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Today's View

From salary to salary... and the bridge in between

While payday loans have been there all along, the disrupters are changing the way these loans are working. To the activists, payday loans had become synonymous with predatory lending for the small, short-term loans often come with high interest rates. In fact, Google in 2016 banned Payday lender advertisements in the US and various regulators across the globe have come down heavily on these lenders for using unfair practices.

Unlike lenders, employers however have a clear interest in keeping their employees healthy – both in the traditional sense and financially. If both aren't kept in check, then performance at work can (and does) suffer. But for most of the employers, providing the financing themselves really isn't up their alley.

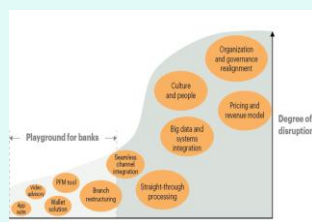
Enter the Fintechs. For the Fintechs what would be a better and lower cost sourcing channel than a sturdy business with ready, qualified leads in the form of income-earning employees? These Fintechs are partnering with the employers and getting an access to the payrolls for financing the employees. For instance, **SalaryFinance** provides employers with a cost free platform, which helps their staff to access valuable and responsible financial wellbeing products, delivered via salary deduction. Taking a slightly different approach, US based **Ziero** offers interest free loans to employees (charging employers a fee for the service instead).

In Japan, a company called **Doreming** is making 'pay day' every day – giving employees access to a small chunk of their salary each day of the week. Doreming allows 'unbanked' and 'underbanked' workers early access to their wages at the end of the day. It's a system that's now been adopted across Japan. After work, employees use the Doreming app to buy items in shops with the wages they have earned (or accrued) so far. It's an interesting way for employers to increase employee loyalty, promote hiring and retention. From a user perspective, the money might appear to be their salary 'come early'. Technically however, it's an "interest-free loan" from the retailers they shops with who get paid by the employer at the end of each month.

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Digital Banking Playground

The digital banking journey has just begun. So far, the playground has been limited to small initiatives, such as app suites, video advisory, and personal finance tools



Big game changers such as a remodeled organization and work culture have not yet been addressed, but it's just a matter of time—and it will fundamentally change the industry.

Source- AT Kearney

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Date- 3rd May 17

We feel that the emerging models could offer a win-win to all parties involved, with responsible lenders, less anxious employers and satisfied employees forming the happy triad.

India to see regulations for fintech space soon: KPMG report

With payments and lending remaining priority areas, fintech interest grew in India during January-March quarter of 2017, global consulting firm KPMG said in its report.

Citing Paytm attracting Asia's largest funding round of USD 200 million in March quarter, it said AI and blockchain may be big bets for investors apart from payments, open data and data analytics.

Source- Business Standard

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Smaller players bank more on government's Digital India push

Smaller and newer banks have taken the lead in pushing the government's digital economy drive, rolling out a slew of innovative digital banking products much faster than traditional banks to expand their footprints.

For old banks, digital technology is one more way of reaching out to the existing customer, while for new banks digital is the heart of the strategy for reaching out to all customers, said Aruna Sundararajan, secretary at the Ministry of Electronics and IT (MeitY).

Source- The Economic Times

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ATMs have become an attractive site of attack from cyber criminals globally

ATMs have become an attractive site of attack from cyber criminals globally. There have been reported cases of malware being injected through USB sticks into the teller machine forcing it to spew cash or sometimes the back end of the network is hacked such that an ATM is given false instructions to release cash completely remotely.

ATMs have become attractive points for criminals both for money as well as for card data of customers.

Source- Mint

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Wema Bank Introduces ALAT, Nigeria's First Fully Digital Bank

Wema Bank, Nigeria's oldest indigenous bank, has taken the future in its hands by setting up ALAT, Nigeria's first fully digital bank.

Customer can complete ALAT account opening process end to end from digital devices. One can open an ALAT account easily from his phone by installing ALAT app.

Source- FinTech Africa

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Cloud infrastructure as a service to hit \$677 mn in India

According to market research firm Gartner, traditional data centre outsourcing is forecast to reach \$559 million in 2017 in India. Cloud infrastructure as a service will exceed traditional data centre outsourcing spend in India to reach \$677 million.

In 2016, traditional worldwide data centre outsourcing (DCO) and infrastructure utility services (IUS) together represented 36.5 per cent of the \$1.65 billion total data centre services (DCS) market in India, consisting of DCO/IUS, hosting and Cloud infrastructure as a service (IaaS).

Source- Financial Express

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This News Letter has been prepared with the assistance of Manish Kulkarni and Aparna Anand

SEBI sets up panel on strengthening cyber security

Regulator SEBI has set-up a high level panel on cyber security to suggest measures to safeguard the capital markets from such attacks. The four-member committee would be chaired by Madhabi Puri Buch, whole time member at SEBI.

It will advise SEBI in developing and maintaining cyber security and cyber resilience requirements aligned with global best practices and industry standards in accordance with the need of Indian capital market structure.

The committee will study major cyber-attack incidents related to financial markets in domestic and global markets and identify gaps in the existing cyber security and cyber resilience framework.

Source- *Financial Express*

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Samsung Electronics Given Go-Ahead to Test Self-Driving Cars

Samsung becomes the first electronics company to receive permission from the South Korea government to test out self-driving cars. Samsung plans to dabble in the technology by developing advanced sensors and artificial intelligence technologies with a commercial Hyundai-made vehicle.

Samsung signaled its intention to join the self-driving car revolution in a big way back in October last year, when it announced a USD 8 billion deal to buy automobile components maker Harman International.

Source- *Barron's*

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ICICI Bank to make 600 villages digitally-enabled in 2017

ICICI Bank has created 100 'digital villages' across the country within 100 days and now plans to add 500 more to the list by year-end, its chief Chanda Kochhar said.

The 100-village project, which also included imparting skill training and providing credit linkages to people living there, was taken up by the bank after noticing that minimum inconvenience was caused to people living in a model 'digital village' in Gujarat during the demonetisation period.

Source- *The Economic Times*

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Amazon to add 14 new warehouses, plans to double storage capacity in India

Online marketplace Amazon plans to double its storage capacity in India this year and will open at least 14 new warehouses across the country, including the seven that it recently opened to boost sales of large appliances and furniture.

The new warehouses will be set up in Telangana, Haryana, Maharashtra, Madhya Pradesh, Uttar Pradesh and Andhra Pradesh and be fully operational by the end of June.

Source- *Mint*

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Bharti Enterprises appoints Soumen Ghosh as MD, financial services

In his new role, Ghosh will build strategic business value proposition for Bharti's financial services businesses and will be responsible for further strengthening the management processes, business expansion and governance of these businesses.

Before joining Bharti, Ghosh was heading the financial services business at Reliance Capital as Executive Director & Group CEO across a variety of business lines like Insurance, Mutual Funds, commercial and housing finance, broking & distribution.

Source- *The Economic Times*

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