

Mobile banking gains traction globally: 1 in 4 persons has a digital-only bank account

- The number of digital banking customers in Spain increased by 44% between 2018 and 2020, according to the 2021 Global Digital Banking Index, conducted by mobile bank N26

Madrid, 2 December 2021 - Demand for digital banking continues to gain traction. Close to 25% of banking customers worldwide (about 450 million people) already use it and the data points out that there is potential to reach 70% in the coming years (about 1.5 billion customers), according to the findings of the [2021 Global Digital Banking Index](#), a study launched by [mobile bank N26](#). The results of the report point to digital banking as the solution to some of the problems associated with the traditional banking experience, such as complexity or lack of innovation.

The increase in the number of clients of the main players in digital banking, including N26, is explained by the fact that the sector has known how to address the needs of consumers, who are increasingly digital and demanding with new technologies. Confidence in the value proposition that digital banks offer is postulated as one of the key factors for its adoption, as well as a simple and convenient user experience, clear and simple communication, competitive pricing, and user-friendly features. Users who are still reluctant to switch to digital banking claim to be satisfied with their current bank or do not have enough knowledge about the offer of online banks.

"It is clear that building and earning trust is a significant factor in our industry's future, especially as we do not have centuries of legacy that traditional banks do. However, the pandemic showed that we must be focused on the future, not the past. That's why N26 is building banking for the 21st century and continues to earn the trust of millions of customers around the world," said Alex Weber, Chief Growth Officer of N26.

This trend is reflected in the figures shown by countries such as Saudi Arabia, where 54% of the population uses digital banking, or the United Arab Emirates, with 51% users. Also noteworthy is the progress in Switzerland, Ireland, the United Kingdom and France, countries that have doubled their growth in digital banking from 2018 to 2020. But if there is one country that stands out above all as a safe value for the growth of digital banking, that is Brazil, which currently has the second highest total number of customers, only behind China, and which has experienced a 73% growth in digital banking adoption from 2018 to 2020.

The report suggests that a key driver for the future growth of the sector is the incorporation of women into online banking. Globally, it is men (59%) who are leading adoption, particularly young and mobile first enthusiasts. Therefore, female customers are poised to drive the next wave of growth in digital banking adoption. This trend is already a reality in Brazil, where 52% of customers are women, and also in Europe, where many countries are close to achieving gender parity (Italy, Denmark, Sweden, Ireland and Spain). In contrast, the United States still has a long way to go in this area, as only 34% of digital banking users are women.

The Spanish middle class leads the way

In the Spanish market, the number of online bank customers increased from 10% to 15% between 2018 and 2020, representing a growth of 44%. Likewise, the level of trust of Spaniards in digital banks is one of the highest in Europe (53%), a key factor for the large-scale acceptance of online entities. Spain is also the European country with the highest level of digital banking adoption among its middle class, with 55% of digital banking clients with a medium income level (in the United States this figure reaches 62% of users). On the other hand, in neighboring countries such as Italy and France, there is an increase in customers with lower income levels.

Europe sees immense increase in digital banking population

The report also focuses on the state of digital banking in Europe. Despite the fact that in Europe online banking still has a lower level of acceptance, the countries of Western Europe are catching up quickly. Thus, the growth rates in digital banking adoption between 2018 and 2020 were 35% in Germany or 30% in Belgium. Furthermore, 65% of the European bankable population would consider switching to a digital bank due to its clear value proposition, user experience, simple design and good quality/price ratio. On the other hand, countries like Belgium, Germany and the Netherlands are among the nations with the lowest adoption rate of digital banking. European market data also casts doubt on the stereotype that online banking is a youth-only service. In countries like Italy, almost one in two digital banking customers is over 45 years old.

About the report

N26 worked with a major global consulting partner whose research surveyed 47,810 respondents across 28 markets including Australia, Belgium, Brazil, Canada, China—mainland, China—Hong Kong, Denmark, Finland, France, Germany, Ireland, Israel, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States. In this report, these markets are deemed to represent the global market. Respondents were consumers of banking and insurance services who had a bank account and at least one insurance policy. They included multiple generations and income levels. The fieldwork was conducted in July and August 2020.

About N26

N26 is building the first mobile bank the world loves to use. Valentin Stalf and Maximilian Tayenthal founded N26 in 2013 and launched the initial product in early 2015. Today N26 has welcomed more than 7 million customers in 25 markets. N26 has a 1,500-strong team of 80 nationalities based across the globe. It has 10 office locations: Amsterdam, Berlin, Barcelona, Belgrade, Madrid, Milan, Paris, Vienna, New York and São Paulo. With a full European banking license, state-of-the-art technology and no branch network, N26 has redesigned banking for the 21st century and is available on Android, iOS, and desktop. Valued at more than US\$9 billion, N26 has raised close to US\$ 1.8 billion from the world's most established investors, including Third Point Ventures, Coatue Management LLC, Dragoneer Investment Group, Insight Venture Partners, GIC, Tencent, Allianz X, Peter Thiel's Valar Ventures, Li Ka-Shing's Horizons Ventures, Earlybird Venture Capital, Greyhound Capital, Battery Ventures, in addition to members of the Zalando management board, and Redalpine Ventures. N26 currently operates in: Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Liechtenstein,



Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland and the US, where it operates via its wholly-owned subsidiary, N26 Inc., based in New York. Banking services in the US are offered by N26 Inc.

Website: n26.com | Twitter: [@n26](https://twitter.com/n26) | Facebook: facebook.com/n26 | YouTube: youtube.com/n26bank

N26 Press Contact
press@n26.com