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Today’s View

Amazon & Fintech India

With the use of APIs it is becoming more and more easier to embed banking services into any online product and for BigTech companies such as Amazon, with their sheer magnitude of active users, it is uncomplicated to leverage and drive higher adoption for their financial services offerings. Tech giants are sitting on enormous volumes of user data, which can be analysed to create tailored financial products.

In India, **Amazon** already has over 100 million registered users, 10 million prime users and is much better placed to capture a share of India’s fintech market. India’s digital payment market is set to more than double in value to \$135 billion by 2023 from 2019, as per a study by PwC and ASSOCHAM.

Amazon made its big fintech move in India with the launch of digital wallet **Amazon Pay** in December 2016, just weeks after the demonetisation announcement. This was followed by launch of a credit card in association with **ICICI Bank**. As per a press report, they have issued about 14 lakh Amazon Pay ICICI Bank credit cards, till Oct 2020.

Amazon launched P2P payments within the **Amazon Pay UPI** for Android customers, in 2019. Most recently, in January’21, Amazon infused an additional Rs. 1,355 crore into Amazon Pay India. In August last year, Amazon launched **“Gold Vault”** in India, where users can buy digital gold for

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Cost of capital heads southwards for Indian companies

Cost of capital for Indian companies has been declining, in line with the falling bond yields and policy rate. The average cost of capital is currently estimated to be around 14 per cent, down 100 basis points since 2017.



Source – The Hindu

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Date – 23 June 21

as little as Rs 5. This came just a couple of months after Amazon started selling auto insurance in India in partnership with **Acko Insurance**. Another service provided by Amazon to its customers is Amazon Pay Later which is a hassle-free way to get instant credit, via a completely digital process, for purchases using EMI on Amazon. in.

Lately, a majority of Amazon's global fintech investments are concentrated in India. Amazon has done investments in India-based Fintech companies such as **Qwikcilver, BankBazar, Emvantage, Capital Float, Acko, ToneTag, and Tapzo**.

In April this year, Amazon India announced a **\$250 Mn. Amazon Smbhav Venture Fund** (the Venture Fund) to invest in startups and entrepreneurs focusing on technology innovations in SMB digitization, Agriculture and Healthcare. Additionally, Amazon announced plans to digitally empower and bring **1Mn.** offline retailers and neighborhood stores online, on the Amazon India marketplace, by 2025 through the **Local Shops on Amazon program**.

The market is ripe for disruption on the merchants' side as well, as India has an enormous MSME credit gap and Amazon is trying to cover that gap. It is evident that India has a massive fintech potential that Amazon would not want to ignore.

Today's News

Government plans to set up bad bank structure by June 30

After the budget announcement on setting up a bad bank-like structure for faster resolution of NPA, the government may be ready with the blueprint. As has been proposed, NARCL will take over the bad loans from banks by paying 15 percent in cash and 85 percent as Security Receipts.

The security receipts will be backed by a government guarantee, which is likely to ensure the face value of the SRs. Sources reveal, as per estimates of the Indian Banks Association which have been broadly accepted by the government, the size of bad loans is Rs 2 lakh crore while the average cost of acquisition of these NPAs for the NARCL works out to 18 percent, which is Rs 36,000 crore.

Source – CNBC

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Jitendra Gupta's neobank Jupiter wants to be Swiggy for banking: Will it work?

Jupiter, the neobank started by fintech veteran Jitendra Gupta said on June 23 that it has got 30,000 sign ups in three weeks, an encouraging response for one of the most audacious bets by internet startups in recent times.

Jupiter wants to be the go-to banking app for all smartphone users, providing a savings account, helping decode and analyse savings and spending patterns. It wants to upend the slow and outdated apps that banks currently provide to

B2B Finance Chiefs Must Lead By Example

Modernizing the back office can take many forms. For many finance leaders spearheading these initiatives, the process is all about adopting technology to automate processes and digitize data. But for Agreement Express Chief Financial Officer Max Broedlow, the goals of digitization extend beyond the back office and indeed can often be rooted in the effort of bridging the gap that separates the back office from the front.

As the finance lead of an organization designed to optimize back-office workflows for its own corporate customers, Broedlow said there is not necessarily one particular process he's focused on digitizing at the moment.

Source – PYTMS

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Lightspeed invests in insurance startup BimaPe

Lightspeed India Partners, an investor in firms such as Byju's, OYO and Udaan, has invested in insurance startup BimaPe - which provides a digital interface for people and families to manage their insurance plans.

BimaPe enables users to seamlessly manage their family's insurance. Users can get an overview of all their insurance policies, make one-click claims, and discover several hidden insurance benefits from their bank cards and Provident Fund.

Source – Money Control

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users. "The app is more than a bank account. It is a day to day finance app- a single view of all your finances and bank accounts, the ability to make transfers using any other bank account to this app. Customer service at many banks is archaic. We want to deliver an experience that is completely on chat, the experience will be instant and the benefit of the doubt will be given to customers," Gupta told Moneycontrol in an interview.

Source – Money Control

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Behavioral Analytics Pulls Double Duty On Fraud Prevention, Customer Conversion

Cities and states are finally beginning to reopen after more than a year of social distancing restrictions, but the digital-first habits that customers have acquired over the past 18 months are here to stay.

More than half of current digital banking users plan to continue leveraging digital or mobile channels in the future, for example, while just 6 percent plan to return to in-person banking. This means that a seamless yet secure digital experience is crucial as banks and businesses begin to rethink their customer relationships. Security and convenience are both top priorities, with 21 percent of consumers saying they have ditched purchases because the process took too long.

Eighteen percent cited excessive security checks as a reason for dropping out, and 11 percent reported that their payments were declined, possibly due to being flagged as false positives. Finding a balance between these two objectives will be paramount in the months and years to come.

Source – PYMNTS

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Self-driving startup WeRide deepens ties with Nissan, raises \$310 million

WeRide, a China-based autonomous driving startup, said on Wednesday that it would deepen development with Nissan Motor on autonomous driving technology for the China market as it raised \$310 million at a \$3.3 billion valuation.

WeRide, led by founder Tony Han, is pursuing what is known in the auto industry as a level 4 autonomous standard, in which the vehicle can handle all aspects of driving in most circumstances with no human intervention.

WeRide, which is testing vehicles in California, its headquarters in China's southern city of Guangzhou and the central city of Zhengzhou, did not disclose details on the size of the funding. Investors for the \$310 million funding round include Renault-Nissan-Mitsubishi alliance and China Structural Reform Fund, WeRide said in a statement.

Source – Money Control

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Data Silos Are A Fraudsters Best Friend

The vast majority of those who make it to a merchant's checkout page are the good guys. Normal people trying to complete a legitimate purchase. Ninety-nine percent of the time, Sift Head Trust and Safety Architect Kevin Lee told PYMNTS in a recent conversation, the customer is legit and should be approved.

The problem is the other 1 percent of attempted transactions that are illegitimate and have a fraudster standing behind them, and not a single actor scraping card data onto a spreadsheet in their basement.

Source – PYMNTS

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How Bhubaneswar-based Impact Health is looking to disrupt end-to-end healthcare with tech and logistics

India is the largest provider of generic medicines globally, and the Indian pharmaceutical sector supplies over 50 percent of global demand for various vaccines.

Globally, India ranks third in terms of pharmaceutical production by volume and 14th by value.

However, despite this, the pharmaceutical supply chain in the country has been underutilised and scattered, according to 23-year-old Anshuman Sahoo.

Source – Your story

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

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