SCF - Fintech

Facilitating Open Account – Receivables Finance
SCF Fintech

Lee Kheng Leong
Regional Director FCI
Shifting of Supply Chain to ASEAN
Vietnam one of the main beneficiaries
Vietnam on track to overtake Singapore in decade: DBS

Region's 'rising star' to benefit from US-China trade war, bank says

ALEX FANG, Nikkei staff writer
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Laborers work at the construction site of an apartment building in Hanoi. © Reuters

NEW YORK — Vietnam's economy could grow as much as 6.5% a year over the
Trade Finance GAP

- According to ADB there is a trade finance Gap of US 1.5 trillion
- 45% of the application by MSME were rejected
- Can Fintech fill this gap?
Fintech worldwide - Asia Pacific takes the lead

Global Funding Invested in FinTech 2016-17

Asia Pacific attracted the largest amount of investment with a total of US$14.8bn. However, China accounts for 88% of this, receiving US$13.05bn in funding.

- 32% North America: US$8.3bn
- 9% Europe: US$2.4bn
- 56% Asia Pacific: US$14.8bn
- 1% South America: US$182m
- 2% MENA: US$560m
Fintech worldwide – USD 24.3 billion in lending

Global Funding Invested in FinTech

18,400+ companies in the sector, 4000+ funded since 2012

Most Active Investors:
Startupbootcamp, 500 Startups, Y Combinator

- US$6.1bn Mobile Payment
- US$24.3bn Lending
- US$857m Investment Tech
- US$7.2bn Finance & Account
- US$6.3bn Consumer Finance
- US$6.1bn Insurance Tech
- US$1.4bn Robo Advisors
- US$583m Blockchain
- US$13bn Payments
- US$2.1bn Remittance
- US$1.2bn Crowdfunding
- US$1.1bn Bitcoin
- US$7.9bn Banking Tech

Cumulative funding in the sector
Global Funding Highlights

The sectors that have received the most cumulative funding over the past year are Lending (US$24.3bn) and Payments (US$13bn). This comes with no surprise as the two largest markets in Asia Pacific, China and India, have been driven by lending and payments.

Cumulative funding in the sector:

- **US$24.3bn**
  - Lending
    - Business Loans/ Funding Circle (2010, US$373m)
    - Consumer Loans/ Lufax (2011, US$1.7bn)
    - Aggregators/ Nav (2012, US$52m)

- **US$13bn**
  - Payments
    - Gateway/ Stripe (2010, US$466m)
    - Wallet/ Mozido (2008, US$288.5m)
Fintech ASEAN

Fig. 1.3: FinTech distribution in ASEAN

- 39% Singapore
- 20% Indonesia
- 15% Malaysia
- 10% Thailand
- 9% Philippines
- 6% Vietnam

Source for Fig. 1.1 to 1.3: Tracxn, Total number of FinTechs – 1228 in six countries
Fintech ASEAN-payment dominate

SECTION 3

Trends across sub-sectors

3.1 Payments

Fig. 3.1: Density of ASEAN FinTech industry by category

- Payment/Mobile Wallet: 43%
- Financial Comparison: 15%
- Retail Investment: 11%
- Bitcoin/Blockchain: 8%
- Financial Lending: 8%
- Financial/Business Tools: 5%
- Account Software: 4%
- Personal Finance: 4%
- Investment Research: 3%
- Insurance: 1%
Fintech ASEAN- P2P Singapore top

Fig. 3.8: No. of P2P lending platforms in ASEAN by country (YTD 2017)

Source: Tracxn, accessed 9 October 2017
Challenges for lending and SCF Fintech

- On boarding of suppliers and buyers
- Fraudulent invoices
- Legal issues on assignment of invoices
- Enforcement of the rights
Trends

• Cooperation between bank and fintech
• More fintech becoming FCI member
Thank you