



Egypt FinTech

LANDSCAPE REPORT

2023

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البنك المركزي المصري
CENTRAL BANK OF EGYPT



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ABBREVIATIONS & ACRONYMS



AI	• Artificial Intelligence
B2B2C	• Business to Business to Consumer
B2C	• Business to Consumer
CBE	• Central Bank of Egypt
E-KYC	• Electronic Know Your Customer
eIDV	• Electronic Identity Verification
FinTech	• Financial Technology
FRA	• Financial Regulatory Authority
GPoS	• Government Electronic Point of Sales
IPN	• Instant Payment Network
MCIT	• Ministry of Communications and Information Technology
MENA	• Middle East and North Africa
MLCU	• Money Laundering Combating Unit
MNO	• Mobile Network Operators
MSMEs	• Micro, Small, and Medium Enterprises
NBFS	• Non-banking financial services
NTRA	• National Telecom Regulatory Authority
PFM	• Personal Finance Management
PSOs	• Payment System Operators
PSPs	• Payment Service Providers
SDS	• Sustainable Development Strategy
SLA	• Service Level Agreement
SMEs	• Small and Medium Enterprises
RegTech	• Regulatory Technology
ROSCA	• Rotating Savings and Credit Association
VC	• Venture Capital
VSLA	• Village Savings and Loans Association
YoY	• Year over Year

THE JOURNEY TOWARDS DIGITAL TRANSFORMATION





Financial Technology is fundamental for the modernization and advancement of Egypt's banking and financial sectors. With new innovative FinTech and FinTech-enabled startups emerging in the market every year, Egypt has immense potential for the advancement of the FinTech & FinTech enabled industry as well as a catalyst for current and future innovation, potential collaboration and policy development.

As part of the country's endeavors towards achieving Egypt's less-cash framework and more broadly Egypt's National Vision 2030, under the leadership of His Excellency, Mr. President Abd El Fattah El Sisi, Egypt is striving to encourage innovation and digitization of the banking and financial sectors.

Owing to the regulators and government who significantly helped in policy development and creating a FinTech enabled environment as well as all the other vital roles played in the progression of the FinTech ecosystem by other key stakeholders as FinTech & FinTech enabled startups, payment service providers (PSPs), venture capital firms, angel investors, accelerators, incubators, commercial banks in Egypt, and financial infrastructure providers who are responsible for enabling the FinTech & FinTech enabled startups' core offerings to function.

By expanding the FinTech ecosystem and the involvement of more key stakeholders, the Egyptian FinTech industry has seen vast advancements throughout this year, keeping the country in line with its deliberate Sustainable Development Strategy (SDS) to achieve a competitive diversified economy, and attain optimum financial inclusion. As such, this report aims to provide insights on the progression of the FinTech industry in Egypt in the last few years, in addition to the enabling activities and initiatives done by the aforementioned stakeholders to help achieve the country's strategic goals.

FORWARD





Following on the success of the previous editions of the FinTech Landscape Report, the 3rd edition of the FinTech Landscape Report mainly focuses on including more FinTech ecosystem players, thus highlighting all their vital roles in helping the FinTech scene in Egypt grow at a fast pace, as the Central Bank of Egypt realizes that nowadays it is all about collaboration rather than being head to head, enabling others to enable yourself, therefore the Central Bank of Egypt brought together

the key stakeholders of the FinTech & FinTech enabled industry to establish a comprehensive all-inclusive report.

The FinTech industry in Egypt continues to rapidly open up a world of possibilities across every industry sector and multiple aspects of daily life, from contactless payments to automating the delivery and use of financial services and streamlining financial operations and processes. As per the deep technological changes witnessed, 2022 has shown significant progress in the FinTech industry, by dint of all the FinTech ecosystem main players' collaborative efforts that significantly helped in the making of the report.

This report gives an overview on a five-pillar framework which mainly includes the needs and demands of consumers, MSMEs, corporations and financial institutions, the availability of funding and access to capital across all FinTech lifecycle stages, availability and development of talent pipeline, governance and effective collaborations among ecosystem stakeholders, and the overall regulatory environment. Moreover, the report measures the influence of each of the five pillars through the lens of each and every key stakeholder, while providing a full-fledged understanding of the FinTech developments witnessed over the last year(s).

In alignment with the directions and support of the **Governor of Central Bank of Egypt, Mr. Hassan Abdalla**, the Central Bank of Egypt will continue in driving innovation and creating growth opportunities to reshape its economy into a more financially inclusive digital economy, ensuring price stability, lifting constraints, encouraging innovative entrepreneurs and startups, building customer trust, creating opportunities beyond financial services, and enabling the ecosystem to achieve sustainable growth as the journey continues.

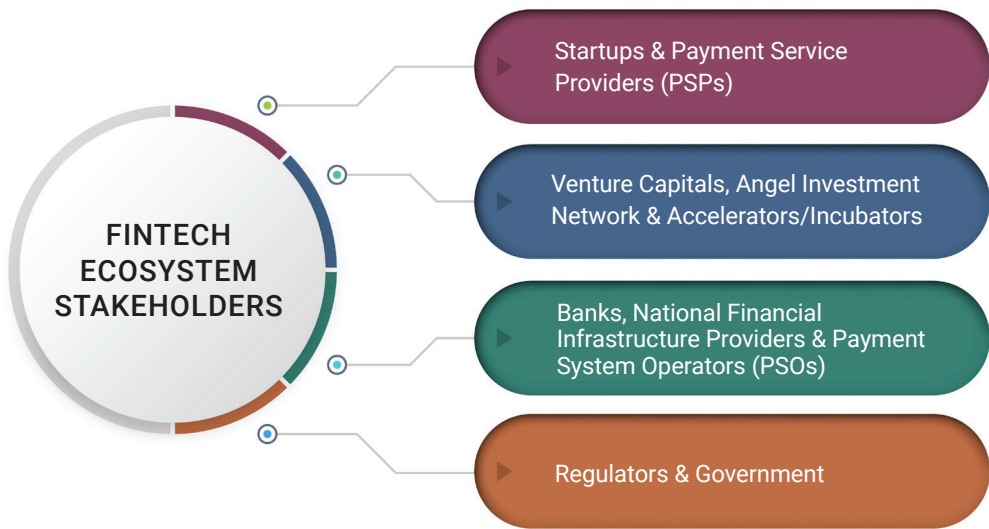
SCOPE & METHODOLOGY



The third edition of the FinTech Landscape report is instrumented thoroughly by a combination of suitably designed online surveys, covering year 2022 and directed to each key stakeholder in the FinTech ecosystem to better understand and identify market progress, needs, areas of improvements and possible collaborations, by going through each and every stakeholders' unique perspective of the 5 pillars (Demand, Funding, Talent, Governance, and Regulations).

Each stakeholder in the FinTech ecosystem has his distinctive viewpoint towards the aforementioned pillars, which were empirically procured through the well-tailored surveys that were directed and filled out by each key stakeholder to make the FinTech Landscape Report more comprehensive.

The analytics in the report are based on information extracted from more than 250 organizations from the FinTech ecosystem, including 177 FinTech & FinTech enabled startups from 14 different FinTech & FinTech enabled sub-sectors & payment service providers (PSPs), 36 investors, accelerators and incubators, 36 banks and 4 national financial infrastructure providers and payment system operators (PSOs), and many other key stakeholders who all took part in forging the newest all-inclusive FinTech Landscape Report. Given Egypt's leading position in the FinTech industry in the MENA region as well as Africa region, this rapid growth is no surprise, with Egyptian startups rising and exporting their products and services around the world, drawing the attention of local, regional and international investors, we can safely proclaim that this is only the beginning of a new era!



EGYPT AT A GLANCE

EGYPT IN NUMBERS

POPULATION ^①

104.4 Million



MOST POPULOUS
country in
MENA

19%
of MENA
population ^②

3rd
MOST POPULOUS
country in **AFRICA** ^③

Consumer Adoption



94.16%

Mobile penetration ^④



72.2%

Internet users ^⑤



24.2 years old

Median Age ^⑥



93.28%

Youth literacy
(15-24years) ^⑦

Financial Inclusion

64.8% (42.3 M) ^⑧

Financially included adults
(16years+)

57.5% (18.3 M) ^⑨

Female financially included
out of women (16years+)

Fintech & Digital Financial Services

Fintech ^⑩

Top sector receiving
VC investments (18%)

14.4 M ^⑪

Internet Banking
Users

13.2 M ^⑫

Mobile Banking
Users

88% ^⑬

Of consumer used at least
One Emerging Payment Method

24% ^⑭

Of consumers have paid
using QR codes

27% ^⑮

Of consumers have used
A Digital Money Transfer App

1 <https://www.sis.gov.eg/Story/174798/Egypt's-population-hit-104.395-million-CAPMAS?lang=en-us>

2 <https://worldpopulationreview.com/country-rankings/mena-countries>

3 <https://www.worldometers.info/population/countries-in-africa-by-population/>

4 https://mcit.gov.eg/Upcont/Documents/Publications_832023000_ICT_Indicators_Quarterly_Bulletin_Q4_2023.pdf

5 <https://datareportal.com/reports/digital-2023-egypt>

6 https://countrymeters.info/en/Egypt#population_2023

7 Central Bank of Egypt, Dec. 2022

8 <https://magnitt.com/research/2022-egypt-venture-investment-report-50861>

9 Central Bank of Egypt, December 2022.

10 Research done by The Harris Poll and Mastercard Global Foresights, Insights and Analytics on 767 consumers in Egypt, June 2022 <https://www.mastercard.com/news/emea/en/newsroom/press-releases/press-releases/en/2022/august/mastercard-new-payment-index-2022-consumers-in-egypt-embrace-digital-payments/>

EGYPT'S POSITION GLOBALLY

Global Innovation Index

<p>Ranked 89th</p> <p>Global Innovation Index</p>	<p>Ranked 14th Among 36 Lower Middle-Income Group</p> <p>Above Group Average in Infrastructure, Knowledge & Technology Outputs</p>	<p>Ranked 34th</p> <p>Venture Capital Amounts Received (% of GDP)</p>
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Global Fintech Startup Ecosystem

<p>From TOP 100 Emerging FinTech Startups Ecosystem</p>	<p>Scored 10 In Global Emerging Fintech Ecosystems In Funding</p>
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EGYPT'S POSITION REGIONALLY

African Fintech Ecosystem

<p>Among ONLY 2 Disrupted Fintech Markets In Africa</p>	<p>12% Growth Expected In Financial Services Per Annum Till 2025</p>	<p>Among TOP 5 African Countries Having 50% of Software Developers</p>
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African Fintech Investment Ecosystem

<p>2nd In Africa In Fintech VC Investments</p>	<p>Among TOP 4 African Countries Viewed as Hotspots for African VC Investments</p>	<p>Among TOP 2 African Countries With Most Balanced Sector Diversification</p>
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Mena Fintech Ecosystem

<p>3rd In MENA In Fintech VC Investments (18%)</p>	<p>3rd In MENA In Fintech Talent & Experience</p>
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11 https://www.wipo.int/edocs/pubdocs/en/wipo_pub_2000_2022/eg.pdf

12 <https://startupgenome.com/report/gser-fintechedition>

13 <https://www.mckinsey.com/~media/mckinsey/industries/financial%20services/our%20insights/fintech%20in%20africa%20the%20end%20of%20the%20beginning/fintech-in-africa-the-end-of-the-beginning.pdf>

14 <https://partechpartners.com/2022-africa-tech-venture-capital-report/>

15 <https://magnitt.com/research/2022-mena-fintech-venture-investment-report-50856>



EGYPT'S FINTECH ECOSYSTEM MAP 2022

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DATA ANALYTICS & AI



INSURTECH / HEALTHTECH



PAYROLL & BENEFITS



PROPTECH



ROSCA



INVESTORS



ACCELERATORS & INCUBATORS



REGULATORS



GOVERNMENTAL ENTITIES



NATIONAL FINANCIAL INFRASTRUCTURE PROVIDERS & PSOs



TALENT DEVELOPMENT



ECOSYSTEM ENABLERS



AGRITECH



WEALTH MANAGEMENT & SAVINGS



OTHER





This map is based on surveys done with more than 250 organizations, including 177 startups & payments services providers according to their primary sub-sectors, 36 investors, 4 National Financial Infrastructure Providers and Payment System Operators, and various regulatory and governmental entities. This map excludes the operating commercial banks in Egypt. Thus; non-exhaustive of the total Egyptian FinTech Ecosystem Stakeholders.





STARTUPS & PSPs



A CLOSER LOOK INTO FINTECH & FINTECH- ENABLED STARTUPS & PSPs

The first section mainly revolves around FinTech & FinTech enabled startups and Payment Service Providers (PSPs)*, by deep diving into each of the main pillars through their own distinctive perspective, tackling their primary demands and interests as well as their foremost important challenges. It also provides insights on the growth of FinTech & FinTech enabled startups and PSPs in Egypt over the years and the expansion of the FinTech sub-sectors, as well as the degree of diversity within startup businesses, hiring plans along with the challenges faced in recruitment, and challenges that hinder startups' growth and potential collaborations.

** "Startups & PSPs" mentioned across all sections of the report refers to the 177 surveyed FinTech & FinTech enabled startups and payment service providers (PSPs).*



FINTECH & FINTECH-ENABLED STARTUPS / PSPs

DEMAND

Evolution of startup and startup subsectors over years, challenges that hinder startups' growth.

TALENT

Employees of FinTech sector, gender-diversity lens, challenges in recruitments.

FUNDING

Growth of FinTech investments coming from the startup scene, revenue models & challenges of funding.

GOVERNANCE & COLLABORATION

Partnerships between startups & FinTech ecosystem.



STARTUPS & PAYMENT SERVICE PROVIDERS (PSPs) MAP

FinTech EGYPT

STARTUPS & PAYMENT SERVICE PROVIDERS (PSPs) MAP 2022

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DATA ANALYTICS & AI

Zeal, Planat.ai, disco, A-eye Tech, 7ML, SYMBASE ANALYTICS, dyne, AdMazad, CREDIFY

INSURTECH / HEALTHTECH

Chabara, Amonizeek, Ma3ak, mDcity, amenli, health, Faydeby, Estafsar, bringy, ZR3i

PAYROLL & BENEFITS

KaShati, BenefEx, nowpay, paynas, PAYMINT, Performly

PERSONAL FINANCE MANAGEMENT & FINANCIAL LITERACY

Spare, بناكوي, Sumoda, CreditFins, receety, ingiz, MerQ Artificial Intelligence

OPEN BANKING & INFRASTRUCTURE

AMWAL, div Systems, NYMCARD, Leapro, MONEY # PAYMENTS HUB, simplifi, Fair Solutions FOR CONSULTING, FSC, FINTECH GALAXY

ROSCA

Money Fellows, DAYAH, الجمعية

WEALTH MANAGEMENT & SAVINGS

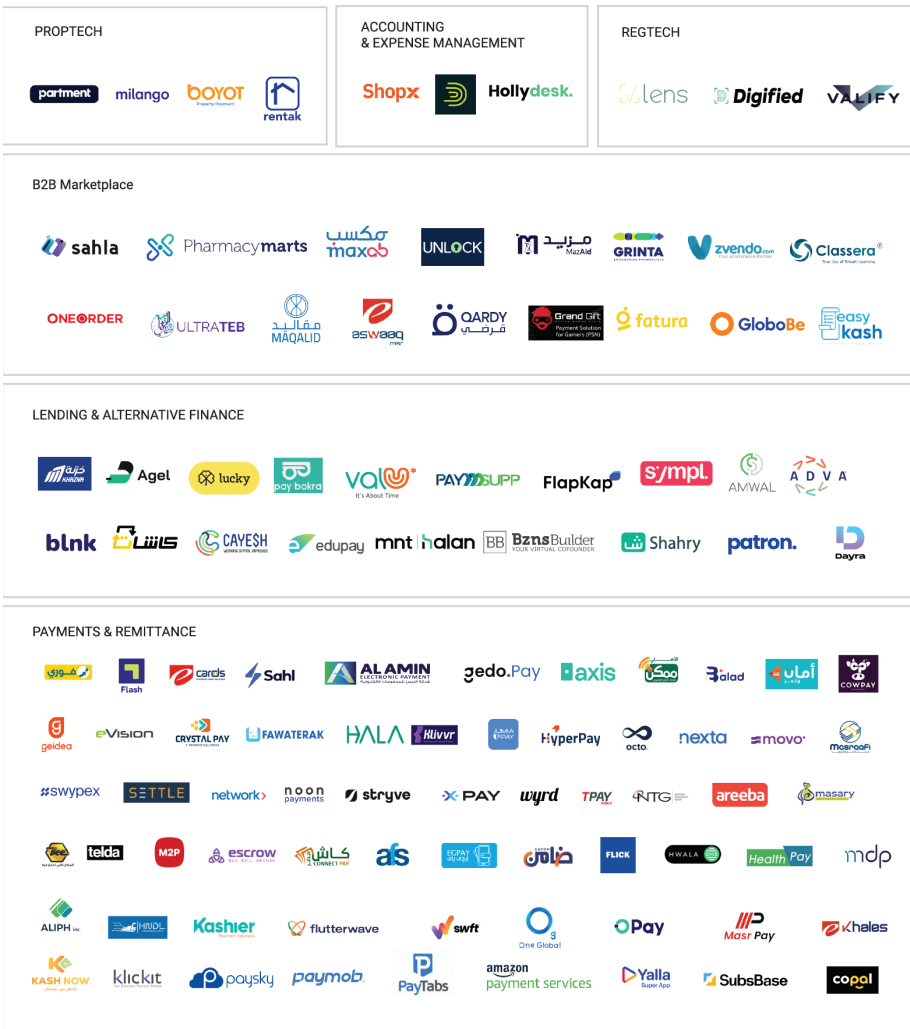
بالانقي, FAKA.ORG, Thndr, DASH, GOLDARY, H

OTHER

Fuelin, تعفيد Taahied, WAFFARX, owaqeo, CLIX, تجارتي, Waffarha, DRSA

AGRITECH

Dajin Platform, CROPSA, أرزاق, aydi, fresh source, Mozare3, SOWIT, AbuErdan.com, Agri Soft

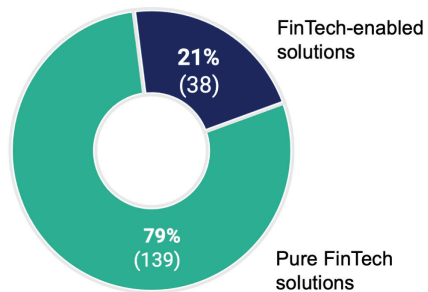


DEMAND

Evolution of startups and PSPs over years, their primary FinTech subsectors, local and international offices, and challenges that hinder startups and PSPs growth.

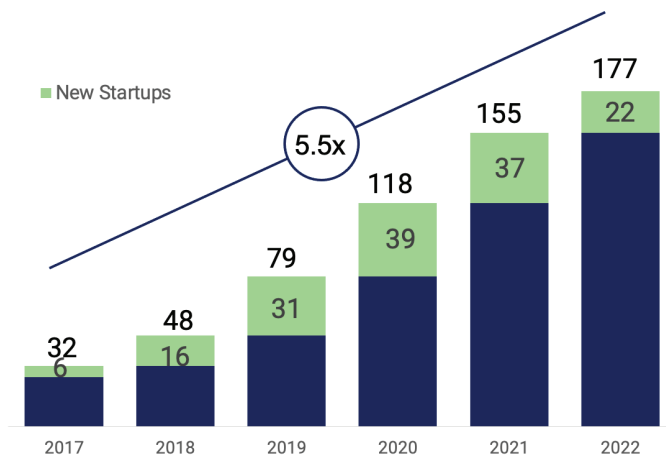
Egypt Is Home to Over 177 Startups & PSPs

Currently, there are 177 FinTech & FinTech-enabled startups and Payment Service Providers (PSPs) offering innovative solutions in the Egyptian market. Out of which, 139 startups provide pure FinTech solutions, while 38 provide technological solutions, along with embedded finance.



Growth of Startups & PSPs in the Last 5 Years

Within the last 5 years, innovative startups & PSPs have increased by 5.5 times, due to the rising demand for FinTech & FinTech-enabled solutions in the Egyptian market.



Startups & PSPs Geographical Representation

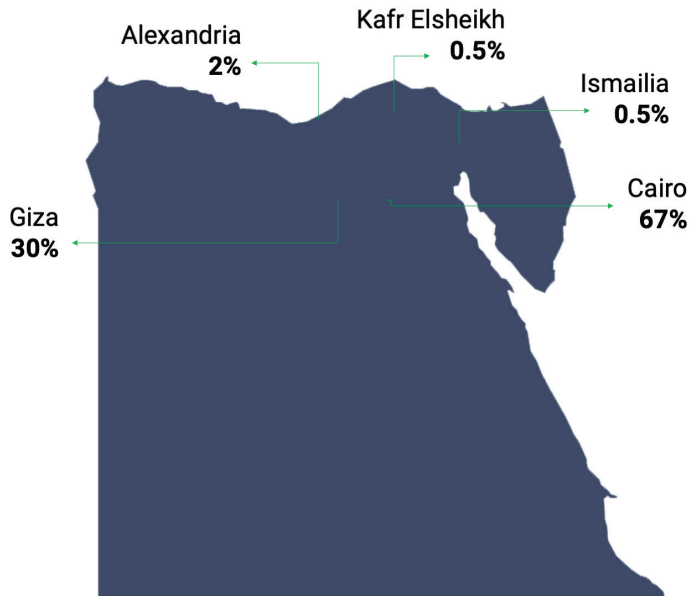
- Startups & PSPs Headquarters



- Startups & PSPs Local Geographical Representation

Around 67% (113) of 168 headquartered in Egypt are based in Cairo, while 30% (50) in Giza, and the rest of the 3% (5) are distributed across other governorates.

Additionally, out of 113 startups & PSPs who are based in Cairo, 17 have additional offices in other governorates.

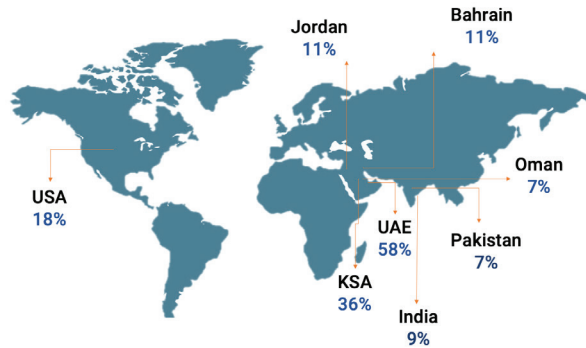


- **Startups & PSPs Global Geographical Representation**

46 Startups & PSPs have additional offices overseas

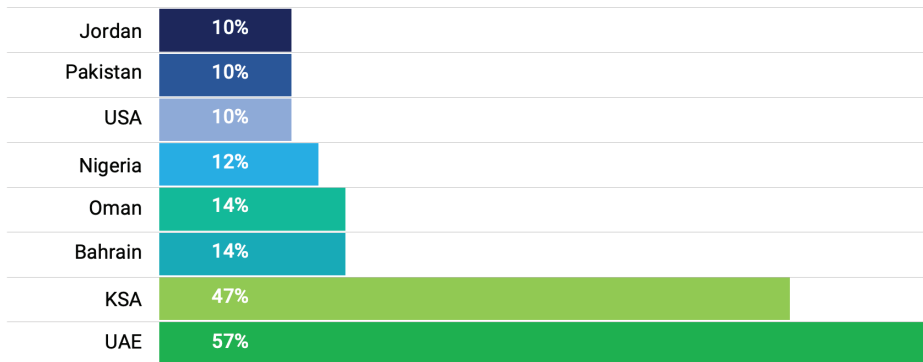
More than half of them are located in United Arab Emirates (58%), followed by Saudi Arabia (36%).

Additionally, 18% have offices beyond the MENA region; mainly in the United States.



52 startups & PSPs have cutomers overseas

Top two countries, where these 52 startups & PSPs are serving their customers, are: United Arab of Emirates (57%), followed by Saudi Arabia (47%).



102 startups & PSPs are planning to expand globally in the next 12 months

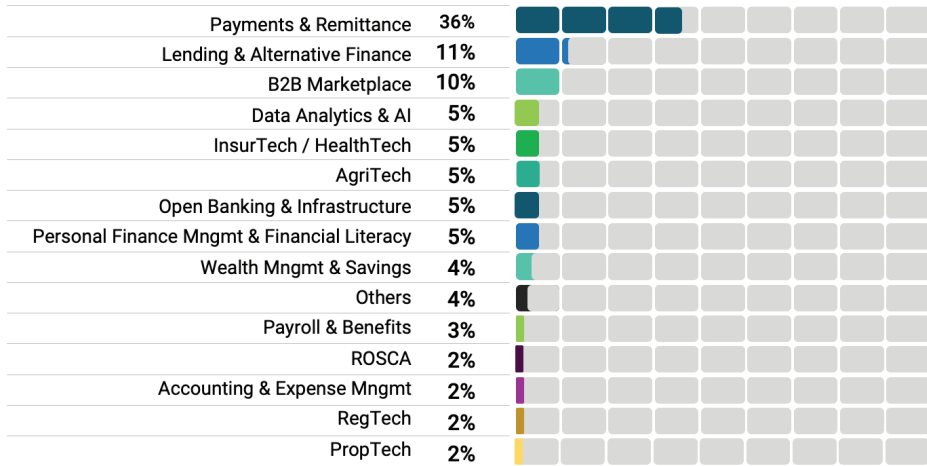
Most potential markets these startups are planning to expand at are; MENA region, Turkey, Pakistan, and African regions.



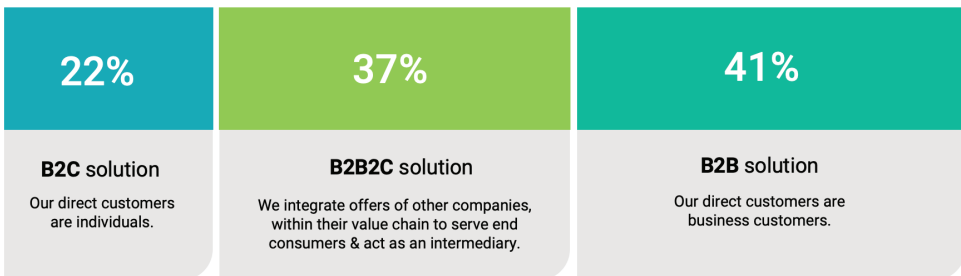
Primary Sub-Sectors of Startups & PSPs

To date, 3 sub-sectors are dominating the FinTech industry in Egypt by nearly 60% of the 177 startups & PSPs.

To elaborate, Payments & Remittance are representing 36% of the FinTech scene, followed by Lending & Alternative Finance and B2B Marketplace solutions, with 11% and 10% consecutively.



Startups & PSPs Business Models



Served Customers

- **Total Customers**

As shared by 143 startups & PSPs

Given that 25 startups & PSPs have no customers yet.



99.9 Million
Individual & Business
Registered Customers



54.7 Million (55%)
Active Customers
in the last 90 days

- **Female Customers Participation**

Given that only 72 startups & PSPs have gender-disaggregated data, female registered customers represent almost one third (4.4M) of their registered customers (15.6M).



4.4 Million (28%)
Out of 15.6M customers

Female
Registered Customers
*As shared by 72 startups & PSPs

Activity Level

There is a total of 1.2M active female customers (27%), as shared by the 72 startups & PSPs.



1.2 Million (27%)
Out of 4.4M female customers

Active Female
Registered Customers
*As shared by 72 startups & PSPs



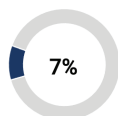
On average, every startup has
55% Active Female Participation
out of their female customers

Compared to
47% Active Male Participation
out of their male customers

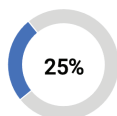
However, when deep-diving into the customers' diversification for every startup, the average activity level of female customers tends to be higher than activity level of males. As such, for every startup, its active females represent an average of 55% out of its female customers, compared to only 47% of average active males' customers out of its male customers.

Customers Age Brackets

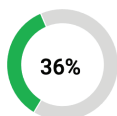
Over 60% of customers served are between 20 and 40 years old, given that age brackets between 31 and 40 years old are the most dominant by 36%.



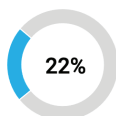
<20



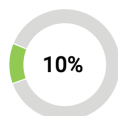
20-30



31-40

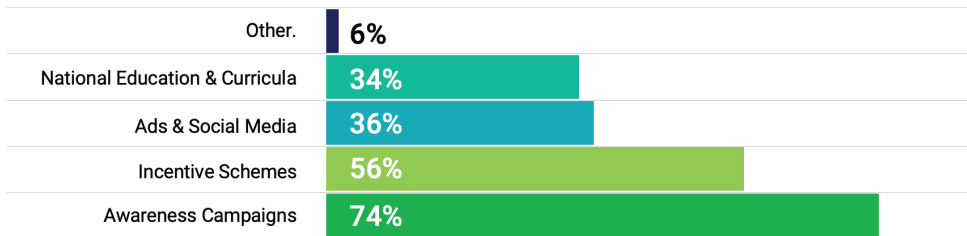


41-50

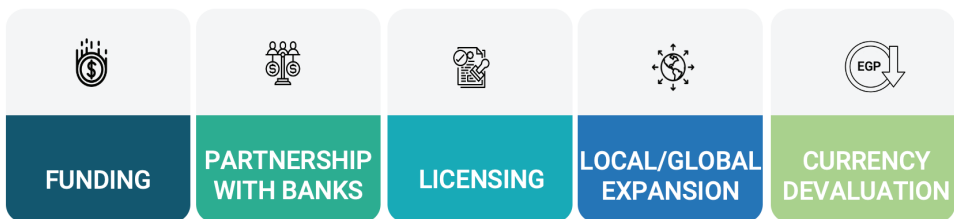


>50

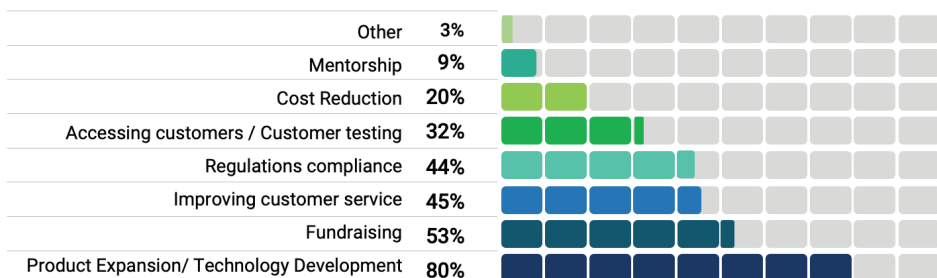
Factors That Can Help Startups and PSPs the Most in Customer Adoption in Egypt



Top 5 Challenges Faced by Startups & PSPs That Hinder Their Growth



Top Focus Areas for Startups to Grow in the Near Future



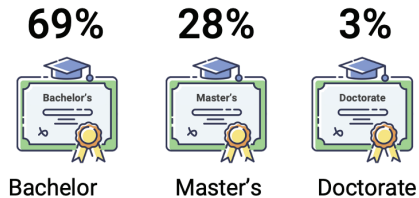
TALENT

Talent opportunities and challenges for startups & PSPs within the FinTech sector, a deep-dive into founders' educational backgrounds and gender-diversity lens.

Founders' Talents

• Founders' Educational Degree

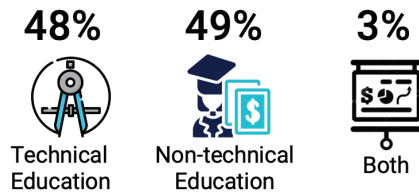
Majority of founders (69%) completed their bachelor's degree then started their own business.



• Founders' Educational Background

Half of the founders have technical educational background (i.e. graduated from Computer Science, Engineering.... etc.).

And the other half have acquired non-technical education (i.e. graduated from Business, Entrepreneurship.... etc.).



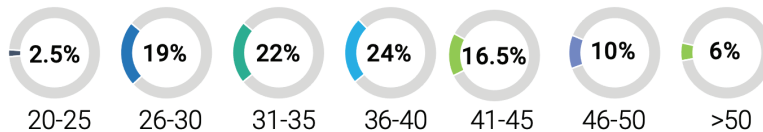
• Founders' Age

Almost 50% of founders are between age 31 and 40 years old, indicating the founders acquire some experience in the corporate life then move to start their own business.

38 Yrs.
Average



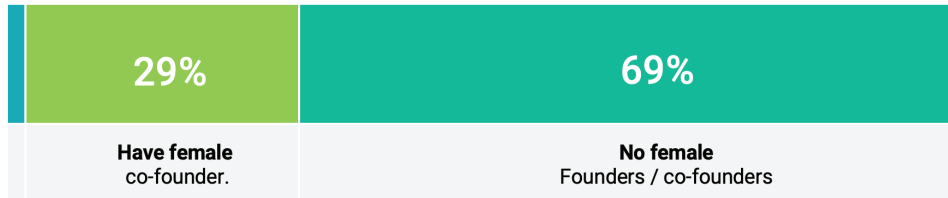
Founders' Age Brackets



- **Females Founders & Co-Founders**

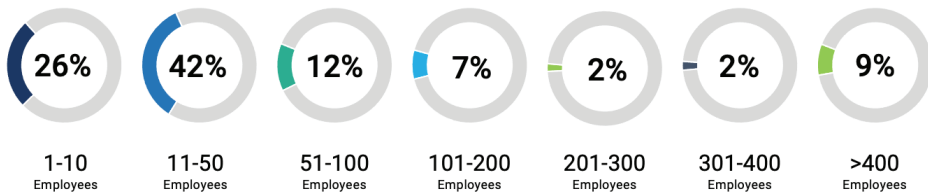
Only 29% (52) of startups & PSPs have female co-founders, while only 2% (3) startups & PSPs have all their founders as females.

2% All founders are purely females.



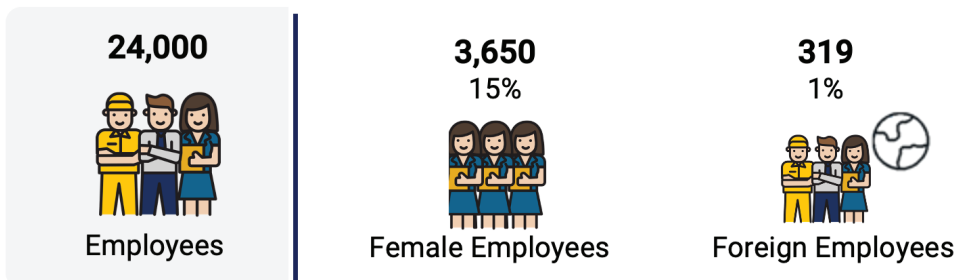
Team Size

Startups & PSPs with team ranges of (11-50) employees are the most dominant (42%).

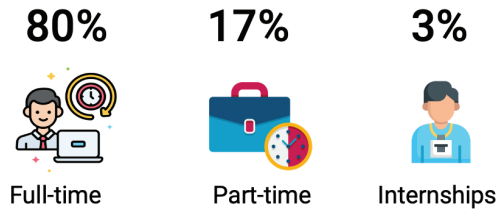


Employees of Startups & PSPs

Females working in startups & PSPs still represent a very small portion compared to males (only 15%).



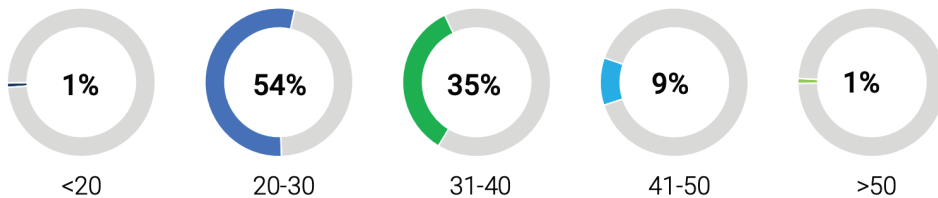
• **Employees' Commitment**



• **Employees' Age Brackets**

More than half of employees working in startups & PSPs are fresh graduates to entry level with age brackets (20-30) years old.

On the contrary, employees with average experience 15+ years are less likely to work in startups & PSPs, representing only 10%.



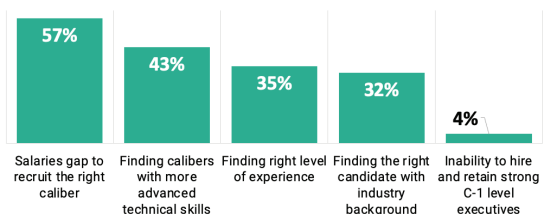
• **149 startups & PSPs are planning to recruit new team members.**

3,507*
FUTURE HIRING PLANS
IN THE NEXT 6 MONTHS

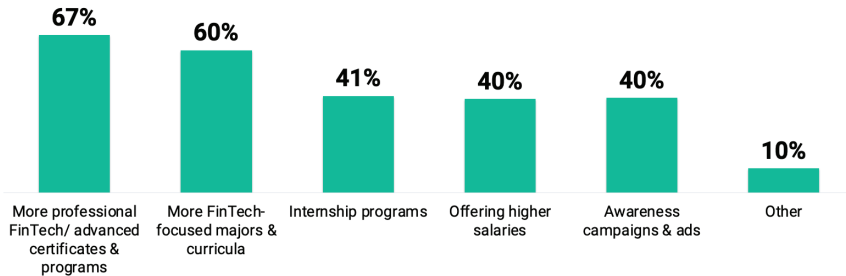
*Business Development, Customer Success & Support, Sales, IT Development, Product, Finance.

Challenges faced by startups/PSPs to recruit new team members

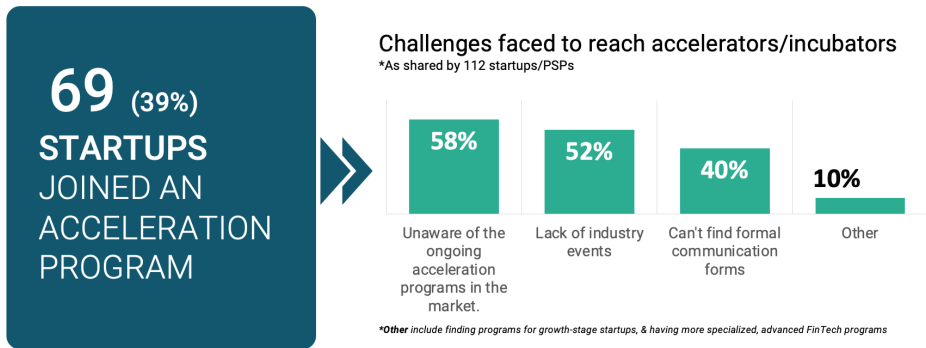
*As shared by 23 startups, given that 154 don't face any challenges.



Factors That Would Improve Egypt's Standing as a Talent Hub



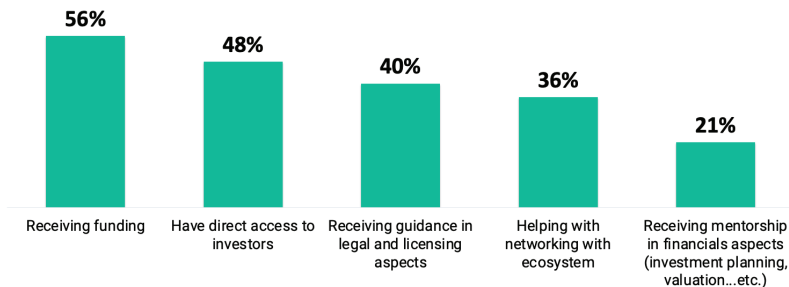
Availability of Acceleration & Incubation Programs



Gaps Areas Not Fulfilled by Accelerators & Incubators

*As shared by 90 startups

Receiving funding (56%) & having direct access to investors (48%) are seen as top needed areas to be fulfilled by accelerators & incubators.



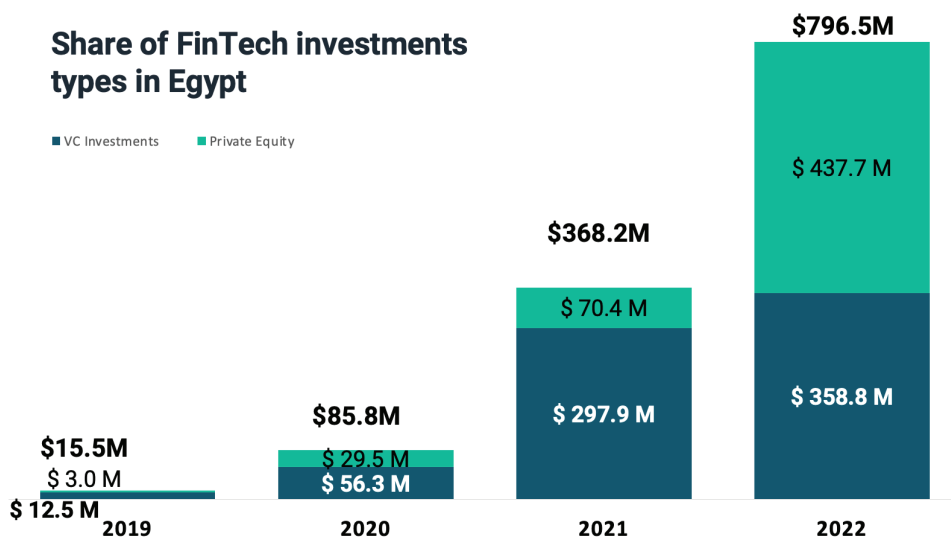
FUNDING

Growth of FinTech investments clustered by FinTech vs. FinTech-enabled solutions, funding stages, and primary sub-sectors, revenue models & challenges of raising funds.

Egypt's FinTech Investments Growth

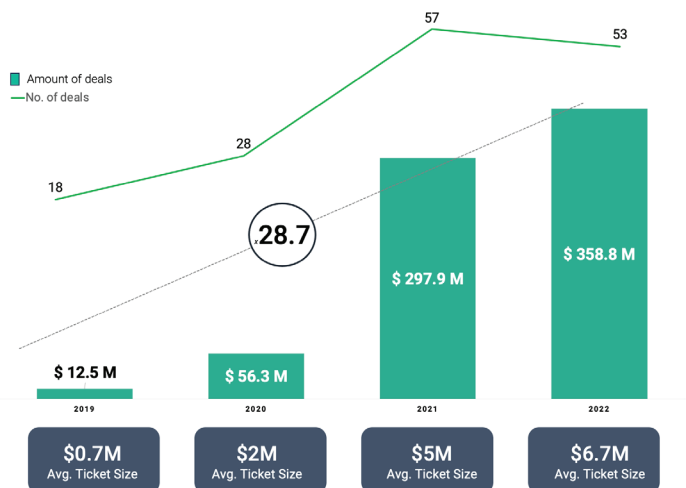
- **Venture Capital vs. Private Equity Fintech Investments**

Venture Capital & Angel Investments represent a great share of overall FinTech investments in Egypt, with average of 65% across the last 3 years. Yet, Private Equity took a leap in 2022 –representing 55% of overall Egypt's FinTech Investments.



- **Venture Capital (VC) Overall Fintech & Fintech-Enabled Investments**

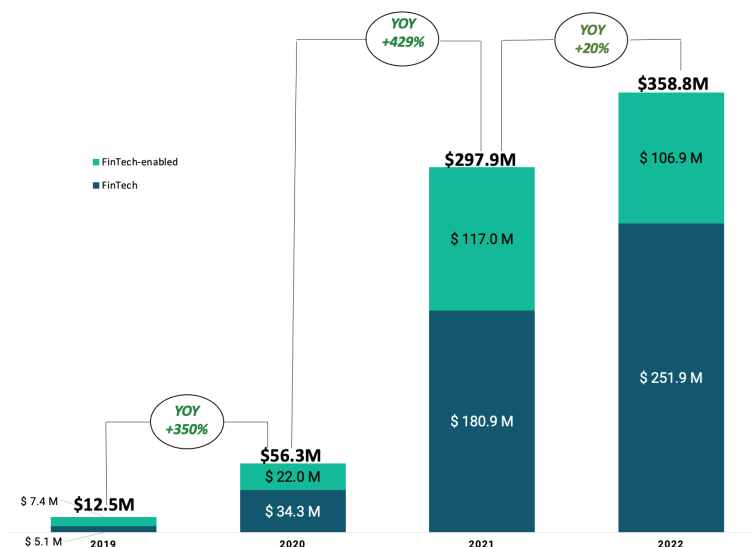
Overall FinTech & FinTech-enabled VC Investments has skyrocketed over the last 3 years, reaching a new high of \$358.8M in 2022, which is 28.7 times compared to 2019.



- **Venture Capital (VC) Investments**

- **Clustered By Fintech vs. Fintech-Enabled Investments**

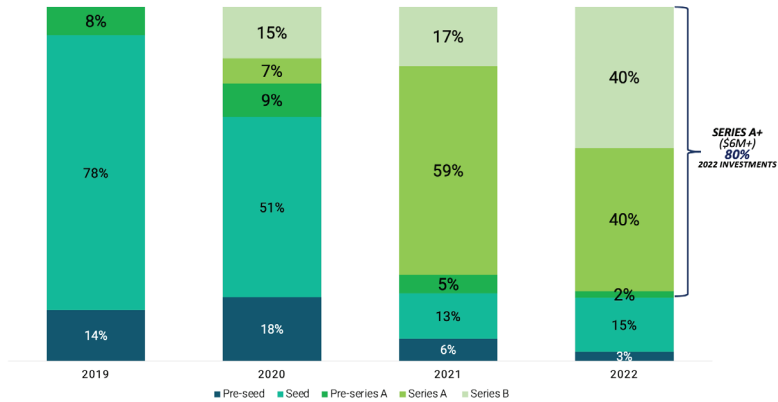
Investment amounts in FinTech-native sub-sectors' represents an average of 70% of total investments across the last 3 years.



Clustered By Funding Rounds Types

Later-stage investments started to appear in the Egyptian FinTech & FinTech-enabled industry starting in 2020.

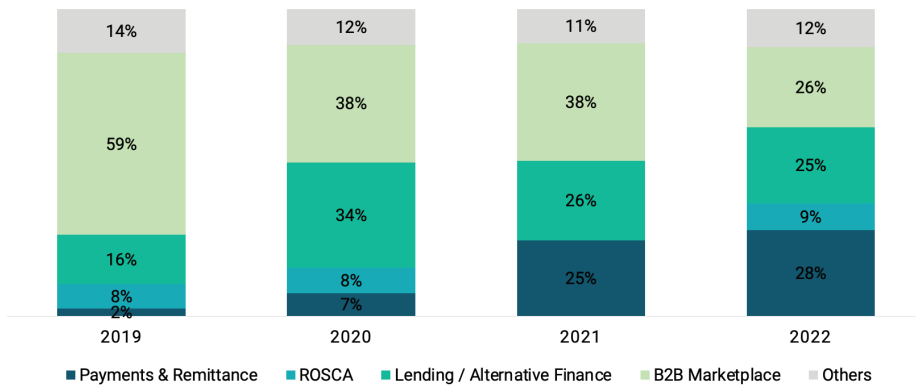
Even though, number of early-stage deals (Pre-seed & Seed) accounts for 72% of total deals, a leap has been seen in later-stage investments' amounts (Series A+) accounting for 80% of total investments done in 2022. Year 2022 witnessed a total of 8 Mega Deals with amounts (\$20M+), which is 60% increase compared to number of Mega deals in 2021.



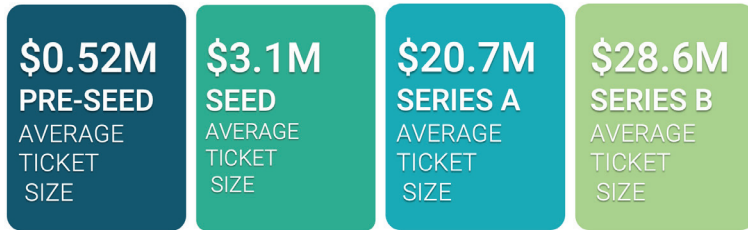
Clustered By Primary Sub-Sectors

3 sub-sectors are dominating FinTech investments in Egypt across the last 3 years; Payments & Remittance, B2B Marketplace and Lending & Alternative Finance consecutively. In 2022, the latter represent 79% of overall investments. While, the rest of the sub-sectors have received only 21% of 2022 investments.

INVESTMENTS AMOUNTS CLUSTERED BY SUB-SECTORS



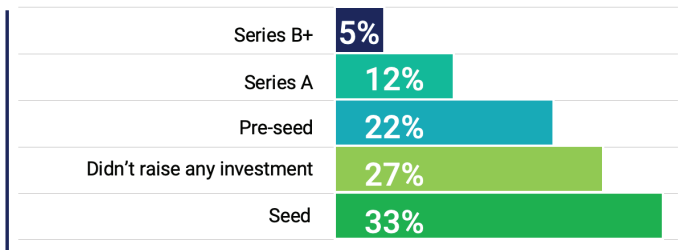
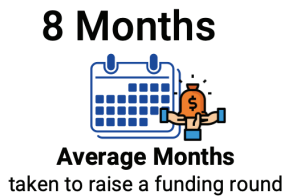
Average Ticket Sizes of FinTech in Egypt Clustered by Funding Stages



Most Challenging Funding Round

Early-stage investments (Pre-seed & Seed) were considered as the hardest for 55% of startups, which gives an indication there is a gap of availability of investors who are focused on early-stage startups.

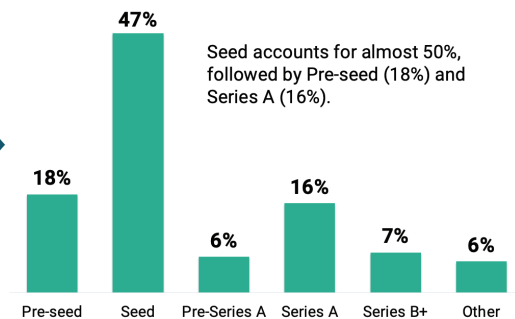
Early-stage investments (Pre-seed / Seed) were considered as the hardest for 55% of startups



Startups Looking Forward To Raise Funds

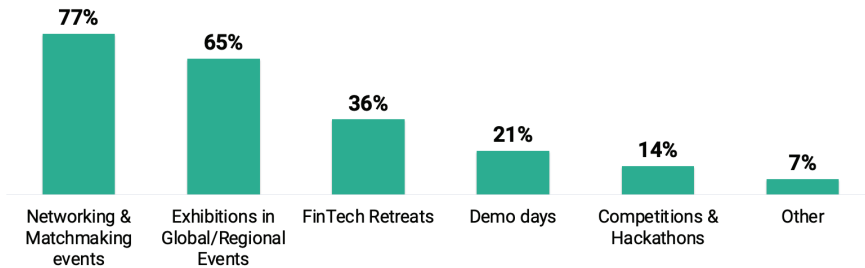
124
STARTUPS
PLANNING TO
RAISE FUNDS IN
THE NEXT 12M.
*64 ALREADY STARTED APPROACHING INVESTORS.

Funding Rounds Startups looking forward to raise



What Can Help Startups & PSPs Raise Funds in a More Efficient Way?

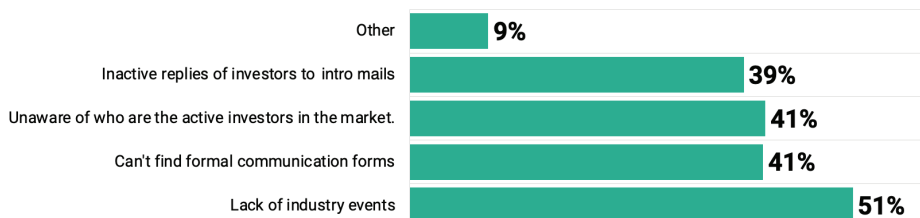
Networking & Matchmaking events (77%) and Exhibitions in Global & Regional Events (65%) are seen as the most in-need areas for startups & PSPs to raise funds.



Challenges Faced to Reach Investors

As shared by 135 startups

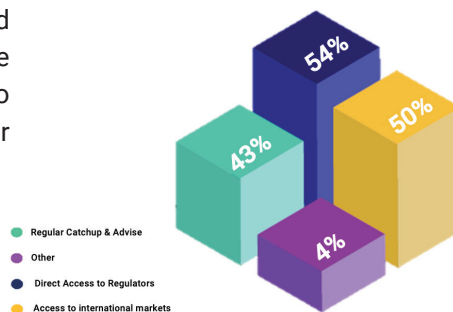
Lack of industry events, followed by startups not fully aware of active investors in the market or they can't find formal communication forms to reach investors are seen as their top hurdles.



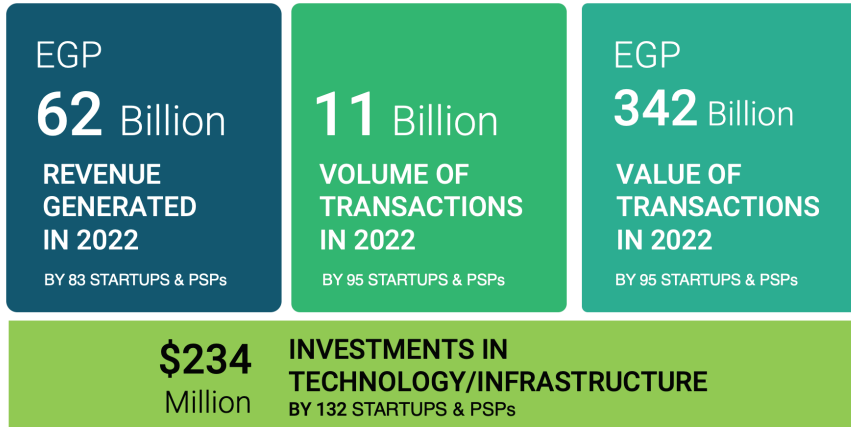
Gap Areas Investors Don't Fulfill to Startups & PSPs

*As shared by 130 startups

Support areas that startups & PSPs need the most and not fulfilled by investor are helping them to have direct access to regulators (54%), and have access to other international markets (50%).



Revenues Generated by Startups & PSPs In 2022



Startups Revenue Model



56.3% (100) of startups & PSPs take both fixed fees as well as % of transactions from their customers. While, 32.2% (57) take % of transactions, and 11.5% (20) take fixed fees.

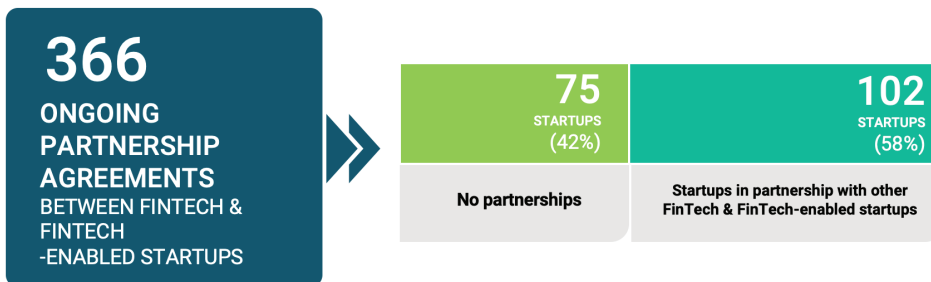


GOVERNANCE

Partnerships done by startups & PSPs with the whole FinTech ecosystem and challenges that hinders these partnerships.

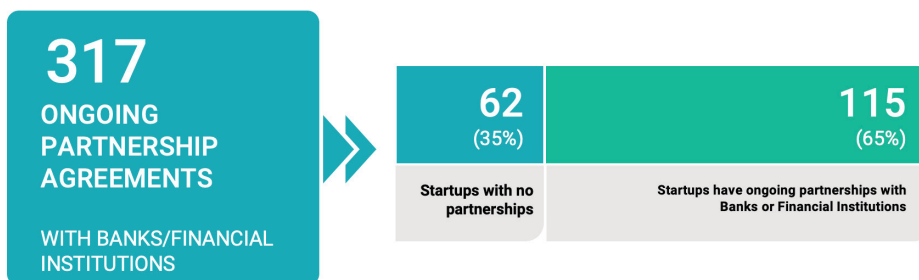
Partnerships of Startups With the FinTech Ecosystem

- Ongoing Partnerships Between Startups & PSPs

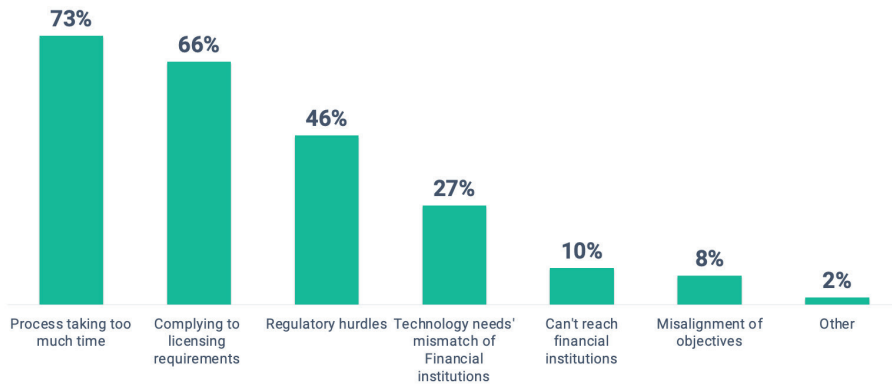


- Ongoing Partnerships with Banks & Financial Institutions

On average, each startup has more than 2 partnership agreements with banks or financial institutions to enable their solution in the market.



Challenges Startups & PSPs Face To Partner with Banks & Financial Institutions



Startups Offices Types





2

FINTECH INVESTORS



A CLOSER LOOK AT EGYPT'S FINTECH VENTURE CAPITALS, ANGEL INVESTMENT NETWORKS, ACCELERATORS & INCUBATORS

The second section primarily examines the main pillars through the investors' lens, thus analyzing each of the pillars through the eyes of venture capitals, angel investment networks, accelerators, and incubators, through tackling important factors such as the evolution of FinTech investors in the Egyptian market, size of currently active funds and challenges that investors face to find potential startups.



VENTURE
CAPITALS, ANGEL
INVESTMENT
NETWORKS &
ACCELERATORS/
INCUBATORS

DEMAND

Availability of all types of investors in Egypt to support the FinTech & FinTech-enabled startups.

TALENT

Employees of investors' industry, gender-diversity lens, challenges in recruitments.

FUNDING

Fund sizes, average equity and ticket sizes by funds, share of FinTech investments within portfolio.

GOVERNANCE & COLLABORATION

Partnerships between investors and the whole FinTech ecosystem, gap areas startups need to work on.



FINTECH INVESTORS MAP

FinTech
EGYPT

FINTECH INVESTORS MAP 2022

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VENTURE CAPITALS

ANGEL INVESTMENT NETWORK



ACCELERATORS / INCUBATORS



DEMAND

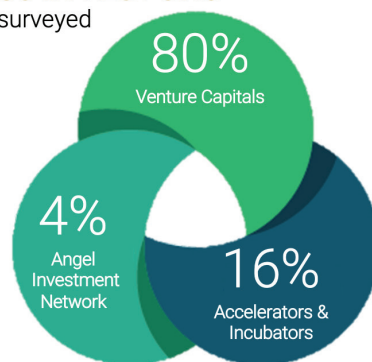
Availability of all types of investors including venture capitalists, angel investment networks, and accelerators & incubators in Egypt to support the FinTech & FinTech-enabled startups.

Egypt has a unique stance when it comes to presence of Venture Capitals, Angel Investors and Accelerators & Incubators

36 investors have been surveyed; who are investing in innovative and talented Egyptian FinTech & FinTech-enabled startups. Where 80% are venture capitalists; while 16% are accelerators, and only 4% are angel investment networks.

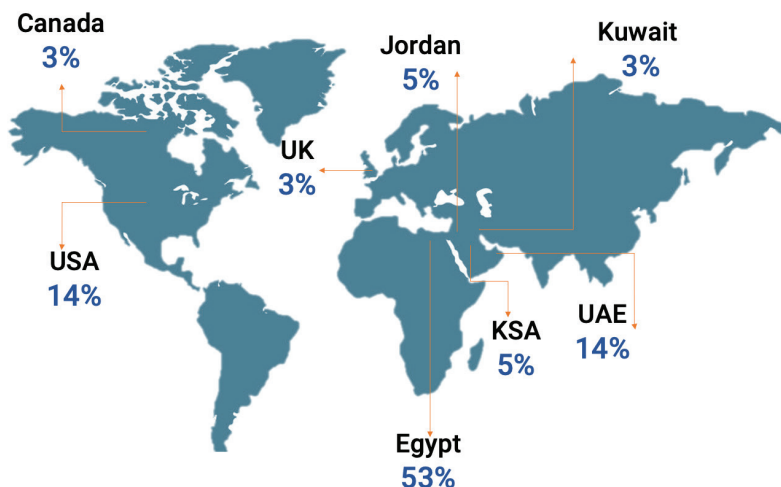
36 INVESTORS

surveyed



FinTech Investors Headquarters

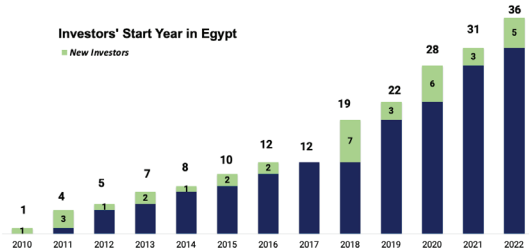
Egypt is home to (53%) of surveyed investors, followed by United States (14%) and United Arab Emirates (14%) equally.



FinTech Investors Start Year

Majority of investors in 2010-2015 were Egyptian. However, Egypt has witnessed more regional investors starting in 2016 coming from MENA region.

By 2020, more international investors have tapped into the Egyptian market, specifically from United States.

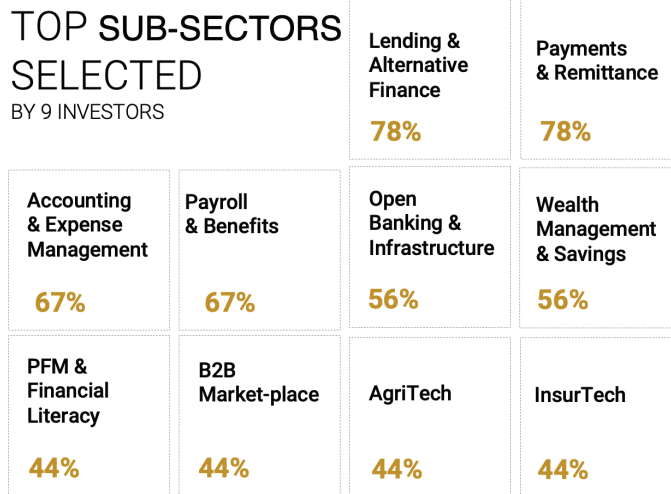


FinTech-focused Funds & Programs

Half of accelerators & incubators have FinTech-specific programs, while quarter of VCs and angel investment networks have FinTech-focused funds.



All FinTech Sub-sectors are viewed equally
By 27 Investors



TALENT

Talents in the investment industry, employees' dedication level, age-brackets, gender-diversity lens, and challenges in recruitments.

Talents of FinTech Investors

- **536 Employees**

Working in the surveyed investors

49% (262)

FEMALE
EMPLOYEES

29% (156)

FOREIGN
EMPLOYEES

- **42% Of Surveyed Investors**

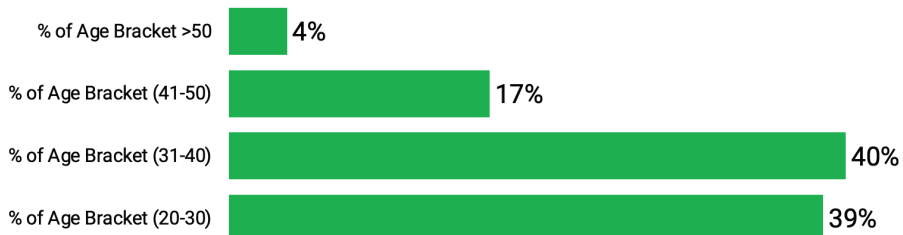
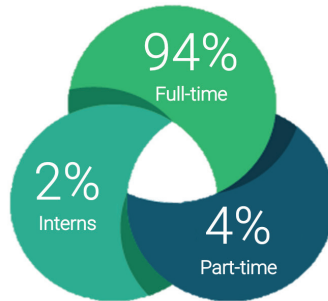
Have provided training to their employees in fintech & investment fields in the last 12 months.

- **Employees' Dedication**

Majority are Full-Time Employees (94%).



- **Employees' Age Brackets**

Investors are home to young employees. 79% Of employees aged between 20-40 years old with less than 20 years of experience.



• Fund Managers of VCs & Angels

40 Yrs.
Average


82%  Male
18%  Female

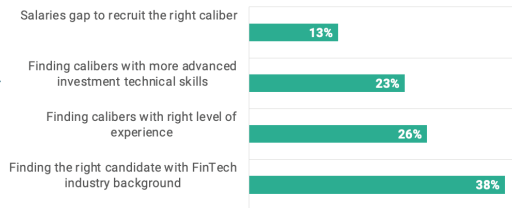
38%  Bachelor
58%  Master's
4%  Doctorate

Although females represent half of employees working in the investment scene, only 18% work in managerial level (i.e. general partners)

• Future Hiring Plans

77*
**FUTURE HIRING
PLANS
IN THE NEXT
6MONTHS**
*Investment Analysts/Associates,
Marketing & Community
Management.

Challenges to recruit new team members



Types of Certifications & Programs Investors View As Much Needed

• To advance employees working in the investment related entities

- 1 FinTech Basics for Analysts 
- 2 Venture Capital Executive Education 
- 3 Debt Financing Programs 
- 4 Workshops on Egyptian Demographics for International VCs. 
- 5 Fellowships & Investors Training with Leading International VCs. 

• To advance startups' investment readiness

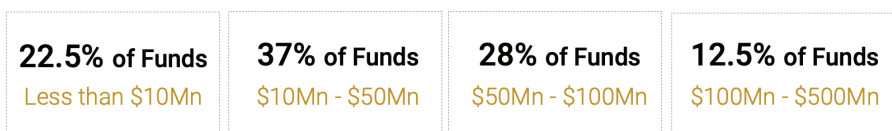
- 1 Workshops in Fundraising Tactics & How to Structure Rounds 
- 2 Venture Building Studios 
- 3 Women-Specific Training 
- 4 Startups Launch & Growth Workshops 
- 5 Governance & Leadership Skills for Founders 

FUNDING

Fund sizes, average equity and ticket sizes by funds, share of FinTech investments within portfolio.

Venture Capitals & Angel Investment Network Deep-Dive

- **Funds Size Ranges**



Majority of funds are within the size range of \$10Mn & \$50Mn, which is highly represented by Egyptian-based investors. Funds with size range greater than \$50M are mostly represented by regional & international investors (75%).

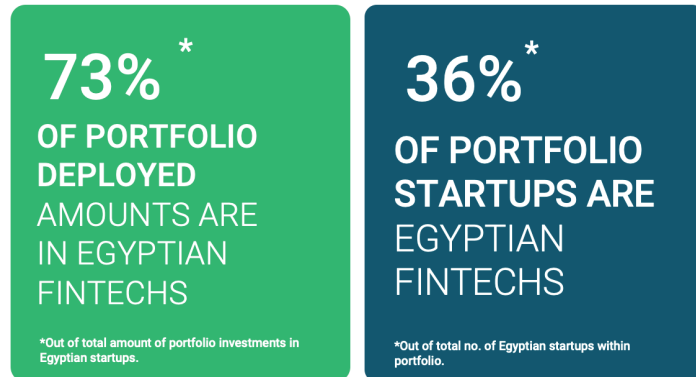
- **Larger Tickets Given to Startups Are Mainly by Regional & International Investors**

With average of \$1.37M, compared to \$700K given by Egyptian investors.



- **Fintech Investments' Stance In 2022**

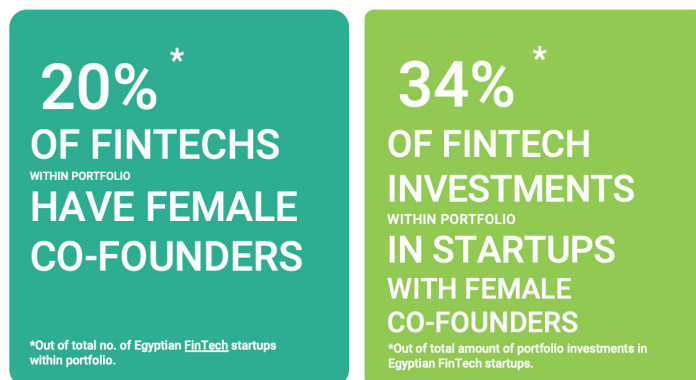
Egyptian FinTech & FinTech-enabled startups are receiving the largest chunk of surveyed investors' overall deployed funds amounts (73% of total investments done in 2022).



- **Female Fintech Stance In 2022**

Share of FinTechs with female co-founders within portfolio (20%) is higher than average number of total portfolio startups across all sectors (17%).

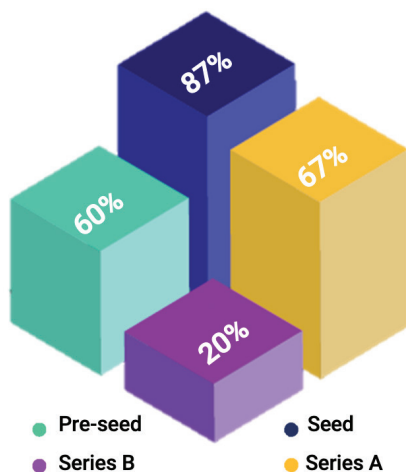
Share of amounts directed to FinTechs with female co-founders within portfolio (34%) is higher than average amounts directed to startups with female co-founders across all sectors (26%).



- **Target funding stages for startups**

Seed is the top funding stage targeted by surveyed VCs & Angels (87%), followed by Series A (67%).

Later-stages startups are the least served by investors, where only 20% targets Series B and no investor targets series C+.



- **Expectations for investments**

in Egyptian FinTech & FinTech-enabled startups in 2023

Expecting to invest less than \$5Mn.	32%	<div style="width: 32%;"></div>
Expecting to invest \$5Mn - \$10Mn.	32%	<div style="width: 32%;"></div>
Expecting to invest \$10Mn - \$15Mn.	11%	<div style="width: 11%;"></div>
Expecting to invest \$15Mn - \$20Mn.	11%	<div style="width: 11%;"></div>
Expecting to invest \$25Mn - \$50Mn.	11%	<div style="width: 11%;"></div>
I don't have any expectations.	3%	<div style="width: 3%;"></div>

42%

**OF STARTUPS APPROACHING INVESTORS
ARE FINTECH STARTUPS**

Accelerators & Incubators Deep-Dive

- 67% of Accelerators & Incubators provide financial support within their programs.

2.5%
AVERAGE
EQUITY %

\$67K
AVERAGE
TICKET SIZE

- FinTech's stance within provided programs in 2022

Share of graduated FinTechs with female co-founders (14%) is lower than share of total graduated startups with female co-founders across all sectors (35%).

28%
OF GRADUATED
EGYPTIAN
STARTUPS
IN 2022
ARE FINTECHS

*Out of total no. of Egyptian startups within portfolio.

14%
OF GRADUATED
EGYPTIAN
FINTECHS
IN 2022
ARE WITH FEMALE
CO-FOUNDERS

*Out of total no. of Egyptian FinTech startups within portfolio.

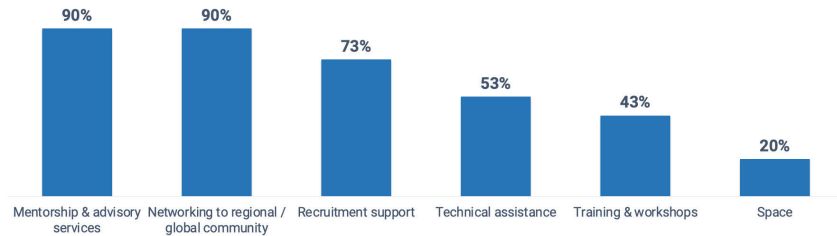


GOVERNANCE

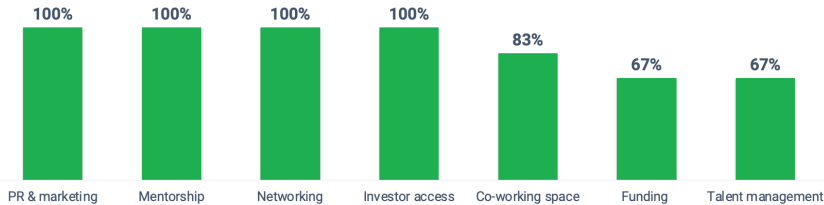
Partnerships between investors and the whole FinTech ecosystem, support areas provided by investors to startups, and enhancement areas startups need to work on.

Support Areas Provided to Startups

• By Venture Capitals & Angels other than funding



• By Accelerators & Incubators



What Can Help Investors Find Potential Startups?

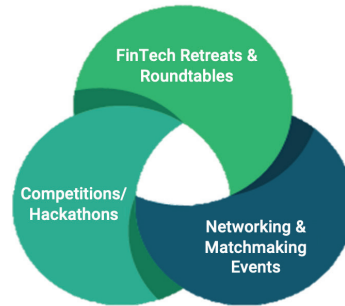
• For Venture Capitals & Angels

Referrals seen as the best way to find potential startups.

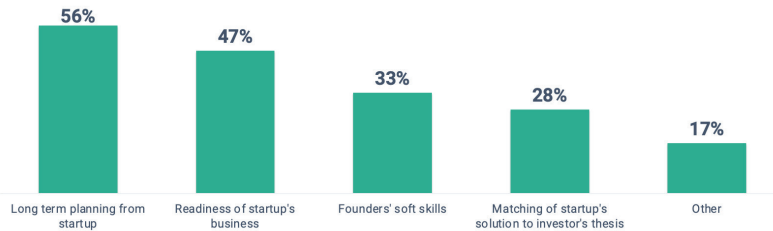


- **For Accelerators & Incubators**

All surveyed accelerators & incubators affirmed that Networking & Matchmaking events, FinTech Retreats & Roundtables and Competitions/Hackathons are equally important to find potential startups

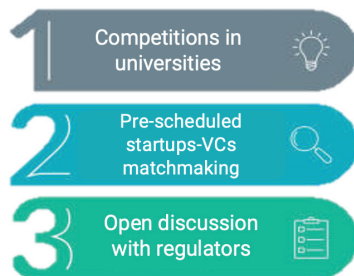


Gap Areas Investors See Startups Need to Work on



- **Aspirational events & programs**

Investors see as most needed to advance the FinTech investment scene in Egypt



- **Key priority expansion countries**

by Investors for their portfolio startups







BANKS,
NATIONAL FINANCIAL
INFRASTRUCTURE
PROVIDERS, AND
PAYMENT SYSTEM
OPERATORS



A CLOSER LOOK AT EGYPT'S BANKS, NATIONAL FINANCIAL INFRASTRUCTURE PROVIDERS, AND PAYMENT SYSTEM OPERATORS (PSOs)

The 3rd section revolves around Banks, National Financial Infrastructure Providers & Payment System Operators (PSOs). This section delves into the availability of innovation, digitization, and FinTech & FinTech-related departments and strategies, amounts of investments in FinTech & FinTech enabled startups, diversity lens within every bank & financial infrastructure provider's along with important challenges faced in the adoption of digitization.



BANKS, NATIONAL
FINANCIAL
INFRASTRUCTURE
PROVIDERS & PSOs

DEMAND

Customers' adoption to banking digital financial solutions.

TALENT

Employees working in FinTech & Investment departments, gender-diversity and future hiring plans.

FUNDING

Entities with dedicated Investment departments, amount of direct & indirect investments in FinTech & FinTech-enabled startups.

GOVERNANCE & COLLABORATION

Entities with FinTech & Innovation Strategy, partnerships with the FinTech ecosystem, challenges and enhancement areas for startups.



BANKS, NATIONAL FINANCIAL INFRASTRUCTURE PROVIDERS & PAYMENTS SYSTEM OPERATORS MAP



**FinTech
EGYPT**

BANKS, NATIONAL FINANCIAL INFRASTRUCTURE PROVIDERS & PAYMENT SYSTEM OPERATORS (PSOS)

MAP2022
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NATIONAL FINANCIAL INFRASTRUCTURE PROVIDERS & PAYMENT SYSTEM OPERATORS



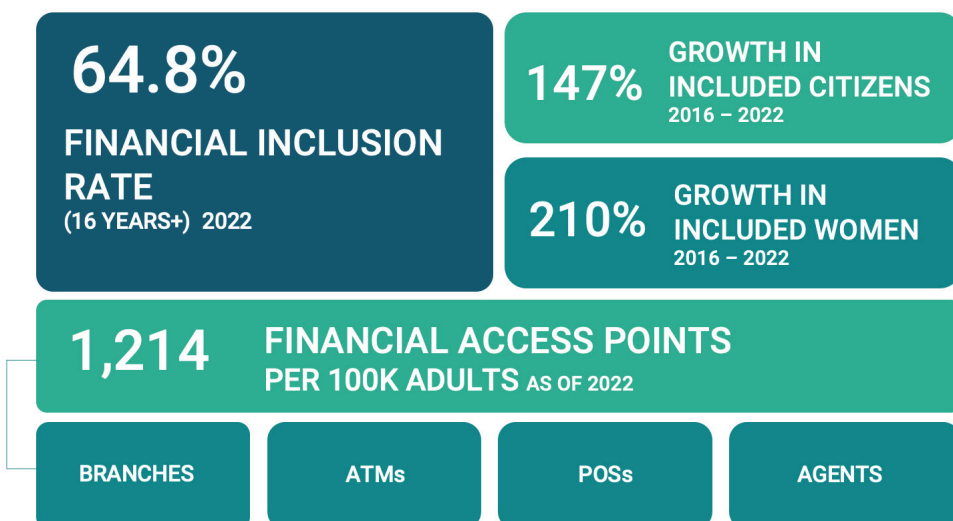
COMMERCIAL BANKS IN EGYPT



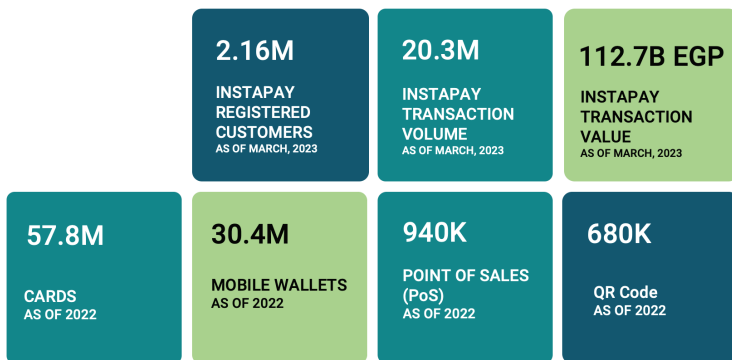
DEMAND

Customers' adoption of banking-led digital financial solutions.

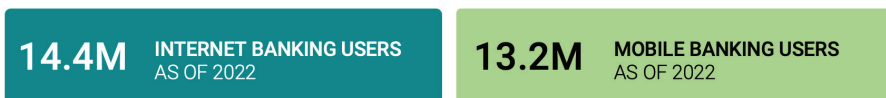
FINANCIAL INCLUSION IN NUMBERS¹



PAYMENTS IN NUMBERS²



INTERNET & MOBILE BANKING IN NUMBERS³



² Central Bank of Egypt

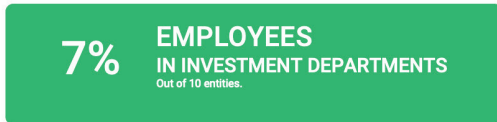
³ Central Bank of Egypt

TALENT

Employees working in FinTech & Investment departments, gender-diversity and future hiring plans.

Talents in the Banking & National Financial Infrastructure Sectors

- 873 employees working in FinTech and investment departments within banks & financial infrastructure providers.



Only third of the employees are females.

- Additionally, Males are dominating the managerial levels in FinTech departments (%77).

MANAGERS IN FINTECH/INVESTMENT DEPARTMENTS

42 Yrs.
Average



77%



Male

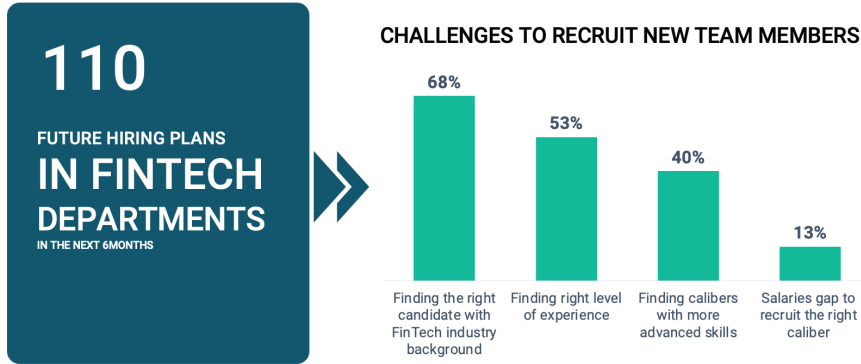
23%



Female

50% of banks & financial infrastructure providers have provided training to their employees in FinTech & investment fields in the last 12 months.

Future Hiring Plans in FinTech Departments



Types of Certifications and Programs Banks and National Financial Infrastructure Providers Need

- To advance employees' FinTech & Innovation knowledge

- Advanced Technologies (Open Banking, AI, Blockchain...etc.)
- Workshops in FinTech Compliance, Laws & Regulatory Frameworks
- Master's & Diplomas in FinTech & Entrepreneurship
- Case Studies & Workshops in FinTechs-Banks Partnerships

- To advance employees' Investment knowledge

- Venture Capital & Private Equity Diploma/Certifications
- Startups Valuation Methods & Due-diligence Workshops

FUNDING

Entities with dedicated Investment departments, amounts of direct & indirect investments in FinTech & FinTech-enabled startups.

A Dedicated Investment Arm & Department

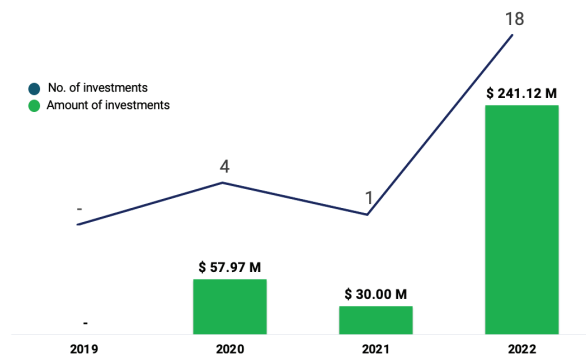


Our global team handles FinTech activities for Egypt.

Investments Done in FinTech & FinTech-Enabled Startups

- Indirect Investments in startups through funds, funds of funds or acceleration programs

More interest of banks and national financial infrastructure providers to inject money in funds, funds of funds or accelerations programs, given their expertise and dedication, especially in 2022.



CASE STUDY

Commercial banks & national financial infrastructure providers

Acknowledging the potential of FinTech & FinTech-enabled startups more than before.

This is well proved in 2022, witnessing the recent launch of Nclude; the FinTech and FinTech-enabled focused fund led by the 3 commercial banks; Banque Misr, National Bank of Egypt, and Banque du Caire, in addition to, Egyptian Banks Company (EBC), E-finance Investment Group, and Mastercard.

Nclude aims to be the largest Fintech-focused fund across the Middle East and Africa with target capital of \$150 million, with the objective of accelerating Egypt's transformation into a digital & financially inclusive economy. Nclude supports early and growth stage entrepreneurs who are tackling financial inclusion and enables their success by offering full-stack support for FinTech and FinTech-enabled startups who are currently operating in or planning to operate in Egypt.

**INVESTING TO BUILD
A FINANCIALLY
INCLUSIVE WORLD**

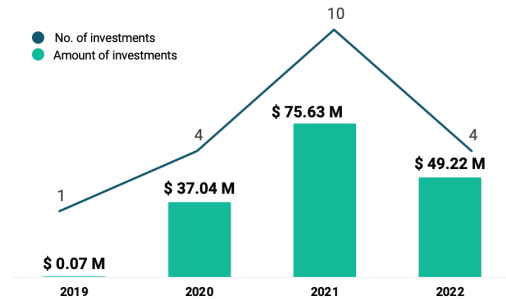
nclude
Driving Financial Inclusion

- **Direct Investments in Startups**

Although, there is a noticed decline in direct investments in startups in 2022, banks have shifted more towards injecting money in indirect investments through funds as previously elaborated.

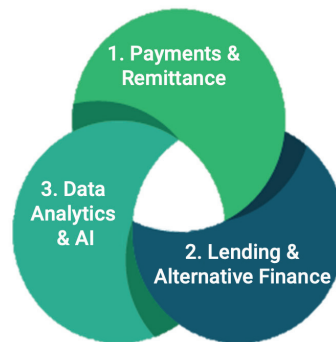
Additionally, Year 2021 was the rising year for banks & national financial infrastructure providers to invest directly in innovative FinTech solutions, in response to Covid19.

23%
ENTITIES DID DIRECT INVESTMENTS IN FINTECH/FINTECH-ENABLED STARTUPS
*From Banks, Financial Infrastructure providers & PSOs.

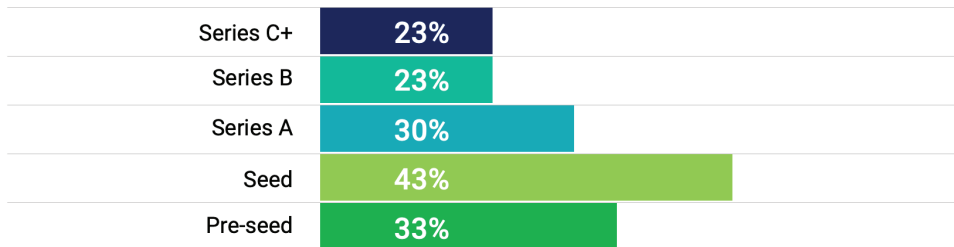


Banks and National Financial Infrastructure Providers Aspirational Views

- **Top preferred FinTech & FinTech-enabled sub-sectors for investments**



- **Target funding stages of startups**



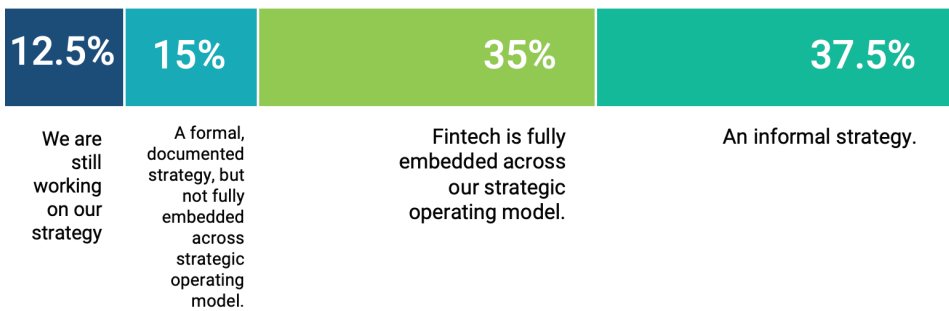
GOVERNANCE

Entities with FinTech & Innovation Strategy, partnerships with the FinTech ecosystem, challenges and enhancement areas for startups.

A Dedicated FinTech & Innovation Strategy

Out of 36 operating banks in Egypt, 4 National Financial Infrastructure Providers & Payment System Operators (PSOs), 50% have a FinTech strategy that they follow – whether fully or partially-

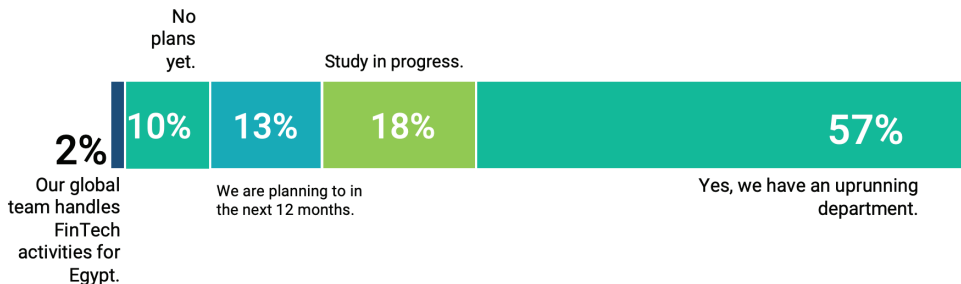
While, 38% have FinTech activities but with no formal strategy.



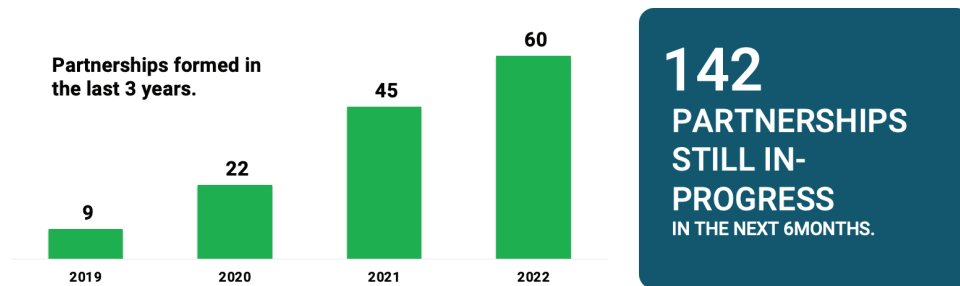
A Dedicated FinTech and Innovation Department

- Responsible for FinTech partnerships and activities in Egypt

More than half of the entities have a dedicated FinTech & Innovation Department that works directly with FinTech & FinTech-enabled startups.



Partnerships with FinTech & FinTech-Enabled Startups



Evaluation Criteria of Startups for Business Partnerships

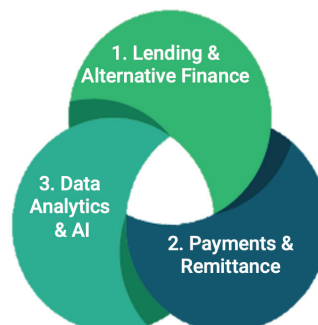
Having an innovative product is seen as the most important criteria for establishing partnerships with startups (83%). On the contrary, startups' track record is seen as least important.



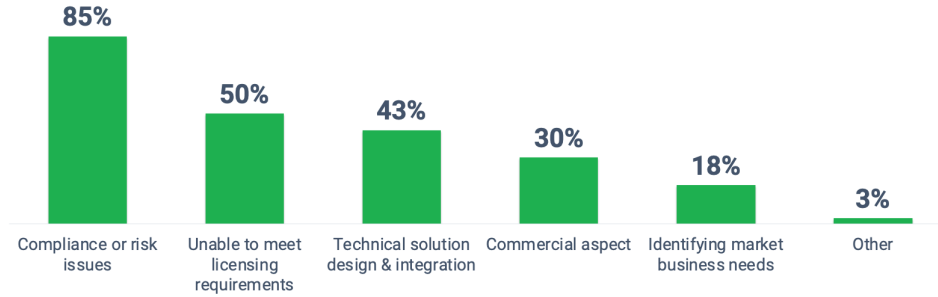
Banks, National Financial Infrastructure Providers, and PSOs Aspirational Views

• Top preferred FinTech & FinTech-enabled sub-sectors for partnerships

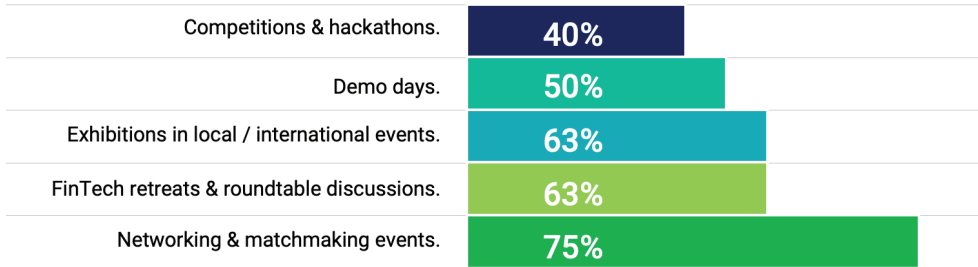
Banks & national financial infrastructure providers view these 3 sub-sectors as top priority for both investment opportunities in FinTech startups, and for business partnerships.



- **Most Pressing Challenges that Hinder Partnerships Process with Startups**

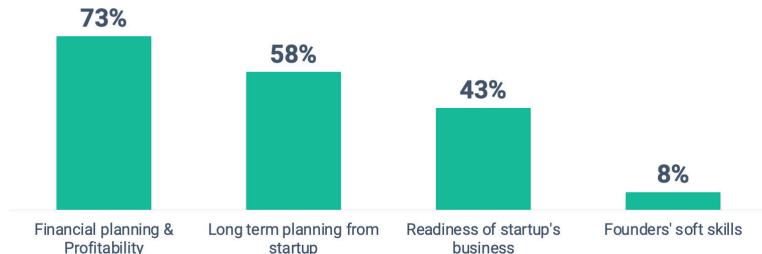


- **What Can Help Banks, National Financial Infrastructure Providers, and PSOs Find Potential Startups in a More Efficient Way**



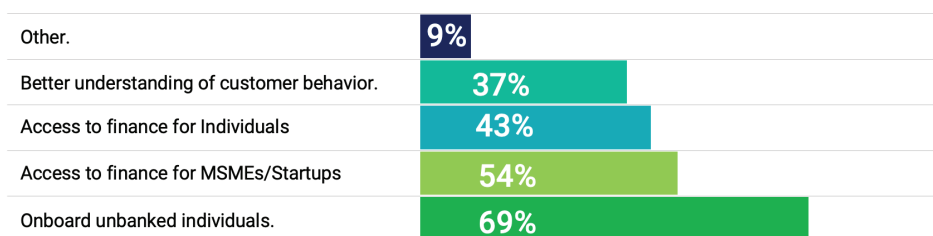
- **Enhancement Areas that Startups Need to Work on**

Financial planning & profitability is viewed as most important area startups need to work on (73%).



- **Most Pressing Problems that Banks have to Resolve within the Next 6 Months through FinTech Solutions**

Onboarding unbanked individuals (69%), access to finance for MSMEs & Startups (54%) and for individuals (43%) are the most important aspects banks try to resolve.









4

REGULATORS & GOVERNMENT



A CLOSER LOOK AT THE REGULATORS & GOVERNMENT EFFORTS AND INITIATIVES TO PROMOTE THE FINTECH INDUSTRY

This section represents guidance to the regulators and government efforts done to endorse the FinTech ecosystem in 2022, including; relevant laws & regulations, delivering useful insights on the current regulatory framework development, as well as infrastructure contemporary progression to suit market demand.



REGULATORS & GOVERNMENT

REGULATIONS

Guidance to relevant Laws & Regulations, and an overview of the FinTech regulatory development that is necessary for all innovative FinTech solutions to grow in the Egyptian market.

DEMAND

Evolution of government & regulators' infrastructure to suit the demand in the market, in addition to activities that drive customers' adoption & awareness to digital financial services.

TALENT

Initiatives done to create a pipeline of innovative FinTech players in the Egyptian market.

FUNDING

Activities & efforts done to drive local & international FinTech investments into the Egyptian market & support the startups ecosystem.

GOVERNANCE & COLLABORATION

Collaboration & partnerships within both local and international FinTech ecosystem stakeholders, and other governments to advance the FinTech industry in Egypt.



REGULATORS & GOVERNMENT



REGULATORS



GOVERNMENTAL ENTITIES



وزارة التخطيط والتنمية الاقتصادية
Ministry of Planning and Economic
Development



Ministry of Communications
and Information Technology

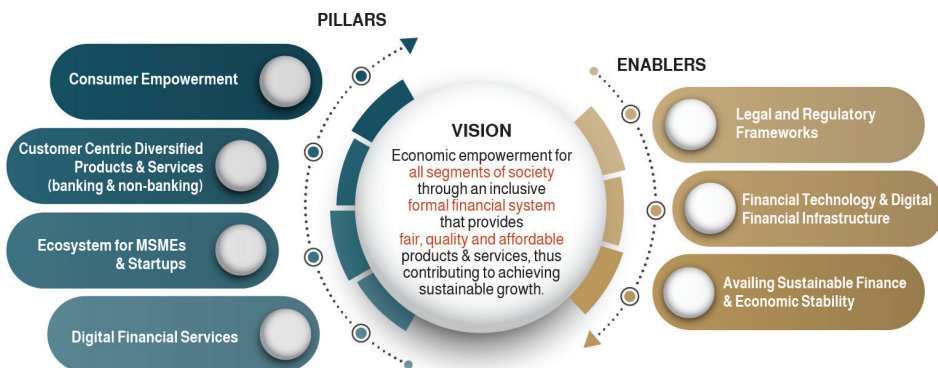


REGULATIONS

Guidance to relevant Laws & Regulations, and an overview of the FinTech regulatory development that is necessary for all innovative FinTech solutions to grow in the Egyptian market.

Financial Inclusion Strategy (2022 – 2025)

The Financial Inclusion Strategy issued by the **Central Bank of Egypt** in August 2022 encompassed four main pillars, including digital financial services, in addition to three enablers, one of which is financial technology and digital financial infrastructure.



Financial Inclusion Products Regulation

The regulations issued by **the Central Bank of Egypt** targets clients that don't have a specific job specified in their National ID, such as housewives, or individuals with a university degree or without a job. It also facilitates the procedures of opening accounts for micro-enterprises that lack a commercial registry or required licenses, as well as self-employed persons or craftsmen such as electricians, plumbers, carpenters, etc. through the opening of "Economic Activity Account"; where the only required document is the National ID. Regulations also consider the facilitation of "Know your customer" procedures for identifying companies and micro-enterprises that have some documents or headquarters or the business is verified through field investigation or social media accounts.

Regulatory Sandbox Cohort 2

Cohort 2 of **the Central Bank of Egypt's** Regulatory Sandbox was announced as an open-themed cohort for different FinTech trends, 24 Applications were received for 10 different FinTech trends. Rotational Saving and Credit Association (ROSCA)¹ was chosen to be the theme for cohort 2 in accordance with market demand since the traditional ROSCA concept is very popular in Egypt.

Four applicants were selected to enter the Regulatory Sandbox, two of the four applicants passed the preparation phase – MoneyFellows and Dayrah – and are in the process of testing their ROSCA services within the realm of the regulatory sandbox.

Rules Governing Mobile Payments Services in 2022

The Central Bank of Egypt has issued:

- Interoperability for Cash in & Out through aggregators.
- Mobile wallets dormancy.

In collaboration between the Central Bank of Egypt, and National Telecom Regulatory Authority (NTRA), the following rules and controls have been issued:

- Dispute Management System.
- Customer complaints handling and its Service Level Agreement (SLA).
- Controls for licensed mobile wallets providers in the event of network failure or any temporary downtime that affects any of the mobile money services.

¹ Rotating Savings and Credit Association (ROSCA) is a scheme where participants make pre-determined financial contributions to a common "pot" that is received by one participant at the end of every time period on a rotating basis."

Rules and Regulations Related to the Development and Use of FinTech for Non-Banking Financial Services

Development of FinTech is one of the objectives embedded in **Financial Regulatory Authority's (FRA) Strategy of Developing the Non-Banking Financial Sector (2023-2027)**, accordingly the Authority is currently working on issuing the rules and regulations related to law No. 5 of 2022 for Regulating the Development and Use of Financial Technology in the Non-Banking Financial Activities (FinTech Law) , which comes in line with the global remarkable development in the use of technology in the financial sector in general and the non-banking financial sector in particular.

- Collaborating with **the Central Bank of Egypt** in lifting the ban on using electronic means of payments, for the purpose of buying and selling securities.
- Decree No. 61 of 2017 concerning the measures of enhancing the protection of customers' accounts that deal with securities companies. This decree was amended by decree No. 151 of 2022 allowing the activities of brokerage and building and managing securities portfolios; mutual funds; and custodians to remotely open accounts for customers.
- Drafting licensing regulations for services that depend on FinTech in non-banking financial markets.
- Regulations are currently prepared for verifying digital identity data that is carried out via digital platforms with the aim of issuing or approving the digital ID remotely either by the FRA for the employees of entities that are subject to its supervision, or by the companies licensed by the FRA for their customers.
- Drafting regulations for outsourcing some specific FinTech functions to a third party in providing the financial service.

WHAT'S COMING UP

Alternative Finance and Fintech Banking Related Activities Law

The Central Bank of Egypt, in cooperation with the Financial Regulatory Authority (FRA), are currently in progress of issuing a new law to regulate alternative finance activities that will cover areas such as Peer to Peer lending and Crowdfunding Platforms, Rotational Saving & Credit Association – “ROSCA”, and Digital Savings.

Digital Banks Licensing and Regulatory Framework

The Central Bank of Egypt is currently working on issuing the digital banks licensing and regulatory framework, which is considered a major stepping stone in the evolution of the banking sector.

Cloud Computing Regulations

The Central Bank of Egypt is working on the final draft of the cloud computing regulation in order to be released soon. The importance of issuing the cloud computing regulations arises from the rapid technology development and its adoption in the banking and financial sector, and the increased dependency on service providers with the aim of achieving optimum use of available resources and maximizing the benefit from external technical expertise.

Rules Regulating Electronic Authentication and Online Terms and Conditions

The Central Bank of Egypt is currently working on the Digital Authentication and Online Terms and Conditions regulations, defined as the technical tools used to verify identity of the subscriber while connecting to the system, ensuring that the identity verification message has not been modified or replaced during its transmission, replacing the wet signature.

DEMAND

Evolution of government & regulators' infrastructure to suit the demand in the market, in addition to activities that drive customers' adoption and awareness of digital financial services.

Governments' Efforts for Enabling Electronic Payments for Governmental Services



- **Government Electronic Point of Sales (GPOS)**

The project's goal is to facilitate for Egyptian citizens to pay by electronic means and benefit from its convenience, the project also aims to minimize the time of governmental receipts into the accounts of **the Ministry of Finance** at the Central Bank of Egypt, which allows the Ministry to manage its own proceeds in an optimal more efficient way.

And in line with the continuous efforts of **the Ministry of Planning and Economic Development** to enable E- payment for all government services, the following projects have been deployed:

300
Localities Services
Centers all over
governorates

34
New Urban
Services Centers
in new cities

170
Mobile Centers

Surveying
Services



- **Government E-commerce**

The electronic collection of government services has been activated through the government's e-commerce platform, as well as many government websites, with the objective of enabling citizens to pay for government services electronically.

Replacement and Renewal of Pension Cards and State Workers' Cards with the National Payment Scheme Card "Meeza":



In light of the **National Payment Council** Resolution 2/2018 approving the adoption of a national trademark payment system for the disbursement of governmental subsidies and payments, the **Central Bank of Egypt** has implemented two projects with the aim of enhancing digital transformation and increasing financial inclusion.

Replacement and Renewal of Pension Cards with the National Payment Scheme Card "Meeza"

Conducted in cooperation with the **Ministry of Social Solidarity** the project aimed at integrating pensioners in the banking system and availing to them means for electronic transactions.

A total of 6.5M pension cards have been replaced in 2022.

Replacement and Renewal of State Workers' Cards with the National Payment Scheme Card "Meeza"

Conducted in cooperation with the **Ministry of Finance**, the project aimed at providing a convenient, fast, and secure electronic payment method to state workers in addition to providing them with other benefits such as receiving a percentage of their salary in advance.

Meeza cards replaced for 4.3M state employees

Initiatives to Increase the Number of Private MSMEs which use E-Commerce Services

With the aim of increasing the number of private companies which activate e-commerce services, the **Central Bank of Egypt** has eliminated all fees that are incurred by private MSMEs wishing to activate e-commerce services for the first time, given that they must activate payments through QR codes and accept the national payment scheme card "Meeza" on their applications and websites. This initiative started as part of the Covid19 measures and has been extended until December 2023.

Converting Agricultural Possession Cards to Payment Cards

The **Central Bank of Egypt** converted 3 million agricultural possession cards to dual application prepaid banking cards **under the national payment cards “Meeza”** in cooperation with the Agricultural Bank of Egypt, the Egyptian Banks Company “EBC” and E-finance Company.

Digitization of Payroll

This project comes in line with the Non-Cash Payment Law No. 18 of 2019, as the **Central Bank of Egypt** aims to digitize corporate employees’ salaries through different banking products such as bank accounts, mobile wallets and pre-paid cards. The **Central Bank of Egypt** has encouraged banks to utilize their existing Corporate clients’ database and include them in the financial system reaching a total of 9.1K payroll deal to a total of 2.7Mn beneficiaries.

Digitization of Remittances

- **International Money Remittances on Mobile Wallets**

The **Central Bank of Egypt** availed receiving International remittances through Mobile Wallets as per the Mobile Payments Regulations; due to its seamless experience and convenience. Moreover, many licenses have been issued by the **Central Bank of Egypt** to the wallet provider banks, as well as to the Mobile Network Operators (MNOs) in cooperation with their licensed partner banks and the **National Telecom Regulatory Authority**.

- **Digitalization of Remittances Pilot**

With the aim of promoting digital transformation and integrating women in the formal financial sector, the **Central Bank of Egypt** launched this project to digitize remittance transfers and to provide women access to banking products, as they represent 80% of the beneficiaries of remittance. The project is implemented in coordination with different banks to target governorates with higher density in receiving transfers from abroad and provides beneficiaries with incentives to encourage them to use banking products (accounts, prepaid cards, mobile wallets).

Utility Payments through Mobile Wallets Using “NFC”

The **Central Bank of Egypt** has designed the model of utility payments through mobile wallets using NFC technology; in return, this would lead to the creation of huge opportunities to provide innovative financial solutions in response to the market needs. Accordingly, the **Central Bank of Egypt** has offered licenses to Banks & their partnering MNOs -in cooperation with the **National Telecom Regulatory Authority**.

INSTAPAY Application



Within the implementation of the **National Payments Council** strategy to support digital economy transformation, the **Central Bank of Egypt** has announced the official launch of the “Instant payment network (IPN), and InstaPay application. IPN is considered one of the most advanced instant payment systems globally, that connects all national payment systems, in which it reinforces interoperability-between networks.

IPN complies with the latest global payment system standards, as its architectural design relies on Open APIs, which opens the door to innovative solutions that satisfies consumer needs and aspirations. IPN connected with 29 Banks as part of the instant payment network, representing more than 95% of the total banking customers.

“My NTRA” Application

In cooperation with the **Central Bank of Egypt**, through availing Meeza digital APIs to the **National Telecom Regulatory Authority (NTRA)**, “My NTRA” application features the Mobile Wallets inquires, through which it identifies the wallets registered under which provider from MNOs or banks using the national ID number and mobile phone number.

Digital Village Saving and Loans Association (VSLA):

Women’s Financial inclusion and economic empowerment is viewed as a top priority for the **Central Bank of Egypt’s** Financial inclusion strategy. As part of the implementation is the collaboration with the **National Council for Women** aiming to digitize the VSLA via launching the “Tahwisha” application for women in rural areas, including women in the formal financial system and carrying out on-boarding of women, forming groups and all saving and lending operations through the integration between the application and their Meeza cards. The project is targeting 1.2 Million women in 13 governorates.

Digital Solutions Matchmaking Program

The Central bank of Egypt developed the program to support the FinTech solutions throughout their various stages, from ideation to deployment in the market. The program includes solution development advisory, matchmaking with banks for deployment in the Egyptian market and regulatory guidance & navigation for licensing purposes.

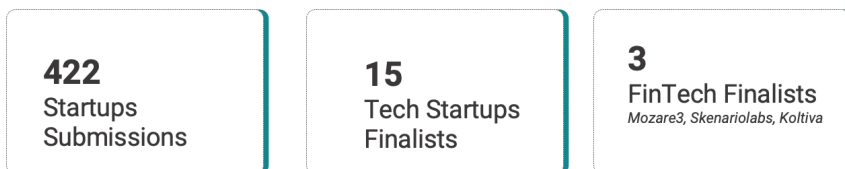
Since the initiation of the program, 35+ FinTech and FinTech enabled startups had been matched with several banks across 6 different sub-sectors (B2B marketplace, Supply chain finance, Banking agents for pre-paid cards, Lending & alternative finance, and Data analytics).

Electronic Identity Verification Solutions (eIDv) For Non-Banking Financial Sector

The Financial Regulatory Authority developed a unified digital identity solution for non-banking financial services (NBFS-DigID) through which an identifier code is issued for each user. The solution is in collaboration with the Civil Status Office, Ministry of Interior, the National Telecom Regulatory Authority, Ministry of Communications and Information Technology, and providers of electronic identity verification solutions (eIDv), and is carried out via an electronic platform that is cyber-secured and integrated with the systems of the concerned entities through APIs.

ClimTech Run 2022

A global competition for technology startups that address the most pressing climate challenges. The competition was co-organized by the Ministry of Communications and Information Technology (MCIT), the Ministry of International Cooperation, and the Ministry of Environment, as part of the Climate Change Conference (COP27) that was held in Sharm El Sheikh from 6-18 November, 2022. It represents an example of constructive collaboration between the government, the private sector, and major technology companies for the promotion of startups' innovation in climate action.



Agri-FinTech Innovation Sprint

The Agri-FinTech Innovation sprint initiative contributes in enticing FinTech startups to develop FinTech & FinTech enabled solutions that can assist in countering the challenges facing the agriculture sector namely in the areas of:



The sprint was Launched by the **Central Bank of Egypt** in August 2022, in partnership with World Food Programme and SKaleUp ventures in collaboration with Egypt’s Pioneer banks supporting the Agriculture industry namely National Bank of Egypt, Banque Misr, Banque Du Caire, Agriculture Bank of Egypt and Bank of Alexandria.

The initiative was concluded with a “Demo Day”, where six selected startups showcased their digital solutions that resolve the Agri-FinTech problem statements <https://fintech-egypt.com/problem-statements/>

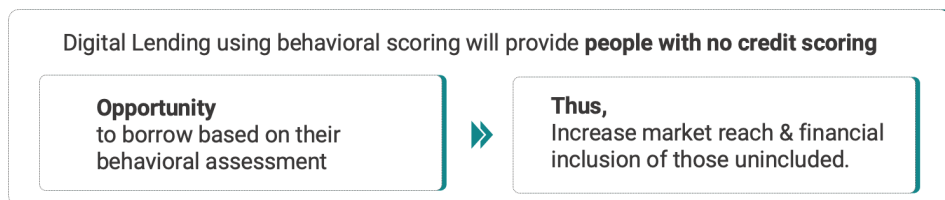


WHAT'S COMING UP

Digital Lending Based on Behavioral Scoring

The project aims at allowing banks to provide instant nano-loans' disbursement for wallet customers through secured channels based on CBE's rules and regulations via Behavioral Scoring analysis.

The **Central Bank of Egypt** is currently cooperating with the **National Telecom Regulatory Authority (NTRA)**, and the **Egyptian Credit Bureau (I-Score)** to finalize the technical aspects of the project which will grant the customer instant access to nano-loans through their wallets.



Electronic Know Your Customer (E-KYC) System

The **Central Bank of Egypt** is currently establishing an E-KYC system to further enhance the banking sector by providing secure means for verifying customers' identities and data electronically.

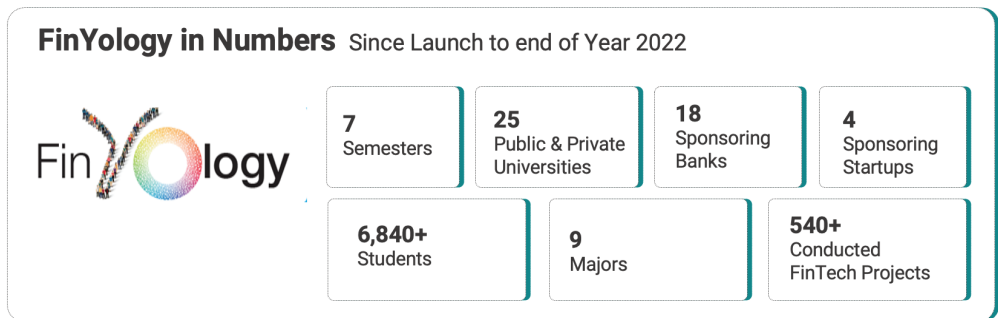


TALENT

Initiatives & Activities done in 2022 to create a pipeline of innovative FinTech entrepreneurs in the Egyptian market.

FinYology – FinTech for Youth Initiative

The Central Bank of Egypt's FinYology- "FinTech for Youth" initiative started in February 2020 to date, with the support of Egyptian banking institute, which stems from the ambitious aspiration that targets the future development of courses and academic specialization of financial technology in the universities, through fostering FinTech and innovation. This contributes to building a FinTech talent pipeline across the young generations to the Egyptian market.



FinYology initiative is currently extending its scope to be covering all related activities pertinent to the development of youth and undergraduates such as FinTech hackathons, competitions, incubations and FinTech curriculum.

Digital Academy

The Central Bank of Egypt launched Egypt's first "Digital Academy", aiming to empower employees with the right skills in the banking, financial and FinTech sector. This will be achieved through offering educational programs with global recognition on a variety of topics and qualifications, while offering accreditation with top-tier institutes either virtually or physically.

The Digital academy first pilot cohort, “The Innovator Programme”, started in 2023 in collaboration with EBI and CFTE. The program is a 6-month self-paced online course that gives a 360-degree view on FinTech and an opportunity to specialize in AI in Finance, Open Banking or Payments.

Accelerate’ha’ Women Techsters Initiative

The Central Bank of Egypt launched Accelerate’ha’ by FinTech Egypt first program, in partnership with Tech4dev, which started in March 2022 and to end in March 2023 with an aim to bridge the digital and technology knowledge to Egyptian women in the technology & FinTech ecosystem, spread technological knowledge to Egyptian women, and offer equal access to job opportunities in FinTech industry through the Women Techsters Initiative.

The Women Techsters Initiative is a group of 4 non-sequential and independent programs.



Women
Techsters
Open Days

Women
Techsters
Masterclass

Women
Techsters
Bootcamps

Women
Techsters
Fellowship

Digital Egypt Builders Initiative

The Central Bank of Egypt & Ministry of Communication, Information & Technology (MCIT) signed a cooperation protocol dated from August 2022 till March 2025 for the digital builders initiative (DEBI) which is an initiative that aims to grant a professional master’s degree in one of the following disciplines: financial technology, data science and artificial intelligence, cyber security, robotics and automation sciences, digital architecture and digital arts, in cooperation with major international universities, to the outstanding graduates of Egyptian public and private universities, recent graduates from different faculties from all governorates. The initiative contributes to building and developing financial technology talent to serve the Egyptian and regional market and achieve the future goals of building leaders capable of implementing Egypt’s digital vision 2030.

48 Students
DEBI
1st Intake - Year 1

100 Students
DEBI
2nd Intake - Year 2

Nilepreneurs Program

A nationwide initiative launched in 2019 and powered by the Central Bank of Egypt and Egyptian Banking Sector, and fueled by various partnerships with the governmental and private sector entities. It has started as a pilot at Nile University and has expanded to 4 other universities and is still growing.

NilePreneurs has been supporting SMEs through applying different innovation instruments, and has been addressing gaps in the Egyptian market via its unique portfolio of programs including



Incubation Program	Innovation & Competitiveness Support program	Education & Awareness Program	Business Development Services Hubs (BDS Hubs)
237 Startups Supported	150 Product Development Projects	600 Served SMEs	14,000 Capacity Building Beneficiaries
67 Centers	22 Governorates	229,000 Non-financial services	92,600 Customers received non-financial services

NilePreneurs provides several programs supporting digital transformation, with a special focus on fintech and digital financial solutions:

<p>LaunchSaaS</p> <p>A software as a service (SaaS) incubator that helps B2B software startups in Egypt to launch products supporting Egyptian SMEs workflow automation.</p>	<p>Techspace</p> <p>A sector agnostic incubator with a focus on creating Egyptian software startups that are working on emerging ICTs, targeting mainly B2C digital applications.</p>	<p>Khalik Digital</p> <p>A program that aids SMEs to achieve digital transformation by offering the needed services & tools to appear on new digital channels; in order to increase their sales & strengthen their competitive advantage.</p>	<p>NilePreneurs Accelerator</p> <p>A specialized 6-month investment readiness program offered to startups to develop their knowledge & skills on maximizing their business value, developing attractive pitch decks & matchmaking them with prospect investors.</p>
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Enablement Activities & Initiatives By Affiliates Of The Regulatory Entities



FinTech implemented training programs, study tours and workshops for the banking sector

Egyptian Banking Institute (EBI), the training arm of Central Bank of Egypt, designed & implemented number of programs contributing to the capacity building of IT specialists & departments of the Egyptian banking sector, graduating 400 attendees.

The programs' are covering a wide array of topics, as: Digital Transformation and Fintech workshops, Blockchain Essentials, Cryptocurrencies, Digital Banking, Artificial Intelligence, Payments, Financial Crime, Navigating Fintech Disruption (Study Tour at Silicon Valley)....etc.

EBI Online Magazine "Al Masrafyon"

The magazine includes a dedicated section for FinTech where specialized articles and news about the FinTech industry is regularly published.



Training courses for members of boards of directors and executive managers

The Egyptian Institute of Directors (EIOD), an affiliate of Financial Regulatory Authority (FRA) offered training courses in the field of IT Governance



Training courses for professionals in non-banking financial activities

The Financial Services Institute (FSI), an affiliate of Financial Regulatory Authority (FRA) offered training courses in technology-based non-banking financial products such as cybersecurity risks in insurance.



Training courses in Information Technology Sector

The Egyptian African Telecom Regulatory Training Center (EG-ATRC), an affiliate of National Telecom Regulatory Authority (NTRA) provides a unique training umbrella that includes both academic and professional experiences, as well as soft skills in terms of technology to regulators.

FUNDING

Activities & Efforts done to drive local & international FinTech investments into the Egyptian market and support the startups ecosystem.

Egypt Ventures

The first government-backed investment firm established in 2017 by the **Ministry of International Cooperation and the General Authority for Investment and Free Zones**. Egypt Ventures represents a unique model for financing and cooperating with the private sector through which investments are directed to accelerators, high-growth enterprises, and early stage startups, as well as technology-based and innovation-driven projects led by entrepreneurs that have the potential to create high economic value and be able to compete on an international level.

Egypt Ventures Investment Portfolio deals come in line with the government's efforts to empower the private sector, as a major driver for sustainable and inclusive economic growth.

ValU acquiring 100% of Paynas

A startup that offers MSMEs employee management and payroll services. The acquisition builds on the objectives of empowering customers socially and economically and meeting their various needs by offering access to seamless financial solutions.

Tanmeyah for microenterprise services acquiring Fatura

A fintech enabled B2B marketplace that brings together retailers, manufacturers, and wholesalers across 22 governorates in one platform.

Among those accelerators in which Egypt Venture invests is the fintech-focused startup accelerator EFG EV Fintech, which was established in partnership with EFG Hermes with a mission of supporting and investing in FinTech startups across Egypt.

Egypt VC Summit - Your Investment Gateway To The Middle East & Africa

The first VC investor summit, under the patronage of the **Central Bank of Egypt**, took place in Egypt June 2022, targeting International and local limited partners (LPs) and general partners (GPs). The Summit aimed to bridge the gap between regional GPs, global LPs, and top decision makers to encourage and increase investment in the Egyptian VC sector to deliver lasting and sustainable economic value. Over the course of two days, GPs and LPs were given an opportunity to connect for pre-arranged 1:1 meetings in one of the main event halls.

Egypt VC Summit in Numbers

450+ Attendees

50% from
outside Egypt, from 15
countries.

120+ General Partners

40+ Limited Partners
60% coming to Egypt
for the 1st time.

350+

Individual
LP-GP Matchmaking
Meetings

GOVERNANCE

Collaboration and partnerships within both local and international FinTech ecosystem stakeholders, other governments to advance the FinTech industry in Egypt.

Cooperation With International Regulators in 2022



Memorandum of Understanding between Central Bank of Egypt and Central Bank of the United Arab Emirates

The Central Bank of Egypt and the Central Bank of U.A.E have signed on June 2022 an additional annex to the original MOU that was signed between the two parties in 2021, in order to further enhance cooperation in FinTech and Payments through joint projects and initiatives to develop the FinTech ecosystem and to stimulate innovation and competition in both countries.



Egypt-Nigeria FinTech Bridge

The Central Bank of Egypt and Central Bank of Nigeria inaugurated a FinTech Bridge in November 2022, to strengthen the engagement on FinTech in terms of:

FinTech referrals across the two jurisdictions.

Joint regulatory projects and initiatives.

Information sharing and knowledge transfer.

Joint FinTech awareness programs and talent development initiatives.

NTRA Hub

In **National Telecom Regulatory Authority's** efforts to enhance the cooperation between all Fintech ecosystem stakeholders, the NTRA Hub is now availed to Financial Solution infrastructure providers with an automated electronic system that matches customer data with the data registered with telecom companies.

FinTekrs Initiative

The **Central Bank of Egypt** in collaboration with various banks and organized by Startup Factory launched a 6-week pre-accelerator program, designed to support high potential entrepreneurs and startups who have FinTech and FinTech enabled solutions located in the Egyptian governorates outside Cairo. The program's objectives are to speed up startups' growth through extensive knowledge and mentorships from world-class experts; lead them to become ready for investment opportunities; while providing matchmaking between different ecosystem enablers.

First Round was launched in Alexandria and nearby governorates in November 2022, sponsored by Taly for Digital Payments.

Second Round started to accept applications for Assuit and the nearby governorates covering Upper Egypt, in partnership with Banque Misr, to start the program throughout the second half in 2023.

Followingly, the Third Round will be conducted in Mansoura and the nearby governorates in partnership with Alex Bank during 2023, with a continuing journey to cover other governorates.

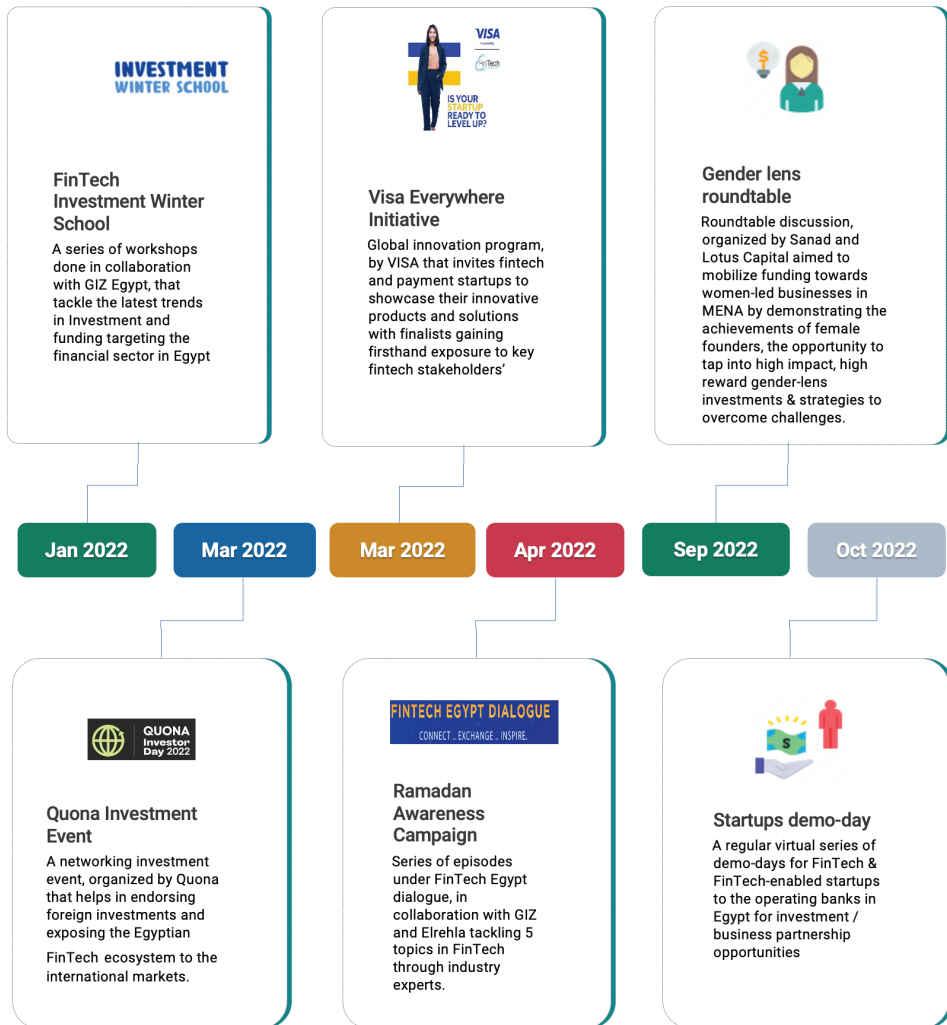
Alexandria Round

96
Startups
applied

15
FinTech & FinTech-
enabled Startups
Selected

Enablement Activities & Initiatives Powered By FinTech Egypt

Alongside all the activities that FinTech Egypt -an initiative by the Central Bank of Egypt- rolled out to enable the FinTech industry in Egypt, FinTech Egypt has endorsed various market engagement activities throughout 2022:



CLOSING REMARKS



In 2022, the Egyptian FinTech Startup ecosystem hit a milestone. Despite, witnessing global headwinds in global FinTech investments only in the last 12 months. A total of \$437.7 million private equity investments has been injected into Egyptian FinTech and FinTech-enabled startups during 2022. In addition to that, venture capital investments have skyrocketed, reaching a new high of \$358.8 million; which have multiplied by 28.7 times only in 3 years, indicating that this year was even a bigger record-breaker.

During this year, FinTech was seen as one of the most resilient sectors, and the importance and dispersal of FinTech startups has amplified this influence. Rewind 5 years, and the Egyptian FinTech ecosystem had a handful number of startups and PSPs. Today, the market has expanded and multiplied by 5.5 times, reaching a total of 177 startups and PSPs in more than 14 innovative FinTech sub-sectors, actively serving a wide range of the Egyptian population. Additionally, 30% of the latter have grown substantially and expanded to regional and global markets.

The country has seen a rapid rise across all pillars; dispersion of more talented founders building FinTech and FinTech-enabled solutions, a leap in investments and rising demand on these solutions. All stemmed from growing market collaboration between all stakeholders involved through enabling startups, exchanging knowledge and partnerships opportunities.

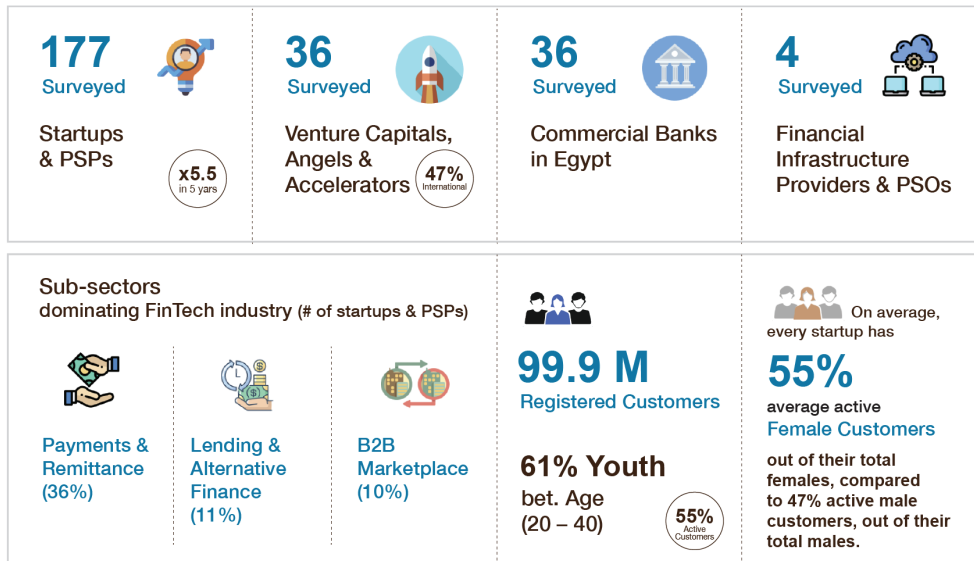
The rising digits can tell the story. Banks and National Financial Infrastructure providers are recognizing the potential for the FinTech industry and have begun taking concrete steps to show support. On average, every startup has partnered with 2 or more banks & financial institutions to enable their solution in the market. Nonetheless, it has also been another successful year for banks and national financial infrastructure providers injecting indirect investments, 8 times more in 12 months, into VC funds or acceleration programs to support the FinTech and FinTech-enabled startups' ecosystem.

Additionally, Investments are no longer tied to investors' geographical location, as more investors coming from international markets have entered the Egyptian market, especially from year 2020. Above all, Egypt's regulatory and governmental entities have taken remarkable moves through enacting policies and enabling initiatives to become alluring to startups; through market enablement and to achieve digital transformation.

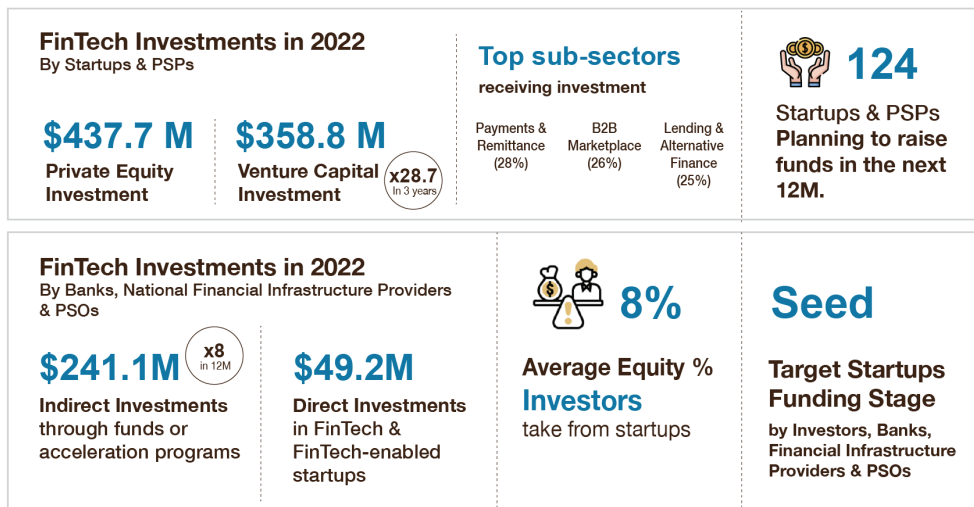
Undoubtedly, Egypt can become a horse-power for FinTech and FinTech-enabled startups in the region, given the strong fundamentals at play; its unique geographical location providing access to larger global markets, a strong pipeline of talented and resilient founders, and the rising demand to innovative FinTech solutions, where Egypt is home to a large young population. Hence; achieve its vision "to become a globally recognized Fintech hub in the Arab world and Africa, home to next generation financial services, talent and innovative development".

KEY HIGHLIGHTS

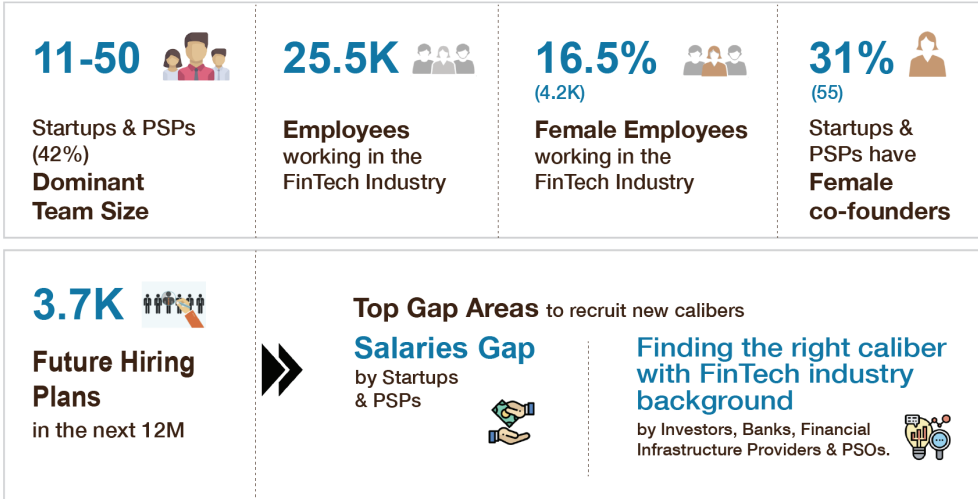
DEMAND



FUNDING



TALENT



GOVERNANCE & COLLABORATION



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