Results of the Fintech Benchmarks Proof–of–Concept

Toward Data Standards for Inclusive Fintech

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This report was prepared as part of RELAY, MIX's fintech initiative. Learn more at www.themix.org/inclusive-fintech.

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Document Overview

SECTION I

Rationale

Why do we need data standards and benchmarks for inclusive fintech?

Significant investment capital is flowing into fintech startups: in 2018, the total amount invested in such startups (collectively referred to as fintechs) was estimated to be over USD 100 billion, up 120% from 2017[1]. Yet, evidence shows that it is still challenging to get capital to many fintechs. Those fintechs who are not attracting sufficient capital are, in many cases, the firms which are addressing the last-mile challenges which currently leave an estimated 1.7 billion people worldwide underserved by the financial sector.[2]

At MIX, we believe in the power of data. Interviews with more than 40 investors, fintechs, and other industry actors support our hypothesis that data can help drive capital to inclusive fintech by allowing investors to find, compare, and analyze fintechs using common characteristics and performance metrics. This is complemented by analysis from CGAP on various pilots with 18 fintechs which demonstrated that early stage fintechs, especially those in emerging markets, can struggle to attract investors even though they may have groundbreaking ideas. Two of the key opportunities for data identified in the CGAP research are: (1) to bring clarity to a crowded marketplace of ideas, and (2) to link solutions to financial inclusion.[3]

Addressing these challenges require a standardized language for fintech characteristics, performance, and potential to tackle financial inclusion—referred to throughout this document as ***inclusivity***. This standardized language, or data standards, can help the ***overall fintech industry*** identify gaps in current investment flows; allow investors to surface new, promising companies and to assess potential investees based on benchmarks specific to a context, such as country or product-type; allow fintechs to assess their own performance in relation to their peers; and make it easier for ***investors, fintechs, and development actors*** to define and measure inclusion.

Based on these challenges, MIX undertook extensive market research and stakeholder consultation in 2019 to develop and iterate upon an initial set of Data Standards for Inclusive Fintech [referred to throughout as the Data Standards].[4] After significant iteration and feedback, it was time to put the Data Standards to the test: with

1 KMPG. February 2019. Global fintech investment rockets to a record $111.8B in 2018, driven by mega deals. Available at: https://home.kpmg/xx/en/home/media/press-releases/2019/02/global-fintech-investment-hits-record-in-2018.html

2 Global Findex 2017. Available at: https://globalfindex.worldbank.org/#about_focus

3 Murthy, Gayatri et al. May 2019. Fintechs and Financial Inclusion: Looking past the hype and exploring their potential. CGAP. Available at: https://www.cgap.org/sites/default/files/publications/2019_05_Focus_Note_Fintech_and_Financial_Inclusion_1_0.pdf

4 RELAY. 2018. “Data Standards for Inclusive Fintech.” MIX website. Available at: https://www.themix.org/data-standards

set of comparable data points, ***what can we learn about fintechs as businesses and how they address challenges of inclusion?*** This test of the Data Standards led to our Benchmarks Proof-of-Concept. Drawing on lessons from Inclusive Fintech 50 2019[5] and insights from our market research, we reached out to fintechs in our network, offering the chance to receive a customized benchmark report and to be entered into a sweepstakes in exchange for responses to an online survey based on the Data Standards (for more on our methodology and process, refer to Appendix 1). Forty-five fintechs responded with a complete form [referred to throughout as our Benchmarks cohort].

This report presents preliminary insights garnered from the data submitted by this cohort related to (1) the potential for the Data Standards to provide insight into fintech generally and, (2) how the data standards can be iterated upon in order to scale the use of these standards among fintechs, investors, financial institutions, and development actors including donors and technical assistance providers. **Preliminary benchmarks based on this cohort are available in Appendix II** and all terms are defined, as they were in the survey, in Appendix III. This public report complements the customized, confidential analysis that each participating fintech received in December 2019.

[5] *https://www.inclusivefintech50.com/*

SECTION II

Background

Who are the fintechs in this cohort, and what data did they report?

Who are the fintechs in the Benchmarks cohort? Geographically, the cohort represents a global reach, with a regional focus on Sub-Saharan Africa. The second largest proportions comes from South Asia and East Asia and the Pacific—the top three regions we targeted in our outreach (Figure 1). Most fintechs identify as B2B2C (53%), with similar numbers identifying as B2B and B2C (24% and 22% respectively, per Figure 2). The spread of the main product matched expectations based on our Inclusive Fintech 50 analysis: credit still dominates, but there are an increasing number of insurance and savings-focused fintechs among firms, especially among those firms that have been around for only 1-2 years (see Figure 3). The full set of data reported by these fintechs is available in the benchmark tables in Appendix II. The full set of data standards is available on the MIX website.[7]

Figure 1 **Fintechs by region**[6]

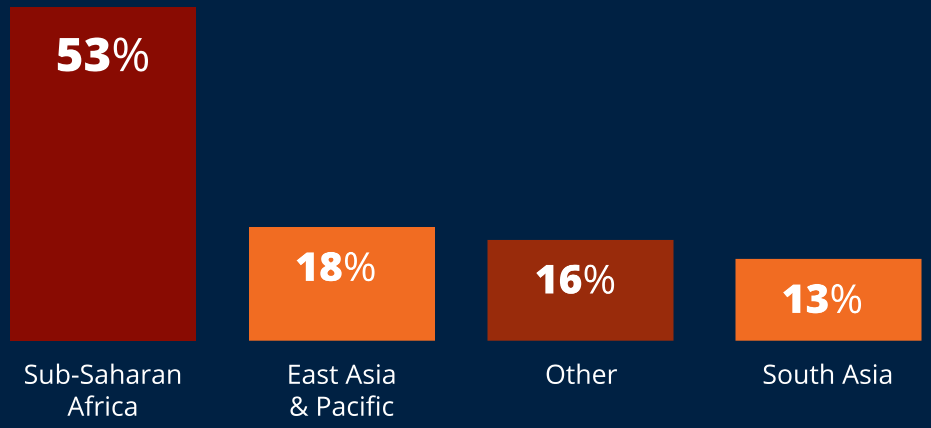


Figure 2 **Fintechs by delivery model**

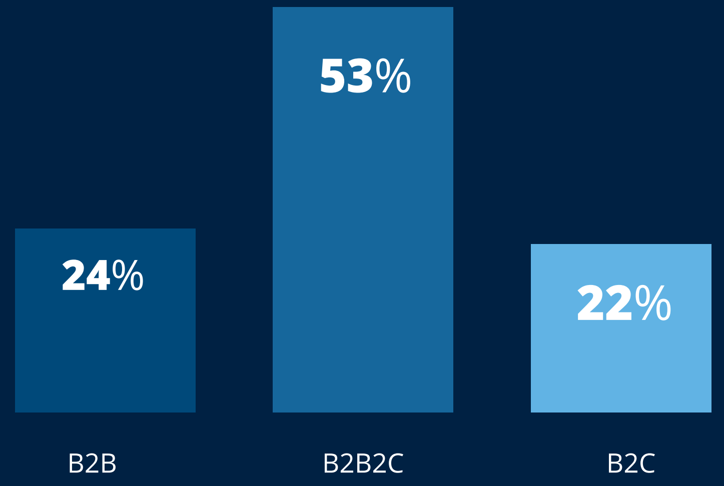
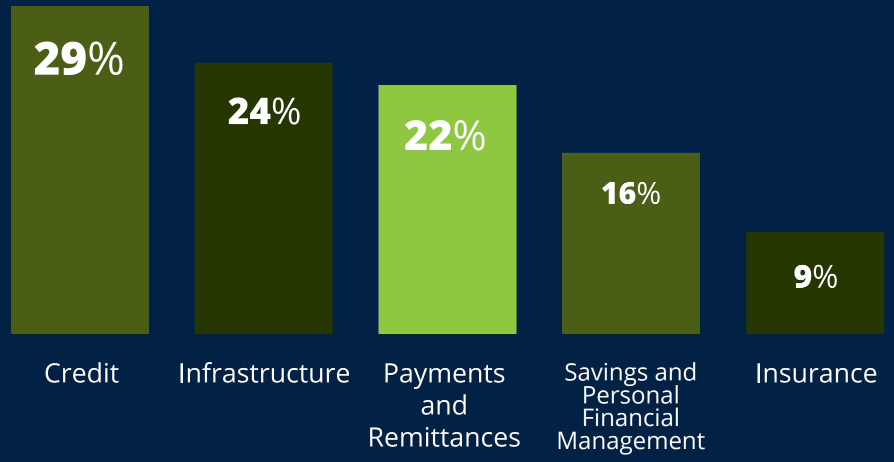


Figure 3 **Fintechs by product category**



[6] The Other category includes North America, Europe, MENA, and Latin America.

[7] https://www.themix.org/data-standards

Tier 2	*Fintechs Reporting*
Compounded monthly customer growth rate	71%
Average account size per user	80%
Cash runway (months)	71%
Is the firm revenue generating?	100%
Number of users below poverty line	42%
Number of users in the firm's underserved target segment	49%
Number of first time users (legally compliant financial service)	44%
Number of users that had been rejected from a formal financial institution	33%

Tier 3	
Customer retention rate	71%
Referral rate	58%
Net Promoter Score	44%
Average revenue per customer per month (ARPU)	76%
Average cost per customer per month (ACPU)	73%
Cost per acquisition rate (CPA)	71%
Lifetime value of customer (LTV)	64%

BOX 1: REPORTABILITY

A critical goal of the Benchmarks Proof of Concept was to test which data points fintechs are willing and able to report. Ensuring that all data points are highly reportable is critical to collecting timely and accurate data on an ongoing basis in order to provide dynamic and relevant insights. Our experience with Inclusive Fintech 50 showed that many fintechs will share data, with the right incentives and assurances. At the same time, testing the Data Standards required asking for more detailed and perhaps more sensitive data than Inclusive Fintech 50. Thus, we developed three tiers of KPIs based on interviews and testing: Tier 1 contained data points that all fintechs should have, and thus was mandatory, while Tiers 2 and 3 presented increasingly complex data points that might be harder or more sensitive to share—and thus were optional. So, what was the incentive to share Tier 2 and 3 data? Fintechs were only offered anonymized benchmarks relevant to those data points on which they reported.

49%

median reported active users

(1 trxn in 30 days)

Were fintechs able to report on key indicators? Overall, we found that these fintechs were able to report KPI data at higher rates than expected. While there is a clear selection bias in the sample (those who chose to participate are likely the ones most willing to share data), it is still telling that fintechs had this data available without investing additional time or resources. While we do see rates declining somewhat between tiers 2 and 3, overall the reporting rates of more than 50% are a positive indication of fintech ability and willingness to share this type of data.

Were fintechs able to report on a standard definition of active users? Given the variability of fintech businesses, many stakeholders noted in our market research that the term active users can be particularly problematic. Active can be defined by fintechs as downloading an app, paying an insurance premium, traveling a long distance to an agent to repay a loan, or whatever indicates a meaningful engagement with a particular product or business. To account for this, we handled active users in two ways. First, we proposed a standard definition for active user to have one answer comparable across fintechs:

For B2C fintechs, active users are the users who have made a transaction *in the last 30 days for transactional products (e.g., savings, payments, credit). For B2B and B2B2C fintechs, this is the number of institutional clients who have used the product in the last 30 days.*

Second, if the firm's definition of active users was different, we asked they report their definition and metrics so we could consider these definitions.

All fintechs were able to report on our definition of active users (individual or institutional clients who have used the product in the last 30 days). When provided the opportunity to give another definition, only 26% did so indicating that the standardized definition worked for a large majority of the fintechs. Since this was a priority data point identified by stakeholders interviewed during our market research, we will continue to test and refine additional ways to gain additional nuance such as asking for an additional definition by product and/or asking for a conversion rate from registration to first true transaction (defined as movement of money.)

SECTION III

Preliminary Insights

What did we learn from the proof-of-concept?

In this section, we present the key insights that the benchmark proof-of-concept offered in terms the five categories covered by the Data Standards asking: How can combining these data points in different ways allow us to bring clarity to the fintech marketplace? These insights, while preliminary, are highly informative in showing how the data standards can answer this question, when iterated upon based on this test and adopted at scale. For a note on how many fintechs reported on each indicator, refer to Box 1.

5 Key Categories Within the Data Standards:

1. Customers and Growth
2. Potential to Scale
3. Profitability
4. Consumer Protection
5. Inclusivity

1 Customers and Growth

What can we learn about fintechs' reach broadly and into specific customer segments?

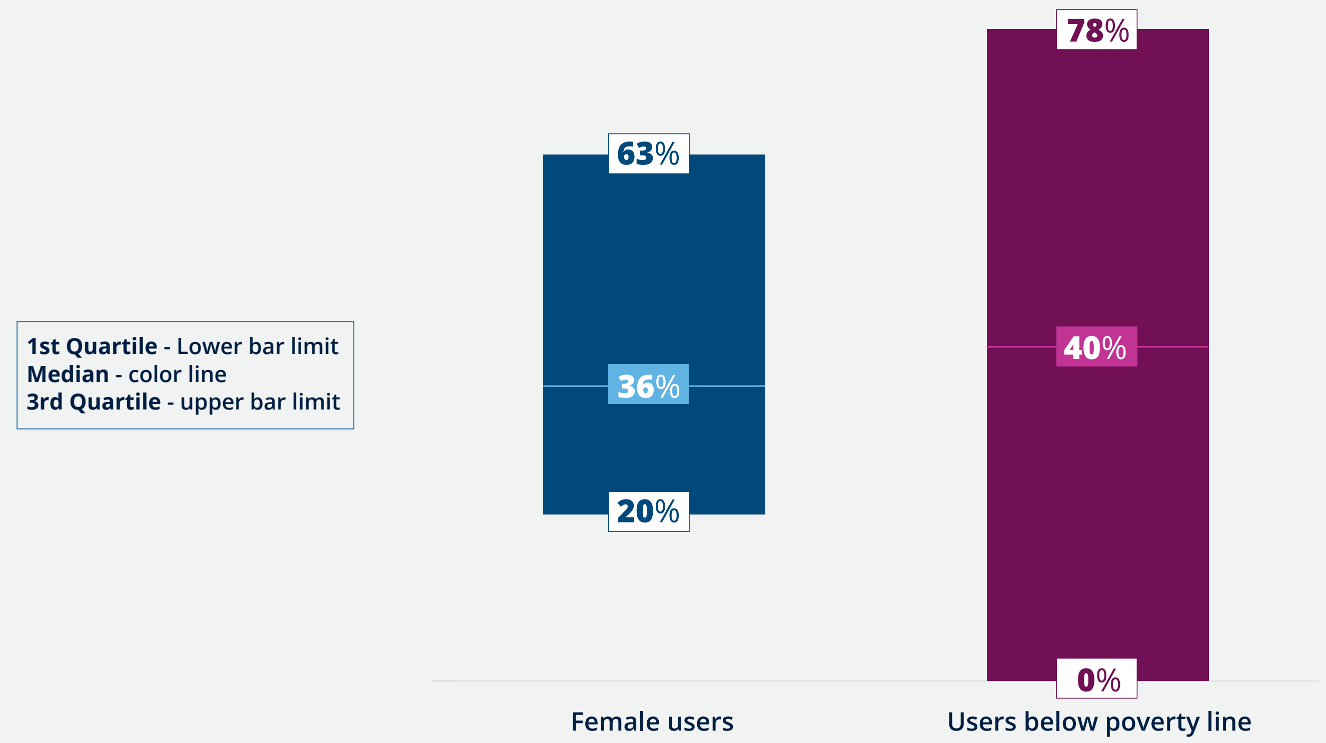
Customers and growth indicators included mandatory questions on total users, active users, investment to-date, and number of employees. Optional questions included compounded monthly growth rate (CMGR), customer retention rate, referral rate, and net promoter score and a set of questions on the percent of customers in certain commonly underserved populations. There are three key insights and areas for future analysis emerging from this set of data points.

a. There is opportunity for these fintechs to grow by actively addressing the gender gap.

Fintechs in this cohort report a customer base of only 36% female at the median (Figure 4). By contrast, microfinance institutions have, on average, 80% female users, on a global basis.[8] This signals that these fintechs are not yet successfully tackling the persistent gender gap in access to financial services—a gap, which, according to the 2017 Findex, stagnated at 9% globally between 2014 and 2017.[9]

This gap highlights an opportunity for both social and commercial impact: not only are women often best-placed to make financial decisions that impact the entire households, they are also a huge untapped market for fintechs who are developing innovative solutions intended to reach the financially excluded.[10] This presents a key opportunity for exploration—one which will be further analyzed in our discussion on linking solutions to inclusivity in Section 3.5. Fintechs in this cohort report some success in reaching users who are below the poverty line—on average about 40% of total users.[11]

Figure 4 **Proportion of Fintechs' Customer Base By Underserved Segment**



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[8] MIX. 2018. "Global Outreach and Financial Performance Benchmark Report 2016." pg 36 (regional data available as well.). Available at: https://www.themix.org/sites/default/files/publications/mix_global_benchmark_report_fy2016.pdf

[9] El-Zoghbi, Mayada. 2018. "Measuring Women's Financial Inclusion: The 2017 Findex Story." CGAP blog, 30 April. Available at: https://www.cgap.org/blog/measuring-womens-financial-inclusion-2017-findex-story. Note that the gender gap varies between countries—some countries demonstrated a narrowing during the same period, while in others, the gender gap actually grew.

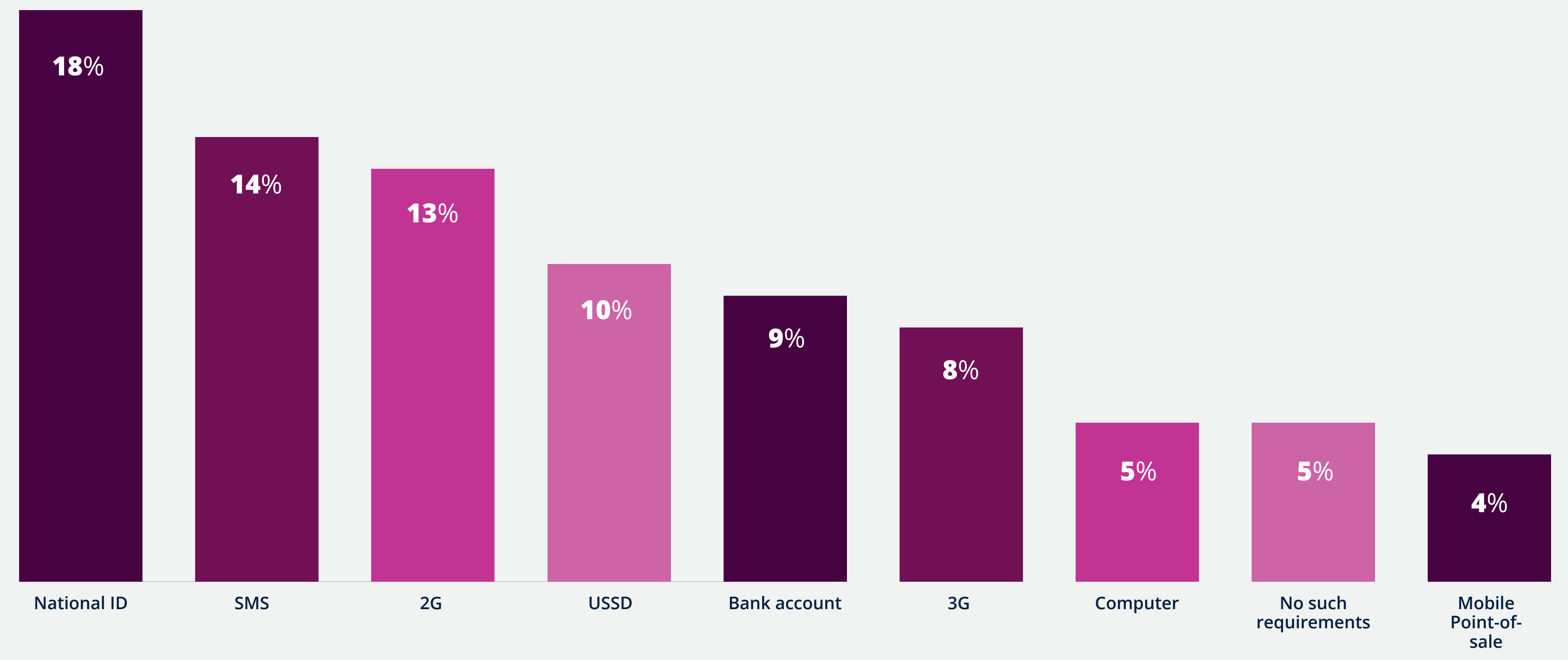
[10] DFS Lab. 2019. "The Financial Inclusion Gender Gap is Wide. Which FinTechs Are Working to Narrow It?" NextBillion blog, 13 May. Available at: https://nextbillion.net/financial-inclusion-gender-gap-f3prize/

[11] The term *users* refers to individuals for B2C and B2B2C fintechs and to institutional clients for B2B fintechs, throughout the document.

b. National ID is the main end-user requirement that is likely to present a barrier to the financially unserved.

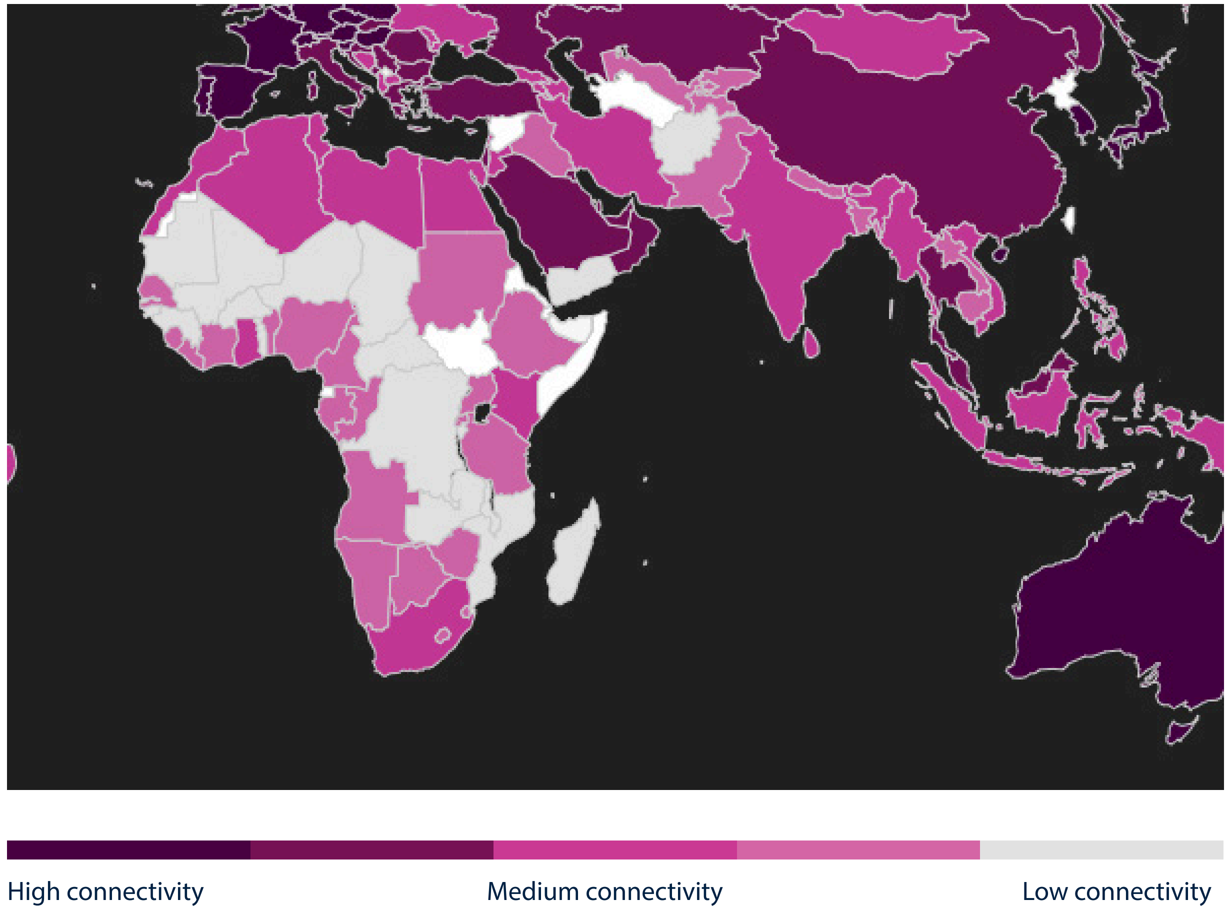
A national ID is the most common end-user requirement for services offered by these fintechs (Figure 5)—regardless of region or delivery model (B2C, B2B2C, and B2B). This requirement might be expected, as national ID is often required at the time of initial registration for a financial service in order for the fintech to comply with local customer due diligence.

Figure 5 **End User Requirements**



1 Customers and Growth
2 Potential to Scale
3 Profitability
4 Consumer Protection
5 Inclusivity

Image 1 **Mobile Internet Connectivity Rankings per GSMA 2018**
http://www.mobileconnectivityindex.com/



This requirement is noteworthy for financial inclusion as those who are unbanked are more likely to be unable to acquire an ID.[12] Emerging evidence suggests that fintechs—or more specifically, non-bank financial institutions—are more likely to find innovative approaches to serving those with limited access to IDs than government to make policy changes required to provide greater access to IDs.[13] Hence, this is key area where future analysis can help to visualize the link between innovative approaches to ID and financial access.

Notably, most fintechs in our data set still appear to design for end-users without smartphones or access to connectivity at 3G or 4G levels—a positive sign for inclusion since the 2018 GSMA Mobile Connectivity Index shows that the vast majority of Sub-Saharan Africa, South East Asia, and South Asia still have low to medium connectivity.[14]

[12] For more, visit the website for the World Bank's Identification for Development program: https://id4d.worldbank.org/

[13] Staschen, Stefan and Patrick Meagher. "Basic Regulatory Enablers for Digital Financial Services." CGAP. 2018. Available at: https://www.cgap.org/sites/default/files/researches/documents/Focus-Note-Basic-Regulatory-Enablers-for-DFS-May-2018.pdf

[14] GSMA Mobile Connectivity Index. Available at: http://www.mobileconnectivityindex.com/

2 Potential to Scale

What can we learn about a fintech's potential to scale, regardless of stage?

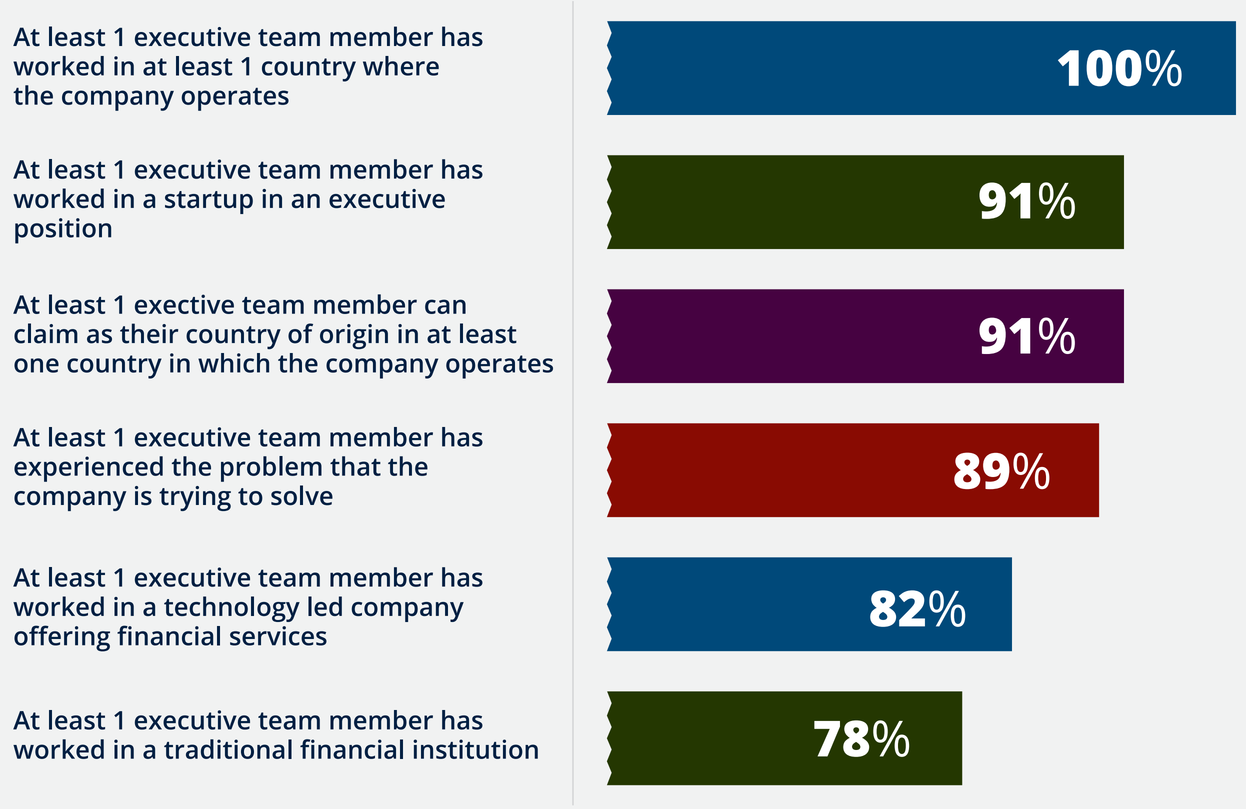
In developing indicators to demonstrate potential to scale, we included factors that investors reported would be most relevant when looking at a snapshot of a firm before conducting their own due diligence process. Based on interviews with fintechs, we concluded that many early-stage fintechs would not yet have data on typical potential-to-scale KPIs such as penetration of addressable market, and thus offered a set of qualitative yes-no questions to complement the quantitative indicators. We also included many questions related to management, a key area that investors reported in interviews as an indicator of potential to scale, especially in early stage companies. The two preliminary insights in this area are both related to management potential.

a. Fintech management has a stronger background in tech-orientated start-ups than in traditional financial services institutions, suggesting a baseline for benchmarking management characteristics against performance metrics.

Management potential is one of the most important considerations for investors—a fact echoed throughout the literature as well as in our market research.[15] To gain comparable data on management potential, we used yes-no questions to offer initial insight into key aspects of the management team. With such information, future benchmarks can establish how different aspects of the management team correlate with quantitative measures of success in later-stage companies.

We asked six, yes-no questions to assess management potential (Figure 6). While a high number reported that there is a least one member of the executive team who has worked in a traditional financial institution in the past (78%), this was low compared to those with a management team member who had previously managed a start-up (91%). Notably, the same number (91%) reported having at least one member of the executive team who originates from one of the countries where they operate, suggesting that they may have more personal familiarity with barriers to financial services in that context, or *lived experience*[16]. Future analysis can build on this to see how different backgrounds correlate with performance metrics, as well as to analyse how investment flows are concentrated, or not, into certain types of management teams.

Figure 6 **Management experience indicators, percentage of positive responses**



[15] See, for example: Investopedia. 2018. "How venture capitalists make investment choices." January. Available at: https://www.investopedia.com/articles/financial-theory/11/how-venture-capitalists-make-investment-choices.asp

[16] *Baird, Ross and Jason Towns. 2016. "Lived Experience: The X Factor in Finding Great Companies." 27 April. Village Capital blog. Available at:* https://medium.com/village-capital/lived-experience-the-x-factor-in-finding-great-companies-140d99da86df

b. Female-led fintechs demonstrate stronger revenues, but also steeper costs, per customer.

The fintechs included in this analysis had fairly high rates of women in leadership roles—29% report one or more female CEO or co-founder, 78% have at least one woman on the executive team, and nearly 69% have a woman on the board. When we look at the performance of fintechs with at least one female CEO or co-founder—which we classify as female-led—we can start to see distinct differences in reported KPIs between female and male-led fintechs (for the key takeaways from a similar analysis on investment flows from Inclusive 50 Fintech, refer to Box 2.)

BOX 2

In the Inclusive Fintech 50 White Paper, we outlined how women-led fintechs—which represented 19% of all eligible applicants—appeared to differ in terms of their ability to obtain funding. For instance, at the global level, women-led fintechs were able to raise funds nearly on par (95%) with their male counterparts; however, female-led fintechs in Africa raised only 74% of their male peers. Women-led fintechs also appear to start off with a disadvantage, as self-funded fintechs led by women raised 40% of the funds that their male peers did.

78%
have at least 1 female on the executive team

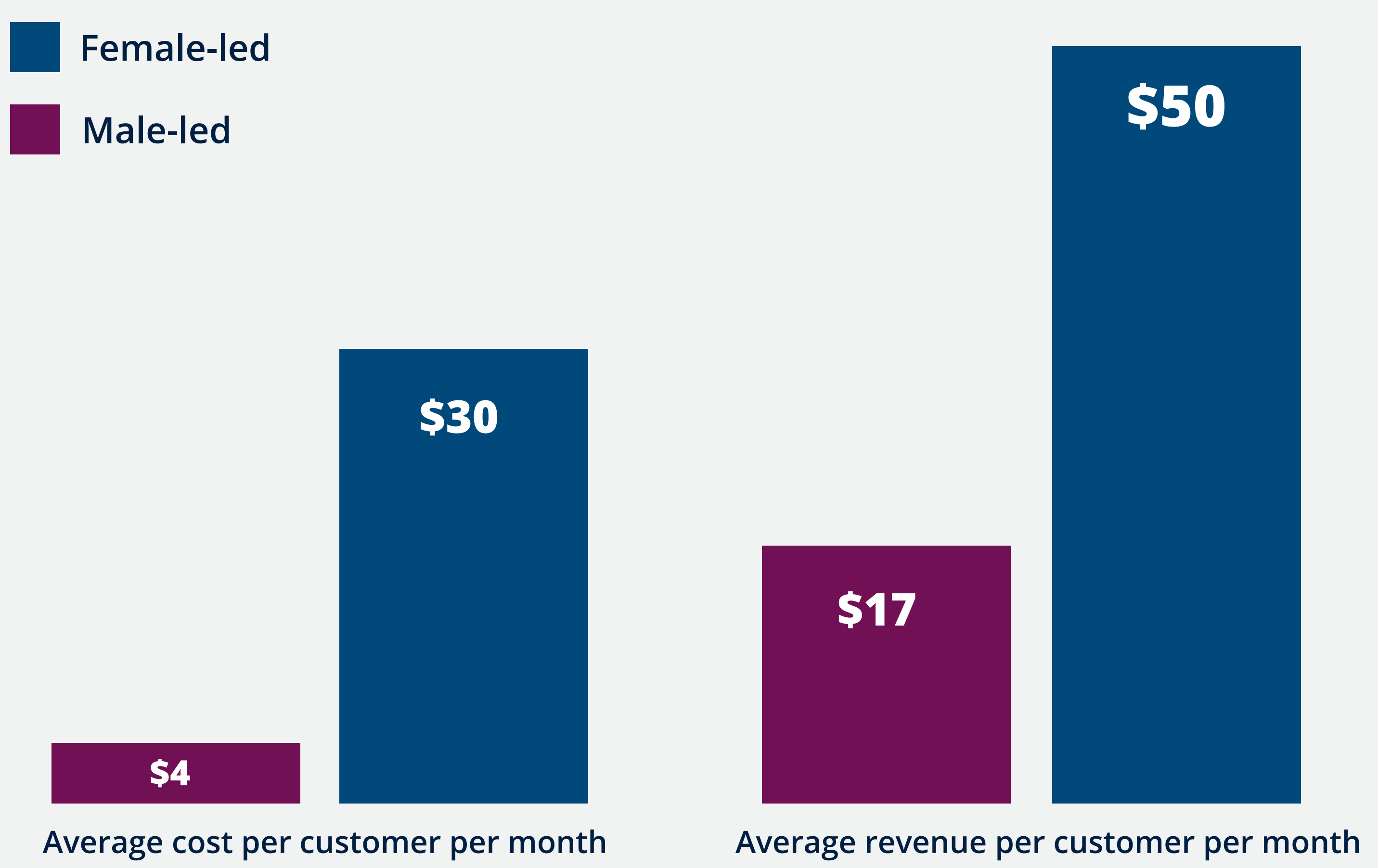
29%
have 1 or more female CEO or cofounder

69%
have at least 1 female on the Board of Directors

Female-led fintechs demonstrate a high reserve of funds (a 12-month **cash runway** on average, as opposed to nine months for those with male-only leadership). This echoes the Inclusive Fintech 50 findings: if women have more difficulty raising money in early stages, they would need to keep more cash on-hand to ensure smooth operations.

Female-led fintechs also demonstrated strong **revenues per customer** (nearly 3x of their male-led peers—Figure 7) but steeper costs (***cost per acquisition*** is also 3x that of the male-led firms). It is interesting to note that the differences held true even when we accounted for other factors such as the age of the firm. This echoes recent research from Credit Suisse showing that companies with more female executives generate stronger market returns and superior profit.[17] The Credit Suisse analysis focuses on top global companies: these Data Standards can, over time, help to gain targeted insight into how these dynamics play out in inclusive fintech.

Figure 7 **Cost and revenues by gender diversity in the makeup of CEO and founders**



[17] Credit Suisse. The CS Gender 3000 2016 and 2019. Available at: https://www.credit-suisse.com/about-us-news/en/articles/news-and-expertise/cs-gender-3000-report-2019-201910.html

3 Profitability

What can we learn about the factors impacting fintech profitability?

In order to better understand profitability in those fintechs who could report quantitative indicators, we asked optional questions on **cash burn rate**, **average revenue per customer** per month (ARPU), **average cost per customer** per month, **cost per acquisition** (CPA), and **lifetime value of a customer** (LTV). These metrics, in combination, provide the ability to analyze unit economics by customer. Combined with the customers and growth indicators outline in Section 3.1, we can also interrogate the data for differences in growth and sustainability metrics. Profitability indicators led to three key insights for understanding and improving the data standards.

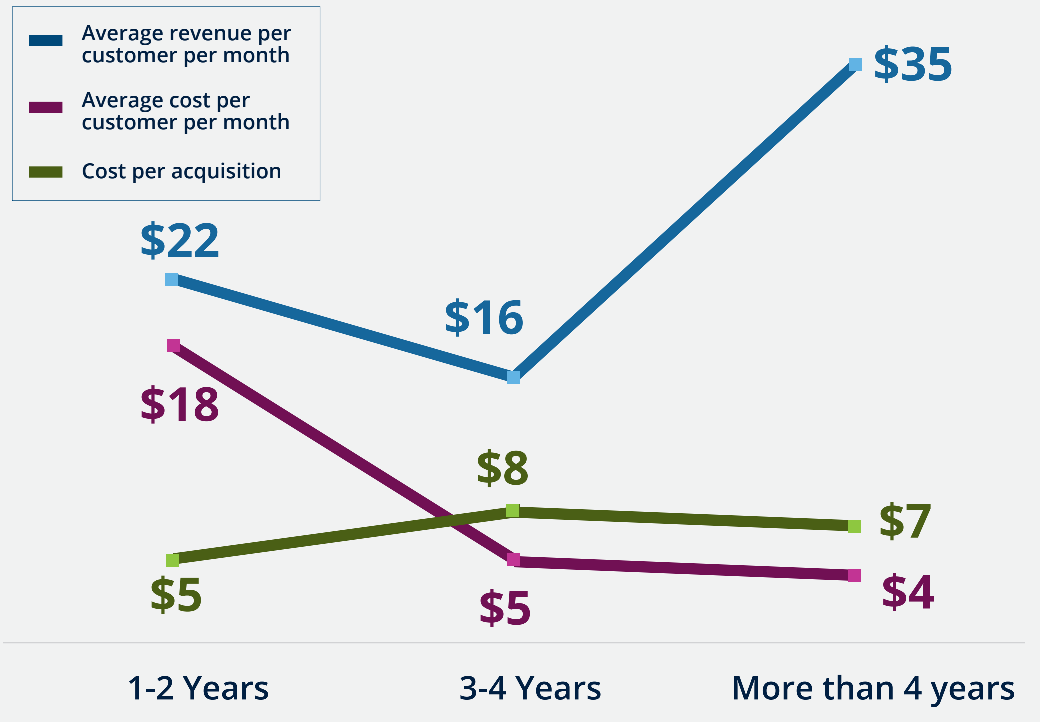
Wondering how we calculated the KPIs?

Refer to the glossary in **Appendix III**.

a. While overall operational costs drop quickly, decreasing the cost and time to acquire new customers occurs over a longer time horizon.

Timing is important for fintechs, especially in terms of raising funds. Early-stage fintechs need to understand how costs and revenues will change over time in order to make informed decisions about when to raise funds, and how much they should raise at any given stage: raise too much, and the firm might not be able to deliver; raise too little, and the firm may not have enough to reach the next "fundable milestone."[18]

Figure 8 **Cost and revenues by age of firm**



To ensure early-stage operations are appropriately funded, fintechs can learn from the fact that **costs per customer** drop between the 1-2 years and 3-4 years age bracket (Figure 8), a good indication that firms are able to decrease operating costs after initial start-up activities, such as onboarding talent, developing and testing the product, and integrating with partner institutions, are behind them. **Revenue per customer**, however, does not start to increase until firms are more than 4 years old: thus, firms may need to wait longer to be able to cover on-going costs through revenue without relying on outside funds.

Another critical area in which timing matters is understanding when a firm might be expected to achieve product/market fit—signaled by fast growth, high referral rates, and low marketing costs.[19] We can see indications of firms hitting this critical take-off point when looking at cost metrics and referral rates. Notably, while **cost per customer** drops by years 3-4—suggesting lower operational costs—**cost per acquisition** does not, suggesting that firms are still spending money to get new customers. It also takes longer for **referral rates** to increase: these do not jump until after the four-year mark. This suggests that firms, even once they are gaining some traction, may take four or more years to hit product/market fit, at which point they can fully take advantage of excitement and word-of-mouth to gain new customers. This is an exciting area of future analysis, as we know that even firms with the best ideas and best of intentions will not dent the financial inclusion gap without scale.

"You know you have fit if your product grows exponentially with no marketing. That is only possible if you have huge word of mouth. Word of mouth is only possible if you have delighted your customer."

–Andy Rachleff

[18] Ralston, Geoff. 2016. "A Guide to Seed Fundraising." Y Combinator blog, 7 January. Available at: *https://blog.ycombinator.com/how-to-raise-a-seed-round/*

[19] Griffin, Tren. 2017. "12 Thing about Product-Market Fit." Andreesen Horowitz blog, 18 February. Available at: *https://a16z.com/2017/02/18/12-things-about-product-market-fit/*

b. Fintechs that bundle financial and non-financial services have lower customer acquisition costs

Fintechs are leading innovation in terms of the bundling of financial and non-financial services—a key area of fintech innovation as bundling allows for the creation of entirely new products and services. The clearest example of this might be the PAYGO solar model, which was not possible until solar energy products could be bundled with digital payments to facilitate small, frequent payments, and with technology that allows companies to issue credit which is collateralized by the energy product itself.[20] We are now seeing bundling in agriculture, where innovators are packaging inputs, credit, and advice, in hopes of driving down costs and reach smallholder farmers—a customer segment which has in the past proven to be persistently and "notoriously hard to reach."[21]

To test whether this bundling trend is indeed lowering costs, we asked fintechs if they bundle financial and non-financial services and compared this to reported **cost per acquisition**. The hypothesis held: those that bundle services reported 60 percent lower customer acquisition costs than other fintechs. Bundling appears to be correlated with lower costs and better customer economics overall: those that reported bundling also had a revenue and cost per customer ratio of 4.75 as opposed to 1. This data creates the opportunity to benchmark the cost reduction and customer economics that fintechs need to achieve by bundling services to remain competitive with their peers operating with similar models.

57%

have bundling as a core part of their business model.

Figure 9 **Median cost per acquisition comparison: Bundling core/not core to business model**

[20] Lazarow, Alex. J. 2019. "How Fintech is Eating the World." Forbes blog, 31 July. *https://www.forbes.com/sites/alexlazarow/2019/07/31/how-fintech-is-eating-the-world/#2d2a9c22c2f3*

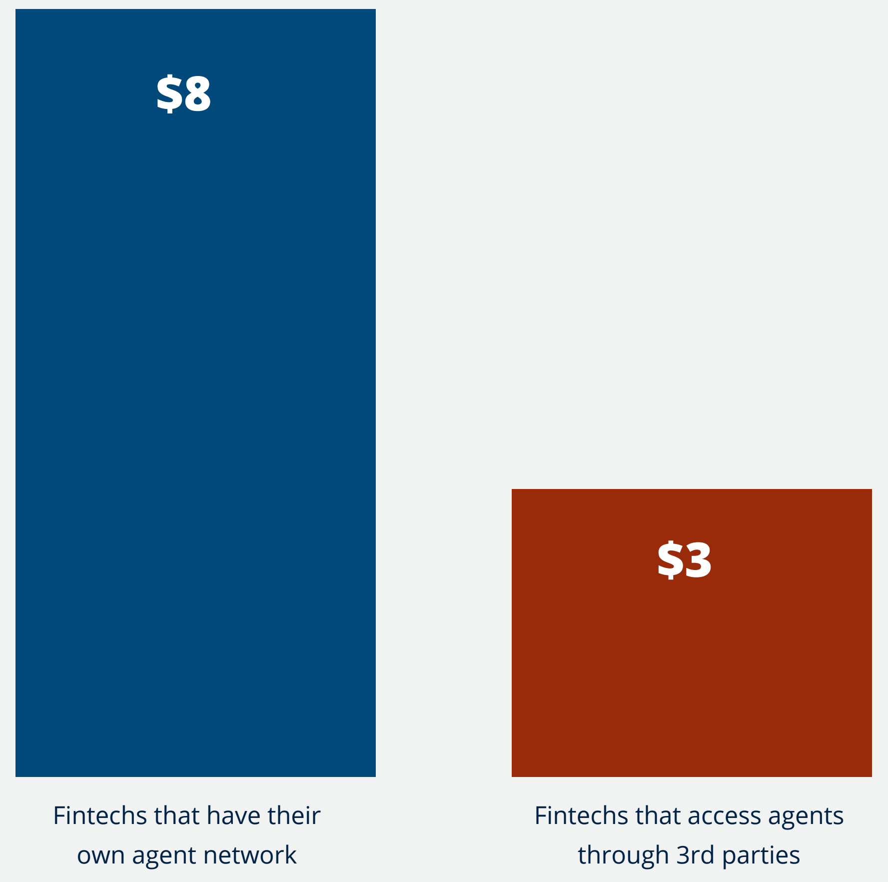
[21] Parbhoo, Amee. 2017. "7 Fintech Trends to Watch in 2018." CFI Accion blog, 1 July. Available at: https://www.centerforfinancialinclusion.org/7-fintech-trends-to-watch-in-2018

c. Fintechs that use agents demonstrate lower costs when using third parties to manage agents on their behalf

Agents are critically important to expanding financial inclusion; often, customers who want to use digital financial services, particularly in emerging markets, can do so only if they are able to convert cash into e-money and vice versa.[22] Thus, fintechs operating in these markets will need to facilitate at least some portion of their transactions through agents, who conduct cash in/cash out services with customers in-person.

To understand the role of agents, we asked if fintechs own their own agent network or rely on agents managed by a third-party. Not surprisingly, fintechs that have their own agent network have higher costs than those who access agents through a third party (Figure 10). At the same time, fintechs who use agent networks (either their own or managed through third-parties) report higher growth rates than fintechs who do not rely on agents at all—echoing recent research from CGAP and others demonstrating the causal relationship between proximity of agents to support cash in/cash out and customer uptake and use of digital financial services.[23] This data signals a strong role for third-party agent managers in emerging markets. Future data collection and analysis will benefit from additional data on fintech operations in urban, peri-urban, and rural areas to be able to gain better insight into the role of agents in rural areas, where there is lower uptake and use of financial services, and fewer agents to help tackle this inclusion problem.[24]

Figure 10 **Median cost per acquisition comparison: Own agents/ Agents through 3rd parties**



[22] Hernandez, Emilio. 2019. "Agent Networks at the Last Mile." CGAP. Available at: *https://www.cgap.org/sites/default/files/publications/2019_11_Technical_Guide_Agent_Networks_Last_Mile_0.pdf*

[23] Ibid.

[24] Ibid.

4 Consumer Protection

How are fintechs addressing consumer protection?

Consumer protection in financial services is complex. As laid out by the Smart Campaign for Financial Inclusion Client Protection principles, protecting consumers requires transparency in terms of pricing, terms, and conditions; the ability to lodge complaints and have them addressed quickly; protection of client data in an increasingly complex world of digital data sharing; and safeguarding the financial health of clients by preventing over-indebtedness.[25] Despite this complexity, data standards must address consumer protection in order to offer necessary insight to investors—while still being both easy to report for fintechs, and, without recreating the robustness of existing tools such as those offered through the Smart Campaign. Thus, we asked a total of 11 questions—four mandatory and seven optional—to get an initial sense of where fintechs in this cohort stand on high-level consumer protection measures.

[25] Refer to the Smart Campaign Client Protection Principles. Available at: https://www.smartcampaign.org/about/smart-microfinance-and-the-client-protection-principles

a. Firms confirmed that they have basic consumer protection in place.

There was a strong, positive response to the four mandatory questions related to consumer protection, suggesting that the industry, through efforts such as the Smart Campaign for Financial Inclusion, has successfully pushed for such measures as informed consent and clear terms and conditions to become standard practices.[26] Given that these two measures had 100% "yes" response rate across all fintechs (including B2B, B2C, and B2B2C), it is perhaps surprising that only 87% reported having mechanisms for redressal in place.

Since we see such a large percentage of fintechs from this sample positively respond to these high-level questions, we can now develop more nuanced questions for the next iteration of the data standards. For example, knowing that 100% have implemented mechanisms for informed consent, it would be interesting to know if and how they are starting to move beyond consent. For instance, do customers have the ability consent throughout their interaction with a service, rather than just at initial sign-up? Do customers have the right to access their personal data in an easy-to-read format?[27] These insights can help to understand how fintechs are taking the lead on best practices in consumer protection, even in countries where legislation has yet to be adopted.

Basic consumer protection indicators

100%
have mechanisms for informed consent in place

100%
have terms communicated in clear language

80%
have a documented strategy to reach clients through non-digital financial literacy training

87%
have mechanism in place for redressal and grievance

[26] Refer to the Smart Campaign June 2019 Digital Credit Standards: *https://www.smartcampaign.org/about/smart-microfinance-and-the-client-protection-principles/digital-credit-standards*

[27] Murthy, Gayatri and Davide Medine. 2019. "6 Data Protection Rights for Empowering People in the Digital World." CGAP. Available at: https://www.cgap.org/blog/6-data-protection-rights-empowering-*people-digital-world*

b. Digital data protection is becoming business-as-usual for the majority of these fintechs.

58% have completed a penetration test to expose technical vulnerabilities

84% are willing to undergo a penetration test if requested by an investor

89% can provide documentation on secure storage of consumer data

69% can show how they vet data sharing partners

33% can show alignment with GDPR

Consumer protection measures such as informed consent and the ability to file complaints have always been important in financial services. The increasing reliance on technology, however, is leading to the collection, analysis, and sharing of consumer data on a previously unprecedented rate and scale, leading to new risks and potential for harm.[28] Whether serving business or individual clients, protection of customers' privacy is a non-negotiable for fintechs if they are to maintain consumer trust and safety. Recent research by CGAP found that poor customers in Kenya and India not only care about data privacy, they are willing to invest time and money in financial products with data privacy assurances.[29] A majority of fintechs in this cohort seem to be getting the message: 58% have already completed a penetration test to expose any technical vulnerabilities, while a larger portion can show how they vet data sharing partners to ensure that data will be secure once passed on (69%). Nearly all can provide documentation on secure storage of consumer data (89%).

These measures cover many aspects of data protection—however, there is still progress to be made. Only 33% can demonstrate aligning with the GDPR, the recent data privacy legislation adopted by the European Union, which was used here a proxy indicator for adopting many of the best practices in data protection.[30] Future iterations of the Data Standards will be able to ask about compliance with local data privacy regulations, as many emerging markets such Kenya and India are now adopting their own legislation. We can also see how fintech responses change over time as government, consumer, and industry all continue to adapt to the everchanging realities of data privacy in a digital world.

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[28] Kemp, Katherine. 2017. Big Data, Financial Inclusion and Privacy for the Poor." CFI Accion blog, 24 August. Available at: https://www.centerforfinancialinclusion.org/big-data-financial-inclusion-and-privacy-for-the-poor

[29] Vidal, Maria Fernandez and David Medine. 2019. "Is Data Privacy Good for Business?" CGAP. Available at: https://www.cgap.org/sites/default/files/publications/2019_12_Focus_Note_Is_Data_Privacy_Good_for_Business_1.pdf

[30] More information on the EU General Data Protection Regulation (GDPR) is available at: https://ec.europa.eu/commission/priorities/justice-and-fundamental-rights/data-protection/2018-reform-eu-data-protection-rules/eu-data-protection-rules_en

5 Inclusivity

How are fintechs tackling barriers to financial inclusion?

Approximately three billion people worldwide are financially underserved: the result of key market failures that inhibit both access to use and use of appropriate financial tools, often by those people who most need these tools to protect against crippling financial shocks.[31] As mentioned in the introduction, fintechs are offering new hope to address such market failures by leveraging technology to create new business solutions.

To better understand the link between fintech and inclusivity, we need to understand not only fintech products and features, but how these products and features create one or more business solutions to a market failure. To do this, we asked fintechs to identify the business solutions that most closely describe their core value proposition, using a standardized list. This list was developed through experience from Inclusive Fintech 50 and through coordination with Catalyst Fund's Triple A Framework, which defines inclusivity as a fintech's ability to make services more Accessible, Affordable, and Appropriate (see Box 3.)[32] This standardized list is a key part of the Inclusivity Framework in the Data Standards, since it allows us to understand which market failures are being addressed, and where there are gaps. It also allows us to show how effectively each fintech is addressing a market failure by linking to KPIs, which is discussed in more detail in the next section.

BOX 3: CATALYST FUND TRIPLE A FRAMEWORK

Through hands-on work advising startups, the Catalyst Fund has developed the **AAA Framework: Accessible, Affordable,** and **Appropriat**e. The AAA framework is a **practical blueprint** for building and assessing products and services that address the challenges of customers who live in low-trust, low-tech, low-resource and last-mile environments.

Through the **Inclusivity Framework**, MIX and Catalyst Fund are working together to understand how combining the AAA Framework with the data standards can provide additional insight into the inclusive fintech landscape.

Available at: https://catalyst-fund.org/aaa-framework-4

[31] Karlan, Dean et al. 2016. "Research and Impacts of Digital Financial Services." HKS Faculty Research Working Paper Series. PDF available at: *https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwiIqarEqvHmAhVCblAKHar6D1MQFjAAegQIBBAC&url=https%3A%2F%2Fresearch.hks.harvard.edu%2Fpublications%2FgetFile.aspx%3FId%3D1430&usg=AOvVaw3NZbF7FUMpSCBZq0Pd7pks*

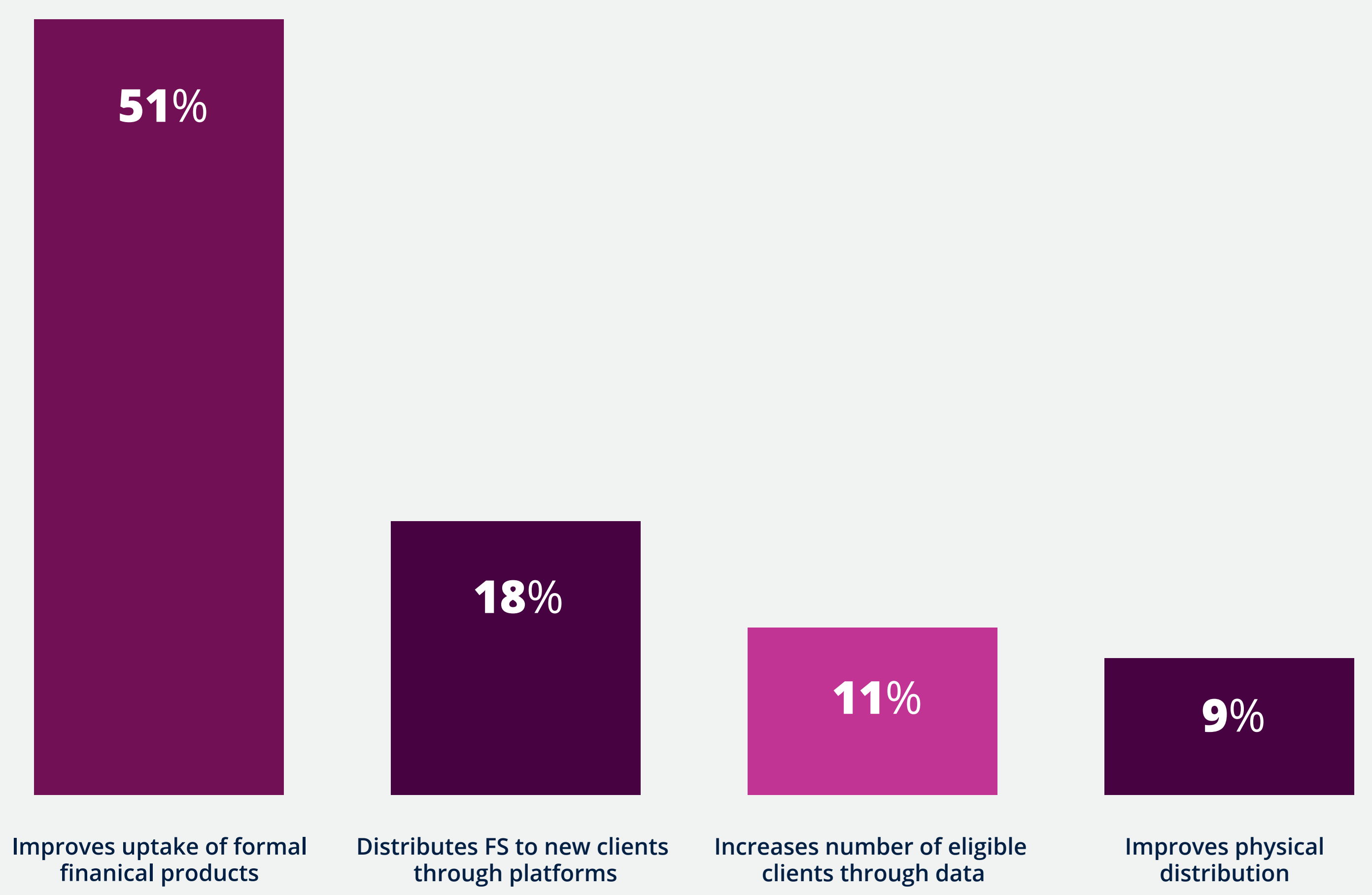
[32] Note that there was no limit on the number of business solutions that a fintech could selected when completing the survey.

a. Fintechs are addressing market failures related to each of the three As—accessible, affordable, and appropriate—at similar rates.

In selecting the most relevant business solutions from our standardized lists, fintechs selected business solutions at similar rates across the three As—*accessible, affordable,* and *appropriate*. This indicates that these fintechs are addressing market failures across the spectrum of challenges most relevant to customers who live in low-trust, low-tech, low-resource and last-mile environments.

Digging further into each area offers additional insights. Nearly all fintechs—88%—selected at least one business solution related to ***accessibility***. A majority (51%) of fintechs report improving accessibility of financial solutions by increasing the *uptake of formal financial products* (Figure 11). Smaller cohorts of fintechs chose more specific ways in which they increase accessibility: by *improving physical distribution, leveraging platforms, or using data analytics to increase the number of eligible clients.*

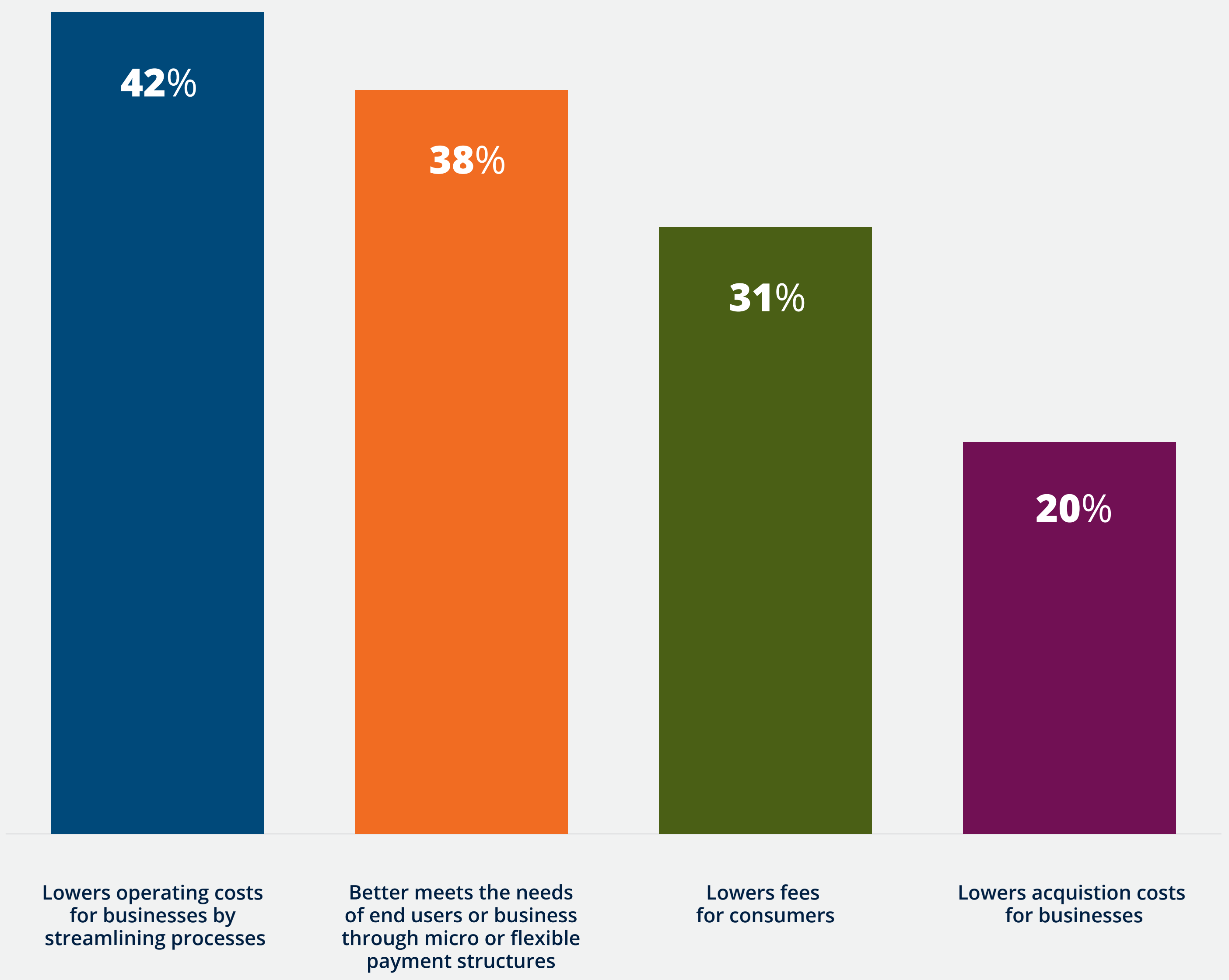
Figure 11 **Fintechs by accessibility solution selected**



*Percentages can equal more than 100 as respondents could choose more than one business solution.

91% of all fintechs selected at least one business solution related to ***affordability***. The largest proportion (37%) of the fintechs claiming to tackle affordability as a barrier are doing so by *lowering operating costs for business clients by streamlining processes* (Figure 12)—notably, while this appears to be a B2B solution, it was also selected by a handful of B2B2C fintechs. Among the two cost-related solutions relevant to B2C fintechs, *better meets the needs of end user through micro or flexible payment structures* was selected more often than simply *lowers fees for customers*. This is notable as flexible payment structures may make it easier for consumers to afford a service by matching the consumer's cash flows, but it does not necessarily make the service cheaper in the long-run. In addition, any product that charges interest increases the debt load for clients, which has implications for financial health of clients.[33] In this cohort, 89% of those who selected this business solution *(micro or flexible payment structures) did not* report an interest-based revenue model. Future analysis will help to see if this holds true across a wider set of fintechs.

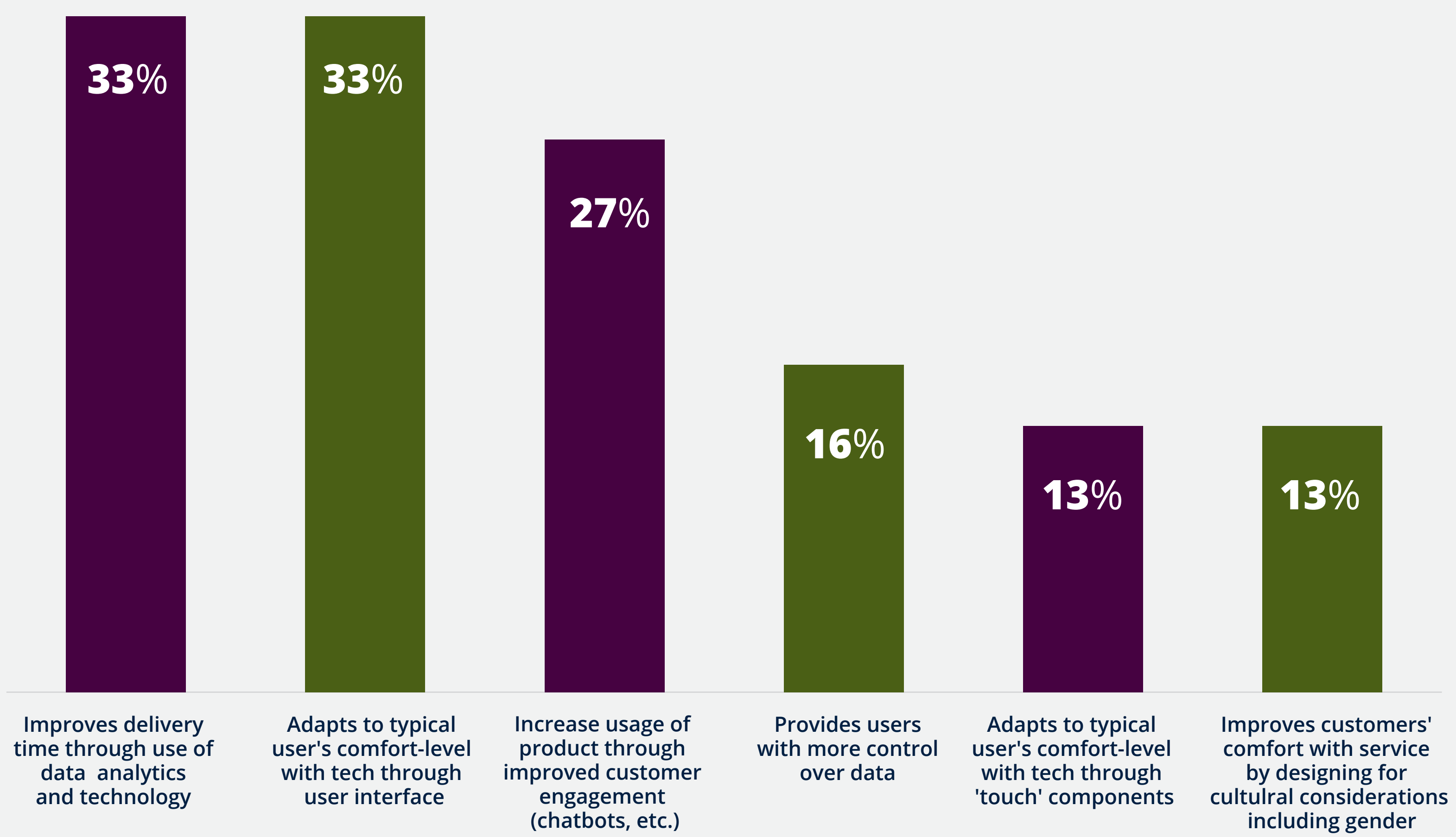
Figure 12 **Fintechs by affordability solution selected**



*Percentages can equal more than 100 as respondents could choose more than one business solution.

[33] "Have manageable debt" is 1 of 8 indicators of financial health according to the Financial Health Network. This is measured by comparing a client's total amount of monthly debt to the total amount of gross income. For more information, refer to https://finhealthnetwork.org/research/financial-health-measurement/

Figure 13 **Fintechs by appropriate solution selected**



*Percentages can equal more than 100 as respondents could choose more than one business solution.

86% selected at least one option ***appropriate***. However, no one solution was chosen by more than 33% of the total cohort (Figure 13). Perhaps most surprising are the options that fintechs selected the least, considering that this a group more likely to self-identify as inclusive: providing users with more control over data, designing for additional touch (non-technology) components, and designing for cultural considerations including gender. This last point could highlight why these fintechs are still reporting a gender gap in their customer base (see Section 3.1 on Customers and Growth). Future analysis with a wider set of fintechs will help to understand if these gaps hold true, and if they vary by context: for example, are those fintechs tackling gender head-on operating in the markets with most persistent gender gaps?[34]

[34] El-Zoghbi, 2018.

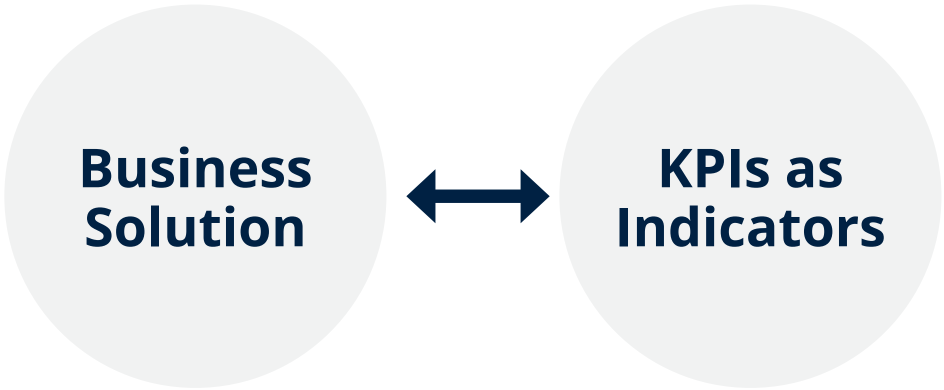
b. Linking business solutions to standard KPIs can show how effectively fintechs are tackling market failures.

In addition to analyzing the inclusivity landscape (per the previous section) we also want to know how ***effectively*** fintechs are addressing market failures. We can gain this insight by linking business solutions to standard KPIs.

In order to create an Inclusivity Framework that links to KPIs, we had to revisit the ***reportabilty*** of these KPIs, as discussed in Box 1. The Inclusivity Framework will only work at scale if we can connect each business solution to relevant KPIs that fall out of the business (in other words, do not require additional data collection.)[35]

In some cases, the business solution can be measured ***directly*** by associated KPIs that are highly reportable. For example, we can look at the affordability business solution *lower operating costs for their business clients by leveraging technology to streamline processes*. For this business solution, we had two KPIs that link *directly* to the business solution: (1) the **reduction in onboarding cost** and (2) **the reduction in onboarding** time for the *business clients* (e.g. financial institutions) of the reporting fintech. If a fintech's core value proposition is associated with lowering onboarding costs or time for the businesses that it serves, it is likely tracking such key metrics through data obtained by from their business clients (thus, the KPI is reportable.) This link between the business solution and the two KPIs is visualized (using anonymized data) in Image 2.

This visualization, customized for each participating fintech in the Benchmarks Proof-of-Concept, allowed the fintechs to see if their peers are able to reduce time and costs for their business clients to a lesser or greater extent. As more data are gathered on a larger group fintechs, benchmarks for performance will be established for each solution using a similar approach.



In other cases, the link will be indirect. Indirect links, while not causal, show how business solutions correlate with standard KPIs to visualize progress based on highly reportable data. For example, the business solution *better meets the needs of end users through micro or flexible payment structures links indirectly* with two KPIs—**retention rate** and **compound monthly growth rate** (Image 3). While indirect, the combined fact that the customer base is growing and that the fintech is retaining customers paints a general picture of positive traction with clients. Therefore, comparing these metrics across fintechs that claim this business solution will *highlight the types of products and features that are most strongly correlated* with the effective use of micro or flexible payment structures to better meet the needs of end-users.

Over time, this standardized way of tracking the performance of business solutions will allow fintechs and investors to measure progress and set targets for how the business solutions address market failures to financial inclusion.

[35] Note that we did not define inclusivity by such metrics as "number of underserved clients" for two reasons: (1) we did not assume that most fintechs would have this data – see analysis in Box 2, and (2) this could be a large number simply because a fintech is mass market, and not specifically because they are solving a market problem or because they have a commitment to inclusivity.

1 Customers and Growth

2 Potential to Scale

3 Profitability

4 Consumer Protection

5 Inclusivity

Image 2 **KPIs linked to the business solution *lowers operation costs for business clients***

Solutions	KPIs that measure the solutions	You		All fintechs	
Lowers operating costs for businesses	Onboarding cost reduction Onboarding time reduction →	My onboarding cost reduction **55%**	My onboarding time reduction **80%**	Median onboarding cost reduction **55%**	Median onboarding time reduction **41%**

Image 3 **KPIs linked to the business solution *better meets the needs of end users or businesses* through micro or flexible payment structures**

Solutions	KPIs that measure the solutions	You		All fintechs	
Better meet the needs of end users or business	Retention rate Compounded Monthly Growth Rate (CMGR) →	My retention rate **70%**	My CMGR **35%**	Median retention rate **89%**	Median CMGR **15%**

SECTION IV

Next Steps

How will we ensure that the Data Standards effectively drive capital to a wide range of fintechs?

The data and insights identified here will be leveraged to scale, iterate upon, and apply the Data Standards to address two of the key challenges currently facing inclusive fintech: bringing clarity to a crowded marketplace of ideas and linking solutions to financial inclusion.[36] To do so, MIX and our partners will work together on three next steps:

1. **Scale:** For the Data Standards to have the most impact, it is necessary for fintechs, investors, and other ecosystem actors to coalesce around the use of this common set of data points and definitions. Therefore, we will integrate the Data Standards into Inclusive Fintech 50 2020 application form—an application which was completed by nearly 600 fintechs during the first round of the competition in 2019. We will also work with partners to build momentum by (1) developing a case study, in partnership with Catalyst Fund, which will outline specific uses for the Data Standards for both investors and fintechs; (2) disseminating the Data Standards widely through in-person and remote sessions with stakeholders; and (3) securing endorsements from stakeholders committed to using the Data Standards in their own efforts to support inclusive fintech.
2. **Iterate:** Fintech is a rapidly changing sector. The Data Standards, in order to effectively address challenges and remain relevant, must be dynamic. This Benchmarks Proof-of-Concept exercise was a first step in this effort to learn and iterate. Through our ongoing engagement with a wide range of fintech industry stakeholders, we will continue to update the Data Standards: for instance, testing nuanced definitions of active users, adding additional consumer protection measures, and gaining more specific geographic information on rural versus urban reach within a country.
3. **Connect:** Ultimately, to effectively drive capital to a wide range of fintechs, the Data Standards must help fintechs and investors find each other—specifically, to find the right partners at the right time. Therefore, we will create tools for fintechs and investors alike to use the Data Standards to search and compare potential partners. Such tools will help identify potential partners beyond traditional networks—reducing the chance that groundbreaking ideas with the potential to tackle financial inclusion are left without the capital necessary to scale.

[36] Murthy et al. 2019.

The analysis in this report is based on data collecting through an online form from 45 fintechs in October 2019. The form was based on the first version of the Data Standards for Inclusive Fintech. MIX developed the Data Standards between January and July 2019. The standards were informed by market research which included over 40 interviews, two in-person focus groups, and discussion with our 14 member Working Group and four-member advisory group.[37] Draft Data Standards were also posted online for public comment. The individuals engaged during this process included investors, fintechs, and ecosystem actors from a wide variety of regions and focus areas.

To create the online form, we also drew on lessons from the application form for the Inclusive Fintech 50 completion. We tested questions with fintechs to ensure that they supported the collection of accurate and comparable data. The main incentive for fintechs to participate was to receive data in return: if fintechs completed the form, they received a customized benchmark report with anonymized data analysis to help them understand where they sit among their peers. We also offered any additional incentive: a chance to enter to win USD 2500 to put towards startup operations. We disseminated the opportunity to participate to the 400 eligible applicants to Inclusive Fintech 50, as well as sending through additional partners in our network. We did not, for the most part, disseminate publicly via social media or other channels.

Through this process, we received completed forms from 45 fintechs who qualified (we required at least one active user). The data are self-reported and not independently verified. We also followed-up with fintechs to verify data that were missing or which analysts deemed to be outliers or inconsistent; if such data could not be confirmed, it was excluded from the analysis. Data are based on the firm's data collected in either December 2018 or June 2019, based on the firm's choice. If a response to a multiple-choice question had less than four observations, it was either not included or combined into an *Other* category.

[37] For a sample list of Working Group members: *https://www.themix.org/data-standards*

Appendix II: Summary Benchmarks

KPIs	Value	Overall			Primary region of operation			
		25th Percentile	*Value*	*75th Percentile*	*Sub-Saharan Africa*	*South Asia*	*East Asia & Pacific*	*Other Regions*
Number of fintechs	Number, Total	-	45	-	24	6	8	7
Customer and Growth								
Number of employees	Number, Median	9	24	61	20	68	27	19
Percentage of women in employees	% category, Mode	-	26-50%	-	26-50%	11-25%	N.A*	26-50%
Registered users	Number, Median	203	4487	90000	4423	17562	1082	730
Active users %	%, Median	13%	49%	83%	62%	41%	32%	46%
Average account size per user	USD, Median	$9	$100	$2,641	$80	$92	$377	$15,078
Compounded monthly customer growth rate (CMGR)	%, Median	5%	13%	40%	19%	13%	10%	9%
Customer retention rate	%, Median	43%	89%	96%	85%	95%	82%	82%
Referral rate	%, Median	10%	27%	60%	43%	N.A	10%	46%
Net Promoter Score	Number, Median	26	63	82	80	N.A	65	50
Percentage of female users	%, Median	20%	36%	63%	32%	N.A	54%	N.A
Percentage of women in agents	% category, Mode	-	11-25%, 51% and above	-	11-25%, 26-50%	N.A*	N.A*	N.A*
Percentage of users below poverty line	%, Median	0%	40%	78%	56%	10%	1%	-
Percentage of users in the firm's underserved target segment	%, Median	45%	73%	100%	95%	83%	28%	N.A
Percentage of first time users of legally compliant financial services	%, Median	1%	50%	80%	76%	61%	13%	N.A
Percentage of users that had been rejected from a formal financial institution	%, Median	0%	3%	50%	50%	N.A	1%	N.A
Profitability								
Is the company revenue generating?	% who answered yes	-	89%	-	88%	100%	88%	86%
Cash runway (in months)	Months, Median	6	10	16	9	N.A	11	12
Average revenue per user per month (ARPU)	USD, Median	$3	$23	$120	$21	$89	$30	$68
Average cost per user per month (ACPU)	USD, Median	$2	$13	$91	$19	$64	$11	$9
Cost per acquisition per user (CPA)	USD, Median	$1	$7	$20	$4	$5	$15	$9
Lifetime value of customer (LTV)	USD, Median	$27	$264	$2,710	$162	$346	$1,678	$1,582
Potential to Scale								
Percentage of women in the Executive team	% category, Mode	-	26-50%	-	0	11-25%	N.A*	N.A*
Percentage of women in the Board of Directors	% category, Mode	-	0	-	11-25%	N.A*	0	N.A*
1 or more members of the leadership team has origins in primary geography(ies) of operation	% who answered yes	-	91%	-	88%	100%	88%	100%
1 or more members of the leadership team with work experience in primary geography(ies) of operation	% who answered yes	-	100%	-	100%	100%	100%	100%
1 or more members of the leadership team has experienced the problem you are trying to solve	% who answered yes	-	89%	-	88%	83%	88%	100%
1 or more members of the leadership team with previous fintech experience	% who answered yes	-	82%	-	88%	83%	75%	71%
1 or more members of the leadership team with previous start-up management experience	% who answered yes	-	91%	-	96%	83%	100%	71%
1 or more members of the leadership team with previous financial services experience	% who answered yes	-	78%	-	75%	100%	63%	86%
Documented demand-side research is available	% who answered yes	-	91%	-	96%	83%	88%	86%
MOUs in place with relevant partners (FSPs, distribution partners, etc.)	% who answered yes	-	96%	-	96%	100%	88%	100%
Have received an award or recognition	% who answered yes	-	87%	-	83%	100%	100%	71%
Have participated in an incubation hub or accelerator program	% who answered yes	-	62%	-	67%	67%	75%	29%
Consumer Protection								
Mechanisms for informed consent are in place	% who answered yes	-	100%	-	100%	100%	100%	100%
Terms are communicated in language which is clear to all users	% who answered yes	-	100%	-	100%	100%	100%	100%
Mechanisms are in place for redressal and grievance	% who answered yes	-	87%	-	83%	100%	75%	100%
Documented strategy to reach clients through relevant non-digital financial literacy training or other education	% who answered yes	-	80%	-	79%	83%	75%	86%
Methods are in place to systematically collect and use customer feedback	% who answered yes	-	84%	-	92%	100%	63%	71%
Documented secure data storage and transfer practices internal to the company	% who answered yes	-	89%	-	88%	100%	88%	86%
Demonstrated due diligence of data sharing partners	% who answered yes	-	69%	-	67%	83%	75%	57%
Documented complaints and grievances from customers	% who answered yes	-	73%	-	71%	83%	88%	57%
Is your fintech GDPR-compliant?	% who answered yes	-	33%	-	33%	33%	50%	14%
Is the documented risk penetration test completed?	% who answered yes	-	58%	-	42%	83%	75%	71%
If no, are you willing to undergo risk penetration testing?	% who answered yes	-	84%	-	79%	100%	88%	86%

N.A signifies results with fewer than 4 observations

N.A signifies results of a multiple-choice question with a modal value less than 4*

KPIs	Value	Product Category			
		Credit	*Infrastructure*	*Payments and Remittances*	*Other Products*
Number of fintechs	Number, Total	13	11	10	11
Customer and Growth					
Number of employees	Number, Median	25	29	23	17
Percentage of women in employees	% category, Mode	26-50%	51%+	26-50%	26-50%
Registered users	Number, Median	730	16000	116	64000
Active users %	%, Median	54%	62%	36%	40%
Average account size per user	USD, Median	$6,575	$805	$96	$6
Compounded monthly customer growth rate (CMGR)	%, Median	11%	30%	5%	17%
Customer retention rate	%, Median	85%	80%	90%	93%
Referral rate	%, Median	25%	48%	30%	10%
Net Promoter Score	Number, Median	79	63	82	45
Percentage of female users	%, Median	35%	N.A	37%	35%
Percentage of women in agents	% category, Mode	N.A*	N.A*	N.A*	N.A*
Percentage of users below poverty line	%, Median	40%	40%	N.A	60%
Percentage of users in the firm's underserved target segment	%, Median	85%	70%	51%	78%
Percentage of first time users of legally compliant financial services	%, Median	45%	87%	0%	40%
Percentage of users that had been rejected from a formal financial institution	%, Median	N.A	31%	0%	1%
Profitability					
Is the company revenue generating?	% who answered yes	92%	100%	80%	82%
Cash runway (in months)	Months, Median	8	9	13	12
Average revenue per user per month (ARPU)	USD, Median	$145	$47	$35	$2
Average cost per user per month (ACPU)	USD, Median	$122	$56	$5	$2
Cost per acquisition per user (CPA)	USD, Median	$27	$2	$9	$3
Lifetime value of customer (LTV)	USD, Median	$2,750	$1,678	$514	$37
Potential to Scale					
Percentage of women in the Executive team	% category, Mode	11-25%	0	0	26-50%
Percentage of women in the Board of Directors	% category, Mode	0	11-25%	0	0
1 or more members of the leadership team has origins in primary geography(ies) of operation	% who answered yes	92%	91%	90%	91%
1 or more members of the leadership team with work experience in primary geography(ies) of operation	% who answered yes	100%	100%	100%	100%
1 or more members of the leadership team has experienced the problem you are trying to solve	% who answered yes	92%	82%	80%	100%
1 or more members of the leadership team with previous fintech experience	% who answered yes	77%	82%	80%	91%
1 or more members of the leadership team with previous start-up management experience	% who answered yes	85%	91%	100%	91%
1 or more members of the leadership team with previous financial services experience	% who answered yes	100%	82%	50%	73%
Documented demand-side research is available	% who answered yes	85%	100%	80%	100%
MOUs in place with relevant partners (FSPs, distribution partners, etc.)	% who answered yes	100%	91%	90%	100%
Have received an award or recognition	% who answered yes	92%	82%	90%	82%
Have participated in an incubation hub or accelerator program	% who answered yes	54%	64%	60%	73%
Consumer Protection					
Mechanisms for informed consent are in place	% who answered yes	100%	100%	100%	100%
Terms are communicated in language which is clear to all users	% who answered yes	100%	100%	100%	100%
Mechanisms are in place for redressal and grievance	% who answered yes	85%	91%	90%	82%
Documented strategy to reach clients through relevant non-digital financial literacy training or other education	% who answered yes	77%	73%	90%	82%
Methods are in place to systematically collect and use customer feedback	% who answered yes	85%	100%	60%	91%
Documented secure data storage and transfer practices internal to the company	% who answered yes	85%	91%	80%	100%
Demonstrated due diligence of data sharing partners	% who answered yes	69%	55%	70%	82%
Documented complaints and grievances from customers	% who answered yes	69%	82%	70%	73%
Is your fintech GDPR-compliant?	% who answered yes	23%	55%	30%	27%
Is the documented risk penetration test completed?	% who answered yes	46%	64%	50%	73%
If no, are you willing to undergo risk penetration testing?	% who answered yes	77%	82%	80%	100%

N.A signifies results with fewer than 4 observations

N.A signifies results of a multiple-choice question with a modal value less than 4*

KPIs	Value	Delivery model			Product stage	
		B2B	*B2B2C*	*B2C*	*Pilot/Minimal Viable Product (MVP)*	*Growth*
Number of fintechs	Number, Total	11	24	10	17	27
Customer and Growth						
Number of employees	Number, Median	25	24	23	10	32
Percentage of women in employees	% category, Mode	26-50%	26-50%	26-50%	11-25%, 26-50%	26-50%
Registered users	Number, Median	730	17562	3001	450	25000
Active users %	%, Median	50%	45%	42%	60%	46%
Average account size per user	USD, Median	$19,250	$43	$76	$50	$163
Compounded monthly customer growth rate (CMGR)	%, Median	9%	20%	10%	19%	11%
Customer retention rate	%, Median	87%	80%	90%	61%	90%
Referral rate	%, Median	46%	25%	N.A	15%	30%
Net Promoter Score	Number, Median	82	53	N.A	80	58
Percentage of female users	%, Median	-	36%	28%	56%	35%
Percentage of women in agents	% category, Mode	N.A*	51% and above	N.A*	11-25%, 51% and above	51% and above
Percentage of users below poverty line	%, Median	-	40%	43%	56%	23%
Percentage of users in the firm's underserved target segment	%, Median	-	56%	100%	56%	76%
Percentage of first time users of legally compliant financial services	%, Median	-	59%	0%	6%	68%
Percentage of users that had been rejected from a formal financial institution	%, Median	-	3%	26%	5%	1%
Profitability						
Is the company revenue generating?	% who answered yes	91%	96%	70%	71%	100%
Cash runway (in months)	Months, Median	9	12	6	8	12
Average revenue per user per month (ARPU)	USD, Median	$145	$17	$14	$23	$17
Average cost per user per month (ACPU)	USD, Median	$185	$4	$13	$17	$4
Cost per acquisition per user (CPA)	USD, Median	$20	$5	$7	$10	$4
Lifetime value of customer (LTV)	USD, Median	$4,000	$122	$200	$250	$522
Potential to Scale						
Percentage of women in the Executive team	% category, Mode	26-50%	11-25%	0	26-50%	11-25%, 26-50%
Percentage of women in the Board of Directors	% category, Mode	0	11-25%	0	1-10%	0
1 or more members of the leadership team has origins in primary geography(ies) of operation	% who answered yes	91%	92%	90%	88%	93%
1 or more members of the leadership team with work experience in primary geography(ies) of operation	% who answered yes	100%	100%	100%	100%	100%
1 or more members of the leadership team has experienced the problem you are trying to solve	% who answered yes	82%	96%	80%	88%	89%
1 or more members of the leadership team with previous fintech experience	% who answered yes	73%	92%	70%	88%	81%
1 or more members of the leadership team with previous start-up management experience	% who answered yes	91%	92%	90%	94%	89%
1 or more members of the leadership team with previous financial services experience	% who answered yes	82%	79%	70%	88%	74%
Documented demand-side research is available	% who answered yes	91%	92%	90%	94%	89%
MOUs in place with relevant partners (FSPs, distribution partners, etc.)	% who answered yes	100%	96%	90%	94%	96%
Have received an award or recognition	% who answered yes	100%	79%	90%	82%	89%
Have participated in an incubation hub or accelerator program	% who answered yes	55%	58%	80%	82%	48%
Consumer Protection						
Mechanisms for informed consent are in place	% who answered yes	100%	100%	100%	100%	100%
Terms are communicated in language which is clear to all users	% who answered yes	100%	100%	100%	100%	100%
Mechanisms are in place for redressal and grievance	% who answered yes	91%	79%	100%	82%	89%
Documented strategy to reach clients through relevant non-digital financial literacy training or other education	% who answered yes	73%	92%	60%	88%	74%
Methods are in place to systematically collect and use customer feedback	% who answered yes	91%	88%	70%	82%	85%
Documented secure data storage and transfer practices internal to the company	% who answered yes	91%	92%	80%	88%	89%
Demonstrated due diligence of data sharing partners	% who answered yes	45%	83%	60%	76%	63%
Documented complaints and grievances from customers	% who answered yes	64%	79%	70%	82%	67%
Is your fintech GDPR-compliant?	% who answered yes	27%	46%	10%	41%	30%
Is the documented risk penetration test completed?	% who answered yes	45%	63%	60%	53%	59%
If no, are you willing to undergo risk penetration testing?	% who answered yes	64%	96%	80%	88%	81%

N.A signifies results with fewer than 4 observations

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KPIs	Value	Target customer segment			
		Low-income individuals/families	*Mass market/ General public*	*MSME's (Micro, Small and Medium Enterprises)*	*Other Segments*
Number of fintechs	Number, Total	11	10	14	10
Customer and Growth					
Number of employees	Number, Median	19	28	35	23
Percentage of women in employees	% category, Mode	11-25%, 26-50%	26-50%	26-50%	26-50%
Registered users	Number, Median	4487	126746	1578	525
Active users %	%, Median	80%	25%	42%	56%
Average account size per user	USD, Median	$32	$60	$5,199	$125
Compounded monthly customer growth rate (CMGR)	%, Median	20%	10%	11%	20%
Customer retention rate	%, Median	80%	88%	45%	96%
Referral rate	%, Median	16%	13%	30%	45%
Net Promoter Score	Number, Median	60	69	72	N.A
Percentage of female users	%, Median	58%	35%	N.A	37%
Percentage of women in agents	% category, Mode	N.A*	N.A*	N.A*	11-25%
Percentage of users below poverty line	%, Median	60%	0%	N.A	60%
Percentage of users in the firm's underserved target segment	%, Median	98%	5%	N.A	90%
Percentage of first time users of legally compliant financial services	%, Median	33%	13%	N.A	87%
Percentage of users that had been rejected from a formal financial institution	%, Median	27%	0%	N.A	26%
Profitability					
Is the company revenue generating?	% who answered yes	82%	90%	100%	80%
Cash runway (in months)	Months, Median	8	12	9	8
Average revenue per user per month (ARPU)	USD, Median	$20	$1	$75	$19
Average cost per user per month (ACPU)	USD, Median	$17	$2	$62	$5
Cost per acquisition per user (CPA)	USD, Median	$4	$6	$9	$7
Lifetime value of customer (LTV)	USD, Median	$95	$876	$2,900	$193
Potential to Scale					
Percentage of women in the Executive team	% category, Mode	1-10%	N.A*	26-50%	0
Percentage of women in the Board of Directors	% category, Mode	11-25%	0	11-25%	0
1 or more members of the leadership team has origins in primary geography(ies) of operation	% who answered yes	73%	100%	100%	90%
1 or more members of the leadership team with work experience in primary geography(ies) of operation	% who answered yes	100%	100%	100%	100%
1 or more members of the leadership team has experienced the problem you are trying to solve	% who answered yes	91%	90%	86%	90%
1 or more members of the leadership team with previous fintech experience	% who answered yes	82%	90%	79%	80%
1 or more members of the leadership team with previous start-up management experience	% who answered yes	82%	100%	86%	100%
1 or more members of the leadership team with previous financial services experience	% who answered yes	91%	60%	86%	70%
Documented demand-side research is available	% who answered yes	91%	90%	86%	100%
MOUs in place with relevant partners (FSPs, distribution partners, etc.)	% who answered yes	91%	90%	100%	100%
Have received an award or recognition	% who answered yes	82%	100%	86%	80%
Have participated in an incubation hub or accelerator program	% who answered yes	82%	30%	64%	70%
Consumer Protection					
Mechanisms for informed consent are in place	% who answered yes	100%	100%	100%	100%
Terms are communicated in language which is clear to all users	% who answered yes	100%	100%	100%	100%
Mechanisms are in place for redressal and grievance	% who answered yes	91%	90%	86%	80%
Documented strategy to reach clients through relevant non-digital financial literacy training or other education	% who answered yes	82%	80%	79%	80%
Methods are in place to systematically collect and use customer feedback	% who answered yes	91%	70%	86%	90%
Documented secure data storage and transfer practices internal to the company	% who answered yes	91%	90%	93%	80%
Demonstrated due diligence of data sharing partners	% who answered yes	82%	80%	64%	50%
Documented complaints and grievances from customers	% who answered yes	64%	80%	79%	70%
Is your fintech GDPR-compliant?	% who answered yes	18%	50%	36%	30%
Is the documented risk penetration test completed?	% who answered yes	64%	60%	57%	50%
If no, are you willing to undergo risk penetration testing?	% who answered yes	91%	70%	86%	90%

N.A signifies results with fewer than 4 observations

N.A signifies results of a multiple-choice question with a modal value less than 4*

KPIs	Value	Overall			Primary region of operation			
		25th Percentile	*Value*	*75th Percentile*	*Sub-Saharan Africa*	*South Asia*	*East Asia & Pacific*	*Other Regions*
Number of fintechs	Number, Total	-	45	-	24	6	8	7
Inclusivity - AFFORDABLE								
Lowers operating costs for businesses (B2B) by leveraging technology to streamline processes	% who selected the solution	-	42%	-	20%	N.A	9%	9%
Lowers fees for consumers (B2C) by offering a regulated product in a structured manner	% who selected the solution	-	31%	-	16%	N.A	N.A	9%
Lowers cost per acquisition for business customers by providing its technology solution to identify, analyze and target suitable customers	% who selected the solution	-	20%	-	11%	N.A	N.A	N.A
Better meets the needs of end users or business through micro or flexible payment structures	% who selected the solution	-	38%	-	24%	N.A	N.A	N.A
Inclusivity - ACCESSIBLE								
Improves uptake of formal financial products by reaching unserved and underserved customers	% who selected the solution	-	51%	-	29%	N.A	N.A	9%
Improves physical distribution of financial services through improved agent networks (including point-of-sale devices)	% who selected the solution	-	9%	-	N.A	N.A	N.A	N.A
Improves distribution of financial services through newfound eligibility as the result of improved data collection, use, or analytics	% who selected the solution	-	11%	-	N.A	N.A	N.A	N.A
Distributes financial services to new user groups by creating new distribution channels for financial services which leverage existing business relationships (this includes, for example, plaforms to connect buyers and sellers which then offer payments or credit based on transactions)	% who selected the solution	-	18%	-	11%	N.A	N.A	N.A
Lowers the burden of customer due diligence (CDD) for financial service providers (FSPs) by improving ID authentication	% who selected the solution	-	N.A	-	N.A	N.A	N.A	N.A
Inclusivity - APPROPRIATE								
Adapts to typical user's comfort-level with technology through improved user interface	% who selected the solution	-	13%	-	N.A	N.A	N.A	N.A
Adapts to typical user's comfort-level with technology through additional 'touch' components	% who selected the solution	-	33%	-	18%	N.A	N.A	9%
Improves delivery time (delivers value more quickly to users than alternatives) through use of data analytics and technology	% who selected the solution	-	13%	-	N.A	N.A	N.A	N.A
Improves customers' comfort with the service by designing for cultural considerations, including gender, and/or use local languages	% who selected the solution	-	33%	-	16%	9%	N.A	N.A
Provides users with more control over data	% who selected the solution	-	27%	-	16%	N.A	N.A	N.A
Increases usage of product/service through improved customer engagement (data driven alerts, or chatbot driven customer care executives, or phone calls, or customer townhalls)	% who selected the solution	-	16%	-	N.A	N.A	N.A	N.A

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N.A signifies results of a multiple-choice question with a modal value less than 4*

KPIs	Value	Product Category			
		Credit	*Infrastructure*	*Payments and Remittances*	*Other Products*
Number of fintechs	Number, Total	13	11	10	11
Inclusivity - AFFORDABLE					
Lowers operating costs for businesses (B2B) by leveraging technology to streamline processes	% who selected the solution	11%	13%	N.A	11%
Lowers fees for consumers (B2C) by offering a regulated product in a structured manner	% who selected the solution	N.A	9%	16%	N.A
Lowers cost per acquisition for business customers by providing its technology solution to identify, analyze and target suitable customers	% who selected the solution	N.A	N.A	N.A	N.A
Better meets the needs of end users or business through micro or flexible payment structures	% who selected the solution	9%	9%	9%	11%
Inclusivity - ACCESSIBLE					
Improves uptake of formal financial products by reaching unserved and underserved customers	% who selected the solution	18%	16%	11%	N.A
Improves physical distribution of financial services through improved agent networks (including point-of-sale devices)	% who selected the solution	N.A	N.A	N.A	N.A
Improves distribution of financial services through newfound eligibility as the result of improved data collection, use, or analytics	% who selected the solution	N.A	N.A	N.A	N.A
Distributes financial services to new user groups by creating new distribution channels for financial services which leverage existing business relationships (this includes, for example, plaforms to connect buyers and sellers which then offer payments or credit based on transactions)	% who selected the solution	N.A	N.A	N.A	N.A
Lowers the burden of customer due diligence (CDD) for financial service providers (FSPs) by improving ID authentication	% who selected the solution	N.A	N.A	N.A	N.A
Inclusivity - APPROPRIATE					
Adapts to typical user's comfort-level with technology through improved user interface	% who selected the solution	N.A	N.A	N.A	N.A
Adapts to typical user's comfort-level with technology through additional 'touch' components	% who selected the solution	11%	N.A	9%	11%
Improves delivery time (delivers value more quickly to users than alternatives) through use of data analytics and technology	% who selected the solution	N.A	N.A	N.A	N.A
Improves customers' comfort with the service by designing for cultural considerations, including gender, and/or use local languages	% who selected the solution	11%	N.A	N.A	11%
Provides users with more control over data	% who selected the solution	N.A	9%	9%	N.A
Increases usage of product/service through improved customer engagement (data driven alerts, or chatbot driven customer care executives, or phone calls, or customer townhalls)	% who selected the solution	N.A	9%	N.A	N.A

N.A signifies results with fewer than 4 observations

N.A signifies results of a multiple-choice question with a modal value less than 4*

KPIs	Value	Delivery model			Product stage	
		B2B	*B2B2C*	*B2C*	*Pilot/Minimal Viable Product (MVP)*	*Growth*
Number of fintechs	Number, Total	11	24	10	17	27
Inclusivity - AFFORDABLE						
Lowers operating costs for businesses (B2B) by leveraging technology to streamline processes	% who selected the solution	16%	20%	N.A	13%	29%
Lowers fees for consumers (B2C) by offering a regulated product in a structured manner	% who selected the solution	N.A	13%	13%	18%	11%
Lowers cost per acquisition for business customers by providing its technology solution to identify, analyze and target suitable customers	% who selected the solution	N.A	16%	N.A	11%	9%
Better meets the needs of end users or business through micro or flexible payment structures	% who selected the solution	N.A	22%	13%	13%	24%
Inclusivity - ACCESSIBLE						
Improves uptake of formal financial products by reaching unserved and underserved customers	% who selected the solution	18%	27%	N.A	20%	29%
Improves physical distribution of financial services through improved agent networks (including point-of-sale devices)	% who selected the solution	N.A	N.A	N.A	N.A	N.A
Improves distribution of financial services through newfound eligibility as the result of improved data collection, use, or analytics	% who selected the solution	N.A	9%	N.A	N.A	11%
Distributes financial services to new user groups by creating new distribution channels for financial services which leverage existing business relationships (this includes, for example, plaforms to connect buyers and sellers which then offer payments or credit based on transactions)	% who selected the solution	N.A	9%	N.A	11%	N.A
Lowers the burden of customer due diligence (CDD) for financial service providers (FSPs) by improving ID authentication	% who selected the solution	N.A	N.A	N.A	N.A	N.A
Inclusivity - APPROPRIATE						
Adapts to typical user's comfort-level with technology through improved user interface	% who selected the solution	N.A	N.A	N.A	N.A	9%
Adapts to typical user's comfort-level with technology through additional 'touch' components	% who selected the solution	11%	9%	13%	16%	18%
Improves delivery time (delivers value more quickly to users than alternatives) through use of data analytics and technology	% who selected the solution	N.A	N.A	N.A	N.A	11%
Improves customers' comfort with the service by designing for cultural considerations, including gender, and/or use local languages	% who selected the solution	N.A	22%	9%	13%	20%
Provides users with more control over data	% who selected the solution	N.A	11%	9%	9%	18%
Increases usage of product/service through improved customer engagement (data driven alerts, or chatbot driven customer care executives, or phone calls, or customer townhalls)	% who selected the solution	N.A	N.A	N.A	N.A	9%

N.A signifies results with fewer than 4 observations

N.A signifies results of a multiple-choice question with a modal value less than 4*

KPIs	Value	Target customer segment			
		Low-income individuals/families	*Mass market/ General public*	*MSME's (Micro, Small and Medium Enterprises)*	*Other Segments*
Number of fintechs	Number, Total	11	10	14	10
Inclusivity - AFFORDABLE					
Lowers operating costs for businesses (B2B) by leveraging technology to streamline processes	% who selected the solution	9%	13%	13%	N.A
Lowers fees for consumers (B2C) by offering a regulated product in a structured manner	% who selected the solution	9%	9%	N.A	9%
Lowers cost per acquisition for business customers by providing its technology solution to identify, analyze and target suitable customers	% who selected the solution	N.A	N.A	N.A	9%
Better meets the needs of end users or business through micro or flexible payment structures	% who selected the solution	16%	N.A	N.A	9%
Inclusivity - ACCESSIBLE					
Improves uptake of formal financial products by reaching unserved and underserved customers	% who selected the solution	9%	9%	20%	13%
Improves physical distribution of financial services through improved agent networks (including point-of-sale devices)	% who selected the solution	N.A	N.A	N.A	N.A
Improves distribution of financial services through newfound eligibility as the result of improved data collection, use, or analytics	% who selected the solution	N.A	N.A	N.A	N.A
Distributes financial services to new user groups by creating new distribution channels for financial services which leverage existing business relationships (this includes, for example, plaforms to connect buyers and sellers which then offer payments or credit based on transactions)	% who selected the solution	N.A	N.A	N.A	N.A
Lowers the burden of customer due diligence (CDD) for financial service providers (FSPs) by improving ID authentication	% who selected the solution	N.A	N.A	N.A	N.A
Inclusivity - APPROPRIATE					
Adapts to typical user's comfort-level with technology through improved user interface	% who selected the solution	N.A	N.A	N.A	N.A
Adapts to typical user's comfort-level with technology through additional 'touch' components	% who selected the solution	11%	11%	9%	N.A
Improves delivery time (delivers value more quickly to users than alternatives) through use of data analytics and technology	% who selected the solution	N.A	N.A	N.A	N.A
Improves customers' comfort with the service by designing for cultural considerations, including gender, and/or use local languages	% who selected the solution	N.A	11%	9%	9%
Provides users with more control over data	% who selected the solution	N.A	9%	9%	N.A
Increases usage of product/service through improved customer engagement (data driven alerts, or chatbot driven customer care executives, or phone calls, or customer townhalls)	% who selected the solution	N.A	N.A	N.A	N.A

N.A signifies results with fewer than 4 observations

N.A signifies results of a multiple-choice question with a modal value less than 4*

Glossary

Term	Definition
Company Stage of Growth Based on Investment	
Self – Funded	In this initial stage, the Fintech is funded largely by its founders and potentially their family/friends.
Seed/Angel	In this stage, the fintech has received early stage funding from an angel investor, or an established funder, typically an early stage VC firm.
Series A	The startup has received Series A funding, which is typically the first large round of investment. It is used to scale operations.
Series B	The startup has received Series B funding, which is typically the second large investment round, which helps the company unlock the next level of growth.
Series C+	The startup has received Series C level of funding or beyond, which is typically the last external equity round before going public.
Stage of the Product	
Alpha/Idea	The concept/product idea has been tested with a selected user base to establish market demand. There is proof of concept for the idea.
Beta/Testing	A functional product prototype has been developed and is undergoing testing and refinement. There are no live users of the product, and user group limited to trial and feedback loop only.
Pilot/Minimal Viable Product (MVP)	The team has developed a refined product prototype ready for pilot launch, and live users are being on-boarded. Minor tweaks to product and process based on customer feedback would continue in this stage as well.
Growth	A product is in the market, and it is now being scaled up in terms of geography or customer segments. Further modifications may be made as more users interact with the product. New partnerships are likely to be forged at this stage to support expansion. Processes would get streamlined and more structured.
Mature	The product has traction in the market, can report against standard performance KPIs, and is unlikely to undergo major change in the near future.
Product Category	
Payments and Remittances	A fintech whose main business is to facilitate payments, including remittance, a person-to-person (P2P) payment.
Credit	A fintech whose main business is to provide credit or to enable credit.
Insurance	A fintech whose main business is to provide insurance or enable insurance.
Savings and Personal Financial Management	A fintech whose main business is to facilitate or to enable personal financial management such as savings, pensions, and investments.
Infrastructure	A fintech whose main business is to provide processes and tools that enables multiple types of financial services such as credit, payments, insurance, personal wealth management.
Product Delivery Model	
B2C	A model that provides a financial product or service directly to a consumer
B2B	A model that provides a financial product or service to a Financial Service Provider, or to a medium to large sized business for its financial transactions and needs (e.g. payroll transfers, supply chain payments)
B2B2C	A model that combines B2B and B2C for a complete product or service transaction, and is a collaboration process that, in theory, creates mutually beneficial service and product delivery channels.

Term	Definition
Product Revenue Model	
Fee per transaction (flat fee or percentage)	A fee is charged to the customer for each transaction. It could be a flat fee or calculated as a percentage of the transaction amount.
Value created	Fees are only charged if the fintech is able to generate earnings for the customer. Eg:% of earnings on invested funds (rather than % of assets under management)
Fee for service	A fee is charged to the customer for access to the service being provided. This may be a fixed fee or variable.
Tip model – voluntary contribution	In this model, customers pay the fintechs if and as much as they wish for using the product and/or services provided.
Interest	Most applicable to lending models, this is the fees that a lender charges a borrower ona pre-defined frequency for use of their money. It is calculated typically as a proportion of the outstanding loan amount.
External cross-sell (commission)	The fintech charges a commission to other businesses for cross-selling their products using its distribution model or user interface.
Advertising (pay per impression)	The fintech allows other businesses to advertise on its user interface (website/app, etc.) and charges the business a fee for every impression/click, etc.
Anonymized consumer data and insights	The fintech monetizes the consumer data it has by charging fees to other businesses for anonymized consumer data and insights.
Product Key Target Customer Segments	
Refugees/migrants	The primary target market is refugees and/or migrants who are new to the country and lack sufficient documentation and/or other necessary qualifications to access traditional formal financial services.
Smallholder farmers	The primary target market is smallholder farmers; smallholder definition would depend on landholding level as defined by local policymakers
Youth	The primary target market is youth, irrespective of whether they are students or workers or self-employed. The definition of youth would be as stated by local government or regulator.
Rural households	The primary target market is rural households; rural as classified in the local context.
Low-income individuals/families	This is not mutually exclusive from middle-income, salaried workers, or youth; includes those targeting LMI
Non-salaried workers/irregular incomes	The primary target market is contract/gig workers with irregular income amount and frequency
MSME's (Micro, Small and Medium Enterprises)	The primary target market is MSMEs (small businesses), which may lack access to formal financial services
Elderly	The primary target market is elderly men and women, above the age of 60 years
Women	The fintech identifies unserved and underserved women as the primary target market.
Product Minimum Requirements	
Computer	Device required which requires desktop access (website is not optimized for mobile, for example)
Point-of-sale device	Business user must have access to a physical POS device in order to service a transaction
Bank account	Bank account is required by the user to access the product and/or service offered by the fintech
2G/3G/4G	Mobile-phone is required, which is compatible with 2G/3G/4G technology
USSD	Fintech solution leverages USSD (Unstructured Supplementary Service Data) based communication technology to conduct transactions
SMS	Fintech solution leverages SMS based communication technology to conduct transactions
National ID	End user must have access to a national ID provided by the central, state, or local government
Debit/Credit/Prepaid Card	End user must have access to Debit/Credit/Prepaid card to access services
Product - Technology Aspects of Solution	
Social media	Fintech uses customer's social media data to provide the service. For instance, it can be an input to the credit scoring algorithm.
Financial and transaction history	Fintech uses customer's financial and transaction history, potentially through banking, payments or related apps or through separate email or other request formats, to provide the service
Mobile/data/text use	Fintech uses mobile data of customer (e.g. text messages, apps, battery) as an input to provide the service to customers

Term	Definition
Psychometric data	Fintech conducts a psychometric test of the user, and uses the responses/result as an input to provide the service to the customer
Sensor data	Fintech uses data generated by sensors, including location data, to provide service, e.g. telematics data, satellite data. We will exclude biometric sensors from this category as it has its own category below.
Physical biometrics	Fintech uses biometric scan data on physicial attributes such a fingerprints, facial recogniction, or irises to provide service. For instance, KYC verification
Behavioral biometrics	Fintech uses biometric information on non-physical attributes such as phone usage or typical daily movements to identify customers.
Geolocation	Relies on automated geolocation data, such as that tracked by the customer's mobile phone, to optimize product performance.
Product - Sources of Data that Enable the Business Model	
Social media	Fintech uses customer's social media data to provide the service. For instance, it can be an input to the credit scoring algorithm.
Financial and transaction history	Fintech uses customer's financial and transaction history, potentially through banking, payments or related apps or through separate email or other request formats, to provide the service
Mobile/data/text use	Fintech uses mobile data of customer (e.g. text messages, apps, battery) as an input to provide the service to customers
Psychometric data	Fintech conducts a psychometric test of the user, and uses the responses/result as an input to provide the service to the customer
Sensor data	Fintech uses data generated by sensors, including location data, to provide service, e.g. telematics data, satellite data. We will exclude biometric sensors from this category as it has its own category below.
Physical biometrics	Fintech uses biometric scan data on physicial attributes such a fingerprints, facial recogniction, or irises to provide service. For instance, KYC verification
Behavioral biometrics	Fintech uses biometric information on non-physical attributes such as phone usage or typical daily movements to identify customers.
Geolocation	Relies on automated geolocation data, such as that tracked by the customer's mobile phone, to optimize product performance.
Inclusivity – Percentage Reduction in Cost and Time	
Percentage reduction in cost and time for acquiring customers	Acquiring customers: you reduce cost and time associated with customer acquisition for your B2B customers. This includes marketing and promotion related costs.
Percentage reduction in cost and time for onboarding customers	Onboarding customers: Customer Onboarding is an umbrella term that's often used to describe the entire process that users go through when they start their journey as a customer. You reduce cost and time associated with customer on-boarding for your B2B customers. This includes post acquisition sign up for the product/service.
Percentage reduction in cost and time for servicing customers	Servicing customers: you reduce cost and time associated with customer servicing for your B2B customers. This includes post onboarding relationship management, e.g. customer query resolution, ongoing transaction support, etc.
Company KPIs	
Number of employees	Number of salaried employees (not including the founders) to indicate the size and make up of the team, and its growth trajectory
Percentage of women in employees	Number of women salaried employees / Number of salaried employees
Percentage of women in the Executive team	Number of women in the executive team/ Number of members in the executive team
Percentage of women in the Board of Directors	Number of women in the Board of Directors/ Number of members in the Board of Directors
Is the company revenue generating?	The company is bringing in revenue through their product offering
Cash Runway (in months)	Cash Runway = Cash Reserve/Monthly Operating Losses
Customer and growth KPIs	
Registered users	The number of registered users of the fintech's offering. For B2C fintechs, this is the number of users who have successfully registered for an account that would allow them to transact (savings, payments, credit) or receive benefits (insurance). For B2B and B2B2C fintechs, this is the number of institutional clients who have registered or signed a contract.

Term	Definition
Active users	The number of active users of the fintech's offering. For B2C fintechs, active users are the number of users who have made a transaction in the last 30 days for transactional products (savings, payments, credit) or who have an open account in good standing (insurance, credit). For B2B and B2B2C fintechs, this is the number of institutional clients who have used the product in the last 30 days.
Active users %	The ratio of Active users to Registered users
Average account size per user	For B2C fintech, this is average loan size, average savings balance, average insurance premium, or average payment. For B2B fintechs, this is the average value of a contract with each institutional user.
Compounded monthly customer growth rate (CMGR)	CMGR = ((Customers at the end of last quarter/Customers at the beginning of last quarter)^1/3)-1
Customer retention rate	Retention rate = 1 - Customers lost during the quarter/Customers at the beginning of the quarter
Referral rate	Referral rate = Volume of referred acquisitions in the last quarter/Volume of total acquisitions in the last quarter
Net Promoter Score	Index ranging from -100 to 100 that measure the willingness of users to recommend a company's products or services to others. It is used as a proxy for gauging the user's overall satisfaction with a company's product or service and the customer's loyalty to the brand.
User targeting KPIs	
Percentage of female users	Number of total users who are female
Percentage of women in agents	Number of women who are agents/ Total number of agents
Percentage of users below poverty line	Number of total users who earn less than the official poverty line in the country
Percentage of users in the underserved target segment	Number of total users who self-identify as part of the underserved target which the company aims to reach, per defined target market as listed in 'Categories' sheet.
Percentage of first time users of legally compliant financial services	Number of total users who are accessing this product from a formal financial institution for the first time
Percentage of users that had been rejected from a formal financial institution	Number of total users who have been rejected from a formal institution for the financial product or service that they are receiving from your fintech
Profitability KPIs	
Average revenue per user per month (ARPU)	ARPU = Total revenue per month/Average number of users per month
Average cost per user per month (ACPU)	ACPU = Total cost per month/Average number of users per month
Cost per acquisition per user (CPA)	CPA = Sales and Marketing costs in the last quarter/Number of new users in the last quarter
Lifetime value of a customer (LTV)	LTV = (Average revenue generated from customers per year)*(Number of years the customer is expected to stay with the company
Management potential	
1 or more members of the leadership team has origins in primary geography(ies) of operation	There is at least one member of the executive team that can claim as their country of origin, at least one country in which the company operates
1 or more members of the leadership team with work experience in primary geography(ies) of operation	There is at least one member of the executive team that has worked in at least one country in which the company operates
1 or more members of the leadership team has experienced the problem you are trying to solve	There is at least one member of the executive team who has experienced the problem that your company is trying to solve
1 or more members of the leadership team with previous fintech experience	There is at least one member of the executive team who has worked in a technology-led company offering financial services in the past

Term	Definition
1 or more members of the leadership team with previous start-up management experience	There is at at least one member of the executive team who has worked in a start-up in an executive position in the past
1 or more members of the leadership team with previous financial services experience	There is at at least one member of the executive team who has worked in a traditional financial institution in the past
Potential to scale	
Documented demand-side research is available	Company has funded and documented qualitative or quantative research with potential customers in its primary geography (ies).
MOUs in place with relevant partners (FSPs, distribution partners, etc.)	Company has signed documentation that demonstrates partners' intention to work together even if non-contractual
Have received an award or recognition	Company can provide documentation showing it has received one or more relevant awards or recognitions
Have participated in an incubation hub or accelerator program	Company can provide documentation showing it has participated in one or more relevant incubator or accelerator programs
Risk management and consumer protection	
Mechanisms for informed consent are in place	Informed consent is the process by which users understand the implications of the use of their personal data and document their approval
Terms are communicated in language which is clear to all users	Of particular relevance to inclusion, terms should be communicated in a language that users understand (not only the official language of the country)
Mechanisms are in place for redressal and grievance	Mechanism would refer to a customer care team and/or a grievance redressal cell, with documented Standard Operating Processes to address different customer queries and grievances
Documented strategy to reach clients through relevant non-digital financial literacy training or other education	Non-digital financial literacy training or education in place and designed to meet the specific needs of (potential) clients who may need additional support to apprporiately manage financial services with which they are less familiar.
Methods are in place to systematically collect and use customer feedback	Company can provide documentation that shows regular (ie, monthly or quarterly) communication with users through methods such as surveys, call centers, interviews, SMS, or ratings
Documented secure data storage and transfer practices internal to the company	Company can provide documentation showing how they store and transfer customers' personal and transaction data within the organization in a secure manner
Demonstrated due diligence of data sharing partners	Company can provide documentation showing how they vetted any partners with whom they share customers' personal data
Documented complaints and grievances from customers	Company can provide documentation about the nature of complaints received and actions taken
Is your fintech GDPR-compliant?	Company can provide documentation showing how they have designed or updated their services to ensure alignment with the European Data Protection standard (GDPR)
Is the documented risk penetration test completed?	Company can provide documentation showing that they have sucesssfully completed a penetration test to expose any technical vulnerabilities
If no, are you willing to undergo risk penetration testing?	Company is willing to undergo penetration testing if an investor requests this during the due dliigence process

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