



NEWS HIGHLIGHTS

Digital wallet companies wait for RBI norms

Your credit data is at risk as hackers seek to bully startups

Jan Dhan accounts may be losing their momentum

Fintech startups bank on accelerators

Sistema to set up 100% arm to handhold desi startups

Today's View

Cognitive Banking

Yesterday's endeared and today's endangered resources such as oil are slowly but steadily being replaced by a much talked about new resource, generated every time you unlock your phone or type something on that smartphone – Data! 2.5 Exabytes (2.5 billion Gigabytes) of data is generated every day and with rapidly advancing technology adoption and data gathering abilities, data keeps getting more and more crucial in decision making.

With an ever-increasing deluge of information around us, traditional algorithm-driven systems are and increasingly will be incapable to derive greater value from the available data. The answer to this is Cognitive Computing - a system being made to mimic the way a human brain works. **IDC** predicts Cognitive Computing will save U.S. companies \$60 billion a year by 2020, and impact a 20% improvement in IT efficiency for financial services firms by 2018.

Inspired from IBM's supercomputer 'Watson', this technology holds promise for banking and financial services as well. The technology is already being employed by some banks to improve the loan underwriting process. Australia's **ANZ Bank** applied cognitive computing in market data, financial statements, product disclosure statements etc. to save close to 1,000 man-hours of back office efforts. Rapid automation has helped streamline loan application processes for over 150,000 customers.

Cognitive Computing has cast its spell on Wealth Management Services as well. Cognitive systems help banks analyse multiple sources of investor information to explore the latest market changes, calculate risks and limits to provide customised recommendations based on customer's personal profile. **DBS Bank** implemented this technology to offer customized investment ideas for its customers based on their needs and objectives with respect to wealth management.

OTHER INTERESTING NEWS

GST makes June quarter a bumper one for retailers

Sales at India's listed brick-and-mortar retailers expanded between 18% and 40% during the June quarter as the introduction of the single producer levy caused the end of season sale to be advanced, leading to purchases during a period that normally witnesses muted buying.



Binge Season
SSG at Shoppers Stop rose to its highest in nearly 5 years

Future Retail, Trent, ABFRL posted 12-21% increases, driven by promotions and steep discounts

Retailers saw demand rise in Q4 due to fresh inventory, few discounted merchandise of brands on online portals

The performance is more demand or volume led, which indicates positive sentiment of consumers. Also, competitive element is less and overall market conditions are better

Kishore Bhatnagar | CEO, Future Group

COMPANY	SALE GROWTH Q1'18 Q1'17 (%)
Future Retail	13
Shoppers Stop	20
Trent	14
ABFRL (MADRASA)	21
ABFRL (PANTALOON)	14
Future Food	9
Future Food	6.50

Same-store sales compare growth at outlets that have been open for over a year and are an important indicator of demand

Source- The Economic Times

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Date- 16th August 17

In India, **Bank of Baroda** is working on combining the power of Cognitive Computing and APIs to create a seamless digital experience for bank's partners, developers and corporate clients. We are launching our hackathon – **Finathon** on 21st August 2017 for developer partners to develop innovative solutions to our most pressing problems. (Watch this space for more info). **InspireOne Technologies**, one of the first users of Cognitive Computing in India, is using the technology to assess employees' leadership capabilities by gathering and studying employees' e-mail communications.

At the current pace of customization and personalization, it is not hard to imagine how entering a bank is someday going to replicate a retail store visit. Interactions would be personalized basis the customer's lifestyle, location, background, preferences, etc. All this, powered by gargantuan data generated every day in the next couple decades – the quantum of which is absolutely mindboggling. Let's get ready for Cognitive Computing.

Today's News

Digital wallet companies wait for RBI norms

As RBI is expected to release the new guidelines for the prepaid payments instruments (PPIs) or digital wallets in a week or two, the industry is waiting on its toes.

While the central bank is expected to open up fresh applications for PPI licences, the industry insiders were keeping an eye out for know-your-customer norms and cyber insurance for wallets. The RBI had last issued a draft master circular on March 20. Top executives of the payments industry met the regulator and voiced their responses to the suggestions and are now waiting for the final move from the regulator.

Source- *The Economic Times*

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Why ATMs, once a symbol of liberalised economy, are fast losing importance

The business of automated teller machines (ATMs), which was marketed as 'Any Time Money' to convey its convenience, is staring at a crisis. What was once thought to be a vital component of the banking industry, is now being relegated to the margins.

The number of ATMs, which nearly doubled between 2012 (around one lakh) and 2015, is stagnating around 2 lakh and has hardly shown any growth in the past six months. The number of debit card transactions on ATMs has collapsed to an average of 660 million a month from over 750 million before demonetisation.

Source- *The Economic Times*

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This News Letter has been prepared with the assistance of Pankaj Tadas and Manish Kulkarni

Bitcoin Skyrockets, Race to First Cryptocurrency ETF Heats Up

Bitcoin soared to a new high above \$4,300. The digital currency has now more than quadrupled in value from around \$997 at the start of the year. \$1 invested in bitcoin seven years ago is now worth over \$1.4 million .

Recent surge in bitcoin price resulted from strong investor demand from Japan as also some safe haven buying. Investors have also become increasingly bullish after the smooth split of the cryptocurrency into two.

Source- *Nasdaq*

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Grofers increases size of sales basket to Rs 768 crore

Online grocery startup Grofers said it has doubled its gross sales in the past four months, with current annualised sales of about \$120 million or Rs 768 crore, as it revs up its sales in the online retail segment, which is expected to see consolidation.

The company's sales started picking up pace from February this year when it launched a marketing campaign and has continued the growth momentum due to a mix of factors like sales during the good and services tax (GST) regime transition.

Source- *The Economic Times*

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Your credit data is at risk as hackers seek to bully startups

After infiltrating your bank account and email, the next big high for a rogue hacker is combing your credit history — data that capture your earnings, defaults, loans, and some of the well-kept financial secrets.

Early August one of the credit score management companies in India, Creditseva, was alerted by a European cyber security firm that credit history of close to 40,000 borrowers stored in Creditseva server has been leaked. The overseas firm assured that given a chance it would fix the problem.

Source- *The Economic Times*

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Jan Dhan accounts may be losing their momentum

Jan Dhan is probably the most aggressive scheme undertaken by any government for financial inclusion.

In terms of the use of these accounts, some interesting facts emerge. First, the average balance kept in these accounts increased and peaked in December 2016. Second, post-demonetisation the money appears to have been withdrawn by around Rs 500 per account. Third, the number of zero balance accounts has come down sharply from 73.3% in 2014 to 24.1% in 2016, but rose to 24.9% in February 2017.

Source- *The Economic Times*

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Fintech startups bank on accelerators

Nine startups are in the process of graduating from the third edition of fintech accelerator Catalyst 2.0 organised by Societe Generale Global Solution Centre (SG GSC), a subsidiary of European financial services group Societe Generale.

These startups have developed minimum viable products in the fields of augmented reality, virtual reality, mixed reality, machine learning, ewallet, among others, which focusses on the needs of investment banking, international banking and retail customers of the financial services group across the globe.

Source- *The Economic Times*

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Cashless India: Digital payments on the rise, here is how to solve security problem

Debit card swipes at ATMs dropped to 655 million in May 2017 compared to 800 million in October 2016. Simultaneously, debit card usage at PoS terminals has risen by 90% since demonetisation.

With the growing acceptance of digital payments, coordinated efforts towards making them secure are also needed. India is ranked 23rd out of 165 nations in a global index released by the UN agency ITU that measures the commitment of nations to cybersecurity.

Source- *Financial Express*

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Sistema to set up 100% arm to handhold desi startups

Russia's Sistema JSFC is deepening its engagement with Indian startups. The \$10-billion Russian conglomerate will shortly float a wholly owned unit in India to offer hands-on business execution assistance to local startups in the ecommerce, financial technologies, digital analytics, eetailing and lifestyle brands domains, two people aware of the matter said.

The new Sistema India subsidiary will "handhold local startups under its new accelerator platform through a host of services, including go-to-market strategies, solutions to swiftly scale up business and even the support of a back-up operations team if needed," one person told ET.

Source- *The Economic Times*

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Paytm Mall to invest \$5 million for roping in small shopkeepers

In an effort to bring small shopkeepers on its platform, Paytm Mall, owned by Paytm Ecommerce Pvt Ltd, would spend \$5 million. To this end, it has also set up a team of 500 personnel to address the needs of the retailers.

"This team acts as a direct link between the company and its partner-retailers. The team meets them on a regular basis to receive their feedback, understand their challenges and offer necessary support for their growth. The company is on-boarding more retailers and is expanding its footprint," the online marketplace said.

Source- *Business Standard*

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