



# Fintech Geography

William Fisher

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# Geographic Variation in Usage



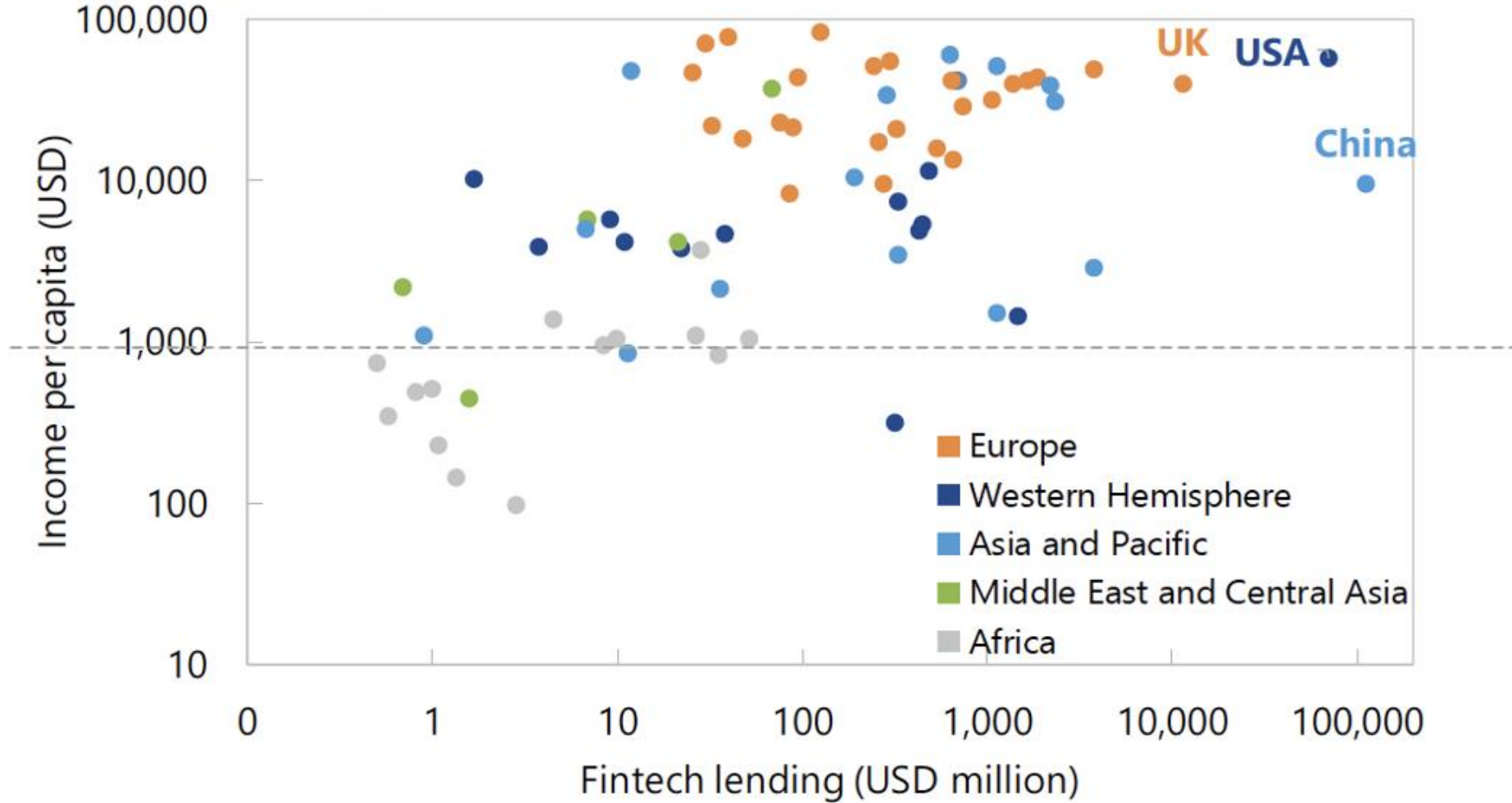
## Leading countries for fintech adoption 2019, by category

	<b>Banking and payments</b>	<b>Financial management</b>	<b>Financing</b>	<b>Insurance</b>
<b>China</b>	92%	91%	89%	62%
<b>U.S.</b>	52%	49%	41%	31%
<b>Mexico</b>	49%	36%	31%	23%
<b>South Africa</b>	47%	43%	34%	26%
<b>U.K.</b>	41%	37%	34%	24%
<b>Total</b>	56%	51%	46%	33%



# Fintech Lending and Income per Capita, 2019

(USD, log scale)



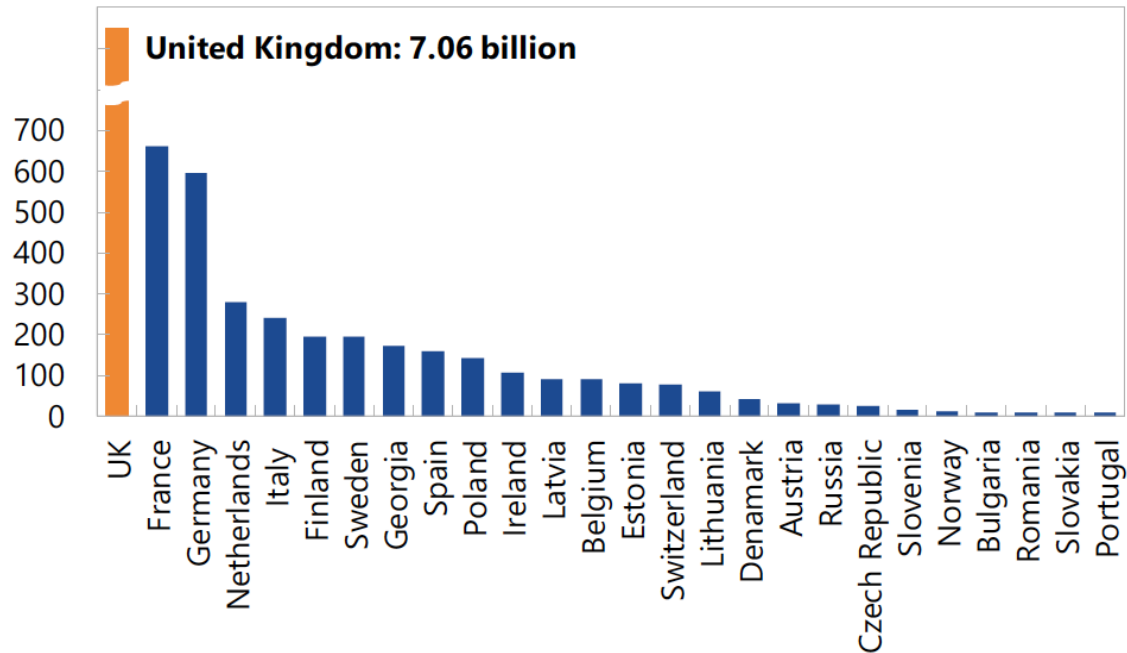
Sources: G. Cornelli, J. Frost, L. Gambacorta, R. Rau, R. Wardrop and T. Ziegler (2020), "Fintech and big tech credit: a new database"; and IMF WEO database.

Source: Baba et al., "Fintech in Europe: Promises and Threats," IMF Working Paper (2020)



## Alternative Finance Volume by Country, 2017

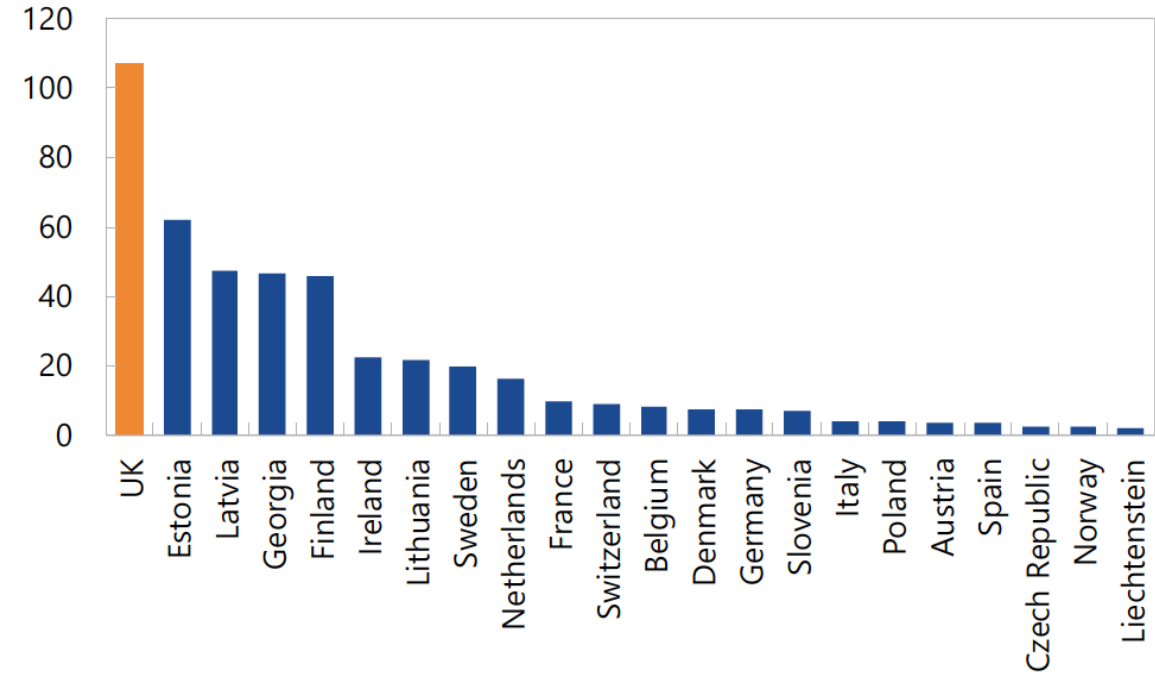
(Euro Millions)



Source: The 4<sup>th</sup> European Alternative Finance Industry Report, Cambridge Center for Alternative Finance, 2019.

## Market Volume Per Capita by Country, 2017

(Euro)



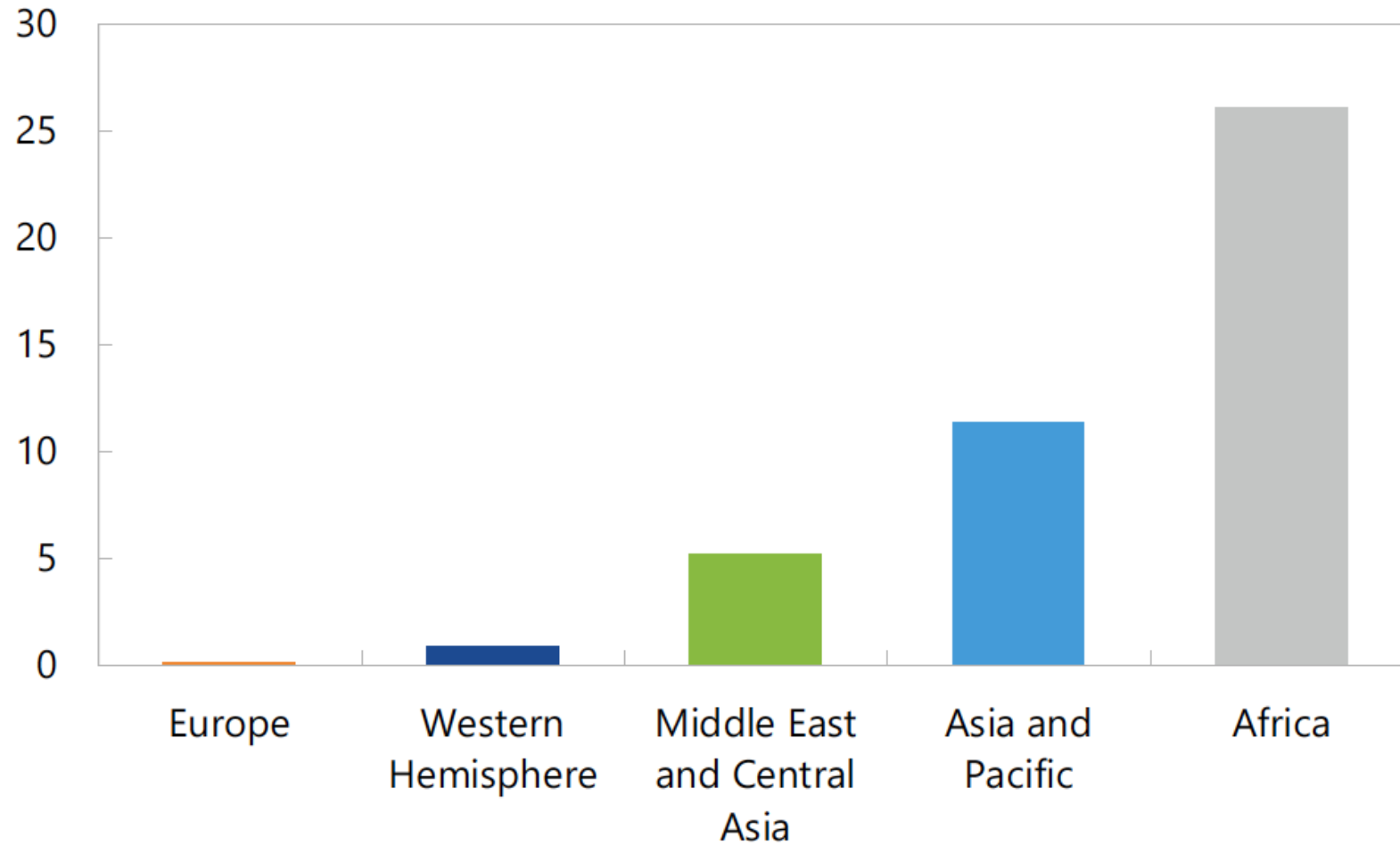
Source: The 4<sup>th</sup> European Alternative Finance Industry Report, Cambridge Center for Alternative Finance, 2019.

Source: Baba et al., "Fintech in Europe: Promises and Threats," IMF Working Paper (2020)



# Mobile Money Transactions, 2018

(Percent of GDP, simple averages)



Sources: IMF Financial Access Survey; and IMF Staff calculations.

Source: Baba et al., "Fintech in Europe: Promises and Threats," IMF Working Paper (2020)



# Reasons for Lag in Europe

- High level of financial development
- Dominance of banks in both personal finance and capital markets
- Heterogeneous regulatory environment impedes EU-wide initiatives
- In some countries (e.g., Germany), cultural preference for cash as a shield for privacy



## Arner et al. (2016)

“FinTech 3.5 in the developing world is supported by a strong underlying rationale, including, but not limited to, the following characteristics:

- (1) young digitally savvy populations equipped with mobile devices;
  - (2) a fast-growing middle class with 60% of the world's middle class to be located in Asia by 2030;
  - (3) inefficient financial and capital markets creating opportunities for informal alternatives;
  - (4) shortage of physical banking infrastructure;
  - (5) behavioral pre-disposition in favour of convenience over trust;
  - (6) untapped market opportunities (1.2 billion people without bank accounts); and
  - (7) less stringent data protection and competition.
- (8) In addition, particularly in India and China, there are very large numbers of engineering and technology graduates.”

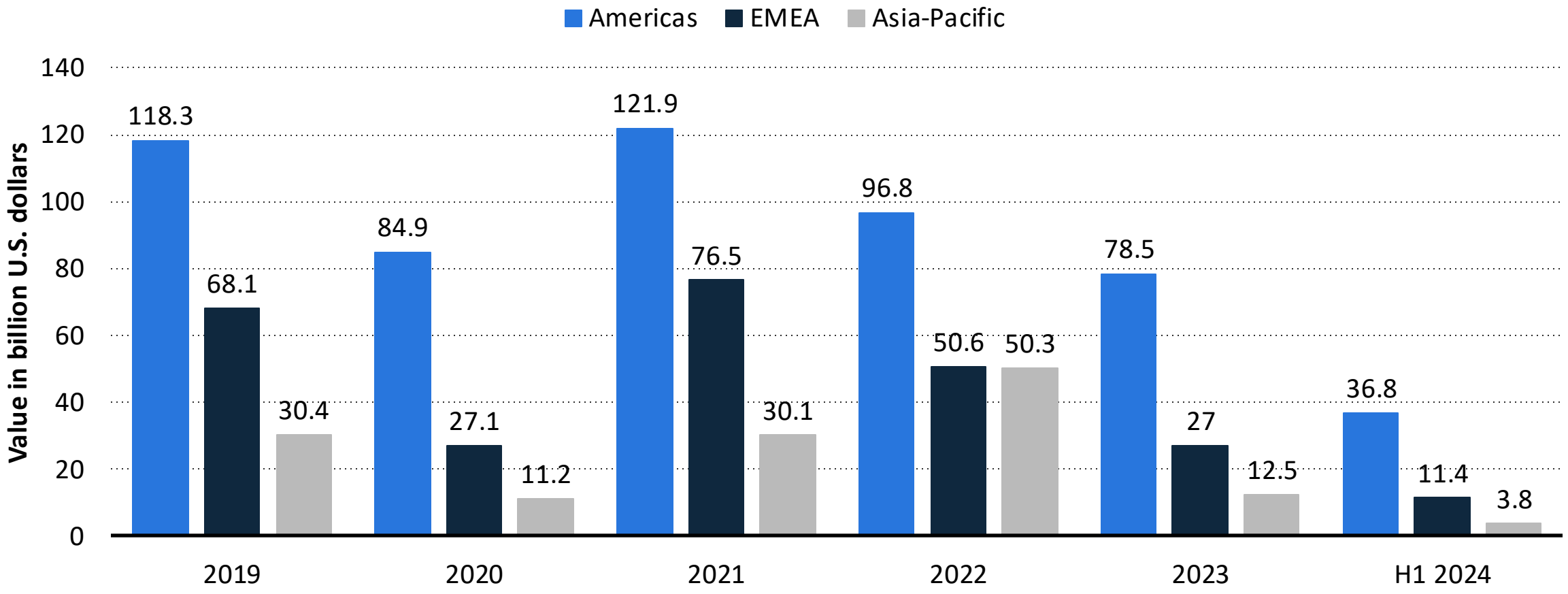




# Geographic Variation in Investment

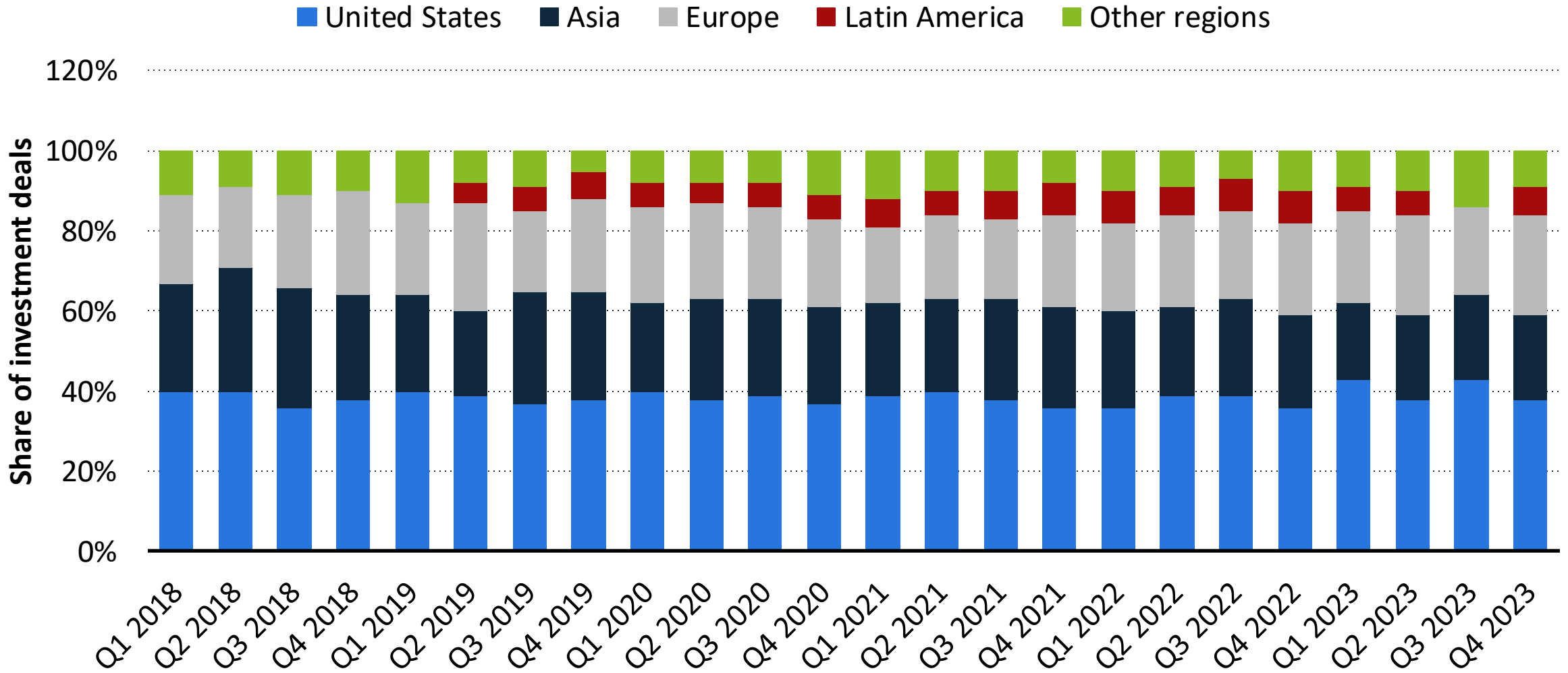


# Value of investment in fintech worldwide from 2019 to 1st half 2024, by region (in billion U.S. dollars)





# Share of investment deals in the fintech sector from 2018 to 2023, by region



Note(s): Worldwide; 2018 to 2023  
 Further information regarding this statistic can be found on [page 8](#).  
 Source(s): CB Insights; ID 133.1438



# Countries in Europe with the highest amount of venture capital (VC) investments in fintech companies from 2016 to 2021 (in billion euros)

Biggest countries in Europe for VC funding in fintech 2021

