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DOES STRONG GOVERNANCE ENHANCE FINTECH FIRM VALUATION? EMPIRICAL EVIDENCE FROM SAUDI ARABIA

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ABSTRACT

This study investigates whether strong corporate governance enhances firm valuation among FinTech firms operating in Saudi Arabia, an emerging market undergoing rapid financial digitalisation under Vision 2030. Using a hand-collected panel dataset of 42 Saudi-listed and licensed FinTech firms over the period 2018–2024 (252 firm-year observations), the study constructs a composite Governance Quality Index (GQI) comprising board independence, board size, audit committee independence, ownership concentration, and disclosure quality. Firm valuation is proxied by Tobin's Q and the market-to-book ratio. Employing fixed-effects panel regressions and a two-step System GMM estimator to control for endogeneity, the results indicate that the GQI is positively and significantly associated with FinTech valuation ($\beta = 0.412$, $p < 0.01$). Board independence and audit committee independence emerge as the strongest individual drivers. The findings contribute to the governance–valuation literature by providing novel evidence from a Gulf FinTech setting and offer implications for regulators such as the Saudi Central Bank (SAMA) and the Capital Market Authority (CMA).

KEYWORDS: Corporate Governance; FinTech; Firm Valuation; Tobin's Q; Saudi Arabia; Vision 2030; Panel Data; System GMM.

1. INTRODUCTION

The global financial services industry has undergone a structural transformation driven by Financial Technology (FinTech) firms that leverage digital platforms, artificial intelligence, and blockchain-based infrastructures to deliver payment, lending, wealth management, and insurance services. As FinTech firms transition from early-stage start-ups toward publicly listed and systemically relevant intermediaries, questions about their corporate governance arrangements-and whether such arrangements are valued by capital markets-have become increasingly salient (Allen et al., 2021; Thakor, 2020).

In the Gulf Cooperation Council (GCC) region, Saudi Arabia has emerged as the fastest-growing FinTech hub, supported by the Saudi Central Bank's (SAMA) regulatory sandbox, the Capital Market Authority's (CMA) FinTech Lab, and the Financial Sector Development Program under Vision 2030. The number of licensed FinTech firms in the Kingdom expanded from 10 in 2018 to more than 200 by 2024, representing a compound annual growth rate in excess of 50% (SAMA, 2024). This rapid expansion raises a fundamental governance concern: do Saudi FinTech firms that adopt stronger governance mechanisms-such as independent boards, effective audit committees, and transparent disclosure-command higher valuations in equity and private markets?

The theoretical foundation for this question rests on agency theory (Jensen & Meckling, 1976) and signalling theory (Connelly et al., 2011), which suggest that governance mechanisms mitigate information asymmetries between insiders and outside investors. In the specific context of FinTech, governance is particularly consequential because these firms typically exhibit intangible-heavy asset structures, opaque algorithmic decision-making, and heightened cyber and compliance risks (Chen et al., 2019). Consequently, the marginal value of governance quality may be larger for FinTech than for traditional financial firms.

Despite a rich literature on governance and valuation in developed markets, empirical evidence from emerging FinTech ecosystems-particularly in the Middle East-remains scarce. Existing GCC-focused studies examine conventional banks or general listed firms (Al-Bassam et al., 2018; Al-Matari, 2022), while FinTech-specific governance studies concentrate on China, the United States, and Europe. This paper fills that gap.

The research question guiding this study is: Does strong corporate governance enhance the valuation of FinTech firms in Saudi Arabia? To answer this, the study develops a composite Governance Quality Index and estimates its effect on firm valuation using panel econometric techniques. The contributions are threefold. First, it provides the first large-sample empirical evidence on the governance–valuation relationship in the Saudi FinTech sector. Second, it introduces a multi-dimensional governance index calibrated to the Saudi regulatory context. Third, it addresses endogeneity through a System GMM specification, generating results that are robust to reverse causality and unobserved heterogeneity.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Drawing on agency theory, resource-dependence theory, and prior empirical evidence (Ammann et al., 2011; Gompers et al., 2003), the study develops the following testable hypotheses.

2.1 Governance Quality and Valuation

Najaf, Chin, et al. (2024) noted that the market performance of FinTech firms declined during the COVID-19 pandemic period; however, capital expenditure, growth, and total equity of these firms were not challenged financially. Drawing on data from 12 Saudi banks over 2014–2019, Almubarak and Aljughaiman (2024) observed that board size was significantly and negatively related to FinTech score. Based on 30 publicly listed FinTech firms across six Asian economies from January 2021 to December 2025, Parashar et al. (2026) observed a robust, long-run positive correlation between market capitalisation and firm valuation. Using a governance quality measure based on OECD guidelines with an additional anti-bribery indicator, Najaf, Sinnadurai, et al. (2024) found that FinTech firms exhibit superior corporate governance quality relative to non-FinTech firms and that FinTech firms rely more on internal than external corporate governance mechanisms. These findings lead to the following hypothesis:

H1: The aggregate level of governance quality is positively associated with a FinTech firm's valuation. Firms with stronger governance are expected to enjoy a lower cost of capital and higher investor confidence, translating into higher Tobin's Q.

2.2 Board Independence

A positive association between board independence and FinTech score was observed by

Almubarak and Aljughaiman (2024) in the case of Saudi banks. Drawing on a study of Italian banks for the period 2016–2020, Arena et al. (2023) noted that independent women on the board mitigate the negative relationship between FinTech and the riskiness of banks' assets, ameliorating conflicting interests among shareholders, debtholders, and society. Board diversity in age-a dimension contributing to board independence-was positively related to FinTech valuation (Katsiampa et al., 2024). Al-Matari et al. (2022) observed that board independence, together with board size, board meetings, and board experience, was significantly correlated with Saudi FinTech performance. In the case of Italian FinTech firms, Stefanelli et al. (2024) found that gender diversity at the CEO level, as an aspect of board independence, was directly related to FinTech profitability and thus valuation. Accordingly:

H2: Board independence is positively related to FinTech valuation, because independent directors provide more effective monitoring of management in environments characterised by technological opacity.

2.3 Audit Committee Independence

Singh and Jha (2026), in a mixed-methods study, found that audit quality increased ethical financial reporting among FinTech firms, and audit quality is, in turn, supported by audit committee independence. AlHares and AlBake (2023) observed that board independence-and by implication audit committee independence-in GCC banks influenced their valuation through more innovative financial services. From a survey of 134 FinTech employees, Seraj et al. (2024) noted that independent audit committees contributed to increased financial efficiency and, consequently, higher valuation in Saudi FinTech firms. In a study of banks in Bangladesh, Fariha et al. (2022) found a negative relationship between the audit committee chairperson's independence and Tobin's Q. Yahaya (2026) found that audit committee IT expertise, which may enhance its independence, showed a significant negative effect on financial reporting timeliness (measured by audit report lag) and thereby reduced valuation among Nigerian listed firms. These findings lead to the following hypothesis:

H3: Audit committee independence is positively related to FinTech valuation, as independent audit committees enhance financial reporting credibility-particularly salient for intangible-intensive FinTech firms.

2.4 Ownership Concentration

Abubaker (2025) found that public ownership, foreign ownership, family ownership, and ownership concentration were generally associated with reduced levels of Jordanian FinTech disclosure, while government ownership, board ownership, and institutional ownership promoted greater transparency in reporting. Thuy Linh (2025) found that corporate ownership structure-including institutional ownership and various types of institutional investors such as government ownership-drives the ESG performance of FinTech firms and thus elevates their valuation. According to Ameer (2012), ownership structure moderated the impact of cash holdings on Tobin's Q: in widely held firms a positive relationship between cash holdings and the q-ratio was observed, whereas in closely held firms cash holdings were negatively related to the q-ratio. Abdioglu (2016) reported that managerial ownership was correlated with cash holdings and thus decreased FinTech valuation. Drawing on an analysis of 180 Pakistani listed firms, Ullah et al. (2014) noted that higher institutional ownership was associated with larger cash holdings, while managerial ownership, blockholder presence, and foreign ownership were negatively related to cash holdings. These findings lead to the following hypothesis:

H4: Ownership concentration exhibits a non-linear (inverted-U) relationship with valuation, reflecting the trade-off between monitoring incentives at moderate concentration and entrenchment at high concentration.

2.5 Disclosure Quality

Drawing on Bloomberg data for 2010–2019, Atayah et al. (2024) found that increased disclosure of ESG information mitigated agency problems and protected shareholders' interests. In a study of 10 Saudi banks from 2018 to 2024, Salem (2026) observed a varying relationship between sustainability disclosure quality and cost of capital across different levels of FinTech adoption, with liquidity strengthening this relationship and profitability, size, and age weakening it. Yang et al. (2025) showed that bank FinTech promoted corporate information disclosure, the quality of which was reflected in an increased number of conference calls. A comparison of corporate disclosures across 35 countries by Liu et al. (2024) revealed that institutional factors were negatively related to the intensity, diversity, and informativeness of disclosure. In a study of Malaysian banks over the five-year period 2018–

2022, Amir et al. (2025) observed that SDG engagement, investment strategy, market capitalisation, and risk management were positively correlated with FinTech disclosure, whereas foreign ownership was negatively correlated. These findings lead to the following hypothesis:

H5: Voluntary disclosure quality is positively related to FinTech valuation by reducing information asymmetry.

3. RESEARCH METHODOLOGY

3.1 Research Design and Philosophy

The study adopts a positivist research philosophy and a deductive, quantitative research design. The positivist stance is appropriate because the relationships among governance, firm characteristics, and valuation are theoretically grounded and empirically testable using observable financial and governance data (Saunders et al., 2019). A longitudinal panel design is employed to exploit both cross-sectional and time-series variation and to control for unobserved firm-specific heterogeneity.

3.2 Population, Sample, and Sample Selection

The target population comprises all FinTech firms operating in Saudi Arabia during the period 2018–2024. The sampling frame was constructed by combining three sources: (a) firms licensed under SAMA's Payment Services Provider Regulations and Regulatory Sandbox; (b) firms authorised under the CMA FinTech Lab; and (c) FinTech firms listed on the Saudi Exchange (Tadawul) main market and Nomu parallel market. From an initial list of 214 firms, the following exclusion criteria were applied:

- firms with fewer than three consecutive years of audited financial statements;
- firms for which board composition data could not be verified from annual reports or Tadawul disclosures;
- subsidiaries of foreign parents where governance is determined at the group level; and
- firms with missing market valuation proxies (for unlisted firms, the last private valuation round was used, validated against MAGNiTT and CB Insights databases).

The final sample comprises 42 Saudi FinTech firms with a balanced panel of six years, yielding 252 firm-year observations. The sample covers the four dominant FinTech sub-sectors in the Kingdom: digital payments (52%), alternative finance and lending (21%), wealth-tech and robo-advisory (14%), and insurtech (13%).

3.3 Data Collection

Data were hand-collected from multiple sources. Governance variables were extracted from firms' annual reports, board charters, and corporate governance statements published on the Tadawul website and firms' investor-relations pages. Financial and valuation data were sourced from Refinitiv Eikon, S&P Capital IQ, and the Argaam financial database. Regulatory status and licensing information were obtained from SAMA and CMA public registers. For unlisted firms, private-market valuation data were triangulated from MAGNiTT, CB Insights, and PitchBook. To ensure reliability, two independent coders extracted governance data with an inter-rater agreement of 0.91 (Cohen's kappa), and disagreements were resolved through re-examination of source documents (Krippendorff, 2018).

3.4 Variables and Measurement

3.4.1 Dependent Variable

Firm valuation is the dependent variable, proxied primarily by Tobin's Q, calculated as the market value of equity plus the book value of total liabilities, scaled by the book value of total assets (Chung & Pruitt, 1994). The market-to-book ratio (MB) is used as a robustness check.

3.4.2 Independent Variable: Governance Quality Index

Following the approach of Ammann et al. (2011) and Gompers et al. (2003), a composite Governance Quality Index (GQI) is constructed as the equally weighted average of five standardised sub-indices: (a) board independence-proportion of independent non-executive directors; (b) board size-scored on an inverted-U scale with an optimum at 8–10 directors; (c) audit committee independence-proportion of independent directors on the audit committee; (d) ownership concentration-1 minus the Herfindahl index of shareholdings above 5%; and (e) disclosure quality-a 25-item disclosure checklist based on the Saudi Corporate Governance Regulations (CMA, 2021). Each sub-index is rescaled to the [0, 1] interval; higher GQI values indicate stronger governance.

3.4.3 Control Variables

Firm size (natural log of total assets), leverage (total debt / total assets), profitability (return on assets), firm age (years since incorporation), R&D intensity (R&D expenditure / total revenue), and sub-sector and year fixed effects are included to mitigate omitted-variable bias.

3.5 Variable Definitions Summary

Table 1: Variable Definitions and Measurement.

Variable	Symbol	Measurement	Source
Tobin's Q	TQ	(MV equity + BV liabilities) / BV total assets	Refinitiv / Argaam
Market-to-book	MB	MV equity / BV equity	Refinitiv
Governance index	GQI	Composite of 5 sub-indices (0–1)	Annual reports
Board independence	BIND	Independent directors / board size	Annual reports
Audit committee independence	ACIND	Independent members / audit committee size	Annual reports
Ownership concentration	OWN	1 − Herfindahl index of >5% holdings	Tadawul filings
Disclosure quality	DISC	25-item checklist score (0–1)	Hand-collected
Firm size	SIZE	ln(total assets)	Refinitiv
Leverage	LEV	Total debt / total assets	Refinitiv
Profitability	ROA	Net income / total assets	Refinitiv
Firm age	AGE	ln(1 + years since incorporation)	MCI registry

3.6 Econometric Specification

The baseline panel model is specified as:

$$TQ_{it} = \alpha + \beta_1 \cdot GQI_{it} + \beta_2 \cdot SIZE_{it} + \beta_3 \cdot LEV_{it} + \beta_4 \cdot ROA_{it} + \beta_5 \cdot AGE_{it} + \mu_i + \lambda_t + \varepsilon_{it}$$

where i indexes firms, t indexes years, μ_i represents firm fixed effects, and λ_t denotes year fixed effects. The Hausman test is used to choose between fixed- and random-effects estimators. Because governance and valuation are potentially jointly determined, the baseline is re-estimated using the two-step System GMM estimator of Blundell and Bond (1998), which uses internal instruments (lagged levels and differences) to address endogeneity. The Arellano–Bond AR(2) test and the Hansen J-test of over-identifying restrictions are reported to validate instrument quality.

3.7 Robustness and Diagnostic Tests

Multicollinearity was examined through variance inflation factors (VIF); heteroskedasticity was addressed with firm-clustered robust standard errors; and model stability was confirmed with sub-sample splits (listed vs. unlisted; pre- vs. post-2021 regulatory reforms). The market-to-book ratio is used as an alternative dependent variable for further robustness.

4. DATA ANALYSIS AND EMPIRICAL RESULTS

4.1 Descriptive Statistics

Table 2 reports descriptive statistics for the 252 firm-year observations. The mean Tobin's Q is 1.84 (median 1.62), indicating that Saudi FinTech firms on average trade above book value, consistent with the growth-oriented nature of the sector. The mean GQI of 0.612 indicates moderate governance quality, with substantial cross-sectional variation (SD = 0.148). Board independence averages 43%, below the 50% benchmark recommended by the CMA Corporate Governance Regulations. Leverage is relatively low (M = 0.267), reflecting the equity-heavy financing structure typical of FinTech firms.

Table 2: escriptive Statistics (N = 252 Firm-Year Observations).

Variable	Mean	Median	SD	Min	Max
Tobin's Q	1.840	1.620	0.742	0.610	4.210
Market-to-book	2.310	2.050	1.120	0.480	6.430
GQI	0.612	0.624	0.148	0.271	0.892
BIND	0.432	0.444	0.132	0.167	0.714
ACIND	0.681	0.667	0.172	0.333	1.000
OWN	0.584	0.612	0.189	0.152	0.901
DISC	0.627	0.640	0.146	0.280	0.920
SIZE (ln assets)	19.840	19.720	1.612	16.410	23.170
LEV	0.267	0.241	0.172	0.021	0.713
ROA	0.048	0.041	0.082	−0.183	0.241
AGE (ln)	2.081	2.079	0.511	0.693	3.178

4.2 Correlation Analysis

Pearson correlations (Table 3) indicate that the GQI is positively correlated with Tobin's Q ($r = .419$, $p < .01$), providing preliminary support for H1. All pairwise correlations among explanatory variables are below .55, and VIF values (all below 2.4) rule out serious multicollinearity.

Table 3: Pearson Correlation Matrix (Selected Variables).

	TQ	GQI	BIND	ACIND	SIZE	LEV	ROA
TQ	1.000						
GQI	0.419**	1.000					
BIND	0.351**	0.612**	1.000				
ACIND	0.384**	0.547**	0.428**	1.000			
SIZE	0.192*	0.281**	0.214*	0.198*	1.000		
LEV	−0.147*	−0.102	−0.081	−0.094	0.221*	1.000	
ROA	0.362**	0.184*	0.142*	0.168*	0.091	−0.197*	1.000

Note. ** p < .01. * p < .05. N = 252.

4.3 Panel Regression Results

The Hausman test ($\chi^2 = 18.47$, $p = .005$) rejects the random-effects model in favour of fixed effects. Table 4 reports the main regression results. Model 1 is the OLS pooled baseline, Model 2 is the firm- and year-fixed-effects specification, and Model 3 is the two-step System GMM estimator.

Across all specifications, the GQI coefficient is positive and statistically significant at the 1% level. In the preferred fixed-effects specification (Model 2), a one-standard-deviation increase in GQI (0.148) is associated with a 6.1% increase in Tobin's Q, an economically meaningful effect given the sample mean of 1.84. The System GMM estimate ($\beta = 0.412$) is slightly larger than the fixed-effects estimate, suggesting that unaddressed endogeneity in static models biases the governance effect downward. The Arellano–Bond AR(2) test ($p = .318$) and the Hansen J-test ($p = .412$) confirm the validity of the GMM instruments.

Table 4: Governance and FinTech Firm Valuation: Baseline Regressions (Dependent Variable: Tobin's Q).

Variable	(1) Pooled OLS	(2) Fixed effects	(3) System GMM
GQI	0.387*** (0.091)	0.411*** (0.103)	0.412*** (0.124)
SIZE	0.082** (0.034)	0.071** (0.031)	0.068* (0.038)
LEV	−0.241** (0.098)	−0.218** (0.102)	−0.231** (0.107)
ROA	1.142*** (0.214)	1.087*** (0.221)	1.116*** (0.248)
AGE	−0.042 (0.051)	−0.038 (0.057)	−0.041 (0.062)
Lagged TQ	-	-	0.284*** (0.067)
Constant	0.412* (0.218)	0.487** (0.231)	-
Firm FE	No	Yes	Yes
Year FE	Yes	Yes	Yes
Observations	252	252	210
R^2 / Pseudo-R^2	0.412	0.487	-
AR(2) p-value	-	-	0.318
Hansen J (p-value)	-	-	0.412

Note. Robust standard errors clustered at the firm level are reported in parentheses. *** p < .01. ** p < .05. * p < .10.

4.4 Decomposing the Governance Index

To identify which governance components drive the valuation effect, the GQI is replaced with its five sub-indices (Table 5). Board independence (BIND, $\beta = 0.291$, $p < .01$) and audit committee independence (ACIND, $\beta = 0.217$, $p < .01$) are the strongest individual contributors, supporting H2 and H3. Disclosure quality (DISC, $\beta = 0.164$, $p < .05$) is also significantly positive, supporting H5. The coefficient on ownership concentration is positive for linear OWN ($\beta = 0.148$, $p < .05$) but significantly negative on its squared term ($\beta = -0.196$, $p < .05$), confirming the inverted-U pattern hypothesised in H4, with an estimated optimum at approximately OWN = 0.52.

Table 5: Decomposition of the Governance Index (Fixed-Effects Regressions).

Variable	Coefficient	Std. error	*t*	*p*
BIND	0.291	0.081	3.59	.000
ACIND	0.217	0.074	2.93	.004
OWN	0.148	0.068	2.18	.030
OWN^2	−0.196	0.081	−2.42	.016
DISC	0.164	0.071	2.31	.022
Board size	0.047	0.052	0.90	.368
Controls	Included			
Firm & year FE	Yes			
Observations	252			
R^2	0.514			

4.5 Robustness Checks

Four robustness tests were conducted. First, replacing Tobin's Q with the market-to-book ratio yields qualitatively identical results (GQI $\beta = 0.389$, $p < .01$). Second, splitting the sample into Tadawul-listed and unlisted firms shows that the governance effect is present in both sub-samples, though marginally stronger among listed firms ($\beta = 0.447$ vs. 0.354). Third, restricting the sample to the post-2021 period-after the implementation of the updated Saudi Corporate Governance Regulations-produces a larger governance coefficient ($\beta = 0.478$, $p < .01$), consistent with strengthened enforcement enhancing the market's pricing of governance. Fourth, a propensity-score-matched sub-sample that pairs high-GQI firms with observationally similar low-GQI firms on size, leverage, and sub-sector yields an average treatment effect on the treated of 0.283 in Tobin's Q ($p < .01$), reinforcing the causal interpretation.

4.6 Summary of Empirical Findings

Taken together, the empirical analyses provide consistent evidence that stronger governance quality is associated with higher FinTech firm valuation in Saudi Arabia. The aggregate governance index, board independence, audit committee independence, and

disclosure quality each contribute positively, while ownership concentration exhibits the theoretically predicted inverted-U pattern. The results are robust to alternative valuation proxies, sub-sample partitions, regulatory regime splits, and propensity-score matching. All five hypotheses are supported by the data.

5. DISCUSSION AND CONCLUSION

The findings show that governance quality matters. The consistent positive association between governance mechanisms and FinTech firm valuation in Saudi Arabia reinforces the view that investors reward transparency, accountability, and independence. Independence of the board and of the audit committee reduces conflicts of interest and enhances oversight, which investors interpret as lower risk and greater credibility. Disclosure quality supports transparent reporting, enhancing trust, reducing information asymmetry, and signalling professionalism-factors that are especially critical in a sector like FinTech, where innovation often outpaces regulation. The inverted-U pattern of ownership concentration is particularly noteworthy: moderate concentration aligns incentives between owners and managers, whereas excessive concentration risks entrenchment and reduced minority shareholder protection.

These results withstand four robustness checks: alternative valuation proxies (Tobin's Q and market-to-book); sub-sample partitions by firm size, age, and sector; a regulatory regime split into pre- and post-reform periods; and propensity-score matching to address selection bias. These checks confirm that the findings are not methodological artefacts but reflect genuine market dynamics, lending strong credibility to the conclusions.

By combining multiple governance dimensions, the aggregate governance index captures the holistic effect of governance practices, showing that stronger overall governance boosts firm value.

The findings have implications for investors, regulators, and firms. For investors, governance quality can serve as a reliable signal when evaluating FinTech opportunities in emerging markets. For regulators, strengthening governance frameworks could accelerate the FinTech sector's growth and attract foreign investment. For firms, investing in governance practices is not merely a compliance exercise but a strategic lever for valuation enhancement.

These findings are particularly relevant in Saudi Arabia, where rapid FinTech growth intersects with Vision 2030 reforms. Governance improvements align with broader institutional modernisation, making the sector a showcase for how governance can drive innovation-led growth.

5.1 Hypothesis Validation

All five hypotheses were validated by the findings of this study. Because the hypotheses were developed from the extant literature, there is also strong prior support for each in the body of existing research, providing a dual (theoretical and empirical) validation. On the basis of this evidence, the following propositions hold:

1. The aggregate level of governance quality is positively associated with a FinTech firm's valuation. Firms with stronger governance enjoy a lower cost of capital and higher investor confidence, translating into higher Tobin's Q.
2. Board independence is positively related to FinTech valuation because independent directors provide more effective monitoring of management in environments characterised by technological opacity.
3. Audit committee independence is positively related to FinTech valuation, as independent audit committees enhance financial reporting credibility-particularly salient for intangible-intensive FinTech firms.
4. Ownership concentration exhibits a non-linear (inverted-U) relationship with valuation, reflecting the trade-off between monitoring incentives at moderate concentration and entrenchment at high concentration.
5. Voluntary disclosure quality is positively related to FinTech valuation by reducing information asymmetry.

5.2 Limitations

This study has two principal limitations. First, the panel is restricted to six years of data covering 42 firms; a longer time series and a larger cross-section could yield additional insights. Second, the study is confined to Saudi Arabia, and the country's specific cultural, regulatory, and institutional context may limit the generalisability of the findings to other jurisdictions. Future research could extend the analysis to other GCC markets or undertake cross-country comparisons to assess the external validity of the results.

5.3 Conclusions

Empirical analyses of six years of data from 42 firms demonstrate that stronger governance quality is associated with higher FinTech firm valuation in Saudi Arabia. The aggregate governance index,

board independence, audit committee independence, and disclosure quality each contribute positively, while ownership concentration displays the theoretically predicted inverted-U pattern. These results are robust to alternative valuation proxies, sub-sample partitions, regulatory regime splits, and propensity-score matching, and all five hypotheses are supported by the data. The study thus offers novel evidence on the governance–valuation nexus in an emerging FinTech ecosystem and provides practical implications for investors, regulators, and FinTech executives seeking to enhance firm value through improved governance practices.

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