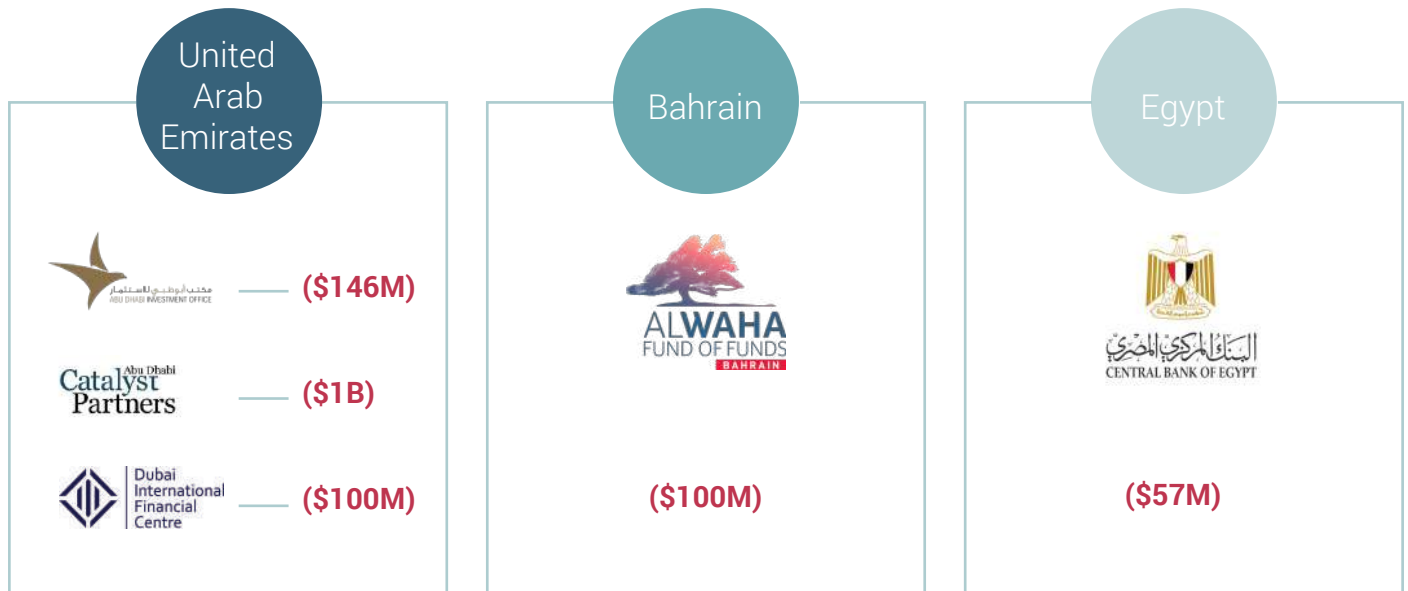
- 8** MENA countries have created sandboxes or RegLabs for FinTech startups to utilise
- 9** Number of sandboxes and RegLabs that have been set up by regional governments to support FinTech startups
- 2** Number of jurisdictions within the UAE that have set up sandboxes & RegLabs



# 2. FINTECH FUNDS & ACCELERATORS

Moreover, governments have gotten into financial and alternative support solutions as well, including funds open to FinTech startups and FinTech-specific accelerator programs. Through these initiatives, governments look to directly or indirectly support FinTech startups in the region.

## Government Funds open to FinTech startups



## Government FinTech Accelerators & Incubators



### KEY TAKEAWAYS

**3** Number of countries that have set up funds open to FinTech startups

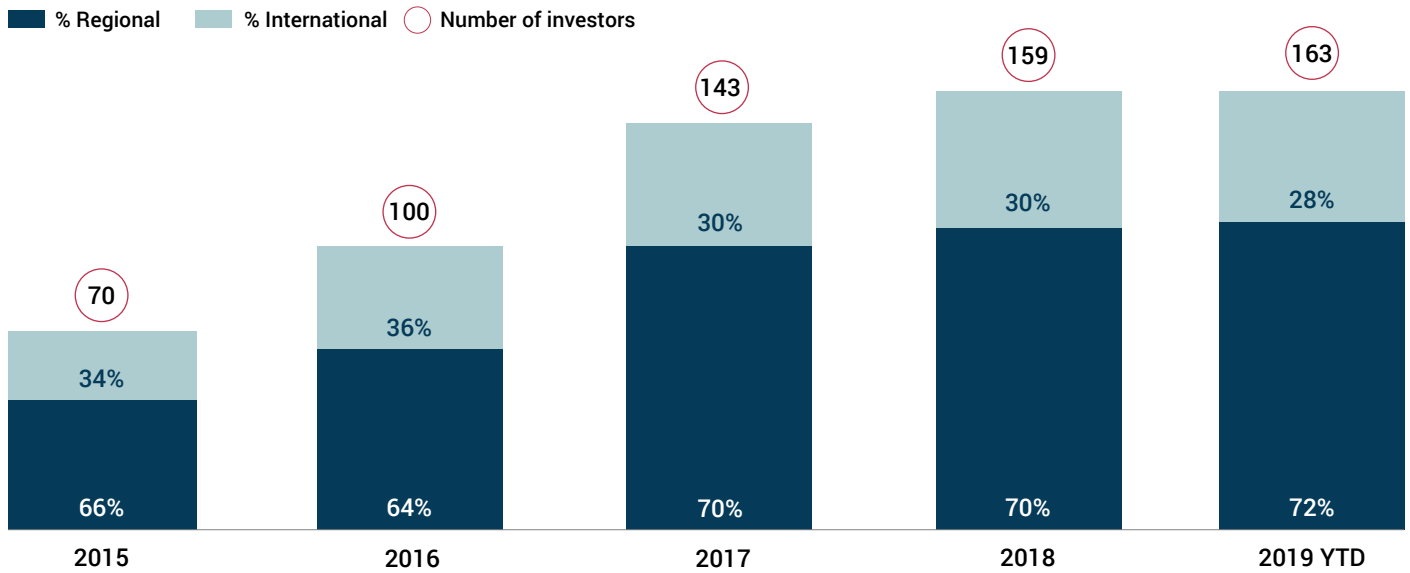
**\$1.4B** The cumulative size of those FinTech funds launched by governments

**3** Number of countries that have launched accelerator or incubator programs, often in partnership with private entities

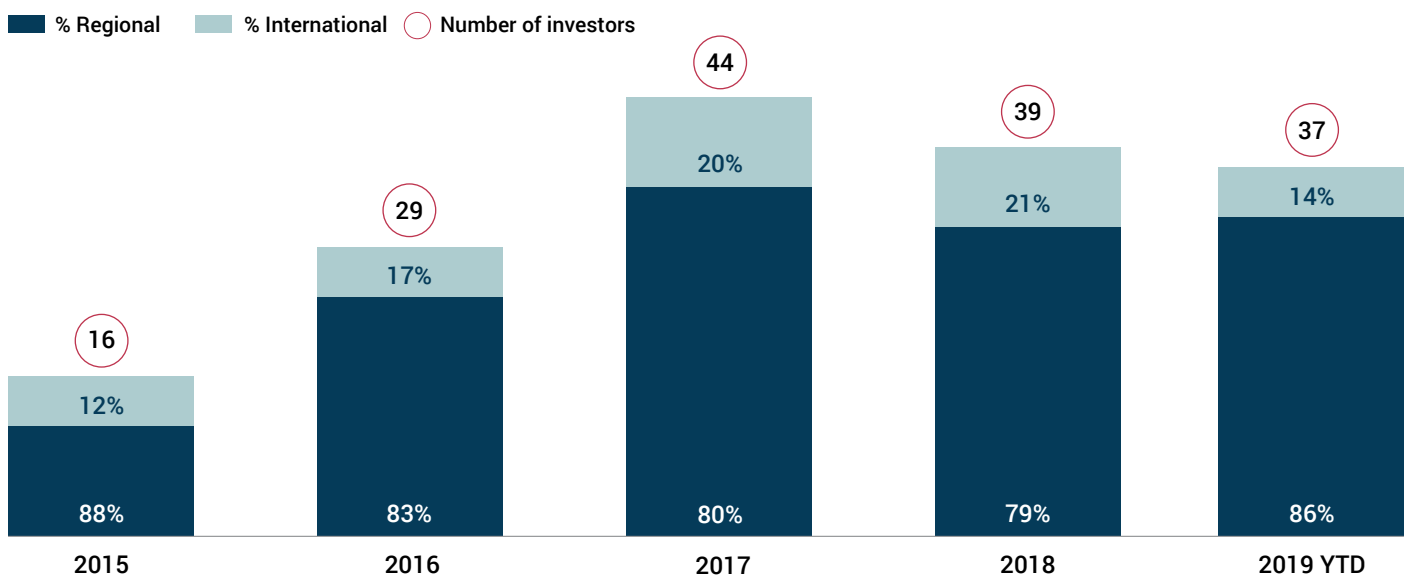
# 2. PRIVATE CAPITAL AVAILABILITY

Lastly, the capital availability from the private sector has increased as well over the years, with more investors making investments in MENA-based startups. Moreover, there has been an increase in the number of private accelerators and venture capital firms with a specific focus on FinTech.

Number of investors in MENA-based startups, 2015 – 2019 YTD



Number of investors in MENA-based FinTech startups, 2015 – 2019 YTD



## KEY TAKEAWAYS

**163** The number of investors in MENA-based startups in 2019 YTD, surpassing full-year 2018

**191%** The increase in regional investors in MENA-based FinTech startups since 2015

**#** This increases the potential capital pool and support services available for FinTech startups, boosting their development and growth





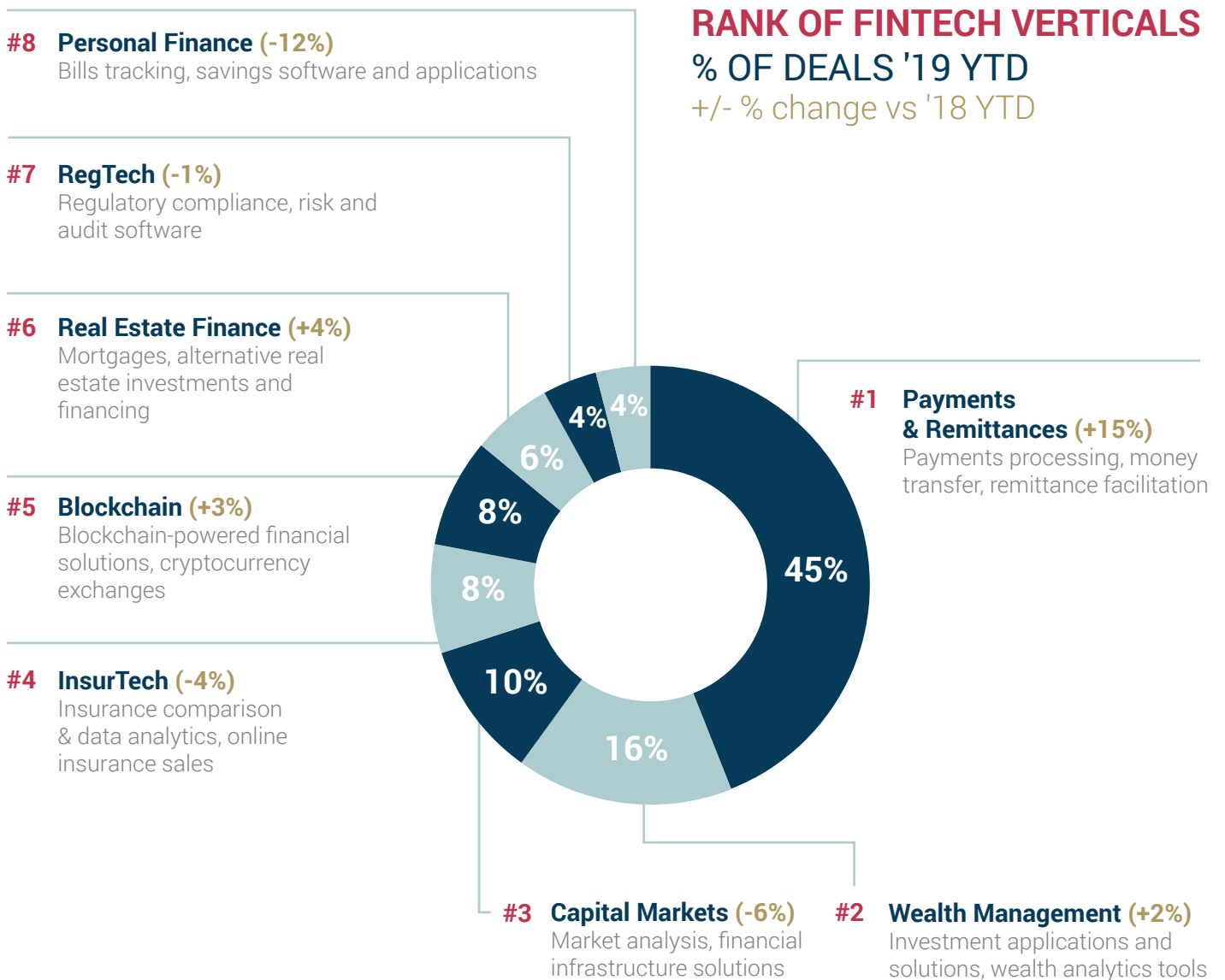
# 3.

**DEEP DIVE INTO  
FINTECH VERTICALS**



# 3. FINTECH VERTICALS SUMMARY

There are many different types of FinTech startups, which have been divided into verticals below. This includes Payments & Remittances, Wealth Management, InsurTech, Blockchain and others, which provides a clear overview of the prevalence of each across the region.



## KEY TAKEAWAYS

**8** FinTech industry verticals that have been highlighted and analyzed in this report

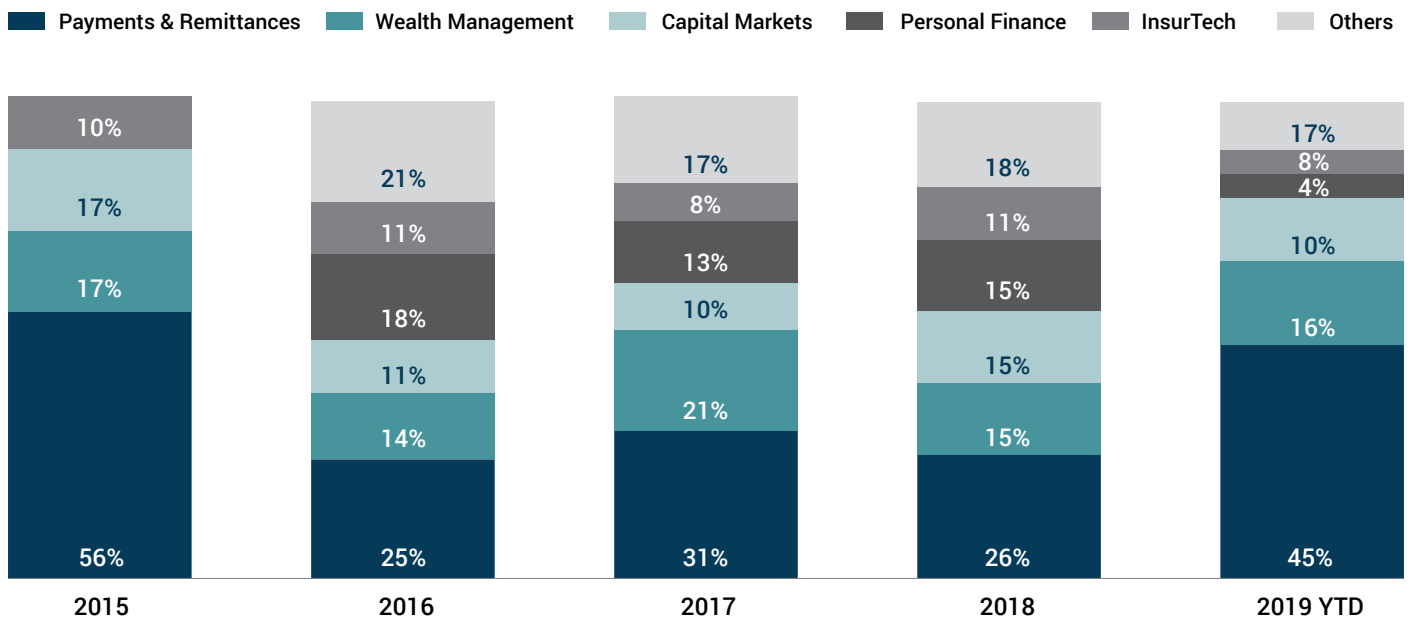
**45%** The percentage of total FinTech deals in the payments & remittances vertical in 2019 YTD, accounting for nearly half of all deals

**#** Other verticals, such as Wealth Management & Blockchain saw an increase in the number of deals as well

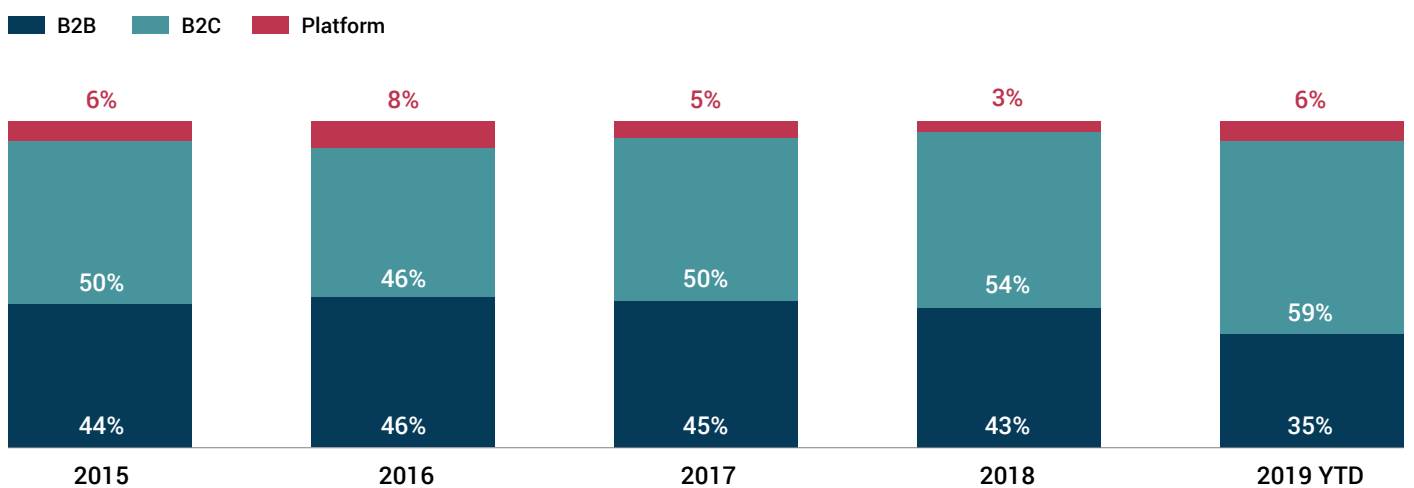
# 3. FINTECH VERTICALS EVOLUTION

Payments & Remittances startups have historically received a large proportion of the total FinTech deals, with Wealth Management, Capital Markets and Personal Finance also accounting for several deals. InsurTech, on the other hand, has received significant amounts of funding, mainly for insurance comparison.

Percentage (%) of total FinTech deals by funding stage, 2015 – 2019 YTD



Percentage (%) of total FinTech deals by business type, 2015 – 2019 YTD



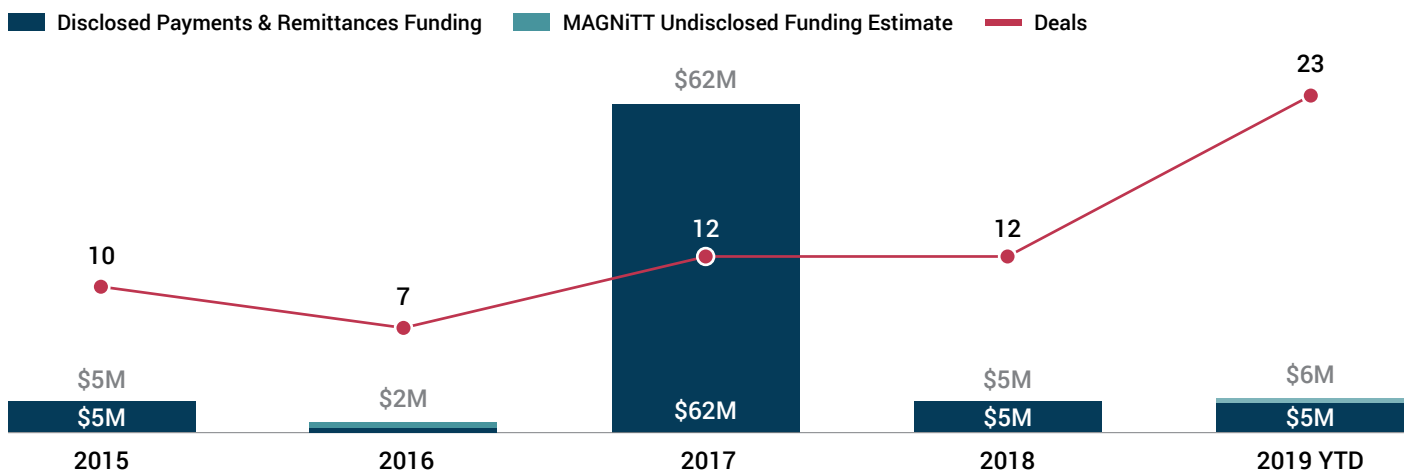
## KEY TAKEAWAYS

- 19%** The increase in Payments & Remittances deals from 2018 to 2019 YTD
- #** Historically, Payments & Remittances, Wealth Management & Personal Finance deals have been the most prominent
- 59%** The percentage of funded FinTech startups with a B2C business model in 2019 YTD

# 3. PAYMENTS & REMITTANCES

Payments & Remittances startups have seen considerable growth in the number of deals over the years, with 2019 YTD nearly doubling the number in 2018. Most of these startups are early stage, but there are later-stage case studies such as Fawry and Network International, which both had their IPO in 2019.

Number of deals (#) and total funding (\$) in MENA-based Payments & Remittances startups, 2015 – 2019 YTD



## Payments & Remittances case studies



Fawry is an Egypt-based electronic payments network, offering financial services to consumers and businesses through a variety of channels.

**Year Founded: 2008**  
**Total Disclosed Funding: \$122M**  
**Date IPO: August 8, 2019**

Fawry listed 36% of its share capital, worth up to 1.6 billion Egyptian pounds (\$97 million), in the flotation on the Egyptian Stock Exchange.

### Select Investors



Network International is a provider of payment solutions in the Middle East, based in Dubai.

**Year Founded: 1994**  
**Total Disclosed Funding: \$30M**  
**Date IPO: April 11, 2019**

The IPO was the biggest of the year at the time of its listing on the London Stock Exchange, with a market value of £2.175 billion.

### Select Investors

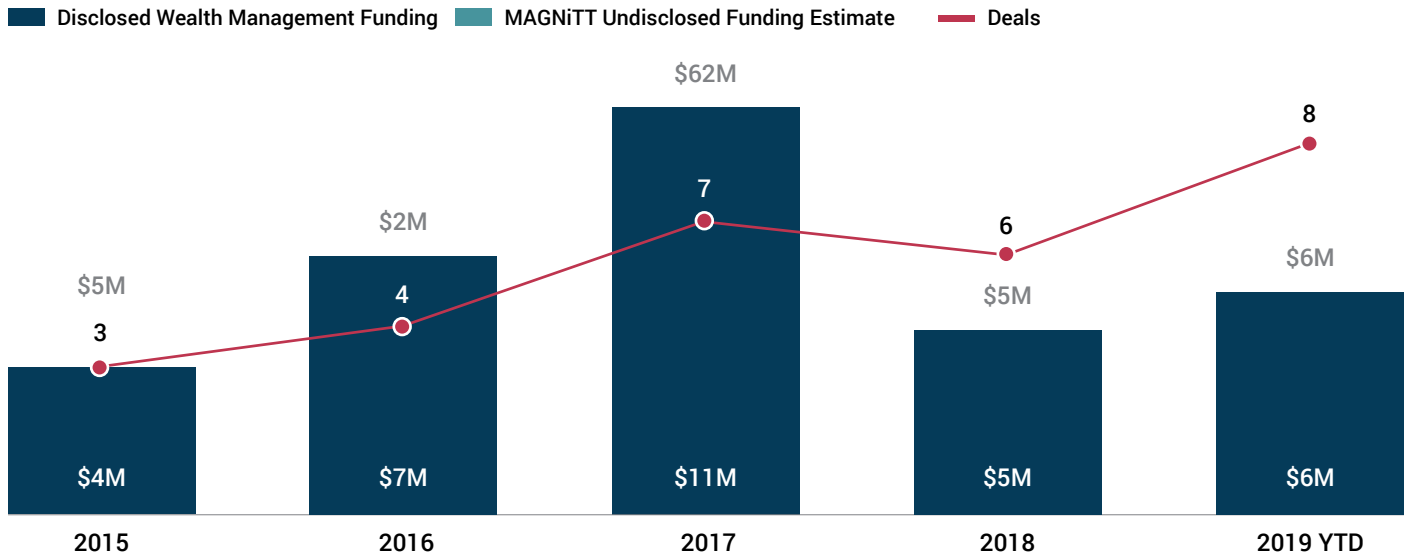




# 3. WEALTH MANAGEMENT

Another prominent FinTech vertical across the region is Wealth Management, with a strong presence in GCC countries especially. Examples that have recently raised funding include Dubai-based investment management startup Sarwa and P2P lending startup Beehive.

**Number of deals (#) and total funding (\$) in MENA-based Wealth Management startups, 2015 – 2019 YTD**



## Wealth Management case studies



The financial industry in the Middle East has been known to be one of the most expensive in the world, and the market is demanding better services at better prices. This unlocks a lot of opportunities for improvement. Sarwa is the first hybrid robo-advisor for young professionals to get a full license from the DFSA. - **Mark Chahwan**, Co-founder & CEO at Sarwa

**Year Founded: 2016**  
**Total Disclosed Funding: \$1.5M**

Select Investors



Based in Dubai, Beehive is one of the first regulated peer-to-peer (P2P) lending platforms across the MENA region. The company uses its online platform to directly connect businesses seeking fast, affordable finance with investors who can help fund their growth. With many entrepreneurs finding it difficult to raise funding, peer-to-peer lending might be the solution.

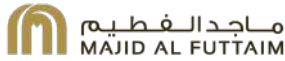
**Year Founded: 2014**  
**Total Disclosed Funding: \$15.5M**

Select Investors



# 3. EMERGING VERTICALS & INITIATIVES

While Payments & Remittances and Wealth Management startups have seen a large number of deals, there are other up-and-coming trends in FinTech as well, including corporations launching their own FinTech initiatives, as well as a recent increase in blockchain activity by startups and governments.



## Primary Industry Retail

### FinTech Initiative

Majid Al Futtaim acquired Beam Wallet, a mobile wallet startup. The acquisition comes with full ownership of Beam's IP rights, branding and e-wallet services across the region.



## Primary Industry Mobility

### FinTech Initiative

Careem announced a new leadership structure for its 2022 vision to become the region's Super App. The business will provide a range of services to customers, including financial services.



## Primary Industry Telecom

### FinTech Initiative

Saudi Telecom Company (STC) launched STC Pay, a digital wallet that provides digital payments solutions, including remittances and money transfer directly through the app.



## Blockchain Initiative Money Transfer

The Saudi Arabian Monetary Authority (SAMA) and the UAE Central Bank have announced plans to launch a common digital currency. The Aber project will be used in financial settlements between Saudi Arabia and the UAE through blockchain.



## Blockchain Initiative Crypto Exchanges

Several regional cryptocurrency exchanges have received licensing and funding, and are looking to expand their products and services in the Middle East and North Africa to offer cryptocurrency trading and custodian services.



## Blockchain Initiative Crypto Regulations

With international uncertainty on the regulation of this new technology, regional governments, including Abu Dhabi Global Market (ADGM) in 2018 and Bahrain in 2019, have introduced blockchain regulations to smoothen adoption and provide clarity.

## KEY TAKEAWAYS

# Corporations get involved in the FinTech space through accelerators, e-wallets and other FinTech startup-specific programs

29% The share of total investors that are corporates or corporate venture capital firms in 2019 YTD

3 The number of licensed and funded blockchain exchanges that have launched in MENA





# 3. INTERNATIONAL FINTECH TRENDS

Lastly, there have been many international FinTech trends as well, with online challenger banks and by Big Tech initiatives at the forefront. Many of these are still in the Western world, but we have seen such initiatives by local startups and corporations as well, as outlined previously.

## International challenger banks

				
<b>Brazil</b>	<b>UK</b>	<b>US</b>	<b>Germany</b>	<b>UK</b>
<b>TOTAL FUNDING:</b>	<b>TOTAL FUNDING:</b>	<b>TOTAL FUNDING:</b>	<b>TOTAL FUNDING:</b>	<b>TOTAL FUNDING:</b>
<b>\$1.1B</b>	<b>\$336M</b>	<b>\$309M</b>	<b>\$683M</b>	<b>\$406M</b>
<b>ACCOUNTS (#):</b>	<b>ACCOUNTS (#):</b>	<b>ACCOUNTS (#):</b>	<b>ACCOUNTS (#):</b>	<b>ACCOUNTS (#):</b>
<b>12M</b>	<b>6M</b>	<b>4M</b>	<b>3.5M</b>	<b>2.6M</b>
<b>SELECT INVESTORS:</b>	<b>SELECT INVESTORS:</b>	<b>SELECT INVESTORS:</b>	<b>SELECT INVESTORS:</b>	<b>SELECT INVESTORS:</b>
Tencent, Goldman Sachs, Thrive Capital, Sequoia Capital	Index Ventures, Balderton Capital, Index Ventures, Point Nine Capital	Menlo Ventures, Aspect Ventures, General Atlantic	Tencent, Insight Partners, Greyhound Capital, Allianz	Accel, Passion Capital, Stripe, Y Combinator, Thrive Capital

## Global tech giants venturing into FinTech

<b>Big Tech financial technology initiatives</b>				
<b>PAYMENTS</b>	✓	✓	✓	✓
<b>REMITTANCES</b>	✓	✓	✓	✓
<b>WEALTH MANAGEMENT</b>	✓			
<b>INSURTECH</b>	✓	✓		



# 4.

## MENA GEOGRAPHICAL FINTECH DEEP DIVE

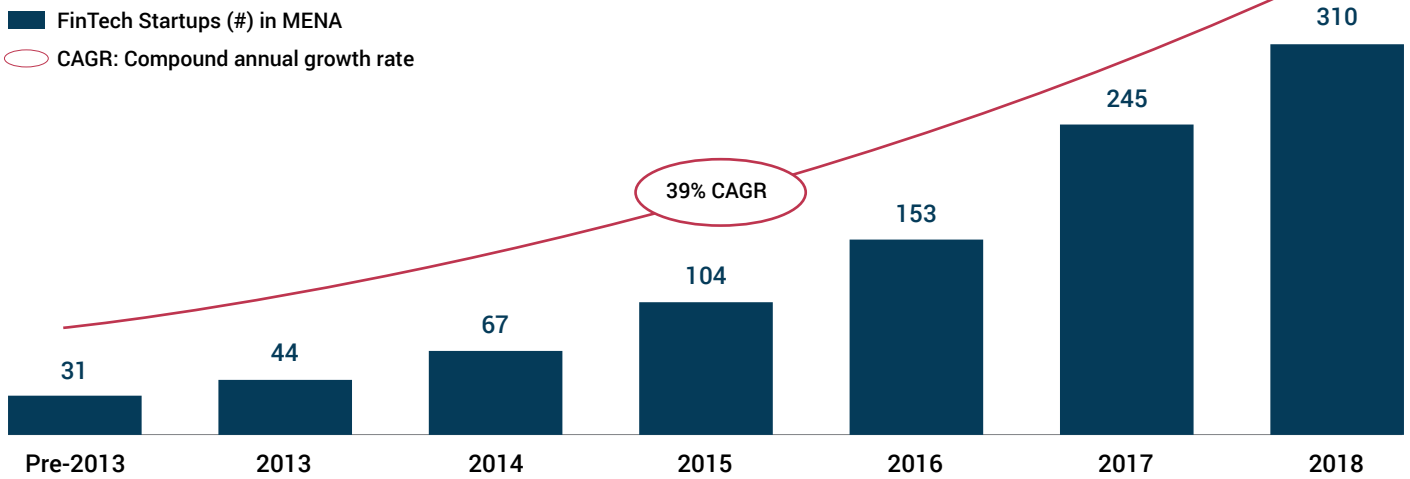




# 4. NUMBER OF FINTECH STARTUPS

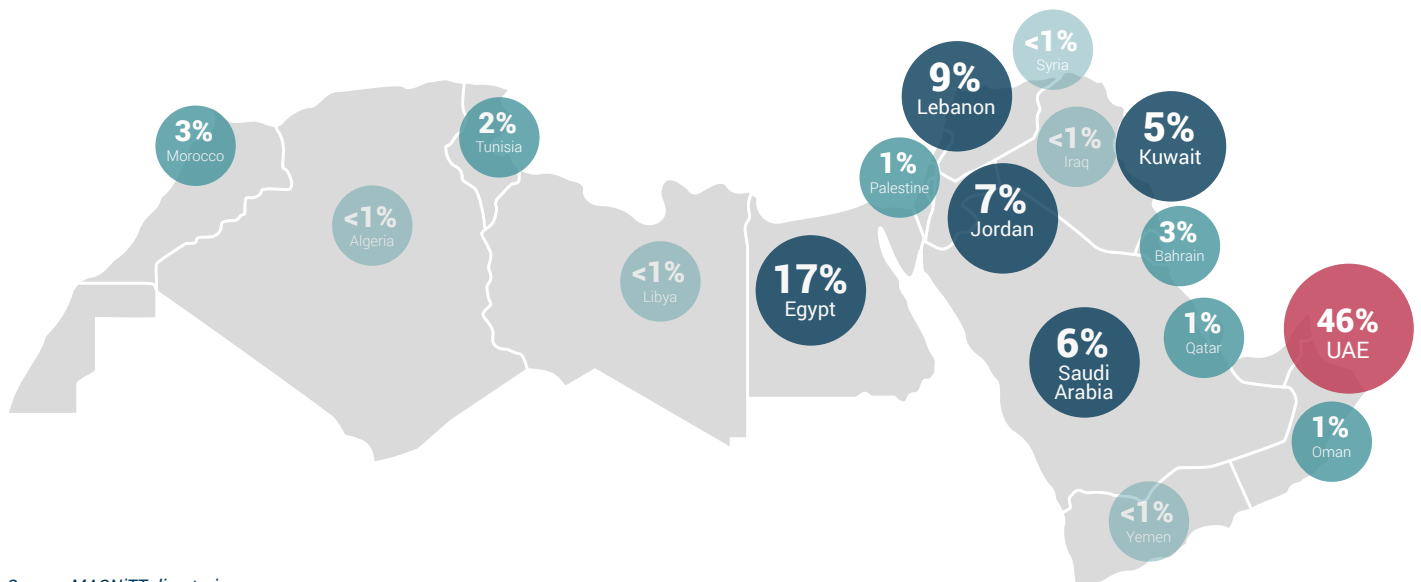
The number of FinTech startups across the Middle East and North Africa (MENA) has grown quickly over the past years, increasing quicker in numbers than many other industries. Since 2012, the number of FinTech startups has seen a compound annual growth rate (CAGR) of 39%.

Number (#) of FinTech startups in the Middle East and North Africa (MENA), pre-2013 – 2018



Source: MAGNiTT directories

Percentage (%) of total FinTech startups by country, 2018



Source: MAGNiTT directories

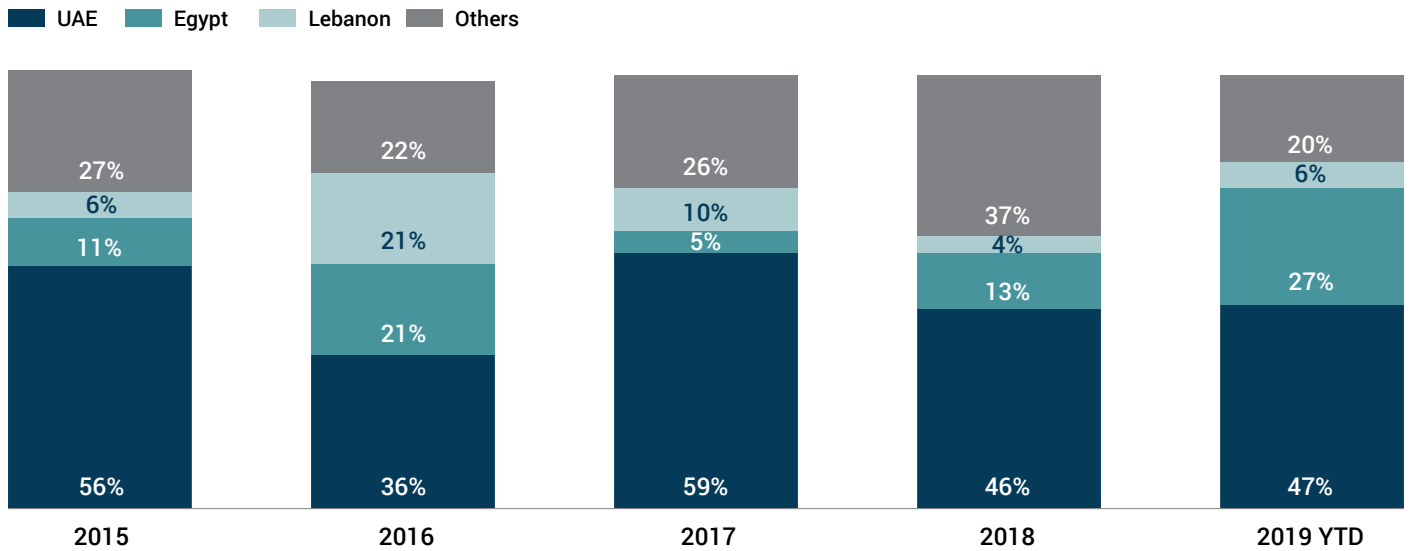
## KEY TAKEAWAYS

- 310** The number of active FinTech startups in the MENA region
- 39%** The CAGR in FinTech startups across the MENA region from pre-2013 to 2018
- 1<sup>st</sup>** The UAE ranks first by total number of FinTech startups in MENA

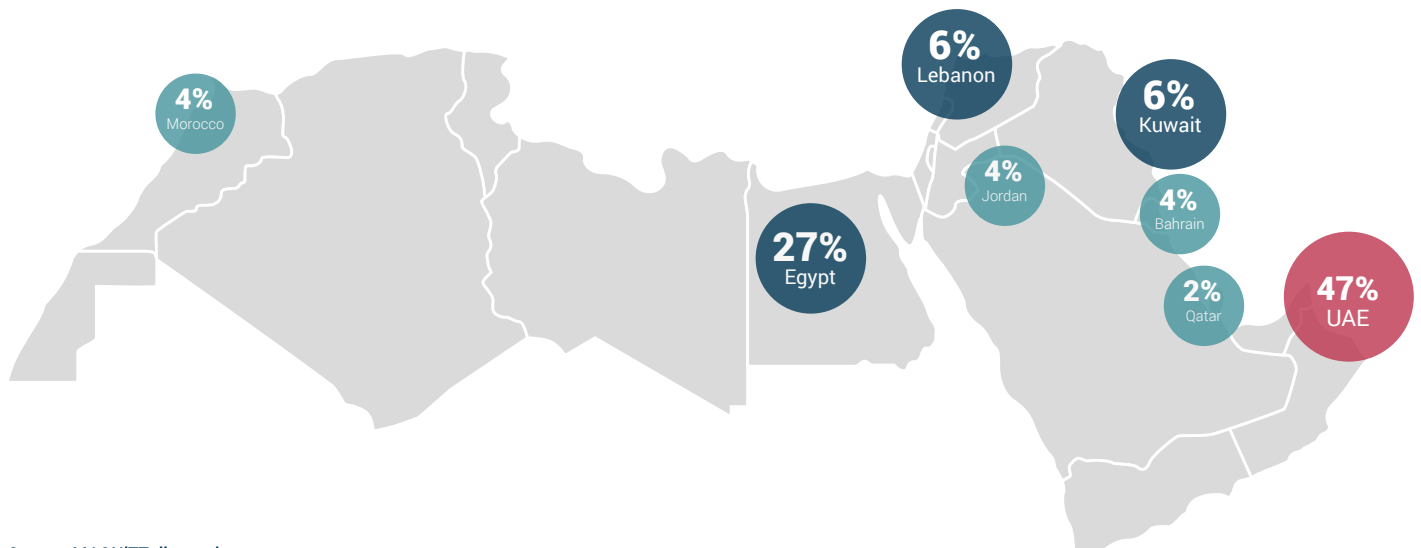
# 4. FINTECH DEALS BY GEOGRAPHY

Similar to the number of FinTech startups, the UAE and Egypt account for the vast majority of FinTech deals in 2019 YTD as well. This has historically been the case as well, with the two countries accounting for 74% of all FinTech deals in 2019 to date.

Percentage (%) of total FinTech deals by country, 2015 – 2019 YTD



Percentage (%) of total FinTech deals by country, 2019 YTD



Source: MAGNITT directories

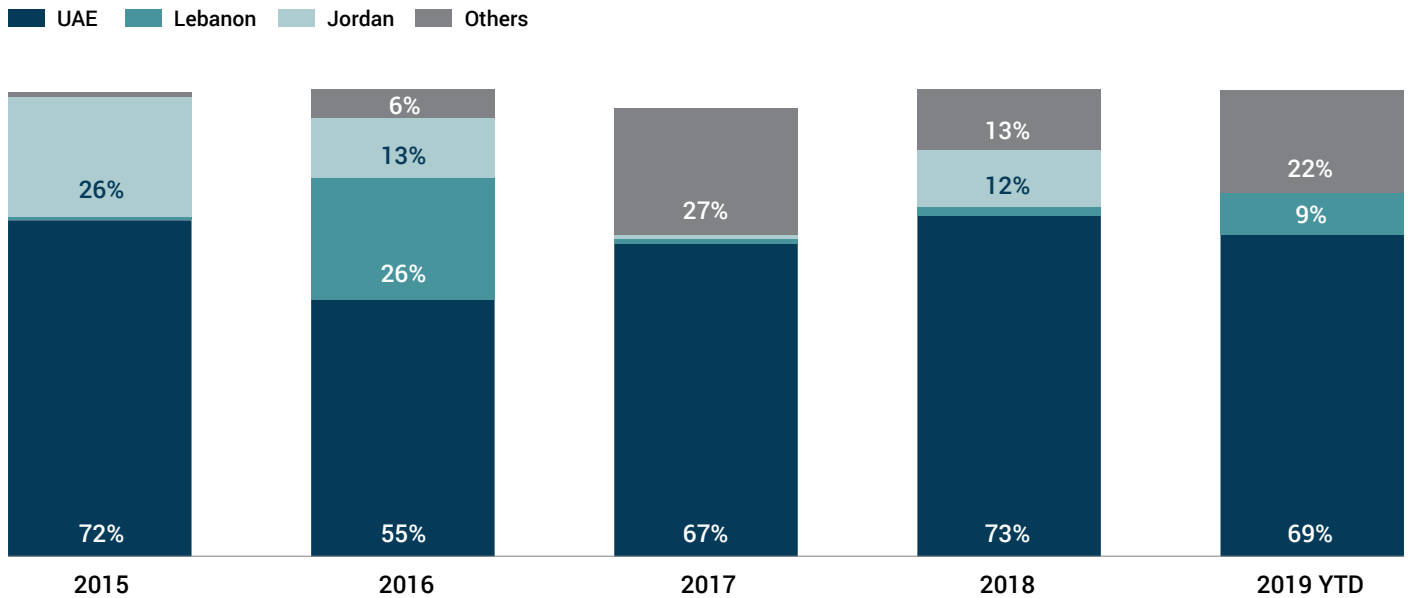
## KEY TAKEAWAYS

- 47%** The UAE accounted for nearly half of all FinTech deals in 2019 YTD
- 18%** The increase in Egypt from 2018 to 2019 YTD, mainly due to an increase in FinTech-specific accelerators
- #** Many FinTech ecosystems across the region are still early stage

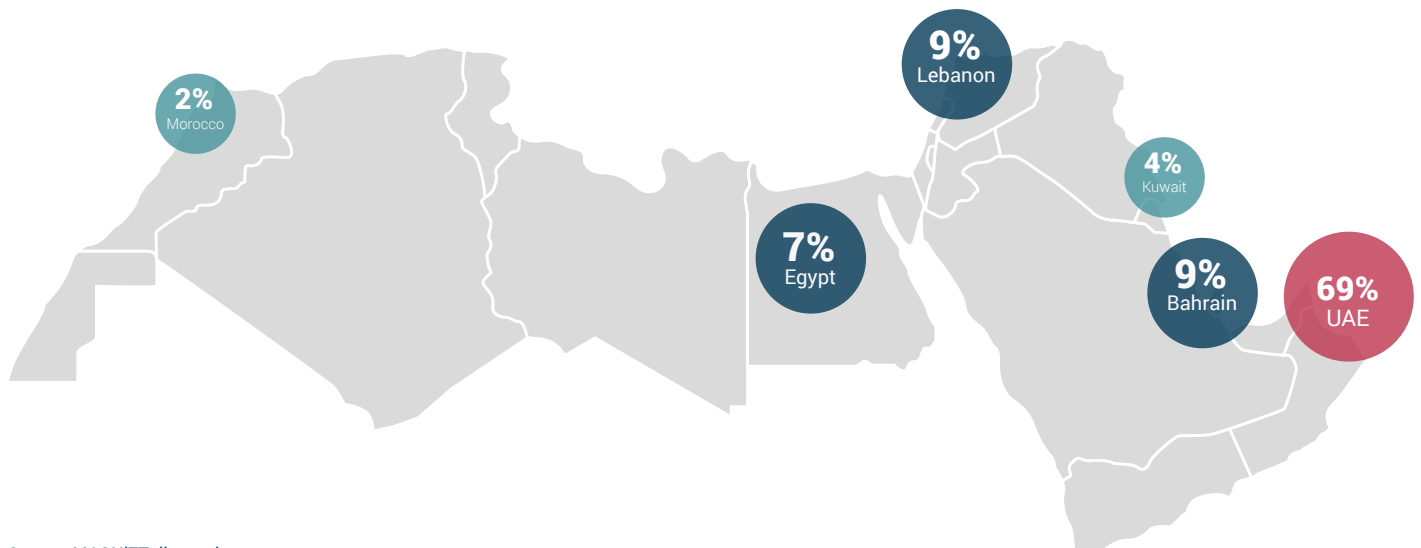
# 4. FINTECH FUNDING BY GEOGRAPHY

Lastly, when looking at total funding of FinTech startups, the differences in the size of ecosystems becomes more apparent. The United Arab Emirates accounts for almost 70% of all funding in 2019 YTD, followed by Bahrain (9%) and Lebanon (9%).

Percentage (%) of total FinTech funding by country, 2015 – 2019 YTD



Percentage (%) of total FinTech funding by country, 2019 YTD



Source: MAGNITT directories

## KEY TAKEAWAYS

- >50%** The UAE has historically accounted for more than half of FinTech funding
- 9%** Egypt's percentage of total funding increased to 9% in 2019 YTD as more investors
- #** While certain countries accounted for a significant number of deals, their FinTech ecosystems are in early stages

# 5.

## INVESTMENT LANDSCAPE





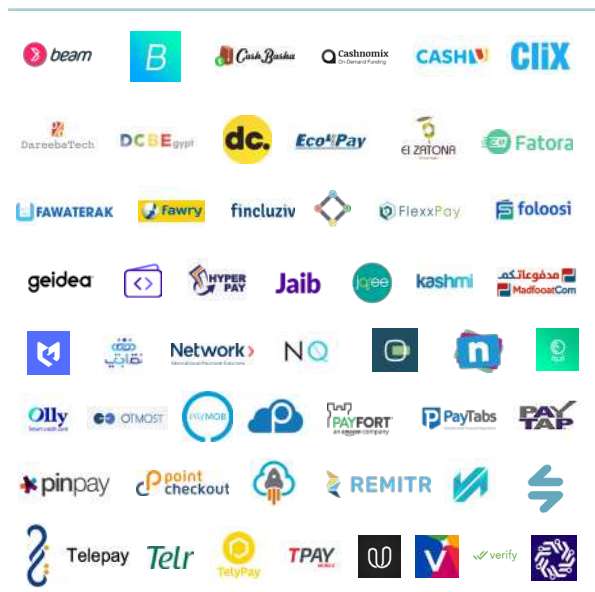
# 5. FUNDED STARTUPS FINTECH LANDSCAPE

The top investors have invested in many startups, especially at the early stage. However, there have been later-stage deals and exits as well, including the two IPOs of Fawry and Network International. Moreover, Egypt's TPay became the first dragon exit in the region, returning A15's entire value of the fund, while UAE-based Beam Wallet was acquired by Majid Al Futtaim to bolster their digitalisation transformation efforts.

## MENA FinTech market map - Overview of venture funded & exited Startups (2008-2019 YTD)

SUB-INDUSTRY RANKING BASED ON 2019 NUMBER OF DEALS, LOGOS ALPHABETICALLY ORDERED

### #1 Payments & Remittances



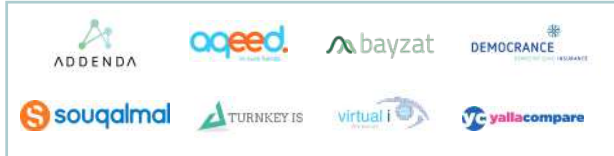
### #2 Wealth Management



### #3 Capital Markets



### #4 InsurTech



### #5 Blockchain



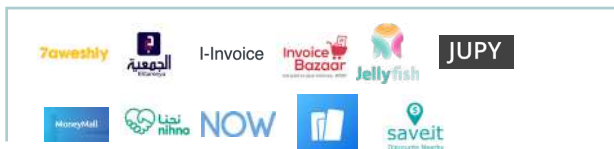
### #6 Real Estate Finance



### #7 RegTech



### #8 Personal Finance



## KEY TAKEAWAYS

- 127** In total, 127 MENA-based FinTech startups have raised funding
- 13** In the MENA region, 13 FinTech startups have exited
- 2** Both Fawry and Network International have undergone an initial public offering (IPO)



# 5. INVESTOR LANDSCAPE

The investor landscape has changed drastically over the last few years, with 2019 YTD already seeing more investors – 163 – than any previous years. Of these investors, 37 have invested in FinTech startups, with international investors accounting for just 14% of them. However, 41% of these investors had not previously invested in FinTech startups, showing increasing appetite.

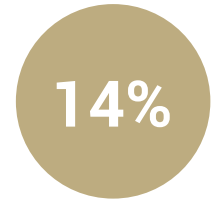
## Key investor statistics in MENA-based startups



Institutions invested in MENA-based FinTech startups in 2019 YTD













Of the investors had not previously invested in MENA-based FinTech startups



Of the investors were international (non-MENA based) investors

## Top 5 venture funded MENA-based FinTech startups

	COUNTRY	VERTICAL	TOTAL FUNDING	INVESTORS
 International Payment Solutions	UAE	Payments & Remittances	\$30.0M	
 Simple and Trusted Payments	Saudi Arabia	Payments & Remittances	\$20.0M	
 in sure hands	UAE	InsurTech	\$18.0M	
 you may know us as compar4me	UAE	InsurTech	\$17.2M	
	UAE	Wealth Management	\$15.5M	

### KEY TAKEAWAYS

**23%** Of all the investors in 2019 YTD, 23% invested in one or more FinTech startups

**41%** Regional investors are increasingly becoming interested in the FinTech space, as 41% of all investors had not previously invested in FinTech startups

**\$100M+** The top 5 funded FinTech startups raised over \$100M in venture funding from various institutions

# 5. TOP INVESTORS

Accelerators are at the forefront of the FinTech industry, with international accelerator Startupbootcamp setting up two FinTech-specific accelerator programs in Egypt and the UAE. Moreover, several venture capital and other investment firms have invested in FinTech startups across MENA as well.

Number of investments (#) in MENA-based FinTech startups, 2018 - 2019 YTD



## KEY TAKEAWAYS

- # Accelerators account for a large share of early-stage FinTech deals across the region
- SBC StartupBootcamp has 2 FinTech-specific accelerator programs in Cairo and Dubai
- 🚀 500 Startups and Pride Capital (partially) invested through their regional accelerators in FinTech startups



645.82

# 6.

ABOUT  
US

681.49

1865.13

601.49

968.43

537.24

1157.13

247.96

538.02







330.81

207.941




371.76

# 6. ABOUT ABU DHABI GLOBAL MARKET (ADGM)

## A smart IFC and innovation hub

- \$700** Starting licence fee per year
- \$** \$1B+ funding through ADGM tech ecosystem
-  Sector agnostic
-  Up to 4 employee visas
-  No office space required
-  100% foreign ownership
-  0% corporate & personal income tax
-  Direct application of common law







## ADGM Digital Lab

-  The world's 1st fully digital FinTech regulatory sandbox
-  Hosted by a regulator
-  Real-time collaboration b/w FinTechs, financial institutions & regulators

## ADGM FinTech RegLab is the most active regulatory framework in the region with

- 83** RegLab applications
- 32** FinTechs approved
- 20** Participating countries

## Who calls ADGM home?

-  100+ Start-ups
-  **PLUGANDPLAY**    
3 globally renowned accelerator programmes
-  **wework**  
3 floors of co-working space
-  **HUB71**  
A community of founders, investors and business enablers



# 6. ABOUT MAGNiTT

MAGNiTT is MENA's most powerful startup platform built on three core pillars: 1) Community, an engagement portal to connect stakeholders & keep them up to date 2) Data, a directory double the size of international competitors and 3) Research, the reference for leading publications such as the Financial Times, Bloomberg and Tech Crunch.

## MAGNiTT's key stats



**12,500+**  
startups



**400+**  
investors



**40+**  
research reports



**300+**  
jobs

## MAGNiTT is structured around 3 core pillars



### Data



#### Database Access

Empower your team by accessing MENA's most comprehensive data platform



#### Start-up Sourcing

Discover & connect to startups that meet your objectives



#### Marketing Promotion

Get your message into the inbox of the people that matter



### Research



#### Bespoke Reports

Get monthly and quarterly investment insights, research and analysis



#### Insights & Analytics

Make better investment decision! Access all MENA funding and exits from 2008 to date



#### Subscription Plans

Unlock the full potential of MAGNiTT to stay ahead



### Community



#### Ecosystem News

Be in the know! Subscribe to our daily and insights newsletter and WhatsApp alerts



#### Funding Application

Grow your startup. Apply for funding from MENA's most active investors



#### Startup Jobs

Hire quality talent by posting your job for free or find your dream startup job



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