

Introduction to FinTech

Why Banking?

Why Banking with Technology?

"A Day in FinTech World"

John's day began like any other, with the blaring sound of his smartphone alarm. As he stretched in bed, John grabbed his phone and opened his banking app. With a few taps, he checked his account balance and set up a recurring payment for his monthly bills (Electricity, Insurance, Phone recharge, online education fee, etc.) ensuring his financial responsibilities were in order.

In a rush to get to work, John booked a ride using a ride-hailing app. The convenience of not carrying cash and the assurance of secure payments made his daily commute hassle-free. At the office, John craved his morning coffee. He swiftly paid for it using his phone's contactless payment feature, and the amount was deducted from his digital wallet with a satisfying 'ding' sound.

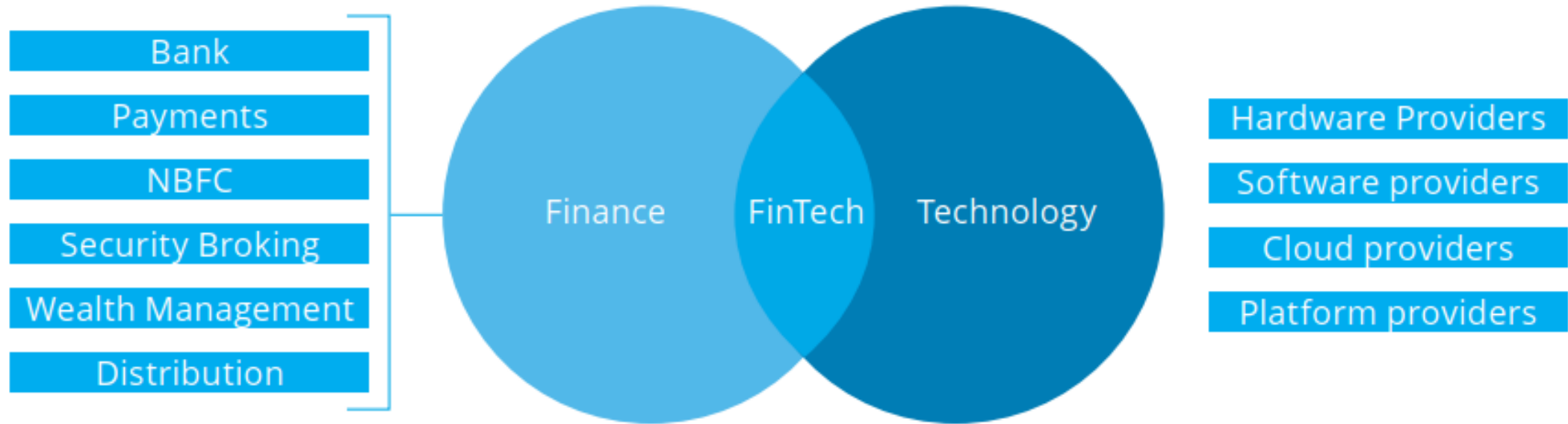
During lunch, John decided to check on his investments. He opened his investment tracking app and noticed a stock he had been eyeing was on the rise. He seized the opportunity, made a quick trade, and watched as the app confirmed the transaction within seconds.

After work, John needed groceries. He ordered them online through a grocery delivery app, enjoying the convenience of having everything delivered to his doorstep. Payment was a breeze with his digital wallet. Back home, John relaxed on his couch and opened his budgeting app. With a few swipes, he categorized his expenses and set savings goals. The app's insights into his financial health helped him make informed decisions.

Before turning in for the night, John checked his banking app one more time. He saw his monthly salary had been deposited and scheduled automatic transfers to his savings and investment accounts. As John lay in bed, he reflected on his day. It was remarkable how seamlessly he was able to complete his daily tasks. He drifted off to sleep, unaware that FinTech would continue to evolve, offering even more possibilities in the days to come.

What is FinTech?

FinTech - Convergence of Financial services and Technology

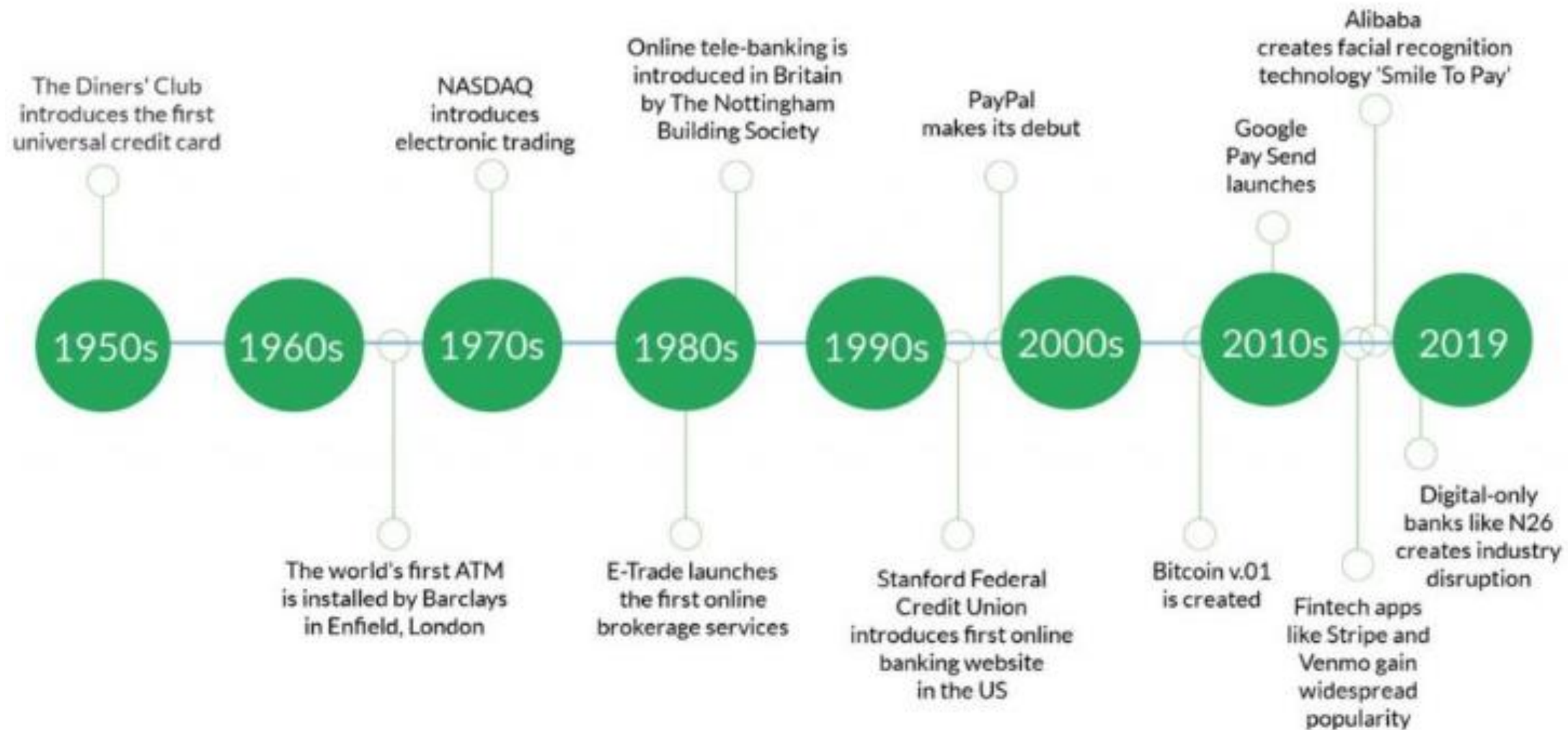


Source: Deloitte Internal Analysis

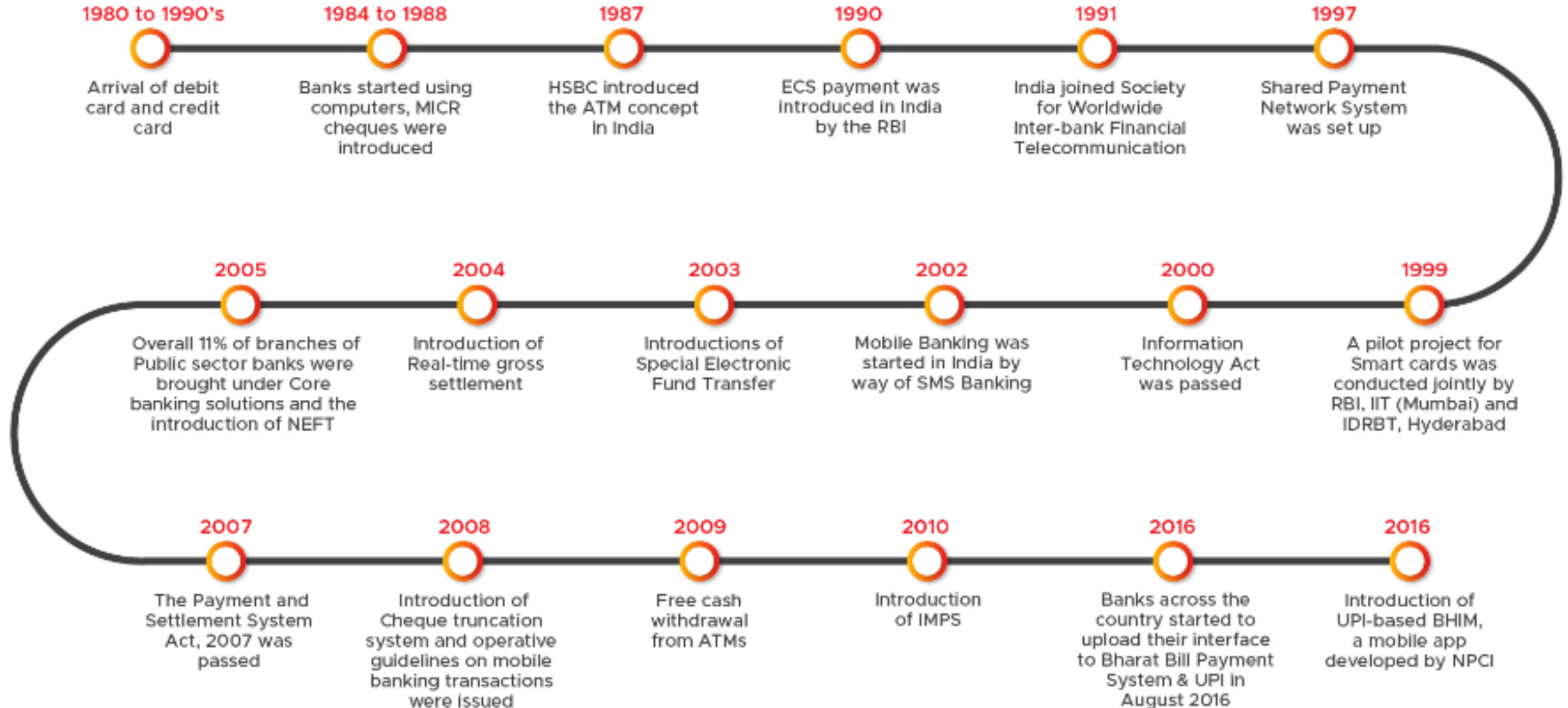
Finance + Technology

“New Financial Industry that applies technology to improve financial services and activities”

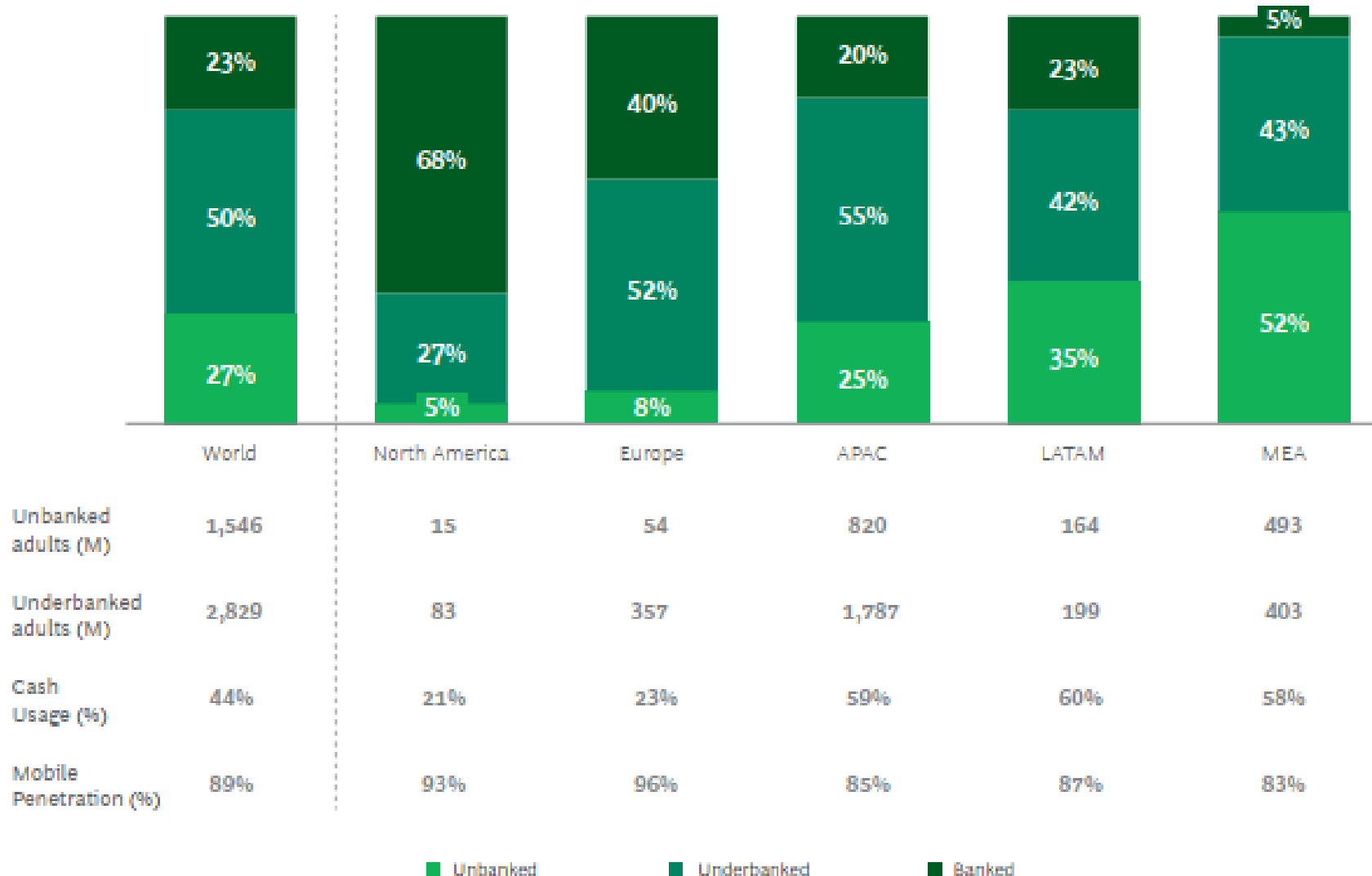
Evolution of Modern Fintech



Evolution of FinTech in India



% of Adult Population with a Bank Account (i.e., % of "banked" population in the world and major countries)



Sources: World Bank Financial Inclusion Project, 2021 Data.

Note: "Underbanked" defined as % of adults without a credit card; mobile penetration defined as % of adults who own a mobile phone; cash usage defined as % of adults who made a utility payments using cash only.



amazon Flipkart  Myntra 

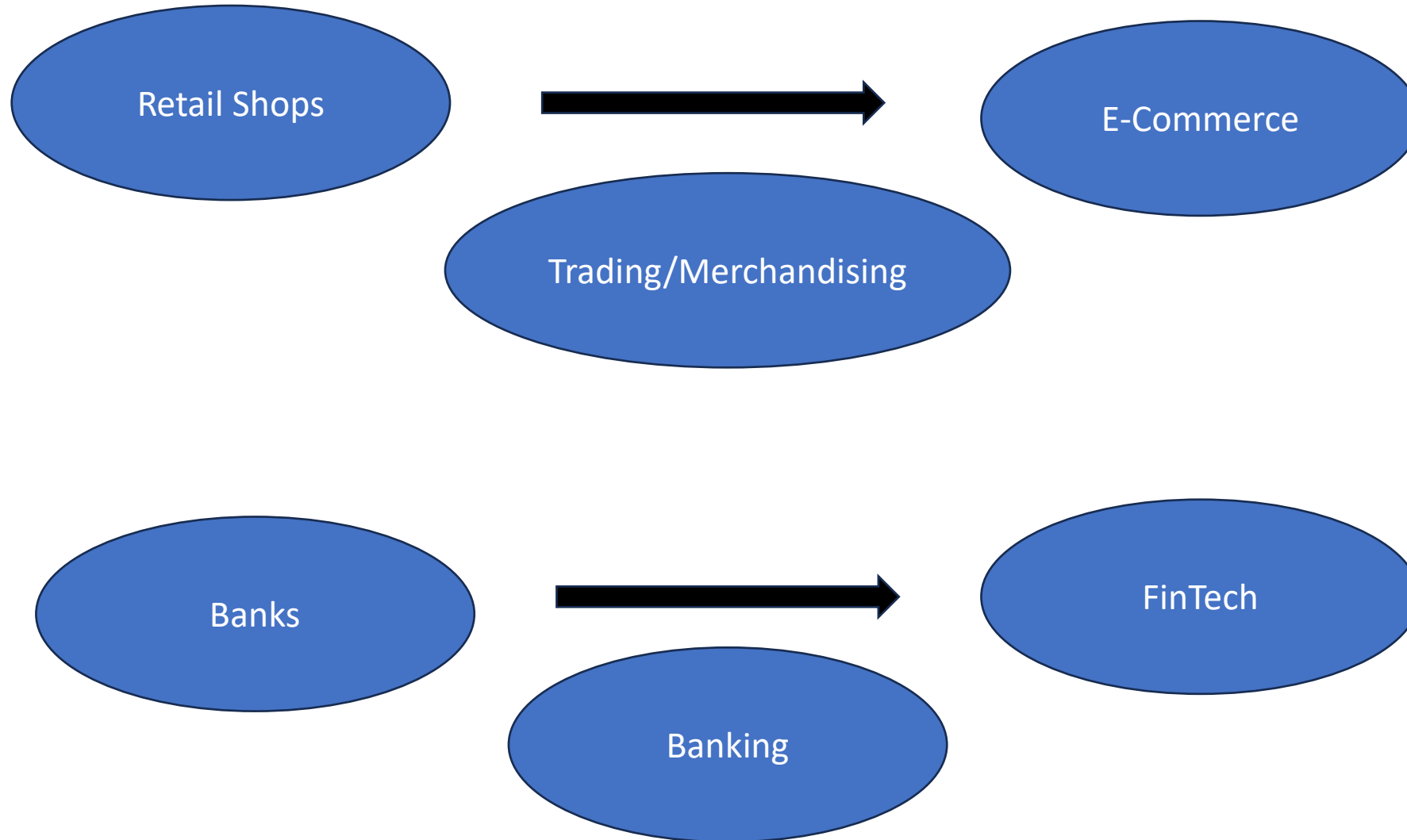
JABONG  .COM  SHOPCLUES.COM  snapdeal

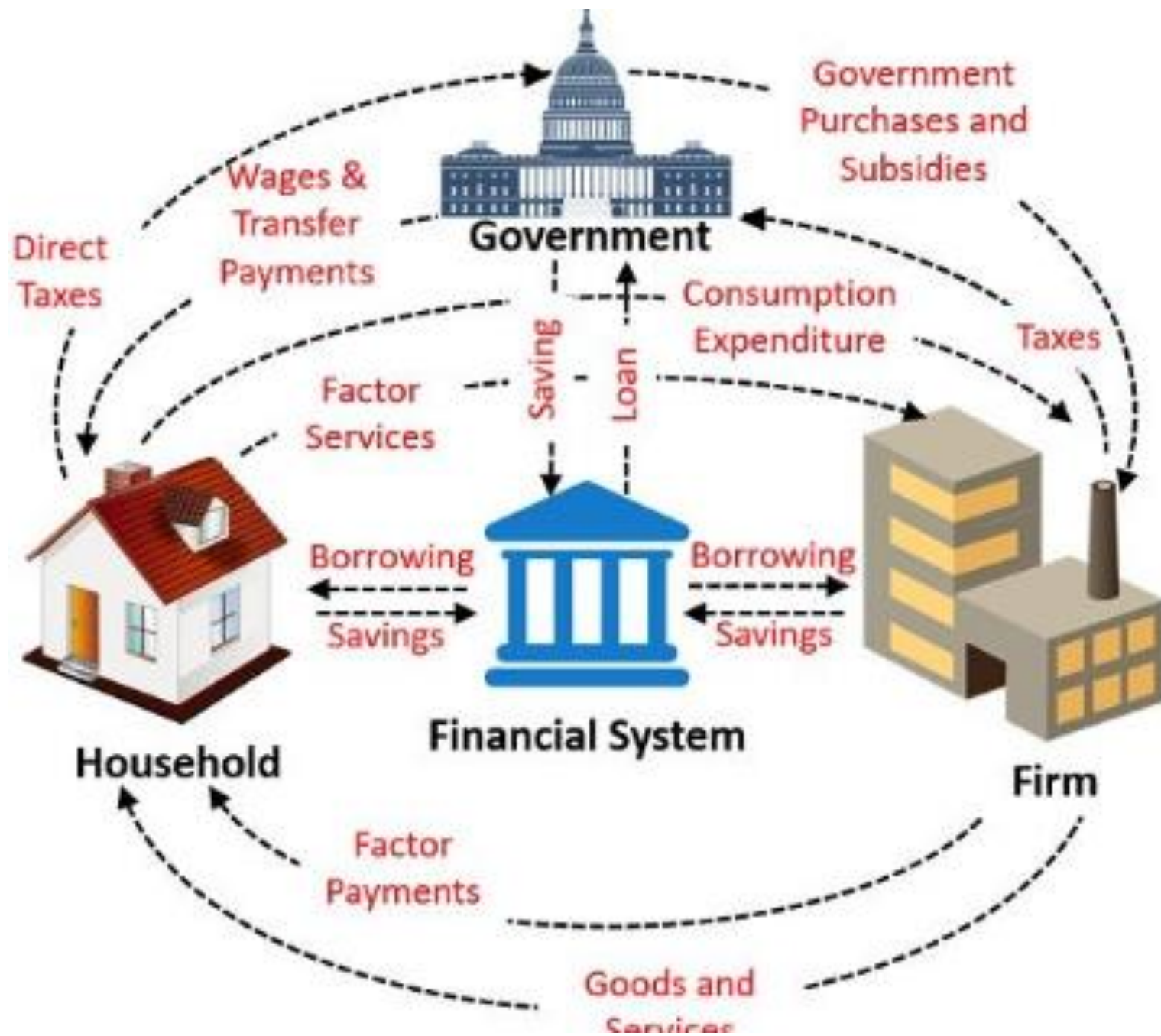
 paytm
mall

 bigbasket
India's largest online supermarket



Traditional Vs Modern Industry



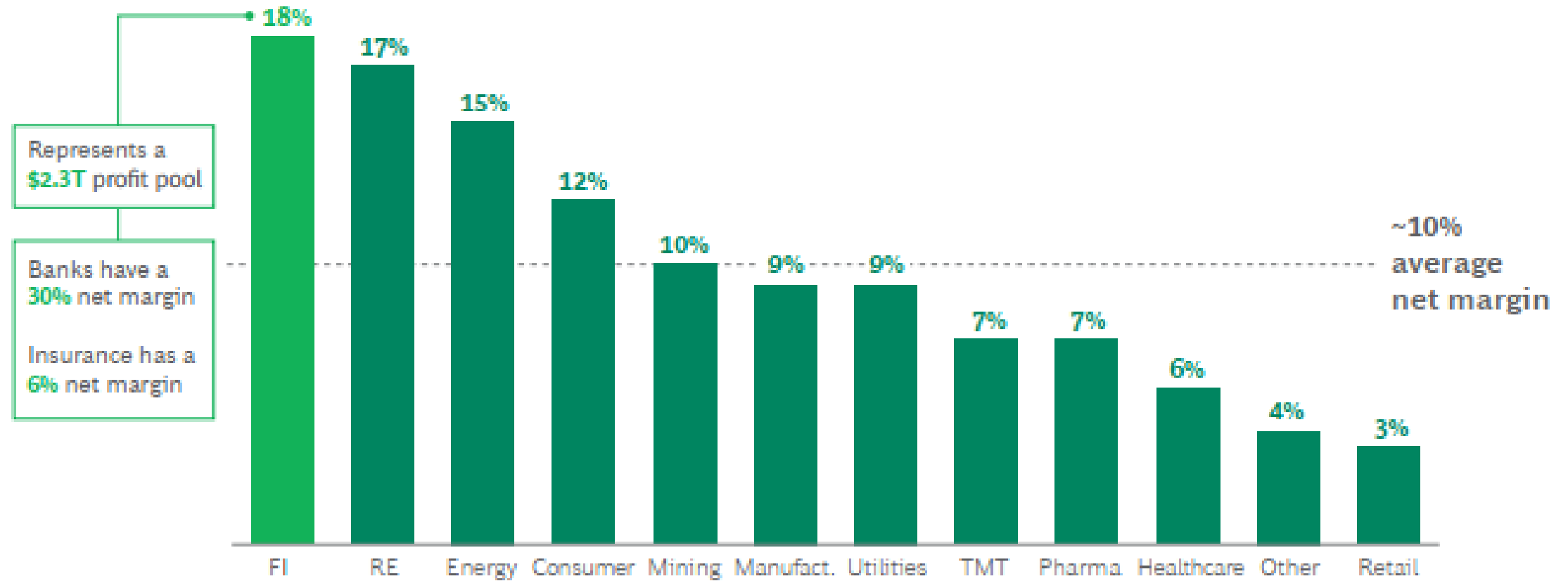


Market Valuation of Fintech Unicorns in India

Market Valuation in \$ million



Net Margin (%) by Industry, Global

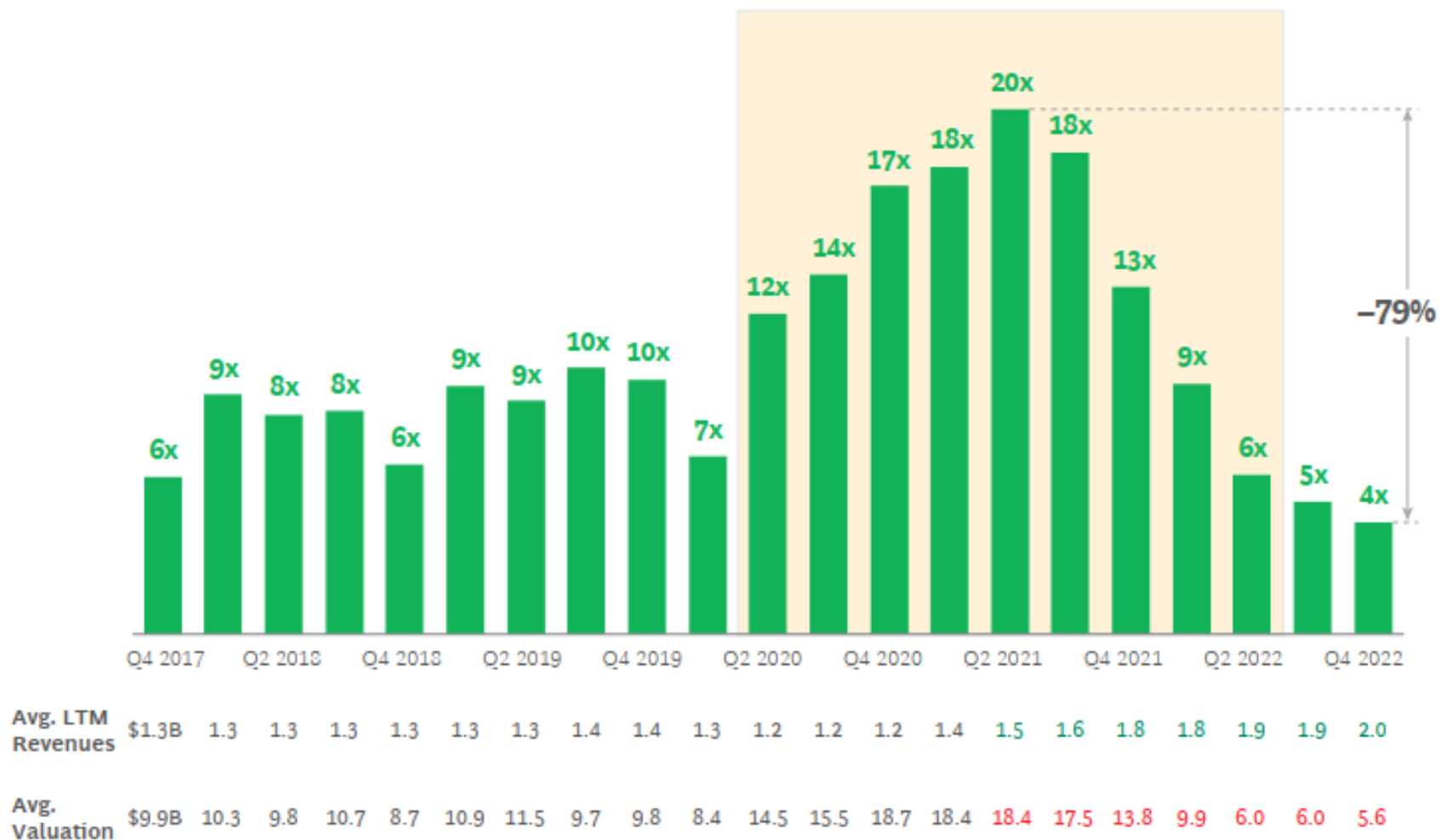


Sources: NYU Damodaran, Federal Reserve Bank of St. Louis, BCG analysis.

Note: Others includes construction, education, hospitality, air transport.

Scope in FinTech

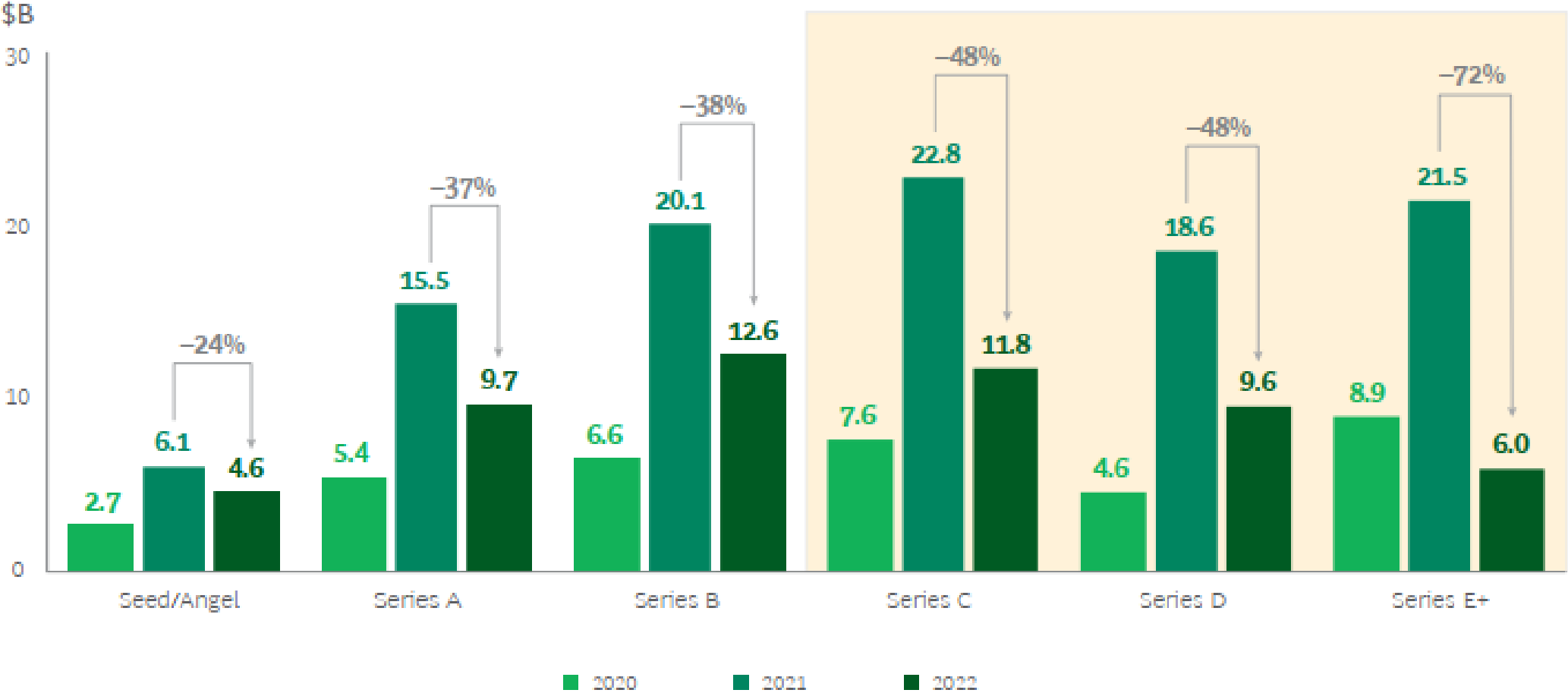
Q1 2017 – Q4 2022, average revenue multiples for public fintechs (simple average, market Cap/LTM revenues)



Sources: Fintech Control Tower, Capital IQ, BCG analysis.

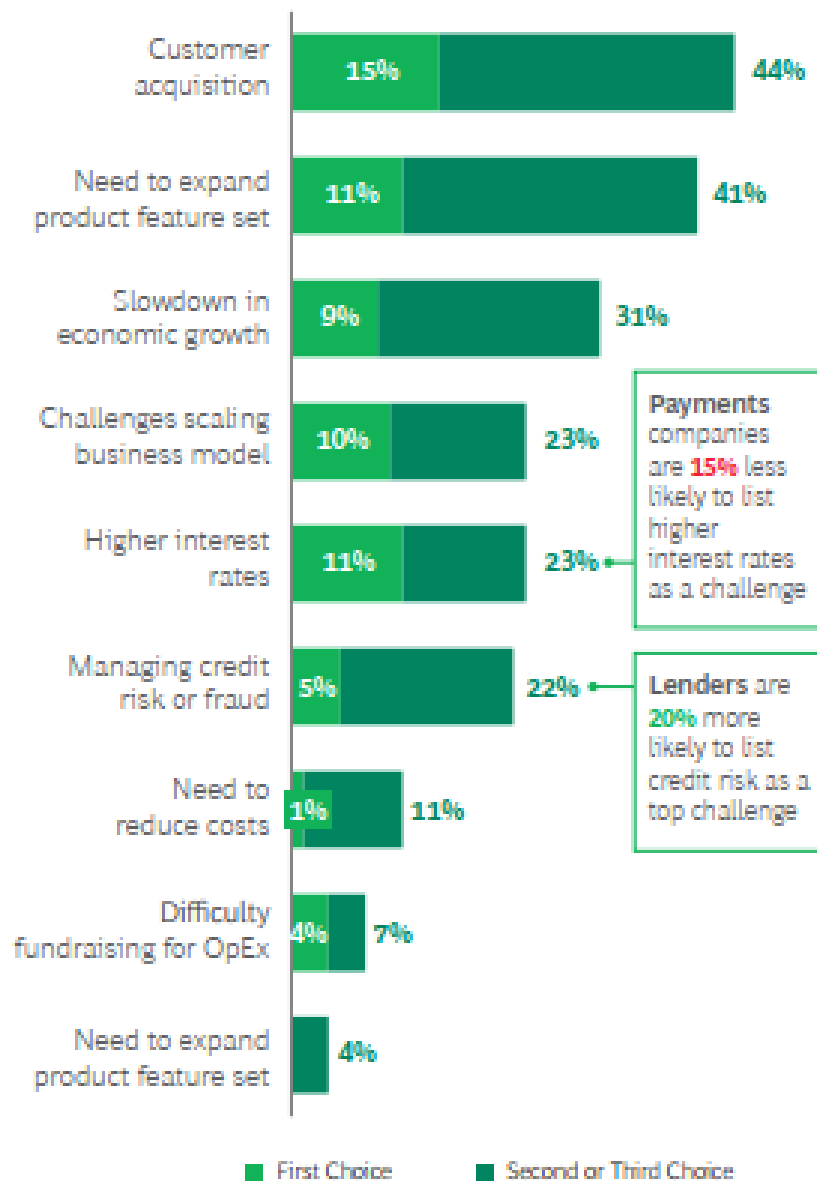
Note: The Public Fintech list considers market capitalization and revenues for each quarter from 85 public fintechs from different geos and segments.

2020–2022, Average Funding (\$B) by Stage

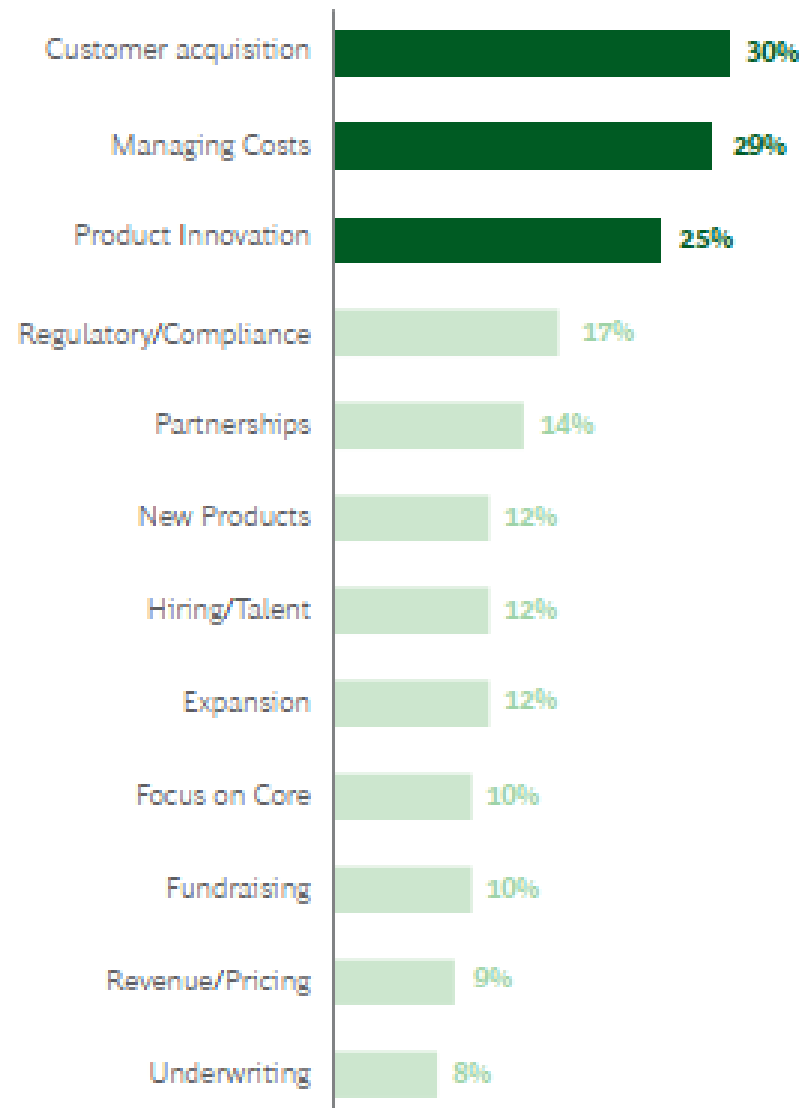


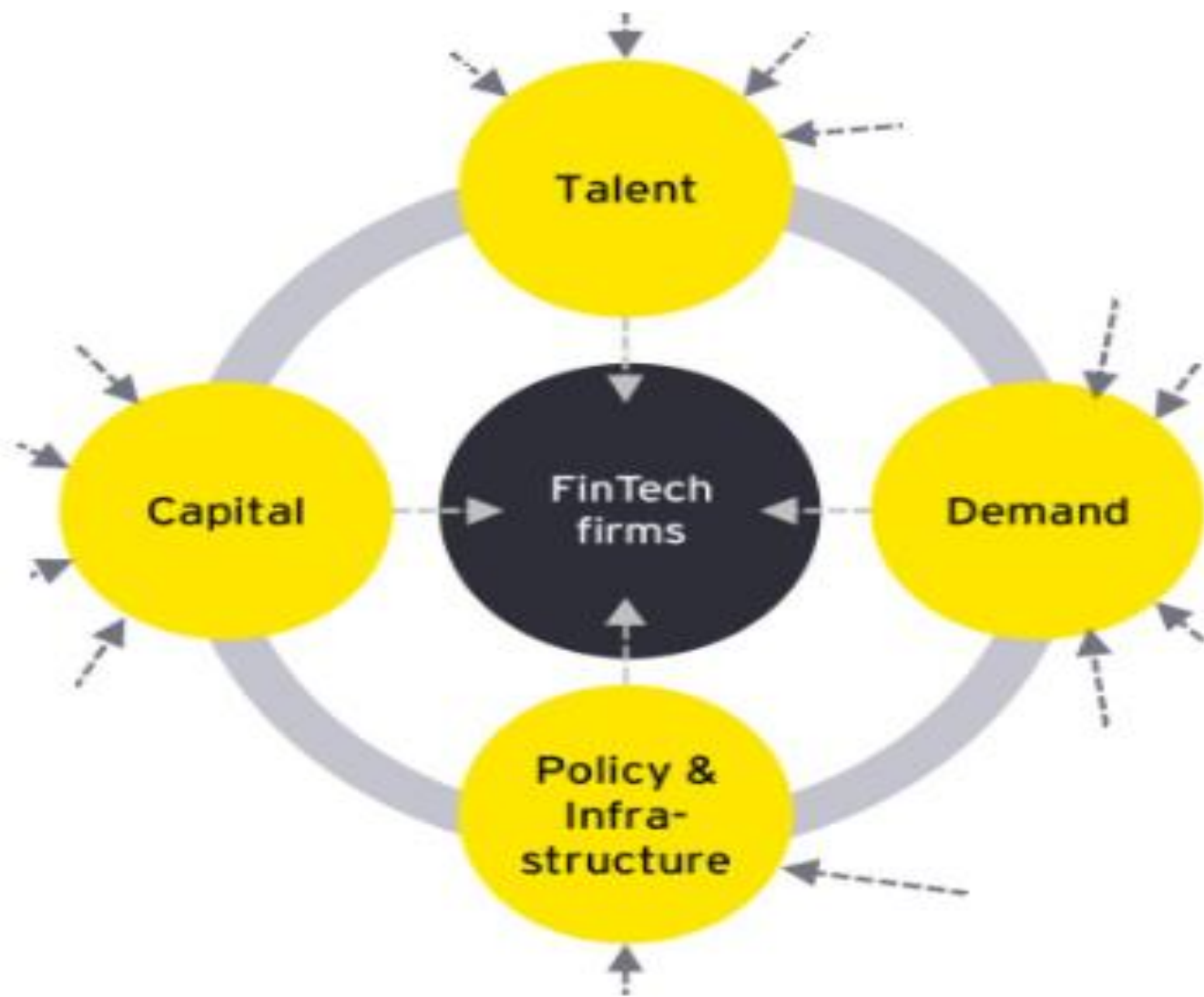
Sources: Fintech Control Tower, BCG analysis.

% of CEOs who selected following **challenges** faced by fintechs in the next 12-18 months among their top 3

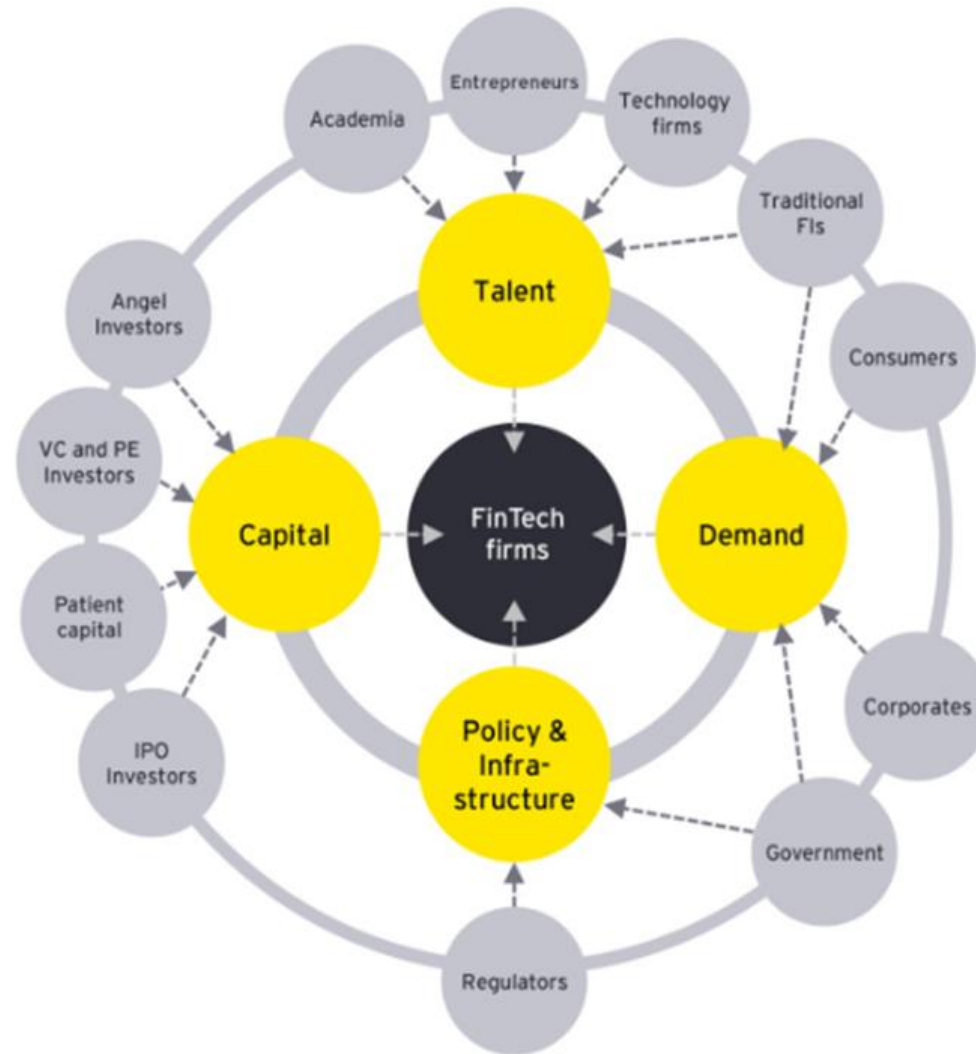


% of CEOs that selected the following among their **top actions** to take in the next 12-18 months to get through aforementioned challenges

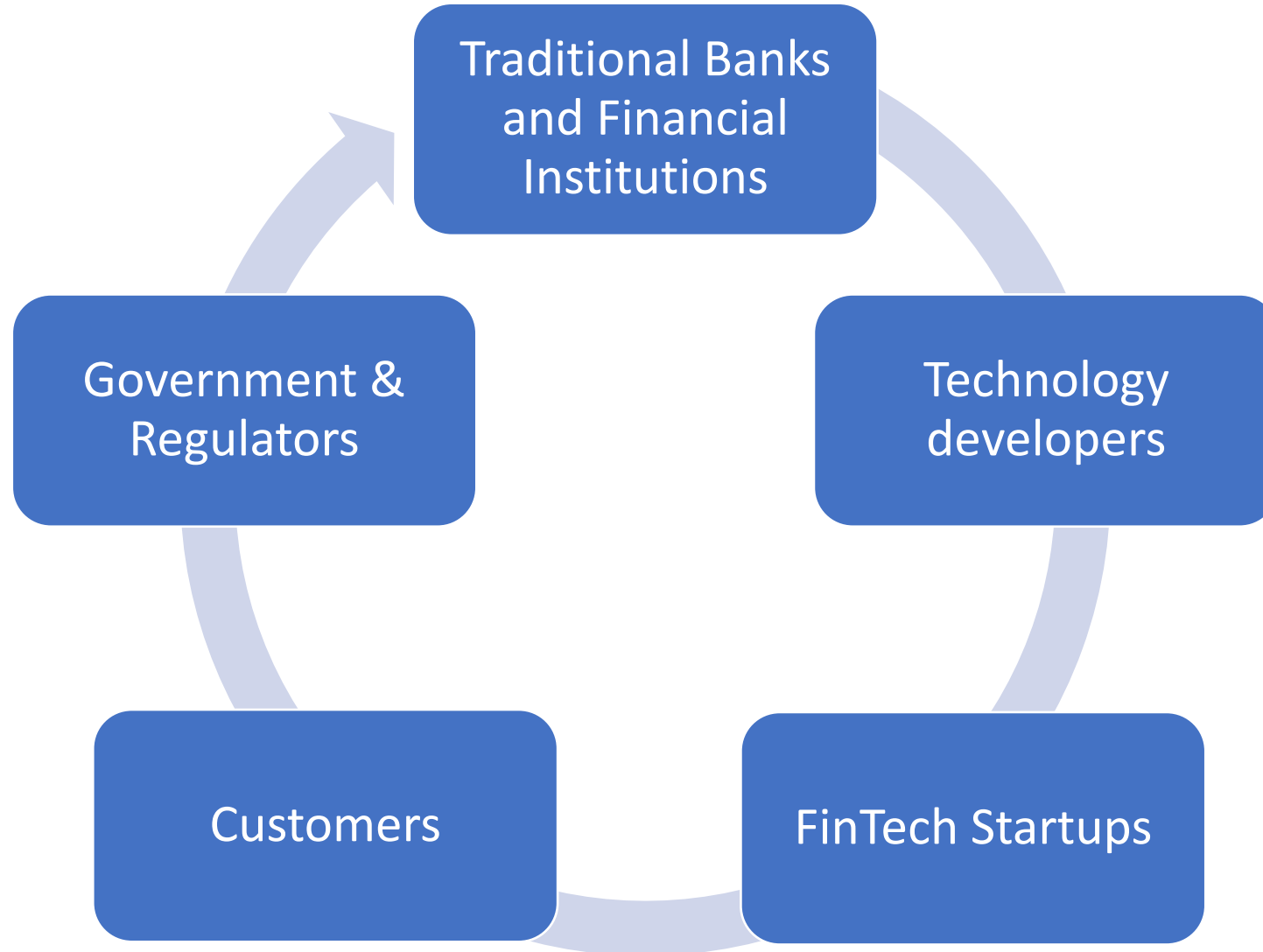




A FinTech Firm and Key Attributes



FinTech Stakeholders



The FinTech Ecosystem

Cloud Computing

AI, ML

Mobile Computing

Data Science &
Analytics

API Movement

IoT

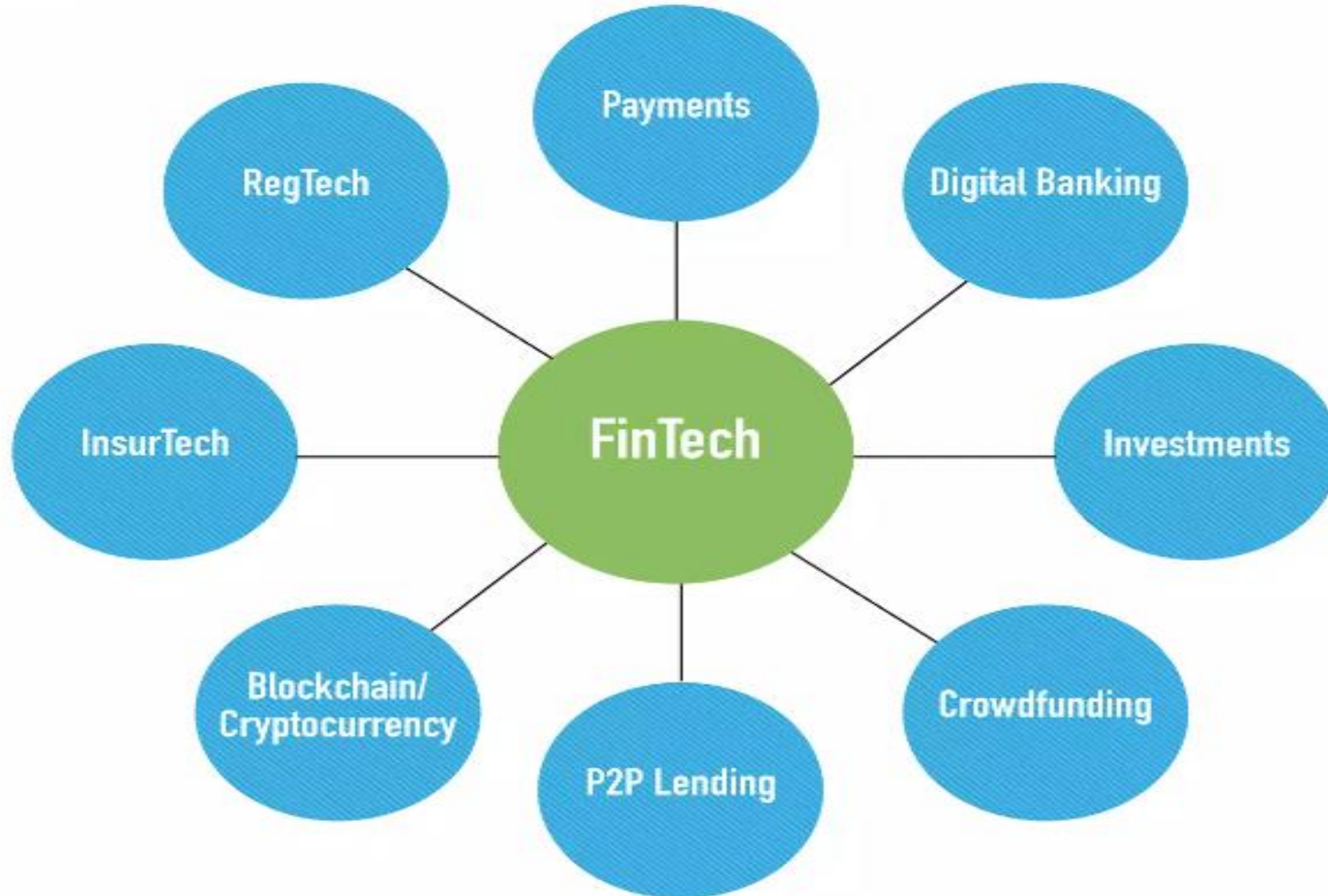
Cyber-Security

Blockchain &
Cryptocurrency

AR

VR

Key Technologies and Infrastructure



Banking is necessary but banks are not- *Bill Gates 1994*

A must Watch Documentary for Fintech Enthusiast

<https://www.youtube.com/watch?v=blr9z9ynYrY>

THANKS