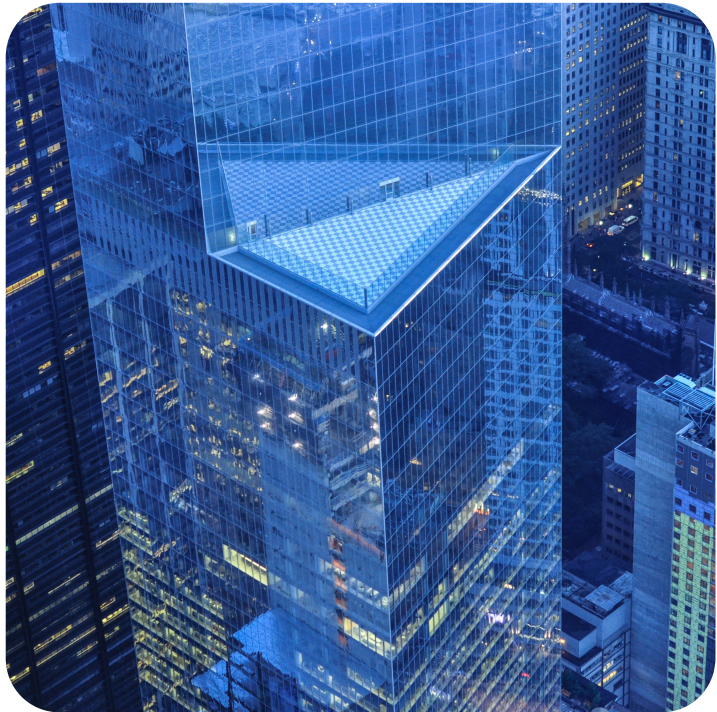
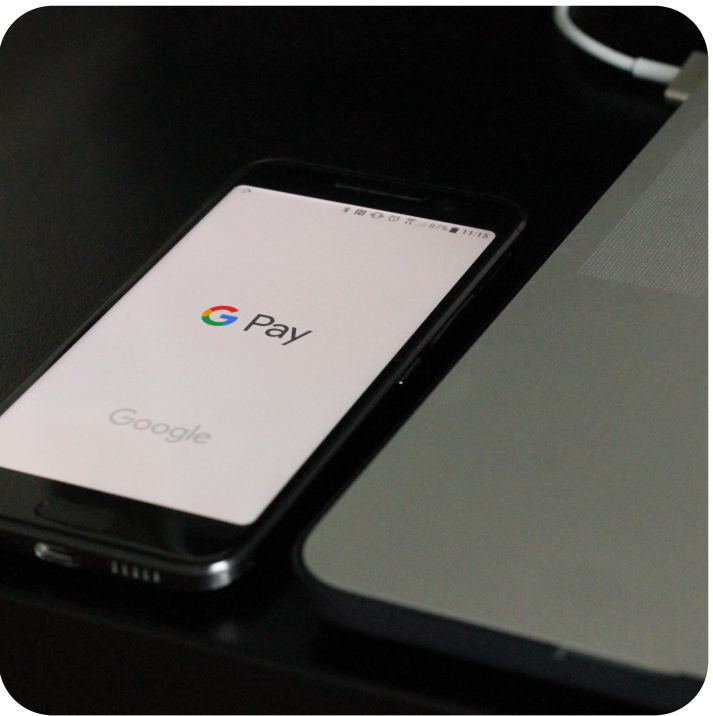
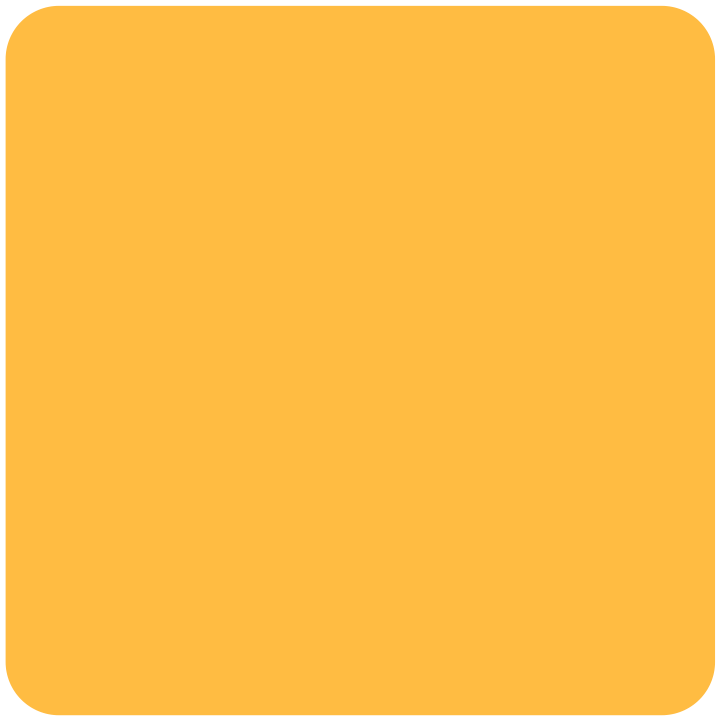
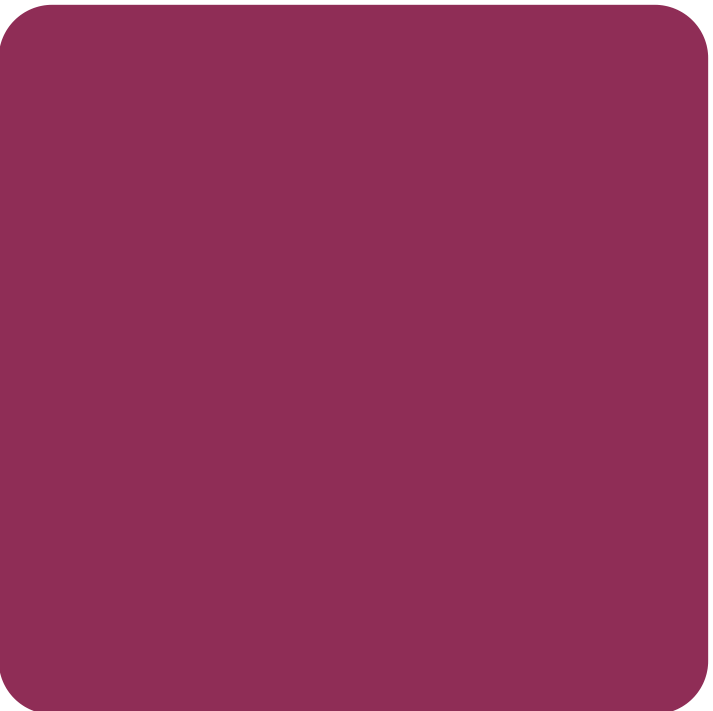


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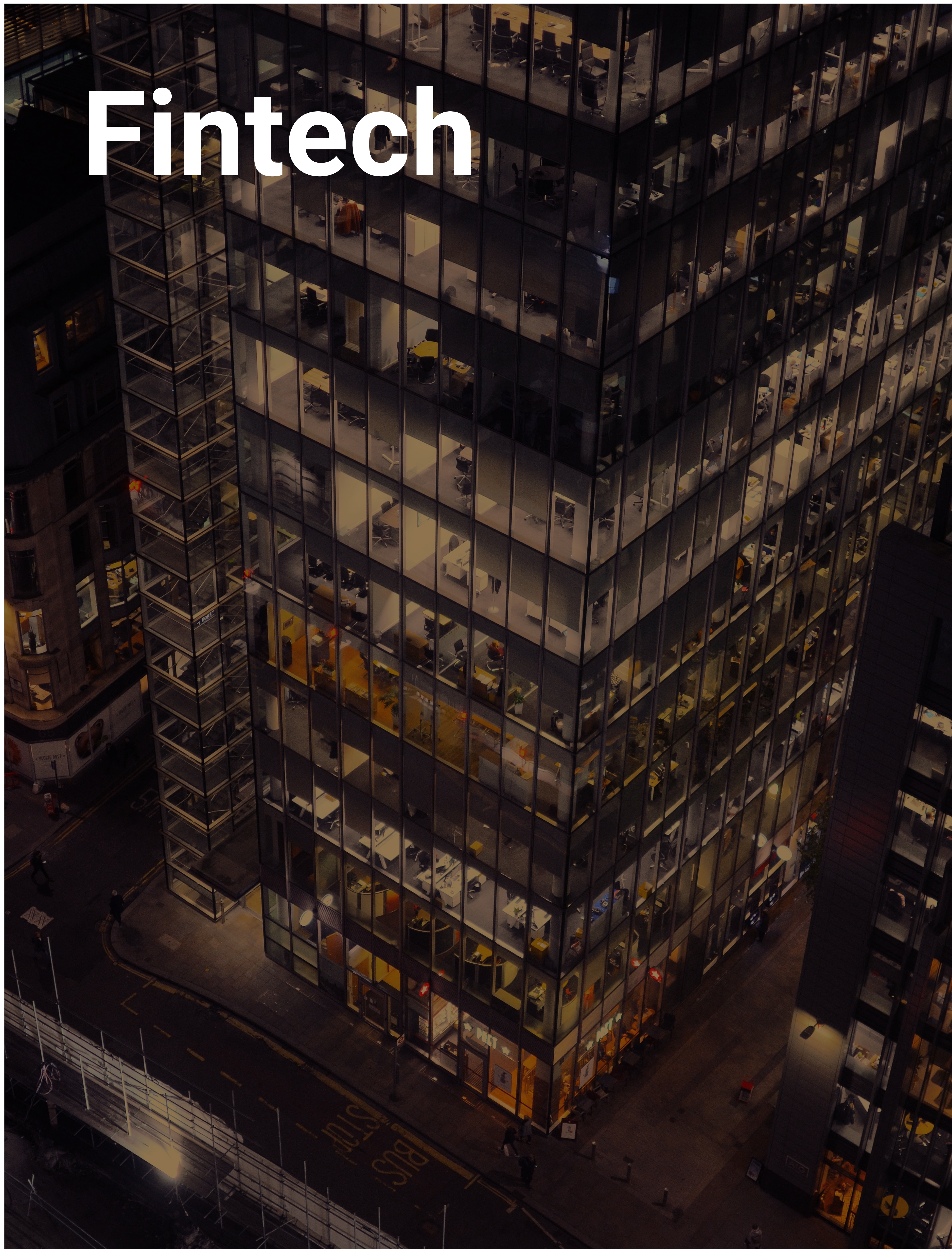




Gooinn Fintech Report

Fintech Definition	04
Values Provided by Fintechs to Users	05
10 Innovative Fintech Business Models	05
Profitability Journey of Fintech Firms	08
Global Overview of Fintech	09
Global Fintech Examples	12
Fintech in the UK	13
UK Region Fintech Examples	14
Fintech 2021 Trends	15
Important Areas in Fintech; Open Banking and Neo Banking	16
Global Open Banking Examples	17
Examples Of The UK Open Banking Area;	18
Global Open Banking Examples	19
Examples Of The UK Open Banking Area	20
Recent Developments in the Fintech Ecosystem	21
References	23

Fintech



Fintech Definition

Today, financial technology solutions are very popular and fascinating. The reason for this is the increase in mobile usage of consumers and the easy access to the internet from anywhere. This situation brought the internet branches and mobile banking applications into practice for the first time especially in the field of banking. But here, the effect of Fintech initiatives has started to appear. These initiatives are starting to change the relationship between banks and consumers, creating market share in this area.

In fact, Fintech is a product, service or solution developed using technology in the financial sector, known as “Finance Technology”. The main purpose of the sector is to present the financial products or services produced to consumers faster, better and at lower costs. Here, Fintech startups try to produce solutions that create value for changing customer demands and respond to consumer needs in the most dynamic way because customers want to be able to access their accounts from anywhere at any time, to take financial decisions via the internet, as well as to have a personalized experience and to reach an official instantly when necessary.

With the Covid-19 pandemic, there is an evolution in the financial technology industry. Many financial institutions have started to create more products and markets by teaming up with emerging technology companies to access new technologies. At the same time, Fintechs themselves joined large companies, enabling them to expand into new markets, expand their customer networks and easily obtain information from the sector.

Currently, big technology companies are also forming partnerships by taking the role of Fintech. For example, Apple and Google have partnered with banks to embed banking within themselves. Amazon is seeking corporate lenders to expand their loan offerings. Facebook has launched P2P money transfer in India and Brazil to increase its market share in digital payments with its WhatsApp product.¹

Fintechs are intertwined with technology. The latest technologies they use include Blockchain, Artificial Intelligence, Machine Learning, IoT and Big Data, Robotic Process Automation (RPA) and Cloud technology. The technology that draws attention here is Robotic Process Automation. With this technology, repetitive tasks are assigned to robots instead of humans to streamline the workflows in financial institutions. Its applications in finance include transaction management, statistics and data collection, compliance management, communications, and marketing via emails and chatbots.²

Values Provided by Fintechs to Users

The values provided by Fintechs to users are as follows;³

Practicality

Fintechs present their solutions to users in a digital environment. This adds convenience and speed to users' lives.

Price Advantage:

Fintechs do not need branches or similar physical structures. Therefore, these institutions have a price advantage over traditional financial services.

More Services

Fintech companies, which produce solutions regardless of customer location, provide more diversity in the solutions they produce than traditional financial services.

A Personalized Experience:

Fintechs are able to collect more information about their customers and use this information effectively, thanks to their technological capabilities. Thus, it can offer more personalized products to its customers.

10 Innovative Fintech Business Models

The 10 innovative fintech business models are as follows;⁴

1.Alternative Credit Score:

Many self-employed people with fixed incomes do not pass traditional bank loan screenings due to strict and outdated credit scoring criteria. Credit rating Fintech companies take a new approach by considering alternative data points such as social signals and percentage scoring among similar groups. With a smart and self-learning algorithm, qualitative factors are considered so that better lending decisions can be made.

2.Alternative Insurance

With new algorithms, it is possible to determine whether insurance will be provided by making premium calculations using alternative data points such as social qualifications, lifestyle and medical history, different terms and conditions can be provided, and alternative payment options can be offered.

3. Transaction Delivery

Fintech startups in the transaction delivery field can collect customer data to pay premiums, invest, buy mutual funds, etc. unlocks their potential and creates free products such as expense management applications.

4. Peer-to-Peer (P2P) Credit:

In this business model, a business means exchanging debts from one or more people. In this model, investors get better returns from debt markets by giving their money to previously approved and audited borrowers. Fintech companies in this space create platforms to match lenders with borrowers and charge a fee from the borrower's payment.

5. Small Loan

Banks and other lenders are often reluctant to make small loans because of the low margins and high costs associated with repaying the debt. Fintech companies in this field quickly create instant credit purchase mechanisms without entering any identity verification form or credit card information. The loans mentioned here are generally insured with 0% interest and everything can be purchased directly by the customer with the option of paying in installments.

6. Payment Systems

Payment systems are platforms that allow shoppers to pay for their product or service on the seller's website. Today, there are numerous payment methods such as debit cards and credit cards, and banks charge high fees to process transactions from these methods. Fintech companies in this area offer suitable applications that online merchants can easily afford and integrate these payment methods into their websites.

7. Digital Wallets

Digital wallets are the intermediary between a standard bank account and a payment system. Users can make both online and offline transactions by loading a certain amount of money into the digital wallet.

8. Asset Management

Fintech companies operating in this field allow investors to trade for free in exchange for their data. Investors can buy stocks or mutual funds without paying any commission fees. In addition, investors save on transaction fees even though they pay a slightly higher price on purchases.

9. Digital Banking

In the digital banking business model, individual and commercial bank accounts are offered with a digital infrastructure. Huge cost savings are achieved in manpower and real estate, and customers can benefit greatly from discounted rates. Thus, dependency on physical bank branches is gradually decreasing.

10. Digital Insurance

Fintech companies have started to carry traditional insurance services to the digital world. Fintechs, which have started to offer better life and health insurance, are able to price their premiums at variable rates depending on the customer, thus offering cheaper coverage.



Profitability Journey of Fintech Firms

Mature Fintech firms ensure their profitability in 4 stages;⁵

1-Diversification of offers to create a profitable customer base

Successful Fintechs that strengthen their main product lines by attracting customers or establishing partnerships in the early years begin to expand their portfolios in the domestic market to increase their profitability. Companies create multiple product lines from core products designed around customer segments.

2-Managing an ecosystem or being involved in more than one ecosystem

The ecosystem is effective in creating and developing network structures where customers attract suppliers or suppliers attract more customers. Fintechs create synergies within the ecosystem by forming various collaborations to reduce customer acquisition costs, reduce customer churn, uncover monetization opportunities, access new and enriched contextual data, reduce time to market for their services, and increase innovation. In addition, ecosystems are helping Fintechs become a central location for customer lifestyles, not just a banking application.

3-Monetization with a 360-degree approach

Fintechs are increasingly diversifying their income streams by leveraging their capabilities, pricing models and digital data. Pricing types made depending on the scope of the companies help to increase the high-level earnings. For example, by charging a subscription fee from customers, Fintechs can earn a separate income and customers can access the ecosystem. Another example is Fintechs can provide pay-per-use platform services. In addition, companies can earn money from the data collected from the digital area and customers.

4-Expanding into new markets to maintain the growth momentum

When Fintechs become scalable and their revenue per customer increases, they enter new markets in order to continue their growth. Firms can enter new markets by creating a new license, using licensing capabilities (e.g., franchises) or establishing partnerships. After deciding on market entry strategies, it plans how to maintain its competitive advantage in the new market depending on cost dynamics, culture, and evolving regulations.

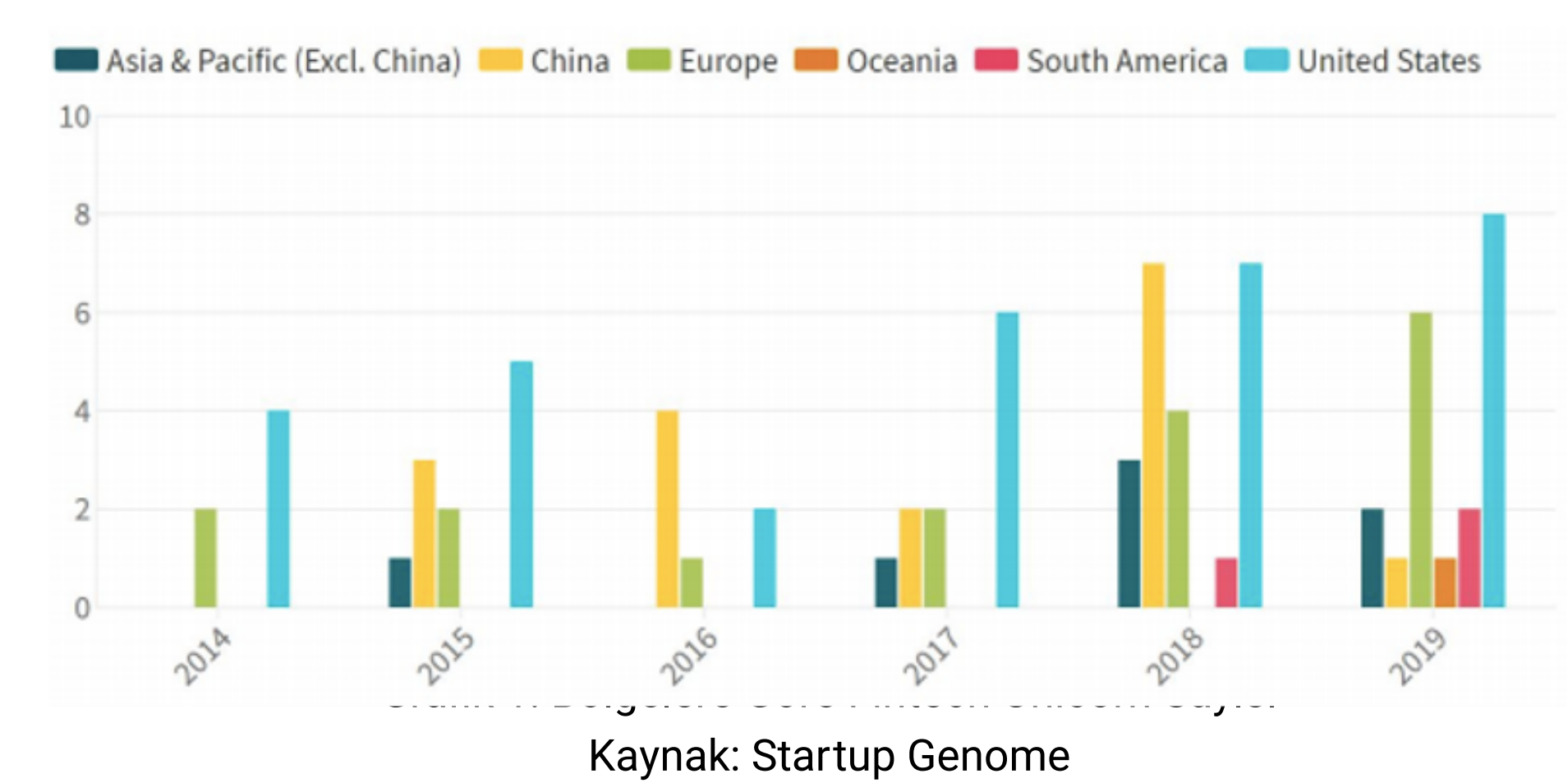
Global Overview of Fintech

According to the report published by Deloitte in 2020, it is stated that global Fintech revenue will grow by 11.7% between 2019 and 2024. Revenue is estimated to be around €92 billion in 2018 and €188 billion in 2024. According to the report, the Americas, Asia-Pacific, Western Pacific (APAC) regions have the largest markets in Fintech. It constitutes approximately 40% of the market share. While Europe, Middle East and Africa (EMEA) accounts for only 20% of the market share in this field, Fintech is the fastest growing market in the APAC region. Apart from that, the largest segment in Fintech is the digital payments market, which accounts for more than 80% of global Fintech revenues.⁶

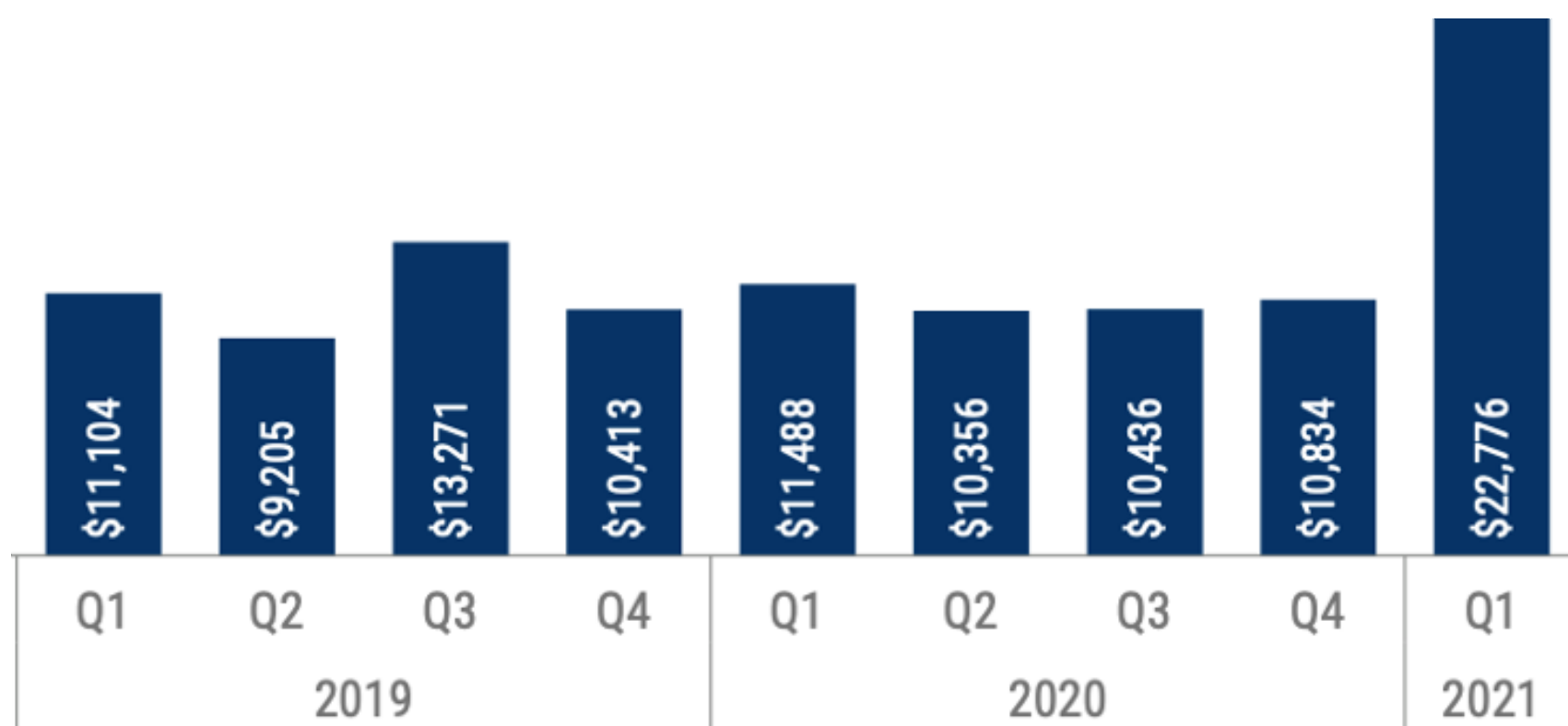
As in every sector, the Covid-19 pandemic has also affected the Fintech field. In the first half of 2020, many deals in the field have stalled. But the trend reversed in the second half of the year as investors and Fintechs experienced and learned about doing business in the new normal. In total, fintech investments amounted to 105.3 billion dollars with 2861 deals in 2020.⁷

According to the Global Fintech Ecosystem report, the top 5 Fintech ecosystems in 2020 are Silicon Valley, New York City, London, Singapore and Beijing. Europe and North America have started to give their dominance over the top 20 Fintech ecosystems towards the Asia-Pacific region. The region contributes to the system with many leading Fintech centers as well as North America. Early stage funding (pre-seed, seed and Series A) has been fixed almost everywhere over time. While a decrease was observed in this financing phase in China, an increase was observed in Europe and America. In the B series financing, a good trend was observed compared to the previous year. Fintech financing in general in Europe is growing steadily at all stages. Digital banking has clearly risen, and it has been stated that the impact of the pandemic is on it. Artificial Intelligence has acted as a complement to companies, assisting Fintechs in developing personalized solutions.⁸

According to the same report, while 22 Fintech reached unicorn status in 2018, this number remained at only 20 in 2019. The lowest number of unicorns in America was in 2016. Having released 2 unicorns that year, America has more Fintech and unicorn status in 2019 compared to other regions. In Europe, this number has increased steadily since 2017. In South America, in 2018 and 2019, a total of 3 Fintech companies became unicorn. Asia & Pacific region could not produce unicorns in 2014, 2016. While the number of companies with stable unicorn status has increased in China, only 1 unicorn is seen in 2019. The required visual is shown in Chart 1.

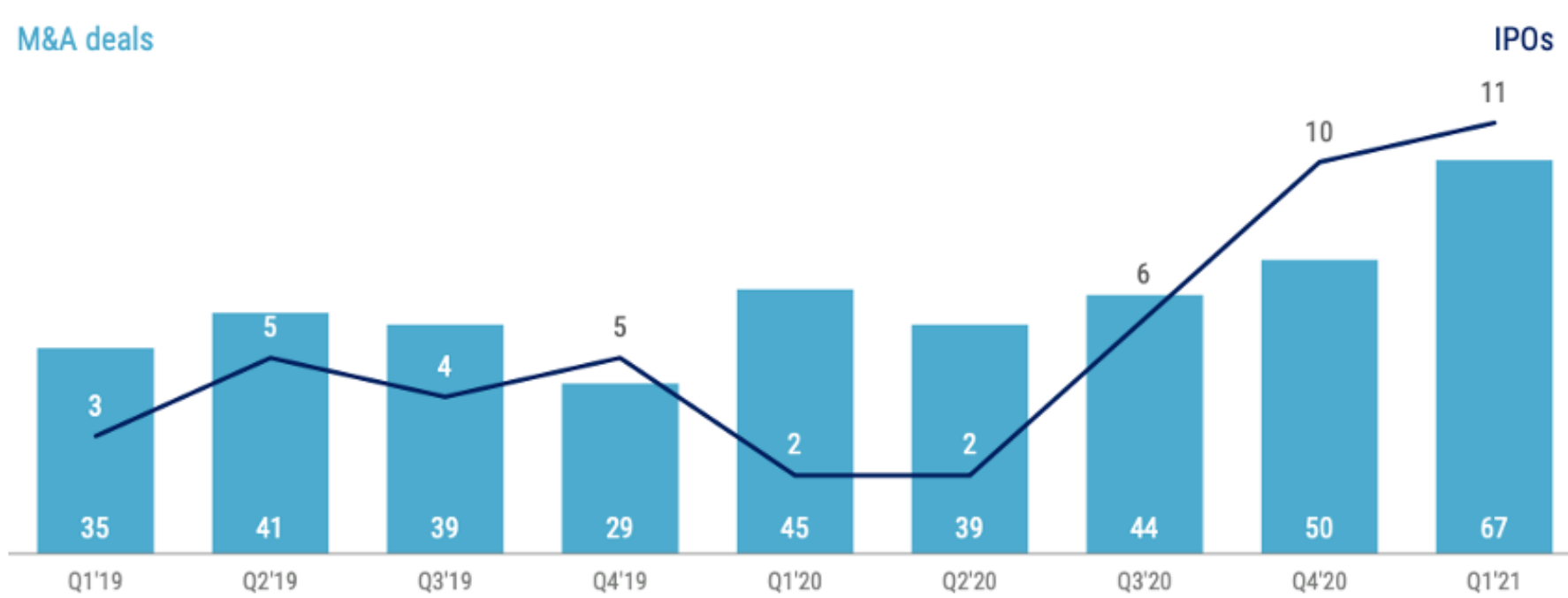


It is the largest funding quarter recorded, according to CBInsights' report for the first quarter of 2021. VC-backed Fintech companies raised a total of \$22.8 billion. Quarterly financing development is shown in Chart 2. The mega tours have caused a financing explosion. The deal size increased from \$19.3 million to \$37 million in the first quarter, nearly doubling the last quarter of 2020. Every continent except Africa has seen QoQ growth in deal activity. Europe surpassed Asia in terms of deal effectiveness compared to the last quarter of 2020 and saw 180% QoQ financing growth. In addition, there were 11 public offerings and 67 mergers and acquisitions for VC-backed Fintech companies during the quarter, including deals announced but not yet completed. Its quarterly development is shown in Chart 3.⁹



Grafik 2: Global VC Destekli Fintech Finansmanı
Kaynak: CBInsights State of Fintech Q1'21 Report

According to the 2021 Global Fintech Ranking Report, the specified year is defined as the innovation year for the whole world. It has been stated that although there has been a stagnation due to the global pandemic in the Fintech field, from giant to small markets in America and Europe, innovation has developed and will develop. It is also stated that new Fintech centers will be formed according to their own rules and the internal dynamics of the sector or sector. The cities of Tel Aviv and Montevideo in Uruguay emerged as funding centers, and local firms there grew rapidly. According to the report, emerging markets have a young, digitized but not competent population, which are sources of fintech innovation for financial services. For example, due to the pandemic in Nigeria, customers have turned to digital banks and thus customer registrations have tripled. In the field of Fintech, Saudi Arabia, Turkey, Indonesia, Brazil, and China are among the fastest growing countries. Especially Riyadh, which is the most populated and richest region of Saudi Arabia, has been the fastest rising city in the ranking. This is because the size of the economic reward offered in the country allows Fintechs to scale quickly and attract capital in the city of Riyadh. This is because the size of the economic reward offered in the country allows Fintechs to scale quickly and attract capital in the city of Riyadh. This is because the size of the economic reward offered in the country allows Fintechs to scale quickly and attract capital in the city of Riyadh.¹⁰



Grafik 3: Çeyrek Bazlı Satın Alma & Birleşme Anlaşma ve Halka Arz Sayısı
Kaynak: CBInsights State of Fintech Q1'21 Report



Global Fintech Examples

Guideline is a California-based Fintech company that has received a total of \$144 million in funding, particularly from Greyhound Capital, Tiger Global Management, Felicis Ventures and others. It offers an easy-to-use and affordable retirement platform for small businesses. This platform allows the creation of retirement plans. The company, which has 85% customer satisfaction, has branches in Texas and Portland.¹¹

By providing a payment platform, **Arcus** helps any business make payments accessible to every consumer in America. Through Arcus, banks, Fintech startups and retailers offer digital wallets and online payments to their customers. The company, which has a valuation of \$75 million, is based in New York.¹²

Chainalysis is a blockchain data platform. It provides data, software, services and research to government agencies, stock markets, financial institutions, insurance and cybersecurity companies in more than 60 countries. With a recent valuation of \$2 billion, the company has 350 clients, including the IRS, Gemini, Barclays and Square.¹³

Wise is a London-based Fintech company with 17 offices around the world that started its operations in 2011 to make international money transfers cheap and easy. Multi-currency account, debit card and corporate account are also among the products they offer. The point that the company especially emphasizes; to help people manage their money internationally cheaper, faster, and more transparently. Wise tries to provide better international banking service by partnering with companies such as Monzo, Bolt, GoCardless. The company provides its services in Turkey with Birlede Payment Services and Elektronik Para A.Ş. as a financial service provider.¹⁴ Wise increased its revenue by 70% in 2020, reaching \$420 million. Its most recent valuation is \$5 billion. Sir Richard Branson, IVP, It has raised \$542 million in funding from Andreessen Horowitz and others.¹⁵

Klarna; Based in Sweden, is the company that pioneered the “Buy now - Pay later” business model. The company, which has a total of 90 million customers in 16 countries, has a final valuation of 31 billion dollars. Offering an online store experience, the company offers many payment options with direct payment, payment after delivery and most importantly the “Pay in 4” program.¹⁶

Trumid is an institutional debt trading platform. It allows participants to bid and request anonymously and then leads to bargain deals. More than 2000 traders have started using this platform to trade the biggest and highest volumes of the bond market. The platform of the company, which has a valuation of 1.4 billion dollars, is used by 600 companies, including the world’s largest banks, such as Citigroup. The average daily volume of the platform is over \$1.8 billion.¹⁷

Policygenius is an online insurance marketplace platform. Targeting 80% digital and 20% human interaction, the company provided a total of 161 million dollars in funding. Its most recent valuation is \$550 million, according to Pitchbook. Since 2014, it has attracted 30 million insurance customers.¹⁸

MoCaFi is a New York-based Fintech company that provides credit building and personal finance coaching services specifically for Afro-american and Hispanic communities. It tries to eliminate financial inequality in the mentioned communities. The company, which has a valuation of 37 million dollars, has provided a total of 19 million dollars in funds from companies such as Mastercard, Citi Impact Fund, Radicle Impact.¹⁹

Addepar is a California-based company. It offers cloud-based software to monitor and analyze portfolios. Morgan Stanley has an important position in the system with 600 customers such as Silicon Valley Bank. Addepar users can connect with platforms such as Morningstar, Citco Fund Services, Quovo, iCapital Network and Salecforce. The company provides asset managers with real-time portfolio reporting and insights to make and implement better investment decisions. The company, whose last valuation was \$1.1 billion, raised \$325 million in funding.²¹

Fintech in the UK

The Fintech sector in the UK is booming. The industry attracted a record \$4.9 billion in investment in 2019 and has the second largest Fintech market for VC investment after the United States.²² London is the most important Fintech hub in the UK and has many important Fintech activities from Belfast to Durham, Edinburgh to Cardiff, Bristol to Birmingham. Strong Fintech structures are seen especially in WealthTech and payments.

There are 2500 Fintechs in total in the UK and they operate in 8 areas: banking, RegTech, InsurTech, lending, payments, WealthTech, quote aggregators, accounting, auditing and cash flow management. The growth of Fintechs operating in these important fields gained momentum especially between 2011 and 2016. Fintech centers in the UK have an important place in growth. These are ²³ ; London, the Pennine district (The Pennines), Scotland, Birmingham.

London; It has headquarters of around two-thirds of all UK Fintechs. It has a strong structure especially in banking, payments and WealthTech among Fintech activities in this region.

Pennine Territory; It includes Manchester and Leeds and has the highest number of Fintech companies outside London, with 135 Fintechs. 7% of the Fintechs identified on a national scale are located in this region. Fintechs here have a strong structure, especially in lending, payments and RegTech.

Scotland; It has the third largest Fintech volume in the UK. Major financial institutions such as The NatWest Group and Aberdeen Standard Life have chosen Scotland as their headquarters and this has contributed to the development of the region in financial services. Fintechs in the region are particularly focused on WealthTech and payments.

Birmingham; has significant financial services assets. Fintechs here have a strong structure especially in loan, installment and banking areas.

Wales has the fastest growing digital economy outside of London, and the growth of the financial sector in the region has led to the development of the Fintech industry. In addition, Fintechs have found a place to develop themselves with the developing digital ecosystem, growing supply chain and entrepreneurial university collaborations. Fintech centers in the region appear to be Cardiff, Newport, Swansea and Wrexham, and the sector employs around 40,000 people.²⁴ Apart from this, a non-profit organization called “Fintech Wales” was established to strengthen Fintech and financial services in the region and to ensure that the region is an important area in the global economy. Founded in 2019, Fintech Wales; entrepreneurs in the sector, small, medium and large enterprises, technology suppliers and universities. It brings schools and the public sector together to keep them in touch and contributes to the ecosystem by creating a great synergy.

Fintech in Northern Ireland is one of the fastest growing industries. Companies in the sector operate in the ecosystem, especially using Blockchain and Artificial Intelligence technologies. In particular, Belfast has become the world’s number one place for Fintech investment, with around 40,000 people in the financial services industry in Northern Ireland. Thanks to the talents of its employees and low operating costs, Northern Ireland is a developing Fintech market. The industry continues to grow, especially thanks to the investments of InvestNI and Catalyst.²⁵

UK Region Fintech Examples

AquaQ is a Northern Ireland-based company that provides services with cloud and UI technologies, especially to companies operating in the capital markets, with data management, data analytics and data mining products. With over 200 employees, it serves an ever-growing global client base of investment banks and hedge funds.²⁶

FinTrU is a RegTech company headquartered in Northern Ireland, founded in 2013, operating in the financial services industry. It works with clients by designing solutions that help them meet their regulatory obligations in areas such as legal, risk, compliance, operations, and consulting. Employing more than 800 people, the company is a member of ISDA (International Swaps and Derivatives Association).²⁷

Bristol-based **Tumelo** is a financial technology firm that offers an investment platform. It provides its customers with the opportunity to make positive investments in areas they are passionate about.²⁸ Peter Gabriel and Pitch@Palace invested in the company, which reached \$1.3 million in financing in 2019.²⁹

Important Areas in Fintech; Open Banking and Neo Banking

Open Banking; It is known as “Open Banking”. In its shortest definition, it is a reliable service model in which the financial data of customers in banks are shared with third party organizations in order to provide them with a better banking and financial service with customer approval.³⁵ Third party organizations can develop new financial products and services for customers thanks to data.

The most important feature of Open Banking is that it allows data collection from more than one financial institution. Thus, users can analyze their expenses and incomes from a single platform thanks to the application programming interface (API), and they have the opportunity to make a better budget. In addition, users can access more personalized products and services and manage their money better with this platform. Apart from that, users can get extra discounts and special offers according to their current spending habits by gaining more options in borrowing and making payments.³⁶

In order to ensure the legal regulations of this model, the European Union Payment Services Directive (PSD1) numbered 2007/64, which was implemented in the European Union and Iceland, Norway and Liechtenstein in 2009, has been published. Thus, the legal basis of payment service providers that will rival banks in the field of payments has been established. In 2016, the scope of PSD1 was developed and PSD2 came into effect. Here, two new payment services within the scope of open banking have been legally grounded. These; Payment Initiation Services and Account Information Services. Payment Initiation Services; Account Information

On the other hand, regulations regarding open banking have begun to be made in many countries. Especially in 2018, Malaysia and Hong Kong are among the leading countries in this field with their regulations. Singapore created the “Financial Industry API Registry” by providing the open banking environment in 2016 and became the first country in Asia to make legal regulations in this field. South Korea does not regulate in any way in this area and prohibits the use of Fintech Open Platform. Australia has implemented legal regulations related to this model. Although New Zealand does not yet have a regulation, it started a pilot for open banking in 2019. Mexico has drafted the regulation and approved the Fintech law.³⁷

According to the report published by PwC in 2021, it is stated that consumers are undecided about the open banking application, and it has been announced that the rate of bidders in this field in Turkey is above the European average. According to the same report, it is stated that the rate of consumers who do not want to share their data decreased significantly in Germany and Switzerland, and increased in Spain and the Netherlands. In order for this model to be successful, it is stated that attractive advantages in data sharing are required and it is also explained that shopping discounts come to the fore.³⁸

Global Open Banking Examples

Thanks to its multi-bank platform, **Cobase** provides access to all bank accounts and other financial products of many banks and financial service providers in one place.⁴⁰

Plaid, is a company that provides open source APIs, founded in San Francisco in 2013. The Firm focuses on financial services, enabling financial institutions to facilitate services such as consumer payments, lending, banking, business finance. It also allows institutions to develop products related to investments, assets, student loans. It contributes to the ecosystem by working with 5000 Fintech companies.⁴¹

MX offers data-driven analytics and open banking API for businesses, and an open financial database for activities such as personalized marketing, personal financial management, financial insight, mobile banking. It also offers SaaS-based products to banks, credit unions and Fintech companies. The firm is the “2021 American Banker Best Fintechs to Work For” and “Inc. Magazine Best Workplaces 2021” has won many awards. In addition, the company has put its name on the Women Tech Council 2021 Shatter List.⁴²

Arcus started its operations in New York City in 2013. It provides the creation of products such as payment processing solutions, financial data services, digital wallet services with open banking API solutions. The firm contributes to banks, financial institutions and retailers with its services. It also helps businesses across America make payments accessible to every customer.⁴³

Tink serves the European market with its 370 employees and 10 offices. It offers open banking API solutions for banks and financial institutions. It allows institutions to create account consolidation, payment initiation, data enrichment and personal finance management products and offers application programming interfaces. APIs can be integrated into existing applications and websites. It processes more than 10 billion transactions per year and 10,000 software developers use the products offered by Tink.⁴⁴

Railsbank is a company with investors such as Start Path, Ventura Capital and Visa, which was established in London in 2015. It produces open banking API solutions and offers a banking platform that connects financial institutions and banks with a single API. It allows banks to offer IBAN accounts, money transfers, payment cards and more.⁴⁵

Cross River Bank offers a banking software package. This package includes various products such as credit generation software, open banking API and payment solutions. Thanks to the package it offers, cyber security threats can be detected.⁴⁶ Affirm works with partners such as Coinbase, Finix Payments, Visa.⁴⁷

Examples Of The UK Open Banking Area;

3S Money is a London-based open banking service focused on international trade. Digital accounts, import and export transactions, dividend distributions, finance and treasury transactions can be done with the API. It also offers 24/7 personal customer support⁴⁸

Anna Money is a mobile business account set up in the UK that bills, estimates tax liability and reminds you of tax deadlines.⁴⁹

Atmen is a UK-based banking service company. With the application it offers, users can quickly transfer money and make frequent payments faster by adding them to their favorites. The application can be accessed from different devices and 24/7 customer support is provided.⁵⁰

Cashplus offers non-bank current account by introducing the first prepaid debit card in the UK since 2005. It continues to offer innovative products to 1.6 million customers. The firm has a financing of 500 thousand dollars. Trident Capital is Cashplus' sole investor.⁵¹

Frost provides services with its application that helps in issuing invoices, controlling expenditures and saving foreign currency. Here, an online account is opened without waiting for an appointment or queuing, and it helps to make payments easily.⁵² Founded in 2019, the firm is headquartered in Manchester.⁵³

Firstdirect is a company that provides online banking services to 1.27 million users. The company, which also offers personal banking services, develops the application with data specialist Bud.⁵⁴

Neo Banking

Neo Banking is a new generation banking and its main feature that distinguishes it from traditional banking is that it is completely digital. Access to neobanks is provided only through mobile and tablet devices. The new generation banking, which provides more time flexibility, also allows all kinds of transactions to be carried out quickly and easily.

Neobanks provides digital financial services such as checking and savings accounts, payment and remittance services, loans for individuals and businesses, and budgeting assistance. It provides its users with the opportunity to open accounts in different currencies, to pay in foreign currency, and foreign currency transfers are much cheaper than traditional banking. It allows the use of cryptocurrencies. In addition, neobanks try to provide security in their customers' transactions through deposit guarantees and insurance policies. For this reason, cyber security resources are also used.⁵⁶

The market for Neo Banking operations, which offers extensive banking solutions without physical branches or offices, is growing. The global Neobanking market size is expected to reach \$333.5 billion in 2026 with a rate of 47.1% according to forecasts.⁵⁷

The number of new generation banks operating worldwide in the field of Neo Banking has approached 300. Europe is leading the way in this area. 3 of the 5 most developed markets are located in this region. The United Kingdom is the leader, followed by Sweden and France. More than 50 million people opened a new generation banking account in Europe alone. There are rapid developments in this field in South Korea, Brazil and the United States. China is in an unrivaled position in terms of customer access with its developments and financial applications.⁵⁸ In Australia, neo banks began to flourish, with legislation reducing restrictions on institutions.⁵⁹

Global Neo Banking Examples

Monzo, is an app-based digital bank, also known as Mondo. It allows its users to perform operations such as spending tracking, bill splitting, sending money. Monzo's most recent funding round is in February 2021 for \$68.74 million. The company, which has 16 competitors, has 10 strategic partners. His last partnership was with TrueLayer in 2021.⁶¹

Revolut offers a personal money cloud with zero hidden banking fees. The company's ultimate goal is to completely eliminate all hidden banking costs. Revolut allows its users to exchange money at interbank rates, send money via social networks and spend wherever MasterCard is accepted. The firm's most recent funding round is due in July 2021, for \$800 million. Revolut, which has a total financing of 1.716 billion dollars, has 23 competitors such as Soldo, NIUM and Tide. It has 10 strategic partners and customers. In June 2021, it partnered with Clear Books. In addition, Revolut is entering the travel industry with a new reservation feature. This feature allows users to book hotels and other accommodations and get cashback of up to ten percent.⁶³

Talk Bank is a neobank that provides white-label banking solutions for banks, insurance companies and markets, uses AI chatbot in messaging programs and reduces customer support costs. Talk Bank is included in the expert collections, which are lists highlighting companies that need to be known in the most important technology areas.⁶⁴

NIUM is a Singapore-based payment company. It is licensed as a Money Services Entity (MSB) in Singapore, Australia, Hong Kong, Malaysia, India, Canada, Europe and the United States. Having 6 competitors, NIUM has 22 investors such as Visa Ventures, Beacon Venture Capital, Global Founders Capital, and Riverwood Capital. In addition, this venture raised more than \$200 million in new financing, raising its valuation to \$1 billion⁶⁶

CurrencyCloud is a cloud-based solution for international payments. It sells software to banks and Fintech firms for cross-border payments. The company provides payment infrastructures such as finding exchange rates and transferring funds. Its solutions are provided via APIs and are used by digital and payment companies. CurrencyCloud was acquired by Visa in July 2021 at a valuation of \$962.8 million.⁶⁷

Neo Banking Examples In The UK

Soldo is a UK-based neobank that offers all business accounts, including debit card, where all transactions are managed from the Iphone or Android app. The company, which has more than 210 employees, has 4 offices in London, Rome, Milan and Dublin. It serves with the payment and expense management automation platform.⁶⁸

Monese is the London-based neobank that offers many foreign exchange accounts. With the application offered by the company, users can easily open an account and make transactions from anywhere in the European Economic Area from their smart phones. The company, which has a financing of 80.4 million dollars, has 23 investors, including Future Fifty and Augmentum Fintech.⁶⁹

CurrencyFair is a Dublin-based neobank offering P2P services that allows individuals and businesses to exchange and send money to their bank accounts. It allows personal and business customers to send money from their local bank account to themselves or to a third party's foreign bank account at eight times cheaper cost without using any bank. It is fully licensed by the Central Bank of Ireland and overseen by the same organization.⁷⁰

Atom Bank was founded in 2014 as the UK's first app-based bank and serves customers with over 400 employees. The company, which has a financing of 639.8 million dollars, acquired Grasp Digital in 2016. It has 14 investors.⁷¹

Dozens is the trading name of Project Imagine Ltd, a company registered in England and Wales, focused on saving customers and growing their money. With the application offered by the company, users can make transactions in current accounts, use savings and budgeting tools, and provide access to higher returns and investments.⁷²

Lintel is a neobank for international students and professionals to study, work and live in the UK. With the application it offers, users benefit from the best international money transfer.⁷³

Recent Developments in the Fintech Ecosystem

Reaching 9.4 million users as of July 2021, Turkish Fintech brand Papara launched an advertising campaign consisting of four films. “Not a bank, Papara!” Advertisements launched with the slogan mention a product that offers a fast, advantageous, technological and user experience compared to traditional banking. While the first film emphasizes the ability to send money 24/7 to the names in the user’s directory or to the IBAN, the second film emphasizes easy and fast shopping from anywhere. In the third movie, the difficulties experienced in money transfer are solved with Papara and the return to happiness is told. In his last movie, the pleasure of earning cash on purchases made from contracted banks is shown.⁷⁴

The fact that Apple does not open the NFC antenna to banks remains on the agenda. The Dutch competition authority stated that it had a negative impact on competition as a result of its investigations and called on the European Union to take necessary actions. If Apple is forced to expose its NFC antenna to third parties, banks and Fintechs will start a new era in the payment system by offering mobile contactless payment experience to their iPhone owner customers.⁷⁵

Cryptocurrency Awareness and Perception research indicates that the use of cryptocurrencies has increased 11 times in Turkey. According to this research, while the rate of those who made transactions in 2020 was 0.7%, the result was 7.7% in 2021. In addition, there has been a significant increase in the proportion of women trading cryptocurrencies. While 2 out of every 10 people who made a transaction in 2020 are women, this rate is 4 out of 10 people in 2021. On the other hand, it is stated in the research that the Y generation is more satisfied with the cryptocurrency transaction than the other generations.⁷⁶

Booking announced that it has established the Fintech business unit to eliminate financial difficulties in the travel process and facilitate smooth access to the travel market for both its customers and partners.⁷⁷

UK commercial banking platform Tide will expand to India with a commitment to £100m investment and 1,000 jobs in five years. An agreement has been reached with RBL Bank for operations in India.⁷⁸

While Yemeksepeti announced that it would establish a Fintech company, Insha Ventures, which was implemented by Albaraka Türk Participation Bank and started as a Fintech startup founder in 2020, launched the remote customer acquisition platform IdentityBasit in cooperation with Identify Turkey, the identity management platform. With this platform, remote customer acquisition processes will be completely digitalized.⁸⁰

British Fintech giant Wise has announced that it will go public on the London Stock Exchange through a direct listing.⁸¹

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About the Study

This study has been designed and prepared for the benefit of people working in the field of financial technology, about the developments and innovations in the field of Fintech, using various sources.

You can visit www.gooinn.co to learn more about the innovative developments in this field.



Gooinn is an innovation consultancy firm based in London and Istanbul. It is currently actively serving in Turkey, the United Kingdom and Germany. It transfers to companies the competence needed to design innovative products that meet the real needs of customers. It helps to establish and strengthen the innovation culture in institutions. Gooinn attaches great importance to creating value together and being output oriented.

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