1. The current path to build a lending fintech in India seems to be:
    a. Build business around an arbitrage in the short-term
    b. Build scale by complementing a Bank
    c. Build a Brand
    d. Build a Bank

2. Five types of arbitrages:
    a. Technology arbitrage
    b. Regulatory arbitrage
    c. HR arbitrage
    d. Risk arbitrage
    e. Bureaucratic arbitrage

3. **Technology arbitrage** comes from specific expertise (data science, digital marketing), adoption of modern tech (cloud vs legacy core-banking) and manifests as innovative products (BNPL), digital distribution (Bankbazaar), network effects and amazing UX (Moneytap)

4. **Regulatory arbitrage** comes from loose/non-existent regulations. This manifests in the form of innovative products or distribution (doorstep delivery - Rupeek), efficiencies (better pricing - EarlySalary, less regulatory burdens, higher RoA NBFCs - Bajaj Finance)

5. **HR arbitrage** comes from ability to hire and fire skilled/unskilled workforce across geographies without related liabilities. This manifests in the form of staff augmentation (MFIs, BCs - Vakrangee/Spandana)

6. **Risk arbitrage** - Banks have fiduciary role towards depositors and thus limited risk appetite. Fintechs take on higher risks (Customer/product exposure, FLDGs, guarantees) and carry out experiments to build new categories (consumer durable loans - Bajaj Finance, Zestmoney, Kreditbee)

7. Size, management incentives/structures lead to **Bureaucratic arbitrage**. Fascinating how many times Bankers say that we had this model proposed internally but nothing moved. This arbitrage manifests as game-changer product features (Pre-approved personal loans, BNPL, Corporate debit cards - Fampay, Happay)