

Analysis of N26 bank and its innovative services

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Abstract: This article provides detailed information about N26 Bank, one of the international digital banks, and analyzes its main financial indicators in detail.

Keywords: N26, innovative services.

Introduction. An effective way to quickly and efficiently develop the banking system is, first of all, to analyze the experience of developed countries and take the necessary aspects from them and apply them to our own banking system. The reason is that, considering that they have already moved forward, there is no point in creating the techniques and technologies that were developed in them. Therefore, our task is to study the foreign experience, get the aspects that we need, and then continue to create new innovations. It is for this reason that we analyze below the international digital bank of a developed country with many years of experience.

Methodology. Statistical tables in this study, logical and comparative analysis, grouping methods, as well as research works and statistical data of the bank's official website were widely used.

Analysis and results. N26 (Germany). N26 is building the world's leading mobile bank. Valentin Stalf and Maximilian Tayenthal founded N26 in 2013 and launched the first product in early 2015. Today, N26 has received more than 8 million customers in 24 markets. N26 has a team of 1,500 people from 80 nationalities located around the world. Its teams are located in 10 locations: Amsterdam, Berlin, Barcelona, Belgrade, Madrid, Milan, Paris, Vienna, New York and São Paulo. With a full German banking license, the latest technology and no branch network, N26 has reimagined banking for the 21st century and is available on Android, iOS. Valued at more than US\$9 billion, N26 has raised nearly US\$1.8 billion from some of the world's most prominent investors, including Third Point Ventures, Coatue Management LLC, Dragoneer Investment Group, Insight Venture Partners, GIC, Tencent, Allianz X, Peter. N26 currently operates in Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and Switzerland .

N26 Group ("N26" or "Group") has announced its financial results for the year ended 31 December 2021, which showed significant growth in net interest and commission income, as well as strengthening and expanding its platform, organizational systems and structures. continued focus.. Beyond 2020, N26 continued to focus on increasing daily account activity across its customer base and expanding its position as a leading digital bank in key European markets. This strategy has driven deposit growth and increased customer retention in 2021, while additional investment in product development and bank subscription expansion has also fueled top-line and customer-driven growth. Total gross income increased by 50.3% to 182.4 million euros (2020: 121.3 million euros). Net income from commissions increased almost 60% compared to FY20, while treasury activity led to a doubling of net interest income compared to last year. The company also grew its user base by more than 1 million customers over the past year to 8 million customers

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and increased revenue customers to more than 3.7 million. N26 additionally invested heavily in strengthening regulatory frameworks, including systems and personnel to strengthen the organization's core business functions, which led to higher administrative costs compared to last year. By year's end, N26 strengthened its market leadership position with a €700 million Series E funding round, valuing the company at €7.7 billion.

N26 provides the following services:

- Cards (Standard, smart, you, metal) and accounts, account numbers;
- Budgeting;
- Credit card;
- Personal finance;
- Online banking;
- Monthly budget calculator;
- Cryptocurrency;
- Insurance;
- Payment systems;
- Privileges;
- For business.

N26 Insurance: Customers can protect their favorite items with on-demand insurance coverage. They can get premium, on-demand insurance that protects what's important and pay only for the coverage they need.

Electronics insurance on demand with N26. Laptops, tablets, smartwatches and smartphones can be protected against theft, breakdowns, liquid damage and accidental damage with N26 insurance. Sign up with zero paperwork on the N26 app, choose a flexible monthly plan or a discounted annual plan, and cancel anytime. Now you can get insurance from only 4.00 euros per month.

Bike, home, pet insurance and more. Whether it's a customer's home, pet or favorite bike, N26 Insurance protects what matters most, and soon customers will be able to purchase this coverage from the N26 app, along with personal liability and fraud insurance, for added peace of mind. will be

Valentin Stalf, CEO and co-founder of N26, expressed the following thoughts about the results of 2021: "In 2021, we strengthened our position as a leader in the European digital banking market. We have made additional investments in our product, our team and the scalability of our platform. On average, customers access their N26 app 3 times a week, making us the mobile bank with the most active customer base in Europe. This is reflected in the significant increase in the volume of transactions by almost 60%, exceeding 80 billion euros.

In 2021, the net interest income of N26 increased by 100.7% compared to 2020, while the gross income also showed a positive result of 50.3% (Table 1).

Table 1

Main financial indicators, (in millions of euros)

Financial indicators	2020	2021	Change
Gross profit	121.3	182.4	50.3%
Net income	72.1	120.3	66.9%
Net interest income	14.8	29.7	100.7%
Net commission income	57.3	90.6	58.1%

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Cryptocurrency trading product launched in Austria in 2022. Austrian customers of N26 Cryptobank are the first to be able to buy and sell cryptocurrencies directly in their N26 app.

In November 2022, the bank announced a new supervisory board and a German stock corporation (AG), an important step to develop governance structures in preparation for the next stages of N26's development.

Thus, when we analyze digital banks with international high rating, each of them is distinguished by its own characteristics. They differ not only in the design of the bank's brand, platform or mobile applications, but also in the types of services and goals they provide to customers. In addition, they prefer to work on individual products rather than creating standard products that are common to all customers. Also, international digital banks are very open and flexible to innovation, use of innovative technologies. And finally, they work not just for profit, but to make people's lives even a little better, and they are true to their values.

Conclusion. Thus, when we analyze a digital bank with an international high rating, it is distinguished by its originality. It is different not only in the design of the bank's brand, platform or mobile applications, but also in the types of services and goals it provides to customers. In addition, he prefers to work on individual products rather than creating standard products that are common to all customers. Also, the international digital bank is very open and flexible to innovation, use of innovative technologies. And finally, he works not only for profit, but for the purpose of improving people's lives even a little, and he is loyal to his values.

List of used literature:

1. <https://n26.com/en-eu> – the official website of N26 bank open data.
2. <https://en.wikipedia.org/wiki/N26>