المدفوعات السعودية
SAUDI PAYMENTS

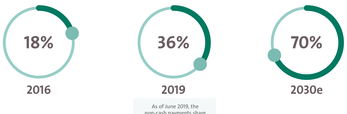
THE PAYMENTS REPORT

Evolving Payments Landscape in Saudi Arabia

2020

The Kingdom of Saudi Arabia has made significant progress in its transition to a society less dependent on cash, supported by regulatory measures by SAMA and Saudi Payments' proactive initiatives

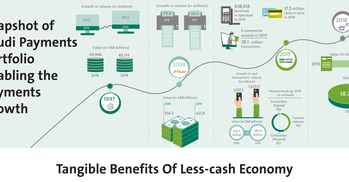
Government's Projected Targets for Share of Non-Cash Payments in Saudi Arabia



As of June 2019, the non-cash payments share has been recorded at 36% as against the projected 25% due to the strategic efforts and direction from SAMA.

Source: Vision 2030 Financial Sector Development Program https://www.vision2030.gov.sa/en/programs/FSDP

Snapshot of Saudi Payments Portfolio Enabling the Payments Growth



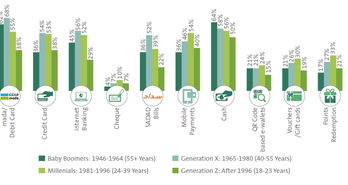
Tangible Benefits Of Less-cash Economy

Better Consumer Experience | More Efficient Governance | Higher Business Productivity | Boost Financial Inclusion For All Citizens

Saudi Arabia's payments industry is poised for transformation as it undergoes dynamic innovation and continued disruption of its traditional value chain and service propositions

Better card infrastructure, rising e-commerce transactions, NFC-based payments, mobile wallets, clearly demonstrate the increasing relevance and popularity of digital payments

Payment Methods Used Among Age Groups



Source: Saudi Payments Consumer Survey, April 2020, N=1204

Multiple Factors are Propelling the Kingdom of Saudi Arabia to Become More Digital

The Saudi Retail Sector is Expanding

Digital Payment Options are Increasingly Available

Trust in the Financial System is Growing

Consumer Behavior Patterns Call for Payment Ecosystem Transformation

The overall Saudi retail sector will expand to SAR446.3 billion by 2023, from SAR397.5 billion in 2019.

Saudi Arabia offers a wide range of payment methods, including debit cards, credit cards, mobile wallets, NFC based alternatives, and online fund transfers.

Ongoing financial system initiatives and security measures adopted have been catalysts for increased public trust, which has spurred a conducive environment for digital payments.

Millennial and Generation Z use modern digital technology and demand faster services as well as multiple online payment options

Number of Debit Cards per inhabitant

e-Money Transactions Volume and Growth

Number of PoS Terminals per '000 Inhabitants

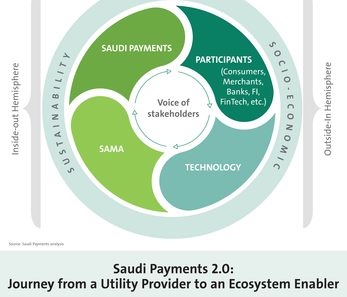
2012 | 2019 | CAGR*

*Compound annual growth rate

Digital payments are helping banks unlock new revenue opportunities. Fintech firms are unleashing innovation. PSPs are assuming new roles and redefining strategies. The payments segment has been evolving significantly, and the new dawn offers exceptional promise.

SAMA, as a regulator, and Saudi Payments being an enabler, are working towards building a conducive ecosystem for industry participants working in the payments space

Wheel of The Future for Payments in Saudi Arabia



Source: Saudi Payments analysis

Saudi Payments 2.0: Journey from a Utility Provider to an Ecosystem Enabler

Note: Numbers in above chart represents total digital payments volume by year
Source: Saudi Payments analysis

Adoption of Digital Payments is also Helping the Social-economic Development in the Kingdom

Countries with higher adoption of non-cash transactions demonstrate less corruption

Growing digital payments ensure better traceability and help to reduce fraud

FinTech growth helps to generate employment and lowers the cost of financial services

Offer an extensive consumer base and business opportunities to SMEs and support overall GDP growth

Under the favorable environment, industry participants are driving the Kingdom's digital journey through the launch of innovative technology-enabled solutions and the adoption of global best practices with local use cases

For more insights and research findings, please download our recently published report "The Payments Report 2020"

www.saudipayments.com