

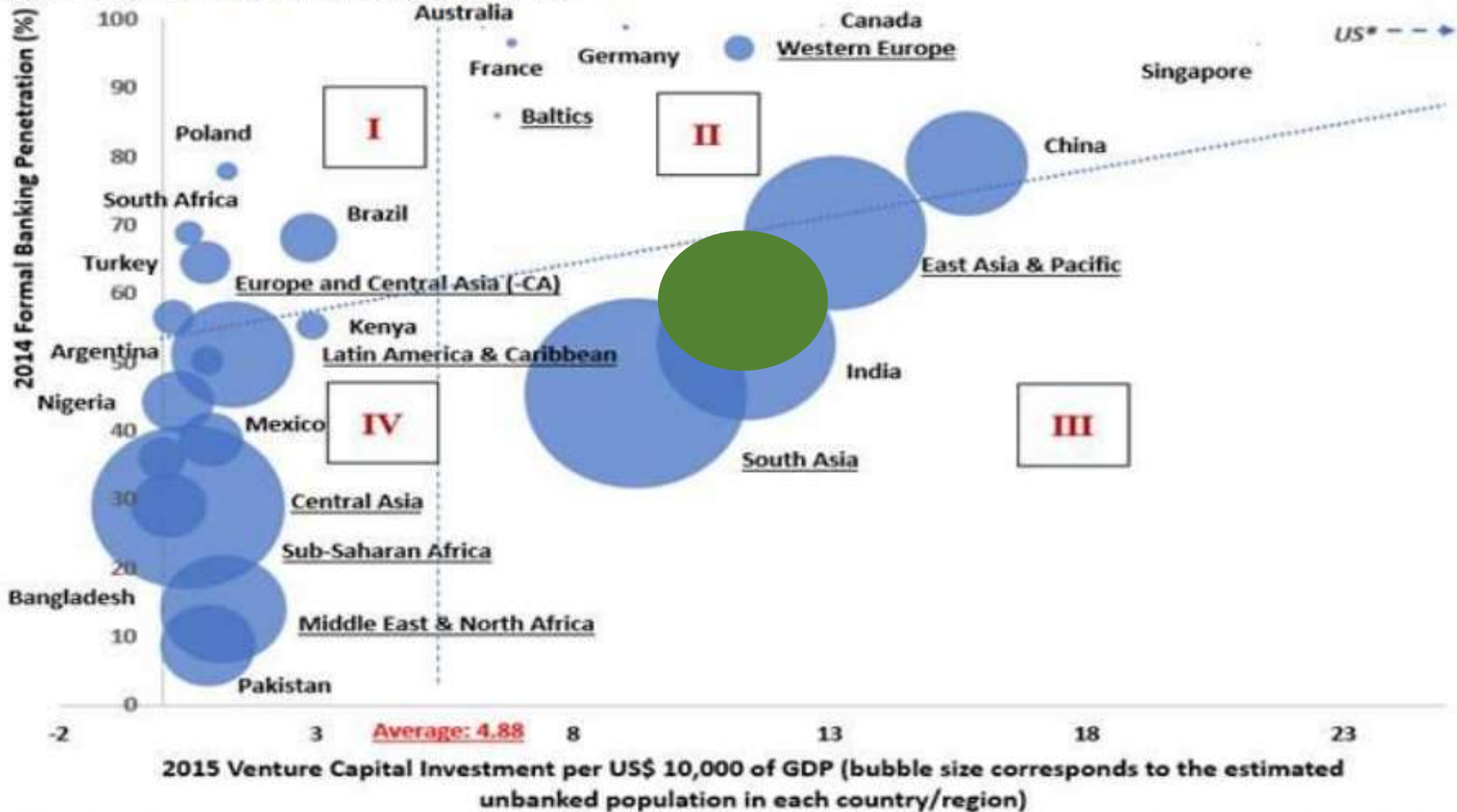


# Digital Financial Services: *Global Perspectives*

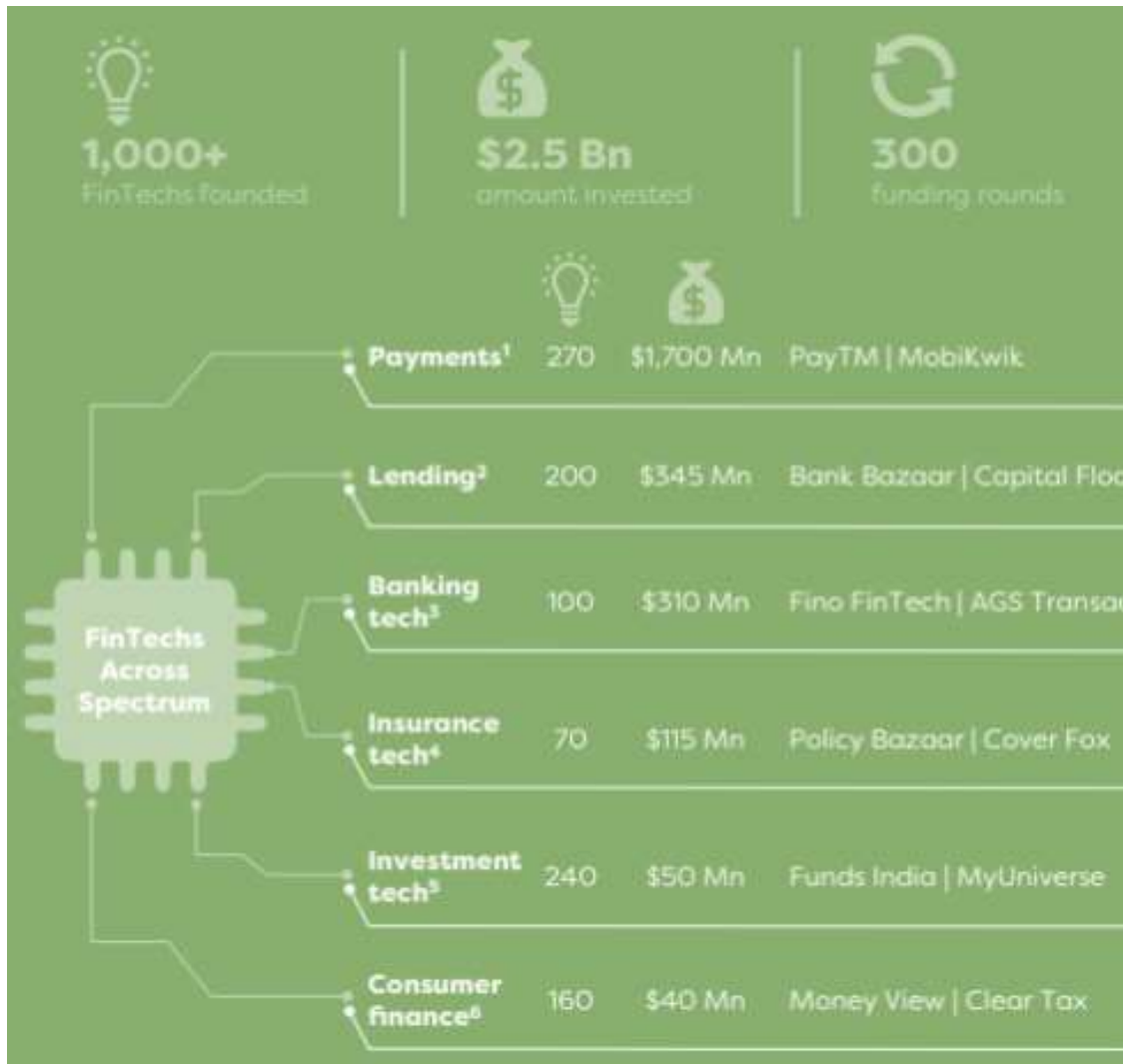


GRAMEEN CAPITAL INDIA LIMITED

Figure 1. The banking-fintech development space

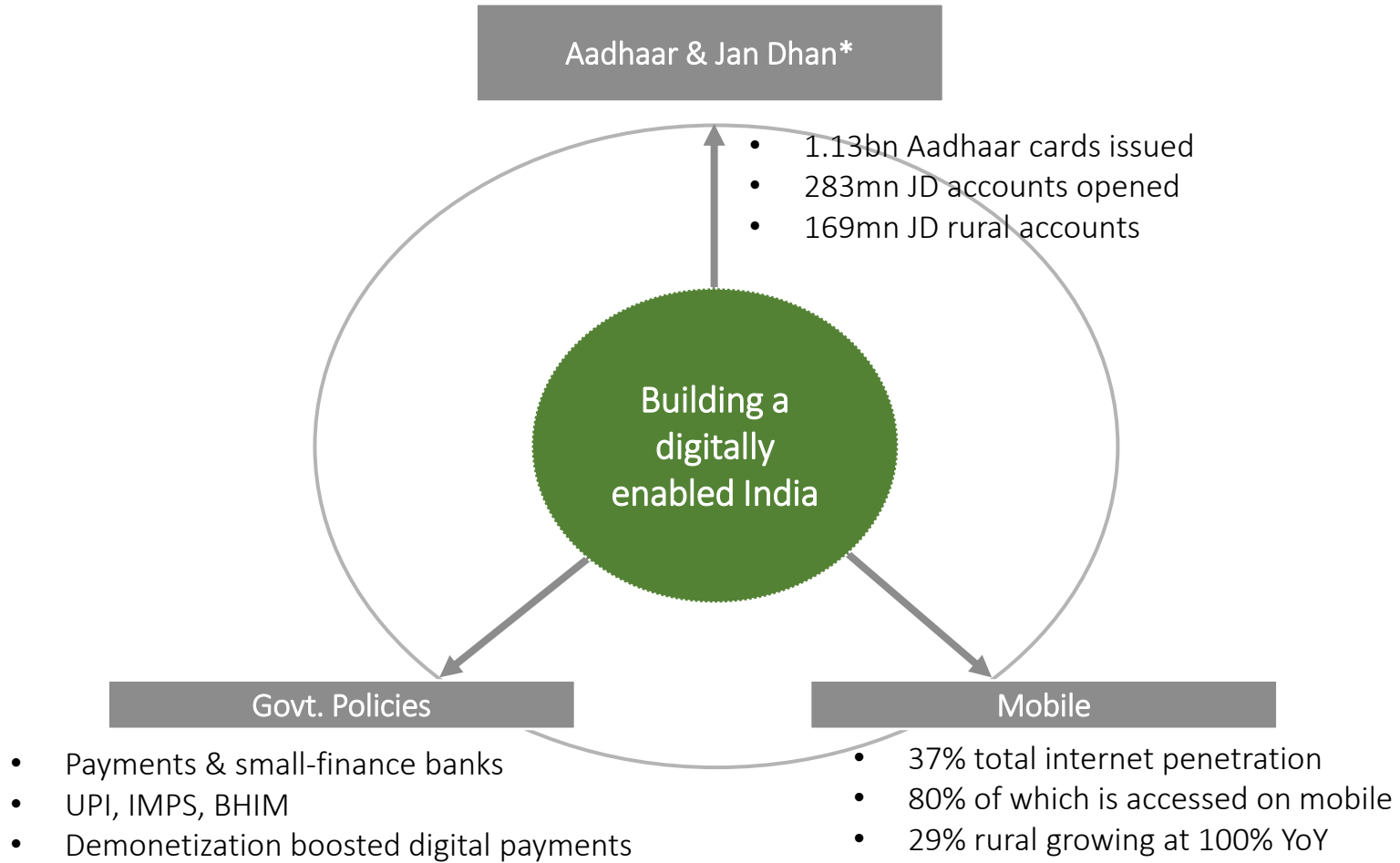


Source: IFC staff calculations; World Development Indicators, The World Bank, 2016; Global Findex, The World Bank; PitchBook Data, Inc. 2016. The values for the US are outside the shown scale, i.e. 50 for x-axis and 94% for y-axis.

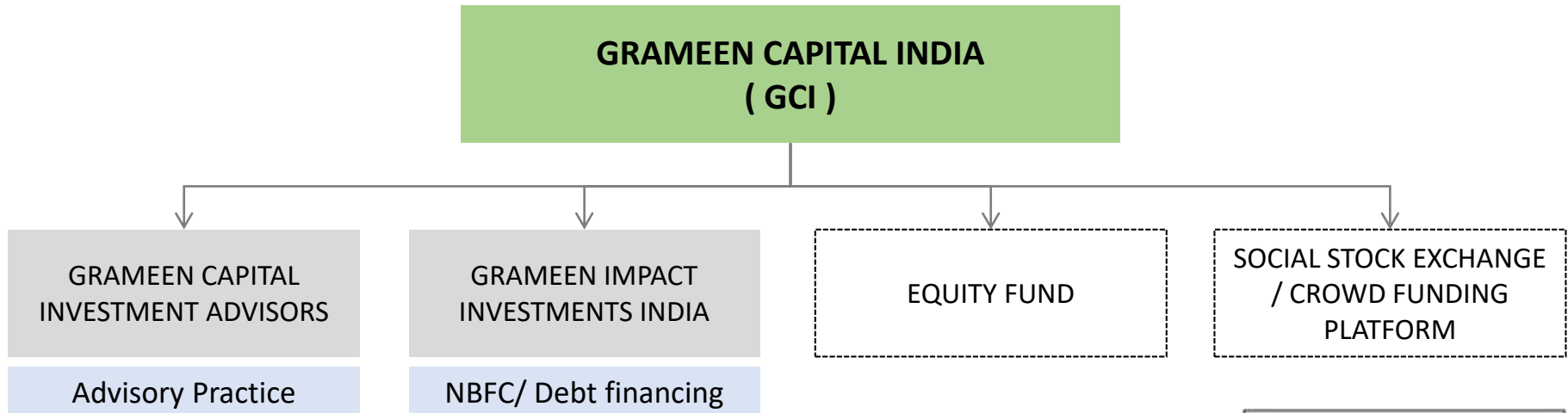


- over 1,000 FinTechs have been founded
- more than \$2.5bn raised
- Top sub-Sectors
  - Payments
  - Lending
  - Banking
  - Insurance
  - Investment
  - ConsumerFin

### The India Stack

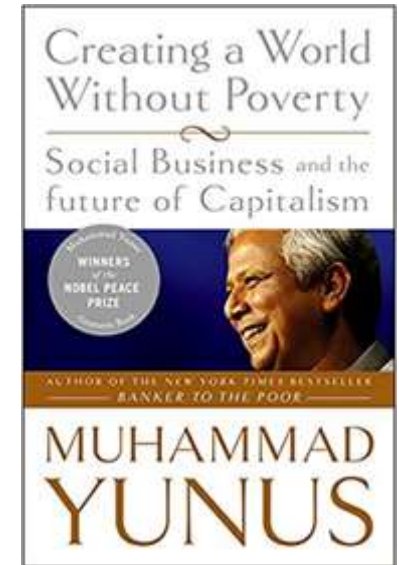


\*Aadhaar: unique ID number issued to all Indian residents based on biometric & demographic data  
Jan Dhan Yojana: India's National Mission for Financial Inclusion to ensure access to financial services



“The fact is that there is plenty of money in any country to lend money to the poor. It is all a question of mobilizing it and making it available to the poor. Grameen Capital India will facilitate access to local capital markets for Indian MFIs.”

*Prof. Yunus, 2006 Nobel Laureate, in “Creating a World Without Poverty”*



R

Regulatory environment



U

Ubiquity of technology



S

Sandbox approach



S

Sustainable development



I

Inclusive finance



A

Access to information





### *Ease of doing business in the country*

Regulations and laws related to taxation, registration of start-ups and investments need radical reforms and standardisation across states to encourage an entrepreneurial culture in the country



### *Attempting innovation in motion*

Regulators can adopt innovative practices such as testing the use of blockchain for contracts with FinTechs using sandboxes, FinTech solutions developed through sandboxes by employees at regulators' office, collaborating with universities for R&D, etc



### *Linkage to other objectives*

The end goal of FinTech solutions must be to help other Government departments as well—for example, digital payment solutions at tourist spots to promote tourism and InsureTech solutions to meet healthcare objectives.



### *Reforms in allied industry segments*

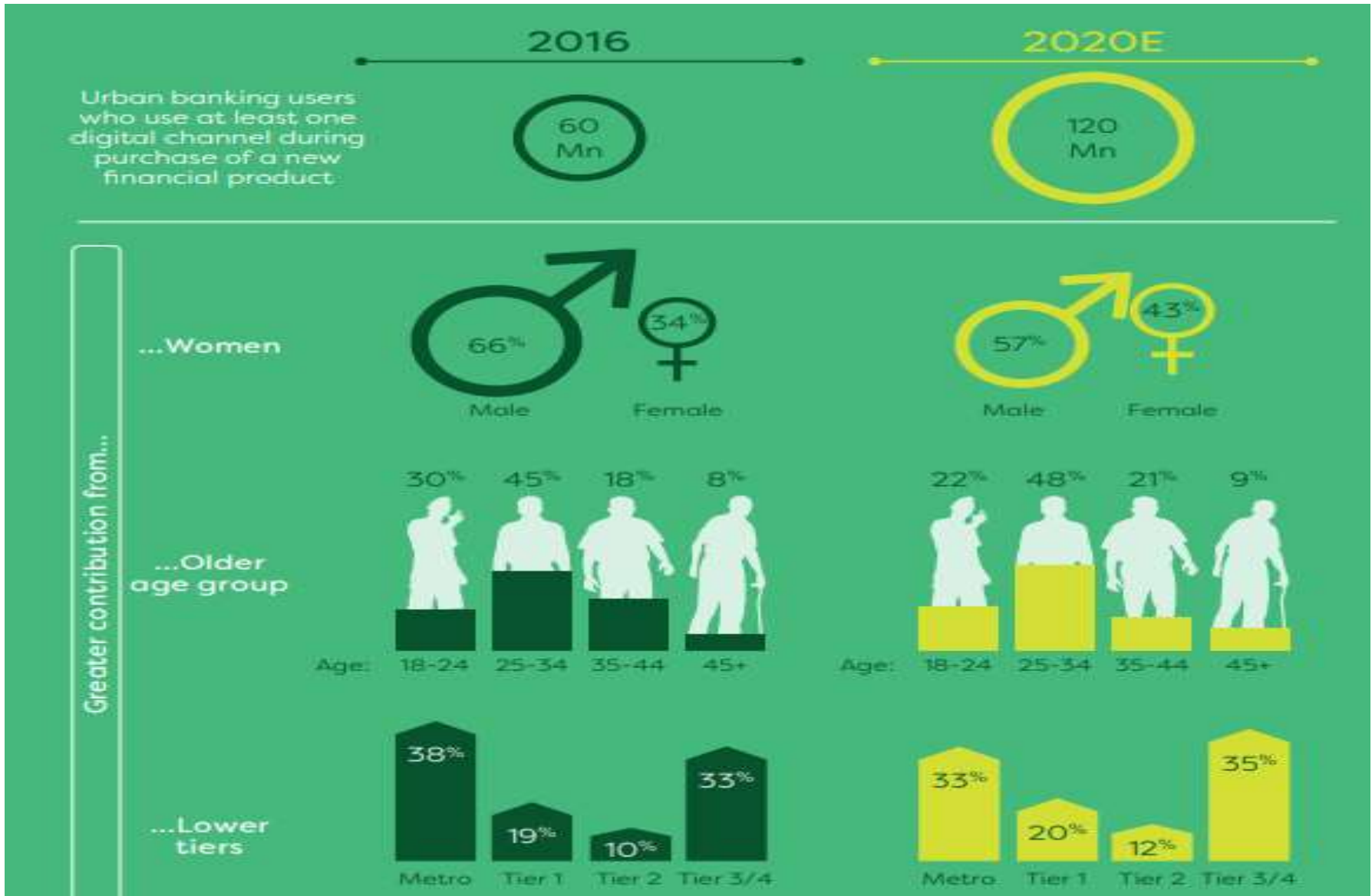
Mere tax benefits may be insufficient for stakeholders to accept digital modes. Other regulations and laws concerning areas such as insurance, capital markets and mutual funds need to be updated to keep pace with FinTech growth.



### *Shift in the cultural mindset of the country*

In a predominantly cash economy like ours, sustained efforts to promote the benefits of digitisation and the use of innovative products across the country are extremely critical.

Towards a more friendly environment for FinTechs



Source: BCG

Over 800 million phone users; smart phone user rapidly increasing

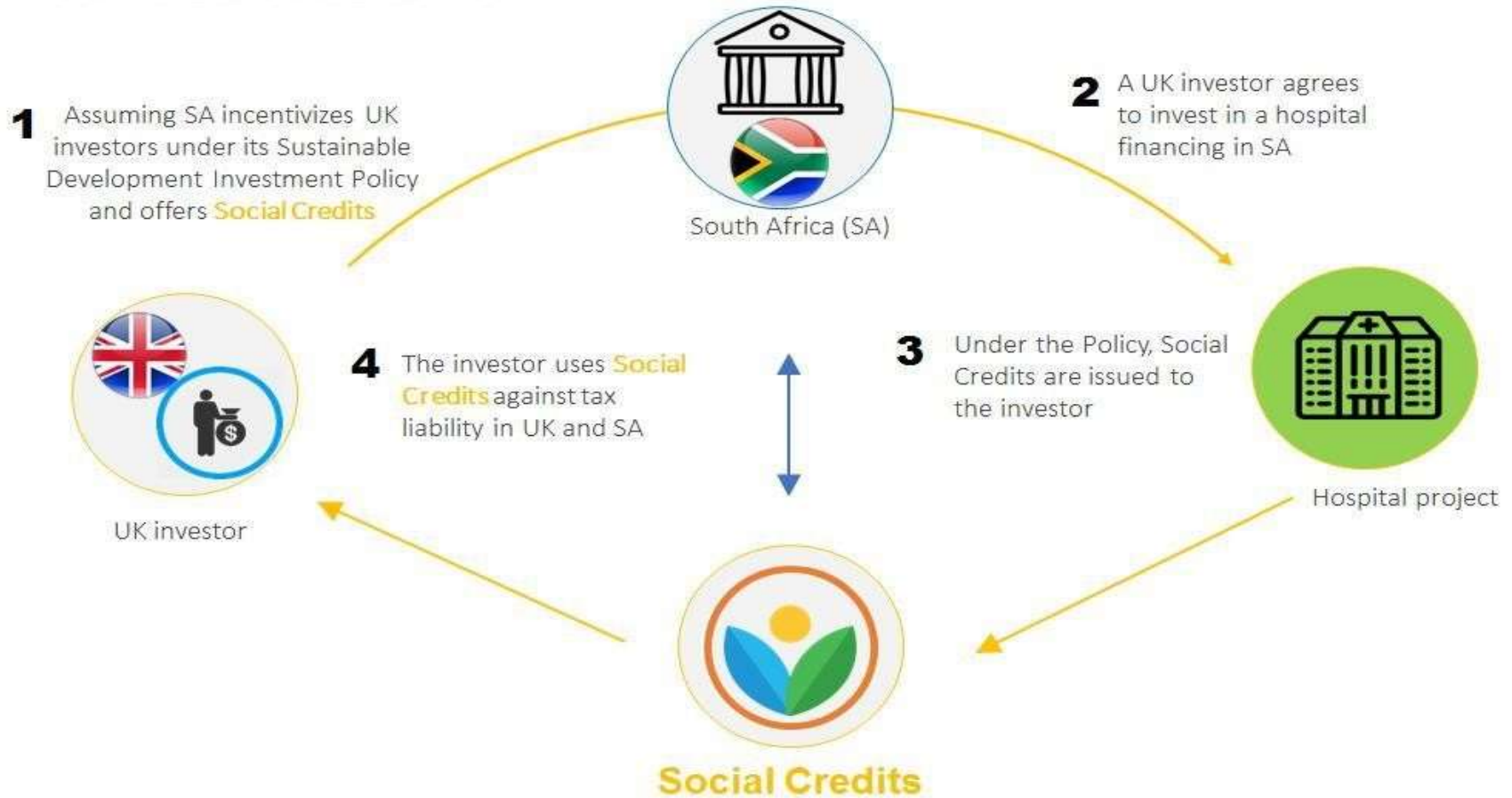


## A FinTech sandbox

- *experiment with innovative financial products or services*
  - *well-defined space and*
- *presence of appropriate safeguards helps in containing the consequences of failure*
- *allows for the pilot testing of newly developed technologies*



### Social Credits Process Flow



**Illustrative example of a social credit platform running on blockchain between the UK and South Africa**

### Build

*Develop the  
foundational building  
blocks for sustainable,  
technology-led  
economies*



### Broker

*Harness disruptive  
technology, data, and  
expertise to solve  
problems and manage  
risk*



### Boost

*Expand the capacity of  
people and institutions  
to thrive in a resilient  
society*



Billions of people are connected by mobile technology and data networks. This potential is multiplied by technologies such as artificial intelligence, robotics, big data , the internet of things, blockchain, etc.

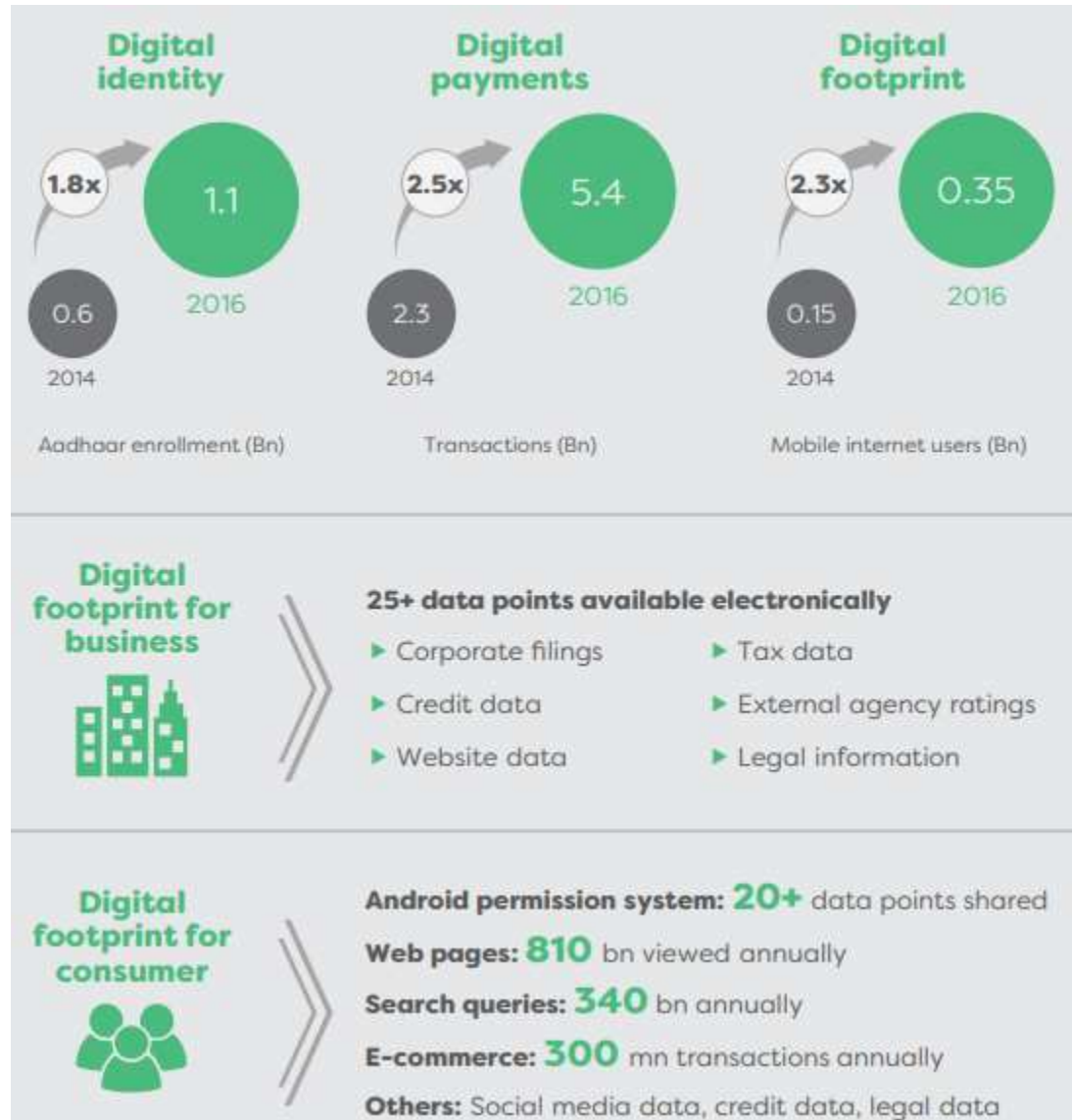
# “Data is the new oil”... only even better

Data in the new world has 2 major characteristics

- it is dynamic allowing it to be used real time
- Enables much more targeted

This helps to

- Reduce cost of customer acquisition and servicing
- Improve underwriting models
- Establish early warning systems



Priority for Sustainability

UNCTAD estimates annual funding gap of \$2.5 trillion to achieve the SDGs by 2030



“It is imperative to implement innovations that can divert private capital towards development objectives to help bridge the SDG financing gap.”

- United Nations Under-Secretary-General and Executive Secretary of ESCAP Dr. Shamshad Akhtar

# Sometimes

I want to ask God  
why He allows poverty, famine  
and injustice in the world when He  
could do something about it,  
but I'm afraid He might just  
ask me the

# same question



Спасибо