

Business

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Zain and Boubyan Bank announce plan for first Islamic digital bank in the region

Al-Kharafi values Al-Hashel's efforts in promoting Fintech industry



KUWAIT: Zain Vice Chairman and Group CEO Bader Al-Kharafi with Adel Al-Majed and Eaman Al-Roudhan at Zain's booth

KUWAIT: Zain, the leading digital service provider in Kuwait, announced its sponsorship of the Fintech Exhibition that came as part of the International Banking Conference: Shaping the Future, organized by the Central Bank of Kuwait (CBK) under the patronage of His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah.

During the exhibition, Zain showcased its digital capabilities in supporting the ecosystem and offering the latest and most innovative Fintech platforms. Being a leading mobile telecommunications provider, the company plays a pivotal role when it comes to generating positive economic impacts, as well as supporting the efforts of economic growth and creating direct job opportunities within the market.

Mobile banking services have played an essential role in people's lives, and so Zain has taken upon itself many innovative initiatives as part of its comprehensive business strategy to ensure managing customers' needs while keeping up with the advancements of financial tools and the aspirations of those who need mobile banking services. These initiatives centered around investing in data, value management, and digital transformation.

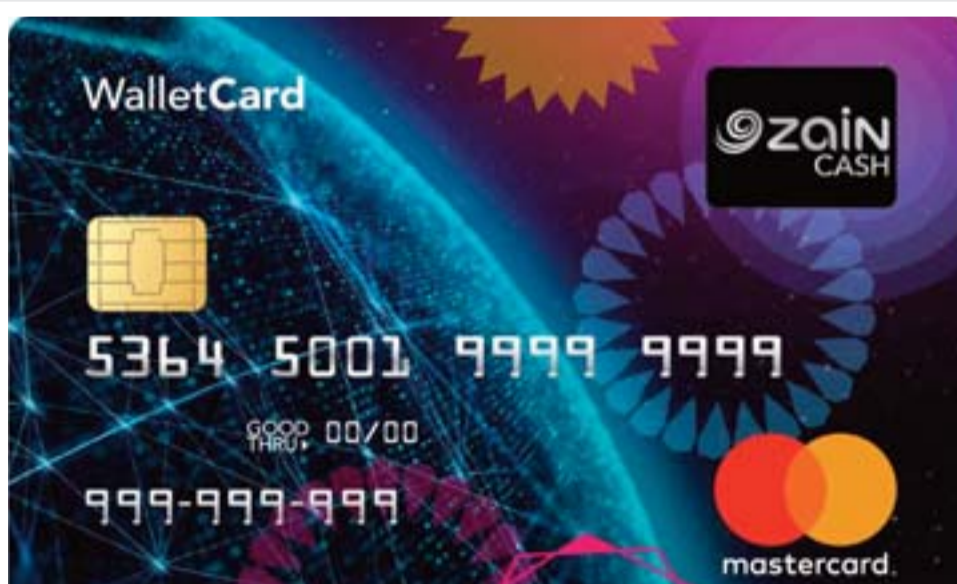
The conference witnessed a strategic partnership between Zain and Boubyan Bank to announce the first digital platform for Islamic banking services, which is the first digital partnership in the region's markets, and comes between one of the biggest telecommunications companies in the Middle East and Africa, and one of the most innovative banks in offering advanced digital banking facilities.

It is expected that this digital partnership - after the approval of the Central Bank of Kuwait - will contribute to creating a comprehensive tech community and build the first digital bank, due to the huge potential both parties hold within the ICT and digital banking services sectors. This strategic partnership will also help create a business ecosystem that inspires innovation and keeps up with the tech community within the Fintech industry.

Bader Al-Kharafi, Zain Vice Chairman and Group CEO commented, "our digital partnership with Boubyan Bank will introduce an advanced platform to encourage a business environment that aspires for digital banking services. It will also support startups and emerging enterprises thanks to the extended geographic diversity of Zain's operations in the Middle East markets".

Al-Kharafi explained: "Zain was looking

- Zain demonstrates its Fintech capabilities at International Banking Conference
- Zain Cash; one of biggest mobile money platforms for disbursement of monetary support
- Tamam; a micro-lending platform that will have positive social and economic impacts
- Mobile money and digital payment channels contribute to increasing financial inclusion and empowering communities



The Zain Cash Card

for the best method for enriching its digital and Fintech services, and was faced by two options: either invest in or acquire a bank, or enter a strategic partnership with one of the banks. After conducting thorough studies, management found that the second option better suited our business direction, and thus the decision to enter a strategic partnership with Boubyan Bank was made. Our strategic vision met the ambitious vision of the bank's executive management in digital banking services".

Al-Kharafi added: "The leap offered by Fintech services within the financial industry, along with the financial inclusion it introduces, invited us to take proactive steps and invest in this area to accommodate the new advancements in regional and international markets. And with the rise in Fintech innovation expansion, the expectations roof has risen because of what digital banking transactions will offer in the future".

Al-Kharafi mentioned: "services offered by Fintech encouraged more competitiveness in this changing world, and this have invited organizations and banks to expand access to financial services. The collaboration with Boubyan Bank reflects

this direction, and due to Zain's customer base, this partnership will work on creating a digital space that enriches digital financial services".

Al-Kharafi further continued: "with the spread of smartphones, and the advancement of mobile telecom networks' speeds, Fintech contributed in the variety of digital transactions. This foreshadows the emergence of more investment opportunities in this area, and more marriage between banking institutions and telecom operators that seek to make use of Fintech applications".

Al-Kharafi added: "digitization is accelerating at an incredible pace, giving rise to social and economic benefits that one could have scarcely predicted even a decade ago. The rise of Financial Technology is one area experiencing exponential growth, and it is an industry trend that Zain Group identified and launched back in 2016, and which we continue to foster and successfully exploit".

Al-Kharafi mentioned that the rise of Fintech is still below the desired expectations within the region's markets, and this presents a major challenge for the growth of emerging companies and startups. Even so, there are positive expectations for the

growth of online payments in the future, which are led by the increasing usage of online banking services, as well as the reliance on Fintech applications.

Al-Kharafi valued the efforts exerted by the Governor of the Central Bank of Kuwait (CBK) Dr Mohammad Al-Hashel and his contribution in regulating and advancing Kuwait's infrastructure into entering the Fintech industry, as well as keeping up with the financial sector's trends within regional and international markets, all which serves the country's vision to transform into an international financial and commercial center.

The intersection between information and communications technology (ICT) and financial services contributed to the rise of the number of financial services companies that rely on Fintech. This pushed the State of Kuwait to take serious steps in this matter, where CBK announced a year ago the issuing of special instructions regarding online payment operations, which specified the responsibility of such companies and their operation within Kuwait, as well as develop the legal and regulatory frameworks to launch this industry's services in the country.

Al-Kharafi continued: "Fintech not only makes sense from an economic perspective, it has the means to literally transform the lives of people across communities, and both these outcomes are of central importance to Zain. Our activities in this burgeoning area started with our award-winning Zain Cash mobile platform". Al-Kharafi further added: "Zain Cash greatly facilitated the disbursement of monetary support through eye scans to vulnerable individuals by the UNHCR. Furthermore, our recently launched Micro-Lending platform "Tamam" is a service which will have positive economic and social impacts". Al-Kharafi expressed his belief that telecom service providers are in a privileged position to be able to either hinder the progress of fintech or help raise its development to even greater heights to the benefit of society at large. At Zain, we are firmly in the latter category and we relish the opportunity to inno-

vate with leading partners in this dynamic and transformational area.

Al-Kharafi continued: "We are determined to continue investing in fintech, either directly or through affiliates and partners so that we are better able to fast-track the development of fintech solutions and offerings for our customers. Helping to achieve Sustainability Development Goals as set out by the UN brings us enormous satisfaction and we look forward to continuing to play an active and productive role in the fintech domain".

The advancement of Fintech and mobile applications contributed to the emergence of new tools and products, and this have allowed many startups and emerging enterprises to innovative effective applications out of these tools, including those that are dedicated to control baking processing managements, e-wallets, investment recommendation programs that offer users crucial information on financial tools, and more.

With the fast-paced growth of ICT technologies, new tech services can greatly help economic growth, and the further progress of communities that need banking services. It has been witnessed how technology played an unprecedented role in affecting the wellbeing of communities. The fast advancement of technology led to the reliance on new products and services. In turn, that led to offering companies a chance to achieve growth, which resulted in great value to everyone.

Zain believes that mobile telecommunications technologies play an essential role in facilitating financial transactions, as the link between mobile telecom tech and financial services will open many doors and hold great potential for marginalized communities that are deprived from services. Benefiting from mobile telecom tech to overcome these challenges will greatly affect them, and create transformation within peoples' lives, all of which Zain Cash presented through money transferring solutions and disbursement of monetary support through smartphones via secure gates.

Mobile money and online payment channels are considered main elements of empowering communities. This has led Zain to adopt efforts that are targeted at offering access to mobile financial services for communities that are deprived from financial services. Financial inclusion has proven itself as an integrated method to reduce poverty and loosen the gap between the poor and the rich. The presence of a financially inclusive environment is vital to minimize economic disparity.