



FinTech for Social Good Landscape Q4 2022

Teaser

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www.deep-knowledge.org



FinTech for Social Good Landscape Q4 2022

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Introduction

The '**FinTech for Social Good Landscape Q4 2022**' report, created by Deep Knowledge Philanthropy, provides a comprehensive overview of the FinTech industry and its impact on improving social good.

The report serves as a follow-up to the previous 'FinTech for Social Good' report, containing up-to-date information regarding the sector, emerging technologies that have a significant impact on its development, along with governmental initiatives and current challenges. During the research, more than **800 FinTech companies, 1,100 investors, and 50 nonprofit organizations** were analyzed.

Among the technologies could be distinguished Blockchain, Artificial Intelligence, Big Data, Neobanking, Open Banking, and many more. **Advanced technologies help to drive the FinTech sector in developing countries**, opening up new growth opportunities. The report is aimed to deliver a detailed overview of the industry, showcase main trends and present a unified industry framework.

Methodology and Approach

Methodology

The report analyzes over 800 companies, 1,100 investors, and 50 of the most influential nonprofit organizations.

Companies were categorized into 6 specific sectors. All the startups and corporations are directly or indirectly involved in impact activity and intentionally invest in generating social and environmental impact alongside profits.

The data on the main trends in the 'FinTech for Social Good 2022' report has been aggregated from various reputable and public data sources, including general and industry-specific databases, media and news reports, and conferences and government websites. Therefore, while the information presented here is believed to be reliable, the authors do not represent the accuracy or completeness of its constituent materials, news, and data.

Approach

Relying on various research methods and analytic techniques, the analytical report provides a comprehensive overview of the Philanthropy and Impact Investing Industries. This approach has certain limitations, especially when using publicly available data sources and conducting the secondary research. Deep Knowledge Philanthropy is not responsible for the quality of the secondary data presented herein; however, we do our best to eliminate risks by using different analytic techniques and cross-checking data.

Data Sources

Media
Overview

Industry
Specialised
Databases

Publicly
Available
Sources

Industry
Reports and
Reviews

Applied Research and Analytics Methods

Descriptive
Analysis

Mixed Data
Research

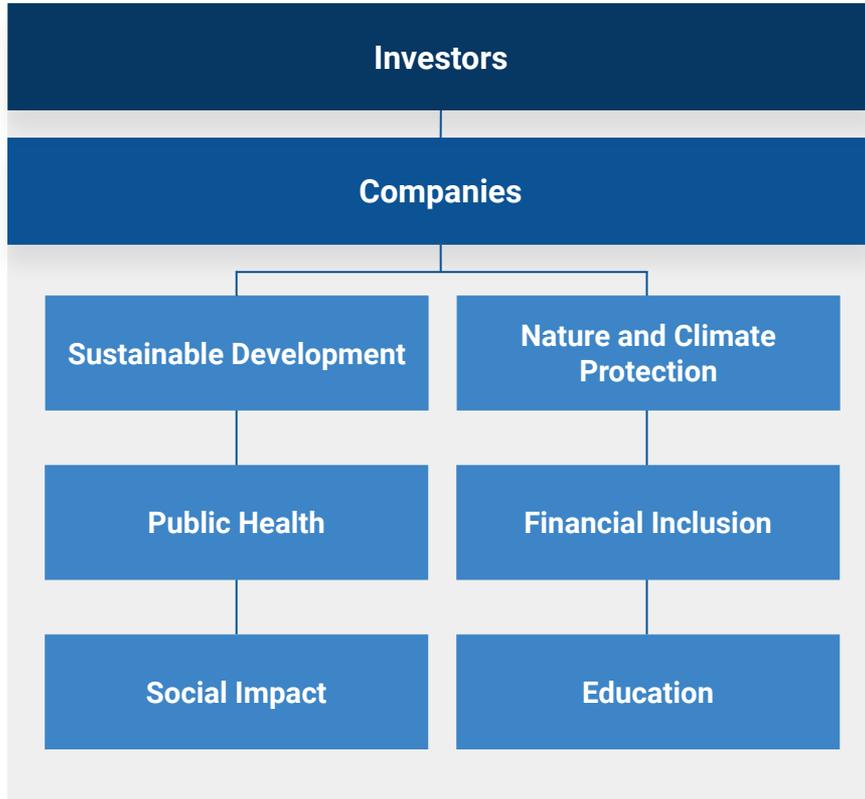
SWOT
Analysis

Comparative
Analysis

Qualitative Data
Collection

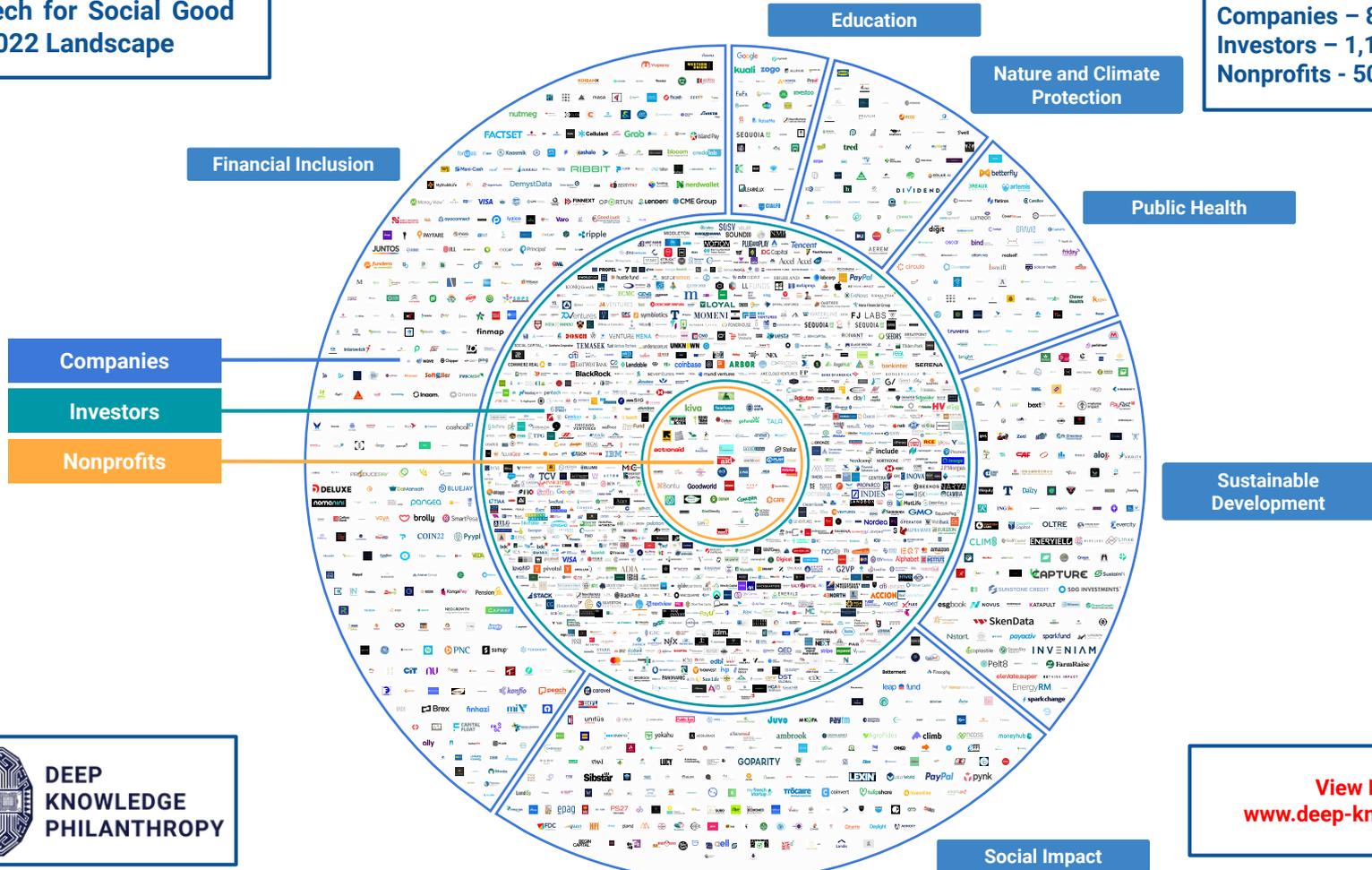
Data
Filtering

FinTech for Social Good Framework



FinTech for Social Good Q4 2022 Landscape

Companies – 800
Investors – 1,100
Nonprofits – 50



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Executive Summary

FinTech represents a **revolution of one of the oldest forms of human communication - Trade**. The FinTech industry is likely to continue to grow in the coming years as **more people embrace the digitization of banks and access essential financial services through technology**. FinTech is one of the most emerging industries today in terms of short, medium, and long-term growth potential. However, social FinTech companies have much more transformative potential than traditional companies with a social edge.

According to recent studies, more than 70% of 'impact' businesses are more profitable than traditional businesses. Therefore, the company can participate in traditional financial transactions and make a profit, contributing to the development of society. According to the World Bank, **approximately 2 billion adults worldwide lack access to formal financial services**. Providing basic and secure access to money transfers, savings accounts, and mobile payment services can make a big difference in many underdeveloped countries. Social FinTech companies help introduce thousands of people to the banking system by providing these services.

FinTech for Social Good 2022: Main Parameters



Role of FinTech in Developing Countries

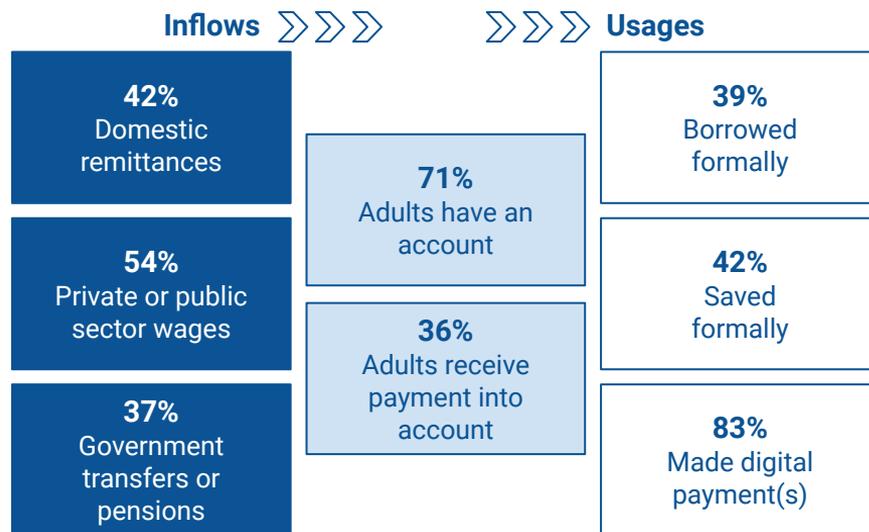
FinTech is quickly becoming the financial system of choice in most countries. Almost all financial institutions have moved to the Internet in developed countries, such as the United States or the United Kingdom. They are now relying on technology to maintain their business.

In the future, it is believed that **the whole world will go into the digital space regarding finances**, and the idea of physical money will disappear completely. The catalyst for this development will be different FinTech companies and startups beginning to appear worldwide.

Developing countries face the most challenging issues around the services necessary for their finances. **Many people do not have access to most standard financial services**. Hence, the factor that enhances their dependence on physical funds can cover financial inclusion.

To support emerging countries, **FinTech will have to provide the right financial ecosystem to deliver convenient, cost-effective financial services**. This will assist in protecting, securing, and effectively utilizing their financial assets while simultaneously tackling an irregular cash flow and providing a contingency plan for any financial emergency.

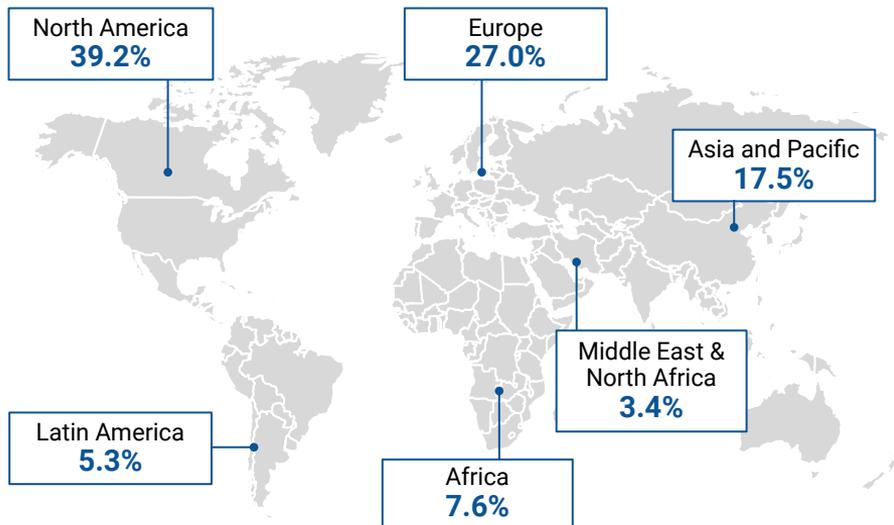
Millions of non-banking adults still receive regular cash payments from employers and the government. However, according to recent research, transferring some of these payments to an account may **expand financial inclusion to 1.4 billion adults** with no bank and potentially lead to broader use of financial services.



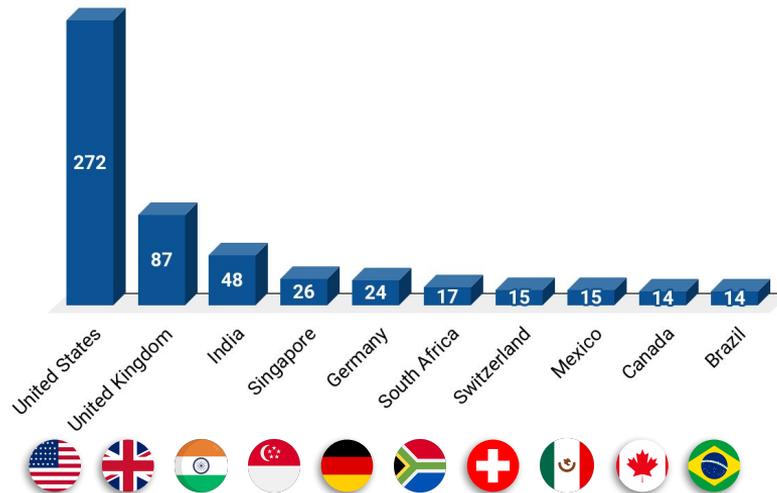
Usages are shown as percentages of the 20 percent of adults receiving a private or public sector wage payment into an account.

Regional Distribution of Humanitarian FinTech Companies

FinTech Companies by Region, 2022



Top 10 Countries by Number of FinTech Companies, 2022



North America, where 39.2% of FinTech companies are located as of 2022, is the leading region in the global FinTech Industry. The second biggest region is **Europe**, with around a 27% share of FinTech companies. The top three countries by the number of companies analyzed in the report are the **United States** (272), the **United Kingdom** (87), and **India** (48).

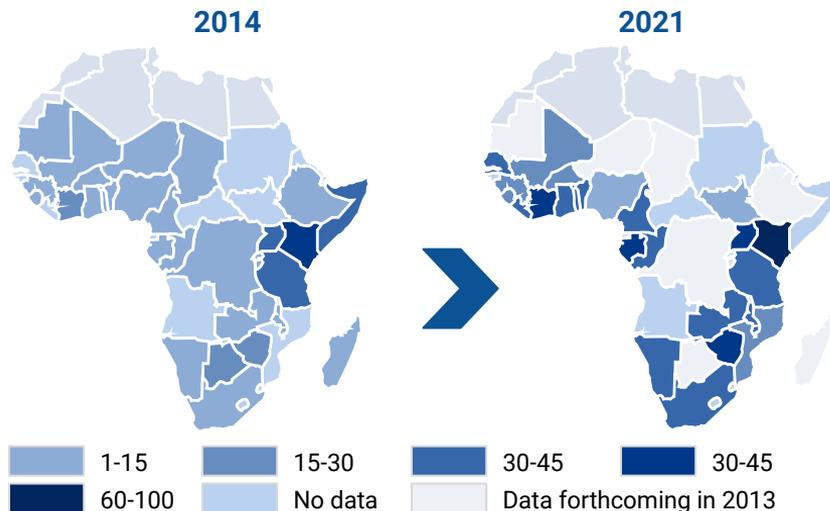
Financial Inclusion in Developing Countries (Africa)

Over the years, financial inclusion has drawn much attention. **A significant reason is that a financially excluded population dominates most African countries.** This ideology has taken numerous forms over the years, shifting from an impression that institutions need to spread their tentacles to mostly rural inhabitants, a general conceptual idea with practical gains for nations, plus a linked impact to socio-economic growth and development.

This transformation is necessary, considering how many in Africa fall under the radar of financially excluded people. For example, according to the World Bank's 2021 Financial Institutions database, **85.4% of people in South Africa had formal financial institution accounts. In the same report, Kenya's statistics were 79.2%, Nigeria's 45.3%, Egypt's 27.4%, and Congo DRC's 14%.**

These numbers support the World Bank's declaration that low operation and use of banking services is a direct indication of how high the financial exclusion rate of a region can be, which statistics prove that Africa's case is high. But in time, the subject has been treated by numerous notable titles in the region's financial community.

Mobile Money Accounts Grew and Spread Across Sub-Saharan Africa

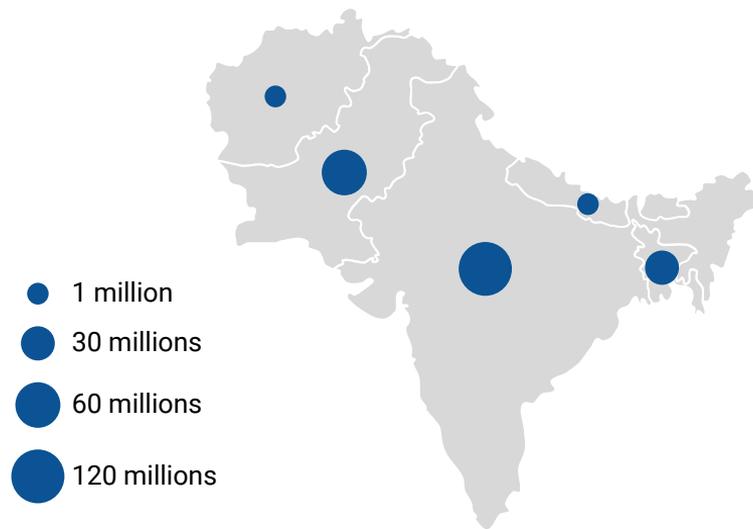


In 2014, mobile money accounts were concentrated in East Africa. Since then, these accounts have spread across West Africa and beyond, with mobile money account ownership in Gabon rising from just 7% in 2014 to 57% in 2021, and Uganda from 35% in 2014 to 54% in 2021.

Financial Inclusion in Developing Countries (Asia)

Digital financial solutions play a significant part in closing gaps in financial inclusion. They could address about 40% of the volume of unmet demand for payments services and 20% of the unmet credit needs in the BoP¹ and MSME² segments. However, digital finance alone cannot entirely close the gaps in financial inclusion. It is, however, estimated that the **cumulative effect of digitally driven acceleration in financial inclusion could boost GDP by 2% to 3% in markets like Indonesia and the Philippines and 6% in Cambodia.** For a population earning less than \$2 daily, that would translate to a 10% increase in income in countries like Indonesia and the Philippines and a rise of 30% in Cambodia. 99% of Indian adults with an account at a financial institution have a bank account. The percentage of Bangladeshis with formal financial services accounts almost doubled from 20% to 34% between 2013 and 2016. In 2016, only one in 10 adults (13%) had a registered account. Mobile money awareness is high, as is access to mobile phones. In South Asia, **240 million unbanked adults have a mobile phone – more than half of the region's 430 million unbanked.**

Adults with no Bank Account but with Mobile Phone



Specifically, 56% of all unbanked adults in the region own a mobile phone, including 51% of unbanked adults in India and 55% of unbanked adults in Pakistan. In Bangladesh, 69% of unbanked adults have a mobile phone, and in Nepal - 73%.

FinTech Inclusion Framework

Access to finance, financial affordability and financial sector development have long been key policy objectives. Over the past century, a number of initiatives have aimed to increase access to finance and financial inclusion, but these have accelerated in the last decade as technological developments combined with strategic policy support show the potential for progress beyond what has been achieved.



In Sub-Saharan Africa, 33% of adults have a mobile money account. Of those with such an account, two out of three (68%) received a payment to their mobile money account. This share includes about half of mobile money account holders who received an internal transfer, 22% received a salary payment, 13% received payment for the sale of agricultural products, and 8% received a government transfer or pension.

Financial Inclusion Problems
Banks are located far from residential areas
Bank services are costly
Lack of proper documentation and inability to pass KYC and/or open a bank account
The lack of trust in institutions and banks making it difficult to increase the level of financial inclusion among the developing countries
Low literacy of the population, which makes economic and social development difficult

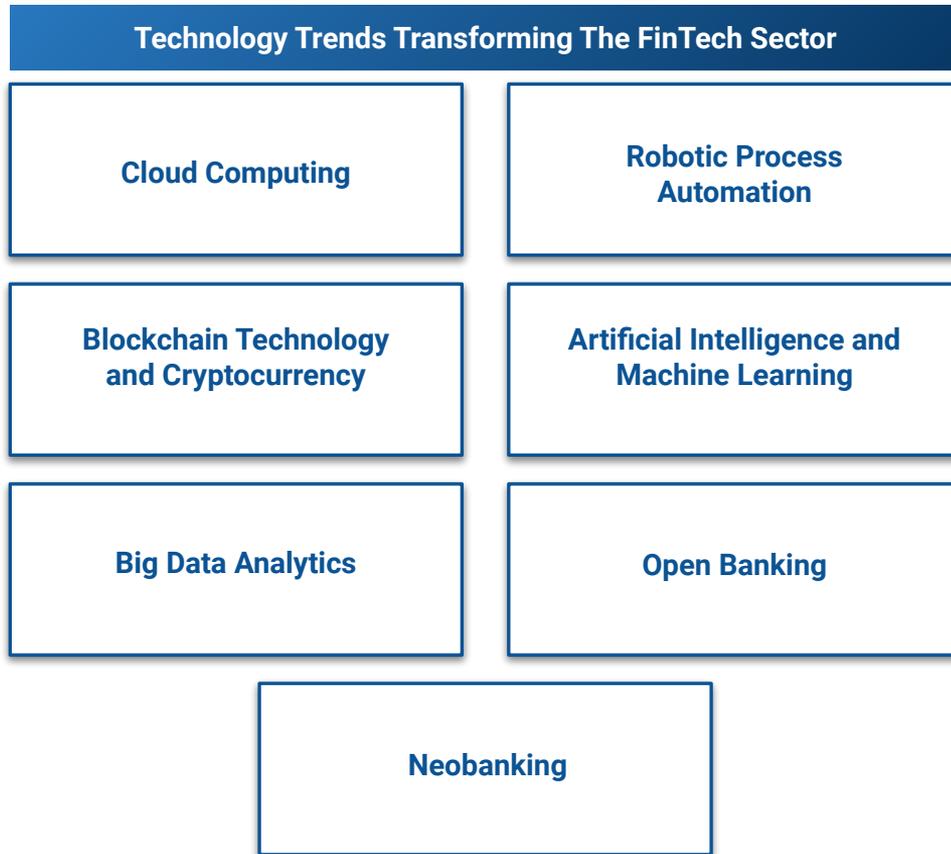
Technology Trends Transforming the FinTech Industry

As one of the **most progressive industries**, FinTech has significantly changed the way people interact with companies over the past decade and it is **constantly evolving**.

Breakthroughs in digital technology have opened **many opportunities for FinTech** companies. The COVID-19 pandemic also helped FinTech companies accelerate their processes to adopt these new technologies which, in turn, addresses some of the challenges associated with the financial sector. These problems **have been the driving force** of many financial players who have invested efforts in improving their operations, optimizing costs and implementing new solutions.

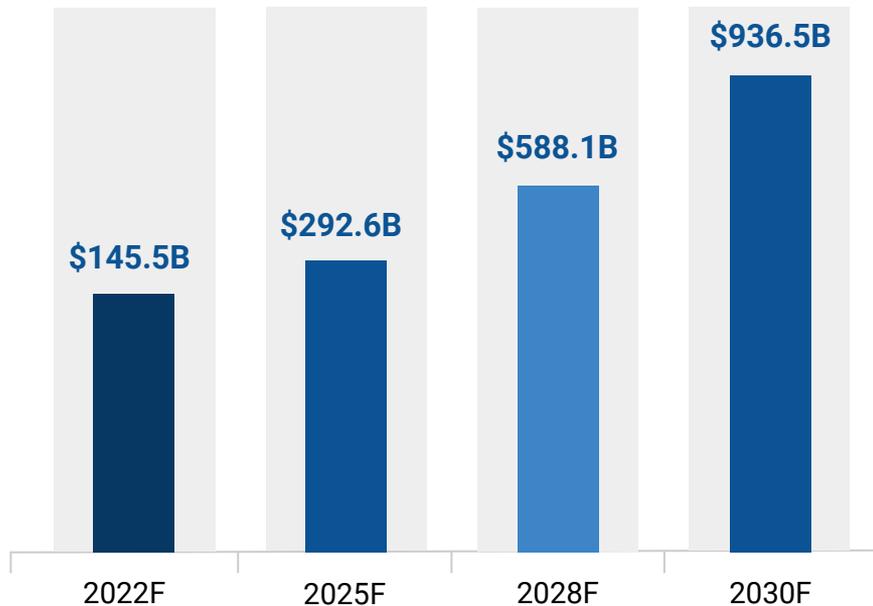
Technological advances in the financial sector are creating **opportunities for certain industries** to review service distribution channels and find ways to **maximize benefits**.

Numerous industries using the creative solutions FinTech offers **are already realizing its value** and reaping its benefits. The FinTech industry **can develop more innovative** and advanced business solutions by leveraging a number of practices that already exist. **All this in order to use the potential opportunities that are opening up.**



Predictions of the FinTech Market Development

Projection of the Global FinTech Market Growth



The rapid urbanisation, and the adoption of smart technologies have increased the demand & popularity of digital financial services like mobile banking and digital payments, creating a need for businesses to adopt and integrate technologies into their services.

The global FinTech market is expected to reach **\$936.5 billion** by 2030, at a CAGR of **26.2%** from 2022 to 2030.

FinTech market growth would be driven by the increasing digitisation of business services, rising adoption of smart devices, increased internet penetration coupled with the growing popularity of digital payments & wallets, and increased investments in tech-based solutions.



North America region currently dominates the FinTech market due to the extensive presence of major market players and a well-developed digital economy; and is anticipated to follow the same trend during the projection period.

Key Takeaways



To play a supportive role for emerging countries, **FinTech has to provide the right financial ecosystem to deliver convenient, cost-effective financial services** in order to protect and secure as well as effectively utilize their financial assets while simultaneously tackling an irregular cash flow and providing a contingency plan for any financial emergency.



North America, where 39.2% of FinTech companies are located as of 2022, is the leading region in the global FinTech Industry. The second biggest region is Europe, with around a 27% share of FinTech companies. The top three countries by the number of companies analysed in the report are the United States (272), the United Kingdom (87), and India (48).



Robotic process automation technology helps FinTech markets speed up procedures by automating manual intervention. RPA uses software robots (bots) to free up human resources and automate manual, repetitive and mundane tasks. This provides **greater efficiency with minimal investment**.



Due to the fast expansion and adoption of blockchain technology, it is rapidly becoming an integral part of the operational architecture of financial institutions. This includes digital payment systems, stock trading, smart contracts, and identity management. The global reach, speed, and security offered by blockchain technology are all factors that are prompting FinTech to adopt it more swiftly.



Indonesia has one of the world's largest unbanked populations. Among **Indonesia's 58 million SMEs, only 12% have access to credit** due to lack of credit history, statements or collateral. Therefore, the Indonesian government insists on financial inclusion. This is done in order to open up opportunities for institutions with a traditional funding model and new FinTech entrants.



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About Deep Knowledge Philanthropy

Deep Knowledge Philanthropy is a data-driven non-profit project launched by **Deep Knowledge Group** committed to the support, development and advancement of DeepTech for social good, impact philanthropy, ethical investment, Longevity, AgeTech and AssistiveTech initiatives. The organization was founded on the belief that DeepTech innovation is the most efficient driver of 'social profit', technological humanitarianism, and overall societal development, and that venture philanthropy is the profitable long-term investment for individuals, national economies, and humanity itself.

Its activities are backed by a robust array of quantitative analytics produced by Deep Knowledge Group's 10 analytical subsidiaries, implementing the most advanced approaches to benchmarking, predictive forecasting and data-driven strategy formulation and execution in order to deliver 10x-20x the social impact and ethical ROI per euro than the non-profit and philanthropy sector average, while using Deep Knowledge Group's extensive distributed international network for highly efficient and productive engagement with Governments, Progressive Corporations, Top-Tier Media, Industry Influencers, Investors, Policy-Makers a wide range of other high-caliber and strategically relevant personalities and organizations.

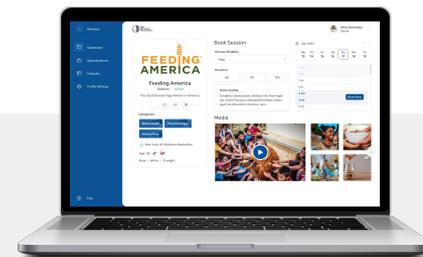
Advanced AI-Driven Analytics



Big Data Analytical System & Dashboard



Charity, Philanthropy and Social Impact Platform 2.0



About Deep Knowledge Group

Deep Knowledge Group is a consortium of commercial and non-profit organisations active on multiple fronts in the realm of DeepTech and Frontier Technologies (AI, Longevity, FinTech, GovTech, InvestTech), ranging from scientific research to investment, entrepreneurship, analytics, media, philanthropy and more.

Deep Knowledge Group runs several data-driven **investments and financial vehicles**



Deep Knowledge Group's **analytical subsidiaries** are world leaders in analytics for DeepTech and Longevity industries



Deep Knowledge Philanthropy pioneers several infrastructural **social impact projects**



Deep Knowledge Group at World Economic Forum

At June 1, 2022, **Dmitry Kaminskiy** delivered a keynote address on the current state and future of the Longevity Industry at the Davos Longevity Investment Summit during the World Economic Forum 2022.

During his address, **Dmitry Kaminskiy** presented key findings on major trends and developments shaping the 2022 Longevity Industry and investment landscape, outlining the Group's work in defining the sector, having coined and popularized the term 'Longevity Industry', and the developments which led to the Group's creation the largest Longevity Industry database (50,000 companies, 12,000 investors, and 1,200 R&D hubs distributed across 20 sectors and 160 subsectors, with over 9.5 million data points) assembled into one integrated [Longevity Industry Big Data Analytical System and Dashboard](#).

INVESTING IN LONGEVITY

Longevity Industry 2022 Overview

Dmitry Kaminskiy

*Deep Knowledge Group
General Partner*

Davos, 25 May 2022



WORLD
ECONOMIC
FORUM

Participants



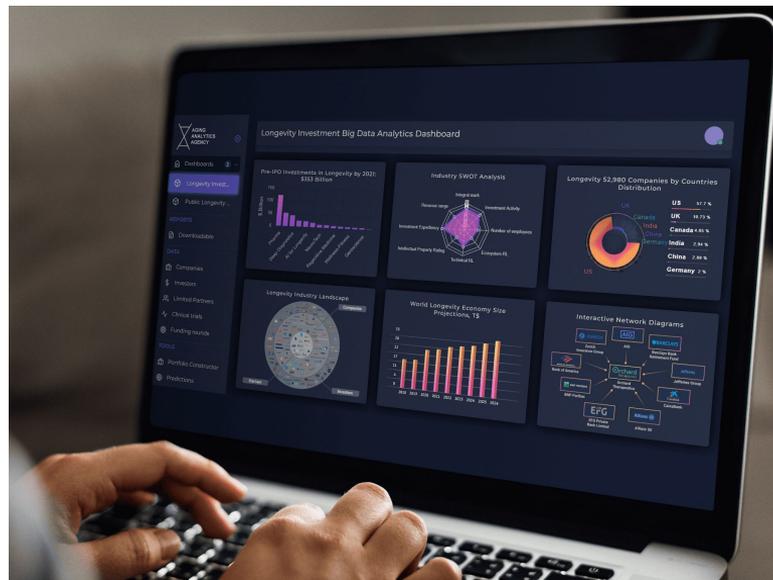
Longevity Industry Journal

Open-Access Philanthropy Big Data Analytics System & Dashboard

Philanthropy Industry Analytical System and Dashboard is designated for two major types of users: charity sponsors and donors. Each of the, involve the range of specific organisations engaged in philanthropic activities. The primary goal lies in delivering on-demand market intelligence analytics through data coverage across the Philanthropy Industry.

The Dashboard serves as the handful tool to meet the following goals:

- Comprehensive analytics of the Philanthropy Industry;
- Providing the extensive database of charity organizations over the globe;
- Making research on activities of charity organizations.



Philanthropy within the Pipeline of Analytical Products Developed by Deep Knowledge Group

HealthTech

DeepTech

BioTech

Longevity

GovTech

Philanthropy

Charity, Philanthropy and Social Impact Platform 2.0

Deep Knowledge Philanthropy aims to remove existing barriers in the Philanthropy sector and to add value for all stakeholders with its Big Data Analytics Platform, an innovative system that analyses and benchmarks the global philanthropy, charity and impact investment industry ecosystem using sophisticated, pre-validated Big Data, Machine Learning and AI techniques, constituting the first end-to-end platform to enhance decision making among donors, charities and NGOs. Our mission is to make the Global Philanthropy Industry more efficient, transparent, accountable and socially impactful.

Charity, Philanthropy and Social Impact Platform 2.0 provides the full-scope of tools for participation in charity-related projects

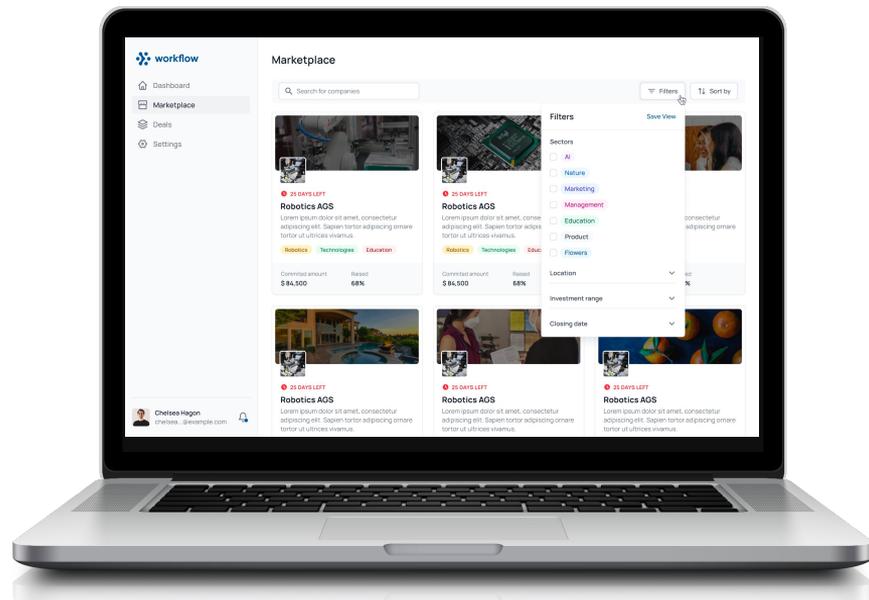
Charity, Philanthropy and Social Impact Platform 2.0

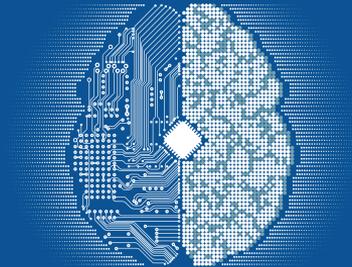
Modern approaches for venture philanthropy

Sophisticated donor-project matching algorithms

Collaborative solutions designed for charity projects

Robust transparency and accountability mechanism





Link to the Report: www.deep-knowledge.org/fintech-for-social-good-q4-2022

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Website: www.deep-knowledge.org

Deep Knowledge Philanthropy Disclaimer

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