



Center for Analysis and Communication of
Economic Reforms of the Republic of Azerbaijan

NEW TRENDS IN BANKING AND FINANCIAL ECOSYSTEM INNOVATIV SOLUTIONS, FINTECH AND SECURITY

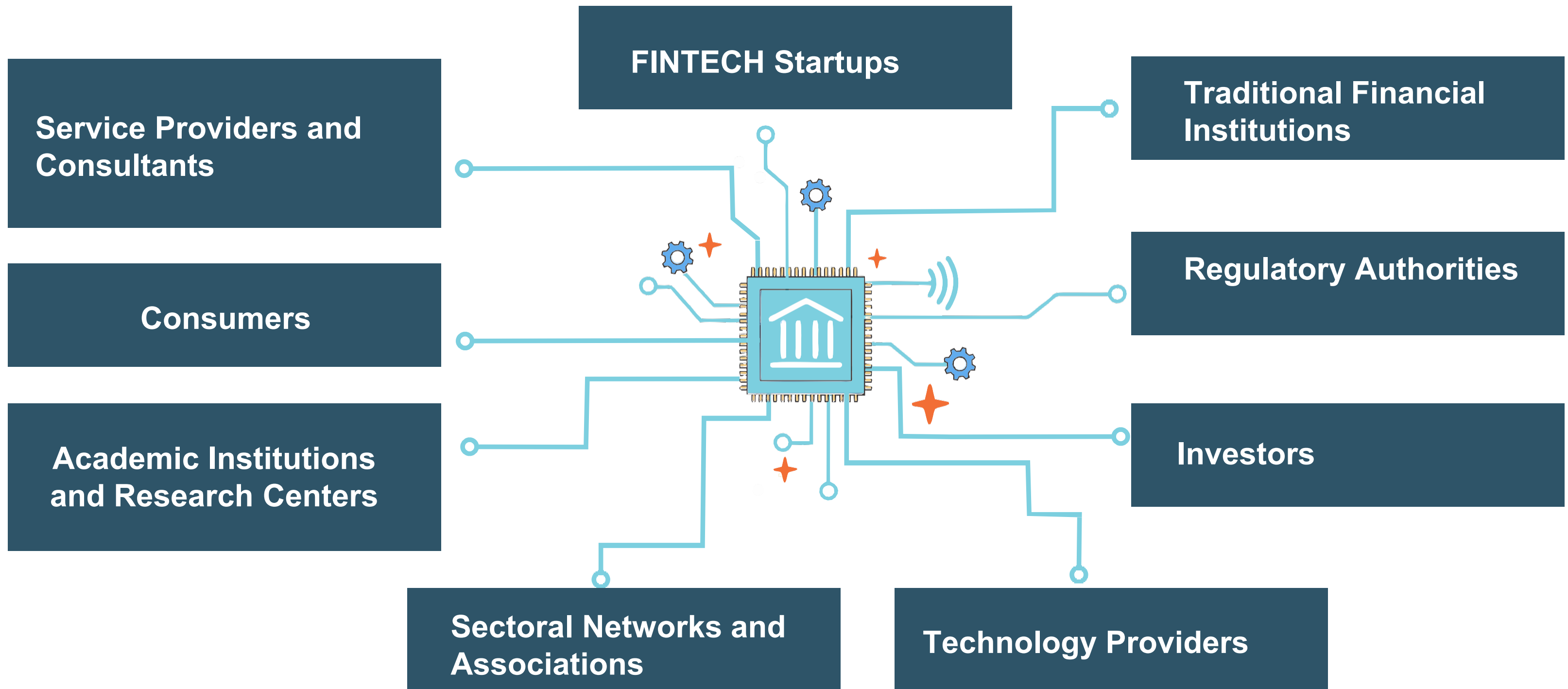
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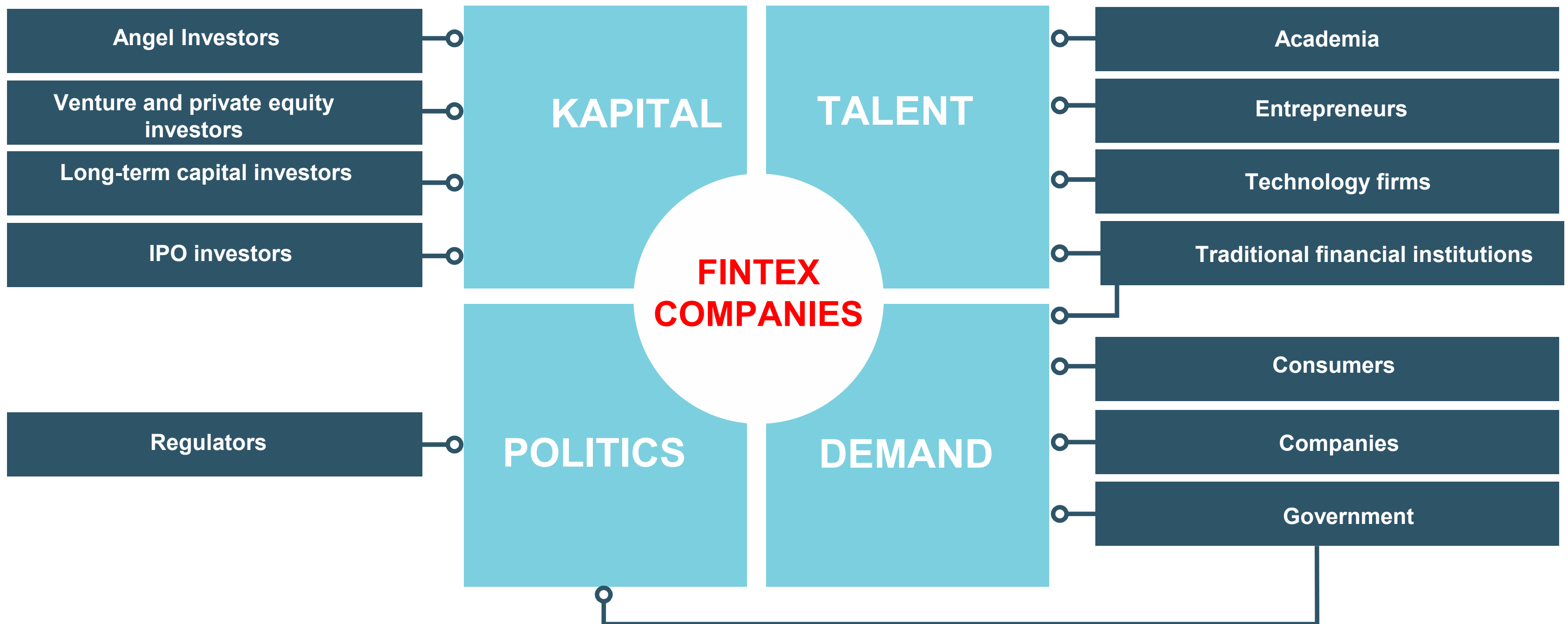
Faig Camalov
Senior Consultant, Economic Analysis
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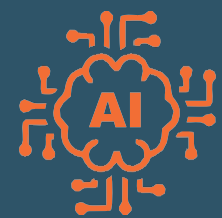
KEY COMPONENTS OF THE FINTECH ECOSYSTEM



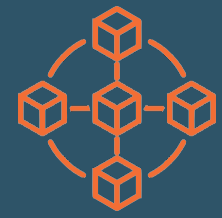
THE KEY ATTRIBUTES OF **HIGH-PRODUCTIVITY** FINTECH ECOSYSTEMS



TECHNOLOGIES SHAPING THE FUTURE OF FINTECH



Artificial intelligence



Blockchain



Cloud computing



Internet of Things



According to McKinsey's forecast, over the next few years, 7 technologies will not only shape competitive financial environment but also promote the development of Fin Tech



Open-source (initial code-based) software, serverless architecture, and software as a service (SaaS)

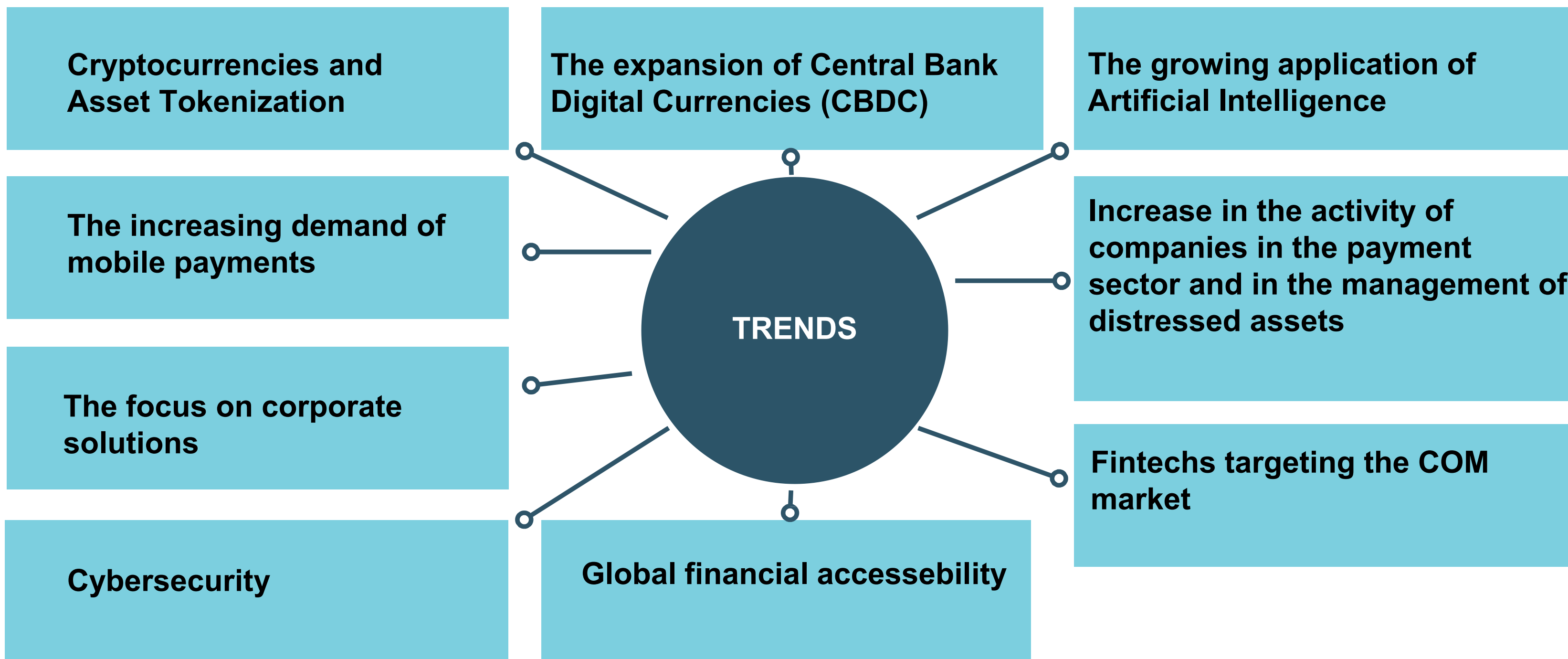


Low-code and no code development platforms



Hyper automation

SOME KEY TRENDS IN THE GLOBAL FINTECH SECTOR IN 2024



GLOBAL FINTECH MARKET AND GENERAL STATISTICS BY ITS SEGMENTS

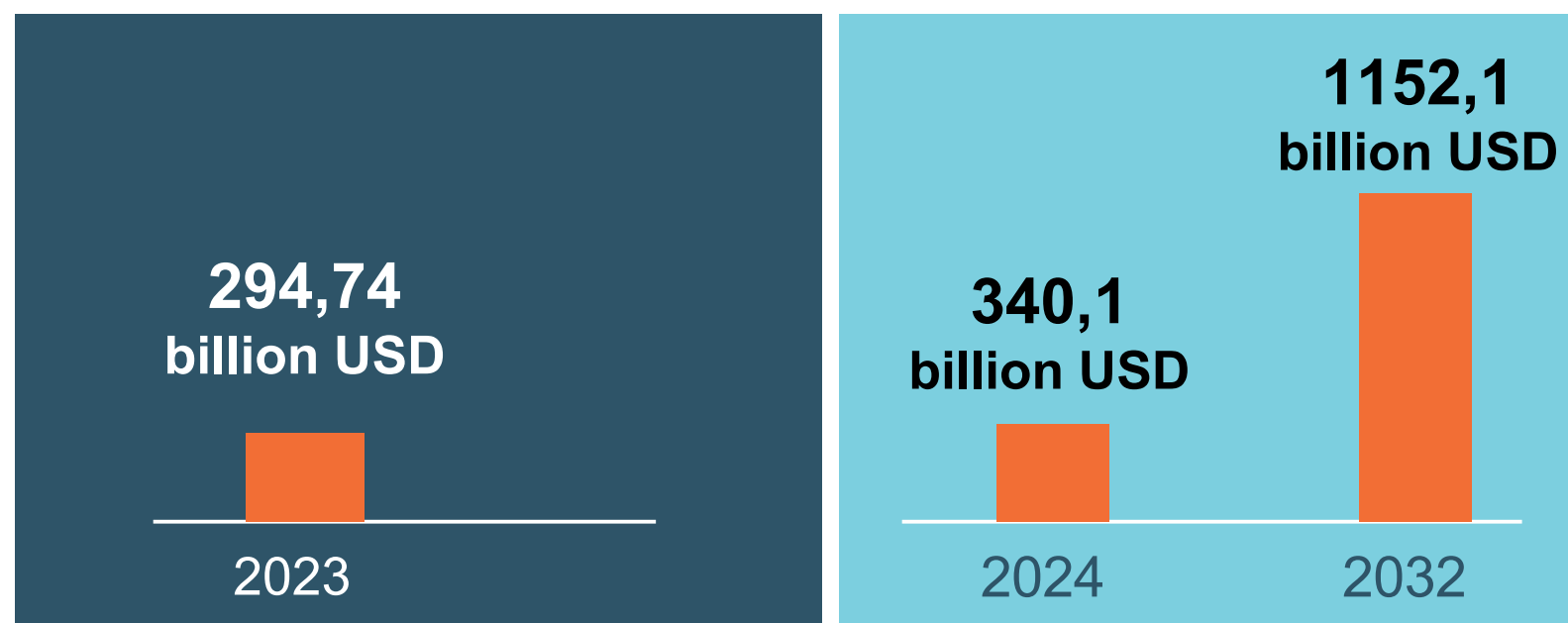


Global Fin Tech Market

CURRENT

FORECAST

GLOBAL MARKET SIZE



Global Fintech Sector Revenue

CURRENT

FORECAST

GLOBAL MARKET FOR DIGITAL PAYMENTS



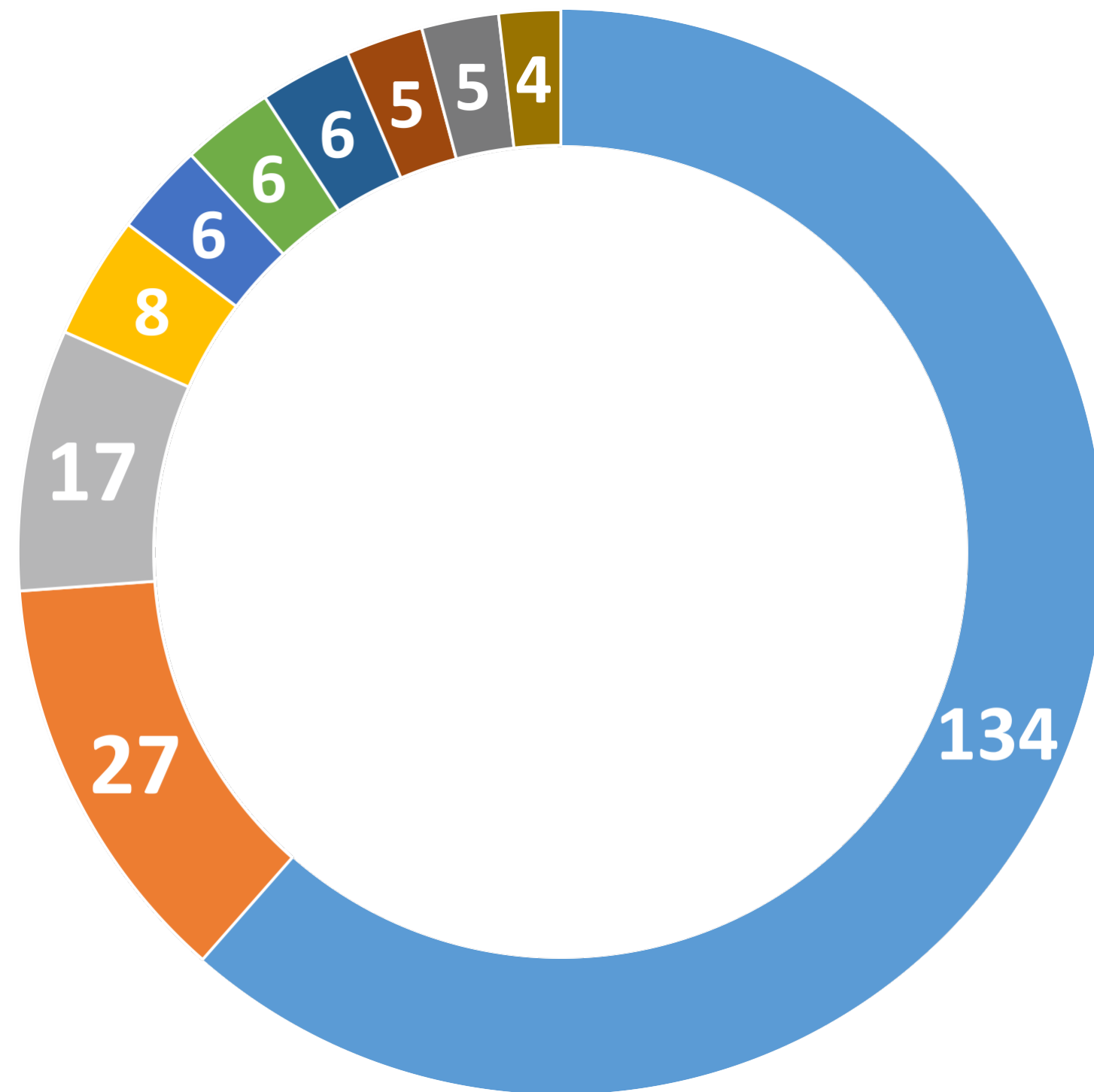
GLOBAL FINTECH SECTOR REVENUE



Source: Fortune Business Insights, 29.04.2024, FinTech Market size, Share and Industry Analysis, By technology (AI, Blockchain, RPA, and Others), By Application (Fraud Monitoring, KYC Verification, and Compliance & Regulatory Support), By end use (Banks, Financial institutions, Insurance companies, and others), and Regional Forecast, 2024-2032, Report ID: FBI108641.
Statista (global data and business intelligence platform)



MAIN COUNTRIES WITH FINTECH STARTUPS WITH A VOLUME ABOVE 1 BILLION USD



- USA
- United Kingdom
- India
- China
- France
- Brazil
- Germany
- Mexico
- Singapore
- Netherlands



DEVELOPMENT TRENDS OF THE WORLD FINTECH IN THE COMING YEARS



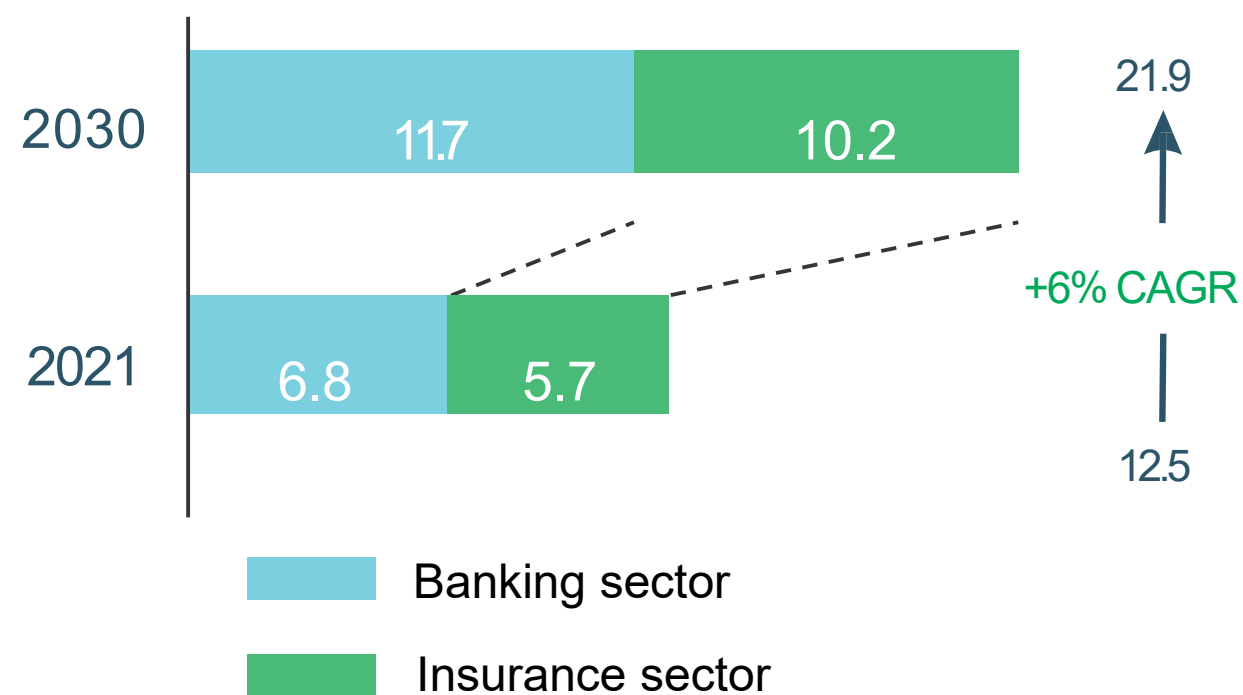
Global financial services revenue

Global financial services revenue

It is expected that the Asia-Pacific (APAC) region, with a revenue of nearly 4 trillion USD from financial services, will surpass the United States by 2030 and become the leading Fintech market in the world (with a CAGR of 27%).

This growth will primarily be driven by developing countries, as they have (i) large fintech companies, (ii) a large population not covered by banking services, (iii) a significant number of small and medium-sized enterprises, and (iv) a tech-savvy youth population.

From 2018 to 2030, the use of artificial intelligence in the banking sector will generate approximately 99 billion USD in revenue in the Asia-Pacific region.



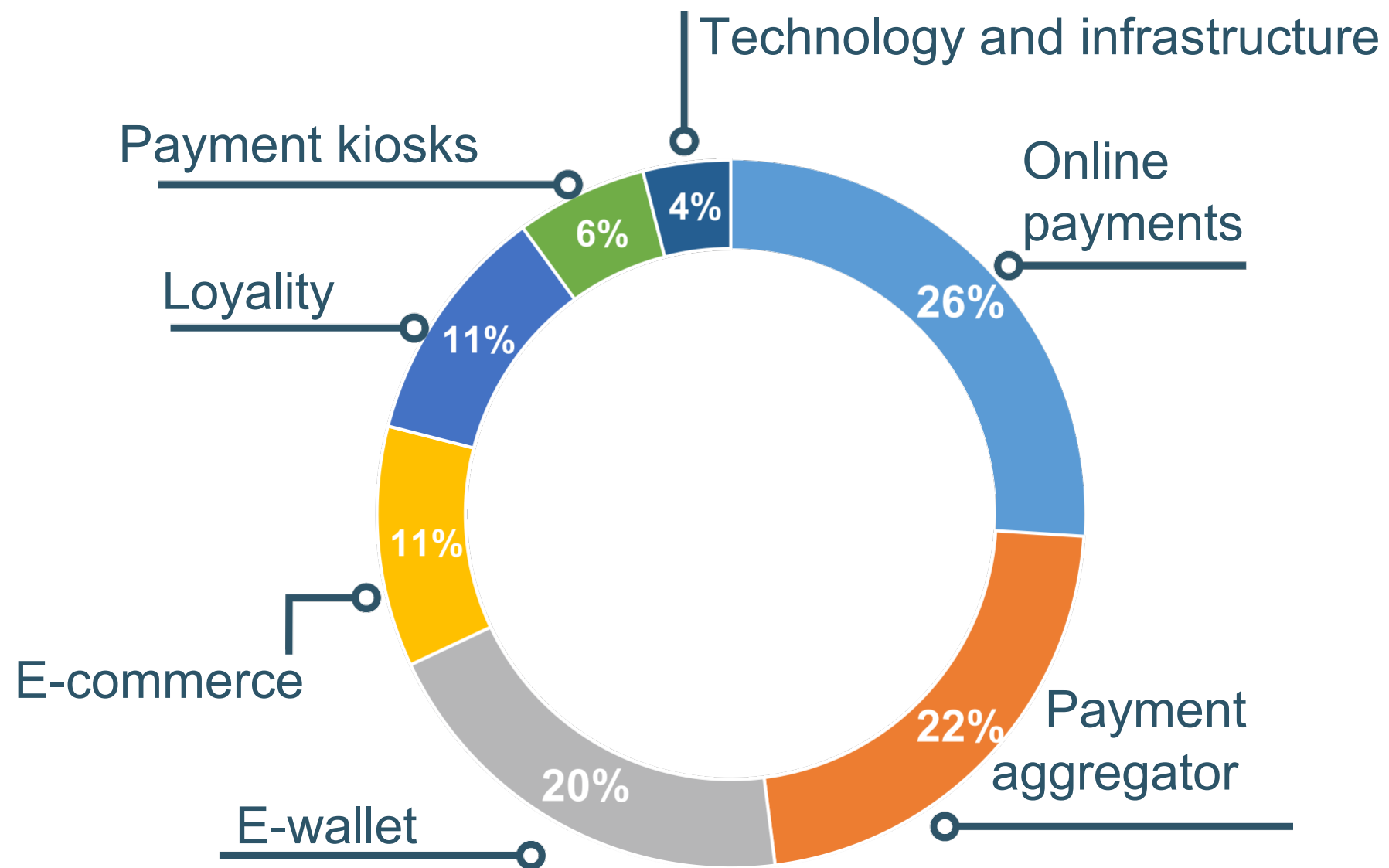
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Sources: Boston Consulting Group, Global Fintech 2023, May 2023, Reimagining the Future of Finance, By Deepak Goyal, Rishi Varma, Francisco Rada, Aparna Pande, Juan Jauregui, Patrick Corelli, Saurabh Tripathi, Yann Sénant, Stefan Dab, Yashraj Erande, JungKiu Choi, Jan Koserski, and Joseph Carrubba of the Boston Consulting Group, By Nigel Morris, Frank Rotman, Matt Risley, and Sahej Suri of QED Investors. Финтех-рынок (FinTech), 17.01.2024, <https://www.tadviser.ru/>

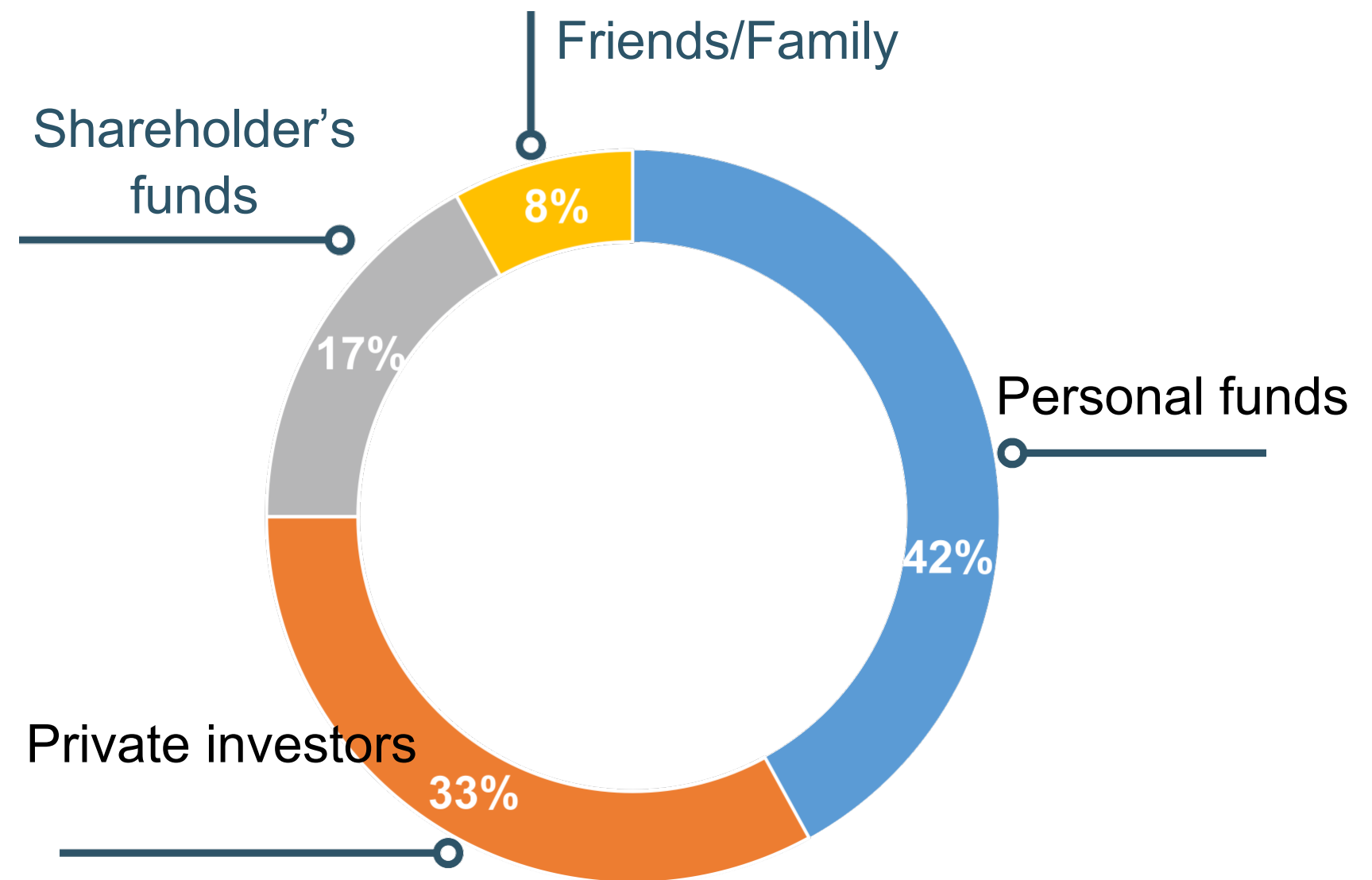
AZERBAIJANS MAIN FINTECH SEGMENTS AND FINANCING SOURCES



**FINTECH SEGMENTS
(2023)**



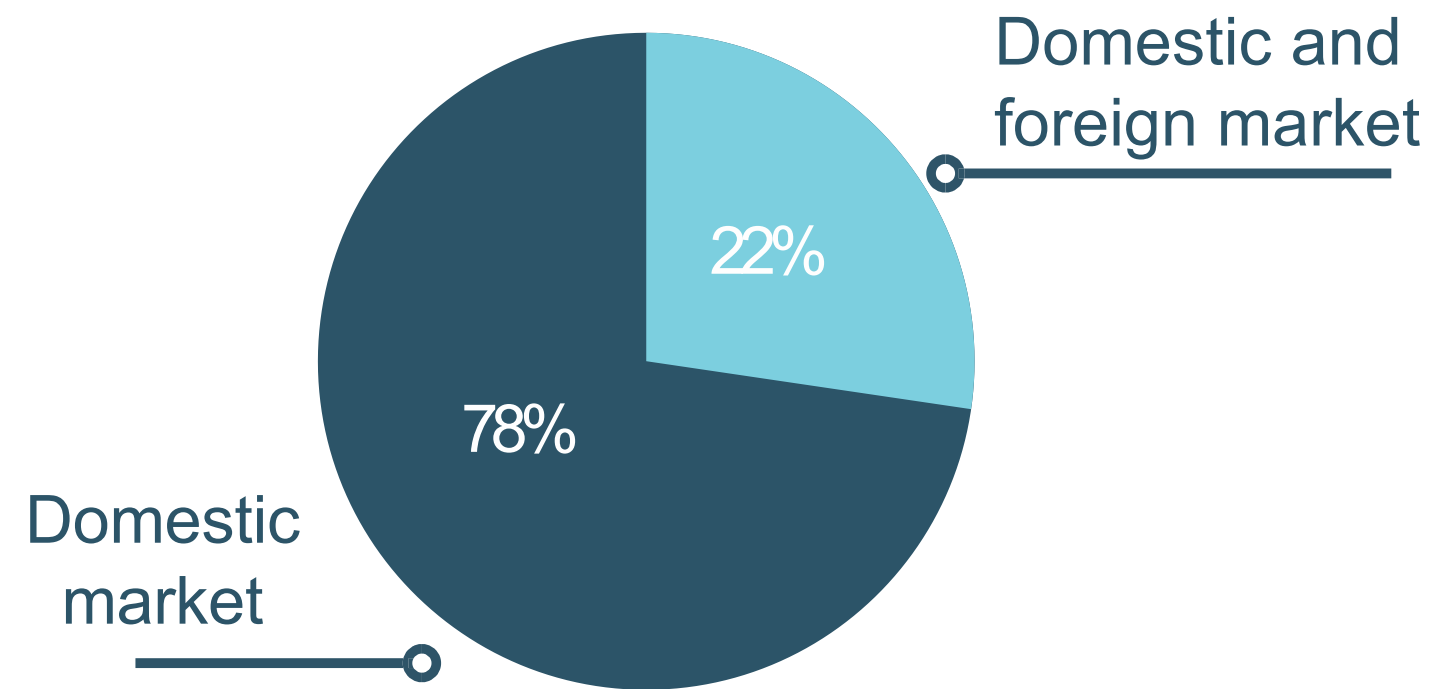
**FINTECH COMPANIES' FINANCING SOURCES
(2023)**







IMPORTANT FACTS ABOUT THE DEVELOPMENT OF THE FINTECH SECTOR IN AZERBAIJAN



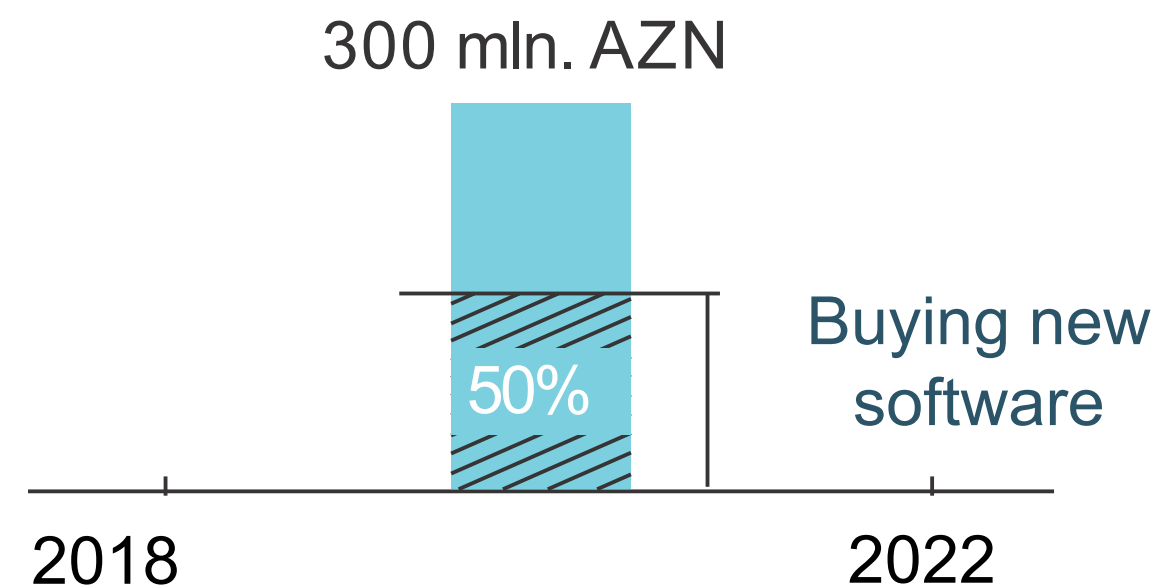
PARTICIPATION OF FINTECH COMPANIES IN DOMESTIC AND FOREIGN MARKETS



FOREIGN MARKETS WHERE FINTECH COMPANIES ARE INVOLVED

-  TURKIYE
-  KAZAKHSTAN
-  PAKISTAN
-  UZBEKISTAN

BANKS FINTECH EXPENSES



IMPORTANT FACTS ON THE DEVELOPMENT OF THE FINTECH SECTOR IN AZERBAIJAN



EVENTS

LAWS on payment services and payment systems

State program for the Expansion of Digital Payments (2018 2020)

Central Bank's Digital Payment Strategy for 2021-2023

Blockchain-based Digital Identification System

Instant Payment System

Fintech Strategy (2024-2028)

Special regulatory "sandbox"

Card infrastructure

2023



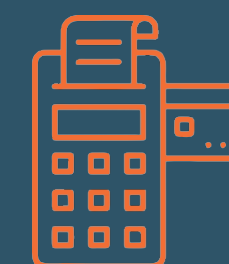
Number of payment cards:
16,9 million



Turnover of card transactions:
88,1 billion AZN



Volume of e-commerce transactions:
88,1 billion AZN



Volume of POS cashless transactions:
Total – 9,8 billion AZN
Volume of POS cashless transactions:





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