

An Overview of Jordan's FinTech Landscape

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Section I: Executive Summary

There is an ongoing revolution in financial services through the introduction of financial technology in Jordan. The country has, until the early 2000s, depended on physical banking infrastructure (cash transactions, ATMs and others). More than a decade ago, digital solutions allowed for a rapid change in the financial industry. As part of the economic modernization and industrial digitalization agenda, both the private sector and the Jordanian government acknowledge FinTech's potential to positively transform banking processes and to fuel overall economic growth.

The Jordanian FinTech landscape hosts notable Fintech projects that include various models of mobile payment platforms, digital banking services and blockchain technologies. These new trends are expected to boost the financial sector's operational efficiency and profitability. Yet, the extent to which modern FinTech fuels the financial industry's growth still needs to be examined. Jordan's development in-itself, from a macro perspective, is objectively on an upwards trend. This paper compared Jordan's landscape with that of the UAE, Saudi Arabia, and Egypt to determine the relative performance strength of Jordan's Fintech market.

Jordan's FinTech players have received substantial funding and regulatory support. In 2023, the combined market valuation of Jordan's FinTech players has exceeded US\$ 230 million according to some industry sources. The market's revenues have registered a compounded annual growth rate of 15% since 2020, with the COVID pandemic and the resulting closures being an important factor in driving advancement. However, compared to other Arab markets, Jordan's level of FinTech adoption is small. For example, the UAE and KSA dominate the FinTech market in the Arab world with their stronger focus on blockchain implementation, financial inclusion, and digitalization.

By utilizing statistical models and comparative metrics to other Arab countries, this paper projects Jordan's FinTech industry to double its players' combined valuation to exceed US\$ 492 million by 2030. This would ultimately boost the country's economic growth and transform its banking systems.

The rise of Fintech adoption underlines the need to address cybersecurity and fraud concerns. Cybersecurity risks increase with the adoption of online services and there remains a massive need to educate end users on online fraud and how to avoid scams. Arab Advisors Group has recently released a new research report tackling cybersecurity in the era of 5G. For full details, check our [newly released report](#).

Section II: Jordan's Recent Advancements in the Financial Sector

Significant advancements in the Jordanian FinTech sector have emerged over the last decade, sparked by the rise of entrepreneurial spirit and the strategic goals of a forward-thinking government. Some of these initiatives have been salient in driving innovation and inspiring technology-centered solutions to modernize and digitalize the financial sector in Jordan. These developments are true manifestations of Jordan's creative talent in tackling problems related to finance and banking. Jordan's innovative use of financial technology is the driving factor behind its successful trajectory into developing a more inclusive and resilient financial system that effectively tackles local challenges while utilizing global and international opportunities.

Below is a selection of the most essential changes/advancements that the Jordanian financial industry has recently adopted:

Mobile Payment Solutions

JoMoPay (The core of mobile payment): The Central Bank of Jordan launched this national mobile payment platform. It enables interoperability across mobile wallets to make it easier for users to transfer funds across providers based on their personal tastes and preferences. JoMoPay has enabled the growth of the following eight mobile wallets:

- **Zain Cash:** Owned by the cellular operator Zain, Zain Cash is a widely used mobile wallet service. It offers easy-to-use features like direct payments, withdrawals and transfers.
- **Orange Money:** This mobile wallet is owned by the cellular operator Orange. It has played a key role in financial inclusion in all areas of Jordan, since it enables transactions like salary payments for small businesses and remittances to be done through mobile.
- **UWallet (owned by the cellular operator Umniah):** It is a safe and effective platform for consumers to transfer money from person to person, to make online purchases, and to pay their phone bills.
- **Dinarak:** It is a mobile wallet which is not owned by a cellular operator. Its services enable users to make financial transactions through their cellular handsets without the need for a bank account.
- **Aya, Qadha, Mared, and National Wallet:** These four mobile wallets offer fintech services to any Jordanian or resident of Jordan with a cellular line.

Open Banking and Innovation

- **Jordan Payments and Clearing Company ("JoPACC"):** JoPACC allows real-time online bill payments through its eFAWATEERcom service, which is the main reason behind its success amid banks and FinTech startups.
- **Arab Bank's AB Accelerator:** is an accelerator which invests in innovative ideas and FinTech startups in order to boost the growth of Jordan's financial industry and to increase financial inclusion.

E-Commerce Integration

- **HyperPay:** is a payment gateway that spans across the whole region, enabling secure and efficient payment solutions for a wide range of consumers.
- **The Central Bank of Jordan ("CBJ")'s Real-Time Retail Payment System ("RT-RPS"):** This was designed to increase the efficiency of online transactions through fast and easy payments.

Blockchain and Cryptocurrency

- **Jordan Blockchain Initiative:** This initiative was led by the government, specifically exploring the applications of blockchain technology in areas like digital identity, cross-border payments, and supply chain management.
- **CBJ and Cryptocurrencies:** While cryptocurrency trading is restricted, the Central Bank is studying regulatory frameworks to ensure safe and transparent use of blockchain in finance.

Developing FinTech Talent

- **Queen Rania Center for Entrepreneurship ("QRCE"):** This initiative offers training and hackathons to inspire students and young professionals to pursue FinTech careers.
- **FinTech Academy:** This academy provides specialized training in blockchain, cybersecurity, and digital payments.
- **Startup Support:** Organizations like Oasis500 and BeyondCapital actively mentor and fund FinTech startups to help them scale their ideas and impact.

Financial Inclusion

- **National Financial Inclusion Strategy:** Initiated by the CBJ, the National Financial Inclusion Strategy emphasizes the importance of improving access to financial services for women, refugees, and rising businesses. For example, mobile wallets were promoted

among Syrian refugees to help them securely receive aid.

- **Microfund for Women ("MFW"):** This is a digital platform offering microloans (microfinance) to female entrepreneurs to foster economic independence and to break economic barriers to development such as gender inequality.

Section III: Comparative Analysis of Jordan's FinTech Market with the UAE, Egypt, and Saudi Arabia

This section presents a multifaceted analysis of Jordan's financial technology hand-in-hand with other MENA countries.

Technology Integration in Financial Services

- Blockchain Implementation:** Jordan has begun experimenting with blockchain technology, but it still remains in its launching phases. By contrast, the UAE has utilized blockchain in key financial services including payment systems, currently aiming for 50% blockchain adoption by 2025.
- AI and Big Data:** While Jordanian startups are only beginning to explore AI, Saudi Arabia and the UAE have already invested heavily in AI-driven financial platforms. Saudi Arabia's Vision 2030 aims to boost the FinTech sector's GDP contribution to US\$ 3.46 billion through FinTech.
- Digital Infrastructure:** Approximately 90% of Jordan's population has access to reliable 4G connectivity, and 5G rollouts are planned for 2025. Comparatively, the UAE and Saudi Arabia already offer extensive 5G coverage, supporting high-frequency trading and real-time digital transactions.

Financial Inclusion Through Cellular Technology

According to the Central Bank of Jordan ("CBJ"), Jordan's mobile payment platform and mobile wallets have driven the country's financial inclusion to 43% in 2023, up from 33% in 2018. While exceptional, this remains lower than other countries such as Egypt, KSA, and the UAE. The exhibit below portrays Jordan's performance to other Arab countries.

Exhibit 1: Financial Inclusion and Mobile Wallet Usage in Arab Countries (2023)

Country	Financial Inclusion (adults with a bank account)	Mobile Wallet Usage
Jordan	56%	26%
Egypt	70%	30%
Saudi Arabia	74.3%	59%
UAE	84%	41%

Sources: Central Bank of Jordan, JOPACC, King Khalid Foundation, Central Bank of Egypt, Saudi Central Bank

Digital Banking Penetration

Jordan's digital banking penetration (percentage of bank account holders using online services) stood at 30% by 2023. The exhibit below compares Jordan's performance to the UAE, KSA, and Egypt.

Exhibit 2: Digital Banking Penetration in Arab Countries

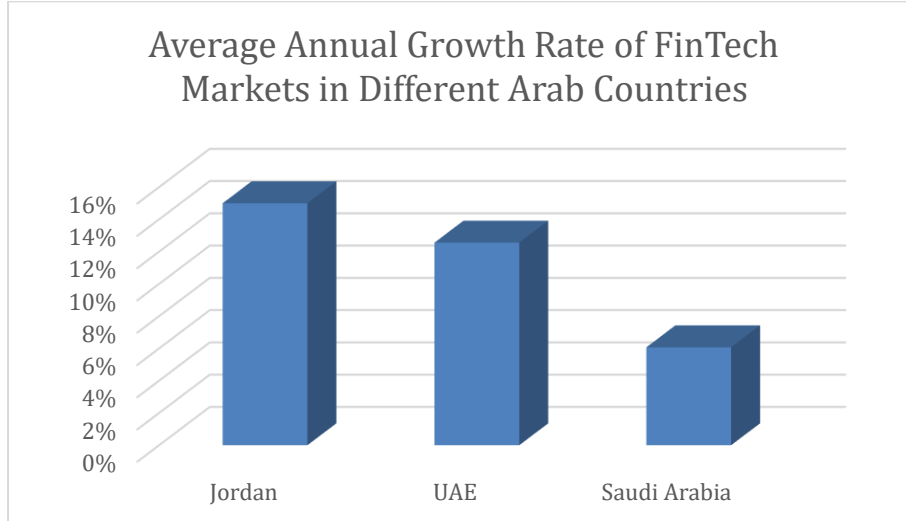
Country	Digital Banking Penetration
Jordan	36%
Egypt	40%
Saudi Arabia	94%
UAE	84%

Sources: Central Bank of Jordan, Central Bank of Egypt, Saudi Central Bank, Emirates NBD

FinTech Market Size and Revenue

As of 2023, industry sources estimated Jordan's FinTech market valuation at around US\$ 230 million (a valuation of FinTech companies, and **not** the value of assets and transactions under digital management). In contrast, the UAE led the region with a FinTech market cap of US\$ 3 billion, while Saudi Arabia followed at US\$ 1 billion, during the same year using similar metrics.

Exhibit 3: FinTech Market Growth in different Arab Countries



Sources: Central Bank of Jordan, Dubai Fintech Summit, Saudi Central Bank

While Jordan has yet to reach the level of success seen in the UAE and Saudi Arabia, it is clearly following in their lead and experiencing significant growth within the MENA region. This promising trend highlights the increasing strength of Jordan's financial sector, positioning it competitively even alongside leading countries like the UAE and Saudi Arabia.

Section IV: Future Predictions and Limitations

Future Predictions Using Trend Analysis

Based on previous studies, Jordan's FinTech market has been growing at an average annual growth rate of 15% over the past three years. Assuming this trend continues, the Jordanian FinTech market is projected to nearly double to US\$ 492.2 million by 2030, contributing substantially to GDP growth and job creation. The market valuation will always be a small fraction of that of UAE, Saudi Arabia, and Egypt given the much smaller size of Jordan's economy compared to them.

In order to enhance the growth potential of the market, FinTech players must continue to address these issues:

- **Cybersecurity Concerns:** With an increasing number of financial transactions now becoming digital, cyberattacks remain a pressing issue. The National Cybersecurity Center reported a 915 cyber incidents in the fourth quarter of 2023 alone, highlighting the need for robust security measures which could be difficult to implement and costly.
- **Consumer Literacy:** Quick transformation in basic procedure may cause barriers in adaptation, considering that the Jordanian population isn't entirely digitally literate. This will also influence the extent to which financial inclusion in Jordan can be achieved.
- **Regulatory Frameworks on Insurance Against Fraud:** Fraud prevention is important as well as enhancing the legal framework to insure against fraud losses.

Conclusion

In conclusion, Jordan's financial technology sector is following a solid trajectory. Although Jordan's technology is less advanced and its market valuation is significantly smaller than regional leaders such as the UAE and KSA, the Jordanian FinTech is growing at a rapid rate. For Jordan's FinTech market to maintain its growth, FinTech players and the government must deal with cybersecurity risks and regulatory frameworks. Overall, Jordan is experiencing a positive transformation in its financial industry with the implementations of modern technology.

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