

## UAE emerges as a global leader in appetite for financial services innovation, according to Finastra survey

- 71% of financial institutions in the UAE regard open finance as a 'must have', up from 50% in 2021; 94% agree it's making financial services more collaborative
- 96% of UAE institutions agree that supporting ESG is important; nearly all (99%) state they have a responsibility to support the communities they serve

**Dubai, UAE – December 6, 2022** - Finastra research reveals that Open Banking is seen as unequivocally important in the UAE, with 4 in 5 financial institutions (80%) considering it a 'must have', up from 68% last year. Its extension, open finance, is seen as a 'must have' by 71% of respondents in the context of data sharing, a significant jump from 50% last year. Both figures are considerably higher than any other market surveyed. 94% of respondents note that it is already driving collaboration and having a positive impact in the UAE, suggesting the industry's increasing appetite for embracing an ecosystem model.

The 'Financial Services: State of the Nation Survey 2022' also finds that environmental, social and governance (ESG) initiatives have become a board-level agenda in the UAE. 96% of respondents state that ESG is important and nearly all (99%) agree that financial institutions have a responsibility to support the communities they serve, up from 88% last year. Both figures are higher than the other markets surveyed, emphasizing the region's commitment to creating a sustainable and inclusive industry. Linked to this, the appetite for green lending is also highest in the UAE, with 94% agreeing that it presents an opportunity for growth and revenue generation.

The research was conducted amongst 758 professionals at financial institutions and banks from August to September 2022 across France, Germany, Hong Kong, Singapore, the UAE, the UK and the US. It explores the Open Banking and Finance landscape, the technology and initiatives set to make an impact in financial services over the next year, and the growing importance of ESG.

Other insights include:

- **The UAE leads in Banking as a Service (BaaS) and Embedded Finance sentiment** – 95% of UAE institutions agree that BaaS and embedded finance are already expected or demanded by customers, higher than the other regions surveyed. 41% have improved or deployed BaaS in the past year, while 40% have for embedded finance. The disparity between expectations and adoption suggests that bringing solutions to market will continue to be a key focus for institutions.
- **Outdated thinking is still a major barrier** – almost two thirds (63%) of UAE institutions state that antiquated thinking and/or practices are the biggest hindrance for innovation. Additionally, it is the only region which sees culture as the primary barrier for collaboration, with a 'change in culture' (46%) and 'internal culture' (43%) being the two major obstacles.
- **Institutions are continuing to invest in technology:**
  - The UAE is substantially leading the way in the journey to the cloud, with almost two thirds (63%) having all or most of their software stack on cloud-based solutions and a further 23% splitting equally between cloud and on-premises solutions.

## The latest news from Finastra

- The main drivers of technology spend in the UAE were cited as the improved visibility of risk and the agility to adapt to market changes.
- **The region is feeling the pinch more than any other market** – 91% of respondents in the UAE note that the current economic situation has placed constraints on their technology investments. However, the region is also the most optimistic, with over two thirds (67%) of institutions expecting investments to resume before the end of 2022.

“Finastra has always championed open finance as the key to unlocking the potential of people, businesses and communities everywhere,” said Simon Paris, Chief Executive Officer at Finastra. “Over the years that we have conducted this survey, we have seen open finance grow from an emerging idea to a clear priority for institutions across the world, enabling, as it does, business model shifts such as embedded banking, as well as financial inclusion and equality. This is particularly evident in the UAE this year, with our survey highlighting leading sentiments and remarkable increases, in comparison to last year, in the region’s appetite for openness and collaboration, as well as driving the ESG agenda forward.”

Access the full report and findings [here](#).

### Survey Methodology

- 758 professionals (at managerial level) at financial institutions and banks across France, Germany, Hong Kong, Singapore, the UAE, the UK and the US, were surveyed. These financial institutions represent a gross total of just over USD\$28 billion in turnover over the last 12 months, employ approximately 1.9m staff and have approximately 147 million client/customer/member relationships.
- As a result of rounding up percentage results, the answers to some questions might not always add up exactly to 100%. Respondents were also able to select more than one answer for some questions.
- Comparative analysis was made from results of similar surveys run by Finastra in March 2021 and January 2020 which were also conducted online amongst financial institutions and banks across the same markets.
- Research was conducted by Savanta via an online panel (end of August to early September 2022).

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### About Finastra

Finastra is a global provider of financial software applications and marketplaces, and launched the leading open platform for innovation, FusionFabric.cloud, in 2017. It serves institutions of all sizes, providing award-winning solutions and services across Lending, Payments, Treasury & Capital Markets and Universal Banking (Retail, Digital and Commercial Banking) for banks to support direct banking relationships and grow through indirect channels, such as embedded finance and Banking as a Service. Its pioneering approach and commitment to open finance and collaboration is why it is trusted by ~8,600 institutions, including 90 of the world’s top 100 banks. For more information, [visit finastra.com](https://finastra.com).

