CANADA VARIOUS

Canadian Fintech Industry Set to Witness Strong Grow: Report

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The Canadian fintech industry has seen tremendous growth in recent years and is expected to continue to expand exponentially as collaborations between fintechs and traditional financial institutions, new and improved regulations, and leadership in the financial services space continue to stimulate fintech innovation in Canada, according to a new report by Global Risk Institute.

This report, titled An Overview of Fintech in Canada, claims that although fintech adoption in Canada remains slow, it has reached the Early Majority Adoption phase and is expected to continue to grow.

Figure 2: Fintech adoption rates by Country

Canada's "big six" financial institutions, which are the National Bank of Canada (NBC), Royal Bank of Canada (RBC), the Bank of Montreal (BMO), Canadian Imperial Bank of Commerce (CIBC), the Bank of Nova Scotia (Scotiabank), and Toronto Dominion Bank (TD), are expected to greatly influence the fintech adoption rate as Canadians are found to be more reluctant to change their banking habits than in other economies.

Canadian financial institutions lead fintech revolution

Canada is home to one of the largest international financial hubs and has some of the world's top technological talent.

Canadian financial institutions have so far welcomed innovative technologies and have collaborated with fintech firms to improve efficiencies and product offerings.

According to the report, the number of financial institution-fintech partnerships in Canada is much higher than in most other countries. 62% of financial institution-backed they are actively seeking partnerships with fintech companies, and 88% said they would increase partnerships going forward.

Figure 3 : Current and planned financial partnerships

The birth of accelerators and incubators across the country are further aiding the development of fintech firms by providing fintech firms with services such as mentorship, advice, networking opportunities, and direction within the regulatory landscape.

For the most part, incubators are focused on early-stage companies whereas accelerators are used by established firms looking to grow. These programs are generally run and funded by a combination of financial institutions, technology companies, corporations, and academics.

For instance, Ryerson University's Digital Media Zone (DMZ) is partnered with BMO, TD, General Motors and the City of Toronto in the DMZ-BMO Fintech Accelerator initiative. Non-profit Maths Discovery District claims to be the world's largest urban innovation hub. The MaRS center, located in Toronto, supports over 1,000 startups with 62 being in the finance and commerce spaces. Partners of MaRS include CIBC, Manulife, Sun Life Financial and Canadian Imperial Bank Venture Partners.

Accelerator Partnerships
Sponsored Partnerships
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Canadian Capital
Venture Partnerships
Sponsored Partnerships
Source: Ryerson Digital Media Zone, Maple Leaf Venture Partners, Sinapse Innovation, Ryerson Digital Media Zone, Ryerson Digital Media Zone, Ryerson Digital Media Zone