

FinTalk

The Weekly Newsletter
By Bank of Baroda

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बैंक ऑफ़ बड़ौदा
Bank of Baroda

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Akhil Handa

Chief Digital Officer

+91 22 6759 2873

Arun Kumar

Head, Partnerships & Innovations

+91 22 6759 2619



Web 3.0 - the new catch word

The latest buzzword in the techie world has been that of NFT, Metaverse and of course, **Web 3.0**. So, what is Web 3.0? Is it the new internet revolution or is it a door to the decentralized future? For this, first let's understand what Web 1.0 and 2.0 has been.

Web 1.0 (1994-2004) - Read - only, was the first version of internet where there was no contribution but only access with the computer's static HTML pages.

Web 2.0 (2004 – present) - Read – write, ushered in the era of tech giants such as Twitter, Instagram, Facebook, YouTube and many more where Internet became a two-way conversation with capabilities to share user generated content and engage in user-to-user interactions to contribute by generating own content. Web 3.0 has also become advertisement driven with digital marketing getting an upper hand in persona based application interactions.

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Web 3.0 – Read- Write, was coined by **Garwin Wood**, the co-founder of Ethereum in 2014. With the rise in tech giants taking control of the internet, it was felt that a more trustworthy internet system was needed to protect the user’s interest. At its core, Web3 uses **blockchains**, **cryptocurrencies**, and **NFTs** to give power back to the users in the form of ownership.

Web3 would be working on few core principles for its creation:

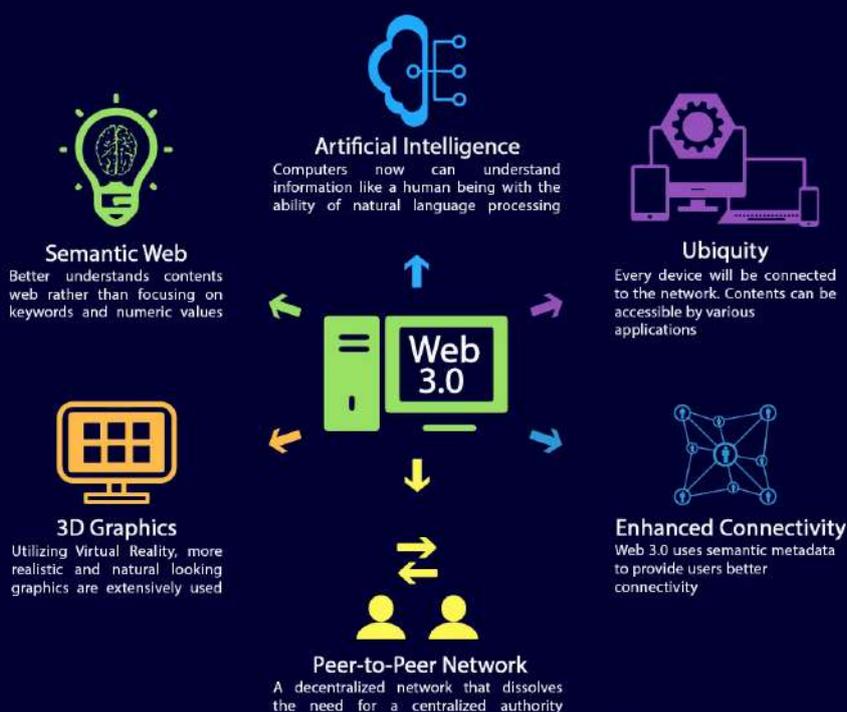
- **Decentralization:** As opposed to controlling and owning vast swaths of the internet, ownership is distributed among its builders and users.
- **No permissions:** everyone has equal access to participate in Web3, and no one gets excluded.
- **Cryptocurrency:** it uses cryptocurrency for spending and sending money online

No trusting of 3rd parties: it operates using incentives and economic mechanisms instead of relying on trusted third-parties.

The importance of Web 3.0 is primarily due to ideas such as Ownership, Dynamics between platform & creators, control your identity and native payments. Despite all the positives there can be few challenges in terms of accessibility, user experience and centralized infrastructure.

With large tech corporations controlling not only the world of internet, but even defining customer choice as the straw that broke the camel's back, Web3 is expected to provide users with more control. With the Web3 in its nascent stage, we are only at the beginning of creating a better internet with developments in metaverse, cryptocurrency, NFT and the future technologies.

What Makes Web 3.0 So Unique?



Home grown StartUp Stories: Happy Locate Transforming India's Relocation Experiences



Happy Locate began their incredible journey in 2016 with just 5 people and today there are 600+ enthusiasts working towards one goal, which is to provide a seamless, end-to-end relocation experience. They provide a diverse range of relocation services like packers and movers for household goods relocation, commercial relocation, logistics relocation, vehicle shifting, office space relocation, laptop deliveries, pet relocation, housing assistance, storage & warehouse relocation and other value-added services.

A team of price analysts negotiate the best pricing for you in the market and with the help of AI-powered tools, they ensure cost savings in every relocation. They are India's first cloud-based solution helping customers to automate and manage end-end relocation over a couple of clicks, making the experience, seamless.

How Fintech Companies Are Using AI, Machine Learning To Create Alternate Lending Score



One may well credit Artificial Intelligence and Machine Learning, which help in creating a favourable credit environment for a broader range of users, thus, providing means of an alternative lending score that doesn't rely solely only on traditional underwriting methods, and thereby, easing their financial access. The need to adapt to newer technologies and cater to a wide customer base with customised needs has become the need of the hour, with both traditional banking systems and fintech companies constantly innovating.

Machine Learning (ML) falls under the realm of AI, where ML uses algorithms and statistical models to perform real-time analysis of vast data sets. Together, AI and ML help lending enterprises identify, sort, and make efficient decisions based on multiple data points, rapidly and simultaneously. The benefits of using such disruptive tech are many, such as faster KYC, prompt arrival at a credit score, swift detection of fraud and risk management, and lower costs.

[Source –outlookindia.com](https://outlookindia.com)



Moving beyond plastic - Alternate for reducing dependency on western card networks

The global duopoly in card payments of Visa and Mastercard that accounts for 90% of global card transactions (excluding China), recently suspended services in Russia for its invasion of Ukraine. Such situations could affect payments but the evolving payment landscape is increasing a good counterpoint.

With active state patronage, RuPay has issued more than 600 million cards, giving it a 60%-plus share in India in late 2020, up from just 15% in 2017, according to the RBI. In the long run, moving beyond plastic — and taking a more internationalist, open-network approach like Nexus — might be a more viable strategy to wriggle out of the chokehold of the giant payment platforms. Nexus, a blueprint for 24/7, real-time cross-border payments developed with the cooperation of NPCI and the Monetary Authority of Singapore, could link up the digital payment systems that exist in 60-plus nations — with room for more to join. Nexus won't be another app, rather, it could become the world wide web of payments, a set of rules any country can adopt.

[Source – livemint.com](https://www.livemint.com)

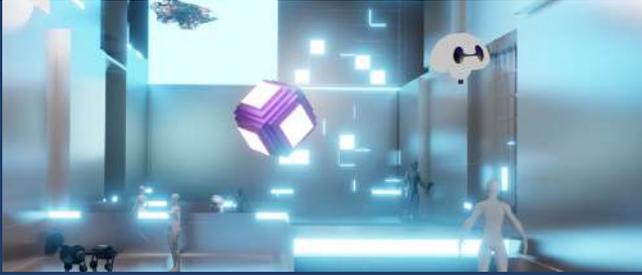
RBI repo rate hike synchronised with central banks globally: Centre

Union Finance Minister Nirmala Sitharaman on Saturday asserted that the Reserve Bank of India's (RBI) decision to increase key policy interest rates is a part of the synchronised event by the central banks globally. The rate hike came as a surprise because it came between the two monetary policy reviews.



In a surprise move on May 4, the central bank had increased the policy repo rate by 40 basis points (bps) to 4.40 per cent. The decision was taken in the unscheduled meeting of the RBI's Monetary Policy Committee. This was the first hike in policy rate since August 2018 and would make borrowing expensive. The central bank pointed to rising inflation, geo-political tensions, high crude oil prices as the reasons that led to the move.

[Source – livemint.com](https://www.livemint.com)



The boom of blockchain gaming

Blockchain technology is foraying into multiple sectors from finance to healthcare but perhaps its most revolutionizing venture has been in the gaming industry. From a zero-value market size, the blockchain gaming industry grew to \$3 billion in 2021. Furthermore, it is projected to rise to \$39.7 billion by 2025.

Blockchain gaming refers to games built on blockchain frameworks or games integrated with blockchain technology to facilitate NFT creation, trading and ownership capabilities. The collision of the two worlds of blockchain and gaming has created new opportunities for the gaming industry. Unlike traditional, highly centralized games, where the game developers controlled all assets and currency, blockchain games are decentralized. Blockchain games aim to disperse in-game assets to their players, and these assets have value beyond the games. In blockchain games, cryptocurrencies and NFTs are used for purchasing in-game assets that can be exchanged for cryptocurrencies and real-life money.

Source – Times of India

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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: tiny.cc/FinTalk

CONTACTS

Shreya Singh

+91 22 6698 3137

digital.marketing@bankofbaroda.com

Anugraha Rajagopal

+91 22-6698 3150

digital.marketing@bankofbaroda.co.in

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