



NEWS HIGHLIGHTS

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Today's View

Sharpen your Skills

In recent months, there have been strong concerns around job cuts in IT sector in the wake of IT functions and skillsets being made either obsolete or redundant by new technology.

The conversation around technological solutions automating human effort is looms as large as a giant elephant over discussions on growth and innovation. In the banking domain, traditional jobs like passbook updation, salary uploads, cheque book issuance, and other data entry jobs have largely been recognized as redundant. Moreover cash handling is increasingly getting automated (though the death of teller jobs has been a talking point every since the first ATM appeared in London).

Earlier this month, Vikram Pandit stirred up a hornet's nest by highlighting that developments in technology could impact some 30% banking jobs in the next five years. Not only have monotonous branch activities been transformed and automated but also activities like underwriting have now taken a new avatar with the entry of data analytics and artificial intelligence.

By harnessing data, major Banks are testing automation of the underwriting process; and the Fintechs are already doing it. Their automation process extends to risk assessment helping speed up the lending process, especially in contrast to relying on humans completely to handle this part of the process. Ultimately, automation drives operating costs lower, allowing the Fintechs to offer competitive rates to borrowers.

That's not it - chatbots are ushering in a new era of conversational banking. According to a report released by Juniper, chatbots would be responsible for over \$8 billion per annum in cost savings by banks globally by 2022. The same report also defines that on an average, a chatbot inquiry saves more than 4 minutes in comparison to traditional call centres (lets not even get started..).

From the perspective of a Bank employee, the situation does seem a bit concerning. The need of the hour is reskilling. Technology will steadily add jobs in the longer run

INTERESTING NEWS

Cashless payments: India embraces UPI, growth shoots up 85 pct

The Unified Payments Interface (UPI) channel grew the fastest among all modes of retail digital payments in September, rising 85% month-on-month (MoM) in terms of the aggregate volume of transactions, to 30.78 million, and 28% in value terms to Rs 5,293.5 crore, representative data released by the Reserve Bank of India (RBI) showed.

| | Cards at PoS | IMPS | UPI | USSD | PPH |
|-------------------------|--------------|--------|-------|-------|---------|
| Value (₹ crore) | | | | | |
| September 2017 | 45,194 | 71,760 | 5,293 | 32,36 | 2,759.6 |
| August | 45,708 | 65,149 | 4,127 | 29,42 | 2,722.2 |
| Change (%) | -1.12 | 10.15 | 28.26 | 9.99 | 1.37 |
| Volume (million) | | | | | |
| September | 229.18 | 82.85 | 30.78 | 0.2 | 87.46 |
| August | 243 | 75.7 | 16.6 | 0.2 | 89.7 |
| Change (in %) | -5.67 | 9.5 | 85.31 | 5.26 | -2.5 |

Data for card transactions is sourced from four banks and that for PPH transactions from eight non-bank issuers. Source: RBI

Source- Financial Express

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and people need to proactively upscale their skills. However India still is an underbanked market and needs more people in the banking sector. With 3 Payments Banks fully operational and 5 in the process of setting up shop, along with the expansion of the universal banks, the requirement for Bank personnel will only increase.

Supporting this, RBI's data as of March 2016 states that the banking industry reported 1.26 million employees, having added 79,440 employees compared to 2015. The rise was substantial from an increase of just about 30,000 employees in 2015.

Further, JPMorgan Chase & Co. CEO Jamie Dimon, recently said that the banking firms might look at cutting costs and adopting advanced technology, but the quantum of recruits is not going to decrease. Rather, the sector might just hire more workers to deal with these technologies.

The employees however will need to continually evolve.

Today's News

RBI to allow inter-operability in prepaid payment instruments

The Reserve Bank of India is all set to issue revised prepaid payments instrument guidelines for the digital wallet companies within October 11, said the Reserve Bank of India Governor Urjit Patel at the release of the fourth monetary policy statement.

It has been decided to rationalise the operational guidelines with a view to encouraging competition and innovation, and strengthening safety and security of operations, besides improving customer grievance redressal mechanisms.

Source- *The Economic Times*

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SAP banks on GST to expand client base in India

SAP, Europe's largest technology company, sees the implementation of goods and services tax (GST) and digitisation of the Indian economy as an opportunity to expand its client base in the country.

SAP's client base in India grew to about 8,500 at the end of June quarter, compared with 7,000 a year earlier. The Germany based company, which is a market leader in enterprise application software, is transforming itself into a cloud-based service company from being a company dependent on costly upfront installations and licence fees.

Source- *The Economic Times*

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Mastercard to invest \$750 m in India by 2020

Global payments company Mastercard plans to invest another \$750 million-odd in India by 2020 to fuel its growth in the world's second-fastest growing large economy.

This money will be used for organic growth and acquisitions, and in activities such as cybersecurity, mobile and digital payments, smart cities and wallets, said Ajaypal S Banga, President and CEO, Mastercard said on Thursday.

Source- *Business Line*

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3i Infotech's new HybridNXT solution for digital transformation

3i Infotech Limited will help enterprises take the first step towards digital transformation by adopting Hybrid Cloud, through the Company's solution offering HybridNXT.

The company has positioned itself as a digital engineering partner of choice for enterprises, who are at the crux of major business transformation; in an industry where 60% of every customer's business will be on the cloud by 2020 and more than 90% by 2025.

Source- *The Economic Times*

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This News Letter has been prepared with the assistance of Pankaj Tadas and Aparna Anand

GST Council meets today: Relief for exporters, SMEs on the cards

The Goods and Services Tax (GST) Council, in its upcoming meeting on Friday, is likely to give a major relief to exporters as well as small and medium enterprises (SMEs).

The Council is likely to make filing returns for SMEs easier. Those with an annual turnover of up to Rs 1.5 crore will be allowed to file quarterly returns. Also, the composition scheme, which allows a flat rate and easy compliance, may be relaxed to rope in those with an annual turnover of up to Rs 1 crore against the current Rs 75 lakh.

Source- Business Standard

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RBI issues directions for peer-to-peer lending platforms

The Reserve Bank of India (RBI), issued directions for non-banking financial companies (NBFC) that operate peer-to-peer (P2P) lending platforms. According to the directions, from now on no NBFC can start or carry on the business of a P2P lending platform without obtaining a Certificate of Registration.

Every company seeking registration with the bank as an NBFC-P2P shall have a net owned funds of not less than Rs 20 million or such higher amount as the bank may specify.

Source- The Economic Times

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Digital ad spends to grow by 31% by 2021: Report

Growing internet penetration and data consumption is likely to help increase digital advertisement spends in India at a compounded rate of 30.8 per cent between 2016 and 2021, according to a recent report.

Further, mobile advertisement spends and social media aided digital video advertisement spends are expected to grow at 50.9 per cent and 40 per cent annually between 2016 and 2021 respectively, said the Digital First Journey report by KPMG.

Source- The Economic Times

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Mastercard, Andhra Govt. sign MoU to digitally transform the state

The Andhra Pradesh Government on Thursday signed a Memorandum of Understanding (MoU) with Mastercard to setup a centre of excellence in Visakhapatnam.

The agreement is believed to digitally transform the technology sector in Andhra Pradesh. As part of agreement, MasterCard will also organise business summits in Visakhapatnam every year.

Source- The Economic Times

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SlicePay gets funding from Japan's Das Capital, others

SlicePay, a fintech startup that helps college students make ecommerce purchases of products such as phones and even services such as cab rides, has raised \$2 million as part of its ongoing series-A round from new investors including Japan's Das Capital and Simile Ventures from Russia. Existing investor Blume Ventures also participated in the round.

SlicePay, which is currently operational in three cities where it engages with students from over 500 colleges, plans to use the funding to scale operations to three more cities, as well as for senior-level hiring.

Source- The Economic Times

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Rubique crosses over 50,000 credit cards customers

Mumbai-based FinTech startup Rubique continues to embark upon its fast-paced growth across sectors, including Retail and SME financing.

Endeavoring to demystify complex financing processes and empowering SMEs and Individuals by making financial services easily accessible, Rubique has till date successfully crossed over 50,000 Credit Cards customers. Present across 27 cities Pan India, Rubique further boosts of a strong last-mile connect with over 3500 Distribution Points.

Source- India

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