

The 2nd Global Alternative Finance Market Benchmarking Report Launch

June 2021

Cambridge
Centre
for Alternative
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The 2nd Global Alternative Finance Market Benchmarking Report



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Agenda

12.30-12.40 – Opening remarks from Hunter Sims, Director of Operations at CCAF and Donie Lochan, CTO at Invesco

12.40-13.10 – Presentation of findings by Tania Ziegler, Global Benchmarking Lead at CCAF, Rotem Shneur, Associate Professor at University of Agder and Karsten Wenzlaff, Research Affiliate at CCAF

**13.10-14.20 – Panel discussion moderated by Donie Lochan, CTO at Invesco.
Panellists: Buhle Goslar of JUMO World, Budi Gandasoebrata of GoPay & FinTech Indonesia, Diego Herrera of Inter American Development Bank and Mike Carter of Innovate Finance**

14.20 – Closing remarks from Hunter Sims

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Key Findings from The 2nd Global Alternative Finance Market Benchmarking Report

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The 2nd Global Alternative Finance Market Benchmarking Report



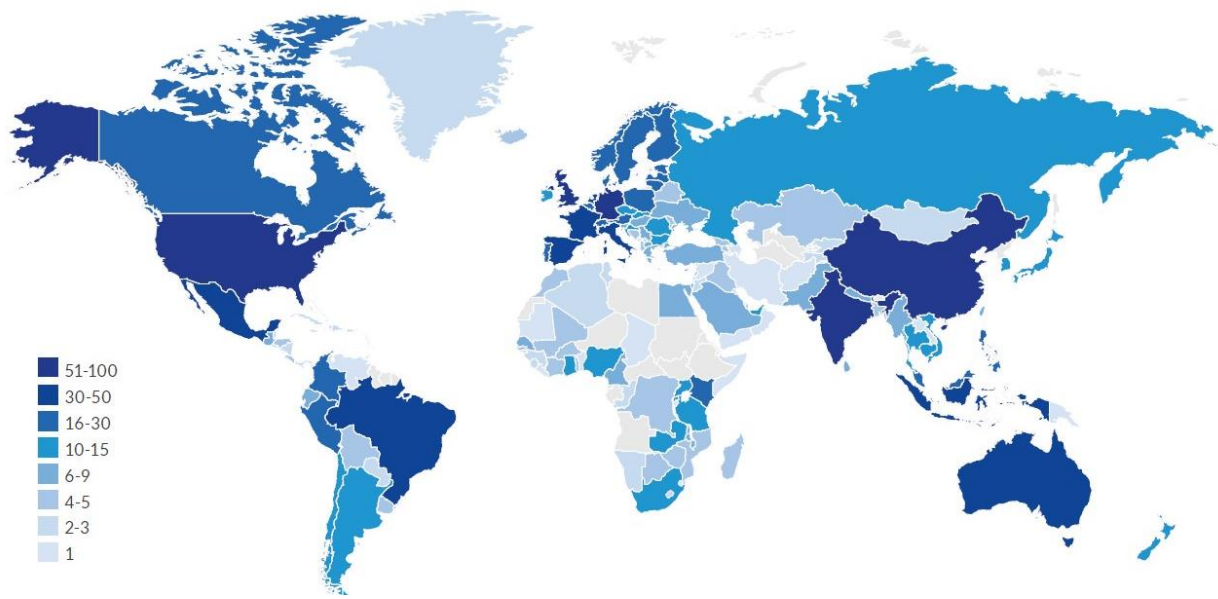
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Introduction



Data collection from July 2020 through May 2021
70+ Outreach Research Partners



Research Team: Krishnamurthy Suresh, Felipe Ferri de Camargo Paes, Leyla Mammadova, Charles Wanga, Neha Kekre, Stanley Mutinda, Britney Wanxin Wang, Cecilia López Closs, Bryan Zhang, Hannah Forbes, Erika Soki, Nafis Alam, Chris Knaup, Qiran Ju and Zihao Han



Study Rationale & Methodology



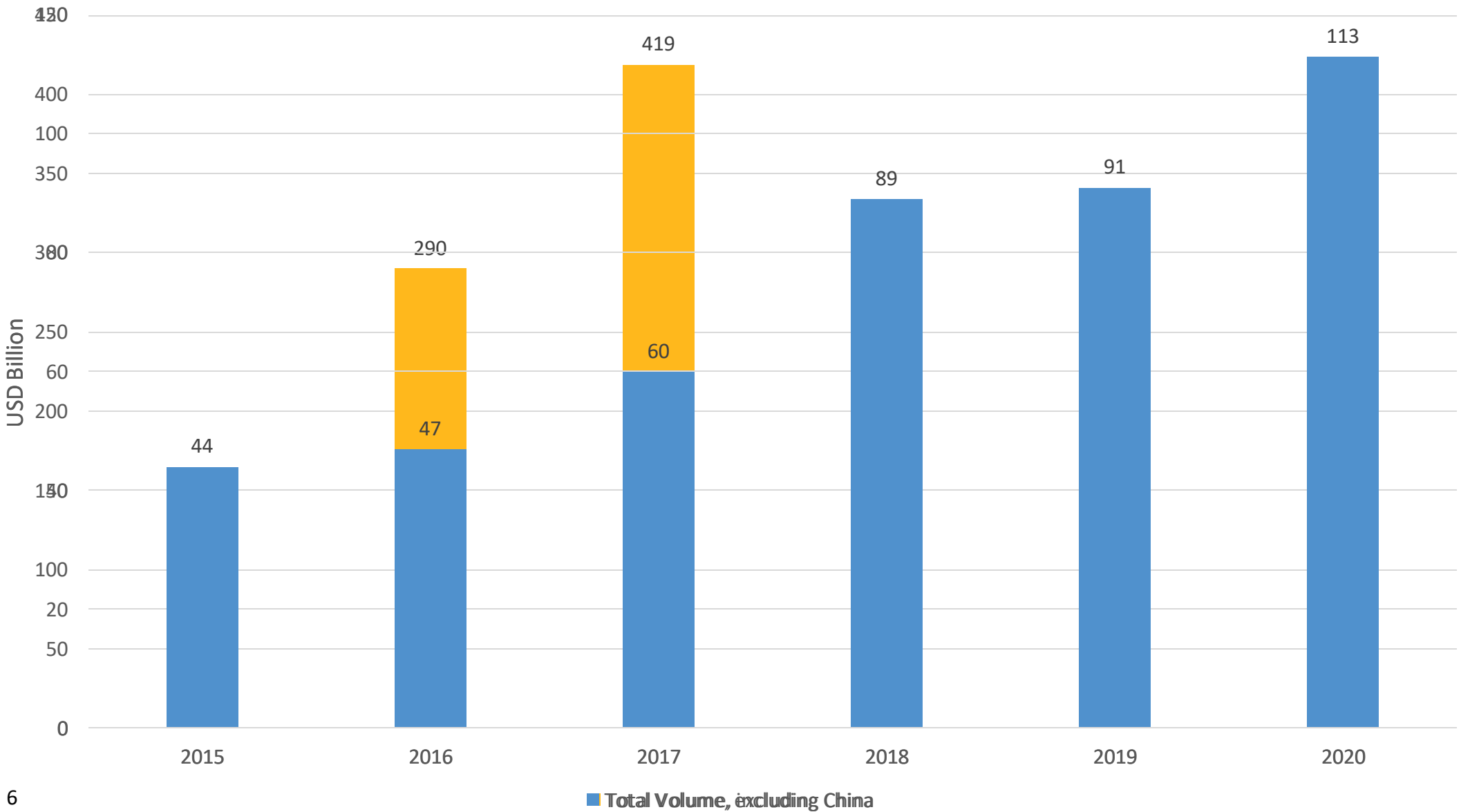
2019: 821 Respondents, 1801 Firm-level observations
 2020: 703 Respondents, 1660 Firm-level observations

Region	2019		2020	
	Count	Proportion	Count	Proportion
APAC	359	20%	342	21%
China	108	6%	53	3%
Europe	631	35%	654	39%
LAC	258	14%	205	12%
MENA	78	4%	76	5%
SSA	206	11%	191	12%
UK	79	4%	67	4%
USA & Canada	82	5%	72	4%
TOTAL	1801	100%	1660	100%

Category	Model
Debt	P2P/Marketplace Lending – Consumer, Business, Property, Balance Sheet Lending – Consumer, Business, Property, Invoice Trading, Debt-based Securities, BNPL, Mini-bonds
Equity	Equity-based Crowdfunding, Real Estate Crowdfunding, Revenue/Profit Sharing
Non-Investment	Reward-based Crowdfunding, Donation-based Crowdfunding, Crowd-led Microfinance



The Size & Growth of the Global Alternative Finance Market

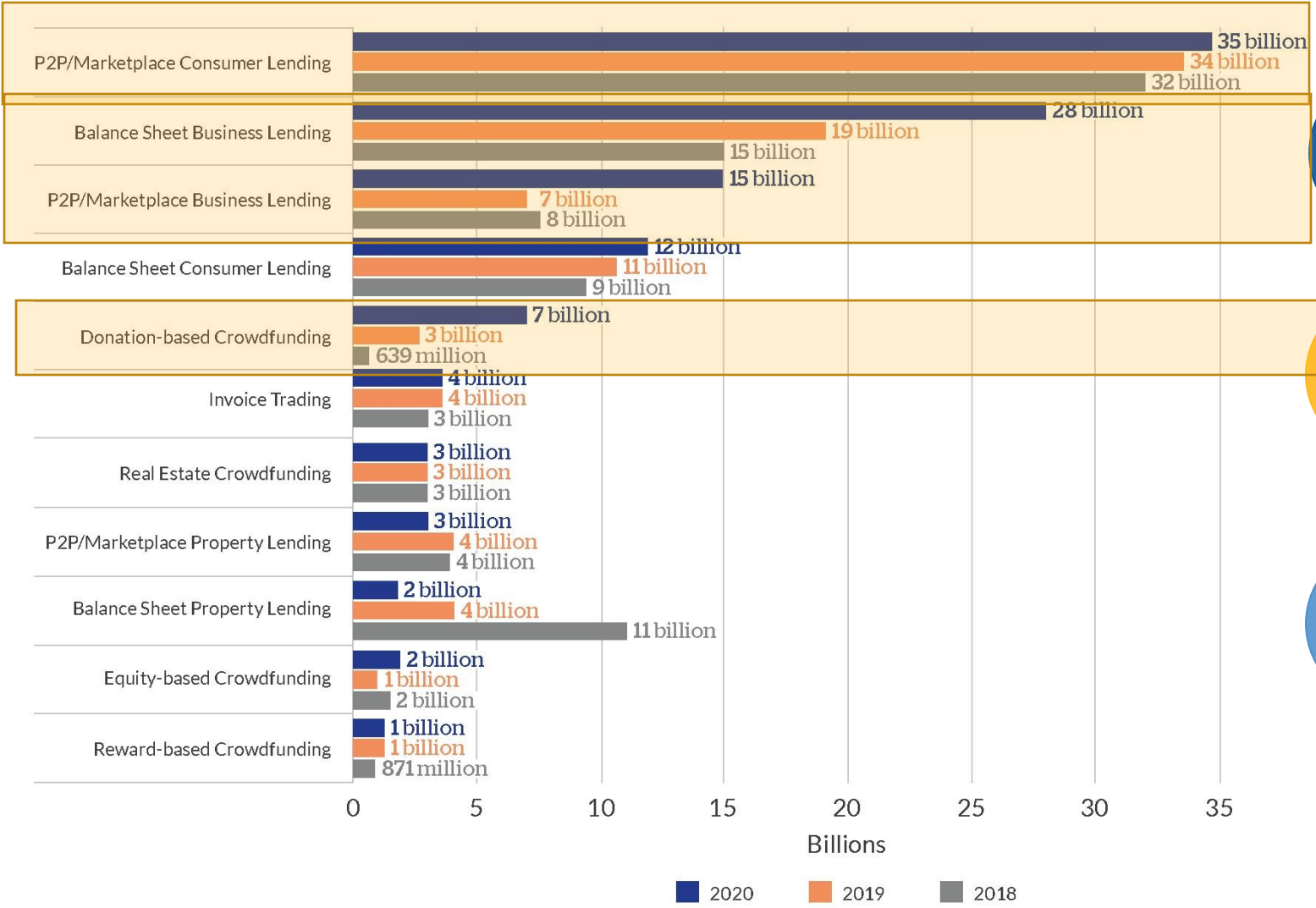


Market Share of Alternative Finance by Region

	2019		2020	
Region	Total Volume	Market Share (%)	Total Volume	Market Share (%)
→ APAC	\$9,541,822,124	5%	\$8,911,183,422	8%
→ China	\$84,346,675,112	48%	\$1,161,105,257	1%
→ Europe	\$12,233,219,605	7%	\$9,940,940,894	9%
→ LAC	\$4,833,142,985	3%	\$5,274,457,369	5%
→ MENA	\$763,896,349	0.4%	\$594,755,996	0.5%
→ SSA	\$1,105,847,839	0.6%	\$1,215,799,093	1%
UK	\$11,015,704,173	6%	\$12,642,678,927	11%
USA & Canada	\$51,871,355,441	30%	\$73,929,869,084	65%
TOTAL	\$175,711,663,628	100%	\$113,670,790,043	100%



Global Volume by Key Models, 2018-2019 (Excluding China)



31%

P2P Consumer Lending Remains Largest Model

\$43b

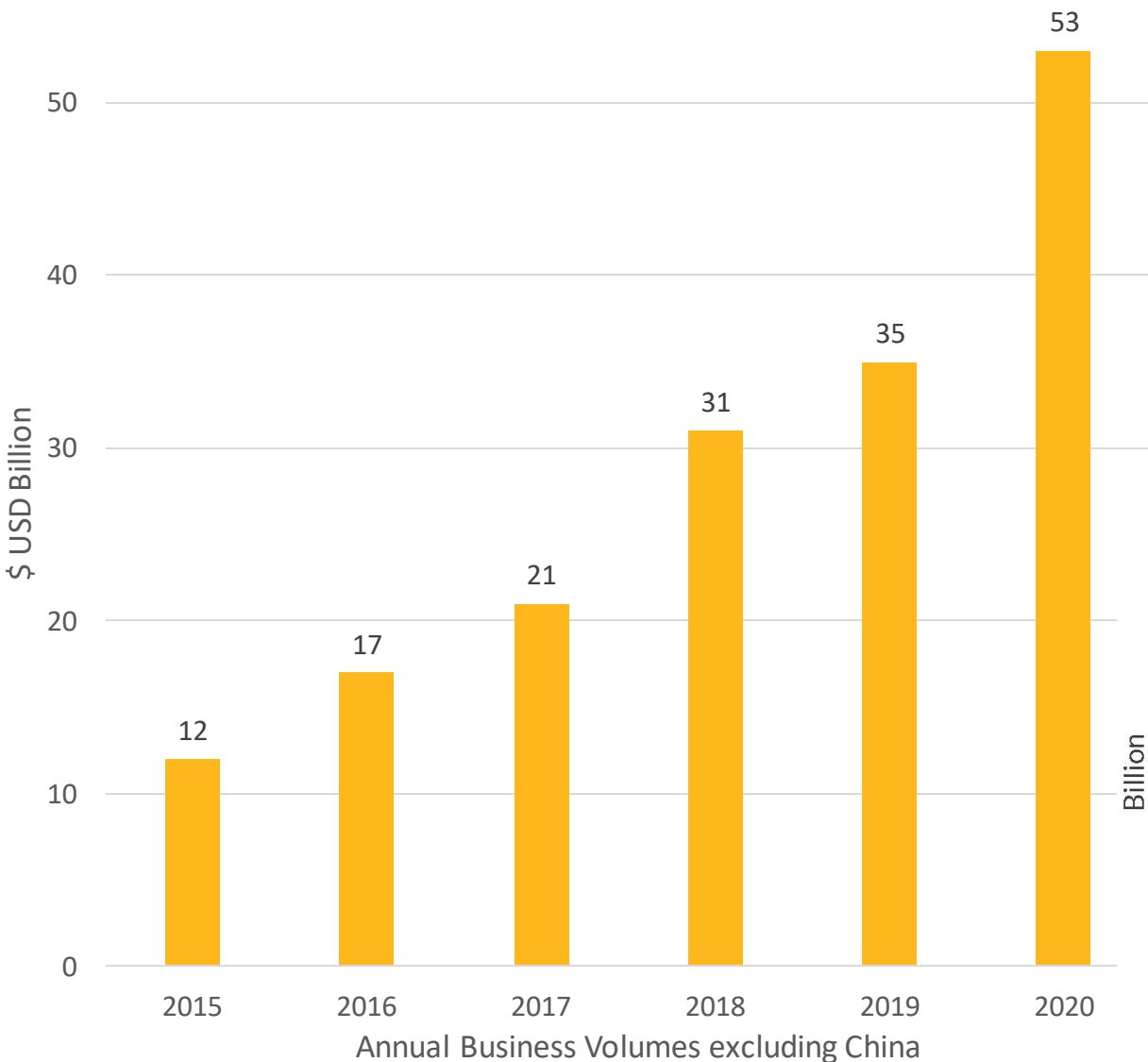
P2P & Balance Sheet Business Lending drove over 1/3 of 2020 volume

\$7b

Donation-based Crowdfunding grew by 160% between 2019 & 2020



Small Businesses Benefit from Alternative Finance

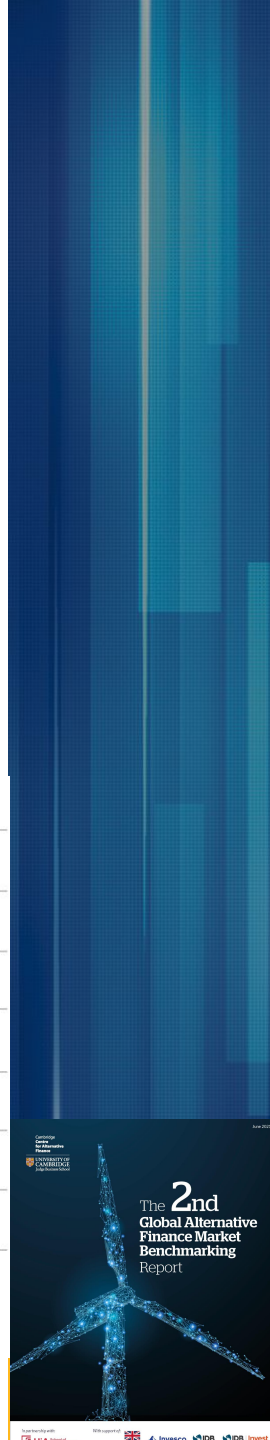
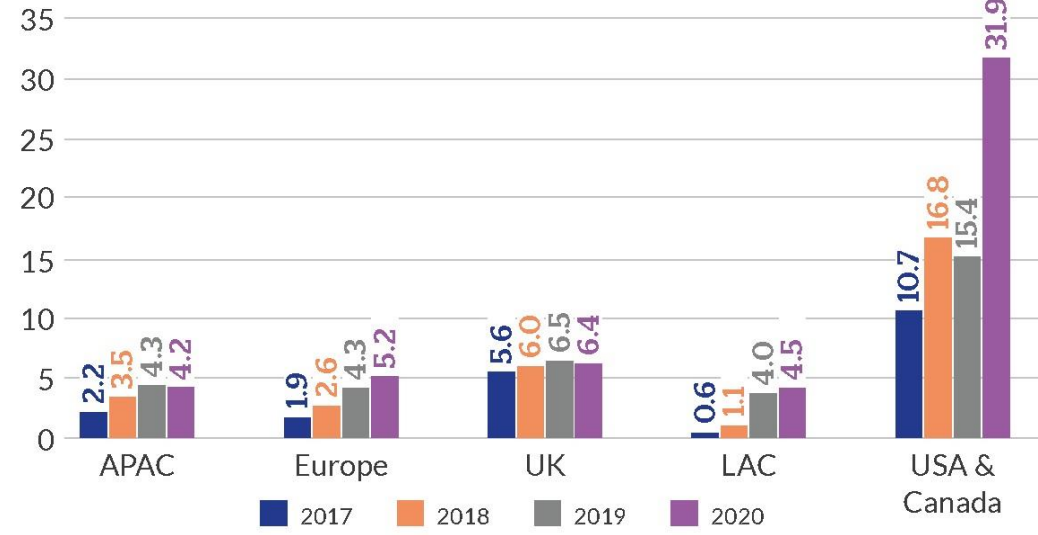


51% Y-Y growth

94%

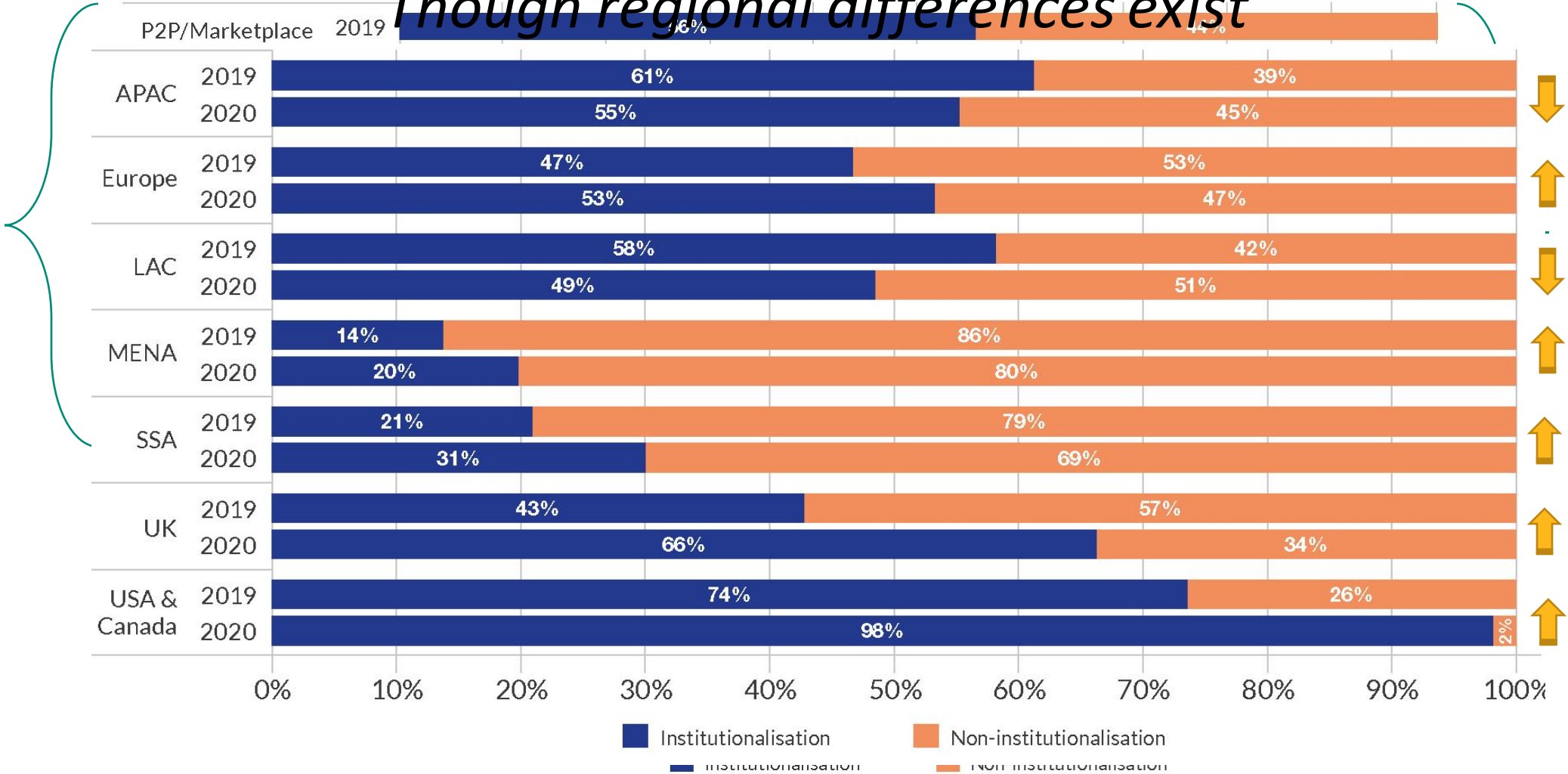
In 2020, 47% of alternative finance activity went to SME borrowers, issuers & fundraisers

Debt-based models make up majority of activity

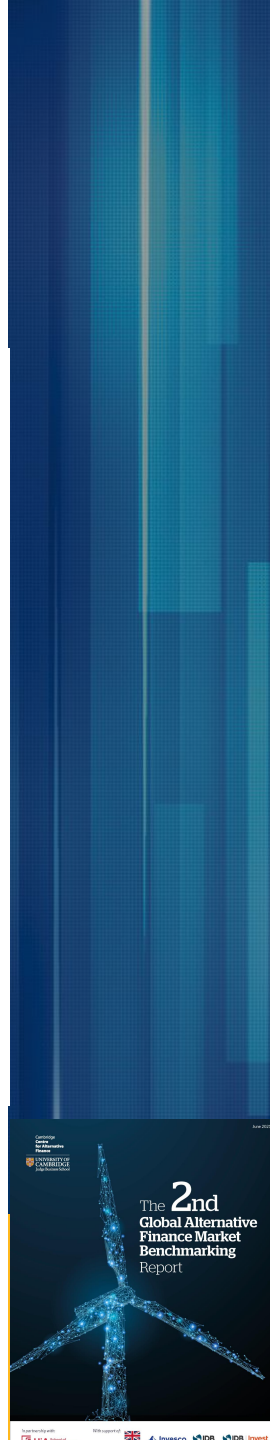
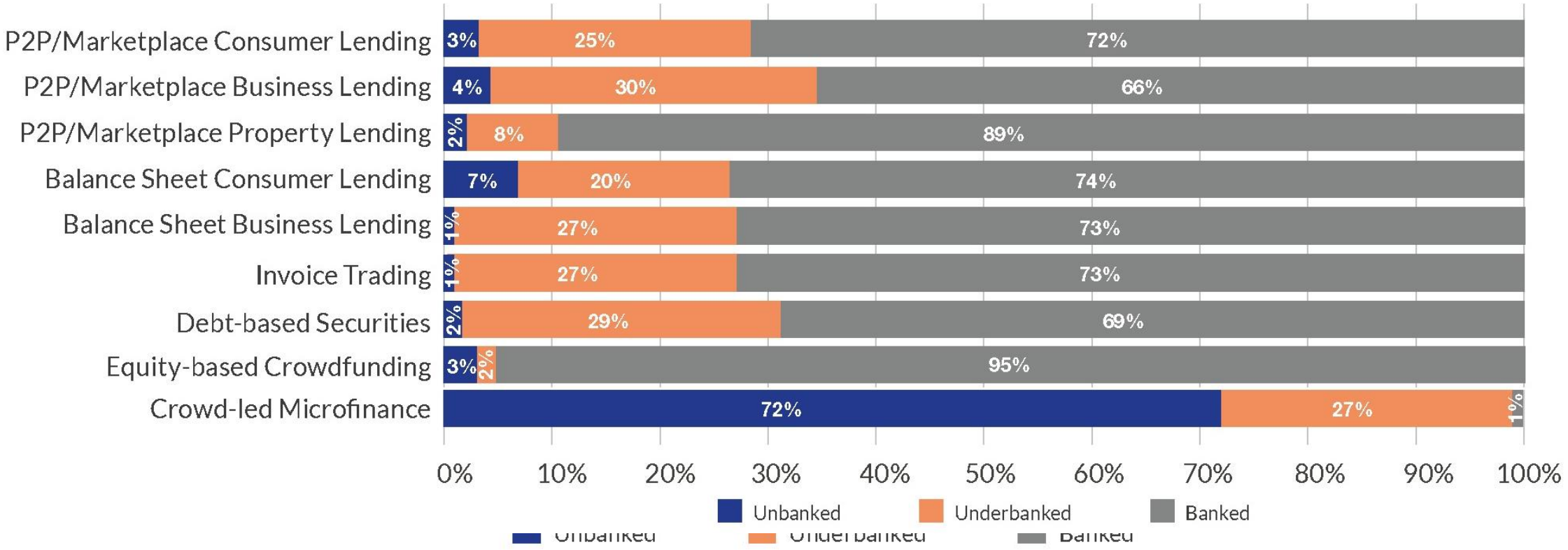


Increasing Institutionalisation drove 2020 growth

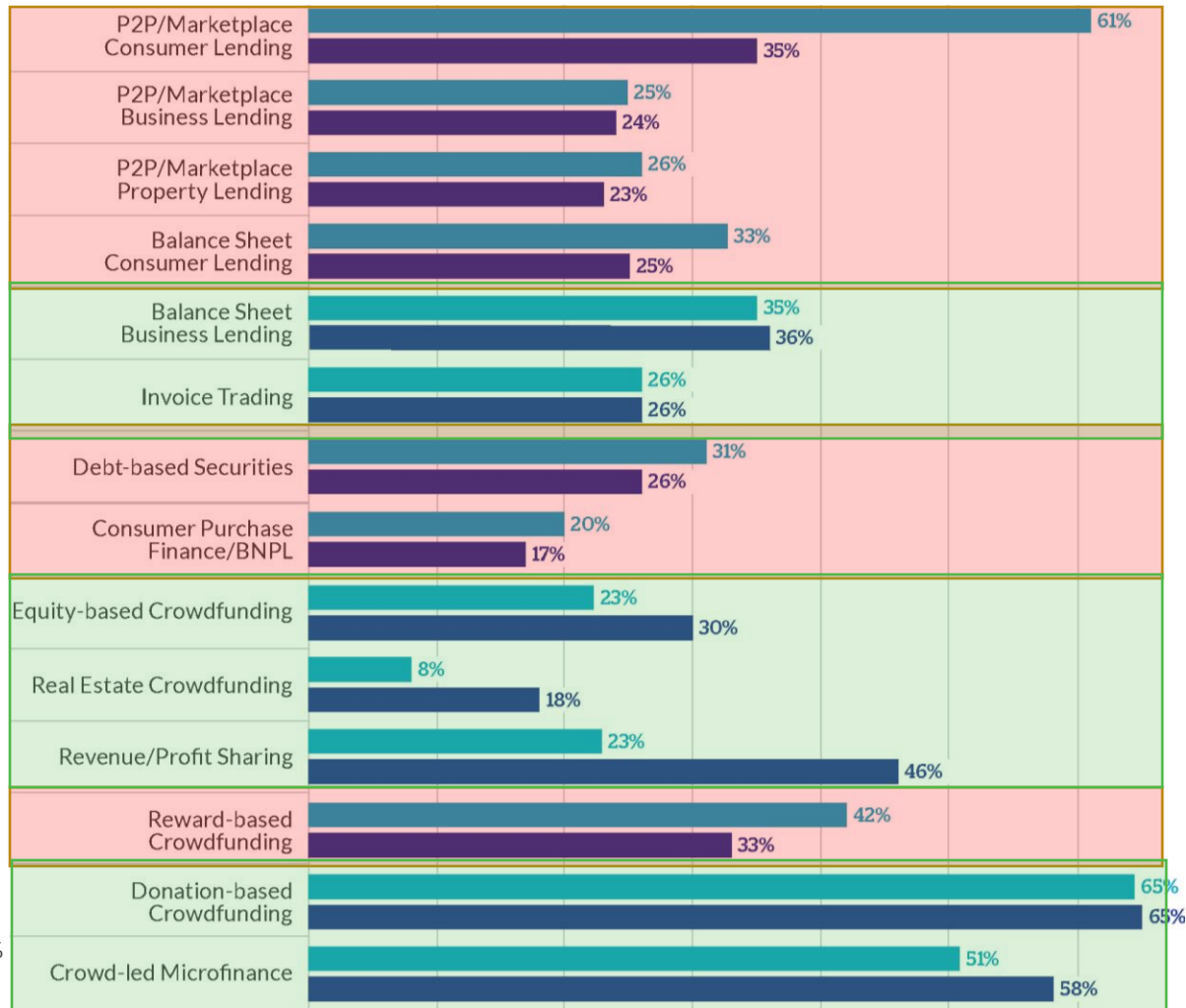
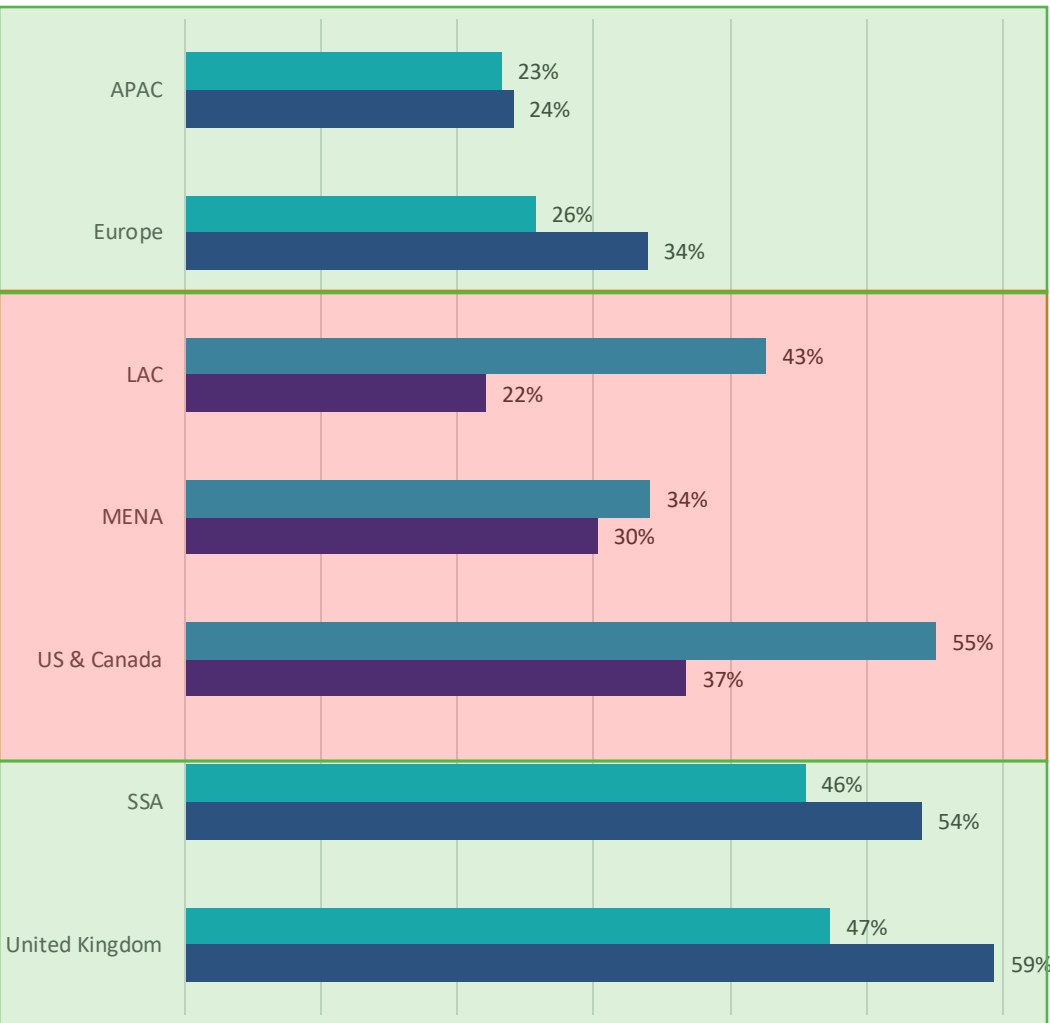
Though regional differences exist



Most customers are Banked, though some regions & models address Underbanked and Unbanked clients better than others

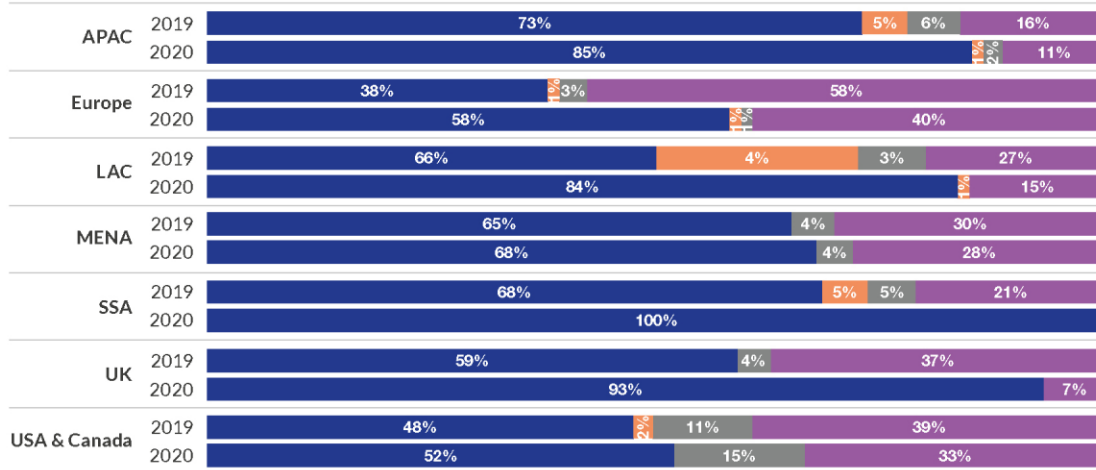


Female Fundraiser Participation differs widely across regions & models

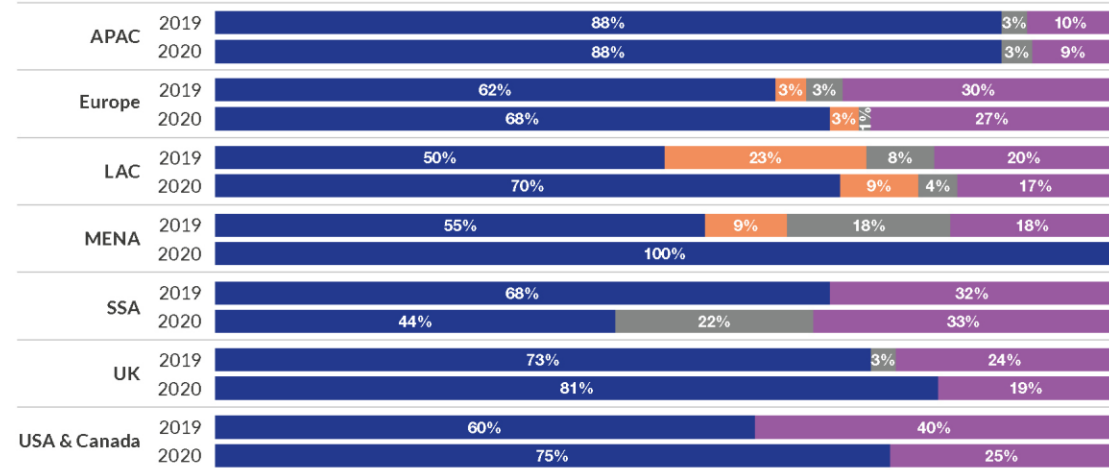


'Change to Regulation' viewed as the greatest potential risk to the Industry, though most firms perceive regulation positively

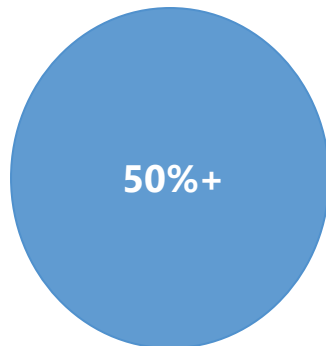
Regulatory Authorisation for Debt Models by Region - 2019-2020



Regulatory Authorisation for Equity Models by Region - 2019-2020



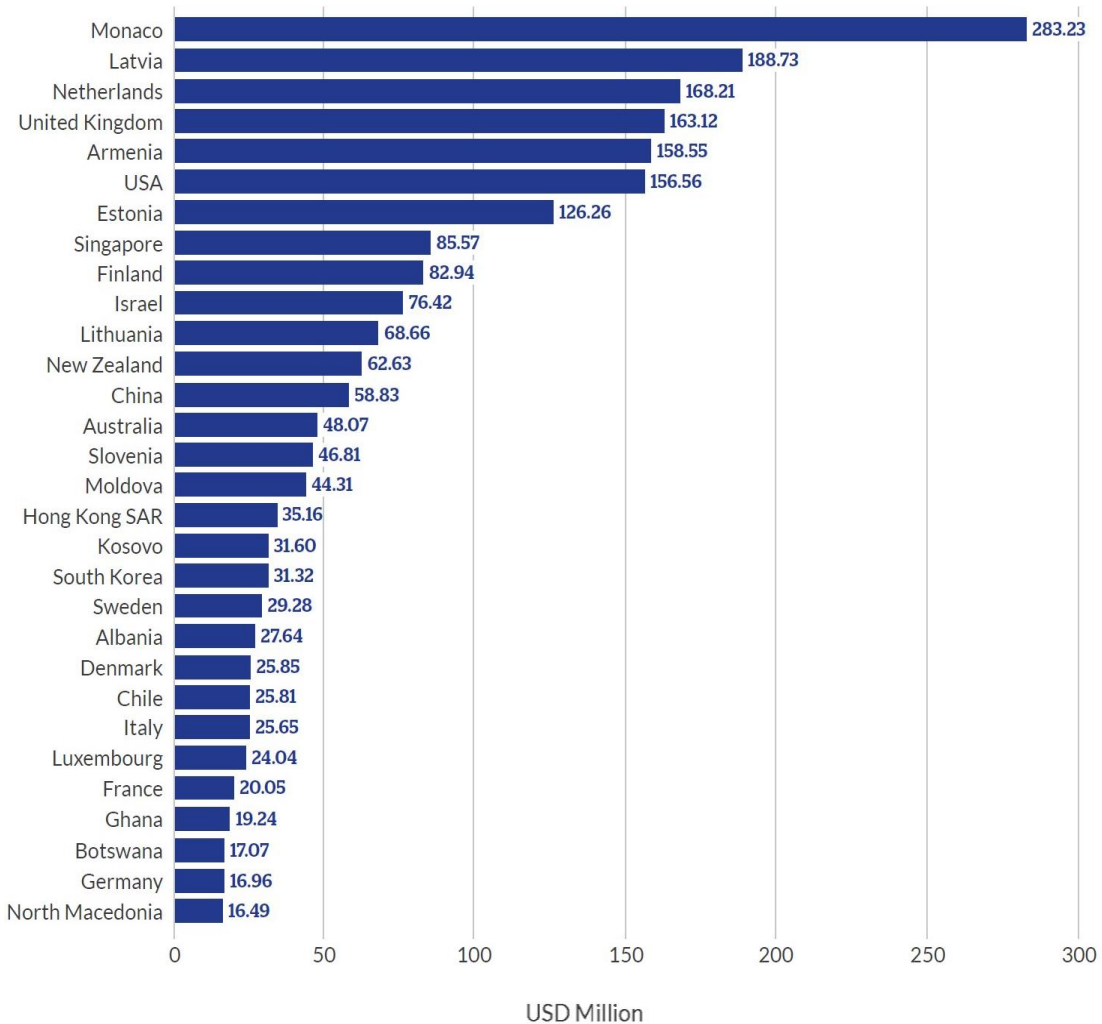
- My platform is authorized in my jurisdiction
- My platform is not authorized but has interim permissions to operate in my jurisdiction
- My platform is not authorized but has a relationship with another licensed institution
- Regulatory Authorization is not required for my business activities



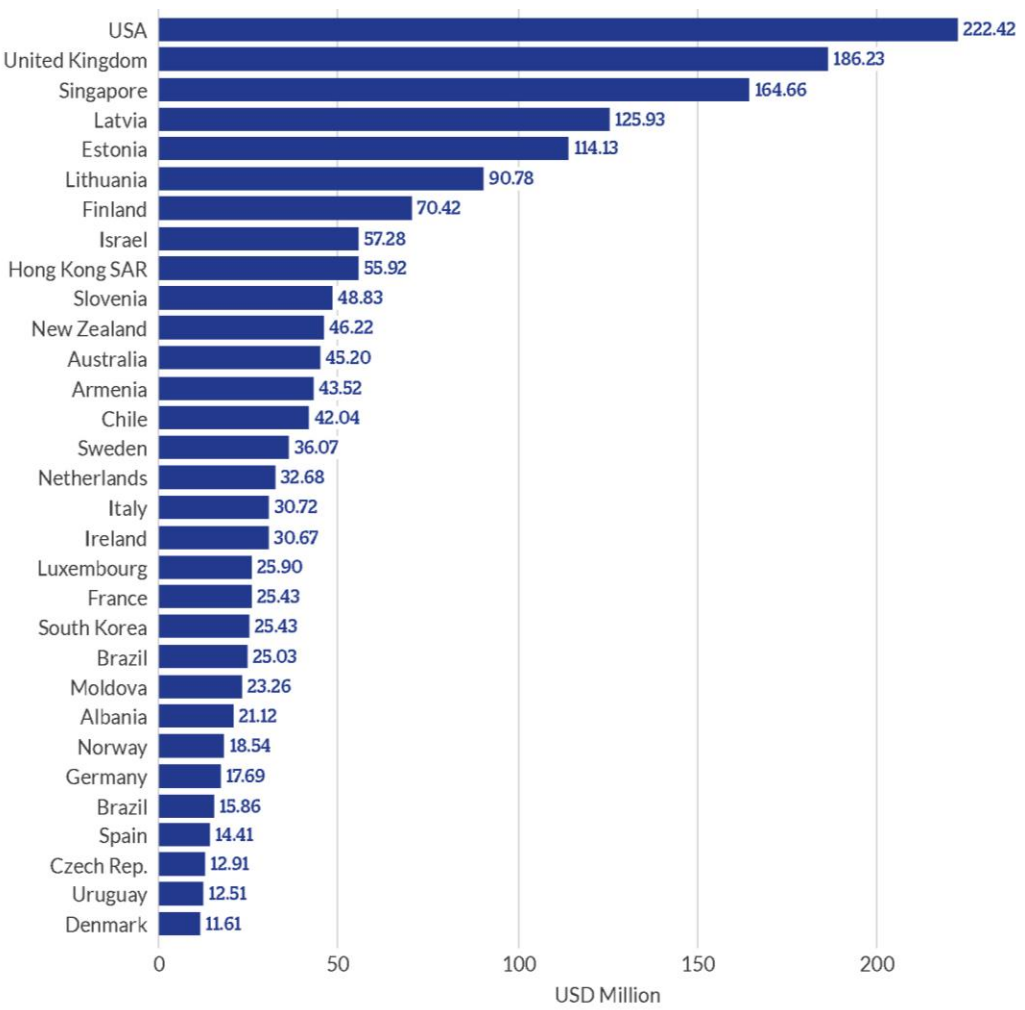
More than half of all firms view 'Changes to Regulation' as a medium-to-high Risk Factor

Market Leaders - Alternative Finance Volumes per Capita

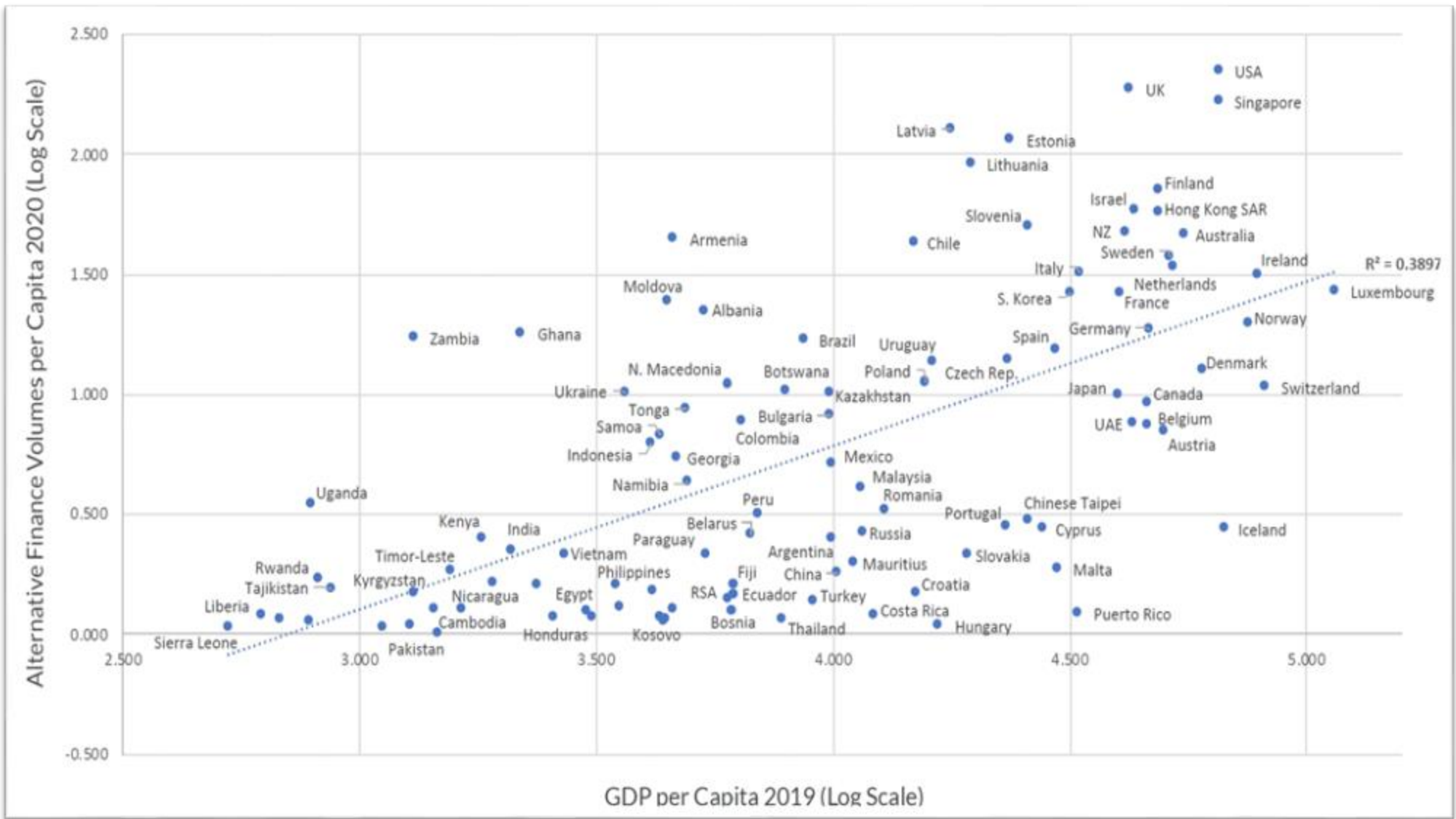
Top 30 Countries by Alternative Finance per capita 2019



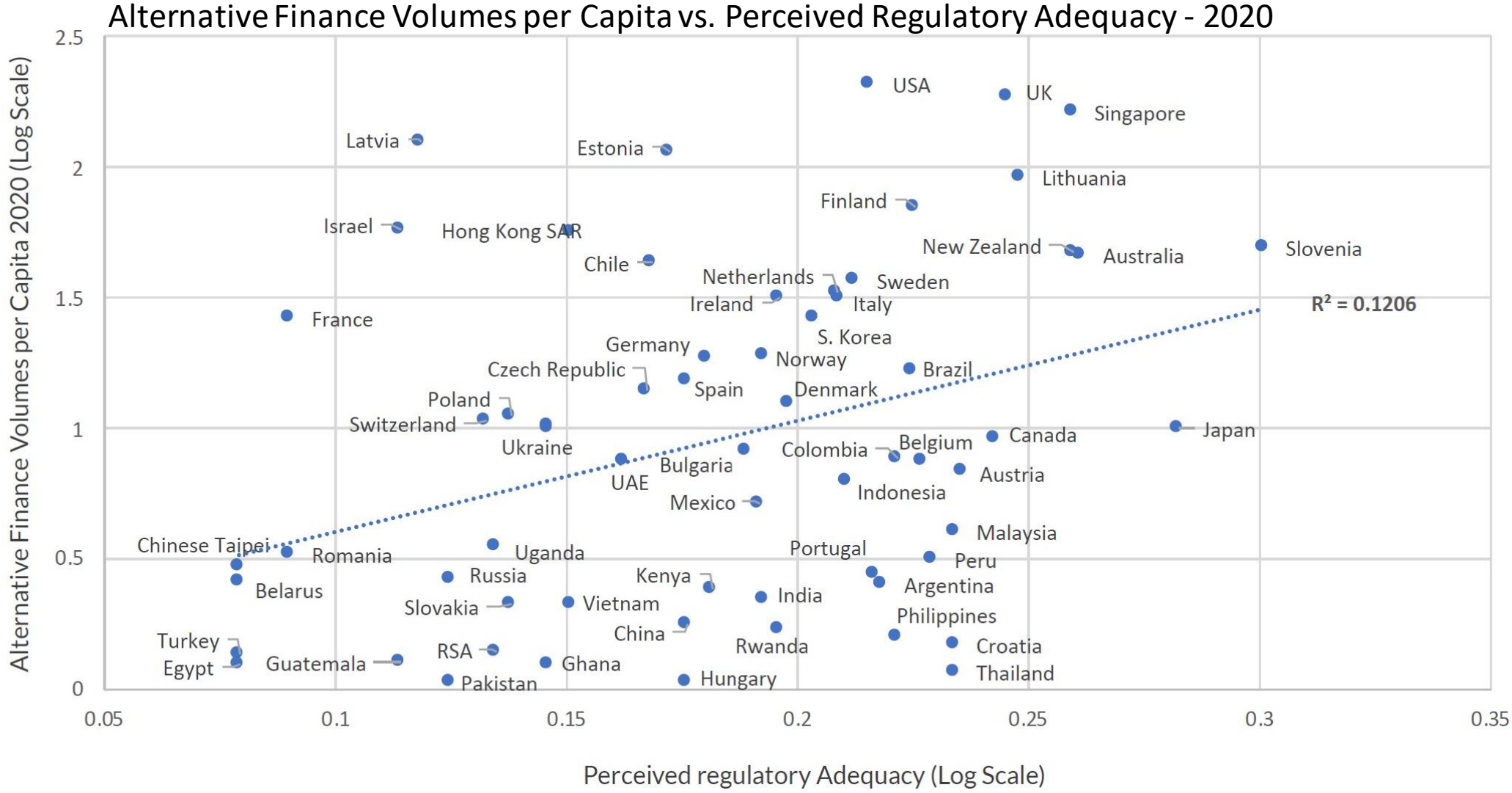
Top 30 Countries by Alternative Finance per capita 2020



Predictors of Market Development – Economic Development

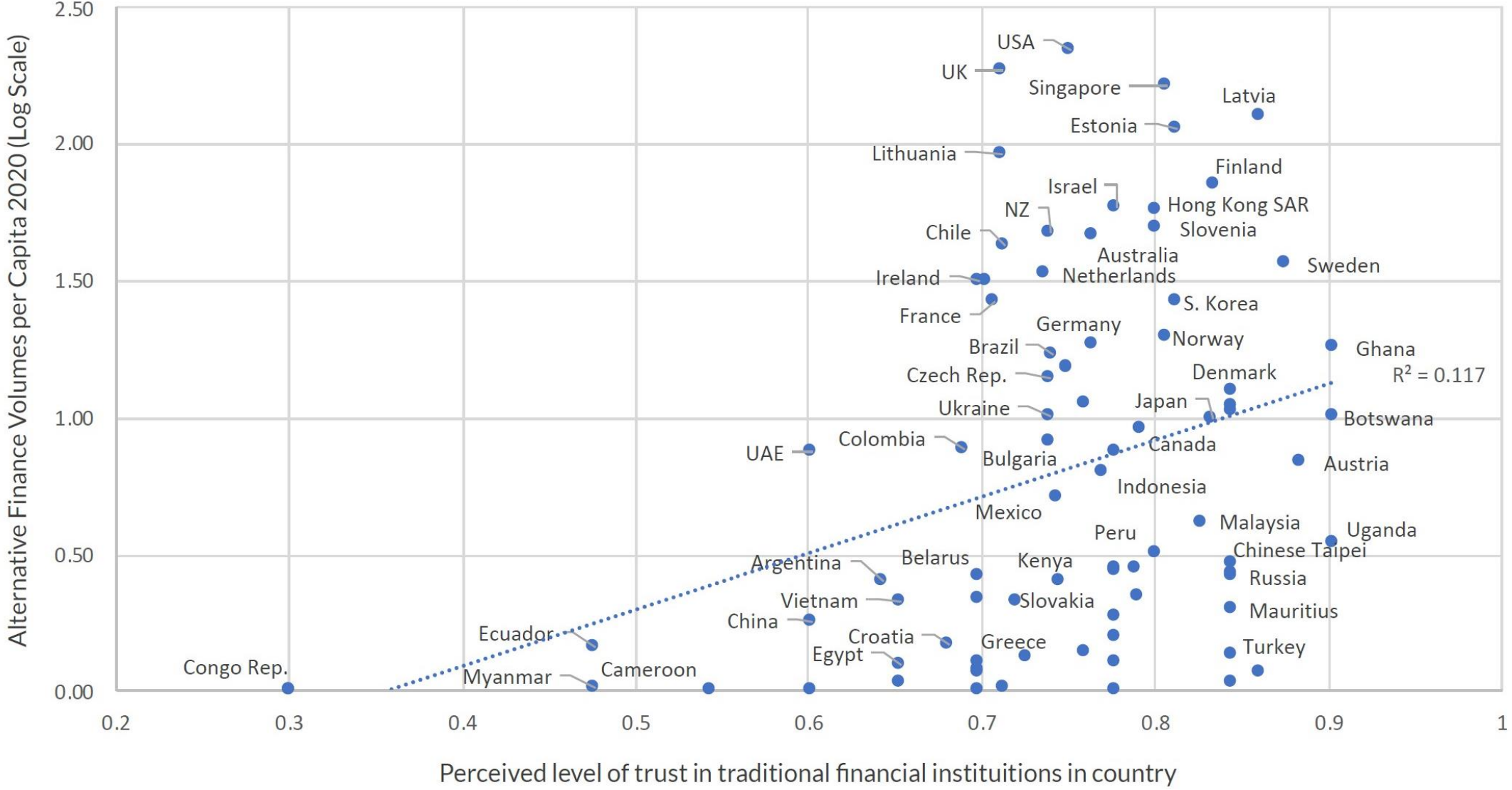


Predictors of Market Development – Perceived Regulatory Adequacy



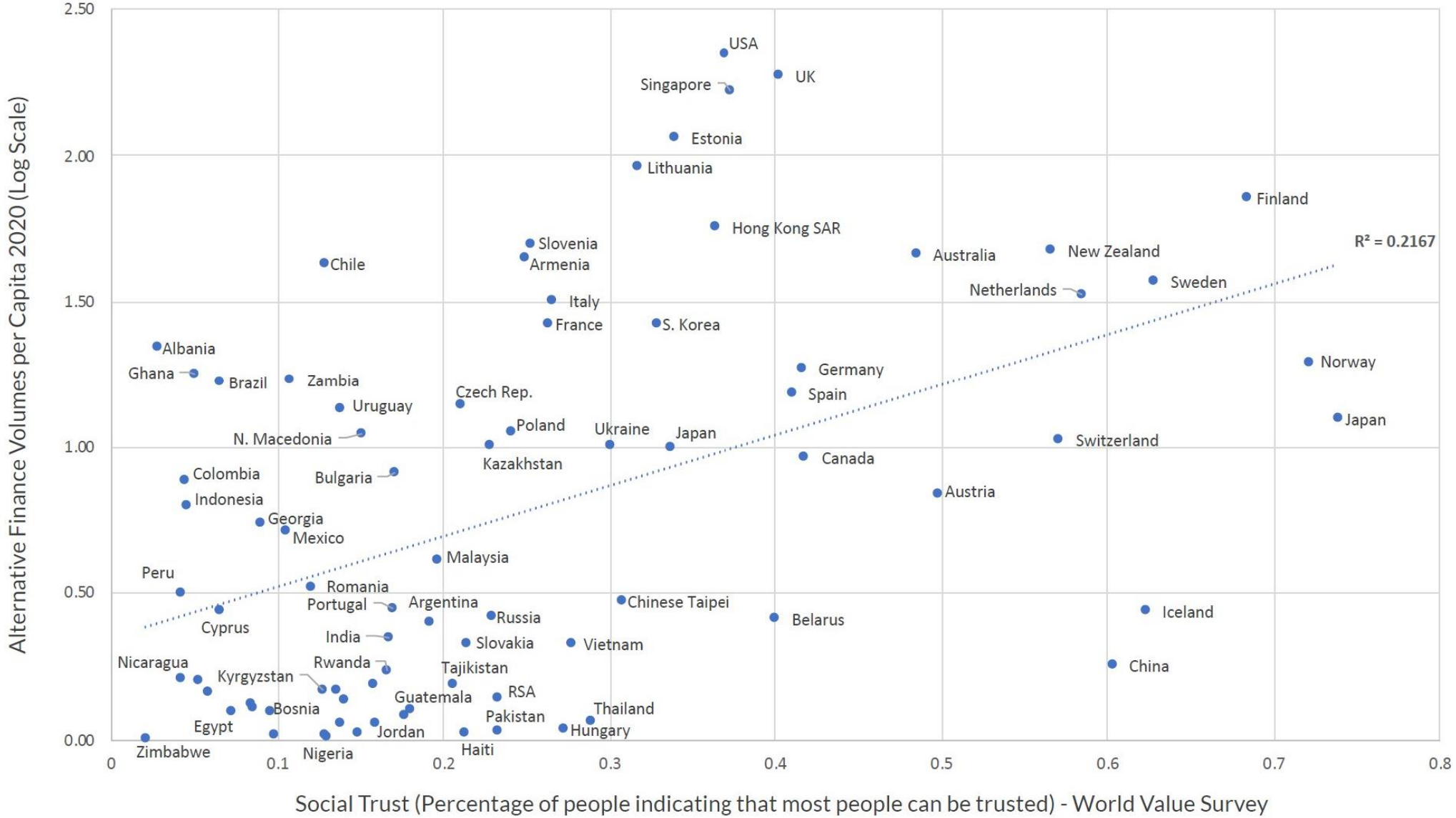
Predictors of Market Development – Trust in Incumbents

Alternative Finance Volumes per Capita vs. Perceived Trust in Traditional Finance Institutions – 2020



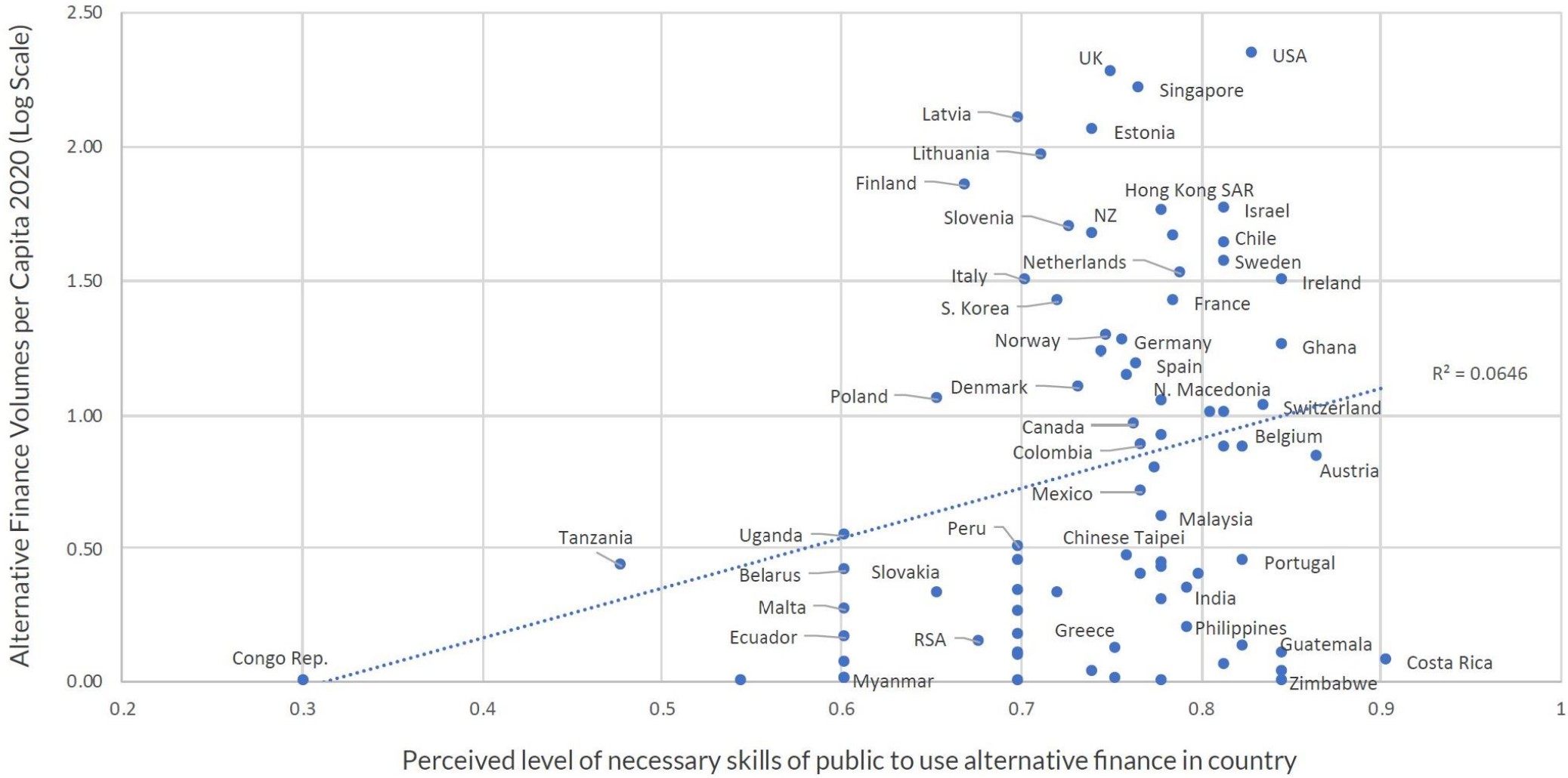
Predictors of Market Development – Social Trust

Alternative Finance Volumes per Capita vs. Perceived Social Trust



Predictors of Market Development – AltFin Literacy

Alternative Finance Volumes per Capita vs. Public Knowledge when using Alternative Finance



Looking Forward!

Global FinTech Ecosystem Benchmark

The Global Alternative Finance **Benchmarks** is a set of tools that host the latest **aggregated-level** data, analysis and insights of the CCAF.

The following data cuts available for the Digital Lending and Digital Capital Raising verticals:

- Country,
- Region,
- Country Income Group,
- Years 2011-2020

Digital Assets benchmarks cover:

- Bitcoin Electricity Consumption
- Mining Map

<https://ccaf.io/gafb>

- ✓ Browse
- ✓ Leave your feedback

* Please note that the Global Alternative Finance Benchmarks website is still in the beta version, so we would highly appreciate your feedback

Per Capita
Total

Search for a Jurisdiction

Clear Filters

Market Segment

- Investment-Based Crowdfunding
 - Community Shares
 - Equity-based Crowdfunding
 - Real Estate Crowdfunding
 - Revenue-sharing / Profit-shar...
- Non investment-Based Crowdfu...
 - Donation-based Crowdfunding
 - Reward-based Crowdfunding

Region

- East Asia & Pacific
- Europe & Central Asia

	2011	2012	2013
Rank	Change, YoY	Jurisdiction	
1	-	United Kingdom	
2	-	United States	
3	-	Brazil	
4	(+1)	France	
5	(-1)	Italy	
6	(+1)	Chile	
7	(-1)	Germany	
8	(-2)	Japan	
9	-	Spain	
10	(+7)	Singapore	
11	-	Netherlands	
12	(+3)	Australia	
13	(-1)	Colombia	
14	(-1)	Finland	

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PANEL DISCUSSION

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