

NEWS HIGHLIGHTS

The RBI hints at working on a framework for regulating fintechs

PayQ declared as India's first "Neo Bank"

So Hum Bharat Digital to apply for RBI's NUE licence

NPCI To Moderate Onboarding Of Users As UPI Payment Apps Approach 30% Market Share

## Today's View

### ITOA (IT operations analytics)

IT Operations Analytics (ITOA) is used to monitor systems and collect, process, analyze and infer data from multiple sources of IT operations to assist users in decision-making and identifying potential threats. Operation analytics has become a strategic priority for organizations owing to the digitization efforts undertaken by incumbents belonging to different industry verticals.

With the rapidly changing IT industry and increased complexity of IT environments, a huge amount of operational data is generated. Earlier, enterprises used to rely on traditional data analytic tools that were not efficient and led to low ROI for large operational data.

With the introduction of ITOA solutions, organizations could analyze operational data effectively to derive meaningful insights. ITOA solutions help organizations to quickly discover the root-cause of IT system performance, problems and analyze them in a more scalable and cost-effective manner.

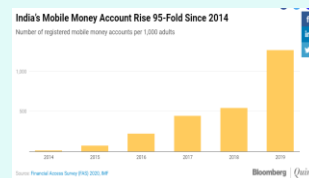
Organizations can deploy these solutions to analyze significant amounts of operational data obtained from different applications. Deploying ITOA solutions with real-time analytical capabilities provides better analytical results.

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### India's Mobile Money Accounts Rise 95-Fold In Five Years: IMF

As the cash-using Indian economy gradually shifts to digital modes of transactions, further accelerated by the Covid-19 pandemic, the number of registered mobile money accounts in the world's fifth-largest economy jumped nearly 95-fold between 2014 and 2019.



Source – Bloomberg

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13<sup>th</sup> November 2020

The major vendors offering ITOA solutions and services are **Oracle (US), IBM (US), SAP (Germany), Micro Focus (UK), Splunk (US), Hitachi (Japan), SAS Institute (US), Broadcom (US), Microsoft (US), SolarWinds (US), and Cisco (US).**

Top three end users in the ITOA market include BFSI, retail and consumer goods and telecom. The BFSI segment held the largest market share of around 25% in 2019 owing to the increasing adoption of analytics solutions by banking and financial companies for their in-house operations. Operational analytics is likely to help banks in risk management, fraud management and customer understanding to develop and retain a profitable customer base. Moreover, services such as digital wallets, payment gateways, online payments, and blockchain technology are likely to play an important role in automating complex workflow structures and facilitating the adoption of IT operation analytics solutions.

The global IT Operations Analytics (ITOA) market size is expected to grow from USD 9.3 billion in 2020 to USD 45.1 billion by 2025, at a Compound Annual Growth Rate (CAGR) of 37.2%.

Market study states that the use of predictive analytics for operational functions can enable the global manufacturing industry to save up to USD 700 billion over the next two decades.

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## Today's News

### The RBI hints at working on a framework for regulating fintechs

In the last five years, fintech companies in India have improved access to financial services by solving several bottlenecks that existed within the Indian banking system. However, this rise of fintechs has been accompanied with concerns surrounding the implications on financial stability as well as data privacy and security, all of which require regulatory guidance and oversight.

The Reserve Bank of India (RBI) on its part has been regulating the fintech space either through the Department of Payment and Settlement Systems when it comes to payments systems or through the Reserve Bank Information Technology Private Limited (REBIT) and Institute for Development and Research in Banking Technology in terms of technology aspects.

Source – MediaNama

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### IBM, AMD ink joint development pact for security, AI offerings

Tech giants IBM and AMD have announced a multi-year joint development agreement to enhance and extend the security and Artificial Intelligence (AI) offerings of both the companies.

The joint development agreement will expand this vision by building upon open-source software, open standards, and open system architectures to drive 'confidential computing' in hybrid cloud environments, a statement said.

Source – The Economic Times

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### HDFC Bank to onboard 2cr merchants for payments

HDFC Bank, the largest merchant-acquirer in the country (in terms of swipe machines installed), is taking on fintechs eyeing this space. The lender plans to onboard two crore retailers, professionals and businesses onto Smart Hub 3.0, a zero-investment payment acceptance solution. This can be readied in 15 minutes and provide merchants a platform to help with billings and collections.

The service, which was launched on Wednesday, allows merchants and self-employed to collect digital payments in-store, online or on-the-go. The in-store payments can be received from any mobile app.

Source – The Economic Times

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### Are banks on right track of digital transformation?

A report by Infosys Finacle and Efma on 'Innovation in Retail Banking' revealed the top trends in transformation of banks in the way they operate and engage with customers. 750 banks and financial services companies were surveyed for the report and most of them are of opinion that there are significant opportunities for digital maturity.

Only 7% of the respondent banks have deployed digital transformation initiatives at scale with commensurate benefits.

Source – The Economic Times

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## So Hum Bharat Digital to apply for RBI's NUE licence

Payments Council of India and e-commerce firm Infibeam Aventus have joined hands to set up a pan-India umbrella entity focussing on retail payment systems through a new entity called So Hum Bharat Digital Payments. They will soon be applying to RBI for a license. Naveen Surya, chairman emeritus (non-executive), PCI, said, "This new RBI initiative will go a long way as it seeks to reduce cash transactions even further with a renewed focus on digital payments. I believe we have a huge opportunity to make digital payments natural, effortless, and invisible in our economy, this also is the philosophy behind So Hum."

Reserve Bank of India's New Umbrella Entity (NUE) to power retail payments will be a body similar to NPCI. The scope of activities of these NUEs will include setting up, managing and operating new payment system(s) in the retail space comprising (but not restricted to) ATMs, White Label PoS, Aadhaar based payments, and remittance services.

Source – *The Economic Times*

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## PayQ declared as India's first "Neo Bank"

Fintech giant PayQ expanded its business operation straight by revamping the user experience into its all-new "PayQNeo", which is the next generation Global banking system and entering the market at the right stage. Post-COVID where the conventional customers are moving away from physical banks and physical cash and captioned more towards online banking and wallets, PayQ's burgeoning "neo bank", extends an array of digital-banking services to consumers and small businesses remarkably impress global entrepreneurs.

Globally, 'neo-banks' are essentially 100 percent digital banks, they are considered to be a more nimble version of old-fashioned banking, which appeals to the younger, digitally savvy customers. They are a kind of digital bank without any branches. To make banking simple, convenient, and globally accessible without any cross-border interference, PayQ launched its new banking platform for everyone across the globe.

Source – *Zee Business*

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## Paytm registers 2x growth in digital gold, 40% buyers from smaller towns

Fintech major Paytm on Thursday said it has recorded 2x growth in the digital gold transactions during the last six months with average order value going up by 60 per cent. The company has also announced the launch of its high-value transaction product feature, wherein users can buy Paytm Gold worth up to Rs 1 crore in one go on the app. "Since the beginning of this financial year, new users have increased by 50 per cent and the average order value is up by 60 per cent. With this, the total transaction volume on the platform has crossed the milestone of 5,000 kg," a statement said.

The company has now extended the Paytm Gold services to Paytm Money platform, enabling users to buy and sell digital gold on any of the two platforms, it added. Paytm said it will allow users to buy Paytm Gold worth up to Rs 1 crore in one go on its app. Previously, users were allowed to buy gold only up to Rs 2 lakh in a single transaction.

Source – *Financial Express*

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## How SaaS applications are gaining trust with customers during COVID-19

Pre-COVID, SaaS (software as a service) businesses were expected to grow by a remarkable 23 percent per year over this decade. The rise of SaaS is in large part due to flexibility it offers to business owners in terms of scale and functionality.

Other digital industries face immense challenges and questions about long-term sustainability due to COVID. SaaS businesses, though, are unique in their degree of resilience, registering growth even in the midst of the pandemic.

Source – *Your Story*

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## NPCI To Moderate Onboarding Of Users As UPI Payment Apps Approach 30% Market Share

The National Payments Corporation of India (NPCI), which recently announced a 30% cap on the total volume of UPI (unified payments interface) transactions through third-party app providers (TPAPs) starting January 2021, is likely to enforce these rules by moderating the onboarding of new customers by these applications when they approach the 30% market share threshold.

Consultations with stakeholders are likely to be held for discussing the enforcement of the new norm.

Source – *Inc42*

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