Deloitte.

Fintech for All
Fintech for Good

How Global Fintechs are paving the way to a better future for the people and the planet

In collaboration with

TIRESIA · POLITECNICO MILANO 1863 SCHOOL OF MANAGEMENT · Fintech District · FTSGROUP

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The Fintech Market & Fintech for Good phenomenon

Key Highlights

- Based on our findings, the number of fintech users worldwide is expected to increase annually in the next years.
- Incumbent financial institutions are paying close attention to the potential of fintech, resulting in a steady increase in related collaborations in an "open finance" logic, i.e., open innovation in the financial sector.
- Looking beyond the financial sector, the popularity and adoption of fintech services are steadily increasing in non-financial sectors. Embedded finance, defined as the incorporation of a financial service or product into the platform of a non-finance company, is expected to grow.
- A consistent increase in the number and variety of fintech startups has been detected in the last decade.
- Despite the slowdown in the global fintech ecosystem in 2023, the importance of the fintech industry is also evident when looking at the increasing number of investments received. Fintech is the best-funded sector in the innovation economy.
- The growing number of fintech companies and current concerns about social and environmental issues have led researchers, practitioners, and policymakers to raise essential questions about the role of fintech in ensuring sustainable economic development.
- Fintech for Good (F4G) has emerged in recent years as a new movement that operates at the intersection of finance and technology, embedding social and environmental inclusion in the design, development, and implementation of fintech organizations and services to accelerate sustainable development.

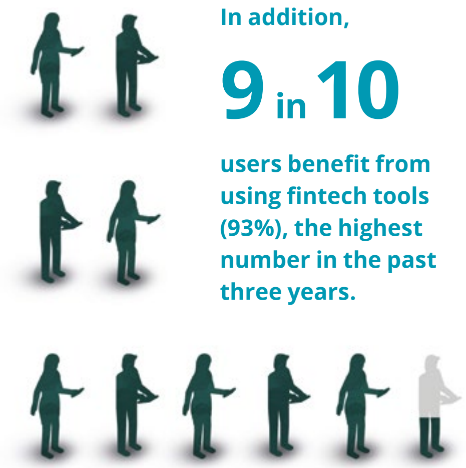
The Fintech Market

Derived from the contraction of finance and technology, the term "fintech" was first defined in scientific research in 1972 as "an acronym that stands for financial technology, combining banking expertise with modern management science techniques and the computer."[1] Also spelled fintech, fin-tech, or fintechs, fintech is a neologism that describes the combination of modern technologies, such as cloud computing and artificial intelligence, with business activities typical of the financial services industry, such as loans and payments[2]. Although there is still no consensus on its definition, we can consider fintech as an umbrella term that refers to any digital innovation and modern technology that transforms and enhances financial services.

In other words, fintech refers to technology-enabled products and services that enhance traditional financial services. They are often faster, cheaper, more convenient, or more accessible; in most cases, they are developed by startups[3]. Fintech is acknowledged globally as a significant trend, closely observed by academics and industry professionals. Moreover, regulatory bodies are progressively turning their focus towards this evolving landscape. Several reports[4] prove that the fintech industry continues to spread globally. In other words, fintech can be considered part of a global revolution to innovate the financial industry. The realm of innovation has already acknowledged the potential of fintech and financial innovation, as evidenced by various indicators.

The Pervasiveness of the Fintech Phenomenon

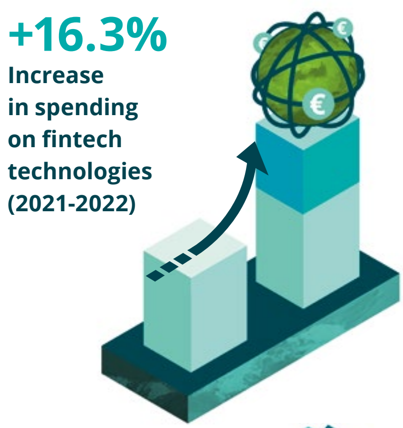
To cite a few numbers[5,6], the number of fintech users worldwide is expected to increase annually between 2023 and 2027. The percentage of U.S. consumers using technology to manage their finances jumped from 58% in 2020 to 80% in 2022.

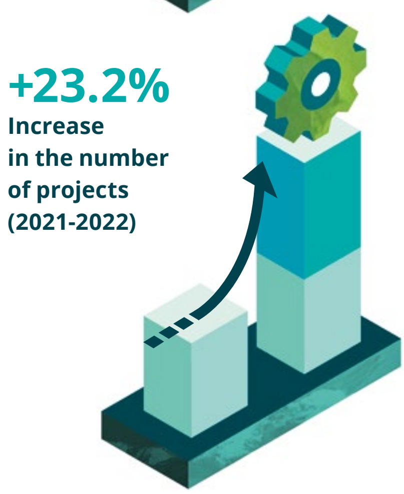


Fintech is meeting consumer expectations for trusted, valuable, and great experiences: nine in ten consumers want more control over their financial data, with 83% preferring to choose where it is shared; three quarters are more likely to use an app if they can sign up and access it instantly (76%); eight in ten prefer apps that verify their users and identity over apps that don't (80%).

Open Finance: The Emerging Synergies Between Fintech and Traditional Incumbents in the Financial Sector and Beyond

Incumbent financial institutions are paying close attention to the potential of fintech, resulting in a steady increase in related collaborations in an "open finance" logic, i.e., open innovation in the financial sector. According to Deloitte's Digital Banking Maturity (2022)[7], digital champions banks, i.e., banks that achieve better financial performance indicators, set vital digital trends, and have leading market practices in the digital age, are innovating faster than other banks in building ecosystems and partnerships with fintech. Specifically, 83% of digital champion banks are developing partnerships with fintech. The growing collaboration between fintech and incumbents is also highlighted by the latest results[8], which show an increase in spending on fintech technologies in 2021-2022 (€530 million, +16.3%) and an increase in the number of projects (+23.2%).





The collaboration between banks and fintech seems to be a "win-win" scenario: on the one hand, it allows the former to accelerate their response to the market and reach new market segments innovatively and digitally; on the other hand, it will enable fintech to expand their customer base and have more excellent economic and financial stability.

Embedded Finance: Extending Fintech Solutions Outside the Financial Industry

Looking beyond the financial sector, the popularity and adoption of fintech services are steadily increasing in non-financial sectors. Fintech services are gaining momentum and popularity among non-financial companies as they look to launch their own customized embedded financial services to create a satisfying experience for their customers. Defined as the incorporation of a financial service or product into the platform of a non-financial company, organization, or institution, embedded finance[9] has the potential to disrupt traditional banking by allowing non-financial companies to incorporate financial services into their platforms and thus provide financial assistance to their customers; this is made possible by connecting their platforms through APIs.

According to the latest results[10], the embedded finance market, valued at USD 43 billion in 2022, is expected to reach a net value of USD 248.4 billion by 2032. As per the forecast scenario, the market is estimated to register a robust compound annual growth rate (CAGR) of 16.4% over the years.

The Growing Number and Variety of Fintech Startups

A consistent increase in the number and variety of fintech startups has been detected in the last decade[11]. Considering the fintech startups that have received funding of at least 1 M dollars, at the European level there are 1,392 startups (+81% compared to 2020), that have collected a total of 35 billion dollars in the last 5 years (+73% compared to 2020), with an average of 25 million dollars each. The United Kingdom is confirmed as the cradle of fintech in Europe, with 38% of fintech being based there, followed by France (11%) and Germany (9%), with respective fundings raised of 17.4, 3.2 and 3 billion dollars.

The Cradles of Fintech in Europe (2022)

38%

United Kingdom

Fundings raised
17.4 billion dollars

11%

France

Fundings raised
3.2 billion dollars

9%

Germany

Fundings raised
3 billion dollars

The Increasing Global Investments in the Fintech Industry

Despite the slowdown in the global fintech ecosystem in 2023, with funding and offerings falling to levels not seen since 2017[12], the importance of the fintech industry is also evident when looking at the increasing number of investments received[13]: in 2018, the global fintech industry attracted $40.0 billion in investments, while in 2022, global fintech funding reached $75.2 billion[14].

$75.2 B

Global Fintech Funding (2022)

In the last decade, more than $200 billion has been invested by venture capital and private equity in the fintech ecosystem[15]. The fintech sector has been confirmed as the best-funded in the innovation economy[16,17]. There are also positive results[18] regarding the global revenue of the fintech market: the global fintech market will have a total revenue of $262.8 billion in 2022, representing a compound annual growth rate (CAGR) of 30.8% between 2017 and 2022.

$262.8 B

2022 Total Fintech Market Revenues

CAGR of 30.8% between 2017 and 2022

Whatever it is, fintech is here to stay, supported by emerging technologies such as artificial intelligence, blockchain, and machine learning, to name a few. Nonetheless, questions remain about what the future of fintech will look like. The growing number of fintech companies and current concerns about social and environmental issues have led researchers, practitioners, and policymakers to raise essential questions about the role of fintech in ensuring sustainable economic development. Starting from this premise, we must recognize the intrinsic and increasingly emerging relationship between fintech and sustainable development.

The Fintech for Good Phenomenon – F4G

In this context, Fintech for Good (F4G) has emerged in recent years as a new movement that operates at the intersection of finance and technology, embedding social and environmental inclusion in the design, development, and implementation of fintech organizations and services to accelerate sustainable development.
In addition to fintech, F4G has been shown to unlock or enable efficiencies for different actors or industries and create new markets by addressing the financial needs of previously excluded customers.
In parallel with the mainstream fintech sector, the F4G phenomenon has grown recently. It has attracted increasing interest as an isolated reflection and opportunity to address market inefficiencies, bring previously excluded people into the financial market, and as a catalyst to bring traditional financial institutions closer to their statutory role of providing financial support to those in need. Two main approaches have emerged in the F4G sector. The first is an institutional approach that redirects existing financial resources to more sustainable allocation. The second is the societal approach, which explicitly addresses the needs of the unbanked and underbanked.

Regardless of the type of approach, F4G can be distinguished from other kinds of fintech based on three characteristics borrowed from social entrepreneurship.

Intentionality

The explicit willingness of the organization to address a social problem and to pursue the generation of a positive social impact[19,20]. In the case of F4G, it must be sought in an explicit "ex-ante" statement of the social and/or environmental goal being pursued, proactive exploration of activities aimed at creating social and/or environmental value through the allocation of capital, and the creation of social and environmental value as the primary driver of the business.

Additionality

The willingness to operate in neglected areas where other entities are not interested or unable to intervene due to the additional risk involved in the activity[21,22]. Additionality is made explicit by targeting fintech services to previously excluded beneficiaries because public or private entities did not consider them convenient or exciting and the market did not exist, or to previously underserved beneficiaries because the service offered was disadvantageous and expensive for them.

Measurability

The organization’s capacity to set specific impact objectives and measure their grade of achievement degree in a quantitative and/or qualitative way[23]. Measurability is made explicit by explicit reference to the activities' alignment with and contribution to the Sustainable Development Goals, or by explicit reference to measurable impact objectives, both in the short-medium and long term, or by explicit reference to specific results achieved in terms of social outputs, outcomes, or impacts.

These characteristics, which define the F4G phenomenon, are also valid as boundary elements, preserving the inappropriate use of this term. By using these three characteristics as identifying elements, we decided to take an integralist approach to defining the phenomenon in our research. This is because defending the phenomenon also preserves its transformative power.

This research aims to delve into the F4G phenomenon, starting with creating a taxonomy that clarifies the main business models, market segments, and geographies in which F4G operates. The report also conducts an in-depth analysis of the value co-created by F4Gs and incumbents through the establishment of commercial or strategic partnerships through the creation of multiple use cases.

Introductory Research Goals

Key Highlights

- This research aims to explore the fintech for good (F4G) phenomenon, shedding light on F4G's business models, market segments, and geographies.
- This report seeks to delve deeper into the value-creation mechanisms activated by F4G organizations and the value generated by the collaboration between F4G and incumbent organizations.

Introductory Research Goals

Given the emerging potential of fintech and the increasing and pressing relevance of sustainability issues, this research aims to explore the F4G phenomenon, shedding light on F4G business models, market segments, and geographies. Furthermore, based on several case studies, this report seeks to delve deeper into the value-creation mechanisms activated by F4G organizations and the value generated by the collaboration between F4G and incumbent organizations.

More specifically, this study offers two main contributions: on the one hand, it measures and defines the F4G phenomenon from a sample of 485 companies worldwide; on the other hand, it analyzes a selected sample of 10 F4G companies chosen for their ability to generate social and environmental impact using technology.

Through a mixed-methods research approach, this report provides a first large-scale analysis of:

1

How to identify fintech that integrate social and environmental impact into their innovative business model to accelerate sustainable development

2

The key opportunities and challenges that F4G face in simultaneously pursuing impact and profit goals

3

How F4Gs develop and deploy products and services

4

How F4Gs leverage digital technologies to reach previously excluded or underserved customers; how fintech amplify their impact and business leveraging on ecosystem dynamics (e.g., partnership with incumbent organizations)

5

How the values creation mechanisms activated by fintech in collaboration with incumbent organizations are shaped by the principles of intentionality, additionality, and measurability

6

Finally, how fintech leverage on the enabling role of digital technologies to generate societal value

Executive summary

Aim

This research aims to explore the "Fintech for Good" (F4G) phenomenon, i.e., the phenomenon at the intersection of finance and technology that incorporates social and environmental impact into its innovative business model to accelerate sustainable development.

Relevance and Urgency

Sustainability and related investment strategies have recently become increasingly relevant in academic and practitioner debates[24,25]. Corporate finance is expanding beyond the traditional objective of maximizing shareholder value by incorporating sustainability and environmental, social, and governance (ESG) factors into investment decisions, leading to a new concept of finance. In addition, the financial sector is undergoing significant change. First, financial institutions seek to integrate their value creation, delivery, and capture objectives with ESG principles; second, they are entering a new era enabled by digital technologies. In this context, the term "fintech" has become increasingly common, referring to any digital innovation and modern technology that can reshape and improve financial services. Fintech can lead to new opportunities for financial and non-financial institutions. From this perspective, the emergence of several fintech startups is changing the competitive scenario and accelerating the development of technology-enabled innovations focused on achieving sustainable goals.

In other words, the growth of the fintech phenomenon is disrupting the financial sector and creating opportunities for society. For example, the fintech phenomenon has the potential to facilitate the delivery of financial services to the unbanked and underbanked, leading to a "democratization of finance" - that is, the access and engagement of a more significant number and diversity of people through the openness and affordability of digital technologies. The Global Findex database shows that 1.7 billion adults worldwide are unbanked, meaning they do not benefit from essential financial products or services. More than 30 million households in the United States are considered unbanked or underbanked, meaning they have limited access to crucial financial products and services. As a result, there are several opportunities for financial service providers to be a force for change. More specifically, fintech can enable access to alternative finance, i.e., financial inclusion[26,27] through peer-to-peer lending and crowdfunding. Through mobile financial services, for example, fintech solutions can provide access to cheaper credit and better savings and investment conditions for people who are excluded or have limited access to these services for geographical, social, or economic reasons[28].

Fintech can also offer democratization of investing for individuals and social value financing for social enterprises or projects addressing social problems, for example, through crowdfunding. In addition, fintech could be a catalyst for the emerging field of green finance[29,30], where there are new and increasingly widespread applications of digital technology-enabled solutions in climate finance and impact investing. This is evident, for example, in the analysis of various types of data, such as ESG scores, weather data, and financial data, and their incorporation into investment or lending decisions.

However, the potential that fintech can bring to sustainability, and the intersection of fintech and sustainability and related issues, deserves attention and further and deeper exploration[31,32].

Methods

Therefore, this study aims to shed light on the intersection of fintech and sustainability by exploring how F4G companies create, capture, and deliver value by integrating social and environmental impact into their innovative business model to accelerate sustainable development. This study aims to go beyond recalling anecdotal and relevant single case examples and, through mixed-methods research involving F4Gs, provide a first large-scale analysis of the F4G phenomenon, build a taxonomy of the F4G phenomenon, and shed light on F4G business models, market segments, and geographies.

This study analyzes a database of 485 fintech companies considered "for good." This final sample results from a multi-step process to identify existing companies considered "fintech for good" worldwide. This last sample was obtained following the principles of intentionality, additionality, and measurability, and in particular, to exclude greenwashing companies, i.e., companies that use misleading communication to alter the signal reliability of green messages. Second, this study is based on an exploratory multiple-case study that profoundly explores the value-creation mechanisms adopted by F4Gs and the value generated by the collaboration between F4G companies and incumbent organizations. The exploratory multiple case study is based on 10 F4G companies in different market segments.

This study analyzes a database of

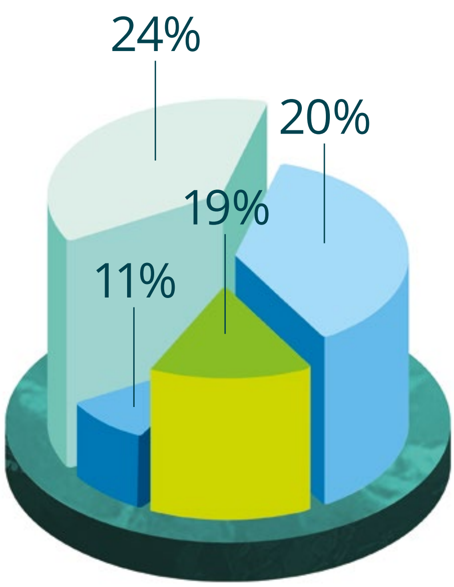
485

Fintech Companies considered "for Good"

Findings

Based on an abductive and iterative process of clustering the F4G phenomenon based on the area of activity, the services and products provided, the social needs addressed, and the beneficiaries, this study identifies eight macro market segments and twenty sub-market segments related to the F4G phenomenon.
In terms of the distribution of F4G market segments, fintech operating in the "digital banking," "payments," and "investment" market segments emerged as the most widespread F4G categories, representing 24%, 20%, and 19% of the sample, respectively. Another relevant F4G category is represented by the "TechFin" market segment, which includes those F4Gs that focus on providing services to other financial and non-financial players through advanced technology applications. This market segment represents 11% of the sample. Regarding geographical representation, F4G companies are well distributed across advanced and emerging economies, with a slight majority in advanced economies. Not surprisingly, this highlights the relevance and global nature of the F4G phenomenon.

Market segments where Fintech operates



Contributions

By shedding light on the F4G phenomenon, this study can bring innovation to the financial industry on multiple levels, including services, internal processes, access to new consumers, and previously untapped markets. More specifically, this study presents several opportunities for innovation in the financial sector.

I

First, by building a taxonomy of the F4G phenomenon, it shows how fintech can trigger mechanisms of social value creation by leveraging the combination of the intrinsic value of technology to address a social need and the additionality to target underserved people and markets.

II

Second, the research argues that technology can be the answer to reconciling the trade-off between profitability and impact in the context of the financial sector. In other words, by addressing market inefficiencies and allowing F4G solutions to scale and achieve more significant sales volumes, technology enables F4G to develop profitable business models while addressing critical societal issues.

III

Third, by analyzing in-depth, through the multiple case studies, relevant examples of collaboration between F4Gs and incumbents, this study shows the mutual benefits and value generated from the relationship between F4G companies and incumbent organizations. This study presents F4G as an attractive partner for incumbents looking to expand their impact. Therefore, we encourage financial and non-financial institutions to consider fintech organizations from an "impact for good" perspective. Based on our findings, this report aims to inspire promising cases of collaboration between financial incumbents and F4G and embedded finance “for good” solutions targeting non-financial organizations.

Finally, the enabling role of advanced technologies such as artificial intelligence, biometric recognition, and blockchain makes F4G increasingly attractive to incumbents and investors, particularly impact investors and venture capitalists. Fintech's role as an enabler of innovation, both within and beyond the boundaries of the financial sector, can be accelerated and strengthened by the need to embrace sustainability.

IV

In conclusion, F4G companies promise to combine positive impact generation with scalability and profitability over time, a combination of rarely achieved factors.

Taxonomy creation of Fintech for Good Models

Key Highlights

- This research identifies 485 fintech for good (F4G) companies worldwide based on the principles of intentionality, additionality and measurability.
- Based on an abductive and iterative process of clustering the F4G phenomenon based on the area of activity, the services and products provided, the social needs addressed, and the beneficiaries, this study identifies eight macro market segments and twenty sub-market segments related to the F4G phenomenon.
- Fintech operating in the "digital banking," "payments," and "investment" market segments emerged as the most widespread F4G categories, representing 24%, 20%, and 19% of the sample, respectively.
- In terms of market distribution, F4G is mainly active in the B2C market (42%), followed by B2B (36%) and B2B2C (22%).
- Regarding geographic representation, fintech are well distributed across advanced and emerging economies, with a slight majority in advanced economies.
- The dataset shows a consistent prevalence of F4G companies offering B2B solutions at an international level.

Methodology

The very first step was data collection. The dataset was created from three main sources: the fintech-specific database Fintastico, the Crunchbase database, and the Dealroom database. Starting from an initial dataset of more than 15,000 fintech, through a first review of the descriptions of each fintech, we selected a first sub-sample of 1193 fintech that could be labeled as F4G.

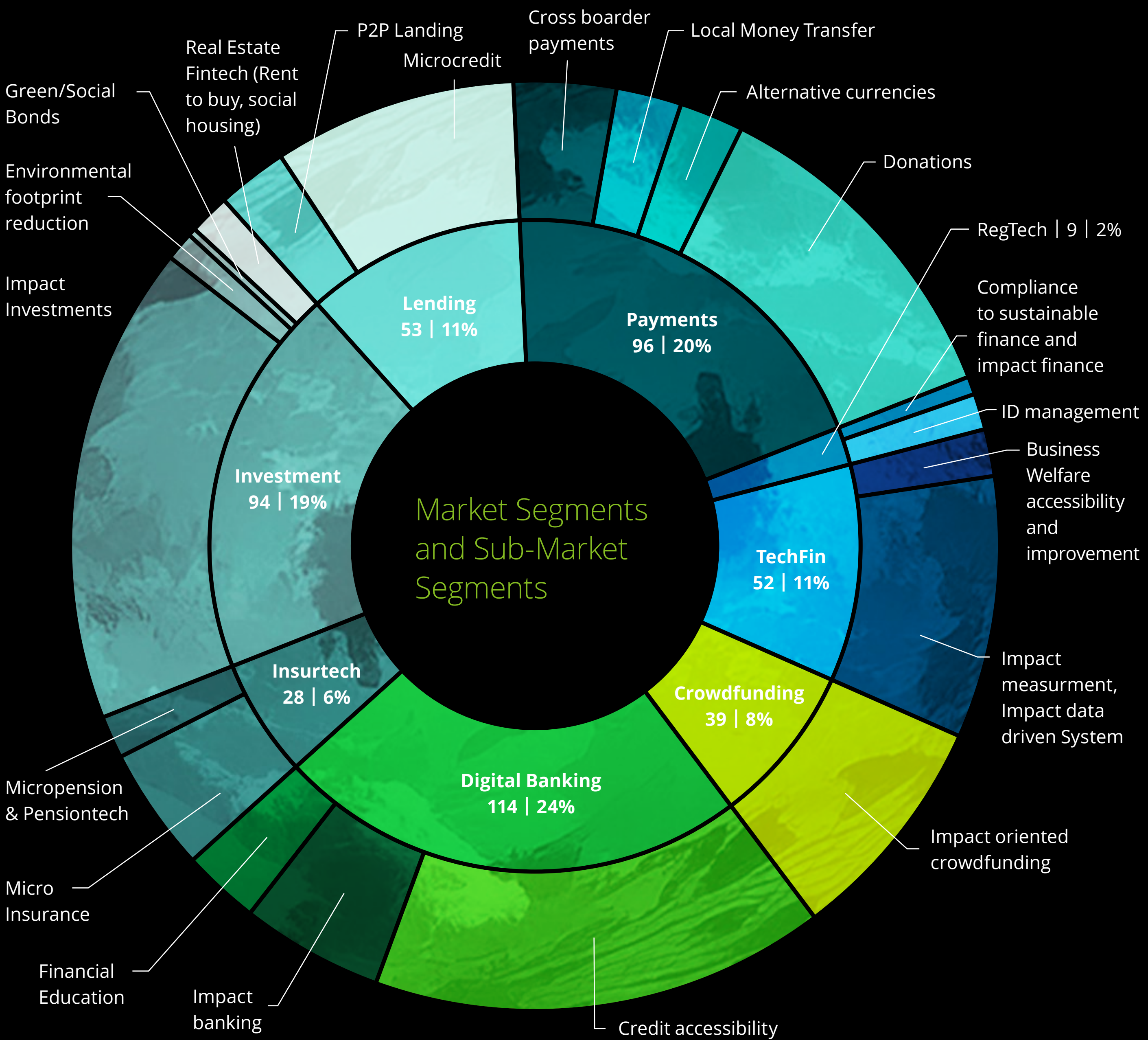
We refined this subsample by applying the principles of intentionality, additionality, and measurability. To achieve this, we gathered details about the activities of each fintech from their individual websites. We scrutinized these descriptions to identify elements indicative of their intentionality, additionality, and the measurability of their impact. This process yielded a sample of 485 fintech that align with our F4G criteria, forming the core of our analysis.

Once the sample was finalized, we populated each fintech's geolocalization and market reference variables. We decided to label each company based on their operations, distinguishing between emerging economies, advanced economies, or global focus. The latter variable was instead populated by referring to their primary area of operation, either business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer (C2C), or their combinations.

After defining the sample and isolating the description of each F4G activity, we began an abductive and iterative process of clustering F4Gs based on their activity area, the services and products provided, the social needs addressed, and their beneficiaries. The process was carried out by constantly moving back and forth between theory and empirical evidence. The participatory process involved all the research partners refining the categorization over time. After several iterations, the process identified eight macro market segments and twenty sub-market segments, as shown in the figure below.

Crowdfunding	Impact Oriented Crowdfunding
Digital banking	Credit Accessibility, Impact Banking, Financial Education
Insurtech	Micro Insurance, Micropension & Pensiontech
Investment	Impact Investments, Environmental Footprint Reduction, Green/Social Bonds, Real Estate Fintech
Lending	Peer to peer landing, Microcredit
Payments	Cross Border Payments, Local Money Transfer, Alternative Currencies, Donations
Regtech	Compliance to sustainable and impact finance regulations, ID management
Techfin	Business Welfare accessibility and improvement, Impact measurement & Impact data driven system

Fintech for Good: Taxonomy



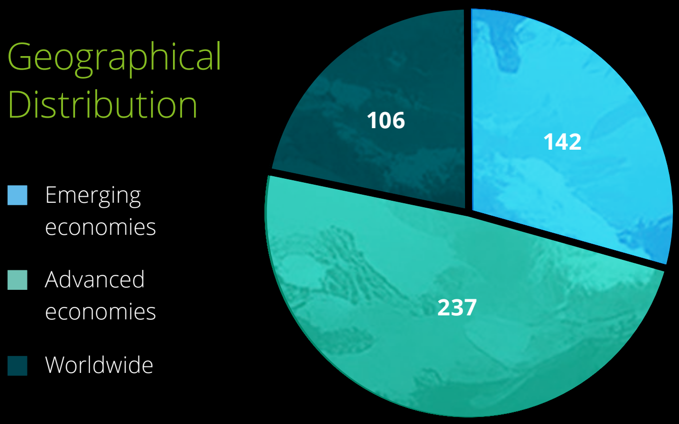
The F4G movement covers various scopes and entities, answering multiple social needs. The more significant market segments in the dataset are digital banking, payments, and investments, representing 24%, 20%, and 19% of the sample, respectively.

Another vital market segment is TechFin. TechFin refers to those F4G firms that focus on providing services to other financial and non-financial actors through advanced technology applications; this market segment represents 11% of the total sample. Finally, firms involved in lending, crowdfunding, insurance applications, and services represent 11%, 8%, and 6% of the sample.

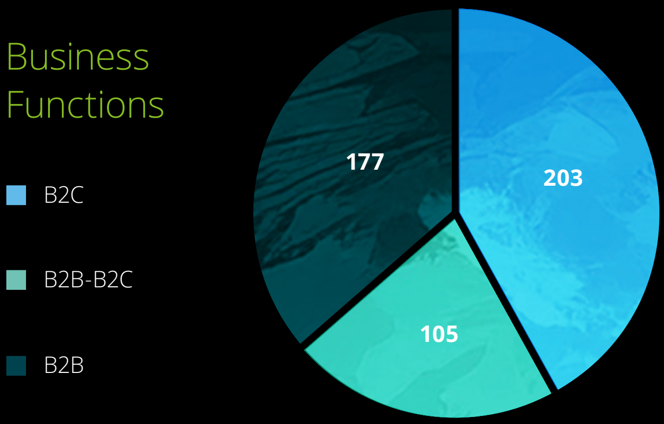
In terms of market distribution, F4G is mainly active in the B2C market (42%), followed by B2B (36%) and B2B2C (22%). This tripartite distribution confirms and fosters the ambivalence of fintech organizations as partners and competitors of traditional financial players, and thus their ability to alternatively activate cooperative and competitive relationships.

Regarding geographic representation, fintech are well distributed across advanced and emerging economies, with a slight majority in advanced economies. Looking at the big picture, the dataset shows a consistent prevalence of F4G companies offering B2B solutions at an international level. This may be explained by the fact that B2B solutions are often valid for multiple contexts and require little or no adaptation based on the regulatory landscape in which they are adopted. This condition allows F4Gs operating in this market to sell their solutions worldwide. B2C solutions, on the other hand, are often highly context-dependent, developed to meet the needs of a specific beneficiary, making them more challenging to export to different socio-economic contexts.

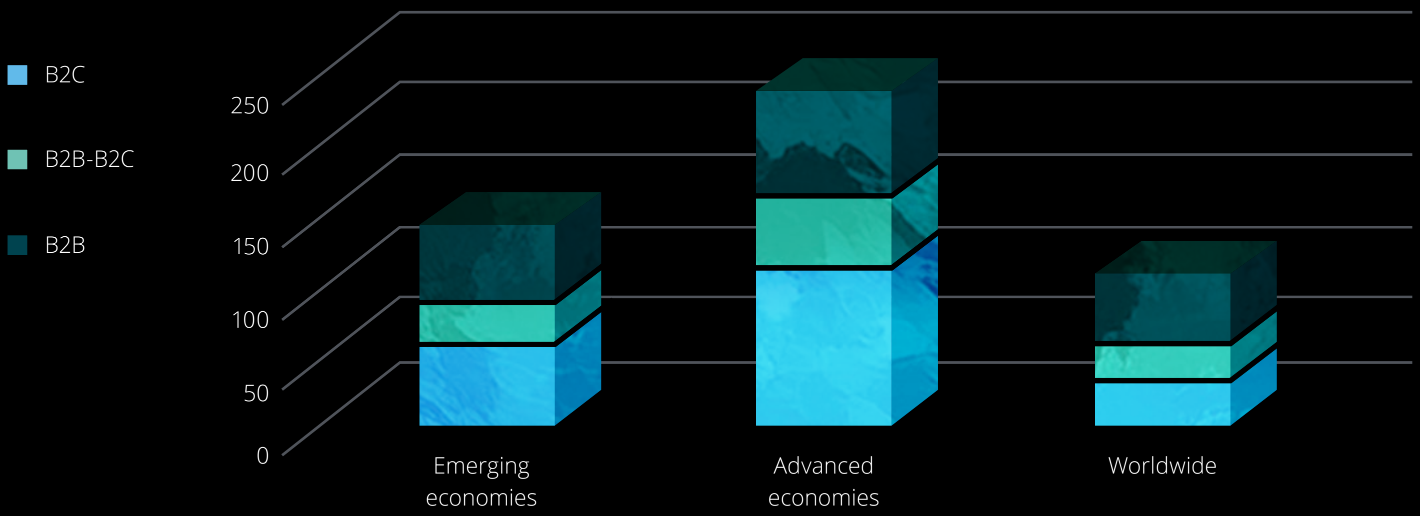
Geographical Distribution



Business Functions



Geographical and Business Function distribution



Social value creation in the Fintech for Good sector

Key Highlights

- The report defines eight different F4G market segments and explains how each uses technological advances to generate positive social impacts on society. The conceptual description of each market segment is complemented by use cases that describe the activities of real F4Gs operating internationally.
- The **Digital Banking** market segment represents the 24% of the entire F4G market. Fintech organizations engaged in digital banking primarily promote financial inclusion by increasing access to financial services and resources for previously excluded or underserved populations.
- The **Payments** market segment represents the 20% of the entire F4G market. These organizations create social value by focusing primarily on emerging countries where payment innovations catalyze socio-economic growth.
- The **Investments** market segment represents the 19% of the entire F4G market. The vast majority of fintech players in this market segment are creating impact in terms of access to social impact investments, where social impact is intended to be both social and environmental.
- The **Lending** market segment represents the 11% of the entire F4G market. Many organizations in this market segment operate in the credit market and promote financial inclusion in terms of access to credit for banked and unbanked individuals. These organizations implement alternative approaches to credit assessment.
- The **TechFin** market segment represents the 11% of the entire F4G market. This market segment is dominated by impact finance organizations that provide data-intensive solutions to private and public investors to improve resource allocation.
- The **Crowdfunding** market segment represents the 8% of the entire F4G market. F4G organizations operating in this market segment rely on digital platforms and crowdsourcing to facilitate the transfer of funds to a third party, typically a non-profit or social enterprise. The potential of this segment still needs to be fully realized.
- The **Insurtech** market segment represents the 6% of the entire F4G market. This market segment often uses cutting-edge technologies to mitigate insurance risks and make their services accessible to a broader range of customers.
- The **RegTech** market segment represents the 2% of the entire F4G market. F4G in this market segment is primarily focused on providing ID management services to those individuals for whom the lack of a certified ID prevents access to certain services, such as financial services.

The next part of the report defines eight different F4G market segments and explains how each uses technological advances to generate positive social impacts on society. The conceptual description of each market segment is complemented by use cases that describe the activities of real F4Gs operating internationally. The use cases were developed through direct conversations with C-level executives and top managers who were asked to share details about their organizations' business models and how they generate positive social impact. Several use cases focus on collaborations between F4Gs and incumbents, shedding light on how collaboration between these players can amplify their impact while generating positive financial returns.

Digital Banking

The digital banking market segment is primarily composed of F4Gs operating in the areas of impact banking (traditional banking services with a strong focus on impact), credit accessibility (alternative credit scoring systems), and financial education (support and training for personal financial management).

Fintech organizations engaged in digital banking primarily promote financial inclusion by increasing access to financial services and resources for previously excluded or underserved populations. Digital channels enable a dual improvement: reducing fixed costs and reaching consumers previously excluded due to their location in rural or dangerous areas. New credit scoring techniques allow creditworthiness to be calculated using alternative data, ensuring fast credit lines while exposing the lender to less risk. In addition to their primary financial services, these F4Gs often provide educational content and learning tools to educate and empower their audiences to manage their finances better. The combination of simplified financial administration and the delivery of educational content creates social value for underserved beneficiaries in both emerging and advanced economies, where, albeit in varying proportions, a portion of the population still lacks access to credit or the education necessary to manage their finances effectively.

Most of these fintech companies work directly with their customers (i.e., in the business-to-consumer market) and often use sophisticated technology to manage transactions and calculate credit scores. The intrinsic value of technology in reducing cost and risk, combined with a focus on the unbanked, creates positive and scalable value.

The combination of reduced selling prices and high volumes ensures the sustainability of these business models.

Pixpay

Use case

Company name	**Pixpay**
Name and position of the interviewee	**Benoit Grassin** *Founder*
Foundation year	**2019**
Founders	**Benoit Grassin**
Headquarter	**Paris, France**
Website	**https://www.pixpay.it/**
Funding	**€11.1M**

Empowering Youth

Pixpay's core mission is to bridge this educational gap and empower the younger generation to become financially independent. They accomplish this through their comprehensive financial education app that provides families with various services, including a bank account and a Mastercard prepaid card designed for teens as young as ten.

European Expansion and Collaborations

Pixpay's commitment to financial education has led to its expansion into several European countries. As of 2023, Pixpay operates in France, Spain, and Italy, making its services available to a wider audience. Their commitment to making finance accessible is part of a broader group effort, as they are part of a consortium with GoHenry and Acorns, with each brand targeting different age groups and regions.

Strategic Partnerships

Pixpay has partnered with traditional banks, fintech companies, and other organizations to enhance its services. For example, they recommend traditional banks to users to create a seamless transition when they reach adulthood. In addition, Pixpay partners with companies like Greenly and Moonshot Insurance to offer additional services like carbon footprint tracking and anti-cyberbullying insurance.

> “We are very mindful of our communication because we understand that we are imparting financial knowledge to young minds. We take great care in how we convey information, always with the awareness that it's being received as guidance and coaching.”

Products & Services for Good	Finance for Kids.
Social need addressed	Switching from cash to electronic transactions for your children's pocket money.
Beneficiaries	Parents and kids.
Intentionality	Financial literacy and money management for kids
Additionality	A new way of paying allowances in a controlled manner (pocket money).
Social value creation	Teaching children from an early age to manage their money, track their payments, and generally keep track of their spending habits.
Market value capturing	The first card designed for kids under 18 (you only need to be 10 years old to open an account and get a card).
Technological added value in serving the social issue	Pixpay stands out with its distinctive feature of having two apps—one for parents and one for children—ensuring both parties maintain autonomy in the management of their finances.

Zooming In

Pixpay's primary mission is to empower youth by bridging the educational gap in financial literacy and empowering younger generations to achieve financial independence. They accomplish this through a comprehensive financial education app and by building transparent relationships with customers, forming strategic partnerships, and expanding their geographic reach while being part of a consortium to strive towards this goal collectively.

Pixpay emphasizes communicating with young users as responsible adults, recognizing that the next generation will redefine how financial services are used. Their commitment to children's financial literacy and innovative features such as allowance management set Pixpay apart in the market.

By educating children early on financial management, spending tracking, and money handling, Pixpay creates social value and captures a niche market as the first card for children under 18, with separate apps for parents and children to maintain autonomy in financial management. Pixpay's impact on the financial world will be transformative as it grows and innovates.

Payments

Regardless of the subcategories, F4G relies on a technologically advanced infrastructure as the primary transaction-enabling asset in this payment market segment. Through disintermediation, this technology infrastructure reduces transaction costs, often a barrier to entry for low-income individuals. This technology provides transparency and traceability in financial transactions and a higher level of security in environments where storing cash increases the risk of theft.

These organizations create social value by focusing primarily on emerging countries where payment innovations catalyze socio-economic growth. The development of services and products that intentionally target underserved consumers creates alternative solutions that extend the usability of these services to environments where digital payments are a marginal or non-existent part of the monetary transaction.

In addition to the payment function, remittance services allow immigrants and expatriates to transfer money internationally with reduced transaction fees, ensuring a greater degree of wealth redistribution between high- and low-income countries.

Within this group, a smaller proportion of F4Gs operate in the digital currency space. Often, these currencies are designed to stimulate local economies or encourage altruistic behavior among community members through value production.

Flutterwave

Use case

Company name	**Flutterwave**
Name and position of the interviewee	**Bridgit Antwi** *Chief of Staff and VP, Strategy & Operations*
Foundation year	**2016**
Founders	**Iyinoluwa Aboyeji** **Olugbenga Agboola**
Headquarter	**San Francisco, US**
Website	**https://flutterwave.com/us/**
Funding	**$250M**

Flutterwave's Journey towards Financial Inclusion

Flutterwave was founded in 2016 by Nigerian entrepreneurs Olugbenga Agboola, Adeleke Adekoya, and Iyinoluwa Aboyeji, alumni of Standard Bank, Andela, PayPal, Google Wallet, and other fintech companies. The company quickly evolved from its initial focus as a technology partner for banks in Africa to providing the leading payment infrastructure for global businesses transacting across Africa. The team recognized the need to simplify cross-border payments and collections on a continent characterized by fragmented payments across 54 countries, 40+ currencies, hundreds of banks, mobile wallets & multiple card networks, and payment systems. Flutterwave's core idea was to develop a single API enabling global businesses to effortlessly collect payments in local currencies and from various African payment methods. Over time, the company expanded its customer base to include multinational corporations, large local businesses, small businesses, and individuals.

Championing Financial Inclusion

Flutterwave places financial inclusion at the forefront of its mission. With approximately 60% of Africa's population underbanked or underserved, the company aims to bridge this gap. Its solutions enable global companies to operate seamlessly in Africa, opening doors for local consumers and businesses. Micro-sellers and small businesses also benefit from Flutterwave's support, making entrepreneurship more accessible. In addition, Flutterwave's remittance product - "Send" - simplifies cross-border money transfers, helping to transfer economic value to the continent.

Partnerships, Data, and Challenges

Flutterwave's success lies in its partnerships across the fintech ecosystem, including banks, mobile money providers, and regulators. The company adheres to strict data management and security standards while recognizing the potential for future data-driven decision-making. Challenges include localization, a solid local presence, and the need to execute quickly to keep pace with Africa's dynamic financial landscape.

> "Our vision was, let's make it easy for global enterprises to collect payments; let's make it easy for Africa to be connected to the global economy."

Products & Services for Good	Flutterwave makes sending and receiving payments frictionless for businesses and consumers. Coverage spans 35+ countries. For global enterprises & local businesses, Flutterwave provides a single API to collect payments from African consumers using their preferred payment methods and currencies, giving them greater access to the global economy. For micro-sellers and small businesses, in addition to its APIs, Flutterwave offers no-code solutions such as invoicing, payment links, and Store, an easy way to list products online. For the African diaspora looking to send money home to friends and family, Flutterwave launched the Send app, a remittance product that simplifies cross-border payments.
Social need addressed	Flutterwave addresses financial inclusion empowers small businesses during crises, and improves remittances, benefiting individuals, local economies, and needy families.
Beneficiaries	Global enterprises, large corporations, small businesses, micro-sellers, and individual consumers across Africa benefit from Flutterwave's services.
Intentionality	With a mission to connect Africa to the global economy, Flutterwave is adapting its strategy to serve Africa's evolving fintech landscape.
Additionality	Flutterwave has strategic partnerships with banks, card networks, mobile money providers and regulators, and a diverse leadership team.
Social value creation	Flutterwave bridges the financial inclusion gap, empowers local businesses, and increases remittances, contributing to economic growth and financial access.
Market value capturing	Flutterwave serves global companies expanding into Africa and caters to diverse customer segments, ensuring a broad market reach.
Technological added value in serving the social issue	Flutterwave's payment processing API replaces multiple payment integrations with one, connecting banks, card networks, mobile wallets & other payment providers across various countries and currencies.

Zooming In

Flutterwave's journey exemplifies its commitment to advancing financial inclusion in Africa. Through strategic partnerships, data management, and a deep understanding of local markets, Flutterwave is enabling a more inclusive and connected African economy.

The company's focus on inclusivity within its organization and its expansion and growth plans underscore its dedication to overcoming challenges and seizing opportunities. One notable initiative is the Flutterwave Store, which provided a lifeline to small businesses during the COVID-19 shutdown, demonstrating the company's adaptability and impact.
The future of Flutterwave promises more innovation and empowerment in the world of F4G.

Lending

F4G in this market segment primarily provides microcredit services at below-market interest rates to unbanked or underserved individuals.

Many organizations in this segment operate in the credit market and promote financial inclusion in terms of access to credit for banked and unbanked individuals. For example, using machine learning algorithms, these organizations can match qualitative data with financial data and implement alternative approaches to credit assessment. This minimizes the time and resources required to assess creditworthiness, allowing money to be lent at a lower interest rate. The benefits of data-intensive credit scoring and the digitalization of customer engagement channels come with the intent to serve underserved markets.

The initiatives analyzed operate in both emerging and advanced economies and in both B2B and B2C markets, with B2C dominating. F4G organizations operating in the B2C lending market often target a specific need and recipient. This is the case for most F4G organizations working in the United States and helping students access higher education or medical care. Instead, those in the B2B market are primarily concerned with securing SMBs through peer-to-peer interactions.

Lupiya

Use case

Company name	**Lupiya**
Name and position of the interviewee	**Evelyn Chilomo Kaingu** *CEO & Co-founder*
Foundation year	**2016**
Founders	**Evelyn Chilomo Kaingu** **Muchu Kaingu**
Headquarter	**Zambia**
Website	**https://lupiya.com/**
Funding	**$8,25M**

Empowering Communities
Lupiya's humble beginnings were shared, starting with lending to a group of 100 women and eventually serving a larger group of 300 women. The company's mission to democratize access to finance was based on its business background and its partner's technology expertise.

Technology for Financial Inclusion
Technology proved to be the cornerstone of Lupiya's success. With just $500, the company's co-founder built a website that paved the way for individuals and SMEs to access critical financing. This innovative approach used technology to overcome the challenge of reaching underserved communities. They emphasized that using mobile money and digital channels was instrumental in expanding Lupiya's reach across Zambia's ten provinces.

Aiming for Holistic Financial Solutions
Lupiya's journey extended beyond lending to the role of a neobank. They underscored the company's plan to offer holistic financial solutions (including payments) to serve customers more comprehensively. The company's expansion into Tanzania and Malawi exemplifies its commitment to expanding its impact beyond national borders.

Leveraging Partnerships for Amplified Impact
Lupiya's success is further underscored by its strategic partnerships. Working with local and international partners has strengthened the company's marketing efforts, funding initiatives, and support services. They emphasized the importance of selecting partners that align with Lupiya's mission of creating value for underserved sectors.

The Road Ahead
The company aims to scale its operations across multiple markets and ultimately become a unicorn in the fintech space.

> “Our mission is to leverage technology as a means of reaching every community in the country, spanning all ten provinces in Zambia, and digitally acquiring our customers to ensure inclusiveness and affordability.“

Products & Services for Good	Lupiya is a fintech startup that offers online lending solutions. It provides salary advance loans, secured loans, scheme loans, business loans, and other services.
Social need addressed	Lupiya's goal is to expand access to credit and lower the cost of borrowing for millions of Zambians.
Beneficiaries	The beneficiaries are all Zambians seeking credit quickly and in a more agile and inclusive way than a traditional bank.
Intentionality	They aim to level the playing field for all Zambians by providing low-cost credit products and attainable security options.
Additionality	They differentiate themselves from traditional lenders by being accessible to marginalized and unbanked communities and offering transparent and fair lending practices.
Social value creation	More than profit, they are driven by creating a landscape that fosters an economically empowered Zambia.
Market value capturing	The company's goal is to take a particular sector - microcredit in Zambia - and make it the leading microcredit sector in the world. Microcredit can reach many more people than the traditional banking sector.
Technological added value in serving the social issue	The website is designed to provide a comprehensive and in-depth view of our company, reflecting Lupiya employees' pride in our continued growth and success. It conveys a sense of mission and vision: to be the preferred leader in the microlending industry.

Zooming In

Lupiya's journey summarizes the potential of technology to drive meaningful social change. Starting with a simple website and a vision, Lupiya has transformed the financial inclusion landscape in Zambia. Lupiya's emphasis on diversity, strategic partnerships, and innovation provides a blueprint for companies seeking to bridge the gap between traditional financial services and underserved communities.

Their evolution goes beyond lending; they are evolving into a new bank to provide comprehensive financial solutions, including payment services. Their strategic partnership with Mastercard and collaborations with local and international organizations underscore their commitment to expanding their impact.

Lupiya's journey embodies the profound potential of technology to drive meaningful social change. Its emphasis on diversity, strategic partnerships, and innovation serves as a blueprint for companies seeking to bridge the gap between traditional financial services and underserved communities. As Lupiya continues to expand its reach and impact, it's clear that this is the beginning of a brighter and more inclusive financial future.

Looking ahead, the company is committed to scaling its operations across multiple markets and striving to achieve unicorn status in the fintech space. Their focus on technology to reach all communities in Zambia reflects their goal to lead the global microlending sector and make financial access more inclusive and affordable for all Zambians.

Redo

Use case

Company name	**Redo**
Name and position of the interviewee	**Diego Mortillaro** *Founder*
Foundation year	**2020**
Founders	**Diego Mortillaro**
Headquarter	**Milan, Italy**
Website	**https://www.redo.finance.it/**
Funding	**Acquired by OCS (unknown evaluation)**

Closing the Financial Gap

Redo was founded in 2020, during the COVID-19 pandemic, intending to disrupt and innovate the Italian lending landscape. The country's traditional lending processes needed to be updated and more convenient, creating new opportunities for innovation. Extensive statistical research revealed a correlation between mobile phone data and the likelihood of loan repayment, leading to the creation of Redo. The platform offers seamless, compliant consumer lending and introduces an innovative customer scoring model based on unconventional data. Redo is critical in bridging the financial gap for individuals under 25 without financial history or parental guarantees, making credit accessible to a broader demographic.

Technology-Driven Financial Inclusion

Italy's personal loan market lags behind other countries, with a penetration rate of 60%. Redo focuses on microloans, a market that traditional lenders neglect due to the high cost of processing loan applications. Their service requires only an ID and health card, democratizing access to credit.
Redo combines data sets into hundreds of variables, allowing users to agree on data categories. Using quantitative and qualitative data analysis, Redo identifies behavioral pathways and calculates the probability of repayment for each loan.

Adaptable Business Model

Redo's journey from planning a B2C model to becoming a B2B SaaS provider demonstrates its adaptability and scalability. The company primarily focuses on the European market and prioritizes its European presence. As a Software as a Service (SaaS) provider, Redo charges fees for customer reviews and active customers. Fees range from 4 to 6 euro per request, a highly competitive model in the market. Their scalability comes from partnering with banks, primarily in a B2B context.

Balancing Profitability and Impact

Despite working with small loan amounts, Redo maintains financial sustainability by charging fees for platform use rather than loan interest. They update predictive models to customize them for each partner bank, ensuring profitability for both Redo and its partners.

Unlocking New Customer Segments for Banks

Redo enables banks to reach unexplored customer segments. The low cost of acquiring microloans significantly reduces expenses, making microlending a viable strategy. Redo also helps build trust and relationships between financial institutions and customers.

"With a service like ours, whre the customer only needs an ID, the world of credit is accessible to everyone."

Products & Services for Good	Ethically innovative credit scoring.
Social need addressed	Redo improves credit inclusion, enabling more and more users to access financing.
Beneficiaries	Banked and Unbanked people.
Intentionality	Redo aims to serve people looking for short-term liquidity by providing a platform to issue and manage nano-landing products. It is expanding its offering in Southern Europe.
Additionality	Redo goes beyond traditional credit scoring methods by incorporating unconventional data points from mobile phone usage. This unconventional approach expands the pool of people who have access to credit, providing financial opportunity to those who might otherwise be excluded.
Social value creation	Redo's services create social value by, among other things, addressing the financial inclusion gap. It targets an underserved market segment, promoting economic opportunities and improving their financial well-being.
Market value capturing	The company creates value by providing a unique credit-scoring solution that appeals to a broader segment of potential borrowers. Redo's innovative approach potentially positions them to serve individuals underserved by traditional credit scoring models.
Technological added value in serving the social issue	Redo's technological innovation lies in using mobile phone data to assess loan repayment. This approach provides a way to determine creditworthiness that doesn't rely solely on traditional financial data, overcoming barriers to access and addressing the social issue of financial exclusion.

Zooming In

While Redo's innovative approach to lending, fueled by unconventional data, is reshaping Italy's financial landscape, the intricate web of information truly sets them apart. Redo paints a vivid picture of individual behavioral profiles by meticulously analyzing mobile phone data. This approach enables them to make credit accessible to a broader demographic, especially millennials who often lack traditional financial histories. Through the lens of data, Redo is driving a financial revolution tailored to the unique needs of the digitally connected generation.

Redo demonstrates remarkable scalability potential through its strategic partnership with OCS M&A, a prominent systems integrator known for its expertise in serving financial institutions' consumer loan lifecycle management needs. Leveraging this partnership, Redo is poised to expand its operations by leveraging OCS' extensive customer base. In addition, OCS is positioning itself as a critical player dedicated to improving access to credit in the Italian market. This collaboration gives Redo a strong foundation for growth and underscores its commitment to improving access to credit services in Italy. impact to drive meaningful change in today's world.

Insurtech

F4G in this market segment often uses cutting-edge technologies to mitigate insurance risks and make their services accessible to a broader range of customers. Data analytics enables them to offer more adaptable, highly personalized services with variable pricing based on expected risk. The digitalization of distribution channels and branches enables them to reach previously excluded and new customers.

These organizations generate social value by combining the intrinsic value created by the technology they use to bring previously excluded clients into the insurance market. The social value created by access to essential insurance services can be translated into several individual and organizational social dimensions. At the personal level, access to insurance services could improve physical and mental health and a greater sense of security. At the corporate level, access to insurance services means reduced exposure to natural disasters, such as floods, droughts, and accidents.

The strong emphasis on natural catastrophes explains why insurtech players operate in different economic environments and both B2B and B2C sectors. Technology's role in increasing the industry's profitability and mitigating risk is also evident. It is therefore not surprising to see a higher proportion of high-tech companies compared to other groupings where the ratio was lower.

MicroEnsure

Use case

Company name	**MicroEnsure**
Name and position of the interviewee	**Richard Leftley** *Founder & CEO*
Foundation year	**2020**
Founders	**Richard Leftley**
Headquarter	**New York, US**
Website	**https://www.micglobal.com/**
Funding	**$28M**

Simplicity as the Key

MicroEnsure understood that the success of microinsurance depended on simplicity. To attract individuals from low-income families, products had to be easy to understand and explainable in a text message or two. Partnering with banks, microfinance institutions, and mobile phone companies facilitated this seamless experience.

Overcoming Literacy Challenges

One of the biggest challenges in the microinsurance journey has been addressing literacy issues. This is highlighted by the importance of allowing people to experience insurance rather than simply explaining it. Individuals could tangibly understand the benefits by providing simple products and facilitating real-life scenarios. Word of mouth was a powerful tool in driving uptake, as communities shared positive experiences with their peers.

Financial Sustainability and Expansion

While achieving scale was critical, financial sustainability was equally imperative. The transition from a micro-insurer to a reinsurer was driven by the need to capture a more significant portion of the value chain.

Impact Measurement and Vision for the Future

MicroEnsure's impact went beyond numbers; it changed lives and brought security to vulnerable populations. In the evolving impact investing landscape, profitability, and sustainability are increasingly important. With success stories like Ghana's burgeoning insurance penetration, their vision includes continued expansion and innovation to bridge the insurance gap in the emerging world.

> “It's about leveraging technology to provide insurance solutions that genuinely empower and protect individuals. The success lies in aligning insurance with the well-being of people.“

Products & Services for Good	MicroEnsure uses technology to streamline operations, reduce costs, and reach remote populations. They use mobile platforms for enrollment, claims processing, and communication to make their services more accessible and efficient.
Social need addressed	MicroEnsure's microinsurance solutions address the lack of financial safety nets for vulnerable populations in emerging economies. They aim to provide a safety net against unexpected events that could lead to financial hardship.
Beneficiaries	The beneficiaries of MicroEnsure's services are individuals and families with limited access to traditional insurance services. These may include smallholder farmers, low-income workers, and other underserved communities.
Intentionality	MicroEnsure was founded to make insurance accessible and affordable to individuals often excluded from traditional insurance markets.
Additionality	Their approach goes beyond providing insurance by tailoring their products to specific needs and working with local partners to ensure accessibility and affordability.
Social value creation	Microinsurance products help reduce the financial vulnerability of low-income individuals and families. By mitigating risk, they contribute to improved financial resilience and overall well-being.
Market value capturing	Value is captured by charging affordable premiums to beneficiaries, creating a sustainable business model that benefits the insured and the company.
Technological added value in serving the social issue	MicroEnsure uses technology to reach remote populations. They use mobile platforms for enrollment, claims processing, and communication, making their services more accessible and efficient.

Zooming In

Simplicity is the cornerstone of MicroEnsure's microinsurance success. MicroEnsure exemplifies how innovative thinking, strategic partnerships, and customer-centric simplicity can revolutionize the insurance landscape. MicroEnsure demonstrates the importance of letting people experience insurance rather than just explaining it, offering simple, tangible products, and facilitating real-life scenarios that allow individuals to understand the benefits.

The impact of MicroEnsure goes beyond numbers; it changes lives and provides security to vulnerable populations. Profitability and sustainability are increasingly important. With success stories like Ghana's growing insurance penetration, MicroEnsure envisions continued expansion and innovation to bridge the insurance gap in the developing world.

Founded to make insurance accessible and affordable to the marginalized, the company tailors products to specific needs and works with local partners to create social value by reducing financial vulnerability and contributing to improved well-being while capturing market value through affordable premiums.

ViteSicure

Use case

Company name	**ViteSicure**
Name and position of the interviewee	**Eleonora Del Vento** *CEO*
Foundation year	**2016**
Founders	**Eleonora Del Vento Alessandro Turra**
Headquarter	**Milan, Italy**
Website	**Vitesicure.it**
Funding	**€3.6M**

The Foundation of ViteSicure

ViteSicure recognized the significant gap in financial protection in Italy, which happens to be a global problem. While half of Italian families don't save, only 6% have life insurance. Existing insurance companies needed more urgency and had outdated processes. This created an opportunity to reshape the financial protection landscape through innovation and technology, aligning insurance policies with customer needs and transforming the buying experience to match new buying habits.

Redefining Financial Protection

ViteSicure focuses on providing affordable and accessible financial protection to those financially vulnerable due to life's most severe and unpredictable moments. Their unique approach includes providing instant online policy certificates with a completely paperless process, ensuring compliance. They have introduced a new tone of voice, easy-to-read policy terms and conditions, monthly policy payments that make life insurance affordable for everyone and offer multiple customer support channels such as WhatsApp and live chat. With ViteSicure, customers can choose when and how to contact and be contacted or do it themselves, as ViteSicure is accessible, instant, and self-service.

Bridging the Insurtech Gap

Innovation in insurtech has been relatively slow compared to fintech. To provide a frictionless customer experience, viteSicure is using digital transformation as a catalyst for change to engage and educate customers about financial protection, reduce distance, and meet their needs instantly. They started D2C, so they are where the customers are: on social media (mainly Meta), successfully proving that there is considerable demand and customers are responsive. They are also B2B2C, as they partner with Facile.it and other comparison platforms, as well as AltroConsumo Connect (the insurance arm of the most prominent Italian insurance association). Thanks to their proprietary API cloud-based platform, they are also ready for embedded insurance. Such embedded propositions create innovative indirect channels to scale the economic and social value generated by viteSicure. Simplifying the onboarding process is essential: they created a seamless customer experience and disrupted the value chain to be more efficient and effective than incumbents.

Measuring Impact and Sustainability

ViteSicure continuously collects and measures data to learn and optimize performance while respecting privacy. Its unique monthly payment model, combined with underwriting capacity and pricing from one of the world's leading life reinsurance companies, ensures affordability and inclusiveness for all. In addition, when customers need financial protection but cannot afford it (i.e., job loss during the coverage period), they can apply for their Polizza Sospesa program.
Finally, ViteSicure has a sustainable unique business model: comparable to a subscription-based service, ViteSicure creates assets: millennial customers choose a policy duration of up to 30 years, so on average, policies last 20 years, allowing the company to maintain a steady income stream and have a long-term value that is five times higher than the customer acquisition cost.

A Vision for the Future

ViteSicure envisions maintaining its operational excellence by developing AI/ML systems and expanding internationally into regions with underdeveloped social systems. They aim to offer innovative insurance products that address the evolving most urgent needs of their customers: death, health, and loss of income protection needs. To accomplish their plan, they are organizing to launch a Series A round and seeking foreign investment to scale their business.

Products & Services for Good	ViteSicure provides life insurance protection products and services designed to provide financial security to individuals and families.
Social need addressed	ViteSicure began to address the societal need for financial protection upon the breadwinner's death through accessible and affordable life insurance. Their mission is to address the three significant fears of life: death, illness, and loss of income.
Beneficiaries	Millennials and seniors seeking financial protection for life's most severe and unpredictable moments.
Intentionality	ViteSicure intentionally bridges the financial protection gap by leveraging digital transformation to transform the life insurance buying experience, making it more accessible, customer-friendly, and aligned with customers' new buying habits.
Additionality	The company adds value by offering unique, fully digital, instant, paperless, and self-service life insurance experiences, focusing on underserved segments and unexplored needs like life protection-based insurance. The API cloud-based platform becomes fully digital in customer boarding, marketing funnel, and customer service.
Social value creation	Social value is created by promoting financial security and reducing the risk of economic hardship for its clients. The alternatives are a) inadequate social pensions for those who do not have savings or b) the diversion of financial savings to maintain living standards.
Market value capturing	ViteSicure captures market value by monthly billing for its insurance policies, creating a new willingness to pay for high long-term value for the company and its customers.
Technological added value in serving the social issue	ViteSicure is using digital transformation, thanks to its API cloud-based platform, to revolutionize how life insurance is perceived and purchased, streamlining the insurance process and making it easier and more efficient for customers to access and manage policies.

Zooming In

ViteSicure's strategic approach is to work directly with a leading reinsurance company, RGA, known for insuring insurers worldwide. They designed the product, simplified the wording, and partnered with SquareLife, a digital company that brought technological solutions to the Italian insurance landscape.

This collaboration has enabled ViteSicure to offer innovative life insurance products, including coverage for individuals with pre-existing conditions, a segment often overlooked by traditional insurers. ViteSicure aims to further expand its offerings by introducing spin-offs for affinities and embedding solutions within corporate partners, such as financial corporations (banks).

Their commitment to customer education and experience remains at the forefront, exemplified by their intuitive protection calculators that help customers determine the right coverage for their families.

“In Italy, I was for years the only female CEO in Insurtech market, now I'm one of really few pioneers. Our team comprises 80% women, and our employees' average age is around 30. Diversity and experience are crucial to our operational excellence.“

Investments

F4G in the investment market segment is mainly active in the social impact investment sector. It is, therefore, driven by the intention to generate both a financial and a social return for both parties involved in the investment transaction, namely investors and investees.

The vast majority of fintech players in this cluster are creating impact in terms of access to social impact investments, where social impact is intended to be both social and environmental. These organizations aim to reduce barriers to investment for non-professional users and mobilize capital for projects that generate both financial and positive social and environmental returns. They act as matchmakers, bringing together users and impact investors. This is achieved by disintermediating the investment process, eliminating traditional intermediaries, reducing transaction costs, and reducing information asymmetry.
Indeed, innovation technology helps to collect and monitor data across the value chain and to report and monitor investment returns. The intrinsic value generated by the technology is complemented by the intentionality of investing in impact-driven organizations and the additionality of accepting near-zero financial returns in the short term and below-market financial returns in the long term.

Unique to this segment are those organizations that operate in the housing sector, providing investment and credit solutions to help people purchase social housing. Others are uniquely focused on environmental issues and reducing carbon footprints.

PinBox

Use case

Company name	**PinBox Solutions**
Name and position of the interviewee	**Parul Seth Khanna** *Co-founder & Director*
Foundation year	**2016**
Founders	**Gautam Bhardwaj** **Parul Seth Khanna**
Headquarter	**Singapore**
Website	**https://www.pinboxsolutions.com/**
Funding	**$1M**

The Idea

According to the co-founder, formal pension systems in most countries are designed for and limited to salaried workers in the public and private sectors. This inadvertently leaves out some 1.8 billion non-salaried, self-employed workers, such as farmers, small shopkeepers, self-employed women, daily wage workers, migrants, contract and gig workers, domestic workers, etc. This huge pension coverage gap, coupled with increasing life expectancy and the breakdown of traditional joint family support structures due to labor mobility, has brought the world to the brink of an old-age poverty crisis. Emerging countries with predominantly informal labor markets will face dire consequences, with between half and 95 percent of their workers excluded from formal pension arrangements. If the current pension coverage gap is allowed to persist, the vast majority of the more than 2 billion older people will face the grim prospect of living in extreme poverty for more than two decades once they are too old to work. Without an urgent and effective policy, regulatory, and corporate response to pension exclusion, elderly poverty will rapidly become the dominant cause of increased global poverty. The idea for pinBox was born in 2016, based on India's new National Pension System (NPS), which pinBox's founders helped design, build, and implement. pinBox is now the only social pension technology dedicated to assisting countries to create inclusive and fully digital micro-pension systems to help non-salaried workers build micro-savings for their old age.

Product Features and Execution Strategy

A critical aspect that emerged during the interview was pinBox's white-labeled pensionTech platform and its field-tested, scalable, and sustainable delivery model, which enables any country to launch a national micro-pension scheme within a few months and on a variable cost basis. Individuals use their mobile phones to save for retirement through affordable and well-regulated pension and insurance products. Another critical aspect of the discussion was the importance of product features in micro-pension schemes. The need for comprehensive and integrated product offerings that address the lifecycle needs of informal sector workers was emphasized. The interview highlighted the case of Rwanda - the first government in Africa to adopt the pinBox model. In just four years, pension coverage in Rwanda has increased from around 5 percent to over 55 percent of the workforce. More than half of Rwanda's informal workers who now save for retirement are self-employed women. The pinBox model ensures that micro-pensions are immediately and easily accessible to individuals in both urban and rural areas, transcending geographical boundaries.

Partnerships

The discussion touched on pinBox's work with governments, regulators, and development agencies. As well as financial incumbents such as pension fund managers and insurers. The interviewee explained that these collaborations vary by country and partner. PinBox must often be made visible to end users, focusing solely on providing institutional partners with technology and expert technical assistance. Working with local partners also helps ensure full regulatory compliance and respect for cultural sensitivities in different countries and regions.

Regulation as a Key Point

Data privacy emerged as a critical issue. It is essential to emphasize the strict data protection laws and the need to comply with them. PinBox ensures data privacy and only uses customer data for authorized purposes, such as reminders and nudges related to the pension program.

Products & Services for Good	PinBox is a global social pension technology company dedicated exclusively to digital micro-pensions for self-employed women and youth in Asia, Africa, and Latin America.
Social need addressed	PinBox has worked extensively with various governments, regulators, financial inclusion advocates, and DFIs such as the World Bank, UNCDF, and UKAID in Asia and Africa to extend digital micro-pensions and social protection coverage to self-employed women and informal sector workers, including gig workers.
Beneficiaries	Insurers and pension funds, governments, regulators, pension administrators, and aggregators such as gig platforms, cooperatives, and community-based organizations.
Intentionality	The pinBox pensionTech platform uses secure APIs to integrate and leverage the existing digital public infrastructure (such as national ID) and the existing digital financial inclusion ecosystem (such as digital payment gateways) to help countries "switch on" a low-cost, omnichannel, multi-product digital "marketplace" for small ticket financial products, on a variable cost basis. PinBox also helps design products, digital processes, governance frameworks, and voluntary coverage expansion and retention strategies. And provide customized versions of our field-tested retirement education and training toolkits.
Additionality	The added value is to help governments, pension funds, and insurance companies avoid the high capital costs, lead times, and risks (of design flaws) associated with building proprietary pension technologies from scratch. In addition, the pinBox platform and model are easily adaptable for voluntary micro-pensions for the self-employed in emerging economies. The same platform can also be used to administer mandatory pension and social security schemes for employees more efficiently.
Social value creation	PinBox is committed to bringing millions of excluded informal sector workers into the pension tent.
Market value capturing	They leverage the existing digital financial ecosystem to help "turn on" an omnichannel, multi-product digital "marketplace" within a few months and on a variable cost basis.
Technological added value in serving the social issue	Specialized, white-labeled, and API-enabled platform for managing and delivering micro-pensions, savings, and insurance products to businesses. It can be customized for any country in a matter of months.

Zooming In

The pinBox micro-pension initiative is a global effort to enable and encourage informal sector workers to save for retirement. They focus on addressing the unique challenges faced by this group by providing financial education and tailored solutions in each country where they operate. They have successfully launched innovative programs such as Ejo Heza LTSS in Rwanda and Fahari in Kenya by working with trusted local partners, NGOs, and livelihood organizations to deliver financial education and ensure broad coverage in urban and rural areas.

Partnering with financial institutions, incredibly dedicated and well-regulated pension fund managers, and insurers is essential to navigating regulatory complexities.

PinBox is an excellent "for good" use case because its global commitment focuses on digital micro-pension inclusion in Asia, Africa, and Latin America. They work with governments, regulators, and development organizations, leveraging the digital financial ecosystem to create a versatile digital marketplace that reduces costs and lead times for stakeholders and facilitates and simplifies secure and low-cost access for excluded workers.

In doing so, pinBox benefits informal workers, insurers, governments, pension administrators, and aggregators, ultimately expanding retirement savings participation and contributing to future elders' social and economic well-being. Their specialized, API-enabled platform further enhances their ability to address this critical social issue, establishing pinBox as a valuable player in responsible fintech solutions.

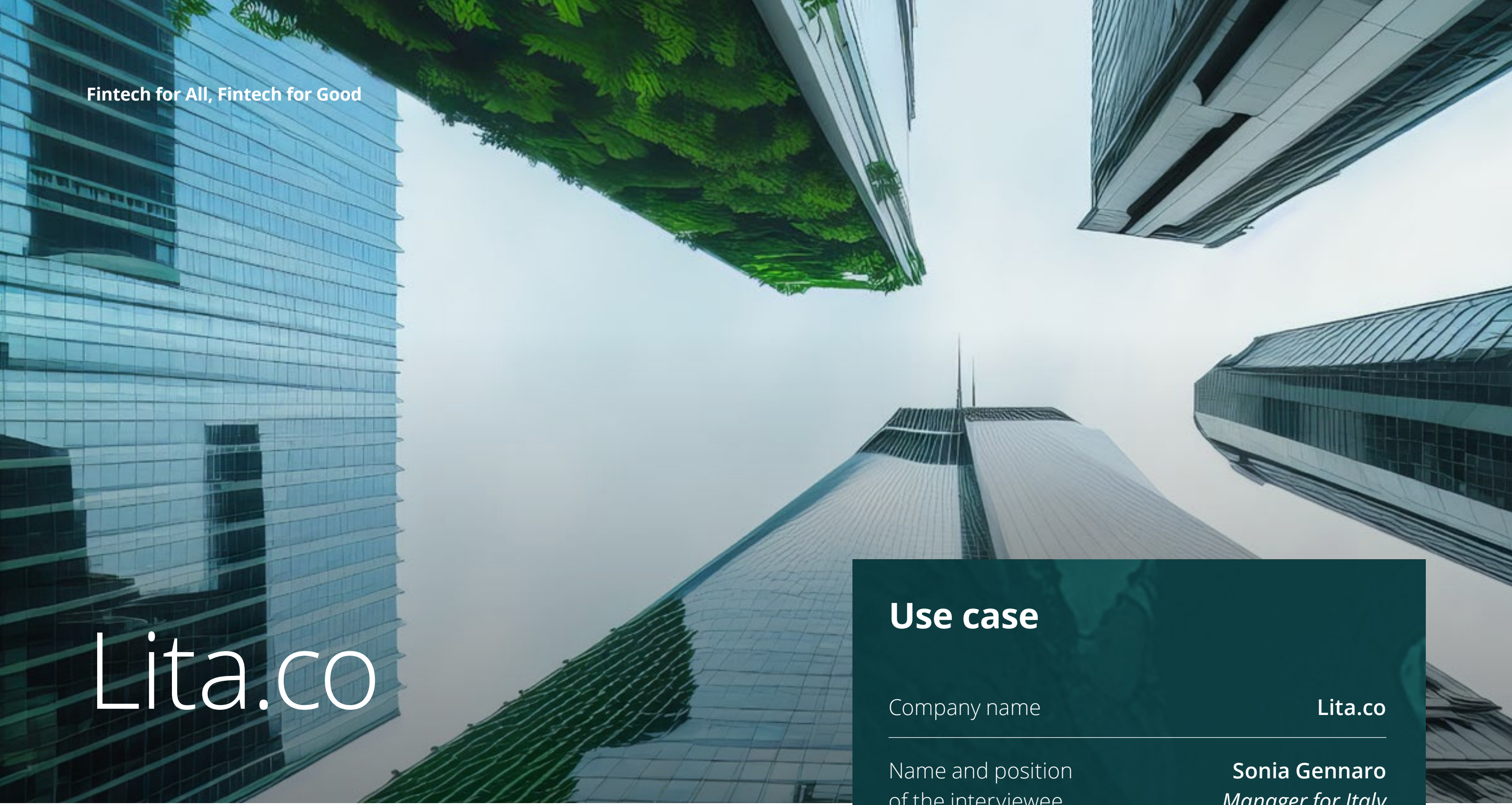
"Leveraging the existing digital finance infrastructure and collaborative action is at the heart of micro-pension inclusion and ensuring a secure and dignified retirement for everyone, everywhere."

Crowdfunding

F4G organizations operating in the crowdfunding market segment rely on digital platforms and crowdsourcing to facilitate the transfer of funds to a third party, typically a non-profit or social enterprise.

These F4Gs generate impact through access to grant funding and social impact investments for other organizations. Digital platforms enable reaching a larger audience, increasing the visibility of projects and organizations seeking equity funding or anticipated revenue. Using extensions or APIs - such as payment systems - built into these platforms reduces transaction and administrative costs and simplifies the investment process compared to previous solutions. In addition, the deliberate pursuit of transparency and accountability, achieved through a wealth of shared information, often reduces the information asymmetry between investors and investees, thereby fostering greater trust and commitment between the parties involved in the transaction.
The use of digital platforms enables the collection of small amounts of grants, revenues, or investments from a more significant number of contributors; the deliberate channeling of these financial flows to projects or businesses of a social or environmental nature (e.g., reforestation, women's entrepreneurship, community energy generation initiatives) increases the generation of social value.

While it's clear that there is a growing trend towards the use of disruptive technologies in crowdfunding platforms, the potential of this sub-segment still needs to be fully realized. Although technologies such as blockchain could be helpful for better tracking the passage of investments and ensuring trust, their cost and complexity still need to limit their widespread application. Therefore, faith is still built through extensive and proactive communication and reporting between investors and investees.
On the other hand, some countries restrict crowdfunding for certain types of investments, which hinders the widespread adoption of the practice.



Lita.co

Use case

Company name	**Lita.co**
Name and position of the interviewee	**Sonia Gennaro** *Manager for Italy*
Foundation year	**2014**
Founders	**Eva Sadoun** **Julien Benayoun**
Headquarter	**Paris, France**
Website	**https://it.lita.co/**
Funding	**12.5M €**

Impact-First, Impact-Native Approach

Lita.co is the first citizen investment platform dedicated to responsible, inclusive, and transparent finance through crowdfunding and financial tools that connect individual investors with social enterprises. While not disruptive in technology, Lita.co was born with an "impact-first, impact-native" ethos, placing social impact at the forefront of its mission.

Balancing impact and financial sustainability

Since its inception, Lita.co has faced the challenge of balancing impact generation with financial sustainability. To generate revenue, the company charges a fee of 5-7% of the amount raised by client companies. In addition, they have a small retention fee to ensure commitment. While they charge a small fee to investors in France, they do not charge investors in Italy. Lita.co also offers services to manage relationships with shareholders and general meetings in France and Belgium to increase transparency and facilitate potential exits.

Future Product Development Distribution Channels

Lita.co is preparing to comply with new crowdfunding regulations that will take effect in November 2023. They are looking to expand into new European markets. The updated regulations will allow them to offer new products in Italy, such as minibonds.

Scaling Impact Responsibly

Scaling comes with challenges, such as maintaining cultural alignment and efficient internal processes. Lita.co places cultural alignment at the forefront of its strategy and strives to hire people who believe in the mission. They also focus on organizational efficiency to manage the complexities of growth.

Organizational Structure in Line with Mission

The company encourages constant internal discussion and updates and involves employees in decisions that affect the company's culture and practices. They also use creative workspaces and meetups to foster collaboration.

> "One factor that aids us in remaining faithful to Lita's initial concept is cultural alignment – the recruitment of individuals who share our mission and are committed to positively impacting people's lives."

Products & Services for Good	A crowdfunding platform that supports sustainable business projects with equity or debt-based financial products.
Social need addressed	Addresses the need for funding and support for businesses with an intentional and measurable social or environmental impact mission.
Beneficiaries	Beneficiaries can include social entrepreneurs, impact-driven businesses, investors seeking socially responsible opportunities, and communities benefiting from funded projects.
Intentionality	A deliberate focus on impact investing, where financial returns are linked to positive social or environmental outcomes.
Additionality	Creates additional social and environmental value beyond financial returns by prioritizing projects with a mission.
Social value creation	Creates social value by directing capital to projects and businesses that address pressing social and environmental issues.
Market value capturing	Captures value in the crowdfunding marketplace by connecting impact-driven investors with projects in need of funding.
Technological added value in serving the social issue	It uses technology to streamline the crowdfunding process, making it more accessible and efficient for investors and project creators.

Zooming In

Lita.co stands out in fintech by combining financial innovation with an unwavering commitment to social impact. Their success fee structure, which charges client companies a percentage of the funds raised, aligns their financial interests with the success of impactful projects. This approach generates revenue, emphasizes accountability, and ensures that Lita.co is invested in the outcomes of the businesses they support.

In addition, Lita.co is poised to embrace new opportunities with the upcoming crowdfunding regulations. They plan to expand into additional European markets, forging partnerships with local entities and financial institutions to extend their reach. Their focus on sustainability extends beyond borders, as evidenced by their efforts to introduce products such as mini-bonds that promote economic growth in less mature economies.

The company's careful assessment of impact, measuring reductions in waste, CO2 emissions, job creation, and social benefits, reflects its holistic approach to addressing various social issues. By encouraging companies to meet sustainability key performance indicators (KPIs), Lita.co fosters a culture of accountability and catalyzes change even in sectors traditionally considered environmentally unfriendly.

Lita.co is an example of how fintech can be a powerful force for good, creating synergies between financial sustainability and social impact to drive meaningful change in today's world.

RegTech

F4G in this market segment is primarily focused on providing ID management services to those individuals for whom the lack of a certified ID prevents access to certain services, such as financial services.

F4G in this industry primarily uses advanced technologies, typically blockchain and iris scanning, to verify an individual's identity. This is particularly important for migrants, who are often deprived of documents along the migration routes. The ID certification service often enables ancillary services, such as lending and optimizing aid distribution, which are offered as a service on the market, generating revenue and allowing these F4Gs to sustain their operations.

Interestingly, these organizations are based in advanced economies, although some are primarily concerned with societal issues prevalent in emerging economies.

Mine Crime

Use case

Company name	**Mine Crime**
Name and position of the interviewee	**Giacomo Salvanelli** *CEO*
Foundation year	**2020**
Founders	**Giacomo Salvanelli, Luca Ruschioni, Pietro Andrea**
Headquarter	**Milan, Italy**
Website	**https://www.minecrime.it/**
Funding	**€30K**

Unveiling a Data Gap

Mine Crime is an Italian technology company on a mission to redefine urban risk management and revitalize cityscapes. It all began with recognizing a significant gap in Central and Southern Europe - the need for a centralized database dedicated to urban decay. This lack of data has profound implications for corporations, small businesses, and citizens. They need access to critical information about urban decay, which hinders informed decision-making. Even associations involved in urban revitalization projects have required more data on local crime trends, often relying on low-quality information at the metropolitan level.

A Wealth of Data Sources

To address this glaring problem, Mine Crime embarked on a mission to collect and centralize data.
Their efforts resulted in a proprietary database that draws from a staggering 16,600 different data sources. This data forms the backbone of their innovative services, which include API-based database queries and other data-driven solutions.

Bridging Profit and Purpose

It is essential to focus on Mine Crime's commitment to fulfilling its social mission while maintaining a profitable business model. The company derives a significant portion of its revenue from large corporate clients, primarily in the utilities, transportation, and telecommunications sectors. However, corporate partnerships serve a dual purpose, allowing Mine Crime to extend its impact to public administrations through its partners.

> "The impact we can bring to Europe is significant...providing limited but valuable information to citizens, from parents seeking safe neighborhoods for their children to university researchers utilizing data for their studies."

Products & Services for Good	Crime analysis for smart cities.
Social need addressed	Safety.
Beneficiaries	Urban population indirectly benefits from Mine Crime's services.
Intentionality	Mine Crime predicts future crime trends and helps institutions in the public and private sectors improve social welfare and well-being.
Additionality	Additionality is assessed by identifying the market gap for centralized data on urban decay in Central-Southern Europe. Mine Crime offers a unique solution to fill this gap, benefiting multiple stakeholders.
Social value creation	Mine Crime helps create sustainable and safe cities.
Market value capturing	Market value is primarily captured by serving corporate customers, including utilities, transportation, and telecommunications companies. Working with public administrations extends the reach of fintech's social impact and ensures financial sustainability.
Technological added value in serving the social issue	Mine Crime offers unique insights into criminal events and how they unfold.

Zooming In

Mine Crime's international expansion plans set the stage for a broader impact. They anticipate a significant and consistent impact on European cities. Their commitment to providing free services to end users that provide critical information is consistent with their mission to serve citizens. Whether it's a concerned parent looking for a safe neighborhood for their child or a researcher using the data for their studies, Mine Crime's data empowers individuals.

In addition, Mine Crime intends to engage users more actively by enriching existing data with contextual feedback. This approach promises to significantly improve the data quality and increase the system's efficiency.In addition, they champion open data initiatives and advocate for a community-driven culture similar to that in the UK. One of the partnerships that makes Mine Crime stand out is with DonneXstrada, an association that works on women's street safety and against gender-based violence.

Mine Crime allows DonneXstrada users to report violent crimes entirely anonymously. This is a crucial feature, as it is essential to maintain the highest possible level of privacy to encourage the reporting of violent crimes. Mine Crime remains focused on creating positive social change through data-driven insights every step of the way.

TechFin

The TechFin market segment is dominated by impact finance organizations that provide data-intensive solutions to private and public investors to improve resource allocation. These F4Gs share the use of data and AI to monitor the impact performance of other organizations and provide data-driven assessments.

Using data-intensive solutions, these F4G can monitor the performance of many public and private companies and provide this data in an accessible format. A subset of these organizations is highly specialized in environmentally sustainable investing. These platforms use big data to offer professional investors and consumers investment opportunities. A minority of F4G companies in this segment provide employee benefits services, which include salary advances and access to health insurance and organizational benefits. All F4G in this segment are based in advanced economies, with greater investor attention to these issues.

A subgroup of the TechFin segment, which could be partially overlapping with the RegTech one, is starting to provide services of investment compliance with European financial regulations, such as SFDR or EU taxonomy. This development space is considered quite attractive.

Doconomy

Use case

Company name	**Doconomy**
Name and position of the interviewee	**Ulrika Hoonk** *Country Manager Italy & Switzerland*
Foundation year	**2018**
Founders	**Mathias Wikström Johan Pihl**
Headquarter	**Stockholm, Sweden**
Website	**Doconomy.com**
Funding	**€19M**

Doconomy's Mission: Reducing the Carbon Footprint

In the dynamic and ever-changing financial sector landscape, Doconomy has emerged as one of the pioneering fintech companies with an unwavering commitment to prioritizing impact. The Swedish company has revolutionized the transaction process by harnessing its potential to address environmental issues through transactions. Doconomy's core product connects an individual's consumption to their real-world environmental footprint by measuring their CO_2e (carbon dioxide equivalent) and H_2O (freshwater consumption) impact, enabling banks to promote ecological awareness. But it's not just about products; it's about a holistic approach to ESG principles that are rigorously followed. All its products aim to reduce the global carbon footprint and promote financial well-being and education among users.
Through product innovation and pioneering the use of CO_2 accounting, they are setting new standards in corporate governance.

Driving Change and Transparency

Doconomy is at the forefront of transparency and sustainability, setting ambitious climate goals and focusing on employee well-being. Their commitment goes beyond business; it's a societal transformation.

Doconomy actively collaborates with government organizations and universities. They ensure accessibility by partnering with banks and offering free tools like the Lifestyle Calculator, a comprehensive self-assessment tool that gives individuals immediate clarity on their total environmental footprint. Data security is also a top priority, with GDPR compliance and anonymized data.

Measuring Behavioral Change

Doconomy has already catalyzed a significant change in the behavior of more than 22% of its users. This transformative impact underscores most Europeans' growing and widespread willingness to take meaningful climate action. Doconomy's innovative tools have raised environmental awareness and mobilized individuals to make tangible lifestyle changes, reflecting a growing collective understanding of the urgent need for climate action.

> "We are providing solutions that are connecting the purchase behavior via transactions, which are a great proxy for the decisions that consumers are taking with their wallet."

Products & Services for Good	Doconomy's flagship product is a sustainable banking platform that helps users understand and reduce their environmental footprint through their financial decisions.
Social need addressed	Doconomy addresses the need for increased awareness and action on climate change by giving users the tools to make more environmentally conscious spending choices through real-time carbon footprint monitoring.
Beneficiaries	Individuals concerned about their environmental footprint want to help mitigate climate change through their purchasing decisions.
Intentionality	Their solution is designed to address climate change and promote responsible consumption patterns, empowering users to make informed choices that align with their environmental values.
Additionality	Beyond traditional banking services, the offering encourages users to consider the environmental impact of their spending by engaging directly from their bank accounts.
Social value creation	The services create a positive impact by encouraging more sustainable consumption patterns. The improvement of each individual over time represents the social value of such an application.
Market value capturing	Provide a unique and innovative service that appeals to environmentally conscious consumers. In addition, collaborations with banks and financial institutions could integrate the platform into their services.
Technological added value in serving the social issue	The technological innovation lies in seamlessly tracking carbon emissions associated with spending transactions by embedding the Doconomy product through APIs. This adds technical value, makes it easier for individuals to understand their environmental impact, and empowers them to take action.

Zooming In

Doconomy is at the forefront of the convergence of two innovative trends of the last five years: fintech and sustainability. From a technology perspective, there is no limit to how fast they can scale their business.

Doconomy's global footprint spans 40 markets across all continents with over 90 customers. Their next major step will be to enter the U.S., the world's largest economy, to scale the social value they create globally by working with strategic partners like Mastercard. Their success metrics, including behavior change and widespread climate action, reflect their importance in creating impact.

Doconomy's commitment to financial education is clear, with engagements at universities to ensure future generations understand the importance of sustainable finance. As they continue to innovate, collaborate, and expand, Doconomy exemplifies how fintech can be a force for good, empowering individuals to make sustainable choices and driving meaningful change worldwide.

Embracing the Future of Fintech for Good

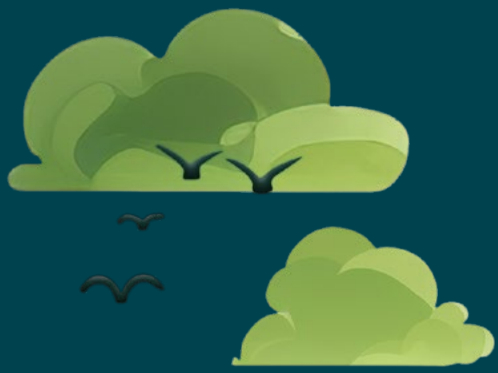
Key Highlights

- The growth of the fintech phenomenon has the potential to reshape and improve the financial sector, but it also offers opportunities for society as a whole.
- The fintech phenomenon can facilitate a "democratization of finance," i.e., the access and engagement of a more significant number and diversity of people, leading to a new concept of finance that is more sustainable and inclusive.
- Fintech can catalyze the emerging "green" finance, addressing current and relevant concerns about social and environmental issues.
- Fintech can trigger mechanisms of social value creation by leveraging the combination of the intrinsic value derived from the use of technology to address a social need and the additionality of targeting underserved people and markets.
- Fintech for good (F4G) companies emerge as an attractive partner for incumbents looking to expand their impact.
- F4G companies can provide complementary services to incumbents till creating or capturing new unexplored markets.
- The potential that fintech can bring to sustainability and the intersection of fintech and sustainability and related issues deserve attention and further and deeper exploration.

The growth of the fintech phenomenon has the potential to reshape and improve the financial sector, but it also offers opportunities for society as a whole. The fintech phenomenon can facilitate a "democratization of finance," i.e., the access and engagement of a more significant number and diversity of people, leading to a new concept of finance that is more sustainable and inclusive. In addition, fintech could catalyze the emerging "green" finance, addressing current and relevant concerns about social and environmental issues. The potential that fintech can bring to sustainability and the intersection of fintech and sustainability and related issues deserve attention and further exploration. As a result, there are many opportunities for financial services providers to be a force for change.

More specifically, this study provides managerial implications in several ways. First, by developing a taxonomy of the F4G phenomenon, it was possible to show how fintech can trigger mechanisms of social value creation by leveraging the combination of the intrinsic value derived from the use of technology to address a social need and the additionality of targeting underserved people and markets. The study shows that F4G can bring innovation to the financial industry on multiple levels, including services, internal operations, access to new consumers, and untapped markets. F4G firms do this by addressing some of the inefficiencies and failures of the financial market, creating value for both financial players and their customers.

Second, at a conceptual level, the research demonstrates how, in the context of financial markets, technology can be the means to disrupt the trade-off between profitability and impact. Indeed, by



addressing market inefficiencies and enabling F4G solutions to scale and achieve more significant sales volumes, technology allows F4G to develop profitable business models while addressing critical societal issues. It is recognized that technology is inherently diffusional and can facilitate reaching larger audiences more efficiently and, thus, more beneficiaries.

Third, the analysis of cases of F4Gs working closely with incumbents showed the value of a close relationship between the two actors and the mutual benefits. This makes F4Gs an attractive partner for incumbents looking to expand their impact. Indeed, while most incumbents know the value that fintech could bring to their operations regarding innovation capacity, few are looking at the sector through an impact lens and considering F4G to increase their impact. Therefore, we encourage financial institutions to rethink fintech from this perspective and begin to approach the fintech market through this new lens. This shift may require crossing organizational silos and engaging different business functions, including sustainability and innovation, in the search for collaboration.

Fourth, the analysis also revealed differences in the operational and business models of F4Gs in economies at different levels of development. While in advanced economies, they primarily provide complementary services to incumbents or operate in niche markets, in emerging economies, they often capture or create entirely new markets that incumbents have been unable to serve. Moreover, while in advanced economies, F4Gs focus on meeting the unique needs of specific sub-populations or less creditworthy individuals, such as students and older people, in emerging economies, they often enable bottom-of-the-pyramid individuals to access essential services and development opportunities, such as education or access to credit. This evidence also proves that while the benefits of technological development and innovation in the financial market transcend the characteristics of the system context, to generate social value, technology must be brought to the market through context-specific applications, as only through such applications can it genuinely address the needs of local beneficiaries. This perspective contradicts the notion that technological innovation can be concentrated in a small number of regions worldwide, and this opens the discussion on how to foster context-based innovation. A question touches on the role of these different actors (i.e., non-profit organizations and communities) in the innovation process and how to transfer technological innovation to the market.

Finally, when comparing F4G's use of technology over several years, we observed an increase in the use of advanced technologies (such as artificial intelligence, biometric recognition, and blockchain). This trend suggests that F4G can increasingly manage the development of these technologies and use them to generate a positive impact. The increased use of advanced technologies makes F4G increasingly attractive to incumbents in the financial market as partners but also to investors, in particular impact investors and impact venture capitalists. Indeed, they promise to combine the generation of positive impact with scalability and profitability over time, a combination that has yet to be achieved.

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