

# The Future of Finance is Emerging: New Hubs, New Landscapes

## Global Fintech Hub Index 2018

Amsterdam

6 June, 2018

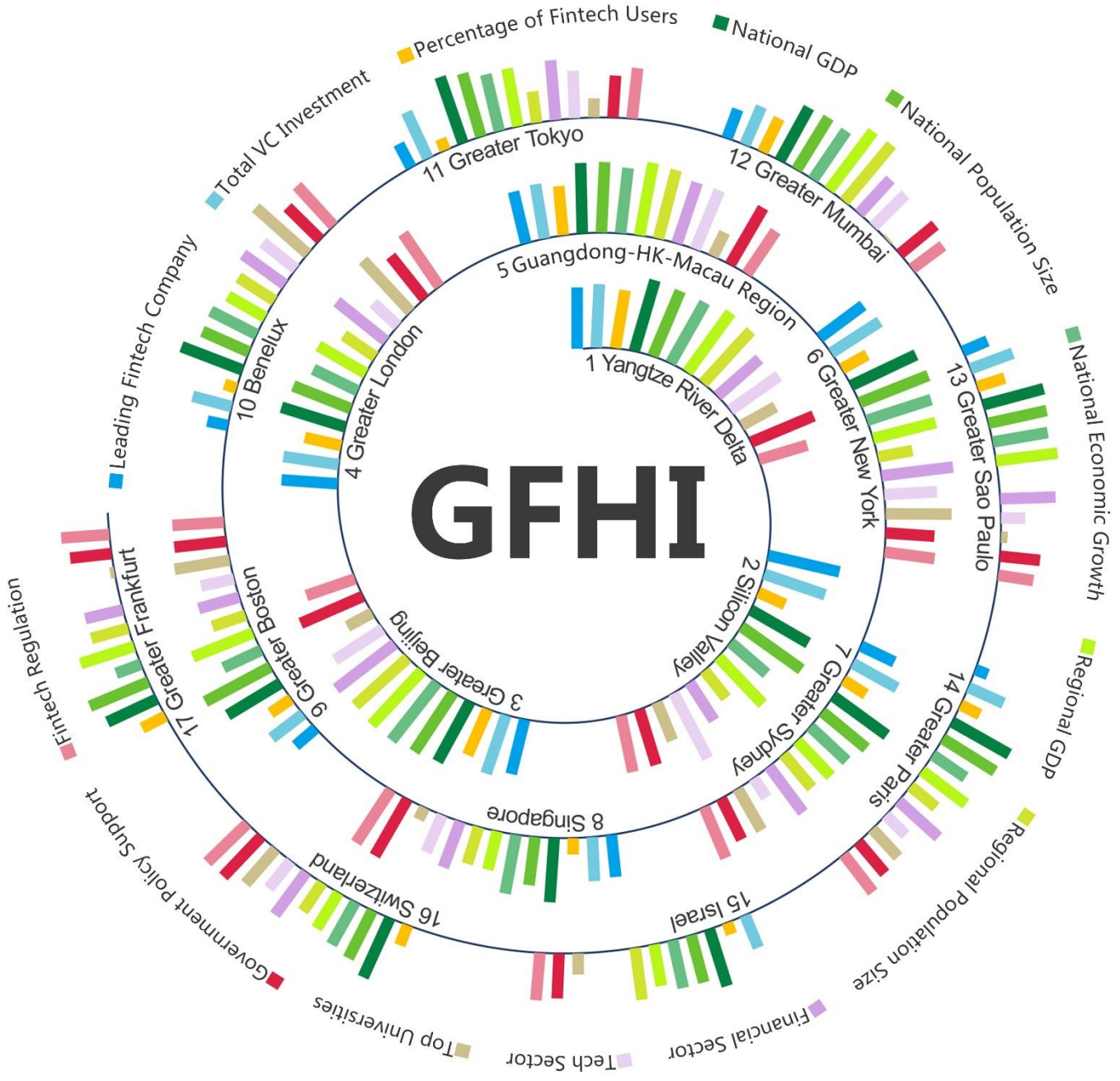
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浙江大学 互联网金融研究院  
ACADEMY OF INTERNET FINANCE  
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# Preface

In recent years, the Fintech boom has become an irresistible trend along which traditional financial centers are challenged by the inevitable necessity of fundamental transitions and transforms, while new financial centers represented by regional Fintech hubs are emerging and evolving.

Global Fintech hubs in the new era generally present stronger regional linkage and gradually integrate into cross-city communities which are normally endowed with a liberalised economic environment, highly-efficient resource allocation capability and strong agglomeration and spillover effects.

The inevitable advent of a “More integrated, more inclusive and more boundless” Fintech era and the yearning for common financial inclusion are calling for the reconceptualization of both “finance” and “hub”.



# Contents

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## 01. About GFHI

01-1. The Index System

01-2. Data & Calculation

## 02. Overview

02-1. Global Landscapes

02-2. Fintech Hubs Worldwide

02-3. City Rankings

## 03. Deeper Insight

03-1. Global Fintech Hubs

03-2. Other Regions & Cities

# 01

Part One

## About GFHI

- The Index System
- Data & Calculation

# Index System of GFHI: 13 Indicators across 3 Dimensions

Global Fintech Hub Index (GFHI) is computed in the same line of thought with the compilation of the China Fintech Hub Index (FHI), which targeted on the three major market players including enterprises, consumers and government.

<b>GFHI</b>	<b>Fintech Industry</b>	Leading Companies	# of Leading Fintech Company	
	• <i>Measuring regional/city-wide Fintech development</i>	Venture Capital	Total VC Investment	
	<b>Fintech Consumer Experience</b>	Fintech Adoption Rate	Percentage of Fintech Users	
	• <i>Measuring the proportion of Fintech service users out of the total population and acceptance of Fintech</i>			
	<b>Fintech Ecosystem</b>	• <i>Measuring the potential for future Fintech development and governmental attention received</i>	Macroeconomic Factors	National GDP
				National Population Size
				National Economic Growth
				Regional GDP
				Regional Population Size
				Financial Sector
				Tech Sector
				R&D
	Policy and Regulations		Government Policy Support	
Fintech Regulation				



# Data & Calculation

01

## Regions

Over 20 world regions, including Greater Beijing, Yangtze River Delta, Silicon Valley, Greater New York, Greater Tokyo, Greater London, etc. The top 17 regions are selected



02

## Core Cities

Over 30 core cities, including Beijing, Shanghai, Hangzhou, HK, New York, London, Paris, Amsterdam, Dubai, etc. The top 30 cities are selected for the compilation of GFHI



03

## Data

Large volume of data, combining traditional statistic data with big data technology



04

## Calculation

Index is calculated using stratification and weighted average methods, which can be broken down into the standardization of raw data, the determination of weights, and stratified calculation



# 02

Part Two

## Overview

- Global Landscapes
- Fintech Hubs Worldwide
- City Rankings



# Global Fintech Landscapes: Asia and America are Leading while Europe is Falling Behind

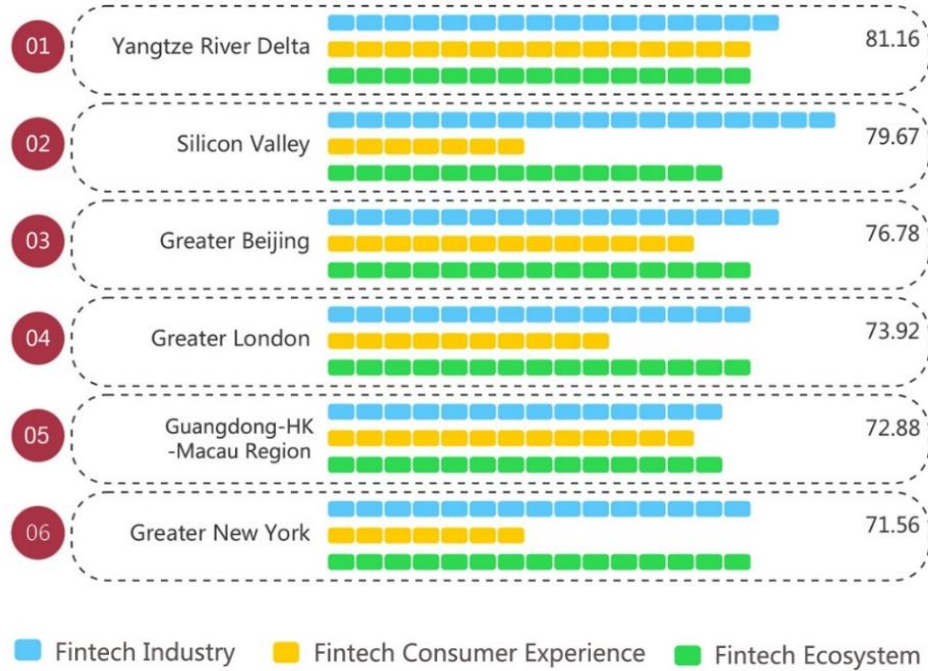


Notes: Numbers in blue circles represent the ranking of regions, and those in yellow circles represent the ranking of cities

# Fintech Hubs Worldwide

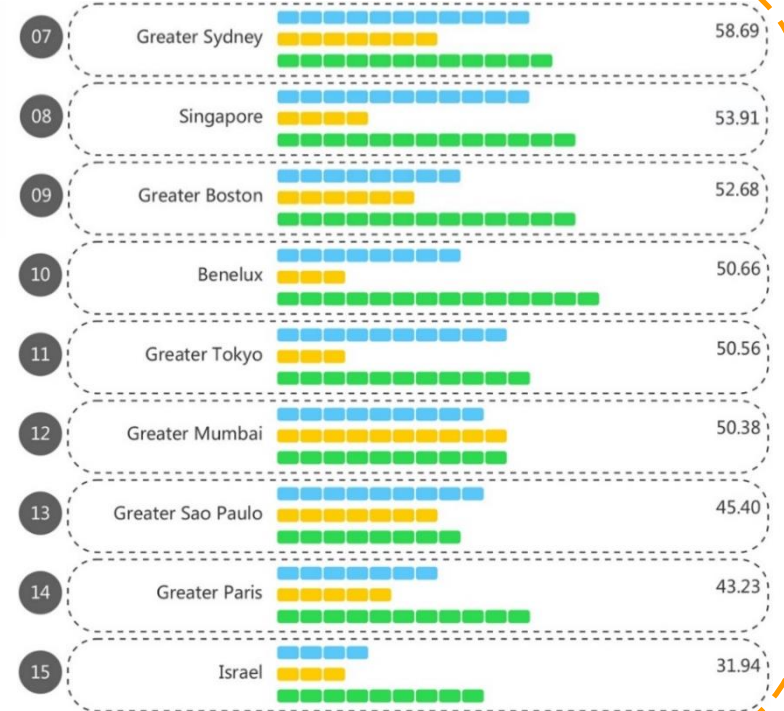
## GFHI RANKINGS 2018

### Global Fintech Hubs

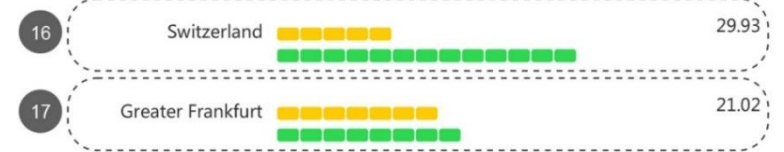


*3 in China    2 in USA    1 in UK*

### Regional Fintech Hubs



### Emerging Fintech Hubs



City	Country	GFHI		Fintech Industry		Fintech Consumer Experience		Fintech Ecosystem	
		Rank	Score	Rank	Score	Rank	Score	Rank	Score
Beijing	China	1	82.6	2	86.7	4	82.7	1	77.3
San Francisco	USA	2	77.3	1	93.2	12	49.6	8	65.8
Shanghai	China	3	76.8	5	80.0	5	81.2	4	71.4
London	UK	4	76.0	4	81.5	11	56.1	3	75.3
New York	USA	5	75.5	3	82.2	13	43.0	2	77.1
Hangzhou	China	6	74.1	6	75.7	1	90.6	6	67.0
Shenzhen	China	7	73.1	7	74.7	2	85.2	5	67.4
Sydney	Australia	8	58.8	8	64.2	15	41.3	20	57.4
Singapore	Singapore	9	57.0	9	58.5	26	22.3	7	65.9
Seattle	USA	10	54.3	13	51.6	20	34.0	10	64.0
Tokyo	Japan	11	53.3	10	56.1	28	16.5	13	61.1
Chicago	USA	12	52.9	11	55.1	23	29.7	19	57.4
Hong Kong	China	13	52.1	14	46.4	18	35.0	9	64.5
Guangzhou	China	14	49.4	20	29.9	3	84.6	11	63.0
Boston	USA	15	48.2	17	42.7	19	34.0	16	59.6
Seoul	South Korea	16	47.7	16	43.3	22	30.5	17	58.6
Sao Paulo	Brazil	17	47.6	12	51.9	14	42.5	28	43.7
Paris	France	18	46.2	18	37.2	24	28.9	12	62.7
Amsterdam	Holland	19	43.9	15	44.5	25	27.5	25	48.2
Mumbai	India	20	43.5	19	32.0	10	58.0	23	53.4
Wuhan	China	21	33.5	21	0.0	6	80.6	14	61.1
Nanjing	China	22	32.4	21	0.0	8	71.7	15	61.1
Chengdu	China	23	31.2	21	0.0	7	73.3	18	57.5
Xi'an	China	24	30.1	21	0.0	9	66.9	21	56.5
Zurich	Switzerland	25	24.6	21	0.0	21	30.6	22	53.6
Moscow	Russia	26	21.5	21	0.0	29	16.5	24	50.0
Frankfurt	Germany	27	21.4	21	0.0	16	35.6	27	43.9
Brussels	Belgium	28	19.6	21	0.0	30	13.2	26	46.2
Cape Town	South Africa	29	19.2	21	0.0	16	35.6	29	38.3
Dubai	UAE	30	17.2	21	0.0	26	22.3	30	37.3

## Global Leaders: 1-7

- 4 in China
- 2 in USA
- 1 in UK

## Regional Leaders: 8-20

- 7 in Asia
- 4 in America
- 2 in Europe

## Emerging Leaders: 21-30

- 4 in Europe
- 9 Chinese cities dominate the Fintech experience ranking while Hangzhou ranks 1<sup>st</sup>

# 03

Part Three

## Deeper Insight

- Global Fintech Hubs
- Other Regions & Cities

# Yangtze River Delta ■ China **Rank 1**

Score 84.7  
Rank 2

**Industry**

**Experience**

Score 79.5  
Rank 1

## Key Advantages

- **Cluster of global leaders:** World-leading Fintech companies including Ant Financial, Lufax, ZhongAn Insurance, etc
- **Best consumer experience**
- **Economic strength of the region:** Regional economic aggregate ranks 1<sup>st</sup> in the globe
- **Thriving entrepreneurship, conducive government policy**

## Opportunities

- **Economic integration of the region**
- **One Belt One Road Initiative**

Index Score

**81.2**

**Ecosystem**

Score 77.2  
Rank 2



**Yangtze River Delta**

**Best Consumer Experience**

As the financial center of mainland China, this region accounts for 20 percent of China's GDP and one third of China's imports and exports volume

# Yangtze River Delta

Core Cities:

Shanghai, Hangzhou, Nanjing, Suzhou, Wuxi, Ningbo, Nantong, Hefei, Changzhou, Shaoxing, Yangzhou, etc.



## Hangzhou ..... 6/74.11

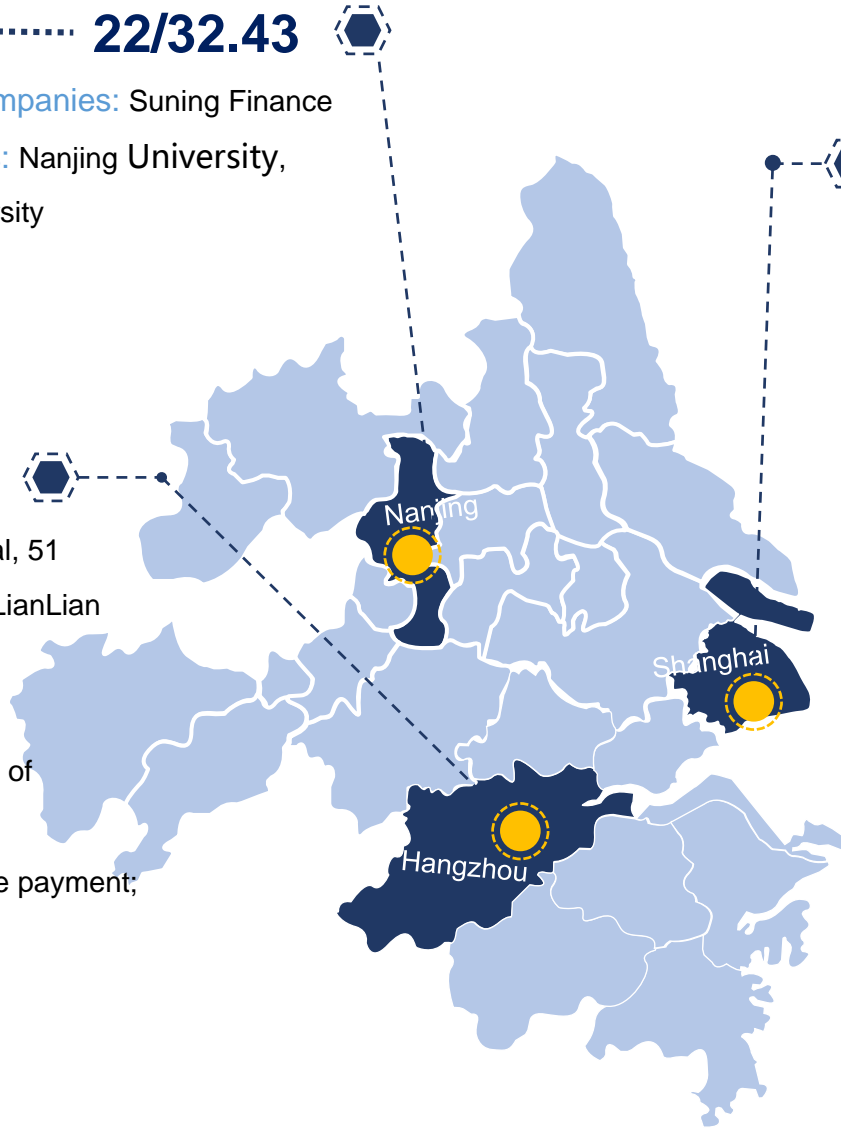
- **Top Fintech Companies:** Ant Financial, 51 Xinyongka, Hyperchain Technologies, LianLian PAY
- **Top Universities:** Zhejiang University
- **Fintech Research Institute:** Academy of Internet Finance, Zhejiang University
- **Fintech Experience:** The city of mobile payment; Best Fintech Experience

## Nanjing ..... 22/32.43

- **Top Fintech Companies:** Suning Finance
- **Top Universities:** Nanjing University, Southeast University

## Shanghai ..... 3/76.80

- **Top Fintech Companies:** Lufax, Dianrong, 99 Bill, PPDai
- **Top Universities:** Fudan University, Shanghai Jiao Tong University
- **Fintech Research Institute:** Shanghai Finance Institute, Fudan-Stanford Institute for China Financial Technology and Risk Analytics
- **Fintech Experience:** Residents are willing to accept new ideas; Best awareness and participation of blockchain in China



Notes: The pairs of figures listed represent the combination of rank/score for each city

# Silicon Valley ■ USA

## Rank 2

### Key Advantages

- ▶ Largest pool of leading Fintech players
- ▶ Ample VC Investments
- ▶ Best startup incubators
- ▶ Great ecosystem, close collaboration between industry and academic research

### Opportunities

- ▶ Regulatory overhaul
- ▶ Consumer adoption

Score 93.2  
Rank 1

### Industry

### Experience

Score 39.8  
Rank 6

### Ecosystem

Score 74.9  
Rank 5



### Silicon Valley

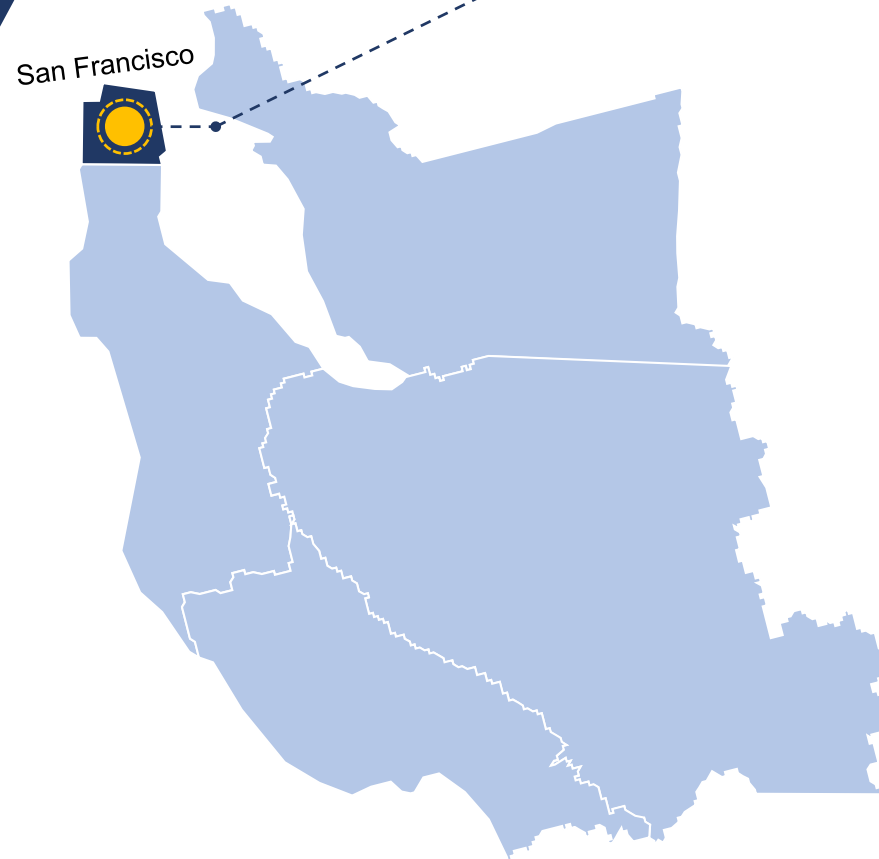
Completed Innovation Support System

As the global center for high technology, venture capital, innovation, and social media, Silicon Valley is the home to many of the world's largest high-tech corporations, including the headquarters of 39 businesses in the Fortune 1000, and thousands of startup companies

# Silicon Valley

Core Cities:

San Francisco, Oakland,  
San Jose, etc.



## San Francisco ..... 2/77.28

- **Top Fintech Companies:** SoFi, Credit Karma, Affirm, Square, Paypal, VISA
- **Top Universities:** Stanford University; University of California, Berkeley; University of California, San Francisco  
( Note: the first two universities are not located at San Francisco, however, with excellent talents, they have played a major role in the development of the city )
- **Fintech Research Institute:** IBM Research – Almaden  
( located at San Jose ) , Advanced Financial Technologies Laboratory – Stanford University ( Stanford University ) , Center for Effective Global Action ( University of California, Berkeley )  
( Note: same reason for selection as Top Universities )
- **Fintech Regulation:** San Francisco has high flexibility in Fintech regulation. Legislature and the government are willing to adjust relative laws and regulations to embark a better Fintech ecosystem



# Greater Beijing ■ China **Rank 3**

## Key Advantages

- **Largest financial service companies:** The largest total market cap of the world's top 200 financial institutions
- **Great market potential:** World's most populous region
- **Government support, China's Silicon Valley**

## Opportunities

- **Xiong'an New Area**
- **The advantage of developing FTA**
- **Regional integration**

Score 80.0  
Rank 3

**Industry**

**Experience**

Score 67.9  
Rank 2

**Ecosystem**

Score 75.4  
Rank 4

Index Score

**76.8**



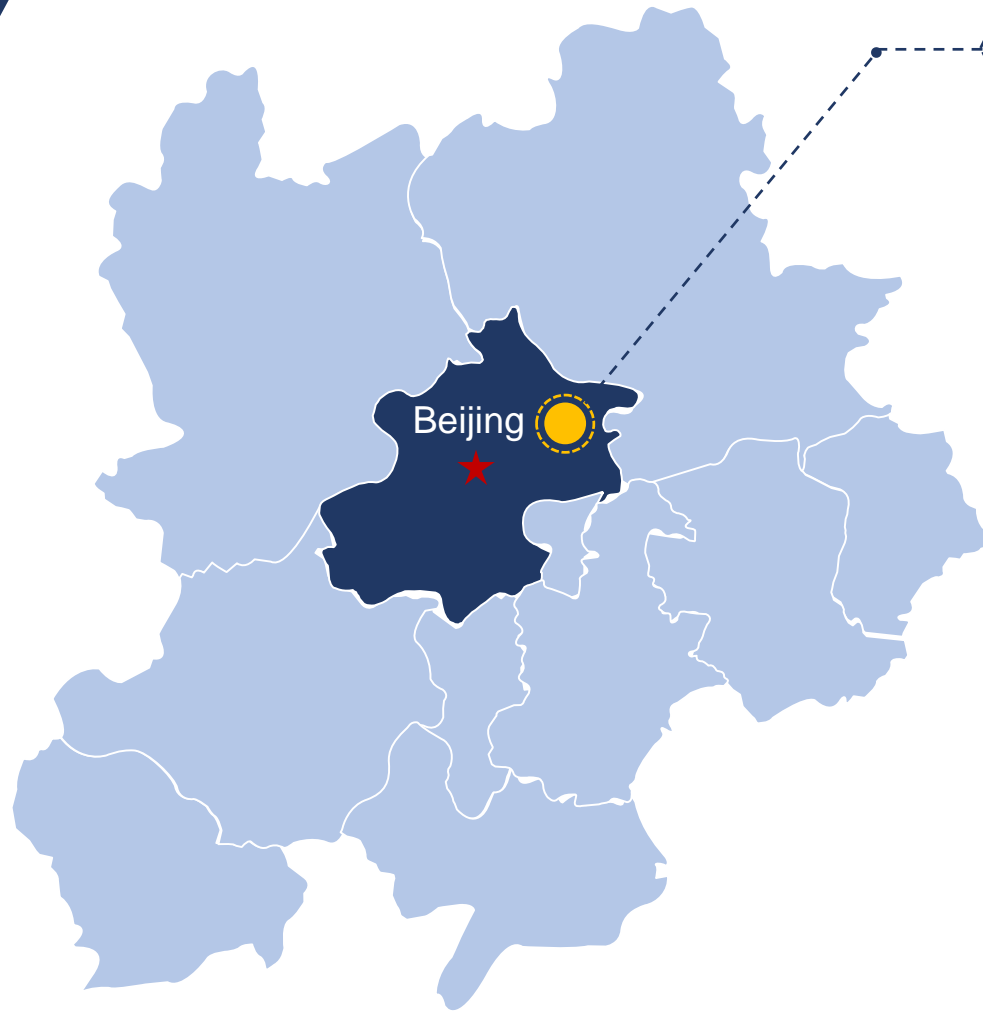
**Greater Beijing**  
Enormous Market Size

Greater Beijing is the biggest urban region in Northern China. It has an economic region surrounding Beijing, Tianjin, and Hebei. It is inclining to be one of the world's most growth-driven compounds for various economic and technological industries

# Greater Beijing

Core Cities:

Beijing, Tianjin, Zhangjiakou,  
Shijiazhuang, Qinhuangdao,  
Tangshan, Langfang, Baoding  
etc.



## Beijing ..... 1/82.55

- **Top Fintech Companies:** JD Finance, Du Xiaoman Financial, Qufenqi, WeCash, Yirendai
- **Top Universities:** Tsinghua University, Peking University, Renmin University of China
- **Fintech Research Institute:** Institute of Internet Finance, Peking University; Tsinghua PBCSF
- **Fintech Experience:** Superior crowdfunding experience; Extensive product-based crowdfunding, especially crowdfunding for publishing and film
- **Fintech Regulation:** The government embraces the development of Fintech and releases a series of Fintech related policies, seeking to exhibit deeper influence on global Fintech development



# Greater London ■ UK **Rank 4**

## Key Advantages

- **World-class ecosystem:** Global financial and technology center
- **Regulatory sandbox:** Pioneering regulatory innovation, the first regulatory sandbox
- **Cluster of top research universities:** Its universities form the largest concentration of higher education institutes in the world

## Opportunities

- Government promotes Fintech development to deal with Brexit
- High demand for Fintech
- Innovative regulation, such as Regtech

Score 76.1  
Rank 4

**Industry**

**Experience**

Score 50.8  
Rank 5

**Ecosystem**

Score 78.3  
Rank 1

Index Score

**73.9**



**Greater London**

World-class Fintech Ecosystem

As the political and economic center of UK, Greater London has the highest GDP per capita nationwide. Its financial industry, commerce and tourism development reached premier prestige in the world



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# Greater London

Core Cities:

London, Cambridge,  
Oxford etc.



## London..... 4/76.04

- **Top Fintech Companies:** LendInvest, Funding Circle, TransferWise, Revolut, Zopa
- **Top Universities:** University College London, Imperial College London, King's College London
- **Fintech Regulation:** Government regulators encourage Fintech innovation. FCA also launched regulatory sandbox which provides spaces for Fintech innovation and regulators constantly adjust the existing regulatory framework and explores new regulatory boundaries



# Guangdong-HK-Macau Region ■ China **Rank 5**

## Key Advantages

- Strength of regional economy
- Great innovation
- Great regional advantages: The “one country, two systems” principle

## Opportunities

- Central government support: The “Guangdong-Hong Kong-Macau Greater Bay Area” plan
- Regional integration

Score 73.2  
Rank 6

**Industry**

**Experience**

Score 66.9  
Rank 3

**Ecosystem**

Score 74.3  
Rank 6

Index Score

**72.9**



**Guangdong-HK-Macau Region**

Best Economic Performance

The industrial cities in Guangdong-HK-Macau Region have been called the "World's Factory" due to the presence of industrial parks populated with factories embarked by foreign investments

# Guangdong-HK-Macau Region

Core Cities:

Guangzhou, Shenzhen,  
Hong Kong, Macau, etc.



**Guangzhou** .....14/49.38

- Top Fintech Companies: PPMoney
- Top Universities: Sun Yat-sen University, Jinan University

**Hong Kong** ..... 13/52.12

- Top Fintech Companies: CompareAsiaGroup, Futu5, 8 Securities
- Top Universities: The University of Hong Kong, The Hong Kong University of Science and Technology, The Chinese University of Hong Kong

**Shenzhen** .....7/73.12

- Top Fintech Companies: Zhongan insurance, Jinfuzi, Webank, Tenpay
- Top Universities: Shenzhen University

# Greater New York ■ USA **Rank 6**

Score 75.8  
Rank 5

**Industry**

**Experience**

Score 39.1  
Rank 7

## Key Advantages

- Global financial center, stock exchanges
- Size of regional economy
- Cluster of top universities: Rank 3<sup>rd</sup> in comprehensive strength of top universities

## Opportunities

- Turn leadership in financial services into leadership in Fintech
- Special Fintech regulation support
- More entrepreneurship

Index Score

**71.6**

**Ecosystem**

Score 76.2  
Rank 3

**Greater New York**

Global Financial Center

Greater New York is the largest industrial and business pivot in the world, including finance, international trade and manufacturing. The most important economic sector lies in its role as the headquarters for the U.S. Financial industry, known as the Wall Street

# Greater New York

Core Cities:

New York , Newark, Jersey City, Teaneck, Englewood, New Brunswick, etc.



## New York ..... 2/77.28

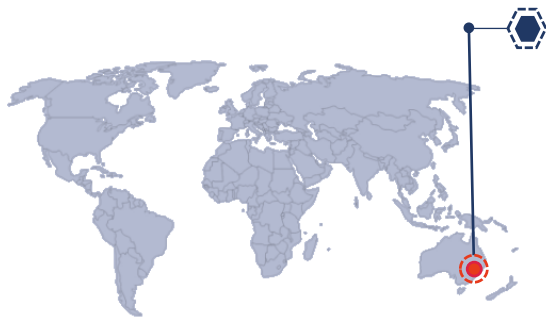
- **Top Fintech Companies:** Oscar, OnDeck, CommonBond, Behalf, Betterment, Digital Asset Holdings
- **Top Universities:** Columbia University, Cornell University, New York University
- **Fintech Regulation:** The government emphasizes on enlarging the inclusiveness of financial industries. Its regulation also emphasizes on the compliance and risk control of Fintech companies





# Greater Sydney ■ Australia

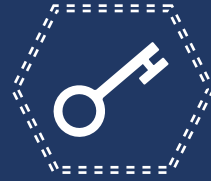
**Rank 7**



## Greater Sydney

Concept Revolution

## Key Advantages



- Advanced market economy with strengths in finance, manufacturing and tourism
- Rapid growth in number of Fintech companies
- Numerous prestigious universities maintaining a large talent pool
- One of the most livable regions

## Opportunities



- Launch of the official payment system 'New Payment Platform'
- Regulatory sandbox enables better Fintech ecosystem

## Top Fintech Companies



- Valiant, zipMoney, MoneyMe, Tyro Payments, Prospa

Singapore **Rank 8**



## Key Advantages



- Recognized as the most "technology-ready" nation (WEF), top International-meetings city (UIA), world's smartest city, etc.
- Emerging Fintech polestar with favorable policy and governance
- Highly attractive for international companies

## Opportunities



- Better communication with other regions, an essential advantage as a the geographic sweet spot
- Increasing foreign investments

## Top Fintech Companies



- Quoine, M-DAQ, TenX, Carro, KyberNetwork

Greater Boston ■ USA

Rank 9



## Key Advantages



- Cluster of top universities
- Ample VC investments
- Fintech Association complementary to government authorities

## Opportunities



- The localization of Fintech industry
- The internalization of financial institutions
- University-Industry collaboration

## Top Fintech Companies



- Circle Internet Financial, LevelUp, Kensho

Index Score

50.7

Rank 10

Benelux



## Key Advantages

- Regional Alliance
- Internationally renowned research, and large pool of talents



## Opportunities

- Booming digital technology
- New cooperation agreements of blockchain technology



## Top Fintech Companies

- Adyen, The Bitfury Group



## Key Advantages

- Great economic basis
- Cluster of high market-valued Fintech companies



## Opportunities

- Acceptance of towards virtual currencies
- University-Industry collaboration



## Top Fintech Companies

- Folio, Free, WealthNavi

Greater Tokyo

Rank 11

Index Score

50.6

Index Score

50.4

Rank 12

Greater  
Mumbai



### Key Advantages

- Rapid economic development
- Excellent Fintech experience and well-developed mobile payment service
- The proposition of “Digital India” initiative



### Opportunities

- Large population base and under-developed traditional finance
- Supportive policies for entrepreneurship



### Top Fintech Companies

- Lendingkart, Capital Float, Neogrowth, Paytm



### Key Advantages

- Great government policy support for Fintech



### Opportunities

- The deficiency of traditional financial system has become a driving force
- Significant geographical advantages

### Top Fintech Companies

- Nubank, Credits, GuiaBolso



Greater  
Sao Paulo

Rank 13

Index Score

45.4

Index Score

43.2

Rank 14

Greater Paris



### Key Advantages

- One of World's major centers of finance, commerce, fashion, science, music and art
- Leading Fintech adoption rate in Europe
- Cluster of top universities



### Opportunities

- To expand the potential of European market
- Traditional financial institutions are actively transforming



### Top Fintech Companies

- Lendix



### Key Advantages

- One of the most advanced country in economic and industrial development
- The development of cutting-edge technologies has evoked comparisons with Silicon Valley
- Global leader on network security and online payment technologies
- Supportive policy for innovation and investments



### Opportunities

- The Belt and Road Initiative

### Top Fintech Companies

- OurCrowd, VATBox

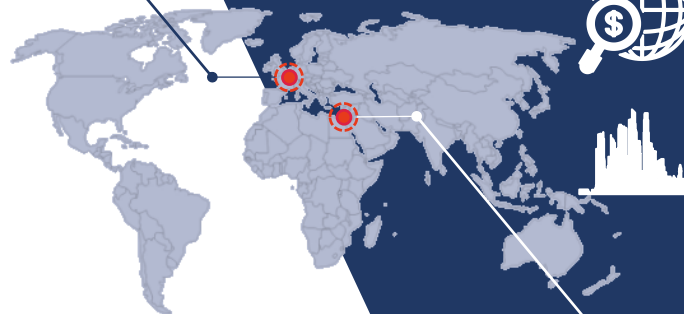


Israel

Index Score

Rank 15

31.9



Index Score

29.9

Rank 16

Switzerland



### Key Advantages



- Business-friendly environment and regulatory framework
- Great financial basis, powerful and reliable data and communication infrastructure
- Global innovation leader



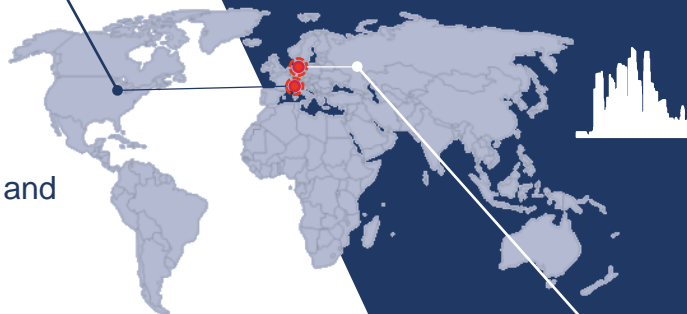
### Opportunities

- Multiple Fintech agreements with Hong Kong
- Great potential in blockchain innovation



### Top Fintech Companies

- Temenos Group



### Key Advantages

- Great financial basis
- The site of many global and European corporate headquarters
- Encourage Fintech innovation



### Opportunities

- Great potential of Fintech incubation park
- Coordinated development with UK



### Top Fintech Companies

- Traxpay

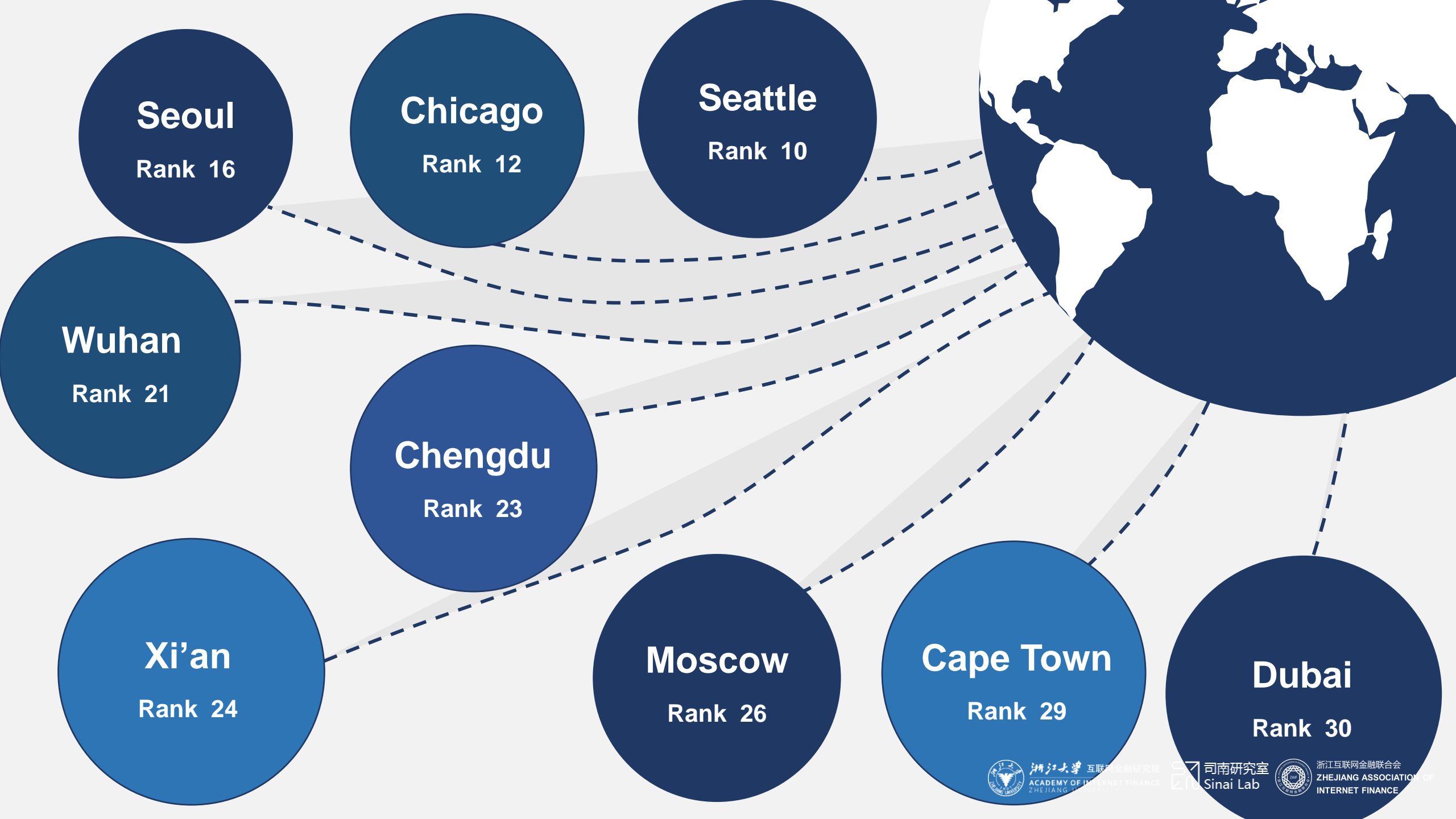


Greater Frankfurt

Rank 17

Index Score

21.0



**Seoul**  
Rank 16

**Chicago**  
Rank 12

**Seattle**  
Rank 10

**Wuhan**  
Rank 21

**Chengdu**  
Rank 23

**Xi'an**  
Rank 24

**Moscow**  
Rank 26

**Cape Town**  
Rank 29

**Dubai**  
Rank 30



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# Highlights



**New world order of Fintech**



**Asia and America are leading while Europe is falling behind**

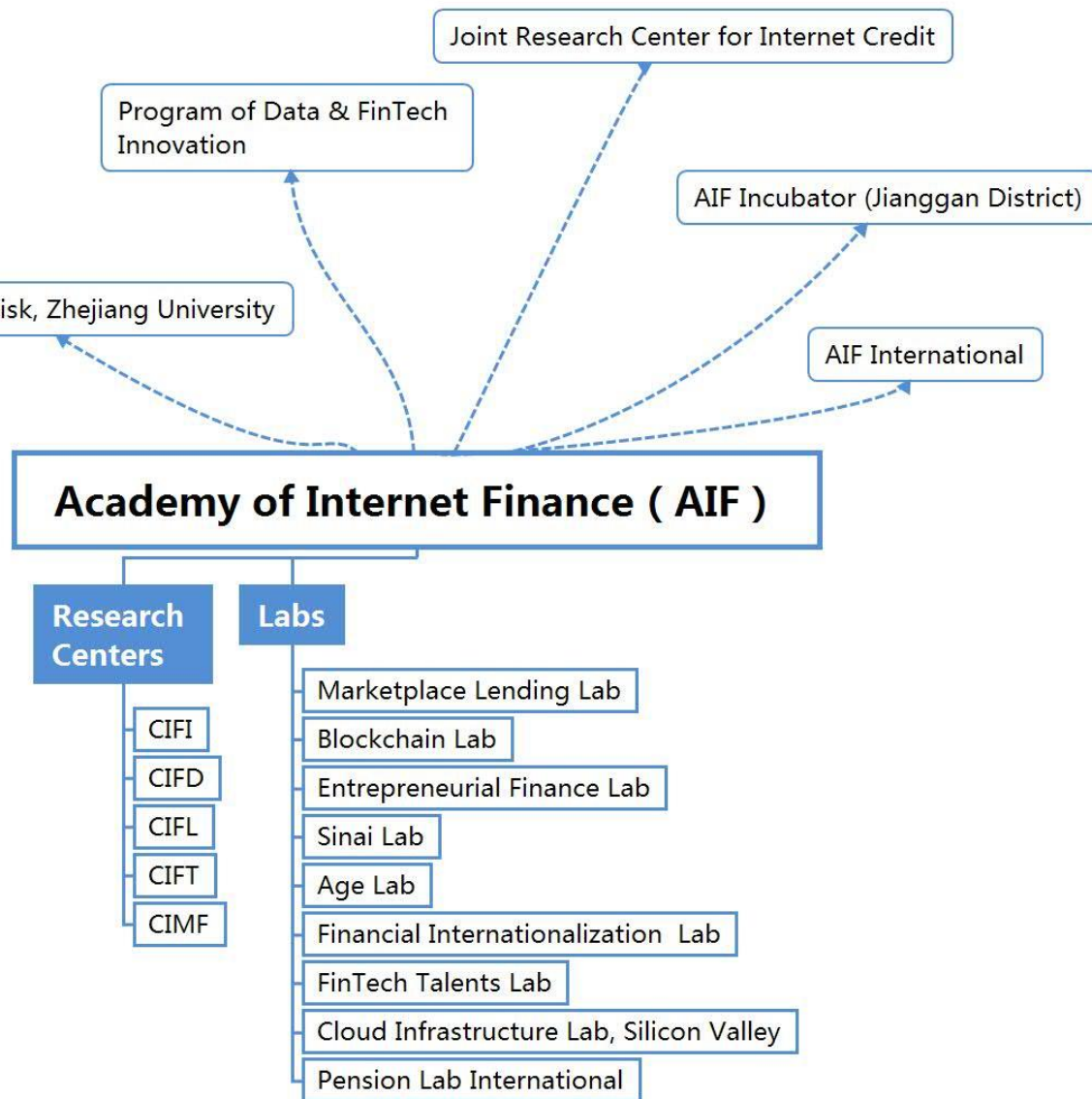


**Developing countries are leapfrogging**



**The dream of inclusive finance is closer to reality**

# About Us



A collection of logos for the Academy of Internet Finance's partners, arranged in a grid within a dashed blue border:

- 邦盛科技** (Bangsun Technology)
- Hyperchain**
- 金智塔** (金融大数据与智投专家)
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# Research Team

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in partnership with Zhejiang Association of Internet Finance**

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# GFHI

Global Fintech Hub Index

# THANK YOU!



## Academy of Internet Finance - A Global Leader in Fintech Research



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