

February 2026

# Middle East: An Upcoming Fintech Growth Engine

*Time for global investors and strategics outside the region to seriously consider their Middle East fintech strategy*

Accelerating investment, supportive regulation, and rapid digital adoption are reshaping the Middle East's fintech ecosystem. As payments, wallets, lending, and neobanks scale and consolidation intensifies, the region is emerging as a structurally attractive fintech growth market.

The Middle East is fast scaling as a fintech epicenter. The rapidly evolving fintech environment offers an attractive platform for fintech investments and M&A.



## Executive Summary

The fast-scaling Middle Eastern fintech ecosystem now presents a **clear set of investable opportunities for global investors and strategics to consider**.



**Fintech funding has accelerated** in the Middle East in recent years. Several new fintechs have grown in the region, supported by **growing investor interest and funding**.



**Fintech M&A is on the rise.** Merchant acquiring, B2B payments, consumer lending, and digital wallets are the leading M&A fintech segments in the Middle East.



**Favorable regulations and government-backed initiatives** act as catalysts for fintech growth. Several government-backed fintech accelerators are in place today.



The Middle East is experiencing strong e-commerce growth. The **e-commerce PSP competitive landscape remains fragmented**, with global players competing with regional champions.



**Digital Wallets are scaling** across the Middle East, driven by digital commerce growth, changing consumer preferences, and new fintech entrants.



**Real-time payments are emerging** at pace. Open banking regulations are being developed to fuel innovation and growth in A2A payments.

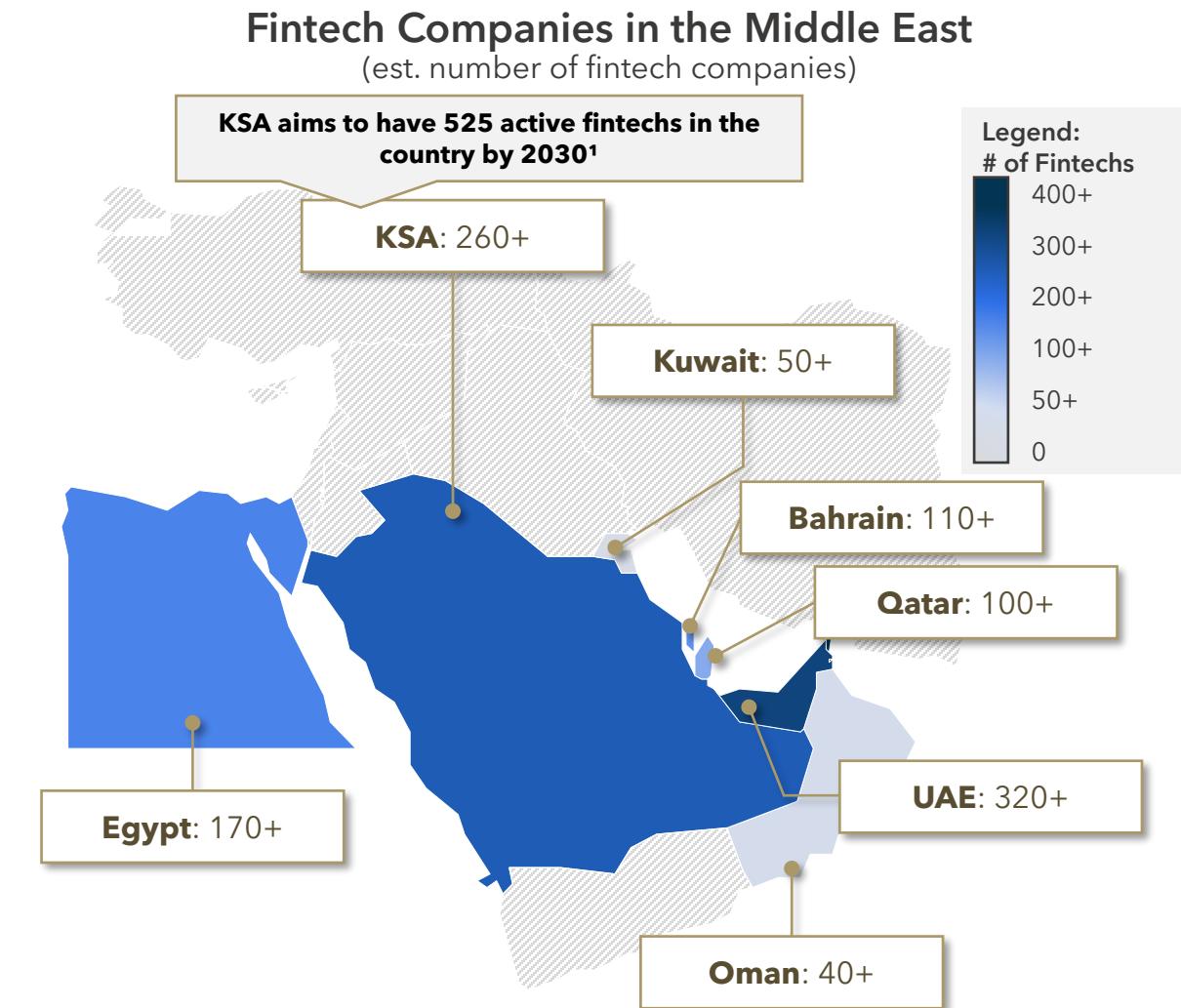
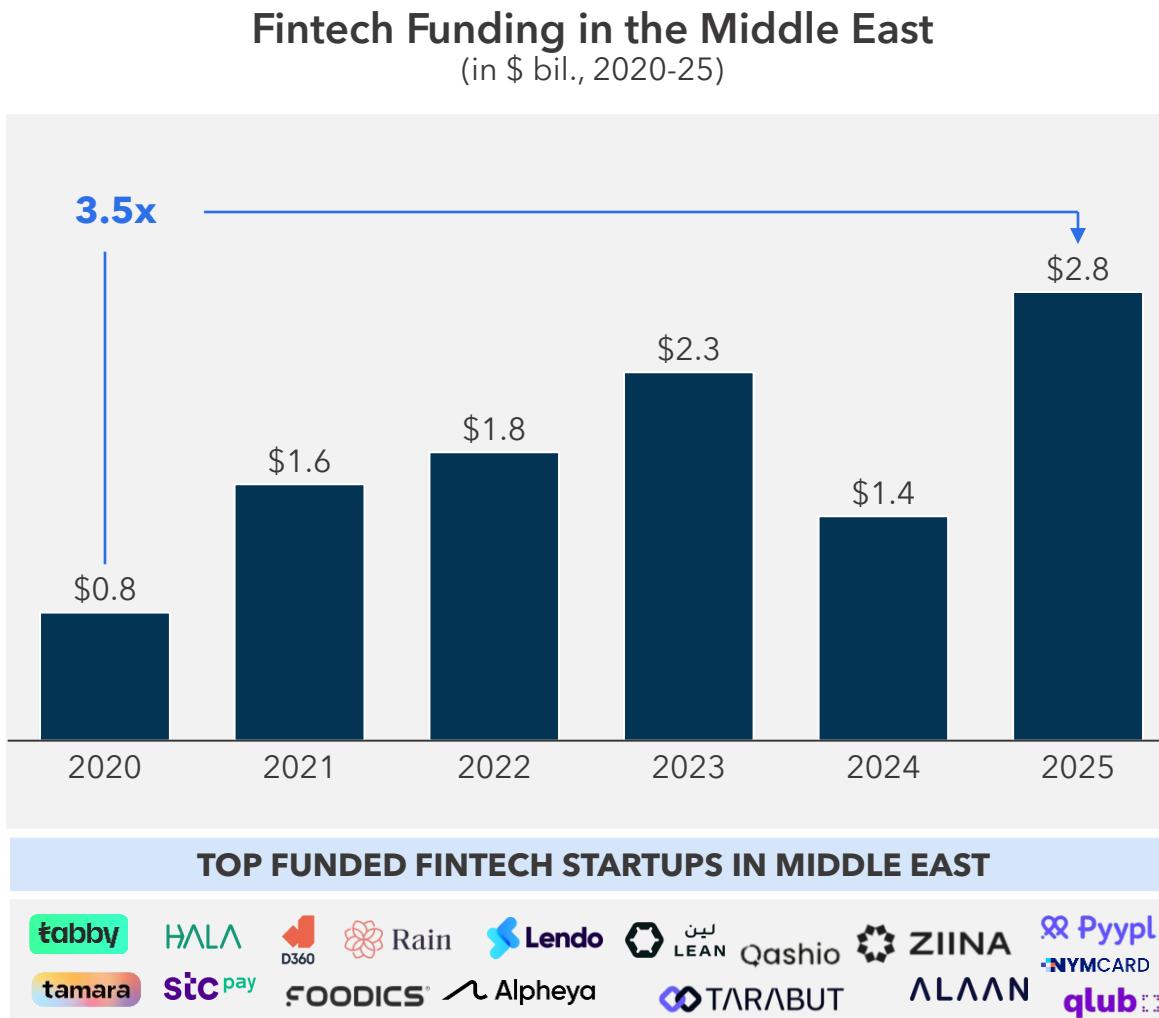


The Middle East continues to be a major remittance corridor. The **competition in the remittance space is intensifying** with **several digital native players competing for share**.



Neobanks are rapidly scaling in the Middle East. **Several traditional banks have launched digital-only subsidiaries** under distinct brands to target digital-first customer segments.

Fintech funding has accelerated in the Middle East in recent years, supporting the growth of several fintechs in the region.



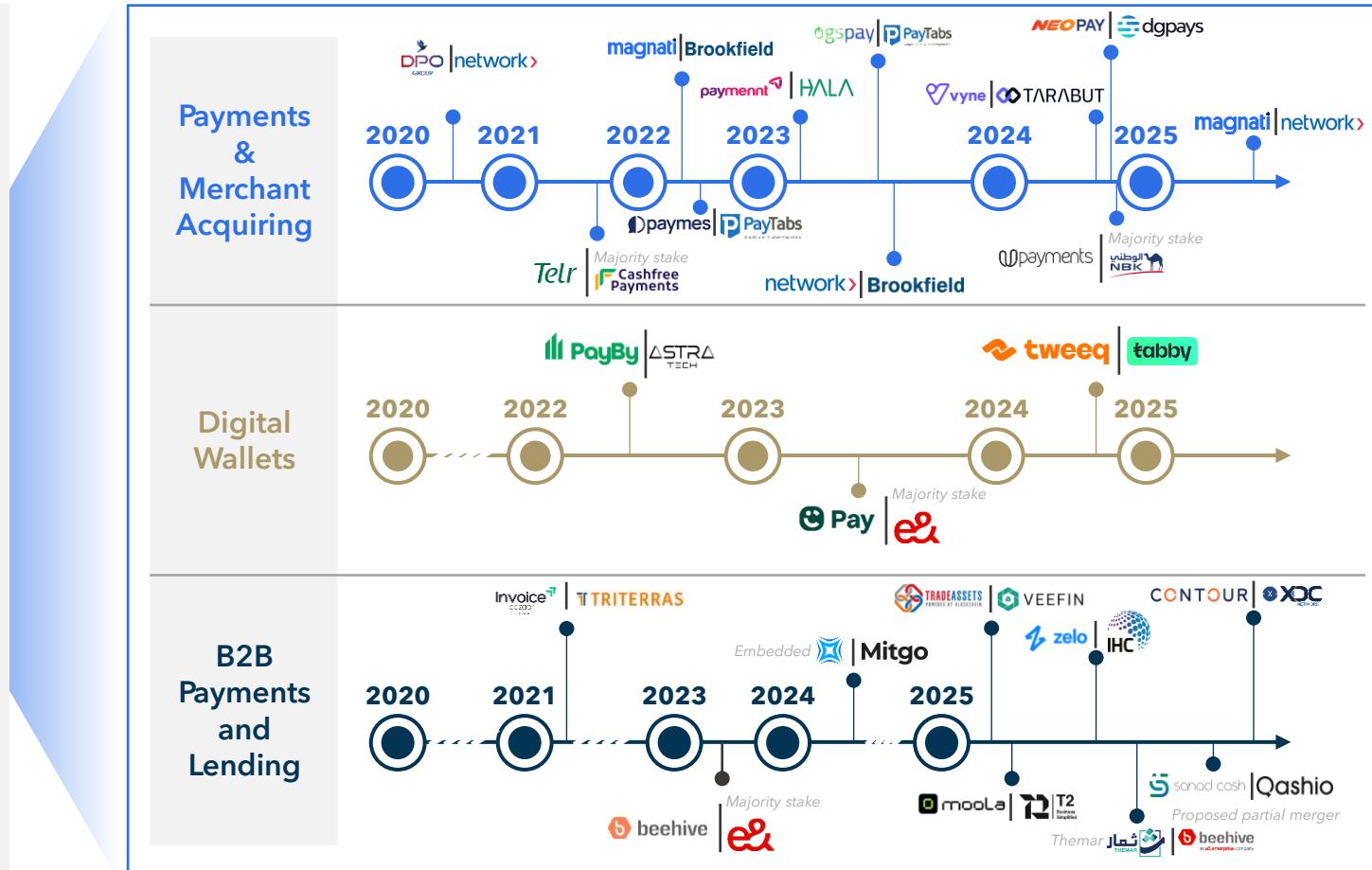
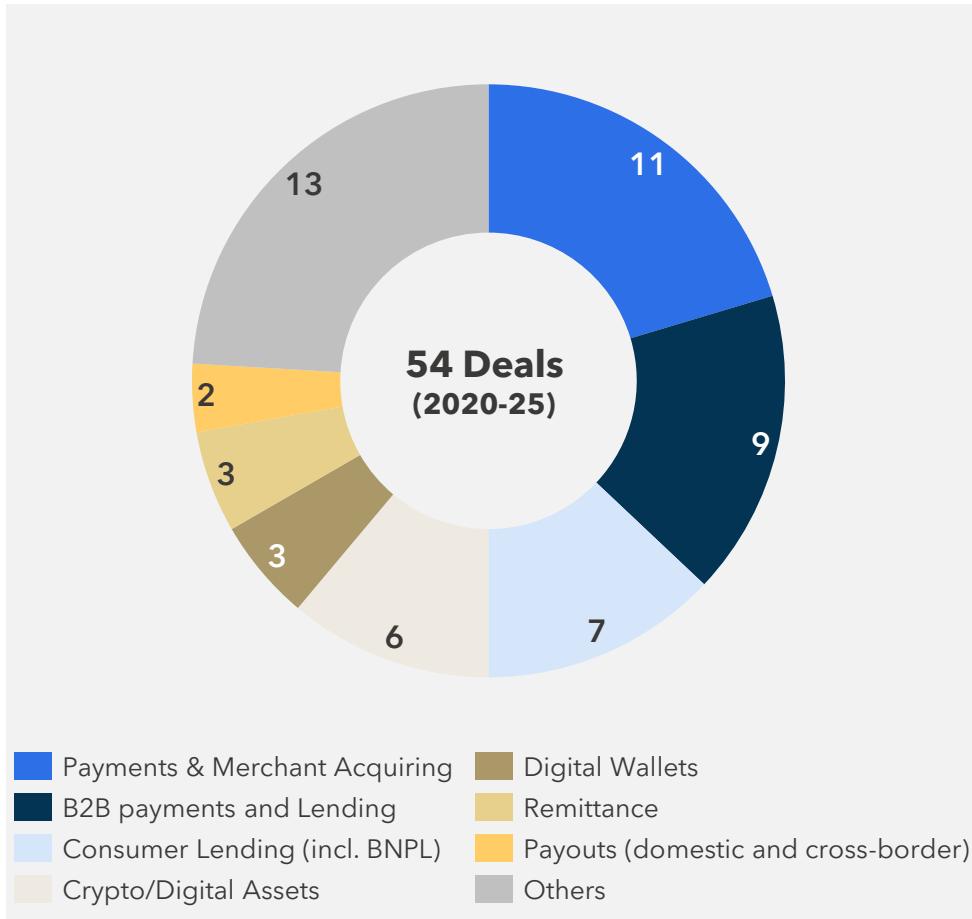
Note:1) Vision 2030 – FinTech Strategy. UAE – United Arab Emirates; KSA – Kingdom of Saudi Arabia.

Source: Fintech Saudi, Qatar Development Bank, Qatar Fintech Hub, Bahrain Fintech Bay, Zawya, Economy Middle East, Crunchbase, Fintech Middle East, FT Partners (Quarterly and Annual Fintech Insights), Lucidity Insights (The State of Fintech in the Middle East), Flagship Advisory Partners market analysis and observations.

Fintech M&A activity is on the rise across merchant acquiring, B2B payments, consumer lending, and digital wallets.

## Fintech M&A Deals Activity in the Middle East

(majority or full acquisitions, 2020-2025)



Note: Deals flow analyzed using Crunchbase for Target or Acquirer in either Financial Services or Payments industries; HQ of Target or Acquirer is in Saudi Arabia, United Arab Emirates, Oman, Kuwait, Qatar, or Bahrain; Traditional banking M&A excluded from the analysis (e.g., Capital Markets deals, Banks M&A deals, etc.); Deals analyzed based on Announced date.

Source: Crunchbase, Flagship Advisory Partners market analysis and observations.

**Legend:**  
**Target | Acquirer**

Favorable regulations and government-backed initiatives act as catalysts for fintech growth. Several government-backed fintech accelerators are in place today.

## Regulator-Led Policy and Market Infrastructure (non-exhaustive)

		Saudi Arabia	UAE	Bahrain
Policy & Regulation	Key Financial Services Regulators	 Saudi Central Bank البنك المركزي العربي Saudi Central Bank الجنة العامة للسوق المالية Capital Market Authority	 DIFC Innovation Hub ADGM	 Bahrain FinTech Bay FinHub 973 CBB Digital Lab
	Fintech Sector Developers	 Fintech Saudi	 DIFC Innovation Hub ADGM	 Bahrain FinTech Bay FinHub 973 CBB Digital Lab
	Reg. Sandbox Maturity	HIGH	HIGH	HIGH
	Licensing Framework and Perimeter Maturity	HIGH	HIGH	HIGH
	Regulatory Execution <sup>1</sup>	HIGH	HIGH	HIGH
	Domestic Rails Developed	 mada ساري sarie	 Aani أاني Jaywan جایوان	 Fawzia بنت benefit
	Key Regulatory Sandbox & Testing Pathways	MEDIUM - HIGH	HIGH	MEDIUM
	Presence of a Secondary (parallel) Market <sup>2</sup>	 Nomu Parallel Mkt. تداول السعودية	 ADX Growth Market سوق أبوظبي للأوراق المالية	 Bahrain Investment Mkt.
	Cross-Border Initiatives	YES	YES	YES

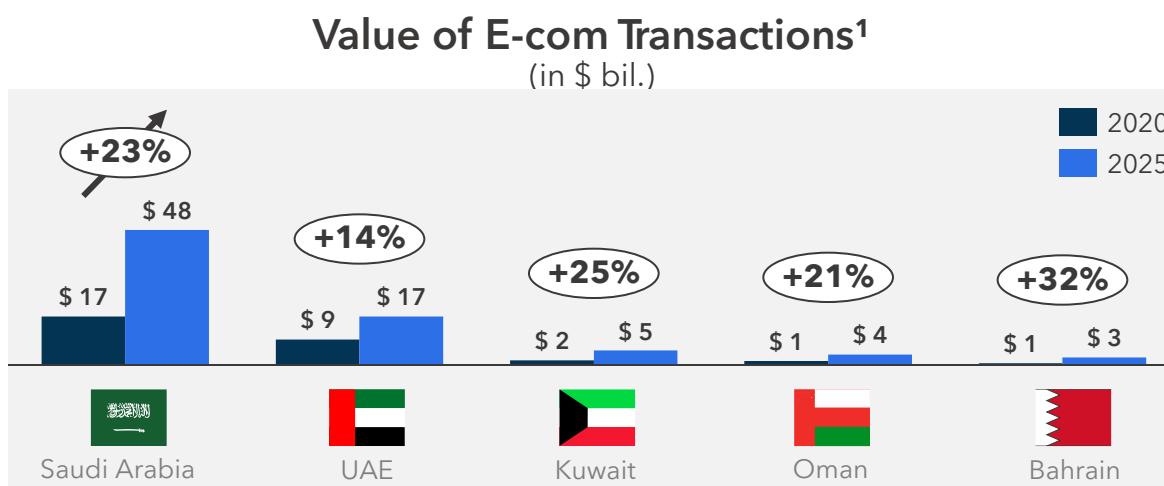
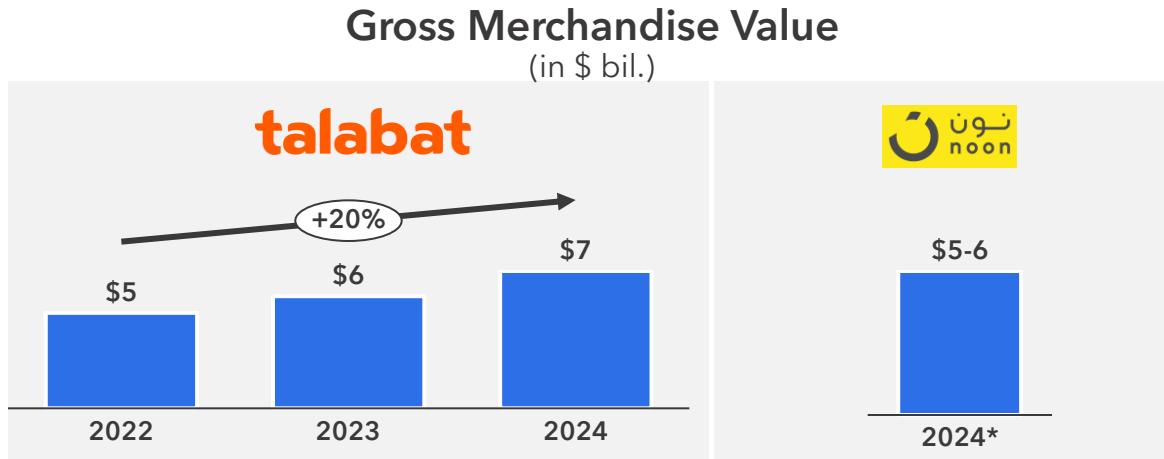
## Government-Backed Institutions and Investors (non-exhaustive)

 SVC Saudi Venture Capital Company	Saudi Arabia	 Saudi Unicorns	Saudi Arabia	 Dubai International Financial Centre	UAE	 DUBAI FUTURE DISTRICT FUND	UAE
 ALWAHA FUND OF FUNDS Bahrain	Bahrain	 Tamkeen	Bahrain	 FUTURE FUND FUND OMAN	Oman	 QDB Qatar Development Bank	Qatar
 Since inception in 2018, SVC has committed \$1 bil. and invested in 54 funds that have backed 800+ startups and SMEs.		 A national program that supports high growth tech companies with market expansion, talent, investor access, and mentorship.		 Runs the DIFC Innovation Hub - the first and largest Fintech accelerator in the Middle East.		 Launched an AED 1 bil. seed to growth venture fund in Dubai <sup>3</sup> , to fund the future of finance and future economies startups.	
 A \$100 mil. Bahrain government-led fund-of-funds backing VC investors.		 Actively provides wage subsidies, funds training programs, and works with local banks to offer subsidized lending.		 Omani Rial 2 bil. fund to attract FDI and finance large projects, with dedicated allocation to SMEs (7%) and startups (3%).		 A government-backed institution that provides soft loans, credit guarantees, and co-financing to help startups and SMEs access capital.	

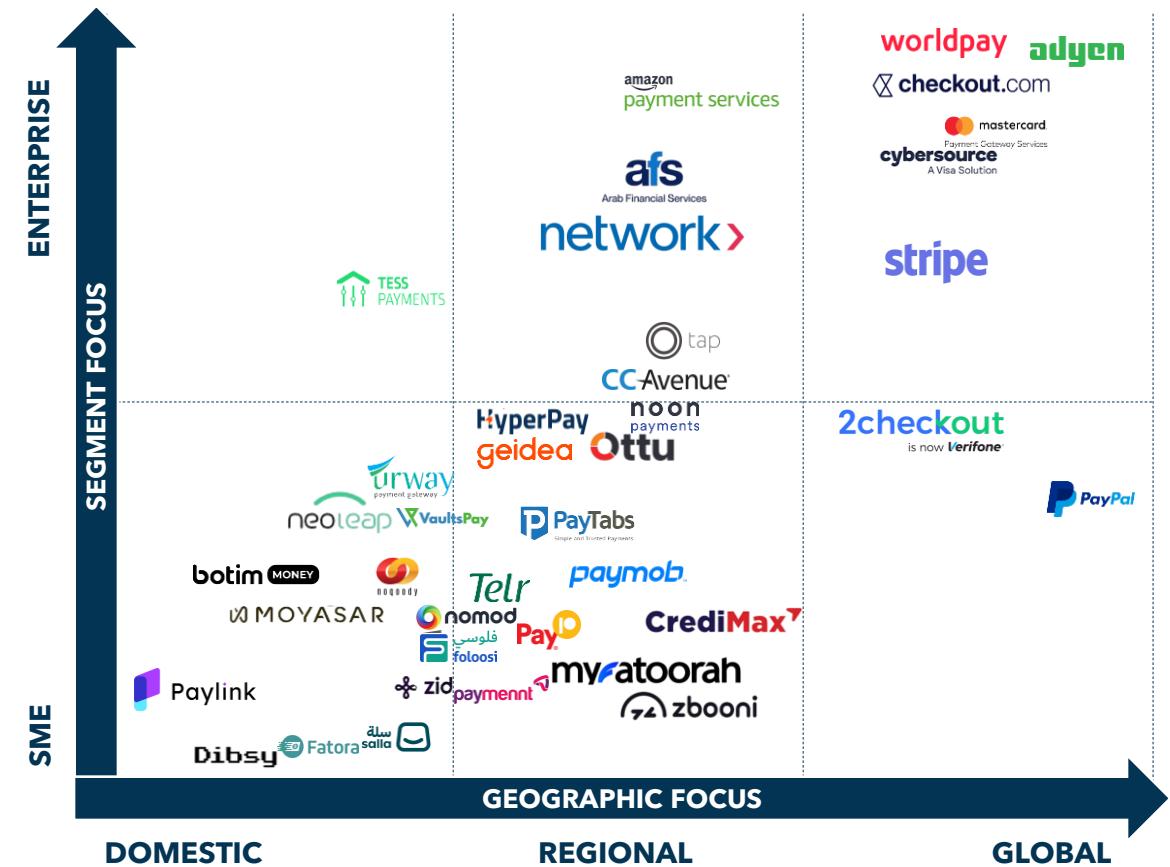
Note: SAMA - Saudi Arabian Monetary Authority; CMA - Capital Market Authority (Saudi Arabia); ADGM - Abu Dhabi Global Market; CBUAE - Central Bank of UAE; <sup>1</sup>Regulator's effectiveness in implementing and enforcing new policies under short timelines; <sup>2</sup>Secondary exchanges (SME focused) that provide access to public capital with lighter listing & disclosure requirements, and a pathway for companies to later migrate to the main exchange in the country; <sup>3</sup>Announced in Jan-2020

Source: Central Bank websites, desk research, Flagship Advisory Partners market analysis and observations.

The Middle East is experiencing strong e-commerce growth. The e-com. PSP competitive landscape remains fragmented, with global players competing with regional champions.



**E-commerce PSP Landscape in the Middle East (non-exhaustive)**



Note: (\*) Estimate from Financial Times article Sep-2025: "Middle East's Amazon rival Noon plans public offering within two years"; (1) Global Data methodology includes only B2C ecommerce. B2B or C2C e-commerce transactions are not captured. 2025 is an estimate and 2020 is actual from Global Data.

Source: Global Data, Financial Times, Talabat investor relations, Flagship Advisory Partners market analysis and observations.

Digital Wallets are scaling across the Middle East, driven by digital commerce growth, changing consumer preferences, and new fintech entrants.

### Digital Wallets Providers (non-exhaustive)

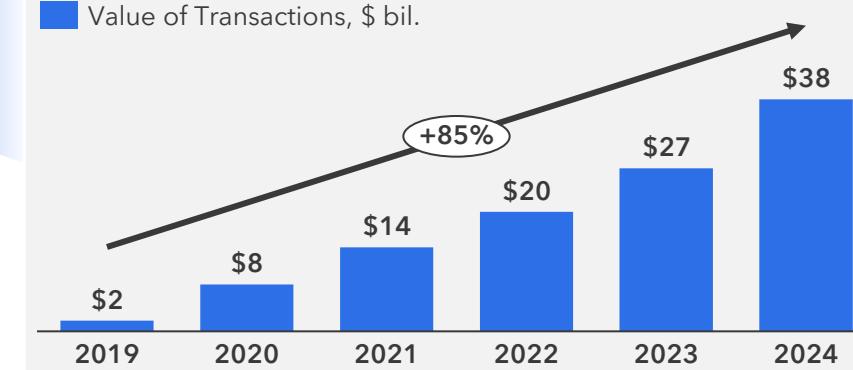
#### Examples Wallet Providers



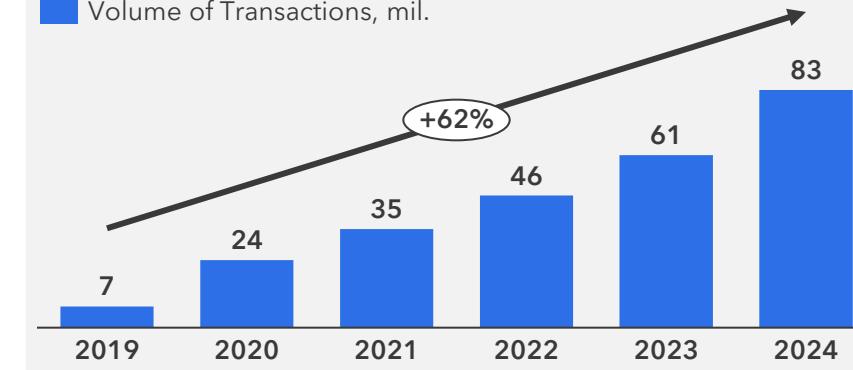
Cards are the main funding wallet method in both Saudi Arabia and UAE, while funding via Bank Account is more popular in KSA than in the UAE.

### Digital Wallets in Saudi Arabia (value and volume of wallet transactions in KSA)

Value of Transactions, \$ bil.



Volume of Transactions, mil.



Prominent Players

Apple Pay

STC pay

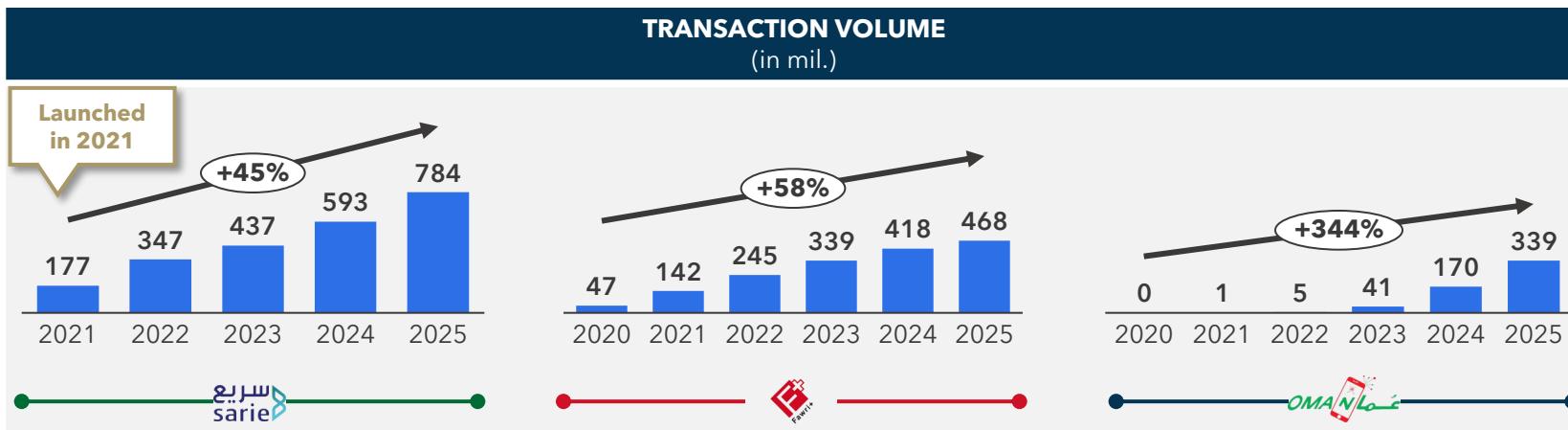
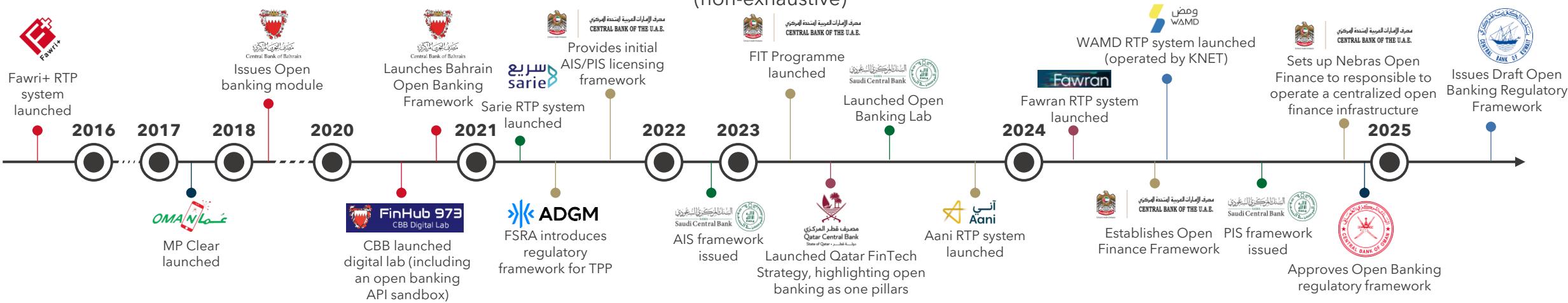
alinma pay

BayanPay

Mada Pay

Real-time payments are emerging at pace. Open banking regulations are being developed to fuel innovation and growth in A2A payments.

## Open Banking & Real-Time Payments: Key Regulatory Initiatives and Launches



### SELECT OPEN BANKING FINTECHS IN MIDDLE EAST

INFRASTRUCTURE	SOLUTION
TARABUT	Malaa
spare	Single view
Galaxy	SPIRE FOR OPEN BANKING
Bwatech	sanam
Drahim	neotek
aion	DRAHIM

#### Legend:

UAE | Saudi Arabia | Bahrain | Oman | Qatar | Kuwait

The Middle East continues to be a major remittance corridor. The competition in the remittance space is intensifying with several digital native players competing for share.

### Key Market Trends



Digital apps and wallets are capturing a growing share of remittances, displacing traditional channels



Wallets are increasingly enabling cross-border payments

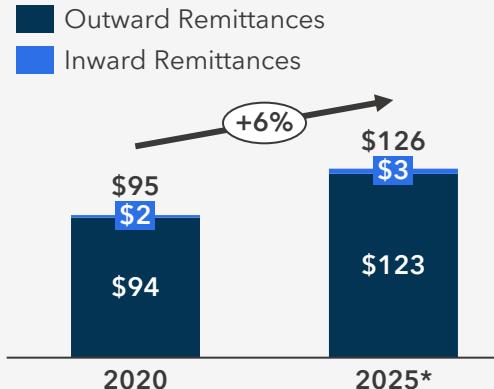
Example Providers



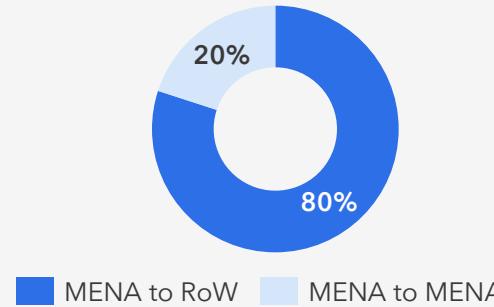
Central Banks are actively exploring CBDC use cases to lower x-border settlement cost and time

### Middle East Remittance Volumes

#### REMITTANCE VOLUME (in \$ bil.)



#### EST. REMITTANCE VOLUME MIX

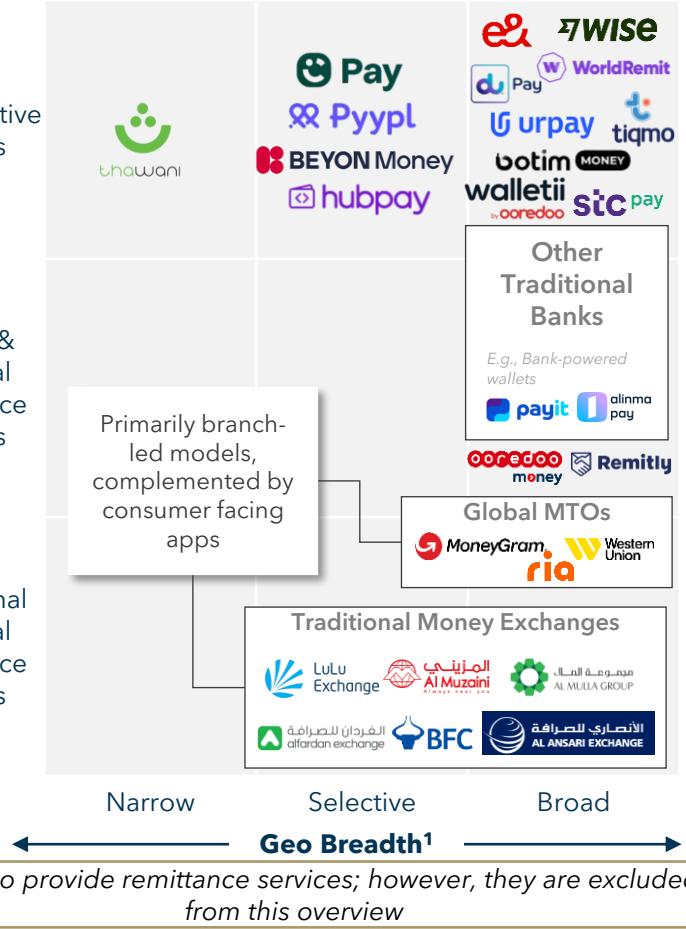


### Est. % Expat Population

Expat Citizen



### Select Remittance Fintech Players (non-exhaustive)

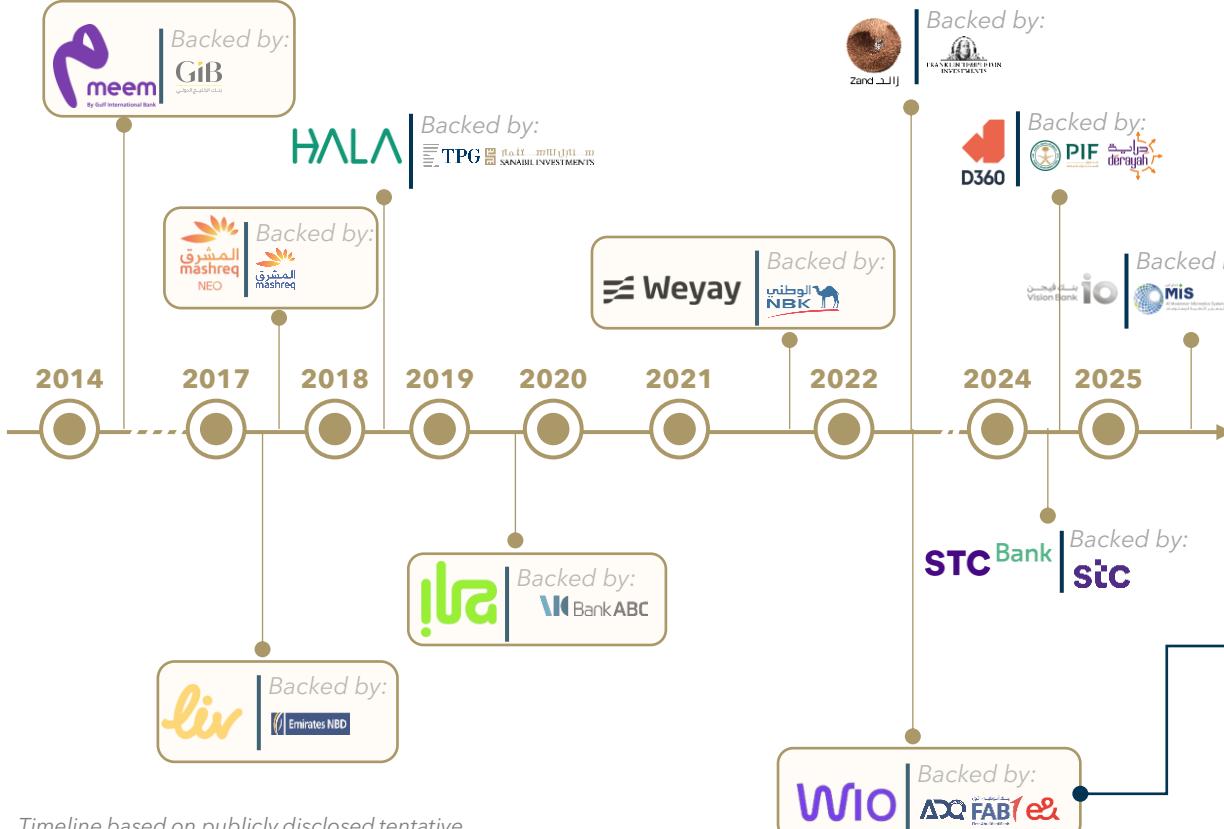


Note: (\*) 2025 is an estimate from Statista; (1) Definitions: Narrow: Supports remittances to fewer than 10 destination countries, concentrated in a small number of expatriate markets; Selective: Supports remittances to ~11-60 destination countries, covering targeted expatriate markets and regional diversification; Broad: Supports remittances to a globally diversified set of destination countries, spanning most major remittance regions worldwide.

Source: Statista, MENA Fintech Association (Cross-Border Payments Report), company disclosures, Flagship Advisory Partners market analysis and observations.

Neobanks are rapidly scaling in the Middle East. Several traditional banks have launched digital-only subsidiaries under distinct brands to target digital-first customer segments.

## Key Neobanks in the Region (non-exhaustive)



## Key Market Trends

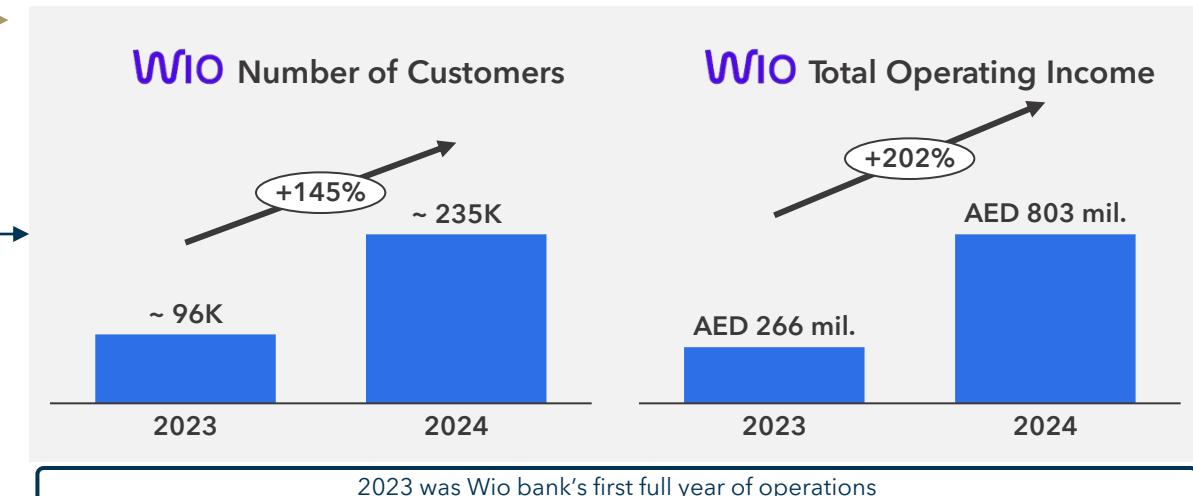
Regulatory frameworks are evolving to support digital banking and open finance.



SMEs - historically underserved - are becoming a key opportunity segment for Neobanks



Leading Middle East incumbent banks are either sponsoring or launching their own digital-only banks



Note: Meem was launched in KSA in 2014 and began operations in Bahrain in March 2018; Hala secured SAMA sandbox approval in 2018, and pivoted from B2C to B2B in 2020; Zand bank was founded in 2018 and received banking license in June-2022; STC Pay (now STC Bank) was founded in 2017 and received final approval from SAMA in early 2025 to launch full digital banking operations in KSA (launched in beta in 2024); Vision Bank received cabinet decree in 2021 and began its pilot phase of operations in 2025.

Source: e& capital markets day presentation, Wio Bank investor relations, Flagship Advisory Partners market analysis and observations.

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