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DinarStandard
Growth Strategy Research & Advisory

ELIPSES

Marketing Partner:



Global Islamic Fintech Report

2021

Strategic Partners:

Gold Partners:



Fintech Partners:



tayyab

#GIFTReport2021



Executive Summary

As digital transformations accelerate across the Islamic finance ecosystems worldwide, the **Global Islamic Fintech Report 2021** presents groundbreaking insights on the booming Islamic Fintech landscape that has identified 241 Fintechs globally.

The Report presents an estimated **market sizing** of transaction volume, a country-level benchmarking **index** of 64 countries, **industry views**, and an analysis of gaps and **opportunities** across key sub-categories and geographies for government policy makers, Islamic Fintechs, and investors in this space.

The Report estimates the **2020 Islamic Fintech transaction volume** within OIC* countries to be **\$49 billion**. While this represents 0.7% of global Fintech transaction volume, Islamic Fintechs are projected to grow to **\$128 billion** by 2025 at **21% CAGR**. This is a higher growth projection compared to conventional Fintechs projected at 15% CAGR for the same period.

Saudi Arabia, Iran, UAE, Malaysia and Indonesia are the largest with estimated transaction volume.

Meanwhile, the **GIFT Index of 64 countries**, ranks Malaysia, Saudi Arabia, UAE, Indonesia and UK as the top 5 strongest ecosystems. It is a composite index of 32 indicators covering 5 categories: Islamic Fintech market & ecosystem, talent, regulation, infrastructure & capital. Our opportunity analysis shows that besides the top 5 strongest ecosystems, Kuwait, Pakistan, Qatar, Bahrain, and Jordan are fast maturing ecosystems.

The Report also gathered inputs from the industry in the form of a **global survey of Islamic Fintechs**. From the 100 survey respondents 56% of Islamic Fintechs expect to raise an equity funding round in 2021 with an average round size of USD 5.0M. This shows the continuing confidence in the growing ecosystem. The respondents also highlighted the greatest hurdles to be



Tayyab Ahmed
Associate Partner,
Islamic Finance Lead
DinarStandard



Abdul Haseeb Basit
Co-Founder & Principal
Elipses

Lack of Capital, Consumer Education, and Finding Talent. Meanwhile, the respondents considered **Payments, Deposits & Lending and Raising Funds** as the top growth segments in 2021.

We are also grateful to have special contributions by industry leaders who represent industry, regulation, Shariah-compliance and investor views.

One of the key area of insights for investors and Fintech players are the areas of Islamic Fintech categories and geographies that are underdeveloped. Payments, Deposits & Lending, and Raising Funds categories are relatively crowded segments, but continue to display high momentum, and represent low-hanging fruit for investors. Regionally, Sub-Saharan Africa, MENA (ex-GCC) have gaps across the 9 iFintech services segments.

The Report has been **produced jointly by** DinarStandard, a leading Islamic economy management consultancy, and Elipses, a leading ethical digital finance advisory and investment firm. We have joined forces to present the most comprehensive view that we trust will contribute to Islamic Fintech's role in driving Islamic financial ethos of equitable financing world-wide.

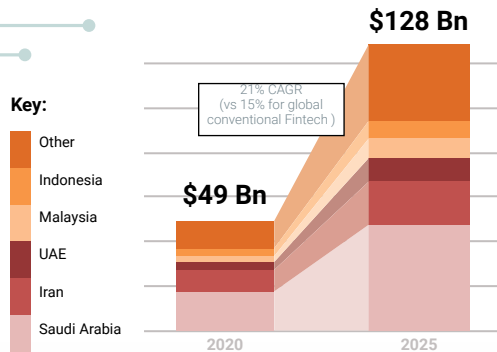
* OIC (Organisation of Islamic Cooperation) 57 member countries

Summary Infographic

At \$49 Bn in transaction volume (2020), Islamic Fintech in OIC countries is fast growing, yet with many geographies and categories vastly underdeveloped

Fast Growing

While 0.7% of global Fintech transaction volume, Islamic Fintech in OIC countries poised to grow at 21% CAGR through 2025



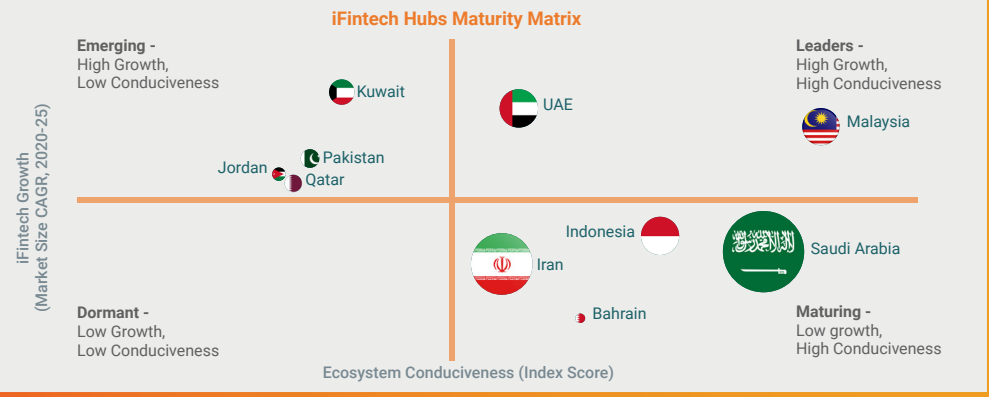
Country Index

The GIFT Index of 64 key Islamic Fintech markets show **OIC countries** dominating in top 10 while **non-OIC countries** dominate next 20

- | | |
|----------------|----------------|
| 1 Malaysia | 11 Jordan |
| 2 Saudi Arabia | 12 Singapore |
| 3 U.A.E | 13 U.S.A |
| 4 Indonesia | 14 Hong Kong |
| 5 U.K | 15 Oman |
| 6 Bahrain | 16 Australia |
| 7 Kuwait | 17 Switzerland |
| 8 Iran | 18 Canada |
| 9 Pakistan | 19 Bangladesh |
| 10 Qatar | 20 Luxembourg |

OIC Hubs Opportunities

While Malaysia leads the Maturity Model, Saudi Arabia, Pakistan, Indonesia, Qatar, and Kuwait, are exciting hubs that should be on investors' horizons



Industry Views (100 survey respondents)

FUNDING

56% of Islamic Fintechs expect to raise an equity funding round in 2021 with an average round size of USD 5.0M.

Fintechs: What are the greatest hurdles to growth for your firm?

- 1 Capital ↔
 - 2 Consumer Education ↑
 - 3 Finding Talent ↓
 - 4 Ongoing Impact of Covid-19 ↑
 - 5 Differing Regulation ↓
- Top 5 hurdles ranked by survey responses from 12 options presented

Fintechs: What are the greatest enablers to growth for your firm?

- 1 Capital ↔
 - 2 Unserved Customers ↔
 - 3 Talent Base ↔
 - 4 Geographic Expansion ↔
 - 5 Increased Digitisation after Covid-19 ↑
- Top 5 enablers ranked by survey responses from 12 options presented

Arrows = Change vs 2019

Islamic Fintech Category Opportunities

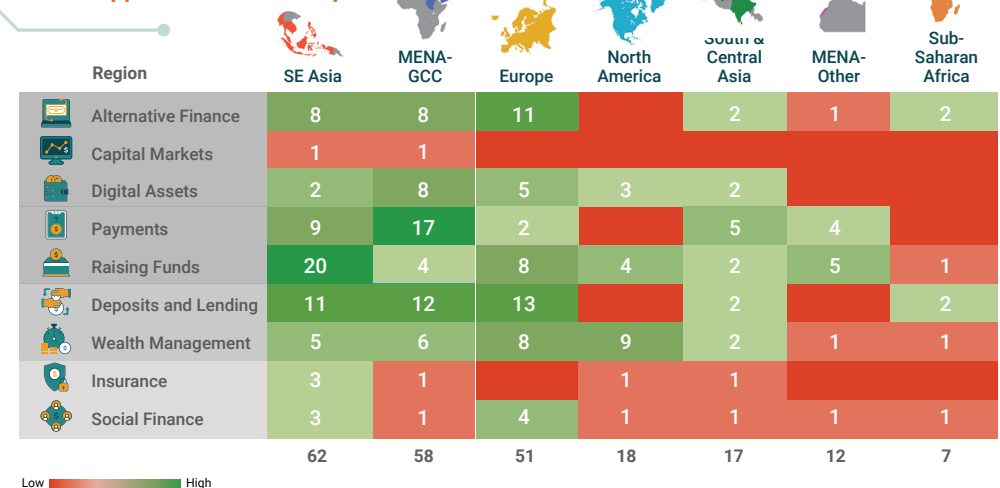
Total number of Islamic Fintechs identified:

241

Raising Funds, Deposits and Lending, Wealth Management, Payments and Alternative Finance are leading categories accounting for **77%** of Islamic Fintech firms

Sub-Saharan Africa, MENA (ex-GCC) have gaps across the **9 iFintech services segments**.

Global Opportunities Heatmap



Notes: OIC (Organization of Islamic Cooperation) 57 member countries. Islamic Fintech market size estimated projected transaction volumes. The GIFT Index is based on 32 indicators covering 5 categories: Islamic Fintech market & ecosystem, talent, regulation, infrastructure, & capital. (See Report methodology section for full details)



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DinarStandard
Growth Strategy Research & Advisory

www.dinarstandard.com

ELIPSES

www.elipses.co



www.salaamgateway.com

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