

by Joel Van Arsdale, 30 April 2024

## Executive Interview Series: Key Payment Challenges and Opportunities in MEA, with Samer Soliman, CEO AFS



Image: Samer Soliman

*Flagship Advisory Partners' Executive Interview Series provides readers with exclusive insights from thought leaders in the payments and fintech industry.*

*This edition puts the spotlight on Arab Financial Services (AFS), a leading fintech that serves businesses and fintechs in the Middle East and Africa (MEA) region. Flagship Advisory Partners met with Samer Soliman, CEO of AFS to learn about AFS' perspectives on challenges and key opportunities in the MEA region.*

### **Firstly, how would you describe AFS for those who are not familiar with the fintech that you lead?**

AFS is a leading innovator in digital payments solutions for the MEA region. We empower businesses of all sizes; from financial institutions, merchants, governments, and fintechs - with a comprehensive suite of services. Our key services include issuer processing, merchant acquiring, open finance, and instant payments. In essence, AFS functions as a digital bridge, facilitating secure and streamlined transactions between consumers, merchants, and financial entities. Our network facilitates seamless payments, fostering economic growth throughout the region.

### **The Middle East and Africa (MEA) region is tremendously dynamic, but also widely varied in terms of local market scale and maturity. How do you define and segment this complex region?**

The MEA region represents a dynamic, yet diverse landscape. We at AFS recognize this complexity and segment the region based on key factors that influence payment solutions:

- Market maturity: We consider the level of infrastructure development, digital adoption, and existing payment methods in each country.
- Geo and culture: We segment countries with common economic characteristics, demographics, and cultural nuances.

- Regulatory landscape: Varying financial and payments regulations across the region require us to tailor our solutions to meet specific compliance requirements by market.

By segmenting the MEA region as described, we at AFS strategically focus on three key areas:

- High-growth markets: We prioritize emerging markets experiencing a surge in mobile phone adoption alongside a growing middle class. This creates a perfect environment for accelerating financial inclusion through our innovative digital payment solutions.
- Financial inclusion: We actively support initiatives that bring the unbanked and underbanked population into the financial ecosystem across the region.
- Cross-border collaboration: We address the challenges of fragmented regulations by facilitating seamless cross-border payments, which is essential for regional economic integration.

As we see it, there are several key benefits to our segmented approach. Firstly, targeted solutions. We tailor our payment solutions to the specific needs and opportunities of each market segment. Secondly, enhanced client value. By understanding the local nuances of each market, we deliver solutions that maximize value for our clients. Thirdly, and lastly, sustainable growth. Our focus on financial inclusion ensures long-term growth for both AFS and the MEA financial ecosystem as a whole.

### **What payments challenges and opportunities are particularly unique to the MEA region? And how do addressing these challenges fuel AFS's position as a leading local provider of payment and fintech services?**

The MEA region's payments landscape is booming, fueled by digital and mobile solutions. However, cash dominance persists, hindering security, efficiency, and financial inclusion. AFS tackles these challenges head-on by:

1. Partnering for change: We collaborate with regulators and financial institutions to transition from cash-based systems. Our innovative digital payment products create a more inclusive, efficient, and secure financial ecosystem.
2. Navigating complexity: Complex and fragmented regulations across MEA can be a barrier to entry. AFS has a proven track record of navigating these complexities, working directly with regulators to promote digital payments across the region.
3. Enabling seamless cross-border payments: Disjointed regulations often hinder cross-border transactions. AFS offers international and cross-border transfers embedded in our white-label solutions. This simplifies the process, enhancing security and reliability for users.
4. Empowering Micro, Small and Medium Enterprises (MSMEs): Large unbanked populations and informal economies pose challenges in MEA. AFS actively supports MSMEs with tailored digital transformation solutions. We leverage mobile technology and payment acceptance solutions to expand access to financial services, aligning with the region's thriving digital commerce.

## **What would you say to global merchants, technology platforms, and fintechs that want to capture the MEA growth opportunity?**

MEA is a thriving region and presents a massive growth opportunity for global merchants. The region is home to a massive 1.6 billion people, a significant proportion of which are under the age of 30. This group is eager to digitally transact and connect. AFS empowers global merchants to effortlessly tap into this young and tech-savvy population. We bridge the current gap by offering advanced payment technology solutions across various sectors, including hospitality, F&B, and MSMEs. In addition, our solutions ensure seamless access to the young demographic, maximizing your reach and potential for growth in the MEA region.

## **You mentioned AFS has been in the business of payments for 40 years, with such a long history, do you have any comments or insights into what lies ahead?**

Four decades in the dynamic world of payments has given AFS invaluable experience. Looking ahead, we see several key trends poised to significantly impact the landscape:

- The seamless integration of finance: Payments will become increasingly invisible, seamlessly woven into everyday experiences. Embedded finance will be the new frontier.
- Central Bank Digital Currencies (CBDCs): CBDCs take the center stage, are gaining traction and have the potential to reshape the entire financial ecosystem.
- Generative AI Transforms Banking, The Rise of Digital Identity and Wallets: Secure and convenient digital identities paired with digital wallets will become the preferred method for conducting transactions.
- Mobile Finance Continues to Reshape the Future: Mobile technology will remain a driving force, defining the future of banking technology and standards.
- Open Finance: Will further unleash innovation in fintech and payments.

By strategically investing in open finance, digital wallets and generative AI, AFS is positioned as a leader in navigating this evolving landscape. We are committed to staying ahead of the curve and continuing to deliver exceptional value in the world of digital payments for years to come.

Please do not hesitate to contact Joel at [Joel@FlagshipAP.com](mailto:Joel@FlagshipAP.com) with comments or questions.