



**NEWS HIGHLIGHTS**

**Banks exploring use of artificial intelligence in operations**

**Canara Bank rolls out two digital products**

**Amazon launches digital wallet**

**Fintech firm Payworld focuses on insurance, loans for growth**

**Today's View**

**The Red Envelope**

As a child (or even an adult for that matter), receiving money during festivals like Diwali and Eid was an inherent part of the celebration. Token money exchanges in traditional envelopes during weddings and festivals has long been a tradition.

In China, as tradition goes, gift money is exchanged in red envelopes. These red envelopes are commonly known as 'Ang Pow', 'red packets', 'lai see', or 'hung-bao'. These envelopes, considered auspicious for gifting purposes, are largely used on the occasion of Chinese New Year, birthdays, weddings and other such events.

Developing a product leveraging the popularity of these red envelopes in China, Tencent introduced a Mobile application - the WeChat red envelope - for exchange of Red Envelopes with virtual money. Needless to say, this app was a superhit with 2.3 billion transactions reported on 1 January 2016 alone! The app also offered a lucky draw variant to allow users to specify the no. of receivers splitting the amount, but command no control on who receives how much. The rule here is 'first come, first served' (and first lucky)! And the key here is to visit your Wechat app more often to broaden your chance of being the lucky one. For its social entertainment value, the 'Lucky draw red envelope' format gained popularity and helped people bond.

In 2015, Alibaba joined the fray as well, but unfortunately couldn't generate as much traction as Wechat. This Red Envelope War got these giants competing to make a mark in the Chinese digital payment space. The Red Envelope War, in essence, helped Tencent seize a significant market share of the mobile payments space from Ant Financial – an Alibaba affiliate and pioneer of online payments in China.

Now, India seems to be Alibaba's new battlefield, with its investee company Paytm letting users send 'shagun' on Rakshabandhan through the recently announced Paytm

**OTHER INTERESTING NEWS**

**Global cyber-attacks prompt India Inc to run for cover**

With a spate in globally orchestrated cyberattacks, many non-information technology (IT) and -banking companies are enquiring and purchasing cyber insurance worth up to \$100 million (Rs 640 crore).

<p><b>LOOKING FOR INSURANCE</b> The Harvard symposium attack is the first year reported for availability of systems across the world.</p> 	<p><b>Looming danger</b> By 2020, 25 billion people will be connected to the internet in the Asia-Pacific region. The region contributes 47% of the global cyber insurance market. Global cost of cyberattacks will be \$2.1 billion. Insurers are reluctant to provide single-line coverage for more than \$500,000. Source: Bear Stearns (Jan 08 - Jan 09), AIG 2017</p>	<p><b>India picture</b> Third-largest life country in the life insurance attack. 95% of companies have no cyber insurance programs in place. Framework to determine best compensation. There is increasing awareness - 25% increase in cyber insurance this year.</p>
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"Indian firms are buying cyber insurance from \$1 million to \$100 million. The early adopters and those with cyber insurances are increasing their cover," said Sanjay Kedia, country head and chief executive officer, Marsh India.

Source- Business Standard

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Date- 14<sup>th</sup> August 17

postcards. These postcards are customizable to include special messages for specific occasions and can be instantly sent across to other Paytm users across the country.

With the gifting industry in the country pegged at \$40-42 billion, Hike Messenger, a Tencent-backed messaging service, is taking a swing at offering blue packets to celebrate festivals such as Holi and Diwali. This movement is impacting a transition from the age-old cultural token to a digital expression via mobile devices. It remains to be seen how this Chinese concept works in India.

Friendly tip: To give someone an Ang Pow you must hand it over with both hands and also receive it with both.

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## Today's News

### Banks exploring use of artificial intelligence in operations

Several banks have started exploring adoption of artificial intelligence (AI) and machine learning (ML) in their operational processes.

By adopting AI and ML, some banks have automated operational processes, resulting in cost reduction and faster turn-around time. Some non-banking finance companies (NBFCs), payments banks, insurance companies, investment advisory companies and online financial service providers are also looking to upgrade their processes.

Source- Business Line

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### Canara Bank rolls out two digital products

Canara Bank has launched two digital products: 'Bharat QR', a platform for payment settlement at merchant locations, and Bharat Bill Payment System, an integrated bill payment system for Net banking customers.

Launching the products, Rakesh Sharma, Managing Director and CEO, said the "bank is always poised for a digital revolution and has begun to offer scores of digital payment products/platforms to enhance customer convenience by reducing cash transactions."

Source- Business Line

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### Artificial Intelligence more concerning than North Korea: Elon Musk

Tesla and SpaceX CEO Elon Musk has said that people should be more concerned with Artificial Intelligence (AI) than the risk posed by escalating tensions with North Korea, the media reported.

"If you're not concerned about AI safety, you should be. Vastly more risk than North Korea," Musk tweeted on Friday. Musk has called for regulation of AI in the past, saying just last month that regulation is needed now or "by the time we are reactive in AI regulation, it's too late".

Source- The Economic Times

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

## Amazon launches digital wallet

Amazon Pay, the e-commerce company's digital wallet, has just launched a payment option that directly competes with rival Flipkart's PhonePe and other mobile wallets like Paytm.

It's a wallet service, unlike the gift card option that AmazonPay previously provided in association with Qwiksilver. Now, when a customer loads money on to Amazon Pay, it automatically goes to the wallet account (described as Money on the app and Web) instead of going to gift cards.

Source- Times of India

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## Fintech firm Payworld focuses on insurance, loans for growth

Digital transaction facilitator Payworld is now focusing on insurance and small ticket loan disbursement as next phase of growth story and has tied-up with a few insurers and NBFCs to tap potential customers, a company official said.

Payworld, a nine-year old fintech firm, provides digital transaction services like mobile recharge, e-payment, railway reservation and remittances facilities.

Source- DNA

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## It's time to review the National Cyber Security Policy: Rudra Murthy, CISO, Digital India; Ministry of Home Affairs

Rudra Murthy, CISO, Digital India at the Ministry of Home Affairs said that according to the policy, as a best practice, the entire cyber security framework was to be reviewed at least once a year.

However, the National Cyber Security Policy came in 2013, while we are now almost at the end of 2017. In the last two years, digitization and the cyber threat landscape has undergone a radical change not only in India but globally. It is time the policy was reviewed.

Source- The Economic Times

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## Machine Learning to take 2-3 years before making an Impact in India: Sameer Ratolikar, HDFC Bank

Sameer Ratolikar, SVP & CISO, HDFC Bank, feels security automation and machine learning are the way ahead. However, he feels it will take another 2-3 years before Indian CISOs taste the results and impact of these futuristic technologies.

There are two major reasons why threats appear to be easily scaling the corporate security walls. The first and foremost is the lack of skilled human resource within an enterprise. Secondly, there has to be more focus on detection and incidence response.

Source- The Economic Times

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## Aadhaar not liable for denial of benefits, says UIDAI chief

Ajay Bhushan Pandey, CEO of the Unique Identification Authority of India (UIDAI), said Aadhaar is a "technology of people's empowerment and not a tool of exclusion or denial."

Pointing out that regulations put that responsibility on the agency requiring Aadhaar to enrol the beneficiary and provide him benefits till he is given Aadhaar, Mr. Pandey said that the Aadhaar Act also provided statutory protection to those who were unable to authenticate because of worn-out fingerprints or other reasons such as technical faults and connectivity failure.

Source- The Hindu

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## We've funded 61 startups in the last 4 months: Priyank Kharge

The Karnataka government has funded 61 startups across sectors in the last four months, according to Priyank Kharge, Karnataka minister of IT, biotechnology and tourism.

By next level, it is not just funding, not all startups need funding--it could be idea validation, mentorship, legal, trademark registration, IP. Whatever they need, we will do it for them.

Source- The Economic Times

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## Online focused companies get call from Amazon, Flipkart to cut margins

Ecommerce sales of televisions, smartphones and home appliances are set to get a big push with brands that sell only or mostly online such as TCL, BPL, Onida and Sanyo planning to give up all or part of their profit margin in the upcoming festival season.

Not only that, marketplaces will slash commissions on such brands by more than half, according to people with knowledge of the matter.

Source- The Economic Times

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## Let the robot spot best trades & mint money for you on D-Street

Heralding a new age in share trading, robots, in the form of a uniquely-crafted software, have stepped up the game by silently working behind some of the most successful trades. Investors are trading with style at the comfort of their smart phones, and often at speed afforded by institutions.

This is making a huge difference to traders, who have the undivided attention of robots, who are scanning over 25,000 contracts, 5,000 securities a second to identify incredible live trades.

Source- The Economic Times

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