



NEWS HIGHLIGHTS

Radius Bank: Virtual Debit, Mobile Tools Help Banks Fight Debit Fraud

Fintech DVARA KGFS launches e-signatures for loan procurement

British SMB FinTech Firm Tide Looks To Grow In India

UK SME fintech platform Tide announces plans to expand into India

Today's View

Smart Lending

Big data application and machine learning has enabled the growth of digital lending. Availability of multiple data points ensures better credit assessment of the applicant. AI promises that theoretically it can analyze all of these data sources together to create a coherent decision.

ZestFinance is using machine learning to process alternative data to get information on so-called “thin file borrowers” — those with no or little credit history. **Zest Automated Machine Learning (ZAML)** platform, leverages machine learning for end to end credit underwriting. The platform utilizes thousands of data points and provides transparency, which helps lenders better assess populations traditionally considered at risk. **ZestFinance** recently finished a study with **Ford Motor Credit Company** to use machine learning in their auto financing.

One startup aggressively using advanced machine learning to comb through vast sources of alternative data to predict an individual’s creditworthiness is **Lenddo**. The company started in 2011, focuses on emerging markets where rising middle classes often lack traditional credit histories or even bank accounts. **Lenddo** looks at a potential applicants’ entire digital footprint to determine their creditworthiness by having individuals download their app. They claim to analyse over 12,000 variables including social media account use, internet browsing, geo location data and other smartphone information. Their machine learning algorithm turns all this data into a credit score, which banks and other lenders can use.

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This blockchain startup aims to be a game-changer in supply chain space

Founded by Manish Chandrashekhar and Mausom Saikia in 2019, the startup is bringing a mix of technology and finance to de-risk supply chains, increase efficiency, and reduce back-office costs and errors.



Source— Your Story

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19th January, 2021

One of the most high profile startup companies using AI to determine creditworthiness and streamline the loan process is **Upstart**. Upstart started by focusing on younger adults who lack credit history. In addition to traditional FICO scores and years of credit, Upstart also takes into account education, SAT scores, GPA, field of study and job history to use machine learning to predict an individual's creditworthiness.

Scienaptic Systems provides an underwriting platform that gives banks and credit institutions more transparency while cutting losses. Currently scoring over 100 million customers, **Scienaptic's Ether** system connects myriad unstructured and structured data, smartly transforms the data, learns from each interaction and offers contextual underwriting intelligence.

Some privacy, ethical and legal issues will be posed by the use of machine learning to evaluate alternative loan and credit rating data. Even with these issues, the use of machine learning to process alternative data is likely to expand dramatically to assess creditworthiness.

Today's News

Radius Bank: Virtual Debit, Mobile Tools Help Banks Fight Debit Fraud

A new year has begun, but the pandemic continues to throw financial and operational curveballs at banks, businesses and their consumers regarding how they conduct daily tasks or routine payments. Financial institutions (FIs) and payment players are now facing questions not only about how they can satisfy their customers after long months of constant change but also about which of these changes will remain once the health crisis has passed.

This includes shifts in which consumers are shopping and paying, and in the payment tools or methods they are using to finalize their transactions. Studies showed that many consumers in the United States have begun tapping their debit cards more often for payments, for example, with one report finding that debit use rose about 6 percent year over year. Another study found that 55 percent of U.S. consumers now count themselves as "debit-centric" users, a sizable jump over the 33 percent who said the same about credit cards.

Source – Payments

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Fintech DVARA KGFS launches e-signatures for loan procurement

Dvara KGFS has launched a new innovative feature -- e-signature -- which enables hassle free documentation to access loans while ensuring Covid-related safety protocols. Once the loan documents are approved and uploaded, the staff approaches the customer for signatures which are done on a mobile phone / tablet after a 2-step authentication – mobile OTP and mobile signatures.

The same signatures are then automatically affixed on the document at respective places. The documents now get stored in the ERP system. However, some legal documents require actual signatures.

Source – The Times of India

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Goldman And BofA Earnings: A Tale Of Two Banks (And Digital Strategies)

The earnings theme for Tuesday (Jan. 19), at least in financial services, might be termed: A tale of two banks.

Bank of America and Goldman Sachs are slated to post fourth-quarter results that day, and we're likely to see some of the same observations and actions that have marked other financial institutions' earnings. That would include releasing reserves that had been taken to cover anticipated loan losses. Lofty revenues gleaned from Wall Street trading.

Source – Payments

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India's Digital Lenders Take On Google Play Store Over Loan App Crackdown

After Google reportedly took down over 500 lending apps from the Google Play Store in India, digital lending companies and bodies representing fintech companies have approached Google over the new policies for publishers of such apps. Lending apps claim that these rules have been applied unevenly with many Chinese-origin apps falling foul of the rules for short-tenure loans of under 60 days.

Last week, Google took action against loan apps that did not fit its policies for loan repayment terms.

Source – Inc 42

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Scholastic India expands into edtech world with Scholastic Super English module

Scholastic India, the country's largest publisher of children's books and a leader in educational technology and children's media has recently introduced a comprehensive Language Improvement Programme for kids of grades 3 to 8. The newly introduced online programme offers interactive live classes in small batches of up to 6 students conducted by experienced coaches, based on a scientific learning methodology to provide an engaging peer learning experience to every child.

English, indisputably, is the world's most widely used and commonly spoken language today. Arguably, it is the common language of communication across a plethora of fields, from business and finance to travel and entertainment. A good command of the language will set children on a path to guaranteed academic excellence and consequently, career success. With a 100 year legacy in education, Scholastic understands the need for developing language proficiency in the next generation.

Source – Live Mint

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British SMB FinTech Firm Tide Looks To Grow In India

As part of its international growth plans, British business FinTech company Tide unveiled intentions for an experimental rollout in India in the first quarter of this year with a broader launch to come, Business Standard reported. Tide India is poised to come online in Q1 2021 beginning with an alpha pilot offering based on its international technology stack. Currently, the firm has a technology hub in Hyderabad and a workforce of nearly 100 individuals in the nation who are mainly software programmers, according to the report.

Gurjodhpal Singh will head up the firm's business in India. Singh worked for PayU, a payment service company, in the past and has significant experience helping Indian small- to medium-sized businesses (SMBs) for a number of years, the report stated. Tide provides corporate accounts and adjacent banking offerings. The company, which was established in 2015 and rolled out in 2017, has intentions to set out on Series C fundraising this year, according to the report.

Source – Payments

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UK SME fintech platform Tide announces plans to expand into India

UK-headquartered business financial platform Tide on Monday announced its first plans for a test launch in India in the first quarter of 2021, followed by a wider rollout later in the year, as part of its international expansion plans. The fintech company, providing support for small and medium-sized enterprises (SMEs), said its platform model is ripe for international expansion as the basic needs of small businesses are universal.

The company said it selected India as its first international market due to the considerable commercial opportunities available and has a long-term ambition to operate in markets accounting for 25 per cent of global SMEs. India was selected as our first market outside the UK due to its vast SME population, and the entrepreneurial spirit that is so prevalent in the country. As an aspiring global business financial platform operating in the largest SME market is a must," said Tide CEO Oliver Prill.

Source – Business Standard

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NBFCs, fintech companies urge FM Nirmala Sitharaman to enhance lending facilities

Non-banking finance companies (NBFCs) and fintech players have urged Finance Minister Nirmala Sitharaman to enhance the lending facilities by three to four years which were announced and extended by the Reserve Bank of India (RBI) during Covid-19 lockdown.

"As expressed by the Prime Minister, there is a need to revive economic growth. This requires great effort for financial inclusion, including increased lending," said Harsh Kumar Bhanwala, Executive Chairman of Capital India.

Source – Live Mint

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2021 Is The Year Of Bank And FinTech Collaboration

Forum of Industry and Academic Knowledge Sharing (FIAKS), a global knowledge-sharing platform comprising of more than 5000 C-suite executives from Banking, Fintech, Payment, and E-Commerce, held its annual leadership conclave virtually, with discussions on the topic "Digital Transformation: Look before you leap".

The webinar deep dived into the existing financial services ecosystem, which has evolved to a state where traditional financial institutions and FinTechs - which once have been vying for the mind share and wallet share of end consumers - will now have to work more closely in an effort to innovate.

Source – Business World

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