

Saudi Arabia's Fintech Potential Unlocked With US\$ 213 Million Fund To Launch And Grow Sector Start-Ups

RIYADH, SAUDI ARABIA, September 4, 2024 /EINPresswire.com/ -- The full scale of Saudi Arabia's potential as a global hub for financial technology came to the fore on day two of the first-ever 24 Fintech in Riyadh with the announcement of a SAR800 million (US\$213 million) venture capital fund to build and launch fintech companies and innovative financial solutions in the Kingdom.

The closed-end investment fund, an initiative of 1957 Ventures, which is backed by Riyad Bank, was unveiled by 1957 Ventures CEO Emad Kashgari in a keynote address, underlining the firm's commitment to fintech innovation in the Kingdom. 1957 Ventures is also a platinum sponsor of the inaugural 24 Fintech, which runs until September 5 at the Riyadh Front Exhibition & Conference Centre

Emphasising Saudi Arabia's leadership in the sector, Kashgari noted the Kingdom captured 58 per cent of all venture capital invested in the MENA fintech sector in 2023, with market value projections reaching US\$2.40 billion by 2029. In 2023 alone, investments in fintech in Saudi Arabia topped US\$790 million, according to Kashgari, an eight-fold increase on 2021 numbers of US\$91 million, with US\$239 million invested in 2022.



Emad Kashgari, CEO, 1957 Ventures



Fahad Bin Mubarak Al Guthami, CEO at American Express Saudi Arabia

Further demonstrating its commitment to guiding and leading innovation in fintech, 1957 Ventures is conducting six workshops throughout the conference covering topics such as: Exploring the World of fintech in Saudi Arabia, Governance and Compliance in fintech, Marketing Strategies for fintech, Building a Successful fintech Company, Investing in fintech, and Sustainable Growth in fintech.

"At 1957 Ventures, we are proud to be backed by the largest fund of its kind in the region – a closed-end investment fund exceeding SAR 800 million (over USD 213 million), dedicated to corporate venture building," said Kashgari.

"Saudi Arabia is leading the way in the sector across the Middle East and North Africa (MENA), capturing 58 per cent of all venture capital investments in the MENA fintech sector in 2023. We anticipate that the market value will reach US\$2.40 billion by 2029, further solidifying the Kingdom's leadership position."

Highlighting the role of 1957 in the sector's rapid growth, Kashgari added: "Our company was founded to foster this impressive expansion and to contribute to achieving the objectives of the Financial Sector Development Program, which is a key component of Vision 2030. Over the last three years, fintech investments in Saudi Arabia have skyrocketed."

Designed to be one of Asia, Europe, and North Africa's premier annual fintech events, 24 Fintech runs until September 5 and is hosted by Saudi Arabia's Financial Sector Development Program (FSDP), the Saudi Central Bank (SAMA), the Capital Market Authority (CMA), and the Insurance Authority (IA). With 175 hours of expert content, the conference will rival some of the world's best fintech gatherings, and is expected to attract more than 26,000 attendees, 300+ brands, and over 350+ investors over the three days.

DRAGONS DEN STAR SHARES SOUND ADVICE FOR FINTECHS

Demonstrating its ability and attractiveness to bring the global fintech ecosystem together, 24 Fintech welcomed Michele Ramanow, one of the investors on Dragons' Den USA and Co-Founder and Executive Chairman of fintech company Clearco. In a fireside chat on the Fintech Fusion stage, Ramanow discussed the importance of scalability and solid back-end tools in building a fintech company.

Ramanow highlighted how the early days of the fintech surge started a race between traditional



Michele Ramanow, Dragon on Dragons' Den USA, Co-Founder and Executive Chairman, Clearco

banks and fintech institutions to adopt new technology and acquire customers, and told delegates the common issue of founders using equity as their primary source of capital remains, which gave her inspiration to found Clearco, which provides funding for e-commerce brands and operates on a revenue-sharing model.

“Building a business is one of the hardest things you will ever do. You come in with no competitive advantages. Your only competitive advantage is speed. What we have tried to do is help entrepreneurs navigate one of the biggest challenges in their journey – funding,” said Ramanow.

AMERICAN EXPRESS BANKING ON FUSION OF FINTECH AND TRADITIONAL VALUES IN KSA

Meanwhile, addressing the Executive Summit, Fahad Bin Mubarak Al Guthami, CEO at American Express Saudi Arabia, said the bank is embracing fintech in the Kingdom and remains true to its values of providing exceptional customer experiences, tailored services, and robust protection while harnessing the power of data and technology.

Al Guthami highlighted the institution’s legacy products and how they are being adapted to match the evolving needs of customers in the Kingdom. He said: “It is essential for us to align our strong brand equity with a product portfolio that resonates with the market. American Express’ expansion into Saudi Arabia has been marked by a strategic focus on SME lending and digital infrastructure, and we recognise the transformative impact that fintech is having on the industry and the growing demand for instant financing solutions.”

“As a global brand, we are committed to developing innovative digital payment solutions that cater to the needs of both consumers and SMEs. By expanding our SME lending portfolio from 6% to 20%, we are empowering businesses and directly contributing to the economic growth of Saudi Arabia.”

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About 24 Fintech:

24 Fintech is an annual summit and exhibition hosted by the Financial Sector Development Program, Saudi Central Bank, the Capital Market Authority, and Insurance Authority, and co-organised by Fintech Saudi and Tahaluf. It is set to become the flagship event for the Kingdom, cementing its status as a global fintech hub and shaping the future of the financial ecosystem.

For more information about 24 Fintech, visit <https://24fintech.com>

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