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## **N26 explores the future of banking with 2021 Global Digital Banking Index**

- Global research focused on digital banking adoption shows that, 23% of consumers in 28 countries today already have a digital-only bank account
- Digital banking adoption is expected to grow to around 70% in the future, meaning a potential market size of 1.4 billion customers
- The study also outlines key factors driving adoption, barriers to entry and key markets and demographics that could drive the next wave of growth in digital banking adoption

**Berlin, 2 December 2021** – As global demand for digital and innovative financial services accelerates, digital banks like [N26](#) are continuing to gain traction with millions of customers worldwide. As part of this, N26 has launched its “[2021 Global Digital Banking Index](#)” – an analysis of surveys and research done with over 47,000 banking customers in 28 markets to explore consumers’ changing attitudes towards digital banking.<sup>1</sup>

The index looks into drivers and barriers towards adoption, perceptions towards digital banking, and indications of how the sector will grow in the coming years. Beyond emphasizing the increasing demand for simple, intuitive and convenient banking that’s 100% digital, the study also shows tremendous untapped growth potential of digital banking in the coming years. The future of digital banking seems not only bright, but also more diverse in its customer base, with female customers poised to drive the next wave of growth in digital banking adoption.

### **Growth potential and key drivers of digital banking adoption**

Across the 28 countries surveyed, nearly 1 in 4 persons (23%, an estimated 450 million customers) already has a digital-only bank account. Almost half (46%) of the survey’s participants without an online account would be motivated to open one in order to access the simple and convenient user experience, clear and simple communication, competitive pricing, and user-friendly features that digital banks offer. The findings also suggest that the number of digital banking customers could grow to around 70% of the population across countries surveyed – potentially 1.4 billion people in all.

In this, trust remains an important factor to attract and retain customers. With the lack of face-to-face interaction in the online space, it is particularly important for digital banks to successfully infuse intimacy and humanity in their interactions with customers.

*"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*

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<sup>1</sup> 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.

*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.

### **Countries leading the way in digital banking adoption**

According to the study, the top three countries with the highest share of customers with a digital-only bank account are Saudi Arabia (54%), United Arab Emirates (51%), and Brazil (44%). The countries demonstrating the fastest growth in digital banking adoption in the last two years were Switzerland (82%), Brazil (73%) and Australia (58%).

Europe lags behind when it comes to the share of customers with digital-only bank accounts, e.g. France (20%), Spain (15%), Belgium (13%), Germany (10%), and the Netherlands (8%). However, these countries have also seen an immense increase in the digital banking population between 2018 and 2020, e.g. Switzerland (82%), Ireland (56%), the UK (55%), France (53%), Spain (44%) Germany (35%), Belgium (30%), and Italy (28%).

### **A shift in user demographics towards a more diverse customer base**

While the majority of digital-only adopters are higher-income earners, male, and aged 25 to 44 years, the study shows the start of a noticeable shift in user demographics when it comes to digital banking. The study showed that Spain sees high adoption of digital-only banking among the middle class, where 55% of digital-only customers have medium incomes, closely followed by Italy with 53%. While many see digital banking customers and predominantly Gen-Z, this is no longer the case. In Italy, 45% of digital banking customers are above 45 years old. In France, there are as many digital banking customers over the age of 55 as there are between 18 and 24 years old - 1 in 5 in both cases.

Another interesting example is Brazil, which is the first country with more female digital banking customers than male (52% female vs. 48% male customers). Many European countries also see the gap between female and male customers closing. With many of these trending towards an equal split between the genders, such as in Italy (45% female), Denmark (44% female), Sweden (44% female), and Spain (42% female), the study points towards the important role women play in shaping the future adoption of digital banking.

For the full 2021 Global Digital Banking Index and to download the report please visit <https://n26.com/en-eu/global-banking-index>.

### **About N26**

N26 GmbH ("N26") is building the first mobile banking platform 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 more than 7 million customers in 25 markets. The company employs more than 1,500 employees across 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. N26 has raised close to \$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 U.S., where it operates via its wholly-owned subsidiary, N26 Inc., based in New York. Banking services in the U.S. are offered by N26 Inc. in partnership with Axos Bank®, Member FDIC (Certificate 35546). For more information about N26, please visit [n26.com](https://n26.com).

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