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## **ifo-N26 Economic Monitor reveals year-long financial impact of COVID-19 across Europe - with 2020 consumer spending down 15% in Germany, 20% in France, 25% in Spain and 30% in Italy from pre-pandemic levels**

**BERLIN, 31 March, 2021** - Global digital bank N26 and Germany's ifo Institute for Economic Research today announced the launch of the ifo-N26 Economic Monitor, a novel economic barometer designed to chart economic recovery across Europe, one year on from when lockdowns were first implemented across the continent. The unique public-private sector partnership seeks to use real-world data to provide timely and detailed updates on consumer spending and saving across Europe's biggest economies.

The key findings and trends have been released in a report derived from comprehensive analysis of data across N26's European customer base in the areas of consumer income, spending and saving. Combined with N26's in-depth insights on evolving customer habits, these help paint a picture of the state of post-pandemic recovery across four major European economies. With this, the digital bank hopes to show how everyday customers can save and spend with confidence, while supporting the recovery of local economies in today's changed world.

**Prof. Dr. Oliver Falck, Director of the ifo Institute's Center for Industrial Organization and New Technologies:** *"Continuous monitoring of the current economic situation of consumers in Europe is not only helpful during the Corona pandemic. Policymakers, businesses and the public can also benefit from this tool in the long term."*

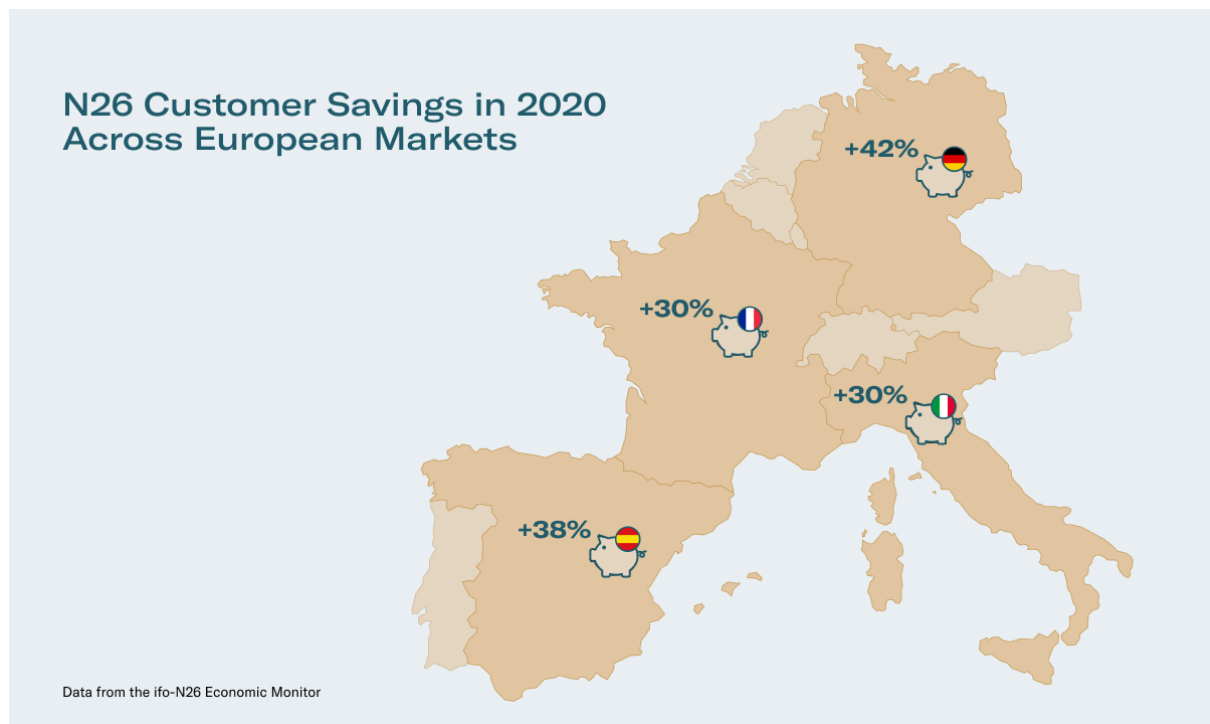
Overall, the pandemic saw savings increase sharply across all major European economies studied - France, Germany, Italy and Spain. While consumer spending has yet to return to pre-pandemic levels, all markets are showing encouraging signs of recovery, with new consumer habits emerging as customers adjust to a new normal.

- **Savings in Germany have grown the most, with consumers accumulating 50% more in their accounts by the end of March 2021 compared to at the start of 2020.** This is closely followed by Spain, where people are saving 42% more on average, and about 30% more in Italy and France.
- **Germany also leads when it comes to the recovery in consumer spending levels,** followed by France and finally, Spain and Italy.
- **As spending recovers, mobile payments continue to grow in popularity,** with Spain and France leading the charge as customers move away from cash and embrace mobile payments as the new normal.

# N26

**In 2020, German and Spanish N26 customers saved the most - 42% and 38% more compared to pre pandemic levels respectively, while the French and Italians increased their savings by 30%**

A year after the first European lockdown, European customers have accumulated excess savings throughout 2020, due to multiple lockdowns and increased health risks limiting mobility and spending. **Germans and Spaniards accumulated the most savings throughout the pandemic, with German customers saving 42% more, closely followed by Spanish customers at 38% more compared to at the start of 2020.** French and Italian customers also accumulated excess savings throughout the pandemic, saving 30% more compared to January 2020. These trends continued to accelerate throughout the first quarter of 2021, with German customers now saving 50% more, Spanish customers saving 42% more, and French and Italian customers saving slightly more than 30% compared to the start of 2020.

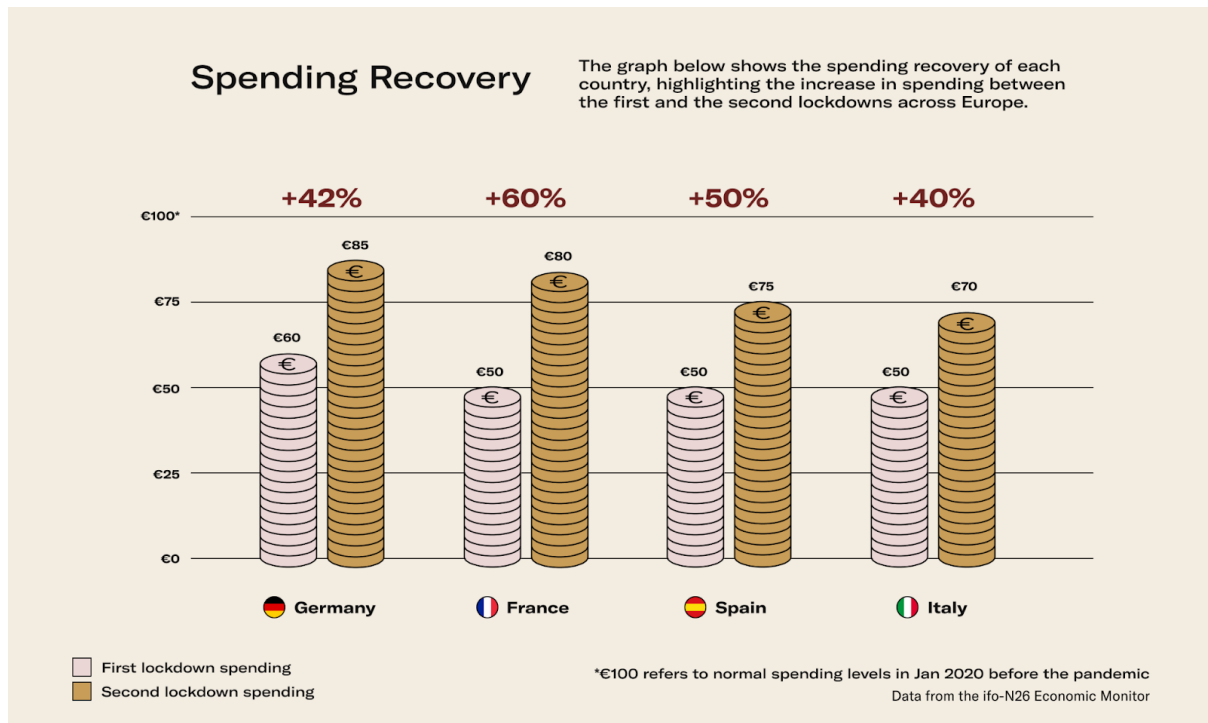


**Consumer spending in Germany is seeing the strongest recovery, with spending only 15% less than what it was before the start of the pandemic.**

After an initial drop in spending and income levels during the first lockdown, consumer spending stabilized over the rest of 2020 and the start of 2021 driven by the recovery in confidence spending. With this, the European economy is on the road to recovery, with spending levels continuing to recover, coming close to pre-pandemic levels in certain markets. The results suggest that the decrease in 2020 spending was due to lockdown measures and health risks, as opposed to economic uncertainty.

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Between the first lockdown in mid-April and the second lockdown in November, **customer spending in Germany rose 42%. Consumer spending in Germany is now 85%** compared to what was before the pandemic, making Germany the economy that is closest to a complete recovery just over one year on. **Interestingly, across all markets, French customer spending increased the most between the two lockdown periods.** After an initial drop to 50% of pre-pandemic spending in the first lockdown, this bounced back to 80% in the second lockdown, revealing a **60% increase over the year.** Since the start of 2021, spending recovery across the markets has stabilized and stayed at similar levels ignoring minor levels of fluctuations. The infographic below presents the spending recovery between the first and second lockdown in 2020 across the four main European markets studied.



## Spending is changing - across Europe, cash is out, and mobile payments are increasingly the new norm

Independent N26 data has also shown that the new relevance of health risks and lockdowns are driving an increase in cashless payments, mobile payments, which are increasingly becoming the new norm for European consumers. Across many European markets, N26's own data has shown that ATM withdrawals have stabilized at around 65% of pre-pandemic levels. **Conversely, the use of mobile payment methods such as Apple and Google Pay is increasing sharply within the N26 customer base, showing a 79% jump in Spain and a 74% in France.**

**Alex Weber, Chief Growth Officer of N26:** "As a European bank, the crisis has shown us the important role that banks play in supporting customers in uncertain times. From helping to keep their money safe, to empowering them to save and spend with confidence, to enabling them to support local businesses, we are here to help customers feel in control of their money as we look towards economic recovery in 2021."



As we look ahead towards the reopening of economies in an increasingly digital environment, N26 is proud to be a digital partner for customers to save and spend wisely whilst supporting local economies in this new normal. Visit the N26 Blog site for more information on how [COVID-19 has impacted the European economy](#).

#### **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 more than 7 million customers in 25 markets. The company employs more than 1.500 employees across 8 office locations: Berlin, Barcelona, 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 EUR 800 million from the world's most established investors, including 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. in partnership with Axos® Bank, Member FDIC.

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N26 Press Contact  
[press@n26.com](mailto:press@n26.com)