

FINTECH

ABOUT THIS INDUSTRY ROUNDUP

Pakistan Software Export Board developed this paper by hiring services of independent consulting firms to prepare this roundup on Pakistan's Fintech sector. The paper focuses on Pakistan-based companies in this vertical and appraises the reader of the expertise available in Pakistan in the Fintech domain.

DISCLAIMER

All the information provided in this roundup is compiled by the consulting firms and based on the available material about the companies covered in this roundup. Coverage in this industry roundup document is not an endorsement by Pakistan Software Export Board (PSEB), Ministry of Information Technology and Telecommunication (MoITT) or the Government of Pakistan (GOP). The Pakistan Software Export Board, Ministry of Information Technology and Telecommunication, or the Government of Pakistan assumes no commercial financial or legal liability accruing from any transactions with the firms featured in this industry roundup.

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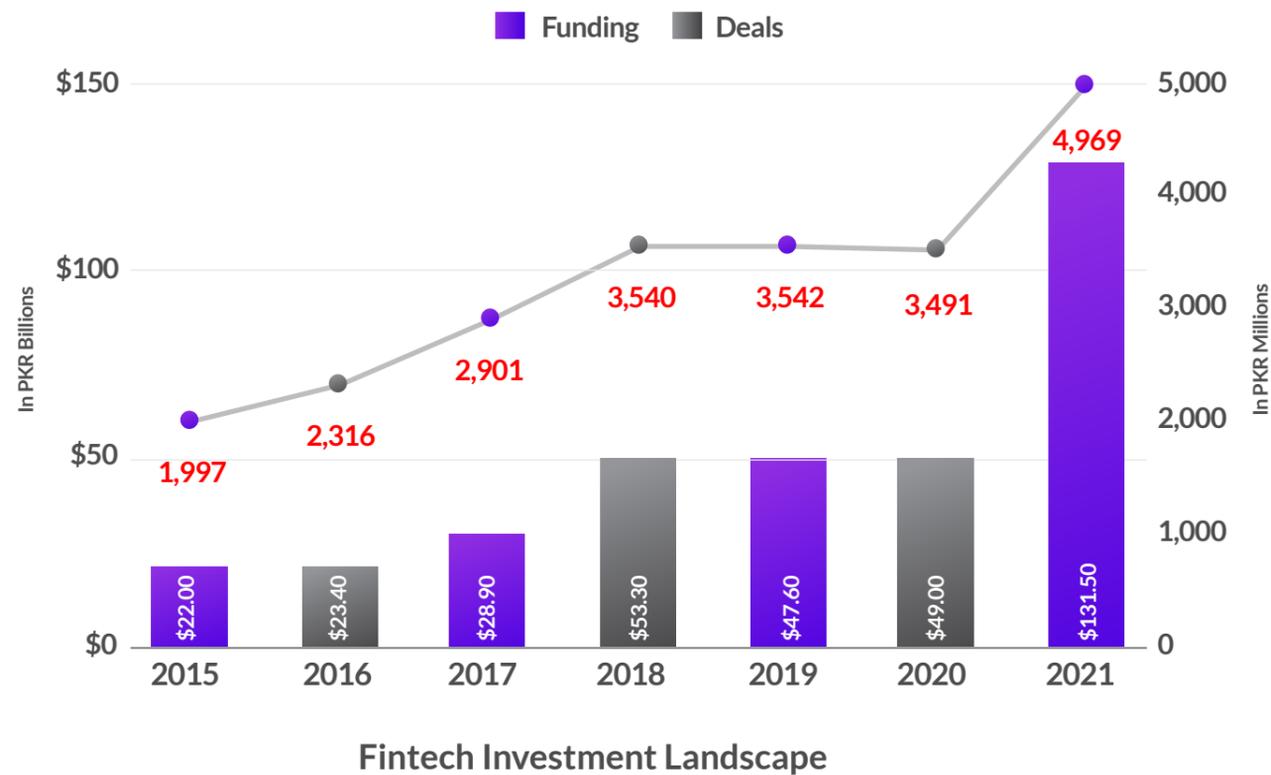


The Global Perspective

The fintech landscape has undergone a tectonic shift over the last few years on the back of truly innovative solutions, from open banking to decentralized finance protocols. As a result, funding to the sector has hit new peaks – touching \$132 billion¹ in 2021, which accounted for 21% of the total investment amount during the year.

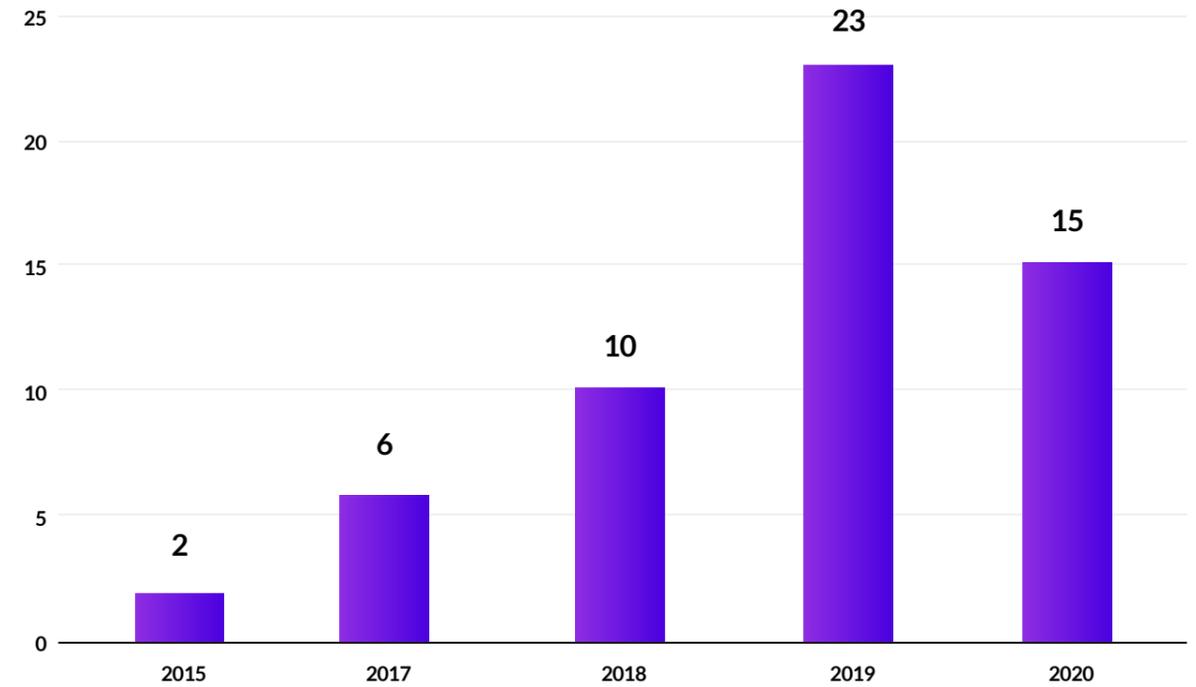
Funding to fintech startups

As a result, the sector now boasts the highest number of unicorns at 194 of which 136 were minted in 2021 alone. Not only that, companies from other verticals are also launching their financial services offerings. Facebook, Google, Amazon and Apple are already significant players in payments while others, such as Walmart, have recently ventured into the space with major investments. Given such interest in the sector from both startups and existing players alike, the renowned venture capital firm, a16z, predicted that every company will eventually be a fintech.²



¹https://www.cbinsights.com/reports/CB-Insights_Venture-Report-2021.pdf

²<https://future.a16z.com/every-company-fintech-company/>



Unicorns Created in Fintech by Year



Most Valuable Fintechs Chart³

³CB Insights Global Unicorn Club 2021

The Untapped Opportunity in Emerging Markets

Particularly in developing countries, where traditional institutions struggled to reach the masses due to costs associated with building a brick-and-mortar structure, fintech has the potential to promote financial inclusion and leapfrog digital adoption. The growth of mobile money wallets in Kenya and QR-based merchant payments in India has demonstrated the impact of such new technologies.

This has prompted significant interest in the fintech industry not only from founders but also regulators and investors. Consequently, billions of dollars of investments have poured into the sector – from Brazil to Indonesia and everywhere in between. In Pakistan too, the vertical has seen some of the fastest growth on the back of coronavirus-induced digital banking adoption, policy measures by the State Bank, and increased venture capital funding.

For instance, mobile banking throughput has increased from just PKR 26 billion at the end of December 2016 to PKR 2,927 trillion by 2021 end, registering a staggering compound annual growth rate of 1,776%. The surge in internet banking pales in comparison, though still no less impressive, as its value rose from PKR 225 billion to PKR 2.4 trillion during the period under review.



\$8bn – 280 Deals⁴



\$1.12bn – 60 Deals⁵



\$6.1bn – 258 Deals⁶



\$159m – 32 Deals⁷



⁴ Inc42 Annual Indian Startup Funding Report 2021

⁵ SE Asia Deal Review Q42021 [Deal Street Asia]

⁶ <https://lavca.org/industry-data/2022-lavca-trends-in-tech/#TOP-SECTORS>

⁷ <https://enterprise.press/whatsnexts/2021-bumper-year-fintech-funding-egypt-cbe/>

An Enabling Policy Environment

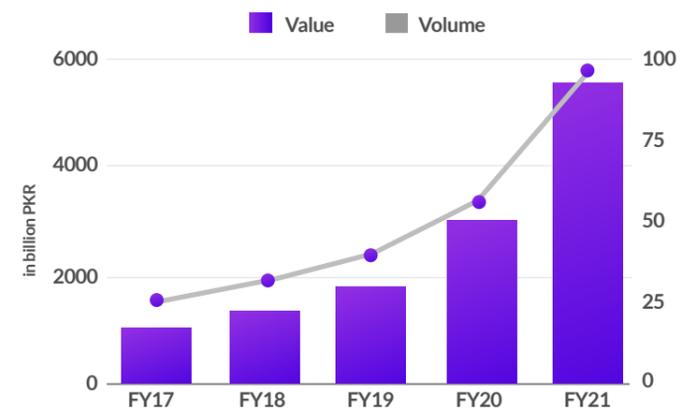
While higher internet and smartphone penetration helped increase the overall population engaged with the online economy, a significant part of this growth could be attributed to improved regulatory environment. The State Bank of Pakistan, in particular, has championed the cause of digitization and introduced several policy measures to achieve that. For example, in the wake of coronavirus, it waived all transaction charges on online funds transfer to promote digital payments. As a result, IBFT transactions surged 310% year-on-year to 70.77 million in July-October 2020, compared to just 17m in the same period of 2019⁸.

In early 2021, it also launched Raast – an instant micropayment gateway – which has brought interoperability to the financial system and made online payments more convenient. Most recently, the SBP introduced the Digital Banking Regulations

which garnered interest from leading financial services players – local startups, existing banks and international fintechs – as 20 applications were received for five available licenses. This was in addition to the Electronic Money Regulations of 2019, which to date have seen 11 players obtain some sort of license and announced cumulative investments of more than \$100M.

Similarly, the Securities and Exchange Commission of Pakistan has facilitated the sector through a series of measures, most notably the fintech regulatory sandbox⁹ which allows startups with unique business models to test their products and services in a closed-loop environment. Recently, it also introduced a concept paper on asset fractionalization that will pave the way for the tokenization¹⁰ of real estate using blockchain technology.

Internet Banking Transactions



Source: Annual Payment Systems Review, State Bank of Pakistan

Mobile Banking Transactions



Source: Annual Payment Systems Review, State Bank of Pakistan

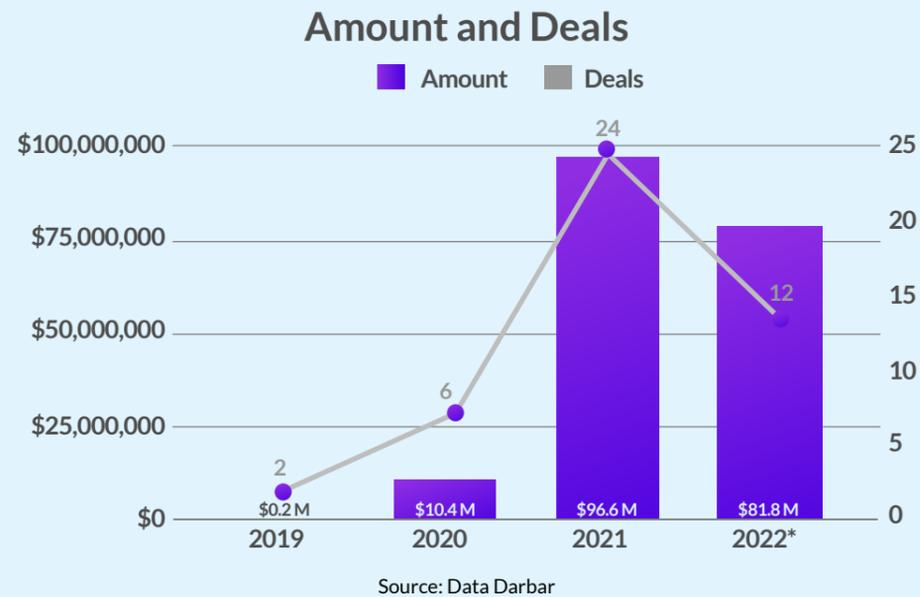
⁸ <https://www.dawn.com/news/1591782/state-of-the-digital-economy>

⁹ <https://www.secp.gov.pk/media-center/press-releases/secp-introduces-regulatory-sandbox-to-promote-innovation-in-financial-service-industry/>

¹⁰ <https://www.secp.gov.pk/secp-concept-paper-asset-fractionalization/>

Fintech Appears on Investors' Radar

Thanks to this momentum, other international fintech players have also expanded to Pakistan such as Egypt's SME payments platform Paymob, Bahrain's crypto exchange Rain Financial and Nigerian unicorn OPay. Meanwhile, local startups in the sector also had their best year in 2021, raising \$97 million¹¹, and have already crossed \$81 million in the first seven months of 2022.



Most of the investment activity has so far been concentrated in payments on account of major rounds by digital wallets such as Nayapay, Sadapay etc. But recent trends suggest a growing interest in lending and finance, as Abhi's \$17 million Series A shows. Moreover, startups from other verticals are also launching their fintech offerings. Bazaar, Retailo, Jugnu and Dastgyr – which have raised a combined \$173.5 million in 2021 – are all doing Buy Now, Pay Later while the latter two own their ledger apps as well.

Fintech Investment by Category

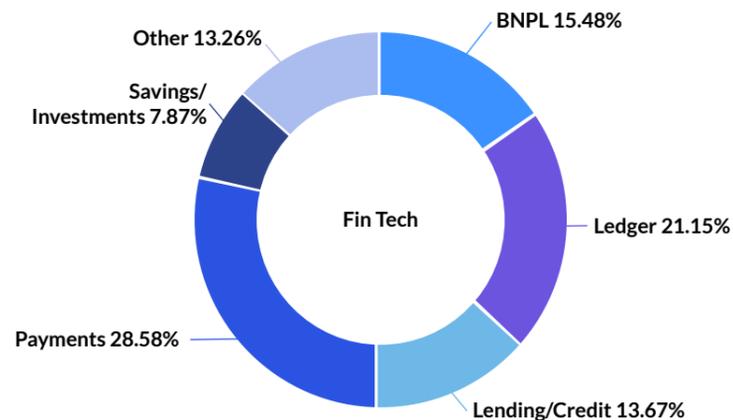


Chart does not include DBank and OneLoad

¹¹ <https://insights.datadarbar.io/2021-the-year-when-pakistani-startups-saw-an-unprecedented-growth-spurt/>

Fintech Service and Product Offerings in Pakistan



1

Microfinance

Pakistan Microfinance Network, Pakistan Microfinance Investment Company, Akhuwat, Agahe, AMRDO, ASA Pakistan, BaadBaan, JWS Pakistan, Islamic Relief, FFO Support Program, Damen Support Program, Mojaz, Orangi Pilot Project, Mobilink Microfinance Bank, NRSP, Advans, Apna, Khushhali, FINCA, Telenor Microfinance Bank, Pak Oman Microfinance, U Microfinance Bank, Kashf Foundation, First Microfinance Bank, Tez Financial Services

2

Digital Banking

MyWallet, Alfa, UBL Digital, Bank Islami, Bank Al Habib, Habib Metropolitan Bank, Soneri Bank, Meezan Bank, BOK Digital, Bank of Punjab, MCB Mobile, Askari Digital, HBL Konnect, Standard Chartered, Faysal Digibank, Silk Mobile, JS Bank, Sindh Bank, Dubai Islamic Bank, AlBaraka, Summit Bank



3

Branchless Banking

Easypaisa, Jazz Cash, J Cash, Timepey, Upaisa, Alif, UBL Omni, MCB Lite, SimSim

4

Lending and Credit Scoring

Credit Fix, DataCheck, Tez Financial Services, Karandaaz, Finja Lending, Jazz Cash, Easypaisa, Trellis Housing Finance Limited, GoldFin, Tasdeeq





5

Research and Innovation

Karandaaz, Pakistan Microfinance Network, Duns and Bradstreet



9

Aggregators

Safepay, Kuickpay, Haball, Blinq, Fonepay, Karripay, PayPro, Pay It, Skoolify, bSecure, Postex, Oneload, SimPaisa, TelloTalk for Business

6

Stock Trading, Funding and Crowd-funding

Transparent Hands, Seedout, Pink Ribbon, Care Foundation, Door of Awareness, Pakistan National Investor Portal, Saxo Bank, KTrade, iSave (mutual funds), FP Markets, HYCM, Investor Lounge, Capital Stake, Investify



10

International Payment Providers

Checkout, 2checkout, Payoneer, Cybersource, Mastercard Payment Gateway Services, Etisalat, UnionPay Online Payments (UPOP)



7

PSOs/PSPs

NiFT, PayFast, 1Link, Foree, Webdnaworks, Virtual Remittance Gateway, Paymate



11

Investments

Karandaaz, Pakistan Microfinance Investment Company, Lakson Investment, JS Investment, 42 Ventures, Fatima Gobi Ventures, Sarmayacar, Walled City Co, Zayn Capital, Cresventures, Karavan, i2i Ventures, Indus Valley Capital, Neem Exponential, DYL Ventures, Arpatech Technology Ventures, High Output Ventures, Deosai Ventures, Teamup Angels, TiE Angels, Epiphany Angels, Ypay, FinPocket, Emlaak Financials, GroundUp, SAI Ventures



8

Insurance

Adamjee, Alfalah, Asia Insurance, Askari General Insurance, CICL, Continental, Habib Insurance, UIC, Jubilee General Insurance, Pak Qatar Takaful, Shaheen Insurance, Ypay, UBL Insurers, Universal Insurance, Tez Financial Services, Netsol Tech, Monet, Mawazna, Waada Digital Insurance, Salaam Takaful, Smartchoice.pk



12

Asset Management

Systems Limited, TPS, VeriPark, ABL, Al Habib, Atlas, Bima Asset, First Capital, HBL Asset, Pak Ocean, UBL Funds Manager, Finja, Oraan, Tez Financial, Monet



13

Financial Technology Providers

Veripark, TPS, Avanza, Paysys Labs, BPC systems, Access Groups, NDC Tech, Euronet, Autosoft Dynamics, Systems Limited, Computer Research Private Limited (CRPL), I2c inc, IT Minds, Infotech, Covalent



14

EMIs

Keenu, Nayapay, FINJA, Sadapay, PayMax



Products and Services Being Offered in Pakistan



Mettis Global

MG Link is a leading source of data, financial market intelligence and news. The company provides comprehensive information on the forex, money markets, central bank, economic indicators, equities, commodities, and mutual funds. This is complemented by MG News, a registered business news agency, which provides market-moving updates during market hours.

Mettis Global caters to corporate and financial institution clients who use their data terminal coupled to do and make intelligent decisions.¹²



Tresmark

Tresmark is a financial data aggregator which converges all aspects of treasury and markets on a single platform and helps corporates and the finance industry make smarter decisions. They offer products across messaging, charting and Excel-based data automation. Tresmark is a subsidiary of Landmark Investment.¹³



Careem Pay

Careem Pay is an upcoming Electronic Money Institution that would provide a digital wallet to consumers, captains and merchants and provide a convenient payment option for rides, utilities and mobile recharge.



I-invest

I-Invest is a fintech app, owned by Next Capital, that lets you monitor stocks and track your portfolio. It provides real-time data on the PSX and allows users to discuss their strategies on the forum as well.¹⁵

¹²<https://mettisglobal.news/about-us/>

¹³www.landmark-investment.com



Hubpay is an independently regulated FinTech in the UAE licensed to do both cross-border and local payments. The platform not only lets users you pay for utilities and mobile top-ups but also to send remittances. It last raised \$20 million in Series A financing earlier this year.¹⁴



Akhtar Fuiou Technologies (AFT)

AFT is a joint venture between Akhtar Group of Pakistan, Fuiou Pay from China and Saudi Arabian-JollyChic to offer payments for consumers. It has already received in-principle approval from the State Bank of Pakistan to operate as an Electronic Money Institution, which will allow the company to offer digital wallets. Akhtar Fuiou Technologies (AFT) is a private limited company established as a joint venture between Fuiou Pay and Akhtar Group.

Fuiou Pay

Operating globally in six countries, Fuiou Pay is a technology-driven payment company possessing five payment licenses in China. They partner with known global players in acquiring, fintech and cross-border remittance businesses.¹⁵

Akhtar Group

Akhtar Group is a local conglomerate owned by a prominent business family in Pakistan involved in commodities, FMCGs, ethanol, industrial gases and textile. The group's business landscape will power its



expansion to the digitization sector by collaborating with Fuiou Pay and Jollychic under the banner of Akhtar Furious Technologies.¹⁶

JollyChic

JollyChic has a footprint in major markets across the globe. It is one of the top-ranked e-commerce platforms in the Middle East providing multi-category and globalized one-stop shopping services.¹⁷



¹⁴<https://www.linkedin.com/company/hubpay/>

¹⁵<https://aft.com.pk/fuiou-pay/>

¹⁶<https://aft.com.pk/fuiou-pay/>

¹⁷<https://aft.com.pk/about-us/>



Mahaana Wealth

Mahaana is a digital wealth manager that's is building a 401K-style retirement plans for the Pakistani market. They make sure users; savings are invested in a diversified portfolio best suited for their goals and are the first licensed digital investment advisor allowed to create their own retirement funds and ETFs just like Vanguard.¹⁸



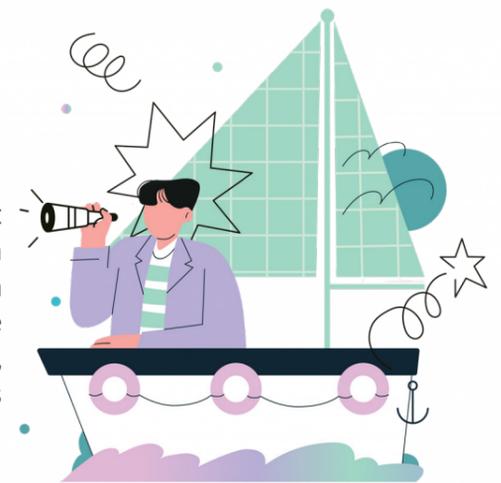
Abhi



Abhi, a financial wellness platform, provides earned wage access to employed persons through corporate partnerships. It has raised over \$19 million in investment so far and claims a valuation of \$90million.¹⁹



Zindigi is one of the first fully digital banks of Pakistan that brings together a range of financial services – from payments to investments – on a single platform. Users can customize their home pages as per their needs, make investments on the go, get financially protected, split bills, send and receive money, make public and private payments and much more.²⁰



¹⁸<http://mahaana.com>

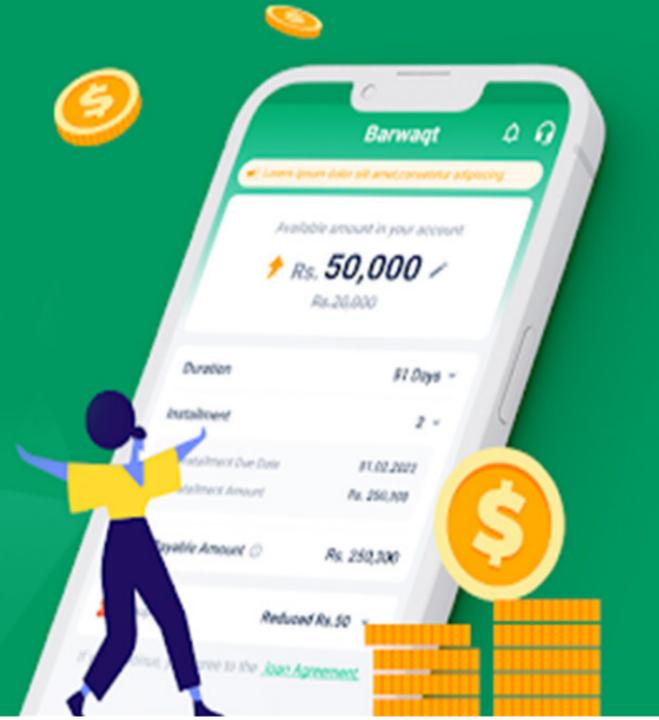
¹⁹<https://apps.apple.com/us/app/i-invest-pakistan-stocks-psx/id1090462694>

²⁰<https://zindigi.pk/aboutus/>



Barwaqt

Barwaqt is an instant loan mobile application that provides flexible loans based on risk assessment and credit evaluation. The users can get the money and pay back through a range of options like EasyPaisa, USSD code etc. The product is powered by Seedcred Financial Services Ltd, which is registered and licensed by the SECP.²¹



diside

AiCash is an online app where users can apply for personal loans up to PKR 50,000 anytime and anywhere. Customers are required to fill out personal information only and the amount will be paid into the bank account less than five minutes after the submission and approval of the documents.²²



OPay is a mobile money platform operated by OPay Digital Services Limited and licensed by the Central Bank of Nigeria. The company achieved unicorn status within two years of launch and expanded to Pakistan last year. It currently offers point of sale solutions to merchants across industries.²³



²¹<https://www.barwaqtfintec.com/aboutUs>

²²<https://fintech-pk.com/>

²³<https://static.opayweb.com/>



Paymob is an infrastructure technology enabler providing a suite of financial technology solutions across the Middle East and Africa region. It has been in operations for more than 4 years, recently expanded to Pakistan and has partnered with banks to offer SMEs with digital payments.²⁴



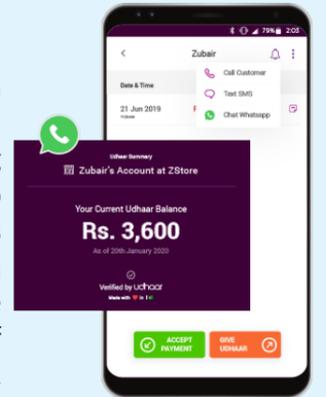
KalPay is a Shariah-aligned Buy Now, Pay Later service. They allow users to use credit for their online purchases and pay back in installments with minimum hassle and no paperwork. Customers do not have to pay to use KalPay services.

With only 1.7 million credit cards in Pakistan, getting access to credit is no less than a struggle, and no one is safe from this! The idea is to give consumers, especially the unbanked and underbanked population, to pay later while shopping online through the option of paying in 3 equal monthly installments. All this with 0% interest and no additional costs or charges.²⁵

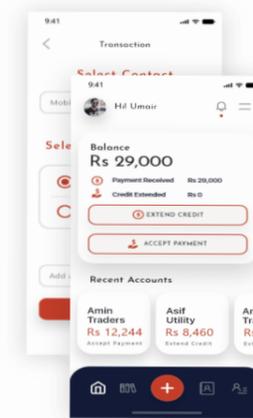


udhaar book

Udhaar Book is an online ledger to record users' outstanding debt, and send auto reminders to customers to increase collection and cash flow. The startup was part of Y-Combinator's W21 cohort and has raised \$6.4 million in seed funding.²⁶



mKhata or mobile khata is an app that helps users manage credit, send automated collection reminders and make real-time data-based decisions on credit sales. It has raised an undisclosed round from 10Pearls Ventures.²⁷



²⁴<https://paymob.com/en/about-us>

²⁵<https://kalpayfinancials.com/about.html>

²⁶<https://udhaar.pk/>

²⁷<https://www.mkhata.pk/>

hisaab.pk

Hisaab.pk

Hisaab.pk accounting software is designed to simplify all the accounting and financial reporting needs of small and medium businesses. Their clients range from service, trading houses, import export, manufacturers, FMCG, retailers etc.

It is equipped with all the latest reporting and business software tools, easy to use interface and quick access dashboards.²⁸



Easykhata

Easy Khata (by Bazaar Technologies) is a digital ledger for simple book-keeping and faster collection that helps small businesses to better track their income and expenses.²⁹

Rain

Rain is a Category 3 Crypto-Asset Services Provider, licensed by the Central Bank of Bahrain and currently operates across the Middle East. It recently expanded to Pakistan and has appointed a Country Manager and plans to offer a crypto exchange.³⁰

²⁸<https://hisaab.pk/>

²⁹<https://www.bazaartech.com/easy-khata>

³⁰ <https://www.rain.com.pk/>

³¹<https://www.tybank.co.za/>



Tyme Bank

TymeBank is South African-headquartered digital bank catering to traditionally underserved people. It is backed by Alibaba and recently expanded to Philippines and has applied for the Digital Banking license with the SBP.³¹

Fasset

Fasset is a platform for anyone in emerging markets to buy and sell digital assets easily and conveniently. It has raised \$22 million Series A funding from Fatima Gobi Venture recently to expand to Pakistan.³²

Dbank

Dbank is an Islamabad-headquartered fintech startup that will attempt to expand the reach of financial services in a “transparent and friendly” manner in Pakistan, taking on the informal credit system that tends to exploit those in need with exorbitant and unpredictable interest rates.³³ Recently Dbank has raised \$17.6 million in a seed round co-led by Sequoia Capital Southeast Asia and Kleiner Perkins.³⁴

Komaytee

Komaytee is a fintech startup developing a platform for individuals and enterprises to manage their savings and investments at the same time. It primarily capitalizes on the informal method of saving (ROSCAs) to contribute towards enhancement of financial inclusion in Pakistan.³⁵

Soan

Soan is a mobile-based point of sale software that helps business keep better track of their expenses and revenue, thus helping the economy to be better documented.³⁶

³²<https://blog.fasset.com/about/>

³³<https://dbank.pk/>

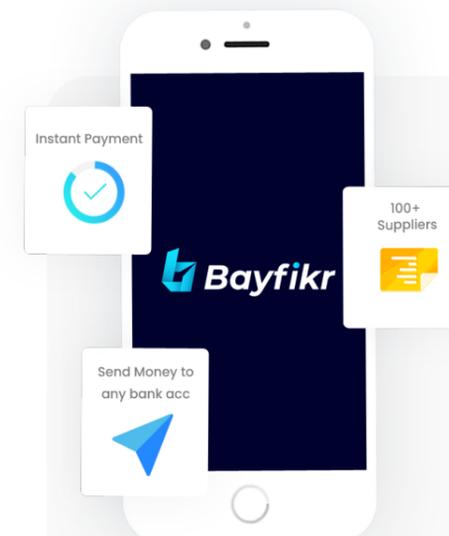
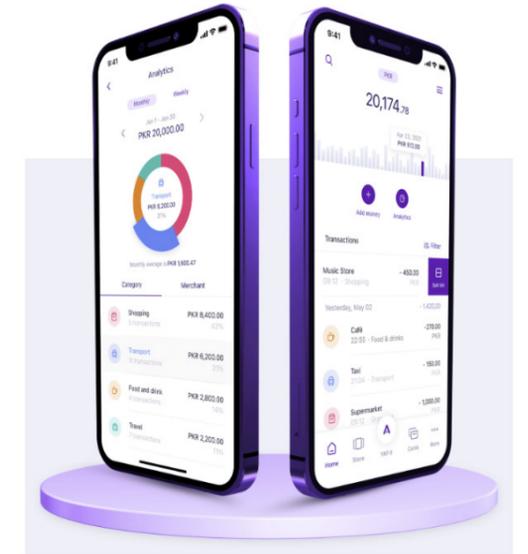
³⁵<https://www.komaytee.com/>

³⁶<http://melloagency.com/soan>



Yap Pakistan

YAP is a new-age payments company based out of the UAE that offers digital wallets and card to its customers. It recently expanded its footprint to Pakistan.³⁷



Bayfibr

Bayfibr helps overseas Pakistanis to directly pay their Pakistani bills using their international account without the need to send money to their Pakistani accounts or to their loved ones. Users can pay utility bills, school and university fees, hospital fees, government payments and much more.³⁸



Instakin

Instakin is a cashless fully digitized system for migrants to send money back home to their families. It does not charge any fees and provides financial access to underserved families.³⁹

³⁷<https://www.yap.com/about/>

³⁸<https://www.bayfibr.net/>

³⁹<https://instakin.com/>

⁴⁰<https://payit.pk/>



Payit

Payit provides payment services across the country in association with State Bank approved gateways of Pakistan. It is an online payment solution for educational institutions.⁴⁰



Sarmaaya

Sarmaaya Pakistan is a mobile and web application for stock investment tracking and an educational platform where financial literacy, personal finance and investment are being taught by their team of seasoned investors, financial analysts and instructors. It is an authorized data redistributor of Pakistan Stock Exchange (PSX).⁴¹



Savvour

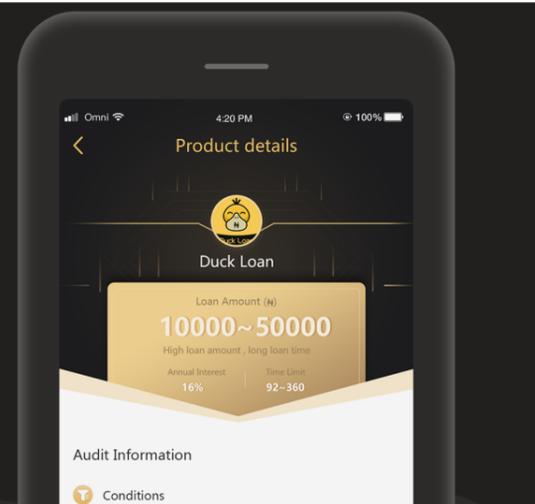
Savvour is Pakistan's first savings and rewards platform. With a mission to transform the shopping experience in the country, they have on-boarded 250+ partner brands across 8 categories and expanded their presence to 53 cities so far. Their purpose is to create more value for consumers every time they shop and connect businesses of all sizes with a larger audience. The company has raised \$3.3 million in a seed funding round to be used for online expansion.⁴²



Easy Insurance is a free and independent guidance platform for insurance products. It provides companies between insurance policies for health, car, travel, corporate, term life, house and life. 5000+ people have used the platform to purchase insurance plans.⁴⁴

Duckloan

Duck Loan is instant personal loan online App. It has been created to meet customer funding needs by helping users to apply for loans of up to PKR 10,000 that can be repaid between 91-365 days.⁴³



⁴¹<https://www.linkedin.com/company/sarmaayapk/?originalSubdomain=pk>

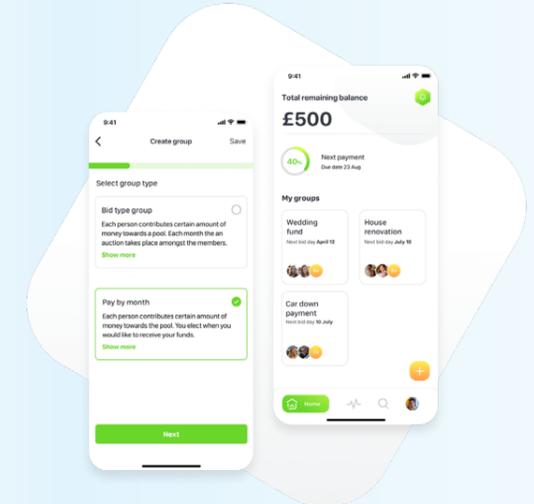
⁴²<https://corporate.savvour.com/about-us/>

⁴³<https://www.facebook.com/Duck-Loan-101783071987944/>

⁴⁴<https://easyinsurance.com.pk/about>



Kameti creates a safe platform for groups coming together to save, borrow and lend to each other. It is a global financial platform, committed to helping millions of users save, borrow and invest in their future. They want to help make money pools easy, accessible, and stress-free for everyone.⁴⁵

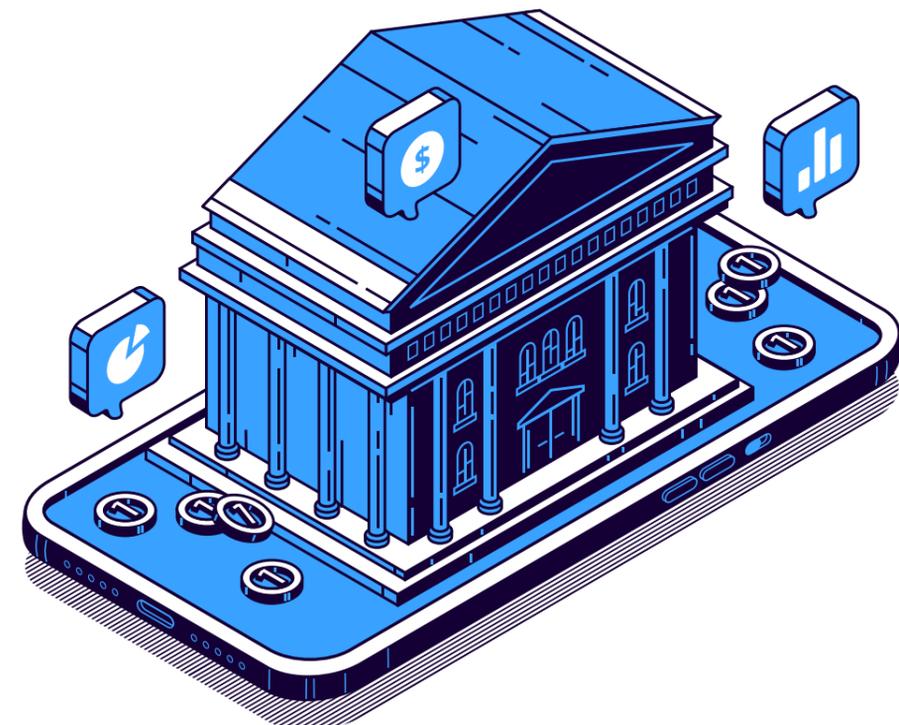


Fleximoney

Fleximoney is an online cash loan service where users can apply for personal loans up to PKR 50,000. The customers need to fill out personal information and submit documents. The loan will be paid into their bank accounts, Easypaisa accounts, or JazzCash within 24-48 hours after the submission and approval of the documents.⁴⁶

Fori Qarz

ForiQarz is a safe, fast, easy, and efficient e-Banking system that enables users access to their bank account and to carry out online banking services. It has 24 million account holders who have conducted over 3 billion in transactions spread out over 240 countries.⁴⁷



⁴⁵<https://www.kameti.co.uk/>

⁴⁶<https://play.google.com/store/apps/details?id=com.creidtgo.pk2&hl=en&gl=US>

⁴⁷<http://foriqarz.com/>

Muawin

MUAWIN is the first Shariah friendly digital lender in Pakistan working towards transforming the financial worry of the nation's credit-starved population into financial freedom. It is a B2B BNPL company empowering people to take control of their finances through credit-based and tailor-made digital solutions. The company has raised \$500 thousand funding in a pre-seed round in 2020.⁴⁸

My™

My™ is a one-stop solution to cater to the financial needs of the banked, unbanked, and under-banked simultaneously. The customer does not need an android phone or a prepaid digital account in order to pay their bills, buy intercity tickets or apply and repay for loans at MyTM-enabled outlets. The company has raised \$6.9 million in a pre-seed funding round in 2022.⁵⁰



Hamara paisa

Hamara paisa offers a financial education training service that educates and enables access to financial products.⁴⁹

Frontpay

FrontPay is a payment gateway that supports local and international payments in Pakistan. It helps small businesses get paid from anywhere, any time.⁵¹



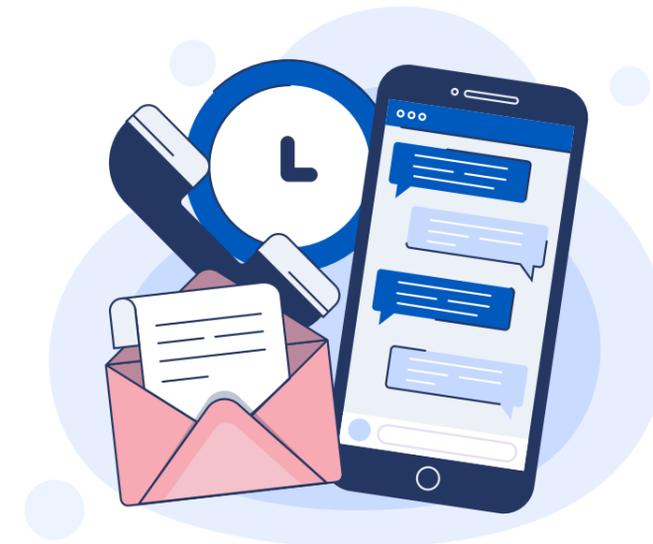
⁴⁸<https://www.linkedin.com/company/muawinpk/?originalSubdomain=pk>

⁴⁹<https://www.facebook.com/hamarapaisa/>

⁵⁰<https://www.linkedin.com/company/mytmpakistan/?originalSubdomain=pk>

⁵¹<https://www.frontpay.pk/>

TALK TO US



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