

# FinTech Insights

January 2024



## PwC insights of the month

### Ecosystems: Blurring inter-sectoral lines to capture value

Ecosystems develop in virtuous cycles through network effects. By offering products and services that individual companies could not create on their own, ecosystems draw in a larger number of customers, which creates even more data that can be leveraged using new-age technologies.

Due to this, financial institutions may stand to gain by having a focused approach and offering their products/services to customers across the value chain. To know more about how value can be created through ecosystems, [click here](#).

### PwC in focus

PwC is thrilled to announce its participation in the **Global Business Summit 2024** where our FinTech, Alliances and Ecosystems Leader, **Vivek Belgavi**, explored key innovations and strategies driving credit access for small and medium-sized enterprises (SMEs) and mid-corporates with his fellow experts. From leveraging emerging technologies to addressing the credit gap, it was an insightful discussion on paving the way for India's USD 5 trillion economy vision.

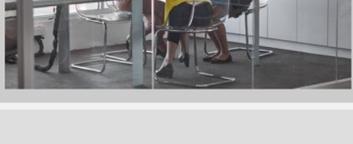


PwC also recently conducted a knowledge-sharing session at the **National Institute of Banking Management (NIBM)**, Pune, with bankers from across the nation on the role of bank and FinTech partnerships in increasing financial inclusion.



## From around the web

January 2024 witnessed significant developments in the global FinTech ecosystem. A few of these developments are outlined below.



### Americas

- Conversational artificial intelligence (AI) platform **Kore.ai** raised USD 150 million in funding to fuel growth, which will enable Kore.ai to scale its workforce and further develop its product offering. [Read more](#)
- The US Consumer Financial Protection Bureau (CFPB) has proposed a ban on banks, credit unions and certain peer-to-peer (P2P) payment companies charging fees for non-sufficient funds (NSF) on transactions declined in real time at the point of sale. [Read more](#)
- The Bank of Missouri has entered into a five-year partnership with US-based banking and payments technology firm **i2c** as it looks to provide its FinTech clients with digitally native financial services. [Read more](#)
- US-based FinTech **DailyPay** has raised USD 75 million in equity financing from new and existing investors led by Carrick Capital Partners and secured a USD 100 million expansion of its credit facility. [Read more](#)
- Colorado's **Elevations Credit Union** partnered with **Alkami** for digital business, retail and mobile banking platforms. [Read more](#)
- Alaska-based **Global Credit Union** has signed a definitive agreement to acquire **First Financial Northwest Bank** for USD 231.2 million in an all-cash deal. [Read more](#)
- Nu Colombia**, the Colombian subsidiary of Latin American challenger **Nubank**, has secured regulatory approval to operate as a financing company in Colombia. [Read more](#)

### Europe

- Broadridge's Tbricks** solution has been selected by a major bank from Denmark to enhance its multi-asset trading, pricing and position management processes. [Read more](#)
- The Financial Services and Markets Act 2023 Regulations came into force in the UK, creating the Digital Securities Sandbox within which certain financial market infrastructures will be able to test the use of developing technologies subject to a modified legislative framework. The government has also published an Explanatory Memorandum which sets out the background of and purpose for the regulations. [Read more](#)
- Ardshinbank**, a commercial bank in Armenia, has selected Swiss vendor **ERI's Olympic Banking System** to enhance its operations across securities and forex. [Read more](#)
- The European Commission (EC) has clamped down on VAT-based fraud by introducing a new set of rules for EU member states, including the creation of a centralised database with a focus on cross-border e-commerce transactions made by online sellers with no physical presence in a member state specifically. [Read more](#)
- UK-based **YouLend** has announced a new private securitisation deal with a global bank which will enable YouLend to extend EUR 4 billion in additional revenue-based financing to SMEs. [Read more](#)
- Commerzbank** has partnered with American paytech firm **Global Payments** to launch a new joint venture to provide digital payment solutions to SMEs in Germany. [Read more](#)

### Middle East and Northern Africa (MENA)

- KARTY**, an emerging Qatari FinTech start-up, has announced the completion of a seed funding round, amassing over USD 2 million, which is equivalent to more than 7.3 million Qatari Riyals. [Read more](#)
- Tameed Digital Lending Platform**, which offers shariah-compliant government purchase orders financing for SMEs in Saudi Arabia, announced that it has successfully closed a funding round (Series A) amounting to SAR 56.75 million (USD 15 million) led by **Alromaih Investments**. [Read more](#)
- Maalex**, a UAE-based dynamic risk management platform for SME agri-businesses, announced its completion of a USD 3 million pre-Series A fundraise. The funding round was led exclusively by **Global Ventures – MENA's leading venture capital firm** – which joins existing venture capital investors **Rockstart (Amsterdam)** and **Ankurit Capital (New Delhi)**. [Read more](#)
- Tabby**, a leading shopping and financial services app from Saudi Arabia, has secured up to USD 700 million in receivables securitisation from a global bank. The deal represents the largest asset-backed facility obtained by a FinTech company in the MENA region. [Read more](#)
- A Nigerian FinTech start-up **Cleva**, focused on creating a banking platform for African individuals and businesses to receive international payments with USD accounts, has raised USD 1.5 million in the pre-seed funding. The round was led by San Francisco-based **1984 Ventures**. [Read more](#)
- Egyptian FinTech start-up **Zeal**, which offers payment solutions to retailers and other offline businesses to improve in-store customer engagement and brand loyalty, has raised USD 4 million in funding to expand its technology in Europe, the Middle East and Africa. [Read more](#)
- Zimbabwe's **Success Microfinance Bank** has selected the software-as-a-service (SaaS) cloud banking platform **FinOS** to power its core. [Read more](#)

### Asia Pacific (APAC)

- Hong Kong Monetary Authority (HKMA) has initiated a pilot for the **Interbank Account Data Sharing (IADS)** initiative to facilitate seamless data sharing among banks. [Read more](#)
- Global digital asset banking group **Sygnum** secured over USD 40 million in strategic growth funding round. [Read more](#)
- US-based FinTech start-up **Zebec** has announced the launch of its web3 payment and real-time payroll services in Japan. This move is part of Zebec's ongoing global expansion strategy and reflects its aim to support financial innovation on a global scale. [Read more](#)
- AEON Bank** has obtained approval from the Minister of Finance to commence its digital banking operations in Malaysia as the first Islamic digital bank in Indonesia. [Read more](#)
- UnionBank of the Philippines** is continuing its digital transformation drive and transition to the cloud with the adoption of **Informatica's Master Data Management (MDM)** solution. [Read more](#)
- Hong Kong-based digital asset financial services group **HashKey** has secured around USD 100 million in a Series A funding round at a valuation of over USD 1.2 billion. [Read more](#)
- Singapore-based digital banking challenger **GXS Bank** has received USD 109 million investment from its parent company **Grab Holdings**. [Read more](#)

### India

- Fino Payments Bank**, a subsidiary of **Fino Paytech Limited**, has applied for a small finance bank (SFB) licence with the Reserve Bank of India (RBI). [Read more](#)
- Indian paytech firm **MobiKwik** has refilled draft papers for an initial public offering (IPO) with the Securities and Exchange Board of India (SEBI), this time aiming for a sum of USD 84 million. [Read more](#)
- Digio**, **Zomato**, **Stripe** and others have secured final approval from the regulator to operate as online payment aggregators. [Read more](#)
- Velocity**, one of India's largest revenue-based financing platform, has announced a INR 300 crore growth capital fund for Indian B2B SaaS firms. [Read more](#)
- Alternative and embedded-financing platform **GetVantage** has launched a INR 250 crore SaaS accelerator fund. [Read more](#)
- Paytm** has announced that it will invest INR 100 crore in **GIFT City** in Gujarat to build a global financial ecosystem. [Read more](#)
- FinTech unicorn **BharatPe**, which was looking to secure INR 500 crore debt through unlisted non-convertible debentures (NCDs), has reportedly marked the final close of its USD 100 million debt round. [Read more](#)
- Coinbase Ventures**-backed crypto exchange **CoinDCX** has inked a strategic partnership with **KoinX** and also invested in the crypto taxation platform. [Read more](#)
- Jio Financial Services** has filed an application with SEBI for a mutual fund licence. [Read more](#)
- Decentro**, an Indian banking-as-a-service start-up, has launched its penniless bank account verification (BAV) API. [Read more](#)

## Incumbent FinTech initiatives

Here are a few incumbent FinTech initiatives launched by Indian financial institutions in January 2024:



- State Bank of India (SBI)** has launched the **SBI Green Rupee Term Deposit (SGRTD)** for resident individuals, non-individuals and NRI customers. [Read more](#)
- The Rural Development Ministry and SBI have collaborated via an MoU, aiming to streamline enterprise financing for rural self-help groups (SHGs) and enhance rural economic development. [Read more](#)
- Cross-border linkage is active for major bank and UPI apps, through which Indians can now receive remittances from Singapore directly into their bank accounts on a real-time basis. [Read more](#)
- HyderabadDLabs** at the Indian School of Business (ISB) launched 'Build for Billions', a start-up accelerator programme (RBIH) and financial inclusion bank for the informal economy, in partnership with Reserve Bank Innovation Hub (RBIH) and Union Bank of India. [Read more](#)
- Hitachi Payment Services**, India's leading payments and commerce solutions provider has launched its financial inclusion business to redefine access to financial services for the underbanked and unbanked sections of society. [Read more](#)

## Regulatory developments

Given below are a few important regulatory developments in the Indian FinTech sector.



- The RBI has issued draft norms for self-regulatory organisations (SRO) for the FinTech sector to ensure compliance with statutory and regulatory requirements. [Read more](#)
- The RBI has changed the definition of politically exposed persons (PEPs) under its norms. This move will make it easier for those individuals to carry out various banking transactions, including availing loans. [Read more](#)
- RBI governor mentioned that the RBI is closely examining the risks that can emerge from model-based algorithm lending, leading to a surge in unsecured loans. [Read more](#)
- The RBI issued a draft framework seeking to harmonise regulations of **Finance Innovation Corporations (FICs)** with those of non-banking financial companies (NBFCs) in several areas including deposit directions. The banking regulator has invited comments from NBFCs (including FICs) and other stakeholders. [Read more](#)
- SEBI has planned to offer the facility of voluntary freezing or blocking of the 'trading accounts' by clients as it is available in demat accounts, ATMs and credit cards. [Read more](#)
- SEBI has released a cessation paper to enhance trust in the alternative investment funds (AIF) ecosystem to facilitate ease of doing business measures. [Read more](#)
- The Insurance Regulatory and Development Authority of India (IRDAI) has relaxed certain norms on investment in infrastructure debt funds (IDFs) of NBFCs by insurance companies. [Read more](#)
- The Business Incubator and the Entrepreneurship Development Centre of Indian Institute of Management Kozhikode (IIMK) have launched **FINN X**, a FinTech-themed-accelerator programme in collaboration with the International Financial Services Centres Authority (IFSCA). [Read more](#)

## Top FinTech deals and partnership news – India

### Investments

The key funding details for the Indian FinTech ecosystem in the month of January 2024 have been highlighted below:

| Start-up                   | Sector                  | Amount raised    | Lead investors  | Source                    |
|----------------------------|-------------------------|------------------|---|---------------------------|
| <b>FinAGG Technologies</b> | Supply chain finance    | USD 11 million   | Multiple PEs  | <a href="#">Read more</a> |
| <b>Ecofy</b>               | NBFC                    | USD 10.8 million | FMO   | <a href="#">Read more</a> |
| <b>Grip Invest</b>         | Alternative investments | USD 10 million   | LC Nueva, Stride Ventures, Multiply Ventures, Anicut Capital, VH Capital and others | <a href="#">Read more</a> |
| <b>SalarySe</b>            | Personal finance        | USD 5.2 million  | Pravega Ventures and others   | <a href="#">Read more</a> |
| <b>Upswing</b>             | SaaS                    | USD 4.2 million  | Quona Capital   | <a href="#">Read more</a> |
| <b>InPrime FinServ</b>     | B2B financial services  | USD 3 million    | Kettleborough VC, Info Edge, Matrix Partners India and others                       | <a href="#">Read more</a> |
| <b>STAN App</b>            | Blockchain              | USD 2.7 million  | Multiple PEs  | <a href="#">Read more</a> |
| <b>KoinX</b>               | Cryptocurrency          | Undisclosed      | CoinDCX Ventures  | <a href="#">Read more</a> |

### Partnerships

The FinTech ecosystem saw a diversified set of partnerships and acquisitions built across different sectors. A few of them which developed in the Indian FinTech space in January 2023 have been given below:

| Financial firm                       | Partnered with                         | Sector   | Purpose  | Source                    |
|--------------------------------------|--|----------|--|---------------------------|
| <b>Google Pay India</b>              | National Payments Corporation of India | Payments | To expand the reach of the country's UPI ecosystem                 | <a href="#">Read more</a> |
| <b>Quinte Financial Technologies</b> | Tamil Nadu government                  | SaaS     | To establish development centres in Tier-II towns within the state | <a href="#">Read more</a> |

### Acquisitions

| Financial firm                  | Partnered with                                | Sector   | Purpose  | Source                    |
|---------------------------------|---|----------|--|---------------------------|
| <b>Hitachi Payment Services</b> | Writer Corporation's cash management business | Payments | To enhance its market position as a holistic provider of payments and commerce solutions | <a href="#">Read more</a> |

Disclaimer: This is not an exhaustive list; only a few key highlights are mentioned.

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