



The FinTech Newsletter
By Bank of Baroda

bob
World

बैंक ऑफ बड़ौदा
Bank of Baroda

In This Issue

- 1** Home grown StartUp Stories: Envirokare-Customised e-Waste Recycling Solutions
- 2** RBI launches Digital rupee pilot programme
- 3** At \$29 bn, Indian fintech sector now has 14% global funding share: Report
- 4** Why is embedded finance becoming popular in India?
- 5** JPMorgan executes first DeFi trade on public blockchain

Akhil Handa
Chief Digital Officer
+91 22 6759 2873

Arun Kumar
Head, Partnerships & Innovations
+91 22 6759 2619



Voice Payments: The future of Payment technology

Voice payments is a process of paying, transferring and receiving money from individuals using voice command where you speak to a AI powered device such as speaker or smartphone for making payments. The process of setting up a voice payment account is very similar to that of paying through any online wallet. Once the payment app is opened on the device, the device will recognize your request, process the payment and respond with confirmation.

This technology comes from the advancements made in artificial intelligence (AI) and machine learning (ML) where it utilizes Natural language processing (NLP), a branch of AI that allows computers to learn, understand, respond, and produce content in human languages. It works closely with voice recognition engines where human speech is converted from analog to digital form which is being used in Google Assistant, Amazon's Alexa or Apple's Siri.

Cont'd Pg.2

According to a PWC report, global cashless payments will increase by 80% between 2020 and 2025, nearly tripling by the end of 2030. The global voice-based payments market was valued at USD 16.11 billion in 2021 and is expected to grow at a CAGR of 9.1% as per Polaris market research analysis. The rise in the popularity of voice payments is result of '24*7 connected' lifestyle of millennials who have access to different consumer services that save their time and are easy to use.

The Opportunities for Voice Payments

- Modern Customer Experience
- On the Go banking
- Retaining Customers

The Challenges for Voice Payments

- Security & Privacy
- Understanding different accents
- Point of service Integration
- Return on Investment



Voice payment technology is transforming the FinTech industry with convenience-based technology like voice payments and we will see a shift in the market which is driven by customer demands and adoption of AI in our daily lives with voice applications, Internet of Things (IoT) devices like speakers and voice assistants. Voice payments are expected to bring same kind of transformation in the payments industry that non cash payments did through UPI, Digital wallets and E-transactions.

Home grown StartUp Stories: Envirokare- Customised e-Waste Recycling Solutions

Envirokare assists leading companies in attaining environmentally friendly e-Waste/e-Asset disposal and management practices. Their expertise ensures that their clients adhere to the globally accepted norms of disposal and are compliant with the e-Waste Management Rules laid out.



The startup focus on removing the complexity from the process of e-Waste recycling and logistics and ensuring that our client receives the best returns for their e-Waste/e-Assets. The goal is to provide a seamless, environment friendly and professional way to handle your electronic waste.

RBI launches Digital rupee pilot programme



India's first digital rupee pilot project has been rolled out by the Reserve Bank of India w.e.f 01st Nov 2022. Nine banks identified for participation in digital rupee's wholesale pilot which are State Bank of India, Bank of Baroda, Union Bank of India, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Yes Bank, IDFC First Bank and HSBC, the RBI said in a release.

A Central Bank Digital Currency (CBDC) is a digital form of currency notes issued by a central bank. Digital currency or rupee is an electronic form of money that can be used in contactless transactions. It will be used as the settlement amount on the purchase and sale of government securities i.e. government bonds. The Reserve Bank has also said that it will also be used for retail transactions soon. The digital rupee will be different from Bitcoin, Ethereum etc in the sense it will be backed by the government. Secondly, having an intrinsic value on account of government backing, the digital rupee will be equivalent to holding a physical rupee equivalent.

[Source - Livemint](#)

At \$29 bn, Indian fintech sector now has 14% global funding share: Report

Indian fintech market has received \$29 billion in funding across 2,084 deals (January 2017-July 2022), gaining 14 per cent share of the global funding and No 2 spot on the deal volume, a new report has said. The India fintech ecosystem has 23 unicorns (out of 106 in total) and has reached a scale to establish a strong position in the global financial services market and be benchmarked for its speed of innovation, customer inclusion, and growth, the report noted.



India's CAGR in the fintech sector grew by 20 per cent, which was higher than that of the US, UK, and China which witnessed a growth of 16 per cent, 15 per cent, and 10 per cent, respectively, according to 'State of the Fintech Union 2022' report by the Boston Consulting and Matrix Partners India. With 7,460 fintech companies, India is now third behind the US (22,290 fintech companies) and China (8,870).

Source – Economic Times

Why is embedded finance becoming popular in India?

Embedded finance is the integration of financial services like lending, payment processing or insurance into nonfinancial businesses' infrastructures without the need to redirect to traditional financial institutions. The embedded finance ecosystem primarily consists of key institutions like digital platforms, financial institutions, and infrastructure companies that

strategically work together to provide solutions to customers. NBFCs owning a customer-facing digital platform such as an app, or a website can offer customized financial solutions to customers. Financial institutions, on the other hand, provide financial services that are regulated and compliant, allowing them to use their network and manage loan requests within the ecosystem. The embedded finance industry in India is set to grow significantly by 46.0% on an annual basis to reach US\$4,801.8 million in 2022 alone, as per a report by Research and Markets.



Source – Financial Express



JPMorgan executes first DeFi trade on public blockchain

Multinational banking firm JP Morgan has successfully executed its first-ever cross-border transaction using decentralized finance (DeFi) on a public blockchain. The trade was facilitated by the Monetary Authority of Singapore's (MAS) Project Guardian on November 2, 2022 — which was established as part of a pilot program to “explore potential decentralized finance (DeFi) applications in wholesale funding markets.”

In other words, the pilot was another step into examining how traditional financial institutions can use tokenized assets and DeFi protocols to conduct financial transactions, among other use cases. MAS said that a “live cross-currency transaction” was conducted, involving tokenized Singaporean dollar and Japanese yen deposits, along with a simulated exercise of buying and selling tokenized government bonds.

Source – cointelegraph.com

bob
World

बैंक ऑफ़ बड़ौदा
Bank of Baroda

Digital Group

Baroda Sun Tower, Seventh Floor, C-34, G-Block, BKC,
Bandra (E), Mumbai - 400 051, India. T: 022-6759 2873

To Subscribe: bit.ly/BankofBarodaFintalk

CONTACTS

Shreya Singh

+91 22 6698 3137

digital.marketing@bankofbaroda.com

Reetesh Chandra Jaiswal

+91 22 6698 3137

digital.marketing@bankofbaroda.com

Disclaimer: The views expressed in this newsletter are personal views of the author and do not necessarily reflect the views of Bank of Baroda. Nothing contained in this publication shall constitute or be deemed to constitute an offer to sell/ purchase or as an invitation or solicitation to do so for any securities of any entity. Bank of Baroda and/ or its Affiliates and its subsidiaries make no representation as to the accuracy; completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. Bank of Baroda Group or its officers, employees, personnel, directors may be associated in a commercial or personal capacity or may have a commercial interest including as proprietary traders in or with the securities and/ or companies or issues or matters as contained in this publication and such commercial capacity or interest whether or not differing with or conflicting with this publication, shall not make or render Bank of Baroda Group liable in any manner whatsoever & Bank of Baroda Group or any of its officers, employees, personnel, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time.