Asaan Credit,
Jan Vikas

Pay Nearby

Credit

# Unlocking universal access to credit

A co-creation module with Lenders & Lending Service Providers (LSPs) enabling credit availability, where it matters most

- Business Loan
- Gold Loan
- Personal Loan

## Reach

15+ lakh retailers across 20,000+ PIN codes reaching 5+ crore customers

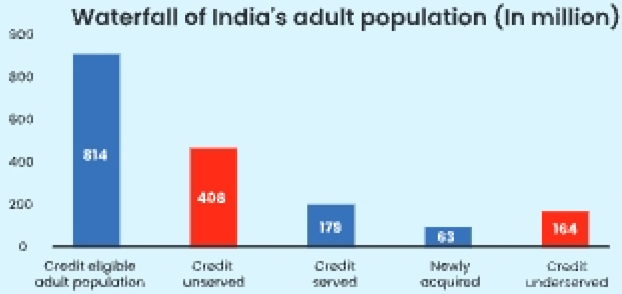
## Technology

Military grade secure Distribution-as-a-Service platform built on DPI

**Making Credit Accessible For Bharat**

Globally, debt plays an important role in driving GDP growth. India's private debt to GDP ratio is one of the lowest at 51.5% (as of Mar 22), significantly lower than the world average of 148%.

This leaves a huge headroom for increasing credit access, absolutely critical to fuel economic activity and consumption.




TransUnion CIBIL Report, 2022

1. Age group of 20-65 years, based on generally adopted lending policies
2. Underserved customers have minimal credit participation, limited to a single type of credit product, active for atleast 2 years

| | Unserved % | Underserved % | Total Unserved + Underserved % |
|---|---|---|---|
| United States | 3 | 14 | 17 |
| Canada | 7 | 24 | 31 |
| Hong Kong | 16 | 28 | 44 |
| India | 50 | 20 | 70 |
| South Africa | 51 | 15 | 66 |

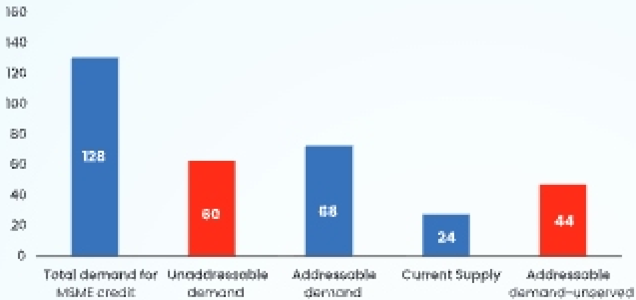
**Only 30% of credit eligible adults in India have optimal access to credit**

Presents both a challenge and an opportunity to **enable access** and **incorporate enriched data** into the ecosystem, so that fewer customers find themselves unserved.

**Opportunity: A huge unserved and underserved credit market of 572 million adults waiting in the wings**

**A burgeoning gap exists between the demand and supply of credit to Micro Small and Medium Enterprises (MSMEs). Among the 64 million MSMEs in the country, only 14% have access to credit*.**

MSME Credit Requirement (in ₹ lakh crore)




**MSMEs play a pivotal role in fostering wealth creation at grassroot level. The significant credit gap needs to be bridged for India to grow uninterrupted.**

***Avandeus Report, 2023**

Currently, only 12% of MSMEs are considered digitally mature brands. Digitization of MSMEs is imperative to transform the credit value chain and get more businesses into the addressable fold

Alternate form of credit scoring will help to increase addressable market

Digital lending and alternative need based financing options such as invoice discounting, supply chain financing and cash-flow based lending are key to improving working capital access to this sector

**Opportunity: A huge unserved & unaddressable demand of ₹104 lakh crore**

## Barriers to Credit Access

1. Lack of access due to limited branch presence
2. Limited financial and tech literacy
3. Insufficient collateral
4. Inability to comply with bureaucratic processes
5. Limited alternate scoring methods for thin file and new to credit customers

## Untapped Market Potential

1. Rural demand: A huge untapped market for both consumer and business loans
2. Digital penetration: Increasing smartphone and internet usage, supported by a robust digital payment system, is driving widespread financial inclusion
3. Supportive policies: Government support for digital and financial inclusion initiatives

## Supply Side Barriers


1. High operational costs: Serving remote areas can be expensive
2. Technology adoption: Resistance to new technologies among rural population
3. Underwrite risks and establish credit recovery process: Reduce NPAs which stresses balance sheets

## Socio-Economic Benefits

1. Economic growth: Enhanced credit access drives local economic development
2. Lifestyle upgrade: Access to credit helps improved living standards
3. Entrepreneurship: Credit availability encourages entrepreneurship and business expansion

## Our Purpose

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### Co-create Credit Distribution platform with Lenders & Lending Service Providers (LSPs) for Asaan Credit, Jan Vikas

PayNearby aims to bring people from all economic strata and geography under the formal credit fold. Break the vicious grip of informal lending mechanisms and drive prosperity, lifestyle upgrade and business expansion at last mile

## Opportunity

### Digitally trained agent network is a Bharat Gateway and serves as a bridge to last mile citizens

#### Awareness

Local retailers and sakhis transcend transactional relationship and become local social connectors. They are a huge captive intelligence to build awareness against informal credit sources and promote formal lending options

#### Accessibility

15+ lakh Digital Pradhans and Digital Naaris ensure easy accessibility of formal credit products nearby. Familiarity aids approachability and helps to overcome fear of bureaucratic processes

#### Affordability

Reduced cost of acquisition and servicing allows LSPs to offer products at competitive pricing. A marketplace module ensures choice of products and price points for the end consumer

#### Alternate Scoring

PayNearby's Bharosa Score derived from processing 25+ crore yearly transactions helps Lenders & Lending Service Providers with underwriting decisions. Local human intelligence enriches the data and helps decision making

## Our Offering

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**Leveraging Bharat Gateway of 15+ lakh Digital Pradhans, & Digital Naaris and 25+ crore yearly transactions to infuse credit where it matters most**

## How can we help you

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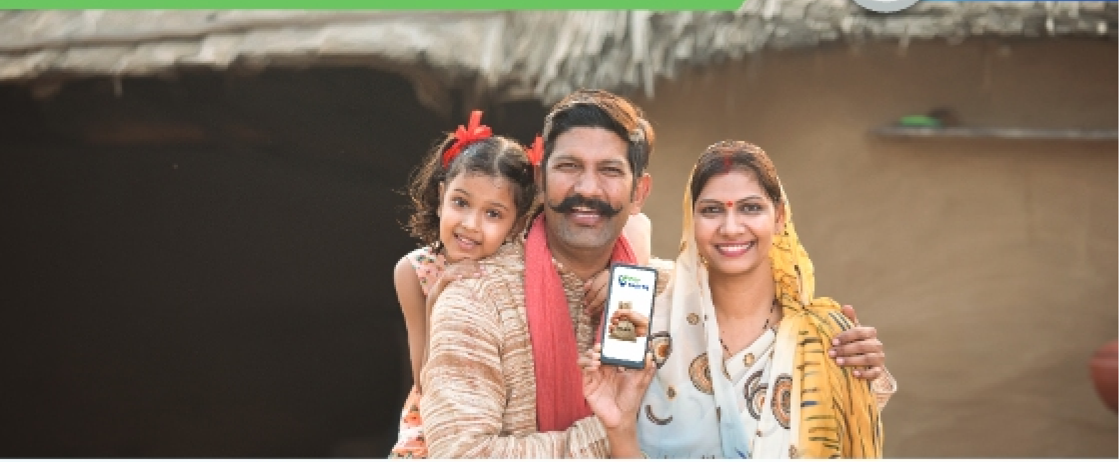

PayNearby opens up new virgin rural and semi urban markets, lower customer acquisition cost

Being a fintech, PayNearby can transform physical lending process into a seamless digital process

Using data analytics, PayNearby can evolve consumer behaviour based lending

PayNearby, with its military grade tech platform will be able to operate with digital process

Automation of back-office operations, streamlined workflows, and digital processing can reduce operational costs and enhance efficiency. PayNearby will deploy technologies to optimize processes and reduce manual intervention

PayNearby's widespread network can streamline collection & recovery process

More than lending, it's empowerment

Credit

# NADEEM

Kirana Shop


Lenders & Lending Service Providers (LSPs) gain seamless access to local markets, streamlining servicing costs and propelling growth opportunities

Multiple data sources, including human intelligence from local retailers, aid underwriting decisions, ensuring faster loan processing, timely credit and robust collection efficiency

By fostering partnerships with institutions attuned to the nuances of this realm, we offer a lifeline to the ‘new to credit’ segment

For partnerships contact

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