

# Global FinTech Weekly



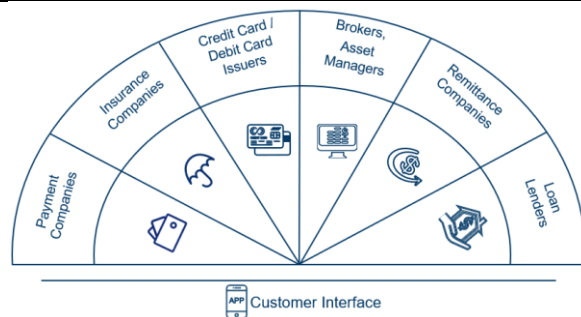
## Highlight of the week – WeChat Wallet launches bank deposit product

**Figure 1: Bank Deposit Tab recently appears in WeChat Wallet**



Source: Wechat, AMTD Research

**Figure 2: The Marketplace Banking and the unbundling & rebundling of banking products**



Source: AMTD Research

### WeChat Wallet launched “Bank Deposit” function and connects users directly to ICBC’s term deposits

WeChat quietly launched a new function “Bank Deposit” in its main portal. What’s unusual about this function is that for the first time, Wechat connects users to a bank’s deposit product, and it starts with one of the largest SOE banks in the country. The account opening can be done in Wechat without redirecting to ICBC’s websites. Minimum amount is set at Rmb 100 and maximum amount per transaction at Rmb 50,000. The terms range from 7days to 3 years with interest rates from 1.1% to 3.85% and it allows for smaller withdraws at any time. The interest rates are slightly higher than ICBC’s similar offering on its own website.

### Unbundling and rebundling of banking services give the customers more options

Unbundling of financial services is one of the most prominent phenomena brought about by FinTech startups. Traditionally, banks tend to bundle all proprietary services all together. Consumers rarely have the option to choose the best provider in each product category. FinTech startups start out specializing in a select few niche products. As they gain trust they start to expand into a broader range of product offering. Their approach is different, either by partnering with other companies or through acquisition. They can choose the provider that offers the best product for each category and when better options appear they can replace the existing venter with a new one. The key is whichever companies own the customer relationship would have the privilege to stand in between customers and the ultimate vendor at the back (Figure 2). The newly launched Apple Card also stands as a good example of with issuing Bank Goldman Sachs and card network Mastercard.

### What does it mean for incumbent financial institutions

Tech giants in China have adopted this approach early on by working with third-party asset managers, insurance companies, banks – usually smaller financial institutions. Wechat Wallet’s bank deposit cooperation with ICBC may have taken this to a new level, where the customer interface company owns the client relationship while the

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bank stays at the back. The tech/fintech in the front focus on digital experience while incumbent financial institutions focus on what they do the best - the trust by consumers when it comes to larger sum of money, compliance with regulations and managing risks.

### **Open banking initiatives are changing banks' mindset**

By providing external developer portal, banks can plug in what they need and utilize the best-in-class capabilities from outside, instead of building everything by themselves. Ultimately, the competition between incumbent financial institution, fintech and tech is about who owns the trust from and relationship with customers.

## **News of the week**

### **Healthcare**

#### **StartupCare and Generali Hong Kong partner to launch all-in-one digital healthcare platform**

Health benefits solutions provider StartupCare has announced that it has partnered with insurance company Generali Hong Kong to launch an all-in-one digital healthcare platform. StartupCare is claiming this is the first platform of its kind, providing tailor-made healthcare solutions for entrepreneurs and growing teams in startups and SMEs. It's promising a seamless end-to-end insurance journey within the app, starting from the assessment of initial symptoms to finding a clinic and scheduling an appointment to e-claim services.

Source: [MARKETING](#)

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### **P2P**

#### **Hunan takes down all P2P services**

According to the statement released by the Hunan Provincial Local Financial Supervision Administration On 16 Oct, 24 P2P platforms had been told to submit to regulatory checks, but no organization or platform passed the checks and examinations. The statement also said that all other P2P operations would be taken down, making Hunan the first province to take down all P2P services

Source: [Global Times](#)

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### **Regulation**

### **Regulation**

#### **FinTech partners of Beijing banks come under tighter scrutiny**

On 12 October the Beijing banking and insurance regulator released the "Notice Concerning Standardization of Cooperative Relationship Operations between Banks and Fintech Companies and Internet Insurance Operations". The Notice prohibits banks within the Beijing area from outsourcing core business processes such as risk control to cooperative organizations and the Internet insurance platforms are not allowed to participate in insurance sales, underwriting, claims, surrender and other insurance operations or insurance intermediary operations.

Source: [STCN](#)

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### **Payment**

#### **Paytm closes in on \$2bn funding**

Indian mobile payment giant Paytm is looking to raise \$2 billion at a \$15 billion valuation, according to the Financial Times. Existing investors Ant Financial and Softbank are likely to join a round that is expected to close within two months, says the FT, citing sources.

Source: [Finextra](#)

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Neo Bank

### Revolut in bid for \$1.5 billion debt and equity round

Revolut has hired JPMorgan to oversee a \$500 million equity raise and \$1 billion convertible loan, in a move that would bring the total funding raised by the loss-making firm to almost \$2 billion. According to Sky News, which first reported on the upcoming funding round, Revolut is aiming for a valuation of between \$5 billion and \$10 billion from the capital raise.

Source: [Finextra](#)

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Revolut

SaaS

### Instabase raises \$105m

Instabase, a US platform startup that helps banks and other firms build business applications, has joined the unicorn club after closing a \$105 million Series B funding round led by Index Ventures. Instabase has developed a platform that enables clients to build customisable apps for automating different parts of their business.

Source: [Finextra](#)

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Financing

API

### Fintech API builder Galileo to go global on \$77 million capital injection

Galileo, which provides the API infrastructure layer for some of the world's top fintech startups, is plotting a global expansion programme after snagging \$77 million in its first institutional funding round. Hot fintech startups such as Chime, Robinhood, Monzo, Revolut, Transferwise, and Varo use Galileo APIs to open and verify new financial accounts, issue and process payment cards, and launch new products.

Source: [Finextra](#)

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Galileo

Debt Marketplace

### Santander leads EUR35 million Series B in debt marketplace CrossLend

Santander InnoVentures is leading a €35 million funding round in pan-European digital debt marketplace CrossLend. Founded in 2014, CrossLend provides a digital debt marketplace for consumer, SME, invoices, mortgages and other forms of debt originated by banks and alternative originators. CrossLend securitises the assets as fixed income instruments for portfolio building by institutional investors.

Source: [Finextra](#)

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Payment

### French payment processor Lemon Way raises EUR25m

Lemon Way, a Paris-based payment processor for e-commerce marketplaces, has secured a EUR25 million investment from Toscafund Asset Management. The firm provides an all-in-one platform of modular and propriety API-based services from on-boarding to cash pay-out flows. It now works with more than 1400 European marketplaces and last year handled total business volume of EUR1.9 billion in flows.

Source: [Finextra](#)

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Processor

Payment

### True Balance raises \$23M to bring its payments app to more small cities and towns in India

South Korean startup True Balance, which operates an eponymous financial services app aimed at tens of millions of users in small cities and towns in India, has closed a new financing round as it looks to court more first-time users in the world's second largest internet market. The startup has amassed more than 60 million registered

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users in India and it clocks more than 300,000 digital transactions on its app each day. The startup, which recently introduced e-commerce shopping services on its app to sell products like smartphones, has clocked \$100 million in GMV sales in the country to date.

Source: [Techcrunch](#)

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#### Challenger Bank

#### **Brazilian fintech Nubank has grown to 15 million users**

Brazilian financial technology start-up Nubank now has 15 million clients, a figure which underlines the rapid growth of the Sequoia Capital-backed venture in Latin America's largest economy. Nubank, which also operates in Argentina and Mexico, has become a household name in parts of Brazil through its purple, free-of-charge credit card. The company, whose investors also include China's Tencent, offers digital savings accounts and personal loans.

Source: [Thomson Reuters](#)

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#### Neo Bank

#### Revolut

#### **Revolut to launch in US with Mastercard**

Revolut is to launch its first debit cards in the US with Mastercard, despite striking a global agreement with Visa last month. Announcement confirms the two businesses will partner on a minimum of 50% of all existing and future cards Revolut issue in Europe and catapult the UK app into the US market by the end of the year.

Source: [Finextra](#)

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#### Mastercard

#### Payment

#### **Mastercard launches payment on delivery service for businesses**

Mastercard is working with PNC Bank to pilot a system that lets businesses pay suppliers in real-time when receiving goods or services. The Payment on Delivery programme, which taps the Clearing House's RTP network for real-time clearing and settlement, is designed for industries with complex distribution networks and supply chains.

Source: [Finextra](#)

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#### Blockchain

#### Trade Finance

#### **Japan's Third Largest Bank Completes Blockchain Trade Finance Test**

Sumitomo Mitsui Banking Corporation (SMBC), the third largest bank by assets in Japan, is set to begin utilizing R3's Marco Polo trade finance blockchain on a commercial basis by the end of the year. The platform allows for participants to update purchase orders, invoices, logistics information, shipping schedules and port information, while auto-matching leads to highly-efficient data reconciliation.

Source: [Coindesk](#)

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#### Blockchain

#### **EY Launches Blockchain Tool to Help Bring Accountability to Public Finances**

Professional services giant EY (Ernst & Young) is using blockchain tech to assist governments in improving transparency and accountability in the management of public funds. Its new "blockchain-enabled" EY OpsChain Public Finance Manager will compare government spending programs with the results of the expenditure, even when the money has passed through different layers of government and public service agencies.

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Source: [Coindesk](#)

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### Primary Markets

#### Leading bank consortium to build new tech platform for primary markets

A group of leading financial institutions have come together to develop a new technology platform to streamline communications within the primary market. DirectBooks aims to bridge the communications gap between underwriters and investors, allowing for more transparency and improved deal execution. The backers of the new DirectBooks platform include Bank of America, Barclays, Goldman Sachs, JPMorgan, Morgan Stanley, and etc.

Source: [Finextra](#)

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### Cash Flow Forecasting

#### Citi Ventures invests in cash flow forecasting outfit Cashforce

Headquartered in Antwerp, Cashforce provides treasury managers with cash flow forecasting through ERP & TMS integration, using advanced analytics & machine learning. Citi Ventures has joined Amsterdam VC Inkef Capital in co-leading a EUR5 million round in cash forecasting and working capital vendor Cashforce. As part of the investment, Citi intends to offer the platform as an added value service to its corporate treasury clients.

Source: [Finextra](#)

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### Consumer Loan

#### 360 finance

#### 360 Finance's LendingAdda Launches Credit Cards

On 14th October, LendingAdda consumer lending marketplace owned by parent company 360 Finance launched credit card functions. LendingAdda has serviced more than 4 million Indians to date and continues to grow rapidly. Its products cover almost every daily consumption scenario including microfinance, credit card products, commercial loans, mortgages, auto loans, medical loans, and education loans among others.

Source: [asiaone](#)

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### Online Loan

#### Investment

#### Santander InnoVentures invests in Roostify

Santander InnoVentures has led a new funding round for San Francisco-based digital mortgage lending platform Roostify. The size of the round has not been disclosed. The company says that monthly loan volume has more than doubled over the last year to nearly \$20 billion a month.

Source: [Finextra](#)

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### Blockchain

#### ID

#### South Korean Blockchain ID Service Raises \$8 Million in Series A

ICONLOOP, a South Korean blockchain startup that provides digital identification services, received its first venture capital investment through an \$8 million Series A funding round, the company said. ICONLOOP is a subsidiary of DAYLI Financial Group, one of the largest fintech companies in Asia. Founded in 2016, the fintech firm initially designed an ID service based on blockchain technology for non-face-to-face openings of banking accounts.

Source: [Finextra](#)

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## Neo Bank

### **Chime and CommBank suffer online outages**

Incumbent institution Commonwealth Bank of Australia and hot neo banking startup Chime have both been in the wars, suffering online banking outages that have left customers in the dark for over 24 hours. The downtime – Chime's third since July - comes at a sensitive moment for the five-year old outfit, which is embarking on a new funding round that would boost its valuation to \$5 billion. The outage was apparently caused by an issue with the database of payment processor Galileo - another hot fintech company which has just raised \$77 million in new funding.

Source: [Finextra](#)

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