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Today's View

Digital Banks – Banks of the future

Heard of a digital Bank?

A digital bank is a bank without any branch network (may have a few contact centres) that offers its services remotely via online banking, mobile Banking and telephone banking and may also provide access via ATMs (often through interbank network alliances), mail and mobile. By eliminating the costs associated with bank branches, these digital banks can make significant savings which they may pass on to clients via higher interest rates or lower service charges.

There are variants to the same models being referred as "Direct Banks", "Virtual Banks", "Branchless Banks", "Internet Banks" or "Online - only Banks". The benefits it provides to its customers is the convenience (of 24 hours a day, 365 days a year Banking), better rates, better services with enhances user experience, mobility and ease of use. Today, many banks across US and Europe are internet-only institutions. Some of these banks are separate digital entities of established Banks who have brick and mortar presence. Some of these are 'mobile only' Banks - Fidor Bank, Number26, BankMobile, Hello Bank, Simple, GoBank, Moven etc

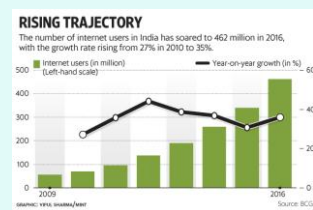
Banks like Fidor are connecting with Millennials and Generation Z at the social level as well. The Bank has even launched a 'like' interest rate: the free Fidor Smart Account offers attractive interest rates - which gets influenced with customers' Facebook likes.

In India the first digital only bank was launched as "DigiBank" by DBS last year in May. The Bank started offering digital bank accounts with zero balance requirements, higher interest rate on savings and unlimited access to ATMs. These accounts could be opened by anyone with a smartphone, an Aadhaar card and a PAN card. Since then, there has been news of some traditional Banks in process of launching a separate Digital entity which would be a financial superstore, a market place with end to end digitisation for all their financial products and services.

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The next wave of digital

Firms that speedily develop new tech-based offerings and adopt digital business approaches stand the best chance of pulling ahead of rivals in the future—and staying ahead.



The number of internet users in India has soared to 462 million in 2016, with the growth rate rising from 27% in 2010 to 35%.

Source- Mint

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Date- 30th Mar 17

In this digital world, with Internet and the smartphone being the two most prominent factors driving the change in the consumption of the financial services, it would be interesting to see the future of these digital Banks in India.

AI to present huge opportunity for banks to transform customer experience: Accenture

The Accenture Banking Technology Vision 2017 finds that bankers believe AI will revolutionise the way banks gather information and interact with customers, using it to understand the intentions and emotions of customers and enable better interactions.

Globally, 76 per cent bankers and 83 per cent in India believe that within three years, banks will deploy AI as their primary method for interacting with customers.

Source- *The Economic Times*

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Central departments, states told to ensure info such as Aadhaar nos, bank details not published anywhere

The government has ordered central departments and states to ensure that the Aadhaar numbers of people and their bank account details are not published anywhere, including online platforms.

According to reports, a central government ministry accidentally published the personal data of beneficiaries of a welfare scheme including their name, address, gender, family details, Aadhaar number, bank account number and IFSC code.

Source- *The Economic Times*

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Kotak Mahindra Bank launches purely digital saving account '811'; eyes doubling user base to 16 mn

Kotak Mahindra Bank announced a strategy to double its existing customer base. A key component of this strategy would be a purely digitally-enabled savings account feature, which the bank calls '811'.

The product will enable people to open an account with the bank without visiting a branch or producing physical documents. An individual will need an Aadhaar number and a permanent account number to open an account.

Source- *The Financial Express*

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Agri-tech startups are using imaging tech to offer real-time solution to farmers on pests, crop diseases

Agri-tech start-ups, from Agrostar to RML AgTech, among others, are investing in building groundbreaking image recognition technology that enables farmers to receive real-time data on the pest or disease that has affected a crop, offering solution in a minute, by just using a picture clicked with a smartphone.

Zoho integrates software with Amazon Connect

Zoho Corporation has announced the integration of Zoho CRM, its customer relationship management system, and Zoho Desk, customer support software, with Amazon Connect, a Cloud-based customer-contact service offered by Amazon Web Services.

The integration is aimed at streamlining sales and support tasks to help businesses improve sales productivity and customer engagement, and also create seamless communication experiences.

Source- *Business Line*

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ALTBalaji partners Mobikwik for payment wallet integration

Balaji Telefilms' digital video streaming platform ALTBalaji has entered into partnership with mobile wallet Mobikwik. The over-the-top (OTT) entertainment platform ALTBalaji, will offer 250 hours of original content and subscribers can now avail 25 per cent cashback while paying for the service using Mobikwik wallet.

The partnership is expected to provide an easy payment facility to Mobikwik's 55 million registered users to use ALTBalaji.

Source- *Business Standard*

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

The services offered by the platform are used by over 10 lakh farmers; over 1 lakh farmers have downloaded the the app.

Source- *The Economic Times*

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Maharashtra pulse procurement drive takes digital route

Maharashtra's ambitious pulse procurement programme has gone digital. The Farmer Producer Companies (FPCs) in the state are getting tech-savvy and have taken the digital route. For the first time, Mahafed – the Maharashtra Federation of Farmer Producer Companies – has begun a pilot to set up a commodity supply chain management system in place with the aim to connect producer to the customer.

The federation has linked over 60 farmer producer companies in the state to feed in real time details on procurement of pulses to bring in transparency in the system and also speed up payment systems.

Source- *The Financial Express*

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Flexiloans looking to double lending to small businesses over next one year

Flexiloans has already processed about 5,000 loans to small businesses in about 60 Indian cities in the last one year. The plan is to double loan disbursal in the next one year and tap 200 cities.

It has also partnered with over 20 national digital marketplaces and organisations, such as Flipkart, Ola and Shopclues to tap over two million small businesses across 18 cities and towns. The company, which sanctions loans in just 48 hours, learns about its customers through data scrapping and from profiles on social media.

Source- *Business Line*

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Now, you can pay toll tax by just unlocking your phone

Soon, the practice of making payment of the toll tax either through cash, debit/credit cards or mobile wallets and gets the receipt after which the toll gates open will be replaced by a technology which works on inaudible frequency and enables the driver to make toll payments by just unlocking his/her phone. It will eliminate wasting time at the toll booths.

Tone Tag is a proximity communications firm with a technology that uses sound waves to enable offline, proximity-based contactless, cashless and cardless payments from one mobile phone to another or any other computing device.

Source- *Mint*

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Accenture upgraded technology platform at NCB launches banking

Accenture has successfully completed the core system replacement of the retail banking operations at the National Commercial Bank (NCB). NCB's NextGen programme undertaken with Accenture provides clients with a distinct banking experience, enriched with additional features and a 50 per cent reduction in turnaround time for key processes.

Source- *CPI Financial*

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E-Commerce Could Reshape The Car Buying Process

The user-friendly site 'Order Online by Peugeot' launched by Car manufacturer Peugeot enables buyers to order their dream car in less than 30 minutes.

The system automatically filters the best available options for users based on the criteria they set, and after browsing the model range they can save details in a password-protected account if they need time to consider the purchase.

Source- *PSFK*

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