

# Toward Data Standards for Inclusive Fintech



19 February 2020  
10:00-11:00 AM ET



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WEBINAR

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# LOGISTICS

- 1 This is an audio broadcast. Attendee microphones will remain muted during the entire webinar session.
- 2 To ask questions during the webinar, please use the Chat box on the right-hand side of the Webex session. You may submit your question at any time during the webinar presentation.
- 3 To ensure your question is seen by the moderator, select “**All Participants**” from the drop down menu when sending the question.
- 4 The webinar recording will be emailed to all attendees and registrants.

# Speakers and Agenda



**Chrissy Martin Meier**  
Fintech Data Solutions  
MIX



**Gayatri Murthy**  
Financial Sector  
Specialist  
CGAP



**Jeremy Leach**  
Founder & CEO  
Inclusivity Solutions



**Shannon Dwyer**  
Investment Associate  
Accion Venture Lab

# MIX is the leading global data resource for inclusive finance

Founded in 2002, our mission is to provide the data, analytics and insights that empower decision makers to build an inclusive financial services ecosystem.

OUR TEAM INCLUDES

FINANCIAL ANALYSTS



TECHNOLOGY DEVELOPERS



DATA SPECIALISTS



OUR GLOBAL PARTNERS INCLUDE



# Our data initiatives encourage the growth of inclusive markets

We convene stakeholders to build common data standards that enable transparency.

We develop strategic insights from complex data to help emerging sectors flourish.

We support informed thinking on the future of financial services.

## OUR FOCUS AREAS INCLUDE



INCLUSIVE FINTECH



DIGITAL FINANCIAL SERVICES



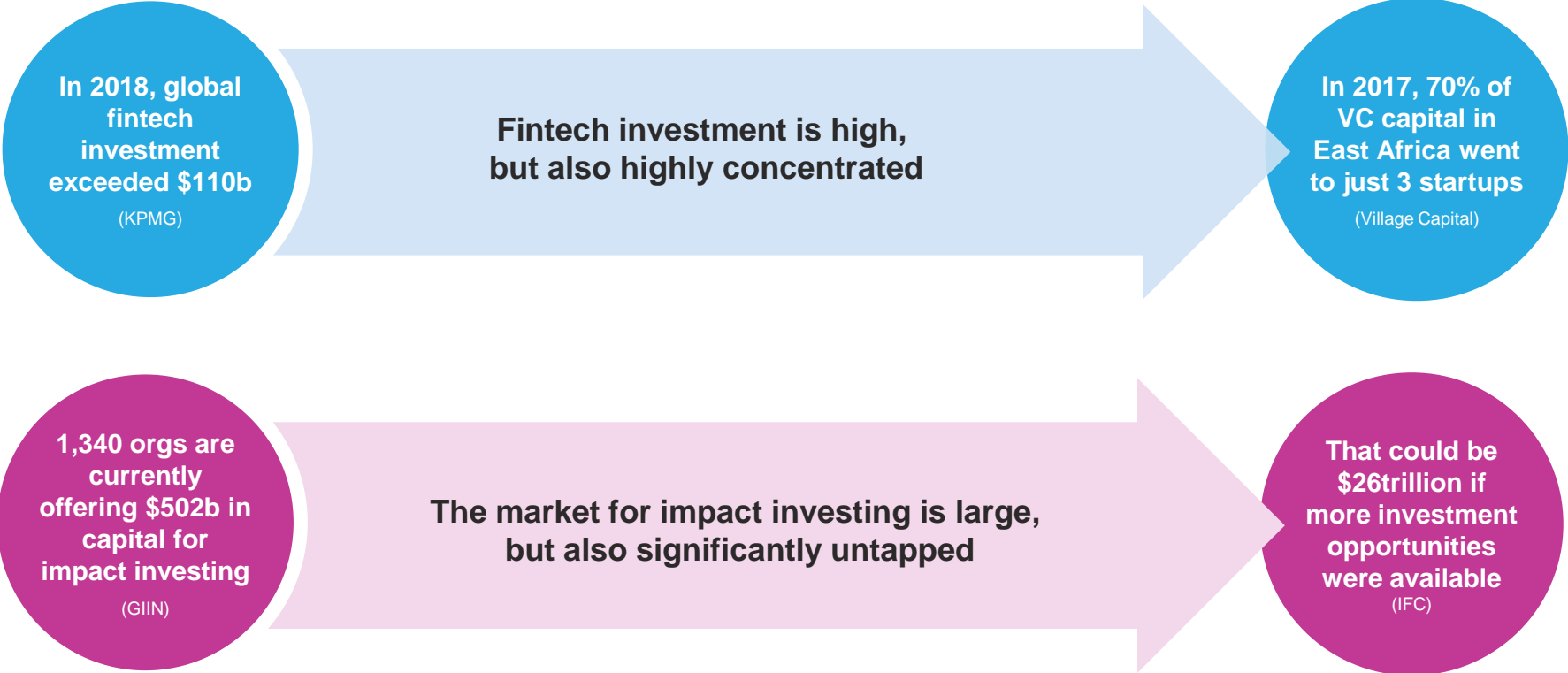
AGRICULTURAL FINANCE



## OUR PROJECT PARTNERS INCLUDE



# There is a significant opportunity to expand investment in fintech



@mixglobaldata

# MIX helps investors identify and evaluate opportunities in inclusive fintech

## FINTECH AND DIGITAL FINANCE INVESTMENT BARRIERS

It is **difficult to identify prospective partners**, whether investors looking for portfolio companies or banks looking for fintech partners

**Lack of common performance benchmarks** inhibit comparisons across markets or fintech segments

Investors and funders want better visibility into funding flows and **areas of concentration or under-investment**.

## MIX COMPLEMENTARY PORTFOLIO OF INITIATIVES

**Inclusive Fintech 50**

**Fintech Data Standards**

**Fintech Benchmarks**

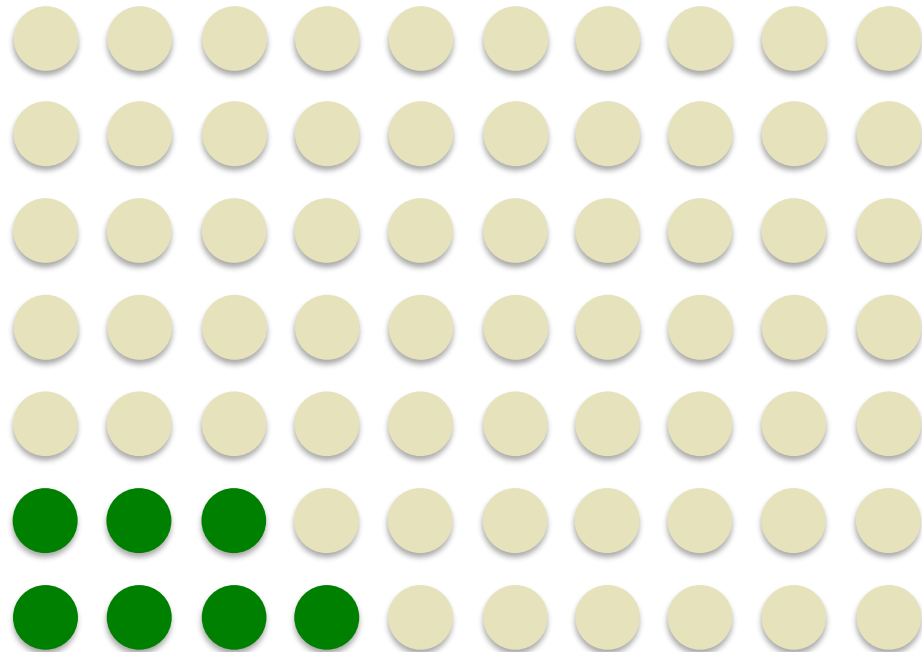
**Fintech Data Solution**

**Funder Survey**  
**DFS Funding Flows**  
**Fintech Funding Flows**

# IF50: Applicant data shows that capital is concentrated



Data from the 400 eligible applicants of Inclusive Fintech 50 showed that capital is concentrated across – and within – regions.





# Building on IF50, we have tested 3 key inputs to a dynamic fintech data solution.

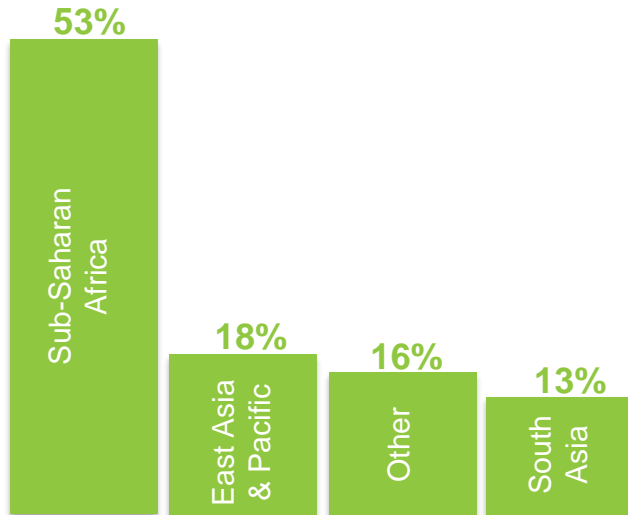


# The Data Standards are designed to surface actionable insights

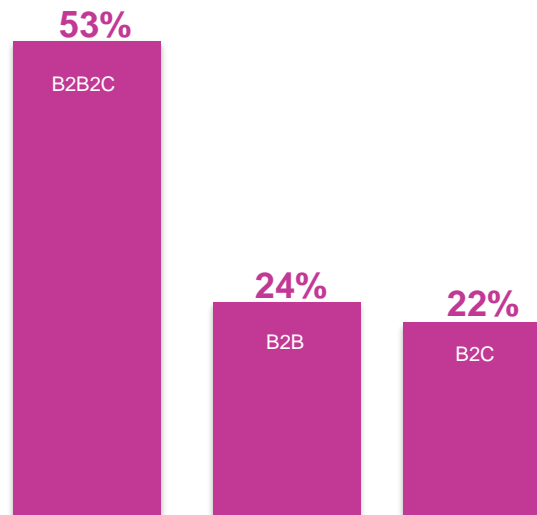
Qualitative		Quantitative	
MARKET	Sector(s) Targeted	Tier 1	Registered Users*
	Underserved Target*		Active Users (30 days) and Active Users (self-defined)*
	Country HQ, Operation		Female employees, board members, executive members
SOLUTION	Product Type*		Yes/No: Potential to Scale, Management Potential, Risk Management
	Funding Stage*		% female users, % underserved, % below poverty line
	Investment-to-Date*	Compounded Monthly Growth Rate	
	Product Stage	Average Account Size per User	
TOOLS	Technology	Tier 2	Cash Runway
	End User Requirements*		Is the firm revenue generating?
	Delivery Model*		Customer Retention Rate
	Revenue Model		Referral Rate
INCLUSIVITY	Business Solution (How are you solving a market problem?)	Tier 3	Net Promoter Score
	Business metrics (matched to Business Solution)		Average revenue per customer (ARPU), Average cost per customer (ACPU) *
			Cost per Acquisition (CPA)
	Life Time Value of a Customer (LTV)		

# Our survey of fintechs tested what type of insights could be generated

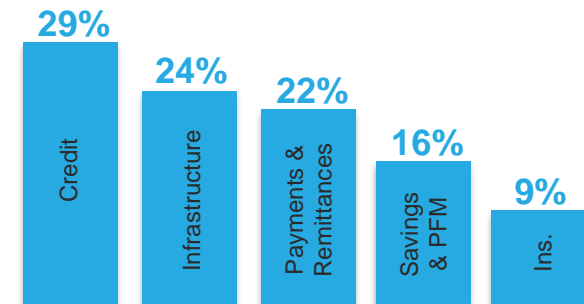
## REGION



## MODEL



## PRODUCT

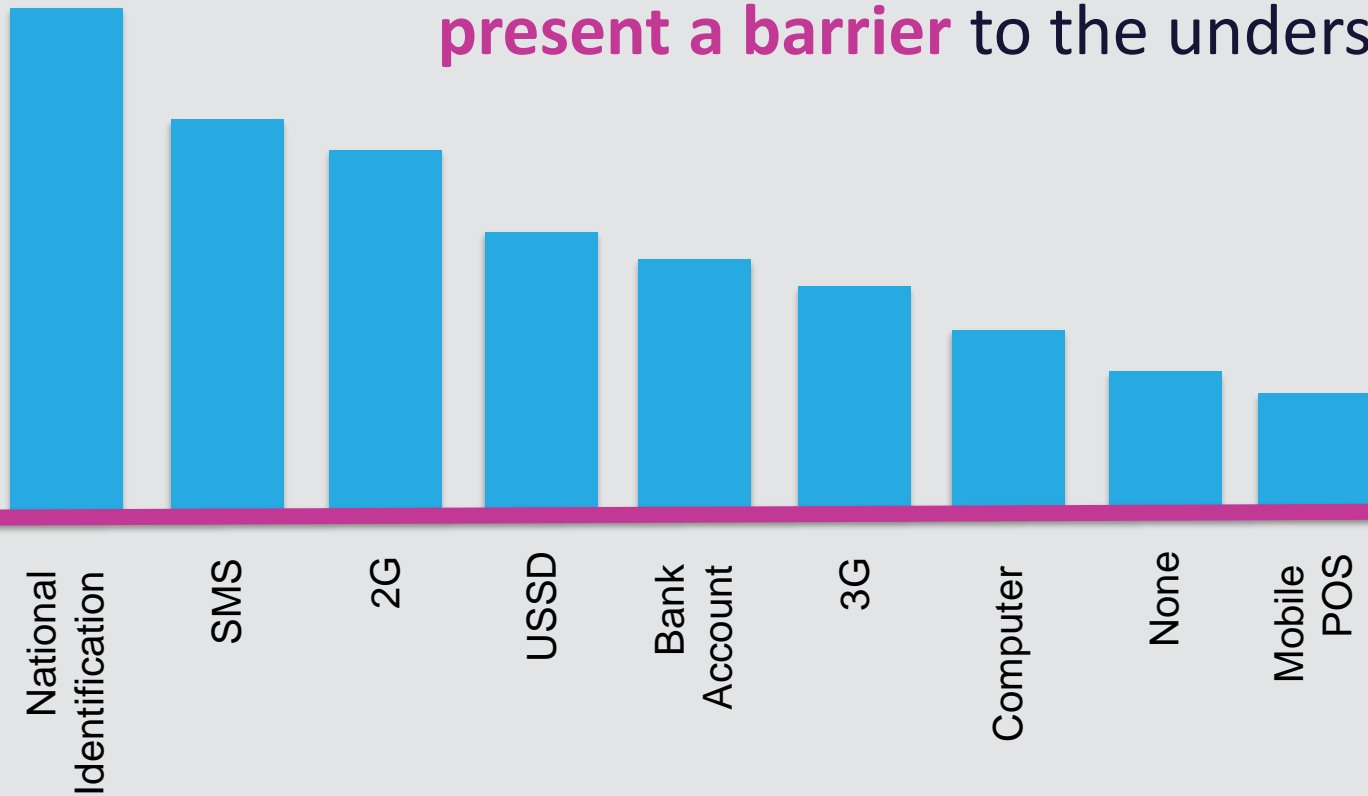


- 1 Customers and Growth
- 2 Potential to Scale and Leadership
- 3 Profitability
- 4 Consumer Protection
- 5 Inclusivity

# Toward Fintech Benchmarks to Drive Financial Inclusion

@mixglobaldata

National ID is the most common end-user requirement that is likely to **present a barrier** to the underserved.



Fintechs have  
**lower customer  
acquisition** costs when  
using third parties to  
manage agents.

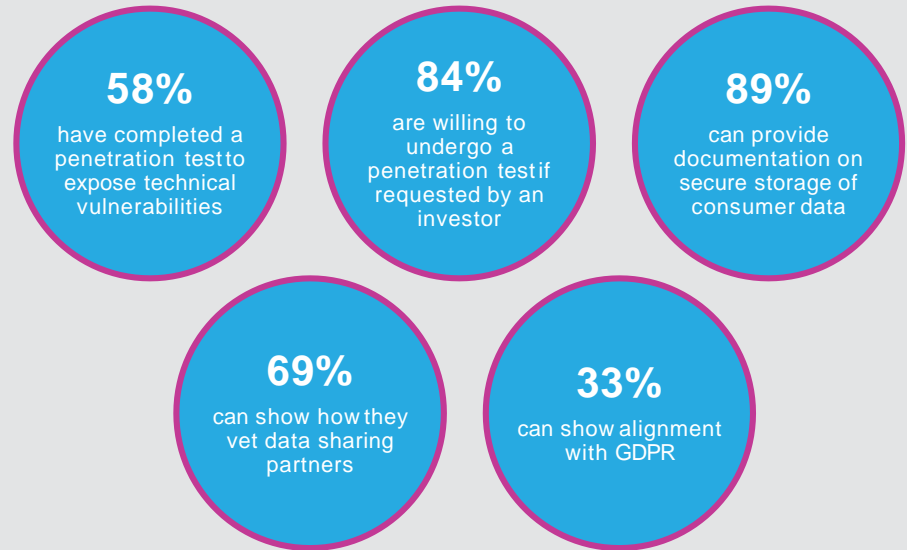
**\$3**

third party agents (median)

**\$8**

own agents (median)

# Digital data protection is becoming business-as-usual.



# How can you help to shape the Data Solution going forward?

①

## **Use**

the Data Standards in your own work to support common definitions and usage

②

## **Test**

the Data Solution Prototype: can you access, find, and use the data you need?

③

## **Join**

the *Inclusive Fintech 50 Investors Circle* to get access to the full list of applicants

## Stay Informed!

Email [fintech@themix.org](mailto:fintech@themix.org)

Visit [themix.org/inclusive-fintech](https://themix.org/inclusive-fintech)



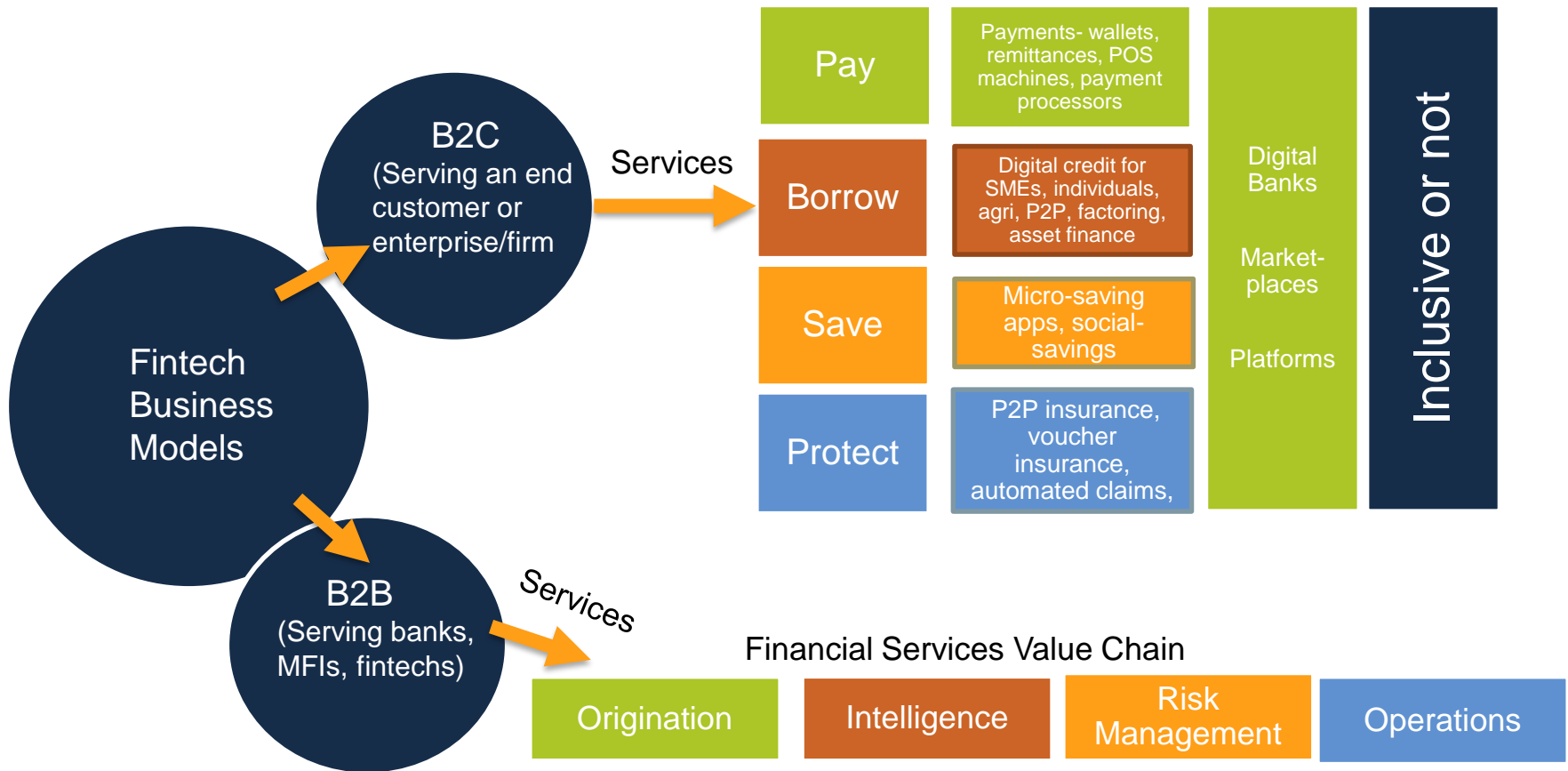
# Ecosystem Perspective: Challenges and Data Needs



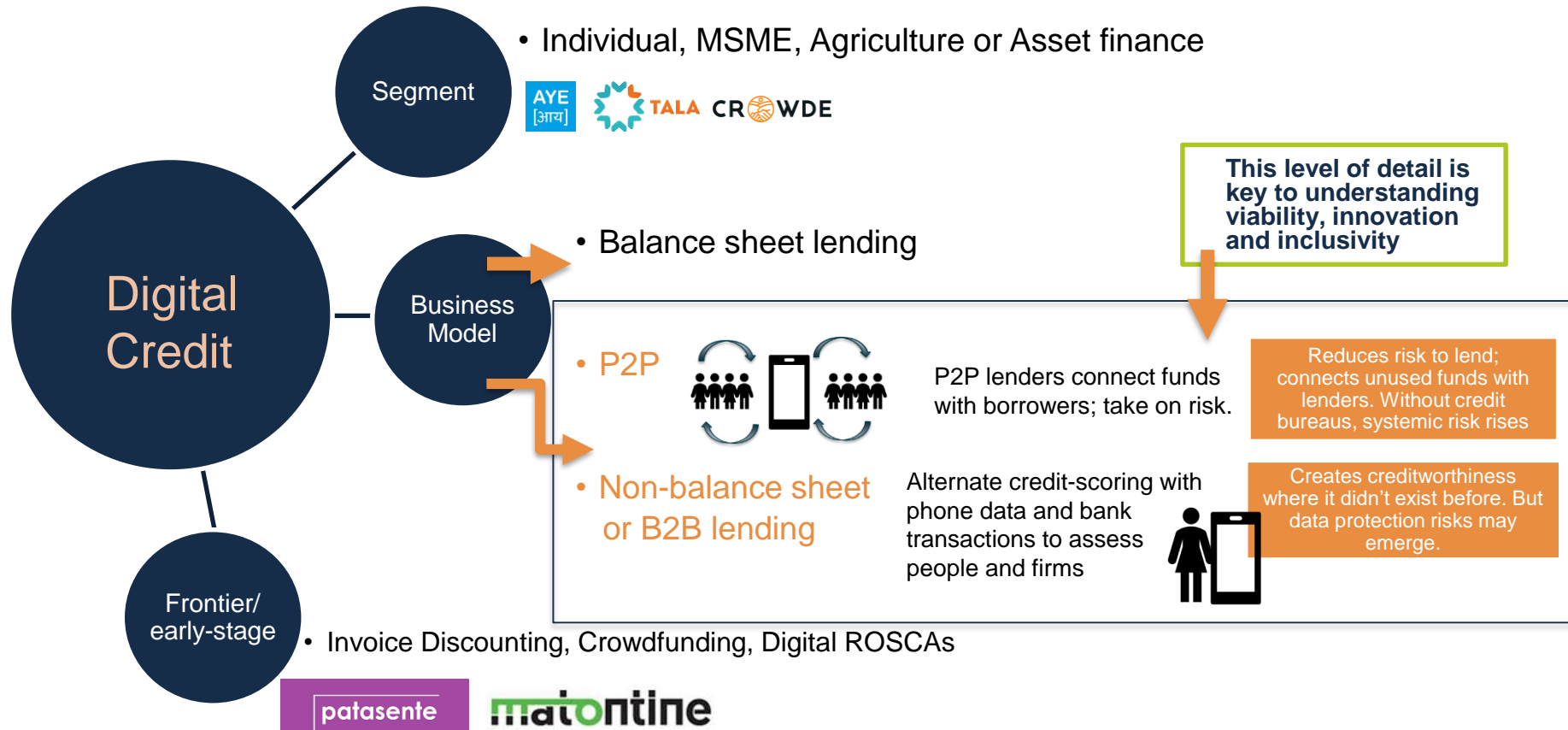
**Gayatri Murthy**  
Financial Sector Specialist

 @gayatrimurthy

# A wide range of models are grouped under the fintech umbrella



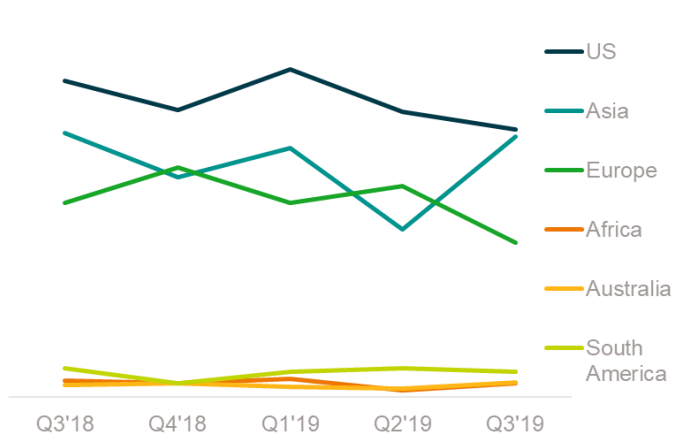
# Not enough insight on the variations within product groups and their inclusivity



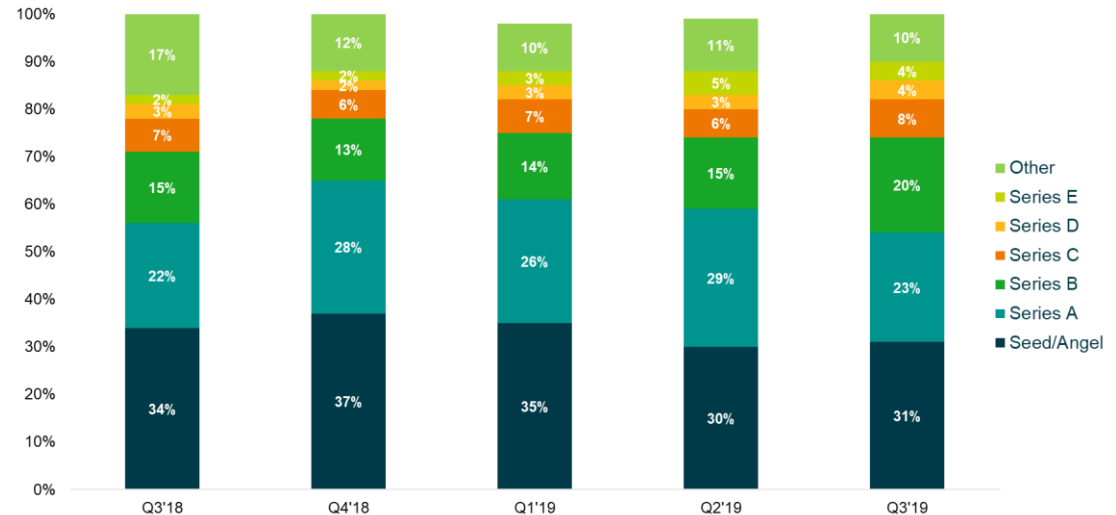
# No reliable datasets that combine public, private funding to fintech

So understanding the nature of capital flows is challenging

Global VC-Backed fintech deals by continent, Q3'18-Q3'19



Quarterly Deal Share by Stage to Global VC-Banked Fintech Companies



Source: CB Insights Report 2019

- Sources of funding data are split between global comparisons that lump disparate countries together or regional deep dives.
- Private and “development finance” are not combined in meaningful ways.
- Latin America and Africa are often excluded from funding analysis
- It is challenging to assess gaps in market-making when the full picture is not evident.

# We haven't yet connected capital with evidence

At all stages of growth, we are not sure of our effects. Insight is buried within firms, investors and few actors. No one sees the whole picture.



Mature Stage



Growth Stage

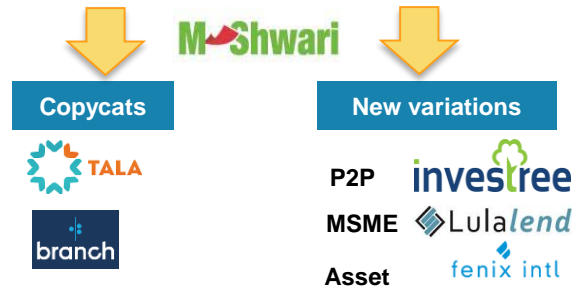


Early Stage

Eg.: Big payment wallets



E.g.: Digital credit



Experiments at the frontier



New models: savings, pension, etc that don't break even early.



Harder-to-reach segments like agritech

- Do **maturing** products see cost reductions and secondary effects among the poor?

- What is the viability and risks in **growing** models?


- What innovations in **early** models can work and scale?

# Fintech Perspective: Challenges and Data Needs



inclusivity  
solutions

**Jeremy Leach**  
Founder & CEO

 @InclusivitySols



1.5-3 billion emerging consumers  
unprotected

We Design, Build, Operate and Innovate Inclusive Digital  
Insurance Solutions

Focus on mobile operators and banks starting with Equity  
Bank Kenya, Airtel Rwanda & Orange Cote d'Ivoire

Addressing the risks that really matter for  
700,000 policies and growing fast



..... connecting the world  
to better protection .....



**Inclusive**  
Fintech50  
Emerging fintechs for financial inclusion



# Investor Perspective: Challenges and Data Needs



**ACCION**

**Shannon Dwyer**  
Investment & Portfolio Associate

 @AccionVLab



# Venture Lab is an important part of Accion's mission

## ACCION VENTURE LAB STRATEGY

Enable **startup-led innovation** to improve **financial access and quality** by investing in new models, products, and cutting edge technologies and by supporting them to scale

### Focus

We look for the **most innovative models** and **technologies** delivering quality financial services to the underserved

### Approach

We provide **equity capital**, governance, and strategic support to **seed-stage financial inclusion startups** around the world

### Investment

We typically initially **invest \$400-500K in equity** or quasi-equity instruments across the US, Latin America, Africa, and Asia

### Track record

Over the last five years we've invested in **41 companies** in a **variety of sectors** such as SME lending, neobanks, and insurtech



# Q&A

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# POLL

Please take a moment to respond to the poll questions on the right-hand side of your screen.

# WHAT'S NEXT?

1

We will email you when the webinar recording and related materials become available on the FinDev Gateway website.

2

Visit [www.themix.org/inclusive-fintech](http://www.themix.org/inclusive-fintech) to learn more about MIX's inclusive fintech data initiative.

3

Question unanswered? Contact MIX: [fintech@themix.org](mailto:fintech@themix.org)

4

For more resources on financial inclusion, visit [FinDevGateway.org](http://FinDevGateway.org).

# Thank you

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