



Issue 3, July 2024

CUBE: Your Insight into Fintech Lending

Welcome to the third edition of Cube, your go-to source for the latest and relevant happenings in the fintech sector, in India and beyond. We are happy to share with you what we know and do. Got pl or ideas? We'd love to hear from you at teamface@faceofindia.org.

Rulemaking Roundup

- Following the March 2024 release of the [Omnibus Framework for recognizing Self-Regulatory Organisations \(SROs\)](#) for regulated entities, the RBI invites applications for [SRO recognition for NBFCs](#). This initiative targets NBFCs in the categories of Investment and Credit Companies (NBFC-ICCs), Housing Finance Companies (HFCs), and Factors (NBFC-Factors).
- The Reserve Bank of India launches its [Third Global Hackathon – HaRBInger 2024: 'Innovation for Transformation'](#). This exciting event invites participants to develop tech-driven solutions addressing various themes and problem statements with innovative approaches.
- [SEBI's 206th Board Meeting](#) has mandated all regulated entities to implement a tailored framework to bolster cyber security and resilience. This initiative customized based on operations, client numbers, trade volumes, and assets managed, aims to fortify defenses against cyber threats. Entities with existing SEBI-prescribed structures must comply by January 1, 2025, while others have until April 1, 2025, to meet these new standards.

Must-Reads

- RBI's [Financial Stability Report](#) assures us with evidence and analysis that the Indian economy and the financial system remain robust and resilient, anchored by macroeconomic and financial stability. With improved balance sheets, banks and financial institutions are supporting economic activity through sustained credit expansion.

- The latest edition of the global fintech report, [Global Fintech: Prudence, Profits, and Growth](#), coauthored by BCG and QED Investors, examines the current state and future prospects of the industry. It underscores the importance of balanced growth, profitability, and sustainability in a dynamic market. Key areas highlighted include adopting new technologies, forming strategic partnerships, and navigating regulatory challenges. The report emphasizes the need for fintech companies to practice prudent financial management to drive sustainable growth and profitability.
- The World Economic Forum's annual [Global Gender Gap Index \(2024\)](#) ranks India 129th out of 146 countries, slightly lower than in 2023. An ICRIER piece discusses India's performance on various gender equality indices, advocating for gender considerations in economic policy design to ensure fair benefits for both men and women.
- An [insight from Accion Venture Lab](#) explores how Generative AI (GenAI) can revolutionize inclusive fintech. Key benefits include slashing KYC and compliance costs, enhancing underwriting for thin-file borrowers, boosting customer engagement, and streamlining internal workflows. GenAI automates processes, supports staff, and enhances accuracy and efficiency, crucial for advancing financial inclusion. However, cautious implementation is advised to mitigate potential risks.
- Praxis Global Alliance has launched its latest report titled [India Fintech: Time to Reflect & Renew](#). This comprehensive study delves into the emerging challenges facing fintechs from various fronts while highlighting transformative opportunities. The report underscores the pivotal roles of regulatory bodies and industry associations in guiding this evolution.
- According to Convera's latest report, titled [Fintech 2025+: Trends, Technology, and Transformation in Global Commerce](#), cross-border payment flows are set to surge by 53% from 2023 to 2030, reaching US\$290 trillion from US\$190 trillion. This growth is fueled by advancements in real-time payments, blockchain, and embedded finance, promising faster, easier, and more transparent transactions.

The Global Spotlight

- Singapore has unveiled its [National Asset Recovery Strategy](#), outlining a robust approach to recover illicit funds and assets from criminals. The strategy aims to facilitate asset forfeiture or return to victims, bolstering efforts against financial crimes.
- Brazilian challenger [Nubank has made a strategic move by acquiring US-based data intelligence start-up Hyperplane](#) for an undisclosed sum, marking a significant expansion into advanced data analytics capabilities.
- [Ant International has launched bettr, a global digital lending service](#) aimed at providing micro lending to MSMEs through embedded finance partnerships in strategic markets.

- [Frost Bank, based in Texas, USA, has chosen fintech company Finzly](#) to enable new instant payment capabilities for both its business and retail customers in banking and payments.
- UK-based digital challenger [Monzo has achieved its first full year of profitability](#), reporting a pre-tax profit of £15.4 million for the financial year ending on 31 March, 2024.
- Digital trading platform [Robinhood has finalized a deal to acquire global cryptocurrency exchange Bitstamp](#) for around US\$200 million.

FACE Forward

FACE released the [10th edition of FACETS](#), showcasing disbursement trends from members for FY23-24. The volume and value of disbursements grew impressively year-on-year by 35% and 49%, respectively, totaling 10.19 Cr loans amounting to Rs 146,517 Cr. These figures highlight the industry's maturity and adaptability to macroeconomic conditions. With robust digital lending regulations in place, fintech lending is poised to set new standards in innovation, conduct, and diversification, shaping a promising future impact.

Fintech loan disbursement value jumps 49% in FY24
FINANCIAL EXPRESS
LENDING BY NUMBERS
 Annual disbursement (in cr)
 Volume: FY22: 7.5, FY23: 10.19, FY24: 13.57
 Value: FY22: 11,094, FY23: 146,517, FY24: 2,16,448
 *Disbursement volume and average ticket size include data from 51 companies

Fintechs disbursed record 10 cr loans in FY24, up 35%: Report
Our Bureau bl.
 Based on data reported by 29 member companies, 85 per cent were profitable in FY24, compared with two-thirds in FY23, said the report.
 In the fourth quarter of FY24, member companies disbursed 2.69 crore loans worth ₹4,400 crore on and off-balance sheets.
 For 24 companies with in-house NBFCs, 79 per cent of the AUM is on the balance sheet, and there has been no significant change in the balance sheet composition over the last three years.

'Digital loans up 49% in FY24 by value, ₹1.46 tn disbursed'
Mumbai: Amid wide-ranging concerns about digital lending, an industry body on Tuesday said its 37 member entities witnessed a 49% surge in disbursements at ₹1.46 trillion in financial year 2023-24. According to Fin-

Online Lending Sees 49% Surge to Rs 1.46 Lakh Crore in Fiscal 2024, Says Fintech Association
Fintech Association for Consumer Empowerment reported a 35% growth in the number of loans issued, surpassing 10 crore borrowings in fiscal 2024.

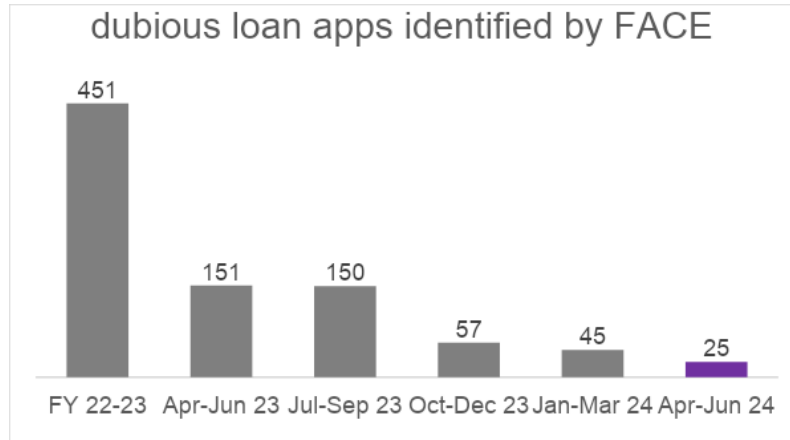
NDTV Profit
Digital loans up 49% in FY24 by value, Rs 1.46 lakh cr disbursed: Industry body
 Amid wide ranging concerns about digital lending, an industry body on Tuesday said its 37 member entities witnessed a 49 per cent surge in disbursements at Rs 1.46 lakh crore in financial year 2023-24. According to Fintech Association for Consumer Empowerment (FACE), the number of loans disbursed grew by 35 per cent to over 10 crore borrowings in FY24.

'Indian fintechs digitally disbursed loans worth ₹1,46,517 cr. in FY23-24'
THE HINDU
 Fintech and digital lending firms in India have processed and sanctioned over 10 crore loans and carried out disbursements of ₹1,46,517 crore during FY23-24, the Fintech Association for Consumer Empowerment (FACE) said on Tuesday.
 The disbursement volume and value grew year-on-year by 35% and 49%, respectively, reaching 10.19 crore loans totalling ₹1,46,517 crore in FY23-24, the industry body said.
 The average ticket size stood at ₹14,648, compared with ₹11,094 in FY23-24.

Digital loans up 49% in FY24 by value, Rs 1.46 tm disbursed: Industry body
 According to Fintech Association for Consumer Empowerment (FACE), the number of loans disbursed grew by 35 per cent to over 10 crore borrowings in FY24.

BS

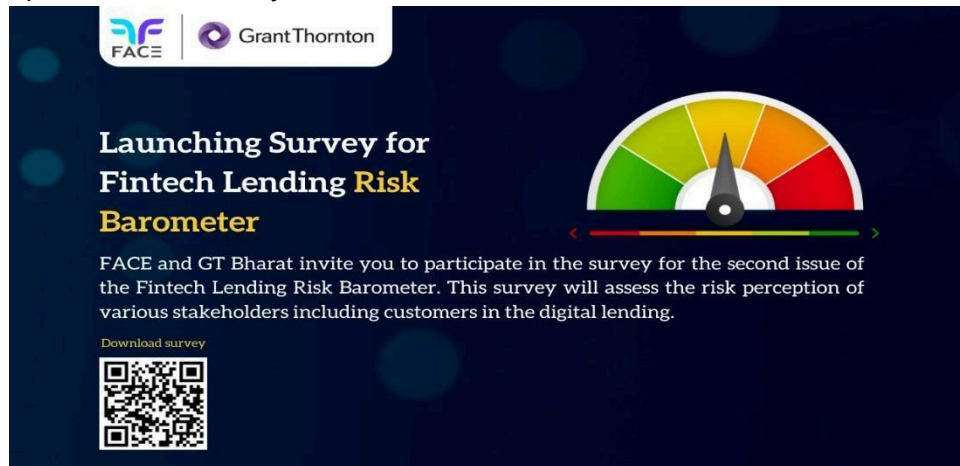
- We're seeing tangible results from [our efforts to tackle unauthorized loan apps](#). In Q1 FY 24-25, fewer of these apps appeared on app stores. However, we remain vigilant, promptly reporting them to agencies for review and action, safeguarding customers from harm and maintaining a safe market for genuine players operating within regulatory frameworks.



A Warm Welcome to Our New Members!



- We invite you to participate in the FACE survey for the second edition of the [Fintech Lending Risk Barometer](#), in collaboration with GT Bharat. Please refer to the Note provided [here](#) for context, preview, and survey details.




FACE | Grant Thornton

Launching Survey for Fintech Lending Risk Barometer

FACE and GT Bharat invite you to participate in the survey for the second issue of the Fintech Lending Risk Barometer. This survey will assess the risk perception of various stakeholders including customers in the digital lending.

[Download survey](#)



[Join FACE to become part of the community and amplify your impact.](#)

Members' Miles

- [Groww's](#) active user base crosses 1 Cr milestone
- [InCred](#) profits doubles to Rs 316.3 Cr, and revenue crosses Rs 1,000 Cr
- [LEO1](#) get cricket star Rohit Sharma as an investor
- [MAS Financial](#) launches QIP worth Rs 400 Cr
- [Olvy](#) doubles revenue, turns profitable and [launches campaign with Disney+ Hotstar](#)
- [Slice](#) raises US\$50million from Tiger Global in series C round as of 1st June 2024. Slice says that it has over 12 million registered users currently.

New in the Market

- [Salesforce India introduces Digital Lending for Loan Origination](#), offering banks and lenders a streamlined platform for consumer lending. This initiative aims to digitize processes, reduce costs, and eliminate outdated systems. Digital Lending for India will cater exclusively to customers within the country.

Upcoming Events

Here are some upcoming events to converse about fintech and the financial sector.

- 11 July 2024, Chennai, [NBFC 100 Tech Summit, Elets, 17th edition](#)
- 16 July 2024, Chennai, [NBFCs And Fintech Conclave and Awards](#)
- 18-19 July 2024, New Delhi, [India International Fintech Festival, Assocham](#)
- 19 July 2024, Kolkata, [AAFM 17Th Wealth Convention](#)
- 23 July 2024, New Delhi, [PICUP Fintech Conference and Awards](#), FICCI
- 23-24 July 2023, [Mumbai, 5th Annual BFSI Operational Risk Management India Summit 2024](#), Inventicon Business Intelligence
- 2-3 September 2024, Mumbai, [Financing 3.0 Summit, CII](#), FACE is Institutional Partner. Kindly note that registration is free till 15 Jul 2024. For registration, please use the [link](#)



FINANCING 3.0 SUMMIT
PREPARING FOR VIKSIT BHARAT

2nd and 3rd September 2024 | Mumbai

Summit Chair
Dr V Anantha Nageswaran
Chief Economic Advisor to the Government of India

Summit Co-Chair
Sanjiv Bajaj
Past President, CII and Chairman & Managing Director, Bajaj Finserv

Platinum Partner
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NSE

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FACE

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