

RESEARCH
ARTICLE

Adopting technology in Islamic digital Banks (Al -Rajhi Bank as a model)

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Doi Serial

https://doi.org/10.56334/sci/8.9.41

JEL Classification:

G21, O330

Keywords

Al Rajhi Bank, Digital Transformation, Financial Technology (FinTech), Islamic Banks.

Abstract

This study aims to analyze the role of financial technology in enhancing the performance of Islamic banks, with a particular focus on Al Rajhi Bank as a pioneering case. The study adopts a dual-method approach, combining a descriptive methodology for the theoretical framework with an analytical approach to examine the bank's annual reports and performance indicators, drawing on Al Rajhi's official reports (2023/2024), platform data, and specialized academic studies. The findings reveal that Al Rajhi Bank's investments and initiatives in fintech have significantly contributed to improving its overall performance. These efforts have led to tangible improvements in the quality of banking services, expansion of the customer base, reduction of operational costs, and increased levels of efficiency and innovation. Moreover, this strategic orientation has enabled the bank to keep pace with the rapid digital transformation in the financial sector, while maintaining the Sharia-compliant nature of Islamic banking. These efforts culminated in the bank receiving several prestigious international awards in digital transformation, most notably the "Best Digital Bank in the Middle East" award..

Citation. Benaissa, M., (2025). Adopting technology in Islamic digital Banks (Al -Rajhi Bank as a model). *Science, Education and Innovations in the Context of Modern Problems*, 8(9), 444–457. <https://doi.org/10.56352/sci/8.9.41>

Issue: <https://imcra-az.org/archive/383-science-education-and-innovations-in-the-context-of-modern-problems-issue-9-vol-8-2025.html>

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Received: 14.02.2025

Accepted: 22.04.2025

Published: 20.07.2025 (available online)

Introduction:

With the global financial sector transforming rapidly, Financial technology (FinTech) and artificial intelligence have emerged as one of the most important factors reshaping the entire Banking and Economic landscape. Reliance on technological innovation in the provision of financial services has become an imperative to keep pace with the requirements of the times, achieve operational efficiency, and respond to customer expectations, which opens new horizons for the development of banking in a comprehensive manner. On the other hand, Islamic banks are one of the key components of the contemporary financial system, providing Shariah-compliant services. With the increasing demand for these services, Islamic banks now find themselves facing an urgent need to keep pace with the development of conventional banks, if they are to maintain their continuity and position in the market, and face the wave of competition imposed by financial technology. This requires restructuring their business bases, adopting fintech systems, and developing effective strategies that enhance their infrastructure. However, this transformation poses a fundamental challenge in reconciling the requirements of technological innovation with the Shariah controls governing the work of Islamic banks.

In this context, Al Rajhi Bank in Saudi Arabia stands out as a leading model in the Islamic world, serving as a living laboratory for the adoption of digital banks, while maintaining its position as the largest digital Islamic bank in the world in terms of assets, market capitalization and technology. This distinction makes his experience an important model for exploring the impact of digital transformations on the performance of Islamic banks, and measuring their ability to achieve a strategic balance between innovation and compliance with Sharia regulations .

1-1 The problem of the study :

From the above, the problem of the study can be crystallized in the Following main question :

How has Financial technology contributed to enhancing the performance of Saudi Al Rajhi Bank in light of the digital transformation Revolution?

1-2 Importance of the study :

This study derives its importance from the analysis of the pivotal role of financial technology in accelerating the growth of the Islamic financial industry, by providing innovative digital solutions that achieve high operational efficiency and low costs. This comes by employing advanced technologies, such as smart contracts, blockchain technology, and artificial intelligence, to enhance financial inclusion while ensuring their compliance with Sharia regulations, thus contributing to transforming digital challenges into sustainable competitive opportunities for Islamic banks. The critical importance of the study lies in monitoring the transformative impact of fintech on Islamic banks, by analyzing its practical applications at Saudi Arabia's Al Rajhi Bank as a pioneering case study.

1-3 Objectives of the study:

Through this scientific study, we seek to achieve a number of objectives, the most important of which are:

- Exploring the concept of financial technology (fintech) and the services it provides;
- Identifying the nature of Islamic financial technology and its characteristics;
- Highlighting the need for Islamic banks to keep pace with the continuous technological changes and developments;
- Analyzing the impact of financial technology on the efficiency of the performance of Islamic banks;
- Studying the experience of Saudi Al Rajhi Bank as a leading applied case in the field of financial technology.

1-4 Previous studies:

- **Rehana Kouser et al, Fintech and Islamic Finance-challengesand Opporunites: Review of Economics and Development Studies, vol05, n04,2019:**

This study aimed to promote economic growth in society using Shariah-compliant financial solutions and its findings include:

- Fintech offers cost-effective solutions to companies especially startups that help reduce and improve their business operations. The financial industry is a far-fetched but important sector of society and therefore highly regulated by regulators
- The introduction of technology in countries especially developing countries such as Pakistan can help boost economic growth.

- **Baker et al, Impact of financial technology on improvement of banks financial performance, 2023:**

The study aimed to identify the impact of financial technology products used in commercial banks listed on the Oman Stock Exchange and Abu Dhabi Securities Exchange on their financial performance during the period 2012-2020, through financial technology in both financial inclusion, rates of access to financial services, their use, the quality of these services and non-cash payment methods, and to achieve the objective of the study, 115 questionnaires were distributed to the employees and managers of these institutions, and the hypotheses were tested through multiple linear regression analysis for 86 questionnaires The study found that there is a positive impact of financial technology on total deposits, through financial inclusion, a number of services are provided that can enhance the volume of deposits in the bank, such as providing savings account services, while cashless payment methods provide various payment methods such as cards, which customers resort to electronic wallets to charge, while automation eliminates the costs arising from resorting to the human element in providing various transactions, and the study also found the positive impact of the use of financial technology on Safi Profit by enhancing the efficiency and effectiveness of its services by using cashless payment methods.

- **Study by Zubair Ayyash et al., entitled "An analytical study of the reality of financial technology in Arab Islamic banks: blockchain applications as a model", Journal of Financial and Business Economics, Volume 05, Issue 01, 2020.**

The researcher presented a set of experiments to apply this technology at the level of some Arab Islamic banks, and the researcher finally concluded that adopting the use of Islamic banks for blockchain technology may be at the present time just an option, but with the adoption of its traditional counterpart of this technology, it may become inevitable, so according to the researcher, it is necessary to keep pace with the technological developments

taking place in order to ensure the continuity and development of the Islamic banking industry. This study was characterized by shedding light on the reality of the use of financial technology in Islamic banks, as the topic gained its importance from the reality of financial and technical developments in the global financial arena by highlighting the various applications of financial technology, most notably blockchain technology, which is a tool for digital transformation.

Research Outline

The study Will cover the Following stages:

1. Theoretical Framework for Financial technology and Islamic Banking
2. The reality of adopting Financial technology in Islamic Banks

2- Theoretical Framework for Financial technology and Islamic Banking

2-1 Concepts of Financial technology

The term fintech is rather recent, combining technology and finance. It refers to innovative startups, which use technology to rethink financial and banking services, in the same context this term defines a set of definitions that can be presented as follows:

- The Basel Committee on Banking Supervision defined Financial technology as : "a Financial technology or innovation That results in a new business model, process or Product, which has an impact on Financial markets and institutions". (wahiba & ben kadour, 2018)
- The Financial Stability Board (FSB) also defined fintech as : "Financial innovations That use technology to create new business models, applications, processes or products That have a tangible material impact on Financial markets and institutions, and on the delivery of Financial services". (berrich & yedou, 2021)

2-2 Characteristics of Financial technology

The most prominent characteristics of financial technology can be illustrated as follow : (mettay, 2013)

- Fintech represents a combination of knowledge, skills and Methods used in the financial and Banking fields ;
- Fintech is not a goal in itself, but rather a Tool That financial and Banking institutions rely on to achieve their goals ;
- Financial and Banking services are the main area of application of financial technology ;
- Fintech is not only improving banking and financial services, but also developing management methods.

2-3 Fintech Tools :

Fintech includes a wide range of technologies that are used to improve financial services, most notably: (talhi & zouadi, 2023)

- **Artificial Intelligence** : Artificial intelligence contributes to simplifying banking operations and financial services provided to customers, which enhances the efficiency of banks in meeting their needs. By speeding up complex transaction procedures, customers are able to get the required services quickly and without having to wait for long periods. For example, artificial intelligence contributes to data analysis and making loan approval decisions within a short time, as the customer's situation is accurately assessed through smart computer systems, making it easier for him to obtain the required financing quickly and effectively.

- **Smart contracts**: They are programs or code that automatically implement the terms and conditions of the contract without the need for human intervention. These contracts allow the storage of all information regarding the terms, rights, obligations, fees, and all the essential elements contained therein. Once the specified conditions are met, the required actions are automatically executed, eliminating the need for the services of brokers.

- **Block Chain** : An advanced digital technology that allows data to be stored and exchanged in a secure and transparent manner. According to the United Nations, this technology is a digital ledger in which transactions are recorded chronologically and publicly. For example, financial operations of cryptocurrencies such as Bitcoin are recorded within the blockchain, which arise through the contribution of a large number of participants to the network. This system provides a high degree of trust, as it makes it almost impossible to modify any transaction after it has been recorded and processed.

- **Cloud computing**: It is a versatile technology that relies on storing data on servers and accessing it over the Internet, allowing for the sharing of computing resources in a fast and cost-effective manner. This technology is the

future of the banking sector, as it allows banks to move their technological infrastructure to the cloud, giving them greater flexibility in meeting customer requirements, in addition to providing an innovative environment to test new solutions to keep pace with the aspirations of consumers.

- **Digital and cryptocurrencies:** Cryptocurrencies include all digital monetary assets, including cryptocurrencies and electronic currencies. Official digital currencies, issued by financial institutions such as central banks, are treated as fixed-value monetary units. Cryptocurrencies are a type of cryptocurrency that works with encryption technology to ensure the security and validation of transactions. Examples include Bitcoin and Ethereum, which are used as a means of payment or investment, although legislation differs on their legality.

- **Cybersecurity:** With the rapid development of fintech technologies, the need to enhance security in the execution of financial operations has increased. ITU defines cybersecurity as "all tools, policies, security concepts, security controls and guidelines, along with risk management, procedures, training, best practices, assurance mechanisms and techniques that can be used to protect the cyber environment and the assets of organizations and users".

- **Big Data :** The concept of big data refers to advances in the use of technology that allows users to access accurate information at the right time, within huge and increasing amounts of data, this data gives financial institutions, such as banks, an in-depth understanding of customer spending patterns and habits, making it easier to analyze their needs and expectations. It also helps track all customers' financial transactions, enabling banks to categorize them according to various criteria, such as the most commonly used services, credit card spending patterns, and preferred sources of revenue. Big data has the potential to improve customer targeting through personalized marketing campaigns that meet their needs more accurately and effectively.

2-2 The development of Islamic financial services in light of financial technology :

The Islamic financial industry has witnessed a remarkable geographical expansion, as it has become widespread in all continents of the world, taking advantage of modern technologies that have given Islamic financial institutions wide opportunities to provide innovative solutions and products, and promote digital transformation in a way that contributes to improving customer experience and increasing customer satisfaction. Thanks to these multiple benefits, Islamic finance has recorded remarkable growth globally, achieving an annual growth rate of more than 10%, according to the 2021 IFSB report, resulting in a value of about \$2.7 trillion in 2021. However, it must be recognized that these innovations pose challenges for regulators, as they must deal with the potential risks resulting from the use of these technologies, such as cybersecurity risks, money laundering, terrorist financing, and protecting information privacy. These innovations have enabled Islamic banks to offer a variety of benefits to their customers, including (talhi & zouadi, 2023):

- The adoption of digital transformation opens up broad prospects for the Islamic finance sector, as it contributes to enhancing the ease and simplification of Islamic financial services, as well as speeding up payment processes and improving operational efficiency. However, this shift may pose a challenge to traditional models and market structures, which may lead to new risks and potential repercussions that may affect the stability of the financial system ;
- Benefit from modern means of dealing, such as (issuing global credit cards, providing ATM cards with dedicated devices, in addition to providing an electronic payment gateway and an online banking platform);
- Establishing virtual Islamic banks: In 2000, Gulf Finance House, based in Bahrain, announced the bold and ambitious step of launching the first virtual Islamic bank in collaboration with a range of partners (banks and authorities). This bank aims to provide all online banking services in accordance with the provisions of Islamic Sharia. The Virtual Bank started its operations at the end of 2000, becoming the first of its kind in the world, representing a turning point in the march of Arab Islamic banks. The bank relies on the latest technological developments to provide advanced services to its customers, reflecting the emergence of a new generation of Islamic digital banks;
- Providing a full range of Islamic financial technology services that include peer-to-peer lending, direct international transfers, crowdfunding, as well as advanced solutions such as money transfers, mobile payments, and trading platforms. These services also extend to other sub-sectors, such as wealth management, insurance, corporate and retail credit information services, direct debit, electronic clearing system, cash withdrawal, cloud computing services and other innovative digital financial solutions ;
- Islamic financial technology also allows these banks to adopt and implement a risk-sharing model within Islamic financial institutions, through small and innovative startups that seek to contribute to the development of the Islamic finance industry;

- The banking model Islamic Digital offers opportunities for financiers and investors seeking to actively share risks and benefit from Shariah-compliant and interest-free products and services. Islamic financial technology also contributes to enhancing financial inclusion by providing services through innovative digital channels;
- Islamic financial technology contributes to reducing information inconsistencies, reducing fraud, and enhancing trust between customers. For example, distributed general ledger technology (blockchain) enables effective monitoring and application of smart contracts, ensuring transparency and security in financial transactions;
- Islamic fintech companies have provided Islamic banks with the opportunity to enhance efficiency and transparency in their operations, in addition to enabling them to implement the Islamic endowment model through blockchain technology, which contributes to the management of endowments more effectively and efficiently;
- Islamic financial technology will enable Islamic banks to promote responsible and ethical finance, and support social projects who have difficulty obtaining funding through traditional banking and financial institutions, through innovative solutions such as crowdfunding.

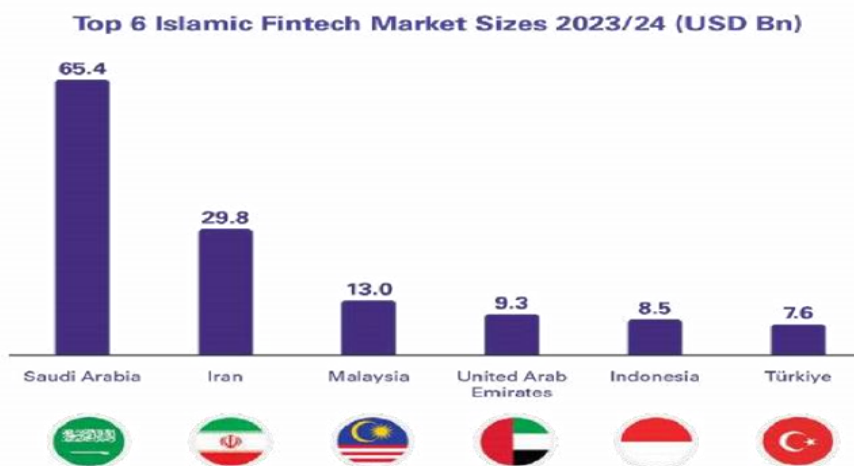
3. The reality of adopting Financial technology in Islamic Banks

3-1 Islamic Fintech Market Size Globally

Leading Islamic FinTech markets are an important indicator of the distribution of activity and investment in this sector, as the bulk of the market size is concentrated in a limited number of countries with advanced regulatory environments and infrastructure.

The global Islamic fintech market in 2023/2024 is estimated at USD 161 billion, representing 1.4% of the total global fintech market size, based on transaction volumes and assets under management. This market is expected to grow at a compound annual growth rate of 13.6% to reach US\$306 billion by 2028. Although this growth is slower than historical averages, it still exceeds the CAGR of the traditional fintech market, which stands at 11.0%.

Figure 1: Countries with the Most Dominant Islamic Fintech Market (2023-2024)



Source: DinarStandard and Elipses, **Global Islamic Fintech Report**, 2025, p.08.

Figure 1 shows the six largest countries in terms of capturing the largest share of the Islamic fintech market, based on the volume of transactions and assets under management during 2023/2024. Saudi Arabia tops the list, followed by Iran and Malaysia, followed by the United Arab Emirates, Indonesia and Turkey. The market size in each of these countries exceeded US\$7.5 billions during the period 2022-2024, and these markets together account for about 83% of the total global Islamic fintech market, reflecting the concentration of activity in a limited number of markets with advanced digital infrastructure and supportive regulatory frameworks.

3-2 Al Rajhi Saudi Bank Experience

3-2-1 About Al Rajhi Saudi Bank

Is a Saudi Islamic bank, established in 1957 as an exchange center, then transformed in 1988 into a bank named "Al Rajhi Banking Investment Company", and officially named "Al Rajhi Bank" in 2006. (hadid & zouami, 2024)

Headquartered in Riyadh, Saudi Arabia, Al Rajhi Bank is the largest Islamic bank in the world, with assets of SAR 974 billion (USD 260 billion), paid-up capital of SAR 40 billion (USD 11 billion), and more than 23,000 employees. (Al Rajhi Saudi Bank Report, 2024)

3-2-2 The reality of adopting financial technology in Al Rajhi Saudi Bank

a- Creation of Global Digital Solutions Company "Neolib":

Established in 2021 with the aim of conducting technical work in the field of financial services, digital payment systems, financial settlements, and related services, Neolib is a closed joint stock company owned by the Bank. Neolib is the flagship arm of Al Rajhi Bank in the field of financial technology, and in light of the intense competition in the market from local banks and fintech companies operating in the fields of cards and remittances, Neolib continued to strengthen its position as a comprehensive ecosystem in the financial technology sector, by improving the stability of its technologies and the efficiency of its services, and providing an outstanding user experience for companies and individuals. (Bank, Al Rajhi Saudi Bank REPORT, 2023)

Neolib has contributed significantly to the Kingdom's Vision 2030 of becoming a cashless society by offering a full range of integrated digital payment solutions and value-added services to banks, financial institutions, merchants and consumers. It also provided a range of fintech services to companies, tailored to their respective requirements, and is a unique service in the Saudi FinTech market. (Bank, Al Rajhi Saudi Bank REport, 2022)

Figure 2 : Neolib's key performance indicators in the digital payments sector for 2023



Source : Al Rajhi Bank, Annual Report, 2023, p. 85,

Figure 2 presents Neolib's key performance indicators in the digital payments sector, and shows the reach of its services in the Saudi market. More than 6 million cards were processed through its systems, while the number of registrations on the app reached 4.8 million, indicating a significant escalation in the rate of adoption of digital financial services by users. The data also shows that the company reached more than 183,000 registered merchants, in addition to providing more than 188,000 POS devices, which reflects the evolution of the digital infrastructure for accepting payments. The recorded market shares, which amounted to 16% for the payment gateway, 13% for card processing and 23% of the total market share, show that Neolib is one of the most prominent players in the FinTech sector in the Kingdom.

a-1 Neolib Digital Wallet "Urpay Al Rajhi":

Neolib of Al Rajhi Bank succeeded in its first year with the launch of the digital wallet "urpay", which has become one of the fastest growing wallets in the Kingdom of Saudi Arabia. Urpay is one of the most prominent applications offered by Al Rajhi Bank, through which it aims to provide premium digital banking services, including the ability to convert Al Rajhi points into cash. Available exclusively on smartphones, the app offers a wide range of face-to-face options in the payment and financial services industries, simplifying people's lives and simplifying their daily financial transactions.

Urpay digital wallet has a wide range of features that meet the diverse needs of users, most notably: (haydi, 2025)

- Recognized on the global stage, making it an international-level wallet;
- Ease of linking the wallet to Apple Pay, providing users with an easy payment experience;
- Providing transfer and payment services through Al Rajhi Bank in an accessible and convenient manner;













- The ability to make transfers to and from the wallet using any bank card issued by a bank in Saudi Arabia;
- Ease and ease of transfer procedures, whether within the Kingdom or across international borders, from During the use of the wallet;
- The wallet provides a free card and is not linked to an annual fee, which contributes to saving more money for users;
- It is a strong competition within a wide range of other services and cards available, making it a great choice for many individuals.
- Providing a distinguished technical support service and is considered one of the most important services provided, where users can get help in case of any problem or inquiry.

The main feature and most important service offered by the Urpay Digital Wallet is the possibility of converting Al Rajhi points into cash within the wallet and this process can be carried out through a set of simple steps only.

a-2 Achievements of Neolib:

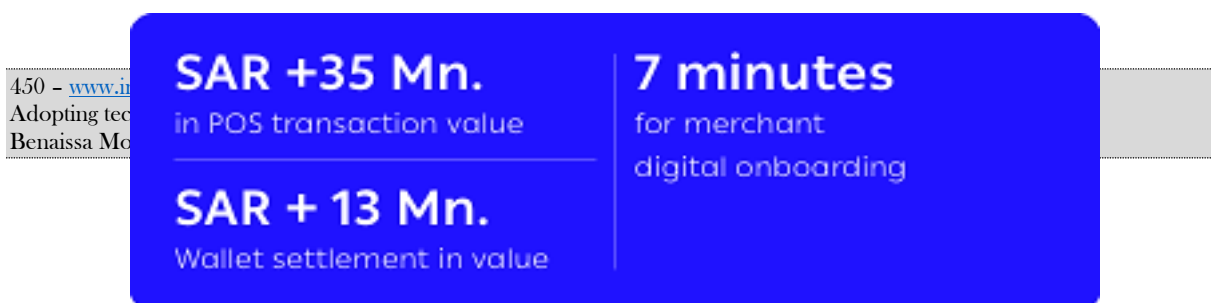
In the following table, we will discuss the most prominent achievements of the global digital solutions company (Neolip) during the period (2023-2024).

Table 1: Highlights of the Global Digital Solutions Company "Neolip" (2023-2024)

Corporate & Institutional (B2B) Business Sector	Retail Business (B2C)
 The first financial technology company in the Kingdom to adopt a full digital experience to serve businesses (Neolib Business).	 Urpay Digital Wallet has been the largest digital wallet in Saudi Arabia.
 Launching point-of-sale aggregation services in 2023, and e-commerce aggregator in the first quarter of 2024.	 The fastest growing portfolio in Saudi Arabia with over 6.2 million users and activity rate. مرتفع
 Successful transfer of Al Rajhi Bank Card Wallet to Neolip's Card Management System.	 Processed more than 300 million transactions with a total value exceeding SAR 60 billion.
 The use of the first Android POS terminal produced by Urovo.	 Revenue of over SAR 396+ million with 14% year-on-year growth.
 Launching the frequent payments feature through 'Apple Pay', facilitating subscription procedures and automatic version of bills and provides easy and comfortable payment options for users.	 The first digital portfolio in the Kingdom of Saudi Arabia offers the offer of the family portfolio, as it allowed children who do not have bank accounts to open digital portfolios and enable parents to supervise them.
 Creating new business solutions such as: the electronic and mobile electronic cash registry for sale, and offered a comprehensive solution to food and beverages.	 Expanding the scope of its services (food delivery, online purchase, financing request, insurance services, electronic market, recharged phone lines), making it an integrated lifestyle application.

Source : Al Rajhi Bank, Annual Report, 2023 p. 86-87, 2024 p 78

Figure 3: Neolip's Digital Transformation Performance in 2023: Rapid Configuration and Large Financial Transactions



Source : Al Rajhi Bank, Annual Report, 2023, p. 87

The figure 3 shows the No. 2023 digital transformation number in the field of digital transformation through three main indicators that reflect its technical progress and the efficiency of its operations. The data indicates that the digital preparation process for users takes only 7 minutes, which reflects the efficiency of digital infrastructure and the speed of internal procedures related to new customer registration. The form also shows that the value of the points of sales transactions implemented through the platform over the platform exceeded 35 million Saudi riyals, which indicates the level of increased dependence on digital solutions in daily commercial operations, and reflects the volume of commercial interaction through digital channels. In addition, the value of the settlement of the digital wallet operations amounted to more than 13 million Saudi riyals, which reflects the platform's ability to complete the financial transactions course in an integrated and effective electronic.

b- Al Rajhi Banks acquisition of Drahim Company :

In June 2024, Al Rajhi Bank announced the acquisition of a 65% stake in Drahim, a Saudi FinTech company. The acquisition is the first of its kind in the region, with a Saudi bank acquiring a majority stake in a Saudi fintech startup. Through this acquisition, Al Rajhi Bank aims to expand its digital services and strengthen its presence in the Kingdom's growing fintech sector. (arib, 2025)

b-1 Drahim :

Drahim is a 100% Saudi company in the field of financial technology, established in Riyadh in August 2021. By Sultan Al-Khayal and Yasser Al-Sharihi, in pursuit of achieving the objectives of the Financial Sector Development Program, the company has obtained within a short period of time the Central Bank permit to provide open banking services, and the Capital Market Authority's permission to provide automated investment advisor services, and the company is one of the fast-growing financial technology companies. (abdelmouhcin, 2025)

Drahim provides a wide range of services including online payment, digital money transfers, and transaction management. It also offers innovative payment solutions aimed at both individuals and businesses. The company's focus on security and innovation makes it one of the leading fintech companies in the Kingdom. (Drahim, 2025)

b-2 Drahim App:

The company offers an application digitally linked to personal bank accounts of individuals in a secure manner. The application analyzes the history of purchases from points of sale, exchange, remittances, and other financial operations, and provides a comprehensive report on the average expenses and upcoming invoices, in addition to identifying preferred transactions during a period of time chosen by the user. The application also helps in providing savings solutions and creating an automatic investment plan based on the user's risk rate using the Dirham engine powered by artificial intelligence. (Drahim, 2025)

The most prominent functional characteristics of the application are: (Drahim, Your investments, accounts and financial reports in one application, 2025)

- **Investment :** Providing simplified means of investing in stocks, real estate, and sukuk through diversified and flexible portfolios ;
- **Zakat Drahim :** Enable the user to pay Zakat directly through the application, and transfer it to the "Zakat platform" with the click of a button;
- **Where did your dirhams go :** View your smart expense reports and create budgets to manage your money ;
- **Follow up on external portfolios :** Enable the user to track his investment assets in the Saudi and global markets through a unified interface ;
- **Personal Budget :** Provide tools for allocating and tracking budgets, which contributes to controlling expenditures and achieving financial goals.

c- Al Rajhi Bank partners with SIFI to develop digital exchange

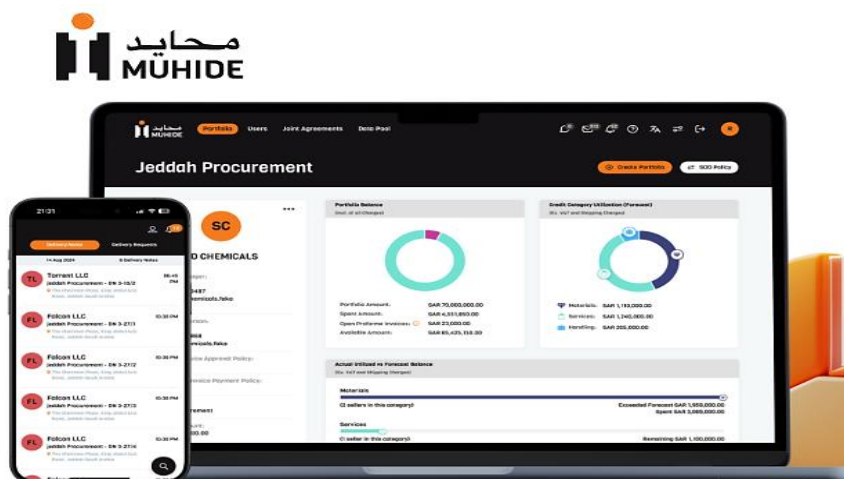
SIFI was established in 2021 and aims to provide financial solutions that help companies in Saudi Arabia manage their expenses by issuing cards, following up on expenses in real time, applying the company's financial policies, in addition to automating the preparation of expense reports and linking them to accounting systems. (Founders, 2025)

d- Al Rajhi Bank's partnership with RATL Technology :

In February 2025, Al Rajhi Bank announced a strategic partnership with RATL Technology, owner of MUHIDE, to enable and finance SMEs digitally within a secure, reliable and controlled ecosystem. Through this partnership, Al Rajhi Bank will provide SMEs with a blockchain-enabled solution that allows them to govern business transactions within a risk-reducing system, in addition to accessing payables and receivables financing solutions. QIB will also provide these companies with competitive financing rates thanks to the transparency and clarity provided by the MUHIDE platform, enabling them to achieve cost savings, enhance cash flows, and develop effective risk management strategies. (Maaal, 2025)

d-1 MUHIDE Platform

Launched under the auspices of Thiqa's Sharakah program, MUHIDE is an innovative solution that provides powerful operational governance tools to reduce potential commercial and financial disputes between buyers and sellers. The platform ensures that the payment rights of sellers and the delivery rights of buyers are protected, and enhances the efficiency of business processes. In addition, the platform enhances the credibility of the trade ecosystem in the Saudi market and provides a smooth and reliable business environment for SMEs. (Maaal, 2025)



Source : MUHIDE, <https://muhide.com/>, 14/07/2025.

d-2 MUHIDE Platform Solutions :

MUHIDE offers a range of integrated digital solutions aimed at both sellers and buyers, and aims to enable them to manage their business operations efficiently and safely. The following are the most prominent of these solutions :

Table 2 : The most prominent solution of the MUHIDE platform

Vendor Solutions	Buyer Solutions
Vendor Solutions Digitize sales and deliveries: The platform provides digital tools to fully manage and document deferred sales processes, making it easier to track orders and deliveries and reduce reliance on paperwork and operational errors.	Budget governance and spending tracking: Buyers can allocate budgets for each portfolio, set approval pathways, and invite employees with varying powers, with real-time spending tracking and data analysis to improve financial decisions.
Protection of Rights and Authentication of Transactions : Hayed relies on digital signature and blockchain technologies to legally and securely authenticate contracts and documents, giving the seller additional guarantees of payment maturity.	Digitization of procurement processes and negotiations: Neutral provides a free electronic procurement management system, which allows sending quotation requests to multiple suppliers with a single click, identifying delivery details, and digital approval of processes, making it easier to track

	processes, documents, and interactions in a unified dashboard.
Improve liquidity through invoice financing: Allows sellers to access financing through financial partners using deferred sales invoices, helping to enhance cash flow and reduce financial pressure.	Verification and dealing with trusted suppliers: The platform allows buyers to deal only with documented suppliers which reduces the risk of fraud and ensures the credibility of suppliers.
Secure dealing with trusted buyers: The identity and credibility of buyers is confirmed by linking with official databases such as Wathq, which reduces the possibility of fraud or dealing with non-compliant parties.	Cash on Delivery Only : The platform supports the successful post-delivery payment model, protecting buyers' rights and reducing the risk of paying for .unreceived or non-conforming services or products
Real-time performance and process tracking: Provides a central dashboard for vendors to track orders, approvals and deliverables, and analyze business performance using accurate, real-time data.	Improving cash flow and access to financing: The platform provides opportunities to obtain better credit terms from suppliers, as well as access to credit facilities through neutral financing partners, which helps improve buyers' financial liquidity.

Source: MUHIDE, <https://muhide.com/>, 14/07/2025.

E- Al -Rajhi Bank partnership with the Global Company 'Temenos' :

Al -Rajhi Bank chose the leading Temenos company in banking software solutions, to lead its career in digital transformation and enhance its capabilities in Islamic financing and lending products. The bank has decided to make a comprehensive renewal of technical infrastructure by adopting the Temenos T24 Transact System, as well as a set of advanced digital solutions such as Temenos Infinity and Temenos Loan Origination product that specializes in managing loan requests. [#] The selection of Temenos came after a precise competitive evaluation process, to replace previous lending systems. This bank software will be applied to offer new lending products in the market, and to provide its services to an increasing segment of customers quickly and more efficient. The new solutions will also support the growth aspirations that the bank seeks, and its vision in bridging the gap between the requirements of modern financing and authentic Islamic values, as well as contributing to leading standards and developments in the banking sector. The new bank will enable the bank to provide advanced banking products and services through improved digital channels. (FINANCE, 2025)

F- The launch of the Digital Innovation Center :

Al -Rajhi Bank launched the Digital Innovation Center, which aims to develop smart banking solutions that enhance the daily lifestyle of customers and facilitate their financial transactions. Through the center, the bank launched a number of leading technologies, the most prominent of which are (Rajhi Bank, 2025) :

- Using voice commands to interact with banking applications ;
 - Support IOS shortcuts to facilitate the implementation of banking operations;
 - Developing facades that depend on hand gestures to raise the efficiency of the user experience.
- This initiative embodies the bank's commitment to enhance the digital banking experience, in line with the goals of Saudi Vision 2030 in supporting digital transformation and localizing modern technologies.

3-2-3 Indicators of digital and technical transformation in Al -Rajhi Bank

a- Digitization Al -Rajhi Bank services : Al -Rajhi Group has witnessed an unprecedented digital revolution over the past three years thanks to the implementation of the Future Bank strategy that unleashed an unprecedented acceleration in automation and digitization, and raised the technical and digital infrastructure to a level that exceeds all expectations. Al -Rajhi Bank has successfully completed replacing all basic systems, and completed projects to update the corporate banking services system, the treasury system, the financing request system, the financing management system, the basic cards system, and the microfinance system during the future banking strategy course, thus setting a standard standard for technical and digital transformation at the level of the financial and banking sector in the Kingdom, and the banking services applications of the bank occupy the first rank in the Kingdom In terms of features and numbers of active users. (Bank, Al Rajhi Saudi Bank REPORT, 2023)

Table 3 : Ratio of Digital to Manual Services in Al Rajhi Bank (2020-2024)

2024	2023	2020	Years
% 95	% 94	% 83	Percentage of digital services
% 5	% 6	% 17	Percentage of manual services

Source : Al Rajhi Bank, Annual Report, 2023 p. 47, 2024 p 15

From table 3, it is clear that Al Rajhi Bank witnessed continuous development in enhancing digital services during the period from 2020 to 2024, as the percentage of digital services usage increased from 83% in 2020 to 94% in 2023, and up to 95% in 2024. In contrast, reliance on manual services decreased from 17% to 5% during the same period. This transformation reflects the success of QIB's digital transformation strategy and the remarkable progress in digitizing its banking operations. It also demonstrates the Bank's ability to reduce reliance on traditional channels, and enhance operational efficiency and flexibility across digital platforms.



b- Growth of digital services platforms at Al Rajhi Bank

2023 at Al Rajhi Bank saw the introduction of a range of new technologies and tools to develop and enhance digital solutions across various retail and corporate banking platforms. Improvements have been made to the workflows of both online platforms and mobile applications using flexible methodologies. These initiatives have been embodied in the following two areas : (Bank, Al Rajhi Saudi Bank REPORT, 2023)

- **Digital Retail Banking** : The retail banking sector has seen a rise in demand for digital transformation, with more than 300 new or improved digital products and services introduced in 2023. A number of new products and services have also been made available to individual customers exclusively through digital channels. This included managing personal finance, promoting rewards on an individual basis, and voice commands using Siri. In addition to facilitating access to graduate funding, The Bank has collaborated with several internal departments to implement strategic projects such as revising SMS forms to reduce costs, and has made collaborative efforts with subsidiaries to take advantage of cross-selling opportunities such as the Smart Investment Solution with Al Rajhi Capital.

- **Corporate Digital Banking** : In terms of corporate banking, more than 200 digital transformation initiatives have been launched. Digital recruitment of corporate customers increased by 23% year-on-year. This is due to the appropriate comprehensive update of both the e-business portal and the business mobile application 2023 in

Table 4: Year-on-year growth rates at the level of digital banking platforms at Al Rajhi Bank for the year 2023

 Digital banking services directed to companies	 Digital Retail Banking
%63 growth rate in open electronic business accounts via the Internet.	298% growth rate in individuals 'open accounts via the Internet.
%184 growth in the accounts of small and medium enterprises open online.	15% of the total commercial financing operations were carried out through digital channels.
%86 are the ratio of new companies 'regulations via the Internet.	%645 growth rate in liabilities digital accounts.
547% growth rate in digital accounts.	%95 are the ratio of new individual customer regulations via the Internet.
%69, the increase in the number of active customers for electronic works.	%168 of the cards growth rate and 103% the percentage of the increase in the issuance of cards.
70%, rates of the increase in electronic work from the internal transfers of customers.	21% the percentage of increase in personal financing, where about 60% of the total personal financing operations were carried out through digital channels.
5 million is the average number of times a monthly login.	316%, the increase in investment funds.
Doubling the open digital accounts during the year.	800%, the rate of increase in investment returns accounts.

Source : Al Rajhi Bank, Annual Report, 2023 p. 123

Al -Rajhi Bank witnessed a significant increase in the rates of issuance of cards on an annual basis through digital channels in 2023, and an increase of 102% on an annual basis in renewable cards, an increase of 38% in the prepaid cards, and a noticeable increase of 267% in monthly decisive cards, all of this is due to the bank's provision

of smooth and digital applications entirely to order cards, and 27% of the total cards were requested Credit and monthly decisive cards issued by the bank online. An increase of 60% on an annual basis was recorded in the discount cards issued by digital channels. (Bank, Al Rajhi Saudi Bank REPORT, 2023)

c- Al Rajhi Bank's future direction in the field of digital transformation

A wide range of new digital transformation initiatives are scheduled to be launched at Al Rajhi Bank and implemented during the new strategy cycle. Among the enhancements to be implemented in the near and medium future are : (Al Rajhi Saudi Bank Report, 2024)

- Updated the card activation process to include instant activation of credit, prepaid and recharge cards, enhancing customer convenience;
- Enhancing the overall digital experience of existing products;
- Enriching the digital experiences of structured products and direct investment offerings for the Bank's growing private banking customer segment;
- Expanding the Bank's digital wallet options to include Google Wallet support;
- Enhancing security levels;
- Conducting more Enhancements to Al Rajhi Partnerships platform with additional services;
- Introducing a new application interface for payment service providers;
- Launching a new online store along with other substantial improvements to SADAD's customer experience.
- Harness more digital tools and data to improve customer experience;
- Invest more in improving digital banking infrastructure and introducing innovative products and services;
- Expand the Bank's offerings to include Business Finance as well as Personal Finance by making more investments in Open Banking.

4- Conclusion:

In this context, the study focused on analyzing the impact of financial technology in enhancing the performance of Al Rajhi Saudi Bank, where the results showed that the bank's adoption of financial technology solutions has effectively contributed to improving the quality of banking services, expanding the customer base, reducing operational costs, in addition to raising levels of efficiency and innovation. This approach has also enabled the Bank to keep pace with the rapid digital transformation taking place in the financial sector globally, while maintaining the Shariah character of Islamic banking. The success of this transformation requires a delicate balance between embracing innovation and complying with Sharia regulations, as well as investing in human capital development, and fostering a resilient and secure digital infrastructure.

Accordingly, it can be said that financial technology is a pivotal factor in reshaping the future of Islamic banks, especially in economic environments that adopt ambitious development visions, such as Saudi Arabia's Vision 2030, which supports digital transformation and financial innovation, while preserving legitimate identity and institutional privacy.

Findings:

- The size of the fintech industry is increasing year after year, as its market has grown by nearly 100% since 2017, which reflects the remarkable expansion in this vital sector;
- Islamic financial technology is a recent development that embodies the Islamic financial industry's endeavor to integrate digital innovation within a legitimate framework, which contributes to enhancing efficiency and transparency, and keeping pace with the rapid global transformations;
- Fintech innovations enhance the competitiveness of Islamic banks when The availability of advanced digital technologies that contribute to raising its efficiency and improving the quality of its financial services;
- Fintech has effectively contributed to improving the quality of services provided by Al Rajhi Bank, through speed, accuracy, and simplification of banking procedures;
- Al Rajhi Saudi Bank's investments in its digital infrastructure, and its conclusion of a number of strategic partnerships with companies specialized in the field of financial technology, in providing innovative and Shariah-

compliant financial solutions, thereby enhancing confidence in a bank as a committed and sophisticated Islamic financial institution;

- Al Rajhi Bank's comprehensive digital transformation has contributed to expanding the customer base and attracting new segments of customers, as the number of digital users increased from 5.7 million in 2019 to 12.6 million in 2023;

Recommendations:

- Development of new digital products: Islamic financial institutions should design more Shariah-compliant digital financial products, commensurate with economic and digital progress, in order to enhance their competitiveness and enhance the inclusiveness of Islamic banking;
- Strategic partnerships with fintech companies: It is imperative for Islamic banks to partner with world-leading companies in the field of financial technology, in order to keep pace with the technological progress witnessed by the financial and banking sector;
- Building specialized human competencies: The need to prepare advanced training programs in cooperation with universities and research centers, to form human cadres capable of understanding and applying financial technology within an integrated Sharia and professional framework;
- Organizing scientific forums to evaluate Sharia financial innovation: It is proposed to organize seminars and scientific conferences concerned with studying modern financial technology tools such as blockchain and artificial intelligence, and evaluating their compatibility with Islamic law, while benefiting from pioneering experiences such as Al Rajhi Bank;
- Circulating pioneering models in Sharia digitization: Pioneering models in the application of Islamic financial technology, such as the experience of Al Rajhi Bank, should be documented and disseminated, and these experiences should be activated as guiding references for the development of Islamic digital banking;
- Enhancing cybersecurity in accordance with Sharia controls: It is recommended to develop advanced electronic protection solutions that ensure data confidentiality and prevent manipulation, taking into account jurisprudential controls such as confidentiality and transparency in transactions, through partnerships with technology companies.

Conflict of Interest

The author declares no conflict of interest related to the publication of this article.

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