Public Launch Of The Global Covid-19 Fintech Market Rapid Assessment Study

Chaired by:
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Speakers:
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Panellists:
Ana Fiorella Carvajal, Lead Financial Sector Expert, World Bank Group
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Blythe Masters, Industry Partner at Motive Partners
Jon Frost, Senior Economist, Innovation and the Digital Economy, Bank of International Settlements (BIS)
INTRODUCTION – OVERVIEW OF METHODOLOGY

Geographical Distribution of Survey Respondents
Survey Sample Distribution Among Primary FinTech Verticals

INTRODUCTION – OVERVIEW OF METHODOLOGY
The Global FinTech Market is Growing But Performance is Uneven Across Verticals

% Changes in Total Transaction Volume by FinTech Verticals (H1 2020 in comparison with H1 2019)

- Digital Lending: -8%
- Digital Payments: 21%
- Digital Capital Raising: 16%
- Enterprise Technology Provisioning: 13%
- WealthTech: 24%
- InsurTech: 13%
- RegTech: 10%
- Digital Banking: 10%
- Alternative Credit & Data Analytics: 14%
- Digital Identity: 9%
- Digital Asset Exchange: 33%
- Digital Savings: 26%
- Digital Custody: 36%

Negative Impact
Positive Impact
The Global FinTech Market is Growing But Performance is Uneven Across Markets

% Changes in Total Transaction Volume by Region/Market (H1 2020 in comparison with H1 2019)
The Global FinTech Market Performance is Also Varied Between Emerging Markets and Developing Economies (EMDEs) and Advanced Economies (AEs)

Key Performance Indicators, WB Income Comparison between EMDEs & Advanced Economies

- **Transaction Volumes**
  - EMDEs (n.598): 12%
  - Advanced Economies (n.820): 10%

- **New Customers/Users**
  - EMDEs (n.530): 24%
  - Advanced Economies (n.718): 20%

- **Retention or Renewal of Existing Customers/Users**
  - EMDEs (n.510): 32%
  - Advanced Economies (n.710): 26%
FinTechs from Jurisdictions with More Stringent Covid-19 Lockdowns also Reported Slightly Higher Transaction Volume and Number of Transaction

Transaction Volumes & Number of Transactions under low, medium and high Covid-19 lockdown stringencies, All FinTech Verticals (% Change, H1 2020 in comparison with H1 2019)
FinTechs are Making Adjustments to their Existing Products, Services and Policies in Light of Covid-19

Changes to Existing Products & Services, All FinTech Verticals (% of respondents who reported “Yes” and “In Progress”)

- Changes to Qualification/Onboarding Criteria (n.1022): 29% Yes, 11% In Progress
- Fee/Commission Reduction (n.1369): 29% Yes, 9% In Progress
- Payment Easements (n.1215): 25% Yes, 8% In Progress
- Fee/Commission Waiver (n.1371): 23% Yes, 8% In Progress
- Deployed Additional Payment Channels (n.480): 30% Yes, 15% In Progress
- Introduction of Payment Plans (n.528): 24% Yes, 11% In Progress
- Suspension of New Loan Origination (n.598): 23% Yes, 5% In Progress
- Enhanced Benefits or Additional Cover (n.157): 22% Yes, 10% In Progress
- Eased Terms of Credit (n.527): 20% Yes, 9% In Progress
- Monetary Incentives for Using Online Services (n.599): 18% Yes, 12% In Progress
FinTechs are also Launching New Products, Services and Features

New or Updated Products/Services/Features, All FinTech Verticals (% of respondents who reported “Yes” and “In Progress”)

- Value Added Non-financial Services (n=1196): 31% Yes, 11% In Progress
- Enhanced Fraud and/or Cyber-security Features (n=1195): 28% Yes, 12% In Progress
- Disbursement of Covid-19 Relief/Assistance Funds (n=1201): 18% Yes, 7% In Progress
- Hosting Covid-19 Specific Funding or Relief Campaigns (n=1192): 16% Yes, 6% In Progress
- Credit or Micro-Credit Facility (n=1192): 14% Yes, 7% In Progress
- Launched a Voucher System (n=1179): 8% Yes, 5% In Progress
- Insurance Related to Covid-19 (n=1191): 7% Yes, 5% In Progress
Some FinTechs are Willing to Work with Governments on Covid-19 Relief Measures but Uptake is Limited to Date

Implementation or Delivery Partner in a Covid-19-related Relief Measures or Schemes, All FinTech Verticals (% of respondents)
FinTechs indicated that they need more regulatory support particularly in e-KYC, CDD and Remote Onboarding

Regulatory Responses & Interventions, All FinTech Verticals (% of respondents; currently using, urgently needed, needed in the long term)
They also indicated that regulatory innovation initiatives such as Innovation Offices and Regulatory Sandbox would be beneficial, especially in EMDEs.

Regulatory Innovation Initiatives by World Bank income groups, All FinTech Verticals (% of respondents who reported “Currently Using” and “Urgently Needed”)
FinTechs are Facing Operational Challenges, Especially in Jurisdictions with Higher Lockdown Stringency

% Changes in Operational Indicators according to Covid-19 Stringency by Jurisdictions (H1 2020 in comparison with H1 2019)
FinTech’s Financial Position has also been Impacted by Covid-19

Impact of Covid-19 on the Fiscal Year 2020 Turnover Target & Number of FTE Employees, All FinTech Verticals (% of respondents)

Impact of Covid-19 on the Fiscal Year 2020 Turnover Target & Number of FTE Employees, All FinTech Verticals (% of respondents by Lockdown Stringency)
A research collaboration between

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