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Money 2.0

Agricultural revolution, industry revolution and information revolution – all have transformed the world. Each revolution has empowered people with additional resources and opportunities to achieve more – as individuals, as groups and as nations. About 100 years ago we saw the emergence of developed economies based on the industrial revolution. The information revolution then enabled many other countries to rise up as developed economies. India was one of the countries to ride the information wave.

The question is what next. I would like to believe that money will be the next revolution that will lift economies into the developed space. I am amazed by the developments relating to money in the last decade – and I think this is just the beginning of the wave. The speed at which money can be transferred, distributed, borrowed, repaid, halted, frozen, taxed and more - is amazing in itself, but the impact that this has is even more amazing. I don't remember science fiction movies showcasing anything remotely like this. The fintech sector is the tip of an emerging sector that will have a huge impact on the common man. Even the bigtechs are moving into the fintech space with visions that are truly mind boggling.

All these companies are not doing this for charity – this is definitely a big opportunity to serve billions of customers and profit from it. Customers too are lapping up a variety of financial services....so they must see some value in it.

So what we have is a power packed wave serving a vast number of customers and is also creating value for many other parts of the economy. I would like to call this wave Money 2.0 and I see it economically lifting people all over the world.

Linkage between UPI and PayNow

The Reserve Bank of India and the Monetary Authority of Singapore have launched a project to link their respective fast payment systems - UPI and PayNow. RBI said the linkage is targeted for operationalization by July 2022. The linkage will enable users of each of the 2 fast payment systems to make instant, low-cost fund transfers on a reciprocal basis without a need to get onboarded onto the other payment system. PayNow is the fast payment system of Singapore, which enables peer-to-peer funds transfer service, available to retail customers through participating banks and non-bank financial institutions (NFIs) in Singapore. It enables users to send and receive instant funds from one bank or e-wallet account to another in Singapore by using just their mobile number, Singapore NRIC/FIN, or VPA. The linkage builds upon the earlier efforts of NPCI International and Network for Electronic Transfers to foster cross-border interoperability of payments using cards and QR codes, between India and Singapore and will further anchor trade, travel and remittance flow between the two countries.

Bahrain readies for second phase of open banking

Banks and financial institutions in Bahrain are required to implement modalities for the launch of the second phase of the Bahrain Open Banking Framework (Bahrain OBF) by 30 June 2022. The Central Bank of Bahrain has issued guidelines in this regard. The first phase of the Bahrain OBF had been successfully launched by the central bank in May 2020. The guidelines include sharing open data, domestic standing orders, international standing orders, international future dated payments and bulk/batch Payment. The Bahrain OBF aims to improve the reach and quality of services offered by retail banks through digital online and mobile channels. The initiative is part of a larger upgrade of the Bahraini financial sector to remain competitive in the face of demand for connectivity within the financial services ecosystem. The system is expected to bring in competition and enhance efficiency of the financial system in light of changing consumer trends.

Hong Kong launches Wealth Management Connect scheme

The Hong Kong Monetary Authority has launched the much-anticipated Wealth Management Connect scheme, which is a cross-border link that will enable Hong Kong and mainland residents to buy investment products from each other's markets. The scheme is part of broader plans to further facilitate Hong Kong residents to develop, work and reside in the mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), as well as strengthen the convenient flow of people, goods and funds within. The Wealth Connect scheme is a cross-border link that will allow a freer flow of investment products within the 11-city GBA. Residents of special administrative regions Hong Kong and Macau will be allowed to buy investment products from the remaining nine GBA cities, and vice-versa. A total of 300 billion yuan has been set as the aggregate quota for the two-way channel – 150 billion yuan each – with a limit of 1 million yuan per individual investor.

Kuwait has a new e-payment service

The Central Bank of Kuwait has started an e-payment service, described as one of a series of projects geared to entrench financial stability in the country. The central bank Governor Dr Mohammad Al-Hashel said platforms such as the Kuwait Automated Settlement System for Inter-participant Payments will help keep the local banking sector on an upward trajectory. The new system, incorporating fraud prevention measures and protection of online user data privacy, comes with high security standards. It allows banks to issue reports on and monitor payment settlements through a designated electronic platform. The new system also allows all local payment and transfer transactions among banks operating in Kuwait and to customers' accounts to go through within seconds, with instant settlement of banks' daily balances.

RBI plans digital currency trial

The Reserve Bank of India is poised to launch its first digital currency trial program by December, governor of the central bank governor Shaktikanta Das said. He added that RBI is being extremely careful about the central bank digital currency because it is completely a new product, not just for RBI, but globally. He added that the central bank is studying various aspects of a digital currency including its security, impact on India's financial sector as well as how it would affect monetary policy and currency in circulation, according to the governor. Das said the central bank is also examining the choice between having a centralized ledger for the digital currency or the so-called distributed ledger technology.

Sri Lanka central bank Governor steps down

The Governor of Central Bank of Sri Lanka Weligamage Don Lakshman has stepped down as the country is facing a severe forex crisis that threatens its ability to import goods and service debt. Sri Lanka is facing sharply depleting reserves and revenues, and issues of debt repayments as the country struggles to tackle the covid pandemic. The government has stepped in by bringing a veteran central banker as governor. It has appointed Ajith Nivard Cabraal, a former junior minister overseeing capital markets and who had led the Central Bank of Sri Lanka from 2006 until early 2015, as governor. The central bank has already limited the amount of foreign currency that can leave the country, as well as tightened import rules to discourage purchases of items including chocolates, wines, cosmetics and electronics.

DBS Bank: LVB acquisition boosts SME business

During the pandemic, DBS Bank India launched 'DBS Digital Business Loans' - an online platform that enables seamless and hassle-free access to financing for SMEs. Sudarshan Chari, Head, Business Banking, explains: "This segment-flagship platform from DBS improves the ease of accessing business credit for MSMEs, offering credit up to ₹200 million. Enterprises with a turnover of up to ₹250 million can receive in-principle approval for loans of up to ₹50 million within 24 hours subject to completion of the loan application and fulfilment of the lending criteria. This is significantly faster than the current market standard of over a week. Subsequently, a final e-offer for credit up to ₹50 million for a company with a turnover up to ₹250 million, can be sanctioned in just 5 working days."

PARTNERSHIP WITH ODEX

DBS Bank India also recently partnered with ODeX, one of India's leading platforms to exchange shipping documents and facilitate payments, to introduce 'ODeX Pay Later Solutions' powered by DBS. Sudarshan elaborates: "The solution essentially enables the seamless provision of a revolving credit limit that can be used by ODeX platform users (freight forwarders) to make payments to ship liners."

Businesses with a turnover of ₹30 million to ₹2 billion that have completed over 5 years in the shipping industry can avail of an unsecured loan of up to ₹5 million from DBS Bank. Sudarshan further says: "They can opt for a secured credit limit of up to ₹5 million. DBS was recognized among the 'Outstanding Financial Innovators in Asia Pacific' for this trade finance solution at the annual Innovators Awards 2021 by Global Finance."

30% CAGR OVER 3 YEARS

The SME business was one of the core strengths of the erstwhile Lakshmi Vilas Bank (LVB). Sudarshan updates: "We have witnessed more than 2x growth in the SME business after the amalgamation, and on that base, we are looking at 30% CAGR over the next 3 years. We are focused on growing the MSME portfolio by leveraging the branch footprint of LVB, and the priority will be to grow the SME business digitally and phygitally."

Sudarshan Chari informs that ODeX platform enables the seamless provision of a revolving credit limit for users to make payments

DIGITAL INVESTMENTS

DBS has been at the forefront of leveraging digital technology to shape the future of banking. The effective use of technology to simplify the lives of its customers and employees has been pivotal to its product strategy and operating model. Sudarshan underlines: "This was amply evidenced during the pandemic, where our prior investments in digitising our offerings came to bear. For example, our digital lending business banking platform launched during the pandemic has helped build a book close to ₹12 billion. We also launched a digital onboarding platform that made the account opening journey easier for both relationship managers and business owners. Robust analytics systems ensure tracking right from the lead to fulfilment stage and thereafter, thereby enabling customers to make the most of our products and services."

SME CUSTOMER PROFILE

In its portfolio, DBS has approximately 70% of customers belonging to the micro and small customer segment and 30% comprise customers belonging to medium enterprises. Sudarshan bifurcates: "The average vintage of the SME customers would be 5-10 years concentrated in metros and around tier-1 locations largely because of our leaner branch presence in the past. We have a healthy mix of 1st, 2nd and 3rd generation entrepreneurs in our portfolio with an equitable distribution across manufacturing, trading and services."

WEBINAR, ONLINE WORKSHOP

For SME banking, DBS plans to further build on a marketing approach that is integrated within the business journey of SMEs – from business registration to taxation to transactions and loans through their entire business growth lifecycle. Sudarshan explains: "While we have always had a healthy mix of digital and physical outreach for SMEs, since the pandemic, we have doubled up our digital outreach with not just product communication but helping SMEs by hosting various thought leadership webinars and technical online workshops that troubleshoot specific banking issues for businesses across sectors like export-import, manufacturing, etc. We even integrated with digital services platforms like ODeX."

EXPANSION, GROWTH PLANS

Currently, the SME loans of DBS comprises 1/4 of the loan book. Before the amalgamation, it offered SME banking services to its clients across 25 cities. Sudarshan projects: "With the growth of our network following the amalgamation, we expect the share to increase to 1/3. We have now identified 100 hubs/clusters nationwide, where we will be focusing our SME business. The plan is to further expand this to a total of 200 towns and cities in the future. We are also planning to hire people over the next 2 years to boost the growth of the SME business."

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Bandhan Bank: Building a robust, granular liabilities franchise

On the occasion of its 6th Foundation Day celebrated on 23rd August, Chandra Shekhar Ghosh analyses the bank's achievements and explains how it has earned the trust and confidence of 23 million Indians:

Bandhan's visionary founder Chandra Shekhar Ghosh (62) is a pioneer in the field of development finance. After completing his masters degree in Statistics from Dhaka University, Ghosh joined the developmental sector by taking up employment with BRAC, a Bangladesh-based NGO, which is one of the largest in the world. He eventually came back to India and joined a West Bengal-based NGO called 'Village Welfare Society' as program head. In this role, Ghosh would need to travel deep into the hinterlands of West Bengal and meet economically underprivileged people from far-flung rural areas to educate them on how to improve their living conditions.

On one such visit, he met a woman residing in a mud-house, who was cooking, even as he was trying to talk to her. Ghosh tried to educate her about the benefits of health, hygiene and education, but she seemed uninterested in what he had to share. After a while, he was intrigued to ask her why she wasn't paying attention. Even as she kept cooking, she told him that her daughter had been craving some fish curry and rice for the past few days, which she couldn't provide as she didn't have the money. All that she could think of at that moment was what new excuse to offer for failing to fulfil her wish yet again.

Chandra Shekhar Ghosh, MD & CEO, explains: "This meeting, and my overall experience of witnessing the hardships of the poor first-hand, made me realize that social development can only follow once people have an opportunity to build a sustainable livelihood for themselves. It is with this objective in mind that I founded Bandhan 2 decades ago, to serve the twin and interlinked purposes of women empowerment and poverty alleviation."

Chandra Shekhar Ghosh is a firm believer of the philosophy that 'Small is beautiful, but big is necessary'

SPREADING WINGS

Ghosh got the inspiration to start Bandhan to help economically underprivileged Indians, especially women, earn a sustainable livelihood by accessing formal credit, which could be used to start a small business of their own. Bandhan was founded as an NGO in 2001. It started its operations in Konnagar, a suburb on the outskirts of Kolkata, West Bengal. The microcredit that was given to these women were collateral-free, small-ticket loans, and this helped them break free from the clutches of the informal moneylenders who would charge exorbitant interest rates, thereby perpetuating a cycle of debt and poverty. In addition to this, Bandhan also focussed on empowering the economically underprivileged through non-monetary means, such as projects focussed on financial literacy, healthcare, hygiene, and Targeting the Hardcore Poor (THP) program which gave people productivity tools, and not grants, to create sustainable livelihoods for themselves.

Ghosh elaborates: "I am a firm believer of the philosophy that: 'Small is beautiful, but big is necessary.' Through its efforts, Bandhan positively impacted the lives of millions of people and started spreading its wings outside its core markets of East and Northeast, to other parts of the country as well. Our faith in the innate entrepreneurial spirit of those living at the bottom of the economic pyramid in India was validated as more and more people started availing microcredit to improve the quality of their lives and live a life of financial independence."

SCALE, DEPTH IN 2 DECADES

The scale at which Bandhan wanted to create deep and lasting social impact necessitated its transformation from an NGO to an NBFC-MFI, which it became in 2009. Soon thereafter, in 2010, Bandhan emerged as India's largest microfinance institution. In the journey towards achieving this milestone, Bandhan's social impact business model received the validation and support of several marquee global and domestic investors – including SIDBI, IFC and GIC of Singapore. In recognition of its efforts to deepen the penetration of formal financial services in the country at scale, and bring the unbanked and underbanked masses into the financial mainstream, the Reserve Bank of India granted Bandhan a universal banking license and Bandhan Bank commenced operations on August 23, 2015. This was the first instance of a microfinance institution converting into a bank in India.

Ghosh underlines: "While India is now aspiring to make its people self-reliant, even as the country aspires to become a $5 trillion economy; Bandhan has been empowering people at the bottom-of-the-pyramid and enabling micro and small businesses to come up and generate large-scale employment for the last 2 decades."

MD with borrowers

GROWTH: OUTLETS, BUSINESS

Bandhan Bank has several achievements to its credit since becoming a bank. On its very first day, Bandhan Bank commenced operations with 2523 banking outlets. In 6 years since, the bank's banking outlets have more than doubled to 5574, as on June 30, 2021. Around 73% of Bandhan Bank's branches are located in India's rural and semi-urban areas.

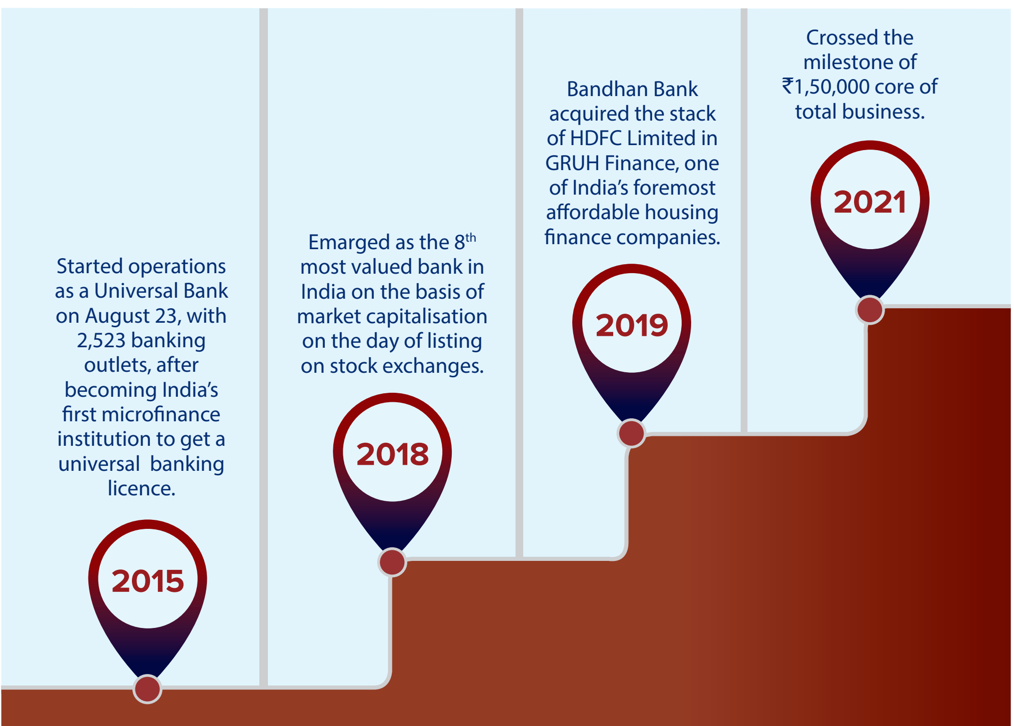
Ghosh proudly claims: "When Bandhan became a bank, few people questioned whether customers would trust a new bank with their savings. This question has been emphatically answered as Bandhan Bank successfully built a robust and granular liabilities franchise."

TRUST, CONFIDENCE EARNED

As on June 30, 2021, Bandhan Bank had total deposits to the tune of ₹773.40 billion. This is one of the fastest rates of deposit growth for any bank in India in the first 6 years of operations. At present, the Bank's CASA to total deposits ratio stands at 43% and share of retail to total deposits is at 83%. Through its presence across 34 out of 36 states and UTs in India, its total loans & advances have steadily grown to ₹803.60 billion, as on June 30, 2021.

In FY21, Bandhan Bank crossed the key milestone of having a business size (deposits plus advances) of ₹1.50 trillion, and its current business size stands at ₹1.58 trillion. The bank remains comfortably and adequately capitalized with a Capital Adequacy Ratio (CAR) of 24.8%, which is much higher than the minimum regulatory requirement. The bank, at present, boasts of a customer base of over 23 million people and an employee base of over 51,000.

Ghosh adds: "Bandhan Bank has managed to earn the trust and confidence of 23 million Indians. There can be no debate that if India has to become a $5 trillion economy, the welfare and development of all sections of society need to be ensured – whether it is the middle class, the economically underprivileged in rural and semi-urban areas, or micro & small businesses. In every conceivable sense, Bandhan Bank has managed to live up to its vision of being a world-class bank, to grow its size and scope of operations significantly, while remaining true to its overarching mission of providing access to inclusive banking to millions of India outside the fold of formal financial services."

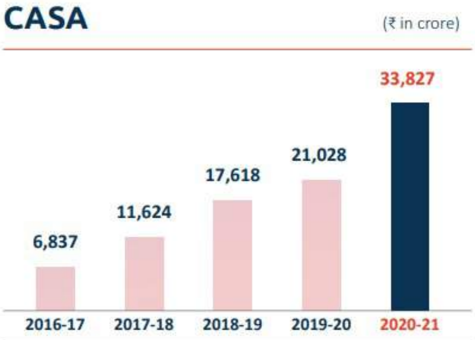


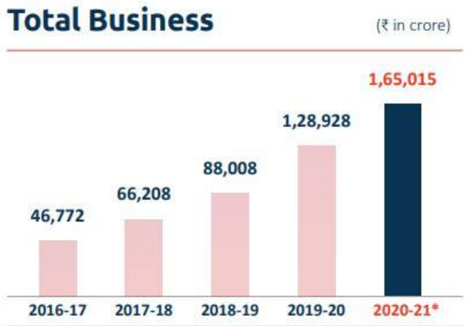
GEOGRAPHICAL SHARE

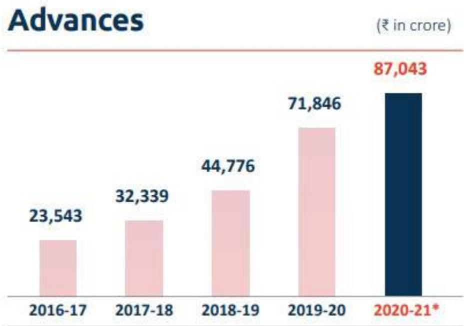
As a part of Vision 2025, Bandhan Bank envisages a greater proportion of business coming in from areas outside its traditionally strong markets of the East and Northeast. During FY21, the bank opened 751 new banking outlets, and a majority of these came up outside its traditional areas. Already, 43% of Bandhan Bank's banking outlets are located across West, South, North & Central India. Ghosh updates: "A relatively greater share of deposits is being mobilized from these regions."

NTC CUSTOMER, DIVERSE ASSET

Emerging Entrepreneurs Business (EEB), a vertical newly formed in September 2020, comprising the bank's group-based microcredit portfolio, as well as small business loans and other financial products tailored for the entire growth cycle of individual entrepreneurs, forms the largest portion of the bank's asset base, with a total size of ₹532.10 billion, or 66% of the book, as per the bank's annual report.







Ghosh indicates: "In these 6 years, the bank has assiduously worked towards staying true to its mission of bringing new-to-credit (NTC) customers into the fold of formal financial services, as well as diversifying its asset base to achieve a mix of secured and unsecured assets."

In 2019, Bandhan Bank acquired HDFC's stake in affordable housing financier, GRUH Finance. The company later merged with Bandhan Bank. This business has seen steady progress and the bank's housing finance book currently stands at ₹193.60 billion, representing 24% of its total asset book.

Ghosh reveals the formula to build a sustainable, high quality, well-diversified asset book, with an optimum mix of secured and unsecured assets: "The bank has decided that 30% of its asset book will comprise of Emerging Entrepreneurs Business (EEB) loans (both group and individual); 30% will be housing finance, 30% will be commercial banking (including SME loans and NBFC loans) and the remaining 10% would be retail assets (personal loans, gold loans, auto loans, etc.)." It is worth noting that this mix of assets would be on a higher portfolio base that what it is at current.

HIGH VINTAGE OF CUSTOMERS

Out of Bandhan Bank's total active borrower base of 12 million people in the EEB segment, around 50% are with it for 4 years or more. These are individuals who started off with small-ticket group loans and went on to become successful small entrepreneurs.

Ghosh claims: "Due to Bandhan Bank's timely and relevant products and focus on customer service excellence, the bank enjoys a very high vintage of customers. They now have different aspirations for growth and need a variety of products that may include small enterprise business loans, auto loans, education loans or home loans.

FROM GROUP TO INDIVIDUAL

In FY21, close to 11.4% of the EEB portfolio was migrated to individual loans and with this, the total contribution of individual loans to the total asset book stands at 7%. Bandhan Bank also created a retail assets division in August 2020 to bring in all forms of non-EEB retail products (gold loans, personal loans, auto loans, etc.) under one division. This was done to enable singular focus on growing this portfolio while ensuring the highest standard of asset quality. Despite a challenging business environment, this portfolio has grown 70% year-on-year to ₹11.20 billion as on June 30, 2021.

Ghosh explains: "In order to better reflect current customers' profile and handhold them through the customer lifecycle journey, we are in the process of graduating them from EEB-group to EEB-individual loans. This means that these customers no longer need to sit in group meetings and make weekly instalment payments; instead, they are treated at par with individual borrowers, who are on a monthly repayment cycle. We expect these customers to become the small and medium enterprises in the future."

SOLVE CUSTOMER PAIN POINTS

Ghosh gives a mantra for achieving success: "Bandhan Bank's success has been due to our constant endeavor of listening to the customer and solving whatever pain points they may be facing vis-à-vis access to financial services. To fulfill this mission, the bank has evolved over time and in the future also, the bank will continue to transform to stay relevant and be a banker to all 1.37 billion Indians."

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New Umbrella Entity – New Era of Fintechs

Navin Surya
Chairman Emeritus, Payments Council of India

Summary: New Umbrella Entities and innovative fintechs are shaping the future of India.

Covid boosts top-up loans & balance transfers

Arvind Hali, MD & CEO, Motilal Oswal Home Finance reveals how the pandemic is affecting business and how the company is responding:

Ravi Lalwani: What change in patterns of home demand and home loan demand are you seeing post 12 months of covid? How has your business responded to these changes?

Arvind Hali: We observed an uptick in housing demand post covid wave-1 however the same can be attributable to the lull period during 6 months of continuous lockdown. The actual demand resurfaced from Jan-21 onwards when several initiatives were also undertaken like discount by builders, benign interest rates, cut in registration charges from state governments, and rise in awareness about home ownership. As a result, the housing industry did one of the best disbursements in H2FY21. However demand plummeted from April-21 due to covid wave 2.

Amid both the covid waves, lenders were also treading with caution, especially in the affordable segment where the customer base has lower immunity towards economic shock. MOHFL was not untouched by the above and witnessed strong traction in disbursements from Jan-21 to Mar-21. We believe demand for housing is likely to remain strong in the near term and HFCs are likely to benefit from this. We are alert and have started ramping up our sales force. We have spread our wings in the northern part of the country by opening branches in NCR and Haryana.

What is the average loan amount MOHF gives to home finance customers? Has that value risen or fallen during the covid time?

We are primarily lending in the affordable housing segment focused on LIG and EWS segments. These segments are fairly populated by real end-users with properties for personal use and mostly the first property of the customer. Our average loan amount we disburse has remained unchanged at around Rs 0.8 million. We did not expect much change in this segment as the properties are on the lower side of the pyramid having low prices elasticity due to small room of price play.

Arvind Hali assets that MOHFL is focusing on first-time homebuyers in LIG and EWS segments

Do you see any new pattern between loan amount requests and sanctioned loan amounts these days among your customers?

We see an upsurge in top-up loans. Existing customers seeking top-ups as well as new customers opting for balance transfer from other FIs seeking better pricing to lower the EMI burden and seeking top-up on the existing facility. On the other side, we see customer preference towards ready-to-move 100% properties from builders rather than opting for under-construction properties. So, top-ups, 100% ready property acquisition, and loan for self-construction has risen comparatively.

What CX initiatives has MOHFL taken to make the loan application process less cumbersome?

For existing customers, MOHFL has a digital mechanism to obtain pre-approved top-up loans which come are hassle-free and processed in a short period. Also, the company has developed measures of digital payment where a customer does not need to physically go to a bank branch to fund the account toward EMI payment. Customers are provided with options and support to use other digital methods to pay the EMIs. Also, the company resorted to taking digital customer consents towards GoI's covid19 rehab loan restructuring package. The company provides an app-based solution to the customer to assist them towards any query or service requirement just with one click of a button without having to undergo pains to physically reach out to a branch.

For new customers, MOHFL provides for digital application-based loan processing, which is paperless, simple, and easy as well as fast for the customer. MOHFL aims to make E2E digitization of the loan process to enhance the customer experience and add to the wow factor.

How is MOHFL leveraging its group companies in terms of customers, technologies, partners, etc?

MOHF has strong parent support not only in terms of capital adequacy but also in leveraging group synergy for expertise on technology (the group has a 300+ member IT team), group's HR, admin, marketing, finance, and MIS. The group's finance and treasury team can well be managing the liability side of MOHFL. This synergy takes care of pulling out the best at least cost.

Moreover, there is synergy benefit playing out in HFC business with wealth, broking and real estate business. Our wealth management business can raise funds for MOHFL from their UHNI clients by issuing MOHFL MLDs. Our broking business has a pan India presence and a huge franchisee network, these franchisees are now becoming connectors of MOHFL and helping them to source business from tier 2&3 markets. Our real estate division runs India's most successful fund of Rs 40 billion and has tied up with 50+ Cat A builders. MOHFL is leveraging real estate fund capabilities of underwriting and relationship to do joint funding to Cat A builders for construction finance.

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Mental Health & D&I: Both problems have similar solutions

The pandemic has created heightened awareness about mental health issues, while Diversity & Inclusion (D&I) issues have been steadily becoming more visible. While the problems are distinct, there is a lot in common among the solutions:

Dr Bijna Kotak Dasani MBE, FRSA is Executive Director at Morgan Stanley. With over 20 years of experience, Bijna has led strategy, transformation and innovation within the financial services sector across the UK, EMEA, the Americas and Asia. Additionally, she serves the Boards of The Inclusive Companies Network, FinTech Connect, CIONET, Generation Success, Cajigo and Restorative Justice for All. She shares her insights on the confluence of mental health and diversity and inclusion:

Manoj Agrawal: Mental health is becoming a matter of rising concern. Is the root cause WFH or lockdown or something else?

Dr Bijna Kotak Dasani: Mental health issues have increasingly become prevalent in the workplace in recent years and within the spectrum of Diversity, Equity and Inclusion (DE&I) the global financial services sector has started to test-and-learn through frameworks to support both customers and colleagues alike.

Globally, the pandemic has heightened our awareness and sensitivities towards vulnerable customers externally, and within organizations, the vertical strands of depression, anxiety, suicide, hidden abuse, domestic violence, socio-economic, cultural, racial and gender-based challenges and more.

Firms understand the importance of providing education and awareness of these topics as well as psychological safe havens / spaces whereby colleagues can authentically discuss and work through the above, without repercussive pressures of judgment, stigma and taboo.

In recent years we have observed Lloyds Chief Executive António Horta-Osório openly share he suffered sleep deprivation and exhaustion, and former Barclays Head of Compliance Hector Sants, who was signed off on medical leave in 2013 due to severe stress as reported by World of Finance (2019).

Bijna Kotak Dasani asserts that though covid is a cause of mental health issues, the root causes are cultural norms, value systems and environments

The World Health Organization (WHO) recently shared that 5 of the 10 leading causes of disability worldwide are mental problems (major depression, schizophrenia, bipolar disorders, alcohol use and obsessive-compulsive disorders). These disorders – together with anxiety, depression and stress – have a definitive impact on any working population. They may also develop into long-term disorders with accompanying forms of disability.

Emotional and mental health concerns can rise equally from WFH or office environments; the pandemic culture has simply accentuated this across the world.

And although these factors may attribute to mental health pressures, they are not root causes. Root causes usually attribute to cultural norms, value systems and environments within which employees bring a version of themselves to work, day in, day out. Increasingly, employer organizations are encouraging colleagues to smash stigmas and stereotypes and bring their 'authentic' personas to work and providing practical methods of intervention such as counselling.

What are the differences in mental health issues of those who have reduced income vs those who have full income?

In Bridging the Gaps, the World Health Organization (1995) states: 'The world's most ruthless killer and the greatest cause of suffering on earth is extreme poverty.' This statement emphasises the importance of poverty as a variable adversely influencing health. Poverty is a multidimensional phenomenon, encompassing inability to satisfy basic needs, lack of control over resources, lack of education and poor health. Poverty can be intrinsically alienating and distressing, and of particular concern are the direct and indirect effects of poverty on the development and maintenance of emotional, behavioural and psychiatric problems.

The measurement of poverty is based on incomes or consumption levels, and people are considered poor if their consumption or income levels fall below the 'poverty line', which is the minimum level necessary to meet basic needs. It should be emphasised that for the analysis of poverty in a particular country, the World Bank bases the poverty line on the norms for that society.

It is a well-recognised fact that poverty has important implications for both physical and mental health (Townsend, 1979). Taking this into account, India recently reported that 60 million people were pushed from the lower-middle class, into poverty and that over 80% of Indian households are spending 25% less on household essentials and groceries in 2021 vs. 2020 as result of the pandemic.

It is becoming increasingly important

to create and retain employees from social mobility backgrounds with the right support frameworks within organizations.

Furthermore, benefits such as medical insurance are increasingly important given the national spending on healthcare is 3-4% of GDP and does not factor the full spectrum of mental health in provisions.

Some companies have introduced mental health care programs. What has their achievements and limitations?

Mental health conditions cost the world economy over employers more than $2.5 trillion per year in poor health and reduced productivity in 2010, a cost projected to rise to $6 trillion by 2030. Today, the cost to employers is $1 trillion per year, globally (as reported by Lancenet).

By addressing mental health issues in the workplace and investing in mental health care for workers, employers can increase productivity and employee retention. The economic case for investment in mental health is strong: for every $1 invested in scaled-up treatment for depression and anxiety, there is a $4 return in better health and productivity.

Beyond economic and productivity impact, there are multiple qualitative benefits to firms who harness environments where colleagues feel comfortable pairing their inherent (diversity) differences with strong, shared company values, and in turn culture. There is also a significant positive correlation between - environments where employees feel they can fully bring their identities to the workplace, constructively challenge criticisms, freely speak up – and employee psychological safety.

The ability to exercise voices and be seen and heard is a critical factor across all spectrums off diversity and inclusion.

Give examples of mental health preventive and curative solutions you have seen that center around family, friends, neighbors, community groups, etc.?

a. Education and empowerment – Both of these go hand-in-hand. For example, across the workplace, communities and places of worship, I have consistently observed collective movements through education which in turn leads to empowerment and so on. This model typically denotes that one of 'first responders' to (i) accept an issue / concern that exist; (ii) raise awareness of it and (iii) educate and empower through the process.

For example, within the workplace, training, educating, and empowering managers to lead on both mental health and inclusion – and how the two intersect – can speed needed support to employees from diverse backgrounds. Business leaders are then confident and equipped to support teams in the right way and towards appropriate protocols.

b. Provision of culturally competent care – Forbes also recently reported striking disparities in access to mental health care. For example, in the US, Asians are 51% less likely to use mental health services than whites, Latinos are 25% less likely, and Blacks are 21% less likely. A range of factors contribute to these gaps, including stigma, discrimination, lack of coverage, and a shortage of providers, especially those from diverse backgrounds. For example, Black, Latino, and Asian psychologists – combined – account for less than 20% of the total number of psychologists in the U.S.

Figuring out answers to such questions, living and working in a world that is often unfriendly and sometimes outright discriminatory, can mean a life lived in the shadows. For the Indian LGBT(QIA+) community (Lesbian, Gay, Bisexual, Trans, Queer, Intersexed, Asexual and other), in addition to the social and familial prejudices, the acceptance framework is oppressive, leaving little room to find safety and protection, apart from communities that people build for themselves. Conflicts between one's internal reality and the way the world is, can be a source of major distress (as reported by White Swan Foundation).

Employers can bolster access to inclusive, effective mental health services for all employees. Organizations should leverage their influence to push for health systems, insurance networks, and policy decisions that deliver culturally competent mental health care. Employers can also help to develop, pilot, and scale digital health tools that address disparities in access, particularly as the covid-19 pandemic accelerates a shift towards telehealth services.

Is there any pattern of distribution of mental health problems based on age, income, gender or other parameters?

The Centre for Mental Health, UK reports that 75% of adults with a diagnosable mental health problem will have experienced their first symptoms by the age of 24. Evidence shows that common mental health conditions that first emerge in adolescence have a higher chance of persistence into young adult years if not quickly treated and contained.

This is accentuated if the individual is from a low socio-economic demographic, a member of a closed view community, experiences forms of violence (such as domestic abuse), as carrier or survivor of illness or attributes to any minority community (race, ethnicity, etc).

Furthermore, research has identified disparities between women and men in regard to risk, prevalence, presentation, course, and treatment of mental disorders; women are at higher risks and for longer periods.

In general, what is the success rate in treating mental health problems? Is it going up, down or is unchanged?

As recently reported by Forbes, Mental health and diversity and inclusion (D&I) are closely connected. Employees from diverse backgrounds can face lack of representation, microaggressions, unconscious bias, and other stressors that impact their mental health and psychological safety at work.

The last two years have accelerated global awareness, interest and scale of policies and protocols to tie incorporate the mental health agenda and corporate wellness goals into the broader Diversity and Inclusion agenda – although this will continue to vary by jurisdiction and the culture of each region.

Evolution is paramount and although there is much to deconstruct and reconstruct on the vertical of social norms, it's essential we are on the path towards creating workplaces where individuals feel seen, heard and respected.

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Model Insured Villages to Boost Rural Penetration

Neeraj Prakash, Managing Director, Shriram General Insurance shares the company's strategies to tap rural markets and leverage new technologies:

Ravi Lalwani: Please share details of the penetration of the insurance business in rural markets compared to urban markets? What are the top 2 products in the rural and urban markets?

Neeraj Prakash: Shriram General Insurance's rural business in FY21 stood at 10% of the total business and we target to expand that in FY22. Rural consumption is a driver of the Indian economy and in the pandemic, the rural markets have been leading the demand resurgence. Awareness about insurance in rural India is still lagging nor have they experienced the benefits of insurance. The Shriram Group has a deep understanding of the rural markets and we at Shriram General Insurance believe that bundling the benefits of multiple products and marketing the combination of coverages to rural customers is ideal. Insurance penetration is low in rural areas and needs product customization. The leading insurance products are crop and cattle insurance which are the two basic covers required most in the rural market as compared to motor & health insurance popularly sold in the urban segment.

From a penetration point of view, we have simple products which create value for the population living in rural areas. We have developed our homecare and personal accident insurance products with the customer base and target demographic in mind and not the competition. These products have been priced, promoted, distributed, and serviced rightly to make them useful for the rural masses. The top 2 products in the rural sector are good carrying commercial vehicle insurance and long-term 2-wheeler insurance.

Neeraj Prakash avers that the solution to low insurance penetration in rural areas is product customization

What are the 2 leading channels for sales in the rural markets? What channels are you investing in for the future?

Rural and semi-urban markets require better coverage in products and distribution. Insurers look at informal network of self-help group (SHG) members, women SHG members, banking correspondence Sakhi (BC Sakhis) to reach out to the last mile for insurance product distribution and services. We have a strong workforce of over 35,000 agents to reach the rural hinterlands. Our point of sales (POS) enables doorstep delivery of insurance at even remote locations. The focus area is Common Service Centers. The use of a digital kiosk is a great resource to extend insurance services through e-Mitra. We are targeting to increase our reach by opening micro-offices too.

What are your geographical expansion plans? What kind of data do you rely on to identify the prospective new market?

The Shriram Group caters to the aam aadmi and at Shriram General Insurance we will continue to offer products for the common man which is in line with our core ethos. Especially for customers at the bottom of the economic pyramid, we have implemented new business models and products to provide and administer the risk mitigation solutions at a scale that meets their needs. We have explored geographies that are untapped and yet full of potential. Thus, ensuring we close the protection gap as well.

We believe in setting up model insured villages across the country to increase insurance penetration in rural areas with a special focus on agriculture and allied activities. Very soon the focused efforts of our rural vertical will demonstrate the concept and efficacy of insurance as a risk management tool and give farmers and the rural population awareness of the benefits of insurance.

Please share the digital initiative taken by SGI to engage with rural customers.

Nearly 90% of the rural workforce is employed in the informal sector with no minimum wage or any kind of social security and with very low disposable income. It is expected that more than 400 million informal workers may get pushed into deeper poverty due to the covid-19 outbreak. Insurance is needed by these people the most. The company's focus is to offer innovative products through the application of the latest technology and serve the large pool of common consumers in India. For our rural-based customers, we are pushing the distribution of policies through CSC portals and our mobile app named MySGI. It offers all types of services. With the online availability and less documentation, our customers have a quick settlement of their claims.

Who are the new technology partners onboarded during pandemic times and what solutions and services are they providing SGI?

While the covid-19 pandemic has wreaked havoc across sectors, it has driven penetration for the insurance sector. From being a push product, insurance has become a 'nudge product' due to the uncertainties. People are more aware of insurance products, but affordability remains an issue.

During the pandemic, we had provided WFH solutions to all our employees in a secure way. We tied up with Fortinet for providing both SSL-based VPN connectivity as well as through IPSEC VPN with 2-factor authentication. Also, we had provided collaboration tools like Google Meet for intra-dept online meetings, which was a massive success during the isolation time. For customers, our customers have easy access to insurance premium calculators. They interact with us through chatbots seamlessly.

What is the size of the IT team at SGI? How are you improving the alignment between business and IT?

Shriram General Insurance has invested in the latest technology and renders services through mobile apps, chatbots, online claim services, and digital payment facilities.

We have a sizable IT team of 40+ employees. They manage different application support services, infrastructure management, networking, and security control across the country. During WFH, round-the-clock support was available for any business emergency on a pan-India basis. We managed the roaster duty of our IT team for better work-life balance. Our focus area is to address customer needs, nurture talent, and bring a home-grown technology platform while delivering to the underserved segments of the economy.

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Shrinking NPA through Litigation Management System

Every bank has experienced a variety of difficulties in going through the courts for any problem, particularly NPA related problems. Even within the bank, legal processes can be slow and tedious. Banks need to find ways to boost the morale of its legal teams, and technology is now available to do that.

There are many systems available in the market that are designed as per the needs of law firms. These systems do not give the perspectives that banks need for managing the legal processes efficiently. There is a better alternative - Speridian Litigation Management System (LMS). It is in fact designed from the perspective of the banks. It has an adaptive case management framework designed to streamline legal workflow for banks, with emphasis on automating the recovery process lifecycle. LMS is integrated with existing CBS and is capable of supporting multiple hierarchies - head office, zonal office, regional office & branches.

The solution provides a role-based access control system and it also facilitates external access (mobile version or tab) to empanelled counsels and advocates of the bank to streamline communications with bank officials relating to all legal activities.

KEY PROCESSES

The legal process begins at the initialization stage, with different levels of approval, legal, and court process being automated in a paperless manner. LMS maximizes efficiency and dramatically improves the bank's ability to respond to the suit filed, and meticulously plan all legal and security enforcement processes. The software provides real-time access to case documents, customized templates for intimation letters, and newspaper advertisements. It generates auto-reminders for all important dates, deadlines, dashboards, and MIS reports for real-time review.

It helps to monitor at every stage of the legal process, advocate's billing, performance management, one-time settlements with multi-level approval. It provides a virtual file with attached photos, documents, court, legal expense management, and real-time tracking updates to capture the compliances and pending issues against any customer with proper alerts and reminders.


Sreekumar M

BENEFITS OF LMS

- It helps give prompt approvals for various litigations.
- Each process is associated with an activity log which can be viewed from origination until closure for every user.
- All the judicial & court staff are notified in advance; admin level users can configure alerts & reminders.
- The SARFAESI module is designed to manage the lifecycle from the initiation to the auction process.
- All the litigation process are covered - SARFAESI, Sec 138 (NI Act) complaint filing, civil suit filing, DRT process, arbitrate, workflow, revenue recovery (RR) and insolvency and bankruptcy code, with a proper alert, a reminder of the time bar, escalation process, and court diary.
- A virtual file is maintained for each suit filed, which contains copies of important documents, photographs, and letters.
- Alerts and SMS messages are sent at each stage of the legal process to the group members such as legal officer, branch manager, zonal head, HO legal cell and GM in charge.
- Panel advocate performance and Turn-Around-Time (TAT) are captured.

REPOSITORY, VIRTUAL FILE & MOBILE APP

LMS becomes the repository of documents and circulars. Sharing documents across different groups is a major challenge – the bigger the bank, the bigger the challenges. With LMS, once uploaded, all documents can be viewed by all appropriate users, overcoming a major challenge. The branch can create a virtual file by uploading any documents, photos, and agreements about a loan account through an e-form. LMS mobility is an add-on feature, wherein the bank's panel advocate is provided with the tab or mobility version of the software, through which they can interact with the application.

LMS mobile app provides great flexibility at court proceedings where the advocate / consul can communicate the next course of action on various court proceedings apart from raising the invoices.

CASE STUDIES

Speridian LMS has come to mature space in 2019. Earlier, some elements were developed for a leading Kerala based bank in 2018. Thereafter it was presented to a leading PSU bank, which picked up the customized module. There has been a rise in demand for LMS software in the recent years. All banks in India, including village based PACs, RRBs, scheduled bank and national banks, are deeply engaged with the legal processes.

Loan disbursement is a difficult process and managing defaulters is also a very tough, process. It has caused sleepless nights to bankers. When there is an amalgamation, with different cultures (eg Andhra Bank + Corporation Bank + Union Bank of India), the banks had different legal processes, which makes it difficult to get a single picture. For example, in this merger, one bank does not do much on SARFESI, but another bank does a lot of it, so a single integrated platform is indispensable.

The bottom line is that banks can surely get a wow experience in dealing with legal and court matters using Speridian LMS.

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Virtual surveys hasten loss assessment

Ravichandran N., CTO, at Kotak Mahindra General Insurance explains how the insurer will be leveraging advanced modelling tools in response to heatwaves and flooding:

Mehul Dani: What kinds of products do you have to help customers in India mitigate loss against heatwaves?

Ravichandran N.: Globally, frequency of heat waves has increased significantly due to global warming leading to forest and city fires and so is the value of damage resulting from the same. Major impact is towards loss of properties. Apart from this, there is an impact on human life and health. In India, property insurance policies cover forest fires, city fires etc and indemnify loss to properties as well as loss due to business interruption as a result of fire loss. This, in a way, mitigates loss to properties.

Climate change is intensifying the water cycle, bringing more intense rainfall and associated flooding. What kinds of products do you have to help customers in India mitigate loss due to floods?

Flood could be result of many factors, such as urban flooding due to excess rainfall, flash flood or cyclonic surges. While traditional property insurance covers flood and inundation perils, parametric cover for flood is also coming in the market, based on rainfall level of water level from the surface.

In last 30 years, flooding events have gone up significantly. From 270+ registered events between 1900 – 1990, events have gone up to 3,200+, in the next 30 years, they will increase further, which necessitates extensive insurance penetration.

For flood loss or for natural catastrophes like flood, storms (India has a huge coastal area which is more prone to cyclones), Tsunami, earthquakes etc. are all covered under property insurance policies, namely, Standard Fire Policy, Industrial All Risk, Mega Insurance and engineering policies such as Contractors All Risk, Erection All Risk etc.

How does your underwriting take heatwaves and flooding into account? How is underwriting being modified to take into account the recent heatwave and flooding in India?

Ravichandran N. informs that Kotak GI's underwriters utilise Natcat tool offered by global reinsurers to identify location-based exposure

Underwriters depend on historical data for flood events ably supported by flood maps, modelled tools offered by specialised agencies/companies and reinsurers, past claims experience also being an indicator of the peril in operation at particular location. Risks known for past exposure to flood etc are priced based on the exposure and frequency.

How does your company use technology in determining the extent of damage due to heatwaves and flooding in India? How technology up-gradation and transformation in recent years has benefited your company in claims settlement on these 2 counts?

Our underwriters are currently utilising Natcat (natural catastrophes) tool offered by global reinsurers to identify location-based exposure based on the Lat Long coordinates. Historical data is also taken into account. On technology front, we intend to adopt advanced modelling tools that would enable us to identify the exposures with precision.

On the claims front in case of natural catastrophic events, IMD/weather alerts are monitored closely, identifying impact areas with regards to our exposure and prepare well in advance to service the claims. Virtual surveys are being arranged for quicker assessment of losses.

What have been the claims from heatwaves and flooding in the last few years? What are the trends of claims and settlements as of Q1 of the current FY and 2020-21?

In view of increasing NAT CAT events (natural catastrophes), claim trends are on the rise. We take all proactive steps to settle such claims faster.

What impact of these two do you estimate on farmers and crops as well as loss of houses/ properties and related items?

Floods are a recurrent phenomenon, which cause huge loss of lives and damage to livelihood, property, infrastructure and public utilities. The insured losses are lower than uninsured losses due to lower insurance penetration. It is a cause for concern that flood related damages show an increasing trend due to rapid urbanisation and other activities coupled with global warming.

What is the awareness of the heatwave problem among customers in India? Whom do you partner with for increasing awareness of heatwave threats and solutions?

Even though various agencies are trying to create awareness on climate change and resultant impact on life and livelihood, insurance penetration has to go up to help the people in case of unfortunate event of loss. We at Kotak General offer risk management solutions to our customers and also issue advisories through social media from time to time.

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Why banks are choosing Kristal.AI to go global

Global investing has been on an upward trend for the past few years. As per data published by the central bank, resident Indian investors have invested approx $1.53B in debt, equities and bank deposits through the LRS since March 2020. This is the highest since LRS was launched in 2004-05.

Not just direct remittances, but the sheer number of funds offering global investing have more than trebled in the last few months. To facilitate this interest, top banks such as HDFC, ICICI and Kotak have partnered with international brokerages to offer stocks & ETFs. The increase in interest has also triggered a demand for sophisticated products along with quality investment advisory. This is where Kristal.AI adds value, with its digital investing platform that delivers curated products & global advisory services to clients.

Banks get the best of products & advisory

Global investing is new for both investors & banks. They are yet to develop the necessary experience & knowledge of global markets. This at times stops many affluent investors from allocating a bigger portion of their wealth to global markets. Kristal.AI helps overcome this lacuna.

Kristal.AI is the only digital platform that offers dedicated advisory & portfolio management support to clients, around global investing. It has more than 130 years of investing experience in the global markets and manages upwards of $350M in global assets. It also has the widest range of investment products from simple options such as stocks & ETFs to institutional products such as, pre-IPO deals, VC funds, Private Equity funds, Structured products, and Hedge Funds. It has a large advisory team across Singapore, HK, UAE & India to manage the assets of Private Wealth clients. It is this choice of offering and deep investment expertise that is making banks choose Kristal.AI over other investing platforms & brokerages.

Kristal.AI: The safest investing partner

Safety is one of the strongest propositions of Kristal.AI. When sending money overseas, clients are anxious about the safety of funds. They are concerned about what will happen to their investments in case the company shuts down.

Krisal.AI is regulated by the world's most credible & strictest regulatory body, ie. Monetary Authority of Singapore (MAS). It has to adhere to very stringent anti-money laundering laws to ensure a clear traceability of funds at all times. To add to this, it holds assets of clients in a trust account with DBS Singapore, with clearly named ownership of assets. Hence at no point of time are client's assets exposed to any risk to the business of Kristal.AI. Banks find it relieving that Kristal.AI is also licensed in India by SEBI and complies with all the rules around KYC and advisory services.

The partnership helps banks expand their client base

Kristal.AI offers global products at 1/10th the prices offered at other International banks. One can invest in institutional products, that typically have a ticket size of $250,000, for as low as $25,000. This lowering of price enables banks to offer wealth management services to a new segment of clients: investors who the banks are currently unable to service due to high investment requirements of private wealth accounts. Kristal fracationalizes funds to make it easier to invest & do asset allocation.

Beyond growth in assets coming from acquiring new clients, Kristal.AI can also help banks increase their wallet share with the existing clients. Most banks have a significant number of NRI clients, who currently use banks only to invest in Indian markets. By partnering with Kristal.AI, banks can now also offer global products to their NRI clients. Thus increasing their share of client's investable assets. Since Kristal.AI services clients across 22 countries, it has the capability to onboard & service the NRI relationships of Indian banks.

Kristal.AI helps compete with global banks

Global banks have a significant edge over Indian banks as they can offer access to premium global investment products & services. This weakness at times makes it tough for domestic banks to acquire HNI clients who have significant assets overseas. Kristal.AI helps blunt this edge as it can offer premium investment solutions, like Pre-IPOs, Digital Family office, Discretionary mandates, Estate Planning etc. This complemented with its advisory services, helps Indian banks make a very compelling to their HNI & UHNI clients.

All the above are the reasons why all major banks are partnering with Kristal.AI for their wealth management businesses. Kristal.AI is aggressively expanding to cater to the increased demand, with offices in all major metropolitan cities. It's just a matter of time before Kristal.AI becomes a household name in wealth management in India. ■

Kristal.AI is a battle-tested solution, with proven capabilities across tech & investing. We seek partnerships not to decrease the share of existing players, but to increase the size of the industry as a whole.

Asheesh Chanda, Founder & CEO, Kristal.AI

Kristal's unique value proposition of quality products & advisory, has caught the attention of leading banks & wealth managers in the country. We expect a substantial growth in business in the next 12 months.

Aarthi Ramakrishnan, Country Head - India & Middle East, Kristal.AI

Liink-JP Morgan's global information network

JP Morgan has developed a unique, blockchain-based global network that facilitates cross-border transactions to happen in seconds:

It was a pilot started in 2017 to lessen the travails of global cross-border payment transactions that has today put JP Morgan Chase Bank in pre-eminent position, helping banks across the world to save hundreds of millions of dollars. This pilot has transformed into a network of more than 400 participating financial institutions and corporates, including 27 of the world's top 50 banks, across 78 markets. At the time of the pilot, it was named the Interbank Information Network and today it goes by the name Liink by JPMorgan. It essentially has functions that validate payments before they are sent.

Liink performs 2 crucial functions. It confirms transactions almost instantaneously thereby helping organizations save money on remedying mistakes. At the same time, banks could earn a nominal fee for giving the confirmation, which turns out to be a source of revenue for them. Secondly, cheques, which have been the primary mode of transactions, are replaced by digital information, thereby eliminating manpower needed to handle mail at physical locations. This will mean that if could confirm that payments have the proper account information and regulatory format before they are sent, they could prevent expensive rejections.

And JPMorgan needed to have such a facility, for it has been one the biggest players in this industry, moving more than $6 trillion a day across more than 100 countries.

75% COST SAVING

An executive, who has been associated with the pilot and the subsequent launch of the product, says using a version of blockchain with the participants being the main issuers of cheques and the main operators of lockboxes, which handle the verification of cheques, it is possible to save 75% of the total cost for the industry today, and make cheques realizable in a matter of minutes as opposed to days.

Liink is defined as the world's first production-grade, scalable peer-to-peer (P2P) blockchain network designed to satisfy a slew of discrete banking and enterprise needs. It is now part of JP Morgan's new business unit dedicated to building next-generation payment capabilities, called Onyx, launched in 2020. Liink allows banks to retain their existing corporate relationships even while availing the services, and it can be repackaged and resold to the clients. In simple terms, it is a network that has been growing 'use-case-by-use-case', starting with the basics of helping to ensure that accounts are open and operational. JP Morgan now intends to open up the network for third parties to build on. It feels in doing so it can benefit from creating a network that connects banks across the globe. Mind you, Liink was originally called the Interbank Information Network, before being rebranded as Liink.

Alongside Liink, JP Morgan is also looking at creating new, separate payment rails for central banks that have expressed interest in starting their own currencies.

CONFIRM - A VALIDATION TOOL

JP Morgan has also introduced a new solution on Liink, which it calls Confirm and describes as a global account information validation application, and which is expected to help reduce the number of rejected or returned transactions caused by errors in payment details, lowering costs for both the sending and receiving banks. Here too, it is using blockchain technology. By leveraging Confirm, partner banking institutions will be able to request confirmation of the beneficiary account information and receive responses directly from other participating banks receiving the requests in near-real time. Once the information is validated, the payment may be sent through JP Morgan's global clearing solution PayDirect, a system that allows financial institutions to capture new flows by using existing pay-in methods and channels to pay global beneficiaries via various pay-out methods, resulting in benefits of lower end-to-end transaction costs, predictability and transparency to route the payment in the most efficient manner.

Liink by J.P.Morgan℠

Morgan's blockchain-based Interbank Information Network has transformed into Liink by JP Morgan, which today has more than 400 financial institutions and corporations as participants, including 27 of the world's top 50 banks, representing 78 countries

The efficiencies offered by the Confirm and PayDirect solutions are expected to help improve straight-through processing rates, increase transparency and enhance their customers' end-to-end payment experience by reducing returns.

BROADBASING USE

JP Morgan expects that Liink in future will help third parties to build their applications and deploy them using the network so that banks solve specific business problems for themselves and their corporate clients, rather than building full-stack solutions from end to end.

For example, blockchain-based devices can connect themselves. For example, there can be a driving use case, where cars can be connected into a single source of transactions - paying for (and in some cases, generating rewards points) for gas, coffee and servicing. Each car could have its own digital wallet to pay for goods or services (even insurance payments), where funds flow from account to account.

In India, State Bank of India has joined Liink, hoping it can increase the speed of customer transactions, including cross-border payments, and lower the costs.

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Fikar Not Says Fino's Brand Ambassador

Anand Bhatia, CMO, Fino Payments Bank shares details of the journey to appointing a brand ambassador for the bank and planning the creative and media:

Manoj Agrawal: Fino Payments Bank has appointed Pankaj Tripathi as its brand ambassador. When was the need felt for a celebrity as brand ambassador and what criteria were set for fitment with the brand?

Anand Bhatia: In our business it is important to humanize the brand. This needs a personification of the brand in a form which the target audience understands and associates with. And this is where having a celebrity associate with the brand makes a big difference. It makes this personification easy. The celebrity in effect becomes an 'influencer' and a nudge for the TG to- buy into a brand, stay associated. Not to mention the impact it has on the ability to cut through clutter.

For us Pankaj Tripathi was the perfect fit!

When we embarked on this journey we were very clear about making the process as scientific as possible. It is easy to get swayed by 'opinions' and everyone would have a view! Hence we were clear on making exercise incredibly objective.

We used the Aaker Brand Personality Model. We listed out our brand attributes and the key personality traits of our brand. Fino as a brand is strongly associated with Sincerity and Competence as a core trait. In particular, attributes like Real, Hardworking, Sincere, Competent are strongly co related to Fino.

We worked with Ormax Media that has been rating personalities with the various attributes listed in the Aakar Model for almost a decade. This is basis primary data collected from consumers.

We evaluated personalities across categories – Entertainment, Sports, News/ Public life and found a near perfect match with our brand attributes and those exhibited by Pankaj Tripathi.


Anand Bhatia

How long did the process take? How many personalities were identified and short listed?

Once we were clear about the need for a brand ambassador the eventual process was very quick. Being familiar with the use of such brand models in marketing we knew exactly how to approach this. The data for an objective evaluation was available.

When shortlisting key variables like – availability (should not conflict with other brand commitments), commercials come into play. This makes for an intense few weeks of discussion and to fro.

Pankaj Tripathi and his team were very approachable during this entire process. It is very important to work with the right partners in such a journey. Our advertising partner Egg First played a key role here.

Did the bank look primarily at the on-screen personality or also the off-screen personality?

It is the on-screen personality which most consumers and specifically our TG, associate with. It helps tremendously when the on screen and off screen image are in sync. This is what we experienced in our interactions with Pankaj Tripathi. This lends authenticity to the personification!! This is exactly what we wanted for Fino Payments Bank!!

What was remarkable was the effort he and his team took to understand our business, consumers.

What are the major creatives to be created in association with Pankaj?

We spent time with consumers and our distribution to understand why they really associate with us at Fino. These insights reflect in the communication we have created.

Our interactions with consumers showed us that fikar (worry) was a sentiment associated with the category. Fikar on – what if I make a mistake? Can I trust whom I am dealing with? Will my work get done?

Hence reassuring them that with Fino the interaction is sans worry (Fikar) is important. Thus the campaign FIkar NOt! Interestingly it becomes eponymous with FINO!!!

We have created a whole range of communications in association with Pankaj.

- We have a one minute video which tells a story on why consumers associate with Fino Payments Bank.
- Two TVCs are in the pipeline. One focused on nudging consumers to open a savings account with us and the other on attracting prospective distribution partners to set up Fino outlets.
- There is specific content created around nudging consumers to use Fino's services around micro ATMs, money transfer, AePS cash withdrawal, mobile banking.

As a brand we have been very active

in using digital marketing tools. We would be amplifying our communication across Facebook, You Tube. In the last few months, we have been running campaigns on OTT platforms and social interaction platforms like Sharechat.

In an interview Pankaj has said that all the ads he has done have an element of humor. Will you use humor lightly or heavily in your ads with Panjak?

We have used humor lightly. Given our target audience it is important we explicitly spell out the benefit of association, call to action.

We tested the communication pre shooting with consumers and distribution partners. This helped us fine tune the messaging to ensure – comprehension, credibility and memorability.

Most importantly create a strong connection of Fino with being Fikar Not with respect to the association, using humor where need be.

When is the first video expected to be launched?

The static posts are already at work. The videos should get launched during Dusherra.

Is there any creative planned to tap the sentiment during Dussera-Diwali season?

We do plan to be active in this period. And then do a follow up later in November.

manoj@bankingfrontiers.com

Glad to help the underbanked get financial services

He thinks a movie depicting the life of bankers would be interesting:

Manoj Agrawal: Most of your brand endorsements have been for FMCG companies, and you would be feeling some comfort in the experience. What thoughts and questions rose in your mind when endorsing a bank, which is very different from FMCG?

Banking is a part of everyone's daily lives. And from where I come from in Gopalganj (Bihar), banking is still not a very popular concept. So, I was very glad to play my part in helping the underbanked and unbanked segment connect with financial services.

PankajTripathi

What did you do to find out more about the bank – visit its branch in disguise, ask some friends to visit the branch, check out its website, download its app, open an account in the bank, as a friend to open an account, or something else?

I had a very detailed discussion with the Fino team. They're not a commercial bank; they're a payments bank, which is relatively a new concept. So, firstly I tried to understand the difference. The most interesting part about Fino Payments Bank is that any shopkeeper, no matter how big or small, can become a banking partner or merchant, in other words, a banker. So, I spoke to a few people who were Fino merchants and got more understanding of the brand and their values and ethos.

Do you have any bankers among your close circle of friends and relatives? Did you get any suggestions from them when taking up this endorsement?

Not really. But when you see the campaign, you will realise that this is not a typical banking company.

Banks have been in the foreground or background in many movies. Would you like to act in a movie involving a bank? What aspect of banking do you think would entertain and attract audience?

It's an interesting idea. I think to show the behind the scenes of a banker's life would be interesting.

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Infrastructure Roadmap for Digital Next

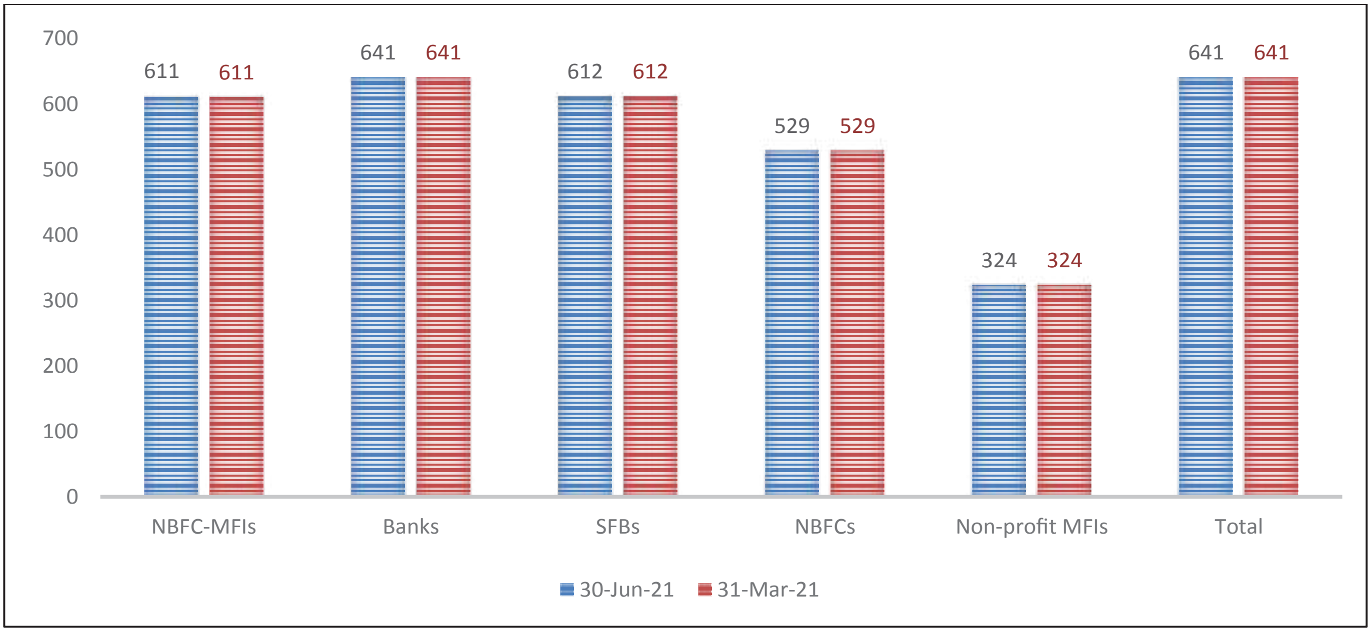
Rajesh Kumar Ram
CIO, Bank of India

Summary: Public sector banks are transforming like never before during and post-pandemic times with digital transformation, IT infrastructure development and security enhancements being their top priority.

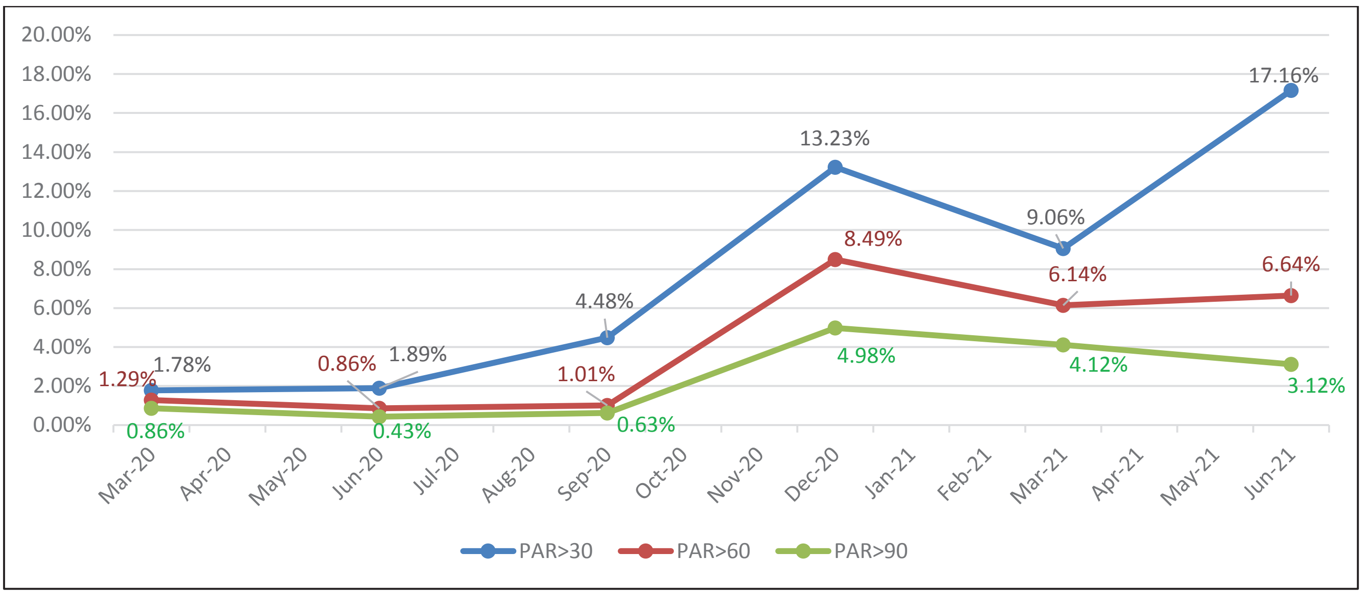
MFIs - Top 10 from Different Perspectives

Sa-Dhan has released the 23rd issue of its Q-MF Report giving an overview of microfinance industry as of 30th June 2021 (Q1 2021-22). The report is based on microfinance data from Equifax data on 213 lenders and Sa-Dhan collected data on 129 MFIs. Select graphs:

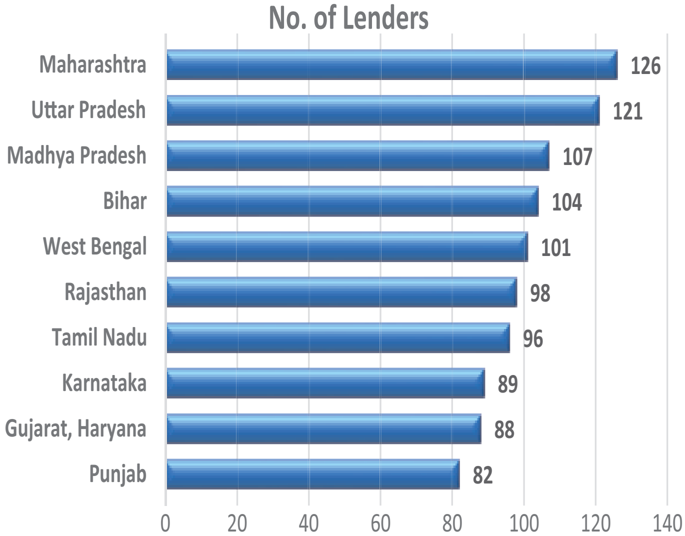
Lender-wise spread of Microfinance in terms of district coverage



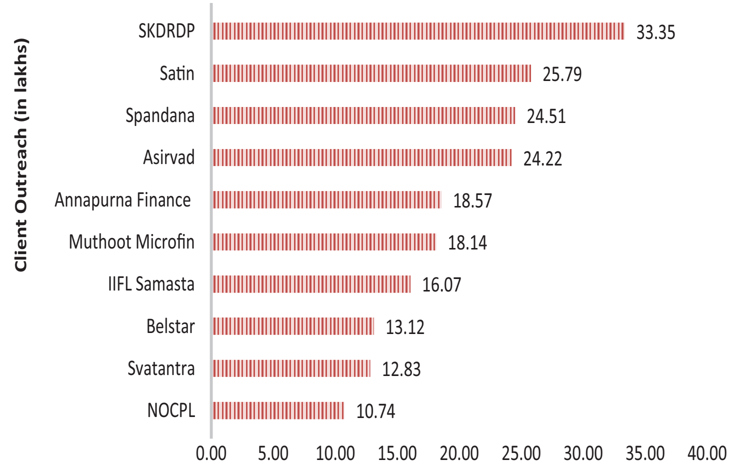
Portfolio Quality of Microfinance Industry



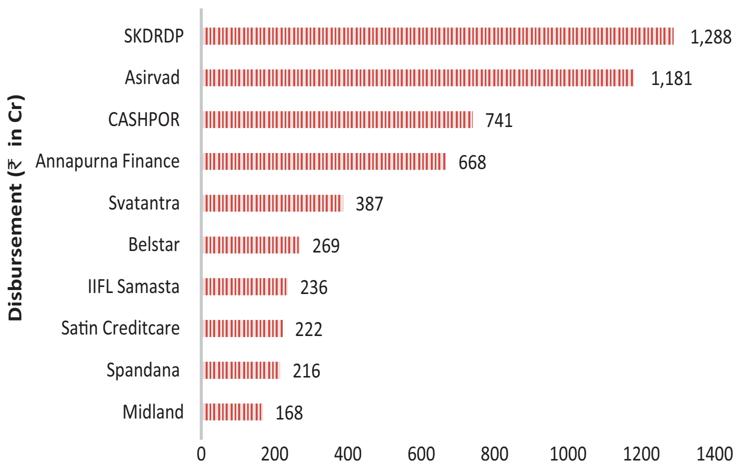
Top 10 states in term of concentration of Lenders



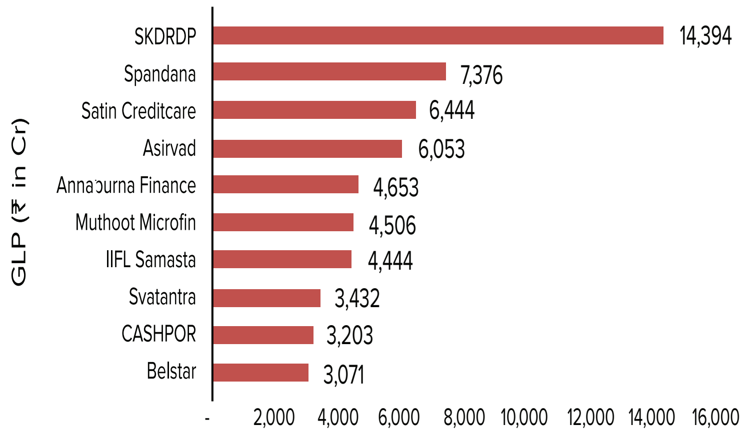
Top 10 MFIs with Client Outreach as on June 2021



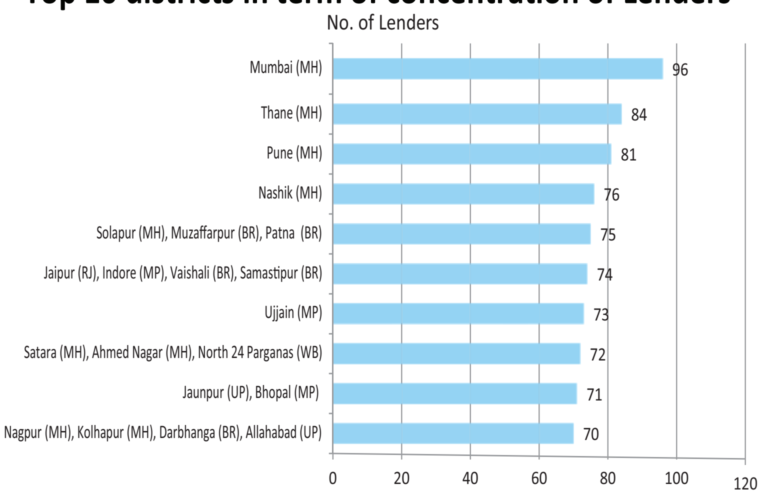
Top 10 MFIs with amount disbursed during Q1 (April'21 to June'21)



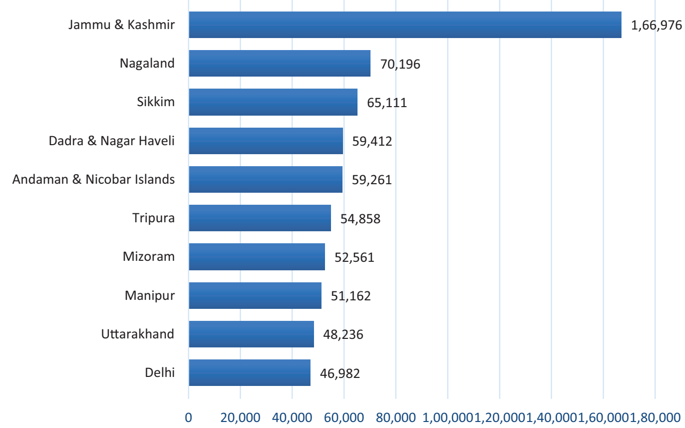
Top 10 MFIs with Gross Loan Portfolio as of June 2021



Top 10 districts in term of concentration of Lenders



Top 10 States/UTs in terms of Average Ticket Size (₹)



Goldman Sachs eyes the gold in consumer banking

Transformations - more so the digital ones - are interesting happenings. we intend to focus on how global banks are coming out of their moulds to be in touch with reality and become change agents. In the first analysis, we discuss how Goldman Sachs, synonymous with investment banking and trading, decided to go with the times and that too with tremendous success:

Global banking behemoth Goldman Sachs celebrated its 150th anniversary in 2020, maintaining all the while its legacy as a highest-ranking investment bank and operating solely in the realms of investment banking and trading. Midway through, the bank had charted a new course and now plans to become a normal bank offering retail banking products and services to its vast clientele.

The bank which topped the investment banks in the world in terms of both deal value and deal volume, has a market share of more than 30% and a deal volume of greater than $850 billion in 2020. Traditionally, it has been operational in the spheres of mergers & acquisitions, equity capital markets, debt capital markets. trading and asset management. Mostly its trading division has been the mainstay with record revenues and net income. At one point of time, the division constituted almost 75% of the total revenue of the company. However, this division has been on the decline right from the time of the financial crash of 2009 abetted by declining investor appetite for taking risky bets, falling commodity prices and the inherently volatile nature of trading itself. Besides, the bank has not been able to shore up its balance sheets to compete with peers like JPMorgan and Citi mainly because of its absence in the retail banking segment.

CONSUMER BANKING FORAY

The company therefore looked at consumer banking and found that this is the segment where its opportunity lies to make a significant mark in the evolving banking scenario where its peers have already made successful forays. Its studies revealed that what hindered possible growth were common problems customers faced in their everyday banking like the complex jargon, hidden fees and inflexible policies and products. These studies strongly suggested that only a digital-first approach could help it make a mark in this vastly crowded segment.


Harit Talwar, the IIM-A alumnus who steered Marcus to reach its current pre-eminent position

So, 5 years ago, Goldman Sachs set up Marcus, its neo-bank, naming it after its founder Marcus Goldman. It engaged Harit Talwar, an Indian from the Indian Institute of Management, Ahmedabad, and who had previous experience in the consumer banking divisions of Citibank and Discover Financial Services, to lead Marcus. Totally a digital bank right from day 1, Marcus has been offering a high yield savings account, easy transfer of money and insights into one's spending habits and personal loan products. The standout offering has been the high-interest rates, also known as APY – annual percentage yield - at about 2% APY, which is one of the highest in the country. The target audience was the young millennial population who are technologically savvy and do not shy away from adopting new-age neo-banks as an alternative to traditional branch-driven banks.

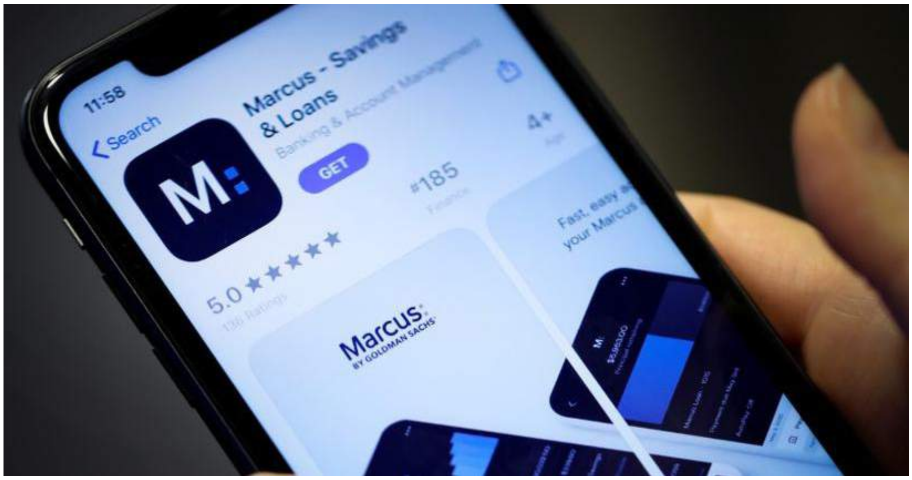
BRANCHLESS BANKING

As a measure of disrupting the banking space, Marcus could leverage Goldman Sachs' technological prowess to adopt a branchless retail banking network. Also, it could use the vast resources of its parent to offer loans without having to make use of the funds of third-party financiers, thereby retaining control over the entire customer lifecycle. Besides everything, the Goldman Sachs' brand strength was of immense value. Marcus also expanded its reach beyond the US to the UK in 2018 offering the same products and services.

One thing that Marcus could not initially do was to have a mobile app when the operations began in 2016. It launched the mobile app 3 years after its product launch, which is rare for a tech company, but Marcus managed to survive without an app.

OFFERING APPLE CARD

In August 2019, Marcus collaborated with Apple to launch a new offering, a titanium-made credit card called Apple Card, which had features like no fees, daily cashback of 2%, and enhanced security and privacy features. It could gain access to over 100 million iPhone users enabling it to provide subprime loans to consumers through a robust tool for tracking each person's spending habits and appetite for taking loans. Marcus now aims to expand into newer features such as wealth management for the masses through Marcus Invest, a robo advisory platform that allows consumers to open an account with a minimum balance of $1000 and an annual maintenance fee of 0.35%. The platform will check the risk tolerance and the investment horizon of its users and recommend customizable strategies to them.



The mobile banking app of Marcus launched in January 2020

It is now on the threshold of introducing several growth-oriented offerings – for example, Marcus Insights, that is intended to help cross-sell various financial products. There are also plans to introduce offerings in robo-advisory and most probably a checking account offering, which can help it to double its customer base in no time.

RECORD GROWTH

The latest financial figures of Goldman Sachs show that Marcus, within its first 5 years of operations, had 4 million-plus deposit accounts, and it had crossed $97 billion in deposits. And over the next 5 years, the neo-bank aims to have over $125 billion in consumer deposits and a $20 billion-plus loan book.

So, how could Goldman Sachs make a difference in its transformation journey? It is essentially by reorganizing its businesses almost resembling that of its peers but giving its new endeavour, that is, retail banking operations, its own stamp of uniqueness. It has recently identified 4 main segments of business - global markets, investment banking, asset management and consumer & wealth management. And its showcase product will be its digital retail banking and credit card operations, which are based on the Marcus brand and the Apple Card. The bank now plans to dissolve its investing and lending division, a business that held public and private investment stakes. On the other hand, the activities that used to make up investing and lending will now be reported across the 4 new segments, placing corporate lending into the investment banking division and retail lending into the new consumer division.

STRENGTH OF PARENT

And coming back to the neobank, while the concept of gaining high levels of acceptance and popularity and is growing leaps and bounds, there is something unique with Marcus. Other neobanks like N26, Revolut and Chime depend mainly on VC funding to improve their offerings, Marcus is sustaining on the resources of its parent. This, along with the 150 years of experience that parent company Goldman Sachs has, it is bound to gain for it a competitive edge against newcomers. And it will not be a surprise if Marcus becomes the final word in neo-consumer banking.

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A timely acquistion

Goldman Sachs has recently said it is proposing to acquire B2B2C lender GreenSky for a price of $2.24 billion. The acquisition, which is still subject to regulatory approval, is expected to help the investment bank shore up its consumer banking business and offer new products by its digital bank Marcus. The banking giant hopes that GreenSky in its fold will also help add another way to pull consumers into the digital bank. GreenSky operates a platform that facilitates loans for big-ticket items like home improvement projects or elective dental or medical procedures. It enables brands like Home Depot, as well as medical and dental practices, to offer instalment loans to customers at the point of sale, thereby increasing sales and conversions for its clients. GreenSky then sells off those loans to a number of banks and other lending partners. The acquisition could also see Goldman Sachs entering the crowded 'buy now, pay later' segment offering Marcus customers additional ways to finance their purchases. Besides it could also bring GreenSky's customers into the Marcus ecosystem.

BFSI SECTOR TURNS Green

The BFSI sector is keenly adopting green policies, practices and technologies with the aim of being more sustainable and protecting the environment:

Institute for Development and Research in Banking Technology defines Green Banking as an umbrella term referring to practices and guidelines that make banks sustainable in economic, environmental, and social dimensions. It aims to make banking processes and the use of IT and physical infrastructure as efficient and effective as possible, with zero or minimal impact on the environment. According to Indian Banks Association, a Green Bank is a bank, which considers all the social and environmental / ecological factors, with an aim to protect the environment and conserve natural resources. It is also known as ethical bank or sustainable bank.

Jyothirlatha B., Chief Technology Officer at Godrej Housing Finance; Rahul Agarwal, Chief Technology Officer at Capri Global Capital; Vishal Nagadiya, Chief Technology Officer at Netafim Agricultural Financing Agency; Atul Khirwadkar, GM & CEO at Kalyan Janata Sahakari Bank; P. Srinivas Rao, CIO at Kalupur Commercial Cooperative Bank and Arti Dhole, Chief Information

Officer at Cosmos Bank, discuss threadbare various aspects, related with Green IT and provide their insightful vision.

IMPACTFUL INITIATIVES

Technology, on one hand, has the potential to decrease pollution by providing new ways to the organization. It aids in reducing carbon footprints with increased use of paperless technologies and online video conferencing facilities. On the other hand, extensive use of this technology generates environmental pollution due to energy guzzling devices such as datacenters, computers, servers and equipment. Such trade-off between these opposing dimensions will turn out to be positive only when the organizations take steps to reduce the environmental pollution caused by technology. Jyothirlatha B., Chief Technology Officer at Godrej Housing Finance, explains: "In last 12 months, we have been extensively working on our server and printer consolidation, virtualization and energy consumption efficiency initiatives. Our office premise has been designed in a way to reduce energy consumption, and have our group level initiatives of sourcing energy from renewable sources, and reducing specific energy consumption, etc."

Capri Global Capital strives towards collective progress and wellbeing. The pandemic has hastened a rise in remote working. Capri has implemented a 'work from anywhere' policy for its technology team and employees. It has not only helped the company provide unconventional flexibility to its team but also has helped it make progress on more sustainable business models. Rahul Agarwal, Chief Technology Officer, informs: "We have taken a conscious note that in an increasingly complex and interconnected world, rising environmental and social challenges are redefining the way we do business and how we mobilize our capital. In the last few months, we have taken voluntary commitments to adopt practices such as reducing energy consumption, recycling old equipment in an environmentally responsible manner, and taking steps to manage a company's carbon footprint. To save more energy and be less reliant on bulky energy-consuming physical IT infrastructure, we have moved towards cloud servers. Currently, more than half of our systems are running on AWS and Azure."

Vishal Nagadiya informs that NAFA has migrated all its data and server information on cloud

DIGITAL FIRST POLICY

Netafim Agricultural Financing Agency (NAFA) is an NBFC that aggressively pursues a digital first policy, even while recognizing that many of its customers in semi-urban and rural areas still require physical servicing. Even as NAFA performs this balancing act, it has incorporated into its policy framework the principles of green computing. There are 2 fundamental Green IT initiatives that it has been working to usher in. One is striving for energy efficiency and the other is reducing e-waste. Vishal Nagadiya, Chief Technology Officer, says: "To achieve optimum energy efficiency, we have been coming up with incremental innovations that help us reduce the energy consumption of the electronic items. A simple example is the mandatory requirement to keep the laptop on sleep mode after 5 minutes of user inactivity."

Another simple step is to promptly replace the defective batteries so that the users need not rely directly on the electric connection, thereby also saving a lot of electricity. Vishal adds: "More than 95% of our staff members have been given laptops as they are more efficient as compared to desktops. Besides, we have migrated all our data and server information on the cloud. For this, we have tied up with tier 4 data centers. This again helps us reduce carbon footprints as we cut down on space, air-conditioning, etc. In order to reduce e-waste, we send for scrapping only such inventory that cannot be repaired or refurbished. Hard discs and batteries will need to be scrapped but other items can often be salvaged or recycled. For instance, if the speaker or screen can be repaired or replaced, we will do that instead of scrapping the whole system."

LESS PAPER, MORE VIDEO

Kalyan Janata Sahakari Bank has taken immense interest in implementing various Green IT initiatives. The bank has adopted green technology for last few years with specific intention to save nature and paper. Atul Khirwadkar, GM & CEO, recollects: "12 years ago we migrated to email communication internally and externally. There are no print copies of circular, but dedicated knowledge portal for entire staff to access circulars. With state-of-the-art tech initiatives at disposal, such as IMPS, net banking, balance enquiries, hot card services, statement by email, UPI, BNA, ATMs, notices via digital signage, SMS, links, own website for info on all products, online audit, loan origination for retail lending, etc, are already in place."

According to RBI (IDRBT, 2013), green banking makes internal bank processes, physical infrastructure and information technology effective towards environment by reducing its negative impact on the environment to the minimum level. Atul updates: "In 2020, we started all meetings, internal as well as with customers on Zoom audio visual method. This ensured compliance of all covid guidelines as also ensured that the business remains uninterrupted. Thus, virtual meetings were the find during the times of distress. Green pin through ATM was another key initiative introduced by the bank along with bill payment facility for customers."

The Kalupur Commercial Cooperative Bank has revamped the data centre to put in place energy efficient equipment and cooling systems to reduce power consumption. P. Srinivas Rao, CIO, indicates: "Our bank has been replacing desktops with thin clients and LED monitors at branches to reduce power consumption. Thin clients are physically smaller than traditional PCs and have minimal resources such as CPU and memory with no / minimal local storage and, with a very cut down operating system (Windows 10 IOT). They consume much less power than a traditional desktop. They are typically used to connect to virtual desktops and apps running in the data centre. Though in our instance, there is no virtual desktop infrastructure (VDI) set up. About 350+ desktops have been replaced with thin clients. We have WFH solution in place to enable staff to work from home whenever required."

Green IT is important because IT is responsible for about 17% of the world's electronic waste and around 2% of the world's CO2 emissions. This means that IT contributes to environmental degradation because the majority of all e-waste is dumped in countries, where regulations are less strict and because electricity, generated by fossil fuels, causes global warming. The impactful green IT initiatives in Cosmos Bank during the last 12-18 months are many, like green pin, server consolidation, online e-mandate and cash recycler kiosk. Arti Dhole, Chief Information Officer, describes: "Printing of PIN mailer and dispatching the same through courier is a time consuming as well as costly affair. The bank has introduced the Green PIN concept under which the customer can change their PIN on the go with any channel like ATM or internet banking or mobile banking. It is saving customer time, our cost, time for

Rahul Agarwal states that currently more than half of Capri Global Capital's systems are running on AWS and Azure

pin printing, handling, security, dispatch, etc. Customer has a more convenience as they can set their PIN as own on ATM without hurdles of visiting branch in the counter time."

SUSTAINABLE COMPUTING

Green IT refers to environmentally sustainable computing. The goal of green computing is to maximize energy efficiency during the product's lifetime, and design algorithms and systems for efficiency-related computer technologies. One of the steps towards Green IT is server virtualization. Arti states: "We have started server consolidation using VMWare virtualization technology. This technology enables IT to reduce the number of physical servers and combine them into single hardware. It also enables high availability, easy recovery in case of hardware failure and quick implementation. We have consolidated 143+ existing physical servers into a single blade server chassis. This has reduced the requirement of procuring new servers for new applications. We have consolidated 300+ applications on VMware. Any future applications may be ported on this server with/without any upgrades to this server.

Optimization of the IT infrastructure in Cosmos Bank is done in terms of online e-mandate facility. Arti adds: "The e-mandate integration with our internet banking application is facilitating hassle-free registration of standing instruction by customers through alternate modes. Due to this facility, our customers can create an authenticated mandate through electronic channel. This automation has reduced the mandate acceptance cycle time with secured and assured mandate. It will also helpful for our customers to purchase a product on EMI without major documentation. Now customers need not wait for a long for the same."

Cosmos Bank has started cash deposit through recycler kiosk, also known as CRM (cash recycler machine), at its university road branch. Arti reveals: "We are implementing the same at some more locations soon. The CRM is capable with recycler functionality, which allows the reuse of deposited cash for dispensing purpose. The machine is also capable of identifying the fraudulent notes, fake or suspected notes. Cash deposit can be done by using your ATM card or even without using card (using account number) in any of the Cosmos Bank account for SB, CA, CC, OD accounts."

NSDL has come with a unique product for bank-based participants to open demat accounts online and instantly using the existing to bank (ETB) KYC. Cosmos Bank has integrated with NSDL to open demat accounts in near real-time. Arti further says: "This account opening facility is currently provided through our bank's branches. Customer on-boarding is done in few minutes as against few days in the previous process. Paperwork is reduced and limited only to providing customer consent for opening the demat account. Customer is provided with the account number instantly."

MAJOR OPPORTUNITIES

Pandemic has increased the usage of technology in most of the organizations. Jyothirlatha foresees: "With this rapid digital transformation, data center market is also expected to have massive growth. Thus, as data center activity continues to surge, so will the energy consumption, which will make energy efficiency a focus for enterprises, public sector users and data center providers. Second, cloud adoption for effective management of server utilization as per workload and virtualization will increase. These, I believe, will ensure that Green IT support becomes a part of IT strategy while choosing the IT infrastructure life cycles and data center setups."

Enabling technologies, such as RFID, sensor networks, biometrics, and nanotechnologies, are becoming common. Rahul anticipates: "The potential opportunity I could tell is the IoT revolution. Enabling technologies are bringing IoT forward to address various applications, including smart grid, eHealth, and intelligent transportation. For instance, RFID tag and sensor association could provide multiple new solutions to support green projects like efficient energy production chain, waste management, and recycling. Secondly, in the recent wireless era, the high usage of wireless devices consumes a significant amount of energy and emits a considerable amount of carbon while being used. Hence, the technology companies are presented with an opportunity to not only reduce the energy consumption in these wireless devices but also minimize the amount of carbon emitted by these devices."

GREEN HARDWARE & DATA CENTER

NAFA has resolved to purchase energy efficient hardware whenever possible. Vishal updates: "In fact, we have started this process already. For instance, when a hard disc needs to be replaced, we don't go for a standard one but opt for SSD which is more expensive. These systems allow for faster processing which automatically reduces the user's time. Secondly, our plan is to ensure that the new inventory that we purchaseare energy efficient. All these initiatives take care of the environment even as they result in savings for the company in the long run."

Rao of Kalupur Bank believes energy efficient data centres and buildings are major opportunities. Data centres consume a lot of power and cooling systems contribute to a large part of it. He says: "Green data centres that consume minimal power for operations and maintenance are the need of the hour. Cloud computing can help achieve efficiency in processing and utilization of computing infrastructure, and also minimize energy consumption."

Jyothirlatha B. advocates that organizations need to align green IT measures to reduce operational costs

ARTIFICIAL INTELLIGENCE

Arti Dhole of Cosmos Bank sees a number of major opportunities for Green IT in the coming 1-2 years. She explains: "Process automation using Artificial intelligence (AI) has the potential to transform both front office and back-office operations with its self-improving programs. Our bank is using the software robots in business process functions, reducing the response time to customers by up to 60-70% in the areas of the back office like account opening, cheque truncation system and delivery channel support center. Automation of various departments like audit, account opening cell, HR department to reduce the cost of operations, paper and streamline operations to deliver more value to customers, which further minimizes overheads by reducing the reliance on staff."

A chatbot is a computer program that allows humans to interact with technology using a variety of input methods such as voice, text, gesture and touch, 24x7x365. Arti points out: "It plays a critical role in marketing. Chatbots scale up business operation. This solution will help us to solve customer queries instantly thereby eradicating human intervention."

The green technology initiative has indeed huge potential which is not yet fully tapped. The IMPS and internet operations can be further extended to ensure seamless service to the customers at home. Atul of Kalyan Janata UCB feels: "The cyber security issues have shaken the confidence of average/common customer and hence he shies away from virtual banking. Once that confidence is restored, the green initiative in technology will do wonders as it can handle volumes with value for service. The internal control can be certainly strengthened by designing structured reports for internal control as a key risk management practice as also implementation of risk based internal audit. These opportunities must be explored trough green technology to save huge costs of internal control as is envisaged by RBI."

GOALS AND PROGRESS

Organizations need to prioritize the implementation of green IT and align green IT measures with the goal of reducing operational costs. Jyothirlatha says: "We, as an organization, believe in doing good while doing well. Our goals involve using energy-efficient equipment and green use by minimizing the energy consumption and appropriate disposal of e-waste."

It is critical to note that Green IT initiatives shouldn't be implemented haphazardly. As technology continues to evolve, the data stored through computing devices has grown increasingly prevalent. Rahul alerts: "For companies like us with a larger workforce, enabling employees to 'work from home', makes us susceptible to various hacks and serious malfunctioning consequences. Given that, our proficiency in careful research and insights from a well-experienced team of professionals has helped us not only implement sustainable IT strategies but also be future-ready for such concerns."

Capri is fully committed to implement as many initiatives as possible to reduce e-waste, consume energy, and reduce carbon footprint. Rahul further says: "Server virtualization, desktop virtualization, digitization of most of our on-field processes, going paperless are certain activities that are already implemented to a great extent and continuing to ensure progress within this year. We are way ahead with our goals."

At the time of framing the policy framework and when NAFA procures hardware, the company does it with the goal of reducing the carbon footprint and decreasing the energy consumption. Vishal underlines: "While procuring inventory, we have to make sure they are more energy efficient. For us, it is continuous process, and our goal is to be even more efficient as technology is always evolving."

In the past few years Kalyan Janata UCB's board has consciously focused on green technology and towards digital banking. Atul informs: "The bank desires to have anti-fraud solution for transaction monitoring in compliance with Financial Intelligence Unit India guidelines. This is ministry of finance's separate unit to which CTR, STR, etc, are submitted. The solution to such activity is not possible without machine learning and artificial intelligence. Our bank is in advance stage of talks with a reputed technology company to push these initiatives."

Green banking is a pro-active way of energy conservation and environment protection. The prime benefit of the green banking approach is the protection of the natural resources and the environment. Atul elaborates: "Green banking avoids paper work to the optimum level and focuses on electronic transactions like use of ATM, mobile banking, online banking, etc, for various banking transactions by the customers. Electronic transaction not only aids sustainability but also provides convenience to the customers as well as to the banks. Less paperwork means less cutting of trees."

Atul Khirwadkar updates that there are no print copies of circular, but dedicated knowledge portal for Kalyan Janata UCB staff to access circulars

GOING SOLAR

Process re-engineering and digitization at branches and HO to reduce paper usage and optimize resource utilization are the green IT goals of Kalupur Bank. Rao updates: "We are also promoting self-service channels for customers for all services. Our bank launched view only mobile app for all non-financial transactions and inquiries. We aim to reduce power consumption thru energy efficient devices and utilization of solar power. 4 branches have been installed with solar power panels."

Cosmos Bank's green IT practices/goals include reducing the use of hazardous materials, maximizing energy efficiency during the product's lifetime and promoting the biodegradability of unused and outdated products. Arti states: "Our bank has implemented various strategies to promote environmental-friendly practices. This had led to reduction in paperwork, personal visits to branches by customers and consumption of power. With internet usage continuing to grow and more and more people using cell phones, tablets and other computerized devices, the environmental impact of IT is expected to increase."

EVALUATION OF ASPECTS

Green design is an important part of any solution. Jyothirlatha believes: "Designing a solution with optimized compute, storage and making entire product life cycle greener and flexible to make the solution available on demand is a very important aspect of evaluation."

Capri looks at its business through the long-term lens of value creation for all its stakeholders that include customers, employees, business partners, regulators, investors and the community. Hence, it ensures all its business activities are conducted most sustainably with emphasis on social, environmental, and governance parameters. Rahul says: "We believe, technology, whether it is hardware or software, can be used more sustainably. Our goal is to work towards minimizing the impact of IT operations on the environment. We are recalibrating many strategies, to include a holistic assessment such as performance architecture, Cloud deployment, maintainability and custom development capabilities, cost, timeline to implement, low code systems, etc."

When NAFA chooses a green option, it eventually also turns out to be a money saver. If an initiative reduces the consumption of electricity, it brings down the cost. It is the same with e-wastage. Vishal argues: "If you can recycle, you do away with the need to procure a replacement. So, that is the evaluation criteria."

To give an example, NAFA already had a business continuity plan to take care of eventualities, though not specifically for covid. Vishal adds: "So, we had already made a purchase of all our inventories, including laptops. Unlike many other organizations that had invested heavily on desktops and systems and firewalls, which had to then switch to an entire new system, we were able to support our workforce from day one without any major challenges."

TECHNOLOGY EVALUATION

When evaluating an IT solution, there are certain green aspects the bankers look at during the evaluation. Atul categorically says: The key consideration is the investment needed and payback period. In addition, how will the solution be environment friendly is verified. The extent e-waste it may generate is also evaluated with proposed disposal with least of environmental damage. But then not every time we succeed in getting what we want, as the commercial and technology market is still not in tune with the environmental hazard that they need to avoid. So, some limitations are indeed there, and we all together can work for its elimination."

Rao informs: "I look at virtualization features in the server infrastructure andenergy efficiency ratings."

Cosmos Bank evaluates the IT solutions which helps the bank in cutting costs, increasing productivity, improving the profitability, controlling and management of the NPAs, carry out the asset liability management, manage the changes in interest rates, handle the foreign exchange rate fluctuations, comply with the regulators' requirements and finally improve the customer service to their best satisfaction. Arti elaborates: "Since study has shown that there is a positive correlation between environmental performance and financial performance, our bank is doing analysis of financial performance of the IT solutions as well as social and environmental performance while evaluating the IT solution. Green banking is also about making the society habitable without any considerable damage."

During evaluation of IT solution, Cosmos Bank looks at certain set of green aspects. Arti adds: "We review and refine the software development life cycle. We study the algorithms, programming languages, APIs, and libraries to minimize carbon emissions. We do constant assessment of alternatives that might be more efficient. These assessments would test the software's

P. Srinivas Rao reveals that Kalupur Bank has targeted about 160 remaining desktops to be replaced with thin clients in the current FY

compatibility across various energy-constrained hardware designs."

Functions-as-a-service (FaaS) enable even more control over capacity and by extension, energy consumption. Arti further says: "Considering the agility and cost-efficiency enabled by cloud computing, the bank is proactively testing the technology especially Infrastructure as a Services and (IaaS) and Software as a Service (SaaS)."

EXAMPLES OF PARTNERS

There have been a number of examples of noteworthy green initiatives by partner companies of the BFSI entities. Godrej has partnered with AWS for entire workload management. Jyothirlatha explains: "Leveraging cloud for the suitable heavy workloads can improve energy efficiency and reduce carbon footprint significantly for companies. AWS cloud leverages renewable power. It is on the path of powering all operations with 100% renewable energy."

Loan Organization Systems are used to run on physical servers and legacy code. Nowadays companies are building cloud-native and cutting-edge tech microservice architecture. Rahul describes: "Our LOS partner falls in the same lines. We have a lot of fintech partners who are ensuring paper-less and digitize journeys. That saves time, fuel, cost, paper."

One of NAFA's partners is in a process of implementing solar panels in all their data centers. Vishal: "This helps them reduce energy cost and reduce non-renewable energy utilization."

Atul enlists such examples: "The implementation of 2-factor authentication, by one of our technology partners, has been wonderful. Secondly, improvements in our app for financial transaction have indeed pushed our customers to digital banking too."

Rao says: "Infosys has smart buildings and campuses for sustainable future. It also has green data centres."

Arti says: Examples of such initiatives by our partner companies include self-service passbook printers, kiosks (multifunction kiosks and self-service kiosks), cash deposit machines, which have reduced banks internal carbon footprint. Online banking includes internet banking, mobile banking, tab banking, phone banking, RTGS and NEFT transactions etc. The functions involved are pay bills online, online deposits, fund transfer, account statements etc. Through these banking activities banks are ultimately consume less paper, less energy and less expenditure on natural resources."

TARGETS, PLANS FOR FUTURE

Jyothirlatha reveals: "Server consolidation, choosing the solutions and partners with green product life cycles and efficient management of e-waste continue to be our focus areas in the coming years."

Capri is committed to digitize all its processes and make it a high-end and paperless company in the future. The company is digitizing its lending journeys to save paper, time, fuel and cost. Rahul points out: "This is done to completely transform the business tech models by end of the current financial year. Also, all our new implementations are getting deployed on cloud. In the upcoming time, we will engage with our cloud partners to implement deeper strategies. We are on a journey to build an array of cutting-edge tech systems in-house that would be done on a sideline of a simple strategy of recycling and repair than replace."

One of the plans of NAFA is to have a paperless operation as much as possible but as an NBFC, it is required to maintain regulatory paperwork at the loan application stage. But Vishal clarifies: "All the subsequent internal transactions are now in digital. For documentation, we require customer's signature on forms. We have now signed up with an agency to help us digitally execute the signing process. Similarly, we also will have a tie-up with a KYC partner. This is also in the process of going live very soon, so that on-boarding can be completely in digital mode."

However, many of NAFA's clients, who are farmers, especially those in tier-2 and tier-3 cities, still prefer a branch visit and cash transactions. So, at the moment, Vishal adds: "We are supporting both physical as well as digital transactions, but the goal is to help the customer have a digital journey, end-to-end."

The change is happening gradually. NAFA used to take post-dated cheques from customers at the time of issuing loans but now opts for NACH system or electronic authorization of banks for payments. Its EMIs are also mostly e-payments now. Vishal concludes: "Finally, we are also exploring partnerships with fintech companies that support the agri-business and this would again help in digitization efforts."

Kalyan Janata Bank is looking to implement risk practices with risk-based internal audit (RBIA) and internal control mechanism. Atul reveals: "We are implementing fraud alert solution to protect our customers' interests. Leveraging the technology, for the comfort of the customer through his smart phone, will be the key project we are focusing."

Urban cooperative banks in the country are indeed impacting economic growth and development, both in terms of quality and quantity may be on a small scale, but in an emphatic way. In general,

Arti Dhole informs that Cosmos Bank adopts comprehensive business models to ensure low-carbon transformational growth across the value chain

banking sector plays an important role in promoting environmentally sustainable and socially responsible investment. Atul adds: "UCBs may not be the polluters themselves, but could be inadvertently supporting polluting industries. UCBs need to be more active in communicating the green banking concept and its associated benefits to the consumers. UCBs must focus on promoting the consciousness and benefits of the green banking to the employees, who are in direct touch with the customers."

Rao reveals: "We plan to replace all the end-of-life devices with energy efficient devices and dispose of e-waste in an eco-friendly manner. Our bank has targeted about 160 remaining desktops to be replaced with thin clients in the current FY. We have plans to maximize digital sourcing of customers thru internet and mobile banking channels."

Arti indicates: "We develop and adopt comprehensive business models to ensure low-carbon transformational growth across the entire value chain, and thus contribute towards worldwide efforts to limit global warming to below 2°C. Green banking is the term used by our bank to make it much more responsible to the environment."

GREEN LENDING

The green banking initiative entails bank to encourage environment friendly investments and give lending priority to those industries which have already turned green or are trying to go green and, thereby, help to restore the natural environment. It means combining operational improvements, technology and changing client habits in banking business.

Arti adds: "For example, the bank prefers an investment in a factory that invests in expensive pollution control technology as a result showing a lower rate of return that an investment in the factory that pollutes heavily (and passes on the costs to the society at large) will generally have a higher financial rate of return. Bank believes in maintaining productive harmony between man and nature."

Bank promotes green banking by giving more weight to environmental factors. Arti lists out: "Bank checks all the factors before lending a loan, whether the project is environmental-friendly and has any implications in the future. The loan will be awarded only when borrower follow all the environmental safety standards."

Green banking products include green loans, which means giving loans to a project or business that is considered environmentally sustainable. Arti explains: "Green Mortgage refers to type of mortgage that provides you a money-saving discount or a bigger loan than normally permitted. Green debit cards may be in form of environmentally friendly rewards or using biodegradable debit card materials or promoting paperless banking. In case of green saving accounts, bank makes donations on the basis of savings done by customers. The more they save, the more the environment benefits in form of contributions or donations done by banks."

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Nubank is waking up banking system in Brazil

Brazil's neobank Nubank has made phenomenal growth in less than a decade of its operations and is giving tough competition for the traditional players in the country:

Nubank is Latin America's largest fintech bank. Headquartered in Sao Paulo, Brazil, it has offices in Berlin, Germany, Buenos Aires, Argentina and Mexico City, Mexico. It has 35 million customers in Brazil and neobanks another 3 million, elsewhere in the world, who make use of its NuConta. a digital account, an international credit card, both without fees, personal loans, life insurance products and investments. The credit card, an international Mastercard, totally working on a mobile app, allows its users to track transactions in real time, block their respective credit card, apply for a limit raise and contact customer support.

Nubank was founded in 2013 by 3 people, Colombian David Vélez, Brazilian Cristina Junqueira and American Edward Wible, as an 'alternative to the red tape and exorbitant fees of the traditional banks'. The first transaction - using a Nubank card - was made on 1 April 2014 and 4 years later, it became a unicorn startup with a valuation of US$1 billion. Sequoia Capital, Founders Fund, Kaszek Ventures, Tiger Global Management, Goldman Sachs, Berkshire Hathaway, QED Investors and DST Global have invested in the venture.

NEW PRODUCTS

Today, the bank has a digital account, NuConta, a loyalty program, Nubank Rewards, services like payments through debit and personal loans. In January 2020, it acquired Plataformatec, a company that specialized in software engineering and agile methodologies, Cognitect, responsible for Datomic and the Clojure programming language and Easyinvest, an investment broker.

HELPING LGBTQIA COMMUNITY

Uniquely, about 30% of Nubank's team belongs to the LGBTQIA+ community, and 40% of its employees across all positions are women. It is also funding the training of 1250 black programmers and has pledged investment of BRL 20 million in initiatives to increase black people in the company's staff. Currently, it has more than 2000 employees, from more than 25 nationalities.

While its products and services are comparable with those offered by formal financial institutions, Nubank is not a bank as it does not have a banking license. It proposes to obtain a license in the near future so that it can step into retail banking space in a big way.

Nubank essentially serves the unbanked or underserviced citizens in Brazil - about 30% of the population. While the banking system in Brazil is efficient and quite skilful, the customer service remains unbearable and fees charged are exorbitant for even a small transaction.

APPEALING TO BRAZILIANS

And Nubank appealed to Brazilians. It charged no annual fee and handled applications entirely through its app. Those who qualified were notified within minutes, and the cards arrived as soon as 2 days later. Plus, everything - from credit-line increase requests to bill paying and fraud reports - could be done through the app.

By contrast, almost all Brazilian banks charged annual fees for even basic credit cards - $20 the lowest. And that was just the start; the banks also charged monthly fees for everything from fraud protection to text-message alerts. In 2019, fee-based income made up nearly 40% of Brazilian banks' revenue, compared with 15% to 20% for banks in other countries in South America.

GROWTH PATH

Today, Nubank was growing fast. It booked $523 million in revenue, with a $78 million loss, in 2019 when the pandemic hit. Then it started growing faster. Like other fintechs serving consumers, it benefited mightily from lockdowns and fear, as even older Brazilians took to banking via mobile phones and the web. In 2020, its revenue nearly doubled, to $963 million, while losses narrowed to $44 million.

David Valez, holding the purple international credit card of Nubank

Nubank expanded to Argentina and Mexico in 2019, and to Colombia in 2020. The bank, however, does not intend to enter North America.

David Vélez, the founder of the bank and a former Vice President at Sequoia Capital, who originally belonged to Columbia, has built the bank in less than a decade to be a Nonbank's financial services power house with 38 million customers and \valued at $25 billion. Vélez, who is CEO, retains a 23% stake in the bank, which is valued at around $5.2 billion. Financial experts describe the phenomenon of Nubank as nothing short of a real revolution, which is waking up the incumbent banks, which have had the going really easy for a long time. They also predict that Velez is going to build a $100 billion–plus financial powerhouse in Latin America. And what is impressing is that Vélez built his fintech firm while previously booming Brazil suffered through recession, corruption scandals and covid.

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At Barclays transformation driven by customer preferences

Barclays began its digital journey several years ago but what is noteworthy is that the transformation focuses entirely on the customer and his needs:

Stepping into the digital age is always a major milestone for any organization, more so when it is a way of acknowledging the needs of the customers. In this regard, some of the transformative measures British bank Barclays has taken up allow it to be a tech savvy, forward-looking and a totally customer centric institution. The ability in processing unlimited quantity of data, empowering customers to transact through a mobile phone, sitting in the comforts of their home or office, making use of the cutting-edge technologies that are available today to make processes easier and efficient and providing banking facilities to the excluded, disabled and elderly customers in a most effective manner are some of the random benefits of the transformation and Barclays has not lagged behind. The bank has totally digitized its business and today empowering customers is at the core of its activities.

Established over 325 years ago, the bank is no stranger to adapting to changes in the way it functions. Globally, it has 24 million retail customers and one million business clients. Way back in 2017, it had invested £4,148 million into funding their digital transformation initiatives and there has been no stopping since then. Always, its strategy has been integrating the customers' demands with the growing digitization of the retail banking division.

INNOVATIVE MOBILE APP

One such example is Barclays Mobile App, which is today used by some 7.4 million customers doing around 1.7 billion customer interactions. It is no boast that over 90% of Barclays' transactions take place over mobile devices, the interface being highly user-friendly and innovative. Apart from standard features like transacting and transferring money in near-real time, there are innovative features like the ability to view the PIN and freeze the debit card in case of theft or loss. The app allows users to earn cashback and rewards while also tracking recurring payments and bills. Another feature is the facility to turn off payments towards certain types of retailers in order to give the customers more control over their spending. like for gambling and premium rate websites and phone lines. The app is the first to offer users the ability to view their accounts in 11 other banks, including Natwest, Halifax and HSBC, making use of the country's open banking environment.

DIGITAL EAGLES INITIATIVE

Another customer centric effort is the Digital Eagles Initiative under which the bank has enrolled some 12,000 Digital Eagles who have helped thousands of people across generations to get online and access digital services. One of the offerings under the initiative is Code Playground, which is the beginner coding classes and online safety tips for kids. It is led by DigiSafety Cadets, who aim for an immersive and educational approach to digitization. With over 5500 sessions, Code Playground aims to support the need for coding skills in the current digital age. Similarly, the bank has been conducting one-on-one in-branch 'DigiSafe in Cyber Space and Support Bar' sessions targeting mostly older customers who require help with computers and accessing Barclay's digital services. A dedicated YouTube channel with easy-to-understand videos brings home the learning without having to visit the bank.

HELPING SME

The bank also has programs for empowering small and medium enterprises (SMEs) using Eagle Labs where learning sessions are held on digital safety, coding and cyber fraud while providing opportunities for innovation with new technology.

It has set up what is called MakerSpaces and Incubators - MakerSpaces offering access to 3D printers and laser cutters, providing Incubators businesses with access to the tools they need to produce and test prototypes, and targeting firms and entrepreneurs who display

One can manage money safely and securely using the Barclays Mobile App and online fanking from the comforts of one's home

high-growth and provide them with opportunities to collaborate with like-minded businesses and mentoring from Barclays' industry experts.

The bank has introduced virtual cards through the app and became one of the first banks to provide contactless payments and cash withdrawals. Instant cheque imaging, allowing customers to pay cheques without having to visit the branch, is another feature the bank's digital transformation. Customers can digitally pay in four cheques up to £500 in a 7-day period.

ISSUING DIGITAL RECEIPTS

Barclays has recently collaborated with fintech firm Flux to build a technology platform to provide itemised digital receipts. The digital receipts are now available as an opt-in for all UK Barclays debit card holders within the bank's main mobile banking app. So, the bank's customers who pay using their Barclays debit card for in-store purchases at H&M, shoe retailer schuh and food outlets, will have their receipts sent automatically to their app after making a purchase. They can then easily and securely view their receipts whenever they need by tapping on the transaction. In fact, a digital receipt is the same as a paper receipt.

The digital receipts are the result of several months of trials that involved testing the service.

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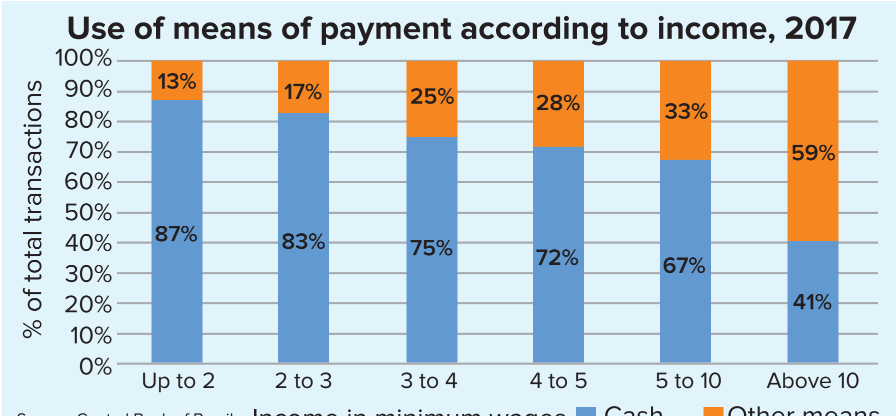
Brazilian instant payments Pix a soaring success

In the Second BRICS Finance Ministers' and Central Bank Governors (FMCBG) meeting, held recently, the Reserve Bank of India tabled the 'Report on Digital Financial Inclusion in BRICS', which has been produced by the RBI with collaboration and inputs from other BRICS central banks.



Source: Central Bank of Brazil

IMPROVED CASH MANAGEMENT

Pix is an instant payment scheme launched by the Central Bank of Brazil (BCB) in November 2020. It has become a new alternative for payments that allows the transfer of funds among different participant institutions from one account to another account. The speed allows improvement of cash management, decreasing the need for credit. There are efficiency gains by facilitating the reconciliation of payments, process automation and system integration. Pix tends to have a lower acceptance cost than other electronic payment systems.

10 TRANSACTIONS PER CAPITA

Over the few months since its launch, Pix has seen a huge adoption. By the end of May 2021, 755 participant institutions had successfully joined Pix and there were more than 10 Pix transactions per capita from November 2020 until May 2021. As to the age of Pix users, 39% of all users are below 29 years old. Person-to-Person (P2P) transactions account for around 73% of the transactions. Usage has been increasing for different use cases and in different segments, with P2B increasing the fastest from 5% in November 2020 to 13% in June 2021. The BCB has placed itself as the builder, manager, and operator of the Pix infrastructure.

OPEN BANKING IN BRAZIL

Brazil has started implementing its own Brazilian Open Banking Project (BOBP) in February 2021. The BOBP encompasses not only registration and transactional data sharing, but also, services such as payment transaction initiation and credit proposal submission. In later stages, it also intends to cover data on investment, foreign exchange, insurance, open-pension funds, and other financial products.

CONSUMER-CENTRIC MODEL

Improving information availability is expected to help, as more accurate credit risk assessments and the standardisation brought by the BOBP in data sharing is expected to enhance transparency. Cheaper and better financial products for consumers are expected to follow. The BOBP is seen as a paradigm shift towards a consumer-centric model.

PIX USAGE BY LOW-INCOME

Within a few months after its implementation, demonstrates its potential for significant change. By March 2021, registration at Pix was 34.9% of the adult population registered in CadÚnico, which identifies low-income families. While 21.4% have already transferred money using Pix, 24.6% have received a money transfer by Pix.

INTERNET ACCESS

Between 2017 and 2019, the share of lower social class households with internet access rose from 30% to 50%. The higher social classes remained stable with 99% of households accessing the internet throughout the same period. Among non-internet users, only 0.6% claimed that the service was not available in urban areas, as compared to 19.2% of respondents in rural areas. It is not surprising that in 2019, a survey carried out by the BCB showed that cash is the main means of payment for citizens with income of up to twice the Brazilian minimum wage, totalling 87% of financial transactions executed by this income bracket. This number drops to 41% for income above 10 times the minimum wage. In 2019, 85% of internet users from the lower income brackets exclusively used their cell phones to access the network.

ABRUPT RISE IN NEW A/CS

Between May and Julyin 2020, the period of strongest expansion, almost 10 million people accessed the formal financial system for the first time. There was an abrupt rise in the opening of new accounts especially on banking institutions, starting in April 2020. About, 97% of the beneficiaries as of August 2020 have a banking relationship, as compared to 82% in 2019.

BOLSA FAMILIA PROGRAM

The Bolsa Familia, a conditional cash transfer program, initiated in 2003, is a powerful tool. The qualifying families receive a monthly cash transfer through an electronic benefit card, preferably paid directly to the female head of household. This is conditional on keeping children in the family enrolled in school and taking them to regular health checks. The card can be used at PoS and to transfer money digitally, thus bringing the women of low-income families in the ambit of financial inclusion. The Bolsa Família has benefited 14.7 million families (till July 2021) with transfers of R$ 12.9 billion from January 2021 to July 2021. Till 2020, 88% of Bolsa Família payments were directed to women.

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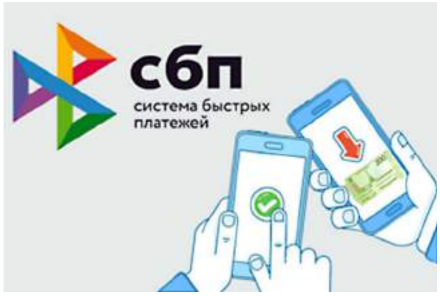
Banks participating in FPS Up 6-fold in Russia

The 'Report On Digital Financial Inclusion In BRICS', tabled By the RBI in the recently held second meeting of BRICS' Finance Ministers And Central Bank Governors (FMCBG), has a chapter on 'Faster Payments System In Russia'.



MAKING PAYMENTS CHEAPER

The National Payment System Development Strategy for 2021-2023 of Russia, which is currently being implemented, aims to establish conditions for providing consumers with convenient, safe and accessible payment services, shaping a competitive and innovative payment market, and constantly improving the payment infrastructure. The Faster Payments System (FPS) is an infrastructural project of national importance aimed to promote competition, raise the quality of payment services, enhance financial inclusion and make payments cheaper for households. FPS was jointly developed by the BoR (Bank of Russia) and the National Payment Card System, permitting instant (24x7) interbank transfers via a mobile phone number.

1 TN ROUBLES TRANSFERRED

FPS enables payments for goods, works and services, applying QR codes, and allows for B2P transfers. FPS stipulates a ceiling for the fees charged by banks to their customers. During 2019-2020, about 1 trillion roubles were transferred via the FPS. In 2020, the number of banks participating in the FPS increased almost 6-fold. Over 22 million clients of banks used the FPS services, with more than 100,000 trade and service companies connected to the service. Besides, in 2020 the number of operations within the FPS increased by a factor of 16, and their total volume increased by a factor of 13.

UNIFIED BIOMETRIC SYSTEM

The Unified Biometric System (UBS) launched in June 2018, is a national digital platform of Russia that allows individuals to open deposit accounts and receive loans remotely by means of remote identification using biometric personal data (through face and voice recognition). To join the UBS, a person needs to have their biometric data recorded, just once, with any of the identified 13,000 offices of more than 200 banks across the country. The creation and development of the digital biometric identification platform enables faster digitalization of financial services, increases competition in financial markets, and quickens the pace of financial inclusion, making financial services accessible to, among others, disabled, elderly and citizens living in hard-to-reach areas.

There are 2 types of modalities that are currently used - voice identification and digital impression of a person's face footage. In the future, other elements of biometric identification might be introduced in the system which will make it possible to expand its application and increase the degree of protection. UBS will be used in inter alia healthcare (telemedicine), distance education, e-commerce, retailing, and for receipt of state and municipal services.

ELIMINATING INEQUALITY

The goals to eliminate inequality between the financial inclusion levels of different social groups, including people with special needs, requires increased attention on protection of financial service consumers' rights and addressing of the barriers in accessing financial services. Improving financial inclusion for persons with disabilities, elderly and other low-mobile groups of the population (PwD/LMG) is one of the priorities of Russia's Financial Inclusion Strategy for 2018-2021.

The BoR has also contributed to updating National Standard GOST- 2019 internet resources and other information presented in electronic and digital formats. The update is aimed at making it easier for PwD/LMG to use financial institutions' websites and mobile applications. Since 2018, the BoR has been conducting annual monitoring of credit institutions' compliance with its recommendations on removing barriers for PwD/LMG, including recommendations on the accessibility of remote servicing channels.

USE OF REMOTE CHANNELS UP

The 3rd stage of the monitoring has shown that 65% of credit institutions have fully or mostly implemented the recommendations on eliminating barriers for PwD/LMG and 64% of credit institutions have fully or mostly implemented the recommendations on the accessibility of remote servicing channels in 2020. A 3-stage survey conducted to evaluate the level of financial inclusion of PwD observed that the use of remote channels by PwD increased in 2020 due to the covid pandemic. The Working Group has developed several initiative rankings for credit institutions, assessing the accessibility of various servicing channels for PwD, including remote channels (website and the personal account in the online banking system, mobile app, and call centre). BoR would address the accessibility of the Unified Biometric System for PwD/LMG by introducing additional biometric modalities for the remote identification and authentication by using the modalities like face and voice recognition. Besides, it is planned to create legislative framework for enabling the use of alternatives to handwritten signature (including biometric personal data) by PwD/LMG that face difficulties putting a signature when entering transactions and performing other legally binding acts as part of their interaction with financial institutions.

According to the survey conducted by the BoR in May 2019, in the previous 12-month period, more than half of the adult population in Russia (55.2%) used remote access to their bank accounts for remittances (e-banking and/or mobile banking), and in May 2020 this indicator reached 75.4%. The authorities, during the covid pandemic, encouraged increased use of digital financial services.

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South Africa enhances safety, efficiency & access

In March 2018, the South African Reserve Bank (SARB) published the National Payment System Framework and Strategy – Vision 2025, with the overarching vision to enhance the safety, efficiency and accessibility of the national payment system in a manner that promotes competition and minimises risk to the payments ecosystem by leveraging technological developments to extend the availability of digital payments to all sectors of society while meeting domestic, regional and international requirements for the benefit of all members of South African society. Vision 2025 comprises 9 goals.

VARIOUS PAYMENT SYSTEMS

The 4 key payment systems in South Africa are as follows.

- South African Multiple Option Settlement (SAMOS) system is a high value real-time gross settlement (RTGS) system for domestic transactions – owned and operated by the SARB.
- BankservAfrica is a retail payment system that clears retail transactions and operates both nationally and within Africa. Strate (Pty) Limited as a Payment Clearing House System Operator, operates the large value payment system that clears the delivery and payment legs of equities, bonds, and money market transactions.
- The Southern African Development Community Real-time Gross Settlement System (SADC-RTGS) is a large value payment system that settles cross-border transfers that require immediate settlement within SADC. It is owned by SADC central banks and operated by the SARB.
- Continuous Linked Settlement (CLS) system is a large value payment system that settles foreign exchange transactions in designated currencies, including the South African rand.

FRAMEWORK AND STRATEGY

Vision 2025 provides an overarching vision to enhance the safety, efficiency and accessibility of the national payment system in a manner that promotes competition and minimises risk to the payments ecosystem by leveraging technological developments to extend the availability of digital payments to all sectors of society.

In South Africa, about 52% of the financial transactions are done with cash. The pandemic has heightened the importance of digital transactions, including online, mobile and contactless payments. However, the digital divide in South Africa is a challenge.

RISK-BASED KYC

The Financial Action Task Force (FATF) adopted a risk-based approach to AML/CFT in 2012 as one of its 40 recommendations (Recommendations). The Financial Intelligence Centre Act (FICA), which is the main AML legislation in South Africa, enforces customer due diligence (CDD) requirements. In terms of these requirements, a financial institution must establish and verify the identity and residential particulars of the person, before an account may be opened or a single transaction may be conducted. However, in the South African context, verification of client identity and residence 'proved extremely difficult, particularly in the low-income market'.

South Africa amended its FICA to give effect to the FATF recommendations. The risk-based approach moves away from the rigid, tick-box mentality of the exemptions-approach of an institution to fashion its own approaches to identify and manage AML/CFT risks and ensure it has implemented appropriate measures to prevent or mitigate such risks. The risk-based approach introduces a completely new system, which requires a mind-shift from the rules-based approach and requires accountable institutions on an ongoing basis to develop their expertise in assessing and understanding their exposure to AML/CFT.

BROADER RANGE OF CLIENTS

According to Guidance Note 7 issued by the Financial Intelligence Centre (FIC) in 2017, the new approach affords accountable institutions the flexibility to use a range of mechanisms to establish and verify the identities of their client. In the process, opportunities are created for accountable institutions to grow their markets, exploring more innovative ways of offering financial services to a broader range of clients and bringing previously excluded sectors of society into the formal economy. This could enable greater financial inclusion, particularly digital financial inclusion, by enabling banks, insurers, and alternative providers such as fintechs to provide products and services to previously unserved and underserved South Africans that historically could not provide proof of address.

TEACH CHILDREN TO SAVE

The Banking Association South Africa (BASA), has launched a financial education program titled 'Teach Children to Save', which seeks to inculcate a culture of saving among youth and promote volunteerism within the sector. In its first year of implementation, the initiative reached over 200 schools. Another major BASA initiative is the 'StarSaver' program, in partnership with the Department of Basic Education. StarSaver aims to help children become financially savvy by teaching them about the financial world. BASA utilises several delivery channels for rolling out these initiatives including classroom-based activities, financial literacy, spelling bee, website and social media, amongst others. StarSaver has reached over 1.5 million learners in its first 8 years of implementation.

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Boosting organizational and systemic resilience

Mahesh Kumar Jain, Deputy Governor, Reserve Bank of India, gave a speech titled 'Building a More Resilient Financial System in India through Governance Improvements' on June 18, 2021 at the India international Centre, New Delhi. Edited excerpts:

A resilient financial system is one which is able to absorb the impact of endogenous shocks it is exposed to, rebound quickly to the original condition or adapt to new environment, and continue to perform its role of providing financial services. Whereas a stable financial system is one which is able to absorb shocks, a resilient financial system will be able to adapt and reconfigure itself in response to a shock, in addition to absorbing it. Unlike stability, resilience makes no assumptions about the magnitude of possible shocks, but rather looks to build systems that can deal with the entire range of shocks.

MORAL HAZARD AND RESILIENCE

Absence of moral hazard plays a substantial role in building a resilient financial system. Why would a bank invest in building a robust risk management system if in extreme cases, taxpayers' money would be used to rescue them. Shareholders of a bank will have incentive to seek better governance and risk management capabilities only if their investments are at risk. Similarly, employees of a bank should also have skin in the game.

RESILIENCE IS A COLLECTIVE EFFORT

Building a resilient financial system is a collective effort and cannot be left to regulators alone. While the regulators contribute majorly by framing appropriate regulations, a tick box approach to risk management by the banks would mean that the market's wisdom is replaced with regulator's wisdom. Regulations provide for minimum requirements to be met by all regulated entities. Hence, a resilient financial system requires contribution from all stakeholders - depositors, borrowers and investors - to achieve a resilient financial system.

LEMON PROBLEM – INFORMATION ASYMMETRY

Another important feature of building resilience in the financial system and

Mahesh Kumar Jain

improving the credit flow is reducing the incidence of 'lemon problem', which requires improvement in governance at the borrower level also. A lender who cannot distinguish between the borrowers of good quality and bad quality (the lemons), will only make the loan at an interest rate that reflects the average quality of the good and bad borrowers. As a result, high-quality borrowers will be paying a higher interest rate than they should because low-quality borrowers pay a lower interest rate than they should. Consequently, some high-quality borrowers may drop out of the market, with what would have been profitable investment projects not being undertaken. The 'lemons problem' also impedes banks' ability to anticipate risk build-up in their portfolios due to borrowers withholding information from their lenders.

TOOLS TO ENSURE RESILIENCE

The 3As of resilience are: Anticipatory Capacity, Absorptive Capacity and Adaptive Capacity. Anticipatory Capacity could be thought of as the ability of the financial system and its constituents to identify and measure emerging risks as early as possible and mitigate the risks by taking corrective actions. Absorptive Capacity is the ability to withstand the losses which may arise due to shocks and cannot be mitigated or avoided. Adaptive Capacity helps in adjusting to the new realities, be it changed regulatory/economic conditions or a new competitive landscape.

Resilience of the financial system can be tested from many dimensions, viz, financial risks, operational and technological risks, competitive risks, climate risks etc, and the financial system is required to anticipate, absorb and adapt to the same.

FINANCIAL RESILIENCE

The ability of banks to anticipate and absorb financial losses during a crisis after crisis remain solvent and retain their ability to lend is a measure of financial resilience. RBI strives to ensure financial resilience of the institutions that it regulates through a mix of micro-prudential and macro-prudential regulations.

While the prudential norms are aimed at improving the absorptive capacity of the individual institutions as well as the financial system as a whole, the anticipatory capacity of the banks requires to be strengthened by improving the risk governance in banks. This calls for identifying risks early and measuring them with reasonable accuracy. The risk assessment process should include ongoing analysis of existing risks as well as the identification of new or emerging risks. Banks, which are able to anticipate risk ahead of others, will also be able to raise capital ahead of others when the cost of raising such capital is low.

Individual financial institutions are enhancing their anticipatory capacity, and likewise RBI is enhancing its own anticipatory capacity.

OPERATIONAL & TECH RESILIENCE

The pandemic and lock-down measures tested the operational and technological resilience of the financial system like never before. Both RBI and the financial institutions demonstrated tremendous operational resilience. RBI ensured that payment systems were functioning normally and also monitored the availability of digital banking channels on daily basis. Another equally important development is the growing reliance on technology. Even prior to the pandemic, RBI has been focussing on ensuring cyber resilience of financial institutions. RBI determines the cyber risk score for each bank using various key cyber risk indicators. It issued various instructions to improve cyber resilience of the system. In order to enhance the ability of top management of banks to appreciate the issues surrounding cyber resilience, certification / awareness program on cyber security was mandated for Board functionaries and senior management of banks.

COMPETITIVE RESILIENCE

The entry of BigTech firms and innovative fintech players into the traditional domain of banks has already revolutionized the way financial transactions are carried out. Unbundling of banking services is a reality and will change the way banks operate. This will test the adaptive capacity of banks and other traditional financial firms. Even while individual entities adapt to the new competitive landscape, at the system level it is imperative to ensure that heterogeneity is preserved. A homogenous financial system will be less resilient and prone to systemic crisis if the underlying economic conditions change. Hence, it is important that the financial system consists of entities which follow different business models.

CLIMATE RESILIENCE

Climate is fast emerging as a key risk driver for financial system. Climate risks can impact the financial sector through 2 broad channels - physical risks (arising from specific weather events and long-term climate change) and transition risks (emanating from the efforts taken to address the climate change). The fallout could include (i) deterioration of asset quality of borrowers, (ii) the impact on business models due to governmental/ societal response to climate change, and (iii) long-term liquidity effects.

Increased frequency of natural disasters and climate extremes have a direct impact on the operational resilience of banks, especially thanks to increased reliance on centralized technology platforms and data centres. There is also a need for the financial system to move towards green financing.

RESILIENCE & GOVERNANCE

What lies at the core of these 3 capacities (anticipatory, absorptive and adaptive) is a good governance framework. More often than not, excessive risk exposures, credit losses, liquidity problems and capital shortfalls stem from weaknesses in corporate governance, compensation policies and internal control systems. Several enquiries and studies have concluded that one of the significant reasons behind the Global Financial Crisis of 2007-09 was that of weaknesses in corporate governance at financial institutions. The world also witnessed failure of governance structures, which necessitated the overhaul of interest rate benchmark setting process. Given that the sources of future vulnerabilities are hard to predict, banks must have robust frameworks of risk governance and management.

Further, corporate governance is increasingly a major factor in the investment decision-making process. Poor corporate governance is often cited as one of the main reasons why investors are reluctant, or unwilling, to invest in companies in certain markets. As such, banks' ability to raise capital, which is important to improve their absorptive capacity, is also a function of strength of its corporate governance practices. Even in financial intermediaries, good corporate governance determines efficiency in allocation of resources and protection of stakeholders' interest.

Governance quality depends substantially on governance structures and culture. While it is possible to enact laws & regulations to prescribe governance structures within a bank, appropriate culture cannot be legislated. Banks and the Boards have to develop the desired culture within the organisations. A sound risk culture bolsters effective risk management, promotes sound risk-taking, and ensures that emerging risks or risk-taking activities are recognized, assessed, escalated and addressed in a timely manner. While culture influences the decision making within an organization, it is hard to assess. Nevertheless, a structured framework should be put in place to assess the risk culture within banks and incorporate the assessment into the supervisory rating of the banks.

RESILIENCE & COMPENSATION

Compensation policies are another important element of governance framework, which has significant effect on resilience. Rewarding short term risk taking, without consideration for long term risk or negative externalities, may endanger the resilience of individual institutions as well as the systemic resilience. At the same time, inadequate compensation may not sufficiently incentivise the management to develop the capacity to anticipate, absorb and adapt to various shocks.

CONCLUSION

Financial systems in India and elsewhere are witnessing rapid shifts in the operating environment, characterised by changing competitive landscape, automation and increasing regulatory/supervisory expectations. The source, nature, frequency and magnitude of risks are also continuously changing. RBI has put in place various regulations to improve the governance in banks and make them more resilient. Banks too have also made improvements in their risk management capacities. Yet, the changing operating and risk environment requires banks to be vigilant, strong and agile so as to identify risks early, absorb the shocks and be able to adapt to the newer ground realities. I am hopeful that banks and other financial institutions in India will rise to the challenge, continue to demonstrate their resilience and be able to contribute to a $5 trillion economy, and beyond. ■

96.6% rural households own financial assets

The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation has conducted the latest survey on 'All India Debt & Investment 2019' during the period Jan–Dec 2019 as a part of 77th round of National Sample Survey (NSS). Prior to this the survey was carried out in NSS 26th round (1971-72), 37th round (1981-82), 48th round (1992), 59th round (2003) and 70th round (2013). The survey was spread over 5940 villages covering 69,455 households in the rural sector and 3995 blocks covering 47,006 households in the urban sector. Following are the highlights from the survey.

HOUSEHOLD OWNING ASSETS

- About 99.4% of the households in rural India (100% cultivator households and 98.6% non-cultivator households) reported owning any asset (physical or financial) as on 30.06.2018. In rural India, 97.5% households owned physical assets & 96.6% households owned financial assets as on 30 June 2018.
- About 98% of the households in urban India (99.7% self-employed households and 97.3% other households) reported owning any asset (physical or financial) as on 30.06.2018. In urban India, 85.4% households owned physical assets & 94.7% households owned financial assets.

AVERAGE VALUE OF ASSET

- Average value of asset (AVA) per household was around ₹1.59 million in rural India (₹2.2 million for cultivator households, ₹0.78 million for non-cultivator households). Average value of physical asset per household was ₹1.51 million and average value for financial asset was ₹72,608 in rural India.
- Average value of asset per household was ₹2.71 million in urban India (₹4.15 million for self-employed households, ₹2.21 million for other households). Average value of physical asset per household was ₹2.46 million and average value of financial asset per household was ₹0.25 million in urban India.

DIFFERENT COMPONENTS

- Land and building together, in rural India, jointly holding 91% share in the total value of asset, with land having 69% share and buildings 22% share followed by deposits (5%) and other assets (4%).
- Share of land in total value of assets is around 49% in Urban India followed by building (38%), deposits (9%) and other assets (4%). Other assets include livestock, transport equipment, agricultural machinery, non-farm business equipment and shares.

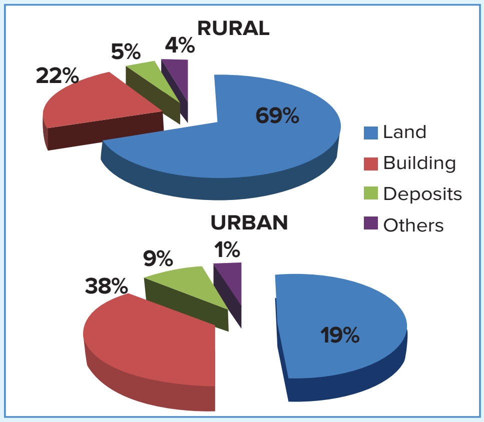
INSTITUTIONAL INDEBTEDNESS

- Incidence of indebtedness was about 35% in rural India (40.3% cultivator households, 28.2% non-cultivator households), compared to 22.4% in urban India (27.5% self-employed households, 20.6% other households).
- In rural india,17.8% households were indebted to institutional credit agencies only (21.2% cultivator households, 13.5% non-cultivator households) against 14.5% households in urban India (18% self-employed households, 13.3% other households).
- About 10.2% of the households were indebted to non-institutional credit agencies only in rural India (10.3% cultivator households, 10% non-cultivator households) compared to 4.9% households in urban India (5.2% self-employed households, 4.8% other households).
- About 7% of the households were indebted to both institutional credit agencies & non-institutional credit agencies in rural India (8.8% cultivator households, 4.7% non-cultivator households) against 3% households in urban India (4.3% self-employed households, 2.5% other households).

AVERAGE AMOUNT OF DEBT

- Average amount of debt was ₹59,748 among rural households (₹74,460 for cultivator households, ₹40,432 for non-cultivator households). In rural India, the share of outstanding cash debt from institutional credit agencies was 66% against 34% from non-institutional credit agencies.
- Average amount of debt was ₹0.12 million among urban households (₹0.17 million for self-employed households, ₹99,353 for other households). In urban India, the share of outstanding cash debt from institutional credit agencies was 87% compared to 13% from non-institutional credit agencies.

Percentage share of different components of assets in total value of assets



Note: Other assets include livestock, transport equipments, agricultural machinery, non-farm business equipment and shares.

DEBT PER INDEBTED HOUSEHOLD

Average amount of debt was Rs0.17 million among indebted households in rural India (₹0.18 million for cultivator households, ₹0.14 million for non-cultivator households). Average amount of debt was ₹0. 53 million among indebted households in urban India (₹0.65 million for self-employed households, ₹0.48 million for other households). The percentage of indebted agricultural households is 50.2% and average amount of outstanding loan per agricultural household is ₹74,121.

DEPOSIT ACCOUNTS IN BANK

- About 84.4% of the population of age 18 years and above had deposit account in banks in rural India (88.1% male and 80.7% female).
- About 85.2% of the population of age 18 years and above had deposit account in banks in urban India (89.0% male and 81.3% female).

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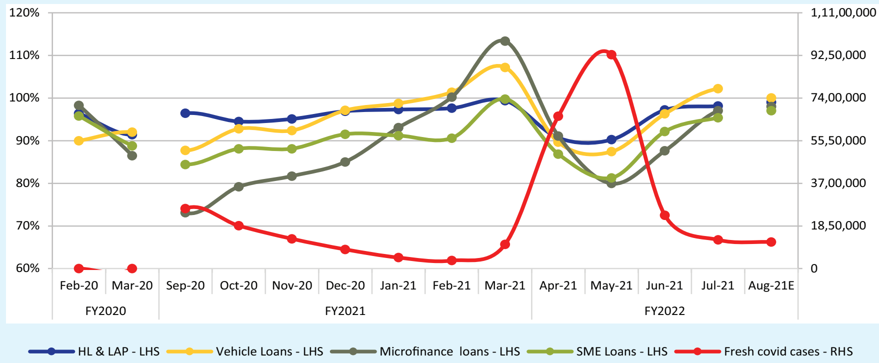
Disbursements & collections to augment securitization volumes: ICRA

The collection efficiency in ICRA-rated securitized pools originated by NBFCs and HFCs witnessed continued rebound in July, on account of focused collection activities of the lenders and supported by the receding movement restrictions or lockdowns subsequent to reduced impact of the second wave of Covid-19 pandemic. Consequently, the incremental slippages in the softer and harder buckets have seen a decline. Further, the focused collection efforts of the lending institutions and improvement in broader business activities in August 2021 are expected to continue to support the improvement in collections in future as well.

While the Housing loans (HL) and Loan against property (LAP) remained the least impacted and were quick to recover to the March 2021 level; the monthly collections in commercial vehicle (CV) loans, SME and Microfinance loans also rebounded quickly to >90% levels in July 2021 from the lows seen in May 2021. Resultantly, the incremental slippages have also reduced in June and July 2021 leading to submerging of asset quality concerns in the ICRA-rated pools.

Says Abhishek Dafria, Vice President & Head - Structured Finance Ratings at ICRA: "The monthly collection efficiencies of ICRA-rated securitized pools across asset classes have been on an improving trajectory following the ebbing of the second wave of pandemic since June 2021. We do not foresee any immediate decline in the collection efficiencies of the retail pools. While the threat of another wave of Covid infections remains, we expect that the past experience would make the State and Central Governments as well as the companies better equipped to handle such an event so as to ensure least disruption to economic activities. The daily vaccination rate has also been increasing across the country and has crossed the 10 million mark. The improvement in vaccination coverage would be a positive for the sector as entities are aiming to get their employees fully vaccinated soon which would give the collection teams more confidence and reduce the risks when stepping out on a more regular basis. The strong selection criteria laid out by investors for pool selection post Covid provides another layer of protection for securitization transactions."

ICRA-rated pools' monthly collection efficiency and trend in monthly fresh Covid cases



Source: ICRA Research, CEIC
*Aug-21E represents estimated collection numbers
Monthly collection efficiency = (current collections + overdue collections)/current billings

ICRA estimates the securitization volumes to reach about ₹1.2-1.3 trillion for FY2022 which would imply a 40-50% increase from the volumes seen in FY2021. For the first 5 months of the fiscal, the volumes have been about Rs 280 billion which is already about twice the volumes seen in similar period last year. Securitization volumes are expected to see a sharp jump in the second half of the fiscal, especially in the last quarter, as disbursements for NBFCs and HFCs pickup leading to increase in financing requirements. Additionally, there would be a strong drive from banks to purchase pools that qualify under priority sector lending (PSL) to meet their PSL targets by the end of the year.

Abhishek adds: "Due to limited disbursements in the first quarter, NBFCs would not have adequate loans that can be securitized while meeting RBI's minimum holding period criteria for securitization. Thus, we expect securitization volumes to be very strong in Q4 as was the case last year when almost 45% of the annual securitization was done in the last quarter. Preference for loans with collateral such as mortgage loans or gold loans has been higher post covid; however, we expect pickup in securitization volumes for even microfinance and unsecured business loans in the second half supported by healthy collections and tighter filters in pool selection. Nonetheless, we may still be a few quarters away from achieving the pre-covid securitization volumes, especially for the unsecured loan category."

- Monthly collection efficiency across asset classes improved materially from the lows of May 2021
- The incremental slippages in harder bucket i.e. 90+dpd have declined across asset classes
- With business operations of lenders achieving near normalcy and improving investors' confidence regarding the stability of cash flows coupled with improving vaccination coverage, securitization volumes are expected to be higher in second half of FY2022

A platform to buy and sell anything seamlessly

BNP Paribas has a unique platform, Cortex Life, that allows traders to sell or buy everything from bullion to currencies and also do trading in currencies or commodities:

French global bank BNP Paribas is defined as 'the bank for a changing world', always understanding the changes that are required in operations and implementing them in earnest for the benefit of its customers. The bank is synonymous for providing personalized experiences through deployment of digital applications that facilitate creation of tailored solutions. It has an ecosystem that supports digital transformation and innovations and it always leverages the potential of new technologies, including AI, Big Data and Blockchain.

The Paris headquarters of BNP Paribas

One such recent addition to its product range is Cortex Life. What Cortex Life offers is that it allows traders to seamlessly buy and sell everything from bullion to emerging-market currencies. It has a digital assistant, AliX, which offers clients a running commentary on execution and trading, as well as important events like market wobbles or changes in liquidity. AliX manages this by reacting to over 100,000 data points every second, meaning even financiers can make decisions quickly. The bank describes Cortex and AliX are a 'one-stop shop' for business clients of all types. In fact, for the bank Cortex and AliX are the short end of a far broader picture, one that will touch practically all the businesses of the bank.

FOREX MADE EASIER

An immediate offshoot of Cortex Life is Cortex FX, the next-generation electronic foreign exchange trading application. It is the result of 18 months' development of the bank's e-trading capabilities, which enhance the clients' experience when they trade in foreign exchange electronically with the bank. The tool can help a customer to develop innovative trading strategies, execute trades or monitor and evaluate trading activity, while offering a fully-integrated trading environment that is simple to use, giving one the freedom to concentrate on taking advantage of every trading opportunity.

TRADING IN CD

Alongside, there is Cortex Commodity Derivatives, or Cortex CD, a web-based single dealer platform for over-the-counter commodity hedging. It offers direct market access to a wide range of energy, metals and agricultural products with front-to-back instant trade processing and compliance functionality. It has other features such as tailor-made hedging solutions, greater connectivity and the introduction of environmental, social and governance (ESG) products with carbon emissions.

The bank has been active in the carbon market for 15 years, conducting both trading and structuring activities. The activity in carbon markets is closely aligned with its wider sustainability and ESG strategies, with the energy transition sitting at the heart of all these activities.

An important feature for Cortex CD users is BNPP Connect, an encrypted instant messaging service that enables clients to connect instantly with salespeople, directly. It also provides access to a number of automated tools that provide real time, customizable news and content. For example, clients can access BNP Paribas' research and trading desk commentaries, or automated bots such as its US Department of Energy bot, which analyzes weekly US oil statistics in real time.

The novel feature of all these products is that AliX manages all the activities.

The bank has partnered with Curv, a cloud-based digital asset security infrastructure. The system uses private keys and multi-party computation to ensure that transactions are signed securely.

COVERING OTHER ASSET CLASSES

The bank hopes that over time, Cortex will expand to encompass other asset classes, offering customers access to a full suite of fixed income electronic trading products and services. It is described as a single point of access to the full breadth of electronic foreign exchange products, tools and services.

BNP Paribas is known for its point-of-sale hub, the Place de l'Opéra, a concept store. A central hub for customer relations, it helps the bank to test out new ways of interacting with its customers (touchscreen tablets, video conferences with advisors and more), before adapting these systems across branches. The bank has such concept stores in Istanbul, Brussels and Rome and installed digital screens in more than 2000 branches worldwide.

The bank has adopted IBM's Cloud for Financial Services in 2020. It has also partnered with Orange Business Services to update its communications network at 1800 bank branches across France.

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Only sound cloud management can thwart cyberattack

The latest MIT Technology Review Insights discuss cybersecurity perceptions among organizations in the Asia-Pacific region:

A majority of institutions in the Asia-Pacific rely on secure cloud management to guard their businesses against cybersecurity threats, even as they rely on a diverse combination of cybersecurity platforms and conducting asset inventory, says the latest MIT Technology Review Insights, which carried out global survey along with Palo Alto Networks covering 728 respondents, of which 162 were from the Asia-Pacific. The responses, along with the inputs of industry experts, helped identify specific security challenges in today's IT landscape and provide a critical framework for safeguarding systems against a growing battalion of bad actors and fast-moving threats.

KEY TAKEAWAYS

The key takeaways of the survey with reference to Asia-Pacific are summarized as:

1. Many Asia-Pacific organizations struggle to remediate cyberattacks because of unique challenges such as varied cybersecurity maturity and unpreparedness in pivoting to remote work during the pandemic.
2. A new, well-organized breed of hacker and the fast-evolving nature of technology itself are forcing Asia-Pacific organizations to consider multiple ways of minimizing threat exposure, including securing their cloud environments and monitoring digital assets - from laptops to cloud applications.
3. Making cybersecurity a priority on the agendas of C-suite executives and boards of directors can mitigate cybersecurity risks.

The survey says 51% of organizations surveyed in the Asia-Pacific region reported having experienced a cybersecurity attack originating from an unknown, unmanaged, or poorly managed digital asset. "Conducting a full inventory of internet-connected assets and rebooting cybersecurity policies for today's modern remote work environment can mitigate risks. But organizations must also understand the cybersecurity trends and challenges that define their markets, many of which are unique to organizations operating in the Asia-Pacific," maintains the survey.

VULNERABILITIES OF CLOUD

Highlighting the vulnerabilities of a cloud environment, the survey findings quote the '2021 Cortex Xpanse Attack Surface Threat Report' which says while the cloud continues to play a critical role in accelerating digital transformation, cloud environments are responsible for 79% of observed exposures, compared with 21% for on-premises assets. It then points out to the fact that at least 51% of operations of Asia-Pacific organizations is in the cloud.

Another threat perception which the survey has pointed out is the exponential growth of interconnected devices, challenging organizations to secure their cloud infrastructure. For example, IoT devices such as sensors are actually computers, and they are powerful enough to be used to launch bots and other types of attacks.

Asia-Pacific organizations also face additional challenges, find the survey, like for example, the varying degrees of cybersecurity maturity among the countries in the region.

THE NEW HACKER

The survey suggests that in addition to deploying the right technology tools, the organizations should consider 2 factors to improve their security postures. The first is the new breed of hacker, who are well-funded, have huge investments in R&D and they are organized like a corporation. The second is the changing threat landscape, as technology is evolving so quickly, that new technologies, while having competitive advantage, may not be fully secured.

The survey also points out that Asia-Pacific organizations can mitigate risks by adding cybersecurity to the C-suite agenda. It, however, found that 68% of Asia-Pacific respondents indicated that their board of directors will request an attack surface management plan for cybersecurity this year and this figure is higher than in any other region

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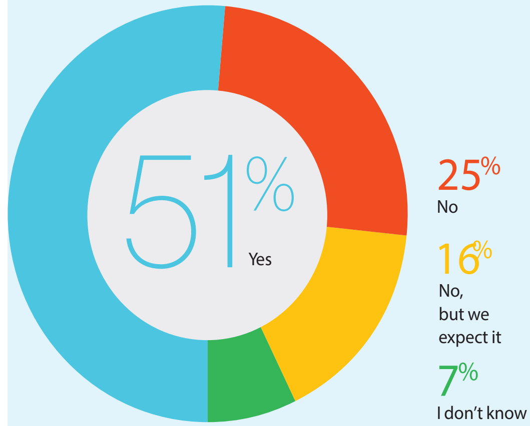
Cyberattacks are commonplace

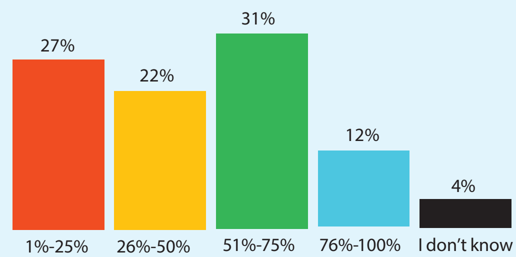
More than half of Asia-Pacific respondents asked whether they've experienced a cyberattack from an unknown or unmanaged digital asset say they have.



Source: MIT Technology Review Insights 2021 survey of 728 global executives and decision-makers

The cloud dominates today's IT environments

Asia-Pacific businesses are all-in on the cloud: 43% of survey respondents report that more than half of their digital assets are in the cloud.



Source: MIT Technology Review Insights 2021 survey of 728 global executives and decision-makers

WFH norm spikes business-impacting cyberattacks

A study by Forrester Consulting done for US cybersecurity firm Tenable reveals how the pandemic and the resulting changes in work formats have spurred cybercriminals:

A high 92% of business executives had admitted their organizations had experienced business-impacting cyberattacks or compromises during the past 12 months while the pandemic had raged and work-from-home had become the norm throughout the world. Such attacks had resulted in loss of customers, employees, or other confidential data; interruption of day-to-day operations; ransomware payout; financial loss or theft; and/or theft of intellectual property. And 70% were victims of 3 or more attacks.

These are the findings of an on-line survey conducted by Forrester Consulting for US-based cybersecurity firm Tenable. The survey had covered 426 security leaders, 422 business executives and 479 remote workers (full-time employees working 3 or more days from home) and telephonic interviews with business and security executives, examining how the operational shifts that large enterprises made in response to the pandemic will continue to transform the way cybersecurity risk is managed in the foreseeable future.

RAMPANT ATTACKS

Nearly 67% of those queried said these attacks targeted remote workers, and 74% said at least 1 attack resulted from vulnerabilities in systems put in place as a response to the pandemic. The study said: "With the shift to remote work, where employees are no longer confined to the network with a static set of managed devices, security policies and technologies that are focused on perimeter-based attacks won't cut it. As much as 43% of respondents note that their organizations experienced covid-related malware or phishing attacks over the past year, making it the number one mode of compromise. Other common means of attack included fraud, data breaches, ransomware, software vulnerabilities, malicious insider compromises and the theft of intellectual property."

CLOUD BECOMES CRUCIAL

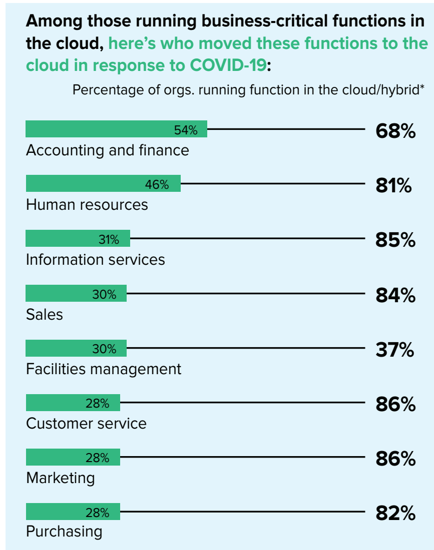
The survey found several changes sparked by the pandemic. It said organizations in response to the challenges presented by the pandemic, migrated both business-critical and non-business-critical functions to the cloud, while others added to their portfolio of third-party partners to meet immediate software needs. "These adjustments helped these organizations to meet operational and technology needs, but they also heightened levels of risk. Eight out of 10 security and business leaders indicate their organizations have more exposure to risk today as a result of both moving to a remote workforce model and migrating business-critical functions to the cloud... Six out of 10 report increased risk related to expanding their software supply chain," it said.

It added that 42% of security leaders reported their organizations have moved business-critical functions to the cloud as a result of the pandemic, while 36% have moved non-business-critical functions to the cloud. Notably, accounting/finance and human resources were the business-critical functions most likely to be moved to the cloud - applications that are traditionally hosted on-premises.

"However, the very things the cloud enables, ie, collaboration, connection and ease of information access, also make cloud assets targets for malicious actors looking to exploit vulnerabilities. And for many enterprises, these theoretical risks have become reality over the course of the past year: 62% of business and security executives say their organizations suffered business-impacting attacks involving cloud assets," the survey said.

INCREASED INVESTMENTS

The study highlighted that foundational investments in cybersecurity will be



a priority in this new world of work as organizations will be shoring up their defenses to support the next phase of their workforce model, boosting investments across the board.

80% said they will be increasing their spending for network and data security, while roughly three-quarters will spend more on vulnerability management and cloud security. Endpoint security and credential/identity access management will also get a budgetary boost, a majority of the respondents said.

The pandemic has highlighted the need to bolster security across all threat vectors. It said: "Two-thirds of security leaders plan to increase investment in network, data, cloud and endpoint security. And 65% will be putting more money toward access management technologies, while 77% will increase spending on vulnerability management solutions. Security leaders also plan to beef up their teams to better monitor and secure their organizations' attack surfaces: 64% of those lacking staff plan to increase their ranks within the next 12 months; another 32% are planning to increase headcount within the next 24 months."

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Pandemic changes outlook towards risk & compliance

Highlights of Refinitiv's Global Risk & Compliance Report 2021:

The US-UK collaboration Refinitiv, which provides financial market data and infrastructure to global firms, says in its Global Risk and Compliance Report 2021. that as commercial pressures rise, so do risks and compliance gaps. The key highlights are:

Increasing Risks

- 65% of respondents agreed that the pandemic has forced them to take shortcuts with KYC and due diligence checks
- 73% of respondents were under extreme pressure to increase revenue
- 71% of respondents said cybercrime became more difficult to contain due to covid-related remote working practices
- 40% of organizations said covid has made sanctions screening a greater priority.

Compliance Gaps

- 44% of third-party relationships have been through due diligence checks, compared to 49% in 2019 report.
- 62% of respondents said they were aware of financial crime over the last 12 months, compared to72% in the 2019 report.
- 64% said they focus more on being regulatory-compliant rather than proactively trying to prevent issues
- 86% either use technology to support them with fraud detection or are looking to do so in future

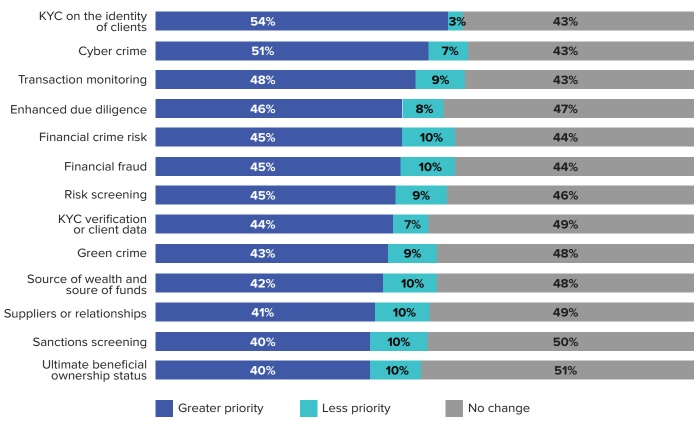
Power of Innovation

- 86% of respondents agreed that innovative digital technologies have helped identify financial crime
- 91% of those who use technology in KYC/compliance are looking to improve financial crime detection and mitigation over the next 12 months
- 60% of those who regularly use technology to prevent risks are far more likely to have better collaboration with law enforcement agencies than those who don't
- 45% of respondents believe that API technology can significantly help reduce the risks associated with financial crime

Nearly 43% of respondents say they now consider green crime, which includes illegal fishing, illegal logging, illegal wildlife trade and waste dumping, as a priority.

PANDEMIC IMPACTS ON COMPANY RISK PRIORITIES

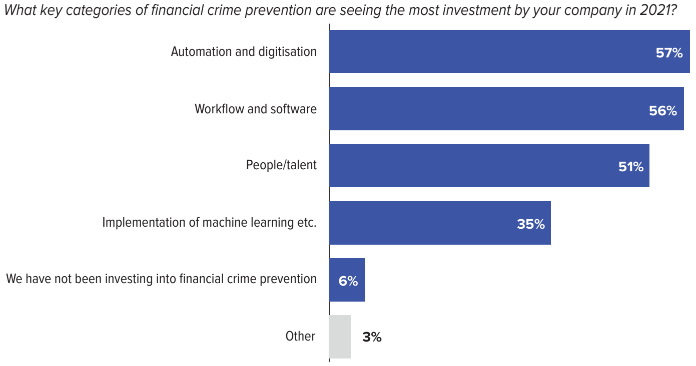
How has the Covid-19 pandemic impacted how your company prioritises the following risks?



Fraud detection and anti-money laundering APIs are helping companies to protect their businesses faster and more efficiently by improving integration, interaction and communication.

INVESTING TO PREVENT FINANCIAL CRIME

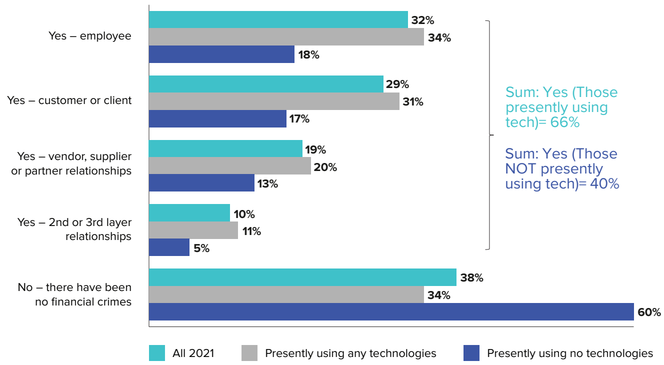
What key categories of financial crime prevention are seeing the most investment by your company in 2021?



Nearly two-thirds (62%) of survey respondents say they are aware of financial crime over the last 12 months, significantly lower than the 73% figure recorded in 2019.

AWARENESS OF FINANCIAL CRIME TECHNOLOGY COMPARISON

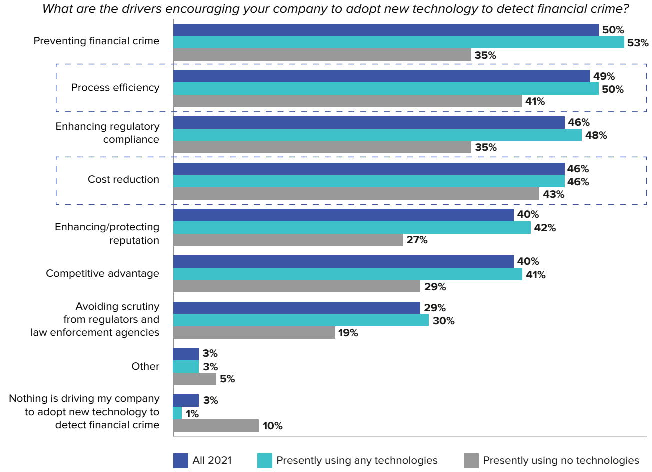
Are you aware of any financial crimes (whether they were reported or not) throughout your global operations over the last 12 months (even if inadvertently or through negligence)?



It is vital to know the factors that inspire adoption: process efficiency (41%) and cost reduction (43%) were the top 2 triggers for those not yet using tech, well ahead of preventing financial crime (35%).

DRIVERS TO ADOPT NEW TECHNOLOGY TO DETECT FINANCIAL CRIMETECHNOLOGY COMPARISON

What are the drivers encouraging your company to adopt new technology to detect financial crime?



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Awareness and friction hold back insurance penetration

The joint CII-BCG report 'Health Insurance Vision 2025 - Insuring Lives of Billion Indians' lays out key imperatives for increasing penetration.

Health insurance in India is highly underpenetrated at just 35% (480 million) of the population, of which majority is covered under government-sponsored health insurance schemes. Low government spending (1% of GDP) and high out-of-pocket (OOP) (63% of total) spending have resulted in 4% of the population being pushed into poverty every year.

An analysis of the current health insurance penetration across population segments reveals gaps in both the breadth and depth of insurance coverage. 59% of households do not have any health insurance plan. Within >₹0.5 million segment, 74% people do not have any health insurance. In lower income segments, only 25% of the beneficiaries eligible under Pradhan Mantri Jan Arogya Yojana (PMJAY) have so far enrolled themselves under the scheme.

Most policies don't cover all expenses, for example, Out-patient Department (OPD) expenses, accounting for 45% of total healthcare expenses are not covered by most insurance policies.

Insurance: one of the top product categories that readily sells via digital platforms

	Mobile	Health Insurance	Loan	Apparel & Footwear	HH Appliances	Savings Account	FMCG
Digital Footprint	90%	88%	83%	82%	81%	80%	78%
Digital Influence	66%	56%	57%	48%	47%	54%	27%
Digital Purchase	50%	46%	47%	39%	35%	42%	19%

KEY CHALLENGES

An assessment of drop-off points along the health insurance purchase funnel clearly indicates limited awareness (45%) as the major bottleneck in driving the adoption of health insurance. In the low-income segments, 66% of the respondents eligible under PMJAY haven't enrolled themselves due to low awareness. In high-income segment, awareness is particularly low in tier 2+ cities, with only 41% participants aware about health insurance.

55% of the surveyed population has limited knowledge about the product and its benefits. In the low-income segment, concerns of low affordability (45%) and low hospital empanelment (24%) gain prominence. However, as we climb up the income ladder, the issues start evolving into specific concerns like lack of comprehensive coverage (54%) and trust deficit around policy and claims covered (50%).

Health insurance penetration in tier 3+ cities is even lower (20-25%) due to low presence of insurer branches and weak presence of the dominant agency channel. For example, the survey indicates that 60%+ of the overall policies are sold through agents, and this number drops to only 30%+ in tier 3+ cities.

DIGITIZED DELIVERY MODELS

Consumers have a higher propensity to buy health insurance through digital channels when compared to other product categories. While building platforms for rural reach, insurers need to ensure a lightweight tech platform that is quick to load and works well in low internet bandwidth. Considering the high levels of mobile penetration in rural areas, compatibility on mobile screens should be ensured. An assisted model with strong vernacular support can be established to help consumers navigate through the online process. Insurers need to invest in driving digital traffic with targeted campaigns to tap health insurance through online channels.

Claims settlement process should be streamlined to drive faster, digitized, and simpler processing. For low-income segments, NHA should address concerns regarding high co-payments and low interest from private hospitals.

Insurance coverage should be expanded to include OPD expenses by building co-pay mechanisms, while leveraging digitized delivery models to mitigate risks in covering OPD costs. Innovative offerings should be made like wellness-linked offerings, flexi, bite-sized offerings to customize to different needs, especially with higher observed willingness to share data.

Operating costs can be reduced by embracing digital tools and big data analytics. Automated data-backed underwriting, sales support, digitized claim processing, etc. Leveraging advanced analytics to detect fraudulent claims and coordinated industry-wide effort to share fraud information can help reduce claims costs. This can be done through own efforts, partnerships with InsurTechs along with leveraging National Digital Health Mission (NDHM).

In small cities and towns, there is a large potential to leverage the existing RUSU (rural and semi-urban) infrastructure of Common Service Centers (CSCs), post offices, life insurance agents, and Point of Sales Person (PoSP). Insurers could also form partnerships with multiple partner ecosystems of co-operatives, networks of Branch Correspondents (BC), corporate distribution channels and focus on activating public sector banks (PSB), regional rural banks (RRB) branches. Further, specific health insurance obligations for the rural sector could be defined by IRDAI.

Technology usage can help improve usage of healthcare infrastructure with effective supply-demand matching platforms and usage of digital delivery models. Further, defining standards and protocols can ensure data security in Open Digital Ecosystems (ODEs).

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Deposit ownership: Corporates do better than households

The strong deposit growth in urban markets suggests that the salaried segment has outperformed even more than the self-employed segment:

A Kotak Institutional Equities research report shows trends in deposits: (i) in the post covid period, deposits by the retail segment have grown slower than that of private corporates, (ii) similar to FY2020, private banks lost share on government deposits but accelerated market share gains elsewhere, (iii) foreign banks lost CA share after 3 years of gains, (iv) small business segment within retail continues to show sluggish growth (5%), compared to overall retail (12%). Deposit growth is supported by private sector, retail and government sector.

CASA DRIVES DEPOSIT GROWTH

Key highlights from RBI's ownership of deposits report are interesting. Overall deposits grew 12% y/y (vs 9% y/y in FY2020), driven by current account deposits growing by 20% y/y and savings deposits by 17% y/y, while term deposits grew 8% y/y. CASA ratio improved by 200 bps y/y to 43.4% with the share of savings deposits at a decade high of 34%. Contribution from households was stable at 64%, government sector declined to 12% while private sector improved to 13%. Regional distribution shows marginal gain for metro/urban areas.

SLOW GROWTH IN HOUSEHOLD

Slower growth in household segment is an area to watch out for. The key difference in this report as compared to the quarterly report is that this report gives a break-up of ownership of deposits while the quarterly report gives a geographical spread of business performance. The slower growth in retail deposits and solid growth in private corporate sector gives two opposing signals of the current economic condition. Private sector has accelerated deposit growth for the third consecutive year giving further evidence that the impact of the pandemic was not negative.

LIQUID BALANCE NEED HIGH

On the other hand, the reduced consumption expenditure should have ideally accelerated savings in households as has been seen in other geographies but the slower growth print suggests that the impact on account of covid has been painful. Further, the bulk of the retail deposit growth is within savings account suggesting either (1) interest rate differential (term and savings) was not material. There does not appear to be a shift in savings pattern (mutual funds, insurance or stock markets) that explains this behavior either. Note that the strong growth in urban markets suggests that the salaried segment has outperformed even more than the self-employed segment and (2) the need to have liquid balances was high given the medical emergencies on account of covid.

It is probably a reasonable assumption to make that the wealth impact is currently within a smaller share of households that have witnessed limited income loss or which have a higher share of financial assets that has appreciated meaningfully and the corporate sector, which is benefitting from a deleveraging cycle or a commodity price expansion-led improved profitability but the rest of the households, are yet to show the much desired confidence that could result in a faster recovery in economy.

Chart 1: Current account balances increased 20% y/y

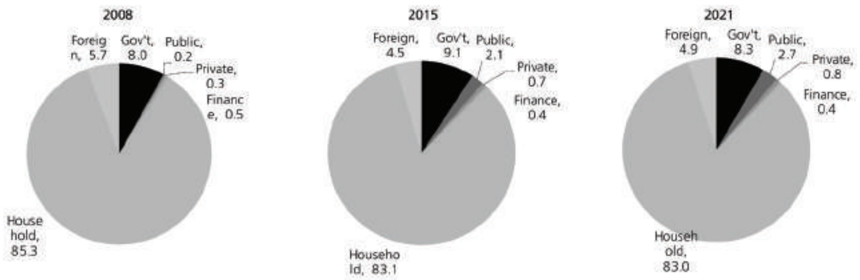
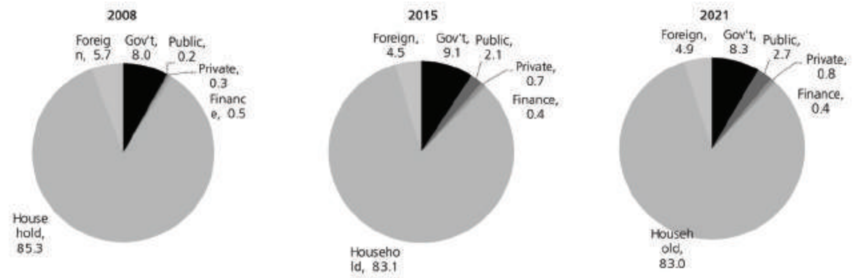


Chart 2: Savings deposit balances grew 17% y/y



PSU BANKS LOSING SHARE

Steady market share gains continue for private banks; PSU banks hold share in current accounts (CA). Market share gains by private banks in household deposits continued to rise to 25% (+140 bps y/y). However, it has not been a fast journey with PSU banks losing and private banks gaining about 10 ppt of market share over the last decade. Private banks are closing the market share gap with PSU banks in CA, while continuing to gain share in SA (saving accounts). SFBs remains a small category but have made maximum impact in financial companies with 5% market share.

3 STATES HOLD 1/3RD DEPOSITS

Metropolitan branches of banks, which account for over half of total deposits, accounted for 59.6% of incremental deposits during 2020-21 (43.2% last year). Three major states (Maharashtra, UP and Karnataka) held one-third of total household sectors' outstanding deposits and over 40% of its incremental deposits during 2020-21, according to RBI data.

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Padmaja Chunduru to head NSDL

Padmaja Chunduru, former Managing Director and CEO of Indian Bank has been appointed MD and CEO National Securities Depositories Limited (NSDL). SEBI has accorded approval for her appointment and she has assumed charge at NSDL on 22 September, Prior to her appointment as MD and CEO of Indian Bank, she was Deputy Managing Director (Digital Banking) at the State Bank of India. She is a post graduate in commerce from Andhra University and has around 37 years of experience in banking domain. Besides these executive positions, she was a Director in Life Insurance Corporation of India and non-executive Chairperson (Nominee Director) of Universal Sompo General Insurance Company.

New Chairman, Directors for Federal Bank

The Reserve Bank of India has approved the appointment of C. Balagopal as the part-time Chairman of the Federal Bank. The bank said the appointment is with effect from 22 November 2021 and will end on 28 June 2023. Meanwhile, the bank's board has appointed Sankarshan Basu and Ramanand Mundkur as its additional non-executive independent directors. An independent director of the bank, K. Balakrishnan had retired after completing a 3-year term. A PhD. and former member of the IAS, Balagopal is Director, TIMed Incubator SCTIMST and Member, Governing Council, Center for Management Development. Basu is a professor of quantitative finance and risk management at IIM Bangalore. He has specialisation in statistics and has been a board member of the Clearing Corporation of India, Bilcare Limited, BgSE Properties and Securities and Bangalore Stock Exchange. Ramanand Mundkur is a graduate from National Law School of India University and has been tax and legal practitioner with the global consulting firm Arthur Andersen, and has also worked for the United Nations Compensation Commission in Geneva and International Monetary Fund in Washington DC.

Jana Bank has new head for MSME and Supply Chain

Jana Small Finance Bank has appointed Sumit Aggarwal as head of MSME and Supply Chain. He will be part of the bank's key managerial personnel. The bank wants to build a robust and diverse MSME portfolio and strengthen the top management team to provide the necessary leadership direction and support towards the same. With experience in managing businesses in Asia, Middle East, Africa and Europe focusing on trade, supply chain finance and cash management, Aggarwal had worked with Emirates National Bank of Dubai as Group Head of Transactional Banking Services and with Emirates National Bank, Standard Chartered Bank and ABN Amro.

Sanjeev Barnwal to be CEO, Ujjivan Financial Services

Ujjivan Financial Services, the parent company of Ujjivan Small Finance Bank, has named Sanjeev Barnwal as the new Chief Executive Officer. The appointment comes in the wake of incumbent Carol Furtado joining as the officer on special duty at Ujjivan Small Finance Bank, responsible for handling the day-to-day operations of the bank until current CEO Nitin Chugh leaves the bank office. She will then be interim CEO, subject to approval from the Reserve Bank of India. Chugh had resigned from his post citing personal reasons. Barnwal has over 7 years of experience and has been a senior team member.

Sunil Jain joins HDFC Bank

Sunil Jain has been appointed Head - Trade Products ● Digitalisation ● Supply Chain Financing Products ● Structured Trade Financing at HDFC Bank. Jain was earlier Director and Head - Trade Finance Product, India at Deutsche Bank. He has also worked in ICICI Bank as Trade Product Manager.

2 senior appointments at Lendingkart

P2P lending platform Lendingkart Technologies has made 2 senior appointments to further bolster its credit and fundraising teams. Mohammad Abdul Khalique will be the new Vice President of Credit, and Anisha Seth will be Senior Vice President of Capital Market. The company said Khalique and Seth will work closely to maximise the company's potential in the ever-evolving digital lending ecosystem through very advanced origination, evaluation, servicing capabilities of platform '2gthr'. Khalique has over 15 years of experience in NBFCs, banking and fintech with strong expertise in the field of credit risk, portfolio management and process automation. He was with Bajaj Finserv, where he managed the mortgage portfolio as national risk manager and also headed the Centre of Excellence vertical. Seth has over 16 years of experience in fundraising for large corporates and NBFCs and her areas of expertise include corporate finance, treasury operations and regulatory compliance. She was heading the bank borrowing function for Aditya Birla Finance and was also associated with Essar Group and GMR Infrastructure.

Deepali Pant-Joshi on board of Satya MicroCapital

NBFC-MFI Satya MicroCapital has appointed Deepali Pant-Joshi, former Executive Director of the Reserve Bank of India as its new independent director. The company has said it wants to have a strong corporate governance framework and an independent board oversight and Deepali Pant-Joshi's appointment is to strengthen this intention. She has some challenging executions to her credit at the RBI and is a post-doctoral fellow in Finance and Economics (on secondment from the RBI) at the Harvard University and Harvard Asia Center. She has more than 36 years of experience and record of successful delivery through a range of challenging and diverse assignments. She is on the Governing Council SA-DHAN, and had also served as nominee on behalf of RBI on the board of Andhra Bank, Northeast Institute of Bank Management and Institute of Banking Personnel.

Trideep Bhattacharya is Co-CIO at EAML

Edelweiss Asset Management has appointed Trideep Bhattacharya as Co-Chief Investment Officer - Equities. He has 2 decades of experience in equity investing across Indian and global markets. Prior to joining Edelweiss AMC, he built a market leading PMS business at Axis AMC, as senior portfolio manager - alternate equities. He has also spent a significant amount of time as a portfolio manager at State Street Global Advisors and UBS Global Asset Management in London.

Lalit Mundra is Chairman, BSBF

Lalit Mundra has been elected Chairman of Bombay Stock Exchange Brokers Forum. He is a Director at Suresh Rathi Securities and has been an office bearer of the Forum holding positions like Treasurer. He is also a Director of the Association of National Exchanges Members of India.

Mohit Ganeriwala is Senior Operations Officer at IFC

Mohit Ganeriwala has been appointed Senior Operations Officer at International Finance Corporation in Delhi. He was earlier with CRISIL as a Director in Infrastructure and Public Finance Practice. An MBA from T. A. Pai Management Institute, he was responsible for business development, project delivery, team management, client engagement, etc at CRISIL for projects in infrastructure sectors in India and Africa.

New position for Kunal Dikshit at ICICI Home Finance

Kunal Dikshit has been appointed Leader-Technology at ICICI Home Finance Co. He was earlier CTO, Reliance SmartMoney and before that at Religare as Lead, Strategy Planning. A BE and MBA with 20 years of experience in leadership roles in the BFSI sector, he was mostly involved in wealth management, retail, corporate banking, securities, credit cards and software products.

Amit Mande is CRO at U GRO Capital

U GRO Capital has appointed Amit Mande as Chief Revenue Officer. He will be handling the asset side of the company and primarily focus on deepening the existing distribution channels, creating newer partnership and continue to scale the company's business. He has2 decades of cross-functional banking experience with significant expertise in secured as well as unsecured retail assets. Prior to joining U GRO, he was CEO of M Capital, the lending arm of Mswipe. He has also worked for Rattan India Finance, Capital First, Barclays Bank, ABN Amro Bank and Standard Chartered Bank.

New assignment for Zarir Khambatta

Zarir Khambatta has been appointed Chief of Staff - CEO's Office at HDFC Credila Financial Services. He is a financial services professional with experience in diverse roles, including project management, strategic planning, sales/relationship management and business development across wholesale and consumer banking

Promotions at a glance

Venugopal Patnaik is the new Chief General Manager (Risk Management) at State Bank of India.

Ajay Kumar Jha is promoted as General Manager, State Bank of India.

Sreeram Krishnamurthy is the new Global Head, Trade Finance Operations at Societe Generale Global Solution Center.

Prasanna Madhyasta has been promoted Business Head - Supply Chain Finance at U GRO Capital

Aditya Sharma is the new Chief Distribution Officer - Retail Business at Bajaj Allianz General Insurance.

Sanjay Jangid has been promoted as Director and Regional Head Priority Clients - South & East India, at Standard Chartered Bank.

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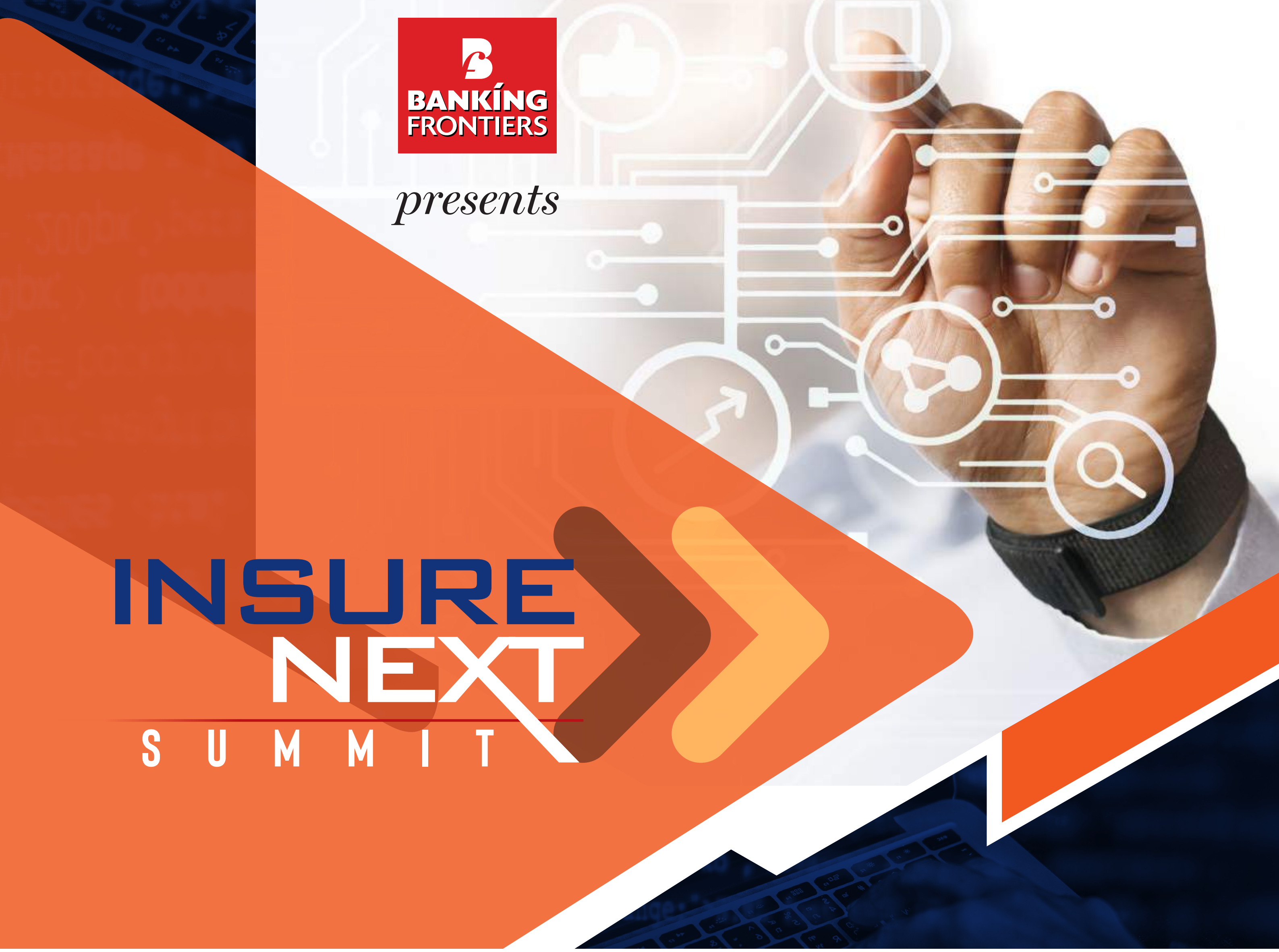

The insurance industry in India is expected to reach US$ 280 billion by the end of 2020. Life insurance industry in the country is expected to grow 12-15% annually over the next three to five years. The 2020 figures hovered around 280 bn. The key factors that would drive this growth include:

- **Robust Demand**
- **Attractive Opportunities**
- **Policy Support**
- **Increasing Investments**
- **Accelerating Insuretechs and Fintechs**

SESSION TOPICS:

- InsureNext - Unfolding Opportunities and Leapfrogging Challenges
- NEO Insurance, Insuretech and New Ecosystems
- Digital Transformation & Industry Adoption
- Exploring Newer Pastures
- Relooking Risk Next
- Partnership & Delivery Next
- Automate Next
- Data Next in Insurance Next
- People Next

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