Global Islamic Fintech Report
2021

Strategic Partners:
Gold Partners:
Fintech Partners:
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 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
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

**Global Opportunities Heatmap**

**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.

**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.

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)