

The Future of Finance

Emerging Technologies and Finance: AI's transformative impact on finance and innovation



In partnership
with Asia House

DIFC 



Contents



03

CEO's Message



04

Executive summary

- 6 Key findings
- 7 Opportunities for financial services firms



08

Introduction



10

1. The global picture

- 11 1.1 Global connectivity and financial inclusion
- 12 1.2 Changing competitive landscape
- 14 1.3 Rise of digital assets and tokenisation
- 17 1.4 Harnessing the power of cloud computing and storage
- 19 Interview with Tom Zschach, Chief Innovation Officer, Swift
- 19 Interview with Reece Merrick, Managing Director, Middle East and Africa, Ripple
- 21



23

2. The revolutionary impact of AI

- 24 2.1 AI transforming financial services
- 25 2.2 The impact on global innovation and investment
- 28 2.3 The AI workforce evolution: Reskilling and opportunities
- 30 2.4 AI regulation and data privacy
- 31 2.5 AI governance
- 32 Interview with Akshat Prakash, Co-Founder & Chief Technology Officer, CAMB.AI



34

3. Dubai's technology evolution

- 35 3.1 Phases of the UAE's technology evolution
- 37 3.2 A comparison to global counterparts: Slower start but rapid expansion



38

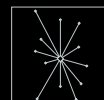
4. The role of Dubai and the UAE at the forefront of technology and the future of finance

- 39 4.1 The UAE's innovation strategy
- 41 4.2 Digital economy initiatives
- 42 4.3 Supportive innovation clusters
- 43 Interview with Maitha Alsuwaidi, Chief Operating Officer, Microsoft UAE



47

Conclusion



48

References

CEO's Message

The financial services industry is undergoing an unprecedented technological evolution. AI, blockchain and digital assets, cloud computing and data analytics are reshaping the competitive landscape, enabling greater financial inclusion, and redefining the future of finance. Firms that leverage the ABCDs of tech will benefit. These innovations are not only transforming banking, investment, and financial markets but are also enabling institutions to deliver faster, more efficient, and more secure financial solutions globally.

Against this backdrop, DIFC remains at the forefront of financial innovation. As the leading financial hub in the region, DIFC is not just witnessing the evolution of finance, but it is actively shaping it. Our commitment to fostering an innovation-driven financial ecosystem is reflected in our progressive regulatory frameworks, AI and digital finance initiatives, and strong investment in talent development. It is for these reasons, as well as Dubai and the UAE's visionary leadership, that Dubai has risen four places on this year's Global Financial Centres Index. Dubai is now 12th globally and first in the region. We are among other global hubs, such as London, New York, Shanghai and Tokyo, as one of nine financial centres classified as both broad and deep.

With our research partners at Asia House, we are pleased to present this report, the third in our Future of Finance series, which explores AI and emerging technologies' transformative impact on financial services and innovation. Informed by insights from global finance and technology

leaders, our research provides a forward-looking analysis of technology's role in driving efficiency, enhancing security, and unlocking new market opportunities. It also examines the history and journey, and key trends that have shaped Dubai's emergence as a global leader in digital transformation and the UAE's role at the forefront of technology and the future of finance.

As AI and emerging technology adoption accelerates, financial institutions must adapt to remain competitive. Those that embrace the ABCDs of technology and innovation will lead the next era of financial services. Equally important is the need to ensure AI governance and responsible AI integration – critical factors that will define the long-term success of technologies in this evolving landscape.

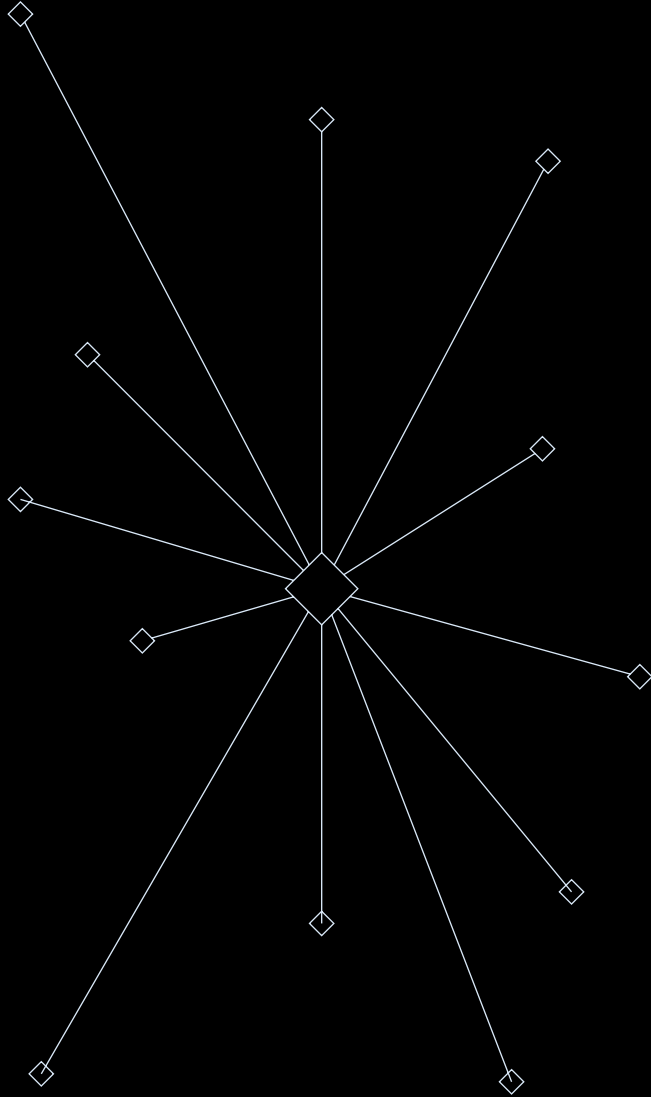
DIFC remains committed to supporting financial services firms as they navigate this technological transformation. Through the DIFC Innovation Hub and AI Campus, we are nurturing a thriving ecosystem where global financial and technology leaders can collaborate, innovate, and shape the future of finance.

We invite you to explore this report's findings and insights and look forward to continuing our role in shaping a dynamic, inclusive, and AI-powered financial future.

Arif Amiri
Chief Executive Officer
DIFC Authority



Executive summary

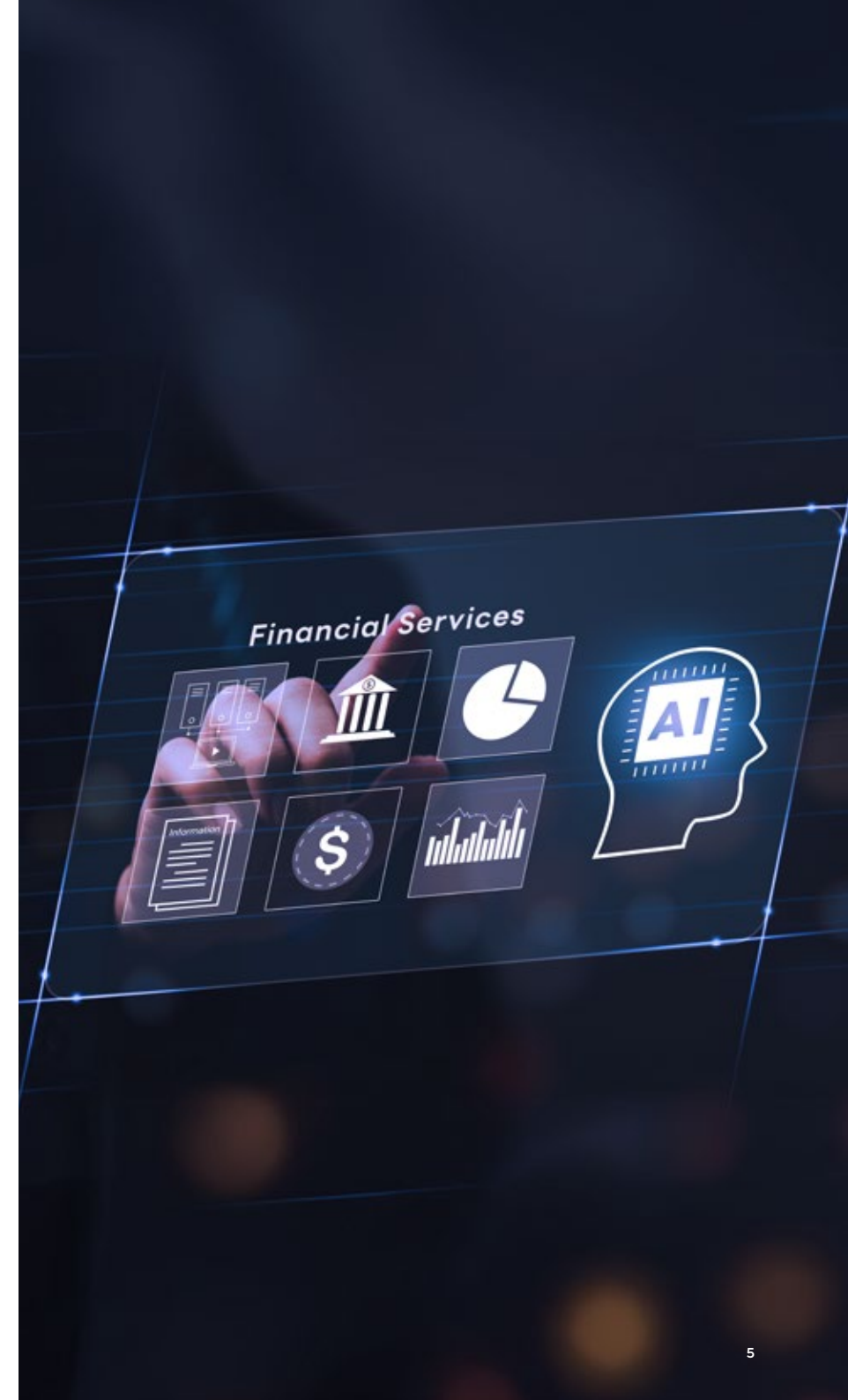


The financial services industry is undergoing a profound transformation, one propelled by emerging technologies. Artificial intelligence (AI), blockchain, digital assets and cloud computing are reshaping the competitive landscape, enabling greater financial inclusion and driving efficiencies across banking, investment and financial markets. As digital connectivity expands globally, new market entrants and FinTech disruptors are challenging traditional banking models, leading to a more dynamic and inclusive financial ecosystem.

Dubai and the UAE have positioned themselves at the forefront of this technological revolution. With a national AI strategy, a robust regulatory framework for digital assets and dedicated innovation hubs and clusters, Dubai is becoming a global leader in the future of finance. The UAE's progressive approach to AI governance and blockchain integration has attracted international investment and technological partnerships, reinforcing its status as a financial innovation hub. Dubai's regulatory agility, coupled with its strategic investments in emerging technologies, is creating a fertile ground for financial institutions and

technology firms to collaborate and drive the future of finance.

This report on the impact of AI and other emerging technologies on financial services – the third report in our Future of Finance series – has been informed by exclusive insights gleaned from regional and industry experts, augmented by extensive network- and desk-based research.



Key findings

The expansion of digital financial services is reducing barriers to financial access. Digital connectivity is fostering greater financial inclusion, particularly in emerging markets. The rise of digital wallets, mobile banking and online lending platforms has reduced barriers to financial access, allowing previously underserved populations to engage with financial services. AI-driven credit scoring is further enhancing access to financing, while FinTech initiatives are accelerating economic participation through seamless, digital-first solutions.

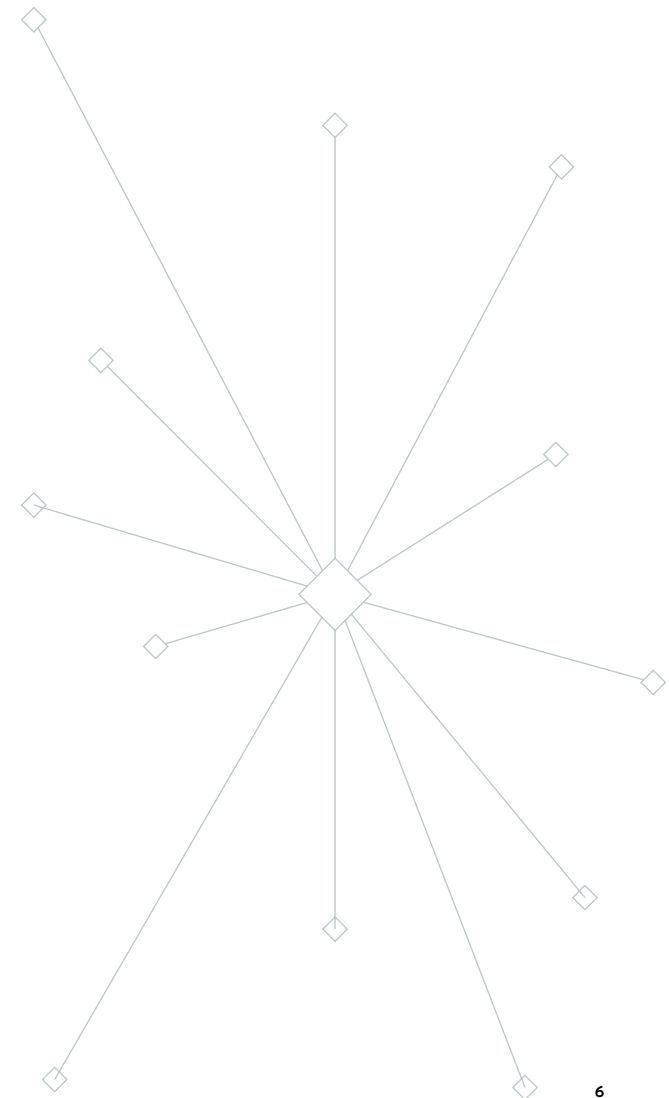
Blockchain-based innovations are redefining transactions and investment models, with digital assets expected to play an increasingly integral role in mainstream finance. Digital currencies, including cryptocurrencies, central bank digital currencies (CBDCs) and stablecoins, are easing cross-border transactions, reducing costs and increasing transaction speed and transparency. Tokenisation, meanwhile, is democratising access to high-value assets such as real estate and private equity (PE), allowing for fractional ownership and enhanced liquidity.

Cloud computing is facilitating financial institutions' digital transformation, by providing scalable, cost-effective and secure infrastructure. Cloud adoption is enabling real-time data processing, AI-driven analytics and seamless regulatory compliance. The adoption of hybrid cloud solutions allows

firms to navigate data privacy concerns while maintaining operational agility.

AI is fundamentally reshaping financial services operations, from front-office customer interactions to risk management and regulatory compliance. AI-powered chatbots and virtual assistants are optimising customer engagement, while machine learning (ML)-driven fraud detection and predictive analytics are strengthening security and decision-making. The integration of AI into investment strategies and credit risk assessments is improving financial forecasting, reducing inefficiencies, lowering risk and unlocking new business opportunities for financial services firms.

Dubai's commitment to AI, blockchain and digital finance positions it as a leader in financial technology and innovation. Government-led initiatives, including the UAE's National AI Strategy 2031 and digital economy roadmap, are actively promoting AI-powered financial services and regulatory frameworks that attract investment and talent. With forward-thinking policies, supportive innovation clusters and a robust infrastructure for emerging technologies, Dubai is establishing itself as a global hub in the future of finance.



Opportunities for financial services firms

→ **Expand into high-growth markets through digital financial solutions.**

Digital finance is advancing global financial inclusion. Financial services firms should capitalise on mobile banking, digital wallets and alternative lending platforms to enter emerging markets, catering to unbanked and underbanked populations while driving greater economic participation.

→ **Foster collaboration between traditional financial services institutions and FinTech disruptors.**

The advent of neo-banks and Decentralised Finance (DeFi) is reshaping financial services. Traditional banks and investment firms should seek partnerships with FinTech innovators to develop hybrid financial products and digital-first solutions.

→ **Adopt cloud for agility.**

Firms can capitalise on cloud computing to improve operational efficiency, reduce costs and maintain regulatory compliance. Secure, scalable and flexible cloud infrastructures allow firms to adapt swiftly to market changes and customer demands without heavy upfront investment.

→ **Prepare for and leverage AI-driven transformation across financial services.**

AI is revolutionising financial decision-making, fraud detection, compliance automation and customer engagement. Firms should prioritise AI integration and build AI-ready strategies to enhance

efficiency and unlock new revenue streams.

→ **Strengthen cybersecurity and risk management in the digital financial services landscape.**

As AI, cloud computing and blockchain become more integrated into financial services, firms must prioritise cybersecurity strategies, including AI-driven fraud detection and blockchain-based security measures to mitigate financial crime.

→ **Upskill workers in AI and emerging technologies to future-proof financial services talent.**

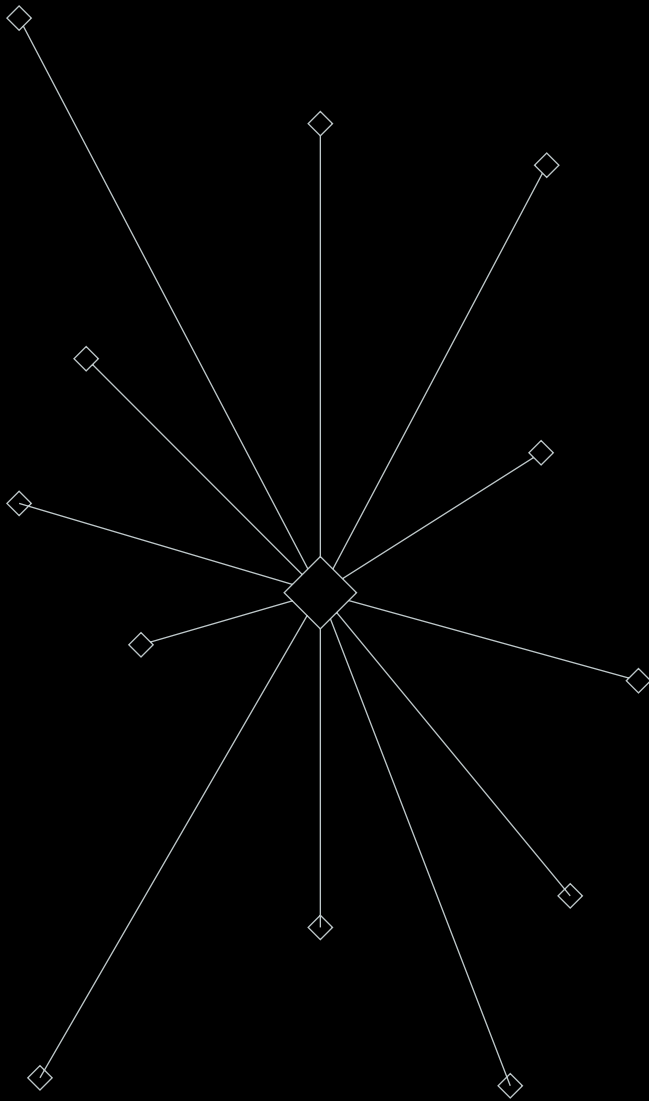
AI-driven automation is reshaping the financial services workforce, requiring a shift towards digital skills. Firms should invest in AI literacy, ML, data analytics and blockchain training, ensuring employees are equipped to work alongside AI-driven systems while enhancing human-centric roles in client advisory and strategic decision-making.

→ **Leverage Dubai's innovation clusters to drive innovation and technology adoption.**

Dubai's DIFC Innovation Hub, AI Campus and regulatory sandboxes offer a fertile environment for FinTechs and financial services firms to experiment with AI, blockchain and digital assets. Firms should leverage these advantages and engage with start-ups, technology leaders and regulators driving the future of finance.



Introduction



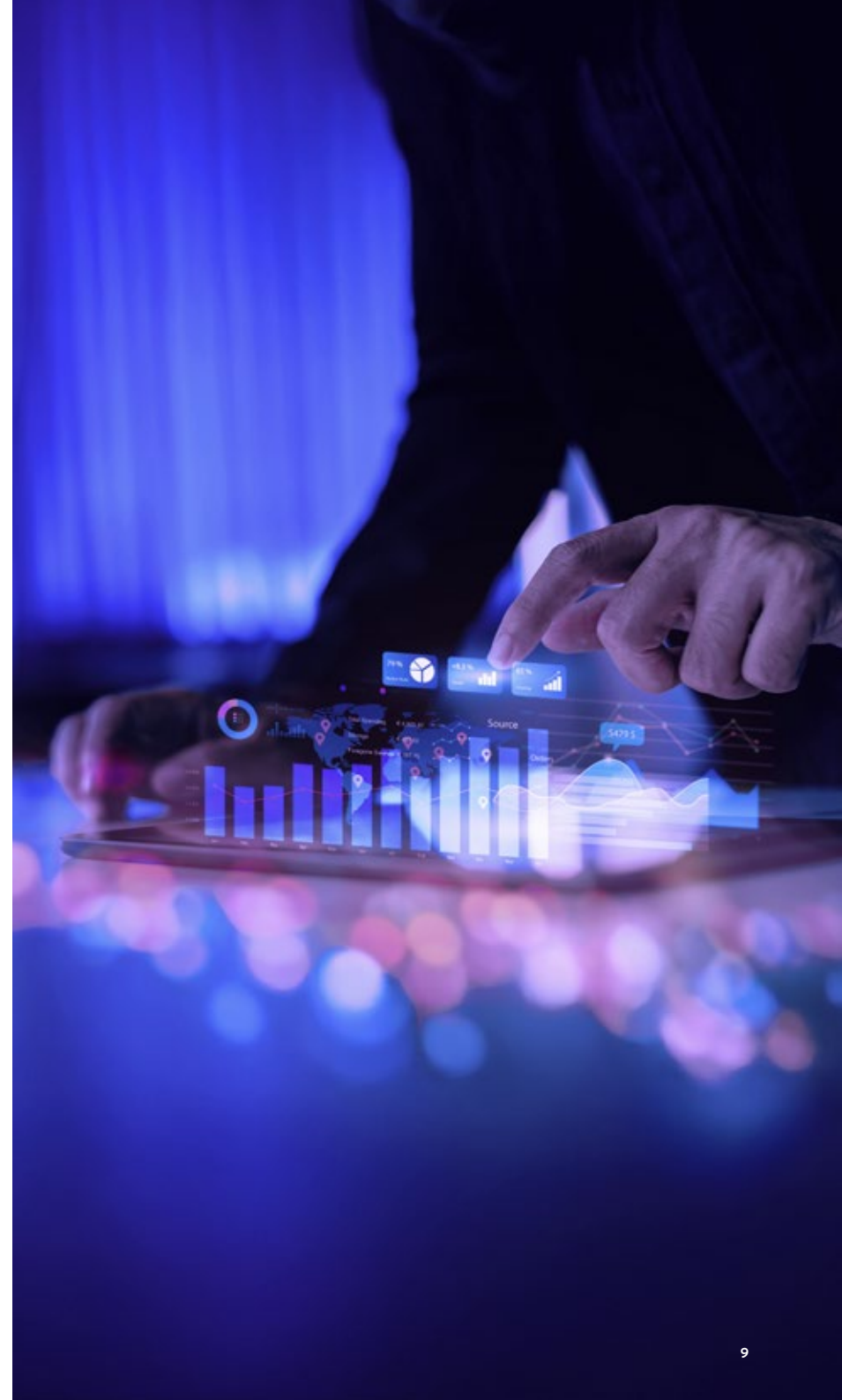
Emerging technologies are redefining the future of finance, with AI, blockchain, digital assets and cloud computing at the core of this transformation. Over the next one to three years, financial services will be shaped by a rapidly evolving technological landscape, increased global connectivity and regulatory advancements. The interplay of these technologies will further accelerate innovation, enhance financial inclusion and reshape competitive dynamics.

The financial ecosystem is undergoing a structural shift that will accelerate as these emerging technologies gain traction. Global investment in AI and digital assets is booming while regulators work to strike a balance between fostering innovation and ensuring governance. These developments are creating new opportunities for financial services firms. However, they also introduce new challenges, from data privacy concerns to the need for investment in workforce transformation.

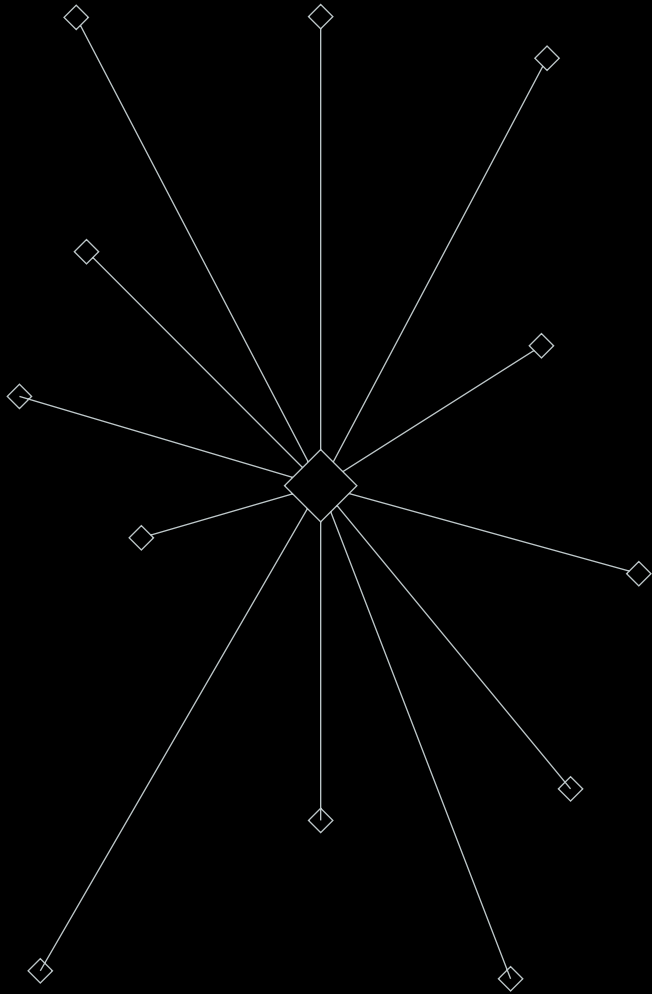
Dubai and the UAE are emerging as global leaders in this technological revolution. With a forward-looking AI strategy, a well-developed regulatory framework for digital assets and dedicated innovation clusters, the UAE is creating an environment that fosters financial innovation and technological advancement. Government-backed initiatives, strategies and funds are actively positioning the UAE as a hub for AI-

powered financial services solutions. Dubai's commitment to regulatory flexibility, talent development and cross-sector collaboration is attracting global talent, start-ups, investors and financial institutions seeking to capitalise on this transformation.

This is the third report in the Future of Finance series. Its findings are informed by a private, in-person roundtable held at the Dubai International Financial Centre (DIFC) in November 2024. Attended by 24 senior finance and business leaders, the roundtable offered a forum for candid discussions about the opportunities and challenges shaping the future of finance. While these discussions were of inestimable value, no comments from the roundtable are attributed to any individual or organisation. Insights from the roundtable have been augmented by network- and desk-based research, along with interviews with industry experts, among them **Maitha Alsuwaidi**, Chief Operating Officer, Microsoft UAE, **Tom Zschach**, Chief Innovation Officer, Swift, **Reece Merrick**, Managing Director, Middle East and Africa, Ripple and **Akshat Prakash**, Co-Founder & Chief Technology Officer, CAMB.AI.



1. The global picture



1.1 Global connectivity and financial inclusion

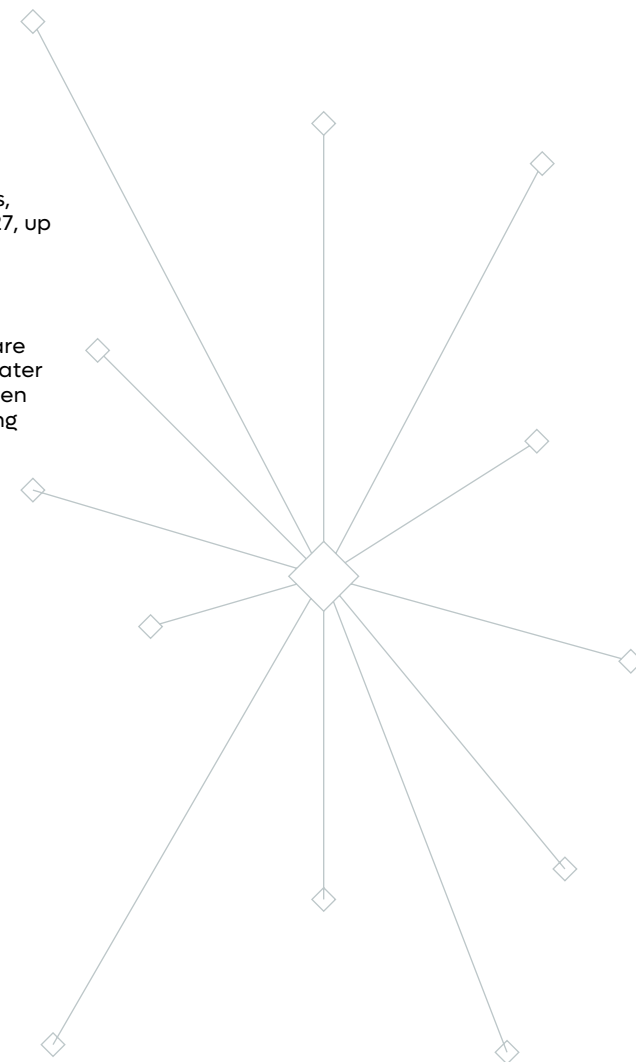
The internet has become a ubiquitous force, integral to providing global financial services. With 5.5bn users – 67 per cent of the world's population – digital connectivity has unlocked access to financial services, particularly in emerging markets.¹ Forecast to boast almost 7bn users by 2029, increased internet penetration coupled with growing mobile adoption, has allowed underbanked individuals to participate in formal financial services and allowed new centres of innovation, such as Dubai, to rise in prominence (see Sections 3 and 4).

Mobile banking, digital wallets and online lending platforms have improved financial access. The expansion of digital financial services has reduced the number of adults without access to a transaction account from 2.5bn in 2011 to 1.4bn in 2021.² In Africa and South Asia, where traditional banking infrastructure remains underdeveloped, FinTech is playing a transformative role, leveraging digital platforms to provide services once limited to traditional banks. Mobile money services like M-Pesa in Kenya and Paytm in India demonstrate how digital platforms facilitate financial inclusion by enabling transactions, remittances and bill payments, while fostering entrepreneurialism. Aided by growing connectivity, FinTechs are reshaping financial services by offering such solutions as:

- Digital payments, peer-to-peer (P2P) transfers and QR-code-based transactions have encouraged financial accessibility, providing more seamless and secure transactions and lessening reliance on physical cash. By reducing payment friction, these solutions are streamlining payments and promoting financial inclusion, particularly where smartphone penetration is high but banking infrastructure is still evolving.
- Alternative lending models, such as buy-now-pay-later, enable small businesses and individuals to access credit with minimal collateral. AI-powered credit scoring also helps borrowers with limited formal credit history to secure financing. FinTechs are leveraging AI to analyse alternative data points, such as bank transactions, bill payments and social media activity, creating more dynamic credit scoring models.³ Increasing access to credit can help boost small and medium-sized enterprises (SMEs) and economies, creating a virtuous cycle for global financial services.
- Robo-advisors and micro-investment platforms are increasing accessibility to services such as wealth management, allowing individuals to invest with lower capital. PwC forecasts that global assets

under management (AUM) of robo-advisors will double in coming years, forecast to reach USD 5.9trn by 2027, up from USD 2.5trn in 2022.⁴

Recognising the potential for digital solutions to drive growth and inclusion, governments and financial institutions are supporting their expansion. Through greater global connectivity and technology-driven innovation, financial services is becoming more inclusive.



1.2 Changing competitive landscape

Technology has reduced barriers to entry, altering financial services. Cloud computing has revolutionised the industry by reducing the barriers for new market entrants. Traditionally, the launch of a financial services provider required significant capital investment in physical infrastructure, IT systems and regulatory compliance. Cloud-based solutions, however, have democratised access to critical banking infrastructure, allowing start-ups and SMEs to benefit from agile, cost-effective and scalable solutions and compete with established players. According to EY, 83 per cent of financial services companies reported implementing some of their services in a cloud.⁵

Traditional banks, once shielded by high capital investment and operating costs discouraging competition, now face a crowded marketplace and pressure from agile FinTechs leveraging cloud to deploy customer-centric solutions at lower costs. While traditional banks are also adopting cloud technologies, their reliance on traditional systems makes digital transformation more complex.

Digital banking is accelerating this shift. Unlike traditional banking, with bank-based models, digital banks operate online, which allows them to offer real-time services at lower costs. Digital banks can pass cost savings on to customers through lower fees, higher savings rates and competitive lending

products. By integrating AI, automation and data analytics, digital banking platforms also personalise services to enhance customer experiences. To compete, traditional banks are now integrating digital services via hybrid models that combine in-person and digital offerings.

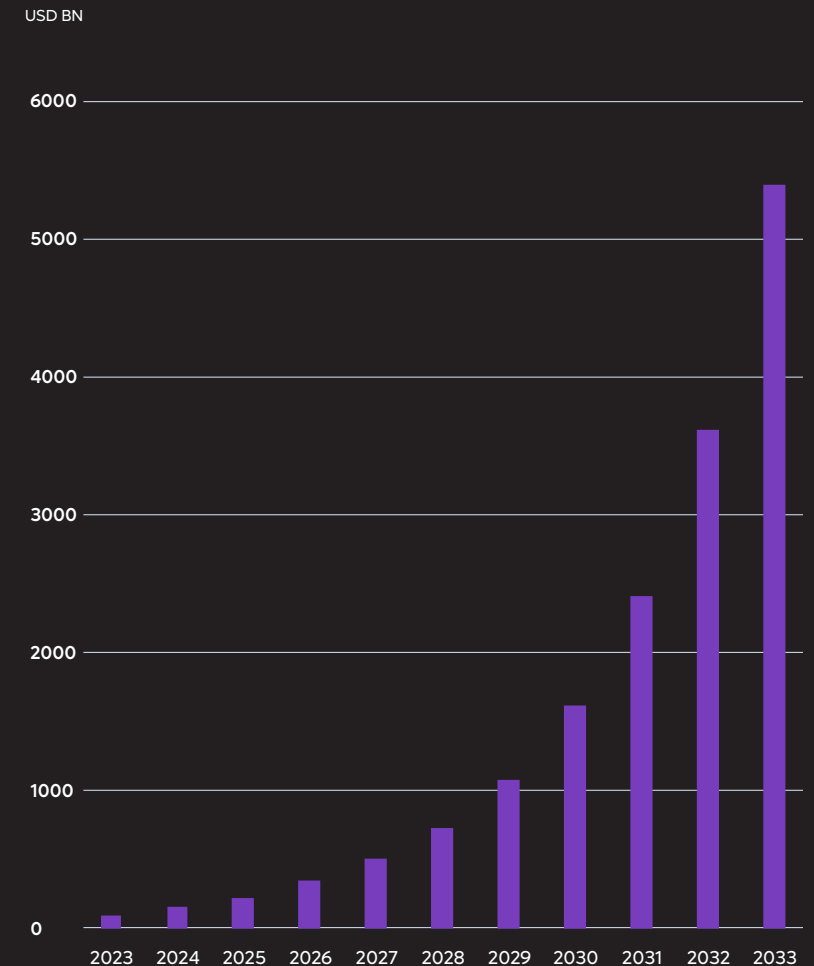
Neo-banks – or digital-only banks – have emerged as key challengers, offering mobile-first, user-centric services. The neo-banking industry is projected to reach USD 5.4trn by 2033, at a compound annual growth rate (CAGR) of 49 per cent, from 2024 to 2033.⁶

Figure 1: Size of global neo-banking market⁷

Neo-banking growth is driven by rising internet use, mobile banking preferences and a tech-savvy youth population. By analysing user data, neo-banks can personalise finance with products such as AI-driven credit scoring and automated savings plans. AI and ML also enable faster innovation. By 2027, global transactions are expected to exceed USD 9trn – triple 2022 levels – and user numbers are predicted to double.⁸ Neo-banks' impact is especially significant in underbanked regions, where mobile-based finance is bridging the gap between traditional banking and financial accessibility.

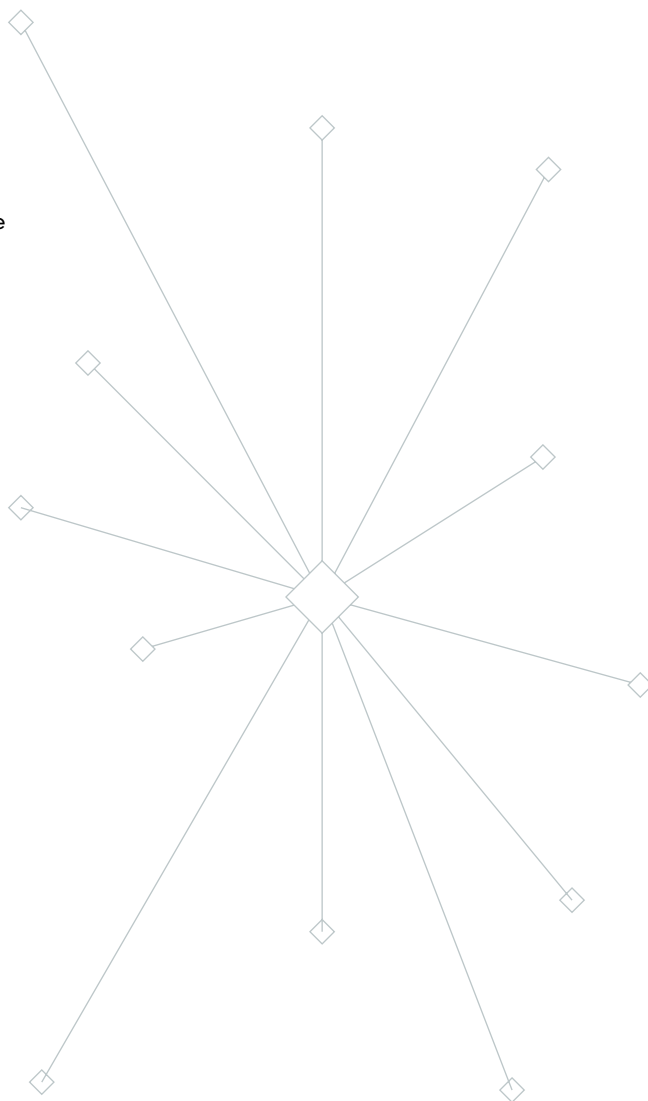
DeFi is relatively nascent but could be another disruptor, fundamentally altering how transactions are made. DeFi platforms

Figure 1:
Size of global neo-banking market⁷



enable 24/7 secure lending and borrowing, including through smart contracts, without the need for intermediaries. They also allow users to trade digital assets, tokenise real-world assets and access liquidity pools. However, achieving a balance between innovation and regulation will be crucial to DeFi's adoption in mainstream finance. Security vulnerabilities and market volatility may also hamper adoption. Still, the DeFi market is expected to grow 9.1 per cent annually over the coming years, ballooning to USD 52.4bn by 2032, up from USD 24bn in 2023.⁹

Increased adoption of these solutions could pressure traditional banks to modernise their infrastructure, streamline operations and enhance their own digital offerings. Meanwhile, new entrants are cutting fees, improving efficiency and driving greater financial inclusion. However, challenges related to cybersecurity, data privacy and regulatory compliance remain. Financial institutions and regulators are working to balance innovation with security and data protection, including through regulatory sandboxes allowing FinTechs to innovate in controlled environments.



1.3 Rise of digital assets and tokenisation

Digital payments

As cash usage declines, digital payment platforms and blockchain-based financial products are reshaping how transactions are conducted. By 2030, the global digital asset market is expected to reach USD 11.94bn AUM, growing at a 16 per cent CAGR from 2024.¹⁰

Global cash usage has fallen to 80 per cent of 2019 levels, decreasing 4 per cent annually.¹¹ However, with USD 26trn in payments still made in cash, there is a significant opportunity for digitisation.¹² Still, the shift towards digital payments is accelerating, driven by a preference for real-time contactless transactions and mobile wallets. The global digital payments market is projected to reach USD 20.37trn in transaction value in 2025.¹³ By 2029, total transaction value is expected to reach USD 36.75trn, at a CAGR of 15.9 per cent.¹⁴

Adoption will unfold unevenly across regions. In developed economies, cash transactions will continue the gradual decline that started during the COVID-19 pandemic.¹⁵ The US Federal Reserve 2023 Payments Study reported that non-cash payments in the US reached USD 128.51trn, growing by 9.5 per cent annually since 2018.¹⁶ Similarly, the European Central Bank reported non-cash payments in the euro area grew 1.9 per cent from 2023 to 2024 to USD 118.95trn.¹⁷

However, in developing markets where card penetration is low, instant digital payments are rapidly replacing cash. In India, for example, the share of cash payments is expected to decline from 23 per cent of consumer spending to less than 10 per cent by 2028.¹⁸ In China, mobile payments dominate, particularly QR code payments. WeChat Pay and Alipay processed over USD 20trn in transactions in 2023.¹⁹ As smartphone penetration rises further and FinTech innovation accelerates, digital payments are expected to dominate global transactions in the coming decade.

This shift will increase transaction efficiency and financial inclusion, reducing reliance on traditional banking infrastructure, particularly in emerging markets. As real-time payments gain traction, financial systems will become more interconnected, unlocking new economic opportunities.

Cross-border payments and CBDCs

Cross-border payments, once slow and costly, are being disrupted by digital solutions. According to Ripple, the cost and speed of settlement are key challenges to cross-border payments.²⁰ Swift, which connects over 11,000 financial institutions in over 200 countries and territories, remains a cornerstone



of international payments.²¹ Simultaneously, innovations, such as Swift GPI and blockchain-powered solutions, such as Ripple's XRP Ledger and JPMorgan's Onyx, are emerging as modernising alternatives for transaction processing. Cross-border blockchain payments cost 40 to 80 per cent less and occur in real-time (averaging 4 to 6 seconds).²²

The impact of blockchain-based solutions is especially relevant to the remittance industry, in which high fees and long settlement times burden migrant workers, particularly in developing countries. The World Bank estimates that remittance flows to low- and middle-income countries reached USD 685bn in 2024, a year-over-year increase of 5.8 per cent.²³

Financial institutions recognise the benefits of digital currencies for wholesale cross-border settlements. Over 130 countries, representing 98 per cent of global GDP, are currently exploring or developing a CBDC, up from 35 in 2020.²⁴ China's digital yuan (e-CNY) is the largest CBDC pilot. In June 2024, China's e-CNY transactions reached USD 986.07bn, up from USD 13.78bn in 2021.²⁵ Project mBridge, initially backed by BIS and founded by the central banks of China, Hong Kong, Thailand and the UAE, is developing a blockchain-based platform for digital currencies. The Saudi Central Bank joined in 2024. In its pilot phase, mBridge facilitated over 160 payment and FX payment-versus-payment transactions totalling over USD 22mn.²⁶

A world where digital currencies are the norm would dramatically enhance global efficiencies, unlocking new economic opportunities by reducing costs and enabling faster capital flows. This would particularly benefit emerging markets by improving access to international liquidity, promoting financial inclusion and accelerating economic growth.

Cryptocurrencies

Cryptocurrencies, a notable application of blockchain, have evolved from a speculative asset into an increasingly important component of financial services. In contrast to asset tokenisation, which derives value from underlying virtual or real assets, cryptocurrencies function as independent digital assets whose worth is based on market demand, network consensus and scarcity mechanisms. As financial markets continue to digitise, cryptocurrencies such as Bitcoin and Ethereum are being adopted for a range of applications, including DeFi, institutional investment and cross-border payments. As of February 2025, the total cryptocurrency market capitalisation exceeded USD 3.3trn, reflecting growing investor confidence and broader integration.²⁷

The UAE ranks third globally on the Henley Crypto Adoption Index 2024, which assesses cryptocurrency and blockchain uptake.²⁸

Within the UAE's blockchain market, cryptocurrency has the largest share, at more than 70 per cent of total market value.²⁹ In January 2025, the UAE reached 3.5mn crypto app installations – over half the total installations in 2023.³⁰ The UAE's blockchain market is forecast to continue to grow, projected to expand by 42 per cent annually between 2025 and 2030.³¹

The regulatory landscape for cryptocurrencies is evolving to accommodate their growing relevance. A landmark development was the US Securities and Exchange Commission's approval of spot Bitcoin exchange-traded-funds (ETF financial services), which allow investors to gain exposure to cryptocurrencies within regulated investment frameworks.

Growing political support for cryptocurrencies is also shaping their future. In January 2025, President Trump signed an executive order aimed at bolstering the US cryptocurrency industry, signalling a pro-innovation stance that could drive institutional adoption, regulatory clarity and US leadership as a global digital assets hub.³² The UAE has already established progressive regulatory frameworks for crypto assets, including DIFC's robust digital assets regime, which enables responsible use of investment and crypto tokens within financial services. Additionally, Dubai's Virtual Assets Regulatory Authority (VARA) oversees the licensing and supervision of digital asset service providers, ensuring

compliance with global standards while fostering innovation in the sector. Globally, these policies suggest cryptocurrencies will continue integrating with traditional finance.³³

As blockchain technology matures, cryptocurrencies will play a greater role in the future of finance. However, their evolution from alternative asset class to mainstream instrument will depend on regulatory clarity, security and institutional engagement.

Stablecoins

Stablecoins – pegged to fiat currencies (typically the US dollar) or other assets – are less volatile and more suitable for everyday transactions, cross-border payments and institutional settlements. Stablecoins are emerging as a bridge between traditional finance and digital assets, offering price stability and liquidity. Their stability is particularly relevant to emerging markets and economies with high inflation and currency volatility. Global stablecoin transaction volumes exceeded USD 27.6trn in 2024, surpassing the combined volumes of Visa and Mastercard.³⁴ Traditional institutions, including Visa, PayPal and Stripe, have invested in stablecoin initiatives.³⁵

Regulatory scrutiny of digital assets is rising. The EU's Markets in Crypto-Assets (MiCA)

regulation, the world's most comprehensive, entered into force in 2023. US regulations remain uncertain, although proposed federal legislation is expected to gain momentum in 2025.³⁶ As regulations mature, stablecoins could become more foundational to finance.

Digital assets, including cryptocurrencies, stablecoins, tokenised assets and CBDCs, are becoming integral to financial services, reinforcing one another in a rapidly digitising economy. As these assets gain regulatory clarity and institutional adoption, investment portfolios are expected to incorporate a mix of digital instruments balancing stability, liquidity and potential returns.

Tokenisation of assets

Tokenisation is marking a new era of digital finance, enabling the digitisation of traditionally illiquid, real-world assets such as real estate, commodities, equities and private debt. Tokenisation converts assets into blockchain-based digital tokens, enhancing liquidity, reducing settlement times and democratising access to investment opportunities. The asset tokenisation market is growing rapidly – tokenisation of global illiquid assets could reach USD 16trn by 2035.³⁷

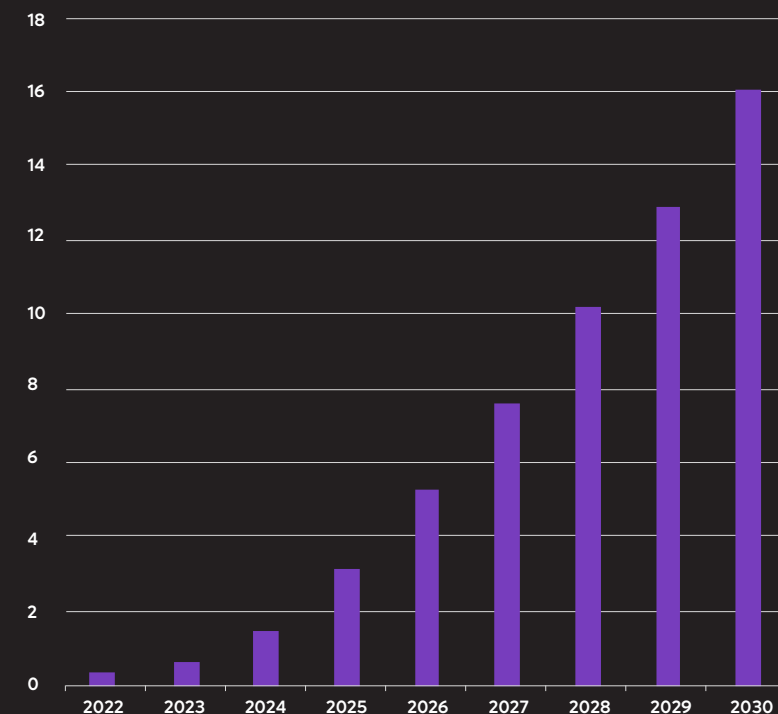
Asset managers, institutional and high-net-worth (HNW) investors are particularly interested in tokenisation. According to an EY survey, these investors may allocate 7 to 9 per cent of their portfolios to tokenised assets by 2027.³⁹ A significant advantage is fractional ownership, allowing investors to purchase smaller shares of high-value assets that were previously unaffordable. For example, real estate and PE – once exclusive to institutional and HNW investors due to high capital requirements – are now more accessible. Tokenisation enables retail investors to diversify into property, bonds, commodities and even fine art, making financial services more inclusive.

Tokenisation is gaining traction and could become a cornerstone of digital financial services, increasing investment liquidity, efficiency, and accessibility. Like other blockchain-based assets, tokenisation reduces settlement times, costs and risk, freeing up capital that might otherwise be tied up. But regulatory challenges remain, as governments and regulators work to establish legal frameworks to protect investors and mitigate financial crime risks.

Figure 2: **Tokenisation of global illiquid assets, 2022 to 2030**³⁸

Figure 2:
Tokenisation of global illiquid assets, 2022 to 2030³⁸

USD TRN



1.4 Harnessing the power of cloud computing and storage

Cloud computing has become a critical enabler of financial services innovation as financial institutions migrate their infrastructure to the cloud. As digital transformation accelerates, cloud revenues are projected to reach USD 2trn by 2030, and the cloud market is forecast to expand at a 22 per cent CAGR from 2024 to 2030.⁴⁰

Cloud computing offers financial services firms cost efficiencies, scalability and enhanced security and data processing capabilities. On-premises infrastructure requires significant capital investment and ongoing maintenance, whereas cloud services provide a pay-as-you-go model, allowing companies to scale operations more easily. Cloud is particularly advantageous to FinTechs, SMEs and start-ups, which can leverage pre-built cloud-based platforms to accelerate innovation, product development and market entry. Automated cloud services also offer built-in security and compliance frameworks, reducing reliance on manual back-office functions and minimising human error.

Cloud computing is foundational to AI-driven financial services, including data processing, storage and real-time analytics. AI models require vast and high-quality data and computing power, which cloud infrastructure offers at lower costs. Generative AI will contribute to growth and is expected to account for 10 to 15 per cent, or USD 200bn to

USD 300bn, of cloud spending by 2030.⁴¹

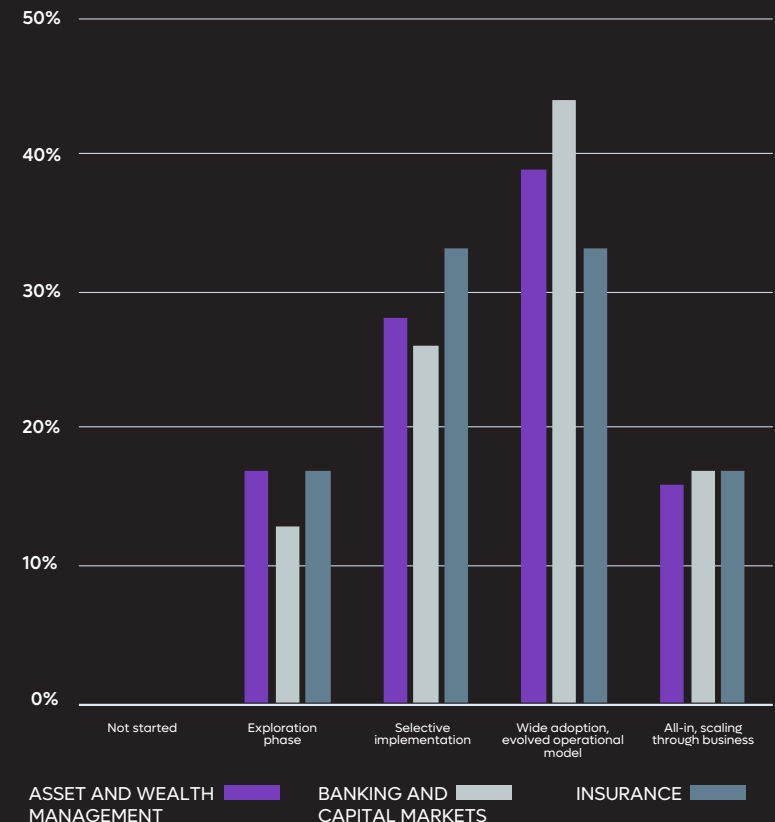
A PwC study found EMEA banks and capital market firms lead in cloud adoption, with 61 per cent adopting cloud technology entirely or in part, ahead of asset management firms and insurers.⁴² Adoption is rising, but nearly half of EMEA financial services institutions still have potential to scale further.

Figure 3: Stage of adoption of cloud by financial services sector in EMEA⁴³

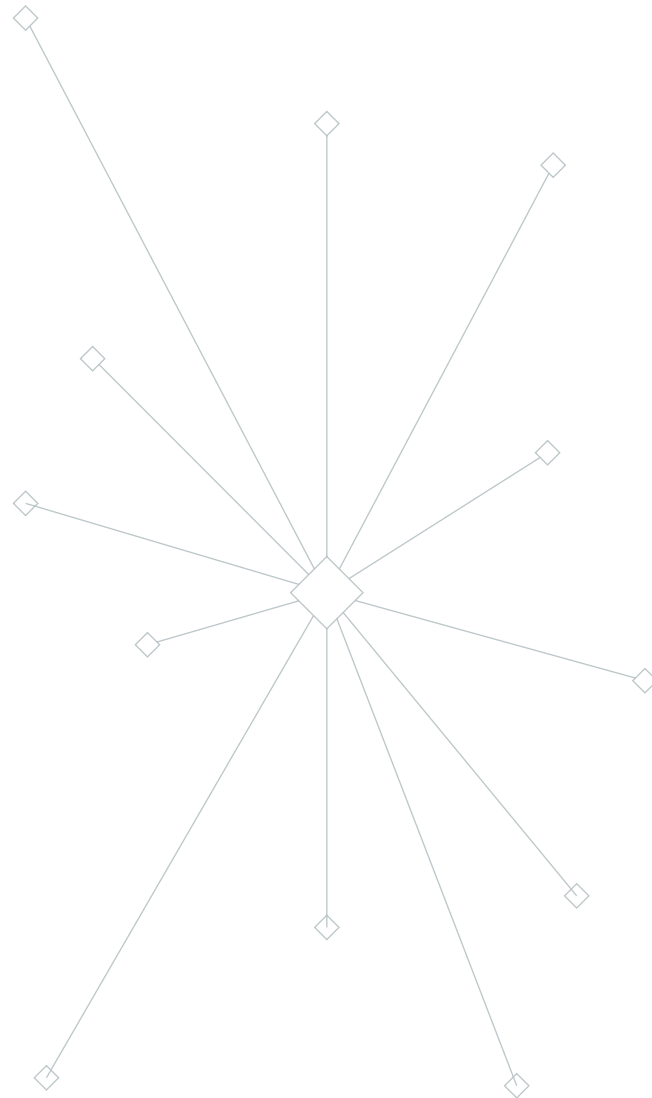
According to McKinsey, cloud could generate up to USD 3trn in value earnings before interest, taxes, depreciation and amortisation (EBITDA) by 2030, with Fortune 500 companies contributing up to USD 60bn to USD 80bn.⁴⁴

Again, regulatory challenges remain. Many jurisdictions have imposed data localisation and sovereignty requirements for sensitive financial data, limiting firms' ability to fully leverage global cloud infrastructure. Regulations such as the EU's General Data Protection Regulation (GDPR), China's Cybersecurity Law and India's Digital Personal Data Protection Act (DPDP) mandate strict controls on where and how personal and financial data is managed and stored. These requirements create operational hurdles, requiring country- and region-specific deployments and hybrid cloud models to comply with local laws.

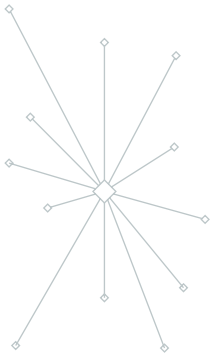
Figure 3: Stage of adoption of cloud by financial services sector in EMEA⁴³



To address regulatory concerns, major cloud providers, such as Amazon Web Services, Microsoft Azure and Google Cloud, offer sovereign cloud solutions to help institutions meet local requirements. Cross-border data-sharing agreements and regulatory sandboxes also enable institutions to balance security and compliance with innovation. As adoption grows, regulatory clarity will be key to helping financial services firms scale strategies and fully harness the technology's potential.



Interview with Tom Zschach, Chief Innovation Officer, Swift



Tom is an accomplished and experienced technology executive who has made significant contributions to the financial services industry. As the Chief Innovation Officer at Swift, he is responsible for driving innovation across the company and collaborating with the Swift community and partners to create new growth opportunities and position the company for the future. Tom joined Swift in January 2020, with a focus on growth and further solidifying Swift's position as an industry leader.

Prior to Swift, Tom was the Chief Information Officer at CLS Group, serving on the Executive Management Committee and responsible for the firm's technology function. Before CLS, Tom was the Chief Information Officer for LCH.Clearnet, where he served on the Executive Management Committee and helped position LCH.Clearnet as a leader in the clearing and settlement industry. Tom has over twenty

years' experience in several investment banks, including Bank of America / Merrill Lynch as Head of Rate and Currencies Technology and at Barclays Capital as Managing Director in Technology and Global Head of Equities, Prime Brokerage and Client Technology.

Tom studied Computer Science and Finance at California State University and holds an Executive MBA degree from TRIUM.

→ **What are the most transformative emerging technologies shaping the future of finance? Which do you see gaining mainstream adoption in the next one to three years?**

I'd offer it in three steps. The first and most transformational technology is AI, which is a really broad topic. Another one is blockchain going mainstream, not just because of the underlying technology, but for what it offers around unlocking liquidity in hard-to-reach markets, benefiting various market stakeholders and participants. The longer-term one is quantum computing.

Considering these three areas, over the next one to three years we see the greater use of AI and blockchain, to create new digital assets. This is already happening – perhaps faster than many people realise. We also see an evolving regulatory environment, for example, in the US, where

there is more optimism than there has been in a long time.

→ **AI has the potential to enhance cross-border payments through, for example, enhanced fraud detection. What are the biggest opportunities for Swift in integrating AI into its operations? What barriers still need to be overcome for its wider integration?**

At Swift, we've anchored our work on ML and anomaly detection to help us identify potential fraud on the network. That has been a significant focus of our efforts.

We've also looked at improving our products and services. One key area is how to streamline and automate compliance processes as new acts, laws and regulation come into effect. Ensuring compliance in our operations and policies is critical for us.

Then there's worker productivity. Simple tools like Microsoft Copilot, for example, can help, but I think there's optimism around worker productivity. I don't see AI replacing workers with robots. Instead, AI is enabling people to scale their work, to be more impactful, accurate and efficient. We're also exploring AI to enhance our customer service.

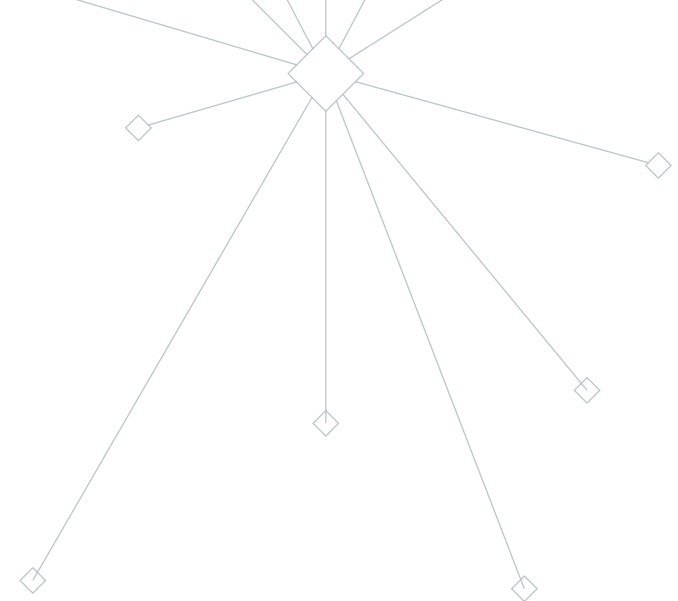
We're also exploring privacy-preserving techniques to help our customers

communicate sensitive information efficiently and securely. We're looking at advanced techniques for ML to train and build a model that benefits the entire community. Data is vital for ML. Swift is in a unique position where we're trusted stewards of our customer data, so we prioritise privacy at the highest level.

In terms of barriers to AI adoption, the first is data quality and consistency. AI models require high-quality, structured data that must align with privacy policies and regulations around data sovereignty. Another challenge is regulatory harmonisation, especially for a global organisation like Swift with over 11,500 financial institutions across over 200 countries. Privacy laws differ significantly between jurisdictions. One is not better than another, they're just different, which adds complexity that, if not managed properly, can lead to a lesser result. Lastly, implementation complexity is a factor. When we're creating new enhancements inside of critical functions across the Swift network, it needs to be done in a prudent and rigorous way to avoid service disruption or impacts on resilience, security and privacy.

→ **What are the biggest barriers to mainstream adoption of blockchain-based payments? Are they similar to AI's integration in cross-border payments?**





Cross-border payments face similar barriers to AI's integration, for example, in regulatory harmonisation and clarity. There are also overlapping privacy and trust barriers – everything in financial services is built on trust. We're exploring how banks can use the Swift network to access blockchains, including public blockchains. We recently conducted an experiment with Chainlink and some of our members on tokenisation and blockchain access. But again, it's an open, public blockchain, so there are still key questions around security reliability and counterparty trust. We're careful and clear about what else needs to be resolved to drive mainstream adoption. There's a lot of people working on these challenges – experts, academics and venture capitalists. We expect some good solutions to emerge, but significant barriers remain.

→ **How do you see technology transforming financial inclusion, especially in emerging markets?**

Swift connects financial institutions globally, and we are inclusive in our approach. We have strong governance globally which enables us to achieve this, including in emerging markets.

We are currently exploring how banks can use the Swift network to facilitate

payments into digital wallets, which are popular in emerging markets like Latin America. While Swift does not handle settlements or client-facing roles, we want to use our connectivity and enable banks to leverage their existing investments in Swift and their infrastructure to reach new target markets and priority areas.

Digital assets, including CBDCs and tokenised real-world assets and bank deposits, also hold potential for financial inclusion. There has been growing interest in stablecoins, whether issued privately or by banks, as they offer faster, more efficient and safer settlement solutions in emerging markets. So, part of it is connectivity, and part of it is our position to encourage adoption of new regulated assets, like stablecoins, to facilitate settlement in emerging markets. We remain optimistic about Swift's role in facilitating these innovations and driving adoption globally.

→ **Do you see the future of finance being led by traditional institutions adopting new technologies, or by FinTech disruptors redefining the industry? What are the biggest barriers to collaboration between the two?**

The financial services industry has changed significantly over the past five years with ample innovation. The G20's 2027 targets

for cross-border payments, focusing on speed, inclusion and transparency, highlight the industry's commitment. We're working with the industry on G20 targets and are making good progress. We're tracking ahead of the 2027 speed targets (90 per cent of payments over Swift reach the destination bank within an hour. The G20's target is for 75 per cent of cross-border payments to settle within an hour by 2027).

There is also a move to standardised data with the ISO 20022 migration, which has important milestones coming up towards the end of this year, so we're helping facilitate that with our community. With that, you get richer data, fewer operational errors and better data for AI. FinTechs of course will be encouraged to use the standardised data.

FinTechs have moved from being competitive disruptors to adopting a more collaborative approach. Many banks and FinTechs are now collaborating and complementing their offerings. They are no longer trying to disrupt, instead, focusing on their end value. For example, there are FinTechs that are focused on customer experience but still use corresponding banks via Swift for balancing liquidity across geographies. This is pragmatic and clever, focusing on what they're good at. They add tremendous value for their customers, and where it makes sense

to use Swift and existing, corresponding banking models for their operations, they do. It's gone from competition to collaboration.

→ **How will quantum computing affect the financial services industry, and the payments landscape more specifically?**

It's still early days and there is a lot of noise. The first priority is quantum readiness and implementation, ensuring financial infrastructure is prepared for quantum advancements. The industry is aligned with efforts, such as those led by NIST, in quantum readiness – getting roadmaps, implementation details and setting reasonable expectations. I think that's progressing very well.

The second aspect is preparing and exploring new services that quantum computing could enable and enhance in our offerings. It is a long list and plays nicely into how we approach innovation, for example, by asking our community what they are most interested in, and for us to try to figure out real industry, global solutions at scale. This second category is around the opportunities as opposed to the remediation and quantum readiness, to avoid negative impacts on products and services when it eventually comes to market one day.

Interview with Reece Merrick, Managing Director, Middle East and Africa, Ripple



Reece leads the company's business operations and strategic initiatives from Ripple's Middle East and Africa headquarters in Dubai.

Prior to his current role, Reece was Senior Director of Global Strategic Partners at Ripple where he led relationships with key financial institutions and crypto partners adopting blockchain-based payments and crypto liquidity solutions to enable cross-border payments. He has spent over half a decade working on Ripple's payments products across Dubai and London.

Reece has over 15 years of experience working within the fintech and payments industry, with expertise focused on foreign exchange risk management and building best-in-class payment solutions for large financial institutions and corporations.

Prior to Ripple, Reece spent 10+ years working within the fintech and payments space, focusing on FX risk management and building out cross-border payment solutions for large FIs & corporations.

→ What key global trends are Ripple monitoring in terms of blockchain and digital assets?

Institutional adoption of blockchain technology and digital assets is on the rise globally. We see this playing out in a few key areas, both from Ripple's perspective and more broadly in the market.

We've been in the market for almost 13 years, primarily focused on utilising digital assets for cross-border payments. The current payment infrastructure relies on outdated, archaic systems that can be slow, costly, and error-prone. We believe that the existing financial plumbing is broken and that digital assets can solve these issues—making payments faster, more efficient, and significantly cheaper. Our goal is to enable the movement of value as seamlessly as information moves today.

There is increasing adoption of stablecoins in cross-border payments. The ability to settle a fiat-backed stablecoin, such as a USD-backed stablecoin, 24/7 and at a fraction of traditional costs makes

stablecoins attractive for cross-border payments.

Looking ahead to 2025, we expect even more institutions to embrace decentralised finance. Currently, about 15 of the world's 25 largest banks have either piloted or moved to production with tokenised asset offerings. Major players such as HSBC, Standard Chartered, BlackRock, and Franklin Templeton are validating and advancing the industry by engaging in real-world asset tokenisation. Greater institutional adoption will drive overall industry growth.

→ What specific advances do you foresee in the tokenisation of digital assets over the next one to three years. You note that institutional adoption is growing, but how might retail investment be impacted?

We are still in the early stages of tokenisation, but stablecoins have demonstrated how blockchain can enhance settlement speed, cost efficiency, and access to financial products. Tokenisation has the potential to transform key markets, including commodities, bonds, ETFs, and mutual funds, by increasing accessibility. For retail investors, tokenisation allows fractional ownership and opens up international markets that were previously difficult to access. This could be a game-changer in

democratising investment opportunities.

→ Blockchain adoption underpins the digital asset ecosystem. What are the main obstacles to its widespread adoption? Over the long term, can we assume continuous growth, or are there key hurdles that need to be addressed?

We are definitely moving in the right direction. Many banks and financial institutions now have digital asset strategies, whether in tokenisation, crypto custody, or enabling customers to buy, sell, and hold digital assets. Adoption is happening across various sectors, including real estate – for example, the Dubai Land Department recently announced plans to tokenise real estate title deeds.

Regulation remains the biggest challenge. Many institutions are hesitant to fully commit due to regulatory uncertainty, which varies across regions. In the US, for instance, banks were previously unable to have digital asset exposure due to accounting rules. The recent removal of this restriction opens the door for greater participation.

Legacy technology is another factor. Traditional banking infrastructure was not built to accommodate digital assets, and integrating new technology with existing

systems can be complex. However, many banks are addressing this by partnering with digital asset specialists instead of building solutions in-house. This will help bridge the gap and accelerate adoption.

→ **Shifting to cryptocurrencies – what is the outlook for the year ahead? What trends are you seeing?**

The market is experiencing significant momentum. The so-called “Trump bull market” is very real and well-deserved. Following his election victory, he stated his intention to make the US the global leader in crypto. This has had a direct impact on funds flowing into the market.

The US is a key player in global crypto regulation, since other markets take their cues from developments there. Ripple’s headquarters are in the US, and our hiring patterns reflect the shifting regulatory landscape – where once 75 per cent of our hires were outside the US, now 75 per cent of open positions are based in the US.

Last year was also a breakthrough year for crypto ETFs, and we expect this trend to continue. More ETFs will likely be filed for various digital assets beyond Bitcoin and Ethereum. For example, XRP ETF filings have already been submitted to the US Securities and Exchange Commission (SEC), and we anticipate

further diversification in crypto investment products.

→ **What role is Dubai playing in the wider ecosystem for digital assets?**

Having personally been in Dubai for nearly four years, I can say that we are entering an unprecedented period of growth for the crypto industry. The UAE is one of the most innovative blockchain jurisdictions globally, driven by government leadership that prioritises regulatory clarity and welcomes international businesses.

This early leadership has created a healthy ecosystem, positioning the UAE as a global hub for blockchain and digital assets. Ripple recently received its DFSA license, making us the first blockchain-enabled payments service provider licensed by the DFSA to use digital assets for cross-border payments. That’s a significant milestone for Ripple and for the industry.

The UAE is also home to VARA, the world’s first standalone digital assets regulator. This proactive regulatory approach is attracting international players and setting a precedent for other jurisdictions. The UAE is increasingly being looked to as a model for clear, progressive digital asset regulation, which wasn’t always the case in relation to traditional financial markets.

The UAE is now leading the way.

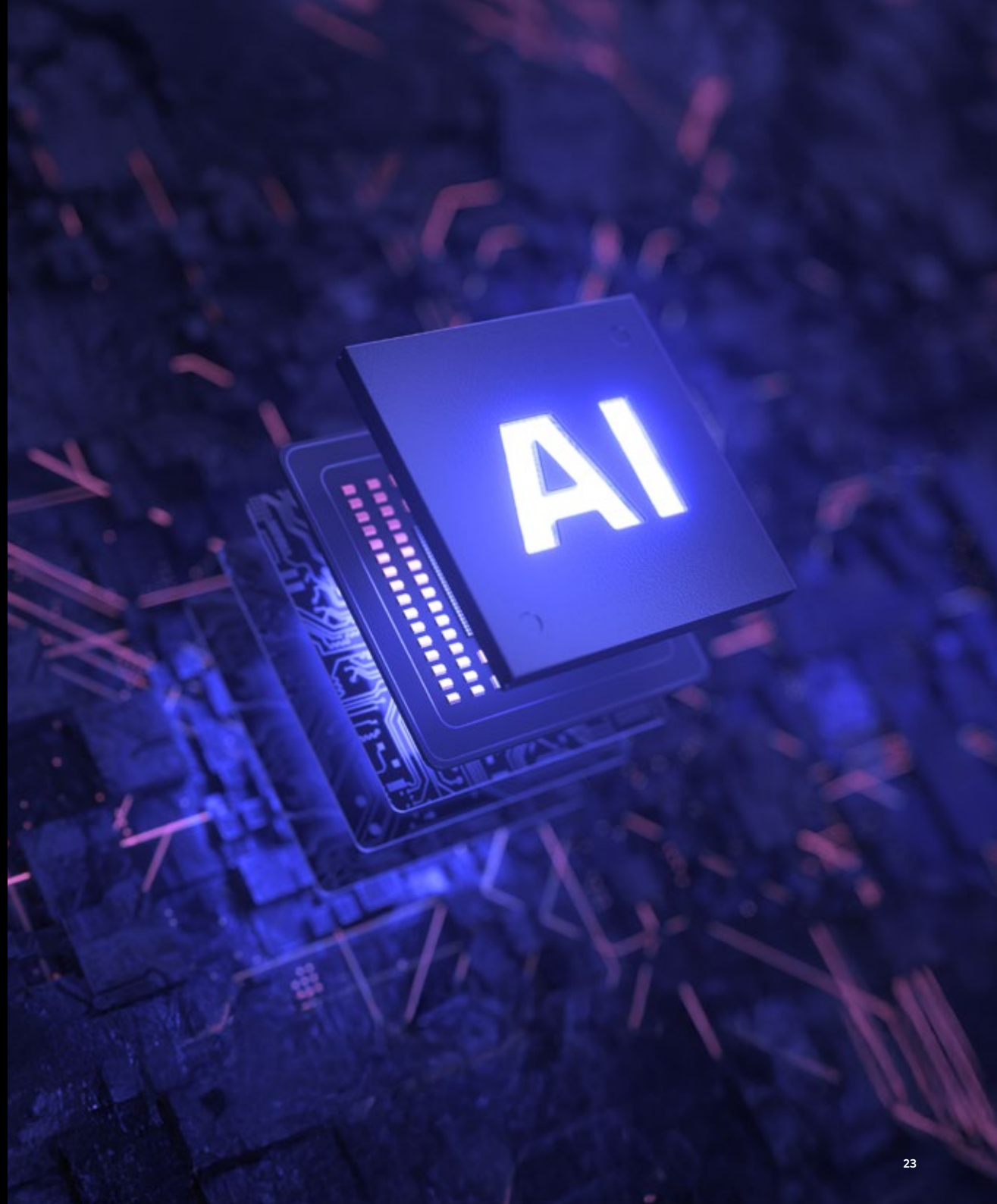
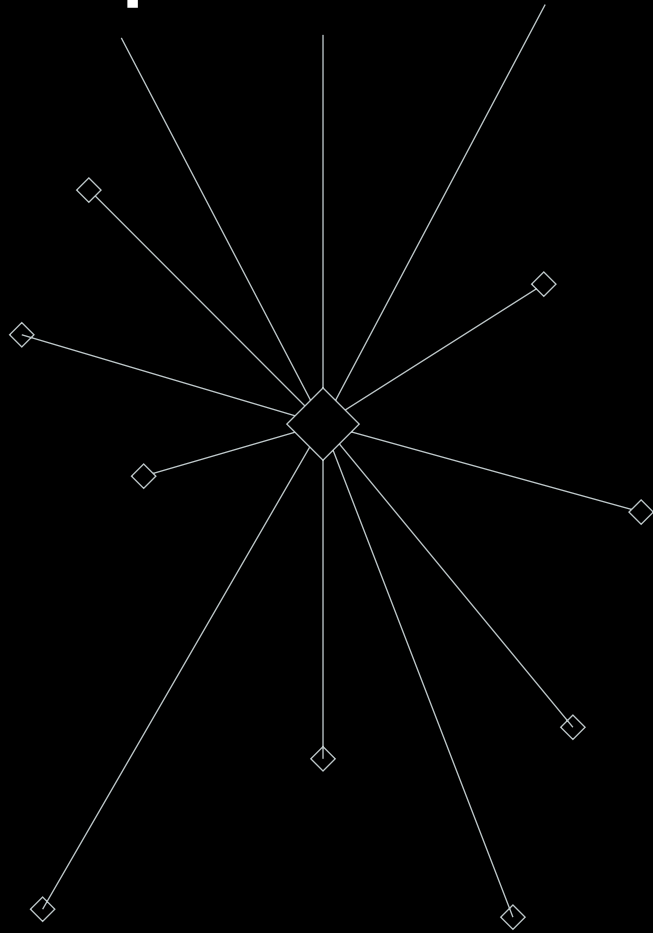
→ **Will cryptocurrencies move from being primarily digital assets, to being used more regularly in the purchase of goods and services?**

Ripple has always focused on the utility of crypto. Some cryptocurrencies are more suited for payments – for example, XRP can settle transactions in three to five seconds at a fraction of a cent, making it highly efficient for moving value. Bitcoin, on the other hand, is not as well-suited for high-volume transactions but has proven itself as a store of value.

Stablecoins will likely see significant growth in payments and settlement. If someone in the Middle East wants to send a USD payment to Asia, the current process involves intermediary banks and can be slow and costly. A USD-backed stablecoin, however, allows direct, near-instantaneous transfers at minimal cost. Of course, some users will still prefer to settle transactions in cryptocurrencies rather than fiat-backed assets, so there will be room for both in the market.



2. The revolutionary impact of AI



2.1 AI transforming financial services

AI is reshaping financial services by driving efficiency, enhancing customer experiences and redefining risk management. As institutions strive to stay competitive, AI-powered solutions are becoming critical differentiators. From front-office customer interactions to middle- and back-office compliance processes, AI is not only optimising workflows but also unlocking new revenue streams. According to McKinsey, AI could deliver up to USD 1trn in additional value annually to global banking through automation and improved decision-making.⁴⁵

In the front office, AI automation and hyper-personalisation are revolutionising customer service. AI-powered chatbots and virtual assistants now handling a large portion of customer inquiries, providing 24/7 support and reduced waiting times. A 2023 study involving IBM's Watson Assistant found chatbot-augmented agents reduced interaction handling time by up to 30 per cent, an improvement worth USD 2.4mn over a three-year period.⁴⁶ Automation will allow professionals to focus on servicing nuanced customer needs.

Beyond automation, AI is using customer data to tailor financial products and enable hyper-personalised marketing. Firms and relationship managers can distil information to personalise content and insights. One roundtable participant noted their organisation already uses large language models (LLMs)

to personalise client content and is seeing efficiencies. Another noted that AI is streamlining campaign testing and enables product positioning, effectively tailoring bespoke offerings to individual customer preferences.

AI is also transforming middle-office functions. Through predictive analytics, AI and ML are enabling more accurate forecasting. AI is being applied to stock price predictions, revenue forecasting, credit underwriting and risk monitoring. AI models can, for example, assess creditworthiness more accurately than traditional methods, reducing bias and increasing financial inclusion. Forecasting exposure to risks, including interest rates, credit, liquidity and default, provides real-time insights to bankers, traders and wealth managers, enabling more informed decision-making. AI's ability to process alternative data, such as social media activity and payment patterns, has been particularly impactful in markets such as the UAE, where digital lending platforms are gaining traction.

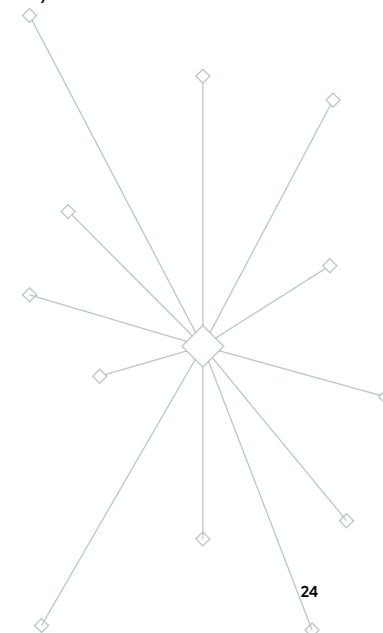
Back-office operations, often slowed by manual processes, will continue to gain efficiency through AI-driven automation. Compliance processes, including anti-money laundering (AML) and know-your-customer (KYC) checks, are being streamlined using AI, reducing operational costs and improving regulatory adherence. AI-powered solutions can detect suspicious transactions in real-time

and flag potential crimes. HSBC, for example, has used AI to assess cases of financial crime, reducing false positives by 60 per cent.⁴⁷ In the near term, automation and streamlined processes will reshape tasks and industry practices, enabling productivity gains.

AI's impact extends beyond automation. It could fundamentally reshape how financial institutions operate and innovate. AI's most transformative effects will likely emerge over the long term as it accelerates knowledge creation and research and development (R&D), driving innovation. Some of its most disruptive use cases may not even be a reality yet as innovation continues to accelerate.

AI's full impact on financial services is still evolving and global productivity gains will materialise over the longer term as it becomes more widely integrated. Firms must balance leveraging AI for immediate automation and long-term integration into financial systems. In the near term, AI can transform front-, middle- and back-office operations, allowing employees to focus on strategic priorities. In the long run, AI's seamless integration into core financial infrastructure will be key to harness its full potential. Given the extensive near-term benefits and long-term transformative potential, global spending on AI in financial services is forecast to rise from USD 35bn in 2023 to USD 97bn by 2027, at a CAGR of 29 per cent.⁴⁸

FinTechs will help democratise AI, enabling mid-market and smaller financial institutions to leverage it without substantial in-house expertise or investment. However, despite growing digitisation in emerging markets, a divide in AI readiness persists between emerging and developed markets, where a significant challenge is insufficient infrastructure. In a survey by Economist Impact, respondents highlighted limited or no access to good quality training data (81 per cent) and high-capacity computational systems (84 per cent) as core barriers.⁴⁹



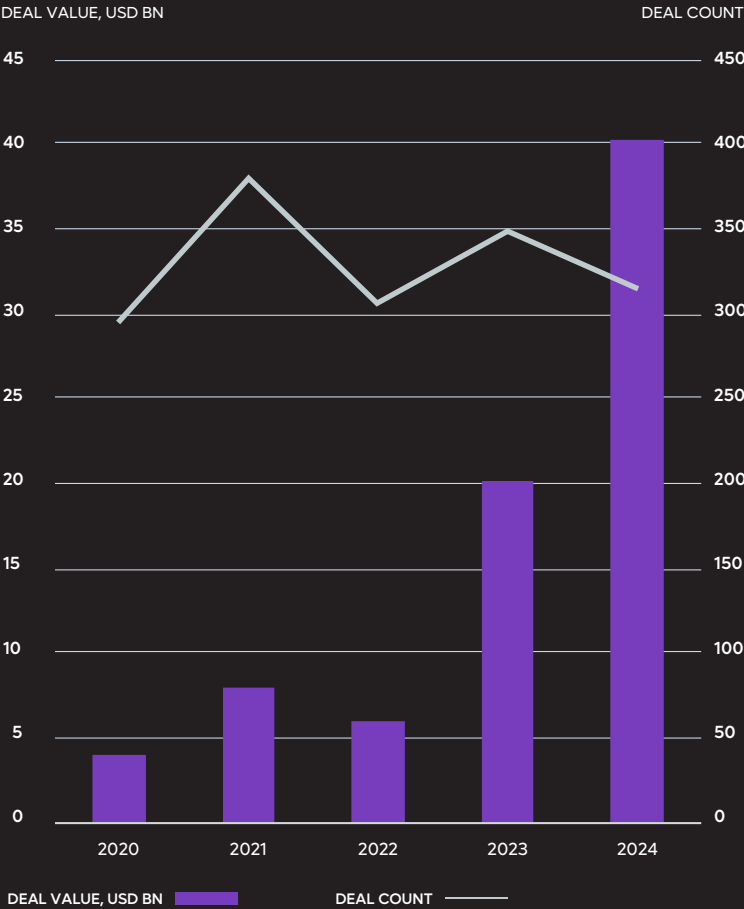
2.2 The impact on global innovation and investment

AI has fuelled a surge in global investment and innovation. Its growing sophistication, coupled with rising investment in foundational models and computational infrastructure, is driving exponential progress in financial services and new start-ups: nearly one in four new start-ups in 2024 was an AI company.⁵⁰

PE and VC firms are aggressively funding AI start-ups. In 2024, a record USD 40bn was invested into foundation models and other core AI start-ups; and since the beginning of 2023, VCs have raised a total of USD 60.2bn.⁵¹ According to PitchBook, funding for AI and ML start-ups accounted for 35.7 per cent of all VC global deal value in 2024; in North America, this was closer to 50 per cent.⁵² All Investment momentum is expected to continue, with AI-powered tools and blockchain integration leading the next wave of FinTech advances.

Figure 4: Global VC deal activity for foundational model and core AI software start-ups ⁵³

Figure 4:
Global VC deal activity for foundational model and core AI software start-ups ⁵³



AI's convergence with blockchain is also creating new investment avenues, including asset tokenisation, automated compliance, and AI-powered DeFi. Investors are increasingly using AI-driven financial models to enhance liquidity, streamline regulatory compliance and create new pathways for digital finance expansion.

Private markets will be key to AI investment, particularly in funding associated infrastructure. Early-stage growth companies – potential future winners – should be watched by investors and larger companies that could acquire them before public listing.

Figure 5: Global corporate investment in AI by investment activity, 2013 to 2023 ⁵⁴

Figure 6: Private investment in generative AI, 2019 to 2023 ⁵⁵

The next frontier of AI investment will be in the infrastructure required to sustain its exponential growth. Currently, there are over 8,000 data centres worldwide. ⁵⁶ McKinsey estimates global demand for data centre capacity could more than triple by 2030, growing annually at 19 to 22 per cent from 2023 to 2030. ⁵⁷ BlackRock projects annual investment in AI data centres and chips could surpass USD 700bn by 2030 – over 2 per cent of annual US GDP – presenting opportunities for investors and markets to mobilise capital. ⁵⁸

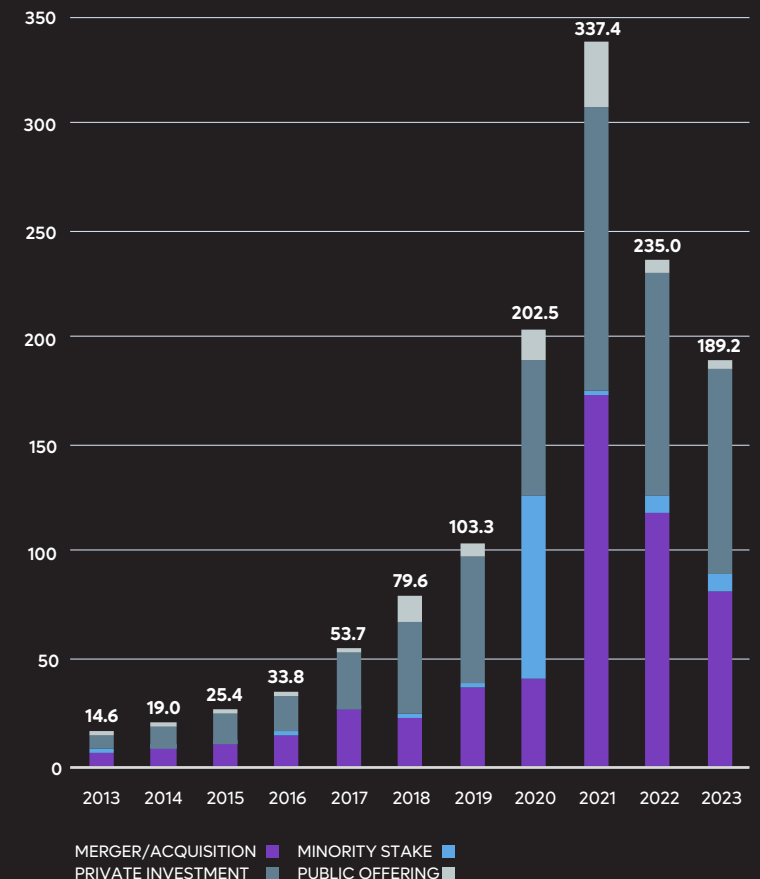
According to IEA, AI, data centres and cryptocurrencies consumed about 460 TWh of electricity worldwide in 2022 – equivalent to nearly 2 per cent of total electricity demand – and expects global demand from data centres to double by 2026. ⁵⁹ To address this, nuclear energy is becoming a popular option for tech companies. The future of AI investment will increasingly intersect with energy policy, driving advancements in green energy solutions to offset AI's growing carbon footprint. While investment spending, including on energy, may contribute to short-term inflation, medium-to-long-term efficiency gains could balance the impact. ⁶⁰ Investors will need to remain adaptable in this dynamic AI market.

The intersection of AI, blockchain and other emerging technologies is forging a new paradigm in financial services, where automation, decentralisation and intelligence-driven decision-making define the future of finance. These technologies will reinforce one another, creating unprecedented efficiencies, new business models and broader access to financial services. As adoption accelerates, financial institutions must adapt to stay competitive in this new era.

Burgeoning AI innovation will offer new opportunities for investors, regulators and consumers alike. AI investment will also continue to accelerate. With markets

Figure 5:
Global corporate investment in AI by
investment activity, 2013 to 2023 ⁵⁴

TOTAL INVESTMENT, USD BN



becoming more data-driven, decentralised and intelligence-powered, AI's role in shaping the next era of financial services will be transformative – reinforcing the need for investment, regulatory evolution and continuous innovation.

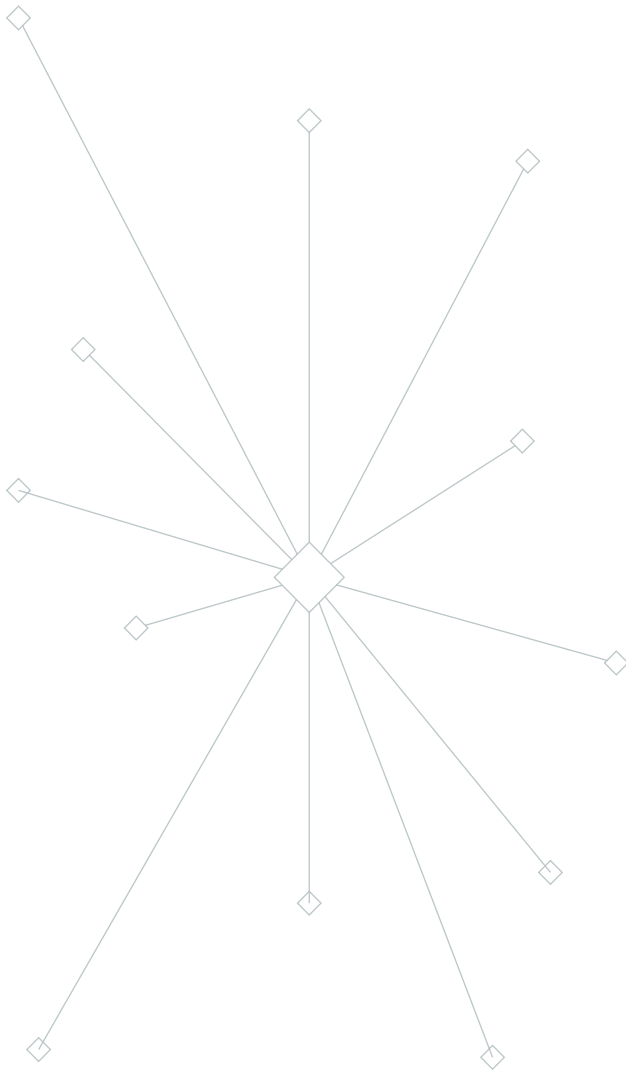
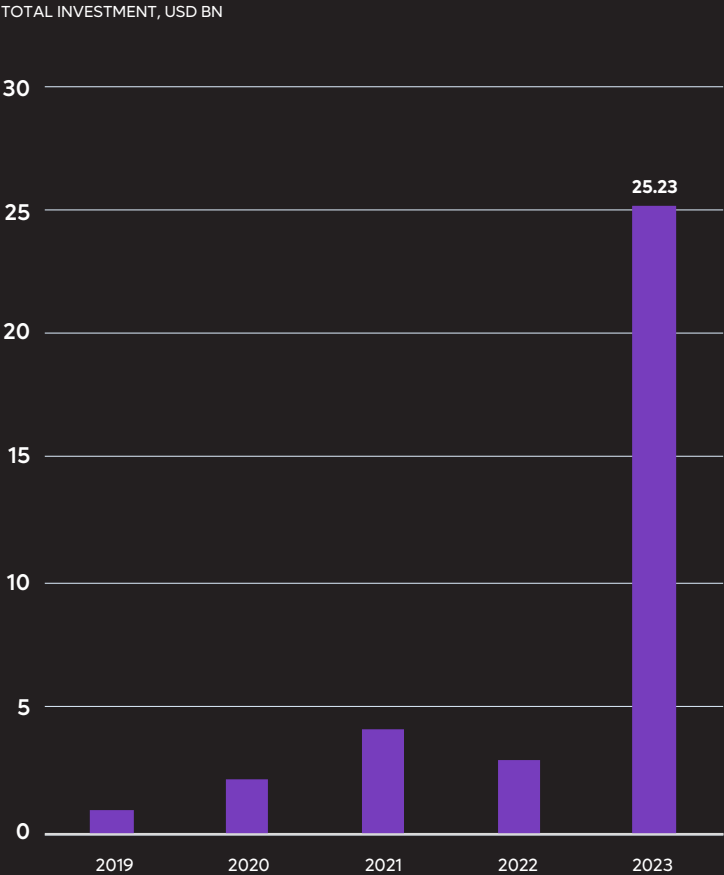


Figure 6:
Private investment in generative AI, 2019 to 2023 ⁵⁵



2.3 The AI workforce evolution: Reskilling and opportunities

AI is reshaping workforce dynamics, redefining essential skills in financial services. While automation and efficiencies may lead to the displacement of certain roles – potentially affecting up to 300mn jobs globally – this shift does not necessarily imply a net loss of employment.⁶¹ Instead, it signals a transition, with traditional roles evolving and new roles emerging.

Financial services, alongside IT and professional services, faces one of the highest levels of AI exposure and penetration, necessitating a shift in workforce training and talent retention. Roundtable participants agreed there is already a global talent gap in the financial services industry. Rather than competing for scarce AI talent, firms should consider bridging the AI knowledge gap by training and upskilling existing staff, blending financial expertise with technical capabilities needed to thrive in an AI era.

Demand for AI-related roles and expertise will continue to grow for financial services. At the same time, AI is expected to create entirely new jobs, including in areas such as ML and data engineering.

Figure 7: Top 10 specialised skills in 2023 AI job postings in the US, 2011 to 2013 versus 2023 ⁶²

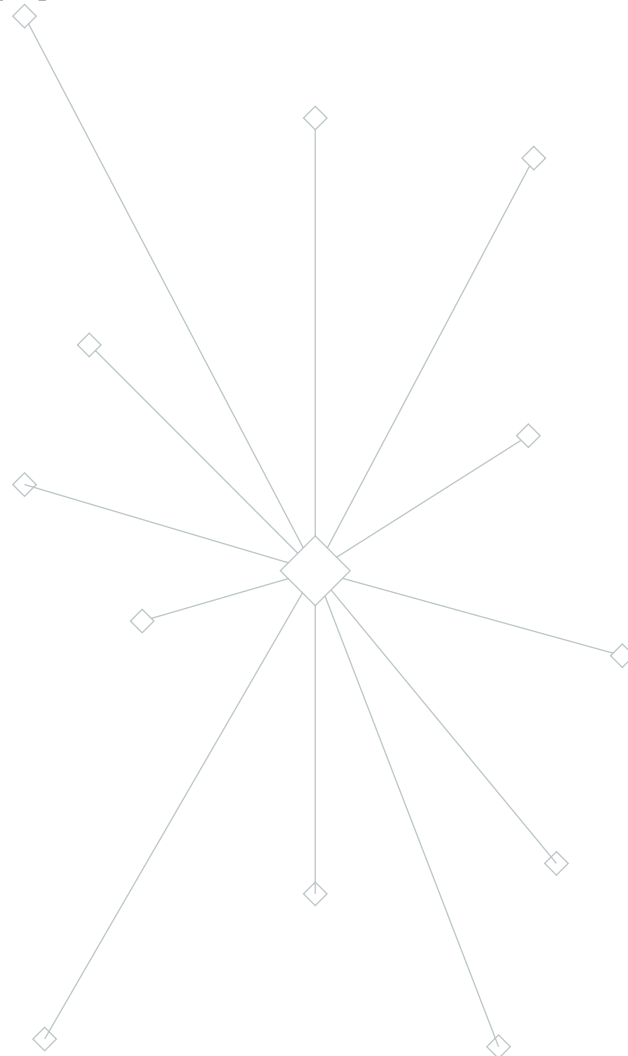
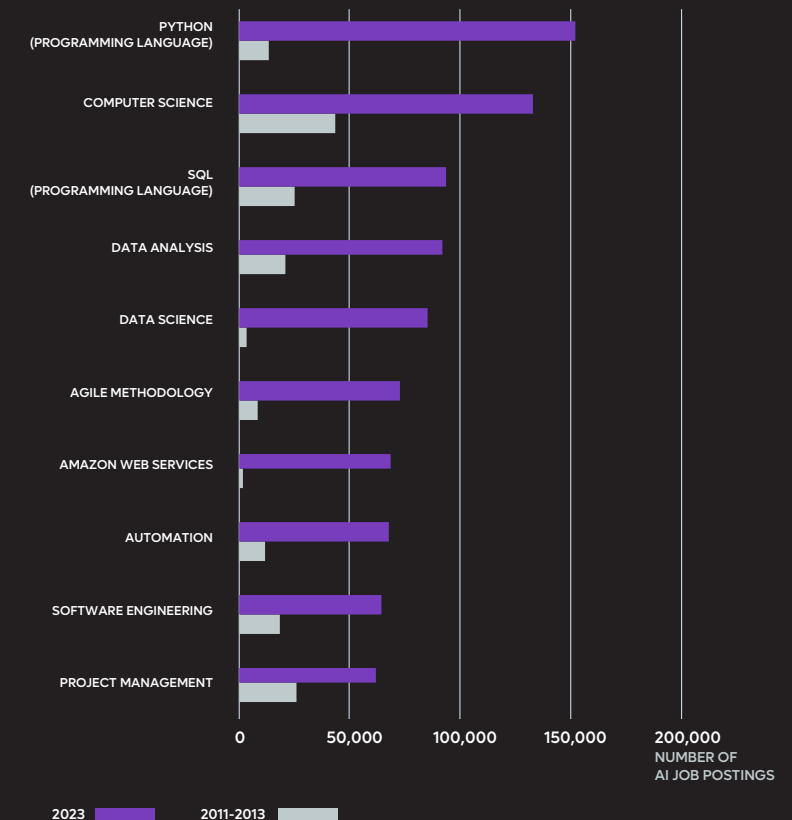


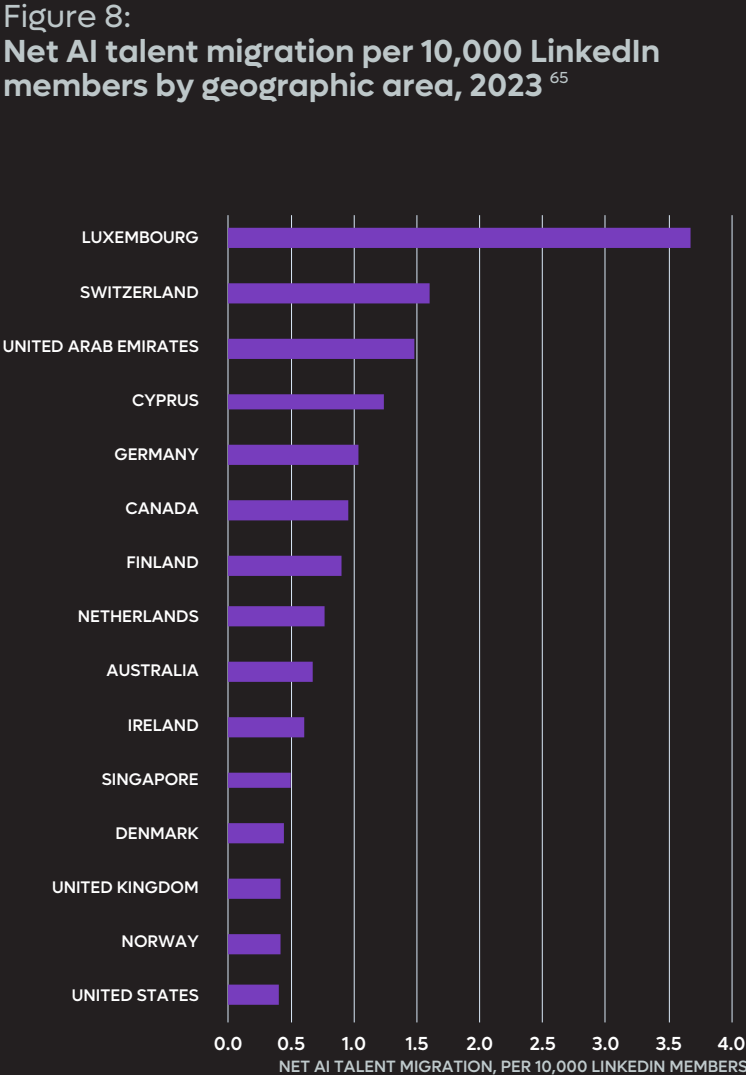
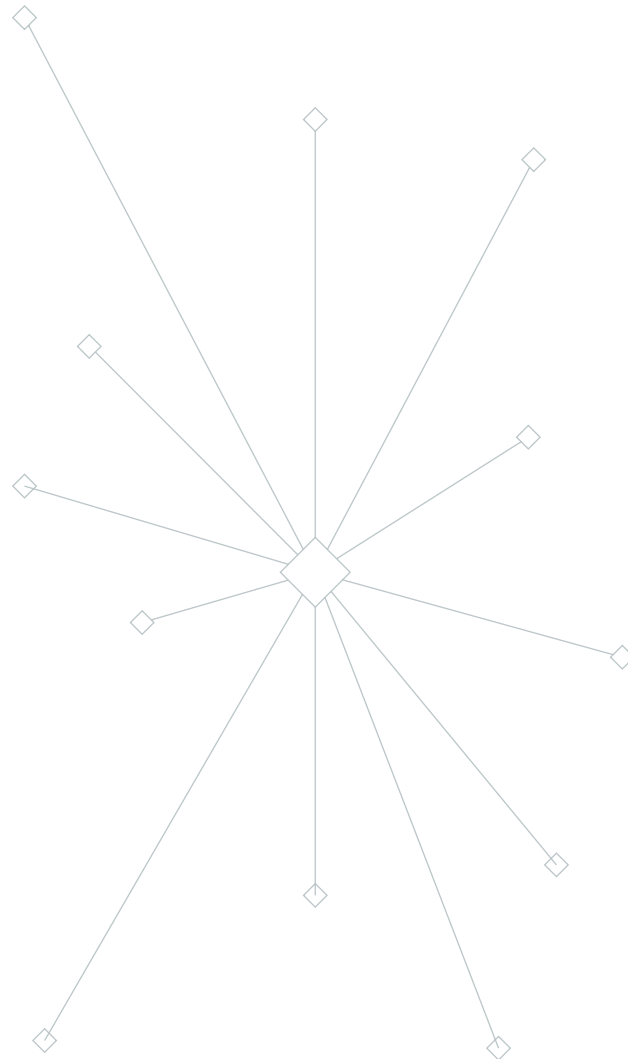
Figure 7:
Top 10 specialised skills in 2023 AI job postings in the US, 2011 to 2013 versus 2023 ⁶²



The potential for AI to unlock meaningful labour productivity gains is often overlooked. PwC estimates AI-exposed sectors like financial services could see productivity rise nearly 4.8 times.⁶³ AI also enables workers to deliver new forms of value, such as in customer interaction, relationship-building and problem-solving. Soft skills will become more valuable, especially in client-facing roles and services-focused areas like wealth management. While AI-powered tools may enhance customer interactions, the ability to provide strategic, human-centric financial advice will remain essential.

Recognising the importance of AI literacy, the UAE has launched initiatives to upskill its workforce. The DIFC Academy, for instance, offers specialised AI and FinTech training programmes to enhance professionals' skills in emerging technologies. The UAE has seen a 40 per cent increase in AI specialists since 2022, ranking third highest in AI talent migration in 2023.⁶⁴

Figure 8: Net AI talent migration per 10,000 LinkedIn members by geographic area, 2023 ⁶⁵



2.4 AI regulation and data privacy

Amid rapid AI uptake, regulatory frameworks are evolving to address concerns about privacy, ethical deployment and geopolitical competition. Regulatory divergence remains a critical challenge, however, with different jurisdictions adopting different approaches to AI governance. Balancing innovation and ethical, transparent and accountable AI deployment is becoming a defining issue for policymakers and financial institutions worldwide.

There is growing recognition of the need for robust AI oversight. Yet global standards are diverging. The EU's AI Act, which entered into force in August 2024, is the most sweeping legislation to date. It categorises AI applications by risk categories and imposes stringent requirements on high-risk use cases. China's Interim Measures impose tight controls over data flows, content moderation and ethics.

Other nations prioritise innovation over compliance, offering businesses fewer constraints. For example, the US has eschewed federal laws for a more decentralised approach. The White House Blueprint for an AI Bill of Rights and the NIST AI Risk Management Framework provide voluntary guidelines, but enforcement varies by sector and state. The Trump administration's recent revocation of Biden's 2023 AI safety Executive Order suggests that regulation in the US may remain industry-led.

The UAE has positioned itself as a regulatory leader, balancing innovation and oversight. Its National AI Strategy 2031 integrates AI governance to foster financial services growth while ensuring ethical deployment. The UAE Council for Artificial Intelligence and Blockchain has issued guides and ethical frameworks aligning with global best practices while encouraging innovation. This is discussed further in Section 4.

Regulatory divergence is likely to persist, posing challenges for AI and emerging technologies in the future of finance. Divergent rules require firms to navigate a complex regulatory landscape, which could stifle innovation or limit market access. Similarly, inconsistent technology standards may create fragmented ecosystems, slowing adoption and limiting interoperability. Global competition and geopolitical realignment could deepen these divides.

Still, there are signs of convergence around shared principles like transparency, fairness and accountability. These commonalities may support future international governance frameworks that align key objectives while allowing local innovation.

Data privacy is central to AI regulation. Current AI models rely on consuming hundreds of petabytes of public information on the internet, often conflicting with privacy rules. As such, AI often builds on existing

regulation, such as the EU's GDPR, which came into effect in 2018 and remains among the world's strictest data protection laws. Fifty-one per cent of global organisations cite privacy and data governance as top concerns in AI adoption, with European (56 per cent) and Asian (55 per cent) businesses reporting the highest regulatory pressure.⁶⁶ North American firms, facing fewer regulatory restrictions, report these risks the least (42 per cent), underscoring how divergence could affect global AI deployment and financial services interoperability.⁶⁷

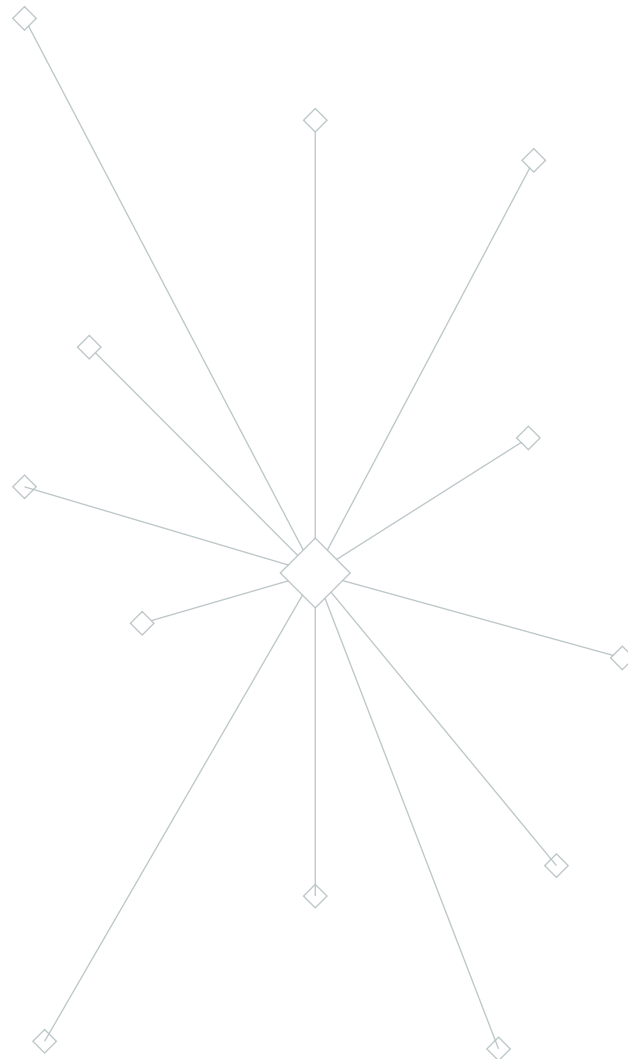
The next phase of AI regulation will likely require multi-stakeholder collaboration between regulators, financial institutions and AI developers. Balancing regulation and innovation will be critical to ensuring AI continues to transform financial services in a way that benefits businesses, consumers and economies.



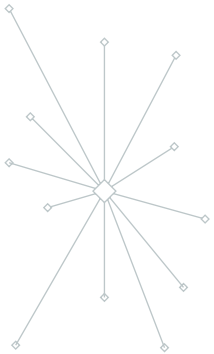
2.5 AI governance

AI governance frameworks are becoming increasingly important. Governments worldwide are implementing national AI strategies to establish oversight, ensure ethical use and manage risk. Over 80 countries have introduced national AI strategies over the past decade, defining their approaches to AI regulation, investment and deployment.

AI regulatory sandboxes are becoming pivotal to AI governance, enabling financial services firms and AI developers to test applications in controlled environments. The UAE is at the forefront of implementing these sandboxes. By allowing regulators to observe AI models before full-scale deployment, sandboxes help mitigate risks such as algorithmic bias, privacy concerns and unintended systemic consequences. Beyond compliance, governance frameworks emphasise responsible AI deployment, addressing transparency, accountability and bias mitigation. Regulators and financial institutions must collaborate to ensure AI governance aligns with ethical norms, supports innovation and safeguards consumer interests and financial stability.



Interview with Akshat Prakash, Co-Founder & Chief Technology Officer, CAMB.AI



Akshat Prakash is the Co-Founder and Chief Technology Officer of CAMB.AI, the world's most advanced AI-driven speech synthesis and translation platform. Under his leadership, CAMB.AI is transforming the way content transcends language barriers, specialising in high-quality dubbing and localisation across 140 languages.

Akshat filed his first patent at the age of 14 and went on to earn a degree in Computer Science and Artificial Intelligence from Carnegie Mellon University in 2019. His career includes experience as an AI & ML Engineer at Apple working on Siri and founding Slingshot, his first entrepreneurial venture to scout child prodigies in Math+CS. His passion for innovation and problem-solving continues to drive CAMB.AI's mission of making global communication seamless and accessible.

Beyond his work in AI, Akshat is deeply engaged

with the sports, drawing inspiration from its dynamic and high-performance culture. He values the strategic mindset and resilience which he likens to the "Mamba Mentality" of elite athletes.

Whether in technology, entrepreneurship, or sports, he remains committed to driving meaningful advancements and fostering innovation.

→ **What do you see as the most promising AI-driven opportunities for the financial services industry over the next one to three years? How can firms best adopt AI into their operations?**

The financial services sector is approaching an inflection point in AI adoption that will fundamentally reshape core business operations.

The advancement of deep learning architectures is enabling unprecedented personalisation capabilities. We're seeing some fantastic results coming in from other industries, showing that businesses adopting advanced AI models are experiencing real, tangible benefits. From improved customer segmentation and smarter product recommendations to higher engagement and retention, AI is making a significant and measurable impact. Plus, it's driving significant

operational efficiency, proving just how valuable these technologies are.

By implementing AI-driven automations, institutions will be able to improve accuracy and efficiency rates. These systems will enhance human expertise by handling routine decisions and escalating anything complex for human review and intervention.

→ **How will products, including those offered by CAMB.AI, impact the future of finance?**

As global transactions and international relationships become central to financial operations, seamless multilingual communication is emerging as a critical competitive advantage.

CAMB.AI's AI-powered language solutions are directly addressing the market's need by enabling real-time multilingual capabilities across various operational areas. Technology is helping institutions to expand their global reach without the traditional costs of maintaining large inhouse and/or external multilingual teams.

Multilingual AI systems are also enhancing the ability to monitor and analyse communications across global operations. This will help in breaking communication barriers, and better understand potential issues across borders.



As we look ahead, institutions that will effectively implement these advanced language technologies will gain a significant competitive edge in the increasingly global services landscape.

→ **What impact will AI-driven automation have on the financial workforce? How can firms ensure a balance between efficiency gains and workforce transformation?**

While automation will streamline routine operations, it creates significant demand for new expertise in AI governance, data science, and system integration. Many CAMB.AI customers have shared with us how implementing multilingual AI solutions has resulted in significant reduction in manual processing time, allowing professionals to actually focus on other activities that are complex and involve human intervention.

Our AI technology is aiding this transformation by enhancing human capabilities rather than replacing them, enabling professionals to expand their reach and effectiveness while maintaining the human element in the content landscape. Our ultimate goal is to create an environment where a human workforce can leverage AI to dramatically increase productivity and enhance their impact in the ecosystem.

→ **With the increasing computational demands of AI, what are the key energy and infrastructure challenges that need to be addressed? How can firms balance sustainability with the need for high-performance AI systems?**

Current LLMs require massive resources. However, this is what we've been advocating from the start - smaller, highly efficient and verticalized models are the way to go and can deliver exceptional performance. Our latest release, MARS6, is an exemplary example of this approach being extremely compact at 80M parameters, making it small enough to run directly on mobile devices without requiring cloud GPU infrastructure for deployment.

To implement sustainable AI practices, institutions should prioritise and adopt energy-efficient AI architectures and deployment methods which leverage cloud infrastructure providers with commitments to renewable energy sources.

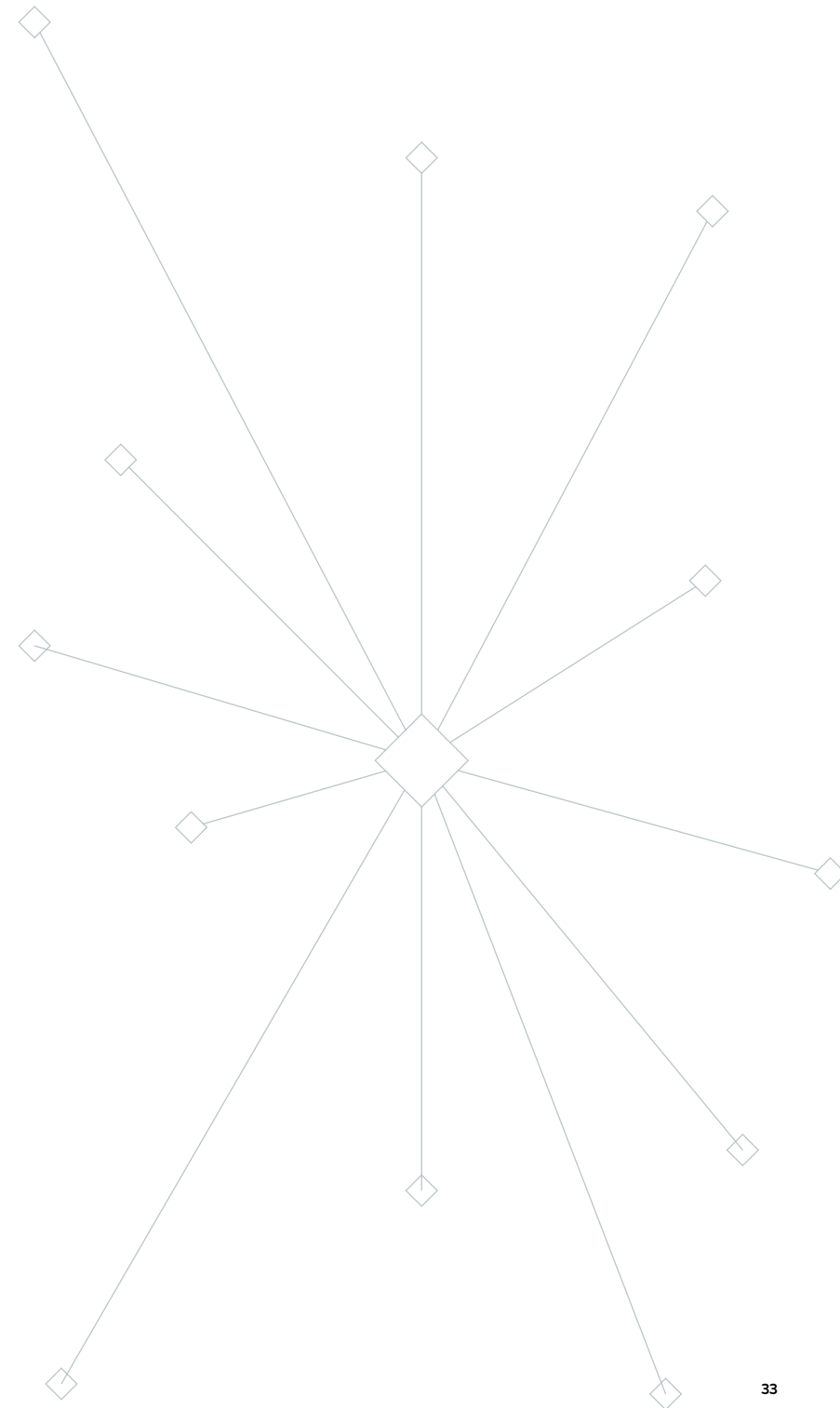
→ **How do you see AI shaping the future of finance in the Gulf? What unique opportunities or challenges does the UAE present for AI adoption in financial services?**

Under the visionary leadership of His Highness Sheikh Mohammed bin Zayed Al Nahyan, President of the UAE, the nation has established itself as a pioneering

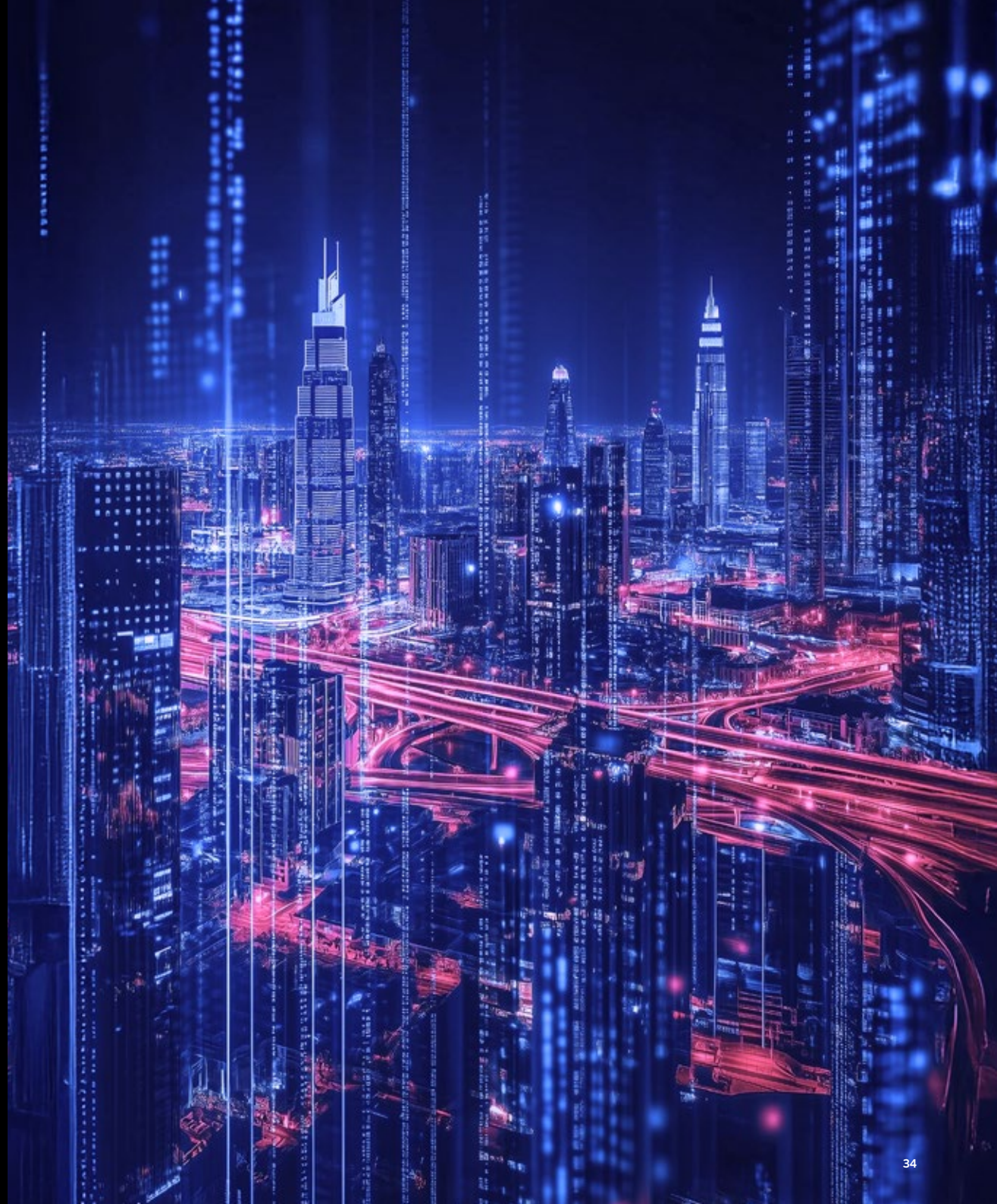
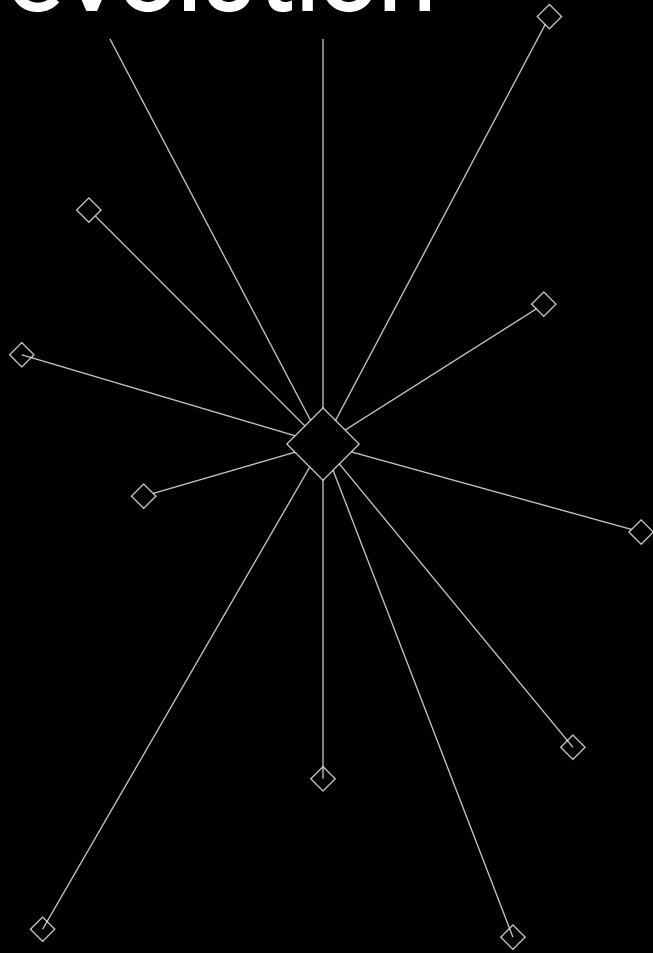
force in AI-driven innovation. UAE's vision and National AI Strategy 2031 very clearly demonstrate the government's commitment to positioning the nation as a global leader in artificial intelligence.

The UAE's sophisticated financial sector is supported by forward-thinking, state-of-the-art infrastructure and provides an ideal environment for AI integration. Institutions across the country are implementing advanced AI solutions, and this adoption aligns perfectly with the UAE's vision of creating a knowledge-based economy.

At CAMB.AI, our advanced language AI technology is directly supporting this vision by enabling seamless multilingual communication across diverse markets. Our capability is especially valuable for the UAE due to its multi-cultural and multilingual population, we are truly breaking language barriers.



3. Dubai's technology evolution



3.1 Phases of the UAE's technology evolution

Dubai's ascent into a global financial services hub is underpinned by strategic technology adoption. Since announcing its first ICT strategy in 1999, the UAE's technology journey has featured distinct technological phases, including FinTech, blockchain, and now AI.⁶⁸

FinTech: The rise of digital banks, payment platforms and digital financial services solutions

The UAE's FinTech journey began with financial services digitisation. At the turn of the millennium, banks launched online platforms, enabling customers to manage accounts and perform transactions via the internet. Digital banking was launched in the UAE in 1996 by Emirates Bank International, with others quickly following.⁶⁹ Mashreq Bank launched its online service for corporates in 2000, and then in 2001 for retail customers.⁷⁰ HSBC has offered internet banking to UAE customers since 2002.⁷¹ Online banking accelerated with smartphone and mobile broadband proliferation – the UAE launched 3G in 2004 – enabling mobile banking.⁷² This was supported by the launch of Dubai Internet City in 1999 and DIFC in 2004.⁷³

In the 2010s, the UAE invested heavily in 5G

infrastructure, underpinning the Internet of Things (IoT), connectivity and digital financial services solutions. In 2017, DIFC established the region's first and largest FinTech Accelerator. Since then, DIFC has evolved its proposition to stimulate financial innovation through education, accelerators, cost-effective operating and regulatory licences, networking and mentoring, and access to funding and venture studios. The DFSA was also the first to introduce the region's most comprehensive money services regime.

A significant milestone was the rise of neo-banks. Launched in 2021, Dubai-based YAP was the UAE's first independent neo-bank.⁷⁴ Established UAE banks have also launched digital-only banks, from Emirates NBD's Liv to Mashreq's Mashreq Neo.⁷⁵ Traditional banks are also investing in or partnering with neo-banks. For example, the Commercial Bank of Dubai's partnership with Now Money has strengthened the credibility and accessibility of UAE neo-banks.⁷⁶ The CBUAE has also encouraged growth and innovation via supportive regulation.

Blockchain: The adoption of smart contracts, digital assets and tokenisation

In 2016, the UAE launched the Emirates Blockchain Strategy, beginning the UAE's journey to becoming a leading blockchain



hub. This coincided with Dubai announcing the Dubai Blockchain Strategy and the Dubai Future Foundation launching the Global Blockchain Council.^{77,78} In 2018, DIFC and Smart Dubai launched a joint task force to create the world's first Court of the Blockchain, to explore cross-border enforcement of legal judgements through blockchain and building dispute resolution mechanisms into the blockchain.⁷⁹

In banking, Emirates NBD partnered with India's ICICI Bank to test blockchain for cross-border transactions and trade finance in 2016.⁸⁰ In 2017, Emirates NBD launched "Cheque Chain" to combat cheque fraud using blockchain.⁸¹ Cheque Chain was rolled out to all customers in 2018, making Emirates NBD the first regional bank to deploy this solution, registering close to one million cheques on the blockchain in the first month.⁸²

Tokenisation is reshaping Dubai's financial landscape, changing the way investors engage with certain asset classes. In 2025, Dubai's DAMAC Group agreed with blockchain platform MANTRA to tokenise USD 1bn worth of Middle East assets.⁸³ Real estate developers and financial institutions are leveraging tokenisation to broaden access to investment opportunities for retail investors, particularly in high-value assets. In 2024, DIFC Courts launched the Digital Assets Will, allowing individuals to distribute their digital assets

using a non-custodial DIFC Courts wallet.⁸⁴

To support its burgeoning digital asset sector, Dubai established VARA – a dedicated regulatory body for digital assets – in 2022.⁸⁵ VARA aligns with Dubai's aspirations to develop a comprehensive legal and regulatory framework for virtual assets and other emerging technologies in Dubai (excluding DIFC), ensuring investor protection and fostering a secure environment for blockchain-based innovation. DIFC also enacted the world's first Digital Assets Law in 2024, providing a comprehensive legal framework of digital assets for investors and users, keeping pace with rapid developments in technological innovation.⁸⁶

AI: A supercharger of other technologies

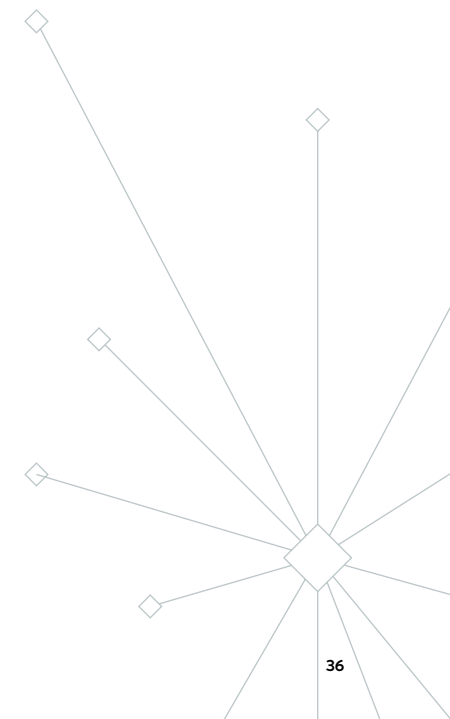
AI has become the latest transformative force in the UAE's technology evolution, with the UAE making AI central to its national vision. From personalising finance enhancing customer services, to predictive analytics enhancing decision-making and fraud detection, AI is reshaping the financial services landscape and solidifying Dubai's position as a future-ready financial hub (see Section 4).

UAE firms are already accelerating AI adoption. According to the IBM Global AI Adoption Index 2023, 34 per cent of UAE companies have introduced a comprehensive AI strategy, with another 30 per cent currently developing one.⁸⁷ The UAE is a leading nation in AI integration, with 42 per cent of firms deploying it in business operations and 65 per cent of IT professionals reporting a significant acceleration in AI rollout over the past two years.⁸⁸

The UAE is expected to see the greatest economic impact in the region from AI.⁸⁹ PwC projects AI will contribute an estimated USD 96bn to the UAE economy by 2030, equivalent to 13.6 per cent of GDP, with an annual growth rate of 33.5 per cent between 2018 and 2030.⁹⁰

AI is increasingly supercharging other emerging technologies, including blockchain. Blockchain ensures the security and integrity of exchanged data, while AI processes and analyses this data to generate insights, automate operations and predict trends. This synergy is especially evident in DeFi applications, fraud detection and AI-driven trading platforms, where blockchain's immutable records provide a trustworthy foundation for AI's capabilities. The UAE's proactive regulatory stance, including the establishment of AI and blockchain-friendly frameworks, has attracted global players looking to explore these synergies.

As AI and blockchain continue to evolve, their combined applications will further revolutionise financial services. With a progressive regulatory environment, substantial economic investment and a government committed to fostering technological advancements, Dubai is well-positioned to lead in the next phase of AI-driven financial innovation.



3.2 A comparison to global counterparts: Slower start but rapid expansion

The technological development of Dubai's financial services aligns with other global financial centres, including London, New York and Singapore, but Dubai has distinguished itself through its rapid implementation and regulatory agility. Today, Dubai has become a leading financial and technology hub, demonstrating the effectiveness of its proactive regulatory frameworks and government-driven innovation strategies.

While London and New York benefited from early liberalisation and deeply embedded banking ecosystems, Dubai pursued an accelerated approach to technology integration, allowing it to leapfrog incremental advancements made by more established markets. Although the UAE initially lagged in digital banking adoption compared to its Western counterparts, once integration began, the pace of change has been swift.

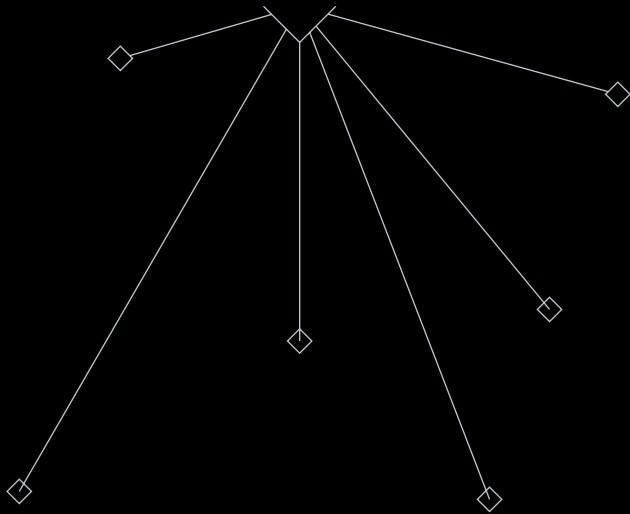
Unlike legacy financial centres, often hindered by traditional systems and complex government structures, Dubai operates within a more agile and responsive regulatory framework. This flexibility has allowed it to introduce comprehensive digital asset, blockchain and AI strategies faster than many of its global peers. For example, in comparison to other global financial centres' cautious approach to cryptocurrency

regulation, Dubai has established VARA to offer clarity and security for investors and businesses alike. Dubai's AI investment is another area where it has outpaced global competitors, leveraging the technology across sectors and delivering real-world applications for AI.

Technology has acted as a leveller, enabling emerging financial hubs like Dubai to compete with legacy financial centres. As the centre of economic gravity shifts eastward, the UAE's embrace of emerging technologies, combined with its forward-looking regulatory strategies, have made it a preferred destination for global FinTechs, and AI start-ups seeking a dynamic and supportive ecosystem.



4. The role of Dubai and the UAE at the forefront of technology and the future of finance



4.1 The UAE’s innovation strategy

The UAE has positioned itself at the vanguard of the global digital economy, embedding digitisation and AI as cornerstones of its economic agenda. Advanced and emerging technologies feature as key facilitators for the country’s national plan, We, the UAE 2031.

Central to the UAE’s digital ambitions is its National AI Strategy 2031, which seeks to generate over USD 91bn in additional economic growth by harnessing AI across multiple industries, including financial services.⁹¹ In fact, within the financial services industry specifically, AI is projected to generate USD 27.8bn in additional output – the highest increase among all industries.⁹²

Figure 9: Estimated increase in output due to application of AI across industries in the UAE ⁹³

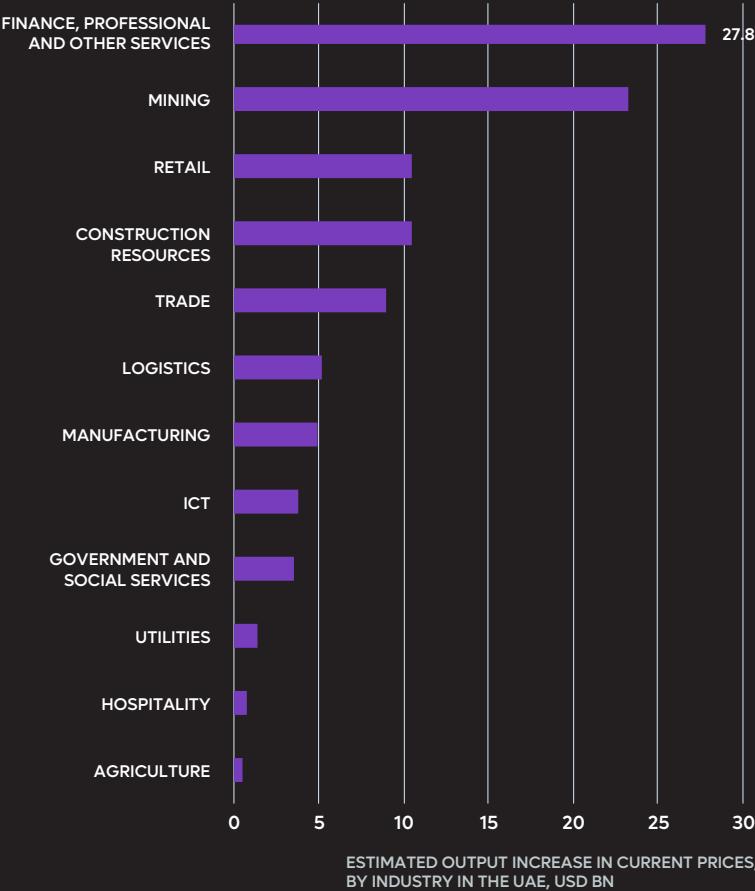
The UAE became the first country to appoint a Minister of AI in 2017. His Excellency Omar Sultan Al Olama oversees the country’s AI Office, spearheading the UAE’s adoption of AI and its efforts to become a digital economy leader. The UAE issued the AI Ethics and Principles in December 2022 and the Generative AI Guidelines in April 2023. In 2024, Dubai advanced this commitment by appointing 22 new Chief AI Officers across government entities.⁹⁴ From the UAE’s National Program for AI to its Fourth Industrial Revolution (4IR) Strategy, the UAE continues to strengthen its position as a global hub,

harnessing technology as an economic growth driver.

The UAE is also actively promoting financial services digitisation, recognising its potential to enhance economic competitiveness. The Central Bank of the UAE (CBUAE) has played a pivotal role in this. In 2024, it issued the Sandbox Conditions Regulation, in a bid to attract global FinTechs and start-ups by providing a regulated yet supportive financial services environment for innovation.⁹⁵ The CBUAE also launched the Innovation Hub at the Emirates Institute of Finance in Dubai, a centre dedicated to R&D and innovation in financial services, including through partnerships. For example, it signed a collaboration agreement with Microsoft to train 10,000 AI professionals across the UAE’s financial services sector.⁹⁶ The UAE’s digital banking industry has already seen faster growth than any of its regional neighbours, at a CAGR of 8.7 per cent over the past two years, and is expected to reach USD 175.7bn by 2029.⁹⁷

The UAE is fostering FinTech and entrepreneurship through its dynamic investment landscape and a growing pool of PE and VC funds dedicated to emerging FinTechs. Funding for UAE-based start-ups is projected to reach up to USD 2.5bn in 2025, a big jump from USD 638mn in 2023.⁹⁸ Government-backed initiatives further

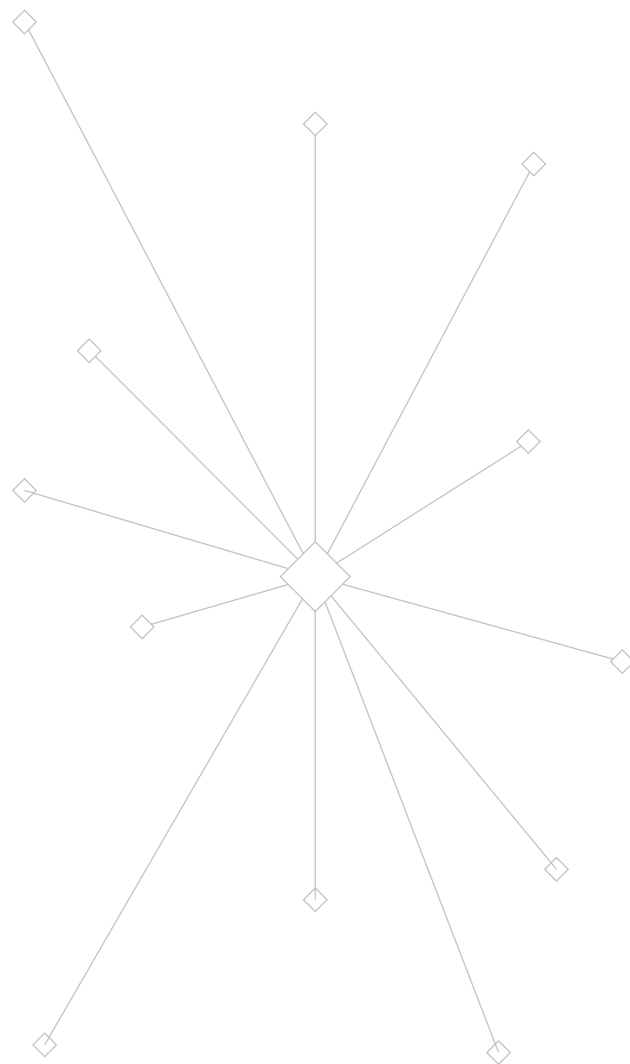
Figure 9:
Estimated increase in output due to application of AI across industries in the UAE ⁹³



innovation. The Mohammed Bin Rashid Innovation Fund (MBRIF), launched by the UAE's Ministry of Finance and His Highness Sheikh Mohammed Bin Rashid Al Maktoum, has already secured over USD 435mn from its members to support innovation and tech entrepreneurship that will contribute to the UAE's future and global digital economy.⁹⁹

The AED 1bn Dubai Future District Fund provides financial support for early-stage and growth-stage ventures across key technology sectors, ensuring that Dubai remains a leader in tech entrepreneurship.¹⁰⁰ The Dubai Future Foundation is another integral player in the city's innovation ecosystem, focusing on long-term research and development.

By aligning public and private sector efforts, the UAE will ensure that emerging technologies, particularly AI, are leveraged for sustainable economic growth, shaping the future of finance in the region and, indeed, globally.



4.2 Digital economy initiatives

The UAE's Digital Economy Strategy aims to double the digital economy's contribution to GDP, from 9.7 per cent in 2022 to 19.4 per cent within ten years.¹⁰¹ By 2031, non-oil GDP is expected to contribute over 20 per cent, up from 11.7 per cent.¹⁰² The Digital Economy Council, headed by the UAE's Minister of AI, spearheads this strategic push.

Dubai is central to the UAE's digital economy agenda. Through strategic initiatives such as the Dubai Economic Agenda "D33", the emirate is enhancing its digital infrastructure, regulatory frameworks and support for tech-driven businesses. Launched in 2023, D33 aims to double the size of Dubai's economy by 2033, with digital transformation playing a central role.¹⁰³ The Dubai Universal Blueprint for AI is a key component of meeting D33 targets, and envisions AI contributing over USD 27.2bn to Dubai's economy and growing productivity by 50 per cent.¹⁰⁴

A key pillar of Dubai's initiatives is digital infrastructure. The UAE already has the largest power capacity in the Middle East at 235.3 megawatts (MW), versus 109 MW in Saudi Arabia.¹⁰⁵ Fast-paced growth will continue with over USD 1.2bn invested in active data centre projects and an additional USD 433mn in the pipeline.¹⁰⁶ Leading technology companies, including Microsoft, will contribute. According to an IDC study, Microsoft and its partners are expected to

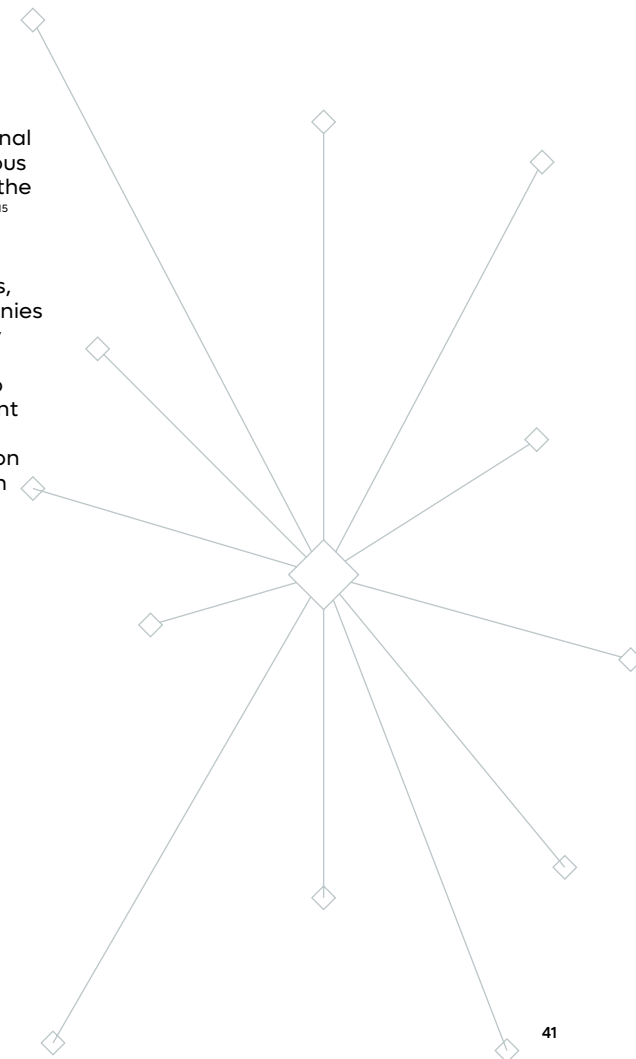
contribute USD 74.4bn in new revenue to the UAE economy over the next four years.¹⁰⁷ Microsoft's data centre regions in the UAE alone are projected to generate USD 5.1bn in spending on local services and products.¹⁰⁸

Microsoft's cloud ecosystem is forecast to generate 152,530 new jobs in the UAE, including 41,800 highly skilled IT positions, by 2028.¹⁰⁹ Skilled talent will further enhance the UAE's progress towards becoming a global innovation leader. High-speed connectivity and 100 per cent internet penetration among residents provide a strong foundation for this digital expansion.¹¹⁰ Dubai remains the first government in the world to be completely paperless.¹¹¹

The UAE has several regulatory sandboxes testing emerging technologies, which aim to enable innovation while establishing best practices globally.¹¹² The UAE also established its Personal Data Protection Law (PDPL), which came into effect in 2022 and permits the cross-border transfer of most data types but imposes data localisation requirements in areas deemed critical to national security.¹¹³ UAE free zones, including DIFC, have their own data protection authorities and legislation, allowing for cross-border data flows in line with international best practices.¹¹⁴ In 2023, DIFC supplemented its Data Protection Regulations with Regulation 10 – the first of its kind in the Middle East, Africa and Southern

Asia (MEASA) – on the processing of personal data via autonomous and semi-autonomous systems, including AI and ML, putting it at the forefront of data protection in the region.¹¹⁵

These regulatory advancements have encouraged international technology firms, FinTech start-ups and digital asset companies to establish operations in Dubai, drawn by its pro-business policies and supportive infrastructure. As the emirate continues to expand its digital economy, its commitment to technological innovation, strong governance and financial sector digitisation will solidify its position as a global leader in the future of finance.



4.3 Supportive innovation clusters

In addition to the UAE's federal strategies and bodies, individual emirates have established their own dedicated technology incubators, accelerators and innovation hubs to support entrepreneurship. Dubai has built a strong reputation here. The DIFC Innovation Hub supports entrepreneurship and fosters the growth of the region's FinTech ecosystem. With over 1,200 growth-stage technology firms, innovation companies, digital labs, VCs, regulators and educational entities, it is the region's largest financial innovation ecosystem.¹¹⁶ The Innovation Hub hosts the first and largest FinTech accelerator in MEASA, providing tailored support to companies, from start-ups to unicorns and established technology firms. Through its strategic partnerships with organisations like Ripple, du, and Transguard Group, the DIFC Innovation Hub is encouraging innovation and driving blockchain and crypto adoption among start-ups and scale-ups.¹¹⁷ At the beginning of 2025, the Innovation Hub also published a whitepaper on 'Navigating the Future of Inheritance' in collaboration with Julius Baer and Euroclear, highlighting the role of emerging technologies in the evolving inheritance landscape.¹¹⁸

Additionally, the Dubai AI Campus, located within DIFC, has become the region's largest AI and Web3 cluster. In April 2025, the Dubai AI Campus in collaboration with DIFC Academy, launched the Dubai AI Academy

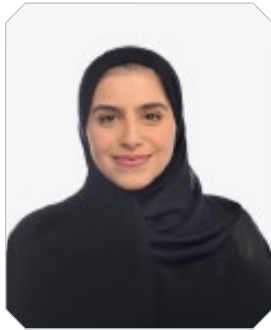
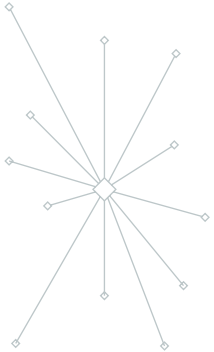
to educate and train 10,000 emerging and experienced leaders. Technology and innovation remains DIFC's fastest growing sector, increasing by 1,245 companies in 2025 – a 38 per cent rise from 2023.¹¹⁹

UAE free zones – DIFC included – play a crucial role in attracting and retaining skilled global talent to Dubai. DIFC's workforce alone grew 10 per cent in 2024 to over 46,000. These zones provide an attractive, business-friendly environment, 100 per cent foreign ownership, competitive tax incentives and streamlined business regulations. Unlike many global financial hubs, Dubai's free zones allow firms to operate with minimal bureaucratic hurdles, making them appealing for both emerging technology companies looking to scale quickly and large multinationals.

Dubai's broader economic policies, including the digital economy and emerging technologies strategies outlined above, have strengthened the city's position as a magnet for highly skilled financial services and technology professionals. As AI, blockchain and digital assets become increasingly integrated into financial services, Dubai and the UAE's regulatory flexibility and infrastructure investment continue to give it a competitive edge, reinforcing its role as a global destination for FinTech entrepreneurs and institutional players alike.



Interview with Maitha Alsuwaidi, Chief Operating Officer, Microsoft UAE



As the Chief Operating Officer of Microsoft in the UAE, Maitha oversees the overall operations of the business, the growth strategy and the execution for Microsoft UAE. She has experience in various industries ranging from Cloud, Telecom and Management consultancy, she holds an MBA from Oxford's Said Business School, and a Bachelor's Degree in Electrical Engineering from the American University of Sharjah. Prior to joining Microsoft Maitha worked in McKinsey & Company supporting clients across the MENA region on growth and digital strategies.

→ **How will AI shape financial services over the next one to three years? What do you see as the most transformative AI-driven innovations?**

AI is set to revolutionise the financial services industry over the next one to three years by driving innovation, enhancing efficiency, and improving customer experiences. AI technologies, such as generative AI, will enable financial institutions to proactively increase productivity, streamline operations and offer personalised services. For instance, AI-powered tools like Microsoft Copilot can simplify complex documentation, provide real-time insights for financial analysts and accelerate onboarding processes for service agents. Additionally, AI will play a crucial role in transforming banking workflows, optimizing business processes and boosting productivity.

As AI governance frameworks develop globally, financial institutions will need to navigate regulatory divergence while leveraging AI to drive long-term growth and differentiation.

Not only is AI transforming the financial services industry, but it's revolutionising the finance function in every industry. At Microsoft, we started innovating with AI in its traditional forms almost a decade ago. We are now leveraging machine learning for all predictive analytics, from revenue forecasting to proactive risk management.

With the advent of Generative AI more recently, we are witnessing unprecedented productivity gains and streamlining of processes. AI-powered tools enable real-time financial insights, enhance decision-making accuracy, and automate routine tasks, allowing finance professionals to focus on strategic initiatives. We are embedding AI across various processes, from summarising financial reports and generating insightful commentary to comparing financial models and identifying trends. Our finance teams are now exploring and innovating, creating their own AI agents and easily self-solving for bottle necks and creating value.

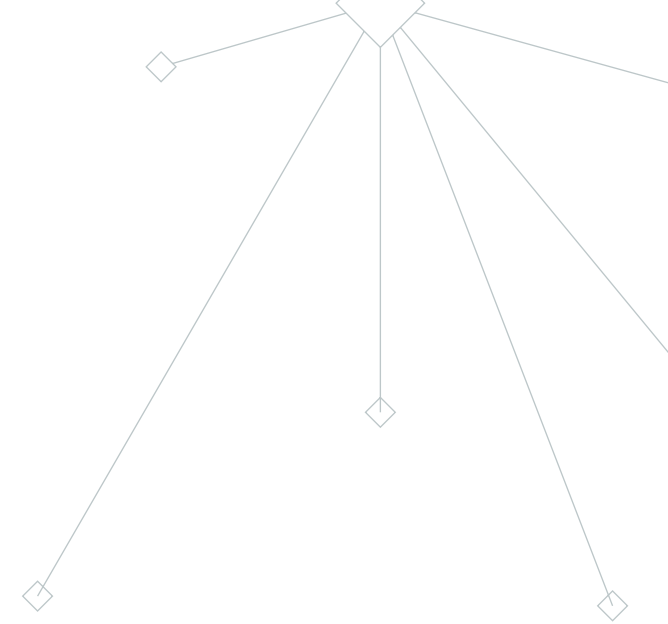
The roles of CFOs have transformed dramatically – from traditional caregivers of financial records to catalysts for change and innovation, and from gatekeepers of budgets to strategic business partners who drive the company's vision and growth. As AI continues to evolve, it's clear that its transformative impact on the finance function will only grow, driving efficiency, innovation and competitive advantage across industries.

→ **How is Microsoft helping financial institutions globally accelerate cloud adoption while ensuring compliance with regulations? How important is cloud**

computing to the future of finance in general?

Microsoft is actively supporting financial institutions in their cloud adoption journey by providing tailored solutions that ensure compliance with regulatory requirements. The Microsoft Cloud for financial services offers a comprehensive suite of tools and services designed to address the unique needs of the financial sector. This includes capabilities for managing compliance, security, and risk, such as Azure Policy and Azure Landing Zones, which help enforce organisational standards and ensure a unified governance model.

Cloud computing is essential to the future of finance due to its ability to transform operations, enhance customer experiences and ensure compliance with regulatory requirements. Cloud computing enables financial institutions to handle vast amounts of data, improve scalability and enhance data security. It supports innovative financial services, reduces costs and drives deeper insights through advanced analytics. By leveraging cloud technology, financial institutions can better integrate business units, create more personalised customer experiences and foster resilience and transparency.



→ **As AI governance frameworks develop globally, how do you see regulatory divergence impacting AI adoption in financial services? What role can technology companies like Microsoft play in shaping responsible AI governance?**

Regulatory divergence can significantly impact AI adoption in financial services by creating a complex landscape for compliance. Different regions are developing distinct AI regulations, which can pose challenges for financial institutions operating across multiple jurisdictions. For example, the EU's AI Act imposes stringent requirements on high-risk AI systems, while other regions may adopt different approaches. Microsoft addresses these challenges by providing solutions that help financial services firms comply with varying regulations including built-in privacy, security, and compliance controls.

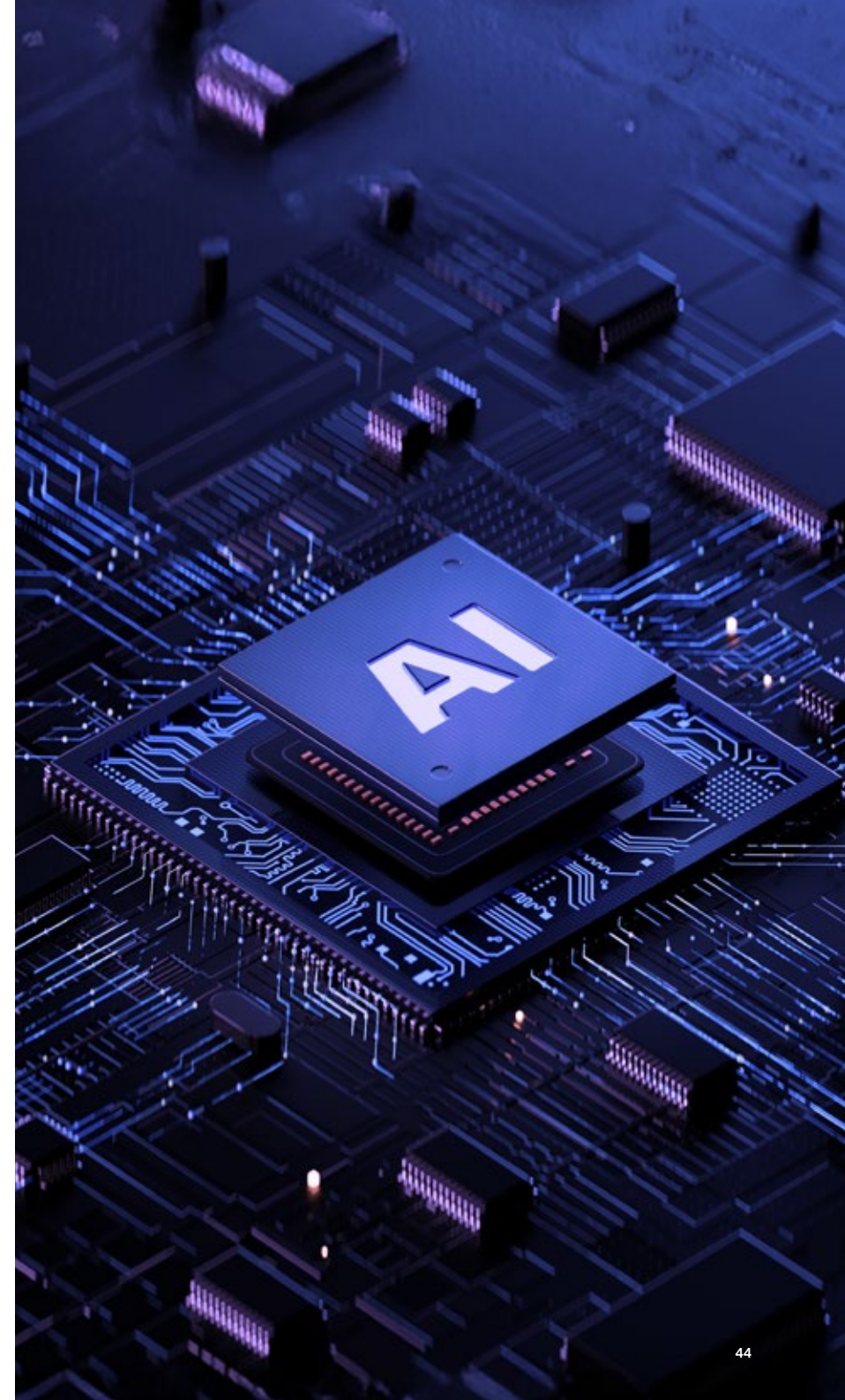
Technology companies like Microsoft play a pivotal role in shaping responsible AI governance by developing and promoting ethical AI practices. Microsoft has long established our Responsible AI Standard, which governs our approach to responsible AI by design, and requires adherence to detailed principles such as fairness, reliability, safety, privacy, security, inclusiveness, transparency and accountability. By sharing our

responsible AI learnings and resources, while collaborating with regulators, industry stakeholders and the broader community, Microsoft helps ensure that AI systems are developed and deployed responsibly, fostering trust and compliance in the financial sector.

Moreover, Microsoft's Office of Responsible AI provides resources and support to help financial institutions implement responsible AI practices. This includes governance frameworks, compliance resources, and educational content to ensure that AI systems are developed and deployed in a manner that maintains customer trust and meets regulatory requirements.

By leveraging these resources, financial institutions can navigate the complexities of AI governance and ensure that their AI initiatives are aligned with ethical principles and industry standards.

Realising the full benefit of AI requires creating a growth mindset culture that fosters collaboration, rewards learning and encourages taking risks. It also involves having clean and unified data, alignment on metrics across all stakeholders and a solid data governance. Additionally, ensuring robust security and compliance frameworks is essential. By embracing these



principles, organisations can unlock AI's transformative potential and drive sustainable success.

→ **What initiatives is Microsoft undertaking in the region to bridge the AI skills gap and upskill financial services professionals in AI, cloud and digital finance?**

Microsoft is actively involved in several initiatives in the region to bridge the AI skills gap and upskill financial services professionals in AI, cloud and digital finance.

Microsoft has announced a commitment to skill one million people across the UAE in AI by 2027. This initiative is part of Microsoft's broader effort to equip individuals with the skills needed to thrive in an AI-enabled economy. The programme includes tailored sessions for various roles such as finance, HR, legal, and sales focused on AI and the future of work. Microsoft is also celebrating its 50th anniversary by hosting the Microsoft AI Skills Fest. This global event, taking place from 8 April to 28 May 2025, is dedicated to boosting AI skills for everyone everywhere. The festival will kick off with a 24-hour event on 8 April, featuring a variety of AI learning activities designed to engage and inspire learners of all experience levels.

Skilling financial services professionals in AI, cloud and digital finance is of paramount importance. As the financial services industry continues to evolve, professionals must stay ahead of the curve to effectively leverage emerging technologies and drive innovation.

→ **The UAE is emerging as a global innovation hub for AI and financial services. How is Microsoft supporting the UAE's AI, cloud and FinTech ecosystems to drive the next phase of digital transformation?**

The UAE is rapidly becoming a global innovation hub for AI and financial services, and Microsoft is playing a pivotal role in supporting this transformation. Microsoft is actively contributing to the UAE's AI, cloud and FinTech ecosystems by providing cutting-edge technologies and solutions, residing locally in UAE as a key cloud region for Microsoft globally. Through our banking and capital markets digital advisory practices, Microsoft is working closely with financial institutions to co-create innovative business models, reimagine customer experiences, optimise operations and manage risks more effectively. Additionally, Microsoft's cloud platforms offer robust security, compliance and privacy features, enabling financial services organisations to accelerate their cloud adoption while

ensuring regulatory compliance.

By fostering partnerships with local and global entities, Microsoft is empowering the UAE's FinTech sector to innovate and grow, ultimately driving the next phase of digital transformation in the region.

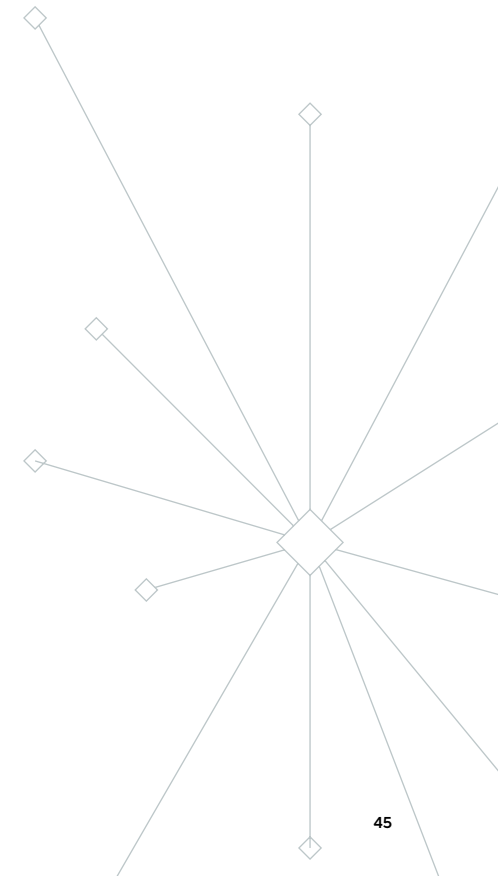
→ **Beyond AI, what are the biggest technology trends that will define the future of finance in the UAE and globally? How should financial institutions prepare for this evolving landscape?**

At the present state, even though not new, one of the most significant trends is the adoption of public cloud computing, which offers robust security, compliance and privacy features, enabling financial services organisations to accelerate their innovation, go-to-market, regional expansion, consume AI services and business agility while ensuring regulatory compliance.

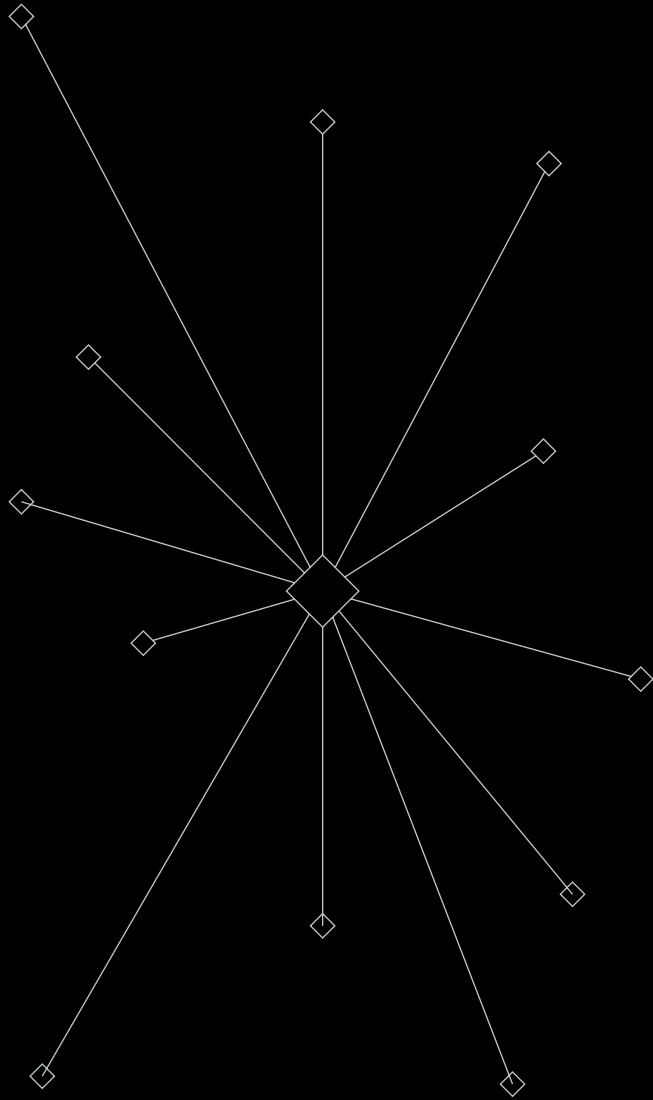
Additionally, the integration of blockchain technology and digital assets is changing the way transactions are conducted, and creating new avenues for wealth management and investments.

To navigate this evolving landscape, financial institutions should invest in upskilling their workforce, fostering innovation and building strategic

partnerships with technology providers to stay ahead of the curve.



Conclusion



This report underscores the transformative impact of emerging technologies on the future of finance, with AI, blockchain, digital assets and cloud computing already driving unprecedented changes across the global financial services landscape and many more expected in future. AI is revolutionising financial services through automation, predictive analytics and hyper-personalised customer experiences, while blockchain and tokenisation are enhancing financial market efficiency, transparency and liquidity. Meanwhile, the integration of cloud computing is facilitating digital transformation at scale, enabling firms to harness real-time data processing and AI-driven decision-making.

These advancements are reshaping competitive dynamics, accelerating financial inclusion and opening new avenues of opportunity for financial services firms worldwide. The rise of digital banking, DeFi and AI-powered credit scoring is expanding financial access, particularly in emerging markets, while tokenised assets and CBDCs are ushering in new paradigms for asset ownership and cross-border payments. Simultaneously, the convergence of AI and blockchain is reinforcing security and compliance measures, streamlining regulatory processes and redefining operational efficiency across the industry.

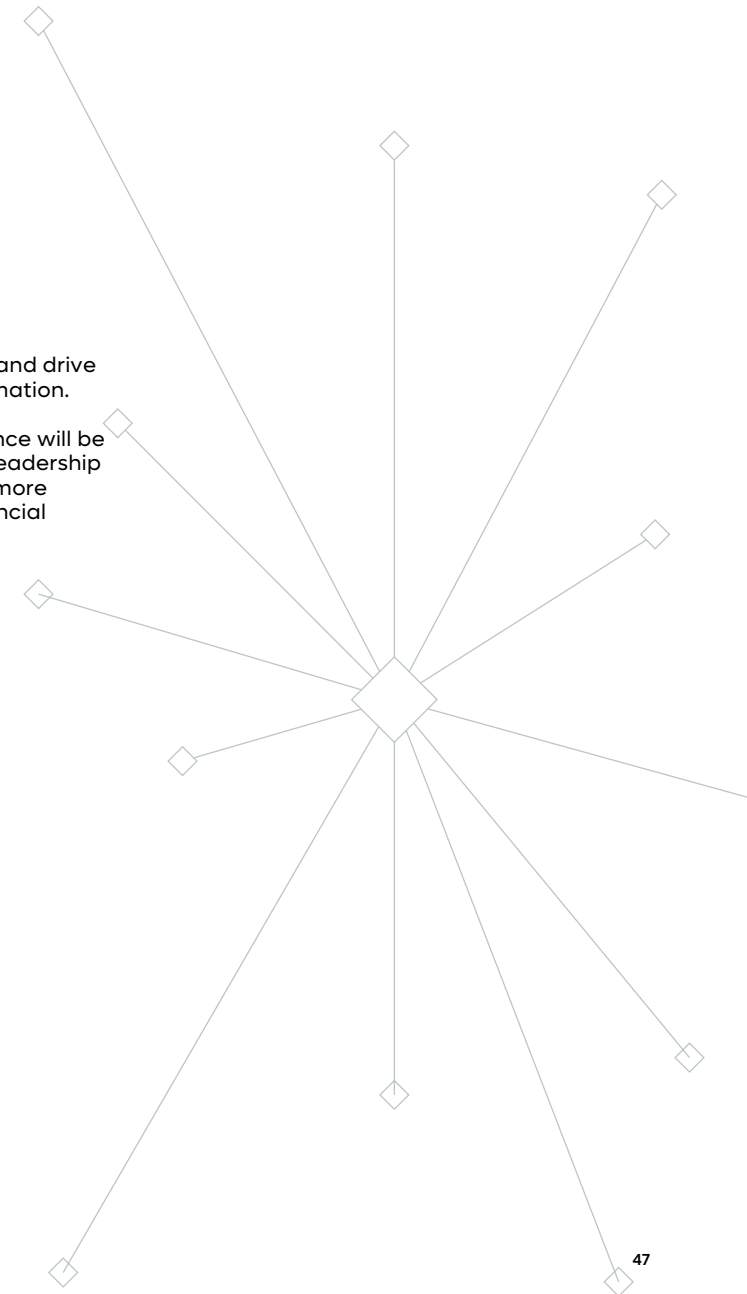
Dubai and the UAE are emerging as frontrunners in this digital revolution, with forward-thinking AI strategies, a robust regulatory framework for digital assets and a thriving innovation ecosystem. Supported by government-led initiatives such as the UAE's National AI Strategy 2031 and Digital Economy Strategy, Dubai is attracting global investment, FinTech disruptors and technology leaders. DIFC's role as a global financial and innovation hub, coupled with its regulatory agility and talent development initiatives, is positioning Dubai at the forefront of financial innovation.

However, while the opportunities in the future of finance are vast, challenges remain. Firms must navigate evolving and often divergent regulations, data privacy concerns, cybersecurity risks and the workforce transformation required for AI integration. Additionally, balancing innovation with ethical AI governance and responsible deployment of emerging technologies will be critical to sustaining long-term growth.

As the industry embraces this paradigm shift, financial services institutions must harness innovation, foster strategic collaborations and invest in digital capabilities to remain competitive. By leveraging the UAE's progressive regulatory environment and innovation clusters, firms can capitalise on

the evolving financial landscape and drive the next wave of digital transformation.

In this new era, the future of finance will be defined by agility, technological leadership and a commitment to shaping a more inclusive and efficient global financial ecosystem.



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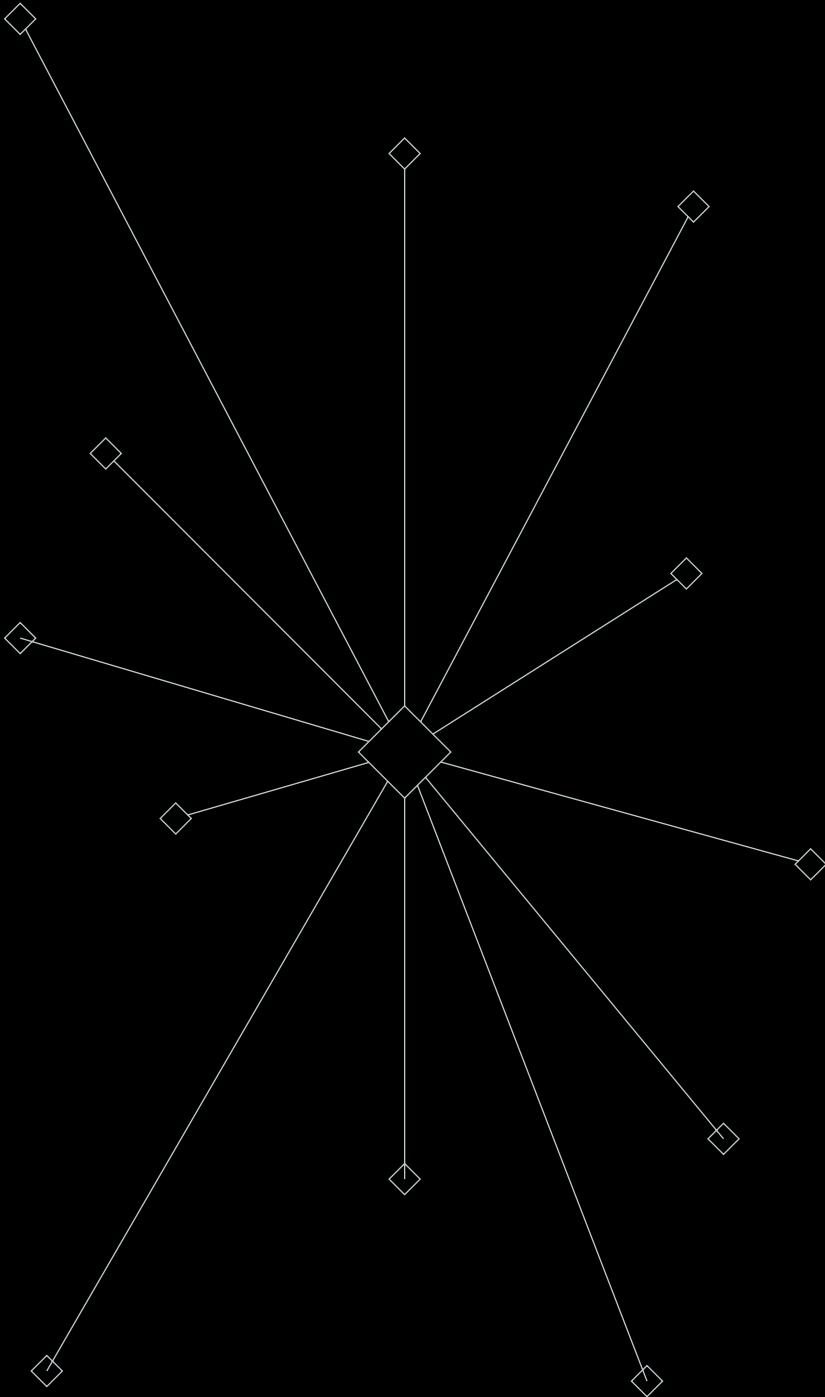
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About Dubai International Financial Centre

Dubai International Financial Centre (DIFC) is one of the world's most advanced financial centres, and the leading financial hub for the Middle East, Africa, and South Asia (MEASA), which comprises 77 countries with an approximate population of 3.7bn and an estimated GDP of USD 10.5trn.

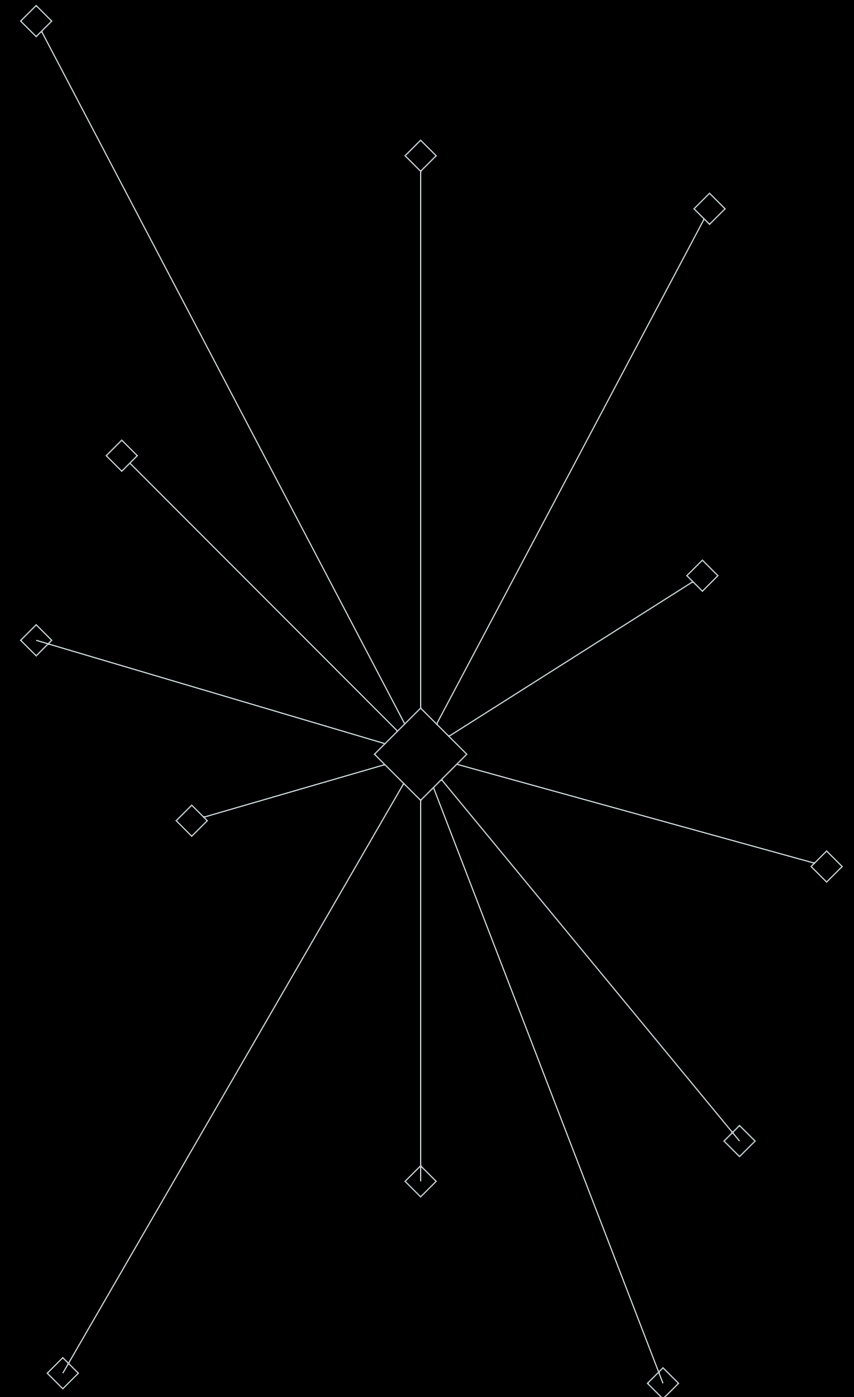
With a 20-year track record of facilitating trade and investment flows across the MEASA region, the Centre connects these fast-growing markets with the economies of Asia, Europe, and the Americas through Dubai.

DIFC is home to an internationally recognised, independent regulator and a proven judicial system with an English common law framework, as well as the region's largest financial ecosystem of 46,000 professionals working across over 6,900 active registered companies – making up the largest and most diverse pool of industry talent in the region.

The Centre's vision is to drive the future of finance through cutting-edge technology, innovation, and partnerships. Today, it is the global future of finance and innovation hub offering one of the region's most comprehensive FinTech and venture capital environments, including cost-effective licensing solutions, fit-for-purpose regulation, innovative accelerator programmes, and funding for growth-stage start-ups.

Comprising a variety of world-renowned retail and dining venues, a dynamic art and culture scene, residential apartments, hotels, and public spaces, DIFC continues to be one of Dubai's most sought-after business and lifestyle destinations.

For further information, please visit our website: difc.ae, or follow us on LinkedIn and X @DIFC



Driving the Future of Finance

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