



Financial Services Data and Analytics Newsletter

June 2023



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Generative AI is slowly making its way up to enter boardroom conversations and gaining prominence in the industry. It has disrupted the way we communicate, introducing considerable changes across industries. While we continue to assess its impact on the future of innovation, it is important to keep ourselves updated with the latest happenings in this space.

In this month's edition, we have collated news regarding domestic and global developments along with industry insiders.

In our upcoming newsletter, we will discuss our point of view on the low code no code platforms.

Stay tuned and happy reading!

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1. SoFi introduces student loan verification (SLV) service

SoFi Technologies, an American personal finance company, has introduced SLV by partnering with several organisations. Since the cost of education and student loan debt has risen over the last 20 years, this service will have a high impact on retirement savings as well.

SLV allows employers to verify eligible loan payments and match employer retirement contributions to employee student loan repayments. This is aligned with the SECURE 2.0 Retirement Act, approved by Congress.

2. Lendingkart raises INR 200 crore from EvolutionX Debt Capital

Lendingkart has raised this amount in a long-term debt funding from EvolutionX Debt Capital in order to expand its financing by engaging with more micro, small and medium enterprises (MSMEs) in India and launching new products such as MSME credit cards, personal loans and gold loans. The firm will also leverage its technological capabilities to partner with other banks and NBFCs. It is the first FinTech investment from EvolutionX.

3. SardineX to tackle payment frauds

Sardine, an AI-enabled KYC and fraud prevention solutions provider, has created a consortium SardineX to tackle payment frauds and associated

challenges, collaborating with financial institutions and/or payment service providers. It aims to provide a real-time shared database in order to maintain the credentials of transactors regardless of the medium of transactions. Participants can retrieve this data by querying from the database and investigate more thoroughly in the event of an incident.

4. Risk-based supervision pilots for the insurance sector

IRDAI, in collaboration with Toronto Centre, is rolling out the RBS framework to proactively identify, manage and mitigate risks in the insurance sector founded on the principle of global best practices of supervision. The regulatory regime will aid in improved crisis preparedness and enhanced financial stability as its construct lies on the holistic analysis of the activities of the regulated entities from a risk perspective.



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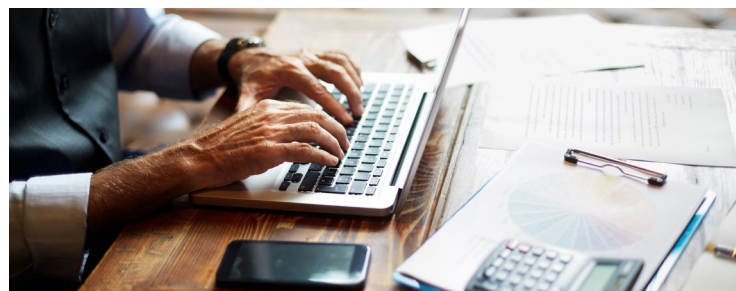
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5. Aon, Lloyd's pledge reinsurance backing for Ukraine's reconstruction

Aon and Lloyd's have joined forces with one of the largest insurers operating in Ukraine, Vienna Insurance Group to provide enhanced (re) insurance capacity to bolster Ukraine's economic resilience and support the country's recovery and reconstruction. This UK-Ukraine private finance partnership is committed to deliver fast-track access to supplementary foreign (re)insurance capacity to support both international and domestic companies operating in Ukraine with manufacturing and construction risk exposure, excluding war cover.

6. Capital Union Bank partners with Avaloq to launch an enhanced online banking platform

Capital Union Bank has selected Avaloq, a supplier of digital banking solutions to create its new online banking platform. The partnership aims to strengthen the bank's digital offerings and offer consumers a better banking environment.



7. Visa to acquire Pismo, a payments and banking platform, for USD 1 billion

Pismo, a payments and banking platform, will be purchased by Visa, a global leader in payments technology, for USD 1 billion. Visa will be able to improve its payment capabilities and increase its footprint in the digital banking market as a result of the acquisition, increasing its position in the developing FinTech sector.

8. Mandatory rights of business retained in favour of GIC Re by IRDAI

The Insurance Regulatory and Development Authority (IRDAI) has retained the mandatory cession of business in favour of General Insurance Corporation of India (GIC Re) for FY 2023-24 at 4%, letting down private and foreign insurers.

9. Karnataka's new provision to provide life coverage to e-commerce delivery personnel

Karnataka's CM has proposed a provision in the 2023-24 budget, to provide insurance coverage of INR 4 lakhs to e-commerce delivery personnel working for renowned companies. The provision includes a life coverage of INR 2 lakhs and an accidental insurance of INR 2 lakhs. The premium will be paid by the Government.

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10. Premium to stay the same for third-party motor vehicle insurance

For FY 2023-24, premium will remain the same across all the categories for third-party motor vehicle insurance. The Road Transport Ministry has proposed to reduce the premium for e-rickshaws and auto-rickshaws. The reason for this is said to be a trade-off between the low rise in the number of accidents and an exponential increase in the number of vehicles.

11. Deutsche Bank expands services into crypto custody, applies for licence in Germany

To meet the evolving needs of institutional investors, Germany's largest bank, Deutsche Bank, has recently submitted an application for regulatory approval to offer custody services for digital assets, which includes cryptocurrencies. By providing these services, the bank aims to increase fee income and revenue by offering digital asset-related solutions and delivering storage solutions of institutional-grade quality for digital assets. This decision follows closely after BlackRock's submission to the Securities and Exchange Commission (SEC) to establish a bitcoin exchange-traded fund.

12. Google announces global FinTech operations centre in Gujarat during Prime Minister Modi's US Visit

Google has declared its intention to establish a Global FinTech operations centre in GIFT City, Gujarat in order to support the Indian Government's Digital India initiative. This decision was made following Prime Minister Modi's recent visit to the United States. Sundar Pichai emphasised that this endeavour will enhance India's position as a leader in the FinTech industry, facilitated by advancements such as UPI and regulatory reforms. The integration of artificial intelligence (AI) is expected to bring forth promising opportunities.



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1. AWS announces AWS-AppFabric

A new no-code service has been announced by AWS that swiftly connects SaaS applications. With availability only in specific regions, AppFabric's generative AI feature is expected to generate insights and content across applications and return outputs where the user is operating.

2. Google Cloud unveils anti-money laundering (AML) AI to detect money laundering more efficiently

Google Cloud has recently unveiled AML AI, an AI-powered cutting-edge solution to help financial institutions combat money laundering more efficiently. This innovative system replaces the traditional rule-based alerts with machine learning-generated customer risk scores that enable more accurate detection of financial crimes and reduce investigation times for false leads. Moreover, the operational efficiency has been increased as the processing time for analysing billions of transactions has also been reduced substantially.



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