

## NEWS HIGHLIGHTS

Google Pay launches international money transfers with Wise and Western Union

Instant Credit Line Launched for Salaried Individuals, Starts from Rs 10,000.

Pandemic - induced snowball effect on the Indian fintech sector

Rising preference for digital payments in India: NITI Aayog

## Today's View

### Partnering with Insurtechs

Insurers across the world are adjusting to the new normal of the on-going pandemic, and as a result, there is massive acceleration in digital transformation efforts. For this purpose, Insurers and non-insurance companies alike are bringing on insurtech companies as strategic partners.

Gartner defines insurtechs as technology companies that are in their early stages of operation; that drive specific innovation across the insurance value chain by leveraging new technologies, user interfaces, business processes or business models; that leverage different forms of funding, including venture capital.

As per a CB Insights report, Funding to insurtech companies hit yearly and quarterly highs in 2020 and Q1'21, respectively, signaling the confidence investors have in the future of the insurance tech market. In 2020, business relationships involving insurtech companies also hit a record high, coming in at over 650 partnerships for the year.

Companies such as **Axa**, **Munich Re**, and **American Family** are among the insurers with the most formal business relationships with insurtech companies. Recently, China-headquartered **Leapstack**, an AI-enabled **InsurTech** company specializing in healthcare, has announced a strategic plan to ink strategic partnerships with multiple Korean insurance companies as the company advances into the South Korean market.

**Akhil Handa**  
+91 22 6759 2873

**Aparna Anand**  
Aparna.Anand@bankofbaroda.com

### RBI Sets Up Working Group to Regulate Digital Lending Apps

The Reserve Bank of India (RBI) has set up a Working Group (WG) to regulate digital lending mobile applications, amid increasing reports of such online loan platforms charging exorbitant interest rates and harassing their customers.

"Recent spurt and popularity of online lending platforms/mobile lending apps have raised serious concerns which have wider systemic implications," RBI said in a statement on Wednesday.

Source – INC 42

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12<sup>th</sup> May 2021

Some Consumer-facing insurtech companies are partnering with other tech providers to improve their product offerings. For instance, auto insurtech **Root** provides additional benefits to policyholders via partnerships with road assistance app **Agero** and gas station location app **GasBuddy**. Home insurtech **Hippo** recently partnered with **ADT** and **Handdii** to improve the security and home repair services it offers policyholders. As these insurtech companies look to aggressively grow their customer bases, expect them to continue partnering with companies that offer complementary digital services.

The partnership between **Galileo** Platforms, a specialist blockchain technology platform for the insurance industry, and **Amodo**, a provider of insurance telematics technology and advisory services, including behaviour data analysis, will enable clients to benefit from their diverse experience and expertise in their respective areas of the insurance industry.

Primary core insurance software vendors like **Duck Creek**, **Guidewire**, and **Unqork** are also among the most active in partnering with insurtechs. These companies are incorporating complementary insurtech products to create a stickier experience for customers by tying these products to their core suites. Horizontal software providers like **Microsoft** and **Salesforce** and more mature insurtech platforms like **Bold Penguin** and **SnapSheet** have also actively formed partnerships to build out their insurance ecosystem capabilities.

We believe, as insurtech companies mature and build increasingly innovative solutions, expect to see insurers double down on successful partnerships and explore new ones.

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## Today's News

### Google Pay launches international money transfers with Wise and Western Union

Alphabet Inc's Google has launched international money transfer partnerships with remittances firms Wise and Western Union Co for users of its U.S. payments app, the companies said on Tuesday.

Google Pay users in the United States can now transfer money to app customers in India and Singapore, with plans to expand to the 80 countries available via Wise, and 200 via Western Union by the end of the year.

Source – *The Economic Times*

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### Instant Credit Line Launched for Salaried Individuals, Starts from Rs 10,000.

CASHe, the leading digital lending platform announced an instant personal credit Line facility for its customers. The credit line starts from Rs 10,000 and goes up to Rs 4 lakh. For salaried individuals, CASHe s offering flexible loan tenure.

Users can borrow any amount from their sanctioned limit at any time. Based on each customer's eligibility, the company approves a limit for users. The amount will be credited in their bank accounts instantly. There will be an interest on the amount borrowed by the customers with repayment tenure.

Source – *The Economic Times*

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## National Technology Day: 4 Fintech Players Revolutionizing Finance Space And Will Make It Big In The Year 2021

Economics, money, and the way we make payments have undergone several changes since the time of the Stone Age. In a sense all these are key indicators of our progress in Technology. The current payment methods powered by cutting-edge technology boast our technological achievements of today.

Digitization of payments, debt financing, and sound-wave communication in the finance management space has made a huge jump towards the goal to achieve an easy, convenient, fast, and secure finance management method.

Source – *Business World*

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### Pandemic - induced snowball effect on the Indian fintech sector

According to the Research and Markets report, the Indian Fintech market is projected to reach INR6,207.41 billion by 2025. The Fintech sector in India has been witnessing rapid growth despite the pandemic and the uncertain economic scenario.

The Covid-19 pandemic last year was a hard blow on the global economy, including several developed nations. We saw recurring lockdowns, isolation, mass layoffs, and the collapse of businesses across different industries.

Source – *Analytics Insight*

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## The New Digital India: These 5 Apps Are Helping Indians To Adopt A Digital Lifestyle

India is a nation of opportunities whose heart lies in the rural market. With the disruption of internet, smartphones & digital initiative of PM over the years has open various avenues for the businesses to grow from the various walk of the sector. With the second wave of pandemic, we have realised the importance of being a digitalized nation as to reach the smallest of the consumer is equally important.

Not only this, digitalization has also given opportunity to people to fulfil their dreams of being an entrepreneur. This holds true for the Tier 2 & Tier 3 people. Start-ups that are making profound impact towards business & cultural growth are thriving in this volatile world. With this, we talk about the various start-ups that are poised to disrupt the Indian economy with its unique proposition for urban & rural market and are creating a next wave of digitalization. Branch Financial App: Founded in 2015, Branch is a one of the world's leading personal finance apps which uses Machine Learning to customize and provide loans up to 50k INR to the mobile generation.

Source – Trak

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## Rising preference for digital payments in India: NITI Aayog

India is seeing an increasing digitization of financial services, with consumers shifting from cash to cards, wallets, apps, and UPI, NITI Aayog Vice-Chairman Rajiv Kumar told PTI. While releasing a report — Connected Commerce: Creating a Roadmap for a Digitally Inclusive Bharat — prepared jointly by Niti Aayog and Mastercard, Kumar said this report looks at some key sectors and areas that need digital disruptions to bring financial services to everyone.

“Technology has been transformational, providing greater and easier access to financial services. India is seeing an increasing digitization of financial services, with consumers shifting from cash to cards, wallets, apps, and UPI,” PTI quoted Kumar as saying. Mastercard Asia Pacific Co-President Ari Sarker said the Covid-19 pandemic has alerted consumers and businesses to the fragility of cash and the resilience of digital technologies, including digital payments.

Source – India Retailing

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## RBI Issues Digital Payment Security Norms For Banks And NBFCs

The Reserve Bank of India (RBI) in the Statement on Development and Regulatory Policies dated 4 December 2020 had proposed to set up a robust governance structure for digital payment products and to implement common minimum standards of security controls for channels like internet, mobile banking, and card payments. In line with the announcement, the RBI on 18 February 2021 issued the Reserve Bank of India (Digital Payment Security Controls) Directions, 2021 (Master Directions)1.

The Master Directions shall be applicable to 4 (four) categories of the regulated entities (REs): (i) Scheduled Commercial Banks (excluding Regional Rural Banks); (ii) Small Finance Banks; (iii) Payments Banks; and (iv) Credit card issuing Non-Banking Financial Companies. The Master Directions provide for a new set of regulatory guidelines for a safer and secure digital payment system.

Source – Mondaq

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## Credit Line vs Credit Card vs Short-Term Loans: Why credit line scores over other options

In case you have irregular income or during the torrid time of Covid-19 pandemic have faced salary cut or job loss, you may need some monetary support to cover the shortfall in the monthly income to meet the fixed monthly expenses.

There are many options to get money on credit to meet the shortfall. Some of the options are credit line, credit card and short-term loan. While people are aware of credit cards and term loans, very few people know that credit line or line of credit may be availed by individuals also.

Source – Financial Express

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## PayNearby Aadhaar ATMs withdrawals cross INR 400 billion

PayNearby, an Indian branchless banking and digital payments network announced that it has recorded Gross Transaction Value (GTV) worth INR 540 billion in FY 20-21, with an exit month GTV 32% higher than the average monthly GTV booked in FY 19-20.

The company generated INR 2.9 billion of revenue for its retail partners and about INR 0.4 billion of fee for its banking partners in the same financial year. FY 20-21 saw severe loss both in lives and livelihoods and agent banking network played a crucial role in ensuring relief disbursements reach the hands of the intended.

Source – IBS Intelligence

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