FINTALK
Bank of Baroda

Today's View

Banking with Cognition

In the last two years alone, 90% of the world's entire data has been created. With an ever-increasing deluge of information being generated across the globe, traditional algorithm-based systems have been unable to derive maximum value from available data.

In order to address this challenge, some innovative techniques like Cognitive Computing have been developed which mimic the way the human brain works. **International Data Corporation (IDC)** predicts that Cognitive Computing will save US companies $ 60 billion a year by 2020 and lead to a 20 % improvement in IT efficiency for financial services firms by 2022.
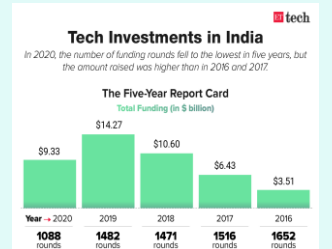
This technology, inspired from IBM's supercomputer system 'Watson', holds huge promise in banking as well. Cognitive Banking has been employed by few banks to improve loan underwriting process. Australia's **ANZ Bank** applied cognitive computing in market data, financial statements, product disclosure statements etc. to save 1,000 man-hours of back office activity. With increased automation, loan application processes for more than 150,000 customers of the bank have been streamlined.

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2020 year in review: Risk investors pour $9.3 billion into Indian startups despite Covid-19 woes

Investors have poured in about $9.3 billion into Indian startups so far in 2020 despite the Covid-19 pandemic upending many sectors of the economy, data from industry tracker Tracxn showed.

Tech Investments in India

In 2020, the number of funding rounds fell to the lowest in five years, but the amount raised was higher than in 2016 and 2017.

The Five-Year Report Card
Total Funding (in $ billion)

Year →	2020	2019	2018	2017	2016
	$9.33	$14.27	$10.60	$6.43	$3.51
	1088 rounds	1482 rounds	1471 rounds	1516 rounds	1652 rounds

Source– The Economic Times

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28th December 2020

Cognitive Computing has improved Wealth Management Services as well. Using cognitive systems, banks can analyse multiple sources of investor information to explore the latest market changes, calculate risks and limits to provide customised recommendations based on customers' personal profiles. **DBS Bank** from Singapore has already implemented this technology to offer highly customized investment ideas for its customers based on their present and future needs in wealth management.

Back home in India, **Yes Bank** is combining the power of Cognitive Computing and APIs to improve the digital experience of bank's partners, developers and corporate clients. On the other hand, **InspireOne Technologies**, one of the first users of Cognitive Computing in India, has built a product that assesses employees' leadership capabilities by gathering intelligence through employees' e-mail communications.

Considering major industry challenges such as commoditization, discerning customers and disruptive competitors, it is high time for banks and financial institutions to adopt innovative techniques like Cognitive Computing. As per Accenture's research, in 2015, only a fifth of the technology investments were allocated to innovative projects such as cognitive analytics.

Today's News

Digitisation may cut 25% Bank of Baroda costs

Public sector lender Bank of Baroda NSE 2.47 % (BoB) has rolled out a digital lending department that will digitise half of its Rs 6 lakh crore balance sheet, including retail, MSME and agriculture. The bank, which appointed global consulting firm KPMG to help with this transition, expects a move towards digitisation would help it bring down cost of operations by 25 per cent.

"It's very clear that digital is leapfrogging and the pandemic has bought these digital channels to a sharp focus. Our aim is to improve revenue, return on assets, significantly lower credit cost and cost of operations," said Akhil Handa, head — Fintech, Partnerships and Mobile Banking, Bank of Baroda. "We are looking to completely do away with paper-based lending and our major focus is digitisation of retail loans."

Source – The Economic Times   READ MORE

Regulatory sandbox: RBI names four more startups selected in first cohort

The Reserve Bank of India (RBI) on December 24 announced the names of four more startups selected in the first cohort on retail digital payments under its regulatory sandbox initiative. The four startups are: CityCash, ToneTag, Ubona Technologies, and Eroute Technologies.

This takes the list of companies in the first cohort to six. The first two names which were released on November 17 are: National Support Consultancy Services from Jaipur and Nucleus Software Exports, based in Noida. The regulatory sandbox is a protected environment within which the selected companies will operate and test their products. Here they will have to show their system's preparedness while dealing with dummy data.

Source – Money Control   READ MORE

Street vendor scheme a hit, govt plans next phase: Digital payments

As per official data, 12 lakh street vendors have already availed of the loan while the total number of applicants has crossed 30 lakh — or half the estimated number of street vendors. Over 16.65 lakh applications have already been sanctioned by partner banks.

Officials underlined that the unique aspect of the new drive was that the vendors would be able to not just receive payments digitally but also pay for material they procure from sellers using unique QR codes. The mobile phones of the vendors will be equipped with the software needed for the transactions, and training provided to them on safe and secure payments.

Source – Indian Express

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Mastercard launches Team Cashless India campaign

Mastercard has launched its Team Cashless India campaign here to cashless transactions, especially in the SME sector. The campaign is engaging with merchants and consumers to create awareness about digital payments.

Mastercard's teams are visiting the main commercial areas,such as Oppanakara Street, RS Puram, Raja street and TK market to interact with merchants about the importance of digital payments.

Source – The Hindu

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Blend Infotech launches 'pay after placement' model for its software engineering courses

Blend Infotech, has launched an income share agreement-based 'pay after placement' model for all aspirants enrolling for its software engineering courses. The Pune-based edtech startup expects to enroll, train and provide placement to more than 10,000 people through this model, which it claims has already seen big traction since launch.

"This model will ensure that talent does not remain relegated to the background due to lack of financial resources…," Jilani Shaikh, founder and chief executive officer at Blend Infotech, said. "It is our way to support the government's will to create gainful employment for all." Blend Infotech said that it has trained more than 8,000 students in information technology, design and animation in the past decade or so. It has aspirants in various verticals—from python and full-stack web developers to digital marketers and graphic and UI designers.

Source – The Economic Times

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Govt's push for GST compliance is boon for tax consultants: Startup

With the government gradually bringing small businesses under Goods and Services Tax chain, it has become a boon for service providers, a tax startup has claimed. The startup, GST Dost, estimates the total value of GST and related services to be over Rs 12,000 crore. "The introduction of e-invoicing for companies of Rs 100 crore and above will open new business opportunity for us. There are approximately 13,500 businesses having turnover of over Rs 100 crore in India," GST DOST president Vikas Dhanania told PTI.

E-invoicing is currently mandated for businesses with an annual turnover over Rs 500 crore. The government has notified the mandatory requirement of e-invoicing for B2B transactions for businesses with a turnover of over Rs 100 crore with effect from January 1, 2021. For the government it will lead to reduction in fraud cases in tax evasion, he said "With the government expanding the GST ambit to small businesses, we are aiming at a multi-fold rise in our revenue over the next 2-3 years," he said.

Source – Money Control

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Fintech in 2021: How fintech will evolve over 3-5 years

The Covid-19 pandemic has changed the whole scenario for the fintech industry. Technology has been the foundation for the growth of fintech in India. Major reforms that have been introduced in the past few years—such as GST, Aadhaar as well as UPI—could be built only due to the latest technologies available. The fintech platforms played an important role in making financial access and transaction processing for end-customers through artificial intelligence (AI) and machine learning (ML).

In India, there have been more than 500 million internet users, with more than 95% of these users accessing the internet through a mobile phone and using it to transact online. The surprise demonetisation move has given a massive fillip to the fintech sector. Government policies are evolving quickly, providing a favourable backdrop for fintech. Fintech has already altered the market. Among traditional financial organisations, 82% plan to increase collaboration with fintech companies in the next 3-5 years.

Source – Financial Express

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This agritech startup's farming-as-a-service is impacting 25,000 farmers

The shortage of labour in the agriculture sector in the past few years in India has been a rising cause of worry. While the percentage of people working in the sector is declining, it remains the main sector of employment in the country.

According to a report by Statista, about 41.49 percent of the workforce in India was employed in agriculture in 2020. Apart from battling labour shortage, the farming community also finds it tough to source machinery from agents. It was to help farmers access labour and machinery in a timely manner to make farming viable that Dashmanth Reddy, Mithil Gandhi, and Nitin Razdan started Ujjay in late 2016

Source – Your Story

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Innovation, Umbrella apps to drive digital banking in new decade

Digital banking volumes in India are likely to grow on a higher trajectory in the third decade of the 21st century, if the strong momentum gathered in 2020 — during the pandemic — is anything to go by.

The 2020 experience brought forth the challenge of adequate infrastructure for online transactions and customer experience, even as bankers say high growth is imminent thanks to changing consumer behavior towards digital transactions.

Source – Business Standard

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